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Urgent Proposition on the Japanese Class Action System (Shudan Soshō Seido)

Keidanren, Japan Chamber of Commerce and Industry (JCCI), Keizai Doyukai, American Chamber of Commerce in Japan (ACCJ), U.S. Chamber Institute for Legal Reform (ILR), European Business Council in Japan (EBC), and BUSINESSEUROPE are comprised of member companies and management executives committed to producing quality products and services for consumers in Japan. We support legal systems that offer remedies for consumer damages, including appropriate activities by consumer consultation centers or consumer organizations, Alternative Dispute Resolution (ADR) and legitimate claims filed in civil litigation.

Currently, the Consumer Affairs Agency is preparing to propose for adoption the "Draft Bill for Establishing a Special Exception to the Civil Litigation Process for Recovery of Monetary Consumer Damages as a Class" (the "Proposal") at the current ordinary Diet session.

However, once introduced, the proposal could have considerable negative impacts on Prime Minister Abe's economic revitalization program which was beginning to show signs of acceleration. In addition, there are problems in the proposal, including the possibility that litigation for small amounts of damages will be filed by plaintiff organizations without authorization by numerous consumers. Furthermore, the proposal should not be applied retroactively, since it is possible that such impacts will be exacerbated if the proposal applies to any damages which arose under contracts executed before the proposal's enactment. Therefore, we believe that it would be unreasonable to hastily adopt legislation based on the proposal without providing adequate opportunity for review and an economic impact study.

To realize effective remedies for consumers, and to establish a system consistent with the government's Economic Revitalization Program, which includes job creation, wage increases, innovation and economic growth, more careful consideration is necessary.

We respectfully urge the government to avoid the negative impacts resulting from a hasty enactment, and to support businesses and consumers in developing a win-win relationship by reconsidering its policy of submitting the bill in the ordinary Diet session.

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- European Business Council in Japan
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