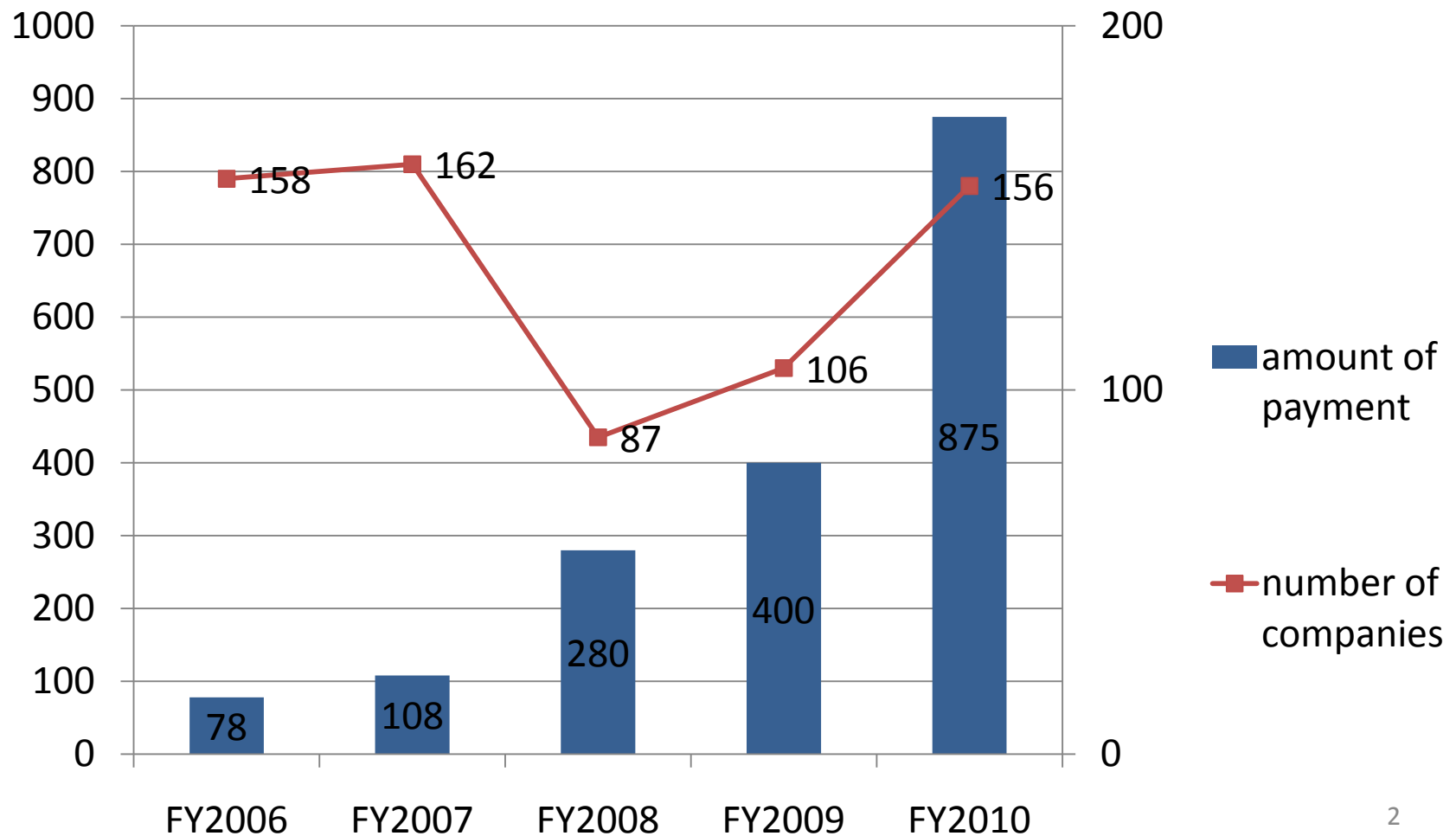


# Promoting Compliance with Competition Law in Japan

Michiyo Hamada  
Commissioner  
Japan Fair Trade Commission  
OECD Competition Commission  
29 June 2011

# 1.Introduction①

Stronger sanctions to prevent violations of the Antimonopoly Act

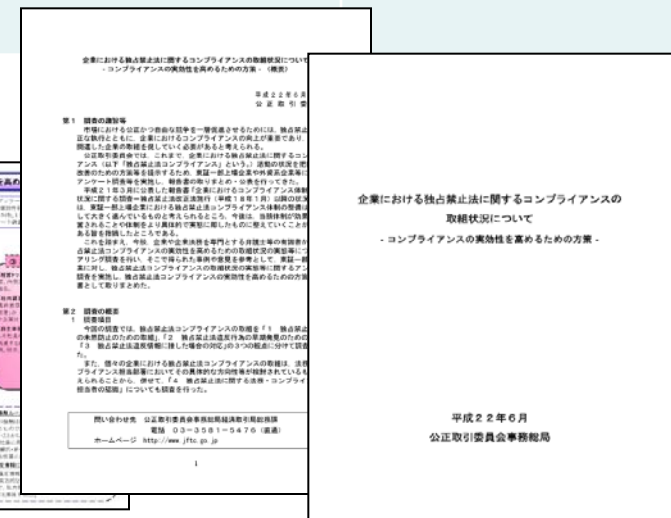




# 1.Introduction②

## JFTC's surveys on compliance

May 24, 2006	May 16, 2007	May 9, 2008	March 18, 2009	June 30, 2010
TSE * Listed Companies	Construction Companies	Foreign- Owned Companies	TSE Listed Companies	TSE Listed Companies



\* TSE: Tokyo Stock Exchange

## 2. Some findings from past reports on compliance

## (1) Analyses by industry (2006 report)

**We think violations of the competition law would not happen in our company.**

**Construction industry**

**Yes: 31%**

**All industries**

**Yes: 41%**

**Industry-wide effort would be the most effective measure  
for full compliance with the competition law.**

**Construction industry**


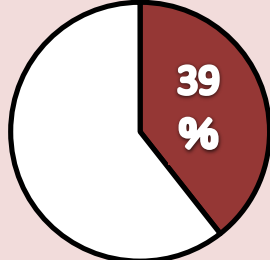
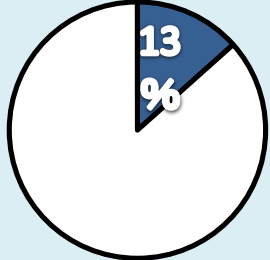

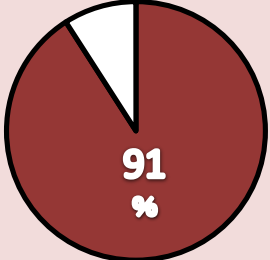
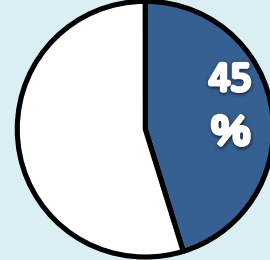

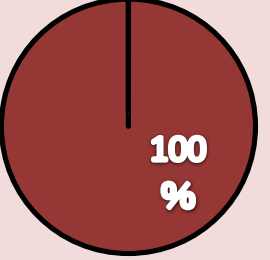
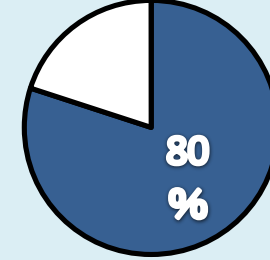
**Yes: 33%**

**All industries**


**Yes: 12%**

## (2) Analyses by company size

(2007 construction industry report)

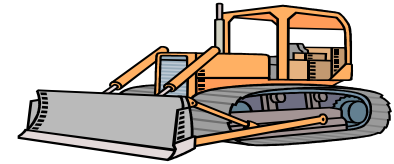
Company Size by Capital Stock	Department/ Staff in Charge of Compliance	Formulation of Compliance Manual
 <p>Less than ¥ 500 million</p>	 <p>39 %</p>	 <p>13 %</p>
 <p>¥ 500 million ~ ¥ 5 billion</p>	 <p>91 %</p>	 <p>45 %</p>
 <p>More than ¥ 5 billion</p>	 <p>100 %</p>	 <p>80 %</p>

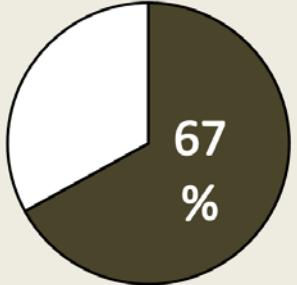
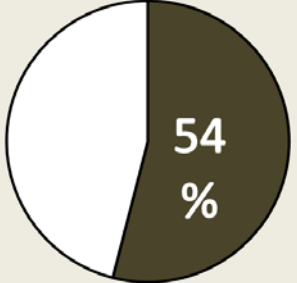
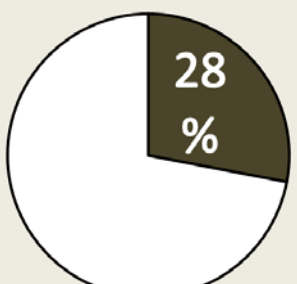
## (2) Analyses by company size (cont.)

Large-scale companies	Smaller companies
<p>Promotion of compliance in substance is a major challenge.</p> 	<p>Development of a compliance system is not sufficient.</p> <p>However, positive response may be expected as for less burdensome challenges.</p>

# (3) Causes of recidivism

(2007 construction industry report)

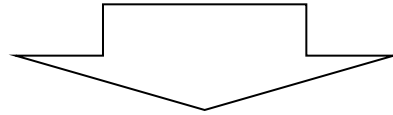


① Longtime business Practices	 <p>67 %</p>
② Structure of the industry (excessive supply/decline in demand)	 <p>54 %</p>
③ Bidding system	 <p>28 %</p>



### 3. To enhance the effectiveness of compliance

(1) Most important point is...



*Initiatives and involvement of  
top management*



(2) Establishing an enhanced legal affairs department/staff in charge of compliance.

(3) Formulating a concrete and practical compliance manual suitable for the reality of each company's business.

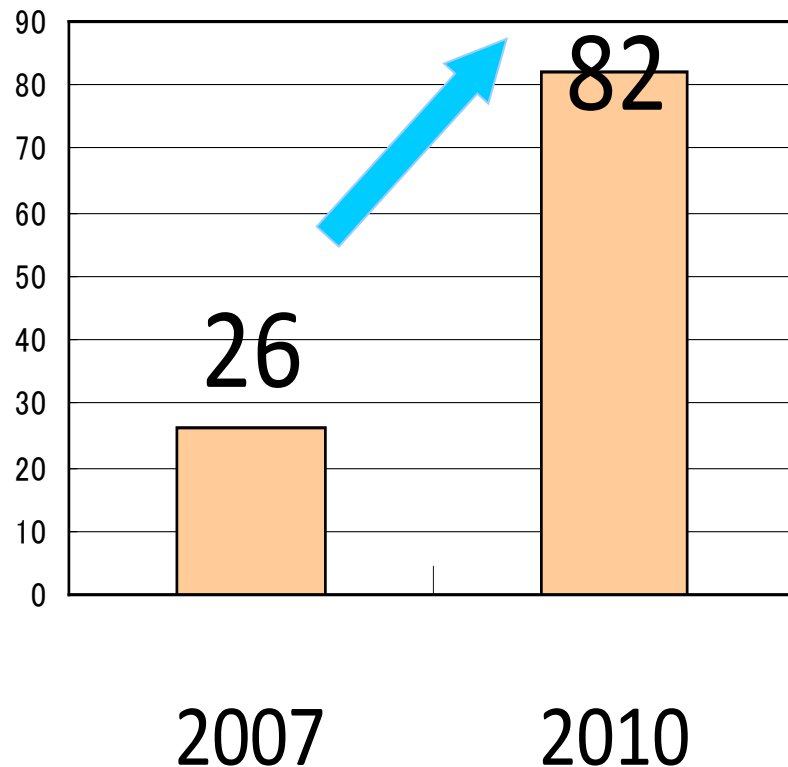
(4) Improving training courses for management executives as well as for employees.

- (5) Active involvement of a parent company in group companies' compliance with the competition law.
- (6) Establishing an in-house rule to be observed when employees or executives make a contact with staff of competitors and constantly checking whether it is observed.
- (7) Conducting proper in-house investigations promptly in response to information regarding violation of the competition law.

## 4. The JFTC's other efforts

## ▪ Lecturers in schools

The number of  
Antimonopoly Act  
classes



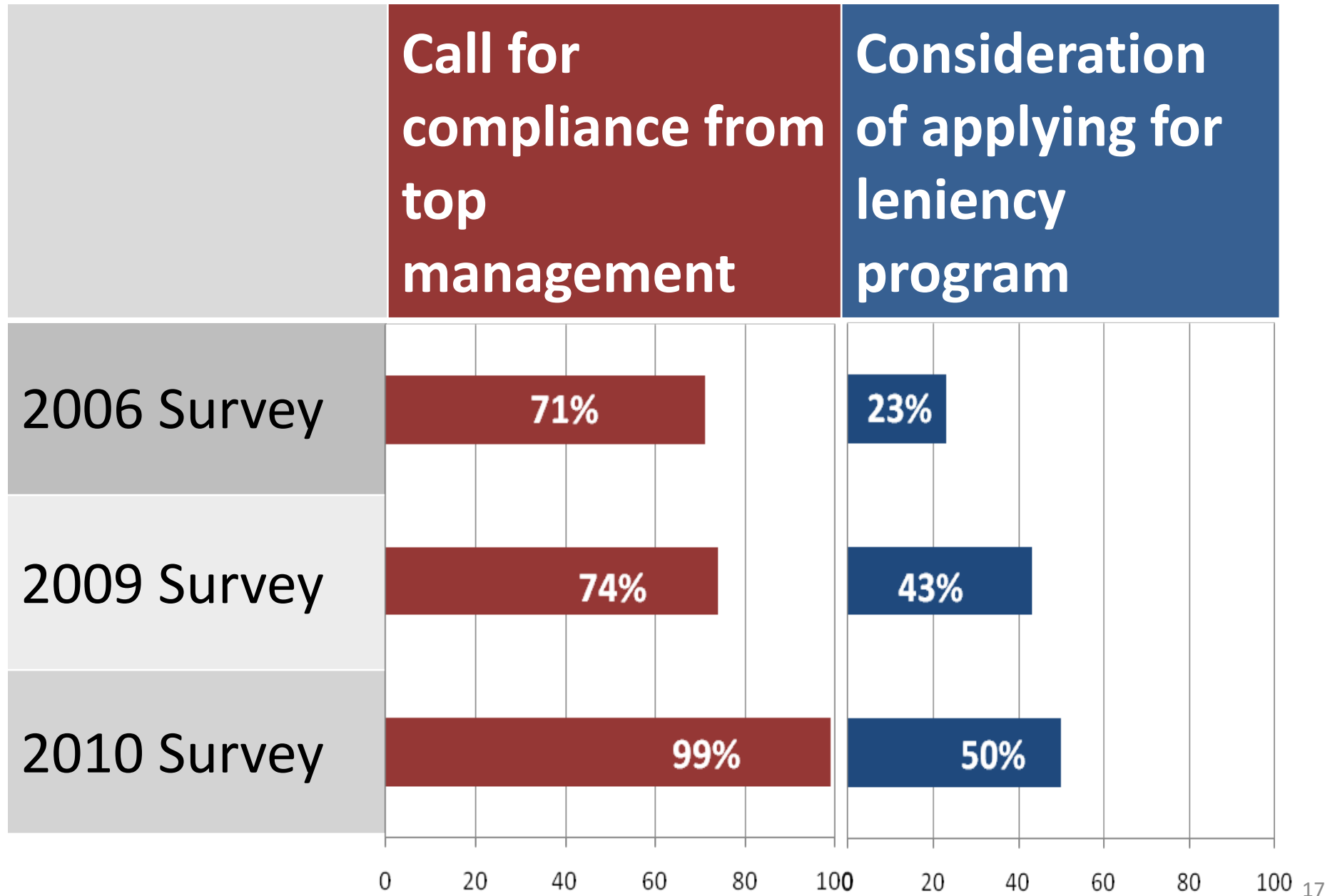
- Exchanging opinions with local experts
- Seminar for consumers and businesses
- Films related to PR activities



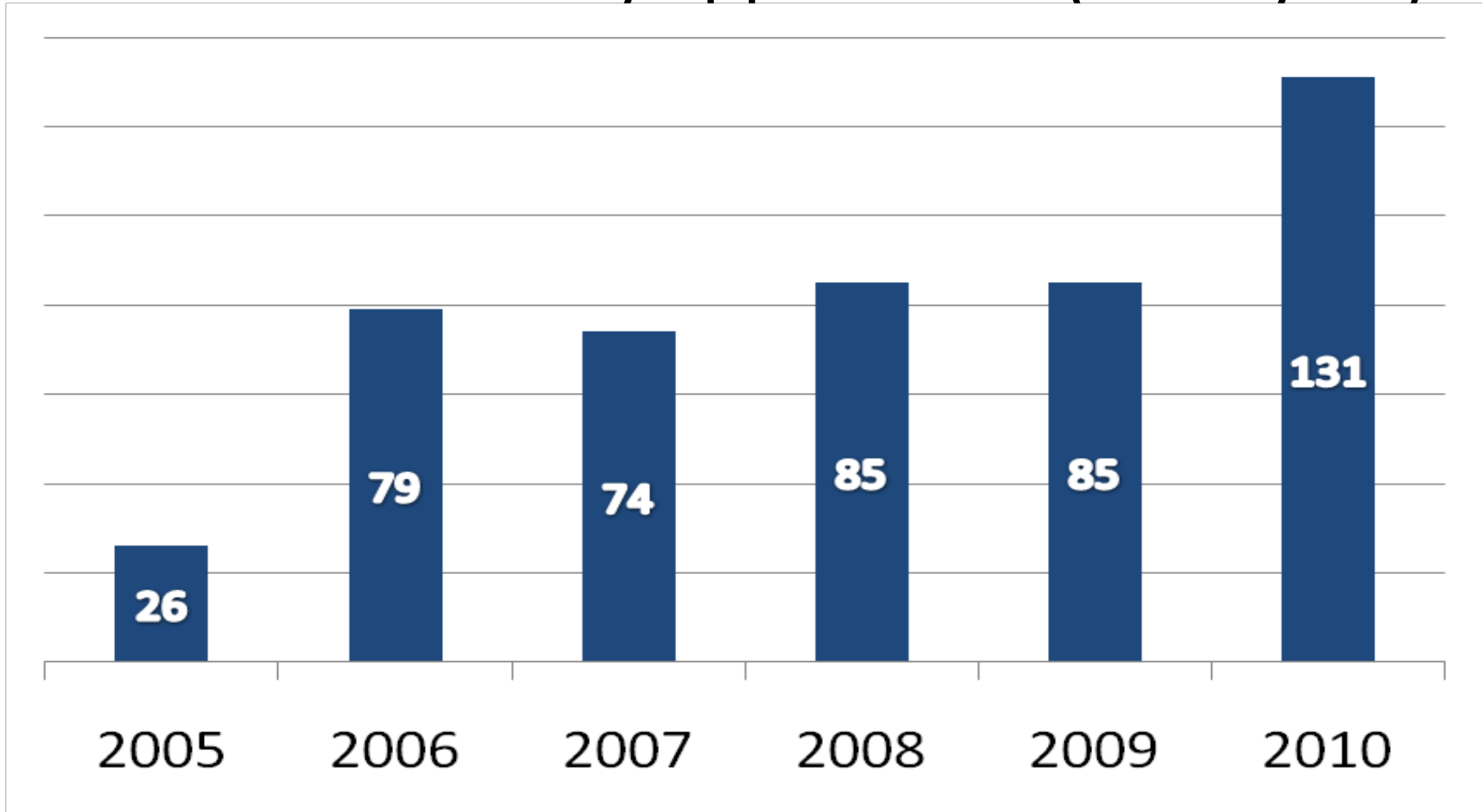
“Dokkin !! Please teach me the Antimonopoly Act !”  
(Let's learn the competition law joyfully)

5. The JFTC's efforts are  
successful ??





## Number of leniency applications (fiscal year)



(FY2005 covers a period from January 4, 2006, when the amended Antimonopoly Act including leniency program came into effect, to March 31, 2006.)



# Thank you



おしえて、どっきん!!  
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