



**Global Employment  
Compass  
JAPAN**

# Contents

- 1. Summary of applicable rights for different categories of workers ..... 2
- 2. Legal requirements/rights/ practices for different categories of workers ..... 3
  - a. Employees ..... 3
  - b. Independent contractors/consultants\* ..... 13
  - c. Volunteers..... 17
  - d. Non-citizen employees and consultants, including refugees and others forcibly displaced ..... 20
- 3. Addendum ..... 22

This document provides brief answers and recommendations to readers for information purposes. The information contained in this document is general and may differ according to the circumstances. Thus, this document does not constitute legal advice. We decline in advance any responsibility should you decide to act upon any information contained in this document.





# 1. Summary of applicable rights for different categories of workers

	Employees (part-time or full-time)	Independent contractors/ service providers	Volunteers
<b>Employment laws and regulations</b>	Yes	No	No
<b>Employees' compensation/ remuneration requirements</b>	Yes	No	No
<b>Minimum wage requirements</b>	Yes	No	No
<b>Mandatory provident fund/retirement benefit fund contributions</b>	No	No	No
<b>Immigration requirements including the right to work in your country</b>	Yes	Yes	Yes
<b>Personal Data (Privacy) laws and regulations</b>	Yes	Yes	Yes
<b>Anti-discrimination laws and regulations</b>	No	No	No



## 2. Legal requirements/rights/ practices for different categories of workers

### a. Employees

#### Section Contents

1 Contracts of Employment.....	3
2 Conditions of employment.....	5
3 Safe and supportive work environment .....	10
4 Tax .....	11
5 Remote work.....	11
6 What to do when things go wrong? .....	11

#### *Definition of an employee*

In Japan, the Labor Standards Act (Act No. 49 of 1947, as amended) (the “**LSA**”) sets the standards for working conditions such as wages, working hours and paid leave.

The LSA is applied not only to employees but also to other types of workers.

Therefore, the LSA has the definition of “worker”, while it does not have the definition of “employee”.

In the LSA, “worker” means a person who is employed at a business or office and to whom wages are paid, regardless of the type of occupation (Article 9 of the LSA).

### 1 Contracts of Employment

**What types of employment contracts are available? E.g. fixed term, part time, zero hour contracts, other? Are there any specific employment contracts available for non-profit organizations?**

In Japan, not only full time without a fixed term employment contract but also a fixed term employment contract and a part time employment contract are available.

There are no specific employment contracts available for non-profit organizations.

**What are the key terms of employment contracts?**

The key terms of employment contracts in Japan are (a) term of employment contract, (b) standards for the renewal of fixed-term employment contract, (c) workplace and work engaged in, (d) starting hour and closing hour of work, whether there is labor to be done exceeding prescribed





working hours, rest period, days off, leave, and the change in shifts in cases where workers work in two or more shifts, (d) methods of decision, calculation, and payment of wages, the dates for closing account for wages and for payment of wages and (e) retirement (including grounds for dismissal).

When entering into an employment contract, an employer shall indicate to an employee (a) to (e) above in writing (Article 15, Paragraph 1 of the LSA and Article 5 of the Ordinance for Enforcement of the Labor Standards Act (Ordinance of the Ministry of Health and Welfare No. 23 of 1947, as amended)).

**Is it acceptable to have a probation period for employees? If yes, for how long?**

Yes, a probation period is commonly used for a newly hired employee in practice in Japan.

There is no limit for the length of probation period. However, in general, it is considered that the limit is 1 year, and it is typically for 1 month to 6 months.

**Are fixed term employment contracts permissible? Are there any limitations on fixed term contracts? Are there any requirements to have a fixed term contract?**

Yes, a fixed term employment contract is permissible in Japan.

There is limitation on the terms of the fixed term contract. Under the LSA, it is prohibited to enter into a fixed term contract for a period exceeding 3 years (or 5 years, for some types of fixed term employment contract) (Article 14, Paragraph 1 of the LSA).

When entering into a fixed term employment contract, an employer is required to indicate to an employee the matters concerning standards for the renewal of the fixed term employment contracts in writing (Article 15, Paragraph 1 of the LSA and Article 5 of the Ordinance for Enforcement of the Labor Standards Act).

**Do employment contracts have to be in writing? Are there any signatory requirements for employment contracts? For example, could they be signed in-person or electronically, etc.)?**

No, an employment contract does not have to be in writing.

The Labor Contracts Act (Act No. 128 of 2007, as amended) (the "LCA"), which is a law sets requirement to establish of a labor contract, stipulates "a labor contract is established by agreement between a Worker and an Employer on the basis that the Worker will work by being employed by the Employer and the Employer will pay wages for such work" (Article 6 of the LCA).

As stated above, the LCA does not require an employment contract be entered in writing, therefore, in Japan, it is allowed to enter into an employment contract orally.

**Do employees have to be issued with a written employment contract before they start work?**

No. However, as stated above, as for some working conditions, such as matters concerning terms of employment contract and matters concerning wage, have to be indicated to employees in writing (Article 15, Paragraph 1 of the LSA and Article 5 of the Ordinance for Enforcement of the LSA).





**Can you provide a simple template of the contracts mentioned above?**

<https://www.mhlw.go.jp/content/11200000/001084080.pdf>

**Is there an obligation for an employer to run a criminal record check to the extent that any individual they hire will be working with children or vulnerable people?**

No. However, currently, it is under discussion to introduce a system (called "Japanese DBS") that requires business operators carrying out business contacting/treating children such as a school and a kindergarten to check the criminal record of any individual they intend to hire.

**Can employers request references from former employers for new hires?**

If a new hire agrees, the employer can request a reference. It is likely that requesting a reference without a new hire's agreement would be considered a violation of the Act on the Protection of Personal Information (Act No. 57 of 2003, as amended).

**Is an employer required to set up any form of employee representative body? If so, what is the trigger for this?**

No. In Japan, an employee representative body like a labor union is set up voluntarily by employees. An employer has no obligation to establish such a body.

**Is it common to have collective agreements in your jurisdiction that apply to all employers in a particular region or sector?**

No. In Japan, it is common to have collective agreements that apply to all employees in a particular company since enterprise union is common.

## 2 Conditions of employment

**What is the minimum age requirement for employment?**

In principle, an employer must not employ a child until the end of the first 31<sup>st</sup> of March that falls on or after the day on which the child reaches 15 years old. (Article 56, Paragraph 1 of the LSA). However, as stated in the next question below, regarding some business indicated in the LSA, with the permission of the relevant government agency, an employer may employ a child under 15 years old outside of his/her school hours (Article 56, Paragraph 2 of the LSA).

**What type of work may a child undertake? For example, are there any specific restrictions?**

As stated a. above, an employer must not employ a child until the end of the first 31<sup>st</sup> of March that falls on or after the day on which the child reaches 15 years old (Article 56, Paragraph 1 of the LSA).

However, with the permission of the relevant government agency, a child 13 years old or older may undertake work in non-manufacturing business which involves light labor that is not injurious to the child's health and welfare. In addition, with the permission of the relevant government agency, a child under 13 years old may undertake work in the production of motion pictures and theatrical performances (Article 56, Paragraph 2 and Appended Table 1 of the LSA).





## Wages

### **What is the minimum wage requirement for employees? Are there any exceptions in minimum wages for young persons or people with disabilities?**

An employer must pay wages of not less than the minimum wage amount to an employee (Article 4, Paragraph 1 of the Minimum Wage Act (Act No. 137 of 1959, as amended)).

Based on this Act, minimum wage is established in every region (prefecture) of Japan. Therefore, minimum wage varies from prefecture to prefecture. Specifically, after October 14, 2023, in Tokyo, which is the highest, minimum wage will be JPY 1,113, while in Iwate, which is the lowest, minimum wage will be JPY 893.

There is an exception in minimum wage for people with disabilities. If an employer has obtained permission from the Director of a Prefectural Labor Bureau, it may pay wage less than the minimum wage amount to an employee who has significantly low working capacity due to mental or physical disability (Article 7, Item 1 of the Minimum Wage Act).

### **Are there any conditions which warrant a pay raise or extra pay? If yes, what are they?**

There are conditions which warrant extra pay while no conditions which warrant a pay raise.

Under the LSA, if an employer has an employee work for more than statutory working hours (i.e., overtime work), on holidays (i.e., work on holiday), or for the period between 10 pm and 5 am (i.e., late-night work), it must pay special allowances in addition to their normal wage (Article 37 of the LSA).

The amount of special allowances depends on how long and during which time frame (i.e., worked overtime, on holiday, or late night) an employee worked overtime. For example, (a) 25% or more for overtime work up to a total of 60 hours in a month and for late-night work between 10:00 pm and 5:00 am, (b) 50% or more for overtime work in excess of 60 hours when the total number of overtime hours in a month exceeds 60, and (c) 35% or more for day off work.

### **When are wages due? For example, is there any obligation to pay wages weekly, or monthly?**

Wages must be paid at least once a month on a fixed date (Article 24, Paragraph 2 of the LSA).

### **Are employers obliged to provide employees with paid leave on public holidays?**

No.





### **Are employers obliged to provide employees with annual leave?**

Yes, an employer is obliged to provide an employee with annual paid leave at least as follows (Article 39 of the LSA):

Number of years of continuous service employment	Number of annual paid leave days
6 months	10 days
1 year and 6 months	11 days
2 years and 6 months	12 days
3 years and 6 months	14 days
4 years and 6 months	16 days
5 years and 6 months	18 days
6 years and 6 months or more	20 days

### **Are employees entitled to receive their usual salary during their annual leave?**

Yes (Article 39, Paragraph 9 of the LSA and Article 25 of the Ordinance for Enforcement of the Labor Standards Act).

### **Is there a requirement to pay overtime? How is overtime compensated?**

Yes, please [see above](#).

### **Are there any extraordinary circumstances that could be relied on to temporarily cease paying employees for the hours worked?**

No, in Japanese labor and employment laws, there are no provisions regarding reduction or exemption of wage payment obligations of an employer due to natural disasters or other reasons. Please also see iii. above.

### **Are employees entitled to an end-of-year payment?**

No, Japanese labor and employment laws do not have an end-of-year payment concept.

### **Are employees entitled to payments when their employment contract is terminated, such as notice or notice pay, accrued or untaken holiday and/or statutory severance?**

As for notice pay, in case the number of days of advance notice of dismissal is under 30, an employee is entitled to receive payment (Article 20 of the LSA).

As for untaken annual paid leave, in case the work rules state that untaken annual paid leave is to be purchased by the employer, the employee is entitled to receive payment.

On the other hand, there is no statutory severance payment in Japan.

## **Working hours**

### **What is considered a full time working week? If the employee is contractually required to work less than this amount are they considered a part time employee?**

There are neither a definition of full time working week nor a definition of full time worker in Japanese labor and employment laws. On the other hand, Article 2, Paragraph 1 of the Act on Improvement of Personnel Management and Conversion of Employment Status for Part-Time







Workers and Fixed-Term Workers (Act No. 76 of 1993, as amended) stipulates that “part-time worker” means “a worker whose prescribed weekly working hours are shorter than those of a worker with a standard employment status who is employed by the same employer”.

Therefore, whether an employee is considered a part time employee is a relative matter; if an employee whose prescribed weekly working hours are shorter than those of a full time worker who is employed by the same employer, such employee is considered a part time employee.

**Are there fixed public/statutory holidays each year? Can employees be required to work on public/statutory holidays? Are employees entitled to any other type of leave besides public/statutory holidays?**

Yes, there are fixed public/statutory holidays each year.

Under the LSA, an employer must provide an employee with at least one day off per week or at least four days off over the course of a four-week period (Article 35 of the LSA). However, these days off do not have to fall on public/statutory holidays. Therefore, if a day off an employer set is not public/statutory holiday, the employee must work on the public/statutory holiday.

**Do part time employees receive any particular protection on the basis of their part-time status?**

Yes. Under the Act on Improvement of Personnel Management and Conversion of Employment Status for Part-Time Workers and Fixed-Term Workers, part time employee receive protections on the basis of their part-time status such as (a) delivering documents, etc. to clarify working conditions (Article 6), (b) prohibition of differential treatment of part-time/fixed-term workers equivalent to workers with standard employment statuses (Article 9) and (c) conversion into workers with standard employment status (Article 13).

**Do part-time employees receive the same pro-rated terms to full time employees, e.g. in relation to pay and benefits?**

Yes (Article 8 and 9 of the Act on Improvement of Personnel Management and Conversion of Employment Status for Part-Time Workers and Fixed-Term Workers).

**Social security**

**What social security contributions are employers obliged to pay? Presumably, pro-rated contributions are required for part time employees?**

An employer is obliged to pay employment insurance, long-term care insurance, health insurance and employee’s pension insurance.

**Are employers obliged to provide health insurance to their employees?**

If an employer is (a) a juridical person or (b) an entity (other than a juridical person) whose business is a business described in Article 3, Paragraph 3, Item 1 of the Health Insurance Act (Act No. 70 of 1922, as amended) and which employs five or more employees, such employer is obliged to have health insurance for its employees under this Act.





**Are employees entitled to unemployment insurance/benefits following the end of employment?**

Yes, if an employee meets requirements under the Employment Insurance Act (Act No. 116 of 1974, as amended), they are entitled to receive benefits for unemployment.

**Are employers obliged to provide sick leave? If yes, for how long? How many days have to be paid by employers? Is it possible to have unpaid sick leave?**

No. However, in case sick leave is stipulated in work rules, an employer is obliged to provide it.

It is possible to have unpaid sick leave.

**Are employers obliged to provide maternity leave for employees? If yes, for how long? How many days/months have to be paid by employers? Is it possible to have unpaid maternity leave?**

Yes, if a female employee who is due to give birth within 6 weeks (or within 14 weeks, in the case of multiple fetuses) requests leave from work, the employer must not make her work (Article 65, Paragraph 1 of the LSA). Also, an employer must not have a female employee who is not yet 8 weeks postpartum work (Article 65, Paragraph 2 of the LSA).

In addition, upon receipt of an application from an employee, the employer must allow the employee to take childcare leave. In principle, the period of childcare leave is until the day the child turns one year old (or until the day the child turns two years old if certain requirements are met) (Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991)).

That said, it is not prohibited and often seen that employers do not pay wages during the above maternity leave in Japan.

**Is paternity leave available to employees? If yes, for how long? How many days/months have to be paid by employers? Is it possible to have unpaid paternity leave?**

Yes, as mentioned immediately above, if an employee applies, the employer must allow the employee to take childcare leave (Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members).

Again, in Japan it is not prohibited and often seen that employers do not pay wage during the above paternity leave.

**Are employers liable for absence due to work-place injuries?**

Yes, if an employee does not receive wages because they are unable to work due to medical treatment for an injury or illness caused/suffered in the course of employment, the employer must pay compensation for that absence from work at the rate of 60 percent of the employee's average wage (Article 76, Paragraph 1 of the LSA).

**Are employees entitled to retirement benefits from the employer? If yes, what benefits?**

In Japan, an employee is entitled to request retirement allowance or severance pay only if it is stipulated in employment contract, work rules, or collective agreement since retirement benefits are not mandatory under Japanese labor and employment laws.





In case retirement allowance or severance pay is paid, generally, it is paid in the form of a lump-sum cash payment or a retirement pension.

**Are employers obliged to introduce reporting channels and legal safeguards for whistleblowers?**

Under the Whistleblower Protection Act (Act No. 122 of 2004, as amended), if an employer employs more than 300 employees, it must establish (a) a system receiving a whistleblowing disclosure, investigating the reportable fact subject to the whistleblowing disclosure, and taking necessary measures to rectify it and (b) a system protecting whistleblowers (Article 11, Paragraph 1 and 2 of the Whistleblower Protection Act). On the other hand, if an employer employs 300 or fewer employees, it must endeavor to establish (a) and (b) (Article 11, Paragraph 1, 2 and 3 of the Whistleblower Protection Act).

Guidelines necessary for appropriate and effective implementation of measures to be taken by business operators pursuant to the provisions of Paragraphs 1 and 2 of Article 11 of the Whistleblower Protection Act stipulates that as for (a), it is necessary to set up an internal whistleblower hotline, etc. and as for (b), it is necessary to take measures to prevent disadvantageous treatment, etc.

### 3 Safe and supportive work environment

**Broadly what measures have to be in place to ensure employers uphold health and safety? (such as fire or earthquake drills)**

Based on the Industrial Safety and Health Act (Act No. 57 of 1972, as amended), an employer shall establish a system for safety and health management, take measures to prevent the endangerment of employees and the impairment of employees' health, and provide safety and health education to employees, among other measures.

**Is there a requirement for an employer to issue any form of non-discrimination policies? (such as gender equality policies, equal employment opportunities, diversity, and inclusion policies, etc.)**

No.

**Is there a requirement to provide employees with training designed to combat discrimination and harassment?**

No. However, it is required for an employer to take a measure against abuse of authority at workplace (Act on Comprehensively Advancing Labor Measures, and Stabilizing the Employment of Workers, and Enriching Workers' Vocational Lives (Act No. 132 of 1966, as amended)), providing employees with training designed to harassment is indicated as one of the concrete examples of such measure in "Guidelines on Measures to Be Taken in Terms of Employment Management by Employers in Connection with Problems Arising as a Result of Behavior that Constitutes Bullying in the Workplace".

**Is there a requirement to have a data protection policy?**

No.

**Is it mandatory for employers to have a Child Protection Policy (CPP)? Are employees obliged to provide training on CPP to its employees?**

No.





## 4 Tax

**Which taxes are mandatory for employers to pay and deduct on behalf of their employees?**

Income tax and resident tax.

**Are all employee taxes deducted from the salary that the employer pays or is there a requirement for employees to pay certain taxes directly?**

Employee taxes are income tax and resident tax. Both are deducted from the salary that the employer pays as stated in a. above.

## 5 Remote work

**Are employers required to have a registered legal entity in the jurisdiction in order to employ employees in the jurisdiction?**

No.

**Are employers required to provide any form of physical working space for employees working in your country?**

No.

**Please provide general instructions for employers on what to check if the employer has remote employees, including concerning employee tax liabilities.**

The LSA and the Ordinance for Enforcement of the LSA requires an employer to indicate to an employee workplace (Article 15 of the LSA and Article 5, Paragraph 1, Item 1-3 of the Ordinance for Enforcement of the LSA). In this regard, in case remote employees, generally, the workplace is the employee's address. Therefore, if an employer hires a remote employee, it should check the address of the employee.

## 6 What to do when things go wrong

### Dispute resolution

**Do employees (including volunteers) need to go through any form of dispute resolution before bringing a claim to a court or tribunal?**

No.

### Resignation

**What grounds do employees have for resignation?**

An employee may terminate an employment contract without grounds (Article 627 of the Civil Code). An employee should send a notice of resignation at least two (2) weeks prior to resignation date (Article 627, Paragraph 1 of the Civil Code).





Such notice is not required to be made in writing, however, in most cases, such notice is made in writing.

It is not permissible for an employee to withdraw the notice, i.e., manifestations of intention of resignation, unless such manifestations of intention of resignation is invalid or voidable for the reasons such as being based on fraud or duress.

On the other hand, a compelling reason is required to terminate a fixed term employment contract during the term (Article 628 of the Civil Code).

## Termination

### **What grounds do employers have for the termination of employment contracts?**

In case an employer dismisses an employee, the employer must have reasonable grounds (for example, (a) in case it is difficult to continue the employer's business due to a natural disaster or other reasons, (b) in case it is difficult to continue to work due to the employee's illness, injury or other reasons, or (c) in case the employer's business has failed) for dismissing such employee (Article 16 of the LCA).

### **How do employers have to document the termination of an employment contract?**

If, on the occasion of separation from employment, an employee requests a certificate stating the period of employment, kind of occupation, position in the business, wages, or reason for separation (including the grounds for dismissal, if dismissal is the reason for separation), the employer must deliver one without delay (Article 22, Paragraph 1 of the LSA).

### **What is the responsibility of employers for damages incurred by an employee's actions within his/her work?**

Based on the provision of the Civil Code, an employer is liable to compensate for damage inflicted on a third party by employees with respect to the execution of the employee's business (Article 715, Paragraph 1 of the Civil Code).





## b. Independent contractors/consultants\*

### Section Contents

1 Contracts .....	13
2 Conditions of work for consultants.....	14
3 Safe and supportive work environment .....	16
4 Remote work .....	16
5 What to do when things go wrong .....	16

#### *Definition of an independent contractor/consultant*

An independent contractor/consultant is a person who provides certain services for its clients in accordance with a service agreement. As opposed to the worker who is employed and subject to the supervision and control of its employer as discussed in Section III above, an independent contractor/consultant is not subject to the supervision or control of its client.

There are not many restrictions on the independent contractor/consultant agreement under the Japanese laws as opposed to the employment contract.

*\* The term consultant will be used to also refer to independent contractors, or any other term that would mean a person that provides goods or services under a written contract or a verbal agreement but does not work to meet the definition of employee.*

### 1 Contracts

#### **What types of independent contractor/consultant agreements are available? Are there any specific agreements available to NGOs?**

There is no specific agreements available to NGOs.

#### **What are the main elements of consultant agreements?**

The main elements of consultant agreement (service agreement) are one party's will to assign a service to the other party and other party's will to accept such assignment.

#### **Is it possible to have probation periods for independent contractors/consultants? If yes, for how long?**

Yes – there are no restrictions on such matters, so the probation period is free to the extent the parties agree.

There is no restriction of the length of the probation periods.

#### **Is it possible to have a fixed term consultation/independent contractor agreement?**

Yes.





**Are there any restrictions around fixed term consultant/independent contractor agreements?**

No.

**Do independent contractor/consultant agreements have to be in writing? Are there any signatory requirements? For example, could they be signed in-person or electronically, etc.)?**

No.

**Do all types of independent contractors/consultants have to be under contract in order to be able to work?**

Yes.

**Can you provide a simple template of the agreements mentioned above?**

Please see the [Addendum](#).

**Is there an obligation to run a criminal record check to the extent that any independent contractor will be working with children or vulnerable people?**

Basically, we do not have such an obligation to run a criminal record under Japanese law. But, certain industries may voluntarily conduct such background checks, e.g., financial institutions.

## 2 Conditions of work for consultants

Please note that consultant agreements are sometimes construed and subject to employment laws and regulations if the independent contractor/consultant is in fact under supervision or control of its client.

**Are there any minimum age requirements for an individual to work under a consultant/independent contractor agreement?**

Yes, agreement with people under eighteen is required to be approved by their parents (guardian).

**Does a consultant/independent contractor need to obtain a license or any other permission in order to work?**

No, a non-national contractor is not required any license or permission other than visa (and working permission if necessary).

### Payment

**Are there any minimum pay requirements for consultants/independent contractors?**

No.

**Are there any exceptions in minimum wages for young persons or people with disabilities?**

No.





**Is there any requirement to provide statutory/paid leave to consultants for statutory holidays?**

No.

**Is there any requirement to pay annual leave to consultant/independent contractors? If so, how is this compensated, if at all?**

No.

**Is there an obligation to provide consultant/independent contractors with overtime? How is this compensated if required?**

No.

**Are consultants entitled to an end-of-year payment?**

No.

**Are consultants entitled to a final payment when the contract is terminated?**

No.

### **Working hours**

**Are consultants entitled to any type of leave, whether paid or unpaid?**

No.

### **Social security**

**Does the end user engager need to make any social security contributions on behalf of a consultant/independent contractor? Are independent contractors entitled to health insurance from the end user engager?**

No.

**Are independent contractors/consultants entitled to unemployment insurance/benefits after termination of their independent contractor/consultancy agreement from the end user engager?**

No.

**Are independent contractors/consultants entitled to sick leave from the end user engager? If yes, for how long? How many days have to be paid?**

No.

**Are independent contractors/consultants entitled to maternity leave from the end user engager? If yes, for how long? How many days/months have to be paid?**

No.







**Are independent contractors/consultants entitled to paternity leave from the end user engager? If yes, for how long? How many days/months should be paid?**

No.

**Are employers obliged to cover work-place injuries for independent contractors/consultants?**

No.

**Are independent contractors/consultants entitled to retirement benefits from the end user? If yes, what benefits?**

No.

### 3 Safe and supportive work environment

**Are there any differences in terms of the regime that applies to employees?**

Yes. There is no regime applicable to an independent contractor/consultant.

### 4 Remote work

**Are end user engagers required to have a registered legal entity in the jurisdiction in order to hire independent contractors/consultants there?**

No.

### 5 What to do when things go wrong

#### Resignation

**Do consultants/independent contractors need a reason to terminate the contract or can they terminate it for any reason in accordance with the terms of the contract?**

Parties of consultant agreement are generally able to terminate the agreement at any time without any ground unless specific grounds are agreed upon between the parties in advance.

#### Termination of agreement

**What grounds do end user engagers have for the termination of consultant agreements?**

Anytime for no reasons unless stipulated in the agreement.

**What is the responsibility of the end user engagers for damages incurred by a consultant's actions within his/her work?**

Yes – engagers are subject to the responsibility of tort.





## c. Volunteers

### Section Contents

1 Contracts .....	17
2 Conditions of employment.....	17
3 Safe and supportive work environment .....	18
4 Tax .....	18
5 What to do when things go wrong .....	19

#### *Definition of a volunteer*

Volunteer agreement is construed as a service agreement or other agreement depending on the details of the agreement, but is not specified under the Japanese laws.

As there is no volunteer agreement under the Japanese laws, there are no restrictions on the volunteer. However, a volunteer may be construed as an employee if the person is subject to the supervision or control of his/her client. In such cases, the relevant volunteer agreement is subject to the regulations under employment laws (there are not many but some cases where the court confirmed employment relationship on the “volunteer”).

### 1 Contracts

#### **Are organizations required to sign any form of agreement with volunteers?**

No.

### 2 Conditions of employment

#### **Is there a minimum age requirement for volunteers?**

No, but please note if relationship is construed as employment, there are some requirements as described above.

#### **What type of volunteering work may a child undertake? Are there any restrictions around this?**

No.

#### **Payments and reimbursement**

#### **Are organizations allowed to pay stipends to volunteers?**

Yes, but there is a chance such relationship falls under the service agreement or other agreement.





**Are organizations allowed to reimburse volunteers? If yes, for what expenses (such as transportation, food, etc.).**

No restrictions.

### **Working hours**

**Are there any obligations around how many hours volunteers can work?**

No.

**Are volunteers entitled to any type of leave?**

No.

### **Social security**

**Are organizations obliged to pay any social security contributions on behalf of their volunteers?**

No.

**Are organizations obliged to provide health insurance to volunteers?**

No.

**Are organizations liable for absences of volunteers due to work-place injuries?**

No.

## **3 Safe and supportive work environment**

**Are there any differences in terms of the regime that applies to employees?**

Yes. There is no regime applicable to volunteers.

## **4 Tax**

**Are organizations obliged to pay taxes if they pay their volunteers stipends? If yes, what types of taxes are mandatory to pay?**

Yes, organizations must pay depending on the type of the agreement (generally, the stipends to natural persons are construed as salary and organizations are obliged to pay withholding taxes in accordance with the applicable tax law. Please confirm with the tax attorney on applicable taxes.





## 5 What to do when things go wrong

### **What grounds do organizations have for the termination of volunteer agreements/arrangements?**

Anytime for no reasons unless stipulated in the agreement.

### **What is the responsibility of organizations for damages incurred by a volunteer's actions within his/her work?**

Yes – engagers are subject to the responsibility of tort.





## d. Non-citizen employees and consultants, including refugees and others forcibly displaced

### Section Contents

1 Status and the right to work.....	20
2 Contracts .....	20
3 Conditions of employment.....	21
4 Safe and supportive work environment .....	21
5 What to do when things go wrong? .....	21

### 1 Status and the right to work

**Are employers obliged to secure legal status for their employees or consultants if they are non-citizens? (such as refugee status, humanitarian visas, visas for trafficking survivors, other recognized protection statuses, etc.)**

No.

**Are employers obliged to secure work permits for their employees or consultants?**

An employer is obliged to cooperate to keep residential status (e.g. certification of the employment agreement) but not obliged to keep the working permit. For the avoidance of doubt, most of the residential status includes the permission of work depending on the type of the residential status.

**Is it always necessary to obtain a work permit?**

Yes.

**Can asylum-seekers and other persons forcibly displaced access the right to work if they do not have refugee status or other recognized protection statuses?**

Yes.

### 2 Contracts

**Are employment contracts or consultant agreements for non-citizens different to those for citizens?**

No.





### 3 Conditions of employment

**Does national law regulate the quotas for the number of non-citizens within one organization?**

No.

**Are employers obliged to report about employed non-citizens?**

Yes – the employers are obliged to report within 10 days to the local public employment security office by the form designated by the Ministry of Health and Welfare.

**Are there any other differences in conditions of employment for non-citizens and citizens?**

No.

**Are there any specific employment terms that apply to citizens but not apply to non-citizens?**

No.

### 4 Safe and supportive work environment

**Are there any differences in a safe and supportive work environment approach for non-citizens? If yes, please elaborate here.**

No.

**Does the employer have additional obligations for non-citizens?**

No.

### 5 What to do when things go wrong

**Is the process of termination of an employment contract for non-citizens different than for citizens? If yes, please explain here.**

No, the process of termination for non-citizens is generally the same as that for citizens. However, reporting to the public employment security office is necessary in the case of termination of employment contracts for non-citizens.

**Is the process of resignation for non-citizens different than for citizens? If yes, please explain here.**

No.

**Are non-citizens entitled to the equal protection of employment laws in the event of employment-related disputes?**

No.





## 3. Addendum

THIS AGREEMENT FOR CONSULTANCY SERVICES (the “Agreement”) is made on the [ ] day of 2020 (the “Effective Date”) by and between, [entity] whose principal place of business is at (thereafter “[entity]”), and [ ] whose principal place of business is [ ] (“Consultant”).

[entity] and Consultant shall collectively hereinafter be referred to as the “Parties” or individually as a “Party.”

### RECITALS:

WHEREAS, the Consultant is the [representative director] of [company], a company duly organized and existing under the laws of Japan and having its principal place of business at [address].

WHEREAS, [entity] wishes to engage the Consultant to provide certain services to [entity] and/or [company].

WHEREAS, the Consultant has agreed to provide such services to [entity] on and subject to the terms and conditions set out in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties, covenants and agreements hereinafter set forth, the Parties hereto, intending to be legally bound hereby, do hereby agree as follows:

#### 1. Term

The Consultant shall commence services and other related services on the Effective Date and will cease on the six (6) months anniversary date of the Effective Date or the date that the Governmental or Regulatory Authorities approves the change of control of [company]., whichever occurs first. Upon request from [entity], the Consultant shall immediately execute and deliver a notice of resignation from any and all positions the Consultant may hold at [company]., and shall execute any and all other documents reasonably requested by [entity] in connection with such resignation. Unless otherwise determined by [entity], this Agreement shall survive such resignation.

#### 2. Capacity/Independent Contractor

2.1. In providing the Services under this Agreement it is expressly agreed that the Consultant is acting as an independent contractor and not as an employee. The Consultant and [entity] acknowledge that this Agreement does not create a partnership or joint venture between them and is exclusively a contract for service between separate and independent parties. Neither Party shall have any right, power or authority to enter into any agreement for, or on behalf of, or incur any obligation or liability of, or to otherwise bind, the other Party. Neither Party will make any representations or warranties about the other Party, in any Agreement or agreement without the other Party’s prior written consent. [entity] will not provide fringe benefits, including health insurance benefits, social insurance contributions, severance, or any other employee benefit of the Consultant.

#### 3. Duties of the Consultant

3.1. The Consultant shall promptly and efficiently perform all of the services and other related services as described in Schedule 1 (the “Consultancy Services”), as may be amended from time to time with due care of a prudent manager.

3.2. This Agreement is non-exclusive. [entity] is free to consult other experts in the Consultant’s field of specialization and the Consultant retains the right to provide similar services to other parties, unless those parties carry on any activities in competition with the activities of [entity].

3.3. The Consultant will use its own initiative in how the Consultancy Services will be delivered and will have flexibility as to the hours worked on location, but will nonetheless assist [entity] by making all prompt attempts to work within an overall agreed deadline, will





observe Health and Safety regulations and will comply with all reasonable operational requirements relating to working hours and security. Hours worked shall not include commute time and lunch periods.

3.4. The Consultant will comply with the contract specification and [entity] expected standards of work, but in doing so will use its own skills and initiative as to the technical manner in which the Consultancy Services are delivered.

3.5. There is no obligation on either party to provide or accept work.

3.6. The Consultant shall keep detailed and accurate records of all activities undertaken in relation to the provision of the Consultancy Services and shall provide [entity] with reports at such intervals and in such form as [entity] may from time to time require.

3.7. The Consultant warrants that the Consultancy Services shall be performed by Consultant.

#### 4. Fees and Terms of Payment

[entity] is not required to pay to the Consultant any fees for Consultancy Services, unless otherwise agreed separately.

#### 5. Copyright

The Consultant transfers to [entity], the future copyright in or on any and all written documents prepared by the Consultant for [entity] or upon [entity]' request within the framework of this Agreement, notwithstanding termination hereof, unless otherwise expressly agreed in writing by [entity]. Copyright for the Consultant's standard templates, formats and presentation styles remains with the Consultant.

#### 6. Representations and Warranties

6.1. The Consultant represents and warrants that:

6.1.1. The Consultant has full capacity and authority and all necessary licenses, permits and consents to enter into and to perform this Agreement and to provide the Consultancy Services.

6.1.2. The Consultant in performing its duties under this Agreement will not infringe the rights of, nor breach any of its obligations to any third party.

6.1.3. The obligations of the Consultant under this Agreement will be performed with due care of a prudent manager. [entity] will be relying upon the Consultant's skill, expertise and experience in the performance of the Consultancy Services and also upon the accuracy of all representations or statements made and the advice given by the Consultant in connection with the performance of the Consultancy Services and the accuracy of any documents conceived, originated, made or developed by the Consultant as part of this Agreement.

6.1.4. The Consultant shall in all matters arising in the performance of this Agreement comply with all relevant laws.

6.1.5. Consultant will not at any time:

6.1.5.1. Misrepresent [entity] or the services that are offered by [entity];

6.1.5.2. Engage in misleading or deceptive conduct or advertising that is misleading or deceptive;

6.1.5.3. Use unprincipled advertising to solicit customers, this includes active promotion not approved by [entity], or use of websites not run or owned by [entity] for solicitation of its' products.

6.1.5.4. Do anything which might injure the reputation of or bring discredit to [entity]; and

6.1.5.5. Register the name "[entity]" or "[entity]" for any purpose without the prior written consent of [entity]. This includes registering any of the above names as a domain name or account name.







- 6.2. Except as expressly stated in this Agreement, all warranties and conditions, whether express or implied by statute, common law or otherwise are hereby excluded to the extent permitted by law.
7. Limitation of Liability and Insurance
  - 7.1. Neither party excludes or limits liability to the other party for death or personal injury and the Consultant shall indemnify and keep [entity] indemnified against death or personal injury to any persons or loss of or damage to any property which may arise out of any default or any other act, default or negligence of the Consultant against all claims, demands, proceedings, damages, costs, charges and expenses whatsoever in respect thereof or in relation thereto.
  - 7.2. [entity] is not liable to the Consultant or to any other person for any matter arising out of or in relation to this Agreement whether under the law of tort, contract, equity or otherwise for any loss.
  - 7.3. Without prejudice to the generality of Clause 7.1, in no event shall either party be liable to the other for:
    - 7.3.1. Loss of profits, business, revenue, goodwill or anticipated savings; and/or
    - 7.3.2. Indirect, special or consequential loss or damage.
  - 7.4. The parties expressly agree that should any limitation or provision contained in this Clause 6 be held to be invalid under any applicable statute or rule of law it shall to that extent be deemed omitted but if any party thereby becomes liable for loss or damage which would otherwise have been excluded such liability shall be subject to the other limitations and provisions set out herein.
8. Indemnification
  - 8.1. The Consultant shall fully indemnify [entity] against all claims, demands, actions, costs, expenses (including but not limited to full legal costs and disbursements on a solicitor and client basis), losses and damages suffered by [entity] arising from or incurred by reason of any infringement or alleged infringement (including but not limited to the defence of such alleged infringement) of any Intellectual Property Right in connection with the Consultancy Services.
  - 8.2. The Consultant agrees to defend, hold harmless and indemnify [entity] from against all claims and any expense, liability, loss, damage or cost incurred by [entity] arising under statute or at common law related, directly or indirectly, to:
    - 8.2.1. any breach by the Consultant of its obligations under this Agreement;
    - 8.2.2. Consultant's failure to fully and timely perform any of its obligations under this Agreement;
    - 8.2.3. any of Consultant's representations and warranties made in this Agreement that may at any time be untrue or incorrect; or
    - 8.2.4. any fraud, willful misconduct or negligence of Consultant in connection with the performance of its obligations under this Agreement.
  - 8.3. All property of the Consultant whilst on [entity]'s premises shall be there at the risk of the Consultant and [entity] shall accept no liability for any loss or damage howsoever occurring to it.
9. Confidentiality
  - 9.1. [entity] and the Consultant acknowledge that during the course of the Consultancy Services within the framework of this Agreement Confidential Information may be exchanged between the parties. The Consultant shall keep secret and confidential all such





information during the course of the Agreement and after the termination of this Agreement. The Consultant shall not use such information other than for this Agreement.

- 9.2. "Confidential Information" means (i) any and all information concerning either Party which has been or is, in the future, furnished by such Party (the "Disclosing Party"), or any of its Representatives, to the other Party (the "Receiving Party"), or any of its Representatives, orally, electronically, in writing or otherwise, including, without limitation, information concerning its subsidiaries, businesses, operations, markets, products, product specifications, designs, documentation, technical data, trade secrets, processes, computer programs (in object or source code form), know-how, research and development, financial condition, strategies, marketing information, Agreements, customers, white label partners, introducing brokers, employees and prospects, and (ii) any and all notes, analyses, compilations, studies or other documents prepared by either Party or any of their Representatives containing or reflecting any Confidential Information described in clause (i), above.
- 9.3. "Confidential Information" does not include information which the Receiving Party demonstrates: (i) was or becomes generally available to or known by the public without any violation of this Agreement on the part of the Receiving Party or any of its Representatives; (ii) was or becomes available to the Receiving Party or any of its Representatives on a non-confidential basis prior to its disclosure to the Receiving Party by the Disclosing Party or its Representatives; provided that the source of such information is not otherwise bound by a confidentiality agreement with the Disclosing Party or any of its Representatives, or under a contractual, legal, fiduciary or other obligation to the Disclosing Party or any of its Representatives not to transmit the information to the Receiving Party; or (iii) Receiving Party develops internally without benefit of or reference to Disclosing Party's Confidential Information (burden of proving independent development shall be on the Receiving Party).
- 9.4. All proprietary and intellectual property rights in and to the Confidential Information shall remain the sole property of the Disclosing Party, and nothing in this Agreement shall be construed in any way to grant to the Receiving Party any express or implied option, license or other right, title or interest in or to any Confidential Information, or to any intellectual property rights embodied in such Confidential Information.
- 9.5. A Party may disclose Confidential Information of the other Party to the extent required by an order of a court of competent jurisdiction or applicable governmental, quasi-governmental, or regulatory body; provided, however, that the Party, unless prohibited by law, regulation or court or regulatory order, (a) promptly notifies the other Party upon its receipt of any paper that requests or demands disclosure of its Confidential Information; and (b) provides the other Party a reasonable opportunity to (i) contest and assist in opposing any requirement of disclosure of its Confidential Information, (ii) seek judicial protection against the disclosure, and (iii) have such required disclosure be made under a protective order.
- 9.6. For avoidance of doubt, all rights in customer's, their accounts and data, introduced by Consultant to [entity] under the terms of this Agreement automatically become the confidential information and vest with [entity]. Consultant acknowledges and agrees that it has no right or ownership to any Confidential Information of [entity], including Customer data during the term of this Agreement and following its termination.
10. Default  
If the Consultant shall be guilty of any serious misconduct or any serious breach or non-observance of any of the conditions of this Agreement or shall neglect or fail or refuse to carry out the duties assigned to him hereunder, [entity] shall be entitled terminate his engagement hereunder without notice and without any payment in lieu of notice and without prejudice to any rights or claims [entity] may have against the Consultant arising out of such default.





## 11. Termination

- 11.1. [entity] may immediately terminate this Agreement by notice in writing to the Consultant.
- 11.2. Nothing in this Termination section of the Agreement shall affect the coming into, or continuance in force of any provision of this Agreement which is expressly or by implication intended to come into force or continue in force upon termination of this Agreement.
- 11.3. Upon the termination of this Agreement the Consultant shall immediately deliver up to [entity] all Confidential Information, correspondence, reports, documents, specifications, papers, information (on whatever media) and property belonging to [entity] which may be in his possession or under Consultant's control.

## 12. General

- 12.1. The Consultant shall not transfer or assign the whole or any part of this Agreement without the prior written consent of [entity]. [entity] may assign any or all of its rights under this Agreement.
- 12.2. This Agreement constitutes the entire agreement between the parties and no earlier representation or agreement relating to any matter dealt with in this Agreement will have any force or effect from the Effective Date.
- 12.3. The headings contained herein are for convenience of reference only and shall not affect the construction hereof. The expressions "[entity]" "consultant" "him" "its" or such other expressions as appear herein shall be deemed to include the masculine, feminine single or plural thereof where the context so admits.
- 12.4. Neither party will be liable to the other for any breach or failure to perform any of its obligations under this Agreement where such breach is caused by any cause beyond that party's reasonable control (**Force Majeure Event**) provided that the affected party uses its best endeavours to mitigate the Force Majeure Event. If the Force Majeure Event continues for more than 5 Business Days, the party not suffering the Force Majeure Event may terminate this Agreement immediately.
- 12.5. In the event that any of the terms contained herein are determined by any competent authority to be invalid or unenforceable to any extent, such term shall to that extent be severed from the body of this Agreement which shall continue to be valid and enforceable to the fullest extent permitted by the Law.
- 12.6. No delay, grant of time, release, compromise, forbearance (whether partial or otherwise) or other indulgence by either party in respect of any breach of the other party's obligations under this Agreement is to operate as a waiver of or prevent the subsequent enforcement of that obligation or be deemed a delay, grant of time, release, compromise, forbearance (whether partial or otherwise) or other indulgence in respect of, or a waiver of, any subsequent or other breach.
- 12.7. Any notices to be given under this Agreement shall be delivered personally or sent by post to the address set out in this Agreement or by electronic mail at:  
  
[ ] in regards to [entity]; and  
  
[ ] in regards to Consultant.  
  
Any such notice shall be in writing and shall be deemed delivered on the date delivered in person or by facsimile, email transmission or two business days after it is sent by courier or other form of recognized international delivery service with instructions for delivery on the next business day.
- 12.8. A person who is not a party to this Agreement shall have no rights to enforce any term of this Agreement.





- 12.9. No amendment to this Agreement will be effective unless it is in writing and signed by both parties.
- 12.10. The parties hereby agree that this Agreement and the provisions hereof shall be construed in accordance with the Laws of Japan and the parties hereby agree to submit to the exclusive jurisdiction of the Tokyo District Court in the first instance.
- 12.11. This agreement shall supersede and replace any prior agreement between the parties with regards to consultancy services.
- 12.12. This Agreement may be executed in two or more counterparts each of which will be deemed to be an original, but all of which when taken together will constitute one and the same instrument.

The Parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

By: \_\_\_\_\_

By:

Name: \_\_\_\_\_  
Title:

Name:  
Title:

Schedule 1 – Consultancy Services

The following shall be provided by Consultant in accordance with this Agreement:

The Consultant will, in accordance with this Agreement:

- 
- 





For more information please visit [pilnet.org](http://pilnet.org)