

*Economics of Information and Communication*  
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Who Regulates Electronic Commerce in Japan?

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## I. Present State of EC in Japan (1)

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- EC is beginning to grow, but still at infancy stage.
- General agreement on need for promoting EC.

## Present State of EC in Japan (2): Industry

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- Study groups, experiments, some exploratory entries, but limited.

## Present State of EC in Japan (3): Government

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- Preparing legislation cautiously, slowly.
- Participates to industry study groups as a member.

## Present State of EC in Japan (4): Consumers

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- Buying computer softwares, books.
- Booking train and airplane seats, hotels, but still beginning stage.



## II. Study Groups in Industry (1): ECOM

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- 150 companies with MITI as leader.
- Research on possible legislation.
- Forming guidelines.
- Experiments, case studies.



## Study Groups in Industry (2): Electronic Money

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- Study groups on EM with MOF, BOJ, major banks.
- Software development, experiments.
- Slow progress (<-- financial troubles in Japan)



### III. Government Activities (1)

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- "A Japanese Initiative in Promoting EC" June 1998
- Report of WG on EC, Advanced IT Society
  - Promotion Headquarters (in PM's office)





## "A Japanese Initiative in Promoting EC" June 1998 (1)

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### 1) Domestic and International Advances Toward Promotion of Electronic Commerce

- Domestic Advancements
- International Advancements

### 2) Significance of Promoting Electronic Commerce

- Scope of Discussion
- Goal and Significance of Promoting Electronic Commerce

### 3) Principles for Promoting Electronic Commerce



## "A Japanese Initiative in Promoting EC" June 1998 (2)

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### 4) Specific Issues

- Electronic Authentication
- Protection of Privacy
- Illegal and Harmful Content
- Consumer Protection
- Security and Measures Against Crimes
- Rules on Commerce in General
- Electronic Payments, Electronic Money
- Intellectual Property Rights



## "A Japanese Initiative in Promoting EC" June 1998 (3)

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- Domain Name System
- Taxes
- Tariffs

### 5) Government Role in Promoting Electronic Commerce

### 6) Future Tasks

- (<http://www.kantei.go.jp/foreign/980817densi.html>)



## Government Activities (2)

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- MOF, MITI, MPT, DOJ, MOFA, D. of Police, EPA, etc.:
- Study groups with reports, since 1996.
- Discuss current states, possible legislation.
- Paralleled activities (Japanese style)

## IV. Electronic Authentication and Certification (1)

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- Legislation by end of 2000.
- Commercial registration, electronic seal, notary, authentication.
- Seeking business initiative, international coordination.



## Electronic Authentication and Certification (2)

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- Universal individual id legislation bill passed lower house, June 10, 1999 possible application to EC.



## V. Privacy Protection in EC

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- Private information from EC transactions, social securities.
- Start a study group in summer 1999, influenced by EU.
- "Privacy symbol mark"

## VI. Regulation of Illegal, Harmful Contents

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- Form guidelines for filtering by ISPs by end of 1999.
- Legislation -- difficult in near future.



## VII. Consumer Protection in EC

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- Extend protection to EC in the same way as in "real" commerce.
- Form guidelines, encourage using a "symbol."
- Cooperation with OECD.



## VIII. Security of Networks, of EC Participants

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- Legislation planned by end of 1999.
- "Cyberpolicing."
- Guideline formed.



## IX. Trade Act for EC

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- Encourage formation of guidelines.
- No legislation contemplated.



## X. EM (Electronic Money)

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- Slow growth (MOF, NTT)
- Experiment on Internet by end of 1999.

## XI. Taxes and Tariffs

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- Study to be completed by end of 2000.
- Conform with OECD, WTO initiatives

## XII. Intellectual Property Protection

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- Legislation of copyright protection enhanced, 1996.
- Revise copyright act by end of 1999.

## XIII. Regulation and Deregulation with EC

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- Current regulations on mail orders, employment assistance, EC with "matching" still restricted.

## XIV. International Coordination

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- With U.S.: May 15, 1998
- With EU: ?

