

poration, etc. must deliver to the customer (excluding those institutional investors, etc. as may be prescribed by an ordinance of the Minister of Finance) a written statement explaining the transactional mechanism, the potential risks and other matters about the futures trading concerned (Articles 47.2 and 65.2(3)). This is meant to assure that an investor will be able to understand the mechanism and risks with respect to any trading in securities futures, and then will be able to participate in the trading.

- (4) Changing the business year of a securities corporation.  
(To be omitted.)

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## **4. Labor Law**

### **Partial Amendment of the Trade Union Act, the Labor Relations Adjustment Act, and the National Enterprises Labor Relations Act.**

Promulgated on June 14, 1988. Ch. 82. Effective as of October 1, 1988.

#### ***[Outline of the Amendment]***

1. The National Enterprises Labor Relations Commission was abolished as a separate commission, and was integrated into the Central Labor Relations Commission. The functions of the National Enterprises Labor Relations Commission were as follows: (1) mediating collective labor disputes in national enterprises; and (2) investigating, hearing, and issuing orders on unfair labor practices in national enterprises. The Central Labor Relations Commission has been responsible for carrying out comparable functions in the private sector; as a result of this amendment, the Central Labor Relations Com-

mission is now responsible for both private sector and national enterprises.

2. The Central labor Relations Commission is composed of three, 13-member groups (for a total of 39 members) representing employers ("employer members"), workers ("worker members"), and the public interest ("public members").

3. The Prime Minister appoints the employer members in accordance with the recommendations of employers' organizations, and the worker members in accordance with the recommendations of trade unions. The Labor Minister, with the consent of both the employer and worker members, makes a list of potential public members; the Prime Minister, with the consent of both Houses of the Diet, appoints the public members from the list.

4. Members of the Central Labor Relations Commission work part-time; however, up to two of the public members may work full-time.

5. The Labor Minister appoints Local Adjustment Committeemen, who belong to the Central Labor Relations Commission: The Commission may have the Committeemen participate in the mediation or conciliation of collective labor disputes or in the investigation or hearing on unfair labor practices that fall within the Commission's competence.

### ***[Comment]***

The Labor Commissions in Japan have two functions: mediating collective labor disputes on the one hand; and investigating, hearing, and issuing orders on unfair labor practices on the other hand. The Commissions are tripartite, i.e., composed of equal number of members representing employers, workers, and the public interest. Only the public members participate in the judgment on unfair labor practices.

The Prefectural Labor Relations Commissions are the commissions primarily responsible for mediating collective labor disputes. The Central Commission may assume initial jurisdiction over disputes which cover two or more prefectures, or present issues of national importance. And as a result of this amendment, the Central

Commission has exclusive jurisdiction over disputes arising in any national enterprises.

Regarding the remedies for unfair labor practices, when a worker or trade union files a complaint with a Prefectural Labor Relations Commission that an employer has committed some unfair labor practices, the Commission investigates and, if necessary, has a hearing on the complaint. The Commission issues its order in accordance with the fact-finding, i.e., it either grants the remedies in full or in part or dismisses the complaint. Each party, i.e., the employer, the worker(s) and/or the trade union, may file a request that the Central Labor Relations Commission review the Prefectural Commission's order. The orders of the Prefectural Commissions and of the Central Commission may then be subject to judicial review if any party files an appeal for cancellation of the order(s).

The National Enterprises Labor Relations Commission ("the Public Corporations and National Enterprises Labor Relations Commission" until 1987) had jurisdiction over these matters for four national enterprises (three public corporations and five national enterprises until 1982) before the Commission was abolished by this amendment.

In Japan, three public corporations and a national enterprise have been successively privatized since 1982. This reduced the scope of the National Enterprises Labor Relations Commission's jurisdiction. Finally, the Commission was integrated into the Central Labor Relations Commission by this amendment.

This amendment introduced some aspects of the National Enterprises Labor Relations Commission's system into that of the Central Labor Relations Commission. However, the amendment as finally adopted did not include a proposed provision to the effect that it is not necessary to get the consent of the employer and worker members regarding the appointment of public members.

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