

G20 MEMBER

JAPAN



Enhancing the role of audit in tackling corruption

External indicator Open Budget Index: 61/100

Qualitative indicators of good practice:

- » Audit regulations for different types of companies are set out in the Financial Instruments and Exchanges Act and the Companies Act.
- » The Accounting Standards Board of Japan (ASBJ) and the Board of Audit provide oversight for private companies and state agencies respectively.
- » A [proposal](#) has been made to [reform](#) the audit law to provide more enforcement power to the Japan Institute of Certified Public Accountants.
- » An [OECD report](#) calls for increased obligations for auditors and accountants to report foreign bribery cases by creating reporting guidelines and providing training.
- » The [Open Budget Survey 2021](#) oversight score for Japan's Board of Audit is 78 compared to a global average score of 63.



Promoting public participation and anti-corruption education

External indicator World Justice Project, Open Government Score: 0.72/1

Qualitative indicators of good practice:

- » Several laws, such as the Information Disclosure Law, Local Autonomy Law and Public Comment Procedure, provide the framework for public participation.
- » At the local level, city council meetings provide a space for citizens to learn about government plans and ask questions.
- » Training and awareness programs on issues, such as [foreign bribery](#), are carried out by professional bodies such as the Japanese Institute of Certified Public Accountants (JICPA).



Professional enablers of money laundering

External indicator Financial Action Task Force (FATF) IO4: Moderate effectiveness

Qualitative indicators of good practice:

- » Definition of professional enablers is comprehensive and includes bankers, accountants, lawyers, real estate agents, dealers or precious stones as well as telephone service providers.
- » [FATF recommends](#) improving customer due diligence by DNFBPs, as well as including some DNFBPs from reporting on suspicious transactions, among others.



Promoting anti-corruption in the renewable energy sector

External indicator N/A

Qualitative indicators of good practice:

- » Japan's [Green Growth Strategy](#) aims to expand the renewable energy sector to be carbon neutral by 2050, as well as phase out inefficient coal power plants by 2030.
- » There are public consultations and mechanisms for citizens to engage in energy projects, especially in order to build public trust in nuclear energy projects.
- » Some examples of [transparency initiatives identified by the IEA](#) include labeling and incentives system under the Building Energy Efficiency Act to strengthen information and transparency on energy-saving by buildings; price transparency and reporting as well as sharing experiences and best practices on liquid natural gas through a cooperation agreement with India and the European Union.

