

Guidelines for Companies to Prevent Damage by Antisocial Forces

Guidelines prepared by the Working Team for taking countermeasures to eliminate funding sources for Antisocial forces, created under the Council of Ministries for Crime Countermeasures

June 19, 2007

SAMPLE ONLY

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The International Bankers Association has prepared this translation with the intention of having the content, as much as possible, accurately represent the Japanese original. However, differences in layout and pagination from the Japanese original will exist.

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Attachment**Guidelines for Companies to Prevent Damage Caused by Antisocial Forces**

In recent years, organized crime groups have been promoting increased opacity in the forms of their activities by adopting the guise of corporate activities and by advocating political and social causes, along with increasing their efforts to conceal what really goes on in their organizations. They have also been making their activities to obtain funds increasingly sophisticated by engaging in economic activities such as securities trading and real estate deals.

Today, many companies mention in their corporate ethics a goal of having no relations whatsoever with antisocial forces,^{*} including organized crime groups, and are in the process of mounting various efforts in that regard. However, given the aforementioned opacity of organized crime groups and their increasingly sophisticated activities to obtain funds, it is possible even for a company that is highly conscious of eliminating organized crime groups to turn out to have, for example, unwittingly conducted an economic transaction with a company related to an organized crime group. Companies must therefore make even greater efforts to cut off relations with antisocial forces.

Obviously, eliminating antisocial forces from society deals a blow to sources of funding for organized crime groups and is an extremely serious issue in terms of security measures but, from a social responsibility perspective, it is also an essential and serious issue for companies. Particularly in terms of the recent trend to emphasize compliance, the very essence of compliance could be

^{*} When looking at “antisocial forces,” which are groups or individuals seeking economic gain by using violent, forceful, and fraudulent means, in addition to focussing on an attribute prerequisite, such as whether the group or individual is an organized crime group, a company related to an organized crime group, a person holding a small number of stocks in a number of companies and attempting to extort money from them by threatening to cause trouble at the general stockholders’ meeting, a racketeer advocating social causes, a racketeer advocating political causes, or a special intelligence organized crime group, it is also important to focus on a conduct prerequisite, such as the existence of violent, demanding conduct, or an illegal demand that exceeds an authority derived from legislation.

described as dealing with antisocial forces in accordance with the law without giving in to them and not financing antisocial forces.

Moreover, cutting off relations with antisocial forces is also a critical requirement from a corporate defense perspective. An antisocial force making an illegal demand directed at an employee working at a company or an antisocial force attempting to take over a company, for example, can ultimately lead to enormous damage to the company itself, including its employees and stockholders.

With this awareness in mind, these Guidelines summarize basic principles and specific responses to prevent damage caused by antisocial forces.

1 Basic Rules to Prevent Damage Caused by Antisocial Forces

- Deal with antisocial forces as an organization.
- Coordinate with external specialized agencies.
- Cut off all relations with any antisocial force, including any transactions.
- In emergencies, use civil and criminal legal responses.
- Prohibit backdoor transactions and financing.

2 Responses Based on Basic Rules

(1) Basic concepts on preventing damage caused by antisocial forces

- An illegal demand by an antisocial force can make a person feel anxious or intimidated, and a sole duty officer or division dealing with that demand with no established rules such as a code of practice can get into a situation of having to comply with the demand. Therefore, do not leave it to a sole duty officer or division but deal with the demand as an entire organization, from top management (such as the CEO) down, and establish grounds for doing so in express provisions of a charter such as the corporate code of ethics, code of conduct, or in-house regulations.
- Ensure the safety of any employee dealing with an illegal demand by an antisocial force.
- To prepare for an illegal demand by an antisocial force, build close cooperative ties with specialized outside agencies (“external specialized agencies”) such as the police, the Center for the Elimination of Boryokudan, and lawyers, under normal circumstances.
- Have no relations whatsoever with any antisocial force, including any business relations. Also, refuse any illegal demand by an antisocial force.
- Conduct both civil and criminal legal responses to an illegal demand by an antisocial force.
- Under no circumstances conduct backdoor transactions in response to an illegal demand by an antisocial force in order to conceal a matter, even if it is a scandal involving business activities or an employee.
- Under no circumstances finance any antisocial force.