

# Legal Advice Japanese-Style

**Marcin Krakowiak, a partner at Domański Zakrzewski Palinka sp. k., a law firm that includes a Japanese desk—a team of professionals specialized in providing legal advice to Japanese companies operating in Poland—talks to Beata Gołębowska-Chęciak.**

## ■ Japanese desk—that sounds exotic. Was creating a team like that worthwhile?

There are many companies of Japanese origin on the Polish market. Poland was a particularly trendy destination for Japanese investment in 2005-2007. Giant corporations such as Toshiba, Sharp, Funai and Orion have built their production facilities in Poland. It is mainly those projects that have turned Poland into a European hub for the production of audiovisual equipment and LCDs, accounting for almost 70 percent of the European market. There has also been considerable investment by Toyota and Bridgestone. This high activity of Japanese businesses prompted the Bank of Tokyo-Mitsubishi UFJ to open a branch in Poland.

The present economic crisis has somewhat slowed the influx of Japanese capital. The nature of Japanese projects has changed as well and now mergers and acquisitions prevail over greenfield projects. But I believe Japanese companies still are and will remain a fixture on the business map of Poland and so by all means building a team that is well-prepared to provide services to clients from the Land of the Rising Sun has been worth the while.

## ■ When did your law firm start working with its first Japanese client? How many of them are there now?

In 1993, we took part in an interesting privatization transaction when a Japanese investor bought a rolling bearing factory worth hundreds of millions of zlotys. That was when we started to consistently develop a practice area designed specifically for Japanese clients. We even hired a Japanese lawyer. Today we provide services to a large group of Japanese clients in the chemical, production and retail sectors. Our Japanese desk is a leading one in Poland.

## ■ The business culture of Japan differs from that of Poland and so was it difficult to meet the clients' demands?

We had to learn a lot about the Japanese business etiquette and philosophy. From minor details such as the way you are supposed to look at your business partners and hand them your business card, and how you should seat them at the negotiating table to things like arranging documents and handling business talks in the right way. It turns out that for Japanese businesspeople a spoken declaration is no less important than a clause in a contract. That can lead to misunderstandings in negotiations with Polish partners who are accustomed to having everything put down in writing.

Another unique feature of Japanese business is great attention to detail in



the preparatory phase. Before they decide to start a project, Japanese clients will ask many questions and often repeat them several times to see if they will hear the same answers. Any doubts have to be therefore patiently and scrupulously clarified. A Japanese proverb says that before you cross a stone bridge, you should tap on it to make sure it doesn't collapse.

As the Japanese are used to a stable legal and tax system, we also had to find a way to help them become accustomed to the ever-changing Polish system, which requires a lot of flexibility.

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