PREFACE

This is the first volume in a series of Yearbooks addressing the legal systems of East Asia. The *Yearbook Law & Legal Practice in East Asia* aims to provide the business community and the legal profession with accessible, up to date information and insight into some of the most topical legal issues arising in this key geographical area.
Though the overall focus of the series is on the legal aspects of doing business in East Asia, legal issues of a more general nature will also be covered from time to time, where these are relevant for a better understanding of the particular legal culture concerned.

The idea of this new series of Yearbooks originates from a Euro-Asian traineeship programme *Law & Legal Practice in East Asia.* The year 1994 marked the first *lustrum* of this programme, and the completion of five years of successful co-operation between law firms and universities in Japan, China and Hongkong, and Erasmus University in Rotterdam, the Netherlands. Thus far, more than 50 law students from Rotterdam studied and served traineeships in the Far East. In exchange, we had the pleasure of welcoming ten distinguished practitioners and university colleagues from the Far East in Rotterdam.
The formula *and* the rationale for the *Law & Legal Practice in East Asia* programme have proved to be valuable and convincing. We are delighted that one of the leading publishing houses, Kluwer Law International, has confirmed our view that legal developments in East Asia deserve global attention, by agreeing with us to launch the *Yearbook on Law & Legal Practice in East Asia* for worldwide distribution.

It is envisaged that the vast majority of the contributions will come from locally based expert practitioners and scholars. It is equally contemplated, however, that the current *East Asia* programme will leave its mark in this venture, in that a small number of talented former participants in the programme, usually young law graduates, will also be allowed to contribute each year.

The editorial structure for the series has been designed to monitor the quality standard of each volume, to guarantee an adequate input from the national legal systems concerned, and to optimise communications. We consider ourselves fortunate as, already at the launch of this series, an impressive number of leading authorities, representing various legal systems in East Asia, have been willing to join the Editorial Board or the Advisory Editorial Committee. We are also delighted that some European experts have been willing to accede to the Committee, to underscore the Euro-Asian perspective on which the Yearbook and the originating programme are grounded.

This first volume is a special, introductory volume, commemorating the first *lustrum* of the *Law & Legal Practice in East Asia* programme. It starts out with a description of the programme by one of its founders, Annie de Roo. With one exception, the subsequent contributions concern one of the three legal systems covered thus far in the programme: Japan, the Peoples Republic of China and Hongkong.

As to China, headlines such as "the giant awakes", have been in common usage for some time. The giant seems to be quite awake now, with a vast and still growing amount of legislation *in situ*, seeking to regulate and facilitate foreign investment. Dale Fischer and Michiel Sträter provide a general overview of the various methods of direct investment, and their legal intricacies. Robert van der Hum complements this overview through an analysis of the opportunities that China's special economic zone policy has to offer. The staffing of a foreign investment enterprise still tends to create particular problems. Lin Feng analyses what changes China's new employment legislation bring us. The investment in shares issued by Chinese companies constitutes a different approach to investing in China. Michiel Sträter considers the stock markets in Shanghai and Shenzhen. An even more recent and exciting development is the transformation of state owned enterprises into joint stock companies, with shares listed outside China. Tang Lizhi and Dong Lisheng give a first hand account of this development.

Perhaps Japan is the country likely to cause most confusion for western investors. Their first impression of a western type of highly advanced free market economy is often followed by frustrations over unexpected and misapprehended entry barriers. This may be particularly true in the area of mergers and acquisitions. Minouke Sonneville and Rob Jagtenberg clarify the past and point to future perspectives. The issue of liberalisation in the services area is covered by Cees Vellekoop, focusing on the legal profession in Japan. From the lawyers to the courts is a small step, or perhaps not; Akira Ishikawa reviews the multi-faceted practice of alternative dispute resolution (ADR), an area which has recently moved to the centre of debate in western Europe, with the Woolf commission about to report. Marion Jansen describes the Japanese system of industrial relations, where ADR is the rule rather than the exception.

Hongkong's free market economy constitutes an interesting background for analysing economic torts, protecting a person's business or commercial interests. Dhirendra Srivastava and Tenne Tennekone provide a solid and lucid overview.
Two issues of a more constitutional nature are dealt with by Tom Topp and Nadja Houben. The Japanese views on peace keeping and peace enforcing operations, and the status of the International Covenant on Civil and Political Rights in Hongkong after 1997, have caused a great deal of controversy and for that reason can be viewed as essential background information on the legal and political culture in Japan and Hongkong.
The contribution by Frank van Sluis stands out as an exception, in that the geographical area covered is Vietnam. This overview of legal aspects of investment however fits in perfectly with this Yearbook, and in view of Vietnam's economic potential it seems almost inevitable that further aspects of Vietnamese law will be dealt with in the Yearbook volumes still to come.

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