Intergovernmental Group of Experts on Competition Law and Policy, Fifteenth Session

Geneva, 19-21 October 2016

Round Table on:

"Strengthening private sector capacity for competition compliance"

Contribution

By

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The views expressed are those of the author(s) and do not necessarily reflect the views of UNCTAD
Business Compliance to Enhance the Competition Culture

Round table on “Strengthening private sector capacities for competition compliance”

15th Session of the Intergovernmental Group of Experts
21 October, 2016

Sadaaki Suwazono
Director, International Affairs Division
Japan Fair Trade Commission
1. Enforcement of Competition Law in Japan

Leniency Program was introduced in 2006.
2. Efforts of the JFTC towards Corporate Compliance

The JFTC views
- Strict and active enforcement of the AMA
- Assistance to companies and advocacy of compliance with the AMA

as “a pair of wheels” and actively promotes the compliance with the AMA by companies.

Promotion of fair and free competition

To violations of the AMA
3. 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 Compliance System |
| Integrated Approaches as a Group of Enterprises |
4. The “3Ds” for ensuring the effectiveness of Compliance

- Deterrence
- Detection
- Damage Control
4. The “3Ds” for ensuring the effectiveness of Compliance (Cont.)

**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
5. 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)
5. For Promotion of Compliance with Foreign Competition Laws (Cont.)

Efforts of companies that answered that they are doing business in the U.S., EU, China and South Korea by country/region

- Establishes compliance manual
- Provides internal training opportunities

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Establishes Compliance Manual (%)</th>
<th>Provides Internal Training Opportunities (%)</th>
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</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>9.5%</td>
<td>15.8%</td>
</tr>
<tr>
<td>EU</td>
<td>10.2%</td>
<td>16.3%</td>
</tr>
<tr>
<td>China</td>
<td>3.9%</td>
<td>6.9%</td>
</tr>
<tr>
<td>South Korea</td>
<td>2.1%</td>
<td>4.1%</td>
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</table>
Thank you very much for your kind attention.

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