

2nd Global Forum on Digital Competition:
Policies and Enforcement for Harmonization, Innovation, and Growth
January 30, 2026

(Summary)

Opening Remarks (Eiji Chatani, Chair of the JFTC)

Chair Eiji Chatani opened the forum by noting that this second annual event takes place following the full implementation of Japan's Mobile Software Competition Act (MSCA) last month. He emphasized that the JFTC's primary goal is to ensure the "smooth and effective" enforcement of this law through deep international cooperation and ongoing dialogue with business operators. Chatani argued that digital competition policy is a global endeavor; Japan's efforts are intended to benefit the international community rather than just the domestic market.

The forum has evolved this year to include a more diverse range of participants, particularly from the startup sector, to allow for a multilayered discussion. A key focus is facilitating dialogue between "Big Tech" and small-to-medium enterprises (SMEs). Chatani concluded by stressing that while digital markets vary by country, constant dialogue is necessary to foster international cooperation while accepting these jurisdictional differences, all with the ultimate goal of providing better products and services to users.

Keynote Speech (Masaya Sakuma, Director General for Digital and International Affairs, JFTC)

Director General Masaya Sakuma provided a strategic overview of the current global digital landscape and the forum's objectives. He identified that as global digital regulations advance, the differences in approach among authorities have become clearer, necessitating stronger international cooperation. Sakuma then outlined the three specific panel themes for the forum:

- Panel 1: Overcoming Shared Challenges and Fostering Cooperation This session addresses the diverging tools used by global authorities, specifically the "vanguard" of ex-ante regulations—such as the EU's DMA, the UK's DMCCA, and Japan's

MSCA—contrasted with the proactive ex-post litigation led by the US DOJ and FTC. The objective is for authorities to understand these differences in methodology while reaffirming a shared purpose in promoting fair competition.

- Panel 2: Investing in the Future: How Small Businesses Can Thrive in a Platform World Sakuma emphasized that for startups to flourish, constructive dialogue between platforms and SMEs is "indispensable". This panel brings together Microsoft (Big Tech), Wantedly and SherLOCK (startups), and Y Combinator (accelerator), alongside the European Commission and German authority. The focus is on ensuring that new regulations do not "excessively stifle" business activity while fostering growth within platform ecosystems.
- Panel 3: From Principles to Practice—Competition Rules Fit For the Future The final session addresses the ideal form of competition policy in response to generative AI and other evolving technologies. It explores the inherent tension between regulation and innovation. This discussion features thoughts from those at the forefront of AI development—Apple, Google, and OpenAI—alongside representatives from the Thai Authority and the OECD to discuss the necessity of future-proof international standards.

Sakuma closed by stating that the trust built during these sessions would contribute to a better global business environment and more effective enforcement of competition law worldwide.

Panel Discussion 1: Overcoming Shared Challenges and Fostering

Cooperation

*Moderated by **Rei Kataoka (JFTC)**, the forum's opening panel brought together high-level representatives from six leading competition authorities to discuss their recent efforts in digital markets and the critical role of international collaboration. The discussion highlighted a global regulatory landscape that is increasingly proactive, yet diverse in its legal frameworks and enforcement tools.*

Individual Presentations on Jurisdictional Efforts

India: Competition Commission of India (CCI)

Savitri Kore detailed the CCI's long history of investigating digital competition issues, including self-preferencing and exclusive agreements in sectors ranging from e-commerce to mobile ecosystems. She identified several structural challenges inherent to digital markets:

- **Delineation and Valuation:** The multi-sided nature of platforms makes defining relevant markets difficult, while non-price operations render traditional economic tests, like the SNIP test, less effective.
- **Technical Barriers:** The opacity of algorithms necessitates specialized technical skills that are difficult for authorities to hire and retain.
- **AI Initiatives:** The CCI recently completed a market study on AI and competition, urging businesses to adopt self-auditing mechanisms for their algorithms to reduce compliance and enforcement costs.

United States: Federal Trade Commission (FTC)

Patricia Galvan emphasized the FTC's role as a law enforcement agency focused on ensuring that the competitive process produces societal benefits, even in emerging fields like AI. She provided updates on several landmark litigations:

- **Amazon:** A monopolization lawsuit involving "interlocking, anti-competitive strategies" is set for trial in March 2027. Additionally, the FTC secured a \$2.5 billion settlement regarding deceptive "Prime" subscription cancellation practices.
- **Meta:** The FTC is appealing a November 2025 ruling to continue its argument that Meta illegally maintained a social networking monopoly by acquiring competitive threats like Instagram and WhatsApp.
- **AI and Policy:** Using its market study authority, the FTC published a report on AI partnerships, specifically flagging concerns regarding access to inputs and the sharing of sensitive information with cloud providers.

United Kingdom: Competition and Markets Authority (CMA)

Euan MacMillan discussed the implementation of the Digital Markets, Competition and Consumers Act (DMCCA), which established an ex-ante regulatory regime.

- **Strategic Market Status (SMS):** The CMA has already designated Google (in search) and Apple and Google (in mobile) as having SMS, allowing for the design of bespoke, proportionate remedies.
- **Search Conduct Requirements:** On the Wednesday prior to the forum, the CMA launched a consultation for Google Search focusing on data portability, fair rankings, and user choice screens (which they plan to extend to Chrome).
- **Generative AI in Search:** A key proposed requirement involves giving website publishers a choice on whether their content can be used in "AI Overviews," a move MacMillan noted would likely result in a global change by Google.

Australia: Australian Competition and Consumer Commission (ACCC)

Kate Reader summarized nearly a decade of digital market work, including 14 public reports covering ad tech, social media, and marketplaces.

- **Regulatory Reform:** Based on recommendations made in 2022, the ACCC is working with the Australian Government to move forward with significant regulatory reforms this year.
- **Enforcement:** Active cases include ongoing litigation against Meta regarding cryptocurrency scams and a recent settlement with Google Search.

European Union: European Commission (EC)

Filomena Chirico represented the Digital Department of the EC (DG CONNECT), working alongside the Competition Department (DG COMPETITION) to oversee the Digital Markets Act (DMA).

- **Implementation and Review:** After two years of application, the focus remains on data portability, interoperability between mobile ecosystems, and connected devices. A formal three-year review of the DMA is scheduled for publication in May 2026.
- **New AI and Cloud Priorities:** The EC has launched proceedings to provide binding guidance to Google on search data access and on interoperability with AI agents and has begun investigating whether cloud service providers require gatekeeper designation.
- **Retaliation Risks:** Chirico identified the risk of retaliation against small players as a major barrier to gathering accurate market information, which international cooperation helps mitigate.

Japan: Japan Fair Trade Commission (JFTC)

Kenta Suzuki detailed the implementation of the **Mobile Software Competition Act (MSCA)**, which came into full force in December 2025.

- **Focus Areas:** The act targets four mobile software "bottlenecks": OS, app stores, browsers, and search.
- **Balancing Interests:** Suzuki noted that the key to successful enforcement is finding realistic measures that foster competition while protecting security and privacy.
- **Dialogue Strategy:** The JFTC prioritizes continuous dialogue with both regulated entities and third-party developers.

The moderator opened the floor for a discussion by asking how countries adopting new digital competition policies later (second, third, or fourth movers) can maximize benefits from those who moved first.

Kate Reader (ACCC) emphasized the importance of staying abreast of overseas developments while ensuring that domestic frameworks remain flexible. She warned against creating an "unfortunate patchwork" that cannot respond to regulatory changes in major hubs like Europe or the UK.

Savitri Kore (CCI) agreed, noting that first-mover experiences should be adapted to local conditions to improve economic competition.

Patricia Galvan (US FTC) offered a counterpoint by defending the effectiveness of traditional antitrust law. She argued that century-old laws remain robust enough to handle high-tech markets, citing the historical breakups of AT&T and the action against Microsoft as proof that targeted enforcement can successfully unleash innovation waves. She expressed hope that recent victories against Google would continue this legacy of promoting competition without needing new specialized frameworks.

Filomena Chirico (European Commission) observed that international cooperation is most effective when authorities are open about what is and isn't working in their specific jurisdictions. She highlighted that different countries have different "cultures of compliance"—where some companies require a court order and others respond to simple suggestions—but the goal should be to align on the desired *market outcomes*. If authorities align on what they want to see happen, it becomes easier for global companies to implement those changes across borders.

Euan MacMillan (UK CMA) echoed the sentiment that while approaches differ, the goals are shared: supporting investment, innovation, and growth. He emphasized that digital regulation is not about discriminating against "Big Tech," but about ensuring they are not the *only* ones bringing benefits to the economy. He stressed the need for "humility" and noted that the UK regime is legally required to review its requirements ongoingly to ensure they remain necessary.

Kenta Suzuki (JFTC) brought the discussion back to the ground level, reminding the panel that market realities differ by jurisdiction. He noted his own experience of collecting 300 name cards from app developers and trade associations, arguing that regulation must be informed by these specific, local market conditions rather than just high-level principles.

In the final round of questions regarding pragmatic short-term and long-term actions, the

speakers engaged in the following exchange:

- **Savitri Kore (CCI)** proposed immediate sharing of technical expertise and capacity building through training programs, with a long-term view toward harmonizing standards where local laws permit.
- **Kenta Suzuki (JFTC)** suggested increasing the frequency of regular interactions such as web meetings but acknowledged the persistent challenges of language barriers and time zone differences.
- **Euan MacMillan (UK CMA)** warned that regulators cannot wait for cooperation; they must do it now because "in the long run, we are all dead". He pointed out a specific practical hurdle: the need for companies to agree to confidentiality waivers so that authorities can exchange the detailed information necessary to avoid regulatory divergence.
- **Filomena Chirico (EC)** concluded that there is an urgent need for more frequent discussion to see the "bigger picture" across jurisdictions, emphasizing that there is a wealth of non-confidential information that could be exchanged more effectively right now.

The moderator, **Rei Kataoka (JFTC)**, wrapped up the session by noting that while digital competition authorities cooperate, they also must "compete" with one another to stay on top of the game and find the best methods for market assessment, policymaking, and enforcement. He reaffirmed that the first step to progress is simply "showing up for constructive discussions" like this forum.

Panel Discussion 2: "Investing in the Future: How Small Businesses Can Thrive in a Platform World"

*Moderated by **Kohei Kasamatsu**, an attorney-at-law with a practice specialized in advising startups in Japan and California, this session explored how small-scale innovators can maintain competitiveness in an environment shaped by massive digital ecosystems. The panel featured six speakers from the startup community, venture capital policy, Big Tech, and competition authorities.*

Individual Presentations

Wantedly, Inc. (Akiko Naka, Founder and CEO):

- Naka detailed how her job-matching platform leveraged major platforms to grow. She noted that using AWS infrastructure reduced launch costs from an estimated billion yen to approximately ten yen, while the Facebook social graph API enabled critical early traffic acquisition. However, she highlighted significant risks: sudden quarterly changes to Google Search rankings (impacted by AI Overviews) or Facebook's in-app browser regulations directly affect revenue and traffic for smaller players in the ecosystem. Additionally, frequent Apple OS updates require significant resource allocation to maintain compliance.

Y Combinator (Luther Lowe, Head of Public Policy):

- Lowe described the "kill zone," a market where venture investors refuse to fund startups because a dominant platform can instantly copy or crush a competitor. He shared an example of a startup detecting deepfake phone scams that failed because a dominant mobile platform refused access to call audio. Lowe warned of an "AI discoverability crisis" where, despite easier software development via "vibe coding," gatekeepers control the "pipes" to consumers, often sending less than one-third of search traffic to independent sites.

Microsoft (Joy Fuyuno, Asia Competition & Market Regulation Lead):

- Fuyuno introduced Microsoft's AI access principles, which commit to providing public APIs for AI models, allowing developers to sell licenses outside the Azure Marketplace, and prohibiting the use of non-public developer data to compete with those developers. She argued that platform providers must be defined by what they empower others to build. She emphasized that these commitments must be verifiable through clear documentation and third-party audits to provide "assurance" to the market.

SherLOCK, Inc. (Teresa Tsukiji, CEO & Founder):

- Tsukiji explained that while her AI security startup benefits from global platform credits, global standards are insufficient to protect against domain-specific risks in Japan, such as unique legal requirements and business practices. She argued that startups are essential to fill the "security vacuum" that large providers cannot address alone. She specifically called for impartial, third-party security assessments because self-evaluation by large AI models has inherent limitations.

Bundeskartellamt (Gunnar Kallfass, Head of General Policy Division):

- Kallfass described the authority's role as a mediator. He cited a case where German railway distribution data was secured for third-party mobility platforms, though the process took significant time through litigation. He acknowledged that SMEs often

suffer from a "barrier of fear" regarding retaliation from ecosystems they depend on. He suggested that authorities can act as a focal point to facilitate communication or initiate broader investigations that keep the identities of small complainants confidential.

European Commission (Alberto Bacchiega, Director for Digital Platforms):

- Bacchiega provided examples of DMA-driven changes, such as requiring WhatsApp/Meta to be interoperable and prohibiting platforms from using seller-generated data to develop competing products. He addressed the criticism that regulation stifles innovation by arguing that an incumbent holding market power will always assess third-party innovations as threats or opportunities. He asserted that competition is the primary driver of innovation and that the DMA aims to make markets contestable.

The moderator, **Kohei Kasamatsu**, initiated a discussion among the panelists by asking **Teresa Tsukiji (SherLOCK)** how an independent security operator can survive if platforms provide their own security while simultaneously controlling third-party access. Tsukiji responded that the issue is not just a closed market, but limited growth. She argued that platform security is often insufficient without specialized expertise and called for authorities to ensure information disclosure to address the "information asymmetry" between incumbents and startups.

Kasamatsu then turned to **Akiko Naka (Wantedly)** to discuss how startups overcome sudden platform shifts. Naka detailed a landscape of "unpredictable changes" occurring quarterly. She cited Google's "AI Overviews" and Facebook's frequent login regulation changes as factors that directly destabilize startup revenue and traffic. She noted that while Wantedly considers switching to domestic Japanese infrastructure to avoid foreign exchange risks associated with AWS, the "gap" in functionality is too wide to make switching feasible.

Luther Lowe (Y Combinator) expanded on these risks by identifying the "AI discoverability crisis". He cited a startup called "Blue" as a cautionary tale: despite having potent voice-assistant technology, they were forced to manufacture a \$200 USB-C dongle to act as a virtual keyboard and mouse because they could not get deep API access to smartphone operating systems. Lowe called this lack of access "infuriating" and a clear example of where innovation is being held back.

Kasamatsu asked **Alberto Bacchiega (European Commission)** to respond to the criticism

that the Digital Markets Act (DMA) prevents innovation. Bacchiega acknowledged the risk that bureaucrats can cause damage, but argued from an economic standpoint that an incumbent with market power will always calculate third-party innovations based on whether they threaten the incumbent's bottom line. He asserted that competition is the true driver of innovation and that markets must be made contestable to allow disruptive ideas to reach consumers.

Joy Fuyuno (Microsoft) was asked to share her view on regulations correcting platform policies. She cautioned that while harmonization is important, regulators must consider "technical feasibility" and the trade-offs between openness and security. She suggested that rather than new laws, authorities should first see what concerns can be addressed under existing unfair trade practice regulations.

Gunnar Kallfass (Bundeskartellamt) was asked how to lower the "barrier of fear" that prevents small businesses from speaking out against incumbents. He described the authority's responsibility in outreach and informal work as a mediator before parties engage in litigation, citing the complexity of major digital ecosystems, and approaches in protecting a startup's identity by launching broader, non-specific investigations. He then turned the question back to the entrepreneurs, asking what competition authorities could do better.

Teresa Tsukiji (SherLOCK) called for three things: support for domestic security foundations to avoid dependence on single global systems, neutral third-party security assessments rather than platform self-evaluations, and consistency in how interoperability is implemented across multiple platforms.

Akiko Naka (Wantedly) offered a blunter assessment, stating that collaboration with authorities is often a "low priority" because startups work on six-month timeframes (burn rates) while legal reforms take years. She advised authorities to utilize venture capital networks to gather startup views more efficiently.

In the final exchange, **Lowe** recommended a process of "hot-tubbing," where the technical experts from the startup and the platform sit together to be grilled simultaneously by the enforcer to find the truth quickly. Bacchiega concluded that the EC is moving toward this by providing guidance early—such as recent efforts regarding Android OS features for alternative LLMs—to intervene before the market "tips" and becomes impossible to correct.

Panel Discussion 3: From Principles to Practice—Competition Rules Fit for the Future

*Moderated by **Professor Sayako Takizawa** of the University of Tokyo, this final session addressed how worldwide competition rules should adapt to cutting-edge technologies like Generative AI while balancing innovation with consumer protection. The panel brought together high-level representatives from leading tech firms, international organizations, and competition authorities.*

Individual Presentations

Apple (Sean Dillon, Senior Director, Competition Law & Regulation):

- Dillon argued that future rules must remain technology-neutral and focus on consumer outcomes rather than "regulatory box checking." He criticized the EU's Digital Markets Act (DMA) as being overly prescriptive, claiming it results in "industrial design by bureaucracy" where officials second-guess product engineers. He contrasted this with Japan's Mobile Software Competition Act (MSCA), which he praised for pragmatically recognizing security, privacy, and intellectual property as legitimate factors of competition.

Google (Felicity Day, APAC Senior Competition Counsel):

- Day emphasized that competition in the AI space is currently thriving, citing rapid new entry (e.g., Recursive Intelligence) and breakthrough scientific efficiencies like DeepMind's AlphaFold. She warned against "rushing in to regulate" too early, which risks stifling this innovation. She also noted that many issues being raised, such as publisher rights for AI training data, are more fundamentally intellectual property questions rather than competition law issues.

OpenAI (Adam Cohen, Chief of Economic Policy):

- Cohen suggested that instead of trying to define rules for 10 years out, regulators should focus on recurring themes: access to inputs (chips, data, energy) and distribution channels. He advocated for "swift" interventions based on sound judgment, suggesting that authorities should not fear making minor mistakes in over-enforcement if it prevents a long-term bottleneck.

Japan Fair Trade Commission (Daisuke Ikezawa, Director, Office of Policy Planning and Research for Digital Markets):

- Ikezawa highlighted the JFTC's use of market studies (such as the recent report on

Generative AI) to create an agile and evidence-based foundation for policy. He stressed that as markets move faster, the JFTC is deepening its "technical bench" by hiring specialized digital analysts and engineers to ensure administrative staff have a correct picture of the market.

Trade Competition Commission of Thailand (Pattama Teanravisitsagool, Commissioner):

- Teanravisitsagool detailed Thailand's multi-layered approach, which includes platform-specific competition guidelines to provide legal certainty. She noted that because digital markets evolve faster than legislation, authorities must prioritize inclusive stakeholder engagement and coordinate closely with other domestic regulators to avoid unnecessary burdens on businesses.

OECD (Antonio Capobianco, Deputy Head of Competition Division):

- Capobianco identified consistency as the core need for global businesses. He noted that as jurisdictions diversify their tools (some sticking to ex-post antitrust, others adding ex-ante regulation), the OECD's role in standard-setting becomes vital to harmonize national approaches and foster international trust.

The moderator, **Professor Takizawa**, kicked off discussions by asking **Pattama Teanravisitsagool (Thailand)** to contrast Generative AI with previous digital platforms. Teanravisitsagool observed that traditional platforms primarily acted as intermediaries connecting users and businesses via multiple choices like rankings or search results. In contrast, Generative AI acts as a "decision layer" that often produces a single, synthesized response, which effectively replaces search results and reduces the visibility of alternatives. She warned that the speed and scale of these technologies could lead to "market tipping" much faster than traditional digital markets, potentially embedding market power before enforcement tools can even respond.

Professor Takizawa then asked **Felicity Day (Google)** how competition rules can allow AI to prosper safely and in a fair way. Day responded that protecting user safety is fundamental and already driven by intense commercial pressure; if users do not feel "commercially safe" adopting a product in a highly competitive space, they will simply go elsewhere. She argued that regulators do not need additional rules for safety and should instead focus on protecting the competitive process rather than attempting to dictate "fair" outcomes or individual winners.

Daisuke Ikezawa (JFTC) responded to the dialogue by explaining the JFTC's method for understanding these fast-moving markets. He emphasized that accurate regulation must be

based on proprietary data and thorough interviews with firms to understand their specific concerns. To align with the rapid technological environment, the JFTC completed its Generative AI survey in just eight months—a significantly shorter timeframe than previous studies.

Adam Cohen (OpenAI) addressed the long-running debate over "sins of omission" (under-enforcement) versus "sins of commission" (over-enforcement). He encouraged regulators to "call balls and strikes quickly," arguing that they can now approach interventions with more confidence based on 30 years of recurring themes in tech litigation. He suggested that fast intervention is better than looking backward, even if it leads to minor mistakes.

Antonio Capobianco (OECD) noted that regulatory cooperation is expanding both in "depth and breadth." He emphasized that competition authorities must now leave their "ivory towers" to cooperate with other domestic and cross-border regulators, particularly those focused on privacy and consumer protection. He specifically cited data portability as an area where privacy regulators have significant input. Furthermore, he highlighted a new trend toward cooperation between the public and private sectors, such as the suggested "trilateral meetings" between startups, incumbents, and regulators.

Direct Exchanges: Business to Regulator

- **Google to Thailand: Felicity Day** questioned how Thailand balances promoting digital investment with competition policy. **Teanravisitsagool** replied that the goals are the same: sustainable, long-term growth. Thailand is currently facilitating an AI-driven ecosystem through data center infrastructure and human capital capacity building, while competition policy ensures AI capability remains accessible and local innovation can scale.
- **Apple to Japan: Sean Dillon** asked how the JFTC assesses the effectiveness of the recently passed MSCA. **Daisuke Ikezawa** replied in his personal capacity, stating that many benefits will not be seen for years. He argued that setting short-term quantitative goals could stifle efforts in dynamic markets; instead, he views the MSCA as a "keystone" that builds the JFTC's future capacity to manage new issues and work with foreign agencies.

As a final round of comments, the panelists shared the following as advice for creating a healthy competitive environment:

- **Sean Dillon (Apple):** Governments should avoid the temptation to pick "winners

and losers" or second-guess design choices. He argued that design differentiation is a primary consumer benefit that regulators risk removing if they force convergence.

- **Pattama Teanraisitsagool (Thailand):** Emphasized "competition by design" and the importance of using the "rule of reason"—weighing economic, business, and technological justifications—rather than focused only on enforcement.
 - **Adam Cohen (OpenAI):** Reiterated that interventions should be "swift" and always err on the side of the consumer.
 - **Daisuke Ikezawa (JFTC):** Noted the need to regularly assess priorities, raising as an example how the JFTC is launching a follow-up survey on news content distribution to examine the new relationships between AI companies and news publishers.
 - **Felicity Day (Google):** Argued that openness is the defining characteristic of AI competition, citing Google's release of open-source databases and Gemma models that can run on a standard laptop as a way to lower barriers for small developers.
 - **Antonio Capobianco (OECD):** Stated that the three essential principles for the future are flexibility, timeliness, and consistency through international cooperation.
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Closing Remarks: Reiko Aoki (Commissioner, JFTC)

Commissioner Reiko Aoki concluded the 2nd Global Forum on Digital Competition by expressing gratitude to the diverse group of government representatives, scholars, and business leaders whose dialogue made the event a success. She noted that the energy in the room and the participation of over 500 people globally evidenced the forum's significant impact. She reaffirmed Japan's commitment to using the insights shared during the day to immediately inform the implementation of the Mobile Software Competition Act (MSCA) and other digital policy initiatives.

Aoki highlighted several critical achievements and themes from the day's proceedings:

- **Strengthening International Bonds:** The forum allowed competition authorities to acknowledge jurisdictional differences while understanding the underlying reasons for them. This process reaffirmed a shared "North Star": enhancing fair competition to improve the lives of citizens globally.
- **Bridging Big Tech and Startups:** A defining feature of this year's forum was the constructive dialogue between major digital platforms and the startup/SME ecosystem. Aoki noted the "unique magic" of regulators and industry players observing each other's debates, which builds a level of transparency and trust difficult to replicate elsewhere.

- Collaboration in an Uncertain Future: She pointed to the final panel as a standout example of candid exchange, proving that collaboration can overcome the fears associated with an uncertain technological future.
- Commitment to the next forum: Aoki announced that the JFTC is already planning to host the 3rd Global Forum in Tokyo around January 2027. This timing will be particularly significant as it marks the one-year anniversary of the MSCA's full implementation.

In closing, she expressed hope that the progress made during the forum would spark vibrant markets and enrich lives everywhere.

ENDS