

Cabinet Decision on the Bill for the
Act on Promotion of Competition for Specified Smartphone Software

April 26, 2024
Japan Fair Trade Commission

Smartphones have become pillars of social and economic lives since their rapid diffusion. Specific software – mobile operating systems (OS), application stores, browsers, and search engines – hereinafter referred to as “Specified Software” below, are especially important for the use of these tools. The Cabinet today approved of the bill for the Act on Promotion of Competition Related to Specified Smartphone Software, which aims to develop a competitive environment for these software, fostering innovation from various entities and offering consumers more options in services while also ensuring security.

1 Outline of the bill (See attachments for details)

(1) Designation of providers subject to regulations

The Japan Fair Trade Commission (JFTC) will designate software service providers that conduct business at a certain scale through a Cabinet Order for each type of Specified Software subject to the new regulations. Businesses that fall under Cabinet Order criteria will be referred to as “Designated Providers.”

(2) Prohibited actions and compliance mechanisms

The act will stipulate how Designated Providers are prohibited from engaging in certain practices (“Prohibited Actions”) and are required to take certain measures (“Compliance Measures”).

(3) Measures to ensure regulatory effectiveness

The bill features mechanisms including: reporting by Designated Providers regarding their compliance status with the regulations, provision of information by relevant business operators, intragovernmental cooperation, and investigative authorities, ordering powers to correct behaviors and order for surcharges (20% of relevant turnover) under the JFTC.

2 Effective date

The act shall come into force on the date to be set forth by a Cabinet order within one and a half years after the date of the promulgation of this bill (excluding certain provisions).