

**"Good Governance Guidelines
For National Sport Federation (NSF)"**

- To Strengthen National Sport Federation Governance -
(Summary)

◆ **Summary and Purpose**

- Voluntary Governance guidelines for the National Sport Federations (NSF) in Japan
- The purpose for establishing these guidelines is to strengthen a fundamental framework of organizational management, which include:
 1. Development and Promotion of Sport, and Athlete Performance Improvement
 2. Implementation of the Principles of the Basic Act on Sport and "Athlete First"
 3. Autonomous and Self-Sustainability
- Guidelines named "Fair Play Guideline for the administration of National Sports Federation(NSF)"
- These guidelines were established in 2014, based on surveys and studies by the "Expert Committee on Governance for Sport Entity" held by the Japan Sports Arbitration Agency (JSAA), which was delegated by the Ministry of Education, Culture, Sports, Science and Technology (MEXT), JAPAN.

◆ Premises of these "Good Governance Guidelines for NSF"

1. Essential features of National Sport Federation (NSF)

- (i) One Structure
- (ii) Sport Entity
- (iii) Umbrella Organization

2. "Seven Governance Principles" derived from these essential features

- (i) Clarification of Authority and Responsibilities
- (ii) Ethical Conduct and Compliance
- (iii) Enforcement of Proper Rules
- (iv) Transparency and Accountability
- (v) Strategic Planning
- (vi) Stakeholders Involvement
- (vii) Effective Financial Management

◆ List of the "Good Governance Guidelines for NSF"

1. Guidelines throughout Management

(i) Master Plan (3 elements)

a. The master plan (including both long term and short term) for the NSF administration of each business area, including development and promotion of Sport, athlete performance improvement and marketing strategy, etc., should be clearly established.

b. The implementation, evaluation and improvement of the master plan for the NSF administration should be based on "Plan-Do-Check-Act (PDCA) cycle".

c. The master plan for the NSF administration and the implementation status should be made public on each NSF's website and elsewhere.

(ii) Compliance (1 element)

a. The regulations and systems for the NSF, its officers and employees and other members to comply with applicable laws should be established.

(iii) Human Resources (1 element)

a. The development and the recruitment of new human resources of the NSF should be systematically implemented.

(iv) Diversification of Funding (1 element)

a. The efforts to secure diverse funding should be made to ensure the strength of NSF finances.

2. Guidelines for Management System

(i) Distribution of the Management Authority (1 element)

- a. The distribution of the management authority (congress, board of directors, various committees, etc.) should be clearly specified in the NSF constitution or bylaws, and implemented in accordance with said regulations.

(ii) Proper Composition of the Congress and the Board (4 elements)

- a. The member of the management authority should be selected to ensure that a broad range of the NSF stakeholder opinions are reflected (diversity).

- b. The member of the management authority should be included outside experts (company board members, lawyers, accountants, persons with academic experience, etc.) from the NSF.

- c. The regulations and procedures for selecting members of the management authority should be clear and transparent, and the selection should be implemented in accordance with said regulations and procedures.

- d. The regulations of term limits for the member of the management authority should be established, and term limits should be implemented in accordance with said regulations.

(iii) Proper Procedures for the Congress and the Board (4 elements)

- a. The procedures of the management authority (congress, board of directors, various committees, etc.) should be stipulated in the NSF regulations (constitution, bylaws, etc.), and the procedures should be implemented in accordance with said regulations.

b. The board should be convened a minimum of once every three months for the director to understand the NSF management situation.

c. The policy concerning any conflict of interest between the director and the NSF should be stipulated in the NSF regulations, and these policy should be implemented in accordance with said regulations.

d. The conference minutes of the management authority should be prepared and made public on the NSF's website and elsewhere.

(iv) Audit from the Congress and the Board (1 element)

a. The NSF management by the representative, managing director, Secretary General, etc. should be reported to the board of directors and audited by the board of directors.

3. Guidelines for Business Operation

(i) Clarification of the Operating Authority and Responsibilities (1 element)

- a. The operating authority and responsibilities of departments or persons in charge in the NSF secretariat and approval procedures should be stipulated clearly in the NSF regulations.

(ii) Enforcement of the Operation Rules (4 elements)

- a. The regulations for the NSF business operation should be established, and the business operation should be implemented in accordance with said regulations.

- b. The regulations ensuring the transparency of economic interests of the director, secretary general, etc. of NSF should be established, and the provision of economic interests should be implemented in accordance with said regulations.

- c. The regulations of bidding procedures for the NSF major contracts to prevent illegal profit sharing should be established, and these procedures should be implemented in accordance with said regulations.

- d. The NSF business operation should be proactively supported with experts in law, taxes, accounting and other areas.

(iii) Audit of the Business Operation (2 elements)

- a. The accounting and operational audits of NSF should be conducted by auditors, and audit reports should be prepared pursuant to the applicable law.

- b. The measures to ensure the effectiveness of audits (internal audits by experts, the independence of auditors, etc.) should be implemented.

4. Guidelines for Accounting

(i) Implementing Proper Accounting and Fair Accounting Principles (3 elements)

a. The NSF proper accounting and fair accounting principles should be implemented.

b. The accounting audits should be conducted by credentialed experts, and accounting audit reports should be prepared.

c. The use of government subsidies, etc. should be subject to the Good Using Practice Guidelines by Japan Olympic Committee(JOC).

(ii) Implementation of Financial Planning (2 elements)

a. The financial plan and procedures (including both long term and short term) should be implemented.

b. The reports and approval procedures of financial documents should be implemented and made public on the NSF website and elsewhere.

5. Guidelines for Discipline and Dispute Resolution

(i) System Establishment for Discipline and Dispute resolution (6 elements)

a. The NSF discipline and dispute resolution procedures (including appeal procedure) should be stipulated in the NSF regulations and implemented in accordance with said regulations.

b. The member of the NSF discipline and dispute resolution body should be independent and neutral from the NSF management authority, and be specialized in law.

c. The NSF discipline and dispute resolution procedures should guarantee the parties concerned due process and acceleration of proceeding.

d. The establishment and implementation of the NSF discipline and dispute resolution procedures should be supported by legal experts.

e. The automatic arbitration clause for all discipline and disputes in NSF to use the Japan Sports Arbitration Agency (JSAA) on first instance procedures or appeal procedures should be established and implemented.

f. The regulations of the NSF discipline and dispute resolution procedures should be made public on the NSF website and elsewhere.

6. Guidelines for Disclosure

(i) Disclosure on Websites and elsewhere (3 elements)

a. The organizational chart, lists, names and backgrounds of directors and managers, etc. should be made public on the NSF website and elsewhere to understand the NSF management authority.

b. All regulations for the NSF management and operation should be made public on the NSF website and elsewhere except in special circumstances.

c. The information on competitions, reports on the NSF operation, etc. should be made public on the NSF website and elsewhere.

(ii) Implementation of Public Relations Strategy (2 elements)

a. The public relations department should be established, and the NSF's own public relations strategy should be implemented.

b. The consultation service for complaints regarding the NSF management and/or operation should be established, and these complaints should be treated in good faith.

7. Guidelines for Integrity

(i) Implementation of Anti-Doping Activities (1 element)

- a. The NSF's own regulations compliant with Japan Anti-Doping Agency Code (JADA Code) or World Anti-Doping Agency Code (WADA Code) should be established, and the NSF's own anti-doping activities (anti-doping statement, etc.) should be implemented,.

(ii) Preventing Unfair Sporting Frauds that have harmful effects on results (1 element)

- a. The NSF's own code of ethics and/or the statement to prevent unfair sporting frauds that have harmful effects on results should be established and implemented.

(iii) Preventing Discrimination (1 element)

- a. The NSF's own code of ethics and/or the statement to prevent irrational discrimination should be established and implemented.

(iv) Preventing Punishment, Sexual and Power Harassment (2 elements)

- a. The NSF's own code of ethics and/or the statement to guarantee the basic rights of athletes and to prevent punishment, sexual and power harassment should be established and implemented.

- b. The NSF's own coach development system to implement the principles of "Athlete First" for the future should be established and implemented.

(v) Ensuring Safety (1 element)

- a. The NSF's own necessary measures to ensure the safety of sports (prevent accidents, provide insurance, etc.) should be implemented.

8. Guidelines for Risk Management

(i) Establishment of the Risk Management System (1 element)

- a. The NSF's own risk management system (risk management manual, etc.) should be established and implemented.

(ii) Management of Sport Scandals (3 elements)

- a. The NSF's own management of sport scandals (fact finding, investigation into the cause, imposition of sanction and development of preventive measures) with experts outside the NSF should be implemented.

- b. The information relating to the management status of the scandal should be made public at an appropriate time.

- c. The status of the achievement of preventive measures should be made public after certain period of time from the scandal.