

Organization and Powers of Fair Trade Commission of Japan

1 Power of Fair Trade Commission of Japan

- The Fair Trade Commission of Japan (JFTC) was established in 1947 as Council System based on a representative system to achieve the purpose of the Antimonopoly Act.

○Purpose of the Antimonopoly Act

This Act is meant to eliminate unjust restrictions of business activities in order to promote free and fair competition, by prohibiting private monopolization, unreasonable restraint of trade and unfair trade practices.

The activities of JFTC are the following: Investigation of Violations of the Antimonopoly Act, Cease and Desist Orders, Acceptance of the Notification stipulated by the Antimonopoly Act, Research Regarding Economic Situation and Business Activities. Besides the aforementioned activities, JFTC implements the Subcontract Act and the Premiums and Representations Act which are special laws of the Antimonopoly Act.

2 Organization of Fair Trade Commission of Japan

- The Antimonopoly Act is the basic rule of economic activities; therefore, it is a neutral and fair organ which is not influenced by any political power and implements this law continuously and consistently. Because of the aforementioned reasons, JFTC operates the activities independently from the senior organ, thus unlike the other administrative organs the operation of which is directed and controlled by the senior organ.
- JFTC consists of a Chairman and four Commissioners.
- The Chairman and Commissioners are appointed by the Prime Minister with the consent of both Houses of the Diet. Appointees must be aged thirty-five or more and experts in law or economics.
- The terms of the Chairman and four Commissioners are five years. The Chairman and Commissioners are not dismissed unless he or she expresses the will to resign from the position, besides the case regulated by law (e.g., when sentenced to imprisonment or heavier). The holders of these positions can be reappointed. The mandatory retirement age is 70 years old.
- A quorum for holding the commission is that the Chairman and two Commissioners shall be in attendance.
- A commissioner who fills in the position of the Chairman shall be appointed in cases when the Chairman is sick or the circumstances do not allow the Chairman to execute his duties.

3 The General Secretariat of JFTC

- The General Secretariat is attached to the Commission, engaging in various affairs thereof. The number of the Secretariat comprise 706 members (as of the end of FY2005) is on the rise in proportion to increases in the importance of JFTC's role.
- The General Secretariat has its head office in Tokyo and the local offices are located in each area; Hokkaido (Sapporo city), Tohoku (Sendai city), Chubu (Nagoya city), Kinki (in Osaka city), Chugoku (in Hiroshima city), and Shikoku (Takamatsu city), and Kyushu (Fukuoka city).

- The General Secretariat is composed of Secretariat, Economic Affairs Bureau, and Investigation Bureau. The Economic Affairs Bureau has a Trade Practices Department. The Investigation Bureau has a Special Investigation Department.

* Secretariat

General Affairs Division...Communication with the Diet, public relations, clerical work of hearing procedures, enforcement of decisions, accounting budget

Personnel Division Personnel management, Staff training, Welfare

International Affairs Division...Overseas communication and cooperation, Overseas public relations

* Economic Affairs Bureau

General Affairs Division Planning basic matters related to antimonopoly policy, Coordination with other economic laws, ordinances and measures

Coordination Division Research and coordination of regulatory systems related to specific business, economic laws and ordinances and administrative guidance related to restriction of competition

Economic Research Division Research of basic economic conditions

Mergers and Acquisitions Division Regulations regarding corporate combinations
Examination of corporate combinations

*Trade Practices Department

Trade Practices Division Investigation of business activities

Section of Consultation and Guidance Consultation services for entrepreneurs and trade associations

Inter-Enterprise Trade Division Administration of the Subcontract Act

Consumer Related Trade Division Execution of the Premiums and Representations Act

* Investigation Bureau (Special Investigation Department)

Management and Planning Division Planning of basic matters regarding investigations

Information Analysis section Detecting and reporting the clue of the violation case

Senior Investigator Investigation of violations of the Antimonopoly Act

* Special Investigation Department

Special Senior Investigator Investigation of large-scale and important cases

ORGANIZATIONAL CHART

(As of July 2005)

