

STATEMENT BY
THE REPRESENTATIVE OF JAPAN
ON THE REPORT OF THE UNITED NATIONS COMMISSION ON
INTERNATIONAL TRADE LAW ON THE WORK OF ITS 54th SESSION

SIXTH COMMITTEE
18 OCTOBER 2021
UNITED NATIONS, NEW YORK

Mr. / Madame Chair,

At the outset, I wish to express my gratitude to the Chair of the United Nations Commission on International Trade Law (UNCITRAL) for presenting the Commission's report on its fifty-fourth session. Let me also express my sincere appreciation to the UNCITRAL Secretariat for providing support to enable the Commission and its working groups to make progress notwithstanding the continued challenges posed by COVID-19, including by making available the holding of both in-person and virtual meetings. It is indeed remarkable that the Commission finalized and adopted several texts despite the continued constraints caused by the pandemic.

I would like to comment briefly on the most recent developments regarding UNCITRAL's work, which was discussed during its fifty-fourth session.

(1) Working Group I (Micro, Small and Medium-sized Enterprises)

With respect to Working Group I, Japan recognizes the importance of reducing legal obstacles faced by micro, small and medium-sized enterprises (MSMEs) throughout their life cycle, particularly in developing economies. We are pleased that the UNCITRAL Legislative Guide on Limited Liability Enterprises was finalized and adopted at the fifty-fourth session of the Commission, and we will continue to contribute to the discussions on the topic of access to credit for MSMEs by engaging our relevant experts.

(2) Working Group II (Dispute Settlement)

As for Working Group II, Japan would like to first congratulate UNCITRAL on its finalization and adoption of the UNCITRAL Expedited Arbitration Rules and mediation related texts. We are convinced that these instruments will provide parties with useful options to resolve their disputes in an expeditious and cost-effective manner.

Second, Japan takes note of the first anniversary of the entry into force of the UN Convention on International Settlement Agreements Resulting from Mediation (Singapore Convention on Mediation).

Due to its continued interest in promoting the use of international arbitration and mediation, Japan is committed to actively engaging in the discussions on future work, including on dispute resolution in the digital economy.

(3) Working Group III (Investor-State Dispute Settlement Reform)

On Working Group III, Japan welcomes the recent progression of the work, despite the various difficulties posed by the pandemic. Recognizing the importance of the

task, and as a Member State that has long been committed to the task of ISDS reform, Japan will continue to contribute to the future work of the Working Group in order to ensure that the ISDS reform will be achieved in an inclusive manner and that no country will be left behind.

(4) Working Group IV (Electronic Commerce)

With regard to Working Group IV, Japan recognizes the importance of the ongoing work on the topics of identity management and trust services to support online digital transactions in international trade. Japan hopes to collaborate further with all participants of the Working Group so as to reach a successful conclusion on this work in the near future.

(5) Working Group V (Insolvency Law)

As for Working Group V, Japan is pleased that the Commission, at its fifty-fourth session, finalized and adopted the Legislative Recommendations on Insolvency of Micro- and Small Enterprises. This text is especially timely in view of the disruption caused by the pandemic.

(6) Working Group VI (Judicial Sale of Ships)

On Working Group VI, being a maritime nation, Japan looks forward to a possible future instrument to be deliberated by the Working Group on its current work regarding judicial sale of ships.

(7) Stocktaking of Dispute Resolution in the Modern Context

Mr. / Madame Chair,

Japan would like to take this opportunity to draw your attention to its proposal on Stocktaking of Developments in Dispute Resolution in the Digital Economy. At the fifty-third session of the Commission, in response to Japan's proposal, the Commission requested the Secretariat to explore possible means to implement relevant activities, including research, webinars and online consultations to collect and compile information on the latest trends and developments in the area of dispute resolution.

Thereafter, with the aim of assisting the Secretariat's exploratory work in this regard, the Ministry of Justice of Japan and the Secretariat co-organized a series of online workshops on 5 February and 30-31 March 2021. A total of more than nine hundred participants connected to the workshops from around the world.

One of the key findings of the workshops was that the increased use of technology in the area of dispute resolution had brought developments both positive and negative. Thus, Japan believes it is necessary to conduct research and take stock of recent developments in order to further refine the use of technology in dispute resolution and address its drawbacks.

At the fifty-fourth session of the Commission, there was broad support for the proposal that the Secretariat be tasked to compile, analyse and share relevant information. Japan wishes to extend its sincere gratitude for the support that has been extended to its proposal. Japan is pleased to contribute the financial resources necessary to implement the stocktaking project in its entirety.

Japan is convinced that such activities will bring extremely meaningful outcomes, and looks forward to collaborating with the UNCITRAL Secretariat, interested

States and relevant stakeholders in the implementation of the project.

(8) Enlargement of UNCITRAL Membership

Mr. / Madame Chair,

Japan would also like to refer to the progress made regarding the enlargement of UNCITRAL's membership.

As you may recall, the Commission, at its fifty-second session, considered the proposal to enlarge its membership and decided to encourage its Member States to consult with each other and with other interested States on the proposal during the intersessional period, and requested the Secretariat to facilitate those intersessional consultations.

Pursuant to the Commission's decision at its fifty-second session, Japan launched a Vienna-based process to be utilized as a forum for these consultations with the support of the UNCITRAL Secretariat. From September 2019 to July 2021, Japan organized eleven rounds of open-ended informal consultations. Due to the pandemic, most of these informal consultations were held in virtual or hybrid format and thus enabled capital-based representatives to participate together with Vienna-based representatives. The number of States that participated in the informal consultations increased round by round, and exceeded fifty towards the final rounds. Alongside, Japan also held bilateral meetings with interested States from all five regional groups.

Amongst the various issues identified in the process, the discussions in the informal consultations mainly converged on the issue of the number of additional seats to be added and their regional distribution.

It is not hard to imagine that, on this issue, diverging views were expressed and discussions took place at great length. Nonetheless, through extensive negotiations which were conducted in a transparent and inclusive manner, we have collectively overcome our differences and successfully put together a balanced text in the spirit of consensus.

Japan is glad that the members of the UNCITRAL were able to agree on the language which, when adopted by the General Assembly, will enlarge the membership of the Commission from the current sixty States to seventy States, adding two additional seats to each regional group, of which one additional member from each regional group will be elected during this session of the Assembly. At the same time, it will request the Commission to discuss and consider at its session in 2030, with a view to taking further actions as necessary, issues such as ways to promote equitable geographical representation of regional groups as well as to increase the effective participation of representatives of all Member States.

Japan believes that this draft resolution is reflective of the interests of all Member States and is certain to make the work of UNCITRAL even more visible, inclusive and universal. Japan looks forward to its adoption by the Sixth Committee and the General Assembly.

In closing, I would like to express Japan's sincere appreciation for the Commission's significant role in promoting the progressive harmonization and unification of international trade law. Japan, as a member of the Commission since its inception, reiterates its full commitment to further strengthening its efforts to make tangible contributions to UNCITRAL's work.

I thank you, Mr. / Madame Chair.