

The Founding Prospectus of Financial Law Board (FLB)

Establishment of FLB

1. Deregulation, globalization, and technological innovations in the financial industry in recent years have accelerated the developments of new and innovative financial products. New types of financial products, including various types of derivative products, have developed continuously in the global financial markets, but legal rules governing such transactions have not necessarily developed in unison. As such, on the one hand, there is an urgent need to develop legal rules to foster financial transactions reflecting changes in market environments; but on the other, legal uncertainty in each jurisdiction has rather increased. Especially in Japan, judicial judgments on such issues are scarce and there are few joint efforts between practitioners and academics. Furthermore, market participants in Japan tend to avoid transactions in cases where legal uncertainty remains, and this in turn may impede the proper functioning of Japanese financial markets as an open, fair and internationally competitive market.

The FLB was therefore established by Japanese attorneys and scholars who specialize in financial law to solve the legal uncertainties in Japan of issues relating to the financial industry.

Purpose of FLB

2. The FLB aims to propose recommendations on specific legal issues, in respect of uncertainties that may cause practical difficulties in introducing new financial products and transactions. Our goal is to reduce the degree of legal uncertainty as much as possible, and to enhance transparency of legal rules of the Japanese financial industry.

These recommendations include identifying the legal issues, demonstrating the legal interpretations, and advocating necessary legislative actions. The proposals made by the FLB are available on its website, in both English and Japanese.

Chairs of FLB

3. The chairs of the FLB are elected by its members. The founding chairs are Prof. Hideki Kanda (University of Tokyo) and Mr. Akihiro Wani (Attorney at Law, Linklaters).

Secretariat

4. The Bank of Japan serves as the FLB secretariat.