

STATEMENT BY  
THE REPRESENTATIVE OF JAPAN  
ON THE REPORT OF THE UNITED NATIONS COMMISSION ON  
INTERNATIONAL TRADE LAW ON THE WORK OF ITS 55<sup>th</sup> SESSION

SIXTH COMMITTEE  
17 OCTOBER 2022  
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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-fifth 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 the Commission's fifty-fifth 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 we continued 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 of the explanatory note to the UNCITRAL Expedited Arbitration Rules. We are convinced that the instrument will provide parties with useful options to resolve their disputes in an expeditious and cost-effective manner.

Second, in regard to the Working Group's new topic concerning early dismissal, preliminary determination, technology-related dispute resolution and adjudication, Japan attaches great importance to the work in progress and remains fully committed to actively take part in the discussions. Japan hopes to collaborate further with all participants of the Working Group so as to achieve further progress on this topic.

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

Japan welcomes the recent progress by Working Group III despite the difficulties posed by the pandemic. In particular, we attach importance to the discussion on ISDS. We recognize that it is the desire of many countries to establish a comprehensive and improved ISDS mechanism. Japan believes that fair and effective ISDS contributes to a stable investment environment, and as a Member State that has long been committed to

the task of ISDS reform, Japan intends to continuously and fully engage in the Working Group III discussions on this topic to ensure that 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 would firstly like to take note of the finalization and approval of the UNCITRAL Model Law on the Use and Cross-border Recognition of Identity Management and Trust Services at the fifty-fifth session.

Second, Japan attaches great importance to the Working Group's new topic regarding automated contracting and data transactions, and remains fully committed to actively taking part in the discussions. Regarding future work under consideration, Japan hopes that the Working Group will continue to pay due attention to technological neutrality.

**(5) Working Group V (Insolvency Law)**

As for Working Group V, Japan recognizes the importance of civil asset tracing and recovery, as well as applicable law in insolvency proceedings. We are pleased to have continued to contribute to the discussions on these topics by engaging our relevant experts.

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

As for Working Group VI, Japan would firstly like to take note of the finalization and approval of the draft convention on the international effects of judicial sales of ships at the fifty-fifth session.

Second, Japan looks forward to a possible future instrument to be deliberated by the Working Group on its future work regarding Negotiable multimodal transport documents.

**(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 project on Stocktaking of Developments in Dispute Resolution in the Digital Economy. As you will recall, at its fifty-fourth session, following the discussions in which general support was expressed for the proposal on the stocktaking project put forward by Japan, the Commission approved the Secretariat's mandate to monitor the changing landscape of dispute resolution in the digital economy, which would be performed through the compiling, analysing and sharing of relevant information. The stocktaking project was subsequently approved, as part of the annual resolution on the UNCITRAL report, by the General Assembly in December 2021. Japan thanks Member States for their support and commends the Secretariat for the extraordinary efforts undertaken to make the stocktaking project take shape.

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.

At the fifty-fifth session of the Commission, recognizing the significance of the work to be carried out by the stocktaking project, and in keeping with its commitment, in January this year Japan contributed the necessary funds to implement the stocktaking

project in its entirety for the initial year. Japan is also ready to contribute the funds necessary for the second year in due course.

Japan is convinced that such activities will bring extremely meaningful outcomes, and looks forward to further collaboration 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. Alongside, Japan also held bilateral meetings with interested States from all five regional groups.

Unsurprisingly, on this issue, diverging views were expressed and discussions were lengthy. Nonetheless, through extensive negotiations which were conducted in a transparent and inclusive manner, we collectively overcame our differences and successfully put together a balanced text in the spirit of consensus.

Japan is glad that the General Assembly, at its seventy-sixth session, adopted the proposal led by Japan which enlarged the membership of the Commission from sixty States to seventy States, adding two additional seats to each regional group.

Japan thanks Member States for their support and commends the Secretariat for the extraordinary efforts undertaken to make this resolution take shape.

Japan believes that this resolution reflects the interests of all Member States and is certain to make the work of UNCITRAL even more visible, inclusive and universal.

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.