Guidelines for creating a safe environment where people can work on a freelance basis (outline)

1. Definition of “freelance workers”
   - In these guidelines, “freelance workers” are defined as any self-employed persons or sole traders (sole business owners) who have neither fixed physical business premises nor any employees and who earn income utilizing their own experience, knowledge, and skills.

2. Relationship to Antimonopoly Act, Subcontract Act and labor-related laws and regulations
   - The Antimonopoly Act is generally applicable to transactions between business operators and freelance workers because the Act applies to any transaction in which the party ordering the transaction is a business operator, even when the other party is an individual.
   - The Subcontract Act is generally applicable to transactions between certain businesses and freelance workers because the Act applies to transactions in which the ordering party is a business entity with capital in excess of ¥10 million, even if the other party is an individual.
   - In addition to the application of the above laws, labor-related laws and regulations may also apply to cases that correspond to “employment” under existing laws, e.g., when a person is deemed to be working in effect under the command of the ordering business operator, even if performing work as a freelance worker.

3. Compliance requirements of business operators that place orders with freelance workers
   - Operators are required to pay remuneration in a timely manner, to ensure that the work is under direction and supervision, to provide sufficient remuneration, to provide suitable working conditions, to provide compensatory remuneration, and to provide sufficient service requests.

4. Compliance requirements of intermediary business operators
   - Intermediary business operators help freelance workers to acquire and expand opportunities to provide their services, etc., and help other business operators and consumers to receive high-quality, low-cost services from freelance workers.

5. Criteria for determining what constitutes “employment” under current laws
   - The concept of “employment” is determined by factors such as the degree of exclusivity, the business owner status, and the character of the remuneration.

6. Transactions between intermediary business operators and freelance workers
   - Intermediary business operators help freelance workers to acquire and expand opportunities to provide their services, etc., and help other business operators and consumers to receive high-quality, low-cost services from freelance workers.

7. Unilateral modification in transaction conditions due to change of terms
   - If an intermediary business operator with a superior bargaining position to a freelance worker unilaterally changes the terms to disadvantage the freelance worker, unjustly in light of normal business practices, such an act is regulated under the Antimonopoly Act as an abuse of superior bargaining position.

8. Categories of behavior that are problematic under the Antimonopoly Act (abuse of superior bargaining position)
   - Clarity of the concept of behaviors that may lead to abuse of superior bargaining position, including behaviors that may fall under the Subcontract Act.

9. Transactions between business operators and freelance workers
   - If an ordering business operator with a superior bargaining position to a freelance worker makes use of its superiority to disadvantage the freelance worker, unjustly in light of normal business practices, such an act is regulated under the Antimonopoly Act as an abuse of superior bargaining position.

10. When labor-related laws and regulations apply to freelance workers
     - Even if a person works as a freelance worker under a formal agreement, such as a work contract or semi-delegation agreement, when labor-related laws and regulations are applied, the question of whether the person qualifies as a “worker” under the laws and regulations is based on the actual conditions of the work performed, regardless of the form or name of the work agreement.

11. Definition and detailed concept of “worker” under the Labor Standards Act
     - The concept of “worker” is defined by factors such as the degree of exclusivity, the business owner status, and the character of the remuneration.

12. Definition and detailed concept of “worker” under the Labor Union Act
     - The concept of “worker” is defined by factors such as the degree of exclusivity, the business owner status, and the character of the remuneration.