Latest Policy Updates on Digital Platforms in Japan

Quarterly report (October to December 2022)

March 2023

Nomura Research Institute, Ltd.

ICT Media Consulting Department
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Trends Among Relevant Authorities in Japan
# Trends Among Relevant Authorities in Japan: October-December 2022

## Survey of trends among relevant authorities in Japan

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On October 11, METI held the 5th meeting of the Platform Economics Study Group of fiscal 2022.

The agenda was as follows.

1. Report on “Digital Platforms and Consumers” by Yoichiro Itakura, a lawyer at Hikari Sogoh Law Offices
2. Report on “Economic Analysis of Platform Liability for Damages for Defective Products” by Yuta Yasui, Assistant Professor, Kochi University of Technology
3. Discussion on self-preferencing
The G7 Joint Competition Enforcers and Policy Makers Summit was held on October 12, 2022.

- Attending from Japan were the Cabinet Secretariat, Secretariat of Headquarters for Digital Market Competition and the Japan Fair Trade Commission.
- The Summit was held in response to the Ministerial Declaration of the G7 Digital and Technology Ministers adopted on May 11, 2022, which endorsed further discussions to promote exchanges on enforcement and policy approaches related to competition in digital markets.

The Summit agenda included discussions on the following:

- (i) Legal Reforms around the Globe - Common Goals and Crossroads
- (ii) Enforcement at the intersection of competition law and other fields of laws and policy - Necessity and Friction
- (iii) Digital Enforcement - Success, Gaps and New Tools
On October 18, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 39th meeting of the Digital Market Competition Council Working Group.

The agenda was as follows.

1. Interviews with industry players on competition assessment of the mobile ecosystem (Microsoft)

URL: https://www.kantei.go.jp/jp/singi/digitalmarket/kyosokaigi_wg/index.html
October 27, 2022

Headquarters for Digital Market Competition Holds 40th Meeting of Digital Market Competition Council Working Group

- On October 27, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 40th meeting of the Digital Market Competition Council Working Group.

- The agenda was as follows.
  1. Interviews with stakeholders on competition assessment of the mobile ecosystem (Open Web Advocacy)
  2. Interviews with stakeholders on competition assessment of the mobile ecosystem (Mobile Content Forum)

October 27, 2022

METI Holds 7th Monitoring Meeting on the Transparency and Fairness of Digital Platforms

- On October 27, METI held the 7th Monitoring Meeting on the Transparency and Fairness of Digital Platforms.

- The topics of discussion were as follows.
  1. Discussion to summarize the meeting opinions

Source: METI, “7th Monitoring Meeting on the Transparency and Fairness of Digital Platforms”

The agenda is as follows:

1. Briefing from the Secretariat
2. Report from members
3. Exchange of views
4. Other
On November 4, MIC held the 20th meeting of the Working Group on Handling User Information for Platform Services.

The agenda was as follows.

(1) Briefing by the Secretariat (Guidelines on External Transmission Rules)
On November 8, METI held the 8th Monitoring Meeting on the Transparency and Fairness of Digital Platforms.

The topics of discussion were as follows.

1. Summary of meeting opinions (draft)
On November 11, METI released the opinion summary of the Monitoring Meeting on the Transparency and Fairness of Digital Platforms.

- Under the Act on Improving Transparency and Fairness of Digital Platforms (TFDPA), the Minister of Economy, Trade and Industry evaluates the transparency and fairness of regulated specific digital platforms and releases the results of that evaluation.
- In preparation for the above evaluation, a Monitoring Meeting on Transparency and Fairness of Digital Platforms was held to hear the opinions of academics and stakeholders.

Details of the summary are here:

On November 15, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 41st meeting of the Digital Market Competition Council Working Group.

The agenda was as follows.

1. Interviews with experts on competition assessment of the mobile ecosystem
   (Hiromitsu Takagi, Vice President, Japan Institute of Law and Information Systems)

On November 29, METI held the 6th meeting of the Platform Economics Study Group of fiscal 2022.

The agenda was as follows.

1. Financial results of digital platform providers (Nomura Research Institute)
2. Data used in platform studies and public data maintenance (Toshifumi Kuroda, Associate Professor, Tokyo Keizai University)
3. Market dominance in competition law (Noboru Kawahama, Professor, Graduate School, Kyoto University)
On December 2, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 42nd meeting of the Digital Market Competition Council Working Group.

The agenda was as follows.

- Summary of issues based on discussions to date
  - (1) Response to updates, specification changes and rule changes in OS, browsers, etc.
  - (2) Browser functionality restrictions
  - (3) Data acquisition and utilization
  - (4) Restrictions on access to device functions

Japan Fair Trade Commission Holds Symposium on Ecosystems by Digital Platforms

On December 2, the Japan Fair Trade Commission held its 5th Osaka Symposium under the theme of “Ecosystems by Digital Platforms” to promote a deeper understanding of ecosystems around large digital platform operators.

- The symposium featured lectures and panel discussions by experts on the nature of ecosystems, the impact they have (both positive and negative aspects), and ecosystem-related competition policy issues and challenges.

Source: Japan Fair Trade Commission, “Holding the 5th Osaka Symposium on December 2, 2022”
On December 2, MIC held the 21st meeting of the Working Group on Handling User Information for Platform Services.

The agenda was as follows.

1. Briefing by the Secretariat (Guidelines on External Transmission Rules)
2. Interviews with business operators
The 44th Global Privacy Assembly (GPA) was held in Istanbul, Turkey from October 25 to 28, 2022, and was attended by PPC Member Asai and Expert Member Asada.

- Member Asai was a panelist on a panel discussion on “The Efficiency of Cross-border Data Transfer Mechanisms.”
  He said that in order to promote DFFT (Data Free Flow with Trust), it is necessary to create an environment that allows businesses to choose the mechanism that best meets their needs from multiple options. He spoke of the need to develop global cross-border data transfer mechanisms in the direction of expanding and promoting multiple approaches and interoperability in the future.

- Noting that the Commission was involved in the drafting of the resolution on “Principles and Expectations for the Appropriate Use of Personal Information in Facial Recognition Technology,” PPC Expert Member Asada emphasized the importance of the resolution’s principles and expressed his expectation that it would be a major step toward in addressing future issues.
On December 9, the Japan Fair Trade Commission released its discussion paper, “An Attempt to Draw Implications about Economic Analysis in Antitrust Cases”.

The purpose of this study is to visualize how economic analysis is used in cases of competition law violation, and to draw implications from this on how to use such economic analysis. With this objective in mind, we conducted a questionnaire survey of overseas competition authorities.

Here are some implications from the survey.

1. The usefulness of economic analysis in developing mechanisms for restricting competition (Theory of Harm)
2. The usefulness of economic analysis in the examination of cases of bid-rigging and cartels
3. The likely growing importance of economic analysis concerning justifications for alleged violations
4. The importance of how counterfactual assumptions supported by reliable data in a court of law can be inferred

See below for the full text of the discussion paper.

On December 16, MIC held the 40th meeting of the Study Group on Platform Services.

The agenda was as follows.

1. Discussions to date
2. Presentations by experts and members
3. How to proceed going forward (draft)

Source: MIC, “40th Meeting of the Study Group on Platform Services”
URL https://www.soumu.go.jp/main_sosiki/kenkyu/platform_service/02kiban18_02000247.html
On December 22, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 43rd meeting of the Digital Market Competition Council Working Group.

The agenda was as follows.

- Summary of issues based on discussions to date
  - (1) App store related
  - (2) Preinstallation, default related
  - (3) General remarks

URL: https://www.kantei.go.jp/jp/singi/digitalmarket/kyosokaigi_wg/index.html
On December 22, MIC held the 22nd meeting of the Working Group on Handling User Information for Platform Services.

The agenda was as follows.

(1) Briefing by the Secretariat (Guidelines on External Transmission Rules)
On December 23, the Japan Fair Trade Commission released its discussion paper (DP) on “Formation and Expansion of Ecosystems by Digital Platform Operators”

This DP provides an overview of the concept of ecosystems in the context of management and competition law, and introduces the contents of a series of discussion papers on platform ecosystems from the Japan Fair Trade Commission’s Competition Policy Research Center.

See below for the full text of the discussion paper.

December 23, 2022

Personal Information Protection Commission Launches Call for Comments on “Draft Notification of Partial Amendment of Supplementary Rules under the Act on the Protection of Personal Information for Handling Personal Data Transferred from the EU and the United Kingdom based on an Adequacy Decision”

On December 23, the Personal Information Protection Commission launched its call for comments on “Draft Notification of Partial Amendment of Supplementary Rules under the Act on the Protection of Personal Information for Handling Personal Data Transferred from the EU and the United Kingdom based on an Adequacy Decision.”

Source: Personal Information Protection Commission, “Call for comments on ‘Draft Notification of Partial Amendment of Supplementary Rules under the Act on the Protection of Personal Information for Handling Personal Data Transferred from the EU and the United Kingdom based on an Adequacy Decision’”
URL: https://public-comment.e-gov.go.jp/servlet/Public?CLASSNAME=PCMMSTDETAIL&id=240000086&Mode=0
December 26, 2022

MIC Holds 1st Meeting of Working Group on Countermeasures Against Defamatory and Other Illegal and Harmful Information

On December 26, MIC held the 1st meeting of the Working Group on Countermeasures against Defamatory and Other Illegal and Harmful Information.

This is a working group under the Study Group on Platform Services, and its purpose is to intensively study measures against illegal and harmful information, such as slander and libel, from a professional perspective based on recent trends etc.

The agenda was as follows.

1. Explanation by the Secretariat
2. Free discussion

Source: MIC, “1st Meeting of Working Group on Countermeasures against Defamatory and Other Illegal and Harmful Information”
URL: https://www.soumu.go.jp/main_sosiki/kenkyu/platform_service/02kiban18_02000250.html
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