



**Asia-Pacific
Economic Cooperation**

2016/SOM1/CPLG/013

Agenda Item: 15.2

JFTC's Efforts to Secure Corporate Compliance

Purpose: Information
Submitted by: Japan



**Competition Policy and Law Group Meeting
Lima, Peru
27-28 February 2016**



Japan Fair Trade Commission


JFTC's Efforts to Secure Corporate Compliance

- focusing on research reports on compliance -

Presentation by Japan

28 February, 2016

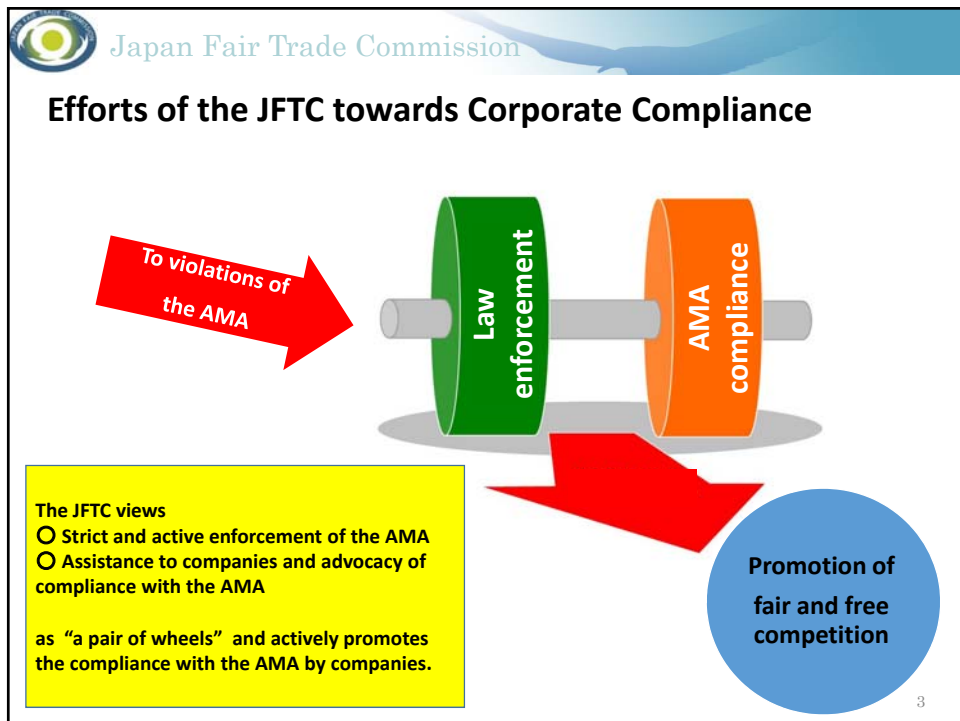
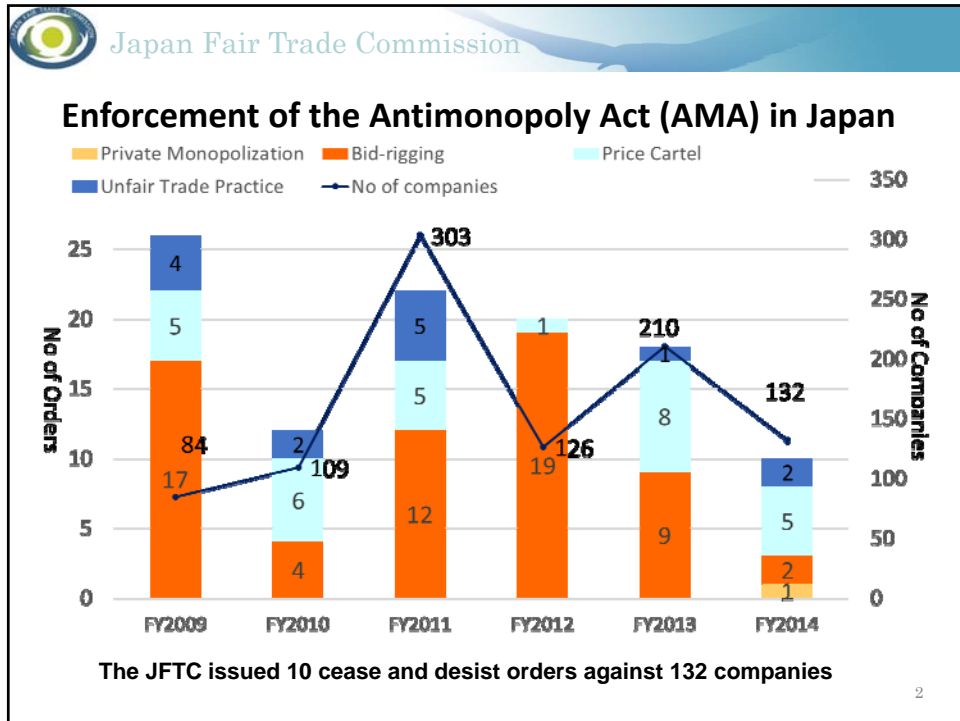
At the APEC Competition Policy and Law
Group Meeting in Lima, Peru




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1. Introduction

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2. Research reports on compliance with the AMA

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Research reports on compliance with the AMA

2006 research Report	2007 Research Report	2008 Research Report	2009 Research Report	2010 Research Report	2012 Research Report
May 2006	May 2007	May 2008	Mar. 2009	Jun. 2010	Nov. 2012
1,696 companies listed in the 1st section of the Tokyo Stock Exchange	1,700 construction companies (authorized by the Constructuion Minister)	1,466 foreign-affiliated companies	1,041 companies listed in the 1st section of the Tokyo Stock Exchange	1,684 companies listed in the 1st section of the Tokyo Stock Exchange	1,681 companies listed in the 1st section of the Tokyo Stock Exchange

URL (2012 Research Report)
http://www.jftc.go.jp/en/pressreleases/yearly-2012/nov/121128AMA_Compliance.html

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Significance and Role of the Promotion of AMA Compliance


Benefits by promoting AMA compliance

- Maintenance or improvement of the reputation and brand image of the enterprise and the trust of business partners and shareholders
- Avoidance of potential risks and cost reductions including long-term reductions of compliance costs

Damages by failing to promote AMA compliance

- Financial losses associated with violations of the AMA (surcharges, compensation for damage, etc.)
- Waste of business resources to respond to investigations by the authority or civil proceedings and losses of manpower
- Deterioration of enterprise image

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Measures for Ensuring the Effectiveness of Compliance


Commitment and Initiative of the Top Management

Establishment of the Compliance Program in Accordance with the Actual Situation

Establishment of Departments in Charge of the AMA Legal and Compliance and Implementation System

Integrated Approaches as a Group of Enterprises

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The “3Ds” for ensuring the effectiveness of Compliance

Deterrence

Detection

Damage Control

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The “3Ds” for ensuring the effectiveness of Compliance

Deterrence

- a. Formulation of the compliance manual
- b. In-house training on compliance
- c. Development of legal consultation system
- d. Development of internal disciplinary rules
- e. Formulation of rules concerning contacts with other competing enterprises

Detection

- a. Audits
- b. Development of internal reporting system
- c. In-house leniency policy

Damage Control

- a. Prompt response and appropriate decision-making at the initiative of top management
- b. Active use of leniency programs
- c. Prior development of a contingency manual
- d. Appropriate internal probe

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3. Research reports on Compliance Efforts of Japanese Companies for Foreign Competition Laws

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2015 Research Report

- Research on current status on corporate compliance NOT with Japanese AMA, but with foreign competition laws
- Focusing on compliance programs of the Japanese companies doing business abroad

URL (2015 Research Report)
<http://www.jftc.go.jp/en/pressreleases/yearly-2015/March/150327.html>

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2015 Research Report
- For Promotion of Compliance with Foreign Competition Laws


3 Pillars of Actions

- 1. Integrated actions by parent companies and overseas subsidiaries (integration)**
- 2. Extensive actions with awareness of competition laws of all countries where companies operate (extensiveness)**
- 3. Flexible actions based on characteristics of the legal systems for foreign competition laws different from Japanese system (flexibility)**

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**Thank you very much
for your attention!**



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