



Digital Competition Policy in Japan

- ◆ JFTC's Approaches
- ◆ Transparency Act (Ministry of Economy, Trade and Industry or "METI")
- ◆ Mobile Ecosystem (Headquarters for Digital Market Competition or "HDMC")

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JFTC's Approaches

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1. Case investigation

- **Apple:** Investigation on the Suspected Violation of the Antimonopoly Act
⇒ Case closed, as the JFTC confirmed that Apple voluntarily made corrective actions allowing external links on reader apps such as music and e-books.
- **Amazon Japan:** Approval of the Commitment Plan
⇒ A corrective action refunding approximately 2 billion yen in total to about 1,400 disadvantaged suppliers.

2. Merger review

- **Google/Fitbit**

3. Market Study

- **News content**
- **Mobile OS**
- **Cloud service**
- **Digital ads**
- **Online retail platforms and app stores**

4. Study Group

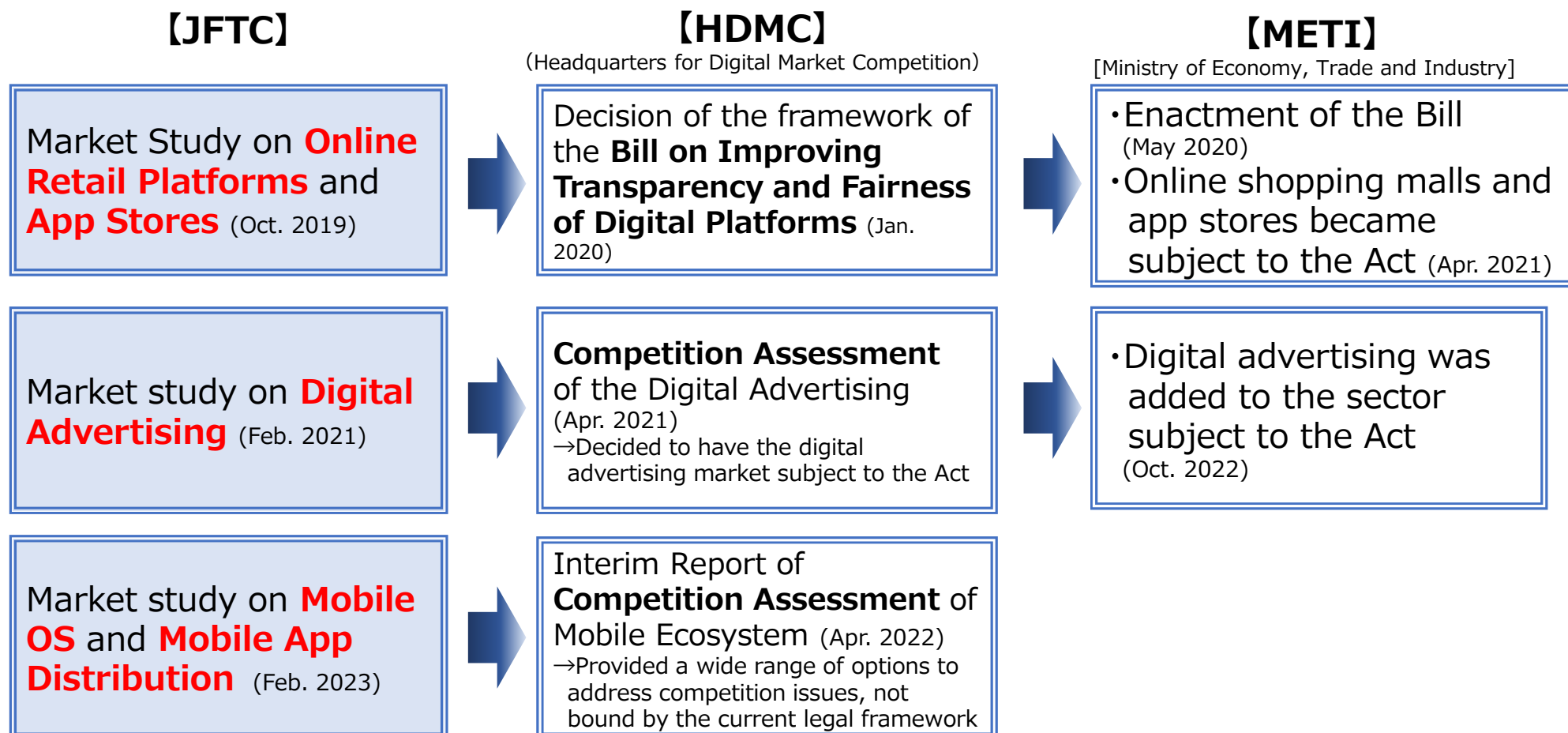
- **Algorithms/AI**

5. Guidelines

- Guidelines on Digital Platforms' Collection and Use of Consumers' Personal Information etc.
- Amendments of Guidelines Concerning Review of Business Combination, to deal appropriately with digital cases

Cooperation in the Government on Digital Competition Policy

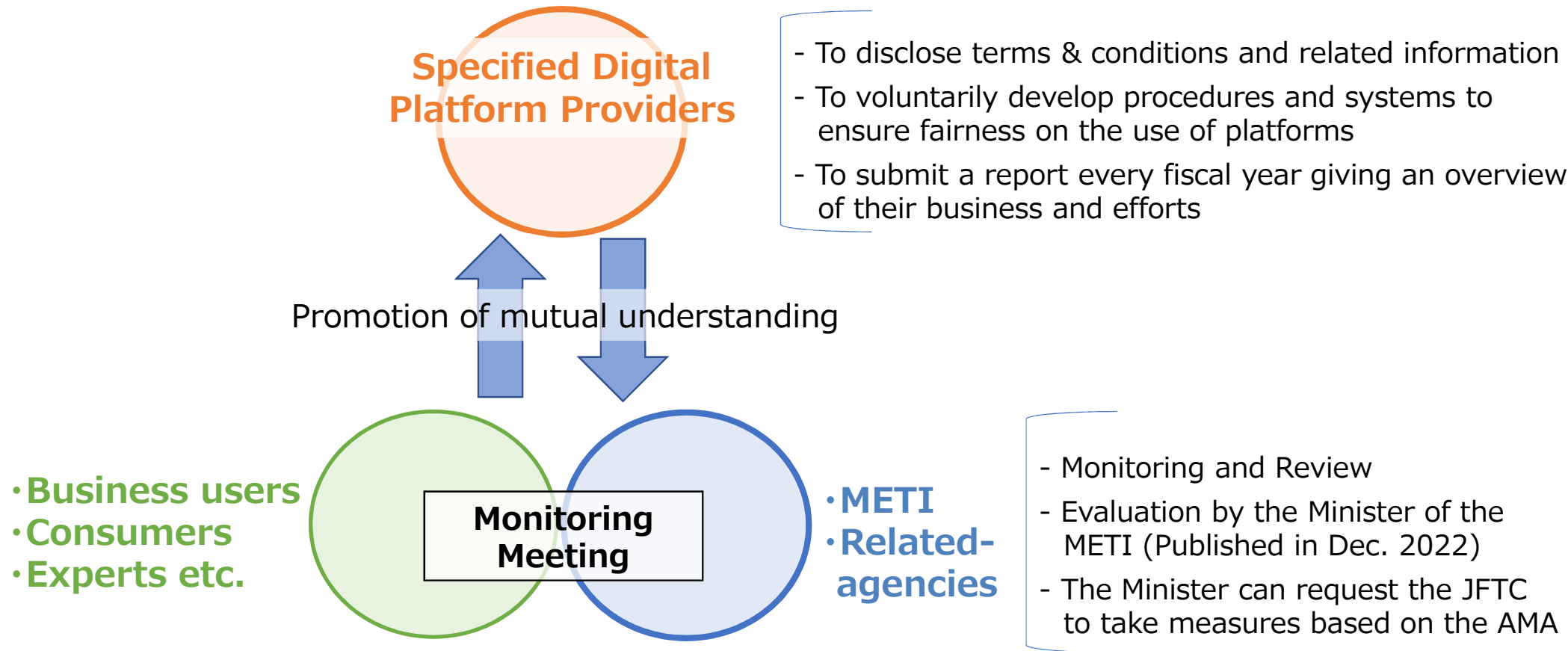
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The Transparency Act

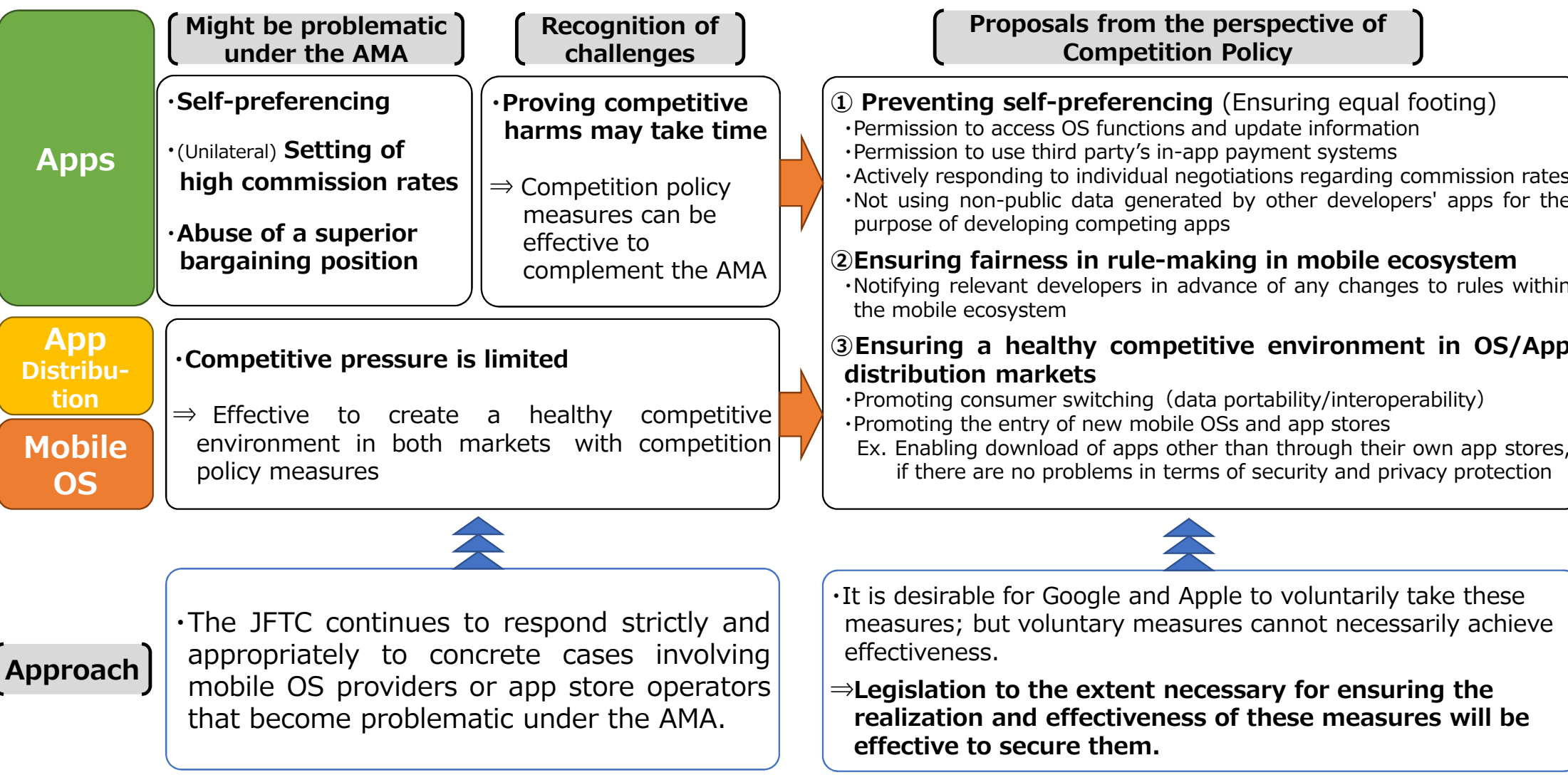
[Co-regulation]

3



◆ **Achievement:** Business users' higher satisfaction; improvement through the communication on individual cases

◆ **Future:** Specified DPFs are expected to voluntarily/actively strive to improve their operations based on the 1st-year evaluation.



27 issues in HDMC's Interim Report [Competition Assessment of Mobile Ecosystem]

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1. Rule setting within the ecosystem

1-1. [OS/ browsers]

1. Updates and specification changes in OS and others
2. Time advantage for app development associated with OS updates, etc.
3. Tracking rule changes in operating systems (Apple)
4. Tracking rule changes in browsers (Apple)
5. Tracking rule changes in browsers (Google)
6. Closed middleware (Google)

1-2. [App Store]

7. Mandatory use of App Store (Apple)
8. Hindrance to sideloading (Google)
9. Mandatory use of payment and billing systems
10. Restrictions on the provision of information, inducement, etc. of other billing systems, etc. within apps

1-3. [Browsers, web apps and native apps]

11. Mandatory use of WebKit and reluctance to support web apps in browsers (Apple)
12. Access restrictions on browsers to the functions of OS and others (Apple)
13. Limitations on browser extensions
14. Switching costs (due to registration on browser and data linkage with other services)

1-4. [Leveraging leading web services to gain competitive advantage in other layers, etc.]

15. Impact on browsers due to specification changes in leading web services (Google)
16. Standardization of technologies that give the company an advantage in search service (Google)

2. Default settings, pre-installation, etc.

2-1. [Default settings, pre-installation]

17. Pre-installation and default settings of browsers, search engines, etc.

2-2. [Self-preference on search service (Google)]

18. Preferential display of its own map service and promotion of its own browser on its own search service

3. Acquisition and use of data, etc.

19. Acquisition and use of data
20. Adding and integrating functions into the OS, developing apps with functions equivalent to competing apps and setting those apps as default, etc.
21. Social login ("Sign in with Apple" (SIWA)) (Apple)
22. Automatic login to Chrome browser (Google)
23. Sending information from the browser only to its own websites (Google)
24. Search query data and other resources (Google)

4. Access restrictions to various functions

25. Access restrictions on apps to OS functions
26. Access restrictions to UltraWideBand (Apple)
27. Access restrictions to NFC (Near Field Communication) (Apple)