The Law Applicable to Employment Contracts under the New Japanese Private International Law

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The new Japanese private international law, which came into effect in January 2007, sets up a rule for the protection of employees. Article 12 provides that the choice of law made by the parties does not prevent an employee from specially invoking the application of the mandatory provisions of the law of the country most closely connected with the contract. Given that employment contracts were subject to general rules on contracts under the previous law called 'Horei', this new rule is expected to bring about several changes in the process of determining a law applicable to the employment contract. The purpose of this paper is to consider how the new system will work and to demonstrate whether new changes will result with the new rule and their nature.