

Evaluation on Transparency and Fairness of Specified Digital Platforms (General online shopping malls and app stores)

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Ministry of Economy, Trade and Industry

I. Introduction

This evaluation is conducted by the Minister of METI in accordance with Article 9, Paragraph 2 of the Act on Improving Transparency and Fairness of Digital Platforms (Act No. 38 of 2020; hereinafter referred to as the "TFDPA" or the "Act").

The specified digital platforms reviewed in this evaluation are as follows.

Business category	Specified digital platform	Specified digital platform providers
General online shopping malls ¹	Amazon.co.jp	Amazon Japan G.K. (hereinafter referred to as "Amazon")
	Rakuten Ichiba	Rakuten Group, Inc. (hereinafter referred to as "Rakuten")
	Yahoo! Shopping	Yahoo Japan Corporation (hereinafter referred to as "Yahoo")
App stores ²	App Store	Apple Inc. and iTunes K.K. (hereinafter referred to as "Apple")
	Google Play Store	Google LLC (hereinafter referred to as "Google")

In conducting this evaluation, we reviewed the contents of the periodic reports for FY2021 submitted by specified digital platform providers, information provided to the Digital Platform Consultation Desk,³ and the results of the questionnaire survey. In addition, through the "Monitoring Meeting on the Transparency and Fairness of Digital Platforms" (Chaired by Okada Yosuke, Professor, Graduate School of Economics, Hitotsubashi University; hereinafter referred to as the "Monitoring Meeting")⁴, the opinions of academic experts and other relevant parties were heard.

In addition, in conducting the evaluation, we took into account the "Fundamental Approach" in the guideline⁵ established by the Minister of METI (Article 9, Paragraph 2 of the Act). The "Fundamental Approach" indicates the direction of efforts expected of specified digital platform providers based on the purpose of the co-regulation, and its main points can be summarized as follows.

- When taking actions that affect businesses that use specified digital platforms (hereinafter referred to as "business users"), such as changing the terms and conditions under which the specified digital platforms are provided, take into account the impact on the business users in advance, and respond appropriately (e.g., explanation of contents and reasons that are easy to understand from the viewpoint of business users,

¹Refers to the business category specified in the middle column of Item 1 of the table in Paragraph 1 of the Cabinet Order for Stipulating the Business Category and Scale under in Article 4, Paragraph 1 of the TFDPA (Cabinet Order No. 17 of 2021; hereinafter referred to as the "Order"). The same applies hereinafter.

²Refers to the business category specified in the middle column of Item 2 of the table in Paragraph 1 of the Order. The same applies hereinafter.

³https://www.meti.go.jp/policy/mono_info_service/digitalplatform/business.html

⁴<https://www.meti.go.jp/press/2021/12/20211221001/20211221001.html> (in Japanese);
https://www.meti.go.jp/english/press/2021/1221_003.html (in English)

⁵Refers to the Guidelines on Measures to be Taken by Specified Digital Platform Providers to Promote Mutual Understanding in Transactional Relationships with Users Providers of Products, etc. (METI Notification No. 16 of 2021). The same applies hereinafter.

notification with sufficient time, consistent and impartial judgments, etc.).

- Listen carefully to complaints, consultations, and objections from business users and respond appropriately.
- Establish a system that leads to operational improvements, and strive to continuously improve operations.

In this evaluation, in light of the above perspectives and taking into account the opinions of the experts at the Monitoring Meeting, the direction of efforts expected of the specified digital platform providers is indicated, and initiatives that can be evaluated in light of the said direction are listed.

The following three directions (possible options) for response based on this evaluation are listed below.

(1) Voluntary operational improvements by specified digital platform providers

Under the TFDPA, specified digital platform providers must strive to voluntarily improve the transparency and fairness of their specified digital platforms based on the results of the published evaluation (Article 9, Paragraph 6 of the Act). Specified digital platform providers are expected to voluntarily and proactively improve their operations based on this evaluation. In doing so, reference may be made to the evaluable initiatives listed in this evaluation.

(2) Revision of "guidelines" for voluntary procedures and system development

The guidelines established by the Minister of METI are scheduled to be reviewed on a constant basis. The revision of the guidelines may be considered in the future, taking into account changes in economic and social conditions and the status of voluntary efforts by specified digital platform providers.

(3) Consideration of enforceable intervention measures

In the future, if there are some cases that are difficult to deal with in the framework of the TFDPA or existing laws and regulations, enforceable intervention measures may be considered.

In addition, Appendix 1 of this evaluation summarizes the status of the processing of individual cases related to the TFDPA. The purpose of this information is to increase transparency in the operation of the TFDPA and to lead to compliance with the TFDPA and voluntary efforts by specified digital platform providers.

II. Evaluation (*see Appendix 2 for details)

This evaluation is in two parts.

First, "1. Status of fulfillment of obligations under the TFDPA" is an evaluation based on the periodic reports for FY2021 submitted by the companies and other information.

"2. Major issues and expected direction of initiatives in the online mall and app store sectors" shows the expected direction of efforts from the viewpoint of improving transparency and fairness, after confirming the status of efforts by specified digital platform providers with regard to the relatively large number of comments⁶ received from business users at the Digital Platform Consultation Desk, etc. and those that could affect a large number of business users.

⁶It should be noted that complaints may include those based on misunderstanding or lack of awareness of the terms and conditions, etc.

In addition, details including information provided by the specified digital platform providers (factual information to be evaluated) are compiled as Appendix 2.

1. Status of fulfillment of obligations under the TFDPA

It can be evaluated that the disclosure of information such as terms and conditions of provision by specified digital platform providers has generally improved as a result of the implementation of the TFDPA. The specified digital platform providers also showed a positive attitude toward the development of a system for handling complaints and resolving disputes. In fact, according to the results of a survey of business users⁷, about 70-80% of the business users indicated that the information disclosure and consultation services provided by the specified digital platform providers have become more understandable and courteous.

On the other hand, in light of the feedback from business users, the opinions of experts at the Monitoring Meetings, and the guidelines set by the Minister of METI, further efforts are expected from the specified digital platform providers as follows.

(1) Disclosure of information on terms and conditions of provision, etc.

The TFDPA requires specified digital platform providers to disclose certain matters as terms and conditions of provision and, in disclosing the terms and conditions of provision including such matters, to describe them in Japanese using clear and plain expressions and to make them readily accessible for reference at any time (Article 5, Paragraphs 1 and 2 of the Act and Article 5 of the Ministerial Ordinance⁸). This is expected to improve the understanding of the terms and conditions of provision by the business users and increase the predictability of their business. In order to realize such effects, **if the terms of use, etc., which describe the terms and conditions of provision, are voluminous, efforts and innovations are required to disclose them in an easy-to-understand manner so that important information for business users will not be buried in the terms and conditions.**

The TFDPA requires that, in principle, when changing the terms and conditions of provision, a specified digital platform provider must disclose the details of and reasons for the change in advance with a period of time to respond to such change (Article 5, Paragraph 4, Item 1 of the Act). This allows the business user a preparation period to respond to changes in the terms and conditions of provision. In addition, the reason for the change will be disclosed, which is expected to have the effect of making it easier to offer consultation if necessary.

Regarding the advance notification period for changes to the terms and conditions, according to the results of a questionnaire survey of business users⁹, approximately 60-80% of respondents indicated that they were notified three months or more in advance, and 80-90% when combined with those who indicated that they were notified one month or more in advance, indicating a certain level of efforts to address the issue. On the other hand, in some cases, some business users have commented that the time period for responding to changes is insufficient.

At Apple, there was a case of giving 15 days' notice of a change in the App Store pricing table (Tier) price.¹⁰

When making changes to the terms and conditions of provision, etc., it is necessary to provide a sufficient preparation period, taking into consideration the circumstances of the business user, and to explain the

⁷March 14, 2022 2nd Monitoring Meeting [Ref. 1] Page 15 of "the Results of Questionnaire Survey for Digital Platform Business Users" (hereinafter "2nd Monitoring Meeting [Ref. 1]").

⁸Refers to the Ordinance for Enforcement of the TFDA (METI Ordinance No. 1 of 2021). The same applies hereinafter.

⁹See the page 20 of the 2nd Monitoring Meeting [Ref.1].

¹⁰Subsequently (on December 7, 2022), Apple announced that it would take measures to make the App Store pricing tables (Tier) more flexible for price setting by business users. This would also allow business users to avoid the impact of Tier price changes due to exchange rate fluctuations by Apple, if they choose, and eliminate the need for work to respond to such changes.

details and reasons for the changes in an easy-to-understand manner. In addition to this, it is also necessary to make the process of dialogue with business users more effective. From these perspectives, we will closely monitor each company's response to changes in terms and conditions of provision.

The following initiatives can be evaluated as desirable efforts in light of the above-mentioned objectives.

<Efforts and innovations for disclosing the terms and conditions of provision and changes in the terms and conditions of provision in an easy-to-understand manner>

- Released web pages that list or consolidate and briefly explain disclosures made under the TFDPA to the public (Rakuten, Yahoo)
- Provided explanations at events for users when making changes that have a large impact on business users (Rakuten)
- Provided an old/new comparison of the changes (Yahoo)
- Released a Japanese-language video explaining the new policy changes (Google)

<When reasonable opinions are received from business users regarding changes in terms and conditions of provision, such opinions will be taken into consideration>

- Conducted preliminary interviews with the most affected business users (Yahoo)

(2) Establish procedures and systems to promote mutual understanding

The TFDPA obliges specified digital platform providers to take necessary measures to promote mutual understanding in business relationships with business users (Article 7, Paragraph 1 of the Act). In order to contribute to the appropriate and effective implementation of such measures, guidelines have been established by the Minister of METI (Article 7, Paragraph 2 of the Act), and specified digital platform providers are required to explain in their periodic reports the specific measures they have taken to realize the desirable direction of efforts indicated in the "Fundamental Approach " of the said guidelines. (Article 9, Paragraph 1, Item 4 of the Act).

In the first periodic report submitted after the TFDPA went into effect, a number of initiatives were reported by each company, but the actual operation and effectiveness of these initiatives were not clear in many cases.

In order for specified digital platform providers to secure the trust of business users and society as a whole, it is important to explain their initiatives in a way that can be verified externally. For this purpose, in the next periodic report and external explanations, etc., we expect the following:

- i) Present the effectiveness of various efforts, including quantitative results, specific examples of how issues were addressed, and measures to effectively promote improvements, with evidence from internal audits, etc.;**
- ii) Explain not only the improvement measures already implemented but also the items considered current issues and future action plans, thereby demonstrating a stance of voluntary and proactive improvement of operations.**

In doing so, it is expected that the domestic managers, who are responsible for communicating with all parties concerned including business users, will play a central role in improving the operation.

The following initiatives can be evaluated as desirable efforts in light of the above-mentioned objectives.

<Explanation of procedures and systems for effective improvement of operations and specific examples of improvement measures taken>

- Set various indicators and targets for the accuracy of each measure, such as suspending listings, and monitor and

periodically scrutinize their progress, identify specific measures for improvement, set specific targets for those in charge of each improvement measure, and manage progress. In addition, an independent team conducts regular audits of the actions and decisions of the team implementing actions such as suspending listings (Amazon)

- Regularly hold meetings to hear opinions from outside experts, and publish summaries of the meetings, opinions of the experts, and improvement activities based on the opinions on the portal site for business users (Rakuten)
- Explained specific details of improvements based on internal audit findings (that a system and mechanism to handle and resolve complaints comprehensively, appropriately, and promptly is needed) (Yahoo)
- As specific examples of how feedback from business users have led to operational improvements, Google explained how it consulted with a Japanese user group that provides online crane game apps regarding changes to the "Google Play Policy on Cash Gambling, Games, and Contests" and introduced a certification system and monitoring system as a pilot program to enable the continued distribution of such apps. Google also explained that the policy on authorship in news apps was updated based on feedback from Japanese news organizations (Google)
- As a specific example of how user opinions were linked to operational improvements, an example of updating guidelines for describing app metadata based on feedback from business users was explained (Apple)

<Explanation of current issues and future policy>

- Presented a specific policy, stating that "maintaining transparency when giving preferential treatment to our own group company store" is a future issue (Yahoo)
- Presented a specific policy for "Notice Regarding Temporary Suspension of Account" as an issue for the future (Google)

(3) Status of complaint handling and dispute resolution

The TFDPA requires the establishment of procedures and systems necessary for handling complaints and resolving disputes from business users as part of the establishment of procedures and systems to promote mutual understanding with business users (Article 7, Paragraph 3, Item 3 of the Act), and the specified digital platform providers are required to report the number of complaints and disputes, major types, and average processing period in periodic reports (Article 9, Paragraph 1, Item 2 of the Act, Article 13, Paragraph 2 of the Ministerial Ordinance).

Through the periodic reports for FY2021, etc., various information was provided by specified digital platform providers on their procedures and systems for complaint handling and dispute resolution, as well as their performance (see Appendix 3). Such information disclosure will enable objective evaluation of each company's efforts, and will contribute to gaining a sense of acceptance and trust from business users and society as a whole.

We expect specified digital platform providers to proactively disclose information that contributes to an objective evaluation of their efforts in complaint handling and dispute resolution.

Regarding complaint handling and dispute resolution by specified digital platform providers, business users have voiced comments such as, "Responses to inquiries are canned and problems are not resolved," "Insufficient communication when a problem arises does not lead to a resolution," "There are some cases where the Japanese language is not used to communicate properly", etc.

Specific methods for handling complaints and resolving disputes are to be implemented by each company with originality and ingenuity based on its actual business operations including the number of business users using the services, while **ongoing efforts are required to improve responses considering the feedback from business users.** On an individual basis, the following efforts are expected.

- **[Amazon]:** It was explained that, in preparing and using communication plans and notification letters with business users in advance, the opinions of business users regarding the quality of communication are regularly scrutinized, and the prescribed plans and letters are being improved, but in light of the feedback from business

users, **it is possible that the responses using the prescribed plans and notification text may have led to the above-mentioned comments from business users, and we expect the company to continue its efforts to improve the quality of communication with business users in the future.**

- **[Apple]:** It was explained that complaints received on the complaint form established with the implementation of the TFDPA are reviewed, investigated, and evaluated by a cross-functional team consisting of various experienced, highly trained, and designated experts, and that the results of the review are answered individually, but in light of the low number of complaints and the comments from business users, **it is possible that the above complaint form is not fully recognized by business users, and we expect efforts to increase awareness among business users.**

In resolving disputes with business users, it may be effective to involve a third party. For example, if there is a dispute over measures taken by a specified digital platform provider, such as account suspension measures, and sufficient information cannot be disclosed to the business user due to security measures or other circumstances, it may be difficult to objectively confirm the appropriateness of such measures. In such cases, it would be highly appreciated if measures such as the use of ADR (Alternative Dispute Resolution), etc., at the request of the business user and reasonable cost-sharing for dispute resolution are considered.

The following initiatives can be evaluated as desirable efforts in light of the above-mentioned objectives.

- Explanation of the percentage of complaints from business users that were ultimately resolved in accordance with the wishes of the business users (approximately 74%) (Amazon)
- Explanation of the percentage of complaints and disputes from business users that resulted in Google's judgment being maintained, etc. (approximately 25%) (Google)
- Explanation of the results of a survey conducted at the help desk (85% of respondents indicated that they were satisfied) (Yahoo)
- Explanation of the number of opinions received from business users and the number of cases in which functional improvements were made, and visualization of the results to business users (Yahoo)
- Detailed and specific explanation of the results and reasons for the handling of all three grievances filed (Apple)
- Establish a close relationship with the Japan Direct Marketing Association (JADMA), to which METI outsources the operation of the Digital Platform Consultation Desk (for online mall users), and when JADMA points out issues with Amazon, promptly work with the relevant departments to identify the cause and promote implementation of remedial measures, etc. (Amazon)
- Establish a new communication channel with Mobile Content Forum (MCF), an industry association of mobile developers to which METI has entrusted the operation of the Digital Platform Consultation Desk (for app store business users), to exchange views with business user groups (Google)

2. Major issues and expected direction of initiatives in the online mall and app store sector

(1) App store fees and billing methods

App store fees have become an extremely important concern for businesses that provide digital services for mobile devices for a fee, influencing business feasibility decisions and future investments, and many have pointed out issues regarding the level of fees and how they should be charged. Internationally, there have been various developments, such as lawsuits, competition law enforcement, and institutional reforms, assuming that there could be competition problems.

At the Monitoring Meeting, Apple and Google, which operate app stores, provided various explanations, including the positioning of their fees (that it is an app store usage fee, not a settlement fee). This point is commendable as a first step toward mutual understanding with business users. In addition, while it has been pointed out that, in practice, only payment methods designated by Apple and Google can be used for billing, Google has applied its User Choice Billing pilot program not only to countries and regions where it is required by law, but also to Japan, and announced its policy to increase billing method options on a trial basis for applications other than game applications, which can be evaluated as an example of initiatives based on user feedback.

However, there is a growing realization that expanding payment options alone will not necessarily encourage competition for app store fees. It is difficult to recognize that there is sufficient competition in terms of fees, and there are also questions as to whether fair competition between users and Apple will be distorted by whether or not fees are paid, and whether the distinction between apps with 15% to 30% fees and those without fees is reasonable, and in this situation, it cannot be said that the situation has yet to be understood and accepted by the business users. **We expect Apple and Google to continue to work toward mutual understanding with business users, for example, by explaining in detail the relationship between costs and fees related to app store operations and how costs should be borne, and by promoting discussions with organizations consisting of business users.** In addition, **with regard to the rule changes regarding payment methods, it is important that they are actually used by business users, and we will closely monitor future trends, including evaluations from business users.**

(2) Preferential treatment of the company and its affiliates

On the specified digital platforms, where the specified digital platform providers themselves or their affiliates offer and sell products and apps, business users have voiced concerns that the specified digital platform providers may be favoring their own companies or affiliates in taking action against violations, in the display ranking of products and apps, and in the use of data regarding the business activities of the business users. Internationally, there have been various discussions and examinations of in-house preferential practices by major digital platforms as a possible competition issue.

At the Monitoring Meeting, each company explained the existence or otherwise of its own preferential practices. This point is commendable as a first step toward mutual understanding with business users. For example, Rakuten explained that it would not take any special measures, such as temporary suspension of services or rejection of all services (account suspension, etc.), on the grounds that the stores were operated by Rakuten, and as a circumstance supporting this policy, they explained that there is no significant difference between stores operated by the company or its affiliates and other stores, regarding the percentage of the stores where violations were pointed out. Yahoo has voluntarily and proactively taken steps to improve the transparency and fairness of preferential treatment of its group company stores, including disclosing that it may give preferential treatment to its group company stores in product labeling and other situations, voluntarily establishing and announcing a management policy regarding conflicts of interest and preferential treatment of its group companies, and subjecting preferential treatment of its group companies to internal audit. Furthermore, Yahoo's intention to review its own group company store preferential treatment tirelessly after explaining future issues is highly commendable.

Some of their own preferential acts may be justified, while others may be evaluated as problematic from the standpoint of fairness and impartiality, but **it is important for specified digital platform providers to dispel the concerns of not only business users but also of society, including experts, since they are entities that are**

highly required to enhance the transparency and fairness of their operations. We expect each company to disclose information and establish a system so that enables objective verification of whether or not it and its affiliates receive preferential treatment and, if so, the legitimacy of such treatment, and then to explain those efforts.

(3) Procedures for account suspension and app deletion

The TFDPA requires that, in principle, 30 days prior to taking measures such as account suspension (refusal of all transactions), the contents and reasons for such measures must be notified (Article 5, Paragraph 4, Item 2 of the Act). This is expected to make it easier for business users to review their operations or offer consultations as necessary, since they will know the reasons for the measures in advance.

However, some business users have commented that they do not know how to respond because there is no explanation as to why their accounts were suspended, or that their accounts were suspended because of their association with the offending account, but it is difficult to prove that there is no association. This may be due to insufficient explanation of the reason or difficulty in providing detailed notification of the reason due to security or other factors. The TFDPA also does not impose the obligation to give notice of reasons, etc. in certain exceptional cases, such as when it harms the legitimate interests of consumers, etc. (Article 5, Paragraph 4, Item 4, proviso of the Act, Article 11, Paragraph 2 of the Ministerial Ordinance).

While account suspension measures and the associated withholding of sales proceeds may be necessary to protect the interests of consumers, etc., they are actions that seriously affect the business activities of the business users. **Specified digital platform providers are required to ensure proper processes and continuously improve their responses while balancing the protection of the interests of consumers and others when taking measures such as account suspension.**

Specifically, the following actions are required.

- i) The necessity and reasonableness of account suspension measures should be carefully determined. In particular, when taking immediate action to suspend accounts without prior notice, **it is necessary to carefully determine whether the action falls under any of the exceptions under the TFDPA,** including the necessity and reasonableness of such action.
- ii) When taking measures to suspend accounts, in principle, **specific reasons are required to be disclosed in advance to the extent that the business user can substantially file an objection.**
- iii) **If it is found that the account suspension was taken in error** through an objection from the business user, etc., **it is expected that efforts will be made to give full consideration to the interests of the business user, such as promptly restoring the account and considering whether or not compensation is necessary.** In particular, it is important to consider how to provide after-the-fact remedial measures, such as enhancing the compensation mechanism, in light of the fact that, in cases where individual account suspension measures are automatically implemented using AI or other means, a certain percentage of wrong decisions may be made, resulting in disadvantages to a large number of users.

On an individual basis, the following responses are expected.

- **[Amazon]: In light of the opinions of business users using the service, to make efforts to communicate carefully with business users using the service, such as explaining the reasons for its decision to the extent that business users are able to file objections substantively, while giving consideration to security and other circumstances, even if this is an emergency response to protect the interests of consumers and other parties.**

In addition to the above, **we expect the number of objections to account suspensions and examples of such objections to be explained so that the appropriateness of account suspensions can be verified externally.** In addition, it would be highly appreciated if measures such as the use of ADR (Alternative Dispute Resolution) at the request of business users, and a study on how reasonable costs for dispute resolution should be borne. Similarly, when taking action against violations, the company is required to ensure due process and fairness, as well as to continuously improve its response.

The following initiatives can be evaluated as desirable efforts in light of the above-mentioned objectives.

- When suspending accounts, fair and careful consideration is given by a council of relevant departments in accordance with the prescribed internal flow (Rakuten)
- In cases where it is not possible to determine from the web page whether or not the product or act is a prohibited, the company will make a careful judgment, such as asking the business user to submit a written response and confirming the facts before determining that the act is a violation (Rakuten)
- By improving the messaging of graduated violation warnings, the number of objections related to not understanding the reason for account suspension has been reduced by 70%. Also, an 18% reduction in objections related to misunderstandings of the reasons for account suspensions by updating the notice to make it easier for business users to understand the meaning in situations where they suspend accounts associated with the offending account (Google)
- When expelling a vendor, an email indicating not only the relevant provisions of the guidelines, etc., but also the specific conduct that is problematic and the reasons why it is problematic, the date of the violation, etc is sent. (Yahoo)
- Present samples of notification letters for contract termination, expelling the vendor, or account suspension actions (Rakuten, Yahoo, Apple)

If an app provided on an app store is removed from the store, not only the business users that provides the app but also existing users of the app may be affected. It would be highly appreciated if Apple and Google voluntarily provide advance notice of app deletion in certain cases, such as when the degree of policy violation or the impact on users is minor, so that business users can take corrective action before apps are deleted.

(4) Handling of returns and refunds

In some cases, the specified digital platform providers, rather than the relevant business users, may be responsible for setting return/refund conditions and making individual return/refund decisions for products, etc. provided by the business users, but business users have voiced their dissatisfaction with the handling of cases in which a specified digital platform provider accepts returns and refunds without sufficient fact-checking, and with the handling of cases in which a purchaser has switched returned merchandise.

At the Monitoring Meeting, the companies explained the conditions for returns and refunds and their individual decisions on accepting returns and refunds, and it was found that at Rakuten Ichiba and Yahoo! Shopping, these conditions are left to the discretion of the business users. On the other hand, at Amazon.co.jp, the App Store, and Google Play Store, Amazon, Apple, or Google may set conditions and make decisions regarding individual returns and refunds for products and other goods provided by business users, and this is considered to be a situation where complaints from business users are likely to arise.

We expect Amazon, Apple, and Google to take measures to improve business users' understanding and business predictability, such as by proactively providing easy-to-understand explanations to business users of their policies and initiatives regarding returns and refunds, and publicly announcing and explaining certain information regarding their return and refund records, and to enhance the process for filing objections.

On an individual basis, the following responses are expected.

- **[Amazon]:** In light of the feedback from business users, we expect the following initiatives in the future.
 - i) **Publicly announce and explain that the return conditions set by Amazon (including campaigns that are temporarily applied only to products for which the Fulfillment by Amazon service¹¹ is used by the business users) have been appropriately set, taking into consideration the impact on the business users and other factors in advance.**
 - ii) **Actively provide easy-to-understand explanations of individual return decisions, return information, and efforts related to objections,** and promote the understanding of business users.
 - iii) In the event that an objection is raised by a business user regarding Amazon's decision to return a product, to communicate sufficiently with the business user to **ensure an appropriate resolution in accordance with the individual case.**
 - iv) **Publicize and explain efforts related to compensation for returned goods,** including an overview of the compensation system for returned goods, the thinking behind the level of compensation, and the actual results of compensation.
- **[Apple]:** In light of the feedback from business users, considering the fact that Apple has set a relatively long period of "60 days" as a general rule to accept refund requests from users, **we expect Apple to further promote efforts to prevent users from being unfairly disadvantaged, such as by enhancing explanatory responses and objection processes.** For example, efforts to provide various tools, etc. that enable business users to obtain information on refunds (status of refunds, history of in-app purchases refunded by apps for customers, history of end users' in-app purchases, subscription status, consumption information, etc.) are commendable, and **we expect that these efforts are proactively explained to business users in an easily understood manner, and will be improved while verifying their use.**

(5) Factors determining the display ranking of products and apps, predictability of app reviews

The display ranking of products and apps has a significant impact on sales of products, etc., and is of great interest to business users. The TFDPA requires specified digital platform providers to disclose key matters that determine the order in which products and other items are displayed (Article 5, Paragraph 2, Item 1(c) of the Act), and certain information has been disclosed by each company. In this respect, Yahoo is highly commendable for its efforts to help users better understand the "Recommended Order" by explaining in detail how the main items that determine the display order were extracted, and by itemizing them in a way that is as consistent as possible with the numerical values, etc. available to users.

We will continue to closely monitor how to ensure transparency and fairness in the display ranking of products and applications, including addressing concerns regarding preferential treatment of our own and affiliated companies.

¹¹Refers to a fee-based optional service in which Amazon stores and ships inventory and performs customer service operations on behalf of the business user.

While some business users have pointed out certain improvements in the app review procedures and system, others have pointed out issues regarding its predictability, fairness, and impartiality. Where the predictability of app reviews affects the business activities and investment decisions of business users, **we expect Apple and Google to continuously work toward improving the app review process while maintaining dialogue with business users.**

III. Conclusion ~Toward Voluntary and Proactive Operational Improvement~

Digital platforms are bearers of innovation and bring a variety of benefits, such as providing SMEs and others with opportunities to develop new customers at home and abroad. On the other hand, the more businesses and consumers use a digital platform, the more convenient it becomes, which is characterized by a significant "network effect," and this tends to create a monopoly or oligopoly, and small and medium-sized businesses are forced to use some of the digital platforms.

In this regard, the TFDPA, from the perspective of striking a balance between innovation and discipline, is based on the voluntary and proactive efforts of digital platform providers, rather than the traditional regulatory approach where the government imposes uniform and strict rules of conduct on providers, and it adopts the mechanism that the government will continuously evaluate the operation of specified digital platforms by listening to the opinions of experts as well as user businesses and consumers, and publish the results of the evaluation to encourage specified digital platform providers to voluntarily improve their operations. This process of "Monitoring Review" is the core of "co-regulation," in which the government provides major direction while leaving a certain degree of autonomy to the voluntary efforts of operators to achieve the objectives of regulation, and thus plays an extremely important role from the perspective of ensuring the effectiveness of the TFDPA.

In light of the purpose and objectives of the Monitoring Review described above, providers of specified digital platforms are required to voluntarily and proactively improve the operation of their specified digital platforms based on this evaluation, and to ensure the trust of business users and society as a whole by providing a solid explanation of the effectiveness of their efforts. METI will closely monitor the status of efforts by each company and review the direction of expected efforts through revisions of the guidelines. In addition, for those cases that are difficult to deal with under the framework of the TFDPA, which is based on voluntary efforts, and existing laws and regulations, it is conceivable to consider enforceable intervention measures in cooperation with relevant ministries and agencies, while referring to international trends.