

**AGREEMENT BETWEEN THE
JAPAN COMMERCIAL ARBITRATION ASSOCIATION
AND THE
AMERICAN ARBITRATION ASSOCIATION
TO FACILITATE THE USE OF COMMERCIAL ARBITRATION IN TRADE BETWEEN
JAPAN AND THE UNITED STATES OF AMERICA**

Being convinced that a wider use of commercial arbitration would lend confidence and stability to commercial transactions between firms in Japan and in the United States of America, the Japan Commercial Arbitration Association and the American Arbitration Association are agreed henceforth to recommend that firms engaged in such trade should insert in their contracts the following clause:

“All disputes, controversies, or differences which may arise between the parties, out of or in relation to or in connection with this contract, or the breach thereof, shall be finally settled by arbitration pursuant to the Japan-American Trade Arbitration Agreement, of September 16, 1952, by which each party hereto is bound.”

The terms of the agreement referred to in this clause are as follows:

1) Arbitration to be held in Japan shall be conducted under the rules of the Japan Commercial Arbitration Association; arbitration to be held in the United States of America shall be conducted in accordance with the rules of the American Arbitration Association.

2) If the place where the arbitration is to be held is not designated in the contract, or the parties fail to agree in writing on such place, the party demanding arbitration shall give notice to the Arbitration Association of the country in which the party resides. That Association shall notify the parties that they have a period of about 14 days to submit their arguments and reasons for preference regarding the place to a Joint Arbitration Committee of three members, two appointed by the respective Associations, and the third, to act as Chairman, to be chosen by the other two. The third member shall not be a member of either Association. The seats of the two Committees shall be in Tokyo and in New York. The determination of the place of arbitration by the Joint Arbitration Committee shall be final and binding upon both parties to the controversy.

3) The Association each agree to establish such International Panels of Arbitrators as may be necessary to carry out the provisions of this agreement and to advise each other of the personnel of these panels.

4) Both Associations will cooperate in advancing international commercial arbitration, through increased use of the facilities of their organization, and will advise each other concerning mutual policies and progress in the interests of Japanese-American trade.

The foregoing shall be known as the Japan-American Trade Arbitration Agreement and shall be deemed to be incorporated in any contract containing the following clause:

“All disputes, controversies, or differences which may arise between the parties, out of or in relation to or in connection with this contract, or the breach thereof, shall be finally settled by arbitration pursuant to the Japan-American Trade Arbitration Agreement, of September 16, 1952, by which each party hereto is bound.”

Tokyo, Japan
Date: September 16, 1952

THE JAPAN COMMERCIAL ARBITRATION ASSOCIATION
By: Aiichiro Fujiyama

New York, N.Y.
Date: September 9, 1952

THE AMERICAN ARBITRATION ASSOCIATION
By: A. C. Croft