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*Manual for Market Entry into Japanese
Telecommunications Business*

Ministry of Internal Affairs and Communications (MIC)

Japan

Manual for Market Entry into Japanese
Telecommunications Business — Table of Contents

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(In case of any inconsistency between the Japanese and English versions, the Japanese version shall prevail.)

Preface

Japan introduced the principles of market competition into all areas of the telecommunications market in April 1985, in addition to the privatization of Nippon Telegraph and Telephone Corporation. Today, more than 17,000 new telecommunications carriers have entered the market (as of June 2016). Furthermore, along with the enforcement of the Administrative Procedures Act in October 1994, Japan formulated and announced the examination standards for permission, authorization, etc. on the telecommunications business and the standard processing period required for the procedure.

With consideration of these situations, this booklet was published following the Deregulation Action Program, as decided upon by the Cabinet on March 31, 1996, to extend further the transparency of Japan's regulatory system. This booklet summarizes the procedures, documents to be submitted, and relevant laws required for entry into the field of Japanese telecommunications business. Following the subsequent amendment of laws, this booklet has undergone a series of revisions, with the hope of promoting people's understanding to Japan's telecommunications system.

[Overview]

I. Outline of Telecommunications Business System

1. Laws and Ordinances Related to Telecommunications Business

1) Telecommunications Business Act

In April 1985, the Telecommunications Business Act came into effect for the purpose of regulating telecommunications business upon Japan's introduction of the principles of market competition into all areas of the telecommunications market. The Telecommunications Business Act specifies regulations on telecommunications-related matters, including the protection of the secrecy of communications, the fairness in use of telecommunications, and the securing of essential communications as well as registration and notification for telecommunications business, the operations of telecommunications carriers, their compliance with the technical conditions specified for telecommunications facilities, and use of land.

2) Radio Act

A telecommunications carrier using radio facilities and constructing a network shall abide by the provisions of the Radio Act with regard to the telecommunications carrier's radio station license, radio equipment, radio operators, and operations of the radio station, etc. in addition to the provisions of the Telecommunications Business Act.

3) Wire Telecommunications Act

A telecommunications carrier using wired telecommunications facilities and constructing a network shall abide by the provisions of the Wired Telecommunications Act with regard to technical standards and other requirements, in addition to the provisions of the Telecommunications Business Act.

2. Process for Commencing Telecommunications Business

Anyone commencing telecommunications business and installing large-scale telecommunications circuit facilities shall be subject to the registration of the business with the Minister for Internal Affairs and Communications. If the telecommunications circuit facilities are small in scale or no telecommunications circuit facilities are used, the telecommunications business operator shall submit a notification to that effect to the Minister.

To be specific, any person who intends to operate a telecommunications business needs to be registered if the operator installs telecommunications circuit facilities in excess of 1) or 2) below as specified by an Ordinance of the Ministry of Internal Affairs and Communications (MIC).

1) Terminal system transmission line facilities remain within areas in a single city, town, or village (within a single ward in the case of a special ward or designated city under the Local Autonomy Act).

2) Transit system transmission line facilities (i.e., transmission line facilities other than terminal system transmission line facilities) remain within areas in a single prefecture.

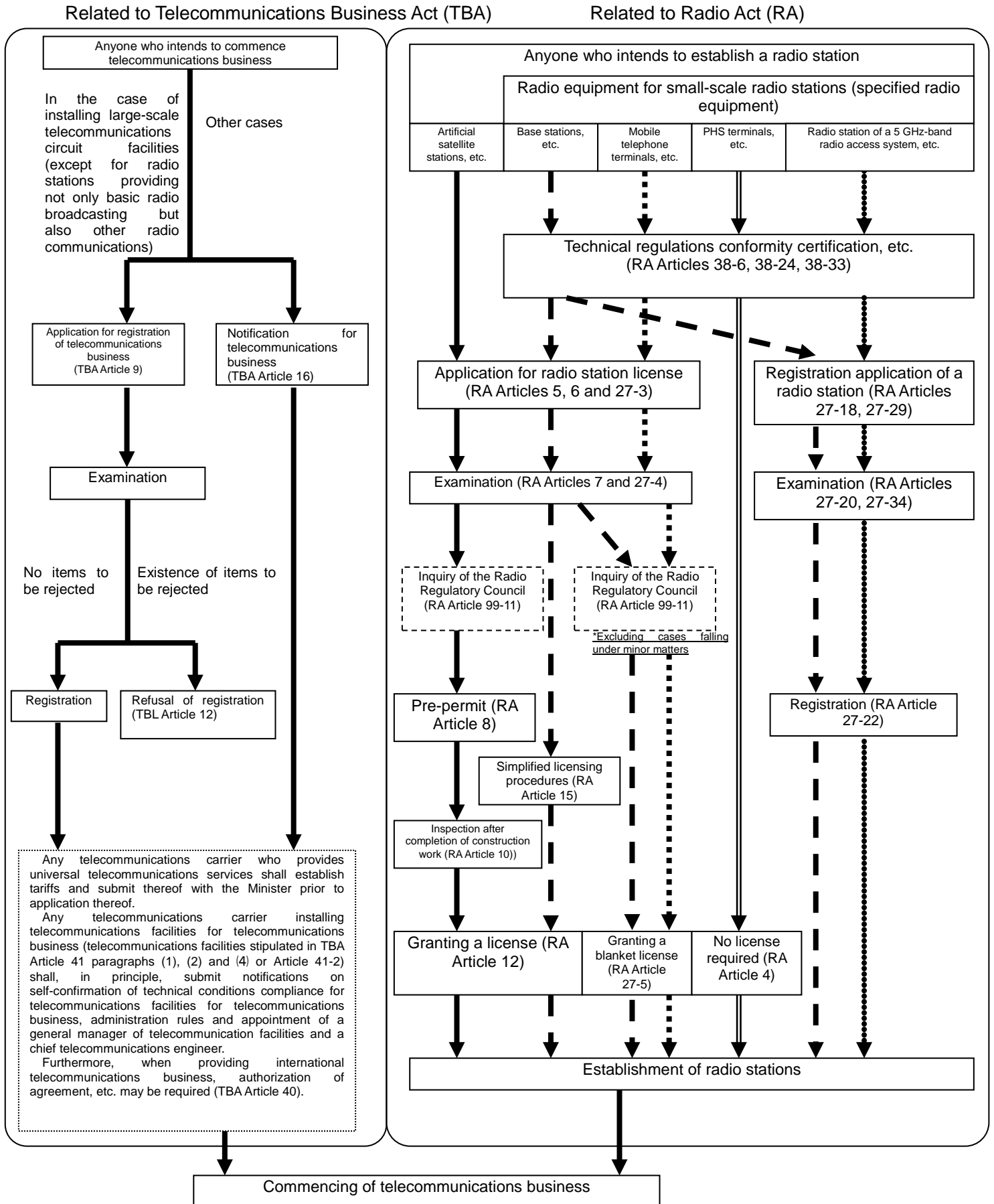
* In the case of installing telecommunications circuit facilities in excess of the restrictions specified in 1) or 2) above, however, the operator needs to submit a notification instead of being registered, provided that the facilities are radio facilities of radio stations transmitting radio communications other than

basic broadcasting, in addition to basic broadcasting prescribed in Article 7 paragraph (2) item 6 of the Radio Act.

At the time of commencing telecommunications business, the procedures illustrated in Fig. 1 shall be required (the procedures stipulated in the Radio Act shall be limited to the case of operating telecommunications business by means of radio communications).

If a telecommunications carrier who operates a telecommunications business by installing telecommunications circuit facilities wish to exercise the right to use land (so-called "public utility privilege") for installing transmission lines may, separately from telecommunications business entry procedures such as the registration or notification, be granted the public utility privilege for all or part of the telecommunications business by obtaining approval from the Minister.

Fig. 1. Procedures for Telecommunications Business



II. Procedures for Telecommunications Business

II-1. Registration of Telecommunications Business

Telecommunications Business Act

Article 9 (Registration of Telecommunications Business)

Any person who intends to operate a telecommunications business shall obtain registration from the Minister for Internal Affairs and Communications; provided, however, that this shall not apply to cases where:

- (i) the scale of telecommunications circuit facilities (telecommunications line facilities that connect places of transmission with places of reception and switching facilities installed as an integral part of these, and their adjunct facilities; hereinafter the same shall apply) installed by the person and the scope of areas where the telecommunications circuit facilities are installed do not exceed the standards specified by an Ordinance of the Ministry of Internal Affairs and Communications.
- (ii) the telecommunications circuit facilities installed by the person are radio facilities of radio stations transmitting radio communication other than basic broadcasting, in addition to basic broadcasting prescribed in Article 7 paragraph (2) item 6 of the Radio Act (Act No. 131 of 1950) (except for those listed in the preceding item).

(an Ordinance of the Ministry of Internal Affairs and Communications: Article 3 of the Enforcement Regulations of the Telecommunications Business Act)

Article 10

(1) Any person who intends to obtain registration as set forth in the preceding Article shall, as specified by an Ordinance of the Ministry of Internal Affairs and Communications, file with the Minister for Internal Affairs and Communications an application describing the following matters:

- (i) Name and address of the applicant and in the case of a juridical person, the name of the representative person
- (ii) Service areas
- (iii) Outline of telecommunications facilities

(2) The application set forth in the preceding paragraph shall be submitted with a document in which the person pledges that he/she does not fall under any of item through item (iii) of Article 12 paragraph (1), and other documents specified by an Ordinance of the Ministry of Internal Affairs and Communications attached thereto.

(an Ordinance of the Ministry of Internal Affairs and Communications: Article 4 of the Enforcement Regulations of the Telecommunications Business Act)

1. Procedures for Registration

The following documents need to be submitted for the registration of telecommunications business.

1) Application form (Form 1)

Matters to be described:

- i) The name and address of the applicant and in the case of a juridical person, the name of the representative person
- ii) The service areas
- iii) An outline of the telecommunications facilities
- iv) The scheduled commencement date of telecommunications business

2) Documents to be attached

- i) A document indicating that the applicant does not fall under the reasons for refusal of registration (Form 2)
- ii) A network diagram (Form 3)
- iii) A document concerning telecommunications services to be provided (Form 4)
- iv) An outline of the business conducted by the applicant other than the telecommunications business
- v) Where the applicant is an existing juridical person:
 - A transcript of the articles of incorporation and certificate of registered information
 - A list of officers and their curricula vitae
- vi) Where the applicant is a person who intends to establish a juridical person:
 - A transcript of the articles of incorporation
 - A list of founders, partners or incorporator, and their curricula vitae, and documents certifying their names, addresses and dates of birth
- vii) Where the applicant is an association other than juridical persons listed in vi):
 - A transcript of the association articles, rules, etc. describing the purpose, organization, operations, etc. of the association
 - A list of officers and their curricula vitae, and documents certifying their names, addresses, and dates of birth
- viii) Where the applicant is an individual:
 - A document certifying the person's name, address, and date of birth
 - A curriculum vitae

2. Examination/Registration

Except for cases where refusing an application for the registration of telecommunications business in accordance with the provisions of Article 12 of the Telecommunications Business Act, the Minister for Internal Affairs and Communications shall register the following matters on the telecommunications carriers registration book:

- The name and address of the applicant, and in the case of a juridical person, the name of the representative person
- The service areas
- An outline of the telecommunications facilities
- The registration date and registration number

1) Reasons for refusal

Where an applicant falls under any of the following items, the Minister shall refuse the registration of the applicant:

- i) The applicant has been sentenced to a fine or severer punishment pursuant to the provisions of the

Telecommunications Business Act, the Wire Telecommunications Act, or the Radio Act, and a period of two years has not passed from the date on which the enforcement of such punishment has been completed or has ceased to become applicable.

- ii) The applicant's registration was revoked, and a period of two years has not passed from the date of revocation.
- iii) The applicant is a juridical person or association any of whose officers falls under any of i) or ii) above.
- iv) The applicant's telecommunications business is found to be inappropriate for the sound development of telecommunications.

When the Minister for Internal Affairs and Communications has refused registration pursuant to the provision of the preceding paragraph, the Minister shall notify the applicant to that effect in writing with reasons attached thereto.

2) Standard processing period

The standard processing period is the standard length of time it takes for an application submitted to a government office to be processed. An application for registration for a telecommunications business will, in principle, take about 15 days.

3) Renewal of Registration

In accordance with Article 12-2 of the Telecommunications Business Act, if a large-scale telecommunications carrier (a carrier that installs Category I or Category II designated telecommunications facilities) or its group company merges with a business of a different group that installs specified telecommunications facilities or acquires its shares, the registration of the large-scale business or its group company shall cease unless the large-scale business or its group company have its registration renewed within three months from the date of occurrence of the said merging.

The provisions of the registration of telecommunications business shall apply mutatis mutandis to procedures for the registration renewal, examination, etc. of telecommunications business. The application form and attached documents at the time of registration renewal shall be in accordance with Article 4-2 of the Regulations for Enforcement of the Telecommunications Business Act.

In the case of refusal of the registration, the qualification of the business shall be reviewed from the viewpoint of the accounting base and operation structure of the business in addition to the sound development of telecommunications. The registration of those who fall under refusal reasons shall not be renewed.

II-2. Notification of Telecommunications Business

Telecommunications Business Act

Article 16 (Notification of Telecommunications Business)

- (1) Any person (except a person who shall obtain registration as set forth in Article 9 who intends to operate a telecommunications business shall, as specified by an Ordinance of the Ministry of Internal

Affairs and Communications, file a notification with the Minister for Internal Affairs and Communications to that effect by attaching documents that describe the following matters.

(an Ordinance of the Ministry of Internal Affairs and Communications: Article 9 of the Enforcement Regulations of the Telecommunications Business Act)

An applicant submitting a notification of the operation of telecommunications business to the Minister for Internal Affairs and Communications shall also submit the documents specified below to the Minister through the Regional Bureau of Telecommunications that has jurisdiction over the area of the applicant (or the Okinawa Office of Posts and Telecommunications if the area is Okinawa) (hereinafter referred to as “the Regional Bureaus of Telecommunications, etc.”). However, all such notifications related to domain name telecommunications services shall be submitted to MIC.

1) Notification (Form 8)

Matters to be described:

- i) The name and address of the applicant, and in the case of a juridical person, the name of the representative person
- ii) The service areas
- iii) An outline of telecommunications facilities (limited to the cases where the person installs telecommunications facilities provided for telecommunications business)
- iv) The scheduled commencement date of telecommunications business

2) Documents to be attached

- i) A network diagram (Form 3)
- ii) A document concerning telecommunications services to be provided (Form 4)
- iii) Where the applicant is an existing juridical person, a transcript of the articles of incorporation and certificate of registered information
- iv) Where the applicant is a person who intends to establish a juridical person:
 - A transcript of the articles of incorporation
 - A list of founders, partners or incorporator, and documents certifying their names, addresses, and dates of birth
- v) Where the applicant is an association other than juridical persons listed in iv):
 - A transcript of the association articles, rules, etc. describing the purpose, organization, operations, etc. of the association
 - A list of officers and documents certifying their names, addresses, and dates of birth
- vi) Where the applicant is an individual, a document certifying the person's name, address, and date of birth

II-3. Approval to Telecommunications Business

Telecommunications Business Act

Article 117 (Approval to Business)

(1) When a telecommunications carrier who operates a telecommunications business of providing

telecommunications services by installing telecommunications circuit facilities or a person who intends to operate the telecommunications business intends to establish eligibility under the provision of the following Section, it may file an application to obtain approval from the Minister for Internal Affairs and Communications for the telecommunications business in whole or in part.

(2) Any person who intends to obtain approval as set forth in the preceding paragraph shall, as specified by an Ordinance of the Ministry of Internal Affairs and Communications, file with the Minister for Internal Affairs and Communications an application describing the following matters:

- (i) Name and address of the applicant and in the case of a juridical person, the name of the representative person
- (ii) Service areas of the telecommunications business pertaining to the application
- (iii) Outline of telecommunications facilities for the use of telecommunications business pertaining to the application

(3) The application document as set forth in the preceding paragraph shall be submitted with a business plan and other documents specified by an Ordinance of the Ministry of Internal Affairs and Communications attached thereto.

(the following Section: Chapter III Section 2 of the Telecommunications Business Act)

(an Ordinance of the Ministry of Internal Affairs and Communications: Article 40-9 and Article 40-10 of the Enforcement Regulations of the Telecommunications Business Act)

1. Procedures for Approval

A telecommunications carrier intending to obtain approval to all or part of the operations of telecommunications business from the Minister for Internal Affairs and Communications shall file the following documents when commencing telecommunications business:

- 1) Application form (Form 38-4 or 38-8 shall be used if the telecommunications carrier has been already registered or the telecommunications carrier has already submitted an application or notification for registration, otherwise Form 38-5 or 38-9 shall be used.)

Matters to be described:

- i) The name and address of the applicant and in the case of a juridical person, the name of the representative person
- ii) The service areas of the telecommunications business pertaining to the application
- iii) An outline of telecommunications facilities for the use of telecommunications business pertaining to the application

2) Documents to be attached

- i) The plan of the telecommunications business (Form 38-6 or 38-10)
- ii) Income and expenditure account estimates for five business years covering a business year including a day within five years calculating from the day of the commencement of the business (Form 38-7 or 38-11)
- iii) A document indicating the ground of the scheduled day of the commencement of the business
- iv) A document concerning main engineers (in cases where main engineers are chief telecommunications engineers, a document describing their names and the types and numbers of their chief telecommunications engineer's licenses. In other cases, curricula vitae)

- v) Where the applicant is an existing juridical person:
 - A list of officers and their curricula vitae
 - A balance sheet and a profit and loss statement of the last business year
- vi) Where the applicant is a person who intends to establish a juridical person:
 - A list of founders, partners or incorporator, and their curricula vitae
 - Documents describing the stock subscriptions or the status of and prospects for investment
- vii) Where the applicant is an association other than juridical persons listed in vi):
 - Curricula vitae of officers (except cases where the association has already been registered or has applied for registration)
 - Documents describing the status of assets of the association
- viii) Where the applicant is an individual:
 - A curriculum vitae (except cases where the association has already been registered or has applied for registration)
 - A statement of assets
- ix) Where the applicant is a local government, a copy of the assembly proceedings pertaining to engagement in a telecommunications business
- x) A document indicating that the applicant does not fall under the reasons for disqualification of approval (Form 2; however, except cases where the applicant has already been registered or has applied for registration)
- xi) If permission or other disposition of the competent administrative authority is required concerning the installation of telecommunications facilities, a copy of the permit, etc. (a copy of the application in cases where the application has been made for permission, etc.) or a document describing the status of the procedures.
- xii) Documents, including figures illustrating the configuration of telecommunications facilities and interconnection with telecommunications facilities of other telecommunications carriers and users, which confirm that there are no communications between telecommunications facilities for the use of telecommunications business pertaining to the application for approval and those not pertaining to the application resulting from directly interconnecting those telecommunications facilities or interconnecting those telecommunications facilities via telecommunications facilities of other telecommunications carriers (limited to cases of an application for partial approval to telecommunications business)

2. Examination

The Minister for Internal Affairs and Communications shall examine the application for approval of all or part of the telecommunications business in accordance with each item of Article 119 of the Telecommunications Business Act and grant approval of all or part of telecommunications business if the application for approval satisfies examination standards specified for the above items. The examination standards are as follows:

1) Examination standards

- i) The applicant has an adequate financial basis and the technical capabilities to properly conduct the telecommunications business pertaining to his/her application.

- ii) The plan of telecommunications business pertaining to his/her application is reliable and reasonable.
- iii) The applicant has obtained the registration as set forth in Article 9 that is necessary for operating the telecommunications business pertaining to his/her application or registration of change as set forth in Article 13 paragraph (1), or has filed a notification as set forth in Article 16 paragraph (1) or paragraph (3).

2) Standard processing period

The standard processing period is a standard length of time it takes for an application submitted to a government office to be processed. An application for approval to a telecommunications business will take about one month.

3) Reasons for disqualification

Where an applicant falls under any of the following items, the Minister shall not grant approval to the person:

- i) The applicant has been sentenced to a fine or severer punishment pursuant to the provisions of the Telecommunications Business Act, the Wire Telecommunications Act, or the Radio Act, if within a period of two years from the date on which the enforcement of such punishment has been completed or has become inapplicable
- ii) Approval to the applicant was revoked, and a period of two years has not yet elapsed since the day of revocation
- iii) The applicant is a juridical person or association that has any of whose officers fall under any of the preceding i) or ii)

3. Obligation to Commence Business

The applicant who has obtained an approval for telecommunications business in accordance with 2 shall commence the telecommunications business within the designated period. The period, however, may be extended by filling out Form 38-12 if it is determined that there is a due reason.

When the applicant has commenced its business, the applicant shall submit without delay a notification to that effect to the Minister for Internal Affairs and Communications. (Form 38-13)

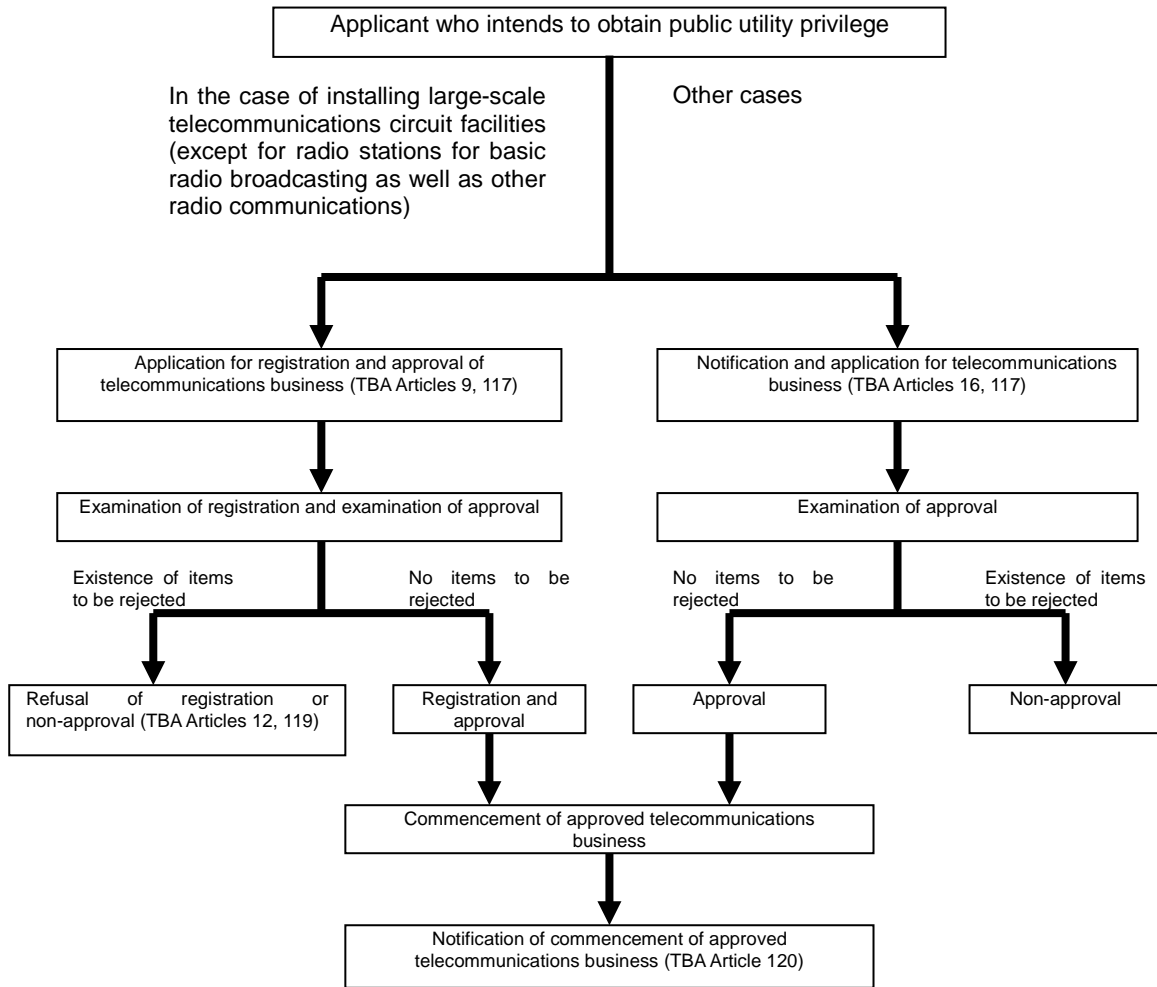
II-4. Relations between Registration/Notification and Approval

Under the Telecommunications Business Act before the amendment in April 2004, a telecommunications carrier being granted permission for Type I telecommunications business was automatically recognized as having rights-of-way, so-called "public utility privileges," to use land, etc. for laying line facilities. However, along with the abolition of the permission system for entry, a telecommunications business may be commenced through simplified procedures. An approval system has been newly introduced to allow telecommunications carriers intending to exercise a public utility privilege, separately from the procedures for entering a telecommunications business (registration or notification), to obtain approval to all or part of its telecommunications business from the Minister for Internal Affairs and Communications.

Upon application for registration or submission of a notification, an application for approval may be filed (refer to Fig. 2.) at the same time. With respect to a telecommunications business already registered or

notified, an application for approval may be submitted for the telecommunications business.

Fig. 2 Procedures for Registration/Notification and Approval (in the case of simultaneous application)



III. Radio Station License, etc.

Radio Act

Article 4 (Establishment of Radio Stations)

Any person who wishes to establish a radio station shall obtain a license from the Minister.

1. Procedures for obtaining a radio station license, etc.

Anyone who wishes to establish a radio station shall obtain a radio station license from the Minister for Internal Affairs and Communications.

Where a radio station is to be established for the purpose of operating a telecommunications business, the licensee concerned shall be a telecommunications carrier.

Establishment of a radio station means to install radio equipment and to have it operated by those who are capable of emitting radio waves, thereby constituting a radio station.

An application for a radio station license shall include the following documents:

- i) A radio station license application form
- ii) Documents attached thereto describing the following matters:
 - Documents describing radio station matters and construction types

In addition, exceptional licensing for specified radio stations (Blanket License) has been established, and in applying for a license of specified radio stations, submission of the following documents is required:

- i) A specified radio station license application form
- ii) Documents attached thereto describing the following matters:
 - Radio station specification sheet and construction design sheet

Furthermore, the application needs to be made within a time period officially specified by the Minister for Internal Affairs and Communications if the application is for a license of a radio station listed in Article 6 paragraph (7) of the Radio Act (excluding those specified by an Ordinance of MIC) that uses a frequency announced by the Minister.

On the other hand, for any radio station using radio equipment with low antenna power, such as a PHS terminal or a cordless telephone, no radio station license is required provided that a technical regulations conformity certification is obtained. Furthermore, a registration system for radio stations, including 5 GHz-band radio access systems, prescribed in an Ordinance of MIC has been established. Such a radio station can be established by obtaining registration without receiving a construction-completion test. For the registration of a radio station, the submission of the following documents is required.

- i) A radio station registration application form
- ii) Documents attached thereto
 - A document describing the purpose of establishment and other matters prescribed in MIC's applicable ordinance (category of a radio station, valid term of registration, etc.)

If two or more radio stations for which registration must be obtained are established within a specified area, the radio stations can be registered comprehensively as long as the radio stations use the same frequency and have the same standards (blanket registration system).

2. Examination

1) Pre-permit (provisional license)

In addition to the examination pertaining to the reasons for disqualification, the Minister for Internal Affairs and Communications shall confirm the following conditions:

- i) Conformance of the construction design to the technical regulations as specified in the Radio Act.
- ii) Possibility of the assignment of a radio frequency.
- iii) Conformance of the application to the essential standards for the establishment of radio stations as stipulated in an Ordinance of MIC.

A pre-permit (provisional license) shall be issued after the Minister has confirmed the above.

In cases where a new telecommunications carrier wishes to establish a radio station for telecommunications business, if the radio station is deemed to be important and special in terms of radio regulation, a pre-permit (provisional license) shall be issued upon receipt of a positive reply from the Radio Regulatory Council to an inquiry of the Minister for Internal Affairs and Communications.

In addition, the application for a radio station shall be examined in accordance with examination standards specified by the Minister based upon public comments if the radio station is listed in Article 6 paragraph (7) of the Radio Act (except for those specified in an Ordinance of MIC) that use a frequency specified by the Minister. If the application is deemed to meet the requirements under the examination standards, the Minister shall issue a provisional license.

2) Standard processing period

The standard processing periods vary with the type of radio stations. For example, the licensing procedure takes a month and a half for a base station and one month for a land mobile station, and the registration procedure takes about half a month.

3) Reasons for disqualification

In principle, no license shall be granted to anyone who has foreign nationality. However, the following radio stations are waived from disqualification:

- i) Experimental radio stations, specified ship radio stations, specified aircraft radio stations, amateur radio stations
- ii) Fixed radio stations for the diplomatic use of foreign embassies or organizations (based on the principle of diplomatic reciprocity)
- iii) Land mobile radio stations, portable radio stations, and base radio stations communicating with those radio stations
- iv) Radio stations established for the purpose of conducting telecommunications service

A license nevertheless may not be granted to any person or body who has been punished in violation of the Radio Act or the Broadcast Act, or anyone whose radio station license was revoked, and a period of two years has not yet elapsed since the day the sentence was served out or the day of revocation.

4) Inspection after provisional licensing

A full license shall be provided for those with provisional licenses upon passing the inspection of radio equipment and operators after completion of the radio station.

However, for inspections of radio equipment, etc., where a document of inspection results written by a registered inspector (including a registered foreign inspector) registered by the Minister are submitted, the Minister may use a system that partially curtails the inspection process (Registered Inspector System),

which has become available for use.

* The Regional Bureaus of Telecommunications, etc. are registering inspectors and recording and maintaining a list of registered inspectors for making them public. For further information, please contact Regional Bureaus of Telecommunications, etc. Also, the list of registered inspectors based on the Registration Book of Registered Inspectors can be retrieved and accessible at:

<http://www.tele.soumu.go.jp/j/adm/proc/check/toroku/index.htm>

[Regional Bureaus of Telecommunications, etc. for access to the Registration Book of Registered Inspectors]

1. In cases where a registered inspector is registered under a blanket registration through its headquarters: Regional Bureau of Telecommunications, etc. of competent authority located in the region under the territory of the headquarters.
2. In cases where each branch/office of a registered inspector is registered: Regional Bureau of Telecommunications, etc. of competent authority located in a region under the territory of each branch/office.
3. In case of a registered foreign inspector (an inspector carrying out inspection of radio equipment, etc. in a foreign country):
Kanto Regional Bureau of Telecommunications

[Prefectures under authority of each Regional Bureau of Telecommunications, etc.]

Hokkaido Regional Bureau of Telecommunications (Hokkaido)

Tohoku Regional Bureau of Telecommunications (Aomori, Iwate, Miyagi, Akita, Yamagata, and Fukushima)

Kanto Regional Bureau of Telecommunications (Ibaraki, Tochigi, Gunma, Saitama, Chiba, Tokyo, Kanagawa, and Yamanashi)

Shin-etsu Regional Bureau of Telecommunications (Niigata and Nagano)

Hokuriku Regional Bureau of Telecommunications (Toyama, Ishikawa, and Fukui)

Tokai Regional Bureau of Telecommunications (Gifu, Shizuoka, Aichi, and Mie)

Kinki Regional Bureau of Telecommunications (Shiga, Kyoto, Osaka, Hyogo, Nara, and Wakayama)

Chugoku Regional Bureau of Telecommunications (Tottori, Shimane, Okayama, Hiroshima, and Yamaguchi)

Shikoku Regional Bureau of Telecommunications (Tokushima, Kagawa, Ehime, and Kochi)

Kyushu Regional Bureau of Telecommunications (Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, and Kagoshima)

Okinawa Office of Posts and Telecommunications (Okinawa)

5) Simplified licensing procedures, etc.

With respect to radio equipment, such as mobile telephones, that use base stations having antenna power of a specified value or less, a license may be obtained through a simplified licensing procedure that bypasses the need for a pre-permit (provisional licensing) and the inspection thereafter, provided that a registered certification agency has granted a technical regulations conformity certificate.

6) Registration

An applicant may obtain registration in principle.

Registration, however, may be refused in the following cases:

- i) The installation site, etc. of the radio equipment is outside specified areas.
- ii) There is a false or insufficient statement in the application form, etc.
- iii) There is a risk that proper use of radio waves will be impaired.

7) Other required procedures

- i) Procedures required to meet the Radio Regulations (RR) of the International Telecommunication Union (ITU)

In the case of constructing and operating a satellite communications network, international coordination and notification procedures shall be necessary in accordance with the RR.

In the case of applying for the licensing of artificial satellites and earth stations, the coordination status with existing or planned satellite communications networks of relating administrations is to be confirmed.

If the territory of other administrations exists within the coordination area of an earth station, the coordination with such administrations is also needed.

- ii) Qualification of radio operator

As a rule, the operation of radio equipment at radio stations shall be handled by a chief radio operator or a person under the supervision of a radio operator in full charge.

- a) Procedures for obtaining radio operator license

Passing the state examination
Completing a training course

} → Applying for a license → Receiving the license

- b) Items needed in applying for radio operator license

- Application form
- Certificate showing name and date of birth
- Medical certificate (see note)
- Photograph

Note: Limited to a person with visual or hearing disabilities, etc. and cases considered to be especially necessary

3. Certification of Conformity with Technical Regulations for Specified Radio Equipment

1) Outline

- i) This is a system for certifying the conformance of specified radio equipment (SRE), including mobile phones and cordless telephones, to technical regulations prescribed in the Radio Act. (SRE is used for small-scale radio stations and specified in an ordinance of MIC.)
- ii) With respect to SRE with a mark specified in MIC's applicable ordinance, there are major benefits for licensees that simplified licensing procedures are applied or no license is needed. (Refer to 2. 5) *Simplified licensing procedure, etc.*)

2) Procedures for Certification of Conformity with Technical Regulations, etc.

- i) Certification of Conformity with Technical Regulations and Certification of Construction Type
Manufacturers of SRE may affix a mark specified in MIC's applicable ordinance to the SRE by obtaining the certification of the SRE or the construction design (type) of the SRE through an examination by a registered certification body.
- ii) Self-Confirmation of Technical Regulations Conformity of Special Specified Radio Equipment
Manufacturers of special SRE (specified in MIC's applicable ordinance as a special type of SRE that rarely interfere with or disturb the operation of other radio stations) may affix a mark specified in MIC's applicable ordinance to the special specified radio equipment by verifying the conformance of the special SRE with the Technical Regulations of Special Specified Radio Equipment and submitting a notification to the Minister for Internal Affairs and Communications.

3) Registration certification bodies (as of June 2016)

Registration number	Registration certification body	Business categories specified in RA Article 38-2-2 paragraph (1)
001	Telecom Engineering Center (TELEC)	All categories
002	Japan Amateur Radio Development Association	The category specified in item iii)
003	DSP Research, Inc.	All categories
005	Tuv Rheinland Japan Ltd.	All categories
006	SGS RF Technologies Inc.	All categories
007	UL Japan, Inc.	All categories
008	COSMOS CORPORATION Co., Ltd.	All categories
010	e-OHTAMA, LTD.	All categories
011	TÜV SÜD Zacta Ltd.	All categories
012	Intertek Japan K.K.	All categories
013	Japan Quality Assurance Organization	The category specified in item i)
016	Japan Radio Law Certification Laboratory Co., Ltd.	All categories
017	Japan Electrical Safety & Environment Technology Laboratories	All categories
018	Certificate Technical Support Center Co., Ltd.	All categories

* Refer to the website of the Ministry of Internal Affairs and Communications for inquiries about contact information.

<http://www.tele.soumu.go.jp/j/sys/equ/tech/type/index.htm>

4) Registered repair trader system

Conventionally, in the case of repairing a mobile phone, it is common to request the manufacturer or its agent. With the rapid popularization of smartphones, however, third-party repairers have started repair services or replacing parts. Accordingly, there is a concern that whether the performance of mobile phone terminals after repairs conform to needed technical standards.

For the above reason, this system makes it possible for repairers to receive registration from the Minister for Internal Affairs and Communications, if the repairers' repairs are proper, they can confirm the conformance of radio equipment after repairs to the technical standards, and their registration satisfy the required standards of the Radio Act.

5) Exceptions in line with the Mutual Recognition Agreement

Japan has a mutual recognition agreement (MRA) with European countries, Singapore, and the United States to enable authorized certification bodies located in each country to implement the necessary standard certification of radio equipment in accordance with the laws of the country. For the precise implementation of the MRA, the Act for Implementation of the Mutual Recognition between Japan and Foreign States in Relation to Results of Conformity Assessment Procedures of Specified (Act No. 111 of 2001; hereinafter referred to as "the MRA Act").

In accordance with Article 33 of the MRA Act, the following exceptions under the Radio Law are specified for the following specific radio equipment:

- i) certified as complying with the technical regulations by a conformity assessment body (registered foreign conformity assessment body) registered in accordance with the Japan-EU Agreement and the Japan-Singapore Agreement;
- ii) based on a construction type certified by a registered foreign conformity assessment body as complying with the technical regulations with the mark as stipulated in MIC's applicable ordinance shall be regarded as specified radio equipment.

Radio equipment attached with the indication specified by the MIC ordinance is regarded as specified radio equipment conforming to the requirement of the Radio Act.

(Reference)

- Registered foreign conformity assessment organizations (Overseas conformity assessment organizations that can certify radio equipment for Japan)

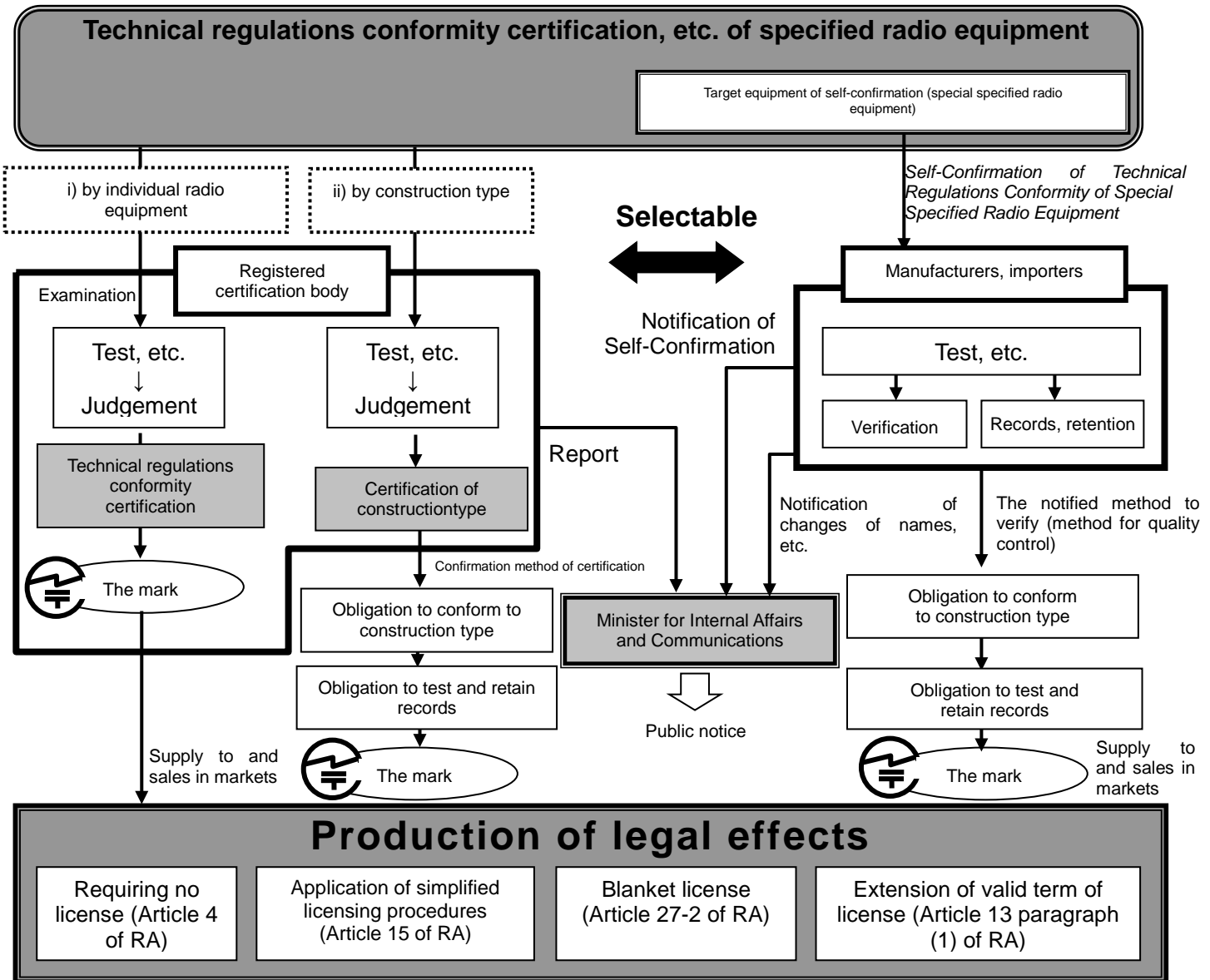
Registration number	Country	Conformity assessment organization	Business categories specified in RA Article 38-2-2 paragraph (1)
201	Netherlands	TELEFICATION B.V.	All categories
202	Germany	CETECOM ICT Services GmbH	All categories
203	United Kingdom	BABT	The category specified in item i)
204	Germany	Phoenix Testlab GmbH	All categories
205	United Kingdom	TRaC Telecoms & Radio Ltd	All categories
206	Germany	EMCCert Dr. Rasek GmbH	All categories
207	France	BV LCIE	All categories
208	United States	Siemic, Inc.	The category specified in item i)
209	United States	ACB, Inc.	All categories
210	United States	MiCOM Labs	All categories
211	United States	Bay Area Compliance Laboratories Corp	All categories
212	United States	UL Verification Services Inc.	The category specified in items i) and ii)

- Certified conformity assessment organizations (Japan's conformity assessment organization that can certify radio equipment for MRA partner countries)

Conformity assessment organization	Business categories specified in MRA Act Article 2
UL Japan, Inc.	Categories listed in item i (for Europe) and

	item VIII (for the United States)
Telecom Engineering Center (TELEC)	Category listed in item i (for Europe)

Procedural flow for Registered Certification Bodies and Self-Confirmation of Technical Regulations Conformity of Special Specified Radio Equipment under the Radio Law



IV. Tariffs for Universal Telecommunications Services

1. Notification of Establishment or Amendment of Tariffs for Universal Telecommunications Services

Telecommunications Business Act

Article 19 (Tariffs for Universal Telecommunications Services)

(1) Any telecommunications carrier who provides universal telecommunications services shall establish tariffs concerning charges and other terms and conditions for the provision of its universal telecommunications services (except matters pertaining to technical conditions to be authorized pursuant to the provision of Article 52 paragraph (1) or Article 70 paragraph (1) item (i) and matters specified by an Ordinance of the Ministry of Internal Affairs and Communications) and submit, as specified by an Ordinance of the Ministry of Internal Affairs and Communications, the tariffs to the Minister for Internal Affairs and Communications prior to the implementation of the tariffs. The same shall also apply when it intends to change such tariffs.

(2) Where the Minister for Internal Affairs and Communications finds that tariffs notified pursuant to the provision of the preceding paragraph fall under any of the following items, the Minister may order the telecommunications carrier who provides the universal telecommunications services to change the tariffs within a reasonable time limit designated by the Minister:

- (i) If the tariffs do not properly and explicitly specify methods to calculate charges
- (ii) If the tariffs do not properly and explicitly specify matters concerning the responsibilities of the telecommunications carrier and of its users, and methods to share the costs of installation and other works of telecommunications facilities
- (iii) If the tariffs unreasonably restrict the way the telecommunications circuit facilities are used
- (iv) If the tariffs treat certain persons in an unfair and discriminatory manner
- (v) If the tariffs do not pay due consideration to the matters concerning essential communications
- (vi) If the tariffs may lead to unfair competition with other telecommunications carriers, or are extremely improper in light of social and economic circumstances, and thereby impair the interests of users

(an Ordinance of the Ministry of Internal Affairs and Communications: Article 15 and Article 16 of the Enforcement Regulations of the Telecommunications Business Act)

- 1) If a telecommunications carrier who provides universal telecommunications services intends to establish or change tariffs concerning terms and conditions including charges relating to the carrier's universal telecommunications services, the telecommunications carrier shall submit the tariffs to the Minister for Internal Affairs and Communications seven days prior to the date of implementation thereof.
- 2) Where intending to establish or change the tariffs, the telecommunications carrier shall submit a notification in accordance with Form 13 stipulated in the Enforcement Regulations of the Telecommunications Business Act, describing the date of implementation. Upon submission of the notification, draft tariffs or the comparison of tariffs before and after the change shall be attached thereto. In addition, the attached tariffs shall clearly describe the following matters specified in Article 16 item i) of the Enforcement Regulations of the Telecommunications Business Act.
 - i) Names and contents of telecommunications services

- ii) Charges relating to telecommunications services (except the handling charges and other similar charges)
 - iii) Matters relating to responsibilities of the telecommunications carrier and its users
 - iv) Methods for sharing costs for works including installation of telecommunications facilities
 - v) In the case of setting limitations on modes of use of telecommunications circuit facilities, matters relating thereto
 - vi) Methods for handling of essential communications
 - vii) Technical matters necessary for smooth offering of telecommunications services
 - viii) In addition to the preceding items, matters relating to terms and conditions for offering telecommunications services of importance to the rights or duties of users
 - ix) Service period where a valid service period is set forth
- 3) The notification shall be submitted to: Tariff Division, Telecommunications Business Department, Telecommunications Bureau, MIC
- 4) Where the Minister for Internal Affairs and Communications finds that tariffs fall under any of the following items, the Minister may order the telecommunications carrier who provides the universal telecommunications services to change the tariffs within a reasonable time limit designated by the Minister:
- i) If the tariffs do not properly and explicitly specify methods to calculate charges
 - ii) If the tariffs do not properly and explicitly specify matters concerning the responsibilities of the telecommunications carrier and of its users, and methods to share the costs of installation and other works of telecommunications facilities
 - iii) If the tariffs unreasonably restrict the way the telecommunications circuit facilities are used
 - iv) If the tariffs treat certain persons in an unfair and discriminatory manner
 - v) If the tariffs do not pay due consideration to the matters concerning essential communications
 - vi) If the tariffs may lead to unfair competition with other telecommunications carriers, or are extremely improper in light of social and economic circumstances, and thereby impair the interests of users
- 5) In principle, a telecommunications carrier providing universal telecommunications services shall not provide universal telecommunications services unless based on tariffs notified.

2. Posting, Etc. of Tariffs for Universal Telecommunications Services

Telecommunications Business Act

Article 23 (Posting, Etc. of Tariffs)

(1) Any telecommunications carrier who provides universal telecommunications services, designated telecommunications services or specified telecommunications services shall, as specified by an Ordinance of the Ministry of Internal Affairs and Communications, announce tariffs (including the technical conditions authorized pursuant to the provision of Article 52 paragraph (1) or Article 70 paragraph (1) item (i)) notified pursuant to the provision of Article 19 paragraph (1) or Article 20 paragraph (1) (including cases where Article 20 paragraph (1) shall apply with the replacement pursuant to the provision of the paragraph (4) of the same Article) or charges authorized pursuant to the provision of Article 21 paragraph (2), and shall post such tariffs or charges at its business offices and other places

of business in a place where the general public can easily see them.

(2) The provision of the preceding paragraph shall apply mutatis mutandis to the terms and conditions for the service provision pertaining to the matters specified by an Ordinance of the Ministry of Internal Affairs and Communications set forth in Article 19 paragraph (1) or Article 20 paragraph (1).

(an Ordinance of the Ministry of Internal Affairs and Communications: Article 22 of the Enforcement Regulations of the Telecommunications Business Act)

Any telecommunications carrier providing universal telecommunications services shall publish tariffs for the universal telecommunications services and post thereof at its business offices and other workplaces (headquarters or branches registered with the commercial registration) and on the Internet in a manner in which such tariffs and charges can easily be seen by the general public.

V. Obligation to Comply with Interconnection Request

Telecommunications Business Act

Article 32 (Interconnection with Telecommunications Circuit Facilities)

Any telecommunications carrier shall accept a request from another telecommunications carrier to interconnect the telecommunications facilities of the requesting telecommunications carrier with the telecommunications circuit facilities that the requested telecommunications carrier installs, except in the cases listed below:

- (i) Where the interconnection is likely to hinder telecommunications services from being smoothly provided
- (ii) Where the interconnection is likely to unreasonably harm the interests of the requested telecommunications carrier
- (iii) In addition to the cases listed in the preceding two items, where there are justifiable grounds specified by an Ordinance of the Ministry of Internal Affairs and Communications

(an Ordinance of the Ministry of Internal Affairs and Communications: Article 23 of the Enforcement Regulations of the Telecommunications Business Act)

In principle, telecommunications carriers installing telecommunications circuit facilities shall respond to requests for interconnections to the telecommunications circuit facilities from other telecommunications carriers.

VI. Business Agreements, Etc. with Foreign Governments, Etc.

Telecommunications Business Act

Article 40 (Authorization of Agreements, Etc. with Foreign Governments, Etc.)

When any telecommunications carrier intends to conclude, amends, or abolishes an agreement or contract on telecommunications activities, which includes important matters specified by an Ordinance of the Ministry of Internal Affairs and Communications, with foreign governments, or foreign nationals or foreign juridical persons, it shall obtain authorization from the Minister for Internal Affairs and

Communications.

(an Ordinance of the Ministry of Internal Affairs and Communications: Article 26 and Article 27 of the Enforcement Regulations of the Telecommunications Business Act)

1. Procedure for Authorization of Business Agreement

When any telecommunications carrier intends to conclude, amends, or abolishes an agreement or contract on telecommunications activities, with foreign governments, or foreign nationals or foreign juridical persons, it shall obtain authorization from the Minister for Internal Affairs and Communications. The agreements that a telecommunications carrier concludes with the foreign governments or organizations is a contract on which the telecommunications carrier provides the international telecommunication service. The procedure specified here shall be used to confirm the content of business agreements concluded between Japanese telecommunications carriers and foreign corporations in order to prevent the benefits of telecommunications service users in Japan from being harmed by foreign corporations treating telecommunications carriers in Japan unreasonably and discriminatively.

In filing an application for authorization of a business agreement or contract, Form 20 and the following documents are required (if the original documents are written in a foreign language, they need to be translated into Japanese):

- A copy of the agreement or contract
- A document describing the details of the method of implementing the agreement
- In the case of application for authorization of changes, a document comparing the agreements before and after the changes

2. Examination

Authorization by the Minister for Internal Affairs and Communications may be granted if business agreements, contracts, etc. are recognized to be in conformity with the following examination standards:

1) Examination Standards

- i) Foreign governments, organizations, etc. shall be eligible as the counterparts of the agreements, contracts, etc.
- ii) If a service provider that the applicant concludes an agreement, contract, etc. with is a telecommunications carrier headquartered in a country other than members of the World Trade Organization, the ratio of the amount of money to be paid and received or shared (hereinafter referred to as the "accounting rate") and the ratio of the communications traffic volume shared by the parties shall conform to the following items from a) through c) (hereinafter referred to as "the uniform accounting rate system"). However, in the case of relay circuits via a third country, the system c) shall not apply.
 - a) Accounting rate and the method to converge yen into any other currency of payment are the same as those under other agreements, etc. with another Japanese telecommunications carrier. However, provided that said other agreements, etc. are scheduled to be changed to the same conditions between carriers involved, this shall not apply.
 - b) Amounts of the accounting rate to be shared are equal for the countries at both ends.
 - c) Between the countries at both ends, the ratio of the communications traffic volume outgoing from

the applicant to carriers that agreements, etc. are to be concluded with to the total communications traffic volume incoming to said carrier is comparable to the ratio of the communications traffic volume outgoing from said carriers to the applicant to the total communications traffic volume outgoing from said carriers.

- iii) If a telecommunications carrier concludes agreements, etc. with carriers headquartered in countries other than members of the World Trade Organization, the telecommunications carrier shall inform the other parties of the uniform accounting rate system as a prerequisite of the agreements with the parties.
- iv) Matters concerning the scope of responsibilities to be assumed by the parties shall be properly and clearly stipulated.
- v) Agreements, etc. shall include no provisions that unfairly discriminate against one party compared with other agreements, etc. that the parties have concluded with different carriers.
- vi) Security and reliability of communications shall be ensured.
- vii) The parties shall faithfully perform their duties imposed upon them by international treaties, agreements, etc.
- viii) Agreements, etc. have no fear of hindering the promotion of public interest such as hindering fair competition within the telecommunications market.

2) Standard processing period
30 days

VII. Technical Conditions, Etc.

VII-1. Self-Confirmation of Telecommunications Carrier's Telecommunications Facilities

Telecommunications Business Act

Article 41 (Maintenance of Telecommunications Facilities)

(1) Any telecommunications carrier who installs telecommunications circuit facilities shall maintain its telecommunications facilities for the use of its telecommunications business (excluding those exclusively used for telecommunications businesses to provide domain name telecommunications services, and those specified by an Ordinance of the Ministry of Internal Affairs and Communications as having a minor influence on the interests of users in the event of damage, failure, etc.) in conformity with the technical standards specified by an Ordinance of the Ministry of Internal Affairs and Communications.

(2) Any telecommunications carrier who provides universal telecommunications services shall maintain its telecommunications facilities (except those set forth in the preceding paragraph and telecommunication facilities exclusively used for telecommunications businesses to provide domain name telecommunications services) for the use of the business of providing universal telecommunications services in conformity with the technical standards specified by an Ordinance of the Ministry of Internal Affairs and Communications.

(3) The Minister for Internal Affairs and Communications may, as specified in an Ordinance of the Ministry of Internal Affairs and Communications, designate telecommunications carriers who provide telecommunication services (excluding universal telecommunications services and domain name telecommunications services) that are recognized under an Ordinance of the Ministry of Internal Affairs

and Communications as having great influence on the interests of users considering their contents, the scope of users and other factors, as telecommunications carriers who are required to properly maintain their telecommunication facilities used for their telecommunication businesses.

(4) Such telecommunications carriers designated pursuant to the provisions in the preceding paragraph shall maintain their telecommunications facilities used in telecommunication businesses to provide telecommunication services specified by an Ordinance of the Ministry of Internal Affairs and Communications (excluding telecommunication facilities specified in paragraph (1)) in conformity with the technical standards specified in the said Ordinance.

(5) The technical standards set forth in paragraph (1), paragraph (2), and the preceding paragraph shall be specified so as to ensure the following matters:

- (i) Damage or failure of such telecommunications facilities shall not significantly hinder the provision of telecommunications services.
- (ii) Quality of telecommunications services shall be maintained at an appropriate level.
- (iii) Secrecy of communications shall not be violated.
- (iv) The telecommunications facilities shall not damage telecommunications facilities which users or other telecommunications carriers connect with nor cause problems to their functions.
- (v) The demarcation of responsibilities between the telecommunications carrier's telecommunications facilities and telecommunications facilities which other telecommunications carriers connect with shall be clearly specified.

(an Ordinance of the Ministry of Internal Affairs and Communications: Regulations of the Telecommunications Facilities for Telecommunications Business)

Article 42 (Self-Confirmation of Telecommunications Carrier's Telecommunications Facilities)

(1) When any telecommunications carrier who installs telecommunications circuit facilities intends to start using the telecommunications facilities set forth in paragraph (1) of Article 41, it shall confirm itself, as specified by an Ordinance of the Ministry of Internal Affairs and Communications, whether the telecommunications facilities (except those specified by an Ordinance of the Ministry of Internal Affairs and Communications) are in conformity with the technical standards specified by an Ordinance of the Ministry of Internal Affairs and Communications, as set forth in the same paragraph.

(2) When any telecommunications carrier who installs telecommunications circuit facilities intends to modify any matter specified in Article 10 paragraph (1) item (iii) or Article 16 paragraph (1) item (iii), it shall confirm by itself, as specified by an Ordinance of the Ministry of Internal Affairs and Communications, whether the telecommunications facilities specified in Article 41 paragraph (1) (except those specified by an Ordinance of the Ministry of Internal Affairs and Communications as stipulated in the preceding paragraph) after such modification are in conformity with the technical standards specified by said Ordinance as set forth in paragraph (1) of the same Article.

(3) When any telecommunications carrier who installs telecommunications circuit facilities has confirmed compliance pursuant to the provision of paragraph (1) or the preceding paragraph (including cases where applied mutatis mutandis pursuant to the preceding paragraph), it shall, as specified by an Ordinance of the Ministry of Internal Affairs and Communications, notify the Minister for Internal Affairs and Communications of the results of its self-confirmation before it starts using the telecommunications

facilities as set forth in the aforementioned paragraph.

(4) The provisions of the preceding three paragraphs shall apply mutatis mutandis to any telecommunications carrier who provides universal telecommunications services. In this case, the term “paragraph (1) of Article 41” in paragraphs (1) and (2) shall be deemed to be replaced with “paragraph (2) of Article 41,” and the term “paragraph (1) of the same Article” in the same paragraphs shall be deemed to be replaced with “paragraph (2) of the same Article.”

(5) Provisions in paragraphs (1) to (3) shall apply mutatis mutandis to telecommunications carriers designated pursuant to the provision in Article 41 paragraph (3). In this case, the term “paragraph (1) of Article 41” in paragraphs (1) and (2) shall be deemed to be replaced with “paragraph (4) of Article 41” and the term “paragraph (1) of the same Article” shall be deemed to be replaced with “paragraph (4) of the same Article.”

(6) With regard to the first confirmation that the telecommunications carrier newly designated pursuant to the provisions of Article 41 paragraph (3) shall make after the date of such designation pursuant to the provisions in paragraph (1) that shall be applied mutatis mutandis by replacing the wording in the preceding paragraph, or a notification pertaining to such confirmation that such telecommunications carrier shall give to the Minister for Internal Affairs and Communications pursuant to the provisions in paragraph (3) that shall be applied mutatis mutandis by replacing the wording in the preceding paragraph, the wording “When any telecommunications carrier who installs telecommunications circuit facilities intends to start using the telecommunications facilities set forth in paragraph (4) of Article 41,” in paragraph 1 that shall be applied mutatis mutandis by replacing the wording in the preceding paragraph with “Telecommunications carriers who install telecommunications circuit facilities shall, within three months from the date of the new designation pursuant to Article 41 paragraph (3),” and the wording “before it starts using the telecommunications facilities as set forth in such paragraph” in paragraph (3) that shall be applied mutatis mutandis in the preceding paragraph shall be replaced with “without delay.” (an Ordinance of the Ministry of Internal Affairs and Communications: Article 27-4 and Article 27-5 of the Enforcement Regulations of the Telecommunications Business Act)

A telecommunications carrier installing telecommunications circuit facilities or providing universal telecommunications services shall verify before the telecommunications carrier starts operating telecommunications facilities for telecommunications business that the telecommunications facilities are in compliance with specified technical standards, and shall submit a notification to that effect to the Minister for Internal Affairs and Communications. A telecommunications carrier newly designated pursuant to the provisions of Article 41, paragraph (3) of the Telecommunications Business Act shall verify within three months from the date of designation that telecommunications facilities that provide the designated telecommunications services conform to technical standards, and shall submit a notification to that effect to the Minister without delay.

Upon submission of the notification, documents (connection block diagrams, manuals, etc.) specified in each item of Article 27-5 paragraph (1) of the Enforcement Regulations of the Telecommunications Business Act shall be attached to Form 20-2.

VII-2. Administrative Regulations for Telecommunications Facilities for Telecommunications Business

Telecommunications Business Act

Article 44 (Administrative Regulations)

(1) Any telecommunications carrier shall, as specified by an Ordinance of the Ministry of Internal Affairs and Communications, establish administrative regulations for the telecommunications facilities set forth in Article 41 paragraph (1), paragraph (2), or paragraph (4) or Article 41-2 (hereinafter referred to as "telecommunications facilities for telecommunications business") and notify the Minister for Internal Affairs and Communications of such administrative regulations prior to the commencement of its telecommunications business.

(2) Administrative regulations shall set forth necessary regulations pertaining to the following matters to be observed by telecommunications carriers in order to secure the reliable and stable provision of telecommunications services:

- (i) Matters pertaining to policies for managing telecommunications facilities for telecommunications businesses to secure the reliable and stable provision of telecommunications services
- (ii) Matters pertaining to systems for managing telecommunications facilities for telecommunications businesses to secure the reliable and stable provision of telecommunications services
- (iii) Matters pertaining to methods for managing telecommunications facilities for telecommunications businesses to secure the reliable and stable provision of telecommunications services
- (iv) Matters pertaining to the appointment of a general manager of telecommunication facilities as stipulated in Article 44-3 paragraph (1).

(3) When a telecommunications carrier amends its administrative regulations, it shall notify the Minister for Internal Affairs and Communications of the amended matters without delay.

(4) With regard to the first notification that the telecommunications carrier newly designated pursuant to the provisions of Article 41 paragraph (3) shall give after the date of such designation to the Minister for Internal Affairs and Communications pursuant to the provisions in paragraph (1), the wording "before it starts using the telecommunications facilities" in the same paragraph shall be replaced with "within three months from the date of new designation pursuant to Article 41 paragraph (3)."

(an Ordinance of the Ministry of Internal Affairs and Communications: Article 28 and Article 29 of the Enforcement Regulations of the Telecommunications Business Act)

A telecommunications carrier shall, prior to the commencement of its telecommunications business, establish administrative regulations governing telecommunications facilities for telecommunications business (hereinafter referred to as "administrative regulations") in accordance with Article 44 paragraph (1) of the Telecommunications Business Act and submit a notification of the administrative regulations to the Minister for Internal Affairs and Communications. A telecommunications carrier newly designated pursuant to the provision of Article 41 paragraph (3) of the Telecommunications Business Act shall prepare administrative regulations within three months from the date of designation and notify the Minister (via the Regional Bureau of Telecommunication that has jurisdiction over the area of the telecommunications carrier or the Okinawa Office of Posts and Telecommunications if the area is Okinawa). However, all such regulations related to domain name telecommunications services shall be submitted to MIC.

The Director-General of the Regional Bureau of Telecommunications (or the Okinawa Office of Posts and

Telecommunications) shall, when deemed that there is no problem with entries of the notification of the administrative regulations, accept the same.

i) Necessary documentation

The following documentation as stipulated in Article 28 of the Regulations for Enforcement of the Telecommunications Business Act:

- Notification of administrative regulations (Form 21)
- Administrative regulations

ii) Entries of administrative regulations

- a) Matters pertaining to policies for managing telecommunications facilities for telecommunications business to secure the reliable and stable provision of telecommunications services
 - i) The organization's overall and cross-functional management policies on telecommunications facilities for the telecommunications business.
 - ii) Compliance with relevant laws, regulations, management rules, and other provisions.
 - iii) Management policies on telecommunications facilities for telecommunications business considering the demand for communications and interconnections.
 - iv) Management policies on telecommunications facilities for telecommunications business considering disasters.
 - v) Policies on ensuring information security.
- b) Matters pertaining to systems for managing telecommunications facilities for telecommunications business to secure the reliable and stable provision of telecommunications services
 - i) Duties of executive officers.
 - ii) Duties of the general manager of telecommunication facilities
 - iii) Duties and acting of chief telecommunications engineer.
 - iv) Duties of the responsible members of each department.
 - v) Duties of each worker.
 - vi) Securement of a cooperation system within the organization.
 - vii) Cooperation with parties concerned outside the organization and sharing responsibilities.
- c) Matters pertaining to methods for managing telecommunications facilities for telecommunications business to secure the reliable and stable provision of telecommunications services
 - i) Basic efforts.
 - ii) Implementation of education and training for workers engaged in the design, construction, maintenance, and operation of telecommunications facilities for the telecommunications business.
 - iii) Concerning the design, construction, maintenance, and operation of telecommunications facilities for the telecommunications business.
 - iv) Securement of adequate facility capacity based on fluctuations in communications volume.
 - v) Information security measures.
 - vi) Securement of the reliability of software.
 - vii) Securement of essential communications and congestion countermeasures.
 - viii) Securement of emergency calls.
 - ix) Crime prevention measures.
 - x) Current situation survey, analysis, and improvement of matters listed from i to ix.

- xi) Reporting, recording, measures, and announcement of congestion, accident, disasters, and other emergency cases.
- xii) Provision of information to users conducted from the viewpoint of protecting the users' interests.
- xiii) Measures to prevent the recurrence of accidents.
- d) Matters pertaining to the appointment of a general manager of telecommunication facilities
- e) Review of the administrative regulations.
- f) Other matters required to ensure steady and stable provision of telecommunications services in relation to construction, maintenance, and operation of telecommunications facilities for telecommunications business

VII-3. Appointment and Dismissal of General Manager for Telecommunication Facilities

Telecommunications Business Act

Article 44-3 (General Manager of Telecommunication Facilities)

(1) Each telecommunications carrier shall, as specified by an Ordinance of the Ministry of Internal Affairs and Communications, appoint a general manager for the telecommunication facilities who is responsible for the general management of matters listed in Article 44 paragraph (2) items (i) to (iii) from among persons who are in managerial positions to participate in making important decisions in business operations and who possess certain practical experiences in the management of telecommunication facilities and other requirements as specified by an Ordinance of the Ministry of Internal Affairs and Communications.

(2) When a telecommunications carrier appoints or removes the general manager of telecommunication facilities, it shall, as specified by an Ordinance of the Ministry of Internal Affairs and Communications, notify the Minister for Internal Affairs and Communications to that effect without delay.

(3) A telecommunications carrier newly designated pursuant to Article 41 paragraph (3) shall make the first appointment after the date of such designation pursuant to paragraph (1) within three months from such date of designation.

Article 44-4 (Obligations of the General Manager of Telecommunication Facilities)

(1) The general manager of telecommunication facilities shall faithfully perform his/her duties.

(2) When the general manager of telecommunication facilities performs his/her duties, the telecommunications carrier shall respect his/her opinions regarding the reliable and stable provision of telecommunication services.

(an Ordinance of the Ministry of Internal Affairs and Communications: Article 29-2 and Article 29-3 of the Enforcement Regulations of the Telecommunications Business Act)

If a telecommunications carrier installing telecommunications facilities provided for telecommunications business appoints a general manager under Article 44-3, paragraph (1) of the Telecommunications Business Act, the telecommunications carrier shall submit a notification of appointment pursuant to paragraph (2) of the Article to the Minister of Internal Affairs and Communications without delay. A telecommunications carrier newly designated pursuant to the provision of Article 41 paragraph (3) of the Telecommunications Business Act shall appoint a general manager within three months from the date of

designation and notify the Minister (via the Regional Bureau of Telecommunication that has jurisdiction over the area of the telecommunications carrier or the Okinawa Office of Posts and Telecommunications if the area is Okinawa). However, all notifications related to domain name telecommunications services shall be submitted to MIC.

The Director-General of the Regional Bureau of Telecommunications (or the Okinawa Office of Posts and Telecommunications) shall, when deemed that there is no problem with entries of the notification of the appointment, accept the same.

i) Necessary documentation

Notification of appointment of the general manager of the telecommunications facilities

ii) Matters to be stated in the notification form and attached documents

a) Matters to be stated

- Name and address of the telecommunications carrier, and name of the representative if the telecommunications carrier is a juridical person
- Name and date of birth of the general manager appointed for the telecommunications facilities
- Date of appointment

b) Documents to be attached

- Documents certifying that the general manager appointed for the telecommunications facilities has a managerial position to participate in important decisions on business operations and that the general manager satisfies the requirements prescribed in Article 29-2 (1) of the Enforcement Regulations of the Telecommunications Business Act

iii) Requirements for the appointment of the general manager of the telecommunications facilities

The general manager appointed for the telecommunications facilities shall satisfy the following conditions pursuant to Article 29-2, paragraph (1) of the Enforcement Regulations of the Telecommunications Business Act, and it shall not have passed two years from the date that the general manager was dismissed under the order Article 44-5 of the Telecommunications Business Act.

a) A person who has experience in at least one of the following items related to the management of telecommunications facilities provided for telecommunications business for a total of three years or more.

i) Work related to the design, construction, maintenance, or operation of telecommunications facilities

ii) The task of supervising the work listed in i)

b) A person who is recognized to satisfy the requirement equivalent to or greater than that listed in a).

VII-4. Appointment and Dismissal of Chief Telecommunications Engineer

Telecommunications Business Act

Article 45 (Chief Telecommunications Engineer)

(1) Any telecommunications carrier shall, as specified by an Ordinance of the Ministry of Internal Affairs and Communications, appoint a chief telecommunications engineer to supervise matters related to installation, maintenance and operation of telecommunications facilities for telecommunications business as specified by an Ordinance of the Ministry of Internal Affairs and Communications, out of

persons who have a chief telecommunications engineer's license; provided, however, that this shall not apply to cases where the telecommunications facilities for telecommunications business are small in scale or the cases specified by an Ordinance of the Ministry of Internal Affairs and Communications.

(2) Where any telecommunications carrier has appointed a chief telecommunications engineer pursuant to the provision of the preceding paragraph, it shall notify the Minister for Internal Affairs and Communications to that effect without delay. The same shall also apply when it dismisses such chief telecommunications engineer.

(3) A telecommunications carrier newly designated pursuant to Article 41 paragraph (3) shall make the first appointment after the date of such designation pursuant to paragraph (1) within three months from such date of designation.

(an Ordinance of the Ministry of Internal Affairs and Communications: Article 3,3-2 and Article 4 of the Regulations for Chief Telecommunications Engineer)

A telecommunications carrier installing telecommunications facilities provided for telecommunications businesses shall appoint a chief telecommunications engineer under Article 45, paragraph (1) of the Telecommunications Business Act to supervise the following matters concerning the construction, maintenance, and operation of the telecommunications facilities before the commencement of operations related to the construction, maintenance, and operation of the telecommunications facilities. When the telecommunications carrier has appointed a chief telecommunications engineer, the telecommunications carrier shall submit a notification of appointment or dismissal to the Minister for Internal Affairs and Communications (via the Regional Bureau of Telecommunication that has jurisdiction over the area of the telecommunications carrier or the Okinawa Office of Posts and Telecommunications if the area is Okinawa) in accordance with paragraph (2) of the same article.

The Director-General of the Regional Bureau of Telecommunications (or the Okinawa Office of Posts and Telecommunications) shall, when deemed that there is no problem with entries of the notification of appointment or dismissal, accept the same.

[Matters concerning construction, maintenance, and operation of telecommunications facilities for telecommunications business]

- Matters concerning the planning of business related to the construction, maintenance, and operation of telecommunications facilities provided for telecommunications business, and the appropriate implementation of work based on the plan (including the matters listed below)
 - Matters concerning the construction system (including the confirmation of the contractor of the construction work and the operators of the facilities) and those concerning the procedure of construction
 - Matters concerning policies, systems, and methods concerning the monitoring of facility operation or control
 - Matters concerning periodic software risk analysis and updating
 - Matters concerning the securement of the proper capacity of the facilities
- Matters concerning instructions and orders to workers in response to the accidents of telecommunication facilities provided for telecommunications business and the formulation of plans for the prevention of the recurrence of accidents after the settlement of the accidents (including the items listed below)

- Matters concerning countermeasures necessary for prompt detection of faults and identification of the locations of the faults
- Matters concerning routine emergency restoration measures and cooperation with manufacturers and interconnecting businesses
- Matters concerning measures to minimize obstacles
- Matters deemed necessary for the construction, maintenance, and operation of telecommunications facilities provided for telecommunications business (including the matters listed below) in addition to those listed in the preceding two items
 - Matters concerning the formulation and implementation of plans for education and training for workers engaged in the construction, maintenance, and operation of the telecommunications facilities in specified worksite areas
 - Matters concerning the grasping and review of the implementation status of the administrative regulations through daily supervisory work

i) Necessary documentation

Documents stipulated in Article 4 of the Regulations for Chief Telecommunications Engineer

- The notification of the appointment or dismissal of the chief telecommunications engineer (an arrangement report if the situation falls under iii)-1) or a document stating the following matters when the situation falls under iii)-i))
 - The names of other telecommunications carriers that installed telecommunications facilities provided for telecommunications business, if any, in the same workplace area or prefecture
 - The names of chief telecommunications engineers appointed by other telecommunications carriers that installed telecommunications facilities provided for telecommunications business, if any, in the same workplace area or prefecture

ii) Scope of selection

Pursuant to Article 3 of the Regulations for Chief Telecommunications Engineer, each workplace that directly manages telecommunication facilities provided for telecommunication business shall appoint a chief telecommunications engineer from full-time workers in the workplace. The chief telecommunications engineer needs to be provided with a proper license as specified below (workplace-specific appointment).

Telecommunications facilities	Qualification
i. Worksite where telecommunications facilities (except for line facilities and other facilities attached to such facilities) are directly managed	Person who has a chief transmission and switching engineer's license
ii. Line facilities and other facilities attached to such facilities are directly managed	Person who has a chief line engineer's license

In the case of a telecommunications carrier that has a business area exceeding a single prefecture, the telecommunications carrier shall station a chief telecommunications engineer in each of the prefectures. Each chief telecommunications engineer holding a proper certificate specified above shall be appointed on a prefecture-by-prefecture basis from full-time workers in each prefecture

(prefecture-specific appointment).

iii) Cases no chief telecommunications engineers need to be appointed

A telecommunications carrier installing telecommunications facilities provided for telecommunications business shall not be required to appoint a chief telecommunications carrier if the telecommunications carrier meets the following requirements.

- i) The installation area of the telecommunications facilities for telecommunications business is within a single city, town, or village
 - a) The installation area of telecommunications facilities provided for telecommunications business is within a single city, town, or village (within a single ward in the case of a special ward or designated city under the Local Autonomy Act)
 - b) The number of users in the area is less than 30,000
 - c) A person who is deemed to have a specified period of work experience or a capacity equivalent to the specified period of work experience or higher is allocated (e.g., a person who has graduated from a university, junior college, or college of technology with a degree in telecommunications engineering and has the work experience of a specific period in the operation of the telecommunications facilities for telecommunications business)
- ii) Using telecommunications facilities provided for telecommunications business installed by other telecommunications carriers (unnecessary in the case of prefecture-specific appointment)
 - a) Using telecommunications facilities provided for telecommunications business installed by other telecommunications carriers
 - b) Chief telecommunications engineers have been appointed by the telecommunications carriers for their telecommunications facilities
- iii) Installing telecommunications facilities provided for telecommunications business only to provide public wireless LAN access service
 - a) Telecommunications facilities provided for telecommunications business are used only for providing public wireless LAN access service
 - b) Terminal equipment used bears markings certifying its conformity with technical requirements or terminal equipment used is certified by a registration accreditation body
- iv) Telecommunications facilities provided for telecommunications business are exclusively used for domain-name-related business

A telecommunications carrier may assign a chief telecommunications engineer appointed for a worksite to serve concurrently for other worksites directly managed by the chief telecommunications carrier under the conditions specified below instead of appointing a chief telecommunications engineer for each of the other worksites on a prefecture-by-prefecture basis. The foregoing is based on the MIC Notice No. 49 of 1985 concerning matters to be separately specified by the Minister for Internal Affairs and Communications as stipulated in Article 3, paragraph (2) of the Regulations for Chief Telecommunications Engineer. There is no nationality requirement for telecommunications chief engineers.

- i) In the case of assigning a chief telecommunications engineer to a worksite under direct management or appointing a chief telecommunications engineer assigned to a worksite to serve concurrently for

other worksites directly managed by the chief telecommunications carrier under the following conditions instead of appointing a chief telecommunications engineer for each of the other worksites on a prefecture-by-prefecture basis.

- a) The chief telecommunications engineer or the concurrent chief telecommunications engineer (hereinafter referred to as “the concurrently assigned chief telecommunications engineer”) can reach from a worksite to another promptly.
 - b) Emergency measures, such as a switching to a backup system, are taken immediately in the case of a failure in the telecommunications facilities in these prefectures.
 - c) The concurrently assigned chief telecommunications engineer is informed with ease of matters related to the installation, maintenance, and operation of the telecommunications facilities of these worksite areas.
 - d) The result of patrol, inspection, and testing in these worksites is reported to the concurrently assigned chief telecommunications engineer.
 - e) Measures are taken for these worksites so as not to hinder the supervision of the concurrently assigned chief telecommunications engineer.
- ii) In the case of assigning a chief telecommunications engineer to worksites under direct management or appointing a chief telecommunications engineer assigned to a worksite to serve concurrently for other worksites directly managed by the chief telecommunications carrier under the following conditions instead of appointing a chief telecommunications engineer for each of the other worksites on a prefecture-by-prefecture basis.
- a) A chief telecommunications engineer is assigned to worksites under direct management or appointing a chief telecommunications engineer assigned to a worksite to serve concurrently for other worksites directly managed by the chief telecommunications carrier instead of appointing a chief telecommunications engineer for each of the other worksites on a prefecture-by-prefecture basis.
 - b) The telecommunications carrier has a plan under its administrative rules to appoint a chief telecommunications chief engineer on a prefecture-by-prefecture basis within five years after the start of the business, during which the population of any of the prefectures where the concurrently assigned chief telecommunications engineer will serve is less than 30,000.
 - c) The concurrently assigned chief telecommunications engineer serves for a prefecture where telecommunications facilities provided for telecommunications business are established for an earth station opened for the purpose of providing telecommunications services only to a single user exclusively (excluding cases of earth stations opened in the same prefecture for the purpose of providing telecommunications services to a number of users).
- iii) In the case of assigning a chief telecommunications engineer to serve concurrently in other prefectures within the jurisdiction of the Regional Bureaus of Telecommunications (except the Hokkaido Regional Bureau of Telecommunications) or adjacent prefectures (except Okinawa Prefecture) under the following conditions:
- a) Emergency measures, such as a switching to a backup system, are taken immediately in the case of a failure in the telecommunications facilities in these prefectures.
 - b) The concurrently assigned chief telecommunications engineer is informed with ease of matters related to the installation, maintenance, and operation of the telecommunications facilities in these

prefectures.

- c) The result of patrol, inspection, and testing in these prefectures is reported to the concurrently assigned chief telecommunications engineer.
- d) Measures are taken for these prefectures so as not to hinder the supervision of the concurrently assigned chief telecommunications engineer.

iv) Duties and authority of chief telecommunications engineers

Telecommunications carriers shall give chief telecommunications engineers the authority to perform their duties. Furthermore, telecommunications carriers shall respect the advice of chief telecommunications carriers on the construction, maintenance, or operation of telecommunications facilities provided for telecommunications business in workplace areas where chief telecommunications engineers perform their duties. Those who are engaged in the construction, maintenance, or operation of telecommunications facilities provided for telecommunications business shall comply with necessary instructions determined and given by chief telecommunications engineers for performing their duties.

v) Training of chief telecommunications engineers

Telecommunications carriers shall have each chief telecommunications engineer receive training provided by registered training institutions in the construction, maintenance, and operation of telecommunications facilities provided for telecommunications business under the following conditions according to the type of qualification of the chief telecommunications engineer.

- If the chief telecommunications engineer is newly appointed

Within a year from the date of appointment (within three years if it has not passed two years from the date that the chief telecommunications engineer received a chief communications engineer's license or a completion certificate of training)

- In the case of a telecommunications chief engineer who received training

Within three years from the first day of the month after the month in which the training was held

VII-5. Technical Requirements for Connection of Terminal Facilities

Telecommunications Business Act

Article 52 (Technical Standards for Connection of Terminal Facilities)

(1) When a telecommunications carrier receives a request from a user to connect his/her terminal facilities (telecommunications facilities one end of which is connected to telecommunications circuit facilities and part of which are to be installed on the same premises (including the areas equivalent to such premises) or in the same building as where other parts of such facilities are to be installed; hereinafter the same shall apply) with its telecommunications circuit facilities (except those specified by an Ordinance of the Ministry of Internal Affairs and Communications as having a minor influence on the interests of users in the event of damage, failure, etc.; the same shall apply in Article 69 and Article 70), it shall not refuse such request, except in cases where such connection does not conform to the technical standards specified by an Ordinance of the Ministry of Internal Affairs and Communications (including technical conditions established, with the authorization of the Minister for Internal Affairs and

Communications, by the requested telecommunications carrier or by another telecommunications carrier whose telecommunications facilities are connected to those of the requested telecommunications carrier, who is a telecommunications carrier specified by an Ordinance of the Ministry of Internal Affairs and Communications; the same shall apply in the following paragraph and Article 69) and other cases specified by an Ordinance of the Ministry of Internal Affairs and Communications.

(2) The technical standards set forth in the preceding paragraph shall be specified so as to ensure the following matters:

- (i) The technical standards shall not result in damage to the telecommunications circuit facilities nor cause problems to their functions.
- (ii) The technical standards shall not cause trouble to other users of the telecommunications circuit facilities.
- (iii) The demarcation of responsibilities between the telecommunications circuit facilities installed by the telecommunications carrier and the terminal facilities connected to them by users shall be clearly specified.

Article 70 (Connection of Customer-Owned and Maintained Telecommunications Facilities)

(1) When any telecommunications carrier receives a request from any person who is not a telecommunications carrier and who installs telecommunications circuit facilities for connecting his/her telecommunications facilities (limited to those other than terminal facilities; hereinafter referred to as "customer-owned and maintained telecommunications facilities") to its telecommunication circuit facilities, it shall not refuse such request except in the cases listed below:

- (i) If the connection of the customer-owned and maintained telecommunications facilities does not conform to the technical standards specified by an Ordinance of the Ministry of Internal Affairs and Communications (including technical conditions established, with the authorization of the Minister for Internal Affairs and Communications, by the telecommunications carrier or other telecommunications carriers whose telecommunications facilities are connected to those of the telecommunications carrier and who are specified by an Ordinance of the Ministry of Internal Affairs and Communications)

(an Ordinance of the Ministry of Internal Affairs and Communications: 端末設備等規則)

1. Procedures for obtaining authorization for technical requirements

The government decides technical requirements for connecting terminal facilities. If it is inappropriate to determine such technical requirements uniformly, a telecommunications carrier may be granted authorization from the Minister for Internal Affairs and Communications to set forth its own technical requirements, provided that the situation of the telecommunications carriers fall under at least one of the following cases.

- i) In cases where trends in technological development and international standardization are expected to accelerate changes in technical requirements
- ii) In cases where the frequent expansion or addition of service content by a telecommunications carrier is expected
- iii) In cases where the market is small and it is not expected to rapidly gain users in the coming years
- iv) In cases where services to be offered have not been provided by a number of telecommunications

carriers

Upon application for the authorization of technical requirements, an application (Form 23) shall be submitted with the planned technical requirements in accordance with Article 30 of the Regulations for Enforcement of the Telecommunications Business Act.

2. Examination

The Minister for Internal Affairs and Communications shall authorize the application of the technical requirements if the application meets the conditions of Article 52, paragraph (2) of the Telecommunications Business Act.

1) Standard processing period

Two months

VIII. Application for Designation of Telecommunications Numbers of Telecommunications Carrier

Telecommunications Business Act

Article 50 (Standards for Telecommunications Numbers)

(1) When any telecommunications carrier provides telecommunications services by using telecommunications numbers (numbers, signs or other codes that telecommunications carriers use in providing their telecommunications services, for identifying telecommunications facilities in order to connect places of transmission with places of reception, or identifying types or content of telecommunications services to provide; hereinafter the same shall apply), it shall ensure that its telecommunications numbers conform to the standards specified by an Ordinance of the Ministry of Internal Affairs and Communications; provided, however, that the provisions of this paragraph shall not apply to domain names (domain names as defined in Article 164 paragraph (2) item (ii)), IP addresses (IP addresses as defined in item (iii) of the same paragraph) and any other telecommunications numbers specified by an Ordinance of the Ministry of Internal Affairs and Communications.

(an Ordinance of the Ministry of Internal Affairs and Communications: the Rules for Telecommunications Numbers)

1. Procedures for obtaining designation of telecommunications numbers (Article 15 of the Rules for Telecommunications Numbers)

A telecommunications carrier that intends to obtain the designation of telecommunications numbers shall submit the following documents to the Minister for Internal Affairs and Communications.

1) Application form for telecommunications numbers (Form 1) describing the following items:

- i) Postal code and address of the head office
- ii) Name (if the applicant is a juridical person, the name of the juridical person and the name of the representative)
- iii) Registration date or notification date of the telecommunications carrier and registered number or notification number of the telecommunications carrier
- iv) Documents to be attached

2) Documents to be attached

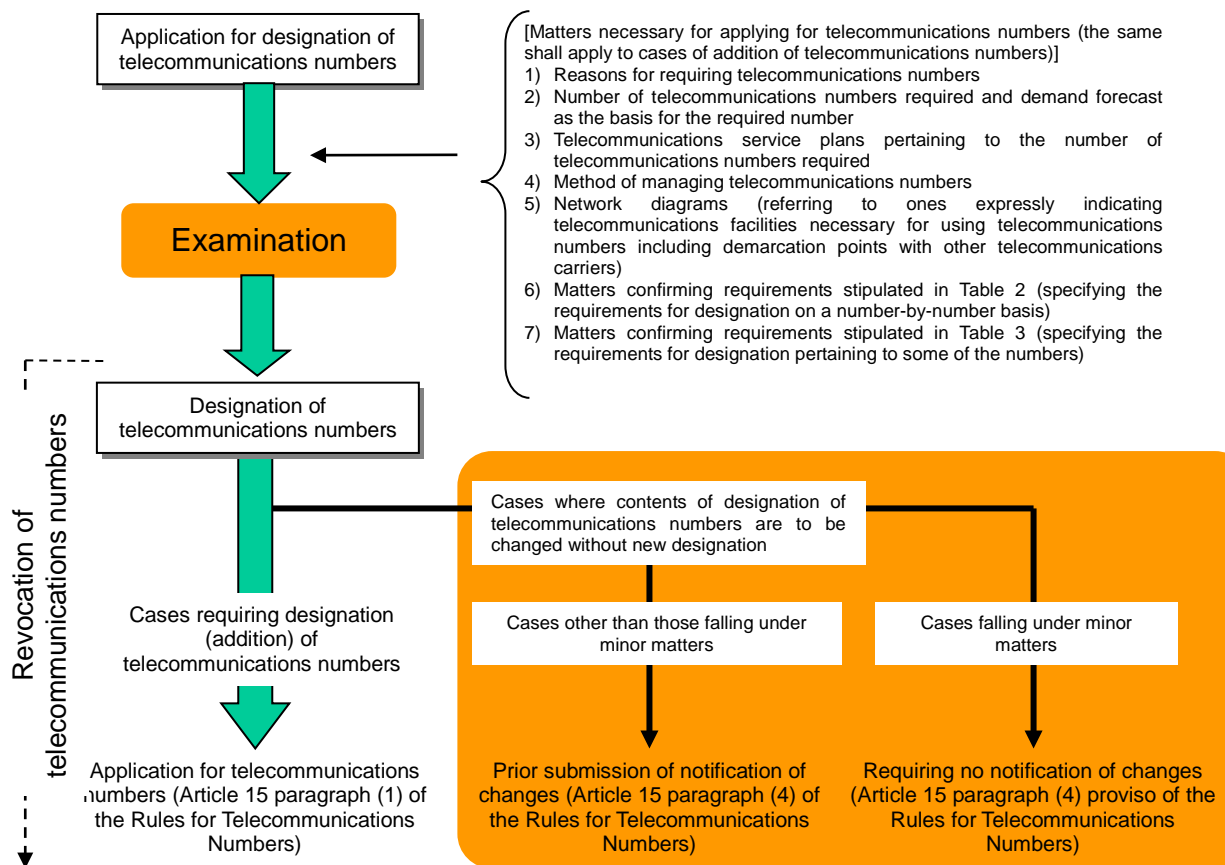
- i) Reasons for requiring telecommunications numbers
- ii) Number of telecommunications numbers required and demand forecast as the basis for the required number
- iii) Telecommunications service plans pertaining to the number of telecommunications numbers required
- iv) Method of managing telecommunications numbers
- v) Network diagrams (referring to ones expressly indicating telecommunications facilities necessary for using telecommunications numbers including demarcation points with other telecommunications carriers)
- vi) Matters confirming requirements stipulated in Table 2 (except for the case of obtaining the designation of telecommunications numbers for emergency calls)
- vii) Matters confirming requirements stipulated in Table 3 (limited to the case of using telecommunications numbers to identify fixed-mobile convergence (FMC) services)
- viii) Other items that are particularly necessary for specifying telecommunications numbers

2. Examination

In response to an application for the designation of telecommunications numbers from a telecommunications carrier, the Minister for Internal Affairs and Communications shall designate telecommunications numbers to meet the demand for the planned telecommunications services if the Minister recognizes that the numbers required for the telecommunications services are available in light of the Telecommunications Numbering Plan. Accordingly, the Minister shall issue a certificate of telecommunications numbers.

- 1) Standard processing period
Two months

Procedures for telecommunications numbers



[In the case of revocation] (Article 19 of the Rules for Telecommunications Numbers)

- 1) Where violating the provisions of these Rules
- 2) When not meeting requirements stipulated in Table 2 or 3 of the Rules for Telecommunications Numbers

IX. Compliance with the Consumer Protection

While telecommunications services have become indispensable for people's daily lives and socioeconomic activities, general customers are facing difficulties in appropriately selecting services which are necessary for them because of advancement of information and communications technology (ICT), diversification of service contents and service menus. Thus, when users conclude contracts for telecommunications services with telecommunications carriers, the telecommunications carriers or their agents need to explain the terms and conditions for providing the services, process complaints, etc. at their own responsibility so that the users can use the services with a sense of security.

MIC published the *Guidelines for Consumer Protection Rules in the Telecommunications Business Law* in March 2016. For details, please refer to the following website:

(Reference) Telecom Consumer Information

http://www.soumu.go.jp/main_sosiki/joho_tsusin/d_syohi/shohi.htm

1. Prior Notice to Users pertaining to Suspension or Discontinuation of Business

Telecommunications Business Act

(1) When a telecommunications carrier suspends or abolishes its telecommunications business in whole or in part, it shall notify the Minister for Internal Affairs and Communications to that effect without delay.

(2) When a juridical person as a telecommunications carrier dissolves due to reasons other than merger, the liquidator in charge (in the case of dissolution due to an order for the commencement of bankruptcy proceedings, the bankruptcy trustee) shall notify the Minister for Internal Affairs and Communications to that effect without delay.

(3) When a telecommunications carrier intends to suspend or abolish its telecommunications business in whole or in part, it shall, as specified by an Ordinance of the Ministry of Internal Affairs and Communications, fully inform the users of the telecommunications business to be suspended and abolished to that effect; provided, however, that this shall not apply to cases of suspension or abolition of a telecommunications business that is specified by an Ordinance of the Ministry of Internal Affairs and Communications as a business having a comparatively small influence on the interests of its users.

(an Ordinance of the Ministry of Internal Affairs and Communications: Article 12 and Article 13 of the Enforcement Regulations of the Telecommunications Business Act)

1) Notification to Minister for Internal Affairs and Communications

If a telecommunications carrier has suspended all or part of the operations of its telecommunications business or the telecommunications carrier as a corporation has been dissolved, it is necessary for the telecommunications carrier to notify the Minister of Internal Affairs of that effect without delay.

2) Keeping users informed

If a telecommunications carrier intends to suspend or discontinue all or part of the operations of its telecommunications business, the telecommunications carrier shall inform users of that effect in advance. The prior notice of the telecommunications carrier's information shall be made in an infallible method (e.g., the delivery of written documents or transmission of emails) for enabling users to recognize the suspension

or discontinuation of the business operations with a reasonable time (about one month in advance) set.

2. Explanation of Terms and Conditions

Telecommunications Business Act

Article 26 (Explanation of Terms and Conditions for the Service Provision)

(1) When any telecommunications carrier or any person who is entrusted by a telecommunications carrier to conduct intermediation, brokerage or agency (hereinafter collectively referred to as “intermediation, etc.”) for concluding a contract for the provision of telecommunications services and for performing other operations associated therewith (including any person entrusted by such telecommunications carrier (including further entrustment at the second or higher degree of separation from the original entrustment); hereinafter collectively referred to as “person entrusted with intermediation, etc.”) intends to conclude a contract, or to conduct intermediation, etc. for concluding a contract for the provision of telecommunication services stipulated below, with a user (including a person who intends to receive telecommunication services, but excluding a telecommunications carrier; the same shall apply to this paragraph, Article 27, Article 27-2 and Article 29 paragraph (2)), they shall, as specified by an Ordinance of the Ministry of Internal Affairs and Communications, explain to the user an outline of the charges and other terms and conditions for the provision of the telecommunications services; provided, however, that this shall not apply to the cases that are specified by an Ordinance of the Ministry of Internal Affairs and Communications as those in which, in consideration of the contents of the contract and other circumstances, it is found that even if the outline of the charges and other terms and conditions for service provision is not explained to the user, this does not compromise the protection of the interests of users.

(i) Telecommunication services provided by using transmission-line facilities connected to mobile terminal facilities at one end, which the Minister for Internal Affairs and Communications specifically designates as services that require explanations to users in order to protect their interest, considering their contents, charges and other terms and conditions for the provision, scope of users and use conditions;

(ii) Telecommunication services that are provided by not using transmission-line facilities connected to mobile terminal facilities at one end, which the Minister for Internal Affairs and Communications specifically designates as services that require explanations to users in order to protect their interest, considering their contents, charges and other terms and conditions for the provision, scope of users and use conditions; and

(iii) In addition to telecommunication services stipulated in items (i) and (ii), other telecommunication services that the Minister for Internal Affairs and Communications designates as services that have non-negligible effects on the interests of users, considering their contents, charges and other terms and conditions for the provision, the scope of users and other conditions.

(an Ordinance of the Ministry of Internal Affairs and Communications: Article 22-2-3 of the Enforcement Regulations of the Telecommunications Business Act)

A telecommunications carrier or agent shall explain service contents (matters to be explained) to users

before the conclusion of a contract of services for general consumers. Generally, it is necessary to give a description explaining the explanation items (e.g., the content of the telecommunications service, fee and other expenses, conditions and methods of contract change and cancellation, etc.) to each user in an easy-to-understand manner. The explanation may be given to users by email or in other methods subject to the consent of the users. Furthermore, the telecommunications carrier or agent shall give an explanation to elderly people, people with disabilities, and those who need consideration by taking their knowledge, experience, and contract purposes into account (in accordance with the so-called “principle of suitability”). It is also necessary to give an advance notice to users about important contract items, such as penalties, if any, in excess of the amount of the basic fees, in the case of concluding contracts that will be renewed automatically unless otherwise requested by the users (e.g., two-year contracts).

3. Delivery of Documents

Telecommunications Business Act

Article 26-2 (Delivery of Documents)

(1) When a telecommunications carrier effects a contract for provision of telecommunication services as listed in each item of paragraph (1) of the preceding Article, the telecommunications carrier shall prepare a document and deliver it to the user (excluding telecommunications carriers; the same shall apply in this Article and the following Article);, without delay and pursuant to the provisions of an Ordinance of the Ministry of Internal Affairs and Communications; provided, however, that this shall not apply in the cases that are specified by an Ordinance of the Ministry of Internal Affairs and Communications as those in which, in consideration of the contents of the contract and other circumstances, it is found that even if the document is not delivered to the user, this does not compromise the protection of the interests of users.

(2) With the consent of the user and pursuant to the provisions of Cabinet Order, in lieu of delivering the document under the provisions of the preceding paragraph, a telecommunications carrier may provide the user with the particulars that are required to be stated in that document by means of an electronic data processing system or by any other means of information and communications technology specified by an Ordinance of the Ministry of Internal Affairs and Communications. In doing this, the telecommunications carrier is deemed to have delivered the document.

(3) Information items required to be included in a document, provided by a method stipulated in paragraph (1) (excluding methods specified by an Ordinance of the Ministry of Internal Affairs and Communications) in place of the delivery of the document pursuant to paragraph (1), shall be deemed to be delivered to a user when such information items are recorded in a file stored on a computer employed by such user.

(an Ordinance of the Ministry of Internal Affairs and Communications: Article 22-2-4 of the Enforcement Regulations of the Telecommunications Business Act)

A telecommunications carrier shall prepare and deliver a contract document without delay when a contract relating to major telecommunications services are established. The contract document shall state items clarifying the content of the contract (e.g., matters sufficient to identify basic explanation items and the contract, the timing and method of payment for charges, and the scheduled time to start providing services).

If the user's explicit consent is present, the delivery of the document in an electromagnetic method is also possible.

4. Written Cancellation (Initial Contract Cancellation)

Telecommunications Business Act

Article 26-3 (Written Cancellation)

(1) Except as otherwise specified by an Ordinance of the Ministry of Internal Affairs and Communications, a user that has concluded a contract with a telecommunications carrier for the provision of telecommunication services stipulated in Article 26 paragraph (1) item (i) or item (ii) may cancel such contract in writing, has elapsed since the day on which the customer received the document set forth in paragraph (1) of the preceding Article (or, if the provision of such telecommunication services (limited to telecommunication services stipulated in Article 26 paragraph (1) item (i)) commences after the receipt date of the document, the commencement date of such telecommunication services) (or, if the telecommunications carrier or the person entrusted with intermediation, etc. misrepresents information on cancellation of such contract pursuant to this paragraph, in breach of the provisions in Article 27-2 item (i), and as a result of such false explanation, the user does not cancel such contract within such period pursuant to this paragraph, misconstruing that such explanation is correct, within eight days from the date when such user receives a document delivered by such telecommunications carrier that includes information that may cancel such contract pursuant to this paragraph as specified by an Ordinance of the Ministry of Internal Affairs and Communications).

(2) The cancellation of a contract for the provision of telecommunication services pursuant to the preceding paragraph shall take effect when a document indicating that the contract for the provision of telecommunication services is canceled is issued.

(3) The telecommunications carrier may not demand to the user any compensation or penalty for the cancellation of such contract for the provision of telecommunication services pursuant to paragraph (1) or payment or delivery of any other monies (including money and other property; the same shall apply in the next paragraph); provided, however, that this shall not apply to the amount of money specified by an Ordinance of the Ministry of Internal Affairs and Communications as the amount of money payable by the user for services received in the period until the cancellation of that contract, or another amount of money payable by the user with regard to that contract.

(4) If a contract for the provision of telecommunication services becomes subject to a cancellation under paragraph (1), the telecommunications carrier shall promptly return any monies received from the user in connection with such contract; provided, however, that this shall not apply to the amount of money specified by an Ordinance of the Ministry of Internal Affairs and Communications stipulated in the proviso to the preceding paragraph, out of money received in connection with such contract.

(5) Any special provision that is contrary to the provisions of the preceding paragraphs and disadvantageous to a user is void.

(an Ordinance of the Ministry of Internal Affairs and Communications: Article 22-2-7, Article 22-2-8 and Article 22-2-9 of the Enforcement Regulations of the Telecommunications Business Act)

A user may cancel a contract of major telecommunications services within eight days from the receipt of

the contract document (the start date of services in the case of mobile communications services that start later than the reception date of the contract document) without the consent of the service provider (telecommunications carrier).

However, an alternative measure (confirmation measure) shall be taken to make it possible to cancel the contract including the terminal if the propagation of radio waves or the explanation of the telecommunications carrier providing mobile communications services specified separately by a notice from MIC. The confirmation measure shall be taken in place of the initial contract cancellation system for services certified by the Minister for Internal Affairs and Communications.

If the contract is canceled by the initial contract cancellation system, the telecommunications carrier cannot claim penalties from the user. On the other hand, it will be possible to claim payment for a certain range of charges for services used until the termination of the contract and the telecommunications carrier's installation charge incurred until the termination of the contract and the administrative charge (contract conclusion charge). Among them, in order to prevent undue high installation and administration charges, their upper limits have been specified by a separate MIC notice.

5. Procedure for Processing Complaints, etc.

Telecommunications Business Act

Article 27 (Procedure for Processing Complaints, Etc.)

Any telecommunications carrier shall, properly and promptly, process complaints and inquiries from users with regard to the telecommunications carrier's methods of conducting its business activities pertaining to the telecommunications services stipulated in each item in Article 26 paragraph (1) or with regard to the telecommunications services as set forth in each item in the same paragraph, which are provided by the telecommunications carrier.

A telecommunications carrier shall properly and promptly process complaints and inquiries from users concerning telecommunications services or operations. Whether the telecommunications carrier "appropriately and promptly" processes them or not shall be judged on a case-by-case basis for each individual case according to the content of the services and scale of the telecommunications carrier.

6. Prohibited Conducts of Telecommunications Carriers, Etc.

Telecommunications Business Act

Article 27-2 (Prohibited Conducts of Telecommunications Carriers, Etc.)

Telecommunications carriers and persons entrusted with intermediation, etc. shall not engage in the following conducts:

- (i) Intentionally fail to disclose or misrepresent material information about the contract for the provision of telecommunication services stipulated in each item in Article 26 paragraph (1) that would affect the decision of users; or
- (ii) Continue to solicit a person (excluding telecommunications carriers) for a contract for the

provision of telecommunication services stipulated in each item in Article 26 paragraph (1) after the person who receives such solicitation manifest the intention not to conclude such contract (and/or a refusal to receive such solicitation thereafter)(excluding solicitations specified by an Ordinance of the Ministry of Internal Affairs and Communications not as being likely to compromise the protection of the interests of users).

(an Ordinance of the Ministry of Internal Affairs and Communications: Article 22-2-10 of the Enforcement Regulations of the Telecommunications Business Act)

No telecommunications carrier or person entrusted with intermediation may intentionally tell users of matters untrue or neglect to tell them of the facts of any important matters of the contract. Furthermore, it is forbidden to re-offer contracts to those who do not wish to conclude contracts or do not want solicitation.

7. Guidance to Person Entrusted with Intermediation, Etc.

Telecommunications Business Act

Article 27-3 (Guidance to Person Entrusted with Intermediation, Etc.)

In cases where a telecommunications carrier entrusts a person to conduct intermediation, etc. for concluding a contract for the provision of telecommunication services or for any other associated operations, the telecommunications carrier shall, pursuant to an Ordinance of the Ministry of Internal Affairs and Communications, provide to the person entrusted with intermediation, etc. guidance pertaining to such entrustment and take other measures necessary for ensuring proper and secure provision/conducting related to such entrustment.

(an Ordinance of the Ministry of Internal Affairs and Communications: Article 22-2-11 of the Enforcement Regulations of the Telecommunications Business Act)

A telecommunications carrier shall select those entrusted with intermediation or other appropriate intermediary service trustees, prepare documents such as business procedures, confirm and verify the business situation of those entrusted with intermediation or intermediary service trustees, appropriately deal with complaints, cancel intermediary contracts, and take proper measures, such as guidance given to those entrusted with intermediation or intermediary service trustees.

X. Report and Inspection

Telecommunications Business Act

Article 166 (Report and Inspection)

(1) The Minister for Internal Affairs and Communications may, within the limit necessary for enforcement of this Act, prompt a telecommunications carrier or person entrusted with intermediation, etc. to report on their business, or commission ministerial officials to enter into their business offices, offices or other places of business of the telecommunications carrier or person entrusted with

intermediation, etc. to inspect their telecommunications facilities (limited to the case in which the ministerial officials enter the place of business of a telecommunications carrier), books and records and other properties.

(an Ordinance of the Ministry of Internal Affairs and Communications: the Rules for Reporting on Telecommunications Business)

Within the limit necessary for the enforcement of the Telecommunications Business Act, the Minister for Internal Affairs and Communications may prompt telecommunications carriers or those entrusted with intermediation, etc. to report on their business, or commission ministerial officials to enter their business offices, offices, or other places of business.

Among the reports required from telecommunications carriers, those regularly and routinely requested, such as the status of telecommunications service contracts, shall be submitted in accordance with the Rules for Reporting on Telecommunications Business. (*)

* Refer to the Rules for Reporting on Telecommunications Business (Ministerial Ordinance of MPT No. 46 of 1988) and the reference, *the Report based on the Rules for Reporting on Telecommunications Business Telecommunications Business* for matters to be reported, the deadline for the reporting, and the destination of the reporting.

Anyone who has failed to make a report under Article 166, Paragraph (1) of the Telecommunications Business Act or makes a false report or refuses, obstructs. or evades inspections under these provisions shall be punished by a fine of not more than 300,000 yen (Telecommunications Business Act No. 188, item 16).