

AKTUELLE RECHTSENTWICKLUNG

Forthcoming Legislation

Hiroshi Oda

I. PROPOSED AMENDMENTS TO THE JUVENILE LAW

As reported in this journal in 1999¹, a government bill for the amendment of the Juvenile Law was submitted to Parliament last year. However, the bill failed to reach the final stage in the last session and is still pending in Parliament.

In the meantime, the ruling coalition parties have prepared another bill and are planning to submit it to the current session of Parliament which started in September. The coalition bill is more inclined to penalise juvenile offenders than attempt their rehabilitation. Currently, only juveniles of 16 years of age or above are subject to criminal penalties; those between 14 to 16 can be sent to a juvenile institution. Even for those of 16 or above, criminal penalties are not mandatory. The coalition bill lowered this age to 14. Furthermore, for juveniles of 16 or above who have committed serious offences, criminal penalties, instead of rehabilitative measures, will be applied as a rule. These offences include homicide, bodily injury, rape, indecent assault and confinement which resulted in the death of the victim. Participation of public prosecutors in the juvenile adjudication procedure will be expanded.

After some celebrated cases of juvenile crime in recent years, the reform of Juvenile Law has become a current issue. It is more or less accepted that the Law needs some changes, particularly in providing better protection for the victims, but whether a shift towards harsher penalties is an effective means of combating juvenile crime is questioned by many people, including those who work in the system².

II. TOTAL REVIEW OF THE COMMERCIAL CODE

The Ministry of Justice announced its intention totally to review the Commercial Code earlier this year. The Commercial Code was enacted in 1896, but has undergone various amendments since its enactment. Particularly the company law part of the Code has been amended since the 1970s, but only in a piecemeal fashion.

1 H. ODA, *Forthcoming Legislation*, ZJapanR H. 7 (1999) 153.

2 *Nikkei*, September 15, 2000.

By the proposed amendment, first of all, the language of the Code, which is in classical written-Japanese, will be modernised, just like the Criminal Code which was modernised in 1995.

The focus of the total review is the company law. The Legislative Advisory Council published the basic directions of the review in September. These are 1) ensuring of the effectiveness of corporate governance, 2) adaptation to the era of information technology, 3) changes for the diversification of the measures of financing, and 4) adaptation to the internationalisation of corporate activities. Issues to be addressed include:

- separation of regulations on closed companies from those on public corporations and application of simplified rules for closed companies
- system of corporate bodies (shareholders' meeting, directors, auditors)
- mandatory disclosure of information in line with international accounting standards
- deregulation of transactions between the parent company and 100% subsidiaries
- changes to the stock option system
- reform of the settlement system of corporate bonds
- abolition of par value shares
- redemption of shares from capital reserves
- introduction of 'paperless' commercial paper
- electronisation of the announcement of shareholders' meeting and voting

The total reform is expected to be completed by the year 2000. However, the part concerning corporate finance will be submitted to Parliament in 2001³. Furthermore, in the light of the recent judgement of the Osaka District Court which held directors liable for 83 billion yen, there is a move among the ruling coalition parties to introduce changes to the system of shareholder's action by 2001⁴.

3 *Nikkei*, September 7, 2000. <www.moj.go.jp>

4 *Asahi Shinbun*, September 23, 2000.