



**For a society with
security, safety and
comfortable living**

Consumer Affairs Agency



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A society where consumers and ordinary citizens play a leading role

There have been a number of incidents in recent years which have affected the everyday life of the people. Examples include poisoning by frozen gyoza imported from China, illegal distribution of tainted rice, carbon monoxide poisoning by gas water heaters, elevator accidents, and choking deaths from konjac jellies. A series of false food labeling cases were uncovered. Dishonest businesses targeting elderly people are rampant.

Behind these incidents is strong influence of past administrative policies which mainly focused on the perspectives of producers rather than consumers as well as the so-called “vertical bureaucracy”.

The problem with the vertical bureaucracy was that a consumer who has encountered troubles would not know where to bring his complaint, or would be passed around from section to section even if one did. Furthermore, there was no central system to gather complaints and inquiries from consumers. As a result, the lack of sharing of information often delayed government response.

The Consumer Affairs Agency (CAA) was established on September 1, 2009 under such circumstances with the objectives of building a society where consumers and ordinary citizens play a leading role.

The CAA is the administrative agency that puts the best interest of consumers and ordinary citizens first.



About Consumer Affairs Agency

The Control Tower for the administration of consumer affairs

Our primary responsibilities are:

1. Prevention of injuries and losses suffered by consumers

- We gather consumer accident information from consumers, businesses and government agencies. The collected information is entered in Accident Information Databank.
- We analyze consumer accidents to determine the cause, and issue an alert to consumers.
- We request various government ministries and agencies take action, such as issuing consumer alerts or providing guidance to businesses. At the same time, we take our own action on any “niche” cases over which no other ministry or agency has jurisdiction.

2. Enforcement of laws under the jurisdiction of Consumer Affairs Agency

- In order to combat dishonest businesses and false labeling, we strictly enforce laws such as the Act on Specified Commercial Transactions, the Act against Unjustifiable Premiums and Misleading Representations (the “Premiums and Presentation Act”), and the Agricultural and Forest Commodities Standards Act (the “JAS Act”).

3. Support for local consumer affairs administration

- We assist local consumer affairs centers which support the “frontline” in consumers’ everyday life to help consumers in need.

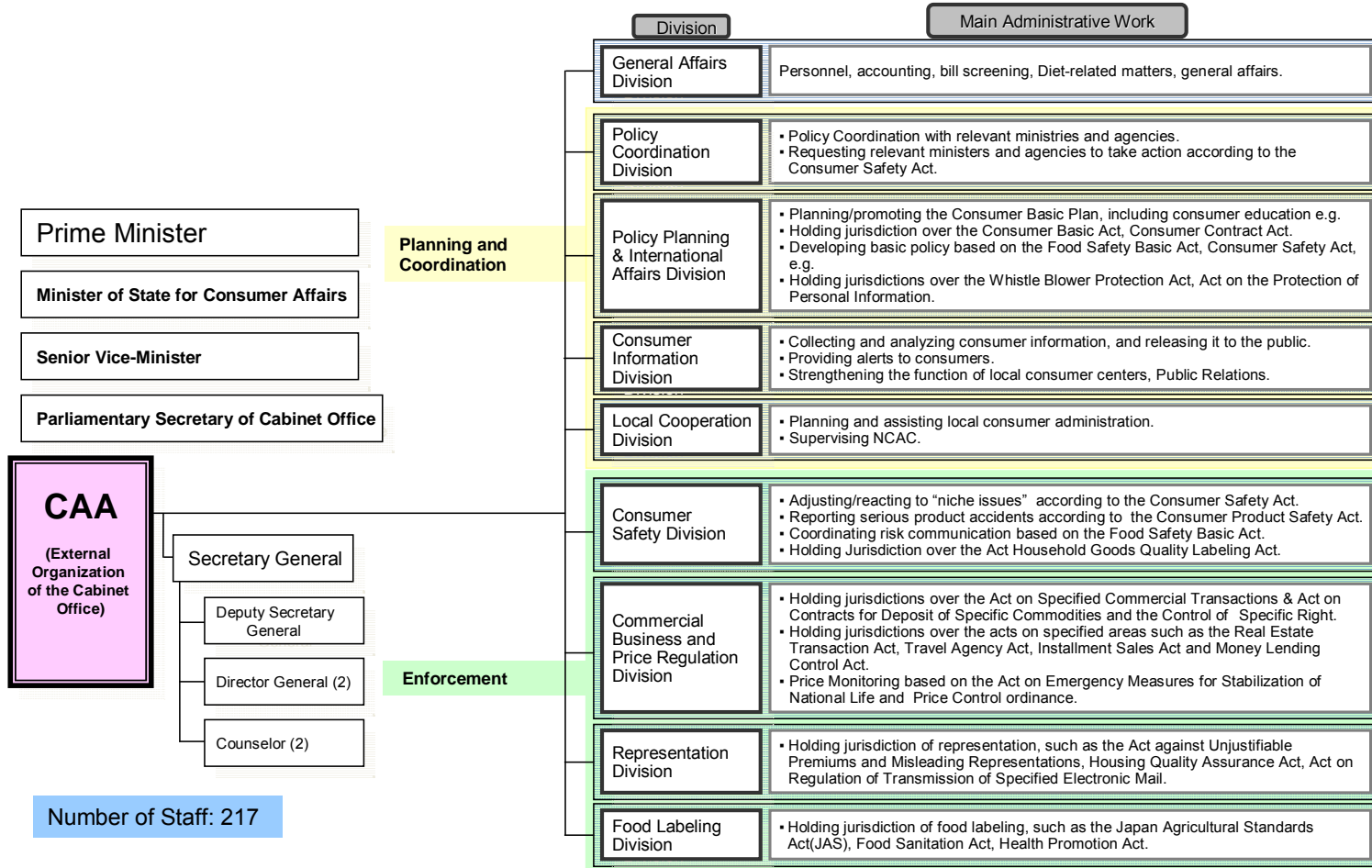
4. Response to new issues

- We study the system with which to deprive unlawful profits from perpetrators who cause injuries to a large number of consumers and redress the injured consumers.
- We study how to make food labeling necessary and easy to understand for consumers.
- We study the ways by which to ensure an accident investigative agency will be independent, fair and comprehensive.
- We study measures aiming at solving consumer problems with Internet transactions.

5. Tackling diverse issues

- We work for the protection of personal information.
- We work for the dissemination and promotion of a system to protect whistleblowers.
- We work to strengthen international collaboration in the area of consumer policies.
- We engage in consumer education activities.
- We work for the furtherance of our project for the protection of children from accidents.

Organization of Consumer Affairs Agency



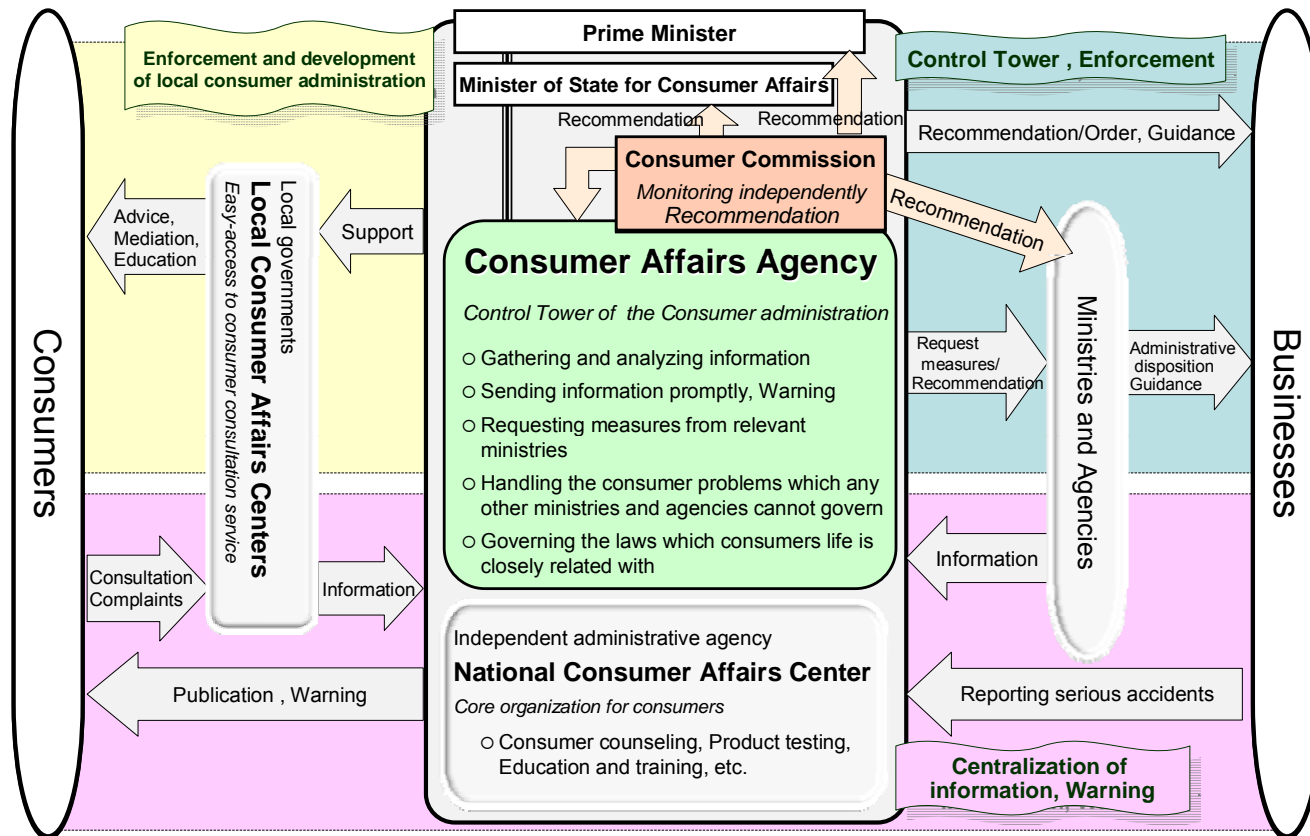
■ Policy planning and coordination

In order to solve consumer problems, our work is mainly to coordinate other ministries and agencies involved in consumer affairs, and develop plans for administration of consumer-related policies.

■ Enforcement of laws and regulations

In order to ensure that laws designed to protect the safety of consumers are properly observed, we check for goods and services that may be going in market against the best interests of consumers, and provide guidance or issue dispositions and orders to businesses who do not obey the law.

The Consumer Affairs Agency is the control tower and the engine of the consumer affairs administration.



* Organizations associated with the CAA

[Consumer Commission]

The Consumer Commission was established on September 1, 2009 along with the Consumer Affairs Agency. The Commission is a highly transparent organization to which the consumer's voice can reach directly. It operates as an independent third party agency to monitor general consumer affairs administration of the government ministries and agencies, including the CAA.

[National Consumer Affairs Center of Japan]

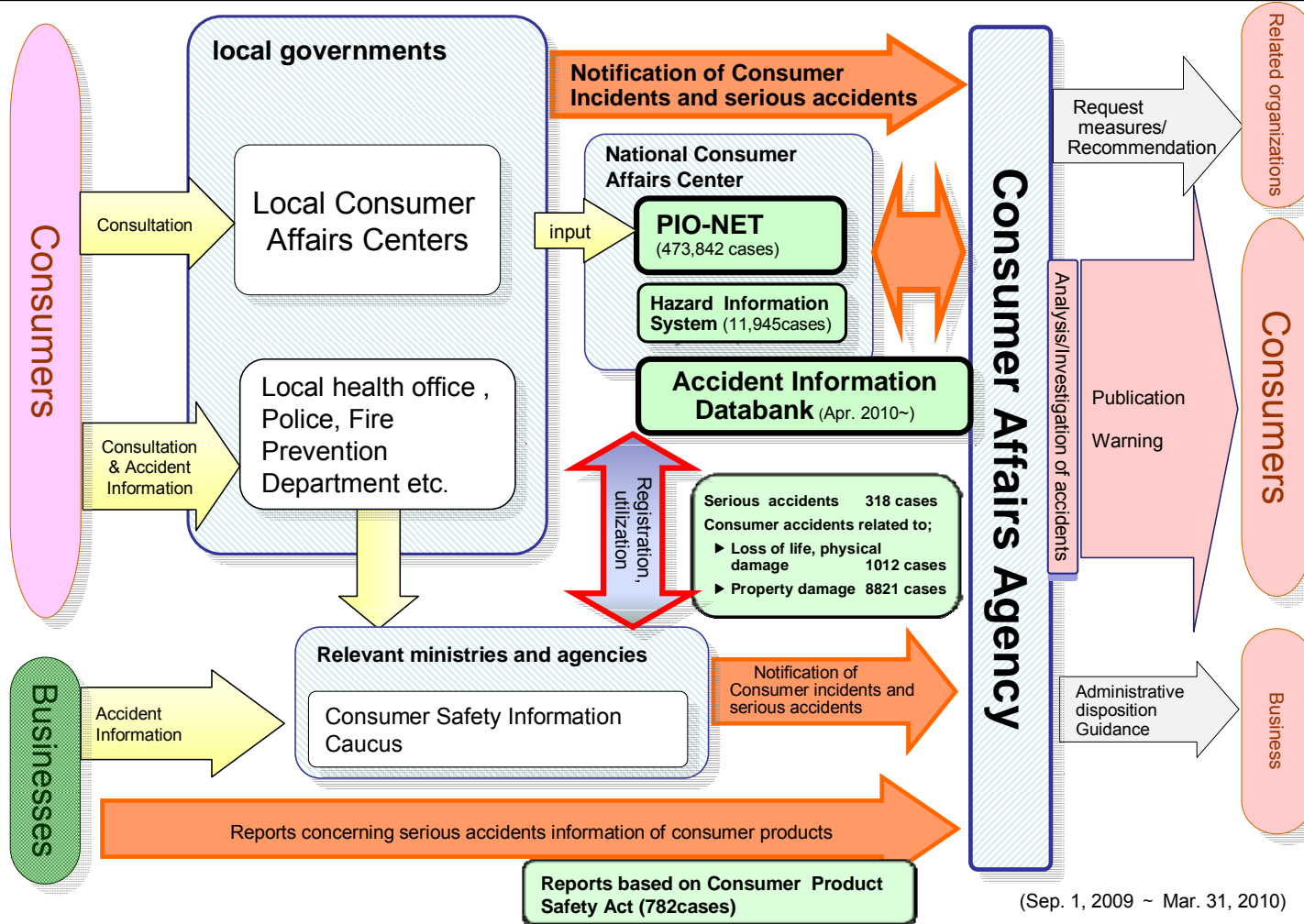
The National Consumer Affairs Center of Japan (NCAC) is an independent administrative agency under the jurisdiction of the CAA. The NCAC works as a core consumer advocate organization in collaboration with the government as well as consumer affairs centers across Japan. The primary responsibilities of the NCAC are to:

- Gather information on complaints and inquiries received from consumers by connecting the local consumer affairs centers across the country through PIO-NET (Practical Living Information Online Network System);
- Provide advice to consumers. It also advises local consumer affairs centers and jointly deals with consumer complaints;
- Analyze consumer inquiries and test various products. The results are publicized so as to prevent or block the spread of injury or loss to consumers;
- Organize and offer a variety of training courses targeting administrative officers in charge of consumer affairs as well as consumer advisors.

To protect safety in everyday living

Collection, analysis and publication of information

From the gathering of accident information to the issuance of alerts



Collection, analysis and publication of consumer accident information

The Consumer Affairs Agency receives consumer accident notify from relevant administrative agencies and gathers consumer accident information according to the Consumer Safety Act which came into effect at the same time as the establishment of the CAA, and regularly publishes information on serious accidents. We also publish the results of our collection and analyses of the information, and supply them to local public organizations as well as to the Diet and the Consumer Commission.

Prompt alert to consumers

In order to prevent the occurrence and spread of consumer-detriment, publishing the needed information and alerting consumers rapidly are important.

And we also carry out countermeasures against emerging and expanding of consumer detriment. For example, we exchange information and make consultation, if needed, between relative ministries or local governments. As a result, we declare the counter measures against consumer-detriment under cooperation with such organization.

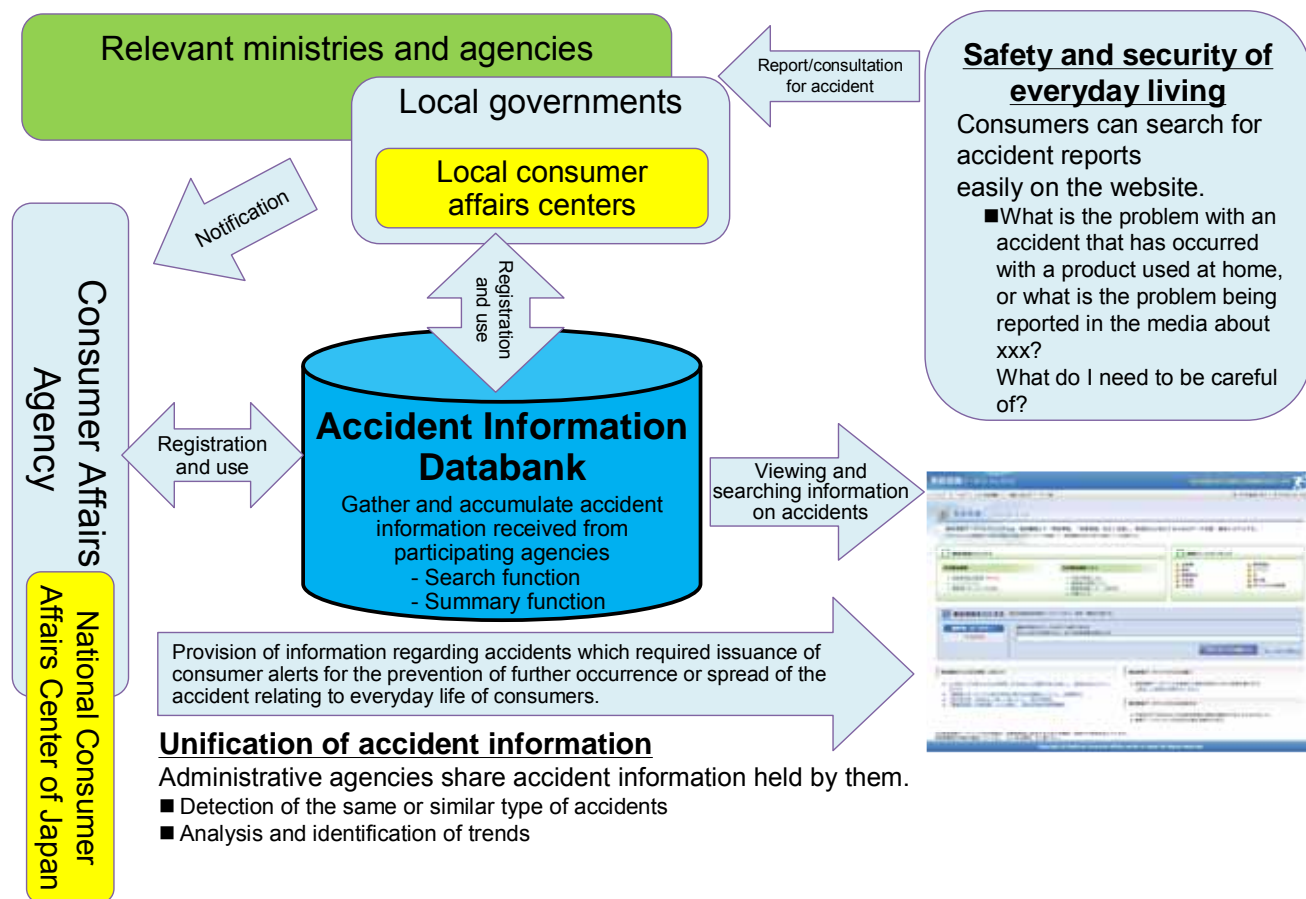
Accident Information Databank

The Accident Information Databank was developed in collaboration with the National Consumer Affairs Center of Japan, an independent administrative corporation. The Databank is an online system with which to gather and use consumer accident information held by relevant agencies. On April 1, 2010, the Databank began providing consumers with free access through the Internet.

The accident Information Databank started its operation with 15,500 registered items in its database, which has been expanded and updated daily to contain data generally for 2009 and later.

Visit the accident Information Databank at: <http://www.jikojoho.go.jp>

Structure of the Accident Information Databank





For security at your table

Food labelling system

Food labels

Presentation of important information to consumers for their decision-making at stores.

In recent years, there have been a series of incidents, such as misrepresentation on food labels, which have undermined the confidence of consumers in the food they eat.

The food labelling system involves many laws, including the Food Sanitation Act which aims to prevent health hazards relating to food and beverages, the JAS Act which aims to assist consumer decision-making with the appropriate labelling of quality information, such as ingredients and product origin, and the Health Promotion Act which aims to improve nutrition for the people so as to promote their health.

In past, the Food Sanitation Act and the Health Promotion Act were under the jurisdiction of the Ministry of Health, Labor and Welfare, and the JAS Act under the Ministry of Agriculture, Forestry and Fisheries. Consumer Affairs Agency was given the mandate to govern these laws as a single agency to administer the food labelling system.

At present, we are working on issues relating to food labelling, including an expansion of the scope of requirements for identification of ingredients and product origins in processed foods, and a review of the ways to provide information on health foods on their labels.

We are also reviewing various ways to operate a single legal system relating to food labelling. We will be implementing necessary measures.

Relationships among Japanese Agricultural Standards Law (JAS), Food Sanitation Act, and Health Promotion Act

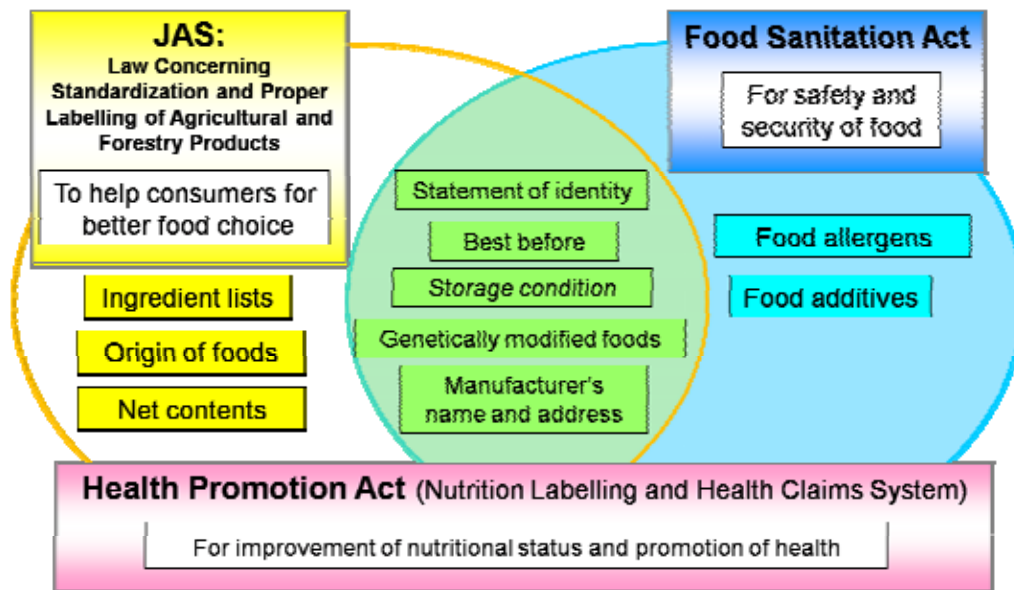


Fig. 1. Relationships among the JAS Act, Food Sanitation Act and Health Promotion Act

<u>Name</u>	Snack food		
<u>Ingredients</u>	Potatoes (<u>no GMO</u>), vegetable oil, salt, dextrin, <u>lactose</u> , protein hydrolysates (including <u>wheat</u>), powdered yeast extract, powdered soy sauce, seafood extract powder (including <u>crab and shrimps</u>), <u>flavorings, seasonings (e.g. amino acids)</u> , and <u>eggshell calcium</u>		
<u>NET Contents</u>	81g	<u>Best before date</u>	Indicated on the right of this side
<u>Storage</u>	Store in a place away from direct sunlight and high temperature and humidity.		
<u>Seller</u>	[Redacted]		<u>39</u>

* [39] is a unique number of the manufacturing plant.

Main nutritional components per 1 package (81g) (per analysis by the manufacture)			
Energy	483kcal	Carbohydrates	37.6g
Protein	3.8g	Sodium	330mg
Fat	35.3g	Table salt equivalent	0.8g

* Labelling of nutritional information is voluntary.

Fig. 2. Actual example of labelling

For shopping with peace of mind

Act against Unjustifiable Premiums and Misleading Representations

Rules for fair representation

Representations of quality and price are important clues for consumers to choose their products and services.

Consumers may be purchasing a poor quality or overpriced product or service without knowing it because of false or misleading representations. The Act against Unjustifiable Premiums and Misleading Representations (the “Premiums and Representation Act”) exists to control such misleading representations. Consumer Affairs Agency is working hard to make your shopping environment worry-free based on this law.

Some examples of misrepresentation ...



A sweater has a label saying...
“100% Cashmere”

In fact...

It contains only 80% cashmere.



A discount furniture store tells you...
“The lowest price in the xxx area”.

In fact...

There are other stores which sell for less in the area.



A pair of jeans has a label saying...
“Made in USA”.

In fact...

They were sewn in Japan.

Rules for premiums

If businesses compete by offering excessive extras and additional services, consumers may be buying poor quality or overpriced goods or services. The Premiums and Representations Act regulates excessive premiums so as to keep them within a reasonable range. The Consumer Affairs Agency is working hard to ensure that businesses will compete on the quality and pricing of their goods and services so that consumers can make an appropriate choice of these goods and services.



Fair competition code and examples of “Fair Competition” logo mark:

The fair competition code is a rule established by a business or a business group for the representation and premiums certified by the Minister responsible for the Consumer Affairs Agency and the Fair Trade Commission. Some businesses may attach the “Fair Competition” logo mark to their product packages or display it at the storefront in accordance with the code. The logo mark gives you a measure of peace of mind when you go shopping.



Aiming to eradicate unscrupulous businesses

Act on Specified Commercial Transactions

A business which entices consumers to sign contracts by whispering, “It’s an easy way to make money” , when there is no guarantee of really making money. A business which has consumers buy overpriced goods by exploiting their anxiety. A business which convinces consumers to buy a large volume of unnecessary goods or sign contracts by persistent and coercive solicitation. Consumer problems and unscrupulous businesses practices such as these never seem to disappear.

To combat these troublesome door-to-door sales, mail order sales, telemarketing sales and pyramid schemes, Consumer Affairs Agency has the jurisdiction to enforce the Act on Specified Commercial Transactions which provides for:

- 1) Administrative regulation of unlawful solicitation by business operators and
- 2) “Civil rules” for trouble prevention (e.g. cooling-off period and mid-term termination).

We prosecute particularly deceitful cases by imposing administrative penalties, such as a suspension order on the business. Furthermore, we maintain close contact with regional and local governments as well as law enforcement authorities through active exchange of information.

Examples of transactions that come under the Act on Specified Commercial Transactions.

Door-to-door sales/ telemarketing

Unwanted solicitation of consumers at their home

Mail-order business

Sale contracts made through catalogs and the Internet without a buyer meeting the seller directly.

Specified continuous provision of services

Six services, including esthetic salons, language schools, marriage introduction service, are covered.

Sale by solicitation with a promise of work

Businesses which entice job seekers with a promise "work and income" and have them pay for the products which they require to do the work.

Pyramid scheme

Businesses which recruit individuals as sales representatives and have them recruit the next level of sales representatives thereby expanding the chain of the sales network.

These business are regulated by these rules for example:

When soliciting, they must inform consumers the purpose and the name of the business operator.

They are prohibited from making any false representation or concealment of important information (e.g. price and payment terms), or any other coercive solicitation.

Advertisements must include important information. False or exaggerated advertisements are prohibited.

Consumer who sign contracts must be provided with documents containing important matters.

Unscrupulous businesses who violate these requirements will be...

Subject to administrative disposition (an order or instruction to suspend operation), or penalties.



Protecting the rights of consumers

Consumer Contract Act

Consumer Contract Act

When entering a contract to purchase a product or service, there are discrepancies between consumers and business operators in the degree of their ability to gather information and negotiate. Because of this, the Consumer Contract Act was put into effect in 2001 for the protection of the interests of consumers.

The Consumer Contract Act allows a consumer to rescind a contract he has entered into if there was unreasonable solicitation. If the contract contains any unreasonable clauses, these contract clauses become null and void.

Consumer Organizations Action System

Starting in 2007, Consumer Organizations Action system was introduced under which a qualified consumer organization certified by the Prime Minister can demand an injunction in respect of unreasonable practices of business operators.

As a result of a qualified consumer organization demanding an injunction against a business operator making unreasonable solicitation or contracts, there have been instances in which business operators amended their contract clauses. When an injunction is demanded against a business operator, it must examine its own business activities, and promptly correct unlawful practices, if any.

It is essential for consumers to provide information on injury to a qualified consumer organization in order to demand an injunction effectively to prevent injury of consumers. The outcomes of the injunction demand are published by these consumer organizations as well as Consumer Affairs Agency on their respective websites.



Supporting the consumer “frontline”

Collaboration with local consumer affairs administration

Supporting the
frontline of the
consumer affairs
administration

“It’s different than what I ordered!”

“I was forced to sign the contract under pressure”

These are just a few examples of consumer complaints received at the local consumer affairs counters, such as the Local Consumer Affairs Centers located in prefectures and municipalities across Japan. Requests for advice received at these centers numbered about 900,000 a year (in 2009). The consumer counselors at the centers work at the frontline by providing information or advice to consumers who contact them with their complaints and troubles and by trying to solve the problem by mediating between consumers and business operators.

Consumer Affairs Agency provides the fund to support these activities of local consumer affairs administration so that municipalities and prefectures can develop and improve their consumer affairs centers and train consumer counselors to enhance their consumer affairs administration.

“Consumer
Hotline” - The first
step to take when
you have a problem

You have a consumer trouble, but you don’t know where to turn to. The Consumer Affairs Agency has established the Consumer Hotline on January 12, 2010 as a single-number to direct you to the nearest local consumer affairs center and other local consumer affairs counters so that you do not have to let the matter drop.

Hotline number is: **0 5 7 0 - 0 6 4 - 3 7 0**

When you have a problem, just call this number. You will be directed to local consumer affairs counters, such as a local consumer affairs center, near where you live. We encourage people to use the Consumer Hotline when they do not know where to turn to with their consumer affairs problems.



Approaches to move forward

From the Consumer Basic Plan

Review of the consumer collective redress system

Even if an incident causes injury to a large number of consumers, each of these consumers tends to give up on the idea of bringing a lawsuit to recover losses because the individual injuries are relatively small. Also, recovery of injuries may be near impossible in particularly pernicious cases because the perpetrator has concealed or dispersed its assets. Based on these characteristics of the consumer injury, the Consumer Affairs Agency will review the ways to establish a system with which to deprive unlawful profits from perpetrators who cause injuries to a large number of consumers and redress the injured consumers.

Review of the food labeling system

We will examine ways to establish a single legal system for the food labeling, and take necessary action.

Independent investigative organization for consumer accidents

The need has been identified, from the point of view of finding the cause and prevention of the recurrence in respect of consumer accidents, for an investigative organization to have authority separated from criminal proceedings which look for fault. The need for consideration of victims has also been identified.

In response, we will examine ways to establish an independent organization to conduct a fair and comprehensive investigation. Based on studies of operation of such investigative organizations in Japan as well as overseas and an examination of the investigations carried out by the Consumer Commission, and with cooperation of relevant ministries, agencies and organizations, we will develop a mechanism which will carry out the investigative function most effectively.

Response to consumer problems relating to Internet transactions

We will examine various measures to provide a solution to consumer problems arising from the increasing use of the Internet for commercial transactions. In order to solve problems of cross-border transactions in particular, we will examine the possible development of an international network in Asia for consumer consultation.



Consumer Affairs Agency does a lot more for you

Protection of personal information

The Act on the Protection of Personal Information has been in full effect since 2005. The objective of this law is to protect the rights and interests of individual persons. It provides the basic idea relating to the protection of personal information as well as rules for handling personal information by certain private entities to be observed.

The Consumer Affairs Agency aims to build a society which uses personal information wisely while appropriately protecting them. We are working hard to protect personal information through the dissemination and awareness building of the Act on the Protection of Personal Information.

We also provide a contact point, the Q&A Dial for the Act on the Protection of Personal Information”, which answers your questions regarding the interpretation of the Act.

You will find brochures and other information on this act from the Personal Information Protection System website (<http://www.caa.go.jp/seikatsu/kojin/>).

Whistleblower Protection

Corporate scandals that affect consumers often come to light because of whistleblowing by someone working inside the company. The Whistleblower Protection is a system which aims to prevent whistleblowers from receiving disadvantageous treatment, such as dismissal or transfer, on the grounds of whistleblowing. This will in turn promote compliance with the laws and regulations concerning safety and interest of consumers.

The Consumer Affairs Agency has developed and published a handbook which explains the Whistleblower Protection in plain language, and the guidelines which help business operators and administrative organizations develop their systems.

In addition, we have established the Whistleblower Protection QA Dial as a contact point for consultation regarding the Whistleblower Protection.

You will find the handbook and other information at the Whistleblower Protection Program website (<http://www.caa.go.jp/seikatsu/koueki/>).

International efforts

The Consumer Affairs Agency is working to strengthen international cooperation for consumer affairs policies through the participation in international conferences, such as the OECD/the Committee on Consumer Policy Committee (CCP) and the International Consumer Protection and Enforcement Network (ICPEN). In addition, we have dialogues on policy with various countries in order to strengthen the international cooperative relationship.

Enhancement of the lifelong “Consumer Education”

In order to ensure life with safety and security, it is important that the consumers continue to have Consumer Education voluntarily at school, home, community and workplace throughout their lifetime. The Consumer Affairs Agency organizes the “Consumer Education Conference” to promote consumer education, and works with government agencies and academics as well as consumer groups to establish all-encompassing consumer education activities.

Furthermore, we are promoting easy-to-understand educational materials, such as a “guidebook for people watching elders to protect them from consumer troubles” as well as educational materials for schools while making efforts to review better teaching methods. We also offer a wide variety of educational materials and information on the Internet through the Consumer Education Portal Site (<http://www.caa.go.jp/kportal/>).

“Protect Children! from Injuries!” Project

Consumer Affairs Agency has launched the “Protect Children! from Injuries” Project to work toward the prevention of unexpected injuries among children.

We are sending out information through e-mail newsletters and mobile sites to help you protect your children from injuries.

<Content>

■ Child Safety Message from the CAA

A weekly newsletter is distributed to provide tips and alerts for the protection of children from injuries.

- To register, VISIT:
<http://www.caa.go.jp/m/> (from mobile phone)
<http://www.caa.go.jp/kodomo/mail/> (from PC)

■ “Mobile site”

The site provides descriptions of injuries which children often have categorized by age (or months), and provides quick tips of dangers for parents to watch out for. It also provides a checklist for parents to identify things to pay attention to prevent injuries.

- Address: <http://www.caa.go.jp/m/>

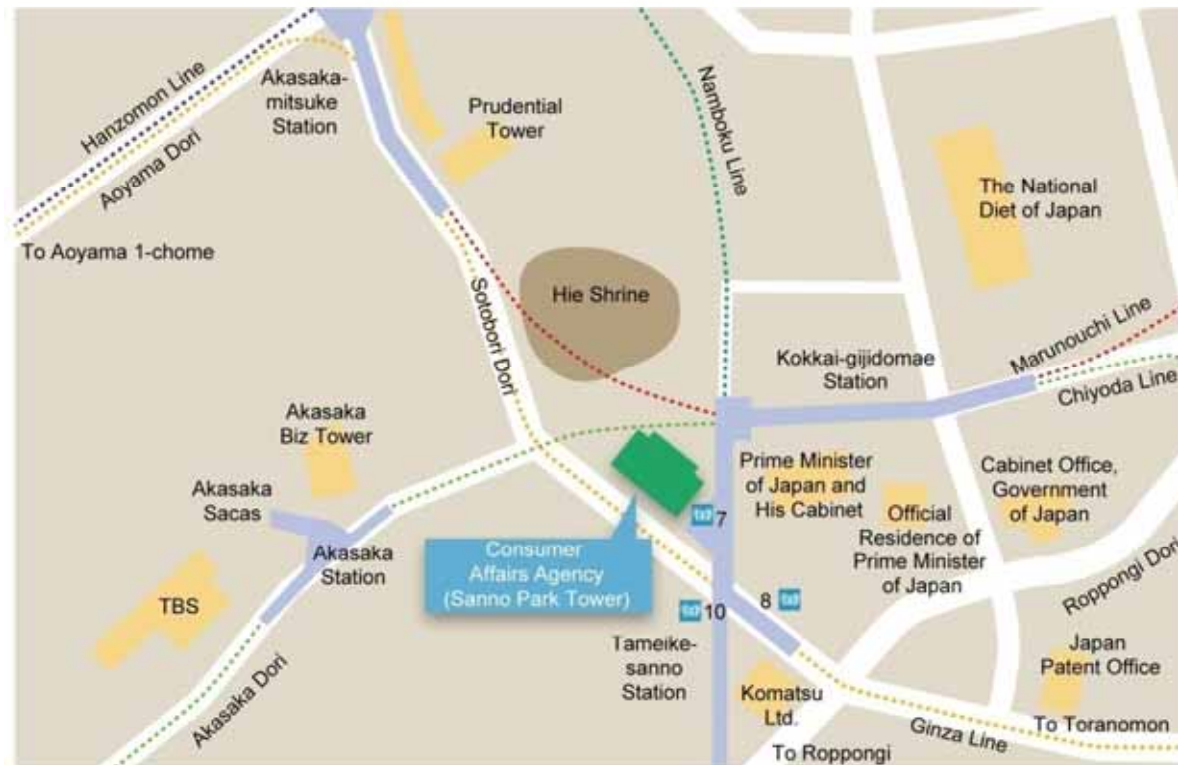
Mobile site
of CAA
QRcord



■ Web site for PC

The site provides descriptions of case examples of progressive activities by local public organizations, schools and businesses addressing the prevention of children’s injury. It also provides educational materials and information as well as contact points in case of problem for the use by people in a variety of situations.

- Address: <http://www.caa.go.jp/kodomo/>



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