

Latest Policy Updates on Digital Platforms in Japan

Quarterly report (January to March, 2023)

December, 2023

Nomura Research Institute, Ltd.

ICT Contents 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: January-March 2023

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
January 24, 2023	Competition law	Other	Headquarters for Digital Market Competition Holds 44th Meeting of Digital Market Competition Council Working Group
January 24, 2023	Competition law	Other	METI Holds 8th Platform Economics Study Group
January 30, 2023	Competition law	Other	Headquarters for Digital Market Competition Holds 45th Meeting of Digital Market Competition Council Working Group
February 9, 2023	Competition law	Relevant report	Japan Fair Trade Commission Releases Results of Market Study Report on Mobile OS and Mobile App Distribution
February 10, 2023	Privacy	Other	MIC holds the 41st meeting of the Study Group on Platform Services
February 14, 2023	Competition law	Other	Headquarters for Digital Market Competition holds the 46th meeting of the Digital Market Competition Council Working Group
February 20, 2023	Competition law	Other	METI Holds 9th Meeting of Platform Economics Study Group
February 22, 2023	Privacy	Other	Personal Information Protection Commission holds 233rd Meeting of the Personal Information Protection Commission
February 28, 2023	Competition law	Other	Headquarters for Digital Market Competition Announced Its Intention to Have Cooperation between the United Kingdom and Japan on App Security and Privacy

Trends Among Relevant Authorities in Japan: January-March 2023

Theme (1)		Theme (2)	
Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
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Survey of trends among relevant authorities in Japan

Date	Theme (1)	Theme (2)	Title
March 3, 2023	Privacy	Other	MIC Holds 3rd Meeting of Working Group on Countermeasures against Defamatory and Other Illegal and Harmful Information
March 9, 2023	Privacy	Other	MIC holds the 42nd meeting of Study Group on Platform Services
March 28, 2023	Competition law	Relevant report	Japan Fair Trade Commission Releases Results of Review of the Proposed Acquisition of Activision Blizzard, Inc. by Microsoft Corporation
March 28, 2023	Privacy	Other	MIC Holds 4th Meeting of Working Group on Countermeasures against Defamatory and Other Illegal and Harmful Information
March 29, 2023	Competition law	Other	Headquarters for Digital Market Competition Holds 47th Meeting of Digital Market Competition Council Working Group
March 30, 2023	Other	Relevant report	Digital Agency Reports Quarterly Activity from January to March 2023

January 24, 2023

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 44th Meeting of Digital Market Competition Council Working Group

- On January 24, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 44th Meeting of the Digital Market Competition Council Working Group.
- Agenda
 - Summary of issues based on discussions to date
 1. Response to updates, specification changes and rule changes in OS, browser, etc.
 2. Browser restrictions
 3. Data acquisition and utilization
 4. Restrictions on access to device functions
 5. Gaze scheme

January 24, 2023

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 Holds 8th Platform Economics Study Group

- On January 24, METI held the 8th Platform Economics Study Group of fiscal 2022.
- Agenda
 - (1) Discussion on Self-preferencing (ii)
 - (2) Fact-finding survey on multi-homing in the platform market (Professor Ryoko Oki, Hosei University)

January 30, 2023

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 45th Meeting of Digital Market Competition Council Working Group

- On January 30, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 45th Meeting of the Digital Market Competition Council Working Group.
- Agenda
 - (1) Summary of issues based on previous discussions
 - App store related
 - Pre-installation, default settings related

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
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Japan Fair Trade Commission Releases Results of Market Study Report on Mobile OS and Mobile App Distribution

■ On February 9, the Japan Fair Trade Commission released a market study report on Mobile OS and Mobile App Distribution

■ Purpose

The Japan Fair Trade Commission (JFTC) recognize that it is very important to understand the actual state of competition in mobile OS and app distribution routes from the viewpoint of improving the competitive environment of the market for apps, digital contents and services provided on smartphones, and the market for products and services used in conjunction with smartphones, as well as the mobile OS market and the app distribution service market. Based on this, the JFTC conducted a market study into the mobile OS market and the app distribution service market in our country.

■ Survey method

- Conducted a survey of app developers (9,562 companies) and consumers (2,000 people)
- Conducting interviews (interviews 23 business operators including smartphone manufacturers and app developers, and interviews with 3 experts who have specialized knowledge and receiving answers to written questions from Google and Apple)
- International cooperation (exchanged opinions with the Australian Competition and Consumer Commission, the UK Competition & Markets Authority, and the European Commission’s Directorate-General for Competition in order to refer to discussions in other countries and regions)

■ Results of survey

- Refer to the report
(URL: https://www.jftc.go.jp/file/230209EN_hontai2.pdf)

February 10, 2023

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 the 41st meeting of the Study Group on Platform Services

- On February 10, the MIC held the 41st Meeting of the Study Group on Platform Services.
- Agenda
 - (1) Interviews with stakeholders in countermeasures against disinformation regarding the status of government efforts
 - (2) Q&A

February 14, 2023

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 46th meeting of the Digital Market Competition Council Working Group

- On February 14, 2023, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 46th meeting of the Digital Market Competition Council Working Group.
- Agenda
 - (1) Summary of issues based on previous discussions
 - General remarks
 - Report from Japan Fair Trade Commission (Fact-Finding Survey Report on Mobile OS, etc.)

February 20, 2023

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 Holds 9th Meeting of Platform Economics Study Group

■ On February 22, METI held the 9th Meeting of the Platform Economics Study Group of fiscal 2022.

■ Agenda

- Exchange of views with the EU Observatory on the Online Platform Economy
 - (i) Introduction of the current situation in the EU and Japan
 - EU Platform Policy (Prof. Alexandre de Stree, University of Namur)
 - Platform Policy in Japan (Associate Professor Toshifumi Kuroda, Faculty of Economics, Tokyo Keizai University)
 - (ii) Report and discussion on specific topics
 - Self-preferencing (Associate Professor Yusuke Zenyo, Graduate School of Business Administration, Kobe University)
 - Digital Advertising (Prof. Francesco Decarolis, Bocconi University)

February 22, 2023

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

Personal Information Protection Commission holds 233rd Meeting of the Personal Information Protection Commission

- On February 22, the Personal Information Protection Commission held the 233rd Meeting of the Personal Information Protection Commission.
- Agenda
 - (1) Results of the Request for Comments on the Draft Amendment to the “Supplementary Rules for the Handling of Personal Data Transferred from within the EU and the UK by Way of Sufficiency Certification in Relation to the Law Concerning the Protection of Personal Data”
 - (2) Administrative response based on the Act on the Protection of Personal Information regarding the case of the loss of USB memory devices in Amagasaki City

Source: Personal Information Protection Commission, “233rd Meeting of the Personal Information Protection Commission”

URL <https://www.ppc.go.jp/aboutus/minutes/2023/20230222/>

February 28, 2023

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
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Headquarters for Digital Market Competition Announced Its Intention to Have Cooperation between the United Kingdom and Japan on App Security and Privacy

■ On February 28, the Headquarters for Digital Market Competition of the Cabinet Secretariat confirmed that it would work with the UK's Department of Science, Innovation and Technology (DSIT) on sharing knowledge to ensure that users are protected when accessing and using apps and app stores.

■ Details are as follows.

“Joint statement between the United Kingdom and Japan on ensuring App Security and Privacy”

https://www.cas.go.jp/jp/houdou/20230209security_privacy_en.html

March 3, 2023

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 3rd Meeting of Working Group on Countermeasures against Defamatory and Other Illegal and Harmful Information

- On March 3, the MIC held the 3rd Meeting of Working Group on Countermeasures against Defamatory and Other Illegal and Harmful Information.
- Agenda
 - (1) Interviews with businesses and others (Yahoo Japan Corporation, LINE Corporation, Google LLC, Meta Platforms, Inc., Twitter, etc.)
 - (2) Free discussion

Source: MIC, "3rd 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_02000261.html

March 9, 2023

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 the 42nd meeting of Study Group on Platform Services

- On March 9, the MIC held the 42nd Meeting of the Study Group on Platform Services.
- Agenda
 - (1) Interviews with concerned parties and experts
 - (2) Collection of initiatives (draft) concerning false information
 - (3) Other

March 28, 2023

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
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Japan Fair Trade Commission Releases Results of Review of the Proposed Acquisition of Activision Blizzard, Inc. by Microsoft Corporation

- On March 28, the Japan Fair Trade Commission(JFTC) released the results of its review of the proposed acquisition of Activision Blizzard, Inc. by Microsoft Corporation.
- Since the JFTC reached the conclusion that the transaction is unlikely to result in substantially restraining competition in any particular fields of trade, the JFTC notified the Parties that it would not issue a cease-and-desist order and resulting in the completion of its review.
- See below for details of the results of the examination.

<https://www.jftc.go.jp/file/230328r.pdf>

March 28, 2023

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
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MIC Holds 4th Meeting of Working Group on Countermeasures against Defamatory and Other Illegal and Harmful Information

- On March 28, the MIC held the 4th Meeting of the Working Group on Countermeasures against Defamatory and Other Illegal and Harmful Information.
- Agenda
 - (1) Interviews with the experts
 - (2) Free discussion

March 29, 2023

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 47th Meeting of Digital Market Competition Council Working Group

- On March 29, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 47th Meeting of the Digital Market Competition Council Working Group.
- Agenda
 - (1) Interviews with platform operators
 - Google

March 30, 2023

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

Digital Agency Reports Quarterly Activity from January to March 2023

- On March 30, the Digital Agency reported its quarterly activities from January to March 2023 on the following major initiatives.
 - Path Towards Cross-Border Data Flow and Utilization- Efforts to operationalize “ DFFT”
 - “Public Service Mesh,” a New Info-Sharing System to Support Administrative Online Services
 - More Ways to Use Individual Number Cards (My Number Cards)
 - Providing User-Centric Administrative Services
 - Further Strengthening the Development System
- Refer below for details.
 - https://www.digital.go.jp/assets/contents/node/basic_page/field_ref_resources/ed91c288-7d40-4a9b-9d86-1007f256ada6/c4e8516b/20230512_en_priority_Quarterly%20Report%202023.1-2023.3_01.pdf