

Expedited Arbitration as a Speedy Means of Dispute Resolution

Arbitration is widely used, particularly by companies operating internationally, as a means of resolving disputes with business counterparties. This is likely because, compared with court litigation, arbitration offers greater international enforceability of awards and a higher degree of confidentiality in the proceedings.

Under the arbitration rules of major arbitral institutions with which Japanese companies are familiar — including the Japan Commercial Arbitration Association (the “JCAA”) — where the amount in dispute is below a certain threshold, the default rule, absent a separate agreement between the parties, is that Expedited Arbitration Procedures apply rather than ordinary arbitration procedures. In other words, once the parties to a contract have agreed to resolve future disputes by arbitration under the rules of a particular arbitral institution (an “arbitration agreement”), any future dispute that meets the relevant requirements will automatically become subject to Expedited Arbitration Procedures. It is therefore very important to understand how Expedited Arbitration Procedures work.

While Expedited Arbitration Procedures offer the advantage of resolving disputes within a short period, they also carry the risk that, depending on the nature of the case, the parties may not have sufficient time to fully present their arguments and evidence. Accordingly, when selecting arbitration as the dispute resolution mechanism in a dispute resolution clause, it is important to consider in advance — based on the types of disputes that may arise in the future — whether to proceed on the assumption that Expedited Arbitration Procedures will apply.

On the other hand, if a party sees business value in achieving a speedy resolution within a short period, resorting to Expedited Arbitration Procedures can be an attractive option. Japan’s newly established “Statutory Trial Period Litigation Proceedings” (*Hōtei Shinri Kikan Soshō Tetsuzuki*) — a civil litigation procedure designed to achieve adjudication and judgment within a fixed, short period — has drawn some skepticism as to its practical effectiveness. Against that backdrop, we expect Expedited Arbitration Procedures to attract even greater attention as a means of speedy dispute resolution, regardless of whether the dispute is international in nature.

This newsletter provides an overview of Expedited Arbitration Procedures under the JCAA’s Commercial Arbitration Rules (2021) (the “JCAA Rules”) and of the Statutory Trial Period Litigation Proceedings introduced for civil litigation in Japan, and then discusses practical points to consider when using Expedited Arbitration Procedures.

1. Differences Between Arbitration and Court Litigation

Before providing an overview of Expedited Arbitration Procedures, we first briefly explain arbitration in general. Arbitration is a dispute resolution procedure conducted outside the courts, used where the parties have entered into an arbitration agreement to resolve their dispute by arbitration.

One reason arbitration is widely used, particularly in international transactions, is the high degree of international enforceability of arbitral awards. For example, to enforce in one country a judgment obtained through court litigation in another country, the judgment must first be recognized under the legal system of the country in which enforcement is sought; as a result, even a party that has obtained a favorable

judgment may be unable to enforce it, depending on where the counterparty is located. Arbitration, by contrast, benefits from the widespread ratification of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the “New York Convention”) by many countries, meaning that in many cases recognition and enforcement of an arbitral award can be sought in the jurisdiction where the counterparty is located.

In addition, arbitral proceedings are, in principle, private (see, for example, Article 42.1 of the JCAA Rules), and arbitrators, the parties, and other persons involved in the arbitral proceedings are bound by an obligation of confidentiality with respect to facts related to or learned through the arbitral proceedings (Article 42.2). This is one of the distinguishing features of arbitration compared with court litigation, where, for example, oral hearings are open to the public (Article 82, paragraph 1 of the Constitution of Japan) and case records may generally be inspected by third parties (Article 91, paragraph 1, and Article 91-2, paragraph 1, of Japan’s Code of Civil Procedure) — so that arbitration makes it easier to maintain the confidentiality of information relating to a dispute.

These features are common not only to ordinary arbitration but also to the Expedited Arbitration Procedures discussed in this newsletter.

2. Features of Expedited Arbitration Procedures

Under the JCAA Rules, Expedited Arbitration Procedures apply, in principle, where either of the following applies (Article 84.1 of the JCAA Rules):

- ① the amount in dispute¹ is JPY300 million or less; or
- ② the parties have agreed in writing that Expedited Arbitration Procedures shall apply, and have notified the JCAA of that agreement.

As this shows, a significant feature of the JCAA Rules is that, for cases where the amount in dispute is below a certain threshold, Expedited Arbitration Procedures apply by default unless the parties take specific action to opt out.

The most significant feature of Expedited Arbitration Procedures is that, in order to expedite the proceedings, the trial period is substantially shortened compared with ordinary arbitration. Specifically, under Expedited Arbitration Procedures, the arbitral tribunal is required to use reasonable efforts to render an arbitral award within six months of its constitution (or within three months where the amount in dispute is JPY50 million or less) (Articles 88.1 and 88.2 of the JCAA Rules), and this time limit may be extended by the JCAA only in exceptional circumstances (Article 89). In an Expedited Arbitration case in which our firm acted as counsel, our impression was that the six-month trial period was applied quite strictly, and it appears that extensions are granted only in exceptional circumstances, such as where the parties agree to an extension.²

By contrast, while the arbitral tribunal in ordinary arbitration proceedings is likewise required to use reasonable efforts to render an arbitral award within nine months of its constitution (Article 43.1 of the JCAA Rules), the JCAA has published statistics showing that, in practice, the average time from constitution of the arbitral tribunal to the arbitral award is 10.5 months, rising to an average of 18.1 months for large cases where the amount in dispute exceeds JPY1 billion.³ In light of this, choosing Expedited Arbitration Procedures may offer a meaningful and effective reduction in the time required to resolve a dispute.

¹ The amount in dispute includes the total of the amount claimed in the Request for Arbitration, the amount claimed in any counterclaim, and the amount of any claim asserted as a set-off defense. Amounts claimed for interest and costs are not included.

² According to the JCAA, arbitral awards have been rendered within the specified deadline in approximately 70% of cases in which Expedited Arbitration Procedures were applied. Japan Commercial Arbitration Association, “Statistics” (<https://www.jcaa.or.jp/en/arbitration/statistics.html>).

³ This average, however, covers both Expedited Arbitration and ordinary arbitration cases combined. Japan Commercial Arbitration Association, “Statistics” (<https://www.jcaa.or.jp/en/arbitration/statistics.html>).

To achieve this speed, Expedited Arbitration Procedures adopt a different institutional design from ordinary arbitration in several respects, as summarized below:

	Ordinary Arbitration	Expedited Arbitration
Number of arbitrators	One or three (Article 26.1 of the JCAA Rules)	One, in principle (Article 86.1 of the JCAA Rules); however, three if the parties agree that the number of arbitrators shall be three (Article 86.2)
Whether a hearing (oral statements by the parties, examination of witnesses, etc.) is required	The arbitral tribunal decides whether to hold a hearing or to proceed on a document-only basis; however, a hearing will be held if requested by either party (Article 50.1 of the JCAA Rules)	Document-only proceedings, in principle, unless the arbitral tribunal, having heard the parties' views, considers a hearing necessary, or the parties agree to hold one (Article 87.1 of the JCAA Rules)
Availability of third-party joinder and consolidation of multiple arbitral proceedings	Available if certain requirements are met (Articles 56 and 57 of the JCAA Rules)	Not available (Article 90 of the JCAA Rules)

3. Flow of Expedited Arbitration Procedures

As described above, Expedited Arbitration is a system designed to achieve early dispute resolution by shortening the trial period. Accordingly, the parties must present their arguments and evidence efficiently within a limited time, requiring a well-planned approach from the very outset of the arbitral proceedings.

(1) Request for Arbitration, Answer, and Counterclaim

Expedited Arbitration commences on the date on which the claimant submits a Request for Arbitration to the JCAA (Article 14 of the JCAA Rules). In response, the respondent must, in principle, submit an Answer to the JCAA within four weeks of receiving notice of the Request for Arbitration (Article 18), and any counterclaim must likewise, in principle, be submitted within the same four-week period (Article 19). Where a counterclaim is contemplated in particular, the need to prepare the Answer and the counterclaim in parallel makes speed even more critical.

Where necessary, the respondent may ask the JCAA to extend the deadline for submitting the Answer and any counterclaim (Article 12.5 of the JCAA Rules). Although this is treated as an exception, in practice extensions have been granted as “necessary” in cases such as where the request for arbitration involves extensive technical matters or a wide range of evidence has been submitted.

(2) Appointment of the Arbitrator and Preparation of the Procedural Schedule

In Expedited Arbitration, the arbitral tribunal consists, in principle, of a single arbitrator (Article 86.1 of the JCAA Rules). Because the arbitrator’s expertise and experience can have a significant impact on the proceedings, it is important, when the arbitrator is being appointed, to make appropriate submissions — taking into account the candidate’s field of expertise and background — so that the proceedings are not conducted unfavorably.

Once the arbitral tribunal is constituted, it will, after consulting with the parties, prepare a procedural schedule (Article 88.3 of the JCAA Rules). Because the overall period allotted for the parties’ submissions in Expedited Arbitration tends to be considerably shorter than in ordinary arbitration, it is important to carefully assess whether the proposed schedule is realistically achievable.

(3) Document-Only Proceedings and the Arbitral Award

In Expedited Arbitration, the proceedings are, in principle, conducted on a document-only basis, and a hearing will be held only where the arbitral tribunal considers it necessary or all parties agree to one (Article 87.1 of the JCAA Rules).

The arbitral tribunal, having conducted its review, will, in principle, render an arbitral award within six months of its constitution (Articles 88.1 and 88.2 of the JCAA Rules). An arbitral award is final and binding on the parties (Article 64), and the JCAA Rules do not contemplate an appeal from the award. For this reason as well, it is important to make full use of the limited time available to present arguments and evidence.

4. Comparison of Trial Period and Cost with Civil Litigation

When choosing a means of dispute resolution, two factors of particular practical importance are the “trial period” and the “cost.” Below, we discuss the characteristics of Expedited Arbitration in comparison with civil litigation in Japan.

(1) Comparison of Trial Period

According to materials published by the Japanese courts, the average trial period for first-instance civil cases in Japan’s district courts is approximately 9.2 months. Cases involving specialized issues tend to take even longer — for example, an average of 26.9 months for construction defect damages cases and 24.9 months for medical malpractice damages cases.⁴

By contrast, as noted above, Expedited Arbitration is designed so that, regardless of case type, the arbitral tribunal endeavors to render an award within six months of its constitution (or three months where the amount in dispute is JPY50 million or less). The trial period can therefore be expected to be significantly shorter than in civil litigation.

(2) Comparison of Cost

In civil litigation, costs tend to accumulate in proportion to the length of the proceedings, as attorneys’ fees increase with each additional hearing date and the internal burden on the company also grows. In Expedited Arbitration, by contrast, because the trial period is limited, costs that scale with the length of proceedings tend to be more contained.

That said, arbitration involves costs specific to the arbitration system, such as the arbitrators’ remuneration and expenses and the administrative fee payable to the arbitral institution (Article 80.1 of the JCAA Rules). Among these, arbitrators’ remuneration under the JCAA Rules is calculated on an hourly-charge basis (JPY50,000 per hour, exclusive of consumption tax) (Articles 93.1 and 93.2, subject to an upper limit depending on the amount in dispute), meaning that costs can be relatively higher in ordinary arbitration cases that require more time for the proceedings due to the complexity of the matter.

It should also be noted that the allocation of these costs is determined by the arbitral tribunal, taking into account the course of the proceedings, the content of the arbitral award, and all other relevant circumstances (Article 80.2 of the JCAA Rules), and there is a possibility that the losing party will bear the costs (a rule that can work in favor of the prevailing party).

5. Comparison with Statutory Trial Period Litigation Proceedings

With respect to court litigation in Japan, the amended Code of Civil Procedure, which came into effect on May 21, 2026, introduced the “Statutory Trial Period Litigation Proceedings” — a procedure designed to achieve adjudication and judgment within a fixed, short period. This procedure is characterized by the fact that, including where both parties request that their dispute be heard and decided under this procedure —

⁴ General Secretariat of the Supreme Court of Japan, “Report on the Verification Concerning the Expediting of Trials,” p. 48 (https://www.courts.go.jp/vc-files/courts/2023/10_houkoku_3_minji.pdf).

either at the same time as filing an ordinary civil action or after an ordinary action is already pending — the period until the close of oral argument and the period until judgment is rendered are fixed in advance by statute. Specifically, oral argument must be closed within six months of the commencement of the procedure, and judgment must be rendered within one month thereafter (Article 381-3, paragraphs 1 and 2, of Japan's Code of Civil Procedure).

However, under the Statutory Trial Period Litigation Proceedings, if either party requests a transition to ordinary litigation proceedings, the court must decide to proceed under ordinary litigation procedures (Article 381-4, paragraph 1, item (i), of Japan's Code of Civil Procedure). In addition, although an appeal to a higher court is not, in principle, available against the final judgment (Article 381-6), a party may raise an objection with the court that rendered the judgment (Article 381-7), and where a valid objection is raised, the case reverts to the stage before the close of oral argument and proceeds to be heard and decided under ordinary litigation procedures (Article 381-8). Accordingly, it should be noted that, because a transition to ordinary litigation procedures is contemplated in certain circumstances, the Statutory Trial Period Litigation Proceedings will not necessarily conclude within the statutorily fixed period.

By contrast, under Expedited Arbitration Procedures pursuant to the JCAA Rules, as noted above, the arbitral tribunal is, in principle, expected to render an arbitral award within six months of its constitution, and, absent unavoidable circumstances, this period will not be extended (Articles 88 and 89 of the JCAA Rules). In practice as well, our impression is that the trial period under Expedited Arbitration Procedures is applied quite strictly.

Both the Statutory Trial Period Litigation Proceedings and Expedited Arbitration Procedures are systems aimed at achieving early dispute resolution, but there are differences in how each is designed and operated in practice. Expedited Arbitration Procedures are applied relatively strictly with respect to the trial period, not only as a matter of design but also in practice, making them a strong option for parties who prioritize early dispute resolution.

6. Types of Disputes Suited — and Not Suited — to Expedited Arbitration

As discussed above, while Expedited Arbitration can offer an advantage in terms of early dispute resolution, whether it is a good fit for a particular case depends on the type of dispute involved. Because the period between the constitution of the arbitral tribunal and the arbitral award is limited under Expedited Arbitration, a key concern is whether the parties will be able to adequately present their arguments and evidence. The complexity of the dispute and other characteristics of the case therefore have a significant bearing on the suitability of Expedited Arbitration.

While the ultimate determination should be made based on the specific facts of each case, dispute types generally suited — and not suited — to Expedited Arbitration can be summarized as follows.

(1) Dispute Types Suited to Expedited Arbitration

Type	Reason Suited
Disputes with limited issues	The scope of the proceedings can be easily narrowed, making it less likely that the scope of arguments and evidence will expand excessively
Disputes that can be proven largely through objective documentary evidence	The arbitral tribunal can render its award based primarily on the documentary evidence submitted, without relying heavily on expert witnesses

What these dispute types have in common is that the issues and the structure of the arguments and evidence can be readily organized, without significant reliance on further evidence-gathering or specialized examination. Expedited Arbitration is a system that can make the most of its speed in disputes that are, in this sense, easy to organize.

(2) Dispute Types Not Suited to Expedited Arbitration

Type	Reason Not Suited
Disputes involving complex facts	Confirming the facts requires substantial examination, making it difficult to establish an analytical framework at an early stage
Disputes involving a wide range of issues	It is difficult to narrow the scope of the proceedings, and the scope of arguments and evidence tends to expand
Disputes involving a wide range of evidence	Collecting and analyzing the evidence requires a corresponding amount of time
Disputes in which expert evidence is central to the case	Expert witness involvement or appraisal becomes essential, requiring a corresponding amount of time for the proceedings

For these types of disputes, because the proceedings are expected to require a corresponding amount of time, there is a risk that the time constraints of Expedited Arbitration will result in inadequate presentation of arguments and evidence. That said, it is often difficult to predict in advance the type of dispute that may arise in the future; where there is no particular indication that a dispute, once it materializes, is likely to be especially complex, there may be room to consider Expedited Arbitration as a strong option, taking into account the benefits of early resolution.

7. Conclusion

As discussed above, Expedited Arbitration Procedures can be a useful means of achieving early resolution of disputes that are not expected to involve particularly complex issues or facts. Where early dispute resolution is a priority — whether at the contract-drafting stage or once a dispute resolution procedure has become unavoidable — it will be important to assess the content and suitability of Expedited Arbitration Procedures and to consider, among other options, what dispute resolution method, including Expedited Arbitration, would be most appropriate.

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