

## New Laws Enhance Japanese Legal Services

### Japanese Economy Division

Since enacting a law to reform Japan's justice system in 2001, the government has carried out legal reforms resulting in 24 new laws as of 2004. The reforms are aimed at meeting the qualitative and quantitative demands for legal services, which have grown in tandem with the increased globalization of business, as well as disputes requiring expertise in fields such as intellectual property or medical malpractice.

As of November 1, 2005, Japan had 22,069 lawyers, or 4,943 more than in the previous year (Fig.1). This was far fewer, however, than the 952,000 lawyers in the U.S. in 2003.

Accordingly, the government is supporting efforts to see the number of successful bar-exam applicants rise to about 3,000 annually by 2010, and membership in the legal profession rise to 50,000 by 2013. On November 9, the Ministry of Justice announced that of those who sat for the test, 37.1%, or 1,464, passed, which was 19 fewer than in the previous year (Fig.2).

The legal system has also been improved through the establishment of an educational system for post-graduate law degrees and attorney-training programs in 2003.

Reforms are also addressing the increasing needs for internationally oriented legal work due to accelerated global business, including foreign investment in Japan, international mergers and acquisitions and Japanese companies locating overseas. In 2003, restrictions were lifted on activities by attorneys licensed in Japan but accredited in other countries. Since 1987, such lawyers had been permitted to handle legal work, but only within certain limits. In April 2005, however, the restrictions were lifted to enable foreign lawyers to form joint offices with Japanese attorneys to offer legal services. In addition, licensed foreign legal offices can directly employ Japanese lawyers. A single law office can now handle a broader range of cases, ensuring better quality and more comprehensive services.

Ultimately, the improved jurisprudence system should make the economy more competitive and improve the business environment overall.

Fig. 1 Applicants Who Pass Bar Exam

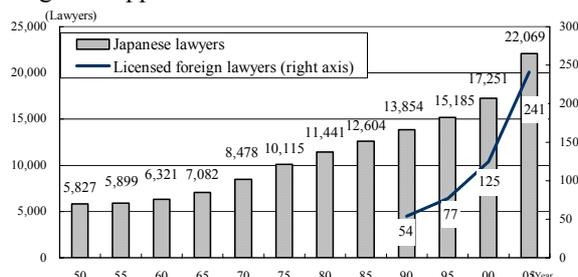
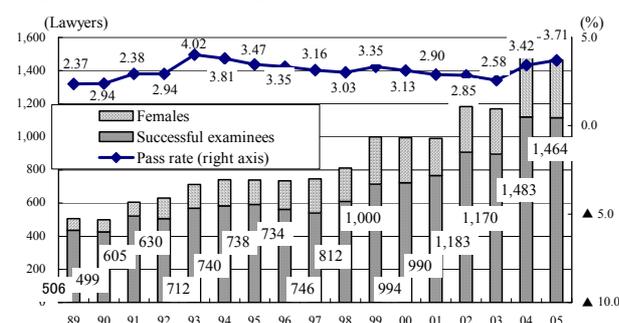


Fig. 2 Lawyers in Japan



Note: Data as of Nov. 1 for 2005, but end March for other years.  
Source: Japan Federation of Bar Associations