

The JFTC issued Cease and Desist Order and Surcharge Payment Order to RALSE Company, Limited

July 3, 2013
Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC) today issued the cease and desist order and the surcharge payment order against RALSE Company, Limited (RALSE), which operates a retail business in Hokkaido. RALSE, unjustly in light of the normal business practices, forced its suppliers that are in trade positions relatively inferior to it (specific suppliers):

- (1) to dispatch their employees and make the employees engage in such works at RALSE's stores as displaying, restocking and removing the merchandise part of which were not supplied by the specific suppliers, with concluding no advance agreements on the dispatch terms with the specific suppliers and barely paying for the dispatches,
- (2) to provide monetary contribution under the circumstance where the amounts were unilaterally set regardless of such benefits as promotion effect for the specific suppliers and where RALSE showed them no clear explanations on the ground for the calculation and how the money would be used in advance,
- (3) to purchase suits and business wear at RALSE's requests.

The amount of the surcharge ordered is 1,287.13 million yen.

Before issuing the cease and desist order and the surcharge payment order, the JFTC notified RALSE of the content of the planned orders and provided it with an opportunity to present its opinion and submit evidence. The JFTC issued the orders taking the opinion and the evidence submitted into consideration. The recipient dissatisfied with the order may request, within sixty days of the date on which the transcript of the order was served, the JFTC to initiate hearing procedures regarding the orders.