

law were developed in this Act so that penal law and procedure became adapted to contemporary advanced information society. And, another aim in this revision was to ratify an international convention. Moreover, the scope of punishable acts in penal law was broadened out, and the statutory penalties for certain crimes were raised. The effects of these three factors seem to still remain powerful in criminal legislative policies in Japan.

6. Commercial Law

Publication of the “Interim Draft on the Review of Company Law” on December 7, 2011.

Background :

On December 7, 2011, the "Interim Draft on the Review of Company Law" was determined by the Company Law Subcommittee of the Legislative Council, and the draft was subjected to public comment with the deadline of January 31, 2012. The subcommittee was established on February 24, 2010, by the Advisory No. 91 which states the demand of the Minister of Justice as follows: “We have to review the Company Law in light of its important role in society and the economy. Especially, to ensure the further reliability of the stakeholders of the company, further review of the disciplines on the corporate governance and that of the parent-subsidiary company have to be established. Also, indicate these guidelines.” The submission time of the bill has not yet been decided.

Summary of the Interim Draft :

The Interim Draft is composed of the three parts: “The way of corporate governance”, “Discipline of parent company”, and “Others”. The former two parts have become the pillars of this draft.

In the first part: “The way of corporate governance”, the strengthening the supervisory function of the board of directors by demanding the appointment of outside directors and reconsidering the qualifications of outside directors is required. Also, introducing auditing and a supervisory committee system has been proposed.

In the second part: “Discipline of parent company”, several proposals have been made from the perspective of the parent company’s shareholder protection, the subsidiary company’s creditor and minority shareholder protection, and what to do about protecting minority shareholders when the controlling shareholders exercise voting rights in reorganization. As for parent company’s shareholders protection, introducing the multi-steps derivative suites is considered. It is a problem that shareholders in a parent company cannot exercise appropriate monitoring of the subsidiaries’ management especially in a grouped corporate structure in which one shareholding (parent) company is located at the top of pyramidal business groups and the major operating companies are delisted and positioned as 100% subsidiaries in the group. On the other hand, as way to protect minority shareholders in subsidiaries, whether to establish a provision that expressly deals with the parent company’s responsibility in a conflict of interest between the parent company and subsidiaries has been in question. In relation to companies’ reorganization, the creation of a system of “Cash Out (request for sale of shares by controlling shareholders)” has been newly proposed. It is intended as a protection of the rights of shareholders who are subject to shutout in the reorganization, etc., and to ensure the legal stability of the reorganization act. Furthermore, as for an injunction against reorganization, whether to establish an express provision has been a problem. Additionally, a review of the system and operation of classified shares with a whole acquisition clause, and that of the right to demand the purchase of shares in reorganization have also been proposed.

7. International Law and Organizations

Multilateral :

Date Coming into Force with Respect to Japan	Date of Adoption	Title of Treaties and Agreements
Feb. 18, 2011	May. 5,	Amendment of the Articles of