

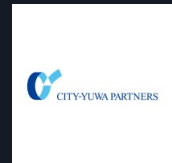
Legal 500

Country Comparative Guides 2025

Japan
Shipping

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This country-specific Q&A provides an overview of shipping laws and regulations applicable in Japan.

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Japan: Shipping

1. What system of port state control applies in your jurisdiction? What are their powers?

Port State Control in Japan is administered by the Local Transport Bureaus, which are subordinate organisations of the Ministry of Land, Infrastructure, Transport and Tourism of Japan, and the practical work is carried out by the Maritime Technical Specialists and the Port State Control Offices assigned at the Local Transport Bureaus¹. Based on international conventions such as the International Convention for the Prevention of Pollution from Ships (MARPOL), the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW), and the Maritime Labour Convention (MLC), as well as the laws that have made these conventions into domestic law², they have the power to carry out inspections relating to the supervision of foreign ships in relation to ensuring the safety of ship navigation, ensuring the proper implementation of ship recycling and dismantling, and preventing marine pollution, etc., and supervise foreign ships in relation to ensuring the safety of ship navigation, ensuring proper working conditions and medical compensation for ship crews, and preventing marine pollution, etc., and order them to take necessary measures.

Footnote(s):

¹ Article 4(1), Article 99 of the Act Establishing the Ministry of Land, Infrastructure, Transport and Tourism (Act No.100 of 1999, as amended); Article 80, Article 82, Article 122, Article 125, Article 127, Article 128, Article 150, Article 152, Article 153, Article 154 of the Regulations on the Organisation of Local Transport Bureaus (Ministry of Land, Infrastructure, Transport and Tourism Ordinance No. 73 of 2002, as amended).

² Article 120-3 of the Seamen's Act (Act No. 100 of 1947, as amended), Article 19-33 and Article 19-3 of the Act on the Prevention of Marine Pollution and Maritime Disaster (Act No. 136 of 1970, as amended)

2. Are there any applicable international conventions covering wreck removal or pollution? If not what laws apply?

Japan has ratified both the International Convention on Civil Liability for Oil Pollution Damage 2001 (Bunker

Convention) and the Nairobi International Convention on the Removal of Wrecks 2007 (Nairobi Convention). Following ratification of these conventions, Japan amended the relevant domestic law, and the revised "Act on Compensation for Oil Pollution Damage"³ came into force on 1 October 2020.

Footnote(s):

³ Act No. 95 of 1962, as amended

3. What is the limit on sulphur content of fuel oil used in your territorial waters? Is there a MARPOL Emission Control Area in force?

At present, the waters surrounding Japan are not designated as Emission Control Areas (ECAs) under MARPOL Annex VI. Within Japanese territorial waters, the maximum sulfur content in fuel oil is regulated at 0.50% or less.

4. Are there any applicable international conventions covering collision and salvage? If not what laws apply?

With regard to collisions, Japan has ratified the Convention on International Regulations for Preventing Collisions at Sea, 1972 (COLREG), and has enacted it as domestic law the Act on Preventing Collisions at Sea of Japan⁴. On the other hand, Japan has ratified the International Convention on Salvage, 1910, but not the International Convention on Salvage, 1989. Therefore, when a Japanese ship and a ship of another contracting state are involved in a rescue operation, the 1910 Convention applies.

Footnote(s):

⁴ Act No. 62 of 1977, as amended

5. Is your country party to the 1976 Convention on Limitation of Liability for Maritime Claims? If not, is there equivalent domestic legislation that applies? Who can rely on such limitation of liability provisions?

Japan is a party to the Convention on Limitation of Liability for Maritime Claims, 1976, and the Protocol of 1996 amending the Convention on Limitation of Liability for Maritime Claims, 1976 (LLMC 1996) entered into force in Japan on 1 August 2006.

As a domestic law based on the Convention, the Act on Limitation of Shipowner Liability⁵ has been enacted. Under the Act, the "shipowner" (the owner, lessee, or charterer of a ship; or the member with unlimited liability of a corporation that is the owner, lessee, or charterer of a ship), the "salvor" (a person rendering services in direct connection with salvage operations), and "servant or equivalent person" (the servant of a shipowner or salvor, or any other such person for whose actions the shipowner or salvor is responsible) may limit their liability under certain conditions.

Footnote(s):

⁵ Act No. 94 of December 27, 1975, as amended

6. If cargo arrives delayed, lost or damaged, what can the receiver do to secure their claim? Is your country party to the 1952 Arrest Convention? If your country has ratified the 1999 Convention, will that be applied, or does that depend upon the 1999 Convention coming into force? If your country does not apply any Convention, (and/or if your country allows ships to be detained other than by formal arrest) what rules apply to permit the detention of a ship, and what limits are there on the right to arrest or detain (for example, must there be a "maritime claim", and, if so, how is that defined)? Is it possible to arrest in order to obtain security for a claim to be pursued in another jurisdiction or in arbitration?

Unless the carrier can prove that it did not neglect due care, it is liable for compensation for damage caused by delayed delivery of the goods⁶. The Commercial Code, which is Japan's general maritime law, does not provide for maritime lien, which covers cargo claims in general, and it is common for the consignee to secure its rights through insurance or other means.

Japan is not a signatory to the International Convention on the Arrest of Ships, 1999. The Civil Execution Act⁷ and the Civil Provisional Remedies Act⁸ are applied to the arrest of a ship. Provisional seizure under the Civil Provisional Remedies Act allows the collection of a claim in the principal action to be secured. Under the Civil

Execution Act, an order for the delivery of the ship's certificate of nationality, etc. is obtained before filing a petition for execution against a ship, and then the seized ship is put up for compulsory auction, and the creditor receives payment from the proceeds of sale⁹. In most cases, the execution of a provisional seizure on a ship and the arrest of a ship for a compulsory auction are carried out by having a court execution officer seize the certificate of the ship's nationality and order it to be submitted to the court¹⁰. This prevents the debtor from disposing of or moving the ship, and aims to achieve final compulsory execution.

However, there is a restriction that the execution of seizure and provisional seizure by seizure of the certificate of ship nationality cannot be carried out against a ship at sea (except one at anchor)¹¹.

With regard to the seizure of a ship for the purpose of securing a claim in litigation or arbitration proceedings in another jurisdiction, although this is a lower court precedent in an individual case, a case has been found in which the jurisdiction of a provisional seizure order case against a ship in Japan was recognised for the purpose of securing a future judgment in a foreign court¹².

1. Although the Japanese court's jurisdiction may be excluded as a result of the agreement between the parties, in cases where the object of the provisional seizure is located in Japan and there is a possibility that the object may be executed in the future based on the judgment of the foreign court, the Japanese court has jurisdiction over the case of the provisional seizure order.
2. Regarding the enforceability of a judgment that will be rendered in the future by a foreign court, if there is a possibility that the requirements of Article 200, Items 1 and 4 of the former Code of Civil Procedure¹³ will be met at the stage of the provisional injunction order, then the enforceability of the judgment can be affirmed.

Footnote(s):

⁶ Article 575 of the Commercial Code (Act No. 48 of 1899, including subsequent revisions), Article 3, Paragraph 1 of the International Carriage of Goods by Sea Act)

⁷ Act No. 4 of 1979, as amended

⁸ Act No. 91 of 1989, as amended

⁹ Articles 112 to 115 of the Civil Execution Act

¹⁰ Article 48 of the Civil Provisional Remedies Act

¹¹ Article 689 of the Commercial Code

¹² Case concerning provisional seizure of a Russian ship (Asahikawa District Court Decision, 9 February 1996, Hanrei Jihou No. 1610, p. 106)

¹³ Corresponding to Article 118, Items 1 to 4 of the current Code of Civil Procedure (Act No. 109 of 1996, as amended) which provides for the requirements for the recognition and execution of a final and binding judgment of a foreign court.

7. For an arrest, are there any special or notable procedural requirements, such as the provision of a PDF or original power of attorney to authorise you to act?

The Code of Civil Procedure and the Rules of Civil Procedure¹⁴ stipulates that documents to be submitted to the court, such as a power of attorney, which require a signature or seal can be submitted to the court if measures are taken to clarify the name or title, such as by using an electronic signature based on the Electronic Signature Law¹⁵. However, as there have recently been major changes to the laws and systems of the relevant authorities for the digitisation of civil trials, please check the latest court rules and practices at the time of submission.

It is also important to note that Japanese courts use Japanese¹⁶, and when submitting documents written in a foreign language including English, and submit them to be used as evidence, it is necessary to attach a translation of the part of the document the foreign language is being requested for examination by the court¹⁷.

Footnote(s):

¹⁴ Article 132-10 of the Code of Civil Procedure, Chapter 4-2 of the Rules of Civil Procedure (Rules of Civil Procedure (Supreme Court Rules No. 5 of 1996)

¹⁵ Act on Electronic Signatures and Certification Business (Act No. 102 of 2000), as amended

¹⁶ Article 74 of the Court Act (Act No. 59 of 1947, as amended)

¹⁷ Article 138 of the Rule of Civil Procedure

8. What maritime liens / maritime privileges are recognised in your jurisdiction? Is recognition a matter for the law of the forum, the law of the place where the obligation was incurred, the law of the flag of the vessel, or another system of law?

The following maritime liens are recognised in Japan under the Commercial Code, the Act on Limitation of Shipowner Liability and the Act on Compensation for Oil Pollution Damage.

1, Article 842 of the Commercial Code.

A person who has the following claims shall have a maritime lien on the ship and its appurtenances.

1. Claims for damages arising from death or injury of a person directly related to the operation of the ship
2. Claims relating to salvage charges or claims based on the sharing of general average expenses that are the responsibility of the ship
3. Claims relating to various taxes, pilotage fees or towage fees incurred in relation to the ship's entry into port, use of port facilities or other aspects of the ship's voyage
4. Claims relating to expenses necessary for the continuation of the voyage
5. Claims of the master and other crew members arising from employment contracts

2. Article 95, Paragraph 1 of the Act on Limitation of Shipowner Liability

A creditor who is entitled to the limitation of liability against a shipowner or other obligor has a maritime lien on the ship and its appurtenances involved in the accident.

3. Article 55, Paragraph 1 of Act on Compensation for Oil Pollution Damage

A creditor in relation to tanker oil pollution compensation has a maritime lien on the ship and its equipment involved in the accident in relation to the limited claim.

In Japan, the prevailing view is that the creation of a maritime lien is based on the cumulative application of the law of the flag state and the law of the secured claim, and that the effect of a maritime lien is governed by the law of the flag state, but there are also many court decisions that have reached a different conclusion.

9. Is it a requirement that the owner or demise charterer of the vessel be liable in personam? Or can a vessel be arrested in respect of debts incurred by, say, a charterer who has bought but not paid for bunkers or other necessities?

If the creditor has a claim that is secured by a maritime lien or is the mortgagee of a ship mortgage, the shipowner does not need to be the debtor in order to arrest the ship.

If the debtor is a charterer who has purchased bunker oil and other specific supplies for the vessel but has not paid for them, the creditor of the relevant debt may be able to have a provisional seizure of the vessel ordered by the court in order to preserve a maritime lien on the vessel, on the grounds that the relevant debt falls under the category of "Claims relating to expenses necessary for the continuation of the voyage" as set out in Article 842, Paragraph 1, Item 4 of the Commercial Code.

10. Are sister ship or associated ship arrests possible?

If the same debtor owns the ship, it is possible to arrest the ship even if it is for the purpose of securing a claim related to a different ship from the one that is being arrested.

However, under Japanese law, sister ship arrest or associated ship arrest is not permitted. Therefore, even if the ship is owned by a parent company, subsidiary company or another legal entity within a group company, it is not possible to arrest the ship owned by a different legal entity, except in extremely exceptional cases where the legal doctrine of the corporate veil applies.

11. Does the arresting party need to put up counter-security as the price of an arrest? In what circumstances will the arrestor be liable for damages if the arrest is set aside?

When arresting a ship by provisional seizure, the creditor may be required to provide a guarantee (e.g. a bank or insurance company guarantee) as a condition for the execution of the provisional seizure¹⁸. The amount of the guarantee is determined at the discretion of the court. If the creditor obtains a provisional seizure order by asserting false facts and the debtor suffers damage, the creditor may be liable for damages based on the debtor's claim.

Footnote(s):

¹⁸ Article 14 and Article 4 of the Civil Provisional Remedies Act, Article 2 of the Civil Provisional Remedies Rules

12. How can an owner secure the release of the vessel? For example, is a Club LOU acceptable security for the claim?

If a ship is arrested in a provisional seizure or compulsory auction procedure, the debtor may be able to release the ship by providing security to the court and having the provisional disposition order or compulsory execution procedure cancelled. In addition to cash, bank guarantees, insurance certificates and letters of undertaking from P&I clubs can be provided as security¹⁹.

Footnote(s):

¹⁹ Article 2 of the Civil Provisional Remedies Rules, Article 78, Paragraph 1 of the Civil Execution Rules

13. Describe the procedure for the judicial sale of arrested ships. What is the priority ranking of claims?

The judicial sale of arrested ships is carried out in accordance with the following procedures.

1. Filing a petition for auction and prepayment of costs
2. Execution of the seizure of the ship's nationality certificate, etc. by order of commencement of a compulsory auction
3. Appointment of a custodian and custody and management of the ship²⁰
4. Investigation of the current situation, valuation and implementation of the sale as preparation for the sale
5. Demand for distribution
6. Implementation of the date of the auction and decision to permit the sale
7. Payment of the price and dividend procedures

There are cases where the law of the flag state is applied for the order of priority of dividends, and cases where the law of the court district is applied, but in cases where the law of the court district is applied, the order of priority is:

- i. Firstly: Maritime liens arising in relation to the vessel in order of Article 842, Items 1 to 5, followed by maritime liens under Article 95, Paragraph 1 of the Shipowner's Liability Limitation Act and Article 55, Paragraph 1 of the Oil Pollution Act²¹;

- ii. Secondly: Registered ship mortgages²²;
- iii. Thirdly: General statutory lien holders and pledgees who have made a demand for distribution; and
- iv. Fourthly: General unsecured creditors.

Footnote(s):

²⁰ Article 116 of the Civil Execution Act

²¹ Article 844 of the Commercial Code, Article 95, Paragraph 3 of the Shipowner's Liability Limitation Act and Article 55, Paragraph 3 of the Oil Pollution Act

²² Article 849 of the Commercial Code

14. Who is liable under a bill of lading? How is "the carrier" identified? Or is that not a relevant question?

Under the Commercial Code and the Act on the International Carriage of Goods by Sea, it is the "carrier"²³ who certifies the receipt or shipment of the goods and promises to deliver the goods in exchange for this at the designated location.

The Commercial Code lists the name of the 'carrier' as an item to be included in the bill of lading²⁴. However, in practice, there is no field for the name of the carrier in the bill of lading form, and the 'carrier' is identified by the information in the signature field and the heading of the bill of lading.

Regarding the determination of the carrier on a bill of lading issued when goods are transported by a ship that has been time-chartered, the Supreme Court of Japan²⁵ held that the party responsible for the carriage of goods on a bill of lading signed by the captain under a time charter party should be determined based on the description on the bill of lading, and that, in conclusion, the owner of the ship, not the time charterer, should be held responsible as the carrier.

Footnote(s):

²³ Article 569, Paragraphs 1 and 3 of the Commercial Code, Article 2, Paragraph 2 of the Act on the International Carriage of Goods by Sea, Article 1

²⁴ Article 758, Paragraph 1, Item 6 of the Commercial Code.

²⁵ Supreme Court decision of 27 March 1998, *Minshu* No.52, Vol.2, p. 527 (The *Jasmine* Case)

15. Is the proper law of the bill of lading relevant? If so, how is it determined?

The parties' agreement on the governing law will be honoured if they have expressly agreed on the governing law in accordance with the Act on General Rules for Application of Laws of Japan²⁶. Therefore, if the bill of lading contains a governing law clause, it will be followed.

If there is no express agreement, the law of the country most closely connected with the contract may be applied²⁷, such as the place of issue of the bill of lading, the place of domicile of the shipowner or carrier, or the place of loading or unloading.

Footnote(s):

²⁶ Article 7 of the Act on General Rules for Application of Laws (Act No. 78 of 2006, as amended)

²⁷ Article 7 of the Act on General Rules for Application of Laws

16. Are jurisdiction clauses recognised and enforced?

In the *Chisadane-go* Case²⁸, the Supreme Court held as follows, recognising the validity of international jurisdiction clauses that:

1. an agreement on international jurisdiction can be formed on the basis of a bill of lading prepared by one party which expressly designates a court in a particular country, without the need for a document signed by both parties; and
2. an agreement excluding Japanese jurisdiction and designating a foreign court as the exclusive court of first instance is generally valid if the case does not fall within the exclusive jurisdiction of Japan and the designated foreign court has jurisdiction under the laws of that country. Furthermore, there is no need to guarantee the validity of the agreement under foreign law or mutual enforcement.

Footnote(s):

²⁸ Supreme Court decision of 28 November 1975, *Minshu*, Vol. 29, No. 10, p. 1554

17. What is the attitude of your courts to the incorporation of a charterparty, specifically: is an arbitration clause in the charter given effect in

the bill of lading context?

In a case where the shipper brought a lawsuit against the carrier in a Japanese court for indemnification for damage to cargo, the court found that the dispute should be resolved through arbitration, because the bill of lading contained a clause stating "all the terms, conditions and exceptions contained in the charter are hereby incorporated", and recognised the incorporation of the arbitration clause in the charter party into the bill of lading, denying Japanese jurisdiction.

However, it is also argued that it is necessary to include in the bill of lading itself an important agreement on the court of jurisdiction or arbitration venue that enables the holder to seek legal redress, because it is to be expected that a third party unrelated to the shipper will become the holder of the bill of lading and acquire the right to demand delivery of the goods from the carrier²⁹.

Footnote(s):

²⁹ Seiichi Ochiai and Kenjiro Egashira (Eds.), *Kaiho Taikei* (The Framework of Maritime Law) *Shojihomu*, 2003, p. 632

18. Is your country party to any of the international conventions concerning bills of lading (the Hague Rules, Hamburg Rules etc)? If so, which one, and how has it been adopted – by ratification, accession, or in some other manner? If not, how are such issues covered in your legal system?

Japan is a signatory to the Hague-Visby Rules, and these rules are reflected in the domestic law, the Act on the International Carriage of Goods by Sea. The Act on the International Carriage of Goods by Sea sets out the minimum obligations and responsibilities of carriers and the maximum extent of their rights and release from responsibilities, and has the character of a mandatory law that invalidates any individual agreements that are contrary to the statutory provisions and disadvantageous to a shipper, consignee, or the holder of a bill of lading³⁰.

Footnote(s):

³⁰ Article 11 of the Act on the International Carriage of Goods by Sea

19. Is your country party to the 1958 New York

Convention on the Recognition and Enforcement of Foreign Arbitral Awards? If not, what rules apply? What are the available grounds to resist enforcement?

Japan is a signatory to the New York Convention of 1958. Therefore, in principle, the recognition and enforcement of foreign arbitration awards is carried out in accordance with the provisions of the Convention. Even in cases where the Convention does not apply, the recognition and enforcement of foreign arbitration awards is provided for under the Arbitration Act of Japan³¹. Articles 45 (Recognition of Arbitration Awards) and 46 (Enforcement of Arbitration Awards) of the Arbitration Act provide detailed provisions on the recognition and enforcement of foreign arbitration awards. Recognition an arbitration award may be refused in the following cases³²:

1. the arbitration agreement is not valid due to the limited capacity of a party;
2. the arbitration agreement is not valid on grounds other than the limited capacity of a party pursuant to the laws and regulations designated by the agreement of the parties as those which should be applied to the arbitration agreement;
3. the party did not receive the notice required under the laws and regulations of the country to which the place of arbitration belongs in the procedure of appointing arbitrators or in the arbitration procedure;
4. the party was unable to defense in the arbitration procedure;
5. the arbitral award contains a decision on matters beyond the scope of the arbitration agreement or of a petition in the arbitration procedure;
6. the composition of the arbitral Tribunal or the arbitration procedure is in violation of the laws and regulations of the country to which the place of arbitration belongs;
7. according to the laws and regulations of the country to which the place of arbitration belongs the arbitral award is not final and binding, or the arbitral award has been set aside or its effect has been suspended by a judicial body of that country;
8. the petition filed in the arbitration procedure is concerned with a dispute which may not be subject to an arbitration agreement pursuant to the provisions of Japanese laws and regulations; or
9. the content of the arbitral award is contrary to public policy in Japan.

Footnote(s):

³¹ Arbitration Act (Act No. 138 of 2003, as amended

³² Article 45, Paragraph 2 of the Arbitration Act

20. Please summarise the relevant time limits for commencing suit in your jurisdiction (e.g. claims in contract or in tort, personal injury and other passenger claims, cargo claims, salvage and collision claims, product liability claims).

The prescription period or exclusion related to shipping in the Japanese courts is as follows:

(1) Prescription period or exclusion period for general contract claim or general tort claim

Type of claim	Years	The date from which the period begins
General contract claim ³²	5 yrs (10 yrs)	when the creditor knew that the claim was exercisable (when the claim became exercisable)
Tort claim: General ³⁴	3 yrs (20 yrs)	when the victim or legal representative thereof comes to know the damage and the identity of the perpetrator (the time of the tortious act)
Tort claim: Death or injury to person ³⁵	5 yrs (20 yrs)	
Product liability on manufactured movables	3 yrs (10 yrs)	when the victim or legal representative thereof came to know the damage and the person that was liable for compensation (when the manufacturers delivered the product)

(2) Prescription period or exclusion period for general contract claim or general tort claim

Type of claim	Years	The date from which the period begins
Collision of ships (property rights only) ³⁶	2 yrs	the time of the tortious act (i.e., collision)
Claim from carrier to shipper or consignee ³⁷	1 yr	the carrier has the right to exercise it
Claim from carrier to passenger ³⁸	1 yr	the carrier has the right to exercise it
Salvage charges ³⁹	2 yrs	the salvage operations are completed
Sharing of a general average ⁴⁰	1 yr	calculation of sharing of a general average is completed
Carrier's liability for loss, damage, or delay ⁴¹	1 yr	the day on which the goods are delivered or should have been delivered
Maritime lien ⁴²	1 yr	when the lien arises
Claim against tanker owner	3 yrs (6 yrs)	the date when the tanker oil pollution damage occurred (the date when the first event causing the tanker oil pollution damage occurred)

Footnote(s):

³³ Article 166 of the Civil Code

³⁴ Article 724 of the Civil Code

³⁵ Article 724-2 of the Civil Code

³⁶ Article 789 of the Commercial Code

³⁷ Article 586 of the Commercial Code

³⁸ Article 594 of the Commercial Code

³⁹ Article 806 of the Commercial Code

⁴⁰ Article 812 of the Commercial Code

⁴¹ Article 585 of the Commercial Code

⁴² Article 846 of the Commercial Code

21. Does your system of law recognize force majeure, or grant relief from undue hardship?

In Japan, with regard to force majeure, if the breach of contract is due to circumstances beyond the control of the debtor that could not be foreseen at the time of the contract, the debtor is not liable for the breach of contract⁴³. On the other hand, with regard to undue hardship, there is a legal principle in Japan called the "Doctrine of Change of Circumstances (*jijo henkou no gensoku*)" that allows for the modification or cancellation of a contract if a significant change in circumstances occurs after the contract is signed that was unforeseeable at the time of the contract and makes it extremely unfair to maintain the original contract terms. However, Japanese courts take a strict stance on the application of the doctrine of change of circumstances. Supreme Court cases have rejected the doctrine of change of circumstances.⁴⁴

Footnote(s):

⁴³ Article 415 of the Civil Code

⁴⁴ For example, Supreme Court Decision, 12 February 1954 (*Minshu* No.8, Vol.2, p.448).

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