Cartel Leniency Program in Korea

Korea Fair Trade Commission
1. What is Cartel Leniency Program
2. Cartel Leniency Program in Korea
   • Procedures
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   • Benefit
   • Amnesty Plus program
3. How to Apply for Leniency
A system of partial or total exemption from penalty to a cartel member which reports its cartel membership to a competition authority and cooperates with its investigation.

An effective tool for cartel detection

1. What is Cartel Leniency Program?
2. Cartel Leniency Program in Korea

**Procedures**

**Leniency application**
- **Official application**
  - Submit evidential materials
- **Simplified application**
  - Indicate identification information & cartel activities
  - Supplement information within 15 days*
  * The period can be extended by up to 60 days

**Issue receipt notice**
- If conditions satisfied
  - Notify status of the applicant
    - Issue written notice on applicant status within 15 days* after the receipt of application
    * The period can be extended by up to 60 days
    - continued cooperation, discontinuance from cartel acts and other requirements
- If conditions not satisfied
  - Notify non-satisfaction of conditions
    - Serve written notice within 15 days*
    * The period can be extended by up to 60 days

- Cancel applicant status
- Immunity from or reduction on Penalty
- Not comply with requirements
• Requirements
  ◦ The 1st or 2nd applicants who provide evidence which is needed to prove cartels for oneself
  ◦ Report cartels when the KFTC has not obtained information about cartels or enough evidence to prove cartels
  ◦ Sincerely cooperate until the end of an investigation
    • State all facts related to cartels
    • Submit related information promptly
  ◦ Stop cartels immediately or at least until the end of KFTC’s investigation
  ◦ Not a coercer

2. Cartel Leniency Program in Korea
**Benefit**

<table>
<thead>
<tr>
<th></th>
<th>Corrective Order</th>
<th>Surcharge</th>
<th>Criminal Accusation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; applicant</td>
<td>Immunity</td>
<td>Immunity(100%)</td>
<td>Immunity</td>
</tr>
<tr>
<td>2&lt;sup&gt;nd&lt;/sup&gt; applicant</td>
<td>Reduction</td>
<td>Reduction(50%)</td>
<td>Immunity</td>
</tr>
</tbody>
</table>

- Only 1<sup>st</sup> and 2<sup>nd</sup> applicants are eligible
  - Ranking is decided based on the acceptance time of application

- Speed matters!!

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2. Cartel Leniency Program in Korea

Korea Fair Trade Commission
• Amnesty Plus

- If a company that is under investigation and will be punished for A cartels discloses B cartels first, it will get leniency for not only B cartels but also A cartels.

2. Cartel Leniency Program in Korea

**Cartel A**
- L1 (1st): 100%
- L2 (2nd): 50%
- L3 (3rd): 0%?

**Cartel B**
- L3: 1st

**L3’s Surcharge Reduction**
- Cartel B: 100%
- Cartel A: 20~100%
2. Cartel Leniency Program in Korea

Cartel cases with Leniency

- (since 1997.4.) -
3. How to Apply for Leniency

- Written Application: Send by post, fax or email, In-person application possible
  - Application Form: Download from “application form” of KFTC website (www.ftc.go.kr/minwon/minwon/formList.jsp)
  - Postal Address: Cartel Policy Division, Korea Fair Trade Commission, 648, Banpo-ro, Seoucho-gu, Seoul, Korea
  - Fax: 02-2023-4437
  - Email: leniency@korea.kr
  ※ Telephone: 02-2023-4439 (For information request only, leniency application by phone call not accepted)

- Oral Application: In-person application possible, in this case the statements recorded or videotaped

☞ For more information, refer to 「Notification on Implementation of Cartel Leniency program_2009」