

# Latest Policy Updates on Digital Platforms in Japan

## Quarterly report (January to March, 2022)

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August, 2022

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: January-March 2022

## Theme (1)

Competition law	Privacy
Consumer law	Other

## Theme (2)

Proposal of new legal systems and policies at relevant authorities	Relevant report
Examples of enforcement of existing laws	Other

## Survey of trends among relevant authorities in Japan

日付	テーマ (1)	テーマ (2)	タイトル
January 18	Competition law	Other	METI holds the 7th meeting of the Platform Economics Study Group
January 28	Competition law	Other	Headquarters for Digital Market Competition holds the 32nd meeting of the Digital Market Competition Council Working Group
February 1	Competition law	Other	METI holds the 8th meeting of the Platform Economics Study Group
February 7	Competition law	Other	Headquarters for Digital Market Competition holds the 33rd meeting of the Digital Market Competition Council Working Group
February 8	Competition law	Relevant report	JFTC discloses the results of a fact-finding survey on the procurement of information systems in government offices
February 14	Other	Other	Digital Agency holds the 2nd meeting of the Sub-working Group on Implementing Data-Handling Rules on Platforms
February 18	Competition law	Other	METI holds the 9th meeting of the Platform Economics Study Group
February 21	Privacy	Other	MIC holds the 32nd meeting of the Study Group on Platform Services
February 28	Other	Relevant report	METI discloses a report at a meeting of the Expert Group on Data Free Flow with Trust

# Trends Among Relevant Authorities in Japan: January-March 2022

## Theme (1)

Competition law	Privacy
Consumer law	Other

## Theme (2)

Proposal of new legal systems and policies at relevant authorities	Relevant report
Examples of enforcement of existing laws	Other

## Survey of trends among relevant authorities in Japan

日付	テーマ (1)	テーマ (2)	タイトル
March 4	Competition law	Other	Headquarters for Digital Market Competition holds the 34th meeting of the Digital Market Competition Council Working Group
March 4	Other	Other	Digital Agency holds the 3rd meeting of the Data Strategy Promotion Working Group by rotation
March 7	Privacy	Other	MIC holds the 33rd meeting of the Study Group on Platform Services
March 14	Competition law	Other	METI holds the 2nd meeting of the Monitoring Meeting on the Transparency and Fairness of Digital Platforms
March 15	Other	Other	Headquarters for Digital Market Competition holds the “Trusted Web” event
March 15	Competition law	Other	METI holds the 10th meeting of the Platform Economics Study Group
March 16	Competition law	Examples of enforcement of existing laws	JFTC approves commitment plan submitted by Booking.com B.V.
March 23	Competition law	Other	Headquarters for Digital Market Competition holds the 35th meeting of the Digital Market Competition Council Working Group
March 28	Privacy	Other	MIC holds the 34th meeting of the Study Group on Platform Services

January 18, 2022

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 7th meeting of the Platform Economics Study Group

- On January 18, 2022, METI held the 7th meeting of the Platform Economics Study Group.
- The agenda was as follows.
  - (1) Report on the paper “Dual Role Platforms and Search Order Distortion” (Sato, Lecturer, Institute of Economic Research, Hitotsubashi University)
  - (2) Presentation on disclosure regarding ranking indications

January 28, 2022

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 32nd meeting of the Digital Market Competition Council Working Group

- On January 28, 2022, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 32nd meeting of the Digital Market Competition Council Working Group.
- The agenda was as follows.
  - Summary of issues based on discussions to date

February 1, 2022

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 8th meeting of the Platform Economics Study Group

- On February 1, 2022, METI held the 8th meeting of the Platform Economics Study Group.
- The agenda was as follows.
  - Presentation on suit filed against Facebook by Japan Federal Trade Commission (JFTC) (Tomohiko Yano, NERA Economic Consulting)
  - Presentation on data access for research purposes (Secretariat Kajiro, Legal Specialist, METI)
  - Report on results of questionnaire for digital platform user companies and consumers (Secretariat)



February 7, 2022

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 33rd meeting of the Digital Market Competition Council Working Group

- On February 7, 2022, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 33rd meeting of the Digital Market Competition Council Working Group.
- The agenda was as follows.
  - Summary of issues based on discussions to date

February 8, 2022

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

## JFTC discloses the results of a fact-finding survey on the procurement of information systems in government offices

- With the promotion of the digital conversion of government administration now becoming an urgent issue, the JFTC has recognized that from the perspective of competition policy, it is important to arrange an environment in which a variety of vendors can easily participate, through measures such as preventing “vendor lock-in” in the future procurement of information systems. Therefore, it has conducted a survey to understand the actual situation of information system procurement by national institutions and local public entities.

February 14, 2022

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 Sub-working Group on Implementing Data-Handling Rules on Platforms

- On February 14, 2022, the Digital Agency held the 2nd meeting of the Sub-working Group on Implementing Data-Handling Rules on Platforms.
- The agenda was as follows.
  - Explanation by the Cabinet Office (Cabinet Office of Intellectual Property Strategy)
  - Q&A and discussion

February 18, 2022

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 9th meeting of the Platform Economics Study Group

- On February 18, 2022, METI held the 9th meeting of the Platform Economics Study Group.
- The agenda was as follows.
  - Summary of the paper “A simple method to estimate discrete type random coefficients logit models” (Naoshi Doi, Committee Member and Associate Professor, Department of Economics, Faculty of Commerce, Otaru University of Commerce)
  - Latest trends in the mobile market (Keijiro Kuribayashi, Mobile Strategy Consultant, data.ai inc. (formerly App Annie Inc.))

February 21, 2022

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 32nd meeting of the Study Group on Platform Services

- On February 21, MIC held the 32nd meeting of the Study Group on Platform Services.
- In light of the fact that platform providers offer services using a large amount of user information, this study group examines how to ensure the appropriate handling of user information.
- Agenda
  - Interview with business operator groups (Safer Internet Association, Social Media Association of Japan)
  - Status of government initiatives
  - Summary of on the latest trends in the EU regarding illegal and harmful information on the Internet

Source: MIC, “32nd Meeting of Study Group on Platform Services” (in Japanese)

URL [https://www.soumu.go.jp/main\\_sosiki/kenkyu/platform\\_service/02kiban18\\_02000185.html](https://www.soumu.go.jp/main_sosiki/kenkyu/platform_service/02kiban18_02000185.html)

February 28, 2022

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 discloses a report at a meeting of the Expert Group on Data Free Flow with Trust

- The main points in the report of the Expert Group on Data Free Flow with Trust, published by METI on February 28, 2022, are as follows.
  - In order to embody the vision of "Data Free Flow with Trust (DFFT)" in a systemized form, it is critical that countries who share basic values build and propose interoperable mechanisms based on regulatory requirements such as privacy, security, and protection of intellectual properties.
  - Also, to facilitate international data distribution, trust must exist not only among governments, but also among all stakeholders involved with the life cycle of data, including corporations, natural persons, regulatory authorities, and international organizations.
  - Therefore, the international framework aiming to realize DFFT should include consideration for the identification and elimination of barriers that exist among these various entities, from a bottom-up perspective.

Source: METI, "Report of Meeting of Expert Group on Data Free Flow with Trust" (in Japanese)

[https://www.meti.go.jp/shingikai/mono\\_info\\_service/data\\_ekkyo\\_iten/20220228\\_report.html](https://www.meti.go.jp/shingikai/mono_info_service/data_ekkyo_iten/20220228_report.html)

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(English version)

(English version)

March 4, 2022

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 34th meeting of the Digital Market Competition Council Working Group

- On March 4, 2022, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 34th meeting of the Digital Market Competition Council Working Group.
- The agenda was as follows.
  - Evaluation of competition regarding mobile ecosystems, etc.

March 4, 2022

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 3rd meeting of the Data Strategy Promotion Working Group by rotation

- On March 4, 2022, the Digital Agency held the 3rd meeting of the Data Strategy Promotion Working Group by rotation. The agenda was as follows.
  - Exchange of opinions on the Guidance for Implementing Data-Handling Rules on Platforms, ver. 1.0 (draft).



March 7, 2022

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 33rd meeting of the Study Group on Platform Services

- On March 7, MIC held the 33rd meeting of the Study Group on Platform Services.
- In light of the fact that platform providers offer services using a large amount of user information, this study group examines how to ensure the appropriate handling of user information.
- Agenda
  - Interview with business operators (Yahoo, Google, LINE, Meta, Twitter)
  - Q&A
  - Other

March 14, 2022

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 2nd meeting of the Monitoring Meeting on the Transparency and Fairness of Digital Platforms

- On March 14, 2022, METI held the 2nd review meeting of the Monitoring Meeting on the Transparency and Fairness of Digital Platforms.
- The agenda was as follows.
  - Results of questionnaire survey for digital platform user companies (Secretariat)
  - Questions and confirmation items for specified digital platform providers

March 15, 2022

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 “Trusted Web” event

- On March 15, 2022, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the “Trusted Web” event with the goal of realizing a new Internet with ensured reliability.
- The details of the program were as follows.
  - Part 1: Lecture (State of Reliability Demanded of the Web Today)
  - Part 2: Presentation (Status of Initiatives in the Current Fiscal Year)
  - Part 3: Panel Discussion (Potential for Further Development in the Future)

March 15, 2022

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 10th meeting of the Platform Economics Study Group

- On March 15, 2022, METI held the 10th meeting of the Platform Economics Study Group.
- The agenda was as follows.
  - Summary report of economics papers on digital platforms
  - Presentation on the paper “Passive or Active? Behavioral changes in different designs of search experiments” (Yuta Kittaka, Kobe University)
  - Presentation on empirical research on fraudulent manipulation of reviews (Sakaguchi, Keio University)
  - Summary to date

March 16, 2022

Competition law	Privacy	Proposal of new legal systems and policies at relevant authorities	Relevant report
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## JFTC approves commitment plan submitted by Booking.com B.V.

■ On March 16, 2022, the JFTC announced that it had approved a commitment plan submitted for application under the Antimonopoly Act's commitment procedures by the company Booking.com B.V. in the Netherlands, an operator of an online accommodation reservation site, regarding the issue of its requesting accommodation facilities to guarantee the lowest prices and other such acts.

### ■ Outline of alleged violations

- On the accommodation reservation website “Booking.com site” operated by the Booking.com B.V., it had made requests to accommodation facility operators through its own company and its Japanese subsidiary Booking.com Japan K.K., based on contracts with accommodation facilities in Japan specifying the condition that they would provide accommodation rates and numbers of rooms which were equal to or more advantageous than those of other sales channels.

### ■ Impacts of alleged violations

- When other accommodation reservation websites decided to offer discounts at their own expense and posted discounted accommodation rates, the relevant accommodation facilities requested that posting of the discounted accommodation rates be suspended, because doing so would leave no choice but to post the discounted accommodation rates on the Booking.com site as well.
- When it was proposed to these accommodation facilities to participate in a plan to reduce accommodation rates in order to attract customers, they refused to participate, for the reason that it would become necessary to post the same rates on the Booking.com site as well and would not necessarily lead to the expected increase in customers.

### ■ Overview of commitment plan

- In addition to discontinuing these actions, the commitment plan submitted on this occasion Booking.com B.V. also included provisions to not use the ranking algorithms or mechanisms for determining the ranking of accommodation listings on the Booking.com site to enforce such conditions, to pass resolutions on these matters at Board of Directors' meetings, and to thoroughly communicate these matters to executives and employees in its company and its Japanese subsidiary.

Source: JFTC, Approval of the Commitment Plan submitted by Booking.com B.V.. (March 16, 2022)

URL <https://www.jftc.go.jp/en/pressreleases/yearly-2022/March/220316.html>

March 23, 2022

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 35th meeting of the Digital Market Competition Council Working Group

- On March 23, 2022, the Headquarters for Digital Market Competition of the Cabinet Secretariat held the 35th meeting of the Digital Market Competition Council Working Group.
- The agenda was as follows.
  - Evaluation of competition regarding mobile ecosystems, etc.
  - Evaluation of competition regarding new customer contacts

March 28, 2022

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 34th meeting of the Study Group on Platform Services

- On March 28, MIC held the 34th meeting of the Study Group on Platform Services.
- In light of the fact that platform providers offer services using a large amount of user information, this study group examines how to ensure the appropriate handling of user information.
- The agenda was as follows.
  - Interview with business operators (Yahoo!, Google, LINE, Meta, Twitter), Q&A
  - Other

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