

Keidanren FY2015 Requests for Regulatory Reform

February 16, 2016
Japan Business Federation
(Keidanren)

Regulatory Reform Council

An advisory body to Prime Minister Abe (January 2013-July 2016).

Composed of private-sector experts, this is a body that deliberates requests for regulatory reform from individuals and corporations.

Major initiatives during final period (October 2015-July 2016)

1. Completing reforms

Investigate remaining items and follow up on items where progress has been achieved from among those items included in the Implementation Plan for Regulatory Reform, which was approved by cabinet decision on three occasions.

2. Deliberations on key government issues

- 1) Providing options of working in diverse and flexible styles for people
- 2) Revitalizing regional economies
- 3) Promoting the sharing economy
- 4) Creating an environment that meets the needs of tourists to Japan

Summary of FY 2015 Requests

- 1) All Keidanren members were sent a questionnaire, resulting in 508 requests from 98 companies and organizations.
- 2) From October 2015 through to January 2016, 149 request items in 12 different fields were submitted to the government.
- 3) In January, these requests were explained to Motoyuki Oka, chair of the Regulatory Reform Council.

Field	No. of items	Field	No. of items
1. Land, housing, urban renewal, tourism	34	7. Information and communications	12
2. Transportation and logistics	14	8. E-government	8
3. Agriculture and food	4	9. Employment and labor	8
4. Waste and recycling, and environmental protection	7	10. Commerce and international co-operation	1
5. Hazardous materials, disaster prevention, and security	16	11. Foreign labor	4
6. Energy	14	12. Other (including private-sector participation)	27

- Revision of the general prohibition on dispatch day labor
- Abolition of the deemed offer of employment contract system

Current situation

- With the exception of some industries and cases, as a general rule dispatch day labor (dispatching workers under labor contracts of 30 days or less) is prohibited.
- The deemed offer of employment contract system became effective in October last year. In certain cases of illegal labor dispatch, the client company receiving the dispatch worker will be deemed to have offered the worker a direct employment contract.

Proposed reforms

- The general prohibition on dispatch day labor should be revised under the assumption that employment will be appropriately managed.
- The deemed offer of employment contract system should be abolished.



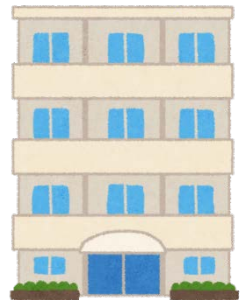
Changes to requirements for decisions made by management association meetings on unit ownership buildings

Current situation

Currently, decisions made by management association meetings of unit ownership buildings such as condominiums are subject to strict requirements. In particular, reconstructing a building requires the assent of at least four-fifths of the unit owners and of the votes. This makes it difficult to rebuild condominiums and other buildings that have become old and dilapidated.

Proposed reforms

The requirements for reaching decisions should be relaxed (such as by reducing the required proportion of the unit owners in agreement). In particular, the proportion of unit owners and votes required for making decisions on reconstruction should be reduced to at least two thirds.



Examples of requests (3)

- Relaxing restrictions on members of agricultural production corporations
- Revision of regulations on ownership of agricultural land

Current situation

- Currently, agricultural production corporations (corporations that can own agricultural land with the aim of running a farm), can only be funded by business enterprises at rates of below 50%. Therefore, enterprises cannot hold majority voting interests.
- Business enterprises are not allowed to own agricultural land.

Proposed reforms



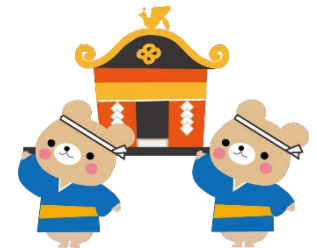
- In order to promote entry into the agricultural business and create a robust and stable managerial and business environment for participating corporations, enterprises should be allowed to hold a majority of the voting rights in agricultural production corporations.
- Business enterprises should be allowed to own agricultural land.

Exemption of private residences offering accommodation from the Inns and Hotels Act

Current situation

Currently, the act of repeatedly and continually allowing strangers to stay in a private residence for a fee is subject to the Inns and Hotels Act. As a result, the same standards for buildings, facilities, and sanitation are applied to such homes as those for inns and hotels.

Proposed reforms



In order to respond to short-term demand for accommodation occurring at the time of major events, stays of a few times each year in private-residence lodging should be exempted from the Inns and Hotels Act in districts where hotel accommodation is insufficient and there is no prospect for a future increase.