

Joint Minutes of the Second Meeting of the Committee on Trade in Services, Investment Liberalisation, and Electronic Commerce under the Agreement between the United Kingdom of Great Britain and Northern Ireland and Japan for a Comprehensive Economic Partnership

21st September 2023 (Online)

The second meeting of the Committee on Trade in Services, Investment Liberalisation and Electronic Commerce (“the Committee”) under the Agreement between Japan and the United Kingdom of Great Britain and Northern Ireland (“the UK”) for a Comprehensive Economic Partnership (“the CEPA”) took place on 21 September 2023 via videoconference and was hosted by the UK.

The UK participants from the Department for Business and Trade (DBT), Ministry of Justice (MOJ) and British Embassy in Japan, as well as Japanese participants from the Ministry of Foreign Affairs (MOFA), Ministry of Justice (JMOJ), Ministry of Finance (MOF), Ministry of Economy, Trade and Industry (METI), Ministry of Internal Affairs and Communication (MIC), Financial Services Agency (FSA), and Digital Agency had a productive and collaborative exchange of information on matters related to the implementation of Chapter 8 (Trade in Services, Investment Liberalisation and Electronic Commerce) of the CEPA.

1. Welcome and Introductions

The UK praised the positive advancements in the trading relationship between the UK and Japan in the Services, Investment and Digital areas since the first Committee. The UK highlighted its accession to the CPTPP and recognised Japan’s support in that process. It also pointed to the strengthening of the UK and Japan’s trading relationship through the Hiroshima Accord in May 2023. Japan welcomed and reiterated the UK’s comments, and further welcomed a productive discussion in advance of the Joint Committee.

2. Adoption of the agenda

The enclosed meeting agenda was adopted (see below).

3. Digitisation in relation to Legal Services

The UK welcomed the positive efforts made to digitise the approval process of registered foreign lawyer in Japan during COVID-19, and encouraged Japan to make these approaches permanent.

The UK shared UK stakeholder feedback that the Japanese Federation of Bar Associations (JFBA) had yet to instigate similar changes under its independent processes, and encouraged Japan to support JFBA towards digitising their own registration processes. Japan consented to communicate the UK's feedback to the JFBA, and to advise them to further consider digitisation of their processes.

The UK and Japan also held a collaborative discussion on ways to further streamline the approval and registration process of registered foreign lawyer in Japan. The UK shared three recommendations. Firstly, the UK suggested Japan review the necessity of some of the documents currently required for the approval and registration process. Secondly, the UK suggested Japan consider whether financial statements could be submitted by UK law firms for all of their practicing foreign lawyers once a year. Thirdly, the UK suggested Japan permit applicants to submit two sets of documentation to the JMOJ, and for the JMOJ to immediately pass one of these sets of documents to the JFBA. Japan shared an update on its current process of reviewing the required documentation, including documentation on financial standing, and concurred in considering the UK's suggestions further and to discuss with JFBA. The UK offered to further support this digitisation process, where helpful.

4. Electronic Transferable Records – including update on the UK's Electronic Trade Documents Act

The UK updated Japan on its recently passed Electronic Trade Documents Act and discussed the process of passing the Act and the benefits of electronic trade documents to both UK businesses and the digitalisation of trade across the world, noting that Japan is considering its own legislative reforms related to the Model Law on Electronic Transferable Records (MLETR). Japan offered to forward any written questions on Japan's legislative reforms to its responsible agency for consideration, and the UK welcomed future collaboration on electronic transferable records.

5. Trade Digitalisation – electronic contracts and electronic authentication and trust services

The UK shared UK stakeholder feedback on the use of electronic contracts and electronic authentication and trust services (EATS) in transactions with Japanese businesses, where Japanese businesses still require UK businesses to use wet signatures and physical company seals when entering into contracts, even where there is no legislative barrier to their use. The UK expressed interest in understanding Japanese initiatives to encourage Japanese businesses to use electronic contracts and EATS, and shared examples of UK initiatives.

Japan presented on recent Japanese policies regarding electronic trust services, including published 'Guideline for eSeal' in June 2021, a time stamp accreditation

system started in April 2021, and ongoing work to establish criteria for accreditation of remote signature service providers. Both the UK and Japan consented to further collaboration and information sharing regarding these matters, including on initiatives to encourage businesses to use electronic contracts and EATS.

6. Updates to Japan's Foreign Exchange and Foreign Trade Act (FEFTA)

Japan presented on updates to Japan's Foreign Exchange and Foreign Trade Act (FEFTA), covering Japan's regime before the amendment, the rationale behind the amendment, and public and market communication regarding these updates to ensure transparency.

The UK queried how Japan's investment screening regime applies to appointments of senior managers and boards of directors. Japan responded with an explanation of the list of factors as outlined in official documentation published on Japan's Ministry of Finance website.

7. AOB

The UK and Japan had no other business to raise.

8. Closing Session

The UK and Japan expressed their thanks to their respective colleagues in the preparation and organisation for this Committee. The UK and Japan welcomed the opportunity to utilise the CEPA and put the Hiroshima Accord into practice to enhance UK-Japan cooperation.

The UK and Japan both expressed the usefulness of the discussions on information exchange, and that these provide a strong basis for further strengthened cooperation and discussion on these matters.

Japan offered to respond to any further questions regarding its presentations on electronic trust services and FEFTA in writing.

Attachment

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Agenda

- 1. Introduction and opening remarks**
- 2. Adoption of the agenda**
- 3. Digitisation in relation to Legal Services**
- 4. Electronic Transferable Records – including update on the UK's Electronic Trade Documents Act**
- 5. Trade Digitalisation – electronic contracts and electronic authentication and trust services**
- 6. Updates to Japan's Foreign Exchange and Foreign Trade Act (FEFTA)**
- 7. AOB**
- 8. Closing Session**