

Section 2 Trends in telecommunications business policies

1. Summary

(1) Initiatives so far

Over the more than 35 years since the liberalization of telecommunications business and the enforcement of the Telecommunications Business Act (Act No. 86 of 1984) in 1985, there have been a large number of new entries into the telecommunication market. Under the principle of competition, various communication technologies such as IP, using digital technology, and mobile broadband have been advanced and introduced, rates have dropped, and services have remarkably grown more diversified and advanced. The Ministry of Internal Affairs and Communications has continued to review various policies and systems in order to ensure that reliable telecommunications services are provided while maintaining the innovation and dynamism of such services.

For example, there have been many recent environmental changes in the Japanese telecommunications market, such as the spread of mobile phones and broad-

band, and the development of competition among groups mainly consisting of mobile telecom operators. In light of these environmental changes, MIC has developed systems to continue to ensure a fair competitive environment. MIC has taken measures to resolve issues such as higher rates for mobile phones (now a daily necessity) compared to other countries, and complicated and difficult pricing plans, in order to create a fair competitive environment in which citizens can use low-cost and diverse mobile phone services.

MIC has also developed rules to respond to the increasing number of problems related to the use of telecommunications services due to information gaps between consumers and business operators, inappropriate solicitation by business operators, the increasing complexity and sophistication of cyberattacks, and more serious global risks.

(2) Future challenges and directions

The telecommunications business provides telecommunications services that are essential for citizen's lives and socioeconomic activities. The importance of telecommunications services has continued to increase. As the social structure of Japan moves toward a rapid decline in population and a super-aging population, the creative role that ICT plays in rural areas, such as strengthening the regional industrial base and promoting rural migration, is expected to increase in the future. The role that ICT plays in the revitalization of economic activities such as creating new businesses and improving productivity, the realization of a safe and secure society, and the solving of social issues in various fields (such as healthcare, education, and administration) is also expected to increase.

It will therefore be extremely important for each individual and the social economy of Japan to secure the interests of users of telecommunications services and to

develop digital infrastructures as a foundation to support the promotion of innovation, using digital technology, and DX throughout Japanese society.

In addition to the telecommunications market, the social structure of Japan is expected to undergo further drastic changes, ultimately rendering existing social and economic models useless. There is a growing need to attempt to use advanced information and communications technologies to solve social issues and create value.

Telecommunications services have become indispensable for citizen's lives and socioeconomic activities, and it is necessary to be able to continue to provide services even in emergency situations such as natural disasters and communications outages.

For this purpose, it is necessary to create an environment where all entities in Japan can use safe, secure and reliable information and communications services.

2. Creation of a fair competitive environment

(1) Analysis and verification of the telecommunications market

a Verification of the telecommunications market

Since fiscal 2016, the Ministry of Internal Affairs and Communications has been engaged in integrated market verification efforts to analyze and verify market trends and confirm whether telecom operators are operating appropriately, and holds the “Telecommunications Market Verification Conference” in order to obtain advice from an objective and professional perspective. The conference is attended by academic experts and others. In light of changes to the telecommunications market environment, the “Review Committee for Ensuring Fair

Competition” (established under the “Telecommunications Market Verification Conference”) made recommendations in October 2021 on the need to strengthen market verification efforts. Based on these recommendations and others, market verification has been carried out continuously since fiscal 2021 based on the “Basic Policy on Market Verification in the Telecommunications Business Field,” which was formulated in December of the same year and describes a basic concept of market verification and the overall verification process.

b Creation of a fair competitive environment in the mobile market

The Ministry of Internal Affairs and Communications is working to create a fair competitive environment in the mobile market in order to realize a variety of low-cost services through promoting active competition among businesses. In 2019, the Telecommunications Business Act was revised to separate communication fees from device fees and to prohibit excessive lock-in. Since 2020, the “Working group on Verifying Rules of Competition” (established under the “Telecommunications Market Verification Conference”) has continued to verify the effects of measures taken in response to this revision and their impact on the mobile market. The working group is currently conducting a review under Article 6 (Review Clauses) of the Supplementary Provisions of the Revised Telecommunications Business Act of 2019, and will take necessary measures based on the results of the review.

In October 2020, the Ministry of Internal Affairs and Communications announced its “Action Plan for the Creation of a Fair Competitive Environment in the Mobile Market,” which outlines specific efforts to develop a fair

competitive environment in the mobile market. Various measures have also been taken based on the discussion of the “Working group on Verifying Rules of Competition” and this action plan, such as placing a general ban on SIM locks (August 2021) and establishing a system to allow for the early termination of existing contracts (January 2022). Progress has also been made in creating a fair competitive environment in the mobile market even for mobile carriers, such as eliminating penalties, launching carrier email carry-over services, and introducing eSIMs.

The Ministry of Internal Affairs and Communications is now striving to publicize information through consumer groups to promote understanding among consumers. In December 2020, the “Mobile Phone Portal Site” was launched on the Ministry of Internal Affairs and Communications website with neutral information to help consumers choose a plan that suits them. In April 2022, the site underwent a redesign and greatly expanded its content to further promote consumer understanding.



Figure (related data) Mobile phone portal site

URL: https://www.soumu.go.jp/menu_seisaku/ictseisaku/keitai_portal/

(2) Creation of connection rules

a Review of method to calculate mobile connection fees

Since February 2021, mobile carriers have been offering low-cost pricing plans for mobile communications. Competition between MNOs and MVNOs in the mobile market is expected to further reduce prices and enhance and diversify services.

Based on the “Sixth Report” released by the “Study Group on Calculating Mobile Connection Fees” (Sep-

tember 2022), the Ministry of Internal Affairs and Communications has been engaged in efforts to ensure that mobile connection fees are appropriate, such as requiring companies to report equipment operation policies in their mobile connection fee notifications to MIC and confirming that companies are not arbitrarily operating equipment.

b Review of systems related to wholesale telecommunications service

Both the “Report 2021 on the Verification of Rules of Competition” and the “Fifth Report” of the “Study Group on Calculating Mobile Connection Fees” indicated that the reason why voice call rates (metered rate) of MNO had not fallen over many years is that negotiations between MNOs and MVNOs were not functioning effectively.

Based on the report of the study group (February 2022), the Act Partially Amending the Telecommunications Business Act was enacted in June of the same year. The new law stipulates that a wholesaler must provide wholesale telecommunications services and must pro-

vide information that contributes to the facilitation of negotiations at the request of the purchasing provider, with regard to wholesale telecommunications services provided using designated equipment. Based on the discussions of the study group, the Ministry of Internal Affairs and Communications revised the Ordinance for Enforcement of the Telecommunications Business Act, etc. in order to define the details of the system, such as the scope of services that must be provided and what information must be presented to purchasing providers. The Act came into effect in June 2023.

c Review of connection systems related to voice communication

The transition of the telephone network of Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation to an IP network is expected to be completed in 2024, and so MIC consulted with the Information and Communications Council in April 2020 on how connection systems should function at each stage of the transition to an IP network,

and received a partial report in September of the same year and a final report in September 2021.

Based on the final report, the Act Partially Amending the Telecommunications Business Act was enacted in June 2022 and came into effect in June 2023, with the goal of revising the scope for calculating the occupancy rate of subscriber lines installed by each telecom opera-

tor under the Type I Designated Telecommunications Equipment System, from the prefectural level to the business area of each carrier.

The Ministry of Internal Affairs and Communications also revised the Ordinance on Type I Designated Telecommunications Equipment Connection Fees (Ministry of Posts and Telecommunications Order No. 64 of 2000) in order to establish provisions on voice connection fees for subscriber phones in the process of switching to an IP network, and Telecommunications Business Act Re-

view Standards (Ministry of Internal Affairs and Communications Directive No. 75 of 2001) with regard to the right to set fees for calls from subscriber phones to mobile phones, and formulated a ruling policy on the right to set user fees.

The Ministry of Internal Affairs and Communications is now examining how voice fees should be handled after switching to an IP network, including the adoption of a “bill and keep” method where providers do not pay voice connection fees to each other.

3. Development and maintenance of digital infrastructures

(1) Promotion of optical fiber

While the use of digital technologies, including remote work, remote education, and remote medical care, holds great promise in solving regional problems, digital infrastructures using optical fiber have been slow to develop in geographically disadvantaged regions such as sparsely populated areas and remote islands, due to the heavy financial burden relative to the population.¹

With this in mind, the Ministry of Internal Affairs and Communications has implemented the “Advanced Wireless Environment Improvement Promotion Project,” which provides subsidies for a portion of the business expenses of local governments and telecom operators in disadvantaged areas who develop optical fiber, which is a prerequisite for high-speed, large-capacity wireless communications such as 5G. This project also covers expenses required for local governments to maintain and manage optical fiber and other equipment in remote

island regions. Based on the “Digital Garden City Nation Infrastructure Development Plan” (formulated in March 2022 and revised in April 2023), the goal is to increase optical fiber coverage (household coverage) from 99.7% at the end of March 2022 to 99.9% by the end of March 2028.

In order to develop a communications environment that contributes to the “GIGA School Program,” MIC is now focusing its efforts on schools that do not have sufficient communications environments. By taking into account the communications status of schools, MIC will promote the development of communications environments using 5G during fiscal 2023 for schools that plan to install optical fiber in fiscal 2024 or later, and will promote the early and smooth transition of public equipment to private equipment based on the requests of local governments.

(2) Local distribution of data centers, submarine cables, etc.

Demand for data centers and submarine cables has been increasing worldwide due to the rapid increase in Internet traffic during the COVID-19 pandemic and also due to expanded use of cloud and AI due to advances in digital transformation. These digital infrastructures will become even more important in the future as they support social and economic activities. Analyzing the locations of data centers in Japan reveals that, although investment in the Osaka area has increased in recent years, about 60% of data centers are concentrated in the Tokyo area. This situation is expected to continue. As for submarine cables, the landing stations that terminate international submarine cables are concentrated in and around the Boso Peninsula, while domestic undersea cables remain undeveloped in the Sea of Japan (missing links). If the Tokyo and Osaka areas are damaged during a massive earthquake, communications services could be affected on a nationwide scale. In order to strengthen Japan's digital infrastructure, it is necessary to better distribute data centers and develop undersea cables in the Sea of Japan. Because Japan is located at the transit point between North America, Europe, and the Asia-Pacific region, it is necessary to further promote the laying of international undersea cables to Japan and strengthen Japan's role as a hub for internation-

al data distribution. Furthermore, in view of recent changes in the international situation including the increasing complexity of the security environment surrounding Japan, it is necessary to enhance safety measures for international submarine cables and landing stations.

As a supplementary budget project for fiscal 2021, the Ministry of Internal Affairs and Communications established a subsidy to support private business operators to develop data centers and submarine cables, and has begun to support the development of data centers located outside the Tokyo area. The “Digital Garden City Nation Infrastructure Development Plan” (formulated in March 2022 and revised in April 2023) also includes goals for data centers and submarine cables. (1) It calls for the development of third and fourth core bases for data centers that complement and could serve as alternates for Tokyo and Osaka over the short term and, in coordination with relevant ministries and agencies (such as the Ministry of Economy, Trade and Industry), consideration for how to further decentralize data centers and the necessary support for the development of bases and other facilities. (2) It also calls for the development of domestic submarine cables within the Sea of Japan (missing links) and complete submarine cables around

¹ Refer to Chapter 4, Section 2, “Trends in the telecommunications field”

Japan (Digital Garden City Super Highway), and for the development of submarine cables to strengthen the role of Japan as a hub for international data distribution, in conjunction with efforts to decentralize data centers. In order to strengthen safety measures for international submarine cables and landing stations, MIC is also pro-

moting efforts to implement multi-routing in case of disconnection of international submarine cables, protect international submarine cables and landing stations, and strengthen systems for laying and maintaining international submarine cables.

(3) Ensuring provision of broadband service

Broadband service is crucial to provide services such as remote work, remote education, and remote medical care. Having deemed these services necessary by Ministerial Ordinance, the Ministry of Internal Affairs and Communications has positioned broadband as a new type of universal telecommunications service under the Telecommunications Business Act ((ii) universal telecommunications services). In order to ensure the appropriate, fair, and reliable provision of such services, business operators are obligated to provide notification of the terms and conditions of contracts, provide services, and maintain compliance with technical standards. In order to ensure the provision of such (ii) universal telecommunications services nationwide, the system has also been revised by establishing a new grant system (Universal Service System for Broadband Services) based on contributions paid by broadband service providers nationwide (Act Partially Amending the Telecommunications Business Act [Act No. 70 of 2022]).

In order to examine the specific details of the system as specified by government and ministry orders in June 2022, MIC consulted the Information and Communications Council on the ideal universal telecommunications service system for broadband services, and received a report in February 2023. In this report, it was deemed appropriate to define the scope of these (ii) universal telecommunications services as FTTH, HFC CATV internet service, and wireless fixed broadband equivalent to these services (dedicated).² As for wireless fixed broadband (shared),³ it was deemed appropriate to continue to consider how to position such services,⁴ and a summary was provided on how business operators should respond and how the subsidy system should function. Based on the report, the Ministry of Internal Affairs and Communications has released government and ministry orders, and the new Act and these orders came into effect in June 2023.

4. Ensuring the safety and reliability of telecommunications infrastructures

(1) Establishment of systems related to technical standards for telecommunications equipment

In light of the increasing number of virtualization technologies and cloud services being introduced and used in communications networks, and due to the fact that communications service provision structures are becoming more diverse and complex, the IP Network Equipment Committee (Information and Communications Technology Subcommittee, Information and Communications Council) examined technical conditions for telecommunications equipment in response to the diversification and complexity of networks associated with the advancement of virtualization technologies from April 2022 to February 2023.

A partial report by the Information and Communications Council⁵ based on the first report prepared in September 2022 deemed it appropriate to impose technical standards equivalent to those currently imposed on the

mobile phone equipment of MNOs for MVNOs, etc. that will be designated as voice transmission mobile phone numbers. Following a report by the Information and Communications and Posts Administrative Council,⁶ the Ministerial Ordinance to Partially Revise the Ordinance for Enforcement of the Telecommunications Business Act, etc. came into effect in February 2023 to relax conditions for designating voice transmission mobile phone numbers.

The committee also examined technical conditions for telecommunications equipment in response to the advancement of technologies such as virtualization technologies along with technical conditions for situations in which serious accidents could occur, and summarized them as its second report in February 2023. Based on the partial report of the Information and Communications Council (based on this report),⁷ the Ordinance for

² Provided using a dedicated wireless connection (regional BWA, local 5G, etc.) for fixed communications services.

³ Provided using a wireless connection (mobile phone network) shared by fixed communications services and mobile communications services.

⁴ Several issues were indicated, such as the lack of stability in the quality of communications when a single base station is used to cover unspecified users of mobile phones and a large number of terminals are connected, and issues related to requirements for self-installed equipment set forth in Article 2, Paragraph 5 of the Act on Nippon Telegraph and Telephone Corporation, etc. in order for Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation to provide wireless fixed broadband using wireless equipment provided by others (mobile carriers).

⁵ Partial report from the Information and Communications Council on technical conditions for telecommunications equipment in response to the diversification and complexity of networks associated with the advancement of virtualization technologies, etc. (September 16, 2022): https://www.soumu.go.jp/menu_news/s-news/01kiban05_02000253.html

⁶ Results of request for comments on the partial revision of the Ordinance for Enforcement of the Telecommunications Business Act, etc., and report from the Information and Communications and Posts Administrative Council (January 20, 2023): https://www.soumu.go.jp/menu_news/s-news/01kiban06_02000100.html

⁷ Partial report from the Information and Communications Council on technical conditions for telecommunications equipment in response to the diversification and complexity of networks associated with the advancement of virtualization technologies, etc. (February 24, 2023): https://www.soumu.go.jp/menu_news/s-news/01kiban05_02000283.html

Enforcement of the Telecommunications Business Act, etc. revised based on technical conditions for situations in which serious accidents could occur came into effect in June 2023. MIC will promptly proceed with the devel-

(2) Ensuring communications services in emergencies

a Initiatives for continuously sharing information

In recent years, natural disasters such as earthquakes, typhoons, heavy rain, heavy snow, floods, landslide disasters, and volcanic eruptions have frequently occurred in Japan, and communications services have also been affected by power outages, communication equipment failures, and cable disconnections.

In October 2018, the Ministry of Internal Affairs and Communications established the “Liaison Group for Securing Communications Services during Disasters” as a

b Initiatives of the “Ministry of Internal Affairs Disaster Telecom Support Team (MIC-TEAM)”

In June 2020, the Ministry of Internal Affairs and Communications launched the “Ministry of Internal Affairs Disaster Telecom Support Team (MIC-TEAM)” to provide disaster response support in order to ensure means of information and communications during disasters. When a large-scale disaster has occurred or is likely to occur, MIC-TEAM is dispatched to local governments in disaster-stricken areas to assess the status of the disaster in relation to information and communications services, make contact and coordinate with relevant government organizations and business operators, provide technical advice to local governments, and provide other forms of support such as loaning out vehicle-

c Investigation into the mutual use of networks among mobile carriers

Mobile phone service is an essential lifeline for citizen's lives and economic activities. One important challenge is to establish environments in which mobile phone users can continue to use communications services through “intercarrier roaming,” which allows consumers to use the networks of other operators on a temporary basis, even during emergencies such as natural disasters and communications outages. In response, the Ministry of Internal Affairs and Communications began

(3) Analysis and verification of telecommunications accidents

In order to prevent future telecommunications accidents from occurring, it is necessary to implement appropriate measures during and after accidents, in addition to measures taken in preparation for accidents. The Ministry of Internal Affairs and Communications began holding the “Telecommunications Accident Verification Conference” since 2015 to analyze and verify reports on serious accidents (mainly as defined in the Telecommunications Business Act) and quarterly reported accidents (as defined in Telecommunications Business Reporting Regulations), in order to effectively utilize various efforts to prevent recurrence by verifying accident reports. Members of the conference compiled the results of verifying telecommunications accidents that occurred in fiscal 2021, and published the “Verification Report on Telecommunications Accidents in Fiscal

2021” in November 2022.

opment of systems based on technical conditions for telecommunications equipment in response to the advancement of technologies such as virtualization technologies.

means for MIC and major telecom operators such as designated public agencies to reflect back on how successive disasters have been handled in the past, and to review systems and take more appropriate actions, so that communications services can be ensured during disasters. The group shares information and exchanges opinions on issues such as readiness coordination and cooperation, and rapid assessment and restoration of damage.

mounted power supplies. In fiscal 2022, the team was dispatched to local governments in disaster-stricken areas during Typhoon No. 14 in September and in heavy snow areas since December 22.

In order to respond to issues related to collaboration and cooperation in providing power or fuel and cleaning up fallen trees following Typhoon Faxai in 2019, coordinated training was conducted in fiscal 2022 with Tagajo City, Miyagi Prefecture, Chiba Prefecture, Hamamatsu City, Shizuoka Prefecture, and Ehime Prefecture on how related organizations such as telecom operators and power/fuel-related utilities should provide an initial response.

holding meetings of the “Study Group on Intercarrier Roaming in Emergency Situations” in September 2022. The study group prepared and published its first report on a basic policy for introducing intercarrier roaming that allows for full roaming as soon as possible for emergency calls, regular phone calls, data, and call-backs from agencies receiving emergency calls in December of the same year.

2021” in November 2022.

Telecommunications services are becoming an increasingly essential foundation for citizen's lives and socioeconomic activities, and the impact of telecom operator communications outages on society as a whole is growing. Under these circumstances, communications outages caused by telecom operator are frequent. Many issues were noted with how telecom operators provide information when communications outages occur, such as taking too long to notify consumers or not even providing notification at all. In order to appropriately protect the interests of consumers, it is necessary to must seriously reconsider how consumers are provided with information in the telecommunications field. Toward that end, the Telecommunications Accident Verification Conference Notification and Contact Organization Working

Group was established in October 2022, and a summary of the group's report was released in January 2023.⁸ Based on this information, “Notification Guidelines for Telecommunications Service Outages” were established in March 2023 to provide information on how to notify users in the event of telecommunications service accidents and outages occurring.

There are likely many common issues behind frequently occurring communications outages, such as insufficient risk assessment and risk identification, human errors and insufficient employee training, and insufficient governance of maintenance and operation sys-

tems. In response, the Telecommunications Accident Verification Conference began examining structural issues with organizations and attitudes behind individual accidents, reviewing technical standards and other management rules based on verifying these structural issues, and considering how to enhance governance of maintenance and operation attitudes related to safety measures in December 2022. The conference then summarized its findings in “Report on Verifying Structural Issues Involved in Telecommunications Accidents” in March 2023. MIC will continue to consider further revisions to such systems.

5. Development of a safe and secure usage environments for telecommunications services

(1) Ensuring governance in the telecommunications business field

The telecommunications business is essential for promoting innovation in various fields including the information and communications field. In order to provide innovative services and promote DX throughout society by introducing digital technologies, it is necessary to ensure that reliable telecommunications services that can be trusted by consumers are provided.

In order to ensure safe, secure, and reliable communications services and networks in the digital age, the Ministry of Internal Affairs and Communications began holding the “Telecommunications Business Governance Review Committee” in May 2021, in order to examine how telecom operators should ensure governance with regard to cybersecurity measures and data handling, and to consider future measures. Based on the recommendations of the review committee, the Act Partially Amending the Telecommunications Business Act was established in June 2022, which establishes new rules for information handling and requires operators to provide notification, in order to promote the proper handling of user information while ensuring consistency

with rules in other countries. Aimed mainly at telecom operators that acquire and manage large amounts of information, the law also establishes rules to ensure that telecommunications services can be provided smoothly through the use of measures against cyberattack and accident reporting systems implemented through cooperation between operators. The Ministry of Internal Affairs and Communications then held meetings of the “Working Group on the Proper Handling of Specified User Information” from June to September of the same year to review details of regulations concerning the handling of specified user information, and revised the Ordinance for Enforcement of the Telecommunications Business Act to specify (1) information handling rules, (2) information handling policies, (3) items to evaluate the status of handling specified user information, (4) requirements for specified user information general administrators, and (5) the content of reports required when specified user information is leaked. This act and the Ordinance for Enforcement of the Telecommunications Business Act came into effect in June 2023.

(2) Establishment of consumer protection rules in the telecommunications business field

a Overview

As telecommunications services become more advanced and diverse, they bring added convenience and choice to many consumers. However, problems have also arisen due to issues such as information gaps between consumers and providers and inappropriate solicitation by providers. In order to prevent such problems from occurring and to allow consumers to enjoy

the benefits of increasingly advanced and diverse telecommunications services, the Ministry of Internal Affairs and Communications has developed and is enforcing appropriate consumer protection rules for telecommunications services, and continues to review them as necessary.

b Ensuring the effectiveness of consumer protection rules

(a) Complaints and inquiries, cooperation with related parties, and administrative guidance

The Ministry of Internal Affairs and Communications has established the “MIC Telecommunications Consumer Consultation Center” to receive information provided by consumers.⁹ The Telecommunications Consumer

Support Liaison Group¹⁰ also meets twice each year in regions all over Japan to share information on efforts and exchange opinions among related parties. Based on the information obtained through these efforts, MIC

⁸ Summary of Telecommunications Accident Verification Conference Notification and Contact Organization Working Group https://www.soumu.go.jp/main_content/000858975.pdf

⁹ 18,331 complaints have been received by phone and online (fiscal 2021).

¹⁰ A liaison group organized by the Ministry of Internal Affairs and Communications to exchange opinions on how to support consumers in telecommunications services, with members of consumer centers and telecom operator organizations in various regions.

continues to work to ensure the effectiveness of consumer protection rules for telecommunications services by providing administrative guidance and by cooperating with the Consumer Affairs Agency as necessary.

(b) Monitoring

The Ministry of Internal Affairs and Communications has established its “Basic Policy on Supervising Rules for Protecting Consumers in the Telecommunications Business” to monitor the operation status of consumer protection rules, and holds the “Regular Meeting for Monitoring Consumer Protection Rules”¹¹ twice a year to share and evaluate information among experts and related business organizations.

Participants in this meeting share and evaluate the results of analyzing overall trends as well as trends in each service type (such as MNO, MVNO, and FTTH), with regard to complaints and inquiries in the telecommunications business field. The results of analyzing individual topics,¹² the results of field investigations (anonymous investigations), the results of ad hoc investigations

c Review of consumer protection rules

The Ministry of Internal Affairs and Communications has continued to review and expand consumer protection rules in response to changes in the telecommunications market and problems encountered by consumers. Since June 2020, the “Consumer Protection Rule Review Committee” has met to thoroughly review relevant systems, and in September 2021 summarized its findings in “Report 2021 of the Consumer Protection Rule Review Committee.” Based on this report, the Ministry of Internal Affairs and Communications has taken the following steps to expand consumer protection rules.

[1] Revise Ordinance for Enforcement of the Telecommunications Business Act

In February 2022, the Ordinance for Enforcement of the Telecommunications Business Act was revised to institutionalize (1) an obligation to explain terms and conditions using explanatory documents during telemarketing calls, (2) an obligation to take measures to allow consumers to cancel services without delay, and (3) limits to the amount of money that can be requested for cancellation (effective July 1 of the same year).

[2] Revise guidelines

The “Guidelines on Telecommunications Business Act Consumer Protection Rules” clarified the fact that consignment contracts between mobile carriers and their distributors may be subject to business improvement orders if such contracts could encourage the violation of consumer protection rules (including specific cases). The guidelines also expanded the description of conduct that would be desirable from the perspec-

MIC also continues to promote voluntary efforts by relevant organizations to comply with consumer protection rules.

of individual cases, the results of analyzing complaints and inquiries received by business organizations,¹³ and follow-ups on efforts by operators to make improvements are also shared and evaluated.

Based on assessments during this meeting, the Ministry of Internal Affairs and Communications has instructed telecom operators who had undergone field investigations on areas for improvement, and has requested business organizations and others to take industry-wide measures and share information with their members. Analysis results and assessments from this meeting are also being used to consider revising consumer protection rules and to promote voluntary efforts by business operators.

tive of consumer protection.

[3] Investigate how to improve complaint handling system

In October 2021, MIC established the “Complaint Handling System Review Task Force” to examine scope, functions, systems, and collaboration with other organizations, with regard to establishing systems that could effectively resolve issues with consumers that could not be resolved with individual business operators. MIC prepared a report in June 2022, and reached a decision to launch a new complaint handling system within the next year as a trial effort conducted by certain business organizations.¹⁴ MIC also reached a decision to continue to examine the implementation status for any issues through such means as meetings of the “Consumer Protection Rule Review Committee.” MIC are currently considering launching the new complaint handling system by July this year.

Based on the “Recommendations on Initiatives Based on 'Report 2021 of Consumer Protection Rule Review Committee'” prepared in July 2022 by the “Consumer Protection Rule Review Committee,” MIC released “Requests for Implementation of Guidance to Ensure the Appropriateness of Distributor Business and Efforts to Strengthen the System for Handling Complaints” in August of the same year to related business operators and others. Based on the above recommendations, MIC revised the “Guidelines on Telecommunications Business Act Consumer Protection Rules” in September of the same year, and continue to engage in monitoring and other efforts to enhance consumer protection.

¹¹ Regular Meeting for Monitoring Consumer Protection Rules: https://www.soumu.go.jp/main_sosiki/kenkyu/shouhisha_hogorule/index.html

¹² The 14th meeting, held in February 2023, dealt with (1) complaints about communication speeds, (2) complaints from the elderly, (3) complaints about FTTH telemarketing, and (4) complaints about in-person sales visits.

¹³ Telecommunications Carriers Association and National Association of Mobile-phone Distributors

¹⁴ Telecommunications Carriers Association and Japan Cable and Telecommunications Association

(3) Communication privacy and the protection of user information

a Overview

Various people, goods, and organizations are now connected to the Internet through smartphones, IoT, and other devices, and this has resulted in the creation and integration of large amounts of digital data. All signs point to the realization of Society 5.0, where the results of data analysis using AI are fed back into the real world in order to solve various social issues.

Platform providers that provide various services for free are increasing their presence, and they increasingly tend to obtain and accumulate user information. In addition, as the importance of platform providers in people's

daily lives increases due to the provision of essential services by platform providers via smart phones, more sensitive information is being acquired and accumulated.

In order to ensure the proper balance between consumer convenience and secrecy of communications / the privacy protection, and to ensure that platforms function at full performance, platform providers must make their services more attractive and yet ensure that user information is handled appropriately, so that consumers can use their services with confidence.

b Establishment of rules and regulations on the external transmission of user information

The “Working Group on the Handling of User Information in Platform Service” was established by the “Platform Service Study Group” established by the Ministry of Internal Affairs and Communications. Its “Interim Summary” (September 2021), prepared based on the results of discussions by this group, deemed it appropriate to discuss the content and scope of regulations under the Telecommunications Business Act with reference to discussions of the EU ePrivacy Regulation (draft), and to proceed with examining the creation of a specific system with regard to the handling of user information, including cookies and location information. Based on this report, the Act Partially Amending the Telecommunications Business Act was passed in June 2022, which provides various stipulations including requiring telecom

operators to notify consumers and provide them with the opportunity to confirm telecommunications in which a command is given to send information to an external party when providing telecommunications services (“external transmission regulation” below). The Ministry of Internal Affairs and Communications then held meetings of the same working group from June to September of the same year to review the details of the external transmission regulation and revised the Ordinance for Enforcement of the Telecommunications Business Act. The working group also defined who is subject to the regulation, what information must be provided in notifications, and how notifications must be provided. This act and the Ordinance for Enforcement of the Telecommunications Business Act came into effect in June 2023.

(4) Response to illegal and harmful information

a Overview

The distribution of illegal and harmful information on the Internet continues to be a serious problem. The Ministry of Internal Affairs and Communications, in cooperation with relevant parties, has continued to imple-

ment measures against various types of illegal and harmful information, such as slander, pirated content, and disinformation.

b Response to Internet slander

In light of the growing problem of slander on the Internet (and particularly on platform services such as social media), the Ministry of Internal Affairs and Communications, in cooperation with relevant organizations, is currently implementing the following initiatives based on the “Policy Package on Responding to Internet Slander” prepared and released in September 2020.

- [1] Conduct awareness-raising activities to improve the information ethics and ICT literacy of individuals
- [2] Provide Support for voluntary efforts by platform operators and improve transparency and accountability (implement continuous monitoring of platform operators)
- [3] Conduct initiatives to disclose sender information (ensure the smooth operation of the revised Provider Liability Limitation Act¹⁵)
- [4] Enhance consultation services (enhance the organization of the Illegal and Harmful Information

Consultation Center, strengthen cooperation among multiple consultation agencies, and spread awareness of the guidance plans of multiple consultation services)

In particular, as part of the efforts described in [1], the Ministry of Internal Affairs and Communications has established a special website under the slogan “#No-HeartNoSNS (no social media without heart!)” in collaboration with the Ministry of Justice, the Social Media Association of Japan, and the Safer Internet Association. MIC has also created a special website tied with the popular “Eagle Talon” characters to provide consultation services and other helpful information to those who are concerned with communication on social media, and have been conducting awareness-raising activities through various media including government PR (**Figure 5-2-5-1**).

¹⁵ Act on the Limitation of Liability for Damages of Specified Telecommunications Service Providers and the Right to Demand Disclosure of Identification Information of the Senders (Act No. 27 of 2021)

Figure 5-2-5-1 “#NoHeartNoSNS (no social media without heart!)” related content



*Left: “#NoHeartNoSNS (no social media without heart!)” logo

*Right: “Eagle Talon #NoHeartNoSNS Operation” main visual



Based on this policy package, the “Platform Service Study Group” held interviews with platform operators and published its “Second Summary” in August 2022, which summarizes future directions for dealing with illegal and harmful information. In order to ensure transparency and accountability regarding measures such as the deletion of posts by platform operators, the report argues that it is necessary to promptly formulate a code of conduct regarding measures to ensure transparency and accountability, and that the government must undertake certain actions, such as requiring compliance and introducing a legal framework. The distribution of

slander and other illegal and harmful information continues to be a serious issue. The “Working Group on Measures against Slander and Other Illegal and Harmful Information” began meeting in December 2022 as a panel of experts to focus on this specific issue, with the goal of effectively deterring such information. The group has been discussing how to ensure transparency regarding the deletion of posts by platform operators, and what role platform operators should play in order to effectively deter the distribution of illegal and harmful information.

c Countermeasures to Internet piracy

In December 2020, the Ministry of Internal Affairs and Communications prepared “MIC Polices Related to Internet Piracy.” Based on these policies, MIC continue to promote awareness-raising activities to improve the information ethics and ICT literacy of individuals, access deterrence functions using security measure software, legal amendments concerning the sender information disclosure system, and international cooperation through discussions at international forums such as ICANN.

MIC has also been holding meetings of the “Review

Committee on Suppressing Access to Internet Piracy Sites” since November 2021, in which interviews are held with related businesses and other organizations. In September 2022, the committee confirmed the policies of the Ministry of Internal Affairs and Communications along with the progress of efforts by related businesses and other organizations. The committee also published its “Current Summary,” which examines measures focusing on the entire ecosystem supporting pirate sites in order to implement more effective measures.

d Measures against disinformation

Disinformation has become a major issue in recent years. In response, the Ministry of Internal Affairs and Communications continues to discuss disinformation on the Internet during meetings of the “Platform Service Study Group.” Through this study group, MIC has been monitoring the efforts of platform operators as well as their transparency. Based on the results of monitoring and the results of a survey conducted on overseas trends, MIC published a second summary in August 2022 that suggests future measures to ensure appropriate responses and transparency by platform operators, as well as efforts to promote improving ICT literacy.

In March 2023, the study group published “Initiatives Concerning Measures against Disinformation Ver. 1.0,” which summarizes voluntary responses by stakeholders. The Ministerial Declaration of the G7 Digital and Tech Ministers' Meeting in Takasaki, Gunma held on April 29 and 30 of the same year stated that a collection of practices on combating disinformation, called Exist-

ing Practices against Disinformation (EPaD), would be prepared by concerned parties, including private companies and civic groups.

In addition, in order to promote the improvement of users' literacy, in June 2022, MIC developed and published an educational material on false and misleading information, “How to Face Up to the Internet - To Avoid Being Deceived by False and Misleading Information.” In addition, in November of the same year, MIC established the “Study Group on Literacy Improvement for ICT Use” to examine the ideal form of literacy required in the future digital society and measures to promote literacy.

(5) Development of environments for young people to use the Internet

a Overview

The Internet is becoming indispensable in the daily lives of citizens. In order for young people to use the Internet in a safe and secure manner, the Ministry of Internal Affairs and Communications is promoting the use of filtering in mobile phone devices and promoting awareness-raising activities. In addition, the “Working Group

b Promotion of the use of filtering

In response to the widespread use of the Internet through smartphones, apps, and public wireless LANs, and due to the drastic decline in the usage of filters, the Act Partially Amending the Act on Establishment of Enhanced Environment for Youth's Safe and Secure Internet Use (Act No. 75 of 2017) was enacted in February

c Promotion of awareness-raising activities

(a) Compilation and publication of Internet trouble case studies

Young people must have sufficient media information literacy in order for them to be able to use the Internet safely and securely. However, this is also true of their parents/guardians and teachers. The Ministry of Internal Affairs and Communications began publishing “Internet Trouble Case Studies” in fiscal 2009. Updated and released annually, this document summarizes methods

(b) Creation and publication of awareness-raising videos

In order to effectively reach young people and their parents/guardians, the Ministry of Internal Affairs and Communications has created videos using popular characters for use in conducting awareness-raising activities, in cooperation with related business operators. For example, educational videos on filtering using the popular

on Improving Juvenile ICT Literacy”¹⁶ was held to discuss measures to improve juvenile ICT literacy and filtering services as a means to protect young people, based on the roles of mobile carriers, OS operators, parents/guardians, and other relevant parties.¹⁷

2018. This act obligates mobile carriers and their distributors to set (enable) filters when selling mobile phone devices. In response, the Ministry of Internal Affairs and Communications is now promoting measures so that mobile carriers and their distributors will enable filters.

for avoiding trouble on the Internet as an aid for parents/guardians and teachers.

The 2023 edition includes trouble case studies on copyright and Internet slander, and also includes information on smartphone filtering, time management, and age-appropriate Internet usage environments.

cartoon “My Hero Academia” are now being posted on the websites of relevant ministries and agencies, showing up in mobile phone shops and mass merchandisers nationwide, and being used in educational sites for young people (**Figure 5-2-5-2**).

¹⁶ Reorganized from the “Task Force on Creating a Safe and Secure Internet Environment for Young People” in December 2022.

¹⁷ Refer to Chapter 5, Section 6, “Promotion of ICT utilization” for information on measures to improve juvenile ICT literacy

Figure 5-2-5-2 Filtering and anti-piracy videos for young people



(c) Implementation of on-site lectures at schools

Since fiscal 2006, The Ministry of Internal Affairs and Communications, in cooperation with the Ministry of Education, Culture, Sports, Science and Technology, the Multimedia Promotion Center, and telecom operators, has been running “e-Net Caravan,” a series of free on-site lectures for students, parents/guardians, and teach-

ers at schools, in order to raise awareness about the safe use of the Internet by young people.

Remote classes have been offered in addition to the traditional group format since the fall of 2020, in light of the spread of COVID-19.

(d) Establishment of a period for implementation of concentrated efforts

Since 2014, the Ministry of Internal Affairs and Communications has been conducting the “Spring Safety Net and Back-to-School Campaign” in cooperation with relevant ministries and agencies, business operators, and organizations, with efforts focused on graduation and new enrollment periods when many young people get their first smartphones. The campaign focuses on ef-

forts such as awareness-raising activities for young people, parents/guardians, and school personnel to ensure safe and secure use of smartphones and social media.

In 2023, efforts focused on promoting parental control and conducting awareness-raising activities to help young people use the Internet more appropriately.

d Efforts assuming the use of the Internet

Society as a whole is going digital technology at an increasingly rapid rate. This is the result of younger children using the Internet, the COVID-19 pandemic, and the installation of devices in schools under the GIGA School Program. In light of these environmental changes, in July 2021, the “Task Force on Creating a Safe and Secure Internet Environment for Young People” prepared “New Issues and Measures for the Development of Safe and Secure Internet Usage Environments for

Young People”¹⁸ as a policy for future efforts.

Based on this, the Ministry of Internal Affairs and Communications, in cooperation with the public and private sectors, has been promoting initiatives that assume that young people will use the Internet, such as efforts to prevent problems caused by the dissemination of information by young people, in addition to previous initiatives focusing on preventing young people from accessing illegal and harmful information.

¹⁸ Task Force on Creating a Safe and Secure Internet Environment for Young People, “New Issues and Measures for the Development of Safe and Secure Internet Usage Environments for Young People”: https://www.soumu.go.jp/menu_news/s-news/01kiban08_03000356.html

6. Mediation and arbitration by the Telecommunications Dispute Settlement Commission

(1) Functions of the Telecommunications Dispute Settlement Commission

The Telecommunications Dispute Settlement Commission is a specialized organization established to promptly and fairly handle increasingly diverse disputes in the telecommunications field, where technological innovation and the competitive environment are rapidly advancing. Disputes are currently handled by five members and eight special members appointed by the Minister for Internal Affairs and Communications.

The commission has three functions: (1) mediation and arbitration, (2) deliberation and reporting on inquiries from the Minister for Internal Affairs and Communications, and (3) recommendations to the Minister for

Internal Affairs and Communications.

The commission secretariat has established a consultation service for communications and broadcasting business operators and others, which can be accessed by dedicated phone or email. The secretariat responds to inquiries and regarding disputes between telecom operators, and has established a website dedicated to the committee. In order help resolve disputes smoothly, the committee has published the “Telecommunications Dispute Settlement Manual” and various pamphlets that provide a collection of dispute cases and explanations of procedures [1], [2], and [3] above.



Figure (related data): Overview of the functions of the Telecommunications Dispute Settlement Commission
URL:https://www.soumu.go.jp/main_sosiki/hunso/outline/about.html

a Mediation and arbitration

Mediation is a procedure whereby, in the event of a dispute between telecom operators or broadcasters, the commission appoints a “mediator” from among its members and special members, and the mediator encourages the parties to come to terms with each other in order to achieve a prompt and fair resolution of the dispute. If necessary, the mediator also presents a mediation proposal. The procedure is not compulsory and requires the approval of both parties to proceed. However, if agreement is reached between both parties following

the mediation procedure, a settlement will have been reached under the Civil Code.

Arbitration is generally conducted after the commission designates three members from among the members and special members as “arbitrators” and then an agreement is reached following the decision of the arbitrators (arbitral tribunal). In this case, the arbitral decision would have the same effect as a final and binding judgment between the parties, as applied *mutatis mutandis* by the Arbitration Act.

b Deliberation and reporting on inquiries from the Minister for Internal Affairs and Communications

Based on the provisions of the Telecommunications Business Act or Broadcast Act, a party may file a petition for a negotiation order or an application for a ruling with the Minister for Internal Affairs and Communications in the event that negotiations between telecom operators or broadcasters fails.

The Minister for Internal Affairs and Communications is required to consult with the commission when issuing these negotiation orders and rulings. The commission is consulted by the Minister for Internal Affairs and Communications, and deliberates and reports on these matters.

c Recommendations to the Minister for Internal Affairs and Communications

The commission may make recommendations to the Minister for Internal Affairs and Communications regarding improvements in rules of competition that have been identified through mediation, arbitration, and de-

liberation/reporting on inquiries. The Minister for Internal Affairs and Communications publicizes the content of recommendations received from the commission.

(2) Commission activities

In fiscal 2022, three mediation cases over disputes concerning the provision of wholesale telecommunications services were handled. There were also 11 inquiries handled using the consultation service.

From when the commission was established in Novem-

ber 2001 to the end of March 2023, 72 mediation cases and three arbitration cases were handled, while 11 inquiries to the Minister for Internal Affairs and Communications and three recommendations to the Minister for Internal Affairs and Communications were submitted.



Figure (related data): Mediation handling
URL:https://www.soumu.go.jp/main_sosiki/hunso/case/number.html