

# The Reform of Japanese Contract Law and the Principle of Self-Responsibility

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## I. INTRODUCTION

As Professor Riesenhuber very persuasively describes, we can hardly imagine any legal system that is not supported by the principle of self-responsibility.<sup>1</sup> It could be safely said that the principle underpins every legal system in one way or another.

Among the various fields of law, civil law is largely guided by the principle of self-responsibility. The basic principles of modern civil law, such as the principle of freedom of contract and the fault principle, cannot be justified without having recourse to the idea of self-responsibility. In this sense, the

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1 K. RIESENHUBER, *Das Prinzip der Selbstverantwortung im Europäischen Privatrecht*, in: id. (ed.), *Das Prinzip der Selbstverantwortung* (Tübingen 2012) 213, 216: “Sowenig es eine Rechtsordnung ohne Privatautonomie geben kann, sowenig kann es eine Rechtsordnung ohne Selbstverantwortung geben.”

principle of self-responsibility can be regarded as one of the pillars on which modern private law systems, including the Japanese one, are built.

In the field of contract law, in particular, the principle of self-responsibility and the closely related principle of private autonomy (*Privatautonomie*) play a crucial role. Contract is a legal instrument which enables parties to design their rights and duties in accord with their own will. Without the legally binding effect of contracts, which is justified at least in part by the principle of self-responsibility, this legal instrument would not be able to fulfill its role. At the same time, however, the binding effect of contracts is not unlimited in our legal systems. As is most apparent in the legislation in the fields of labor law and consumer law, contract law is expected to play an intervening role when we cannot hold parties liable based on the principle of self-responsibility. As we are all aware, the difficult question in the field of contract law lies in determining to what extent and in what way this principle should be upheld.

Regarding Japanese contract law, the bill which amends the law of obligations in the Japanese Civil Code (*Minpō*, hereinafter: CivC) was passed by the Japanese Diet in May 2017.<sup>2</sup> This is the most wide-ranging reform of the CivC since its enactment in 1896, and the law of obligations was modernized overall for the first time. This article will examine the reform of Japanese contract law from the perspective of self-responsibility and analyze how the new Civil Code responds to the above question.

## II. TWO FUNCTIONS OF THE PRINCIPLE OF SELF-RESPONSIBILITY

As abstract as the concept of self-responsibility is, it should be beneficial to describe the theoretical framework adopted in this article before discussing the reform of the CivC.

The principle of self-responsibility seems to perform (at least) two deontological functions in civil law. First, this principle is often invoked to justify binding a party to what the party has agreed to. This function plays an important role especially in contract law. Its clearest manifestation is the principle of *pacta sunt servanda*. Second, the principle of self-responsibility is also invoked to justify holding a party liable for doing what the party is not supposed to do (or for not doing what the party is supposed to do) under the law. Although the latter function does have some significance in contract law, it plays a much larger role in other fields of law, such as tort law. It should also be kept in mind that in some cases these two functions can be two sides of the same coin. For instance, when a contracting party is in breach, that party is

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<sup>2</sup> As *Minpō no ichibu o kaisei suru hōritsu* [Law to Amend the Civil Code], Law No. 44 of 2017. The new CivC will come into force as of 1 April 2020.

bound by the contract which it has agreed to and is, at the same time, held liable for not fulfilling its contractual obligation.

Based on these functions of the principle of self-responsibility, legislators have various alternative options during a legislative process. On the one hand, legislators may impose legal duties upon the parties based on this principle. Many of the new rules adopted in the CivC seem to reflect such a decision by legislators. On the other hand, legislators may conclude that the parties should not have legal duties imposed on them for the reason that the preconditions for holding the parties liable based on the principle of self-responsibility are not met. Such a decision would provide an explanation for much legislation aiming to protect consumers from disadvantageous contracts. In addition to these two reactions, in the reform of Japanese contract law we can observe a phenomenon which can be characterized as a “dilution” of self-responsibility. This is the case with regard to the new rules on standard contract terms in particular. The controversial rules adopted by legislators will also be discussed in the subsequent sections.

### III. THE REFORM OF THE JAPANESE CIVIL CODE

In this section, the reform process of the Japanese Civil Code will be explained very briefly.

#### 1. *Legislative Process in Japan*<sup>3</sup>

Most of the bills submitted to the Japanese Diet are drafted by the ministry within the government which is responsible for each concrete act of legislation. As a matter of course, the Ministry of Justice (hereinafter: MOJ) was in charge of the reform of the CivC. For important legislation, the MOJ establishes a working group within the Legislative Council, which is an advisory panel of the Minister of Justice, upon a consultation of the Minister. As for the reform of the law on obligations, the Working Group on the

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3 This section partly draws upon T. YOSHIMASA, *The Reform of the Law on Remedies for Breach of Contract in Japan*, in: Bruns/Suzuki (eds.), *Reactive Instruments of Social Governance* (Tübingen 2019, forthcoming).

For this section, see also T. UCHIDA, *Contract Law Reform in Japan and the UNIDROIT Principles*, *Uniform Law Review* 2011, 705. Uchida, currently professor emeritus at Tōkyō University, played a central role in the reform of the CivC. For a political analysis of the reform process of the CivC, see S. KOZUKA/L. NOTTAGE, *Policy and Politics in Contract Law Reform in Japan*, in: Adams/Heirbaut (eds.), *The Method and Culture of Comparative Law: Essays in Honour of Mark Van Hoecke* (Haywards Heath 2015) 253.

Reform of the Law on Obligations (hereinafter: Working Group)<sup>4</sup> was established in November 2009. At its 71<sup>st</sup> meeting in February 2013, the Working Group agreed upon the Interim Draft on the Reform of the Law on Obligations (hereinafter: Interim Draft). After very intensive discussions and many compromises among the members, the Working Group managed to agree upon the final draft in February 2015.<sup>5</sup> The final draft was approved by the Legislative Council in the same month, and the bill to amend the CivC was prepared based on the draft. Bills prepared by the government officials of the MOJ are normally not revised by the Diet, and this was the case for the reform of the CivC as well.

The Working Group consisted of around forty members. While there were changes in the members, as of February 2015, when the final meeting of the Working Group was held, among thirty-seven members in total, eighteen were legal academics, four were legal attorneys representing the Japan Federation of Bar Associations, four were judges, and three were industry representatives. There were also representatives from a labor union (the Japanese Trade Union Confederation) and a consumer association. It is very important to note that any draft adopted by the Working Group must be, in principle, agreed upon unanimously by all the members. It is, therefore, very difficult for the Working Group to propose new rules on controversial issues upon which opinions and interests of the members conflict.

## 2. *Scope of the Reform*

The new bill amends the provisions of the CivC which are related to contract, namely the provisions on juristic acts (*Rechtsgeschäfte*, Art. 90 ff) and prescription (*Verjährung*, Art. 166 ff) in the general part, the general provisions on obligations (Art. 399 ff), and the specific provisions on contracts (Art. 521 ff). The bill does not, in principle, revise the provisions on property (Art. 175 ff), torts (Art. 709 ff), family law (Art. 725 ff), or succession law (Art. 882 ff).

As was the case with the modernization of the German Civil Code in 2002, the law on breach of contract (*Leistungsstörungenrecht*) and prescription were two major fields of law that were largely modified. The reform of the CivC, however, has been more far-reaching in that the provisions on juristic acts, which are contained in the general part of the CivC, and all the

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4 The minutes of the meetings of the Working Group are available at: [http://www.moj.go.jp/shingi1/shingikai\\_saiken.html](http://www.moj.go.jp/shingi1/shingikai_saiken.html) (in Japanese).

5 For an overview of the final draft in German, see M. OKUDA, Gegenwärtiger Stand der Schuldrechtsreform in Japan und Überblick über die Reformvorschläge, *ZJapanR/J.Japan.L.* 39 (2015) 3; M. DERNAUER, Der Schuldrechtsreform-Entwurf: Eine Bewertung, *ZJapanR/J.Japan.L.* 39 (2015) 35.

provisions in the general part of the law of obligations were reformed. On the other hand, in the reform of the CivC, incorporation of the rules on consumer protection was not seriously considered.<sup>6</sup>

#### IV. THE RULES ON FORMATION OF CONTRACTS

Legislators have introduced several new rules related to formation of contracts. In this section, those rules will be examined from the perspective of self-responsibility.<sup>7</sup>

##### 1. *Codification of the General Principles*

Although it is widely acknowledged that the parties may freely decide whether to conclude a contract or not based on the principle of freedom of contract, the current CivC does not have any explicit provisions on this basic principle. The new CivC, on the other hand, provides in Art. 521 (1), its first article on contracts, that “[a]nyone may decide freely whether to conclude a contract unless the law provides otherwise.” This basic principle was codified based on one of the guiding principles of the reform, according to which the CivC was to be made more transparent and understandable for citizens.<sup>8</sup> Article 522 (1) of the new CivC, which provides that a contract is concluded when a party makes an offer indicating the content of the contract and the other party accepts the offer, derives from the same guiding principle. While these new provisions do not intend to make any substantial changes, they can be regarded as a manifestation of the principle of self-responsibility.

##### 2. *“Consensualization” of “Real Contracts”*

Under the current CivC, loans for consumption (*Darlehensvertrag*), loans for use (*Leihvertrag*), and deposits (*Verwahrungsvertrag*) are treated as “real contracts”, meaning that an object of a contract must be transferred to

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6 For the incorporation of consumer law into the CivC, see H. SONO, Integrating Consumer Law into the Civil Code: A Japanese Attempt at Re-codification, in: Keyes/Wilson (eds.), *Codifying Contract Law: International and Consumer Law Perspectives* (Farnham 2014) 107.

7 Practically, the most important reform regarding the formation of contracts is the abandonment of the dispatch rule with regard to acceptances (see Art. 526 current CivC). This article focuses on the significance of the principle of self-responsibility in the reform.

8 See Consultation No. 88 of the Minister of Justice. The other guiding principle of the reform was to modernize the provisions of the CivC which have become obsolete due to the socio-economic changes that have taken place since the enactment of the Code.

a party for a contract to be concluded and that the only obligation under the contract is for the receiving party to return such object (Arts. 587, 593, and 657 current CivC). In our society today, however, it is very difficult to stick to this rule, which has its roots in the Roman tradition, and practitioners have come up with ways to circumvent the provisions in the current CivC.

The new CivC has adopted a position that these contracts are validly concluded when the parties have agreed to a contract and that a transfer of an object is unnecessary for the formation of contract (see Arts. 587-2, 593, and 657 new CivC). While the new rules seem to have an affinity with the principle of self-responsibility at first glance, this principle is not reflected in a straightforward manner. First, for loans for consumption to be concluded consensually, the contract must be concluded in writing (Art. 587-2 new CivC). Otherwise, the object of the contract must be transferred to a borrower in order for a loan for consumption to become effective, just as it is the case under the current CivC. Second, legislators have decided to allow the termination of contracts on two occasions: For loans for use, which are gratuitous by definition, and for deposits under which a party has undertaken a deposit gratuitously, the party who has assumed a contractual obligation (namely, the *Verleiher* or *Verwahrer*) may terminate the contract at the party's will unless the contract is concluded in writing (Arts. 593-2 and 657-2 (2) new CivC). These new provisions are in accordance with the rule on the termination of gifts, which can be regarded as a model of gratuitous contracts (see Art. 550 CivC). Furthermore, a borrower in loans for consumption (*Darlehensnehmer*), a borrower in loans for use (*Entleiher*), and a depositor (*Hinterleger*) may terminate a contract at their own will before the object of a contract has been transferred (Arts. 587-2 (2), 598 (3), and 657-2 (1) new CivC). This rule is justified on the ground that it is meaningless to force the borrowers to receive the object and the depositor to make use of the retainment when they no longer wish to be bound by the contract.

### 3. *The Rules on Protection of the "Weaker Party"*

The new CivC has introduced provisions aiming to protect the "weaker party" as well.

First, Art. 3-2 of the new CivC provides that a juristic act is invalid when a party did not have the capacity to understand the significance of the act (*Willensunfähigkeit*). This rule has been accepted by Japanese courts<sup>9</sup> and scholars under the current CivC, and the new provision therefore does not change the status quo. Nevertheless, from the perspective of self-responsi-

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<sup>9</sup> Japanese Imperial Court, 11 May 1905, Minroku 11, 706.

bility, it is of great significance that the new CivC explicitly declares that no legal duties are imposed on incapable parties.

Second, the new CivC has adopted a novel set of rules to protect security providers (guarantors) in personal security contracts. A set of complex rules aiming to protect security providers had already been introduced into the CivC by the reform in 2004 (Art. 465-2 ff current CivC). The reform of the law on personal security contracts in 2017, which was ardently advocated by the Japan Federation of Bar Associations, expanded the scope and content of protection. Among the various new rules, it is noteworthy that under the new CivC, a global personal security contract (contract for a revolving guarantee) which provides security for monetary obligations arising from business transactions is valid only when the security provider has expressed its will to assume responsibility by means of a notarial deed (Art. 465-6 new CivC).

Article 465-6 is the only provision in the CivC which requires parties to conclude a contract by means of a notarial deed. The rule adopted in this article is justified on the ground that in personal security contracts it is not always easy for security providers to fully understand the responsibility that they assume under the contract. Considering that the rules on consumer protection were not integrated into the CivC, a decision which is presumably justified by the idea that the Code presupposes contracting parties to be equally empowered, the mere fact that such detailed rules to protect security providers have been incorporated into the CivC is noteworthy.

#### 4. *Incorporation of Standard Contract Terms*

In the Working Group, it was very intensively discussed whether and what kind of rules should be adopted with regard to standard contract terms.<sup>10</sup> As a result of a compromise among the members of the Working Group, the new CivC has adopted a new set of rules (Art. 548-2 ff) whose content has already been severely criticized by academia. As controversial as the new rules are, this is the first time that explicit rules on standard contract terms have been provided in Japanese legislation.

To define the scope of application of the new rules, the new CivC has adopted a concept of “formulated standard contract terms” (*teikei yakkan* in Japanese). This is a completely new concept which no Japanese lawyer had heard of before.<sup>11</sup> In Art. 548-2 (1) of the new CivC, “formulated standard

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10 For an analysis of the reform of Japanese law on standard contract terms based on the Interim Draft, see H. DÖRING, *Das Recht der Allgemeinen Geschäftsbedingungen im Rahmen der japanischen Schuldrechtsreform*, ZJapanR/J.Japan.L. 37 (2014) 203.

11 “*Yakkan*” (*Geschäftsbedingungen*) is the term which is normally used in Japan when referring to standard contract terms. “Formulated standard contract terms”

contract terms” are defined as entire bodies of contractual terms which are prepared by a party for the purpose of making them part of a contract in “formulated transactions” (*teikei torihiki*), i.e., transactions which are conducted with an unspecified number of people under uniform conditions.

A very controversial rule on the incorporation of “formulated standard contract terms” is set forth in Art. 548-2 (1). The new article provides that a party who has agreed to make a “formulated transaction” is deemed to have agreed to the individual conditions provided in the “formulated standard contract terms” not only when the party has agreed to make the “formulated standard contract terms” a part of the contract (Art. 548-2 (1) (i)), but also when the party who has prepared the “formulated standard contract terms” indicated to the other party in advance that the terms would be part of a contract (Art. 548-2 (1) (ii)). The latter rule, which seems to allow incorporation of “formulated standard contract terms” even when the opposing party has not agreed to such terms, is a subject of discussion. Some scholars harshly criticize the new rule as being incompatible with the basic principle of contract law that the parties are bound by contractual terms only when they have agreed to the terms on their own will.<sup>12</sup> Others try, perhaps unwillingly, to justify the rule in Art. 548-2 (1) (ii) on the ground that the new provision provides for incorporation of “formulated standard contract terms” when the opposing party has implicitly agreed to incorporate the terms.<sup>13</sup> In either case, it is difficult to deny the fact that under the new rules on incorporation of the “formulated standard contract terms”, the principle of self-responsibility, which justifies holding a party liable for what the party has agreed to, has receded to a great degree.

## V. THE RULES ON THE CONTENT OF A CONTRACT: THE LAW ON BREACH OF CONTRACT

The law on breach of contract is one of several areas of law which have attracted great attention in the reform. Among the various issues, the reform of the rules on damages and on a seller’s liability will be discussed in this section.

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(*teikei yakkan*) cover most, but not all, of what has previously been called “*yakkan*”.

12 S. KAWAKAMI, “*Yakkan ni yoru keiyaku*” to “*teikei keiyaku*” [“Contracts Based on Standard Terms” and “Formulated Contracts”], *Shōhisha-hō Kenkyū* [Review of Consumer Law] no. 3 (2017) 1, 20–24.

13 M. OKINO, “*Teikei yakkan*” no *iwayuru saiyō yōken ni tsuite* [On the Incorporation of Formulated Contract Terms], *Shōhisha-hō Kenkyū* [Review of Consumer Law] no. 3 (2017) 97, 120–123; Y. SHIOMI, *Shin saiken sōron* I [New Law of Obligations, General Part I] (Tōkyō 2017) 43.

### 1. *Prerequisites for Damages*<sup>14</sup>

Article 415 of the current CivC provides that in cases of non-performance, the creditor is entitled to damages unless the non-performance is caused by reasons which are not “attributable to the debtor”. Regarding this tautological provision, legal academics have discussed whether the current CivC has adopted the fault principle. The traditional view, influenced by German legal theory, saw the prerequisites for damages provided in Art. 415 as a manifestation of the fault principle, which is one of the basic principles of the CivC. Recent authors, on the other hand, argue that it is not whether the debtor is at fault in a strict sense but whether he is in breach of an obligation arising from the contract that determines whether he is held liable. They also assert that the drafters of the CivC did not intend to adopt the traditional concept of fault and that the Japanese courts do not follow this principle either.

In the Working Group, there was a harsh conflict of opinions among the members regarding this provision. The members from academia argued that the provision should be revised so as to make it clear that it is not the existence (or non-existence) of fault of the debtor, but the content of the contract that should be decisive. Conversely, the practitioners, among them legal attorneys, insisted on maintaining the current provision. They argued that if the content of the contract was the only criterion for determining whether the debtor is to be held liable for damages, the rule might be disadvantageous to parties with a weaker bargaining power whose will may not be well reflected in the contract, and that the courts should be allowed to take other elements into consideration when making their decisions. The argument put forward by the attorneys in the Working Group shows that they expect the courts to play an intervening role for the protection of the weaker parties in some situations. This may, at least to some extent, conflict with the principle of self-responsibility.

The Working Group eventually came to an unsophisticated compromise. Article 415 (1) of the new CivC states that the creditor is entitled to demand damages unless the non-performance is caused by reasons which are “not attributable to the debtor considering the content of the contract” and “the established common practice”. It remains to be seen whether the new wording adopted in the new CivC will change the status quo.

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14 For a recent exposition of the Japanese law on damages in English, see K. NAKATA, *Performance and Monetary Remedies for Breach of Contract in Japan*, in: Chen-Wishart et al (eds.), *Studies in the Contract Laws of Asia I: Remedies for Breach of Contract* (Oxford 2016) 107, 121–138.

## 2. *Liability of the Seller*

Just as in the case of other legislation under the influence of the Roman tradition, the current CivC provides special rules on a seller's liability for latent defects of delivered objects (Art. 570) and defects of title (Art. 561 ff.). It had been heatedly discussed whether a seller's liability under these provisions is a category of liability for non-performance or a special statutory warranty imposed on a seller of specific goods. Most recent scholars support the former view that the seller is under a contractual obligation to deliver the goods or transfer the titles free of defects.

The new CivC also has adopted the former position, which is in accordance with the German Civil Code (*BGB*) after the reform in 2002 (see Art. 433 current *BGB*) and international instruments such as the UN Convention on Contracts for the International Sale of Goods (CISG) (see Art. 35 CISG). Under the new CivC, a contractual duty to deliver the goods or transfer the titles in conformity with the contract is imposed on a seller (see Art. 562 with respect to delivery of goods and Art. 565 with respect to transfer of titles). When the seller fails to comply with this obligation, the buyer is entitled to ask for damages or terminate the contract based on the general rules on remedies for breach of contract (Arts. 564 and 565 new CivC).<sup>15</sup> While the current CivC does not explicitly provide for the buyer's right to supplementary performance and allows a reduction of the purchase price only in limited cases, the new CivC provides general rules on these remedies as well (Art. 562 on the right to supplementary performance, Art. 563 on the right to a reduction of the purchase price).

In the provisions above, legislators have even abandoned the concept of "defect" (*Mangel*), which was familiar to Japanese lawyers. Instead, they have introduced a concept of "conformity with the contract", which evidently has its roots in the CISG, to emphasize that a seller is under an obligation to perform a contract as promised. It could be said that legislators have taken considerable account of the principle of self-responsibility in this regard.

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<sup>15</sup> Whereas the current CivC provides a special limitation period for a seller's liability (Art. 566 (3)), the new CivC has deleted this limitation period. Instead, the new Code imposes on the buyer a duty to inform the seller of a non-conformity within one year after the buyer has become aware of the non-conformity, unless the seller knew or could reasonably be expected to have known about the non-conformity (Art. 566).

## VI. THE RULES ON ADJUSTMENT OF CONTRACTS

### 1. *“The Principle of Change of Circumstances”*: An Unsuccessful Attempt at Codification

In this context, it is also interesting to discuss a rule which was not codified in the new CivC. In Japanese law, “the principle of change of circumstances”, a doctrine which allows parties to terminate or adapt a contract under a severe change of circumstances, has been established by the courts<sup>16</sup> and academia. Although the principle is not explicitly provided in the CivC and the number of court cases which have actually applied the principle is limited, the doctrine is widely acknowledged by Japanese lawyers.

The members of the Working Group made efforts up until the last minute to codify the principle, but they were unable to come to a consensus. The practitioner members of the Working Group argued repeatedly that if the principle were codified, a party that wished to evade its contractual duty would be able to make an improper use of the new provision. They also argued that the adaptation of a contract by the courts would be an improper interference in the parties’ autonomy and that if the parties wished to adapt a contract under changed circumstances, such an adaptation should be done by themselves and not by the courts.

It should be noted here that, as discussed in the previous section, the practitioner members strongly opposed the modification of Art. 415 on damages on the ground that the courts should be allowed to play an intervening role when deciding whether a party is to be held liable for damages. They seem to emphasize the limits of the principle of self-responsibility in relation to the law on damages whereas they stress its sanctity with regard to change of circumstances. Their attitude toward this principle may not be contradictory as such, but it remains unclear.

### 2. *Adjustment of Standard Contract Terms*

Another controversial rule on standard contract terms was introduced by the reform, namely a rule on the adjustment of “formulated standard contract terms”. Article 548-4 (1) of the new CivC provides that a party who has prepared “formulated standard contract terms” may adjust individual conditions provided in the terms without (!) the consent of the other party (i) when the adjustment is in the general interest of the other party, and (ii) when the adjustment does not contradict the purpose of the contract and is deemed reasonable considering the necessity of such adjustment, its ade-

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<sup>16</sup> See Japanese Imperial Court, 6 December 1944, Minshū 23, 613.

quacy, whether a term permitting such adjustment is provided in the contract, and other related elements.

Naturally enough, academics have criticized the new provision, arguing that a rule which allows a party to modify a contract without the consent of the other party is incompatible with the general rule of contract law.<sup>17</sup> Legislators, on the other hand, try to justify the provision on the ground that a party entering into a contract has agreed to incorporate the standard contract terms as a whole, and therefore an adjustment of the contract terms would not be contrary to the party's expectation as long as such adjustment may be deemed reasonable. One author refers to such a justification as being grounded on the "diluted agreement of the parties".<sup>18</sup> It is open to academic scrutiny whether the justification put forward by legislators is persuasive. Whatever the answer may be, there is no denying that the principle of self-responsibility is also "diluted" in this context.

### 3. *Reform of the Law of Prescription*

Although the law of prescription is not normally regarded as a rule on the adjustment of a contract, it nevertheless may be regarded as such in the sense that contractual obligations are extinguished after the elapsing of a certain period of time.

The reform bill has revised the rules on prescription remarkably. Among the various modifications, the amendment of the general prescription period for claims (*Ansprüche*) is of particular significance. Whereas Art. 167 (1) of the current CivC provides for a uniform prescription period of ten years running from the time when the creditor's right can be exercised (see Art. 166 (1)), the new CivC has adopted a dual system which is in accordance with many recent acts of legislation around the world:<sup>19</sup> a five-year period running from a subjective criterion, namely the time when the creditor has known that the right can be exercised (Art. 166 (1) (i)), and a ten-year period running from an objective criterion, namely the time when the creditor's right can be

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<sup>17</sup> KAWAKAMI, *supra* note 12, 25–26.

<sup>18</sup> O. MORITA, *Yakkan kisei: seido no kihon kōzō o chūshin ni (sono 4)* [The Regulation of Standard Terms: Focusing on the Basic Structure of the System (Part 4)], *Hōgaku Kyōshitsu* [Courses on Legal Studies] 435 (2016) 88, 92–94.

<sup>19</sup> For the general characteristics of the recent legislation on the law of prescription, see R. ZIMMERMANN, *Comparative Foundations of a European Law of Set-Off and Prescription* (Cambridge 2002) 85–111.

exercised (Art. 166 (1) (ii)). For most claims arising from contracts, the prescription period will be shortened under the new CivC.<sup>20</sup>

From the perspective of self-responsibility, the curtailment of the prescription period may conflict with this principle since it makes it easier for contractual parties to evade their obligations solely for the reason that a certain period of time has elapsed. However, it may also be said that the principle of self-responsibility requires parties to exercise their rights within a reasonable period of time and that in a society in which people are more sensitive to the costs caused by a non-exercise of rights, this aspect of the principle has become more significant than ever.<sup>21</sup>

## VII. CONCLUDING REMARKS

As is clear from the previous sections, the way the principle of self-responsibility is reflected in the new CivC is multi-faceted and difficult to understand in a straightforward manner. A large part of this can be attributed to the compromises among the members of the Working Group that were necessary to reach a consensus. But it is, at the same time, a reflection of the complexity of the world we live in.

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20 The new CivC at the same time provides for a particularly long prescription period of twenty years for damages arising from infringements of the right to life and bodily integrity (Arts. 167, 724-2).

21 See A. ŌMURA, *Minpō (saiken-hō) kaisei no “keiyaku, keiyaku-hō” kan* [Outlook on “Contract” and “Contract Law” under the Reform of the Civil Code (Law of Obligations)], *Minshō-hō Zasshi* [Journal of Civil and Commercial Law] 153 no. 1 (2017) 57, 72–73.