

Latest Policy Updates on Digital Platforms in Japan

Quarterly report (July to September, 2021)

December, 2021

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ICT Media Consulting Department
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- This research is based on Japanese and foreign news articles, not the views of Ministry of Economy, Trade and Industry nor Nomura Research Institute.

Trends Among Relevant Authorities in Japan

Trends Among Relevant Authorities in Japan: July-September 2021

Theme (1)		Theme (2)	
Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
Consumer law	Other	Examples of enforcement of existing laws	Other

Survey of trends among relevant authorities in Japan

Date	Theme (1)	Theme (2)	Title
July 1	Competition law	Other	JFTC Reviewed the Proposed Acquisition of Slack Technologies, Inc. by salesforce.com, inc.
July 9	Other	Other	MIC, Working Group on Handling User Information for Platform Services (6th) meeting held
July 14	Other	Other	MIC holds 29th Meeting of Study Group on Platform Services
July 19	Privacy	Relevant report	METI & MIC formulate "Guidebook on Corporate Governance for Privacy in Digital Transformation (DX) ver. 1.1".
July 20	Privacy	Other	METI hosts the first corporate privacy governance seminar
July 26	Other	Other	Headquarters for Digital Market Competition holds the 24th meeting of the Digital Market Competition Council Working Group.
July 30	Other	Relevant report	METI formulates report: "GOVERNANCE INNOVATION Ver. 2: A Guide to Designing and Implementing Agile Governance".
August 8	Other	Proposal of new legal systems and policies at relevant authorities	Declaration of G20 Digital Ministers is adopted at the G20 Ministerial Meeting on digitalization held in Italy.
August 19	Other	Relevant report	METI releases interim report of the Study Group on International Taxation in the Digital Economy
August 31	Other	Other	1st meeting held of the Study Group on Implementing Data Handling Rules on Platforms Intellectual Property Strategy Promotion Headquarters of the Cabinet Office and the Information and Communications Technology (IT) Comprehensive Strategy Office of the Cabinet Secretariat

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Survey of trends among relevant authorities in Japan

Date	Theme (1)	Theme (2)	Title
September 1	Other	Other	Digital Agency inaugurated
September 2	Competition law	Proposal of new legal systems and policies at relevant authorities	JTFC makes it mandatory for Apple to allow developers to include an in-app link within reader apps
September 6	Other	Other	Digital Agency holds the first meeting of the Digital Society Promotion Council.
September 7	Other	Other	Digital Agency plans to hold meeting of Digital Society Promotion Council
September 7	Other	Other	Headquarters for Digital Market Competition holds the 25th meeting of the Digital Market Competition Council Working Group.
September 15	Other	Relevant report	MIC releases "Interim Report of the Study Group on Platform Services" and results of requests for public comments.
September 17	Other	Other	2nd meeting held of the Study Group on Implementing Data Handling Rules on Platforms Intellectual Property Strategy Promotion Headquarters of the Cabinet Office and the Information and Communications Technology (IT) Comprehensive Strategy Office of the Cabinet Secretariat
September 22	Privacy	Other	185th Meeting of the Personal Information Protection Commission
September 30	Other	Other	3rd meeting held of the Study Group on Implementing Data Handling Rules on Platforms Intellectual Property Strategy Promotion Headquarters of the Cabinet Office and the Information and Communications Technology (IT) Comprehensive Strategy Office of the Cabinet Secretariat

July 1, 2021

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
Consumer law	Other	Examples of enforcement of existing laws	Other

JFTC Reviewed the Proposed Acquisition of Slack Technologies, Inc. by salesforce.com, inc.

- On July 1, JFTC announced the results of its review of the merger of salesforce.com, inc. and Slack Technologies, Inc., finding that the action does not substantially restrict competition in certain business fields.
 - The JFTC notified the corporate groups involved that it would not issue a cease-and-desist order and concluded its examination.

Source: JFTC, "The JFTC Reviewed the Proposed Acquisition of Slack Technologies, Inc. by salesforce.com, inc." (July 1, 2021)

URL <https://www.jftc.go.jp/en/pressreleases/yearly-2021/July/21071.html>

July 9, 2021

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
Consumer law	Other	Examples of enforcement of existing laws	Other

MIC, Working Group on Handling User Information for Platform Services (6th) meeting held

- On July 9, the MIC held its 6th Meeting of the Working Group on Handling of User Information related to Platform Services.
 - The purpose of this working group is to examine the issue from an expert perspective, taking into account recent trends and other factors, to ensure the appropriate handling of user information pertaining to platform services.
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- The following is a summary of the draft of the interim report that was submitted.
 1. Current status and issues surrounding user information on platform services
 1. Current status and issues related to user information on platform services
 2. Current system and policies
 3. Overseas trends
 2. Results of monitoring of the handling of user information by platform providers, etc.
 1. Overview of monitoring
 2. Results of monitoring
 3. Direction of future initiatives
 1. Issues for ensuring the appropriate handling of user information
 2. Direction of future initiatives

Source: MIC, 6th Meeting of the Working Group on Handling of User Information related to Platform Services (in Japanese)

URL https://www.soumu.go.jp/main_sosiki/kenkyu/platform_service/02kiban18_02000160.html

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
Consumer law	Other	Examples of enforcement of existing laws	Other

MIC holds 29th Meeting of Study Group on Platform Services

- On July 14, MIC held the 29th Meeting of Study Group on Platform Services.
 - In light of the fact that platform providers offer services using a large amount of user information, this study group examines how to ensure the appropriate handling of user information.
- An outline of the draft interim report on the Study Group on Platform Services is as follows.
- Part 1: Responses to illegal and harmful information, including slander and defamation and false information
 1. Current status and issues regarding responses to slander and defamation
 2. Current status and issues regarding responses to false information
 1. Current status and issues
 2. Results of monitoring of responses by platform providers, etc.
 3. Overseas trends
 - Part 2: Handling of user information
 1. Current status and issues surrounding user information on platform services
 1. Current status and issues related to user information on platform services
 2. Current system and policies
 3. Overseas trends
 2. Results of monitoring of the handling of user information by platform providers, etc.
 3. Direction of future initiatives
 1. Issues for ensuring the appropriate handling of user information
 2. Direction of future initiatives

Source: MIC, 29th Meeting of Study Group on Platform Services (in Japanese)

URL https://www.soumu.go.jp/main_sosiki/kenkyu/platform_service/02kiban18_02000161.html

July 19, 2021

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
Consumer law	Other	Examples of enforcement of existing laws	Other

METI & MIC formulate "Guidebook on Corporate Governance for Privacy in Digital Transformation (DX) ver. 1.1".

- On July 19, METI and MIC formulated the "Guidebook on Corporate Governance for Privacy in Digital Transformation (DX) ver. 1.1".
 - This Guidebook is based on the Guidebook on Corporate Governance for Privacy in Digital Transformation (DX) ver. 1.0", which was compiled by the "Corporate Privacy Governance Model Study Group" in August 2020 and outlines what companies should do to build privacy governance.
 - "Guidebook on Corporate Governance for Privacy in Digital Transformation (DX) ver. 1.1" updates specific examples that can be used as a reference for companies to build their privacy governance.

Source: METI "Guidebook on Corporate Governance for Privacy in Digital Transformation (DX) ver. 1.1" Formulated (in Japanese)

URL https://www.soumu.go.jp/menu_news/s-news/01kiban18_01000124.html

July 20, 2021

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
Consumer law	Other	Examples of enforcement of existing laws	Other

METI hosts the first corporate privacy governance seminar

- On July 20, METI co-hosted the 1st Corporate Privacy Governance Seminar together with JIPDEC and MIC.
 - The seminar was designed to provide corporate management with methods and examples of how to link privacy initiatives to increased corporate value.
 - Program
 - Opening address
 - Introduction to "Guidebook on Corporate Governance for Privacy in Digital Transformation (DX) ver. 1.0".
 - Introduction of actual examples of advanced companies: "Initiatives of companies with advanced privacy governance"
 - Commentary by an expert member of the Corporate Privacy Governance Model Study Group
 - Lecture: "The Latest Trends in Personal Information Protection Regulations and Cyber Security"
 - Closing address

Source: METI, "The FY2021 1st Corporate Privacy Governance Seminar will be held and co-hosted by METI, MIC, and JIPDEC. Linking privacy initiatives to increased corporate value in an era of accelerating DX". (in Japanese)

URL <https://www.meti.go.jp/press/2021/07/20210702005/20210702005.html>

July 26, 2021

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
Consumer law	Other	Examples of enforcement of existing laws	Other

Headquarters for Digital Market Competition holds the 24th meeting of the Digital Market Competition Council Working Group.

- On July 26, 2021, the Headquarters for Digital Market Competition held the 24th meeting of the Digital Market Competition Council Working Group.
- The agenda consisted of the following two points.
 - (1) Addition to the scope of the Act on Improving Transparency and Fairness of Digital Platforms (TFDPA) (digital advertising market)
 - (2) Interim Report of the MIC's "Study Group on Platform Services" (draft)
- (1) The following points were discussed in relation to the addition to the scope of the TFDPA (digital advertising market)
 - (1) Indicators for designation of specific digital platform providers
 - (2) Start of application of TFDPA in the digital advertising field

July 30, 2021

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
Consumer law	Other	Examples of enforcement of existing laws	Other

METI formulates report: "GOVERNANCE INNOVATION Ver. 2: A Guide to Designing and Implementing Agile Governance".

- On July 30, METI formulated the report: "GOVERNANCE INNOVATION Ver. 2: A Guide to Designing and Implementing Agile Governance".
 - This report's first version was released as "GOVERNANCE INNOVATION: Redesigning Law and Architecture for Society 5.0" in July 2020.
 - Based on the results of the first report, this report presents the concept of "agile governance" as the basis of governance in Society 5.0. It also shows how various governance mechanisms such as corporate governance, laws and regulations, infrastructure, markets, and social norms should be based on this concept.
- In "GOVERNANCE INNOVATION Ver. 2: A Guide to Designing and Implementing Agile Governance", the TFDPA is discussed as an example of a system that can make agile governance by markets and social norms work effectively.

Source: METI, "Report 'GOVERNANCE INNOVATION Ver. 2: A Guide to Designing and Implementing Agile Governance' Compiled" (in Japanese)

URL <https://www.meti.go.jp/press/2021/07/20210730005/20210730005.html>

<https://www.meti.go.jp/press/2021/07/20210730005/20210730005-2.pdf> (English-language report)

August 6, 2021

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
Consumer law	Other	Examples of enforcement of existing laws	Other

Declaration of G20 Digital Ministers is adopted at the G20 Ministerial Meeting on digitalization held in Italy.

- The G20 Ministerial Meeting on digitalization was held on August 5, 2021 in Italy.
 - Kei Sato, Parliamentary Vice-Minister of METI, and Ryota Takeda, then-MIC Minister, attended the meeting to discuss the promotion of the digitalization of economy and society for economic recovery from the pandemic, where the "Declaration of G20 Digital Ministers " was adopted.
- The main points of the Declaration of G20 Digital Ministers are as follows.
 - (1) Digital economy
 - Digital transformation in production for sustainable growth
 - Using reliable AI to promote inclusiveness and startups in micro and small enterprises
 - Measurement, practice, and impact of the digital economy
 - Consumer attitudes and consumer protection in the global digital economy
 - Youth protection and empowerment in the digital environment
 - Promoting innovation for smart city communities
 - Connectivity and social inclusion
 - Reliable and free data distribution and cross-border data distribution
 - (2) Digital government
 - Digital tools for public services and their continuity
 - Digital identity
 - Agile regulation

Source: METI "METI Parliamentary Vice-Minister Sato Participates in G20 Digital Ministers' Meeting"; MIC, "Results of the G20 Digital Economy Ministerial Meeting (videoconference)"

URL <https://www.meti.go.jp/press/2021/08/20210806001/20210806001.html> https://www.soumu.go.jp/menu_news/s-news/01tsushin08_02000122.html (in Japanese)

Original text of ministers' declaration https://www.soumu.go.jp/main_content/000762324.pdf Provisional Japanese translation

https://www.soumu.go.jp/main_content/000762878.pdf

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
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METI releases interim report of the Study Group on International Taxation in the Digital Economy

- METI released the interim report of the Study Group on International Taxation in the Digital Economy.
 - For Japan to continue to grow as an "Investment Nation," this Study Group is examining the domestic legalization of international agreements made at the OECD/G20, etc. (such as minimum taxation) and remaining issues (such as taxation of foreign companies in the domestic digital market) from the perspective of establishing a tax system that enables Japanese companies to compete fairly with foreign companies both domestically and internationally.

- The following is an overview of the interim report of the Study Group on International Taxation in the Digital Economy.
 - I. Development of a tax system to support the digital economy and an "Investment Nation"
 - II. Major recent developments in international taxation
 - III. A tax system that enables fair competition in overseas markets
 - IV. A tax system that enables fair competition in the domestic digital market
 - V. International taxation in the medium and long term

August 31, 2021

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
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The Intellectual Property Strategy Promotion Headquarters of the Cabinet Office, the Information and Communications Technology (IT) Comprehensive Strategy Office of the Cabinet Secretariat, and the Study Group on Implementing Data Handling Rules on Platforms held for the first time

- The first meeting of the "Study Group on Implementing Data Handling Rules on Platforms" was held on August 31 with the main objective of formulating "Guidance for the Development of Data Handling Rules", which will serve as a reference when implementing data handling rules on data platforms.
 - The agenda was as follows.
 - Opening
 - Explanation by the Secretariat (Secretariat of Intellectual Property Strategy Promotion Headquarters)
 - Presentation (1) (Hanatsu Takahashi, Digital Service Bureau, Tokyo Metropolitan Government)
 - Presentation (2) (Member Naoto Ikegai, Graduate School of Law, Hitotsubashi University)
 - Q&A and discussion
 - Closing

September 1, 2021

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
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Digital Agency inaugurated

- The Digital Agency was inaugurated on September 1, 2021.
 - The Digital Agency, as the command center for the formation of a digital society, will promote future-oriented DX (digital transformation), with the goal of "creating the infrastructure for the public and private sectors in the digital age in one fell swoop over the next five years".
 - The inauguration ceremony of the Digital Agency was attended remotely by the Prime Minister, the Digital Minister, the Director of the Digital Agency, the CxO, and many other officials. Greetings were given by the Prime Minister, the Digital Minister, and the Director of the Digital Agency.
 - The Digital Agency will focus on three main areas: "the development and dissemination of common functions necessary for a digital society", "the improvement of UI and UX from the people's perspective and the realization of services for the people", and "the governance and supervision of the information systems of the government and other organizations".

September 2, 2021

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
Consumer law	Other	Examples of enforcement of existing laws	Other

JTFC makes it mandatory for Apple Inc. to use out links in reader apps

- The JTFC pointed out that Apple's ban on out-linking could be problematic under the Antimonopoly Act.
- In response to the JTFC's finding, Apple has decided to allow out-linking for reader applications in its music distribution, magazine distribution, and news distribution businesses, and has agreed to revise its guidelines in response to the Commission.
- Out-linking refers to the act of including buttons or external links in an app that directs consumers to make a purchase through settlements other than in-app purchases.
- A reader app is an application that provides purchased or subscription content for digital versions of magazines, newspapers, books, audio, music, and video.
- At the 219th Antimonopoly Roundtable Meeting held on September 24, 2021, the JTFC explained the reason why game apps were not included in the scope of this case, commenting: "In this case, we have positioned ourselves as not having made any judgment on the game sector, and we believe there is room for further examination. The reason for targeting the music distribution business, e-book distribution business, and video distribution business in this case is that the burden of copyright fees, etc. is considered to be significant in these fields. In addition, Apple has organized games and other reader applications as separate fields, and the JTFC has also considered that there is a difference between the games field and other fields in terms of whether digital content is distributed apart from apps. Under these circumstances, we hastened to resolve these areas in light of the difficult environment for developers' business activities in the music distribution business and other areas. We will continue to monitor the game business closely."

Source: JTFC, "Closing the Investigation on the Suspected Violation of the Antimonopoly Act by Apple Inc. (September 2, 2021)" "Announcement of the proceedings of the 219th Antimonopoly Roundtable (October 18, 2021)"(in Japanese)

URL <https://www.jftc.go.jp/houdou/pressrelease/2021/sep/210902.html> https://www.jftc.go.jp/houdou/pressrelease/2021/oct/211018_kyokusou.html

September 6, 2021

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
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Digital Agency holds the first meeting of the Digital Society Promotion Council.

- On September 9, the Digital Agency held the first meeting of the Digital Society Promotion Council.
- In accordance with the Act on Establishing the Digital Agency, this Council shall promote the implementation of measures for the formation of a digital society and coordinate among related administrative organs as necessary for measures for the formation of a digital society.
- The agenda was as follows.
 1. The new promotion structure
 - Management of meetings
 - Executive committee meetings
 2. How to proceed with digital reform from now

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
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Digital Agency plans to hold meeting of Digital Society Promotion Council

- The Digital Agency announced on September 7 that it will hold a Digital Society Promotion Council to study and deliberate on priority plans based on the Basic Act on the Formation of a Digital Society, with the aim of forming a digital society that contributes to the sustainable and sound development of the Japanese economy and the realization of a happy life for the people.
 - Digital Agency plans to hold meeting of Digital Society Promotion Council on September 28. The chair is Jun Murai of Keio University.
 - The agenda was as follows.
 - (1) The new promotion structure
 - (2) Proceedings until now
 - (3) Free discussion

September 7, 2021

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
Consumer law	Other	Examples of enforcement of existing laws	Other

Headquarters for Digital Market Competition holds the 25th meeting of the Digital Market Competition Council Working Group.

- On September 7, the Headquarters for Digital Market Competition of the Cabinet held the 25th meeting of the Digital Market Competition Council Working Group.
- The agenda was as follows.
 - (1) Reporting from JFTC in closing the investigation on the suspected violation of the Antimonopoly Act by Apple Inc.
 - (2) Hearing from industry participants about the impact of the layered structure based on mobile operating systems on the competitive environment of the digital market

September 15, 2021

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
Consumer law	Other	Examples of enforcement of existing laws	Other

MIC releases "Interim Report of the Study Group on Platform Services" and results of requests for public comments.

- On September 15, MIC released the "Interim Report of the Study Group on Platform Services" and "Results of Requests for Public Comments. on the Interim Report of the Study Group on Platform Services (draft)".
 - The Study Group on Platform Services was held on September 14.

September 17, 2021

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
Consumer law	Other	Examples of enforcement of existing laws	Other

2nd meeting held of the Study Group on Implementing Data Handling Rules on Platforms Intellectual Property Strategy Promotion Headquarters of the Cabinet Office and the Information and Communications Technology (IT) Comprehensive Strategy Office of the Cabinet Secretariat

- The third meeting of the "Study Group on Implementing Data Handling Rules on Platforms" was held with the main objective of formulating "Guidance for the Development of Data Handling Rules", which will serve as a reference when implementing data handling rules on data platforms.
 - The agenda was as follows.
 - Explanation by the Secretariat (Secretariat of Intellectual Property Strategy Promotion Headquarters)
 - Presentation (1): Member Igawa, EARTHRAIN Ltd.
 - Presentation (2) (Member Tamaru, Microsoft Japan Co., Ltd.)
 - Presentation (3) (Member Koshizuka, University of Tokyo)
 - Presentation (4) (Secretariat, Competition Policy Research Center, JFTC)
 - Q&A and discussion

September 22, 2021

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
Consumer law	Other	Examples of enforcement of existing laws	Other

185th Meeting of the Personal Information Protection Commission

- On September 22, the 185th Meeting of the Personal Information Protection Commission was held.
 - The agenda was as follows.
 1. Results of request for public comments on draft Cabinet orders, regulations, and guidelines for the private sector related to the 2021 amendment to the Personal Information Protection Law
 2. Draft Cabinet order determining the date of enforcement of a portion of the act on the development of the related laws to the formation of a digital society
 3. Preparation of public sector guidelines
 4. Report on the results of the Roundtable of G7 Data Protection and Privacy Authorities
 5. Monitoring and supervision

September 30, 2021

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
Consumer law	Other	Examples of enforcement of existing laws	Other

3rd meeting held of the Study Group on Implementing Data Handling Rules on Platforms Intellectual Property Strategy Promotion Headquarters of the Cabinet Office and the Information and Communications Technology (IT) Comprehensive Strategy Office of the Cabinet Secretariat

- The third meeting of the "Study Group on Implementing Data Handling Rules on Platforms" was held with the main objective of formulating "Guidance for the Development of Data Handling Rules", which will serve as a reference when implementing data handling rules on data platforms.
 - The agenda was as follows.
 - Explanation by the Secretariat (Secretariat of Intellectual Property Strategy Promotion Headquarters)
 - Presentation (1) (Member Ota, DataSign Inc.)
 - Presentation (2) (Kazuaki Ideguchi, In charge of Data Strategy Department, Marketing Platform Promotion Division, NTT DOCOMO, INC.)
 - Q&A and discussion