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Japan Fair Trade Commission

# Market Study on Transactions Between Performers and Entertainment Agencies in the Music and Broadcasting Industry [Summary]

(Market Study on Ensuring Fair Transactions to Support Creators)

December 2024

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# Purpose and Method of the Survey

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## Purpose of the survey

- Content such as animation, music, broadcast programs, movies, games, and manga is a proud asset of our country, and with the advancement of technology, **the source of competitiveness of content is shifting to individual creators.**
- On the other hand, it has been pointed out that in order to create an environment in which individual creators in Japan can maximize their creativity**, it is necessary to begin correcting business relationships that impede the appropriate return of profits to creators.**
- In the **Content Industry Revitalization Strategy** (formulated and clearly stated in the "Grand Design and Action Plan for a New Form of Capitalism 2024 Revised Version" approved by the Cabinet on June 21, 2024), it is stated that "It is essential to correct trade practices in order to create a comfortable working environment for performers and others. In light of the current technological innovation, the content industry is shifting its emphasis to individual creativity. With the cooperation of the Japan Fair Trade Commission, we will **conduct a fact-finding survey on trade practices in the music and broadcast program fields with an emphasis on preventing abuse of a superior bargaining position and protecting individuals.**"

- **In order to develop a transactional environment that maximizes the creativity of individual creators**, this survey was implemented regarding contracts between performers of music and broadcast programs (artists, actors, celebrities, etc.) and the entertainment agencies to which they belong.

## Survey method

- Period: April 2024 - November 2024

### Questionnaire survey

- Subjects: Entertainment agencies
- Number sent: 2,628 persons
- Number of respondents: 810 persons
- Response rate: 30.8%.

### Information provision form

- Number of respondents: 901 persons in total

### Hearing survey (95 persons in total)

| Target group | Number of people |
|---|---|
| Performers | 29 persons |
| Entertainment agencies | 37 persons |
| Broadcasters and program production companies | 10 persons |
| Record companies | 8 persons |
| Trade organizations | 9 persons |
| Experts (Lawyer) | 2 persons |

# Transaction Entities and the Flow of Transactions

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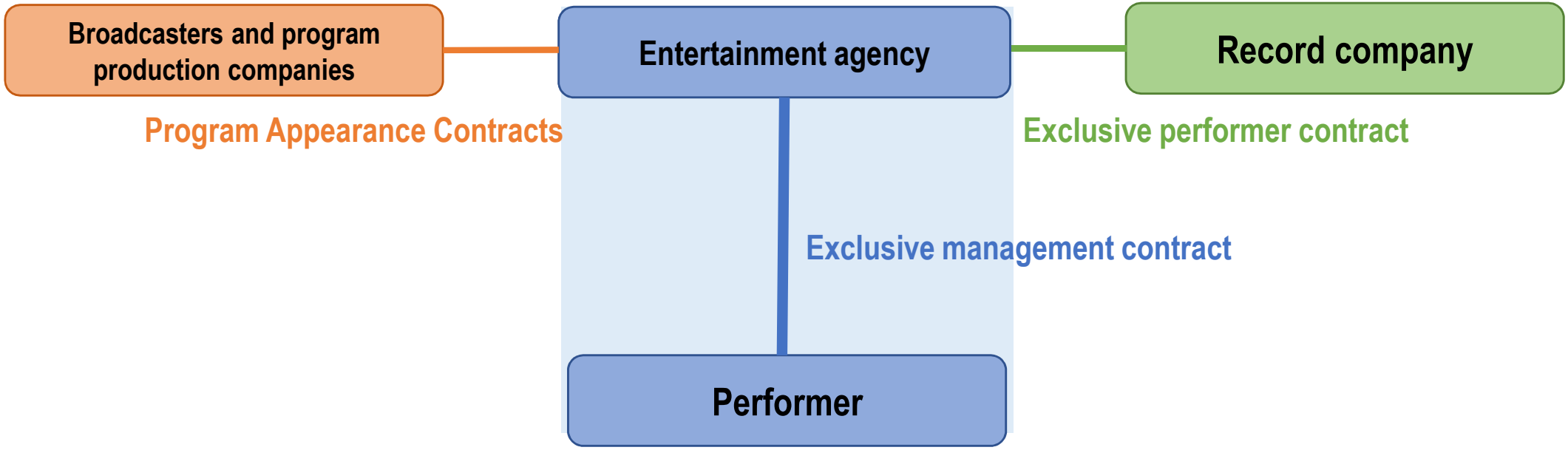
| Broadcasters and program production companies | Entertainment agency Performer | Record company |
|---|---|---|
| • Broadcasters: Japan Broadcasting Corporation, commercial terrestrial broadcasters and satellite broadcasters<br>• Program production companies: Enterprises that produce programs under contract from broadcasters | • Entertainment agency: An enterprise that negotiates with broadcasters, etc., or provides a venue for performing arts activities on behalf of performers, or manages the performers' schedules.<br>• Performer: Actor, dancer, singer, etc. (see Article 2, Paragraph 1, Item 4 of the Copyright Act) | • Enterprise that plans, produces, manufactures, sells, or advertises master recordings (sound sources that fix the sound performed based on a piece of music). |

## Contracts between each transaction entity




* For details of the exclusive management contract, program performance contract and exclusive performer contract, please refer to the following pages.

# Examples of Transactions between Performers and Entertainment Agencies *1

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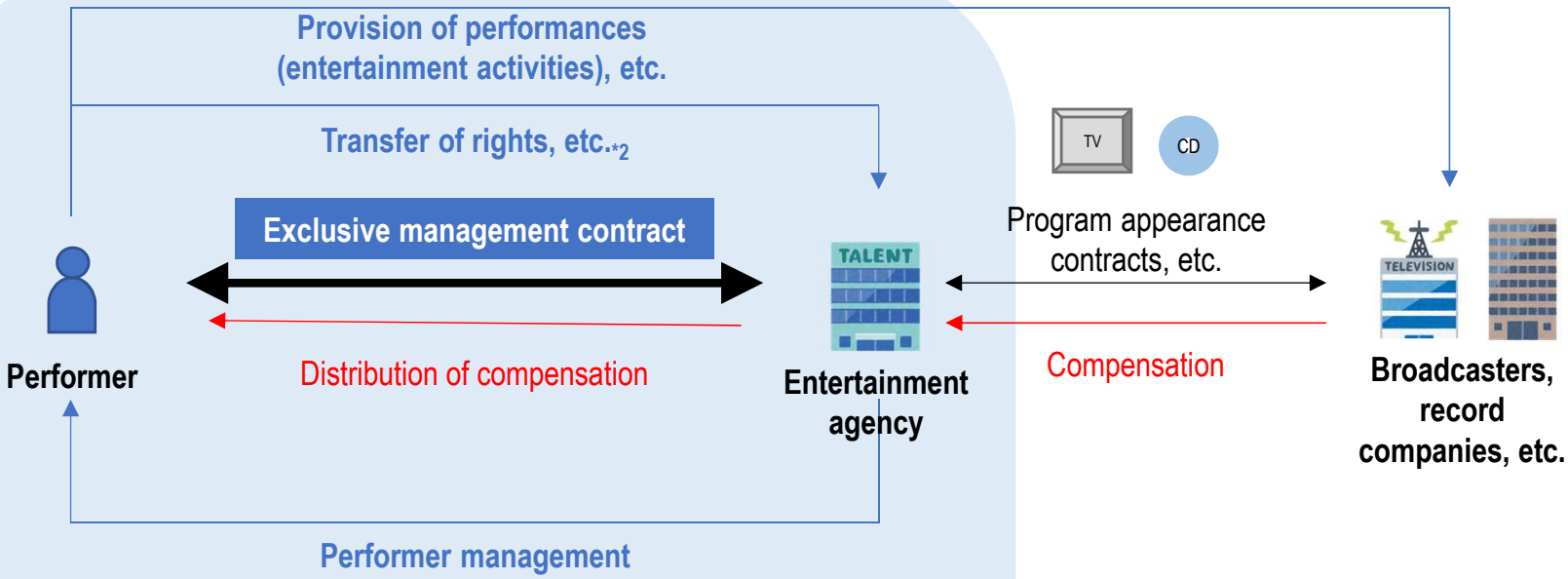


**Main tasks**

(i) Discovery and cultivation of performers
(ii) Career development
(iii) Production
(iv) Publicity
(v) Sales and negotiations
(vi) Accounting and account management
(vii) Legal protection
(viii) Adjustment of information exposure
(ix) Scheduling / Performer care

*1 Although this is an example of a typical transaction based on this survey, the actual transactional relationships between performers and entertainment agencies vary widely.

*2 For example, the right to grant permission to a third party to use a portion of footage from a television program in which one has appeared in the past.

# Example of a Flow of Transaction between a Performer and an Entertainment Agency

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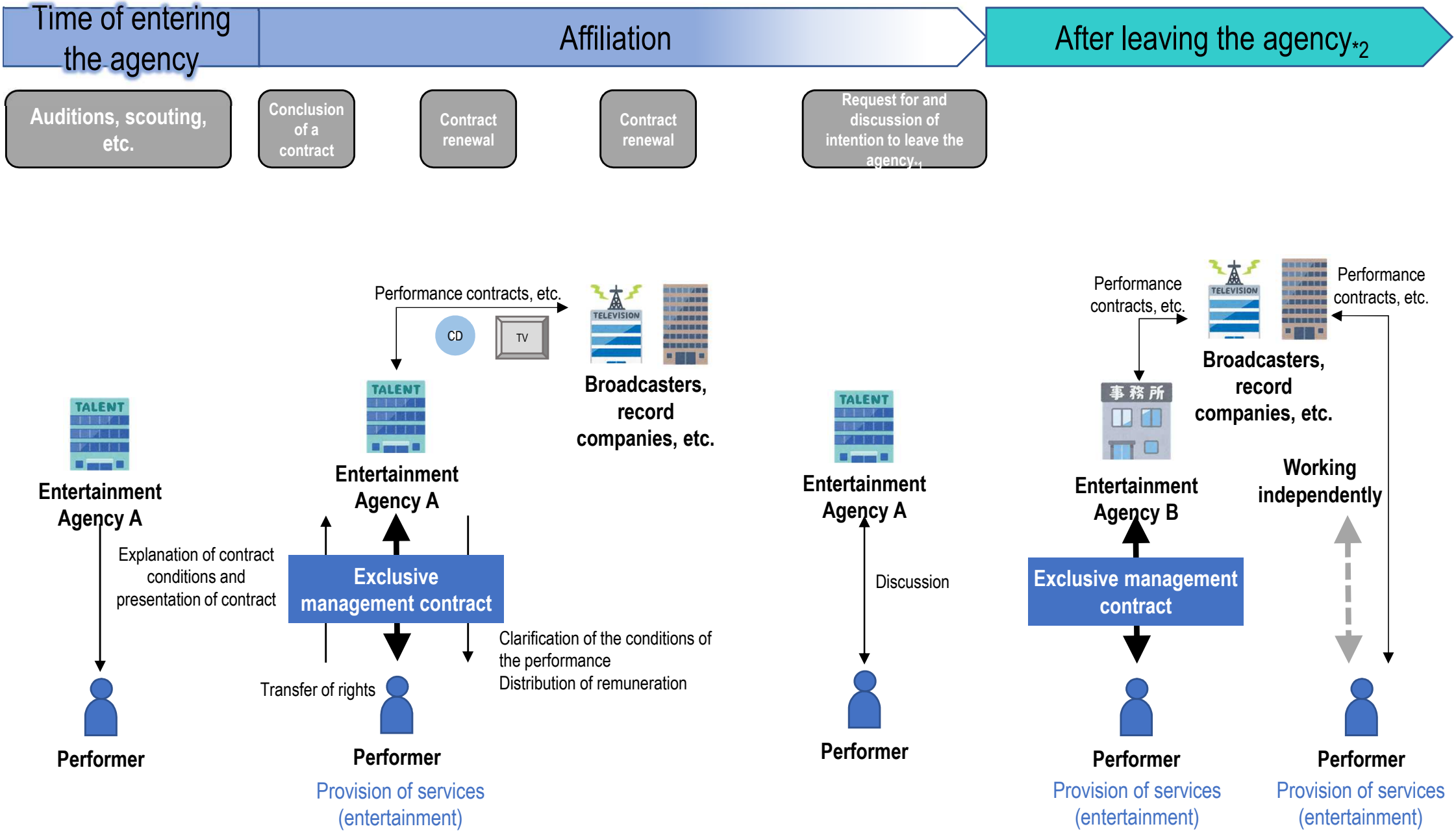


*1 The request for withdrawal (non-renewal or termination of the contract) may be made by the performer or by the entertainment agency.

*2 There are also performers who do not transfer or become independent and do not engage in entertainment activities after withdrawing from the company.

# Examples of acts that could cause problems in dealings between performers and entertainment agencies

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Time of entering the agency | Affiliation | After leaving the agency*2

Auditions, scouting, etc. | Conclusion of a contract | Contract renewal | Contract renewal | Request for and discussion of intention to leave the agency*1

**Exclusive obligation over an excessive period of time**
**Right to claim an extension of term**

**The contract is not made in writing.**
**Failure to fully explain the terms of the contract**

Performance contracts, etc.

CD TV

TELEVISION

**Broadcasters, record companies, etc.**

TALENT

**Entertainment Agency A**

Explanation of contract conditions and presentation of contract

**Exclusive management contract**

Transfer of rights

**Performer**

Provision of services (entertainment)

Clarification of the conditions of the performance
Distribution of remuneration

**Compulsion of unilateral decision-making operations, etc., regarding remuneration**
**Coercion of duties**
**No clear indication of transaction details, remuneration details, etc.**

**Noncompete obligation, etc.**
**Request for monetary benefits**
**Interference with transfers and independence**

Discussion

**Interference with the activities of performers who have withdrawn from the agency**
**Refusal to allow the use of rights, stage names, etc.**

**Concerted effort by several entertainment agencies or a business association to restrict the transfer of performers**

Performance contracts, etc.

事務所

**Entertainment Agency B**

**Exclusive management contract**

**Performer**

Provision of services (entertainment)

Performance contracts, etc.

**Broadcasters, record companies, etc.**

**Working independently**

**Performer**

Provision of services (entertainment)

*1 The request for withdrawal (non-renewal or termination of the contract) may be made by the performer or by the entertainment agency.

*2 There are also performers who do not transfer or become independent and do not engage in entertainment activities after withdrawing from the company.

# Examples of Transactions between Broadcasters, etc. and Entertainment agencies / Performers

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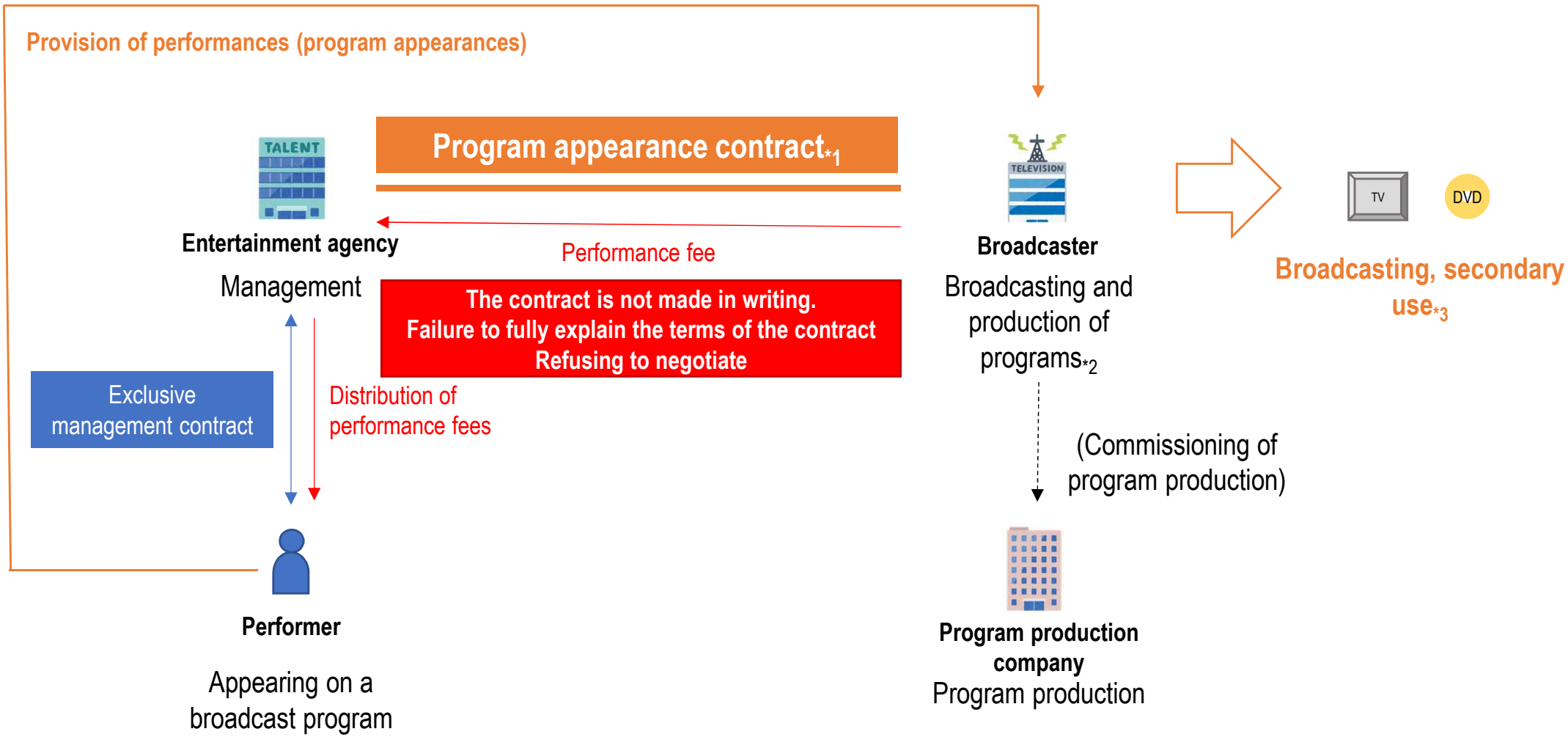


*1 If the performer does not belong to an entertainment agency, the broadcaster concludes a contract directly with the performer.

*2 In cases where a program production company is commissioned to produce a program, the entertainment agency may enter into a contract with the program production company for a program appearance contract.

*3 Examples of secondary use include DVDs and Internet distribution. Remuneration for secondary use is included in the performance fee paid when signing a contract to appear in a program up to a certain number of times or to a certain extent.

# Examples of Transactions between Record Companies and Entertainment agencies / Performers

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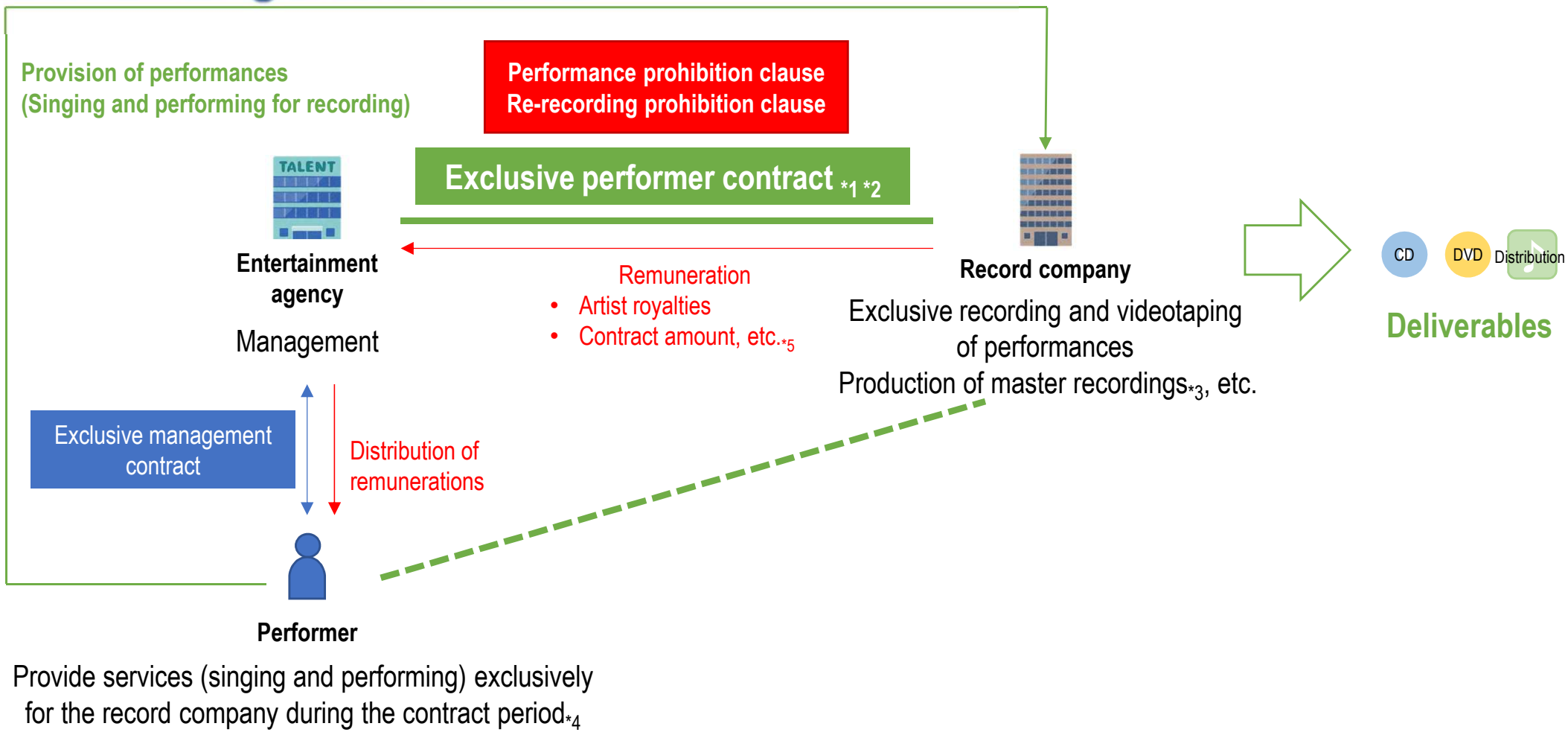


*1 As indicated by the dashed line, it may be a bilateral agreement between the record company and the performer or a tripartite agreement including the record company, entertainment agency and performer.

*2 Exclusive performer contracts generally include a performance prohibition clause (a clause that prohibits the performer from performing for recording (master recording, distribution, etc.) outside the record company for a certain period of time after the termination of the contract between the record company and the entertainment agency/performer) and a re-recording prohibition clause (a clause that prohibits the performer from performing for recording a song, etc. that has already been released by the record company for a certain period of time after the termination of the contract between the record company and the entertainment agency/performer).

*3 Master recordings may be done by the record company alone or jointly with an entertainment agency or music publisher, etc. The handling of master rights and other matters are separately agreed upon in the mastering contract.

*4 However, recordings made by broadcasters for the sole purpose of broadcasting or recordings of performances with the prior consent of the record companies may be excluded.

*5 In some cases, there is no contract fee, etc., which is separately agreed upon between the record company and the entertainment agency.

# Main Points of This Report

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| | | Acts that may be problematic under the Antimonopoly Act and competition policy | Types of acts that could become a violation |
|---|---|---|---|
| Transactions between performers and entertainment agencies | Duration of exclusive obligation | ◆ Exclusive obligation over an excessive period of time<br>◆ Right to claim an extension of term | Abuse of a superior bargaining position,<br>Transactions with exclusive or restrictive conditions,<br>Deceptive customer inducement |
| | Noncompete obligation, etc. | ◆ Noncompete obligation, etc. | Abuse of a superior bargaining position,<br>Transactions with exclusive or restrictive conditions,<br>Deceptive customer inducement |
| | Interference related to transfers and independence | ◆ Request for monetary benefits | Abuse of a superior bargaining position,<br>Transactions with exclusive or restrictive conditions,<br>Interference with trade, deceptive customer inducement |
| | | ◆ Interference with performers wishing to transfer or become independent | Abuse of a superior bargaining position, interference with trade |
| | | ◆ Interference with transferred or independent performers | Restraint of trade |
| | | ◆ Concerted effort by several entertainment agencies or a business association to restrict the transfer of performers | Unreasonable restraint of trade, concerted refusal to deal |
| | Acts against a performer's rights | ◆ Licensing of various rights, etc. related to deliverables | Refusal to deal |
| | | ◆ Restrictions on the use of stage names and group names | Refusal to deal, interference with trade, deceptive customer inducement |
| | Acts relating to the treatment of performers | ◆ Unilateral decisions on remunerations<br>◆ Coercion of duties, etc. | Abuse of a superior bargaining position |
| | Acts that interfere with the transparency of the contract | ◆ Failure to put the contract in writing or failure to fully explain the details of the contract | Acts that induce the abuse of a superior bargaining position,<br>Deceptive customer inducement |
| | | ◆ Not clearly specifying transaction details<br>◆ No clearly specifying the particulars, etc. | Acts that induce abuse of a superior bargaining position |
| Transactions between broadcasters, etc. and entertainment agencies / performers | Terms and conditions of a transaction | ◆ Failure to put the contract in writing or failure to fully explain the details of the contract | Acts that induce abuse of a superior bargaining position |
| | | ◆ Refusal to negotiate | Abuse of a superior bargaining position |
| Transactions between record companies and entertainment agencies / performers | Restrictions on activities after termination of contract | ◆ Performance prohibition cause<br>◆ Re-recording prohibition clause | Abuse of a superior bargaining position,<br>Transactions with exclusive or restrictive conditions |

* Whether or not these acts, which have been listed as potentially problematic, actually constitute a problem under the Antimonopoly Act will be judged in light of the specific circumstances of each individual case (the same applies below).

# Duration of Exclusive Obligation

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## What is an exclusive obligation?


## Survey results

- Exclusive obligation refers to the obligation that the performer must conduct transactions only with the entertainment agency with which he/she has a contract.
- About 60% of the entertainment agencies surveyed stated that they have a contract term, with about 60% of these stating "one year" and 30% stating "two years" as the contract term. Of those entertainment agencies with a contract period, about 90% of the entertainment agencies stated that the contract was automatically renewed.


## Guidelines in Terms of the Antimonopoly Act

It is not immediately problematic under the Antimonopoly Act to impose an exclusive obligation and bind performers to the extent that it is recognized as reasonably necessary and appropriate to achieve the objective of recovering the cost of training the performers. However, for example,

- If an entertainment agency, which is recognized as having a superior bargaining position to a performer, uses that position to **bind the performer by imposing an exclusive obligation for an excessive period of time in light of the objective of recovering the unrecovered portion of training expenses, and thereby unfairly disadvantages the performer in light of normal business practices, this is considered an abuse of a superior bargaining position** and is problematic under the Antimonopoly Act.
- If an entertainment agency imposes an exclusive obligation for an excessive period of time in light of its objective of recovering the unrecovered portion of training expenses, **thereby causing a situation in which there is a risk of other entertainment agencies being excluded or their business opportunities for these transactions being reduced because they will be unable to secure performers, etc., then this is considered a transaction with exclusive or restrictive conditions** and is problematic under the Antimonopoly Act.
- When an entertainment agency, in entering into a contract with a performer, **fails to provide a sufficient explanation or provides a false or exaggerated explanation regarding the term of the exclusive obligation, thereby misleading the performer into believing that the contract is significantly better or more advantageous than it actually is, and unfairly induces the performer who could otherwise deal with another entertainment agency to sign a contract with the agency, this is considered deceptive customer inducement** and is problematic under the Antimonopoly Act.

# Right to Request an Extension of the Term

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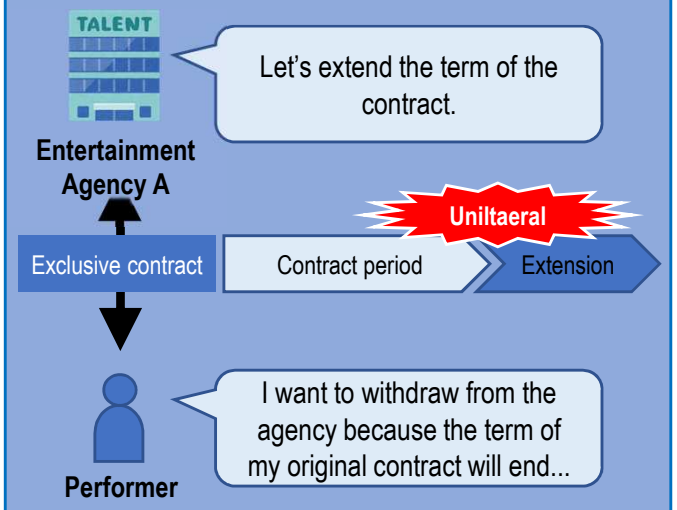
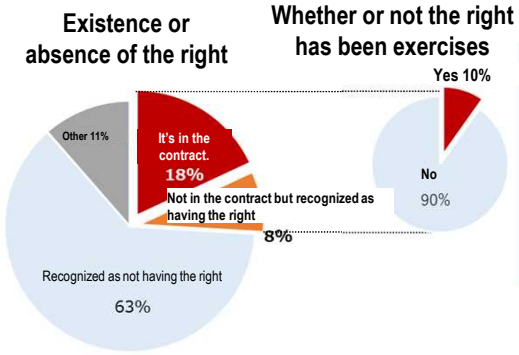
## What is the right to request an extension of the term?




## Survey results

- The right to request an extension of term is the right to unilaterally renew the contract at the sole discretion of the entertainment agency, even if the performer requests to withdraw from the agency at the expiration of the contract.
- About one-quarter of the entertainment agencies surveyed were aware that they had the right to request an extension of the term, and of these, about 10% (about 2% of all valid responses) had actually exercised their right to request an extension of the term.
- In the hearing survey, there were very few cases where the right to request an extension of the term was exercised. Respondents gave such reasons as that "We cannot expect a good performance even if we force them to continue by exercising the right."
- While some entertainment agencies cited "recovery of training expenses" as the objective of stipulating the "right to request an extension of the term, others responded that a monetary settlement through transfer payments or other means would be more beneficial.




## Guidelines in Terms of the Antimonopoly Act

Stipulating in the contract and exercising the right to request an extension of the term unilaterally extends and binds the exclusive management contract despite the performer's expressed intention to withdraw and thus inhibits the performer's free and voluntary decision to choose an entertainment agency. Thus, for example,

- If an entertainment agency that is recognized as having a superior bargaining position to a performer uses that position to **cause the performer to abandon his/her transfer or independence by stipulating and exercising the right to request an extension of the term, thereby unfairly disadvantaging the performer in light of normal business practices, this is considered an abuse of a superior bargaining position** and is problematic under the Antimonopoly Act.
- If an entertainment agency stipulates and exercises the right to request an extension of the term, **which may cause a situation in which there is a risk of other entertainment agencies being excluded or their business opportunities for these transactions being reduced because they will be unable to secure performers, etc., this is considered a transaction with exclusive or restrictive conditions** and is problematic under the Antimonopoly Act.
- When an entertainment agency, in entering into a contract with a performer, **fails to provide a sufficient explanation or provides a false or exaggerated explanation regarding the term of the exclusive obligation, thereby misleading the performer into believing that the contract is significantly better or more advantageous than it actually is, and unfairly induces the performer who could otherwise deal with another entertainment agency to sign a contract with the agency, this is considered deceptive customer inducement** and is problematic under the Antimonopoly Act.

* The stipulation and exercise of the right to request an extension of the term is only exceptionally permissible to the extent that it is recognized as reasonably necessary and appropriate means in order to achieve the objective of recovering the unrecovered portion of the training expenses (whether it is recognized as necessary, etc., depends on such factors as whether the restriction imposed is limited to the period necessary for cost recovery, the possibility of replacement by monetary compensation, and whether sufficient consultations were held). The concept of "the period required to recover expenses" is the same as that of "the unrecovered portion of training expenses" in the section below on "monetary benefits related to transfers and independence."

# Noncompete Obligation, etc.

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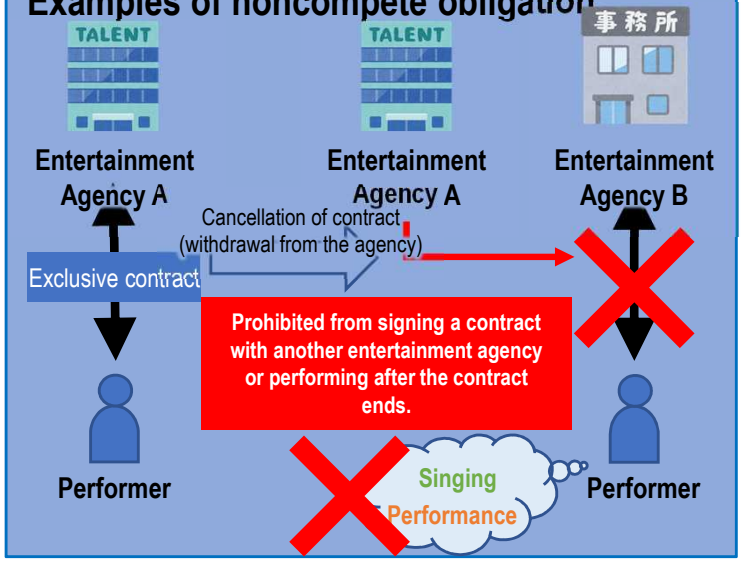
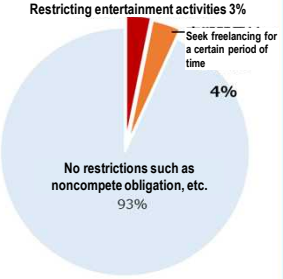
## Examples of noncompete obligation




## Survey results

- Noncompete obligation, etc. refers to a restriction on the performer's entertainment activities, such as not engaging in any entertainment activities or not providing services to other entertainment agencies after the performer withdraws from the agency for a certain period of time or indefinitely after the termination of the contract.
  * "etc." includes restrictions on activities, such as allowing the performer to be free for a certain period of time after withdrawing from the agency.
- In the questionnaire survey, less than 10% of the entertainment agencies imposed restrictions on activities such as noncompete obligations, but in the hearing survey of performers, some responded that they are prohibited from transferring to other entertainment agencies for a certain period after the contract ends, or that they must go through a certain period of freelance work.

**Restrictions on activities after withdrawal**




- In the hearing survey of entertainment agencies, some responded that the purpose of the noncompete obligation, etc. was to prevent the performer from being recruited by other entertainment agencies or to recover the expenses of training the performer. In addition, in the hearing survey of trade associations and experts, some respondents stated that even if the obligation is to maintain trade secrets, there is no justification for the obligation because there is no confidential information that the performers could know in the course of their duties.

## Guidelines in Terms of the Antimonopoly Act (■) and Competition Policy (✓)

The noncompete obligation directly restricts the performer's business activity of performance, and the degree of disadvantage is considerably large, as it inhibits the performer's free and independent judgment in conducting business. Thus, for example,

■ If an entertainment agency, which is recognized as having a superior bargaining position to a performer, uses that position to **cause the performer to abandon his/her transfer or independence by imposing a noncompete obligation, etc. on the performer, thereby unfairly disadvantaging the performer in light of normal business practices, this is considered an abuse of a superior bargaining position** and is problematic under the Antimonopoly Act.

■ If the imposition of a noncompete obligation, etc. by an entertainment agency is likely to **cause a situation in which there is a risk of other entertainment agencies being excluded or their business opportunities for these transactions being reduced because they will be unable secure performers, etc., this is considered a transaction with exclusive or restrictive conditions** and is problematic under the Antimonopoly Act.

■ When an entertainment agency, in entering into a contract with a performer, **fails to provide a sufficient explanation or provides a false or exaggerated explanation regarding the term of the exclusive obligation, thereby misleading the performer into believing that the contract is significantly better or more advantageous than it actually is, and unfairly induces the performer who could otherwise deal with another entertainment agency to sign a contract with the agency, this is considered deceptive customer inducement** and is problematic under the Antimonopoly Act.

* Whether or not there is a problem under the Antimonopoly Act will be judged in light of the specific circumstances of each individual case, but given the fact that it is considered to be an exceptional case for a performer to know trade secrets, it is highly likely that the necessity and reasonableness of imposing a non-compete obligation itself will not be recognized.

✓ **As a general rule, restrictions on activities such as noncompete obligations should not be stipulated in a contract**, and if a performer comes to know of a trade secret that should be protected, they should first consider a confidentiality agreement as an alternative means that is less restrictive of competition.

# Monetary Benefits Related to Transfers and Independence

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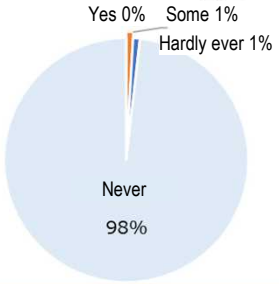
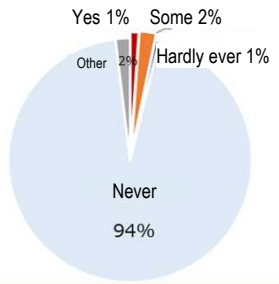
## Survey results

- An entertainment agency may demand a monetary benefit (so-called transfer fee) from an entertainment agency to which a departing or current performer plans to transfer.
- A total of 1% of the entertainment agencies surveyed said that they “have” or “partially have” made requests for monetary benefits from entertainment agencies where exiting or currently affiliated performers intend to transfer to, while a total of 3% of the entertainment agencies said they “have” or “partially have” received such requests.
- Meanwhile, in the hearing survey of performers, some responded that they were asked to pay high transfer fees even though they had contributed to the entertainment agency for a long time or had joined the agency when they were already successful, or that they were asked to pay transfer fees for unreasonable reasons.

**Whether or not monetary benefits were sought with regard to the performer who had withdrawn**




**Whether or not the agency has received requests for monetary benefits pertaining to transferred performers**




## Guidelines in Terms of the Antimonopoly Act

Demanding an unreasonably high monetary benefit from an entertainment agency for the purpose of recovering the unrecovered portion of training expenses from a performer who withdraws from the agency has the effect of discouraging the performer from transferring to another agency or becoming independent, thereby impeding transactions based on the performer’s free and independent judgment. Thus, for example,

- If an entertainment agency that is recognized as having a superior bargaining position to a performer uses that position to demand monetary benefits from the withdrawing performer, **thereby causing the performer to abandon his/her transfer or independence, and unfairly disadvantaging the performer in light of normal business practices, this is considered an abuse of a superior bargaining position** and is problematic under the Antimonopoly Act.
- If an entertainment agency demands a monetary benefit at the time of a performer’s withdrawal, thereby **causing a situation in which there is a risk of other entertainment agencies being excluded or their business opportunities being reduced because they will be unable to secure performers, this is considered a transaction with exclusive or restrictive conditions** and is problematic under the Antimonopoly Act.
- If an entertainment agency, by demanding a monetary benefit at the time of a performer’s withdrawal, **interferes with transactions between other entertainment agencies and performers, thereby causing a situation in which there is a risk of the other entertainment agencies being excluded or their business opportunities for these transactions being reduced, this is considered interference with trade** and is problematic under the Antimonopoly Act.
- When an entertainment agency, in entering into a contract with a performer, **fails to provide a sufficient explanation, or provides a false or exaggerated explanation, regarding the demand for monetary benefits at the time of the performer’s withdrawal, thereby misleading the performer into believing that the contract is significantly better or more advantageous than it actually is, and unfairly induces the performer who would otherwise deal with another entertainment agency to enter into a contract with the agency, this is considered a deceptive customer inducement** and is problematic under the Antimonopoly Act.

* A demand for monetary benefits shall be allowed only to the extent that it is reasonably necessary and appropriate to achieve the objective of recovering the unrecovered portion of the training expenses. (As to whether it is necessary, etc., whether the amount is sufficient to recover the unrecovered portion of the fostering expenses, whether sufficient consultations were held, etc., shall be considered. and other circumstances are taken into consideration). The "unrecovered portion of training expenses" is defined as "the amount of training expenses not yet recovered. With regard to the "unrecovered portion of training expenses," even if a performer does not transfer or become independent, the entertainment agency may not always be able to recover the full amount of the unrecovered portion of the performer’s training expenses actually incurred. Therefore, the total amount of the unrecovered training expenses may not be the appropriate level.

# Interference with Performers Wishing to Transfer or Become Independent

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## Survey results

- In a hearing survey of performers, respondents indicated that they had been subjected to the following acts by entertainment agencies.
  i. Not allowing the performer to withdraw at the end of the contract term, unlike the explanation given by the entertainment agency at the time of the performer's admission to the agency.
  ii. Threatening that if the performer transfers or becomes independent from the entertainment agency, he/she will not be able to engage in any further entertainment activities
  iii. Prohibiting under contract from negotiating a transfer to another agency during the term of the contract.
  iv. Spreading bad publicity about the performer to the entertainment agency to which the performer plans to transfer or to the mass media, etc.
  v. Preventing a performer from transferring or becoming independent by prohibiting the manager in charge of the performer from changing jobs to a competing entertainment agency or by making it a condition for the performer's transfer or independence that the manager will not be involved even if the manager withdraws from the agency after the performer withdraws, even though the manager has the intention to withdraw from the agency together with the performer.

## Guidelines in Terms of the Antimonopoly Act (■) and Competition Policy (✓)

The above items i through v have the effect of making performers hesitant about or give up on transferring or becoming independent, and thus inhibiting transactions based on the free and independent judgment of the performers. Thus, for example,

■ If an entertainment agency that is recognized as having a superior bargaining position to a performer uses that position to **unfairly disadvantage the performer in light of normal business practices** through acts such as those described in i. through iii. above, it is considered an abuse of a superior bargaining position and is problematic under the Antimonopoly Act.

■ If an entertainment agency, through acts such as i. through v. above, **interferes with transactions between a performer and other entertainment agencies, thereby causing a situation in which there is a risk of other entertainment agencies being excluded or their business opportunities for these transactions being reduced, this is considered interference with trade** and is problematic under the Antimonopoly Act.

* The above examples i. through v. are examples of acts that interfere with the transfer or independence of performers. Acts other than these that interfere with the transfer or independence of performers may also be problematic under the Antimonopoly Act.

✓ Given that the words and acts of entertainment agencies may cause performers and the entertainment agencies to which they are to be transferred to hesitate to transfer or become independent, **entertainment agencies should not say or do anything that may cause performers to hesitate to transfer or become independent**.

# Interference with Performers Who Have Transferred or Become Independent

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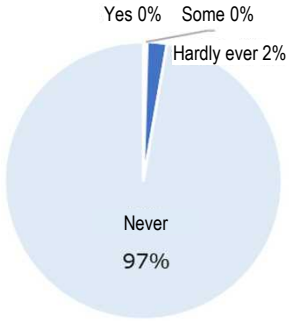
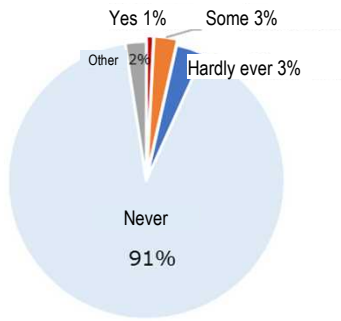
## Survey results

- An entertainment agency may approach a business partner, such as a broadcaster, which is a provider of performance venues, to prevent appearances by transferred or independent performers or may inform the business partner that if it does business with the performers in question, it will cancel the appearances of other performers who belong to the entertainment agency in question.
- A total of 0% of the entertainment agencies surveyed said that they “have” or “partially have” approached their business partners, etc. regarding performers who had transferred or become independent, while a total of 4% of the entertainment agencies said that they “have” or “partially have” received such an approach.

**Perceptions of whether there has been any pressure applied in relation to the performer who has withdrawn**




**Perceptions of whether there has been any pressure received in relation to the performer who has transferred**




- In the hearing survey of entertainment agencies, there were responses such as that there used to be some approaches by entertainment agencies, but that this is gradually decreasing. In addition, in the hearing survey of broadcasters, there are cases where broadcasters voluntarily refrain from having performers appear on their programs, based on their own judgment, even in the absence of any approaches from entertainment agencies.
- On the other hand, in the hearing survey of performers, respondents indicated that the entertainment agencies had committed the following acts with respect to the performers who had withdrawn.

  i. Lobbying broadcasters, etc. not to allow performances by performers who had withdrawn

  ii. Lobbying other entertainment agencies, etc. not to work with the performers who had withdrawn

  iii. Leaving information on the performer who has withdrawn from the entertainment agency on the agency’s website to mislead broadcasters into believing that the performer is still affiliated with the agency, thereby inducing them to request services from the performer, and refusing to allow the performer to appear, thus depriving the performer of business opportunities

## Guidelines in Terms of the Antimonopoly Act (■) and Competition Policy (✓)

The above i. to iii. are acts that may prevent performers from performing the work they were originally able to perform and have the effect of impeding the performers’ activities. Thus, for example,

■ If an entertainment agency interferes with transactions between performers or other entertainment agencies and broadcasters, etc. **thereby causing a situation in which there is a risk of other entertainment agencies being excluded or their business opportunities for these transactions being reduced, this is considered interference with trade** and is problematic under the Antimonopoly Act.

* The above i. through iii. are examples of acts that interfere with the activities of transferred or independent performers, and acts of interference other than these may also be problematic under the Antimonopoly Act.

✓ Considering that there are cases where a performer’s activities may be impeded by an entertainment agency’s approach to business partners such as a broadcaster or other related enterprises, **the entertainment agency should be careful in its words and actions not to cause not only interference as described in i. through iii. above but also to cause the business partner to make a conjecture or to suspend the use of a performer because of possible trouble**.

# Concerted Effort by Several Entertainment Agencies or a Business Association to Restrict the Transfer of Performers

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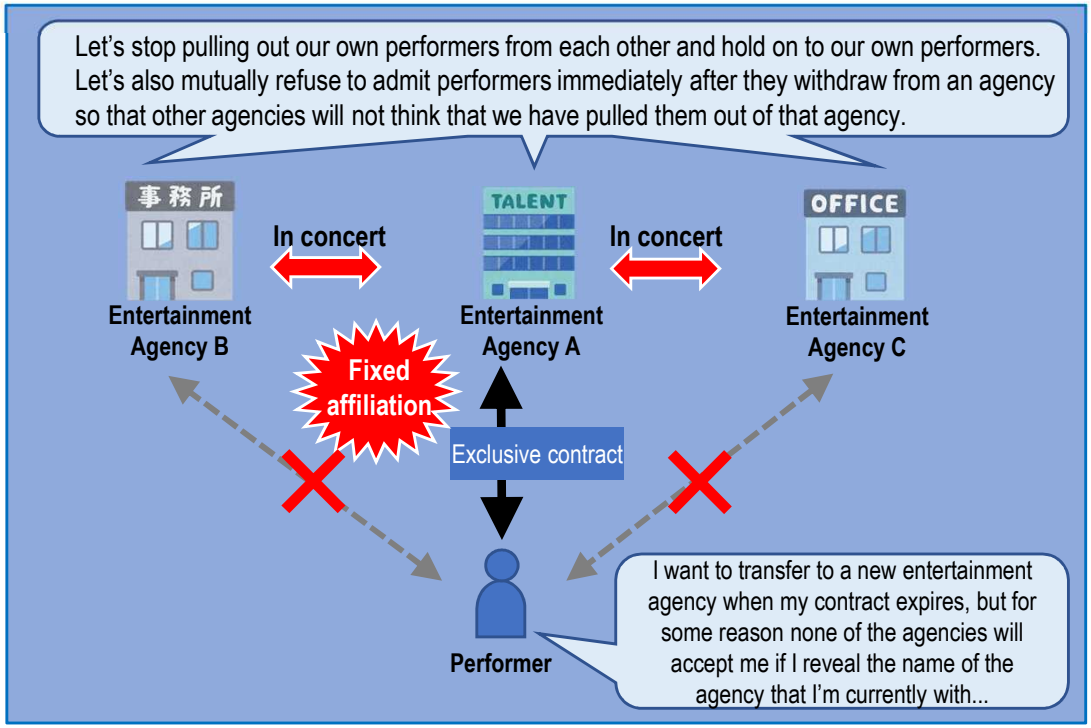


## Survey results

- Although the hearing survey with entertainment agencies did not reveal any explicit restrictions on the transfer of performers in concert by multiple entertainment agencies or by a trade association, they did find some instances of entertainment agencies with the perception that transfers among entertainment agencies are unacceptable, such as "it is against the law for the industry to pull out performers," "no transfers are allowed within an association," and "(if the management of an entertainment agency learns about the transfer of a performer, they will contact the agency to which the performer belongs) and pretend that the talk of a transfer never happened."
- Some entertainment agencies responded that if they accept transfers, including transfers after the expiration of exclusive contracts, "the agency that accepts the transfer will be in a tough position afterwards," and that they "make performers spend a certain period as freelancers so that they do not appear to have been pulled out."

## Guidelines in Terms of the Antimonopoly Act

Restricting the transfer of performers in concert by multiple entertainment agencies or by a trade association has a strong competition-restraining effect because it prevents performers from freely choosing the entertainment agency to which they belong and discourages or stops competition among entertainment agencies, etc. in the market to acquire performers, etc. Thus, for example,

- **When multiple entertainment agencies act in concert to restrict the transfer of performers, thereby effectively restricting competition in a particular field of trade, this is considered unreasonable restraint of trade** and is problematic under the Antimonopoly Act.
- **If a trade association restricts the transfer of performers, it is problematic under the Antimonopoly Act.**
- **If multiple entertainment agencies act in concert to reject a contract with a performer who wishes to transfer to another entertainment agency, even if this does not result in a substantial restraint of competition in a particular field of trade, there is a risk of impeding fair competition in general and it may still be considered a concerted refusal to deal in principle** and is problematic under the Antimonopoly Act.

* The term "concerted (in concert)" in unreasonable restraint of trade or concerted refusal to deal is not limited to an explicit agreement among multiple businesses but also includes tacit understanding or the formation of a common intention.

# Licensing of Various Rights, etc. Related to Deliverables

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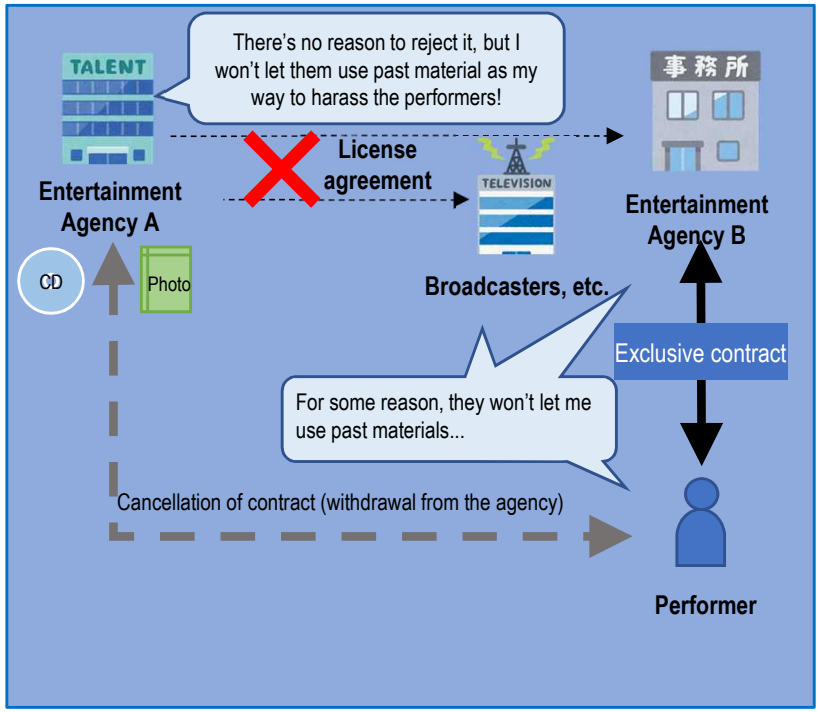
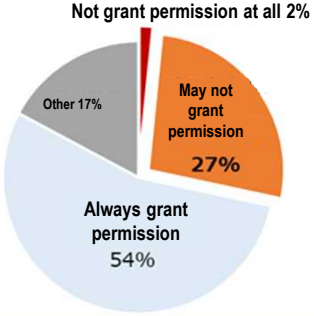



## Survey results

- If various rights such as copyrights, etc. (e.g., rights pertaining to the use of past material), which the entertainment agency has received from the performer during his/her tenure, remain with the entertainment agency after the performer's withdrawal, the permission for the use of such rights shall be granted by the entertainment agency.
- In the survey, about 30% of the entertainment agencies responded that they "will not grant any permission" or "may not grant permission sometimes" in response to requests for permission to use various rights, etc., of performers who have withdrawn.
- In the hearing survey of entertainment agencies, while most of them basically grant permission, there are cases where they do not grant permission, such as when the use is malicious, such as when it is used in a defamatory manner.
- In the hearing survey of performers, there were cases where the use of past materials was not permitted without justifiable grounds, and the respondents stated that by not permitting the use of past materials, the agencies were interfering with the activities of performers after they had withdrawn.

**Licensing of various rights, etc. pertaining to retired performers who have withdrawn**




## Guidelines in Terms of the Antimonopoly Act (■) and Competition Policy (✓)

Various rights, such as copyrights, etc., that an entertainment agency receives from a performer during his/her tenure may remain with the entertainment agency even after the performer withdraws from the agency. Thus, even if rights are centralized in the entertainment agency and the entertainment agency does not grant permission when requested to use such rights, etc., this will not immediately be problematic under the Antimonopoly Act. However, for example,

■ If, in response to a request from a business partner such as a broadcaster, **a performer who has withdrawn, or an entertainment agency to which the performer has transferred**, an entertainment agency **does not grant permission to use various rights, etc., for the purpose of excluding the said performer from the market, etc., and there is a risk that the performer's business activities will become difficult, this is considered a refusal to deal** and is problematic under the Antimonopoly Act.

* Whether or not it is a means of achieving an unjustifiable objective under the Antimonopoly Act, such as excluding a performer from the market, will be determined by considering the specific circumstances of each case as a whole, but if there are no justifiable grounds, such as a risk of defamatory use, or if the use is not permitted at all without sufficient consultation on royalty fees to a reasonable extent, it may be determined that the use is for an unjustifiable objective under the Antimonopoly Act.

✓ If an entertainment agency **refuses to grant a license to use various rights, it should fully explain the reasons to the person who requested the license, and if there are no particularly justifiable grounds for refusing to grant the license, it should grant the license to use the various rights, etc**.

# Restrictions on the Use of Stage Names and Group Names

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## Survey results

- Under the contract between the entertainment agency and the performer, the stage name or group name (hereinafter referred to as "stage name, etc.") given to the performer during the period of his/her affiliation with the entertainment agency may belong to the entertainment agency even after the performer withdraws from the agency.
- In the survey, there were but only a few entertainment agencies that indicated that they would restrict the use of stage names, etc.
- In the hearing survey of performers, some respondents stated that they were “forced to change their names without any reasonable grounds,” or that they were “restricted from using their stage names, etc., and that changing their names would interfere with their performing activities.”


## Guidelines in Terms of the Antimonopoly Act (■) and Competition Policy (✓)

An act by an entertainment agency to restrict a performer who is withdrawing from the agency from using a stage name, etc. that he/she had been using may cause a disadvantage such as a decrease in the performer’s subsequent earnings because after withdrawing from the agency, the performer can no longer use the stage name, etc. that had customer attraction. Thus, for example,

■ If an entertainment agency, in accordance with the conditions of a contract between the agency and a performer, **does not permit the use of a stage name, etc. as its means to achieve an unjustifiable objective under the Antimonopoly Act, such as excluding a performer who has withdrawn from the entertainment agency from the market, and there is a risk of making the performer’s normal business activities difficult, this is considered a unilateral refusal to deal** and is problematic under the Antimonopoly Act.

■ **If, by requiring a performer who has withdrawn from an entertainment agency not to use his/her stage name, etc., even though the stage name, etc., does not belong to the entertainment agency, there is a risk of causing a situation where the performer could be excluded or the performer’s opportunities to trade are reduced**, this is considered interference with trade and is problematic under the Antimonopoly Act.

■ When an entertainment agency, in entering into a contract with a performer, **fails to provide a sufficient explanation or provides a false or exaggerated explanation regarding the attribution of the stage name, etc., to the entertainment agency, thereby misleading the performer into believing that the contract is significantly better or more advantageous than it actually is, and thereby unfairly inducing a performer who could do business with another entertainment agency to enter into a contract with the agency, this is considered a deceptive customer inducement** and is problematic under the Antimonopoly Act.

* Whether or not the purpose is to achieve an unjustifiable objective under the Antimonopoly Act, such as excluding a performer from the market, will be determined by considering the specific circumstances of each case as a whole. but in cases where there are no justifiable grounds that the entertainment agency has been unable to recover the cost invested in the continued use of the group name or in improving the value of the group name, etc., or where there is a need to recover the cost invested by the entertainment agency, but the company refuses to permit the use of the group name at all without sufficient consultation on the royalty fee, etc. to a reasonable extent, it is believed that the use of the group name could be judged to be for the purpose of achieving an unjustifiable objective under the Antimonopoly Act.

✓ Entertainment agencies **should not restrict the use of stage names, etc. unless there is a particularly justifiable ground to do so, and if they do, they should fully explain and discuss the reasons for such restrictions with performers**.

# Unilateral Decisions on Remunerations

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## Survey results

- The remuneration earned by a performer for his/her performing activities is generally a fixed amount or an amount calculated according to a certain distribution ratio as remuneration to the performer from the remuneration received by the entertainment agency from the business partner to whom the performer provided the performance.
- In the hearing survey of performers, some respondents said that (i) when asking the entertainment agency for a change in the amount of remuneration, percentage of commission, payment method (fixed amount, by percentage, etc.), etc. because the remuneration was so low, the agency would not negotiate; (ii) the entertainment agency deducted expenses from the performer's share, even though this was not explained to the performer beforehand, so the performer's share would be lower than that in the contract; and (iii) remunerations from program rebroadcasting and other non-performances such as sales of merchandise were not paid.

## Guidelines in Terms of the Antimonopoly Act

If an entertainment agency that is recognized as having a superior bargaining position to a performer uses that position to **unfairly disadvantage the performer in light of normal business practices through the following acts such as**, for example, **significantly lowering the performer's remuneration**, it is considered an abuse of a superior bargaining position and is problematic Antimonopoly Act.

(i) An act of unilaterally determining a significantly low remuneration without sufficient explanation or consultation with the performer at the time of conclusion or renewal of a contract, etc.

(ii) An act of paying remuneration to a performer after deducting expenses from the contract amount with a business partner, even though this is not specified in the contract or not fully explained or discussed with the performer at the time of conclusion of the contract, etc.

(iii) An act of failing to pay the following remuneration, etc. to the performer in accordance with the performer's rights, even though it is not specified in the contract or not fully explained or discussed with the performer at the time of conclusion of the contract, etc.

i. Fees for secondary use of performances, etc.

ii. Profits earned from the sale of merchandise, social networking services, fan clubs, and other operations that take advantage of the performer's name recognition

iii. Contract fees and other monies paid by record companies to entertainment agencies as renumeration for binding performers based on exclusive obligations and renumeration for performing

# Coercion of Duties

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## Survey results

- Since the performer and the entertainment agency are independent entrepreneurs and not in an employment relationship, the entertainment agency does not give orders to the performer.
- In the hearing survey of performers, etc., some respondents stated that they “are informed of the nature of their work and remuneration as soon as it is known,” and that they “can specify NG work.” On the other hand, some respondents in the same survey stated that they are sometimes “forced to do work that is highly revealing of their body even though they do not want to.”

## Guidelines in Terms of the Antimonopoly Act

When an entertainment agency forces a performer to implement his/her work despite the performer’s refusal to do so, for example, the effect is to impede the performer, who is essentially in a position to choose his/her work as a sole entrepreneur, from freely and voluntarily making transactions based on his/her own judgment. Thus, for example,

■ If an entertainment agency, which is recognized as having a superior bargaining position to a performer, uses that position **to force the performer to carry out the work even though the performer refuses to do so, thereby causing the performer to take a certain direction and preventing the performer from receiving requests to perform in the direction the performer originally desires, and unfairly disadvantaging the performer in light of normal business practices**, this is considered to be an abuse of a superior bargaining position and is problematic under the Antimonopoly Act.

# Failure to Put the Contract in Writing or Failure to Fully Explain the Details of the Contract

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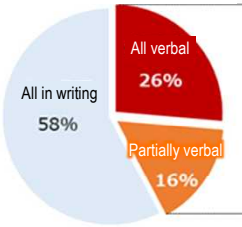
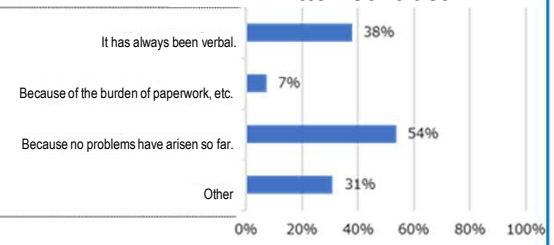
## Survey results

- According to the questionnaire survey, about 60% of the entertainment agencies conclude “all contracts in writing” with performers, while about 30% conclude “all contracts verbally” with performers. As the reason for not having contracts in writing, about 50%, the largest number of agencies, said that they had not had any problems so far, even without written contracts.
- The survey showed that while many of the entertainment agencies (50-70%) explained potential problems during the contract period to new performers, only a relatively small number (20-40%) explained potential problems after they withdraw from the entertainment agency. On the other hand, only a relatively small percentage (20% to 40%) of the entertainment agencies reported that they explained the issues that could be problematic after the performers’ withdrawal. Also, about 10% of the entertainment agencies also stated that they did not explicitly explain the contents of the contract.
- In our hearing survey of entertainment agencies, there was one entertainment agency that stated that when concluding a contract with a performer, the agency provides a certain period of time for the performer to confirm the details of the contract by handing over a draft of the contract in advance.
- On the other hand, in the hearing survey of performers, some responded that no contract was drawn up for a long period of time despite the fact that the performers had complained about the need for a written contract, or that the contract was concluded without any explanation of its contents and without any clarification.

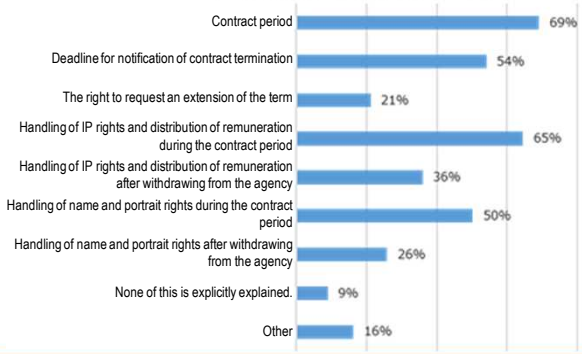
**Presence or absence of contract**




**Reasons for not concluding a written contract**




**Explanation of matters prior to admission to the agency**




## Guidelines in Terms of the Antimonopoly Act (■) and Competition Policy (✓)

When an entertainment agency signs a contract with a performer who wishes to join the agency, if the contract is not in writing and is instead verbal, or if the contents of the contract are not fully explained, this in itself is not immediately problematic under the Antimonopoly Act. However, in general, it is thought that performers have less experience, knowledge and information than entertainment agencies, and that they often have less negotiating power. Thus, for example,

■ **Failure** of an entertainment agency **to exchange a written contract or to fully explain the contents of the contract to the performer may cause the performer to provide services in a state where the contract is not clear, and may induce acts that constitute an abuse of a superior position, such as causing the performer a disadvantage that cannot be calculated in advance**.

■ When an entertainment agency, in entering into a contract with a performer, **fails to provide a sufficient explanation or provides a false or exaggerated explanation with respect to important matters such as matters concerning payment and claims, matters that may impede the performer’s activities (including after withdrawing from the agency), and matters concerning the ownership of various rights, and thereby misleads the performer into believing that the contract is significantly better or more advantageous than it actually is, and the performer is wrongfully induced to enter into a contract with the agency that could be concluded with another entertainment agency**, this is considered a deceptive customer inducement and is problematic under the Antimonopoly Act.

✓ Entertainment agencies **should conclude contracts with performers (especially young performers) in writing at the time of conclusion or renewal of contracts, with the details of the contract clarified, and important matters, including the purpose of the contract, fully explained**.

# Clarification of Details of Transactions Pertaining to Performances, etc. to Performers

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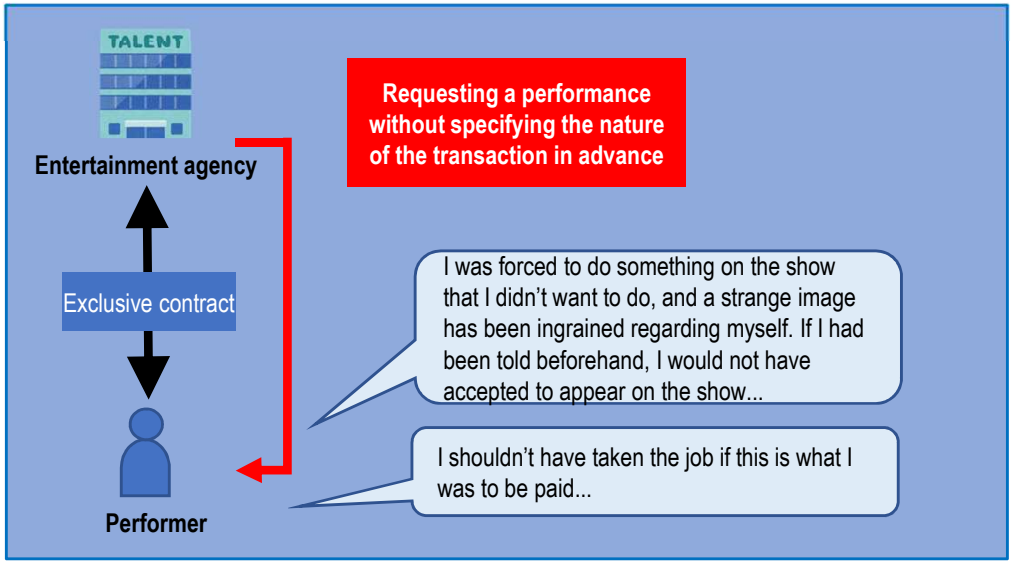


## Survey results

- In the hearing survey of performers, some responded that they had to perform work that they did not expect to perform or work for which remuneration was low because they were not informed in advance of the details of the transactions related to the performance, etc. (details of the work, conditions of remuneration, etc.).

## Guidelines in Terms of the Antimonopoly Act

It is not immediately problematic under the Antimonopoly Act for an entertainment agency not to inform performers of the details of transactions pertaining to performances, etc. However, in general, not being informed of the details of transactions in advance is considered to make it easier for performers, who are originally in a position to choose their business as sole entrepreneurs, to fall into a situation where they cannot freely choose their business. Thus, for example,

■ Failure of an entertainment agency to disclose the details of a transaction that the entertainment agency has access to when requesting services from a performer may cause **the performer to provide services without the details of the transaction being clear, thereby impeding transactions based on the performer's free and independent judgment, which may induce the abuse of a superior bargaining position**.

# Clarification of Details, etc. Pertaining to a Performer's Remuneration

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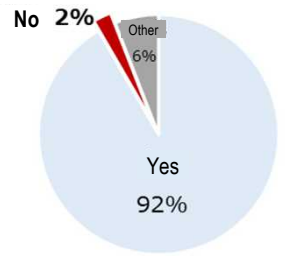
## Survey results

- The survey found that 92% of the entertainment agencies "clearly state" the details on which the amount of remuneration for performers is calculated (in the case of a commission system) and 2% of the entertainment agencies "do not state" the details.
- On the other hand, in the hearing survey of performers, several respondents were concerned about whether the amount of contracts between entertainment agencies and broadcasters, etc. were actually distributed appropriately as they were not informed of contract amount and the breakdown of expenses charged to performers,.

**Clear statement of details (in case of the commission system)**




## Guidelines in Terms of the Antimonopoly Act

Failure by an entertainment agency to provide sufficient details and other information when paying remuneration to a performer is not immediately problematic under the Antimonopoly Act. However, for example,

■ If an entertainment agency indicates to a performer only the remuneration the performer will receive and does not disclose the total amount of the contract with the broadcaster, etc., **it will be difficult for the performer to confirm the appropriateness of the remuneration, thereby inducing the agency's act of abuse of a superior bargaining position, such as transactions at extremely low prices**.

# Acts by broadcasters, etc.: Failure to put the contract in writing, failure to fully explain the details of the contract, and refusal to negotiate

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## Survey results

- In the questionnaire and hearing survey regarding entertainment agencies, the following responses were received from broadcasters, etc. regarding the status of prior clarification and negotiation on terms and conditions of transactions.
  i. Terms and conditions of contracts are not provided in advance
  ii. Unable to negotiate because of their weak position and loss of business if they express opinions on the terms and conditions of contracts (entertainment agencies do not respond to requests for negotiation)
  iii. Even if the schedule is secured for a long period of time at the time of a request for work, work is performed only on a limited number of those days, and work that could have been performed on other days cannot be performed.
  iv. No guarantee if work is lost at the last minute due to a client's circumstances.
- In the hearing survey of broadcasters, etc., many respondents indicated that they do not exchange contracts in many transactions, with the exception of a few broadcasters.

## Guidelines in Terms of the Antimonopoly Act (■) and Competition Policy (✓)

When a broadcaster, etc. concludes a contract with an entertainment agency/performer for an individual order, the fact that the contract is made verbally without exchanging a written document is not immediately problematic under the Antimonopoly Act. However, for example,

■ If broadcasters, etc. do not exchange contracts in advance or do not fully explain the contents of the contract to entertainment agencies/performers, **the entertainment agencies/performers will provide their services under a situation where the details of the contract are not clear, thereby impeding the transactions based on the free and independent judgment of the entertainment agencies/performers, and this may become a cause of inducing broadcasters, etc. to engage in the act of abuse of their superior bargaining position**.

■ Even if broadcasters, etc., which are recognized as having a superior bargaining position to an entertainment agency/performer, **have presented specific terms and conditions of a contract in advance, if the broadcasters, etc., by taking advantage of that position, unilaterally decides on significantly lower remuneration without sufficient consultation with the entertainment agency/performer and thereby causes the entertainment agency/performer to suffer an unfair disadvantage in light of normal business practices, this is considered an abuse of a superior bargaining position** and is problematic under the Antimonopoly Act.

✓ The Agency for Cultural Affairs has published the **"Guidelines for the Establishment of Appropriate Contractual Relationships in the Cultural and Arts Sector (Summary of Review)" as a result of discussions at the "Study Council for the Establishment of Appropriate Contractual Relationships in the Cultural and Arts Sector"** for the purpose of showing the direction of improvement of contractual practices for artists, who are bearers of culture and the arts. The Guidelines provide a "sample model and explanation of a contract for a performer's performance." **From a competition policy perspective, broadcasters, etc., should also refer to such a model and promote the use of written contracts**.

# Acts by Record Companies: Non-Performance Clause

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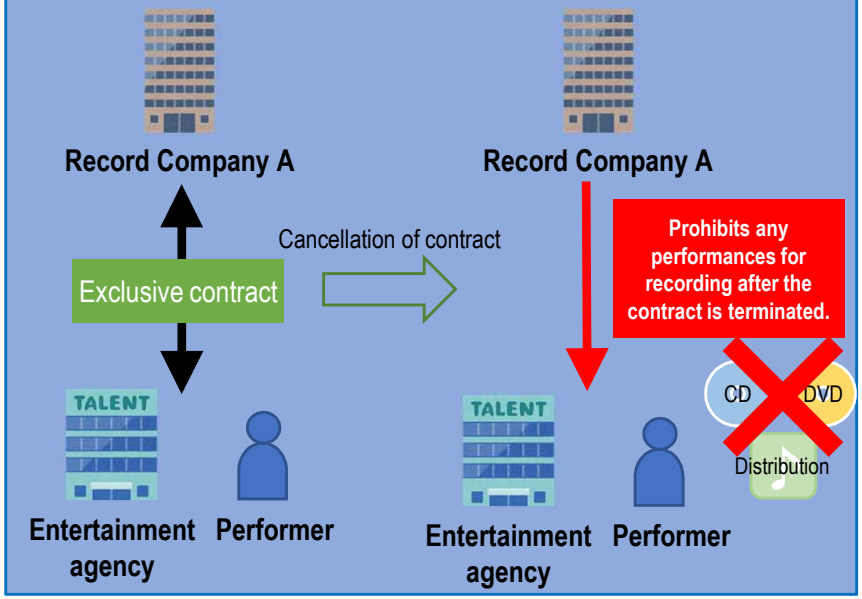
## What is a Non-Performance Clause?




## Survey results

- A non-performance clause is a clause that prohibits the performer from performing for a recording (master recording, distribution, etc.) for a recording company other than the recording company in question for a certain period of time after the contract with the record company and the entertainment agency/performer has ended.
- In the hearing survey of record companies, the respondents answered that the purpose of stipulating a non-performance clause was “to prevent violations of the exclusive obligation, such as recording at other companies during the contract period. Another respondent stated, “In music distribution, it is important to continue distribution so that the performers’ fans do not go away, and it is more beneficial not to stipulate a non-performance clause.”
- On the other hand, in the hearing survey of entertainment agencies, respondents stated that the scope of the “non- performance clause” has expanded to include streaming distribution, and is now effectively a restriction on the activities of performers.

## Guidelines in Terms of the Antimonopoly Act

The degree of disadvantage of the non-performance clause is considered to be very large, as it impedes transactions based on the free and independent judgment of the performer. Thus, for example,

- If a record company, which is recognized as having a superior bargaining position over entertainment agencies and performers, takes advantage of that position to **stipulate a non-performance clause in a contract with an entertainment company or performer, thereby unfairly disadvantaging the entertainment company or performer in light of normal business practices, this is considered an abuse of a superior bargaining position** and is problematic under the Antimonopoly Act.
- If a record company, in its contract with an entertainment agency/performer, stipulates a non-performance clause, **there is a risk of other record companies being excluded or their business opportunities being reduced because other record companies will not be able to secure performers or even if they were able secure performers, they will be unable to have them perform for recording purposes. This is considered a transaction with exclusive or restrictive conditions** and is problematic under the Antimonopoly Act.

* In light of the fact that other measures that are less restrictive of competition, such as demanding compensation for damages, may be considered, there are doubts about the necessity and reasonableness of the non-performance clause.

# Acts by Record Companies: Clauses prohibiting re-recording

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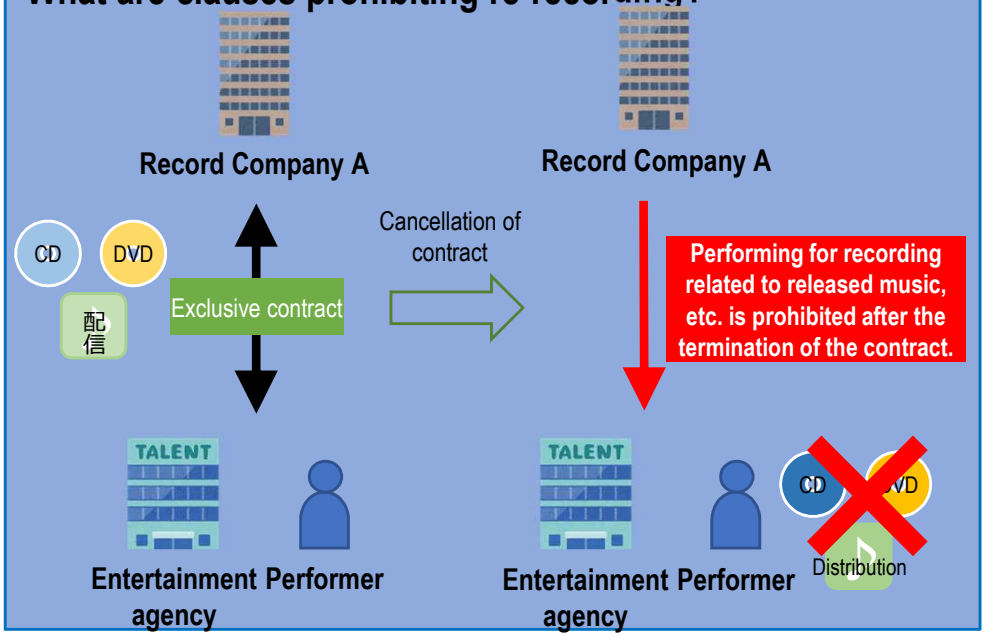
## What are clauses prohibiting re-recording?




## Survey results

- If a clause prohibiting re-recording uniformly prohibits the performance for recording of songs, etc. released during a long-term contract period, the degree of disadvantage would be considerable as it would impede the performer's free and voluntary decision to conduct business after the termination of the exclusive contract. Thus, for example,
- If a record company, which is recognized as having a superior bargaining position to entertainment agencies/performers, uses that position to unfairly disadvantage entertainment agencies/performers in light of normal business practices by stipulating a clause prohibiting re-recording in contracts with entertainment agencies/performers, this is considered an abuse of a superior bargaining position and is problematic under the Antimonopoly Act.
- On the other hand, in the hearing survey of entertainment agencies, etc., there were responses that the clause prohibiting re-recording is a strong restriction, and that the fact that the starting point of the calculation is the end of the contract, not the time of release of the music, is a problem.

## Guidelines in Terms of the Antimonopoly Act

If a clause prohibiting re-recording uniformly prohibits performances for recording of songs, etc. released during a long-term contract period, the degree of disadvantage would be considerable as it would impede the performer's free and voluntary decision to conduct business after the termination of the exclusive contract. Thus, for example,

- If a record company, which is recognized as having a superior bargaining position to entertainment agencies/performers, uses that position **to unfairly disadvantage entertainment agencies/performers in light of normal business practices by stipulating a clause prohibiting re-recording in contracts with entertainment agencies/performers, this is considered an abuse of a superior bargaining position** and is problematic under the Antimonopoly Act.
- If a record company stipulates a clause prohibiting re-recording in its contract with an entertainment agency/performer, **other recording companies would be unable to use the performer's previous works of music, thereby causing a situation where there is a risk of the other recording companies being excluded or their business opportunities being reduced. This is considered a transaction with exclusive or restrictive conditions** and is problematic under the Antimonopoly Act.

* The prohibition of re-recording should be allowed to the extent that it is recognized as reasonably necessary and appropriate in order to achieve the objective of recovering the investment (whether it is recognized as necessary, etc., shall be determined by taking into consideration such factors as whether the period during which re-recording is prohibited is only the period necessary to recover the investment, the possibility of replacement by monetary compensation, whether sufficient consultations have been made, and so on. If re-recording is uniformly prohibited for a reasonable period of time from the time of termination of the contract for all songs during the contract period, it is considered to be an excessive restriction compared to the necessity of stipulating a clause prohibiting re-recording, and the necessity and reasonableness may not be recognized.).

# Japan Fair Trade Commission's Response

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- From the viewpoint of preventing acts that may cause problems under the Antimonopoly Act, **disseminate the contents of this report to entertainment agencies, broadcasters, etc., record companies, related business associations, and other related businesses**.
- Requests made to **major trade associations of entertainment agencies** to disseminate the contents of this report to their members and other entertainment agencies, with **particular attention to "concerted effort by several entertainment agencies or a business association to restrict the transfer of performers."**
- In addition to **collaborating with related ministries and agencies, we will closely monitor the progress of efforts by related businesses and take strict and appropriate action if there are any violations of the Antimonopoly Act**.
- Based on the contents of this report, we **plan to formulate and publish guidelines that provide specific ideas** on the Antimonopoly Act and competition policy.
- We plan to conduct a survey on the actual conditions pertaining to the business environment for creators in the field of film and animation production.

# (Reference) Application of the Antimonopoly Act, the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors and the Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators

公正取引委員会 Japan Fair Trade Commission

## Overview

- With regard to transactions between entertainment agencies and performers, the Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators , the Subcontracting Act, and the Antimonopoly Act may be applied.
- If an entertainment agency falls under the category of “outsourcing enterprise” (Article 2, Paragraph 5) or “specified outsourcing enterprise” (Article 2, Paragraph 6) of the Act on Securing Proper Business Transactions between Freelance Workers and Enterprises, the said Act may be applied to the entertainment agency. If an act that violates the Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators also violates the Antimonopoly Act or the Subcontract Act, the Japan Fair Trade Commission will, in principle, give priority in applying the Act on Securing Proper Free Lance Business Transactions, etc..
- If an enterprise falls under the category of “Parent Enterprise” (Article 2, Paragraph 7) of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, the Japan Fair Trade Commission will, in principle, give priority to the Subcontract Act in relation to the Antimonopoly Act.

| Acts that may violate the Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators and the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors | Main applicable provisions |
|---|---|
| Request for monetary benefits related to transfer and independence (as mentioned in page 12) | Request for provision of unreasonable economic benefits (Article 5, Paragraph 2, Item 1 of the Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators, and Article 4, Paragraph 2, Item 3 of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors) |
| Unilateral decisions on remuneration (as mentioned in page 18) | Buying down (Article 5, Paragraph 1, Item 2 of the Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators and Article 4, Paragraph 2, Item 3 of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors) |
| Coercion of duties (as mentioned on page 19) | Request for provision of unfair economic advantage (Article 5, Paragraph 2, Item 1 of the Act on Appropriate Treatment of Transactions between Freelancers and Business Operators, and Article 4, Paragraph 2, Item 3 of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors) |
| Failure to make the contract in writing and failure to fully explain the details of the contract (as mentioned in page 20). | Obligation to clearly state terms and conditions of transactions (Article 3 of the Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators), Delivery of Documents (Article 3 of Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors) |
| Clarification of the details of transactions pertaining to performances, etc. to performers (as mentioned in page 21) | Obligation to clearly state terms and conditions of transactions (Article 3 of the Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators), Delivery of Documents (Article 3 of Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors)) |
| Failure to put contracts in writing, failure to fully explain the terms of contracts, and refusal to negotiate (as mentioned in page 23) | Obligation to clearly state terms and conditions of transactions (Article 3 of the Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators). Delivery of Documents (Article 3 of Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors) |