

**Cooperation Arrangement Between the Commissioner
of Competition, Competition Bureau of the Government
of Canada and the Fair Trade Commission of the
Government of the Republic of Korea Regarding
the Application of their Competition and Consumer Laws**

The Commissioner of Competition, Competition Bureau of the Government of Canada (“Commissioner of Competition”) and the Fair Trade Commission of the Government of the Republic of Korea (“Fair Trade Commission”), hereinafter referred to as the “Participants”;

Having regard to the importance of cooperation and coordination between the Participants to further effective competition and consumer law enforcement in both countries;

Recognizing that cooperation in enforcement activities and the coordination of such activities may, in certain cases, result in a more effective resolution of the Participants' respective competition and consumer law concerns than would be attained through independent action; and

Having regard to the Organization for Economic Cooperation and Development’s Revised Recommendation of the Council Concerning Cooperation Between Member Countries on Anticompetitive Practices Affecting International Trade, adopted on July 27 and 28, 1995, its Recommendation of the Council Concerning Effective Action Against Hard Core Cartels, adopted on March 25, 1998, and its Guidelines for Protecting Consumers from Fraudulent and Deceptive Commercial Practices Across Borders, adopted on June 11, 2003;

Have decided as follows:

I. PURPOSE AND DEFINITIONS

1. The purpose of this Arrangement is to promote cooperation and coordination between the Participants.
2. In this Arrangement, these terms will have the following definitions:
 - (a) “competition and consumer law(s)” means:
 - (i) for the Commissioner of Competition, the *Competition Act*, R.S.C. 1985, c. C-34, and the following statutes insofar as they address false or misleading representations or deceptive practices: the *Consumer Packaging and Labelling Act*, R.S. 1985, c. C-38, the *Precious Metals Marking Act*, R.S. 1985, c. P-19 and the *Textile Labelling Act*, R.S. 1985, c. T-10, and any regulations made under those Acts;

- (ii) for the Fair Trade Commission, the *Monopoly Regulation and Fair Trade Act* (Law No. 7796, 2005), the *Fair Labelling and Advertising Act* (Law No. 7794, 2005), and the following statutes insofar as they address false or misleading representations or deceptive practices: the *Door-to-Door Sales, ETC. Act* (Law No. 7795, 2005) and the *Consumer Protection in Electronic Commerce, ETC. Act* (Law No. 7487, 2005), and any regulations made under those Acts;

as well as any amendments thereto, and such other laws or regulations as the Participants may from time to time decide in writing to be a “competition and consumer law” for the purposes of this Arrangement;

- (b) “enforcement activity(ies)” means any investigation or proceeding conducted by a Participant in relation to the competition and consumer law it administers and enforces; and
- (c) “territory” means the territory in which a Participant has jurisdiction.

- 3. Each Participant will notify the other as soon as practicable of any amendments to its competition and consumer laws.

II. NOTIFICATION

- 1. Subject to Paragraph VI, each Participant will notify the other Participant with respect to its enforcement activities which may affect the other Participant’s interests in the application of its competition and consumer laws, including those that:
 - (a) are relevant to the enforcement activities of the other Participant;
 - (b) involve any conduct or transaction, other than mergers or acquisitions, carried out in whole or in part in the other Participant’s territory, that may be subject to penalties or other relief under the competition and consumer laws administered and enforced by the other Participant, except where such conduct or transaction is insubstantial;
 - (c) involve mergers or acquisitions in which one or more of the parties to the transaction carries out a business activity in the other Participant’s territory, or is under control of a body which is incorporated or organized under the laws of the other Participant’s territory;
 - (d) involve remedies that expressly require or prohibit conduct in the other Participant’s territory or are otherwise directed at conduct in that territory; and
 - (e) involve the seeking of information located in the other Participant’s territory, whether by personal visit by officials of a Participant or otherwise, except with respect to telephone contacts with a person in the other Participant’s territory

where that person is not the subject of investigation and the contact seeks only an oral response on a voluntary basis.

2. Notification will ordinarily be given as soon as it becomes evident that notifiable circumstances are present.
3. Once a particular matter has been notified, subsequent notifications on that matter need not be made unless the notifying Participant becomes aware of new issues bearing on the interests of the other Participant in the application of its competition and consumer laws, or unless the notified Participant requests otherwise.
4. Notifications will include the nature of the activities under investigation and the competition and consumer law provisions concerned and will be sufficiently detailed to enable the notified Participant to make an initial evaluation of the effect of the activities on its interests in the application of its competition and consumer laws.

III. COOPERATION AND COORDINATION

1. The Participants acknowledge that it is in their common interest to cooperate and share information where appropriate and practicable.
2. Where both Participants are pursuing enforcement activities with regard to the same or related matters, they will endeavour to coordinate their enforcement activities where appropriate and practicable, and will respect the independence of each Participant to make its own decisions.

IV. AVOIDANCE OF CONFLICTS

1. The Participants acknowledge that it is in their common interest to minimize any potentially adverse effects of one Participant's enforcement activities on the other Participant's interests in the application of its competition and consumer laws.
2. Where one Participant informs the other that a specific enforcement activity by the second Participant may affect the first Participant's interests in the application of its competition and consumer laws, the second Participant will endeavour to provide timely notice of significant developments relating to those interests and an opportunity to provide input regarding any proposed penalty or remedy.
3. Any questions arising out of this Arrangement, including questions on the interpretation or the application of this Arrangement, will be addressed in as timely and practicable a manner as circumstances permit.

V. MEETINGS

Officials of the Participants will meet periodically, as necessary, to:

- (a) exchange information on their enforcement efforts and priorities in relation to their competition and consumer laws;
- (b) exchange information on economic sectors of common interest;
- (c) discuss competition and consumer law changes under consideration; and
- (d) discuss other matters of mutual interest relating to the application of their competition and consumer laws or the operation of this Arrangement.

VI. EXISTING LAWS AND CONFIDENTIALITY OF INFORMATION

1. Nothing in this Arrangement will require a Participant to take any action, or to refrain from acting, in a manner inconsistent with existing laws, or will require any change in the laws of Canada or the Republic of Korea.
2. Notwithstanding any other provision in this Arrangement, no Participant is required to communicate information to the other Participant if such communication is prohibited by the laws of the Participant possessing the information or would be incompatible with the interests of that Participant in the application of its competition and consumer laws.
3. The degree to which one Participant communicates information to the other pursuant to this Arrangement may be subject to, and dependent upon, the acceptability of the assurances given by the other Participant with respect to confidentiality and with respect to the purposes for which the information will be used.
4. Unless otherwise decided by the Participants, each Participant will, to the fullest extent possible, maintain the confidentiality of any information communicated to it in confidence by the other Participant. Each Participant will oppose, to the fullest extent possible, any request by a third party for communication of such confidential information, unless the Participant providing the confidential information consents in writing to its communication.

VII. COMMUNICATIONS UNDER THIS ARRANGEMENT

Communications under this Arrangement will be carried out by direct communication between the Participants. Each Participant may designate a contact point, as notified in writing to the other Participant.

VIII. FINAL PROVISIONS

1. This Arrangement will come into effect on the date of signature.
2. This Arrangement will remain in effect until sixty (60) days after the date on which either Participant notifies the other in writing that it wishes to terminate the Arrangement.

3. This Arrangement is not intended to be legally binding at international law.

Signed at Cape Town, South Africa, in duplicate, this 4th day of May, 2006, in the English, French and Korean languages, each text being equally valid.

For the Commissioner of
Competition, Competition
Bureau of the Government
of Canada

For the Fair Trade Commission
of the Government of the
Republic of Korea