

A dark blue world map is centered in the background of the slide.

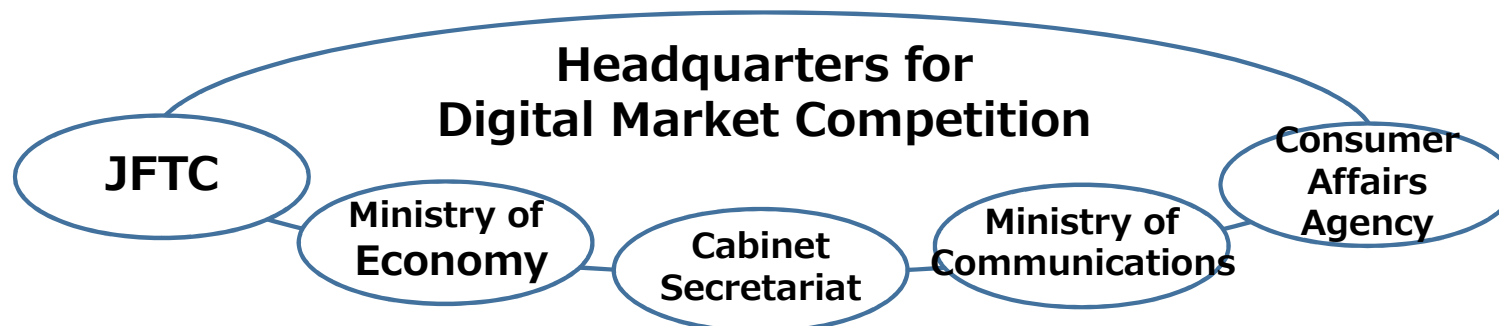
JFTC's competition policy initiatives and legislative developments in Digital Markets in Japan

JFTC's Market Studies

- Online Marketplaces (Oct. 2019)
- App Stores (Oct. 2019)
- Digital Advertising (Feb. 2021)
- Cloud Computing Services (Jun. 2022)
- Mobile Ecosystem (Feb. 2023)
 - Operating Systems
 - App Stores
 - Web Browsers
- Online News Platforms (on-going)

**Act on Improving
Transparency and Fairness of
Digital Platforms (TFDPA)**
(came into full operation in Apr. 2021)

possible introduction of
ex-ante regulation

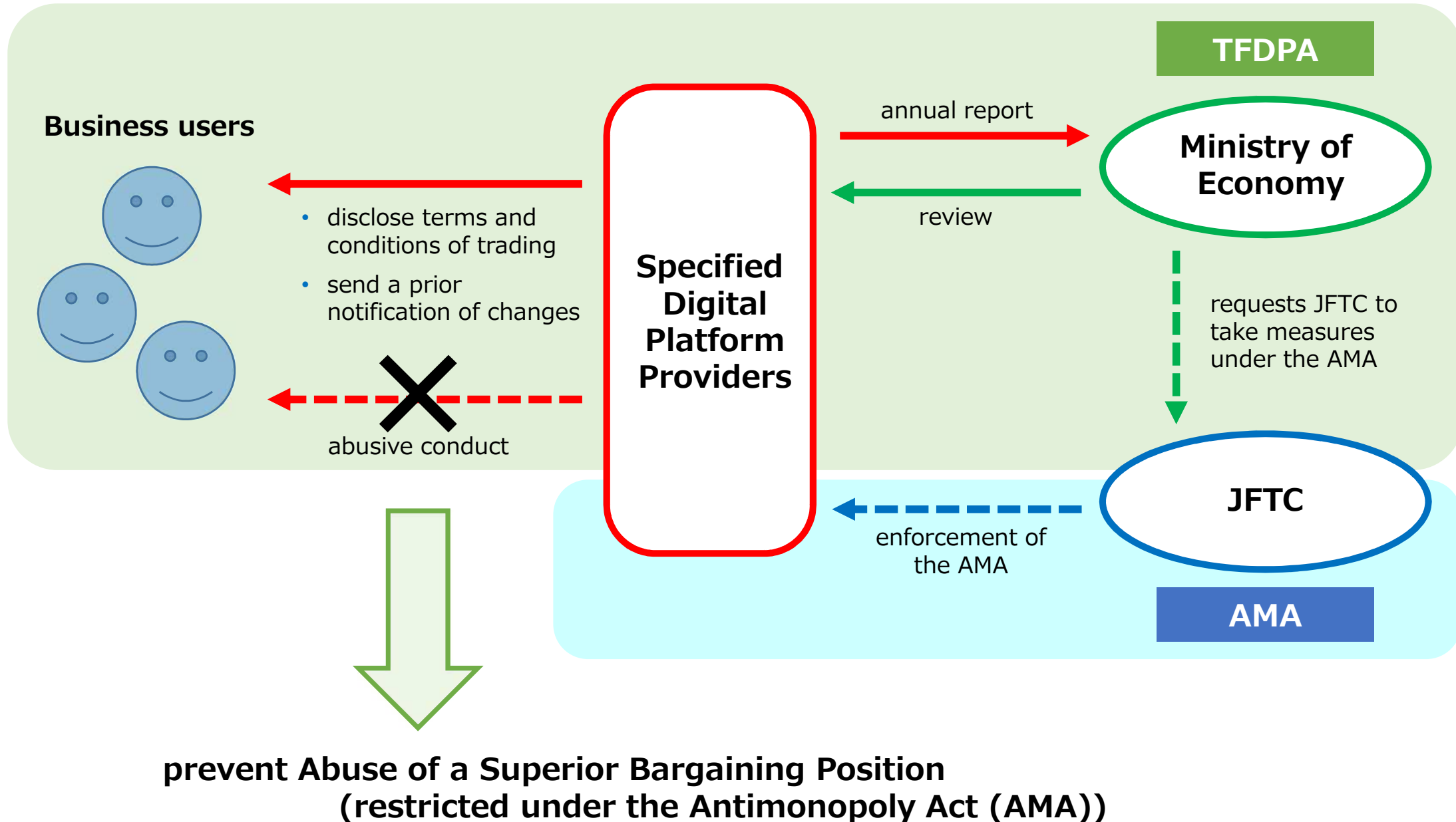



■ **Targets only large online platforms**

- designated as a “specified digital platform provider”
 - Online Marketplaces: Amazon, Rakuten and Yahoo Japan
(Annual Domestic Turnover of ¥300 bn or more)
 - App Stores: Apple and Google (ADT of ¥200 bn or more)
 - Digital Advertising: Google, Meta, Yahoo Japan (ADT of ¥100 bn or more)

■ **Adopts a “co-regulation” approach stipulating the general framework under laws and leaving details to online platforms’ voluntary efforts**

- requires “specified digital platform providers” to:
 - disclose terms and conditions of trading
 - send a prior notification of changes in terms and conditions to business users
 - establish procedures and systems for handling complaints and disputes



Layers of Mobile Ecosystem	Issues	JFTC's policy proposals
App	<ul style="list-style-type: none"> ■ Anti-competitive conduct <ul style="list-style-type: none"> ▪ Self-preferencing ▪ Charging a high commission ▪ Abuse of Superior Bargaining Position  <ul style="list-style-type: none"> ■ Enforcement of the AMA can take considerable time <ul style="list-style-type: none"> ▪ Complex market definition ▪ Burdensome proof of harms ▪ Verifying security and privacy claims 	<ul style="list-style-type: none"> ■ To complement the enforcement of the AMA ■ Prevent and fix anticompetitive conduct by: <ul style="list-style-type: none"> ▪ Creating a Level Playing Field <ul style="list-style-type: none"> ✓ Access to OS functions ✓ Anti-steering ✓ In-app payment system ✓ Data use ✓ Pre-installation ▪ Ensuring fairness in rule-making
App Store	<ul style="list-style-type: none"> ■ Tipping over 	<ul style="list-style-type: none"> ■ Pro-active interventions to promote competition <ul style="list-style-type: none"> ▪ Interoperability and Data portability ▪ Alternative app distribution <p>* taking a balance bet. security</p>
Mobile OS	<ul style="list-style-type: none"> ■ Insufficient competition <ul style="list-style-type: none"> ▪ Even bet. Google and Apple 	



**new regulatory framework
beyond the existing competition laws**

