

Section 2 Trends in telecommunications business policies

1. Summary

(1) Initiatives so far

Since the liberalization of telecommunications in 1985 and the enactment of the Telecommunications Business Act (Act No. 86 of 1984), numerous new entrants have joined the market over the past 35 years. Under the principles of competition, various telecommunications technologies such as IP and digitalization, mobile, and broadband have advanced and been introduced, leading to significant progress in reducing costs, diversifying services, and enhancing their sophistication. The MIC has continuously reviewed various policies and systems to maintain the innovation and dynamism of these telecommunications services while ensuring the provision of reliable telecommunications services.

For example, in recent years, Japan's telecommunications market has seen significant environmental changes, such as the widespread adoption of mobile phones

and broadband and the advancement of competition primarily among groups of mobile communication operators. In response to these changes, efforts have been made to establish systems that ensure a fair competitive environment. Additionally, given that mobile phones have become essential in daily life, issues such as high fees compared to other countries and the complexity of pricing plans have been addressed to enable citizens to access affordable and diverse mobile phone services.

Furthermore, systems have been established to address various issues related to the use of telecommunications services, such as the information gap between users and operators, inappropriate solicitations by operators, the increase in various troubles, and the growing complexity and sophistication of cyberattacks and global risks.

(2) Future challenges and directions

The telecommunications business provides essential telecommunications services necessary for the daily lives of citizens and socio-economic activities. As Japan's social structure moves towards "Rapid Population Decline and Super-aging," the role of ICT in regional revitalization, such as strengthening local industrial bases and promoting regional migration, is expected to increase. Additionally, ICT is anticipated to play a growing role in revitalizing economic activities, creating new businesses, improving productivity, ensuring a safe and secure society, and solving social issues in fields such as healthcare, education, and administration. Consequently, the importance of telecommunications services is increasing.

In this context, ensuring the benefits of telecommunications service users and developing digital infrastructure as a foundation to support the promotion of innova-

tion, digitalization, and DX (Digital Transformation) in Japan's society and economy is extremely important.

Looking ahead, it is anticipated that not only the telecommunications market but also Japan's social structure will undergo further drastic changes, leading to an era where the social and economic models we have taken for granted may no longer apply. There is a growing need to use advanced information and communication technologies to solve social issues and create value.

Moreover, as telecommunications services have become indispensable for daily life and socio-economic activities, it is essential to provide continuous services even during emergencies such as natural disasters and communication disruptions.

Therefore, it is necessary to develop an environment where all entities in Japan can utilize reliable and secure information and communication.

2. Examination of telecommunications policy in response to changes in the market environment

To respond swiftly and flexibly to changes in the market environment and improve the quality of life for citizens and economic revitalization, the MIC consulted the Information and Communications Council in August 2023 on the "Telecommunications Policy in Response to Changes in the Market Environment Changes." Following discussions in the Special Subcommittee on Telecommunications Policy established under the council, the first report, compiled in February 2024, organized the discussions into two categories. Urgent issues necessary to strengthen international competitiveness, such as reviewing research responsibilities, were proposed as "Matters to be Implemented Promptly." Matters that could significantly impact citizens, users, and telecommunications operators, such as universal ser-

vice, fair competition, and economic security, were organized as "Matters Requiring Further Consideration." The MIC submitted a bill to partially amend the "Act on Nippon Telegraph and Telephone Corporation, etc." to the Diet in March of the same year, incorporating the contents proposed as "Matters to be Implemented Promptly." The bill was enacted and came into effect in April of the same year. The Information and Communications Council continues to discuss the "Matters Requiring Further Consideration" proposed in the first report. In particular, specialized discussions are being held in a working group to compile recommendations on ensuring universal service, fair competition, and economic security in the telecommunications sector by around this summer.

3. Creation of a fair competitive environment

(1) Analysis and verification of the telecommunications market

A Verification of the telecommunications market

Since FY2016, the MIC has been implementing market verification initiatives that integrate the analysis and verification of market trends and the confirmation of the appropriateness of telecommunications operators' operations. To obtain advice from an objective and specialized perspective, the "Telecommunications Market Verification Conference," composed of academic experts and other professionals, has been convened. Additionally, starting from FY2023, in light of the rapid changes in the market environment and the diversification of services due to the advancement of digitalization, and considering

the increasing dependence of national life and socio-economic activities on telecommunications, the MIC has decided to conduct monitoring of major telecommunications operators through hearings and other means. This monitoring will take into account the risks associated with providing telecommunications services, not only in emergencies but also during normal times. In August 2023, the MIC formulated the "Basic Policy on Market Verification in the Telecommunications Business Field," which includes this monitoring. Market verification is being conducted based on this basic policy.

B Ensuring a fair competitive environment in the mobile market

The MIC is working to establish a fair competitive environment in the mobile market to achieve affordable and diverse services through active competition among operators. In 2019, the MIC amended the Telecommunications Business Act to separate communication charges from device charges and to prohibit excessive customer retention practices. The effects of these measures and their impact on the mobile market have been continuously verified since 2020 by the "Working Group on the Verification of Competition Rules," established under the "Telecommunications Market Verification Conference." In September 2023, the working group compiled the results of the review based on Article 6 of the Supplementary Provisions of the 2019 Amendment to the Telecommunications Business Act into the "Report on the Verification of Competition Rules in 2023." Based on this report, the MIC revised the system in December 2023.

As part of its efforts, the MIC published the "Action Plan for Ensuring a Fair Competitive Environment in the Mobile Market" in October 2020, which outlines specific measures to establish a fair competitive environment in the mobile market. Based on the discussions in the

"Working Group on the Verification of Competition Rules" and the action plan, the MIC implemented measures such as the principle prohibition of SIM locks (August 2021) and the establishment of systems to facilitate the early termination of existing contracts (January 2022). Additionally, mobile phone operators have made progress in eliminating cancellation fees, launching carrier email portability services, and introducing eSIMs, thereby advancing the establishment of a fair competitive environment in the mobile market. In November 2023, the MIC published the "Mobile Market Competition Promotion Plan to Enrich Daily Life," which outlines measures that the MIC will promptly implement to further promote a competitive environment focused on pricing and services.

Furthermore, the MIC is working to promote user understanding through public awareness activities via consumer organizations. Since December 2020, the MIC has also launched a "Mobile Phone Portal Site" on its website, which provides neutral information to help users choose plans that suit their needs, thereby enhancing consumer understanding.



Figure (related data) Mobile phone portal site

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

(2) Establishment of interconnection rules and other regulations

A Review based on changes in the situation of voice communications

In voice services such as telephone calls, the typical form of connection (voice connection) involved mutual payment of interconnection charges between connecting operators, corresponding to the bidirectionality of voice calls. However, considering environmental changes such as the transition of fixed telephone networks to IP networks (scheduled for completion in January 2025), various discussions have been held regarding the system and rules.

In this context, the MIC has been discussing the re-

view of voice connections, including the "Bill & Keep Method," where operators do not mutually pay interconnection charges, in the "Study Group on Calculation of Interconnection Charges etc." since 2023. Based on the results of these discussions, in March 2024, the MIC established a system allowing the selection of the "Bill & Keep Method" based on mutual agreement between connecting parties, including operators installing Designated telecommunications facilities such as MNOs (Amendment to the Ordinance for Enforcement of the

Telecommunications Business Act etc., Ministry of Internal Affairs and Communications Ordinance No. 14 of 2024).

Additionally, regarding the specific calculation method of interconnection charges applicable to “Metal IP Phones” and other services provided by NTT East and

B Review of the calculation method for mobile interconnection charges

The Telecommunications Business Act imposes regulations (designated telecommunications facilities system) on specific operators that establish major networks to ensure the fairness and transparency of interconnection charges and conditions, and the promptness of interconnections. The MIC ensures the appropriateness of interconnection charges through administrative procedures such as approval and notification, and improves the appropriateness of calculation methods through discussions in the “Study Group on Calculation of Interconnection Charges etc.”

Regarding the interconnection charges for MNO networks in mobile communications (mobile interconnection charges), the “Seventh Report of the Study Group on Calculation of Interconnection Charges etc.” in September 2023 pointed out differences in the allocation standards for costs and assets among MNOs when cal-

C Review of the system for wholesale telecommunications services

For wholesale telecommunications services provided using Category I designated telecommunications facilities, the Act for Partial Amendment of the Telecommunications Business Act (Act No. 70 of 2022) imposes obligations to provide services and disclose information during negotiations to correct the negotiating superiority of wholesale providers and ensure the appropriateness of negotiations between wholesale providers and wholesale recipients.

The MIC confirms the status of negotiations and the

West after the transition of fixed telephone networks to IP networks, the MIC consulted the Information and Communications Council in October 2023 and received a report in June 2024. Based on this, the MIC plans to stipulate the specific calculation methods in ministerial ordinances.

culating both voice and data communication interconnection charges. Based on this report, MIC amended the “Rules for Category II Designated Telecommunications Facilities Interconnection Accounting” (Amendment to the Ordinance for Enforcement of the Telecommunications Business Act etc., Ministry of Internal Affairs and Communications Ordinance No. 99 of 2023) and organized unified allocation standards in the “Working Group on Cost Allocation for Mobile Interconnection Charges” under the same study group.

Regarding the interconnection charges for NTT East and West networks in fixed communications, the study group also organized necessary reviews, including the calculation method for remuneration (appropriate profit) and the handling of “Remaining Lines” of subscriber optical fibers.

operation of the system after the enforcement of the amended law through the “Study Group on Calculation of Interconnection Charges etc.” and other forums. The MIC also discusses the verification of wholesale charges, focusing on the substitutability of wholesale telecommunications services and interconnection functions, and continues efforts to appropriately parallel the use of “Interconnections” and “Wholesale Telecommunications Services” in the use of Category I and II designated telecommunications facilities.

4. Development and maintenance of digital infrastructure

(1) Promotion of optical fiber development

Regarding digital infrastructure using optical fiber, there is a strong expectation for the utilization of digital technologies, including telework, remote education, and telemedicine, to solve regional issues. However, in geographically disadvantaged areas such as depopulated regions and remote islands, the financial burden is significant relative to the population, leading to delays in development¹.

In light of this background, the MIC has implemented the “Project to Promote Advanced Wireless Environment,” which subsidizes part of the project costs when local governments and telecom service operators develop optical fiber, which is a prerequisite for high-speed, large-capacity wireless communication such as 5G, in disadvantaged areas. This project also includes subsidies for expenses required for the maintenance and management of optical fiber in remote island areas con-

ducted by local governments. Additionally, based on the “Infrastructure Development Plan for a Digital Garden City Nation,” (formulated in March 2022, revised in April 2023), efforts are being made to increase the national coverage rate for fiber optic broadband services (household coverage rate), which was 99.8% as of the end of March 2023, to 99.9% by the end of March 2028.

To accelerate development in remote islands, where the cost of laying submarine cables is often high, the support content has been significantly expanded in the supplementary budget for FY2023 and the budget for FY2024, including increased subsidy rates for remote island areas. The promotion of optical fiber development in disadvantaged areas, including remote islands, will continue. Furthermore, based on the requests of local governments, efforts will be made to promptly and smoothly transition public facilities to private facilities.

¹ Refer to Section 2 “Trends in telecommunications field” in Chapter 1, Part 2.

(2) Decentralization of data centers and submarine cables

Against the backdrop of increasing internet traffic and the growing use of cloud and AI with the advancement of DX, the demand for data centers and submarine cables is increasing globally. These digital infrastructures have become indispensable for supporting social life and economic activities. In Japan, while investment in the Osaka area has increased in recent years, about 60% of data centers are concentrated in the Tokyo area, and this trend is expected to continue. Regarding submarine cables, the landing stations for international submarine cables are concentrated on the Boso Peninsula and its surroundings, and the Sea of Japan side is a missing link for domestic submarine cables. In such a situation, if the Tokyo or Osaka areas are affected by a major disaster, there could be nationwide impacts on communication services. From the perspective of strengthening Japan's digital infrastructure, it is necessary to promote the decentralized location of data centers and the development of submarine cables on the Sea of Japan side. Additionally, given Japan's position as a relay point between North America/Europe and the Asia-Pacific region, it is essential to further promote the laying of international submarine cables to establish Japan as a hub for international data distribution and build autonomous digital infrastructure. Furthermore, considering the recent changes in the international situation, such as the increasing complexity of the national security environment surrounding Japan, it is also necessary to strengthen the security measures for international submarine cables and landing stations.

The MIC, as part of the supplementary budget project for FY2021, has created a fund to support private businesses in developing data centers and submarine cables,

(3) Ensuring the provision of broadband services

The MIC has positioned broadband services, which are essential for utilizing services such as telework, remote education, and telemedicine, as the newly designated Type II Basic Telecommunications Services (Universal Services) under the Telecommunications Business Act. To ensure their appropriate, fair, and stable provision, the MIC has imposed business regulations, such as the requirement to submit contract terms, on telecommunications carriers providing these services. Additionally, the MIC has established a new grant system (Universal Service System for Broadband Services) funded by contributions from telecommunications carriers providing broadband services nationwide. This system reform was enacted through the partial amendment of the Telecommunications Business Act (Act No. 70 of 2022, hereinafter referred to as the "2022 Amended Telecommunications Business Act"). The 2022 Amended Telecommunications Business Act and the related cabinet orders and ministerial ordinances defining the scope of Type II Basic Telecommunications

providing support for data center development projects located outside the Tokyo area. Additionally, as part of the supplementary budget project for FY2023, the fund has been increased, and new support targets, such as branch lines and branching devices for international submarine cables, have been added to promote the diversification of routes for international submarine cables.

Furthermore, in the "Infrastructure Development Plan for a Digital Garden City Nation" (formulated in March 2022, revised in April 2023), it is stated that (1) for data centers, the development of the third and fourth core bases to complement and substitute Tokyo and Osaka will be promoted, and in collaboration with relevant ministries such as the METI, further decentralization of data centers and necessary support for base development will be considered; and (2) for submarine cables, efforts will be made to develop domestic submarine cables on the Sea of Japan side, which is currently a missing link, to complete the submarine cable encircling Japan (Digital Rural City Super Highway). In conjunction with efforts to decentralize data centers, the development of submarine cables and other infrastructure will be promoted to strengthen Japan's function as an international data distribution hub. Additionally, to strengthen the security measures for international submarine cables and landing stations, efforts will be made to promote the diversification of routes in preparation for disconnections of international submarine cables, protect international submarine cables and landing stations, and strengthen the installation and maintenance systems for international submarine cables.

Services² came into effect in June 2023.

Regarding the specific calculation methods for grants under this system, in July 2023, the MIC consulted the Information and Communications Council on the "Framework for Basic Telecommunications Services Related to Broadband Services." From September of the same year, the Universal Service Policy Committee under the Telecommunications Business Policy Subcommittee of the Information and Communications Council convened the "Working Group on the Calculation of Grants and Contributions in the Universal Service System for Broadband Services" to conduct detailed examinations on the calculation of grants and contributions. Concurrently, to build and verify the standard determination formula used for designating support areas and calculating grants, the "Study Group on Cost Calculation in the Universal Service System for Broadband Services" was held from September 2023, deepening the discussions. In March 2024, the discussions from these councils and committees were compiled.

² FTTH access service, CATV access service (HFC method) and wireless fixed broadband access service (dedicated type)

5. Ensuring the safety and reliability of telecommunications infrastructure

(1) Establishment of technical standards for telecommunications infrastructure development

In light of the advancement of virtualization technology in communication networks and the utilization of cloud services, leading to the diversification and complexity of service provision structures, the Information and Communications Technology Subcommittee on IP Network Equipment of the Information and Communications Council deliberated on the “technical requirements for telecommunications equipment to address the diversification and complexity of networks due to the advancement of technology” from April 2022 to February 2023.

Based on the first interim report compiled in September 2022, the Information and Communications Council’s partial recommendation³ indicated the appropriateness of imposing standards equivalent to those currently applied to MNOs on MVNOs that receive the designation of voice transmission mobile phone numbers. Subsequently, following the recommendation of the Information and Communications Administration and Postal

Administration Council⁴, in February 2023, ministerial orders amending certain provisions of the Ordinance for Enforcement of the Telecommunications Business Act were implemented to relax the designation conditions for voice transmission mobile phone numbers.

Furthermore, the same committee conducted deliberations on “technical requirements for telecommunications equipment based on the advancement of virtualization technology” and “technical requirements for situations where there is a recognized risk of a significant accident,” and compiled a second interim report in February 2023. Based on the partial recommendation⁵ of the Information and Communications Council derived from this report, amendments were made to the Ordinance for Enforcement of the Telecommunications Business Act in June 2023 for “technical requirements for telecommunications equipment based on the advancement of virtualization technology,” and the amended regulations were enforced in January 2024.

(2) Ensuring communication services during emergencies

A Efforts to establish standards for measures to be implemented by telecommunications operators

In recent years, Japan has experienced frequent natural disasters such as earthquakes, typhoons, heavy rains, heavy snowfalls, floods, landslides, and volcanic eruptions. These events have caused disruptions in communication services due to power outages, equipment failures, and cable cuts. The MIC has revised the “Information and Communication Network Safety and Reliability Standards” (Ministry of Posts and Telecommunications Notification No. 73 of 1987) to include measures such as earthquake resistance, power outage countermeasures, and fire prevention measures that telecommunications operators should implement, aiming

to ensure communication services during disasters.

Additionally, since October 2018, the “Liaison Meeting on Ensuring Communication Services During Disasters” has been held to review responses to successive disasters, share information, and exchange opinions on issues such as rapid damage assessment and restoration efforts. Based on the information obtained from these meetings, efforts are being made to establish communication systems and initial response training between telecommunications operators and related organizations involved in power, fuel, and fallen trees removal.

B Efforts of the “MIC-TEAM” (MIC Disaster Telecom Support Team)

In June 2020, the MIC established the “MIC-TEAM” to support disaster response efforts aimed at ensuring communication means. The MIC-TEAM is dispatched to local governments in disaster-affected areas when a large-scale disaster occurs or is likely to occur. The team assesses the damage to communication services, coordinates with relevant administrative agencies and operators, and provides technical advice and support such as

lending mobile power supply vehicles. For instance, during the heavy rains in the summer of 2023, the team was dispatched to the Fukuoka and Akita prefectural offices. Additionally, approximately 133 staff members were dispatched to the Ishikawa prefectural office following the Noto Peninsula Earthquake in January 2024 (as of the end of May 2024).

C Considerations on intercarrier network utilization during emergencies

Mobile phone services are essential lifelines for daily life and economic activities. Ensuring that users can continue to use communication services during emergencies, such as natural disasters or communication fail-

ures, by temporarily utilizing other operators’ networks through “intercarrier roaming” is a critical issue. In response, the MIC has been holding the “Study Group on Intercarrier Roaming in Emergency Situations” since

³ The partial recommendation of Information and Communications Council regarding “Technical conditions for telecommunications equipment that respond to the diversification and complexity of networks due to advances in virtualization technology, etc.” (September 16, 2022), https://www.soumu.go.jp/menu_news/s-news/01kiban05_02000253.html

⁴ Results of soliciting opinions regarding partial revisions to the Ordinance for Enforcement of the Telecommunications Business Act etc. and the recommendation of the Information and Communications Administration and Postal Administration Council (January 20, 2023) https://www.soumu.go.jp/menu_news/s-news/01kiban06_02000100.html

⁵ The partial recommendation of Information and Communications Council regarding “Technical conditions for telecommunications equipment that respond to the diversification and complexity of networks due to advances in virtualization technology, etc.” (February 24, 2023) https://www.soumu.go.jp/menu_news/s-news/01kiban05_02000283.html

September 2022. The first report, compiled and published in December 2022, set forth the basic policy of introducing Full Inter-carrier Roaming, which allows for emergency calls, general calls, data communication, and call-backs from emergency response agencies as early as possible during emergencies.

Furthermore, the second report, compiled in June 2023, outlined the policy of introducing a roaming method that allows emergency calls even if there is a failure in user authentication of the core network necessary for

call-backs from emergency response agencies, alongside Full Inter-carrier Roaming. The third report, compiled in May 2024, detailed the basic concept of inter-carrier roaming and the schedule aiming for the introduction of both methods around the end of FY2025.

Moving forward, efforts will be made to promote technical studies and verifications, ensure interconnectivity between base stations and terminals, and other initiatives to achieve “inter-carrier roaming.”

(3) Analysis and verification of telecommunications accidents

To prevent telecommunications accidents and minimize their impact, appropriate measures are necessary both before and after an accident occurs. Since 2015, the MIC has been holding the “Telecommunications Accident Verification Meeting” to analyze and verify reports related to “Serious Accidents” and “Situations Recognized as Likely to Cause Serious Accidents” as defined by the Telecommunications Business Act, as well as “Quarterly Report Accidents” as defined by the Telecommunications Business Reporting Regulations. The verification results of telecommunications accidents that occurred in FY2022 were compiled and published in the “Verification Report on Telecommunications Accidents in FY2022” in August 2023. Continuous verification of telecommunications accidents that occurred in FY2023 was also conducted. Based on these accidents, administrative guidance was provided to implement necessary measures from the perspective of preventing recurrence.

Common issues such as risk identification and evaluation, prevention of human errors, training, and maintenance and operation systems are considered to be behind the frequent occurrence of telecommunications accidents. Therefore, from December 2022, the Tele-

communications Accident Verification Meeting has been examining structural issues related to organizational and system aspects behind individual accidents, as well as reviewing technical standards and management regulations based on these structural issues, and considering ways to strengthen governance over maintenance and operation systems related to safety measures. In March 2023, the “Report on the Verification of Structural Issues Related to Telecommunications Accidents” was compiled. Based on this report, in addition to various initiatives by telecommunications operators themselves, the administration also aims to implement monitoring of compliance with laws and regulations related to ensuring the safety and reliability of telecommunications services. In July 2023, the “Basic Policy on Monitoring the Safety and Reliability of Telecommunications Services” was formulated, and the first year’s verification began in August. Additionally, in September, the Ordinance for Enforcement of the Telecommunications Business Act etc. were revised to include the inspection and evaluation of compliance with management regulations by telecommunications operators as part of the notification items for management regulations.

6. Creation of a safe and secure usage environments in telecommunication services

(1) Ensuring governance in the telecommunications sector

The telecommunications industry is an essential sector that promotes innovative advancements across various fields, including information and communication technology. To foster the provision of innovative services through the introduction of digital technologies and to promote the DX of society, it is crucial to ensure the provision of reliable and trustworthy telecommunications services that users can rely on.

The MIC has been working to ensure secure, safe, and reliable communication services and networks in the digital age. To this end, the MIC has been examining the governance of cybersecurity measures and data handling by telecommunications operators. In May 2021, the MIC established the “Study Group on the Telecommunications Business Governance” to discuss future measures based on these examinations. Following the committee’s recommendations, the MIC introduced new regulations to promote the proper handling of user infor-

mation, particularly by telecommunications operators who manage large volumes of data. These regulations align with international standards and include mandatory formulation and submission of regulation for handling information. Additionally, the MIC has established rules to ensure the smooth provision of telecommunications services, such as measures against cyberattacks and accident reporting systems. These amendments to the Telecommunications Business Act were enacted in June 2022. Subsequently, from June to September 2022, the MIC convened the “Working Group on the Proper Handling of Specified User Information” to discuss detailed regulations regarding the handling of specified user information. The Ordinance for Enforcement of the Telecommunications Business Act was amended to specify the following: (1) items to be included in regulations for handling information, (2) items to be included in information handling policies, (3) evalua-

tion items for the handling of specified user information, (4) requirements for the general manager of specified user information, and (5) reporting requirements in the event of a data breach. The revised Telecommunications Business Act and the revised Ordinance for Enforcement

of the Telecommunications Business Act came into effect in June 2023. Furthermore, in December 2023, the MIC designated telecommunications operators who should handle specified user information properly, with the designation taking effect in January 2024.

(2) Establishing consumer protection rules in the telecommunications sector

A Overview

The advancement and diversification of telecommunications services have brought increased convenience and more options for many users. However, this has also led to issues such as information asymmetry between users and operators and inappropriate solicitations by operators, resulting in various troubles. To prevent such

issues and ensure that consumers can benefit from the advanced and diversified telecommunications services, the MIC has been establishing and appropriately enforcing consumer protection rules related to telecommunications services, and revising them as necessary.

B Ensuring the effectiveness of consumer protection rules

(A) Handling complaints and consultations, coordination with stakeholders, and administrative guidance

The MIC has established the “MIC Telecommunications Consumer Consultation Center” to receive information from consumers⁶. Additionally, the telecommunications consumer support liaison meetings⁷ are held twice a year in various regions across the country to facilitate information sharing and exchange of opinions among stakeholders. Based on the information obtained

through these initiatives, the MIC provides administrative guidance and coordinates with the Consumer Affairs Agency to ensure the effectiveness of consumer protection rules related to telecommunications services.

Furthermore, the MIC promotes voluntary efforts by related organizations to comply with consumer protection rules.

(B) Monitoring

The MIC has formulated the “Basic Policy for Supervising User Protection Regulations in the Telecommunications Business” and monitors the implementation status of consumer protection rules. The “Regular Monitoring Meetings on the Implementation Status of Consumer Protection Rules,”⁸ which include experts and related business organizations, are held twice a year to share and evaluate the status among stakeholders.

These meetings analyze complaints and consultations in the telecommunications sector, not only in general trends but also by service type, such as MNO, MVNO, and FTTH. They also conduct thematic analyses⁹, on-site investigations (mystery shopping), ad-hoc investigations of individual cases, and analyze complaints and

consultations received by business organizations¹⁰. The results are summarized to evaluate and review the implementation status of consumer protection rules. Follow-up on the improvement efforts by operators is also conducted.

Based on the evaluations from these meetings, the MIC provides guidance to telecommunications operators identified in on-site investigations on areas needing improvement. The MIC also requests industry-wide efforts and dissemination of information to members from business organizations. The analysis results and evaluations from these meetings are utilized to review consumer protection rules and promote voluntary efforts by operators.

C Review of consumer protection rules

The MIC has been reviewing and expanding consumer protection rules in response to changes in the telecommunications market and the situation of consumer disputes. From June 2020, the “Study Group on the Review of Consumer Protection Rules” has been intensively examining the revision of the system, and in September 2021, the “Report on the Review of Consumer Protection Rules in 2021” was compiled. Based on this report, in February 2022, the MIC amended the Ordinance for Enforcement of the Telecommunications Business Act to: (1) mandate the use of written explanations

in telemarketing for providing terms and conditions; (2) mandate measures to allow users to cancel without delay; and (3) institutionalize limits on the amounts that can be charged upon cancellation (effective from July 1, 2022).

Furthermore, in response to the “Study Group on the Review of Consumer Protection Rules,” the MIC has been conducting follow-ups on the implementation and evaluation of the Telecommunications Business Act amended in 2019, as well as the “Recommendations on Efforts Based on the ‘Report on the Review of Consum-

⁶ 13,348 complaints have been received by phone and online (FY2023).

⁷ A liaison group organized by the MIC to exchange opinions on how to support consumers in telecommunications services, with members of consumer centers and telecom operator organizations in various regions.

⁸ Regular Monitoring Meetings on the Implementation Status of Consumer Protection Rules: https://www.soumu.go.jp/main_sosiki/kenkyu/shouhisha_hogorule/index.html

⁹ The 15th meeting, held in July 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 visit.

¹⁰ Telecommunications Carriers Association and National Association of Mobile-phone Distributors

er Protection Rules 2021” compiled in July 2022. In August 2023, the “Report on the Review of Consumer Protection Rules 2023” was compiled based on this report. In line with this, the Ministry amended the Ordinance for Enforcement of the Telecommunications Business Act to clarify the necessary capabilities and systems required of sales agents, and also revised the “Guidelines on Consumer Protection Rules of the Telecommunica-

(3) Protection of secrecy of communication and user information

A Overview

With the proliferation of smartphones and IoT devices, a wide array of people, objects, and organizations are increasingly connected to the internet, leading to an exponential growth in the generation and accumulation of digital data. Concurrently, the results derived from data analysis using AI are being fed back into the real world, aiming to solve various societal challenges and realize Society 5.0.

In this context, the presence of platform operators offering various services for free is becoming more prominent, and there is a growing trend of user information being collected and accumulated. As essential services

B Further considerations for the protection of user information

In the “Study Group on Platform Services” held by the MIC, a “Working Group on the Handling of User Information Related to Platform Services” was established to discuss issues. Based on the results of these discussions, the “Interim Report” (September 2021) was compiled. This report suggested that it would be appropriate to advance considerations for the concrete institutionalization of the handling of user information, including cookies and location information, by referring to discussions on the ePrivacy Regulation (draft) in the EU, and examining the content and scope of regulations under the Telecommunications Business Act and other laws. Based on this report, a law to partially amend the Telecommunications Business Act was enacted in June 2022. This amendment mandates that when telecommunications carriers provide telecommunications services to users and transmit telecommunications that give instructions to send information externally, they must provide users with opportunities for notification and publi-

(4) Measures against illegal and harmful information

A Overview

The circulation of illegal and harmful information on the internet remains a serious issue. The MIC has been continuously implementing measures against various

B Measures Against Defamation on the Internet

Given the increasing severity of issues related to defamation on the internet, particularly on social networking services (social media) and other platform services, the MIC has been implementing the following measures based on the “Policy Package for Addressing Defamation on the Internet,” which was compiled and published in September 2020.

tions Business Act” to clarify that inappropriate business operations contrary to the principle of compliance may lead to issues regarding whether the telecommunications business operators, as the commissioning party, are effectively carrying out guidance and other measures. The Ministry will continue to advance monitoring and other initiatives to enhance consumer protection.

for daily life are increasingly provided by platform operators via smartphones and other devices, the importance of these operators in people’s daily lives is rising, leading to the collection and accumulation of more sensitive information.

To ensure a balance between user convenience and the protection of secrecy of communication and personal data, it is crucial for platform operators to enhance the attractiveness of their services and ensure the proper handling of user information. This will allow users to utilize services with peace of mind, thereby enabling the full potential of platform functions to be realized.

cation (hereinafter referred to as “external transmission regulations”). Subsequently, from June to September of the same year, the MIC held the same working group to discuss the details of the external transmission regulations. The Ordinance for Enforcement of Telecommunications Business Act were amended to specify the subjects of the regulations, the matters to be notified and published, and the methods of notification and publication. The amended Telecommunications Business Act and the revised Ordinance for Enforcement of Telecommunications Business Act came into effect in June 2023.

From February 2024, the “Study Group on Improving the Usage Environment for ICT Services” and the “Working Group on User Information” established under this study group, both held by the MIC, have been discussing further protection of user information. These discussions take into account changes in the domestic and international landscape of privacy measures on smartphones and various incidents.

types of illegal and harmful information, such as defamation and piracy, in collaboration with relevant parties.

- (1) Awareness activities for improving information morality and ICT literacy among users
- (2) Support for voluntary efforts by platform operators and enhancement of transparency and accountability (continuous monitoring of platform operators)
- (3) Efforts related to disclosure of sender information

(smooth operation of the revised Provider Liability Limitation Act of 2021¹¹)

- (4) Enhancement of consultation services (strengthening the system of the illegal and harmful information consultation center, enhancing collaboration among multiple consultation agencies, and publicizing a guide to multiple consultation windows)

As part of initiative (1), the MIC created an awareness video featuring a VTuber to inform the public about how to deal with defamation and other harms, which was released in late September 2023.

Additionally, in August 2022, the “Second Interim Report” was published by the “Study Group on Platform Services,” summarizing future directions for addressing illegal and harmful information based on hearings with platform operators.

Based on this report, the “Working Group on Measures Against Illegal and Harmful Information, Including Defamation” was established in December 2022 to conduct specialized and intensive discussions on key is-

ssues such as (1) ensuring the transparency and accountability of deletions by platform operators and (2) the roles platform operators should play in effectively curbing the circulation of illegal and harmful information. As a result of the discussions in this working group, it was concluded that it is appropriate to require certain large-scale service providers among those with a purpose of communication between unspecified persons, to: (1) speed up responses by imposing obligations such as response deadlines within a certain period; and (2) enhance transparency by establishing standards and publicizing operational status (including legal measures). Following the working group’s conclusions, the “Third Interim Report on Platform Services” was published in February 2024. Based on this report, a partial amendment to the Provider Liability Limitation Act was enacted in May 2024. This amendment also renamed the act to the “Act on Measures Against Rights Infringements Arising from the Distribution of Information via Specified Telecommunications” (abbreviated as the Information Distribution Platform Measures Act).

C Measures against online piracy

The MIC has been working on the following measures based on the “MIC’s Policy Menu for Measures Against Online Piracy” (December 2020): awareness-raising activities to improve information ethics and ICT literacy among users; promotion of the introduction of access deterrence functions through security software; review of the sender information disclosure system; and

promotion of international cooperation through discussions in international forums such as ICANN.

Additionally, based on the “Current Summary” by the “Study Group on Access Deterrence to Online Piracy Sites” (September 2022), the MIC has been confirming the progress of its policy menu and the initiatives of relevant businesses.

7. Mediation and arbitration by the Telecommunications Dispute Settlement Commission

(1) Functions of the Telecommunications Dispute Settlement Commission

The Telecommunications Dispute Settlement Commission (hereinafter referred to as the “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 In-

ternal 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 Commission has established 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 function of the 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

¹¹ An Act to amend the 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 (No. 27 in 2021)

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 the 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 FY2023, there were no applications for mediation or arbitration, but the Commission was consulted by the Minister for Internal Affairs and Communications regarding decisions related to detailed provisions concerning interconnection agreements, and the Commission is currently deliberating on this matter. There were also 10 inquiries handled using the consultation service.

From when the Commission was established in November 2001 to the end of March 2024, 72 mediation cases and 3 arbitration cases were handled, while 11 inquiries to the Minister for Internal Affairs and Communications and 3 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