

Latest Policy Updates on Digital Platforms in Japan

Quarterly report (October to December, 2021)

March, 2022

Nomura Research Institute, Ltd.

ICT Media Consulting Department
CX 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: October-December 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
October 1	Competition law	Other	Headquarters for Digital Market Competition holds the 26th meeting of the Digital Market Competition Council Working Group
October 8	Other	Proposal of new legal systems and policies at relevant authorities	Ministry of Finance (MOF) officially announces a statement on international agreement on tax challenges arising from digitalisation of the economy
October 13	Competition law	Other	Headquarters for Digital Market Competition holds the 27th meeting of the Digital Market Competition Council Working Group
October 14	Other	Proposal of new legal systems and policies at relevant authorities	MOF announces details of the press conference by Minister of Finance regarding the G7 basic agreement on the public policy principles for issuance of Central Bank Digital Currency
October 21	Privacy	Other	Prime Minister's Office holds the 4th meeting of the Study Group on Implementing Data-Handling Rules on Platforms
October 25	Other	Other	Digital Agency holds the 1st meeting of the Data Strategy Promotion Working Group
October 26	Other	Other	Headquarters for Digital Market Competition holds the 4th Trusted Web Promotion Council
October 27	Competition law	Other	Headquarters for Digital Market Competition holds the 28th meeting of the Digital Market Competition Council Working Group
October 29	Privacy	Other	Personal Information Protection Commission explains activity performance for the first half of FY2021, and a draft guideline for the public sector related to the 2021 amendment to the Act on the Protection of Personal Information
November 1	Privacy	Other	METI holds the 1st meeting of Expert Group on Data Free Flow with Trust

Trends Among Relevant Authorities in Japan: October-December 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
November 12	Competition law	Other	Headquarters for Digital Market Competition holds the 29th meeting of the Digital Market Competition Council Working Group
November 16	Other	Other	Digital Agency holds the 1st meeting of the Sub-working Group on Implementing Data-Handling Rules on Platforms
November 30	Competition law	Other	Headquarters for Digital Market Competition holds the 30th meeting of the Digital Market Competition Council Working Group
December 1	Privacy	Other	Ministry of Internal Affairs and Communications (MIC) holds the 8th Meeting of the Working Group on Handling User Information for Platform Services
December 2	Other	Other	Digital Agency holds the 2nd meeting of the Data Strategy Promotion Working Group
December 6	Competition law	Examples of enforcement of existing laws	Japan Fair Trade Commission (JFTC) announces the outcome of treating the case of suspected violation of the Antimonopoly Act by Rakuten Group
December 10	Competition law	Other	Headquarters for Digital Market Competition holds the 31st meeting of the Digital Market Competition Council Working Group
December 16	Competition law	Other	Headquarters for Digital Market Competition officially announces details of an agreement made in the G7 Digital Competition Policymaker Meeting
December 23	Other	Other	MIC holds the 31st meeting of Study Group on Platform Services
December 24	Other	Proposal of new legal systems and policies at relevant authorities	Digital Agency approves Priority Plan for Realizing a Digital Society
December 24	Competition law	Other	METI holds Monitoring Meeting on the Transparency and Fairness of Digital Platforms

October 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

Headquarters for Digital Market Competition holds the 26th meeting of the Digital Market Competition Council Working Group

- On October 1, 2021, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 26th meeting of the Digital Market Competition Council Working Group.
- The agenda was as follows:
 - (1) Interviews with industry participant (Research Director Kuwazu of Nomura Research Institute) on voice assistants (smart speakers, etc.) with respect to the competitive environment of new customer contact points

October 8, 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

Ministry of Finance (MOF) officially announces a statement on international agreement on tax challenges arising from digitalisation of the economy

- On October 8, 2021, the Organisation for Economic Co-operation and Development (OECD) finalized a major reform of the international tax system under which multinational enterprises (MNEs) will be subject to a minimum tax rate of 15% from 2023. Of the 140 member countries of the OECD/G20 Inclusive Framework on BEPS, 136 countries and jurisdictions officially announced the “Statement on the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy.”
- The main points of the speech by the Minister of Finance in response to this were as follows:
 - I strongly welcome that the meeting of the Inclusive Framework on BEPS, participated in by 140 countries and jurisdictions, held today reached a historic agreement on the new rules of international taxation.
 - Since the inception of the BEPS project in 2013, the Japanese Government has consistently been playing a leading role in discussing the international taxation system. I, therefore, highly commend that a review of the principles of international taxation which have continued for a century now has been agreed under the global framework.
 - Japan will continuously work to formulate/ratify multilateral treaties, and amend domestic laws while closely collaborating with individual countries.

Source: MOF, Statement by Finance Minister SUZUKI Shunichi on the International Agreement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalization of the Economy

URL https://www.mof.go.jp/english/policy/tax_policy/others/20211009.htm

Details of agreements <https://www.oecd.org/tokyo/newsroom/international-community-strikes-a-ground-breaking-tax-deal-for-the-digital-age-japanese-version.htm>

(in Japanese)

October 13, 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 27th meeting of the Digital Market Competition Council Working Group

- On October 13, 2021, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 27th meeting of the Digital Market Competition Council Working Group.
- The agenda was as follows:
 - (1) Investigation by JFTC
 - (2) Report by the secretariat on the status of interviews to date

October 14, 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

MOF announces details of the press conference by Minister of Finance regarding the G7 basic agreement on the public policy principles for issuance of Central Bank Digital Currency

- On October 14, 2021, there was the following Q&A session at the press conference by the Minister of Finance.
 - Q) The G7 also basically agreed today on the Central Bank Digital Currency. I would like to hear your views and opinions on this.
 - A) The principles for the Central Bank Digital Currency concerned are regarded as guidance to individual countries when considering such currency from a broad perspective, while reaffirming the importance of transparency, rule of law, and sound economic governance presented in previous G7 statements. It is a very significant achievement in that an agreement on principles on a wide range of public policy issues was reached through cooperation of the Central Bank and MOF in the key area of international monetary and financial order, namely the digitalisation of currency.

Source: MOF, Summary of press conference by Suzuki Shunichi, Minister of Finance and Minister of State for Financial Services (Thursday, October 14, 2021)
(in Japanese)

URL https://www.mof.go.jp/public_relations/conference/my20211014.html

Copyright (C) Nomura Research Institute, Ltd. All rights reserved.

October 21, 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

4th meeting of the Study Group on Implementing Data-Handling Rules on Platforms held

■ On October 21, the 4th meeting of the Study Group on Implementing Data-Handling Rules on Platforms was held, mainly with the aim of formulating Guidance for the Development of Data-Handling Rules which will serve as a reference when data-handling rules on data platforms are implemented.

● Agenda

1. Opening
2. Explanation by the Secretariat (Cabinet Office, Secretariat of Intellectual Property Strategy Promotion Headquarters)
3. Presentation (1) (Mr. Mitsuo Tanabe, Digital Agency)
4. Presentation (2) (Mr. Akira Sakaino, NTT Communications Corporation)
5. Presentation (3) (Member Mano)
6. Presentation (4) (Mr. Hiroki Habuka, METI)
7. Q&A and discussion
8. Closing

October 25, 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

Digital Agency holds the 1st meeting of the Data Strategy Promotion Working Group

- On October 25, the Digital Agency held the 1st meeting of the Data Strategy Promotion Working Group.
- The objective of this working group is to promote data strategies that contribute to the formation of a digital society based on the Order of the Digital Society Promotion Council.
- Agenda
 1. Course of action taken for comprehensive data strategies
 2. Concept of base registry
 3. Holding of sub-working group meetings, etc.

October 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 4th Trusted Web Promotion Council

- On October 26, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 4th Trusted Web Promotion Council.
- The agenda was as follows:
 - (1) Exchange of opinions and initiatives to be taken on Trusted Web
 - (2) Other

October 27, 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 28th meeting of the Digital Market Competition Council Working Group

- On October 27, 2021, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 28th meeting of the Digital Market Competition Council Working Group.
- The agenda was as follows:
 - (1) Report by the secretariat on status of interviews to date

October 29, 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

Personal Information Protection Commission explains activity performance for the first half of FY2021, and a draft guideline for the public sector related to the 2021 amendment to the Act on the Protection of Personal Information

- On October 29, the Personal Information Protection Commission held the 190th meeting of the Personal Information Protection Commission and explained the following three points.
 - Personal Information Protection Commission's activity performance for the first half of FY2021
 - Draft guideline for public sector on the 2021 amendment to the Act on the Protection of Personal Information
 - Overview of the status of improvement in LINE Corporation and policy toward the company, etc.
 - On-site inspection will be completed with the conclusion of the necessary inspections on LINE, etc.
 - Monthly improvement reports will not be required as implementation or proven implementation of corrective measures has been confirmed. For pending corrective measures, a progress report on implementation will be required by March 31, 2022.

November 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

METI holds the 1st meeting of Expert Group on Data Free Flow with Trust

- On November 1, METI held the 1st meeting of Expert Group on Data Free Flow with Trust.
- The objective of the meeting of the expert group is to advance the study of an interoperable framework for cross-border data transfers as an embodiment of the “data free flow with trust” (DFFT, reliable and free data distribution) concept proposed by Japan in 2019.
- Matters to be discussed:
 - Understanding the situation regarding regulations in each country
 - Understanding and classifying the specific needs regarding cross-border data transfers
 - Elements of the framework for comparative analysis (gap analysis)
- Agenda for the 1st meeting
 - Aim of the expert group and course of action taken for matters to be discussed (Secretariat)
 - Trends in regulatory systems in various foreign countries (Nishimura & Asahi)
- The 2nd meeting is planned to be held on December 9.

November 12, 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 29th meeting of the Digital Market Competition Council Working Group

- On November 12, 2021, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 29th meeting of the Digital Market Competition Council Working Group.
- The agenda was as follows:
 - (1) Economic Findings on the Competitive Environment Surrounding Mobile OS and Other Systems, Toshifumi Kuroda, Associate Professor of Tokyo Keizai University
 - (2) Ideal picture of the mobile ecosystem and the framework of study for such realization

November 16, 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

Digital Agency holds the 1st meeting of the Sub-working Group on Implementing Data-Handling Rules on Platforms

- On November 16, the Digital Agency held the 1st meeting of the Sub-working Group on Implementing Data-Handling Rules on Platforms.
- Based on the provisions under Holding Data Strategy Promotion Working Group Meetings, the sub-working Group is positioned under the Data Strategy Promotion Working Group to study the Guidance for the Development of Data-Handling Rules which will serve as a reference when implementing data-handling rules on platforms.
- Details deliberated in the Study Group on Implementing Data-Handling Rules on Platforms (Secretariat of Intellectual Property Strategy Promotion Headquarters and Digital Agency) will serve as a basis.
- Agenda
 1. Opening
 2. Explanation by the Secretariat (Digital Agency)
 3. Explanation by the Secretariat (Cabinet Office, Secretariat of Intellectual Property Strategy Promotion Headquarters)
 4. Q&A and discussion
 5. Closing

November 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

Headquarters for Digital Market Competition holds the 30th meeting of the Digital Market Competition Council Working Group

- On November 30, 2021, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 30th meeting of the Digital Market Competition Council Working Group.
- The agenda was as follows:
 - (1) Framework of study on voice assistant and wearables markets
 - (2) Ideal picture of the mobile ecosystem and the framework of study for such realization

December 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

Ministry of Internal Affairs and Communications (MIC) holds the 8th Meeting of the Working Group on Handling User Information for Platform Services

- On December 1, MIC held the 8th meeting of the Working Group on Handling User Information for Platform Services.
- The objective of the working group is to ensure appropriate handling of user information for platform services by studying from an expert perspective based on recent trends, etc.
- The details of the agenda were as follows:
 1. Interview with a trade association (LBMA Japan)
 2. Interview with a business operator (Treasure Data, Co., Ltd.)
 3. Amendment of Guidelines for Protection of Personal Information in Telecommunications Business (draft)
 4. Future measures (draft)
 5. Other

December 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

Digital Agency holds the 2nd meeting of the Data Strategy Promotion Working Group

- On December 2, the Digital Agency held the 2nd meeting of the Data Strategy Promotion Working Group.
- The objective of this working group is to promote data strategies that contribute to the formation of a digital society based on the Order of the Digital Society Promotion Council.
- Agenda
 1. Direction of study on comprehensive data strategy
 2. Status of study on implementation of data-handling rules
 3. Status of study on quasi-public/mutual collaboration sectors and inter-sectoral platforms

December 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

Japan Fair Trade Commission (JFTC) announces the outcome of treating the case of suspected violation of the Antimonopoly Act by Rakuten Group

- On December 6, JFTC announced the closing of the investigation concerned as it has recognized that details of the corrective measures proposed by Rakuten Group would resolve the suspected violation of the Antimonopoly Act. The investigation will be closed after JFTC confirms the Group has further implemented the corrective measures.
- Background to the case
 - JFTC pointed out that Rakuten Group's uniform introduction of a common shipping threshold to merchants of Rakuten's online retail platform (Rakuten Ichiba) could be a legal issue under the Antimonopoly Act.
 - In response to the indication, Rakuten Group officially announced that it will take measures that will allow stores to be exempted from the common shipping threshold at their discretion. As a procedure for merchants to apply for exemption was established thereafter, JFTC withdrew its petition and continued its investigation.
 - However, as cases were found where treatment disadvantageous to non-participating stores was implied by Rakuten Group when the Group encouraged them to participate in the common shipping threshold, the Group submitted corrective measures to JFTC.

December 10, 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 31st meeting of the Digital Market Competition Council Working Group

- On December 10, 2021, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 31st meeting of the Digital Market Competition Council Working Group.
- The agenda was as follows:
 - (1) Interview with platform operators
 - Apple
 - Google
 - Amazon

December 16, 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 officially announces details of an agreement made in the G7 Digital Competition Policymaker Meeting

- On December 16, the Headquarters for Digital Market Competition officially made an announcement regarding the agreement drawn up at the G7 Digital Competition Policymaker Meeting.
 - The meeting among policymakers from G7 and invited countries was convened by the United Kingdom, the G7 host country, as part of the commitment to deepen cooperation on digital competition made under the G7 Digital and Technology Ministerial Declaration adopted in April 2021. The objective is to reach an agreement with a series of shared policy objectives by exchanging opinions on and having discussions at an administrative level about regulatory approaches and domestic policies taken by respective countries to promote competition in digital markets.

December 23, 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 holds the 31st meeting of Study Group on Platform Services

- On December 23, MIC held the 31st meeting of Study Group on Platform Services.
- In light of the fact that platform providers offer services using a large amount of user information, the study group reviews matters such as the ideal way of securing appropriate handling of user information.
- Agenda
 1. Course of action taken for the study (draft)
 2. Presentation by experts (Associate Professor Mizutani, Kansai University; Professor Echizen, National Institute of Informatics; Spectee Inc.)

December 24, 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

Digital Agency approves Priority Plan for Realizing a Digital Society

- On December 24, Digital Agency approved the Priority Plan for Realizing a Digital Society
 - Based on the Basic Act on the Formation of a Digital Society, the Act on the Promotion of Administration Utilizing Information and Telecommunications Technologies, and the Basic Act on the Advancement of Public and Private Sector Data Utilization, the plan makes clear government measures and a roadmap to realize a digital society. It is the first to be formulated since the establishment of the Digital Agency.
-
- The basic measures are as follows:
 1. Digitalisation of administrative services for citizens
 2. Digitalisation of livelihood
 3. Digitalisation of industry
 4. Systems and technologies supporting the digital society
 5. Lifestyle and talented people of digital society

December 24, 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 holds Monitoring Meeting on the Transparency and Fairness of Digital Platforms

- On December 24, METI held a Monitoring Meeting on the Transparency and Fairness of Digital Platforms.
- The objective of the meeting is to promote the sharing of challenges and mutual understanding among specified digital platform providers and parties involved, and lead the improvement of transparency and fairness of specified digital platforms.
 - Agenda
 - (1) Holding of the meeting, etc.
 - (2) Course of action taken for monitoring reviews