



# **Liberalization of practicing rights for foreign lawyers in Japan**

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## What kind of qualifications are required for a foreign lawyer to practice in Japan?

- Approval from the Minister of Justice
  - Qualification in his/her home country
  - Practice experience for more than 3 years
  - Having financial basis for practicing, being able to compensate for damages incurred, etc.
- Registration with the Japan Federation of Bar Association
  - Registered Foreign Lawyers are called *Gaikokuho-Jimu-Bengoshi (Gaiben)*

# What Foreign Lawyers can do?

- Practice law of their home jurisdiction
  - No practicing Japanese law or third-country law

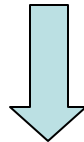
# Foreign Lawyers Act

- Formerly, Foreign Lawyers Act (Special Measures Law Concerning the Handling of Legal Affairs by Foreign Lawyers ) prohibited *Gaikokuho-Jimu-Bengoshi* (“Foreign Lawyers”) from
  - Employing Japanese Lawyers (*Bengoshi*)
    - Japanese lawyers can employ foreign lawyers
  - Forming partnerships (that is, sharing profits and liabilities) with Japanese Lawyers

# Former “Specific Joint Enterprise” system

## ***“restricted freedom of association”***

- Foreign Lawyers can work together with Japanese Lawyers only through the specified joint enterprise system. But, it severely limits that relationship.
  - The joint enterprise cannot be part of a law firm’s global partnership (no profit sharing with other offices belonging to the same firm).
  - Japanese lawyers have to retain separate practices outside of the joint venture.

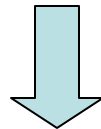


- ***costly to maintain***

- ***not attractive to Japanese Lawyers***

# Need for one-stop-shop legal advice

- The rapid growth of mergers and acquisitions involving foreign companies in Japan requires a single integrated due diligence team with various legal specialists
- Difficulty obtaining advice on regulatory and compliance issues regarding complex transnational transactions
- Increased costs resulting from the need to hire multiple firms



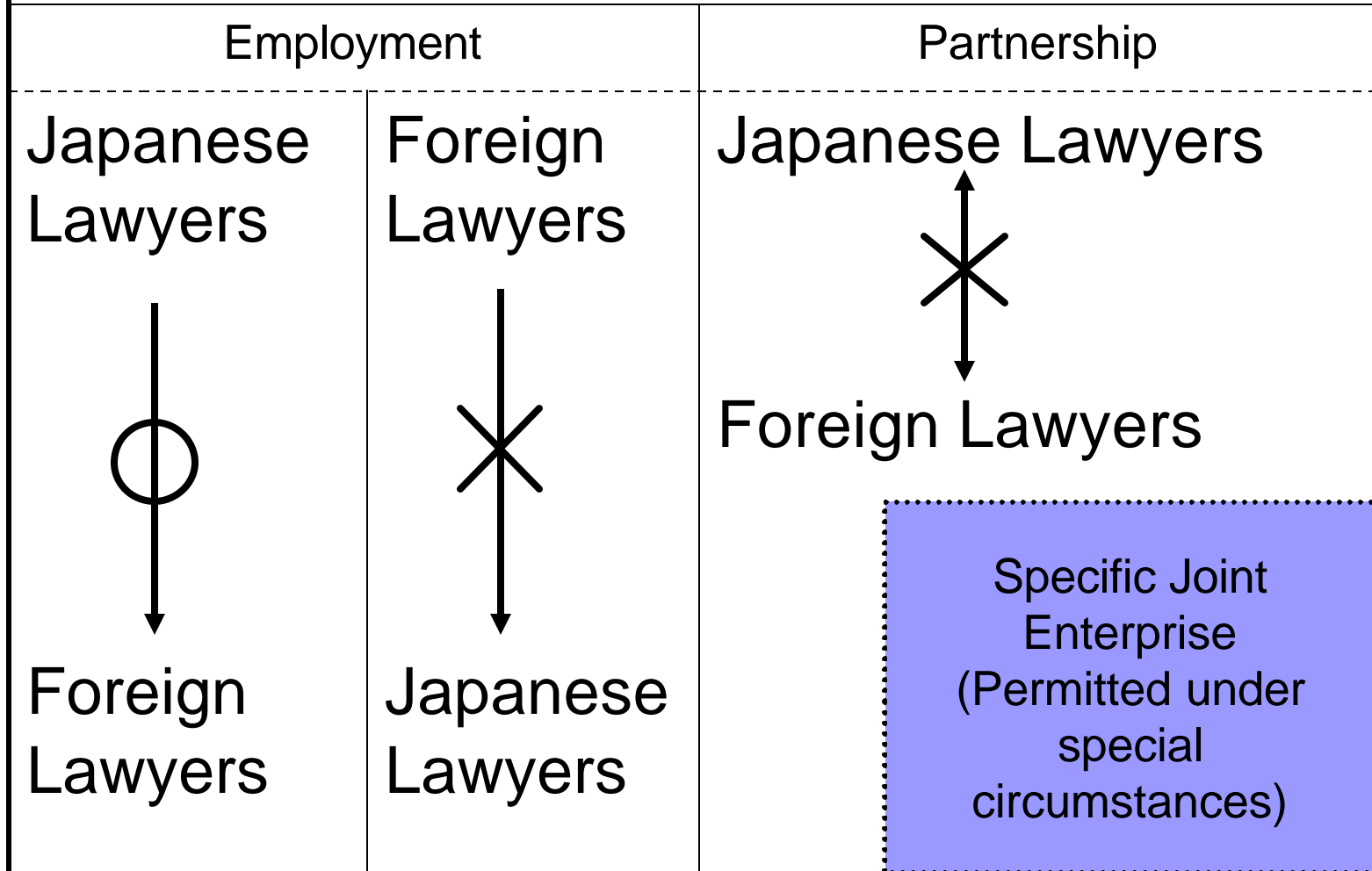
The Japanese business community needs one-stop-shop legal advice

# Amendment to Foreign Lawyers Act

From April 1<sup>st</sup> 2005,

- Foreign Lawyers are able to form partnerships with Japanese Lawyers
  - “Specific Joint Enterprise” system was abolished
- Foreign Lawyers are able to employ Japanese Lawyers

# Former Foreign Lawyers Act



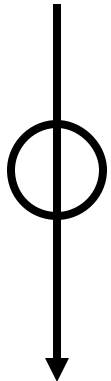
“Japanese Lawyers” includes legal profession corporation

# Amended Foreign Lawyers Act

Employment

Partnership

Japanese  
Lawyers



Foreign  
Lawyers

Foreign  
Lawyers



Japanese  
Lawyers

Japanese Lawyers



Foreign Lawyers

“Japanese Lawyers” includes legal profession corporation

## The number of Gaikokuho-Jimu-Bengoshi (Registered Foreign Lawyers) as of March 30,2005

<b>Across the nation</b>	<b>237</b>
<b>Tokyo</b>	<b>217</b>
<b>Osaka</b>	<b>8</b>

## Foreign Law Firms In Japan (“Special joint Enterprise” as of March 30, 2005)

	Name	The number of Registered Foreign Lawyers
1	White & Case	23
2	Baker & McKenzie	11
3	Paul, Hastings, Janofsky & Walker LLP	10
4	Linklaters	9
5	Clifford Chance	6
5	Latham & Watkins	6