



**Asia-Pacific
Economic Cooperation**

2014/SOM1/CPLG/015

Agenda Item: 8

Overview of Korea Fair Trade Commission

Purpose: Information
Submitted by: Korea



**Competition Policy and Law Group Meeting
Ningbo, China
21-22 February 2014**

**Overview of
Korea Fair Trade Commission**

22 February 2014

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Korea Fair Trade Commission

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I . Introduction of the KFTC

Role of the KFTC

Role of the KFTC

- 1. Promoting Competition**
 - Creating competitive market environment
 - Promoting fair competition in the market
 - Competition Advocacy by reforming regulations
- 2. Enhancing Consumer's Right**

Protecting Consumers from

 - False and Exaggerated representations or advertisements
 - Damage from door-to-door sales, electronic commerce, etc.
 - Unfair adhesion contract
- 3. Securing Competitive Environment for SMEs**
 - Securing a basis of development for SMEs
 - Correcting unfair practices by large enterprises, and distributors

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Organization (1)

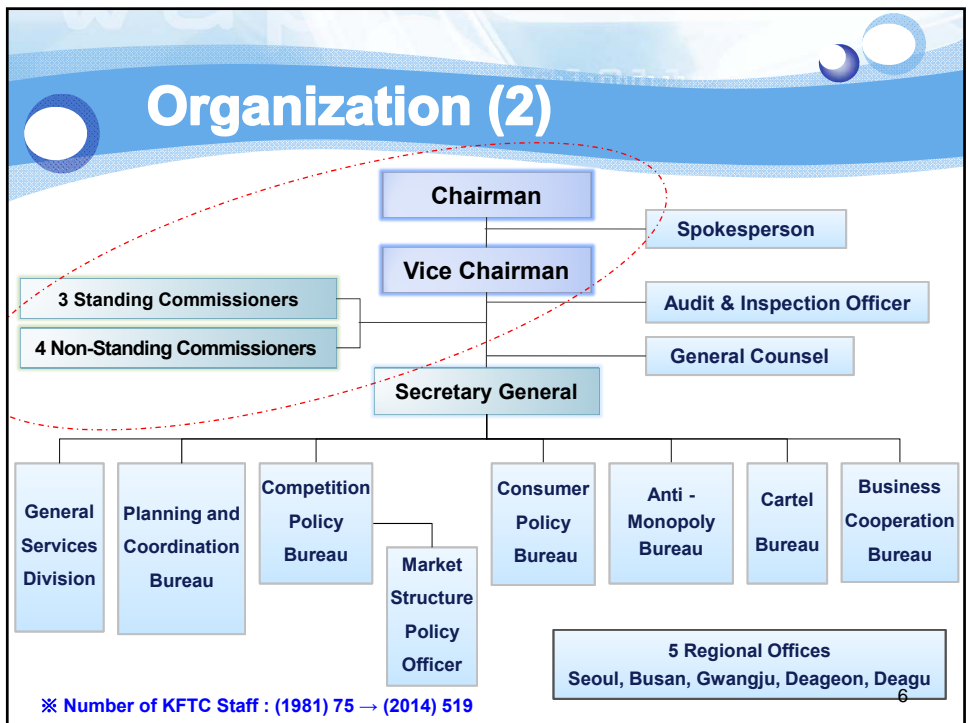
Committee
(Decision Making)

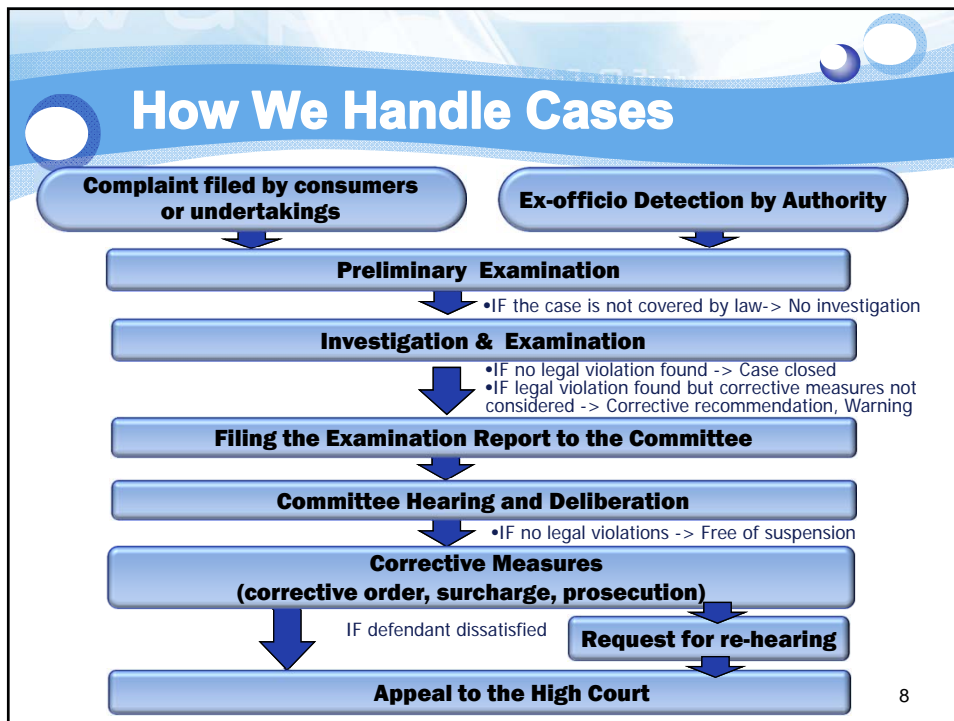
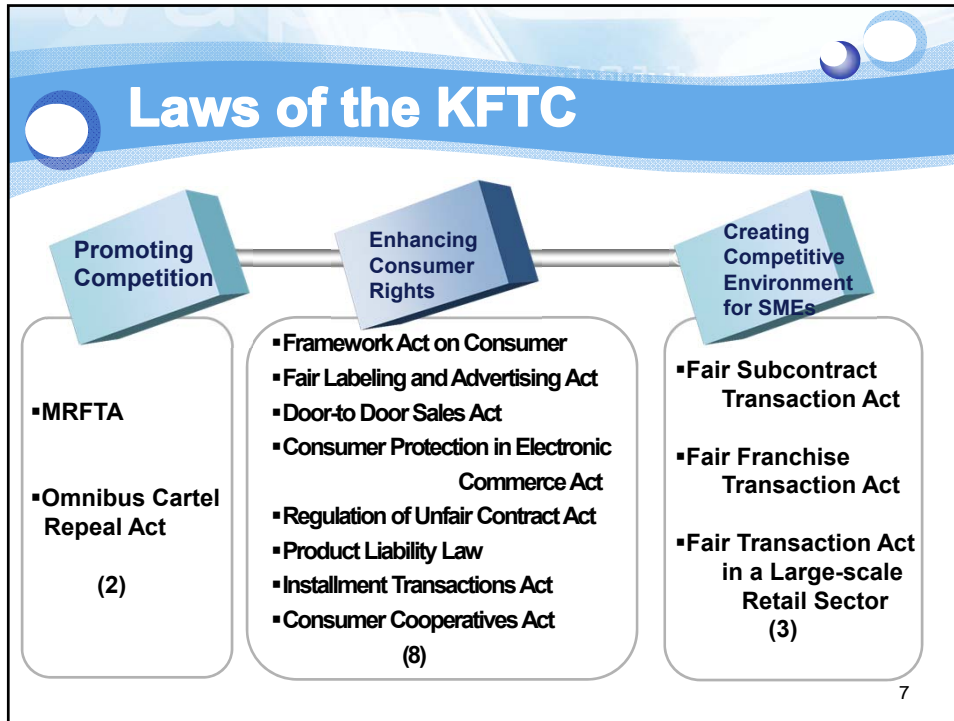
- **consists of 9 members** (terms of office : 3 years)
- Chairman, Vice-Chairman, 3 Standing, 4 Non-Standing Commissioners
- **deliberate and make decisions on competition and consumer protection issues**

Secretariat
(Working Body)

- **directly involved in drafting and promoting competition and consumer protection policies**
- **investigate antitrust issues, present to the committee, and handle them according to the committee's decision**

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II. Updates and Developments in 2013



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Updates and Developments

Consent Decree

- ✓ Investigation on Platform operators (Naver, Daum, etc) in May, 2013
- ✓ **Procedures for 'Consent Decree' are firstly initiated on Naver and Daum** after implementing 'Consent Decree' in April, 2012.
- ✓ Final decision will be made after receiving comments from outside for the next 40 days

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Updates and Developments

Int'l Cartel on Auto Parts

- ✓ Impose **108 M \$ fines** on five Japanese and German **auto-part manufacturers** for **bid-rigging**
- ✓ **Close cooperation** with the competition authorities in the **US and EU**
* concurrent field investigation in Korea and the US in October 2012
- ✓ **Price gap difference** between Pre- & Post- Cartel
* 5% ⇒ 22%

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Updates and developments

Others

- ✓ Set up new division for **bid-rigging investigation** in September 2013
- ✓ In spite of reducing the scope of those who get benefits from leniency program, **leniency application increased by 55%**.
* 13 (2012) ⇒ 20 (2013)
- ✓ **Reinforce criminal prosecution** : not only the Prosecutor's Office, but also the Board of Audit and Inspection of Korea, the Public Procurement Service, and the Small and Medium Business Administration have the right to request a criminal complaint.

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III. Statistics



Statistics (1)

- ❖ Performance in Case Proceeding by Act in 5 years

(cases)

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------|--------------|--------------|--------------|--------------|--------------|
| MRFTA | 1,546 | 1,240 | 1,022 | 1,017 | 1,337 |
| Consumer | 1,000 | 1,038 | 1,159 | 1,315 | 1,495 |
| Subcontract | 1,836 | 1,899 | 1,189 | 1,293 | 2,166 |
| Franchise | 174 | 487 | 268 | 254 | 318 |
| Total | 4,556 | 4,664 | 4,480 | 4,556 | 5,316 |

✓ The number of case handled in 2012 was 5,316 in total, 36% up from last year.

