Manual for Market Entry into Japanese Telecommunications Business [Supplementary Edition]

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Ministry of Internal Affairs and Communications (MIC)

Japan

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1. Outline of the Telecommunications Business

Any person that intends to operate a telecommunications business pursuant to the provisions of Article 2, item (iv) of the Telecommunications Business Act (Act No. 86 of 1984) is required to obtain registration¹ pursuant to the provisions of Article 9 of the Telecommunications Business Act, or file a notification pursuant to the provisions of Article 16 to become a telecommunications carrier.

Telecommunications carriers are required to comply with the Telecommunications Business Act, the Regulations for the Enforcement of the Telecommunications Business Act (MPT Ministerial Ordinance No. 25 of 1985; hereinafter "Enforcement Regulations"), and related laws and regulations.

This manual is a systematic compilation of terms, criteria, and examples related to registrations and notifications applicable to the telecommunications business, and it will also be revised as necessary in the future based on assessments of specific future examples.

(1) Explanation of Terms

The definitions and interpretations of terms in Article 2 of the Telecommunications Business Act are as follows.

Term	Definitions	
Telecommunication	"Telecommunication" means transmitting, relaying, or receiving codes, sounds, or images by wire, radio, or other electronic or magnetic forms.	
Telecommunications facilities	"Telecommunications facilities" mean machines, equipment, wires, and cables or other electrical facilities for conducting telecommunications.	
Telecommunications service	"Telecommunications service" means intermediating other persons' communications through the use of telecommunications facilities, or other acts of providing telecommunications facilities for use in other persons' communications.	
Telecommunications business	"Telecommunications business" means the business involved in providing telecommunications services in order to meet the demands of other persons (except businesses involved in service supplying facilities for broadcasting stations as prescribed in Article 118, paragraph (1) of the Broadcasting Act [Act No. 132 of 1950]).	

¹ In the case of a new registration or registration of a change (addition of service areas), it will be necessary to pay registration and license taxes.

Telecommunications carrier	"Telecommunications carrier" means the person that has obtained the registration set forth in Article 9 to operate telecommunications business, and the person that has filed a notification under Article 16, paragraph (1).
Telecommunications	"Telecommunications line facilities" means transmission line facilities that interconnect places of transmission with places of reception, switching facilities
line facilities	installed as an integral part of these, and their adjunct facilities.

Intermediating other persons' communications

"Intermediating other persons' communications" through the use of telecommunications facilities means to transmit and switch information at the request of others, without making changes to the content of the information, and conveying communications between people in remote locations or acting as an intermediary to complete their communication. Determining whether "intermediating other persons' communications" is taking place or not requires looking at the entire telecommunications system and making a judgement on a case-by-case basis based on the flow of information. For example, if a service provider uses servers or other telecommunications facilities to convey the information that User A wants to convey to User B, as in the case of email or closed chats, from User A to User B without changing the content of that information, then it is determined that the service provider is "intermediating other persons' communications." Furthermore, if a rental server or hosting service provider is providing users with services that include functionality that enables the provision of services that intermediate communications of others, such as an internet connection or email services, then that provider will also be deemed to be "intermediating other persons' communications."

Additionally, in the event that User A is attempting to convey information to User B, even if the service provider intermediating between User A and User B adds or deletes information, the service provider's actions may nonetheless still constitute "intermediating other persons' communications."

Providing for use in other person's communications

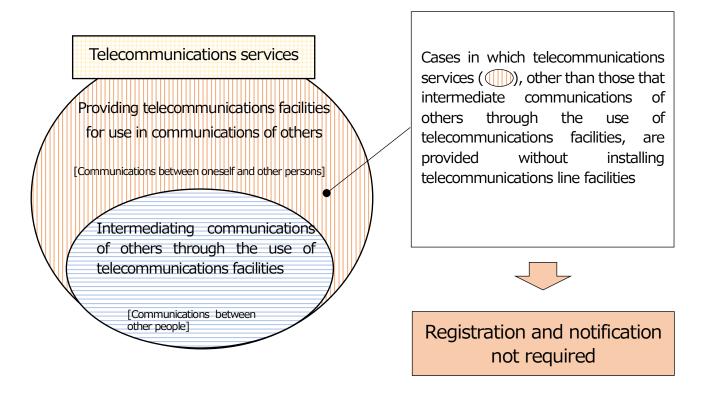
"Providing telecommunications facilities for use in other persons' communications" broadly means operating telecommunications facilities (including optical fiber, mobile phone base stations, and other telecommunications line facilities, as well as servers and terminal equipment, etc.) for communications of other persons. "Other persons' communications" includes communications between the facility provider and other persons. For example, if a company, etc., uses its own servers or other telecommunications facilities² to communicate with users, this means that company is providing telecommunications facilities for use in communications of other persons.

Furthermore, "providing telecommunications facilities for use in other persons' communications" includes "intermediating other persons' communications through the use of telecommunications facilities." However, a business that provides, without

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² This includes cases such as doud computing or similar technology, for example, in which the provider has not actually installed servers or other physical facilities but nonetheless offers functionality on par with having physically installed such facilities.

installing telecommunications line facilities, telecommunications services³ other than telecommunications services for intermediating communications of other persons through the use of telecommunications facilities is determined to be exempt from the Telecommunications Business Act (registration and notification are not required).



³ This excludes domain name telecommunications services (See page 26, "Domain Name Resolution Services").

Business provided in order to meet the demands of other persons

"To meet the demands of other persons" means to provide telecommunications services in order to meet the needs of others, and not to provide telecommunications services for one's own operations. Meanwhile, if an entity provides telecommunications facilities for use in communications with other persons with whom the provider has a business relationship, in the course of carrying out their own duties or incidentally to such duties, this is determined to be use that is for meeting one's own demand and, in general, is not applicable here.

However, where telecommunication lines or terminal equipment are provided for use in communications of other persons for the purpose of profit, even if this ultimately results in one conducting communications related to one's own business, it may still be deemed to be the provision of services "to meet the demand of other persons." The specific criteria upon which such judgments are made include the following: (1) There is an inducement or declaration to provide the service, and there are terms and conditions for the provision of services that indicate this; and (2) There is recognized to be an active intent to provide a service based on a social relationship between the provider and the user.

Additionally, "business" in this section refers to a recurrent, repetitive and continuous execution of the same kind of acts with initiative, positive intention, and purpose. The term "business" does not apply to: (1) Emergency or temporary acts during emergency situations; (2) temporary acts; or (3) acts performed by providers in response to the legal rights of users (e.g. mutual communications between police, fire department, etc.).

Furthermore, in some cases in which there is recognized to be the purpose of profit for the provision of services, it is also determined that services are being provided at the provider's independent, proactive volition. However, the provider's independent, proactive volition can also be recognized in cases where there is not the purpose of profit.

(2) Telecommunications Business for which Registration or Notification is Required

The necessary procedures for the registration and notification of a telecommunications business differ depending on whether telecommunications line facilities are installed and the scale thereof, among other factors.

Telecommunications line facilities		
Whether facility installation is involved	Scale	Necessary procedure(s)
	(1) If any of the following criteria is met:	
Yes	 Terminal system transmission line facilities (Transmission line facilities connected to terminal facilities or customer-owned and maintained telecommunications facilities [e.g. Transmission line facilities between a station building and a user's residence. Includes line equipment such as coaxial cables and optical fibers, as well as wireless equipment]) are installed in an area extending beyond one municipality (within a single ward in the case of a special ward or designated city under the Local Autonomy Act) transit system transmission line facilities (Transmission line facilities." [e.g. Transmission line facilities between station buildings]) are installed in an area extending beyond one prefecture 	Registration
	Telecommunications line facilities which do not fall under criteria (1) (Example) CATV access services within the same city, town, or village	Notification
None (Examp	les) - Reselling the telecommunications service(s) of another telecommunications carrier - If only devices other than transmission line facilities, such as servers or routers, are installed and provided to provide telecommunications service(s)	Notification

Additionally, even in the case of a local government operating a not-for-profit telecommunications business, if it is determined to have a comparatively significant influence on the interests of users in light of their content, the scope of users, etc., (in the case of wholesale telecommunications services or telecommunications services in which telecommunications facilities are provided for use in communications of large numbers of unspecified people), it is necessary to file a notification as set forth in Article 165, paragraph (1) of the Telecommunications Business Act, regardless of whether or not telecommunications line facilities have been installed, the scale thereof, or other factors. A local government that files such a notification will be deemed to be a telecommunications carrier filing the notification as set forth in Article 16, paragraph (1) of the Telecommunications Business Act, but some of the rules of that Act will not apply (Article 165, paragraph (2) of the Telecommunications Business Act,).

Additionally, penalties (Article 177 and Article 185 of the Telecommunications Business Act) will be levied on entities that operate a telecommunications business which requires registration or notification in violation of Article 9 or Article 16, paragraph (1) of the Telecommunications Business Act.

(3) Exempted Telecommunications Business

If the following applies to a telecommunications business, it is determined to be exempt from the Telecommunications Business Act, and stipulations of the Act on telecommunications business, including registration or notification, will not apply (Article 164, paragraph (1) of the Telecommunications Business Act).

However, even if a telecommunications business is exempted from the Act, Article 3 ("Prohibition of Censorship") and Article 4 ("Protection of Secrecy") of the Act still apply to communications handled by the entity operating that business (Article 164, paragraph (3)).

Exempted telecommunications business

- If telecommunications services⁴ are provided exclusively to a single person
- If telecommunications services are provided by using telecommunications facilities installed on the same premises or in the same building
- If telecommunications services are provided by using telecommunications facilities with a total telecommunications line length of less than 5 km
- If telecommunications services that do not intermediate communications of others (excl. domain name telecommunications services) are provided without installing telecommunications line facilities

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⁴ If one person is a telecommunications carrier, excluding telecommunications services used for the telecommunications business of said one person.

2. Rules for telecommunications carriers

When a telecommunications carrier has obtained the registration set forth in Article 9 to operate a telecommunications business, or has filed a notification under Article 16, paragraph (1) of the Act, then in providing services as a telecommunications carrier the rules that apply include the following: "Prohibition of Censorship" (Article 3 of the Act); "Protection of Secrecy" (Article 4 of the Act); rules regarding changes in registration and notification particulars, and suspension and discontinuation of business; consumer protection rules; and rules regarding telecommunications facilities.

(1) General Rules

General rules regarding telecommunications carriers include those listed on the right.

Additionally, even if a telecommunications business is exempt pursuant to the provisions of Article 164, paragraph (1) of the Telecommunications Business Act, the rules concerning "Prohibition of Censorship" and "Protection of Secrecy" still apply to communications handled by the entity or person operating that business.

Article 3 of the Act	Prohibition of Censorship
Article 4 of the Act	Protection of Secrecy of Communications
Article 6 of the Act	Fairness in Use
Article 8 of the Act	Securing of Essential Communications
Article 28 of the Act	Reporting on the Suspension of Telecommunications Operations and on Serious Accidents

(2) Market Entry Rules

An entity or person that intends to operate a telecommunications business must obtain registration, or file a notification, for that business in advance. Additionally, penalties will be applied to entities or persons that operate a telecommunications business in violation of Article 9 or Article 16, paragraph (1) of the Telecommunications Business Act.

Article 9 of the Act	Registration of
Alude 9 of the Act	Telecommunications Business
Article 16, paragraph	Notification of
(1) of the Act	Telecommunications Business
Article 177 of the Act	Penalties for violations of Article 9
Article 177 of the Act	of the Act
Article 10F of the Act	Penalties for violations of Article
Article 185 of the Act	16, paragraph (1) of the Act

(3) Rules Regarding Changes in Registration and Notification Particulars, and Suspension and Discontinuation of Business

As shown on the right, a notification must be filed reporting any changes, such as when telecommunications carriers attempt to change a particular for which they obtained registration or for which they have filed a notification (or when they have changed some such particulars), or when they suspend and discontinue telecommunications а business, etc.

Article 13 of the Act	Registration of Changes
Article 16, paragraphs (2) and (3) of the Act	Changes in Notification Particulars
Article 17 of the Act	Succession of Business
Article 18 of the Act	Suspension and Discontinuation of Business and the Dissolution of Corporations
Article 10 of the Enforcement	Reporting of Changes to Telecommunications Services,
Regulations	etc.

(4) Consumer Protection Rules

The Telecommunications Business Act contains consumer protection rules to which telecommunications carriers and agencies should comply, including (as shown on the right) rules on explanations of terms and conditions for the provision of services, delivery of documents, and informing users when carriers attempt to suspend and discontinue telecommunications operations.

For more information on consumer protection rules and necessary responses thereto, refer to the *Guidelines for Consumer Protection Rules for the Telecommunications Business Act.*

Article 26 of the Act	Explanation of Terms and Conditions for the Provision of Services
Article 26-2 of the Act	Delivery of Documents
Article 26-3 of the Act	Written Cancellations (Cancellation of Initial Contract)
Article 26-4 of the Act	Dissemination of Suspension and Discontinuation of Telecommunications Operations
Article 27 of the Act	Procedure for Processing Complaints, etc.
Article 27-2 of the Act	Prohibited Conduct for Telecommunications Carriers
Article 27-4 of the Act	Guidance to Persons Entrusted with Intermediation

(5) Rules Regarding Telecommunications Facilities

Telecommunications carriers that install telecommunications line facilities, and those that provide large-scale ⁵ telecommunications services for a fee, etc., are subject to rules obliging them to conform to technical standards in the provision of telecommunications facilities for use by telecommunications business. The major relevant rules are listed on the right.

Article 41 of the Act	Maintenance of Telecommunications Facilities
Article 42 of the Act	Self-Confirmation of Telecommunications Facilities
Article 44 of the Act	Establishment of Administrative Regulations for Telecommunications Facilities
Article 44-3 of the Act	Appointment of a General Manager of Telecommunications Facilities
Article 45 of the Act	Appointment of Chief Telecommunications Engineers

(6) Rules Regarding Reporting, etc.

In the event of a violation of the secrecy of communications or telecommunications accidents and incidents of a certain size or larger (serious accident), telecommunications carriers must file a report without delay.

Please refer to the Guidelines for Application of the Telecommunications

	Article 28 of the Act	Reporting of Partial Suspension
		of Operations, Violation of
		Secrecy of Communications, or
		Any Other Serious Accident
	Article 29 of the Act	Order to Improve Business
		Activities
	Article 166 of the Act	Reports and Inspections

Business Act and Related Regulations Telecommunications Accidents and Incidents for information on the content of rules and judgment criteria regarding the applicability of accidents and incidents.

Additionally, if telecommunications carrier operations are performed in an improper way that inhibits the interests of users or the public interest, the Minister of Internal Affairs and Communications can order the improvement of business activities, etc. Please refer to the *Guidelines for Promotion of Competition in the Telecommunications Business Field* for specific examples of problematic activities under the Telecommunications Business Act.

Furthermore, telecommunications carriers are required to report and handle inspections pursuant to the provisions of Article 166 of the Telecommunications Business Act, as well as to regularly report on the status of contracts, etc., based on the Rules for Reporting on Telecommunications Business (MPT Ministerial Ordinance No. 46 of 1988), depending on the type, scale, etc., of services provided by the telecommunications carrier.

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⁵ Number of users being over one million as of the end of the last fiscal year.

3. Decision Flowchart for Telecommunications Business Applicability

In judging the applicability of telecommunications business and the necessity of registration or notification based on the Telecommunications Business Act, it shall be determined whether any of the following applies.

(1) Do services fall under "telecommunications services"?

Telecommunications service:

Intermediating other persons' communications through the use of telecommunications facilities, or other acts of providing telecommunications facilities for use in other persons' communications.

[Article 2, item (iii) of the Telecommunications Business Act]

I. Are telecommunications facilities provided for use incommunications of others?

- "Telecommunications facilities" means machines, equipment, wires and cables or other electrical facilities for conducting telecommunications. This includes facilities that are not necessarily owned by the carrier but which the carrier has the right to use (or to allow to be used).
- "Other persons" means people who can be determined to have socially accepted personhood independent from oneself. For example, even if Company A is Company B's subsidiary, if Company A is a distinct company, then Company A and Company B will be determined as "other persons" with respect to one another.
- "Other persons' communications" means communications of persons other than oneself, including communications between oneself and other persons. For example, if telecommunications facilities installed by A are used to conduct communications between A and B, this will be determined as A providing facilities for use in other persons' (B's) communications.
- "Providing telecommunications facilities for use in other persons' communications" means broadly operating telecommunications facilities for other persons' communications, including "intermediating other persons' communications."

YES

Telecommunications service

NO

NO

NO

Telecommunications business:

A business involved in providing telecommunications services in order to meet the demands of other persons (except business involved in service supplying facilities for broadcasting stations as prescribed in Article 118, paragraph (1) of the Broadcasting Act [Act No. 132 of 1950]).

[Article 2, item (iv) of the Telecommunications Business Act]

<u>I. Are telecommunications services provided in order to meet</u> the needs of others?

- If telecommunications services are provided to "meet one's own demand," then those services do not fall under this category.

[Examples of provision to meet one's own demand]

- *Establishment of a website for an individual or a company
- *Operation of an email server for one's own email address

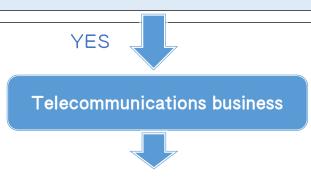


II. Is it a business?

- "Business" means a recurrent, repetitive and continuous execution of the same kind of acts with initiative, positive intention, and purpose. "Business" does not apply to emergency or temporary acts during emergency situations, temporary acts or acts performed by providers in response to the legal rights of users.
- This does not include the provision of telecommunications services incidentally to services other than telecommunications services. (However, not all of them fall under the category of "business", and a judgment will be made for each based on whether the provision of telecommunications services can be viewed as an independent business.)

[Examples of activities not classified as business]

- *Use of telecommunications facilities for emergency communications in an extraordinary disaster situation
- *Phone or internet services provided as part of a hotel's accommodation services



(3) Does the business fall under "exempt from the Telecommunications Business Act"?

Exempt telecommunications business:

If the business falls under Article 164, paragraph (1), items (i) through (iii) of the Telecommunications Business Act.

- I. Does the telecommunications business fall under the category of telecommunications business to exclusively provide telecommunications services only to a single person? (Except telecommunications services provided for the use of telecommunications business of a single person if that person is a telecommunications carrier) (Item (i))
 - "Exclusively providing telecommunications services only to a single person" means that the telecommunications services are provided to a single individual or a single company. For example, if Company A has a department (Department B) that is then spun off into its own company and provides telecommunications services only to Company A, then this item does apply.
- II. Does the business fall under the category of telecommunications business provide telecommunications services by using telecommunications facilities, a part of which are installed on the same premises (including the areas equivalent to those premises) or the same building where another part of those facilities are installed, or by using telecommunications facilities on a scale that does not meet the standards specified by Order of the Ministry of Internal Affairs and Communications (i.e. total installed telecommunications line length of 5 km)? (Item (ii)
 - "On the same premises" means on the same adjoining land within a certain area that is separated from other areas by barriers, walls, roads, waterways, or other clear partitions. Additionally, "area equivalent to those premises" means an area that appears at first to be separated into multiple areas by waterways, hedges, or a similar partitions, but which are actually socially accepted as comprising a single area (because the distance between them is so short, etc.).
 - "In the same building" includes gates, walls, basements, and similar structures attached to a building, but it does not include locations that are not determined to constitute the building's basement even if connected by a passageway, e.g. in the case of an underground arcade.

YES



YES



- Does the business fall under the category of a telecommunications business that provides services (excluding telecommunications domain name telecommunications services) other than telecommunications services of intermediating other through use communications the telecommunications facilities without installing telecommunications line facilities? (Item(iii))
 - "Intermediating other persons' communications" means to transmit and switch information at the request of others, without making changes to the content of the information, and conveying communications between people in remote locations or acting as an intermediary to complete their communication. For example, an email service generally uses an email server to transmit information at the request of the sender without making changes to the content of that information, and this falls under "intermediating"

other persons' communications" through the use of telecommunications facilities.

- If a server is used to provide information to users over the internet or in other such cases where one's own telecommunications facilities are used for communications between oneself and other persons, this does not fall under "intermediating other persons' communications."
- *Even if a telecommunications business is exempted, Article 3 ("Prohibition of Censorship") and Article 4 ("Protection of Secrecy") of the Act still apply to the communications handled by the person operating the telecommunications.

NO
(None of I to III)
is applicable)



(4) Does it fall under "operating a telecommunications business"?

An entity that operates a telecommunications business: Obtaining registration or filing a notification in advance is required [Article 9 and Article 16, paragraph (1) of the Telecommunications Business Act]

I. Does the activity fall under "operating a telecommunications business"?

- "Operating a telecommunications business" means a recurrent, continuous provision of telecommunications services to users with the aim of generating revenues from the telecommunications business itself by collecting fees from users as payment for services (It is not a requirement that an actual profit be made). Additionally, even if nominally no payments are being collected for the provision of telecommunications services, this activity is still classified as "operating a telecommunications business" if it is determined that, in reality, the provision of telecommunications services is actually generating revenues.
- Even in the case of a not-for-profit telecommunications business, a notification must be filed for the business pursuant to provision of Article 165, paragraph (1) of the Telecommunications Business Act if the business is operated by a local government and its wholesale telecommunications services or telecommunications services provide telecommunications facilities for use in communications of large numbers of unspecified people.

YES

Telecommunications business for which "Registration" or "Notification" is required



NO

(5) Does the business fall under "telecommunications business for which registration is required"?

Criteria for whether registration is required: Whether telecommunications line facilities installation is involved and the scale thereof [Article 3, paragraph (1) of the Enforcement Regulations]

I. Are telecommunications line facilities installed?

- "Telecommunications line facilities" means transmission line facilities that interconnect places of transmission with places of reception, switching facilities installed as an integral part of these, and their adjunct facilities.



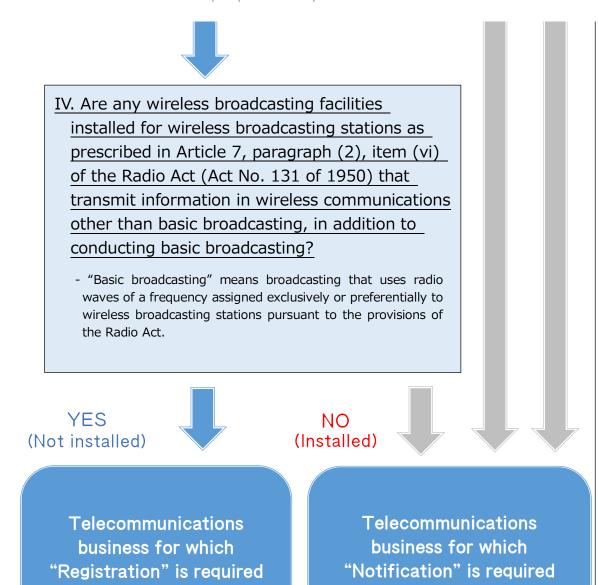
NO (Not installed)

- II. Does the area in which the terminal system transmission line facilities (transmission line facilities connected to terminal facilities or customer-owned and maintained telecommunications facilities) are installed extend beyond a single municipality (including special wards) (or ward or general ward in the case of a designated city as per Article 252-19, paragraph (1) of the Local Autonomy Law [Act No. 67 of 1947])?
 - "Terminal system transmission line facilities" means, for example, transmission line facilities running between a station building and a user's residence. This includes line equipment such as coaxial cables and optical fibers, as well as wireless equipment.
- III. Does the area in which the transit system transmission line facilities (transmission line facilities other than "terminal system transmission line facilities") are installed extend beyond one prefecture?
 - "Transit system transmission line facilities" means, for example, transmission line facilities running between station buildings.

YES (One of these applies)



NO (Neither of these applies)



4. Primary Examples and Approaches

"Telecommunications business for which 'registration' or 'notification' is required" generally includes businesses that provide telecommunications services such as those shown in the following table. Additionally, businesses conducting the wholesale or resale of these telecommunications services are also determined to be "telecommunications business for which 'registration' or 'notification' is required."

Subscription telephone, ISDN, relay telephone, international telephone, public telephone, FAX, telegram, mobile cell phone, PHS, mobile terminal data communication, data transmission (frame relay, ATM switching, etc.), IP phone, ISP, FTTH / DSL / CATV / FWA / public wireless LAN access, Internet-related services (email, instant messenger, IX, etc.), wide-area ethernet, IP-VPN, Exclusive-use services, pager services, etc.

Primary examples of "telecommunications business for which 'registration' or 'notification' is required," and the approaches thereto, are given below. However, note with caution that depending on their specific content, businesses may be viewed differently than explained below.

If multiple services are provided in a complex manner, such as on so-called portal sites and social media (also known as SNS (social networking services)), the necessity of registration and notification shall be determined for each service.

(1) Examples Requiring Registration and/or Notification

Example	Approach
Call forwarding services	This refers to a service under which a user is provided with a phone number used and managed by a service provider, and incoming calls are forwarded from callers to service users, or outgoing calls are forwarded from service users to recipients via a phone number used and managed by the service provider. Since this is intermediating the communications of others, it is deemed to be a telecommunications business for which "registration" or "notification" is required.

Example	Approach
Automatic telephone receptionist services	This refers to a service under which phone calls, faxes, etc., addressed to service users are received via telecommunications facilities (servers, etc.) without human intervention, and transmitted to service users after conversion and reformatting for different media types, without changing the information of the phone call, fax, etc. The service provider intermediates the communications of others through the use of telecommunications facilities, and so this is deemed to be a telecommunications business for which "registration" or "notification" is required.
Content delivery	This refers to the transmission of content provided by companies (etc.) over the internet to specific recipients, without making any changes to the content. As this is intermediating the communications of others, it is deemed to be a telecommunications business for which "registration" or "notification" is required.
Email magazine delivery	This refers to the sending of email magazine information, such as event information and product PR material provided by companies (etc.) over the internet, to pre-registered subscribers without making any changes to the content. As this is intermediating the communications of others, it is deemed to be a telecommunications business for which "registration" or "notification" is required.

Example	Approach
Internet services provided by office or apartment management companies to their tenants	This refers to internet services provided by offices or apartment management companies, lessors, etc., for their tenants at a set fee. In this case, the provision of telecommunications services can be recognized as an independent business, and so it is deemed to be a telecommunications business for which "registration" or "notification" is required. On the other hand, if an internet service used only by tenants is provided by a homeowners association or management association comprised of apartment building tenants, this service is deemed to be serving one's own demand and not the demand of others, and does not to fall under telecommunications business. (→ Flowchart (2) I)
Web hosting services	This refers to the leasing of servers or part of server functionality. If the lender is providing users with server functionality that enables the provision of services that intermediate the communications of others, such as an internet connection or email service, then the provider of that functionality is intermediating the communications of others through the use of telecommunications facilities, and so this is deemed to be a telecommunications business for which "registration" or "notification" is required. On the other hand, if they are leased to individuals or companies, etc., so as to enable them to set up and operate a website, the establishment and management of a website does not intermediate the communications of others. Therefore, the lender is not intermediating the communications of others, and so this is deemed to be a telecommunications business for which "registration" and "notification" are not required. (→ Flowchart (3) III)

Example	Approach
Transmitting messages between users (including the provision of this as a part of a service)	This refers to the transmission of messages between users for the intermediation and buying / selling of goods and services on e-commerce sites, matching sites, etc. Even if the service does not solely consist of transmitting messages between users, if the functionality of the service is provided as part of the whole service, this is also deemed to be a telecommunications business for which "registration" or "notification" is required.
Closed chat	This refers to a service under which a chat room is established on a website, users are matched with unspecified persons who want to chat, and then messages are intermediated in a closed environment between users. This is deemed to be a telecommunications business for which "registration" or "notification" is required.
Online dating sites and apps	This refers to a service that transmits messages pertaining to dating-related information over the internet, from users to prospective dating partners via email, etc. This is deemed to be a telecommunications business for which "registration" or "notification" is required.

Example	Approach
Provision of telecommunications services together with the lending of devices	This refers to the provision of telecommunications services together with devices (e.g. mobile phones, Wi-Fi routers) for those services from a telecommunications carrier to intermediate the communications of others. The entity that is provided with these services and lends out devices to users so that they can use these same services. The entity is providing telecommunications services (resale of telecommunications services) at their own initiative, so this is deemed to be a telecommunications business for which "registration" or "notification" is required. Additionally, if the telecommunications services are made available to others to be used without changing the fees or conditions under which the services are provided by a telecommunications carrier, the entity cannot be recognized as independently providing the telecommunications services themselves, and this is therefore deemed to be a telecommunications business for which "registration" or "notification" is not required. (Excluding cases in which the entity lending the devices is recognized as the independent provider of the services due to the relationship between the telecommunications carrier and the lender of the devices.)
MVNO (Mobile Virtual Network Operator)	This refers to the provision of independent mobile communication services to users through the use of a mobile telecommunications carrier's existing network infrastructure. This is deemed to be a telecommunications business for which "registration" or "notification" is required as telecommunications services are independently provided to users and to intermediate the communications of others.

Example	Approach
FVNO (Fixed Virtual Network Operator)	This refers to the provision of independent fixed communication services to users through the use of a fixed telecommunications carrier's existing network infrastructure. This is deemed to be a telecommunications business for which "registration" or "notification" is required as telecommunications services are independently provided to users and to intermediate the communications of others.
Channel rental	This refers to a service in which the installer of telecommunications line facilities divides up a frequency band, and rents parts of these out to companies and others. This is deemed to be a telecommunications business for which "registration" or "notification" is required.
Rebilling	This refers to a business that receives a large-volume discount from a telecommunications carrier and resells telecommunications services at a discount to users. This is deemed to be a telecommunications business for which "registration" or "notification" is required.
Email using foreign servers	This refers to the provision of email services for domestic users through the internet by an entity operating a Japan-based business using telecommunications facilities (servers, etc.) installed in foreign countries. Even if there are no limitations on where the telecommunications facilities are installed, and they are installed in a foreign country, this means that a person operating a Japan-based business is managing telecommunications facilities located in a foreign country. Because this is the provision of telecommunications services that intermediate the communications of others through the use of telecommunications facilities, and so it is deemed to be a telecommunications business for which "registration" or "notification" is required.

Example	Approach
Administrating a network among affiliate companies	This refers to corporate use telecommunications for work-related topics by a company that has built a network among multiple subsidiaries and affiliated companies by installing their own dedicated data telecommunication lines. Subsidiaries and other affiliates are still "other persons," and therefore providing communications among affiliated companies can be described as serving the demand of affiliates (other persons), this is deemed to be a telecommunications business for which "registration" or "notification" is required.
Administration of greeting cards service on a website	This refers to a portal website, etc., on the Internet that creates web pages, such as images with messages based on requests from users, and allows only the recipient to view them. The administrator of a greeting card service does not have the freedom to add information to the cards and the recipients/viewers of the communications are specified, so this is deemed to be intermediating communications between the sender and the viewer of the images with messages attached.
Intermediary service for electronic power of attorney	This refers to a service whereby an electronic power of attorney is presented, submitted and stored using servers (etc.) This service is performed at the delegation of a carrier that is a party to an electronic agreement, and it serves the purpose of presenting assignment of power of attorney in electronic agreements. The service is deemed to be a telecommunications business for which "registration" or "notification" is required.

Example	Approach
Domain nam resolution service	This refers to the use of an authoritative DNS (Domain Name System) server to give IP addresses (e.g. 2001:240:Bb81::21:e0) corresponding to domain names (www.soumu.go.jp) in response to user queries. Although this service is not determined to be a telecommunications service that is intermediating the communications of others, given the importance of this service to internet usage, domains with a high public interest (ccTLD ".jp"), geographical domain names (gTLD ".tokyo" ".osaka", etc.), and high-impact domains (those with over 300,000 subdomains [excluding those used by oneself]) are deemed to be a telecommunications business for which "registration" or "notification" is required. (→ Flowchart (3) III)

(2) Examples Not Requiring "Registration" or "Notification"

Example	Approach
Broadcasting	Defined as "the transmission of telecommunications intended to be received directly by the general public" (Broadcasting Act, Article 2, paragraph (1), item (i)), this is focused on the act of using radio waves to transmit information (from among the possible actions of transmission, emission, or receiving information). Although broadcasting for the purpose of transmission may be intended to be received directly by the general public, there are large numbers of unspecified viewers and listeners who do not necessarily need to receive these transmissions, and legally, these recipients are not viewed as the other party in these transmissions (their status as the other party is merely the hope of the transmitter). Additionally, unlike other wireless communications, the recipient's wireless broadcasting facilities are set up without the contribution of the broadcaster, i.e. the transmitter. Broadcasting may appear to be the use of transmitting equipment by a broadcaster in communications with recipients, but since it is focused primarily on the unilateral supply of program broadcasting, it is deemed not to fall under "telecommunications services." (→ Flowchart (1))

Example	Approach
Internal telephone extensions and LANs	This refers to the establishment and operation by a company, government ministry or agency, university, or other organization that installs internal telephone extensions or LANs to enable employees to communicate with each other about work-related topics. If a company's top representative or a company or an individual's employer or an employee engages in communication pertaining to the operations of that company or individual thereof, their status will be that of an organ of the company or individual, and the effect thereof will be directly attributable to the company or individual in question. Therefore, this is a communication by the company or of an individual and does not constitute communications of "other persons." The establishment and operation of internal telephone extensions and LANs is simple self-consumption and communication for one's own use, so this is deemed not to be a telecommunications service. (→ Flowchart (1))
Lending of spaces for server installation	This term refers to a business in which a real estate company, etc., sets up a building equipped with stable power supply facilities and earthquake-resistant facilities, and leases space for servers, etc., to a telecommunications carrier. Because this is nothing more than a real estate business in which a space is rented out, it is deemed to not to fall under "telecommunications services." (\rightarrow Flowchart (1)) However, if the lender of the space is providing users with telecommunication lines that the lender has procured, this falls under "reselling of telecommunications services" and therefore it is a telecommunications business for which "registration "or "notification "is required.
Agency for mobile phone agreements etc.	This refers to serving as an agent, broker, or intermediary for agreements regarding the provision of mobile phone or FTTH access services, and other services. Because this is merely an agency service for contracts, it is deemed to not to fall under "telecommunications services." $(\rightarrow$ Flowchart (1))

Example	Approach
E-commerce and other services that provide instore services over the internet	This refers to the handling of customer requests (e.g. orders, inquiries) by retailers, etc., over the internet (i.e. the core operations of retailers, etc.) by setting up a website using telecommunications facilities (e.g. servers), in addition to customer requests by phone or in stores. This is the provision of telecommunications facilities for use in the communications of others and falls under "telecommunications services." However, the provision of telecommunications services as a method of executing other core operations of one's business that are not necessarily based on telecommunications services constitutes serving one's own demand, and are not meeting the demand of others, which means that it deemed to fall under "telecommunications business". Similarly, internet banking and internet securities trading conducted by banks and brokerages are also deemed to not fall under "telecommunications business". (→ Flowchart (2) I)
Establishing of websites by individuals and companies (For the exclusive purpose of sharing one's own information)	This refers to the establishing of websites by individuals and companies using telecommunications facilities (e.g. servers) and for disseminating only their own information over the internet, for the exclusive purpose of providing this information. Since the concept of "communications of others" includes communications between oneself and other people, the use of one's own telecommunications facilities for communication with website viewers (other people) constitutes providing facilities for use in thecommunications of others (i.e. one's partner party for these communications), and this means it falls under "telecommunications services." However, providing telecommunications services as a way of exclusively transmitting one's own information constitutes serving one's own demand and not serving other persons' demand, so it is deemed to not fall under "telecommunications business." (→ Flowchart (2) I)

Example	Approach
Issuing email magazines	This means PR activities performed by companies, etc., and targeted at customers via mail or advertising space in newspapers (e.g. advertising one's own products, announcement of events), as well as PR via emails targeted at pre-registered lists of customers, etc. The provision of telecommunications services in conducting PR targeted at customers and regarding information pertaining to the core operations of a business constitutes serving one's own demand and not serving the demand of others, so it is deemed to not fall under "telecommunications business." (→ Flowchart (2) I)
Email forms	This refers to inquiries from customers and residents received by companies and local governments by phone, etc., as well as the establishment of websites through the use of telecommunications facilities to receive inquiries from customers and residents over the Internet. The provision of telecommunications services in receiving inquiries from customers and residents constitutes serving one's own demand and not serving the demand of others, so it deemed to not fall under "telecommunications business." (→ Flowchart (2) I)
Hotel internet	This refers to the provision of devices and internet services by a hotel operator, etc., to enable guests to use the Internet as part of accommodation services. Because this is the provision of devices incidental to accommodation services, this provision of telecommunications services cannot be viewed as an independent business, and therefore it is deemed to not fall under "telecommunications business." (→ Flowchart (2) II)

Example	Approach
Hotel telephone	This refers to the setting up and operation of telephones by a hotel operator, etc., as a part of accommodation services to enable internal calls between guests and outbound calls from guests to external parties. Because this is the setting up and operation of telephones incidental to accommodation services, the provision of telecommunications services cannot be viewed as an independent business, and therefore it is deemed to not fall under "telecommunications business." (→ Flowchart (2) II)
Use of telecommunications facilities for emergency communications in an extraordinary disaster situation (Disaster Relief Act, Article 11)	Labor and Welfare, prefectural governors, and others, give priority to the use of telecommunications facilities provided by telecommunications carriers to support essential emergency work-related communications in the event of an extraordinary disasters in which emergency aid operations are needed.

Example	Approach
Provision of communications facilities by rail transport operators for Japan Post Holdings Co., Ltd. (Act on Consignment of Mail Shipping, Article 8)	
Distribution of email magazines	This refers to email magazines created based on event information and product PR material provided by companies, etc., and the sending of those magazines to pre-registered subscribers, etc. This does fall under "telecommunications business" because its purpose is the information transmission itself (provision of telecommunications services) using the internet to meet the demand of subscribers (other persons). However, since email magazines are created and sent to subscribers based on information provided by companies, etc., this is determined to not constitute the intermediating of the communications of others, and if telecommunications line facilities are not installed, this is deemed to be a telecommunications business for which registration and notification are not required. (→ Flowchart (3) III)

Example	Approach		
Online provision of information	This refers to the use of telecommunications facilities (servers, etc.) to create an information database for weather forecasts, news, etc., and providing that information to users over the internet. This does fall under "telecommunications business" because its purpose is the information transmission itself (provision of telecommunications services) using the internet to meet the demand of users (other persons). However, since this is communication between oneself and other persons (users) and does not intermediate the communications of others, if telecommunications line facilities are not installed, this is deemed to be a telecommunications business for which registration and notification are not required. (→ Flowchart (3) III)		
Online website search	This refers to creating an extensive website database and providing website URLs, including search terms, to users over the internet (portal sites in a narrowly defined sense). Since this is communication between oneself and other persons (users) and does not intermediate the communications of others, if telecommunications line facilities are not installed, this is deemed to be a telecommunications business for which "registration" and "notification" are not required. (→ Flowchart (3) III)		
Online provision of software	This refers to the installation of servers equipped with application software for labor and sales management and allowing companies, etc., to use that software over the internet, etc. (ASP service in a narrowly defined sense). Since this is communication between oneself and other persons (users) and does not intermediate the communications of others, then in cases where no telecommunications line facilities are installed, this is deemed to be a telecommunications business for which "registration" and "notification" are not required. (→ Flowchart (3) III)		

Example	Approach		
Online storage	This refers to the installation of servers, etc., and providing backup storage of customer data, etc., received from user companies, etc., via the Internet, etc. Since this is communication between oneself and other persons (users) and does not intermediate the communications of others, if telecommunications line facilities are not installed, this is deemed to be a telecommunications business for which "registration" and "notification" are not required. (→ Flowchart (3) III)		
Internet cafe	This refers to the setting up of internet-connected devices and PCs only in a store to enable users to temporarily access the internet via services provided by an ISP, etc. For internet cafe communications systems as a whole, it is the ISP, etc., that is providing the network to which the terminal PCs are connected, and it is the ISP that is intermediating the communications of others. If telecommunications line facilities are not installed, internet cafes are deemed to not be a telecommunications business for which "registration" and "notification" are required. (→ Flowchart (3) III)		
Bulletin board system (BBS)	This refers to the provision of "venues" where many unspecified users can exchange information in text form over the internet. If the communications of others are not intermediated and telecommunications line facilities are not installed, this is deemed to be a telecommunications business for which "registration" and "notification" are not required. (Even in cases where a "venue" is provided, if the service includes functionality that intermediates messages sent between users, then "registration" or "notification" is determined to be necessary.) (→ Flowchart (3) III)		

Example	Approach		
Open chat	This refers to the provision of "venues" where many unspecified users can exchange information in text-based form and in real time over the internet. Since this can be viewed as a "real-time BBS," if no telecommunications line facilities are installed, this is deemed to be a telecommunications business for which "registration" and "notification" are not required. (Even in cases where a "venue" is provided, if the service includes functionality that intermediates messages sent between users, then "registration" or "notification" is determined to be necessary.) (\rightarrow Flowchart (3) III)		
Internet shopping mall	This refers to the provision of "venues" for shopping at multiple stores over the internet. If other persons' communications are not intermediated and telecommunications line facilities are not installed, this is deemed to be a telecommunications business for which "registration" and "notification" are not required. (Even in cases where a "venue" is provided, if the service includes functionality that intermediates messages sent between users, then "registration" or "notification" is determined to be necessary.) For the same reasons, internet auctions are also deemed to be telecommunications business for which "registration" and "notification" are not required. (→ Flowchart (3) III)		
Email operated by individuals for private recreational purposes	This refers to the operation of free email services that enable individuals to communicate only with certain members (friends, etc.) for private recreational purposes. Since such services are free, do not generate revenue from the attachment of banner ads, etc., to emails, and are not a profit-generating business, they are deemed to be a telecommunications business for which "registration" and "notification" are not required. $(\rightarrow \text{Flowchart (4)})$		

5. Inquiries about Procedures

Inquiries regarding registration and notification procedures are to be directed to the following.

Regional Bureau of Telecommunications	Division in Charge	Phone number	Jurisdiction
Hokkaido Bureau of Telecommunications	Telecommunications Business Division	011-709-2311 (Ext. 4705)	Hokkaido
Tohoku Bureau of Telecommunications	Telecommunications Business Division	022-221-0630	Aomori, Iwate, Miyagi, Akita, Yamagata, Fukushima
Kanto Bureau of Telecommunications	Telecommunications Business Division	03-6238-1675	Ibaraki, Tochigi, Gunma, Saitama, Chiba, Tokyo, Kanagawa, Yamanashi
Shinetsu Bureau of Telecommunications	Telecommunications Business Division	026-234-9948	Niigata, Nagano
Hokuriku Bureau of Telecommunications	Telecommunications Business Division	076-233-4422	Toyama, Ishikawa, Fukui
Tokai Bureau of Telecommunications	Telecommunications Business Division	052-971-9403	Gifu, Shizuoka, Aichi, Mie
Kinki Bureau of Telecommunications	Telecommunications Business Division	06-6942-8518	Shiga, Kyoto, Osaka, Hyogo, Nara, Wakayama
Chugoku Bureau of Telecommunications	Telecommunications Business Division	082-222-3378	Tottori, Shimane, Okayama, Hiroshima, Yamaguchi
Shikoku Bureau of Telecommunications	Telecommunications Business Division	089-936-5042	Tokushima, Kagawa, Ehime, Kochi
Kyushu Bureau of Telecommunications	Telecommunications Business Division	096-326-7824	Fukuoka Prefecture, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima
Okinawa Office of Telecommunications	Information and Communications Division	098-865-2302	Okinawa Prefecture

Note: Jurisdiction over notifications for the telecommunications business is determined either by the location of the headquarters of the company seeking to file a notification, or in the case of individuals, the individual's address. Please consult the websites of the respective Regional Bureaus of Telecommunications, etc., for more information on these procedures.