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ESSENTIAL INTELLIGENCE:

Fraud, Asset Tracing & Recovery

Contributing Editor:

Keith Oliver
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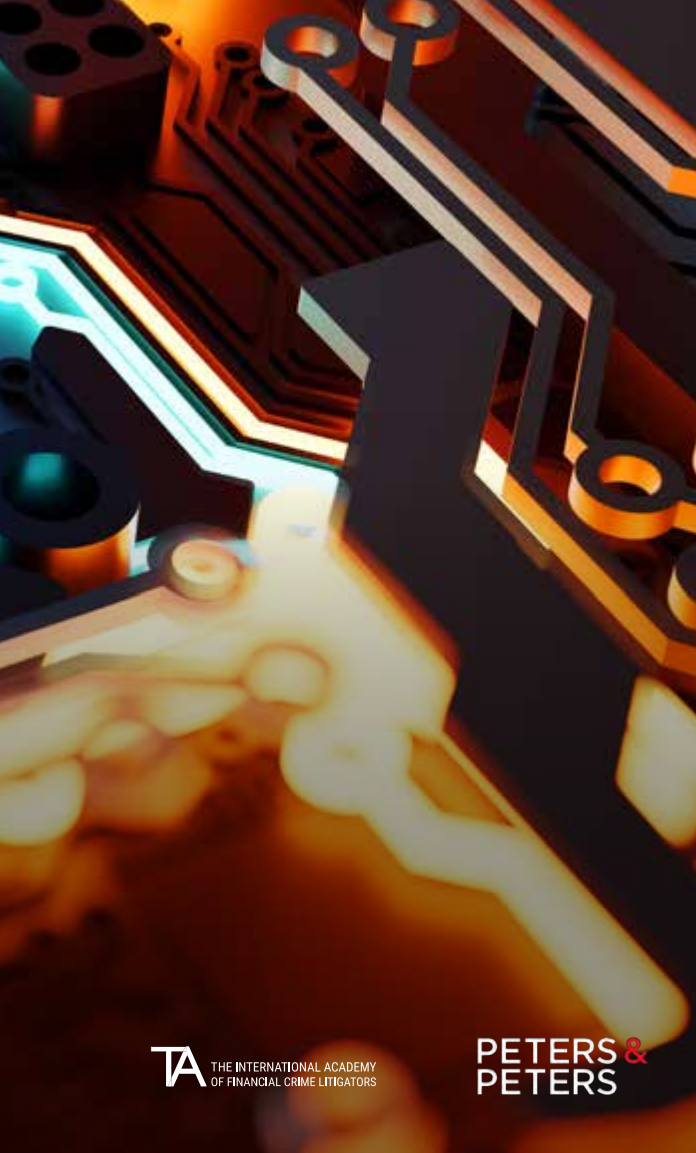
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I Executive summary

Japan has established a well-developed legal system to recover remedies for victims of fraud. Its law enforcement agencies and court systems are clean and well organised. However, such legal systems are facing challenges in terms of technological development and the international nature of fraud. Court systems need to be reformed to adopt new technology and implement more robust systems against fraudulent practices occurring at an international level. This chapter illustrates the general nature of the asset recovery mechanisms available to victims of fraud in Japan and describes the challenges caused by modern types of fraud and related crimes.

II Important legal framework and statutory underpinnings to fraud, asset tracing and recovery schemes

Japanese civil law permits the filing of an action for damages caused by fraud or tort, and provides a mechanism to enforce compulsory execution against the property of the wrongdoer based on a successful final and binding judgment. However, the legal proceedings can take a considerable amount of time, during which the assets of the defendant could be drained before compulsory execution may be carried out upon receipt of a favourable judgment. There-

fore, preservation procedures, such as provisional attachment and provisional injunction, exist as a means to preserve the property of the wrongdoer and to prevent the dispersion and dissipation of that property.

1 Preservation procedures

1.1 Provisional attachment

Provisional attachment is recognised as a means to maintain the current status of property and to preserve that property for future compulsory execution, and may be allowed on selected appropriate property corresponding to the amount of a monetary claim from among the non-exempt property of the debtor that is the subject of the execution. When money is the subject of a fraud, it can be difficult to determine the location of that money. However, if, for example, the fraudulent act was a request to transfer money to a specific bank account, a claimant may be able to obtain a provisional attachment order and request that the bank account be frozen. Banks generally will not freeze their deposits without an attachment order issued by a court, so creditors should use the attachment procedure if they wish to request that a bank account be frozen.

1.2 Provisional injunction order

The provisional injunction order procedure is used to maintain the *status quo* of a specific property when a creditor has a claim against the debtor for that specific property, and when any change in the current



➡ physical or legal status of the property is likely to make it impossible or extremely difficult to enforce the claim in future.

1.3 Requirements for preservation procedures

Preservation procedures require a *prima facie* showing of the existence of a right to be preserved. For example, attachment only applies to a claim for the payment of money. The existence of a claim for the payment of money will be obvious in cases of fraud and other illegal activities seeking recovery of money or property having value. However, a *prima facie* case of fraud requires a factual showing, for example, that the property invested by a creditor was not actually used for any intended investment or that the investment itself was fictitious.

For example, there is a judicial precedent involving an individual who had solicited investments in a medical collections business, MRI International, Inc., but did not use the invested funds for the intended investment purposes. In another case, a company, World Ocean Farm, had raised funds for the purpose of investing in shrimp farming in the Philippines, but did not undertake any actual investment activity as described in the fundraising plan. In both cases, individuals were found liable for fraud.

In addition, attachment is appropriate when there is a likelihood that compulsory execution will not be possible or when significant difficulties will arise in implementing compulsory execution. The need for preservation will generally occur in cases in which there is a risk that the debtor's culpable assets could be quantitatively and qualitatively reduced due to destruction, waste, resale, concealment or expropriation, or where the debtor's culpable assets would become unsuitable if sold in the form of disposition of real estate, or where it would be difficult to ascertain the debtor's culpable assets due to the debtor's escape or relocation.

1.4 Protection measures for debtors

In attachment proceedings, a temporary restraining order may be issued against the debtor based on a creditor's unilateral claim or based on a *prima facie* showing, which may avoid full confirmation of the claim. The issuance of a temporary restraining order may be a decisive blow to the debtor, so the court may require a security deposit from the creditor to protect against any potential damage that the debtor may incur.

The existence of a claim is relatively clear in the case of a loan claim or a receivable arising from a sales contract. However, the existence of a claim is not necessarily clear in the case of a claim for damages arising from a tort, such as fraud. Accordingly, the security deposit for an order of provisional seizure, in which the claim for damages caused by a tort is a secured claim, is often made on the condition that a statutory bond of at least 30% of the claim is deposited with the relevant Legal Affairs Bureau. Thus, the preservation procedure and the subsequent proceedings require a considerable amount of funds.

2 Compulsory execution procedure after obtaining a judgment in a civil suit

A plaintiff (creditor) who has prevailed in a fraud claim in a civil suit may seize the real estate, personal property, bank deposits, and other monetary assets held by the defendant (debtor). In the case of a monetary claim for fraud, a declaration of provisional execution is usually attached to the judgment of the first instance and, therefore, it is possible to seize the defendant's property even before the judgment becomes final and binding. In those circumstances, if a provisional seizure order is obtained against the defendant's property at an early stage, effective compulsory execution is possible because the property will be preserved. In the case of a tort claim, it is usually difficult to apply for compulsory execution against the defendant's property after obtaining a judgment.

2.1 Property disclosure order

The Civil Execution Act provides for an order requiring a debtor to disclose his/her assets. If the debtor violates the property disclosure order, he/she is subject to a fine. In practical terms, a property disclosure order is aimed at collecting claims using the pressure of the imposition of fines. Requirements for an order for the disclosure of property are as follows.

A creditor who has a monetary claim in respect of an enforceable authenticated copy of a title of obligation (as defined in Article 22 of the Civil Execution Act) may file a petition for an order requiring the debtor to disclose property when the creditor has made a *prima facie* showing that the creditor has been unable to receive full performance under the



monetary claim or when the creditor has made a *prima facie* showing that he/she is unable to obtain full performance under the monetary claim even by implementing compulsory execution against known property (Article 197 of the Civil Execution Act).

Courts may prescribe a deadline for the disclosure of information and impose an obligation on the debtor to make statements concerning his/her property (Article 197 of the Civil Execution Act). Failure to comply with a disclosure order by the court-imposed deadline without a reasonable basis to do so or without a sworn statement, or provision of a false statement in a sworn disclosure, is punishable by imprisonment with labour for not more than six months or a fine of not more than JPY 500,000 (Article 213 of the Civil Execution Act).

In practice, effective collection of monetary claims is often made by stressing the possibility of a petition for a property disclosure order and criminal sanctions.

3 Bankruptcy petition

If a debtor does not make any payment towards a final and binding judgment, a judgment creditor may file a petition for the adjudication of bankruptcy against the debtor based on the creditor's claim. Upon rendering an adjudication order, a court-appointed trustee will have the power to investigate the debtor's property. If a debtor makes a false statement in connection with the investigation, the debtor would be in violation of bankruptcy law and would be subject to criminal punishment, which could be a powerful tool for collecting claims.



III Case triage: main stage of fraud, asset tracing and recovery cases

1 Strategy

Before taking any actions to recover remedies caused by fraud activities, it is important to determine the strategy to tackle the fraud and the methods available to recover damages. As described above, if a creditor (plaintiff) obtains a favourable judgment in a civil suit, the defendant's deposit account or other property may be subject to compulsory execution, and his/her property may be seized. However, a defendant's property may easily be transferred to third parties during the civil proceedings, and thus it is important to initiate provisional attachment or provisional injunction procedures against known property before filing a lawsuit.

2 Filing of a criminal complaint

A creditor (plaintiff) must bear the legal costs incurred in bringing an action and obtaining judgment and compulsory execution. Therefore, in order to clarify the actual situation through investigation by the authorities, it is common for a creditor to file a criminal complaint with the police to urge the authorities to investigate and to recover damages by having the police or the public prosecutor confiscate the property during the criminal procedure process.

If an investigation reveals fraud has been committed in violation of the Act on Punishment of Organized Crime, the investigating authorities may seize and confiscate funds collected by the criminal offender. Investigative bodies, such as the police and prosecutors, have the authority to compulsorily collect deposit information and other information from banks and other financial institutions, and thus, can arrest and prosecute criminal offenders, and confiscate property, when the evidence of fraud is clear.

In particular, the Act on Punishment of Organized Crime provides for the confiscation and collection of property derived from organised crime. Organised crime, pursuant to this legislation, includes not only illegal transactions, such as the sale of narcotics, but also organised fraud, such as solicitation and execution of fictitious investments, either inside or outside of Japan. Thus, in addition to seeking criminal prosecution of the offender who engaged in fraudulent solicitation, the investigating authorities may confiscate the proceeds from illegal acts. In addition, the investigating authorities may be required to distribute the proceeds based on the victim recovery benefit system.

Accordingly, recovery of overseas assets is difficult without the involvement of the law enforcement institutions. Therefore, if the whereabouts of foreign assets are known, it is important to prevent leakage of those assets by first executing the procedures for attachment and provisional disposition of foreign assets in collaboration with overseas lawyers at an early stage. As such, building an international network of lawyers is recommended.



3 Case study

The *World Ocean Farm* case presents an example of international investment fraud. The wrongdoers stated that they ran a shrimp farm in the Philippines, the size of which was claimed to be 450 times the size of Tokyo Dome (one of the largest stadiums in Japan). Potential investors were told that investments in the business would double in one year. Distribution of the investment funds was accomplished in the name of a limited liability partnership. The wrongdoers collected approximately JPY 85 billion from about 35,000 people. The investment turned out to be a large-scale Ponzi scheme.

More than 10 company executives involved in the fraud were arrested and indicted, and the former chairman was sentenced to 14 years in prison on fraud charges. Although the victims suffered considerable damages, the Ponzi scheme left no significant property in Japan, and USD 40 million that had been concealed in United States financial institutions for money laundering was seized by the Federal Bureau of Investigation (FBI). The Japanese and United States authorities negotiated the return of the seized funds, and a fund of USD 40,269,890 was returned to the victims.

For proceeds of organised crime, a framework of procedures, such as confiscation and return, within the international legal framework, including the International Criminal Proceeds Transfer Prevention Act, is indispensable for recovery.

IV Parallel proceedings: a combined civil and criminal approach

1 Standard non-parallel approach

In Japan, a combined civil and criminal approach is not often seen in practice, and there are few cases in which criminal and civil procedures are used concurrently to recover damages caused by fraud. Notably, there are no discovery procedures in civil proceedings in Japan. Thus, every plaintiff must individually collect evidence to prove fraud, and it is generally difficult to collect sufficient evidence to obtain a favourable civil judgment. Therefore, in many cases, a victim will file a criminal complaint with the law enforcement authorities before initiating a civil lawsuit, expecting that the whole picture of fraud will be revealed by the investigation by the authorities. In the meantime, a wrongdoer often reaches a settlement with the victim(s), and the damages caused by fraud are recovered through the wrongdoer's performance of obligations contained in the settlement.

In the case of corporate insider fraud, such as embezzlement of corporate assets by an officer or employee of a company, the company may be able to successfully collect a considerable amount of evidence by conducting an internal or independent fraud investigation. Even in such case, however, the company will often negotiate with the wrongdoer in an effort to recover the damages before filing a complaint with the law enforcement authorities, and will determine whether to file a

complaint with the law enforcement authorities, taking into account the status of the voluntary compensation of damages by the wrongdoer. If the public prosecutor or the police have already received a criminal complaint and commenced an investigation, the public prosecutor may drop the case if the criminal suspect and the victim(s) reach a settlement. Even after an investigation and an indictment, the public prosecutor may request a less severe penalty from the court if the defendant and the victim(s) have reached a settlement.

A wrongdoer may be able to avoid criminal charges or severe criminal penalties by reaching a settlement with the victim(s). As such, it is often seen in practice that victims recover considerable damages through out-of-court settlements in criminal proceedings.

In cases where criminal proceedings are concurrently ongoing, it is useful for victims to obtain criminal case records through the procedures for inspection and copying of criminal case records to which victims of crime are entitled. Furthermore, after filing a civil lawsuit, victims can make a petition to the court so that the court can obtain criminal case records from the public prosecutor's office by issuing (i) a document production request (Article 226 of the Code of Civil Procedure), and (ii) an examination request (Article 186 of the Code of Civil Procedure).

2 Restitution court order

A restitution court order provides an approach similar to parallel criminal and civil proceedings in accordance with Chapter 7 of the Act on Measures Incidental to Criminal Procedures for Protecting Rights and Interests of Crime Victims. In this approach, a criminal court that has found a defendant guilty in a criminal trial will continue to hear a claim for damages from the victim(s), and may order the defendant to compensate the victim(s) for the damages. These proceedings resolve the issue of damages recovery summarily and promptly. However, a restitution court order is available only in a criminal case in which a person is killed or injured by an intentional criminal act, such as murder, so it cannot be used to recover damages caused by property offences, such as fraud.

3 Remission of payments using stolen and misappropriated property

A remission payment under the Act on Issuance of Remission Payments Using Stolen and Misappropriated Property can be used as a tool to recover damages caused by property offences, such as fraud. In particular, assets that have been confiscated (or property equivalent to the forcibly collected value of stolen and misappropriated property) in criminal trials of certain crimes, such as organised crimes or black-market lending cases, are stored in monetary form, and remission payments are made to victims. In this process, the criminal proceedings precede the administrative procedures in which the public prosecutors carry out remission payments. Therefore, this is not a true combined civil and criminal approach, but it has the similar effect of quick damage recovery.



In cases of organised crime, criminal investigators have a statutory tool to freeze the assets of criminal suspects under the Act on Punishment of Organized Crime. Any property obtained through criminal acts or obtained as remuneration for criminal acts may be subject to confiscation and, if a protective order for confiscation is issued under the Act on Punishment of Organized Crime, criminal suspects will be prevented from disposing of such property even before the public prosecutor's indictment and the commencement of a criminal trial.

4 Damage recovery benefit distributed from funds in bank accounts used for crimes

The Act on Damage Recovery Benefit Distributed from Funds in Bank Accounts Used for Crimes provides procedures for distribution of recovered damages from bank accounts used in cases of fraudulent bank transfer or similar acts of fraud. In order to achieve damage recovery for victims of these types of fraud, the procedures enable a financial institution to distribute damage recovery benefits from funds that are deposited in the bank account of the financial institution used for the fraud. Thus, a financial institution, upon notification by a victim(s), may take certain measures, including the suspension of transactions in the bank account.

Claims on the bank account will be extinguished after a public notice by the Deposit Insurance Corporation is issued, and the remaining funds in the deposit amount will be distributed to the victim(s) as damage recovery benefits. No civil action will be required except for certain cases in which a party makes a claim to the deposit account. In addition, criminal procedures will not be required in this process.

V Key challenges

As mentioned above, under the current legal system in Japan, the most effective way to determine the whole picture of an incident of fraud is to influence the law enforcement authorities, such as the public prosecutor, the police, or the Securities and Exchange Surveillance Commission, to commence governmental investigations. In practice, however, law enforcement officers will not officially accept a complaint from a victim unless the victim presents strong evidence to support the fraud allegations. Therefore, in the case of corporate insider fraud, such as those involving a company officer or employee, the company should conduct its own fraud investigation and collect strong evidence through in-depth investigative procedures, such as electronic data review and utilising digital forensic techniques, in order to present evidence to law enforcement authorities.

In Japan, fraud investigations conducted by so-called "third-party committees" that are independent from a company have become common practice in corporate crisis management. However, in order to maintain the strict independence of third-party committees, the Japan Federation of Bar Associations has issued guidelines for practitioners of these committees that restrict a committee's ability to share its evidence with the company. Thus, even if a third-party committee obtains strong evidence to prove fraudulent acts, it will generally be difficult for the company to use that evidence in its other crisis management actions, such as taking disciplinary action or seeking compensation for damages against a wrongdoer. The key challenge for companies is to



- ➔ conduct an objective and independent fact-finding exercise while establishing appropriate investigative structures that enable the company to continue effective corporate crisis management activities.

VI Coping with COVID-19

The Japanese government declared a State of Emergency for the first time on 7 April 2020, pursuant to the Special Act on Prevention of New Type of Influenza. Through this Act, the government requested residents in Japan to reduce their social contact by 80% and strongly encouraged teleworking for most workers except for essential workers engaged in, among others, medical services, supply of electricity, energy and water, and transportation and logistics. The State of Emergency did not ban the movement of people or impose any criminal sanctions for breaches of the above measures in Japan. However, 70–80% of the workers in the civil and government sectors voluntarily refrained from commuting to their offices.

All court hearings were suspended and rescheduled during the period from 8 April to 25 May 2020. After the lifting of the State of Emergency on 25 May 2020, the courts restarted court hearings gradually and have commenced using video conferences more often due to the “new normal” situation under the pandemic. Most lawyers also worked remotely at home during the State of Emergency period. After it was lifted, however, due to their experience during such period, many lawyers recognised the convenience of working remotely and have continued to do so.

Since the first State of Emergency was declared in April 2020, the Japanese government has issued declarations for a State of Emergency a further four times up until autumn 2021. Accordingly, the digital filing of claims, submission of briefings and video-conference hearings have become essential tools for coping with the pandemic. However, except for the limited procedures permitted under the existing Code of Civil Procedure such as remote hearings, most of the other important remote judicial procedures have not been legalised yet. The government proposed the amendment provisions of the Code of Civil Procedure for the legalisation of the digital filing of claims and videoconference hearings of witnesses and such amendments became the law in May 2022. The implementation date of the new statutes will be determined within four years. The COVID-19 pandemic has accelerated the digitalisation of all aspects of judicial procedure, particularly commercial litigation procedure, and the government’s proposed amendments are planned to be implemented within two to three years.

The government has also introduced economic stimulus packages and tried to provide subsidies in order to support businesses and the workforce. One such subsidy includes the “Go to Travel Campaign”, since the tourist industry was one of the business sectors



most heavily affected by the pandemic. The huge amount of subsidies given out under the campaign gave rise to opportunities for various fraudulent activities. In a recent case, it was discovered that the two subsidiary companies of H.I.S. Group Co., Ltd., one of the biggest travel agencies in Japan, had fraudulently applied for subsidies of JPY 1.2 billion under the Go to Travel Campaign and had actually received JPY 830 million by using false reports of thousands of fake customers. Such fraud cases are seen frequently due to the huge amount of money poured into the economic stimulus packages. Government authorities do not hesitate to recover such illegally obtained money in relation to COVID-19 recovery funds, and fraudsters will face criminal sanctions as well as civil liabilities.

VII Cross-jurisdictional mechanisms: issues and solutions in recent times

In Japan, it is generally difficult in practice to recover assets concealed outside the territory of Japan without the involvement of foreign governmental authorities.

1 Goryokai case

The Act on Issuance of Remission Payments Using Stolen and Misappropriated Property sets out procedures for restoration payments using property transferred from abroad. Under those procedures, the Japanese government, under certain conditions, will restore the property subject to confiscation (or a collec-



tion of property of equivalent value) by a court or similar proceedings under the laws and regulations of a foreign country, and issue the restoration payments to victim(s) using such property. In a famous black-market financing case concerning the Goryokai criminal organisation, the Japanese government restored property worth about JPY 2.9 billion transferred from Switzerland where the state government confiscated the wrongdoer's property. The amount of money corresponding to the amount of damage suffered by the victims was then paid as restoration payments.

2 MRI case

In a cross-border Ponzi scheme by a United States-based asset manager, MRI International, Inc. ("MRI"), the Financial Services Agency of Japan issued an administrative action, but Japanese law enforcement authorities did not launch a criminal investigation. Some of the victims filed a civil suit against MRI seeking payment of a maturity reimbursement. In 2014, the Tokyo District Court ruled that the provision in the contract establishing exclusive jurisdiction in the State of Nevada was valid. However, the appellate court ruled in 2014 that the exclusive jurisdiction clause was invalid, and the Supreme Court dismissed and rejected MRI's appeal in 2015, thus clearing the way for the victims to hold MRI responsible in a Japanese court. In the meantime, victims conducted concurrent class actions in the United States for recovery of damages.

According to news reports, parties reached settlements in both Japan and the United States under

which a total amount of JPY 5 billion of (a) the funds collected from former Japanese branch managers and others in the settlement, and (b) the funds collected from MRI in the U.S. Securities and Exchange Commission's enforcement action, was distributed to about 8,700 customers.

3 Sony Life Insurance case

In May 2021, an employee of Sony Life Insurance, who was seconded to a subsidiary in Bermuda to liquidate that subsidiary's reinsurance business, transferred funds amounting to approx. JPY 17 billion from a Citibank account in Bermuda to a bank account that he controlled at a bank in California, without his superior's approval. Then, he quickly converted the funds to bitcoins because he believed that the government authorities could not freeze cryptocurrencies.

However, immediately after recognising the fraudulent money transfer, Sony Life Insurance reported the incident to the Tokyo Metropolitan Police Department, and the FBI successfully traced the funds and seized the bitcoins in cooperation with Japan's National Police Agency, the Tokyo Metropolitan Police Department, the Tokyo District Public Prosecutors Office, and the Japan Prosecutors unit on Emerging Crimes.

On 20 December 2021, the US Department of Justice made a public announcement that the United States had filed a civil forfeiture complaint in a federal court to protect Sony Life Insurance's interest and ultimately returned more than USD 154 million in funds. In the public announcement, an FBI special agent



➔ stressed that the FBI was able to recover these stolen funds because Sony Life Insurance and Citibank immediately contacted and cooperated with law enforcement as soon as the theft was detected, and the FBI worked in partnership with both to locate the funds. On 18 November 2022, the Tokyo District Court imposed a jail term of nine years on the wrongdoer. It is likely that Sony Life has recovered approximately JPY 22 billion, which is JPY 5 billion more than the wrongdoer fraudulently transferred, due to the weaker Japanese yen.

VIII Using technology to aid asset recovery

In Japan, there are no legal procedures similar to the e-discovery procedure in the US that can be used to require parties to a dispute to comprehensively disclose relevant electronically stored evidence. However, in practice, similar procedures known as digital forensics are commonly used for corporate internal investigations. In this exercise, email and other electronic data relevant to the activities of wrongdoers are carefully reviewed and, in some cases, crucial evidence to trace stolen funds is found.

In ransomware attacks or cyber-attacks where cryptocurrencies are paid or stolen, it is becoming common practice to use blockchain analytics to trace cryptocurrencies. Cryptocurrencies such as bitcoin are difficult to trace due to their characteristics of untraceability and anonymity. As for bitcoins, however, they are

not completely anonymous because transaction data and transaction addresses are visible and traceable on the public bitcoin blockchain. Experts in blockchain analytics can analyse a range of information, such as transaction patterns and bitcoin addresses, for clues to identify a sender or receiver of funds.

IX Highlighting the influence of digital currencies: is this a game changer?

In Japan, there have recently been two major incidents in the virtual currency (cryptographic asset) industry.

1 Mt. Gox case

In the *Mt. Gox* case, bitcoins worth about JPY 48 billion were lost in February 2014. In the same month, Mt. Gox filed for bankruptcy. The company's president was later arrested and charged with embezzling customers' accounts. He was not found guilty of embezzlement, but he was sentenced to two years and six months in prison, which was suspended for four years, for creating and using false private electronic records.

With regard to recovery of damages, the subsequent steep rise in bitcoin prices created an extremely unusual situation in which the bankruptcy proceedings of Mt. Gox were moved to civil rehabilitation proceedings. In October 2021, the civil rehabilitation plan was approved by the victims (creditors) and they were able to recover damages in the form of dividends through such proceedings.

2 Coincheck case

In the *Coincheck* case, about JPY 58 billion worth of the virtual currency NEM was leaked from Coincheck, which was one of Japan's leading cryptocurrency exchange service providers, in January 2018. Coincheck put the "private key" used for transactions, such as remittances of virtual currency, in a so-called "hot wallet" connected to the Internet. (NB: A wallet disconnected from the Internet is known as a "cold wallet".) The private key was allegedly stolen by outside hackers through the Internet, and a large number of NEMs were stolen.

The NEM Foundation, in cooperation with engineers, placed tracking mosaics on the stolen NEM wallets, keeping them under constant surveillance to prevent perpetrators from converting the stolen NEM into other currencies. However, it was extremely difficult to track down and recover the stolen cryptocurrency.

In February 2018, a website suddenly appeared in a group of anonymous sites that require special software to access, known as the "Dark Web". This site offered to exchange bitcoin and other cryptocurrencies for NEM at a discount relative to the normal market price. This website is believed by experts to have been set up by the hackers involved in the attack on Coincheck. Accordingly, many people made purchases from that website, and it is likely that almost all of the stolen NEM was exchanged for other currencies by March 2018. As a result, Coincheck failed to recover the stolen assets and compensated its customers for their stolen NEM.

X Recent developments and other impacting factors

Japanese police authorities have been actively using an asset-freezing tool, the pre-indictment asset protective order, for confiscation of fraudulent proceeds under the Act on Punishment of Organized Crime. In the *Coincheck* case, upon the Tokyo Metropolitan Police Department's request, the Tokyo District Court issued, on 30 March 2020, a pre-indictment asset protective order for confiscation of cryptocurrencies held by a company managed by one of those criminal suspects. This was the first time such an order had been issued to freeze cryptocurrencies in Japan. It is likely to prove a powerful tool for the recovery of stolen cryptocurrencies in cases of ransomware attacks or cyber-attacks. **CDR**

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The logo for Anderson Mōri & Tomotsune, featuring the firm's name in a bold, sans-serif font. A vertical blue bar is positioned to the left of the text, which is arranged in three lines: ANDERSON, MŌRI &, and TOMOTSUNE.

Hiroyuki Kanae has more than 30 years' experience in commercial, labour and complex cross-border litigation and arbitration. He has advised on global asset recovery projects involving Japanese and foreign clients in the U.S., Asia Pacific and Europe. Since 2012, Mr. Kanae serves as corporate auditor of a premier international logistics company and advises management on corporate governance, compliance, risk assessment and legal matters involving international business. He has unique experience assisting trustees in bankruptcy proceedings in Japan and pursuing successful asset recovery in the United States. Mr. Kanae is qualified in Japan and New York.

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