Module	**Anti-Bribery and Corruption**
Jurisdictions	**Japan**

Module Application

Does the organisation have policies and controls in place to prevent bribery and corruption, including the offering or acceptance of bribes by its officers, employees, and agents?

Is the organisation aware of its obligations to keep accurate records, make true and accurate reports, and disclose material facts relevant to anti-bribery compliance?

Are directors and senior officers informed of their duties under anti-bribery laws and do they have sufficient information on relevant activities?

Module Scope

The module provides comprehensive guidance on the legal and regulatory obligations related to bribery and corruption prevention for organisations operating in Japan. It covers obligations under key Japanese legislation, including but not limited to the Act on Punishment of Public Officials Profiting by Exerting Influence, the Companies Act, the Financial Instruments and Exchange Act, and the Penal Code. The module also provides insights into the application of international anti-bribery laws, such as the UK Bribery Act and the US Foreign Corrupt Practices Act (FCPA).

This module applies to:

- **Japanese organisations**: Companies and entities incorporated or operating in Japan that may interact with public officials, engage in private business dealings, or engage in cross-border operations.
- **Multinational enterprises**: Companies operating in Japan and other jurisdictions where anti-bribery and corruption laws may apply.

Key requirements

- **Prohibition of bribery**: Organisations must not offer, promise, or provide bribes to public officials (including foreign officials) or private individuals. This includes gifts, monetary payments, or any form of improper benefit to influence actions or decisions.
- **Prohibition of private bribery**: The prohibition extends to private commercial transactions where bribes may be given or received.
- **Record-keeping and disclosure**: Organisations are required to maintain accurate and comprehensive records of financial and accounting transactions. False statements or inaccuracies in financial reports may lead to severe penalties.
- **Corporate governance**: Directors and officers must act in good faith to ensure the organisation's compliance with anti-bribery laws. They should seek appropriate information about the organisation’s activities and establish internal controls to prevent bribery.

Practical guidance

- **Risk assessment**: Guidance on conducting a comprehensive risk assessment to identify and mitigate bribery risks in all business operations.
- **Internal policies and training**: Recommendations for developing anti-bribery policies, training staff, and ensuring that contractors, agents, and intermediaries are aware of their legal obligations.
- **Compliance systems**: Advice on establishing compliance mechanisms, including robust record-keeping, reporting protocols, and internal auditing procedures.
- **Board and executive responsibilities**: Emphasizing the role of directors and senior management in fostering a culture of zero tolerance for bribery.

Consequences of non-compliance

Non-compliance with anti-bribery laws may result in:

- Companies and individuals may face fines, imprisonment, and other sanctions for violations.
- Inaccurate or false records can lead to administrative fines or regulatory action.
- Bribery allegations can harm the organisation's reputation and lead to loss of trust and business opportunities.
- Multinational companies may also be subject to enforcement actions under international anti-bribery laws, such as the UK Bribery Act or the US FCPA.

Compliance source

The legal obligations are primarily derived from Japanese laws, including the Act on Punishment of Public Officials Profiting by Exerting Influence, the Companies Act, the Financial Instruments and Exchange Act, the Penal Code, and the Unfair Competition Prevention Act. Relevant international laws include the Bribery Act 2010 (UK), the Foreign Corrupt Practices Act 1977 (US) and the Securities Exchange Act of 1934 (US), depending on the organisation's activities and presence.

About LexisNexis Regulatory Compliance®

LexisNexis Regulatory Compliance® helps you forge a clear path to compliance.

With LexisNexis® content know-how at the core, our compliance registers, alerts, and information-driven solutions make compliance uncomplicated for GRC professionals across the globe.