Latest Policy Updates on Digital Platforms in Japan

Quarterly report (July to September 2022)

February 2023

Nomura Research Institute, Ltd.

ICT Media Consulting Department
This research is outsourced by Ministry of Economy, Trade and Industry, and conducted by Nomura Research Institute.

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 2022

### Survey of trends among relevant authorities in Japan

<table>
<thead>
<tr>
<th>Date</th>
<th>Theme (1)</th>
<th>Theme (2)</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 5</td>
<td>Other</td>
<td>Proposal of new legal systems and policies at relevant authorities</td>
<td>METI – Cabinet decision on the Cabinet Order to partially amend the Cabinet Order on the “Act on Improving Transparency and Fairness of Digital Platforms” (“TFDPA”)</td>
</tr>
<tr>
<td>July 13</td>
<td>Privacy</td>
<td>Other</td>
<td>Personal Information Protection Commission – 209th meeting of the Personal Information Protection Commission held</td>
</tr>
<tr>
<td>July 25</td>
<td>Other</td>
<td>Other</td>
<td>Headquarters for Digital Market Competition holds the fifth Trusted Web Promotion Council</td>
</tr>
<tr>
<td>July 25</td>
<td>Competition law</td>
<td>Other</td>
<td>JFTC publishes summary of proceedings of the 221st Antimonopoly Meeting</td>
</tr>
<tr>
<td>July 28</td>
<td>Competition law</td>
<td>Other</td>
<td>METI holds the second meeting of the Platform Economics Study Group of fiscal 2022</td>
</tr>
<tr>
<td>July 29</td>
<td>Other</td>
<td>Relevant report</td>
<td>METI announces the status of Digital Platform Consultation Desks’ operations in fiscal 2021</td>
</tr>
<tr>
<td>July 29</td>
<td>Other</td>
<td>Relevant report</td>
<td>Digital Agency releases Report of the Sub-working Group for Trust-Assured Digital Transformation</td>
</tr>
<tr>
<td>August 5</td>
<td>Competition law</td>
<td>Other</td>
<td>Headquarters for Digital Market Competition holds the 38th meeting of the Digital Market Competition Council Working Group</td>
</tr>
<tr>
<td>August 15</td>
<td>Other</td>
<td>Relevant report</td>
<td>Headquarters for Digital Market Competition publishes the Trusted Web White Paper Ver 2.0</td>
</tr>
<tr>
<td>August 19</td>
<td>Competition law</td>
<td>Other</td>
<td>METI holds meeting of the Platform Economics Study Group (third of fiscal 2022)</td>
</tr>
<tr>
<td>August 23</td>
<td>Other</td>
<td>Other</td>
<td>MIC holds the 39th meeting of the Study Group on Platform Services</td>
</tr>
</tbody>
</table>
# Trends Among Relevant Authorities in Japan: July-September 2022

## Survey of trends among relevant authorities in Japan

<table>
<thead>
<tr>
<th>Date</th>
<th>Theme (1)</th>
<th>Theme (2)</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 25</td>
<td>Privacy</td>
<td>Privacy</td>
<td>MIC, Working Group on Handling User Information for Platform Services (18th) meeting held</td>
</tr>
<tr>
<td>August 25</td>
<td>Privacy</td>
<td>Relevant report</td>
<td>MIC releases “Second Report from the Study Group on Platform Services” and results of solicitation of opinions</td>
</tr>
<tr>
<td>August 25</td>
<td>Other</td>
<td>Privacy</td>
<td>METI holds third Monitoring Meeting on the Transparency and Fairness of Digital Platforms</td>
</tr>
<tr>
<td>September 1</td>
<td>Other</td>
<td>Relevant report</td>
<td>Digital Agency reports on its activities in its first year since establishment</td>
</tr>
<tr>
<td>September 1</td>
<td>Other</td>
<td>Privacy</td>
<td>Digital Agency – Minister Taro Kono participates in the G20 Digital Economy Ministerial Meeting</td>
</tr>
<tr>
<td>September 7</td>
<td>Privacy</td>
<td>Privacy</td>
<td>MIC, Working Group on Handling User Information for Platform Services (19th) meeting held</td>
</tr>
<tr>
<td>September 9</td>
<td>Privacy</td>
<td>Privacy</td>
<td>Personal Information Protection Commission – Chairperson Mieko Tanno attends the second Roundtable of G7 Data Protection and Privacy Authorities</td>
</tr>
<tr>
<td>September 13</td>
<td>Other</td>
<td>Privacy</td>
<td>METI holds the fourth Monitoring Meeting on the Transparency and Fairness of Digital Platforms</td>
</tr>
<tr>
<td>September 21</td>
<td>Other</td>
<td>Privacy</td>
<td>METI holds the fifth Monitoring Meeting on the Transparency and Fairness of Digital Platforms</td>
</tr>
<tr>
<td>September 22</td>
<td>Other</td>
<td>Privacy</td>
<td>METI holds the sixth Monitoring Meeting on the Transparency and Fairness of Digital Platforms</td>
</tr>
</tbody>
</table>
On July 5, a cabinet decision was made concerning the “Cabinet Order to Partially Amend the Cabinet Order for Stipulating the Business Category and Scale under Article 4, Paragraph 1 of the Act on Improving Transparency and Fairness of Digital Platforms.”

This Cabinet Order will make the digital advertising sector subject to the TFDPA, and after the Cabinet Order comes into force, the following types of business operators will be designated as “specified digital platform providers” subject to the regulations in this sector.

- Media-Integrated Digital Ad Platforms: Platforms placing advertisers’ ads on their own website such as search engines, portal sites, and SNS, by mainly using auctions, with sales of 100 billion yen or more per fiscal year in Japan
- Ad Intermediary Digital Ad Platforms: Platforms mediating between advertisers and website operators, by mainly using auctions, with sales of 50 billion yen or more per fiscal year in Japan

Source: METI, “Cabinet Decision on the Cabinet Order to Partially Amend the Cabinet Order for Stipulating the Business Category and Scale under Article 4, Paragraph 1 of the Act on Improving Transparency and Fairness of Digital Platforms”
URL: https://www.meti.go.jp/press/2022/07/20220705002/20220705002.html
On July 13, the Personal Information Protection Commission held its 209th meeting.

The agenda was as follows.

- (1) Publication of materials concerning the “Implementation Procedures for Specific Personal Information Protection Assessments”
- (2) Policies for responding to the USB memory loss incident in Amagasaki City
- (3) Response to the handling of personal information by Metaps Payment Inc.
- (4) Revision of the Individual Number Guidelines (to be enacted in 2023)
- (5) Monitoring and supervision

Source: Personal Information Protection Commission, “209th Meeting of the Personal Information Protection Commission”
URL https://www.ppc.go.jp/aboutus/minutes/2022/20220713/
On July 25, the Headquarters for Digital Market Competition held the fifth Trusted Web Promotion Council.

The agenda was as follows

1. Discussion
   - About the Trusted Web White Paper Ver 2.0
The JFTC held the 221st Antimonopoly Meeting on June 27 and published the proceedings on July 25.

The agenda was as follows.

- (1) – Collaboration and strengthening of advocacy and enforcement – in order to actively promote competition policy compatible with socioeconomic changes such as digitalization
- (2) Status of treatment of violations of the Antimonopoly Act in fiscal 2021
- (3) Status of implementation of the Act Against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors in fiscal 2021 and initiatives aimed at ensuring the fairness of transactions for SMEs, etc.
- (4) The JFTC’s major public relations activities and issues

Source: JFTC, “(July 25, 2022) Publishing of Summary of Proceedings of the 221st Antimonopoly Meeting”
On July 28, METI held the second meeting of the Platform Economics Study Group of fiscal 2022. The agenda was as follows.

- (1) Platform competition policy (Toshifumi Kuroda, Associate Professor, Tokyo Keizai University)
- (2) Expert group for the EU Observatory on the online platform economy: Concept note (Nomura Research Institute)
On July 29, METI summarized the number of consultations and inquiries, etc., received by Digital Platform Transaction Consultation Desks in fiscal 2021, and published this information as their operational status.

- As one of its measures to ensure the effective implementation of the TFDPA, METI has established the “Digital Platform Consultation Desks” (“DPCDs”) for business users of digital platforms.
- The main details were as follows.
  - A total of 2,734 consultations and inquiries were received. Of these, there were 368 consultations and inquiries from users, and 2,366 cases in which the DPCDs collected information through interviews and other means.
  - In addition, by type of DPCDs, there were 1,294 requests and cases collected by the DPCD for shop owners on online shopping malls and 1,407 requests and cases collected by the DPCD for app developers.
  - By type of information provided, among the requests and cases collected by the DPCD for shop owners on online shopping malls, there were 131 (10%) for matters related to rankings (e.g., search rankings), 130 (10%) for matters related to changes in terms and conditions, and 125 (10%) for matters related to complete refusal of business (e.g., account deletions). Among the requests and cases collected by the DPCD for app developers, there were 257 (18%) for matters related to changes in terms and conditions, 250 (18%) for matters related to partial refusal of transactions (e.g., listing bans), and 234 (17%) for matters related to rankings (e.g., search rankings).

- See below for details.
On July 29, Digital Agency released a report on the “Sub-working Group for Trust-Assured Digital Transformation.”

This report is a summary of the needs and issues for securing trust in online transactions and procedures for promoting digital transformation, as well as policies for building a foundation for trust online in the future, by the working group, which was established under the Data Strategy Promotion Working Group and met between November 18, 2021 and June 29, 2022.

See below for the content of the report.

- [https://www.digital.go.jp/assets/contents/node/basic_page/field_ref_resources/658916e5-76ce-4d02-9377-1273577ffc88/1d463bfc/20220729_meeting_trust_dx_report_01.pdf](https://www.digital.go.jp/assets/contents/node/basic_page/field_ref_resources/658916e5-76ce-4d02-9377-1273577ffc88/1d463bfc/20220729_meeting_trust_dx_report_01.pdf)

On August 5, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 38th meeting of the Digital Market Competition Council Working Group.

The agenda was as follows.

- (1) Opinions provided in response to the solicitation of opinions on the “Competition Assessment of the Mobile Ecosystem Interim Report” and the “Competition Assessment of New Customer Contact Points (Voice Assistants and Wearables) Interim Report.”

- (2) Issues to be considered in the future concerning the “Competition Assessment of the Mobile Ecosystem Interim Report” and the “Competition Assessment of New Customer Contact Points (Voice Assistants and Wearables) Interim Report.”
August 15, 2022

Headquarters for Digital Market Competition publishes the Trusted Web White Paper Ver 2.0


See below for details of the white paper.


On August 19, METI held the third meeting of the Platform Economics Study Group of fiscal 2022.

The agenda was as follows.

- (1) Report on the paper “Data Collection by an Informed Seller” (Shota Ichihashi, Principal Researcher, Bank of Canada)
- (2) Report and discussion on self-preferencing
  - Report of a review of economic literature on self-preferencing by platforms (Yusuke Zennyo, Associate Professor, Kobe University)

Source: METI, “3rd Meeting of the Platform Economics Study Group of Fiscal 2022”
URL https://www.meti.go.jp/shingikai/mono_info_service/platform_economics/2022_003.html
On August 23, MIC held the 39th meeting of the Study Group on Platform Services.

The agenda was as follows.

- (1) Results of solicitation of opinions, etc.
- (2) Second summary (draft)
On August 25, MIC held the 18th meeting of the Working Group on Handling User Information for Platform Services.

The agenda was as follows.

1. Explanation by the Secretariat
2. Interviews with business operators
3. Other
On August 25, MIC released the “Second Report from the Study Group on Platform Services” and the results of solicitation of opinions

Opinions on the “Second Report of the Study Group on Platform Services (draft)” compiled by the Study Group were solicited between July 5 and August 3, 2022.

See below for details.

(1) Second Report
https://www.soumu.go.jp/main_content/000831345.pdf

(2) Results of solicitation of opinions

August 25, 2022

METI holds third Monitoring Meeting on the Transparency and Fairness of Digital Platforms

- The topics of discussion were as follows.
  - (1) Response to reports and questions submitted by specific digital platform providers (discussion)

URL: https://www.meti.go.jp/shingikai/mono_info_service/digital_platform_monitoring/003.html
On September 1, Digital Agency published a report on its activities over the year starting September 1, 2021, under the title “Report on the Activities of Digital Agency.”

- Major events
- Activity policy of Digital Agency
- Results and progress
- Organization building
- Future initiatives

See below for the report.

Digital Agency – Minister Taro Kono participates in the G20 Digital Economy Ministerial Meeting

Digital Agency announced on September 2 that Minister Taro Kono participated in the G20 Digital Economy Ministerial Meeting held in Bali, Indonesia, on September 1, 2022.

Under the theme of “Recover Together, Recover Stronger,” which is also the overall theme of the G20, discussions were held on digital transformation, including three issues: (i) connectivity and recovery from COVID-19; (ii) digital skill literacy; and (iii) data free flow with trust (DFFT) and cross-border data distribution.

In addition to Minister Kono, State Minister for Internal Affairs and Communications Yoshifumi Tsuge and Parliamentary Vice-Minister of Economy, Trade and Industry Makoto Nagamine attended the meeting.

On September 7, MIC held the 19th meeting of the Working Group on Handling User Information for Platform Services.

The agenda was as follows.

1. Explanation by the Secretariat
2. Other

Source: MIC, “19th Meeting of the Working Group on Handling of User Information for Platform Services”
URL: https://www.soumu.go.jp/main_sosiki/kenkyu/platform_service/02kiban18_02000235.html
Chairperson Mieko Tanno participated in the Roundtable of G7 Data Protection and Privacy Authorities, which was held in Bonn, Germany, on September 7 and 8, 2022.

In this roundtable, the chairpersons of data protection and privacy authorities in G7 countries hold discussions aimed at promoting data free flow with trust (DFFT), which promotes the utilization of personal data while protecting it.

- This was the second meeting of this roundtable, and was hosted by the Federal Commissioner for Data Protection and Freedom of Information (BfDI), Germany’s data protection agency.

- It has been decided that the Personal Information Protection Commission will host next year’s meeting in Japan.

Source: Personal Information Protection Commission, September 2022, “2nd Roundtable of G7 Data Protection and Privacy Authorities”
URL: [https://www.ppc.go.jp/enforcement/cooperation/international_conference/g7_roundtable_202209/](https://www.ppc.go.jp/enforcement/cooperation/international_conference/g7_roundtable_202209/)
September 13, 2022

METI holds the fourth Monitoring Meeting on the Transparency and Fairness of Digital Platforms

- On September 13, METI held the fourth Monitoring Meeting on the Transparency and Fairness of Digital Platforms.
- The topics of discussion were as follows.
  - Interviews with digital platform providers (i)
    1. Amazon Japan G.K.
    2. Rakuten Group, Inc.

On September 21, METI held the fifth Monitoring Meeting on the Transparency and Fairness of Digital Platforms.

The topics of discussion were as follows.

- Interviews with digital platform providers (ii)
  
  (1) Apple Inc. and iTunes K.K.
On September 22, METI held the sixth Monitoring Meeting on the Transparency and Fairness of Digital Platforms.

The topics of discussion were as follows.

- Interviews with digital platform providers (iii)
  - (1) Yahoo Japan Corporation
  - (2) Google LLC

Share the Next Values!