



JAPAN LEGAL UPDATE

Labor

Amendment to the Employment Insurance Act

The Amendment to the Employment Insurance Act Etc. (the "Amendment") was enacted on March 29, 2016. The Amendment amends the Employment Insurance Act and related acts for the purposes of preventing worker turnover while also promoting the reemployment of previously employed workers and the employment of the elderly. The Amendment includes the following points.

First, as to the Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave (the "Child and Family Care Leave Act"), in order to avoid the need for workers to leave employment so as to provide family care, family care leave will be allowed to be taken in installments.

Prior to the Amendment, family care leave was allowed to be taken only at a single time. In addition, the scope of children to which child care leave applies will be expanded (for example, it will apply to a child under the care of a worker who has applied for a special adoption), and the requirements for fixed-term employees to apply for child care leave will be relaxed. (These amendments will come into force on January 1, 2017.)

Next, as to the Act on Securing, Etc. of Equal Opportunity and Treatment between Men and Women in Employment (the "Equal Opportunity Act"), in order to prevent superiors or colleagues from creating a working environment that is hostile to employee pregnancy, childbirth, or taking child or family care leave, employers will be required to take measures for the proper management of employees (to come into force on April 1, 2017). Guidelines as to what actions must be taken are planned to be established by the Minister of Health, Labour and Welfare.

Third, as to the Act on Stabilization of Employment of Elderly Persons, workers who are newly employed after reaching 65 years of age will be covered by employment insurance (to come into force on January 1, 2017).

Last, as to the Employment Insurance Act, insurance premium rates for unemployment benefits were decreased from 1.0 to 0.8 percent (to come into force on April 1, 2016).

The provisions of the Amendment cover a broad range of items, and the enforcement dates differ depending on the specific area being amended. Employers must act in accordance with the various provisions of the Amendment with key consideration paid to each enforcement date. With respect to the amendments to the Child and Family Care

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Leave Act and the Equal Opportunity Act, companies must confirm whether policies should be established or revised regarding the requirements for taking leave or the measures to prevent harassment of an employee taking leave, while taking into account the guidelines to be established by the Minister of Health, Labour and Welfare.

Antitrust

JFTC's Enhanced Cooperation in Enforcement with Foreign Competition Authorities

The Japan Fair Trade Commission (the "JFTC") has been working to enhance cooperation in enforcement with foreign competition authorities. In 2015 and 2016, the JFTC has executed agreements on enforcement cooperation with the Australian competition authority, the Australian Competition and Consumer Commission (the "ACCC") (April 2015), and the Chinese competition authorities: the National Development and Reform Commission (October 2015) and the Ministry of Commerce (April 2016). These agreements promote enhanced cooperation in areas such as competition law systems, policies, information exchange, and reports, but they do not involve the exchange of evidence relating to individual matters under investigation or review. However, the agreement with ACCC includes provisions for consideration of sharing the information obtained regarding matters under investigation or review.

Furthermore, in March 2016, at the regular bilateral meeting between the JFTC and the European Union ("EU") competition authority (the European Commission), the authorities agreed in principle to, and are currently negotiating, an amendment to the Cooperation Agreement signed in 2003 so that they will be able to exchange information obtained during an investigation or review.

Based on the above, cooperation and arrangements with the Australian, Chinese, and EU competition authorities will be strengthened. The JFTC has already executed cooperation agreements with many other foreign competition authorities, and international enforcement of antitrust law is likely to be further enhanced.

Labor

Results Published from the Supervision of Enterprises Suspected of Excessive Overtime on April 1, 2016

Since January 2015, the Ministry of Health, Labour and Welfare (the "MHLW"), through Labor Standards Inspection Offices ("LSIOs"), has been supervising enterprises suspected of having overtime in excess of 100 hours per month per employee. According to the recent publication of the results of its supervision of 8,530 enterprises from April to December 2015, illegal activity was detected at 76.2 percent of the subject enterprises (or 6,501 enterprises), of which illegal overtime conditions were found in 4,790 enterprises. The MHLW has implemented a policy to enhance supervision through LSIOs, and the target enterprises will be expanded to include entities suspected of having more than 80 overtime hours per month.

Enforcement of the Act Concerning the Promotion of Women's Career Activities (the "PWCA")

The PWCA came into force on April 1, 2016. For details on the PWCA, please see the [September 2015](#) and [December 2015/January 2016 issues](#) of this newsletter.

Corporate

Ministerial Ordinance Amending the Commercial Registration Rules, promulgated on April 20, 2016

After the coming into force of the Ordinance on October 1, 2016, an applicant company is required to attach a list of shareholders to an application for change related to a matter requiring a shareholders' resolution (such as the appointment of directors) in the commercial registry. The list must include, among other items, names and addresses of the top 10 shareholders (or, if a smaller number of shareholders holds two-thirds or more of the voting rights, the list may include information of only such shareholders). Thus, it is now more important for companies to appropriately prepare and administer its shareholders' registry so that its shareholders can be properly ascertained.

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