

FY 2016 Japan Fair Trade Commission Performance Evaluation Report (Standard Format)

(The Japan Fair Trade Commission 28-(3))

Name of Activity	Measures against violations of the Subcontract Act, etc. Appropriate administration of the Subcontract Act					
Outline of Activity	Gathering information through written surveys, etc., conducting necessary investigations (on-site investigations, summoning, etc.) with respect to suspected violations of the Subcontract Act, and taking necessary measures (legal measures (recommendations pursuant to Article 7 of the Subcontract Act) or instructions) in cases where violations are acknowledged. Disseminating and promoting the Subcontract Act by hosting training sessions for promoting proper					
Goal	Payment delays, decreases, etc. of subcontract proceeds by the main subcontracting entrepreneurs in violation of the Subcontract Act shall be processed promptly and appropriately, and the dissemination and promotion of the Subcontract Act shall be ensured to promote fair subcontracts and protect the interests of subcontractors.					
Budget-Related Activity	Breakdown of Budget	FY 2014	FY 2015	FY 2016	Amount requested for FY2017	
	Amount Allocated (thousand yen)	Initial budget (a)	138,206	136,608	137,772	216,777
		Supplementary budget (b)	0	0	0	0
		Budget Carried (c)	0	0	/	
		Total (a+b+c)	138,206	136,608		
Executed amount (thousand yen)	103,292	101,623				
Important Cabinet Policy Related to the Activity (Main Administrative Policy Speeches, etc.)	June 2, 2016 Basic Policy on Economic and Fiscal Management and Reform 2016 Japan Revitalization Strategy 2016 Japan's Plan for the Dynamic Engagement of All Citizens October 21, 2011 Comprehensive Measures on Yen Appreciation: Toward the Construction of a Risk-Tolerant Society (Cabinet decision) June 18, 2010 Charter for Small and Medium Entrepreneurs of Japan (Cabinet decision)					

Evaluation Index	Processing period for recommendations	/	Actual Results					Year in this	Target achievement
			FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2013 – FY 2015	
			38.9%	56.3%	40.0%	28.6%	50.0%	/	
	Target Figures for Each Fiscal Year	Within ten months							
	Processing period for instructions	/	Actual Results					Year in this	Target achievement
			FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2013 – FY 2015	
			97.2%	98.5%	98.7%	97.6%	96.9%	/	
	Target Figures for Each Fiscal Year	Within three months							
	State of addressing payment delays, decreases, etc. of subcontract proceeds by the main subcontracting entrepreneurs in violation of the Subcontract Act	/	State of progress of the activity (actual results)					Year in this	Target achievement
			FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2013 – FY 2015	
			See Attachment 1					/	
	Target Figures for Each Fiscal Year								
State of promotion of fair subcontracts through the dissemination and promotion of the Subcontract Act	/	State of progress of the activity (actual results)					Year in this	Target achievement	
		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2013 – FY 2015		
		See Attachment 2					/		
Target Figures for Each Fiscal Year									

	Administrative organization common classification	Considerable progress has been made
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Evaluation results	Measurements of target achievement rates	<p>Basis of judgment</p> <p>The target achievement rate of the processing period for recommendations is not more than 50% without substantial progress, and the target achievement rate of the processing period for instructions remains high at 95%-99% with considerable progress.</p> <p>In addition, in terms of "state of addressing payment delays, decreases, etc. of subcontract proceeds by the main subcontracting entrepreneurs in violation of the Subcontract Act" and "state of promotion of fair subcontracts through the dissemination and promotion of the Subcontract Act," an increase in the number of activities and the hosting of training sessions for the promotion of fair subcontracts produce certain effects, so considerable progress in activities is</p>
	Analysis of activity	<p>This activity is necessary for the promotion of fair subcontracts, and the protection of the interests of subcontractors and considerable effectiveness and efficiency are recognized. The issues include increasing the investigation capability of the personnel in charge and the efficient performance of operations to reduce the processing period for recommendation and further strengthening of the system of the investigation division, as well as thorough awareness of the textbooks for seminars, etc.</p>
	Directions to be reflected in next-term targets	<p>Policy</p> <p>The Subcontract Act shall continue to be disseminated and promoted by gathering information through written surveys, etc., prompt and appropriate measures against violations of the Subcontract Act and the hosting of training sessions on the Subcontract Act to promote fair subcontracts and protect the interests of subcontractors.</p> <p>Evaluation Index</p> <p>This activity is judged to be necessary for the promotion of fair subcontracts and the protection of the interests of subcontractors, and considerable effectiveness and efficiency is recognized. Accordingly, the current targets of individual measurements shall be maintained with the improvement of the following matters.</p> <p>a. Processing period for recommendations</p> <p>The Subcontract Act provides for simple procedures as compared to the Antimonopoly Act to promptly and effectively protect the interests of subcontractors. Nevertheless, six recommendations of ten for FY2013, five recommendations of seven for FY2014 and two recommendations of four for FY2015 are not processed within the target processing period of ten (10) months. Accordingly, the following activities should be conducted to reduce the processing period.</p> <p>(i) Meticulous training shall be provided according to the level of personnel in charge (new members/intermediates) to improve and accumulate know-how on the investigation of cases including gathering/analysis, etc. of evidence of the personnel of the investigation division. The manuals for processing violations of the Subcontract Act shall be revised by adding the latest practical business and legal interpretation. In addition, information on the matters requiring special examination and innovative actions in processing cases, especially those that may be applied in processing other cases, shall be shared.</p> <p>(ii) The investigation method shall be reviewed to ensure the efficient performance of operations.</p> <p>(iii) Senior inspectors of subcontracts shall be increased to promptly and effectively conduct a thorough investigation of serious cases and the number of staff members shall be increased by about ten (10) persons to further strengthen the system of the investigation division.</p> <p>b. Training sessions for the promotion of proper subcontracts</p> <p>The training sessions for the promotion of proper subcontracts are judged to have produced certain results in the dissemination and promotion of the Subcontract Act. Accordingly, the impact of the training sessions shall be maximized by continually and actively encouraging the participation of those with a poor understanding of the Subcontract Act.</p> <p>In addition, the dissemination and promotion of the Subcontract Act shall be expedited by ensuring thorough awareness of the textbook for training sessions available for internal training, etc. at training sessions and by phone for consultation.</p>
Use of Expert Knowledge	<p>- Of the measurements, the achievement rate of the target processing period for recommendation (ten (10) months) falls below 50%. Should the target setting be reviewed? (An answer was provided stating that there are cases for which the target is not achieved but could be achieved through the improvement of operations, and thus the target setting cannot be judged to be excessive.)</p> <p>- The processing period for recommendation varies from case to case. Are there any problems in terms of personnel allocation? (An answer was provided stating that personnel allocation will be improved.)</p> <p>- The title of table 4 on page 3 of the performance evaluation report should be easier to understand. (Based on the opinion, the title was revised to "Number of cases of violations of the Subcontract Act that have begun to be processed (by type at the beginning).")</p>	

Materials and Other Information Used During Policy Evaluation	<p>(1) Annual report for FY2014 - Part 2, Chapter 9, 2-1 (table 1), 2 (figure 1, table 2), 4 (table 4)</p> <p>(2) “Status of Enforcement of the Subcontract Act, etc. and Measures for Fairness of Inter-Entrepreneur Transactions in FY2013” Drafted by: The JFTC Published on : June 4, 2014</p> <p>(3) “Status of Enforcement of the Subcontract Act, etc. and Measures for Fairness of Inter-Entrepreneur Transactions in FY2014” Drafted by: The JFTC Published on : June 3, 2015</p> <p>(4) “Status of Enforcement of the Subcontract Act, etc. and Measures for Fairness of Inter-Entrepreneur Transactions in FY2015” Drafted by: The JFTC Published on : June 1, 2016</p> <p>(Note)These documents are held by the General Affairs Division, Secretariat, JFTC.</p>
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Responsible Department	Inter-Enterprise Trade Division, Subcontracts Inspection Office	Responsible Person	Kamada Akira, Director of Inter-Enterprise Trade Division Hideo Kosuge, Manager of Subcontracts Inspection Office	Year/Month for Policy Evaluation	April – July, 2016
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		State of progress of the activity (actual results)				
		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Evaluation results	State of addressing payment delays, decreases, etc. of subcontract proceeds by the main subcontracting entrepreneurs in violation of the Subcontract Act	Payment delays, decreases, etc. of subcontract proceeds by the main subcontracting entrepreneurs in violation of the Subcontract Act are addressed promptly and appropriately.	Payment delays, decreases, etc. of subcontract proceeds by the main subcontracting entrepreneurs in violation of the Subcontract Act are addressed promptly and appropriately.	Payment delays, decreases, etc. of subcontract proceeds by the main subcontracting entrepreneurs in violation of the Subcontract Act are addressed promptly and appropriately.	Payment delays, decreases, etc. of subcontract proceeds by the main subcontracting entrepreneurs in violation of the Subcontract Act are addressed promptly and appropriately.	Payment delays, decreases, etc. of subcontract proceeds by the main subcontracting entrepreneurs in violation of the Subcontract Act are addressed promptly and appropriately.
		Implementation status of written surveys concerning subcontract transactions (1) [No. of Main subcontracting entrepreneurs: 38,503, No. of Subcontractors: 212,659] [See Notes 1&2]	As on the left [No. of Main subcontracting entrepreneurs: 38,781, No. of Subcontractors: 214,042]	As on the left [No. of Main subcontracting entrepreneurs: 38,974, No. of Subcontractors: 214,044]	As on the left [No. of Main subcontracting entrepreneurs: 38,982, No. of Subcontractors: 213,690]	As on the left [No. of Main subcontracting entrepreneurs: 39,101, No. of Subcontractors: 214,000]
		Number of violations processed (recommendations) (2) [18]	(2) As on the left [16]	(2) As on the left [10]	(2) As on the left [7]	(2) As on the left [4]
		Number of violations processed (instructions) (3) [4,326]	(3) As on the left [4,550]	(3) As on the left [4,949]	(3) As on the left [5,461]	(3) As on the left [5,980]
		Interests of subcontractors directly protected by measures (4) [3222.03 million yen] [See Notes 3]	(4) As on the left [5700.94 million yen]	(4) As on the left [670.87 million yen]	(4) As on the left [871.20 million yen]	(4) As on the left [1326.22 million yen]
Target Figures for Each Fiscal Year	Payment delays, decreases, etc. of subcontract proceeds by the main subcontracting entrepreneurs in violation of the Subcontract Act shall be addressed promptly and appropriately.					

Note 1: The Subcontract Act defines "main subcontracting entrepreneurs" and "subcontractors" according to the nature of commissioned transactions, the capital of the entrepreneurs commissioning transactions, and the capital of the entrepreneurs commissioned to

Note 2: Given the characteristics of subcontract transactions, even if a subcontractor suffers a disadvantage as a result of a violation of the Subcontract Act by a main subcontracting entrepreneur, the subcontractor is unlikely to voluntarily provide information about the relevant violation. To redress this situation, the JFTC regularly conducts written surveys of main subcontracting entrepreneurs and their subcontractors.

Note 3: Total value of restoration measures (return of reduced amount of subcontract proceeds, etc.) taken by main subcontracting entrepreneurs with respect to disadvantages suffered by subcontractors in accordance with measures taken by the JFTC.

		State of progress of the activity (actual results)				
		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Evaluation results	State of promotion of fair subcontracts through the dissemination and promotion of the Subcontract Act	Efforts are made to encourage fair subcontracts by disseminating and promoting the Subcontract Act, including the following. Number of the training sessions	Efforts are made to encourage fair subcontracts by disseminating and promoting the Subcontract Act, including the following.	Efforts are made to encourage fair subcontracts by disseminating and promoting the Subcontract Act, including the following.	Efforts are made to encourage fair subcontracts by disseminating and promoting the Subcontract Act, including the following.	Efforts are made to encourage fair subcontracts by disseminating and promoting the Subcontract Act, including the following.
		(1) to promote proper subcontracts hosted[33]	(1) As on the left[30]	(1) As on the left[34]	(1) As on the left[30]	(1) As on the left[33]
		(2) to promote proper subcontracting transactions[4,412]	(2) As on the left[3,845]	(2) As on the left[4,454]	(2) As on the left[3,927]	(2) As on the left[4,881]
		(3) Understanding of the Subcontract Act (scope of application of the Subcontract Act and duties of main subcontracting entrepreneurs) after training[91.4%] [See Note 1]	(3) As on the left[92.2%]	(3) As on the left[90.8%]	(3) As on the left[91.2%]	(3) As on the left[92.6%]
		(4) Understanding of the Subcontract Act (prohibited activity for main subcontracting entrepreneurs) after training[94.3%] [See Note 1]	(4) As on the left[94.8%]	(4) As on the left[93.3%]	(4) As on the left[94.0%]	(4) As on the left[94.0%]
(5) Number of accesses to brochures about the Subcontract Act published on the JFTC website[172,623]	(5) As on the left[326,659]	(5) As on the left[59,279]	(5) As on the left[130,531]	(5) As on the left[180,715]		

	<p>Number of accesses to texts of the training sessions to promote proper subcontractings transactions published on the JFTC website[79,668]</p> <p>(6)</p>	<p>(6) As on the left[82,258件]</p>	<p>(6) As on the left[34,569件]</p>	<p>(6) As on the left[28,981件]</p>	<p>(6) As on the left[36,760件]</p>
	<p>Amount of coverage of recommendations in daily newspapers[1,892 lines][See Note 2]</p> <p>(7)</p>	<p>(7) As on the left[5,872 lines]</p>	<p>(7) As on the left[1,058 lines]</p>	<p>(7) As on the left[1,443 lines]</p>	<p>(7) As on the left[485 lines]</p>
	<p>Number of accesses to recommendations published on the JFTC website[-][See Note 3]</p> <p>(8)</p>	<p>(8) As on the left[-]</p>	<p>(8) As on the left[109,033]</p>	<p>(8) As on the left[124,218]</p>	<p>(8) As on the left[94,346]</p>
Target Figures for Each Fiscal Year	Fair subcontracts shall be encouraged by disseminating and promoting the Subcontract Act.				

Note 1: The figure for understanding is the percentage of participants who answered "Clearly understood" or "Largely understood" in a questionnaire survey

Note 2: Calculated based on the assumption that one column of a newspaper is approximately 70 lines.

Note 3: Totalization of the number of accesses to recommendations for the past two (2) years, including the relevant fiscal year, for the relevant fiscal year. There are blanks for FY2011 and FY2012 because there was no totalization undertaken according to the said method.