Second, an amendment to the Act on Limitation of Shipowner Liability was submitted to the ordinary session of the Diet on February 17, 2015, was enacted on April 24, and took effect on June 8. The Act was the implementation of the "Protocol of 1996 to Amend the Convention on Limitation of Liability for Maritime Claims, 1976," adopted by the International Maritime Organization, to which Japan is a party. The amendment raised the limitation threshold setting the ship-owners maximum liability under the act.

Third, in February 2014, the Ministry of Justice asked the Legislative Council of the Ministry of Justice to amend the commercial code in relation to the transportation and marine commerce, and the Council formed a committee to investigate and discuss the issues. It published a change proposal in March 2015, and set the public comment period.

On January 27, 2016, it adopted the summary of the changes of the commercial code (in relation to the transportation and marine commerce).

3. Labor Law/Social Security Law

The Partial Amendment to the Act for Securing the Proper Operation of Worker Dispatching Undertakings and on Protection of Dispatched Workers

Law No. 73, September 11, 2015 (Effective on September 30, 2015)

Background:

The Worker Dispatching Law (WDL) was enacted in 1985. Since then, WDL has gone through several reforms.

Worker Dispatching is defined as causing worker(s) employed by one person to be engaged in work for another person under the instruction of the latter, while maintaining his/her employment relationship with the former, but excluding cases where the former agrees with the latter that such worker(s) shall be employed by the latter [Art.2 (1)].

Today, worker dispatching is widely operated in practice and the number of dispatched workers has increased. However, there are also some who criticize worker dispatching. For example, a company often

uses dispatched workers as a labor force to adjust the supply and demand. This problem is related to the instability of those workers' employment, especially in a recession, which is recognized as a social problem, like after "the collapse of Lehman Brothers" in 2008, where many dispatched workers lost their jobs because of the early termination or non-renewal of the contract. The difference of the treatment such as wages and the use of welfare facilities (ex. company cafeteria) between those directly employed and dispatched workers is also pointed out. In addition, the career progression of those workers who are belonging to the category of non-regular employment (ex. acquisition of regular employment) is said to be difficult in general.

At the last reform of WDL in 2012, a supplementary resolution which pointed out the necessity of the reconsideration of the term Worker Dispatching and some other matters was adopted, which led to this amendment. This amendment was carried out after the report of the study group constituted by experts (August 2013) and the proposal of council (January 2014).

Main Headings:

This amendment concerns the following four points.

1. Unification of regulations on worker dispatching undertaking

The previous classification of "Specified Worker Dispatching Undertaking" and "General Worker Dispatching Undertaking" was abandoned, and they were unified to "Worker Dispatching Undertaking" [Art. 2]. As a result, any person who intends to carry out worker dispatching undertaking shall obtain a license from the Ministry of Health, Labor and Welfare [Art. 5].

2. Review of the term Worker Dispatching

The User Company cannot receive a service of Worker Dispatching beyond the dispatchable term in the same business establishment or other work place [Art.40-2 (1)]. The dispatchable term is for three years [Art. 40-2 (2)]. When the User Company tends to receive Worker Dispatching continuously beyond 3 years, a prolongation of the dispatchable term is permitted for another three years on condition that the User Company shall collect the opinion from the Majority Union or the Representative of a Majority of the business establishment on the matter by one month before

the termination of the dispatchable term [Art. 40-2 (3), (4)]. If the Majority Union or the Representative of a Majority gives an opposite opinion, the User Company has to explain the reason why the prolongation is necessary [Art.4-2 (5)]. When the dispatchable term is permitted to be prolonged, the User Company cannot receive a service of Worker Dispatching continuously beyond three years from the same dispatched worker to the task in a same organization unit of the business establishment or other work place [Art. 40-3].

3. Measures for stabilization of employment and carreer development

The following obligations were stipulated anew. When a dispatched worker employed under a fixed-term contract is expected to continue to be dispatched to the same organization unit beyond one year, the Worker Dispatching Agency shall make an effort to take the following necessary measures to the dispatched worker for stabilizing his/her employment: (i) ask the User Company to employ him/her directly, (ii) provide a new place to be dispatched or (iii) employ him/her under an indefinite-term contract [Art. 30 (1)]. When the dispatched worker employed as fixed-term contract is expected to continue to be dispatched beyond three years, this effort obligation shall be read as normal obligation [Art. 30 (2)]. The Worker Dispatching Agency shall also carry out carreer consulting to the dispatched worker when he or she wants it [Art. 30-2].

4. Promotion of balanced treatment

The following obligations were stipulated anew. The Worker Dispatching Agency shall explain the things taken into consideration about the matter stipulated in Art. 30-3, (which is concerned with balanced treatment of dispatched workers in relation to workers employed by the User Company who are engaged in the same work), when he or she requires it [Art. 31-2]. On the other hand, the User Company shall make a consideration or make an effort as follow: (i) consideration for the Worker Dispatching Agency to provide information about the wage level of corresponding workers in the user company so that the Worker Dispatching Agency can determine the wages of its own worker, (ii) consideration for dispatched workers on education and training strongly related to the work which the User Company carries out to its own employees when the Worker Dispatching Agency asks for it, (iii) consideration for dispatched workers on access to welfare facilities, and

(iv) effort on determination of the dispatching price so that the wage level between dispatched workers and corresponding workers in the User Company would be balanced [Art.40].

Editorial Note:

This amendment affects whole the system of Worker Dispatching, but as its official title says ("Act for Securing the Proper Operation of Worker Dispatching Undertakings and on Protection of Dispatched Workers"), it is concerned especially with regulation on Worker Dispatching Undertakings and measures to protect dispatched workers.

First of all, as the classification of the Worker Dispatching Undertaking was abandoned, administrative control on Worker Dispatching Undertaking was united under the license system. Before this amendment, there were two types of Worker Dispatching Undertaking and administrative control was also different between them: notification control for Specified Worker Dispatching Undertaking which is composed solely of regularly employed worker and license control for the other General Worker Dispatching Undertaking. This unification was due to the criticism of illegal Worker Dispatching under the notification control and tightened the regulations.

Secondly, regulation on the dispatchable term of worker dispatching was reviewed in this amendment. It is important. Before this amendment, there were two types of worker dispatching divided in its character: 26 specialized works fixed by law and the other general works. Regulations on dispatchable terms were also different from each other. Besides no regulation against the former, the latter was limitted, in principal, for one year (prolongation was permitted to be extended to three years when the User Company collected the opinion from the Majority Union or the Representative of a Majority of the business establishment). This dual system was due to historical changes of WDL. When WDL was enacted in 1985, a limited listing style about dispatchable work as means of control was chosen. The number of dispatchable works was increased from 13 to 26 through some reforms. However, the legislator chose a negative listing style in the reform of 1999: dispatchable work was extended to the other general work except for some prohibitions fixed by law. Along with this reform, the dispatchable term of non 26 specialized works was provided

one year. The reason for this limitation was to prevent regular substitutional use of Worker Dispatching.

In this amendment, the division of the dipatchable term based on 26 specialized works was abandoned. Instead, a new regulation on the dispatchable term was characterized by the following two units: the business establishment of the User Company and the individual dispatched workers. Regardless of the character of the work, the User Company can receive a service through Worker Dispatching for three years in principle. As the above stipulation, prolongation of the term is possible in condition that the procedure, which seems easier because it does not require agreement with the Majority Union or the Representative of a Majority of the business establishment but collection of their opinion, is observed. Due to this amendment, the User Company is substantially permitted to use Worker Dispatching regularly. On the other hand, the dispatchable term about individual dispatched workers in the same "organization unit" of the business establishment in the User Company is, in maximum, for three years. So, if the "organization unit" is different, this dispatched worker will be able to continue working in the same User Company when three years have passed. According to the guidelines made by the Ministry of Health, Labor and Welfare, this "organization unit" is defined as below: This is, regardless its own name, a classification of the placement of the worker set by the User Company based on the relativity of work, in which the commander for accomplishment of work disposes directly of the authority on distribution of work and personnel management. In fact, it is supposed to be "a department" or "a group".

However, these reviews of term are not applied for following cases, such as when a dispatched worker is employed on an indefinite-term contract, those who have difficulty in securing employment opportunities (ex. those who are over 60 years old) [Art. 40-2 (1)]. Thus, regulations of terms are applied principally to dispatched workers employed under a fixed-term contract.

When the User Company violates this rule, as a sanction against the illegal use of Worker Dispatching, a system which "deems to have offered an employment contract" [Art. 40-6], institutionalized in the last reform in 2012 and enforced since October 1st 2015, will be applied: the User Company will be deemed to have offered a direct employment contract to

the dispatched worker.

These are new regulations on Worker Dispatching Undertaking, but some obligations or measures which the Worker Dispatching Agency and the User Company owe were also stipulated newly in this amendment. These obligations are intended to stabilize employment, to improve work conditions, and to facilitate carreer development of the dispatched workers. To assure the effectiveness of these obligations, for example, obligations on employment stabilization which are charged to the Dispatching Worker Agency are objects of administrative guidance, and violations against this guidance will be a reason to have the license rescinded [Art. 14, 48(3)]. It is also remarkable that the legislator uses the expression "consideration obligation" in this amendment, especially, concerning the obligation charged to the User Company on promotion of balanced treatment, because it is not sufficient to make an effort to be justified but required to take some concrete actions. So, the consideration obligation is interpreted as more burdens one than the other.

In this way, this amendment affects several domains of Worker Dispatching. However, it is necessary to mention that a supplementary resolution on several matters was adopted in this amendment as with the last reform. Also, concerning about dispatched workers employed under fixed-term contracts, a problem about article 18 of the labor contract law, which stipulates that the fixed-term employee continuously employed for more than 5 years can offer an indefinite-term contract to the employer, will arise. So, from various viewpoint, it is still necessary to pay attention to the WDL.

4. International Law and Organizations

Multilateral:

Date Coming into Force with Respect to Japan	Date of Adoption	Title of Treaties and Agreements
15 Apr. 2015	12 Sep. 1997	Convention on Supplementary Compensation for Nuclear Damage