

Third Report by the Council for Promotion of  
Regulatory Reform  
-For New Era to Come-

Council for Promotion of Regulatory Reform

June 4, 2018

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## I. General Remarks

### 1. Introduction

The Council for Promotion of Regulatory Reform (hereinafter referred to as the “Council”) is an advisory body to the Prime Minister for comprehensively researching and deliberating the status of regulations required for promoting the structural reform of the economy and society, and its period of installation is about three years until July 31, 2019.

During this term starting in July 2017, which is halfway through the period of activity, the Council issued two reports in series in one year including the first report of this term issued less than one year after the previous report. That is because the Council judged it as necessary to deal with matters of urgency intensively in a short-term. The Second Report by the Council for Promotion of Regulatory Reform (hereinafter referred to as the “Second Report”) issued in November 29, 2017 compiled three items: radio spectrum allocation reform for achieving Society5.0; childcare system reform for absolutely eliminating wait-listed children this time; and efforts for developing forestry that has reached a regeneration cutting period as a growth industry.

The Third Report (this report) has compiled the results of the deliberation on regulatory reform items that the Council has been working on for the past year and items that the Second Report judged as deserving of further discussion.

### 2. Circumstances Surrounding Regulatory Reform and Roles of the Council

Regulations need to be reviewed constantly. While all regulations are invented out of necessity, needs change as economic and social circumstances change as represented by technological innovation. New needs can arise, too. The Council is required to examine needs and, if necessary, review regulations, which is far from an easy task. With technological innovation speeding up at astonishing pace and lifestyles diversifying, the Council faces and struggles with the following problems.

First, system reforms cannot catch up with technological innovation speed, which creates disadvantage for users and causes market distortions. For example, even though excellent technologies are available for remote medical consultation and remote education, there are many cases in which delay in system reforms prevents users from fully enjoying benefits. The Council has been trying hard to tackle this problem, but system reforms are left far behind technological innovation.

Second, no attention is paid to diversity in system reforms. For example, our employment system does not fully take into account diverse working styles. The same is true of transportation services including taxi, which, it is difficult to say, meet diverse needs on an individual basis such as services for depopulated areas, foreign people, and the elderly. Although required to create wisdom and demonstrate ingenuity, it is difficult to say that regulatory enforcement ministries and agencies are properly working on system designing featuring diversity.

Regulatory enforcement ministries and agencies have responded to such environmental changes

by adopting some exceptional measures or enforcing law amendment that, just intended to address immediate problems, would not lead to fundamental solutions. In addition, they also have proposed legal standards and legal interpretations where appropriate in the form of ministerial orders, announcements, or notices. As it is unrealistic to put all regulations in the statutory form, it is understandable that regulatory enforcement ministries and agencies should be granted certain discretion. However, such a traditional method is detrimental in various ways to the era when ICT and AI are dramatically changing business activities and the life of the people.

First, essential responses to environmental changes are slowed by temporary expedients with the status of all mid-and-long term systems discussed insufficiently. For example, even though convergence of communication and broadcasting allows the content to spread globally, the copyright system fitting the situation has not been established yet, which is eroding domestic business operators' competitiveness.

Second, regulatory enforcement ministries and agencies do not fully fulfill the responsibility of explaining to the nation the rationale and needs for regulations. Changing rules through legal interpretations or applications of laws has prevented them from deeply understanding what laws are for and constantly pursuing ideal systems. For example, it was revealed through the deliberation in the previous term (September 2016 to June 2017) that the rationale for the age of 21 as the mandatory minimum age requirement for obtaining the class 2 driver's license, which is required for a driver engaging in passenger vehicle transportation business, was actually arbitrary. On the other hand, there is no age restriction on elderly drivers although an increase in traffic accidents by them is being discussed as a social problem. It would not have caused such a situation to remain firm in reviewing regulations without prejudgment with insight into the essence of policy issues instead of taking half measures.

Third, even though regulations and systems must be reviewed according to environmental changes, approaches to matters are still based on conventional ones. As a result, irrationality in policy-making remains rife, which causes a situation called "administrative failure to act." For example, with big data utilization in progress, while the same rules on anonymized personal information apply to the national government and private companies by law, utilization of personal data held by local governments is made subject to bylaws as ever. When many local governments start to review their respective bylaws, they can establish their own rules for big data utilization, which should be promoted nationwide. Regulatory enforcement ministries and agencies noted that they had discussed the measures to be taken through advisory panels of experts in the absence of needs for data utilization, but the Council cannot help concluding that they have not made an effort for rulemaking.

Fourth, it is feared that we will be left behind technological innovation rapidly progressing throughout the world. It took more than 20 years to embark on radio spectrum allocation reform mentioned in the Second Report. Too many years have passed since power system market reform, which is currently in progress, started to be discussed in the 1990s. We are one lap behind developed countries in either case. Discretionary administration has deprived regulatory

enforcement ministries and agencies of the spirit of directly facing drastic institutional reforms looking ahead to the future in 5 to 10 years with overseas trends and technological innovation in mind.

As a consequence, a lot of bedrock regulations have been produced that protect vested interests. Regulatory enforcement ministries and agencies give excessive consideration to existing business operators' interests, always postponing institutional reforms. This not merely undermines consumers' benefits but also prevents innovative business operators from entering regulated fields.

A new business opportunity is often generated in a multidisciplinary field that existing industries cannot cover. But in Japan, where industrial sectionalism is established and which industrial regulations run throughout, those who try to offer new services are faced with so many obstacles that very few of new businesses blossom. Deregulation in one field does not mean deregulation in relevant fields, which prevents improvement in convenience for consumers. For example, even if receiving online medical consultation at home is made possible, patients are still required to go to pharmacies in order to receive medicines prescribed by doctors except in the case in which pharmacists visit them to give them medication advice. As illustrated in this case, there is no sign of improvement in the convenience for the elderly who have difficulty going out.

Placed in such circumstances, the Council has been advancing deliberations, particularly paying attention to the following points.

First, seeing things from the standpoint of users thoroughly. With each person connected to the Internet, a variety of new services and businesses that would not have been imagined before are being created day by day. Technological innovation improves convenience in national life, while causing social problems like troubles. It is required to see things from the standpoint of users and proceed with institutional reforms promptly with the balance between users' interests and protection of industrial interests taken into account.

Second, taking requests from the front line seriously. The Council has already accepted 1,160 proposals (as of May 15, 2018) at the Hotline on Regulatory Reform for less than two years since the Council was launched. In regulatory reforms, it takes enormous time to change even a regulation appearing at first glance to be minor, cannot be changed without huge resistance. The Council therefore cannot respond to individual requests adequately, but, in this term, is trying to deal with as many requests as possible with a dedicated team in action.

Third, trying to find ways to solve problems, not depending on existing institutional frameworks. For example, to simplify administrative procedures, the Council, which focuses on the number of hours users such as companies need to complete procedures instead of seeing them from the administrative side, is trying to reduce the number of hours needed by 20% in three years.

This report compiles the results of essential and robust discussions based on the foregoing philosophy.

### 3. Consultation Process

(1) Topic Selection and Organizational Framework for Consultation

At the 19th meeting of the Council held in July 20 2017, the Council established five working groups as the new organizational framework for this term: Agriculture and Forestry Working Group; Fishery Working Group; Medical Care and Long-term Care Working Group; Childcare and Employment Working Group; and Investment and Miscellaneous Issues

Working Group.

Subsequently, at the 20th meeting held in September 11, 2017, the Council characterized “elimination of wait-listed children”, “radio spectrum allocation reform”, and “forest and forestry reform” as important immediate issues to be solved soon. In addition, the Council decided six priority issues of this term for reform and each working group officially started to work on them: (1) Reform for growth industries of agriculture and fisheries; (2) Realization of medical care towards Society5.0; (3) Improvement in employment environment for young overseas talent aiming for career development in Japan; (4) Utilization of public and private sectors data and thorough pursuit of electronic government; (5) Regulatory reforms for inbound affairs as well as for success of the Tokyo Olympic and Paralympic Games; and (6) Determined implementation of the plan for reducing administrative costs. Furthermore, the Council has newly established a “dedicated team” to actively deal with the proposals that the working groups will not cover among those accepted at the Hotline on Regulatory Reform.

In addition, in order to explore some measures against business operators’ burdens resulting from inconsistency in forms/format for administrative procedures among local governments, the Council has established the “Task Force for Regulatory Reform in Regional Areas.”

(2) Follow-up of the Implementation Plan for Regulatory Reform

It is essential for realistically advancing reforms that the Council keep track of the progress of the past Implementation Plan for Regulatory Reform.

In this term, the Council, which did not particularly determine prioritized items, asked regulatory enforcement ministries and agencies for the progress reports and, following a careful scrutiny of all actions, evaluated and commented on each of them.

(3) Implementation of Open Discussions

The Council hosted an open discussion once in this term in order to call for public attention toward the promotion of regulatory reforms.

The Council selected examination topics in which Japanese citizens presumably have high levels of interest, and intended to find out the direction of reform from the standpoint of Japanese citizens. In addition, the Council actively collected opinions provided from observers and online live broadcast audiences in order to enhance the discussion.

First discussion: March 27, 2018

- For the promotion of online medical care: potential of medical care expanding under Society5.0

(4) Acceptance of Proposals at the Hotline on Regulatory Reform

In a continued effort from the previous term, the Council accepts regulatory reform proposals at the Hotline on Regulatory Reform on a regular basis and has received 1,160 proposals (as of May 15, 2018) since August 2016.

When it comes to “intensive receptions”, the Council launched them in September 2017, bringing the traditional schedule (October or November) forward in order to secure sufficient time to reflect on proposals for realizing reforms.

To promote “intensive receptions”, the Council conducted focused advertisement activities geared toward public relations on the Cabinet Office website as well as various institutions including local governments, and thereby collected 391 proposals in the month. The collected proposals were presented to relevant ministries and agencies to request an examination, and the 988 responses (as of May 15, 2018) from relevant ministries and agencies were disclosed on the Cabinet Office website. The Team on the Hotline Proposals reported to the Council about items that needed careful inspections and examinations among the responses provided from relevant ministries and agencies, and, in turn, the Working Groups engaged in careful inspections and examinations. Subsequently, the results were leveraged to compile individual-basis and concrete reform items.

In addition, the Council hosted six times the meeting of the dedicated team, which was newly established in this term, to actively discuss responses to proposals at the Hotline on regulatory reform to help Working Groups relevant to proposals in question compile individual-basis and concrete reform items.

(5) Regulatory Enforcement Ministries and Agencies’ Independent Initiatives for Regulatory Reform (Regulatory Review)

The Regulatory Review was constructed, based on the Implementation Plan for Regulatory Reform (Cabinet decision in June 2014) as a system through which the regulatory enforcement ministries and agencies themselves independently and proactively undertake regulatory reform.

In response to the Implementation Plan for Regulatory Reform (Cabinet decision in June 2016), the Basic Principles for Policy Evaluation (Cabinet decision on December 16, 2005) was modified in July 2017 so that regulatory enforcement ministries and agencies would conduct ex post facto evaluations of regulations they evaluated preliminarily and, as a result, the evaluation system for regulations was strengthened.

In order to further facilitate efforts for regulatory reform, it is necessary to continue to reinforce the coordination between Regulatory Reviews and policy evaluations of

regulations.

#### 4. Working toward Realizing this Report

After this report is submitted to the Prime Minister comes the stage “implementation.” In order to immediately set out to reform all regulatory reform items cited here to steadily realize reforms with deadlines set, it is necessary to formulate a schedule detailing the process to be followed through realization of reforms, which means “the Implementation Plan for Regulatory Reform”, and have it decided by Cabinet.

Many regulations involve a structure where interest conflicts, which leads to a passive stance being adopted by regulatory enforcement ministries and agencies and is a principal factor in preventing reforms from being advanced. In order to move reforms forward, interested parties in a variety of positions will need to be persuaded and coordinated to surmount such a structure. This hinges wholly upon political leadership. There are strong expectations for political leadership so that the content of this report may be realized to the greatest extent.

#### 5. Progressing to the Next Step

##### (1) Formulation of the Next Term Policy of the Council Activities

During the period from the moment when this report is submitted to July 2019, the Council will further undertake regulatory reforms, the mission that the Council seeks to complete. The Council should promptly formulate its activity policy including prioritized areas to be covered and consultation processes thereof.

##### (2) Follow-up of Decisions

Time and time again, reports and Cabinet decisions have been made regarding regulatory reforms. As they have not been followed up properly, however, there are some cases where the reforms have not progressed as initially intended.

In order to avoid having decisions watered down, the Council is required to carefully confirm that regulatory enforcement ministries’ and agencies’ examinations appropriately reflect the Council’s opinions or reforms are not going backward, etc. The Council hopes that such a strong follow-up system will be introduced as allows regulatory enforcement ministries and agencies to consult with the Council before they implement decisions.

## II. Reducing the Administrative Costs

### 1. Past status

At the 14th meeting (March 29, 2017) attended by each head of the three economic associations (Japan Business Federation, Japan Chamber of Commerce and Industry, Japan Association of Corporate Executives) in the Prime Minister's presence, "Reduction in Administrative Costs (the number of hours business operators need to complete procedures) by at Least 20%" was adopted in terms of "regulatory reforms, simplification of administrative procedures, and the evolution of information technology in an integrated and unified manner from the entrepreneur's perspective." In addition, the meeting put forward three principles for administrative costs reduction: (1) pursuit of thoroughness in computerization of administrative procedures (Digital First Principle); (2) the same information not requested twice (Once-Only Principle); and (3) uniform documentary forms. Based on this decision, each ministry and agency formulated the basic implementing plans (simplification plans) [1,223 procedures in total (annual caseload: 83.47 million cases)].

### 2. Results of Intensive Reviews by the Subcommittee for Administrative Burden Reduction and Future Policies

At the Subcommittee for Administrative Burden Reduction, two review teams were established at the end of August 2017, which intensively inspected each ministry's and agency's basic plan (the meeting was held 22 times in total for seven months). Based on the inspection results, each ministry and agency revised its own basic plan by March 2018. The results of intensive reviews and future policies were embodied in the form of "Basic Program on Reducing Administration Burden: Review Results and Future Policies", which was reported at the 30th meeting (April 24, 2018). The summary is as follows.

- As a result of measuring and compiling the number of hours needed for administrative procedures such as preparation of application forms for each main item [530 procedures in total (annual caseload: 75.23 million cases)] through hearings from business operators, as shown in the table, it was revealed that administrative costs in prioritized areas amounted to around 330 million hours (equivalent to around 800 billion yen) annually [the monetary value was calculated by multiplying the number of hours by the hourly unit price (2,543 yen) of labor costs (wages, bonuses, welfare benefits)]. Simplification this time is expected to reduce administrative costs by around 70 million hours (equivalent to around 200 billion yen) (the reduction rate is up 22%).
- With regard to main actions, action takers and periods were clarified as a schedule.
- As cross-sectional issues, emphasis will be placed on simplification of identity verification procedures from the standpoint of users, realization of cross-ministerial efforts once-only procedures, full digitalization of administrative procedures, and elimination of unique operation rules by local agencies of the national government. In addition, "procedures for a

bid or entering into contract with an administrative ministry or agency” have be newly added to prioritized areas.

- The national government will not only request local governments’ understanding of and cooperation with the reduction in business operators’ administrative costs through all channels but also support local governments that will actively engage in simplification and computerization of administrative procedures [when each prefecture takes the same actions as the preceding actions taken by Tottori Prefecture, it is estimated that administrative costs will be reduced by around 200 million hours (equivalent to around 500 billion yen). Based on this estimate, national government will roll out efforts to local governments].
- Progresses in each ministry’s and agency’s efforts will be assessed on a regular basis and if they are judged as insufficient or unlikely to be effective, further efforts will be requested. Furthermore, quantitative cost measurement of business operators’ burden reduction will be implemented. Finally, it is necessary to proceed with reduction in administrative costs in terms of “work style reform” and “productivity improvement” while taking needs of business operators into account.

Table: Prospect of Administrative Procedure Costs and Number of Hours Reduced by Area

	Target Cases/ Procedures for Basic Plan Formulation	Target Cases/ Procedures for Cost Measurement	Number of Hours Spent <sup>*1</sup>		Number of Hours Reduced <sup>*1</sup>		Reduction Rate
	Total Number of Cases Processed (Number of Procedures Processed)	Total Number of Cases Processed(Number of Procedures Processed)	(Equivalent Monetary Value)	Per Case	(Equivalent Monetary Value)	Per Case	
Business Licensing	6,519,196 cases (786 procedures)	5,253,226 cases (330 procedures)	141.73 million hours (360.4 billion yen)	27.0 hours	29.6 million hours (75.3 billion yen)	5.6 hours	20.9%
Social Insurance	62,716,706 cases (105 procedures)	56,806,812 cases (28 procedures)	122.11 million hours (310.5 billion yen)	2.1 hours	29.22 million hours (74.3 billion yen)	0.5 hours	23.9%
Surveys and Statistics <sup>*2</sup>	7,169,681 cases (153 procedures)	6,811,452 cases (98 procedures)	23.93 million hours (60.9 billion yen)	3.5 hours	5.62 million hours (14.3 billion yen)	0.8 hours	23.5%
Labor Management	3,304,726 cases (71 procedures)	3,013,296 cases (15 procedures)	15.14 million hours (38.5 billion yen)	5.0 hours	3.06 million hours (7.8 billion yen)	1.0 hour	20.2%
Subsidies <sup>*3</sup>	297,660 cases (74 procedures)	292,598 cases (58 procedures)	11 million hours (28 billion yen)	37.6 hours	2.3 million hours (5.8 billion yen)	7.9 hours	20.9%
Commercial Registration	998,850 cases (33 procedures)	595,272 cases (2 procedures)	8.53 million hours (21.7 billion yen)	14.3 hours	1.71 million hours (4.3 billion yen)	2.9 hours	20.0%
Certificate of Employment	2.46 million cases <sup>*4</sup> (1 procedure)	2.46 million cases <sup>*4</sup> (1 procedure)	5.56 million hours (14.1 billion yen)	2.3 hours	1.64 million hours (4.2 billion yen)	0.7 hours	30.0%
Total	83,466,819 cases (1,223 procedures)	75,232,656 cases (530 procedures)	328 million hours (834.1 billion yen)	4.4 hours	73.15 million hours (186 billion yen)	1.0 hour	22.3%



- \*1 If “Number of Hours Reduced” for each procedure is not set as a goal in the basic implementing plan, it is calculated by multiplying the number of hours spent in question by the reduction rate (20%) for each area.
- \*2 The “Statistical studies and other surveys” area, based on the Basic Policy for the Fundamental Reform of Economic Statistics, covers existing statistical surveys (fundamental statistical surveys and general statistical surveys) from which are excluded statistical surveys to be newly created or improved, not including non-statistical surveys. “Total Number of Cases Processed” in the area includes figures (approximate ones) that are equivalent to the annual number of those surveyed in the basic implementing plan (e.g. the figures for quarterly surveys are calculated by multiplying the number of those surveyed by 4; the figures for surveys every five years by dividing the number of those surveyed by 5).
- \*3 “Subsidies” are pursuant to “Subsidies” stipulated in Article 2, paragraph 1 in Act on Regulation of Execution of Budget Pertaining to Subsidies, etc. (Act No. 179 of 1955). Employment subsidies are dealt with in “Labor Management.”
- \*4 Calculated based on the number of children under childcare services, etc. The figures are the maximum as not all the children receive childcare services because of working parent(s).

### III. Pushing Ahead with Regulatory Reforms in Each Sector

#### 1. Agricultural/forestry sector

##### (1) Priority Tasks in the Current Term

Japan's agricultural/forestry sector serves as core industry for local communities, but it faces serious problems.

Under the slogan "Proactive Agricultural Policy" the agriculture sector attracts more than 20,000 new farmers in their 40s or younger for three consecutive years. Total agricultural output also increases for two consecutive years, recovering to 9 trillion yen for the first time in these 16 years. However, farmers' average age is over 66 and therefore the aging of farmer population and a shortage of successors pose serious problems.

In the forestry sector, as for supply of domestic lumbers, lumber self-sufficiency ratio, which fell as low as about 19% in 2002, rises to some 35% as of 2016. However, forest owners are small-sized and minute enterprises in most cases and are unlikely to take a positive stance in their managerial and business issues. They only utilize 40% or less of annual growth rate of artificial forests in their main tree trimming period.

For sustainable growth of the agricultural/forestry sector, it is necessary to break away from such a situation and create appropriate environment so that younger or other motivated producers will strive to improve their productivities and achieve efficient and stable business management through enhanced value added, scale expansion, investment, etc.

Policymakers should switch over from the stay-the-course approach and make it easier for agroforestry suppliers and local groups to make use of their originalities and ingenuities to enhance productivity and product's value added in line with their local characteristics. By doing so, Japan's agricultural/forestry sector will open a path for the future.

The "First Report by the Council for Promotion of Regulatory Reform" (May 2017; hereinafter, referred to as "the First Report"), as compiled by the Council, calls for regulatory reforms such as sending down production materials prices, setting up distribution/process framework more favorable for producers, and producing/distributing milk or milk products. In reaction to the First Report, the Cabinet decided "Implementation Plan for Regulatory Reform" (Cabinet decision in June 2017), which calls for taking these actions in the said fiscal year at latest.

In addition to the aforementioned actions, the said report also recommends regulatory reforms that will encourage farmland utilization for enhancement of agricultural competitive edge and revitalization of regional economies, and makes recommendations on transforming forestry to a growth industry and pushing ahead with appropriate forest resources management. Policymakers started examining feasibilities of these actions in the same year.

After that, Agriculture and Forestry Working Group released "Recommendations for Pushing Ahead with Making Forestry a Growing Industry and Appropriately Managing

Forest Resources” (November 6, 2017) and “Recommendations for Promoting Distribution Structural Reforms, including Wholesale Markets” (November 24, 2017), while the Council officially released “Recommendations on Reconsidering Farmland Regime Compatible with New Needs” (November 29, 2017).<sup>1</sup>

Based on these opinions and after examinations/discussions at the government and the ruling parties, “Vitality Creation Plan of Agriculture, Forestry, Fisheries and Regions” (Vitality Creation Headquarters of Agriculture, Forestry, Fisheries and Regions; December 8, 2017) was revised. Based on this plan, lawmakers submitted “Forest Management Control Bill,” “Bill to Partially Amend Wholesale Market Act and Act on Promotion of Food Marketing Structure Improvement” and “Bill to Partially Amend Act on Promotion of Improvement of Agricultural Management Foundation” to the 2018 ordinary Diet session.

To make these agricultural/forestry reforms truly fruitful and accelerate these reforms at once, policymakers should follow up these law amendments carefully, becoming thorough on structural reforms and productivity revolution in line with “Vitality Creation Plan of Agriculture, Forestry, Fisheries and Regions” and pushing ahead with ceaseless reform efforts continuously.

From this viewpoint, the Council has compiled the following regulatory reform concepts that should be addressed in the future.

## (2) Distribution Structural Reform including Wholesale Markets

[a: Measures taken; b: Take measures from FY2018 onwards]

Recent situations surrounding food distribution sector have been changing significantly since lawmakers passed “Wholesale Market Act” (Act #35 in 1971), resulting from development of new distribution channels other than wholesale markets, and increased dietary externalization, such as eating-out or home-meal replacements, backed by increased single-person households, aged households or double-income households.

To achieve food distribution structure beneficial both to producers and to consumers, it is important to push ahead with reforms in all aspects, such as distribution/wholesale/retail business operators, distribution infrastructures, information communications frameworks, wholesale market programs/practices, so that producers will have diversified options for delivering their high-value-added foods to consumers and will be able to strategically produce and ship their products.

For this reason,

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<sup>1</sup> “Recommendations for Pushing Ahead with Making Forestry a Growing Industry and Appropriately Managing Forest Resources” and “Recommendations for Promoting Distribution Structural Reforms, including Wholesale Markets” are released from joint session in tie-up with “Regional Economy and Infrastructures” session (agricultural, forestry and fishery sector), Council for Advancing Structural Reform, Growth Strategy Council -Investing for the Future.

- a. Based on “Vitality Creation Plan of Agriculture, Forestry, Fisheries and Regions,” a bill that will partially amend Wholesale Market Act and Act on Promotion of Food Marketing Structure Improvement should be submitted to the Diet.
- b. If lawmakers pass a bill that partially amends Wholesale Market Act and Act on Promotion of the Food Marketing Structure Improvement at the Diet, it is necessary to operate the legislation, taking into consideration the following points:
  - With diversified food distribution structure, the central government should precisely conduct investigations to identify and correct unfair trading practices;
  - Under new distribution structure, the government’s involvements should be limited to services in accordance with applicable laws and regulations, including establishing rules to ensure fair trading practices in wholesale markets;
  - Policymakers should encourage review of commercial practices, such as publicly announcing practical rules on wholesale markets operations; and
  - To attain food distribution structural reform, active support should be given to motivated business operators who work on their food distribution structural reforms, such as ICT utilization projects.

(3) Reexamining Farmland Systems Compatible with New Needs

- [1] Status of Agricultural-use Greenhouse in accordance with Agricultural Land Act if the Greenhouse is entirely floored with concrete

[a: Measures taken; b: Start examination in FY2018,  
and promptly take measures upon reaching a conclusion]

Agricultural business patterns are getting diversified, such as introducing high-end production methods to increase agricultural crop yields and conduct hygienic control and environmental control, installing new robots that cope with manpower shortage or safety purpose, introducing harvesting-use rails and carts, and shelf-based hydroponic farming without soil. In the current Agricultural Land Act (Act No. 229 of 1952), if a greenhouse is floored with concrete, it will not satisfy the requirements in Article 2 and will fall under farmland conversion, posing some burdens on farmers.

For this reason,

- a. Based on “Vitality Creation Plan of Agriculture, Forestry, Fisheries and Regions,” a bill that partially amends Act on Promotion of Improvement of Agricultural Management Framework Reinforcement should be submitted to the Diet. When examining feasibility of amendment bill, the following points should be taken into consideration:
  - As for facilities necessary for cultivating farm products such as concrete-covered greenhouses or so-called “plant factories,” new framework should be established so that these facilities can be established on present-state farmland, without requiring farmland conversion.

- New framework should be created so that a person intending to build new facilities will, at the time of intending to build new facilities, give notification to agricultural committee in advance. Policymakers should examine feasibility of new program so that, by doing so, such person intending to build new facilities will, in advance, understand if or not he/she is able to build the facilities on farmland, and land site for such facilities will be treated as farmland for taxation purpose from the effective date of new legislation.
- b. As for persons that established such facilities through farmland conversion in the past, it is necessary to investigate their actual conditions and their needs and quickly examine problems in case they are treated as the same manner as mentioned above.

[2] Encouraging Agricultural Utilization of Inheritance Unregistered Farmland

[a: Measures taken; b: Start examination in FY2018,  
and promptly take measures upon reaching a conclusion]

As for farmland where its owner is uncertain because it is unregistered at the time of inheritance, policymakers should pay attention to inheritors that pay management cost for such farmland (fixed property tax, water use cost, etc.) and should create new scheme so that Farmland Intermediary Management Institution will be able to gain the right to use such land site by taking simplified procedures.

In addition, policymakers should make a wide variety of efforts to prevent emergence of farmland with unknown owners. For example, some experts are calling for simplifying procedures to encourage landsite registration, identifying stakeholders at an early timing and encouraging them to register such land by working between taxation division and registration division. Based on these opinions, it is important to further enhance efforts for steadily encouraging farmland registration at the time of inheritance.

For this reason,

- a. Based on “Opinions for Reexamining Farmland Programs Compatible with New Needs,” policymakers should review related legislations and submit necessary law bills to the Diet. When reviewing related law legislations, the following points should be taken into consideration:
  - As for farmland with unknown owner, some joint owners are still uncertain even after taking predetermined search procedures to identify inheritor that pays management cost (fixed property tax, water use cost, etc.). In such cases, new framework should be created so that Farmland Intermediary Management Institution will be able to gain the right to use such land site for 20 years at longest after agricultural committee’s public notice.
  - If joint owner that is uncertain at the time of establishing the right of use in the aforementioned procedures shows up thereafter, then the holder of the right of use will pay to the joint owner the rent in accordance with his/her ownership less the

management cost actually paid.

- In addition to the aforementioned efforts, the time span of the right of use as established in line with farmland utilization accumulation plan with a consent of the majority of joint owners in accordance with Act on Promotion of Improvement of Agricultural Management Foundation (Act No.65 of 1980), and that of the right of use idle farmland as established with decision of prefectural governor in accordance with Agricultural Land Act should be extended from the current “5 years at maximum” to “20 years at maximum.”
- b. To prevent emergence of farmland with unknown owners, the government should examine effective actions, such as further being thorough with the current framework that requires notification to agricultural committee at the time of owning farmland due to inheritance.

#### (4) Steadily Pushing ahead with Agricultural Cooperative Reforms

[Continuously take measures from FY2018]

Based on “Reassessing Agricultural Cooperatives” as described in the Implementation Plan for Regulatory Reform (Cabinet Decision June 2014) and “reliably carrying out agricultural cooperative reforms” as described in the Implementation Plan for Regulatory Reform (Cabinet Decision June 2015), it is necessary to accelerate spontaneous reforms as mentioned in “agricultural cooperative reform intensive promotion period” until the end of May 2019. The reform of the National Federation of Agricultural Cooperative Associations (ZEN-NOH) is important to promote reforms regarding production materials and distribution/processing as stipulated in the “Policy Package for Enhancing Competitiveness of Japan's Agriculture” (decision by Vitality Creation Headquarters of Agriculture, Forestry, Fisheries and Regions on November 29, 2016). In addition, steady self-reform efforts are also strongly expected for regional agricultural cooperative organizations.

For this reason, with eye on the final year of the agricultural cooperative reform intensive promotion period, follow-up efforts will continue so that reform efforts will make progress by thoroughly utilizing a wide variety of self-reform schemes.

#### (5) Other Reforms that will Contribute to Development of Agriculture

##### [1] Regulatory Reform for Enhancing Agricultural Competitiveness through Farmland Integration/Aggregation

[Draw conclusion in FY2018 and promptly take measures upon reaching a conclusion]

As farmland plays important roles in supporting agriculture, it is necessary to continuously review integration/aggregation efforts through Farmland Intermediary Management Institution and to reexamine various restrictions on farmland ownership eligible corporations in a timely manner.

For this reason, based on Article 2 of supplemental provisions of Act on Promotion of the Farmland Intermediary Management Program (Act No. 101 of 2013), the following points should be examined to push ahead with examinations on further reforms for five years since the said legislation became effective.

- Continuous efforts should be made to further promote farmland integration/aggregation led by Farmland Intermediary Management Institution and to restrict farmer's expectations for farmland conversion in a way to contribute to further liquidation for farmland effective utilization. Evaluation will be also conducted for these efforts.
- From the viewpoint of more efficient farmland utilization, it is necessary to identify the past reform efforts' performance and evaluate their effect and result, such as reviewing requirements for directors or members of a legal entity capable of owning farmland. In doing so, it is also necessary to take into consideration the situations surrounding participant companies that have employed lease approach or ownership approach to date.

## [2] Restrictions on Locations related with New Agricultural Production Bases

[Start examination in FY2018, and promptly take measures upon reaching a conclusion]  
Technology innovations have generated a wide variety of no-tillage production methods. Farmers are now able to set up their production base at other locations than farmland. As a result, they are starting innovative new business models, for example, creating competitive supply chain in producing vegetables, etc. near consumption market where consumers routinely need vegetables.

These new agricultural production bases involve production activities with different equipment and different locations from traditional farmland in many cases. In particular, they typically engage in production activities with air-conditioning or drainage system inside building. For this reason, when applying use restrictions in accordance with Article 48 of the Building Standards Act (Act No. 201 of 1950), these production bases are recognized as so-called "factories" because they are equipped with large or small engines. They are also generally called "plant factories" in many cases. For these reasons, specific administrative agency in charge of law enforcement (mayor as set forth in Subparagraph 35, Article 2 of Building Standards Act) generally apply the factory standards. In terms of characteristics of use restriction-related impacts on ambient areas such as noises, odors generated traffic volume as posed by the manufacturing sector, factories in the manufacturing sector and agricultural production facilities pose significantly different impacts in some cases. For this reason, it is necessary to examine feasibility of putting restrictions on them based on the same assumptions. In expanding agriculture's various opportunities and making agriculture a growth industry, it is important to expand use of new agricultural production facilities including so-called plant factories. In this sense,

rather than formally making judgment based on names, engines or other equipment type installed, policymakers should identify agricultural production facilities' actual impacts on surrounding environment, such as noises, odors or generated traffic volume, and then examine possible use restrictions without prejudgment.

As for use restrictions in Building Standards Act, specific administrative agency may grant special permissions (the proviso clauses in Paragraphs 1 to 14, Article 48 of the said Act) as an exception to the principle to apply the across-the-board criteria. However, specific administrative agency has never granted any special permission to new agricultural production facilities, such as so-called plant factories.

For this reason,

- a. The central government should utilize special permissions based on the proviso clauses in Paragraphs 1 to 14, Article 48 of Building Standards Act, and investigate actual situations of facilities built in a similar manner to new agricultural production facilities such as plant factories, their screening processes or existing plant factories located in areas where permission is unnecessary. Based on such result, the central government should share information on actual permission cases with specific administrative agencies to urge them to smoothly implement use restrictions.
- b. To Japan Conference of Building Administration that serves as a forum for information exchange among specific administrative agencies, the central government should provide useful information for examining locations for new agricultural production facilities, such as investigation result in a. stated above and advanced agricultural producer nation's examples of using ICT overseas. In addition, while paying attentions to actual operations of overseas location restrictions, and going back to use restriction criteria on impacts on urban district environment such as noises, odors or generated traffic volume, the central government should encourage examinations of necessity of other criteria than "factories" as building's main usage.
- c. In line with actual conditions of noises, odors or generated traffic volume yielded from new agricultural production facilities identified from actual permission examples and overseas advanced cases, the central government should examine and sort out new agricultural production facilities-related permission concepts as well as the facility's definition in line with actual conditions, and give specific administrative agencies such information as technical advices.

### [3] Expanding Utilization of Small Unmanned Aircrafts in Agricultural Sector

[Examine and draw conclusion in FY2018,  
and promptly take measures upon reaching a conclusion]

Significant expectations are placed on small unmanned aircrafts (so-called drones) to enhance agricultural competitive edge backed by farmland aggregation and increased labor-saving efforts. On the other hand, as they are used for agricultural purposes, mainly



for pesticide spraying or seeding in many cases, they fall under usage categories “hazardous materials transport” or “item dropping” under the current regulatory framework. In many cases, it is necessary to take safety actions, such as preventing third party’s access to flight routes. In many case, they need to assign operators and assistants that will call for attentions.

For example, if a drone is used for pesticide spraying, it should generally fly low at 2 meters above from the ground at cropland without human access so that pesticide sprayed will not spread out further. In these cases, appointing assistants will only avoid very small risks in variety of cases that fall under “hazardous materials transport” or “item dropping” category.

Efficient pesticide spraying for larger cropland will require increased amount of pesticide commensurate with the land site. However, under the current restrictions, if the maximum take-off weight is 25kg or heavier, it is necessary to comply with additional restrictions, such as durability requirements or installation of aircraft specifications recording capabilities. Based on limited actual uses in the agricultural sector, policymakers should examine the necessity of such requirements from the viewpoint of encouraging further utilization.

China and other nations in the world are engaging in fierce competition in drone-related technological development. Beyond visual range (BVR) flights have become possible. Expectations are placed on expanding usage by installing high-end cameras or sensors. From the viewpoint of encouraging further utilization, it is essential to sort out in highly foreseeable manners possible minimum necessary restrictions sufficiently based on actual utilization in the agricultural sector.

For this reason, policymakers should understand domestic/overseas technological innovations of small unmanned aircrafts and their actual utilization in the agricultural sector, reconsider roles of operators and assistants, and based on these result, quickly analyze/evaluate how much various restrictions such as appointment of assistants would contribute to avoiding possible risks. Based on such results, policymakers should examine feasibility or alternate approaches of various restrictions such as the requirement to assign assistant when using in the agricultural sector, standards for BVR flights, and capability/performance standards required for maximum takeoff weight of 25kg or heavier, draw a conclusion by comparing safety risks and effect due to restriction mitigation, and quickly take necessary actions.

(6) Reform to Make Forestry a Growth Industry and Encourage Further Utilization of Timbers

[1] Domestic Materials Production/Distribution Structural Reforms to Promote Forestry as a Growth Industry

[a: Start examination in FY2018, and promptly take measures

upon reaching a conclusion; b: Take measures in FY2018]

To encourage forestry as local core industry for the future, policymakers must enhance its productivity and improve forestry workers' income.

To this end, forestry must change drastically by using new technologies that will embody Society 5.0. It is necessary to incorporate the consumer-oriented product development concept, maximize profits in the entire value chain cooperation and actively introduce state-of-the-art technologies on site. Policymakers will also need to examine possible reforms that will contribute to enhancement of value added through achieving stable, efficient and unprecedented supply framework for domestic timbers.

For this reason,

- a. While encouraging stronger demand and further utilization of timbers, policymakers should encourage private-sector business operators to share supply-demand data so that overall value chain will be optimized in line with the consumer-oriented product development concepts, such as supplying material wood in line with orders placed by actual customers and optimizing distribution from forests to housing construction sites.
- b. To promote forestry as a growth industry, policymakers should create necessary law bills on state-owned forests for the next ordinary Diet session so that, while maintaining state-owned forest's public interest capabilities in certain areas of the executive branch's assets state-owned forests, private-sector business operators will gain right to use or yield earnings from cutting and selling long-term and large-lot trees.

If utilization of public facilities operating right programs is more effective and necessary, necessary actions will be also taken on Act on Promotion of Private Finance Initiative (PFI Act; Act No.117 of 1999).

## [2] Reexamining Restrictions/Standards that excessively Restrict Timber Utilization

[Start examination in FY2018, and promptly take measures upon reaching a conclusion]

As domestic timber supply is anticipated to be enhanced from both qualitative and quantitative perspectives in the future, it is necessary to make wooden buildings/construction more attractive by making maximum use of timber characteristics and designs and expand demand for timbers in building construction. In this process, based on construction technology trend, overseas examples and timber utilization future needs, it is important to reexamine and streamline excessive limitations in terms of building's fire-resistance performance-related restrictions that pose significant impacts on possibilities of wooden buildings.

The central government has already submitted to the Diet a law bill that partially amends Building Standards Act including rationalization of these restrictions. In preparation for new legislation (hereinafter, referred to as "Amended Building Standards Act") that will become effective, it is important sufficiently rationalize restrictions and make maximum

use of such rationalization effects by developing related standards/criteria.

At the same time, it is also needed to create appropriate environment in which JAS or other timber performance evaluation schemes, which play essential roles in widely encouraging new timber utilization, will be widely used.

For this reason, the following measures will be taken:

- As for new standards/criteria under Amended Building Standards Act, in order to create effective environment for expanding timber demand by making use of timber characteristics or designs, efforts will be made to rationalize main structure-related fire-resistance regulations or interior restrictions, based on construction technology trend, overseas examples and timber utilization future needs.
- Policymakers should reexamine quality assurance schemes that will contribute to use of various wooden buildings, including launching JAS certification fee framework, certification assistance framework or quality certification programs on timber product basis rather than factory basis in terms of Act on Japan Agricultural Standards, etc. (JAS Act; Act No.175 of 1950) so that small-and-medium size timber producers, which serve for local economies, will be able to smoothly ship their unique and high-mix low-volume timbers for new building construction purposes. In this process, policymakers will identify actual burdens posed on various users with different business models, and mitigate such burdens, as necessity, to appropriate level in line with user's business operation patterns.

[3] Encouraging Diffusion of Medium-scale Wooden Buildings to Address Stronger Demand for Wooden Structures in Urban Areas, etc.

[Take measures in FY2018]

With qualitative and quantitative enhancement of domestic timber supply as well as stronger demand backed by local production for local consumption as recommended to date, it is desirable to increase wooden buildings in urban areas that enjoy a substantial construction demand from the very start. In this process, for example, if medium-scale and 4-to-8 storied buildings mainly located in urban areas are replaced with wooden buildings at the time of their renewal, then it is highly likely to yield new demand for nonresidential buildings.

The current laws and regulations do not prohibit construction of such “medium-scale wooden buildings.” However, to quickly cultivate new timber demand, it is essential to create moderate public framework where related business operators, trade associations and users will coherently push ahead with visualizing model-case buildings, sorting out and diffusing materials standards and design methods suitable for such buildings, and creating production systems through supply chain to enable mass production of medium-scale wooden buildings in urban areas. In this context, the central government will play significant roles.

For this reason, the following measures will be taken:

- Aiming at constructing “medium-scale wooden buildings” on the nationwide bases to yield strong demand for wooden structures in urban areas, new forum will be launched so that related business operators, trade associations, users and government offices will work together on visualizing model-case buildings, sorting out and diffusing materials standards and design methods suitable for such buildings, and creating production systems through supply chain to enable mass production of medium-scale wooden buildings in urban areas.
- To accelerate demand expansion backed by medium-scale wooden buildings and enhance many private-sector business operators’ involvement in such building construction projects, the central government should solicit building construction proposals in line with medium-scale wooden buildings concepts and actualize such proposals by designating them as model projects.

#### [4] Encouraging Utilization of Highly-Strong CLT

[Take measures in FY2018]

In expanding demand for middle- and high-rise wooden structures anticipated to serve as a new timber demand, utilization of CLT (cross laminated timber) offers promising prospects. CLT has been gaining popularity gradually through technological development and development of legal system. However, to further expand such utilization in the future, it is important to improve on-site workability and reduce cost by enabling use of stronger CLT, expanding the scope of buildings constructible with CLT, and enabling construction of strong buildings with smaller amount of CLTs.

For this reason, policymakers will amend the current notification “Special Allowable Stress and Special Material Strength” (Notification No.1024 of the Ministry of Land, Infrastructure, Transport and Tourism in 2001) that sets forth CLTs up to M60. Policymakers will also set forth new rules on CLTs up to M120 on which JAS standards are already developed.

#### [5] Reexamining Restrictions on Traditional Construction-based Wooden Buildings

[Start examination in FY2018, and promptly take measures upon reaching a conclusion]

When expanding production capabilities of domestic timbers, it is important to improve productivity by reducing cost and creating qualitatively and quantitatively stable supply framework through aggregation, scale expansion and standardization, to strengthen timber’s value added by making maximum use of timber’s appealing points, and to enhance regional forestry’s profit-earning capabilities by appropriately handing back such value added to supply chain stakeholders up to forest workers.

Wooden buildings that employ various traditional construction methods such as so-called Ishibadate (a construction method that wooden pillars are installed on individual stones)

and joint/connection timberworks draw attractiveness of timbers. However, according to Building Standards Act, currently widespread traditional construction methods for wooden buildings may be used after taking simple confirmation procedures (specification codes); but if using any traditional construction method incompatible with specification codes, it is necessary to certify that safety performance is achieved even under deformed buildings based on accurate structural calculation. It prevents traditional building construction, partially serving for a decrease in traditional skillful carpenters, according to some experts. Successful technical transfer of traditional construction methods will need wide range of stakeholders, and manpower for technical transfer is also insufficient. For this reason, the following measures will be taken.

- Verification should be conducted to make sure if various specifications used for traditional construction methods such as Ishibadate or joint/connection timberworks provide sufficient level of building safety. If they yield sufficient level of building safety, appropriate building construction-related regulatory framework will be established to encourage further use of traditional construction method specifications.
- To successfully transfer Japan's traditional construction method techniques, efforts will be made to foster carpenters, etc. that will serve for securing/improving building qualities.

(7) Items That Have Been Intensively Followed up

[1] Reliably Carrying out Agricultural Cooperative Reforms

As for “reassessing agricultural cooperatives” described in the Implementation Plan for Regulatory Reform (Cabinet decision in June 2014) and “reliably carrying out agricultural cooperative reforms” described in the Implementation Plan for Regulatory Reform (Cabinet decision in June 2015), the JA Group has been working on its self-reform program during the “agricultural cooperative reform intensive promotion period” until May 2019. Continuous follow-up efforts need to be implemented for steady progress in the reform program.

[2] Regulatory Reforms such as Reexamination of Agricultural Committees and Farmland Integration/Aggregation

As for agricultural committees, two years have passed since the agricultural committee-related legislation became effective in line with the Implementation Plan for Regulatory Reform (Cabinet decision in June 2014).

Various actions are progressing in line with the amended legislation, such as appointing farmland optimal use promotion committee members, but it is obvious that there are still some problems remaining, such as creation of appropriate environment where agricultural committees take proactive actions under close tie-up with Farmland Intermediary Management Institution.

As for Farmland Intermediary Management Institution, policymakers will examine improvement strategies for further promoting intermediary management services such as handling of liquidation approaches at other organization than the said Institution and implement such improvement strategies approximately five years after Act on Promotion of Farmland Intermediary Management Services becomes effective. Follow-up activities will continue from the viewpoint of collaboration between agricultural committees and farmland intermediary management institutions.

2. Fishery Sector

(1) Priority Tasks in the Current Term

Seafood consumption per capita in the world has increased two-fold approximately in the past half century. As the world population keeps growing, seafood consumption has increased almost five-fold approximately in the said time span. Backed by such demand growth, fishery output in the world has doubled approximately for these 30 years. On the other hand, Japan’s fishery output has decreased almost to a half in the same period. The aquaculture industry’s output takes a downward trend after hitting a peak in 1994. Japan’s fishery sector looks left far behind from the global trend.

Japan is located in the world’s major fishing grounds. The nation has the sixth largest size of its territorial waters and exclusive economic zone (EEZ) and enjoys one of the most

favorable conditions. If Japan successfully gets the most out of potentials of such marine waters, revitalization of Japan's fishery industry is not difficult at all.

The first task to get the most out of its potentials is to establish new resource management system for recovery of fishery resources. To achieve sustainable fishery at resource-rich fishing grounds, it is essential to evaluate resources based on scientific insights and conduct thorough resource management in line with such resource evaluations. It is necessary to inspect overall resource management system including targets evaluated, processes and management methods, and reorganize the system into more effective framework.

The second task is distribution structural reform in a way to contribute to fishermen's income growth. It is necessary to constantly reexamine supply chains by making use of ICT so that value of marine products will duly go to fishermen, rather than getting unduly purchased at excessively low prices.

The third task is systematic reforms to enhance international competitive edge by making fishery more attractive to younger people, with focus put on distant-water fisheries or offshore fishing. With aging of fishermen, a manpower shortage and larger fishing boats in neighboring nations, and under input controls-centric resource management, Japan suffers relatively weaker fishing capacity, and fishing boat working conditions do not improve so much. It is necessary to reexamine fishery license programs in a way that will contribute to both of higher productivity and resource management.

The fourth task is sea-level surface utilization program reform in a way to contribute to development of aquaculture/coastal fishing. To make the best use of high-potential fishing grounds, it is essential to thoroughly rationalize and make transparent related programs and create appropriate framework to provide an opportunity to motivated and competent workers to engage in highly productive fisheries. In particular, toward development of the aquaculture industry that enjoys high-growth potentials, urgent efforts should be made to create appropriate environment in which highly competitive aquaculture sector will grow under the central government's comprehensive strategies.

Under the tasks stated above, the Council inspect all fisheries policies and suggest concrete reform proposals as follows.

## (2) Achieving Fisheries Resources Management to Make Fisheries a Growth Industry

### [1] Establishing New Resource Management Systems

[Promptly take measures, such as submitting related law bills at an early timing]  
To transform fisheries to a growth industry, it is essential to appropriately manage fishery resources and recover/maintain fundamental resources. For this reason, it is important to introduce internationally meaningful scientific/effective evaluation methods and management methods such as introducing science-based resource management targets, collecting reliable fish catch data, and effectively utilizing output controls. By doing so,

Japan will play a leading role in discussions about fishery resource management commonly used with neighboring nations and also conduct thorough resource management through international frameworks including bilateral treaties and regional fishery management organizations.

For this reason, policymakers should establish new resource management system in line with the following principles and quickly take actions such as amending related legislations.

- a. As a premise for international-level resource evaluation and resource management, resource evaluation will aim to cover all useful resources in principle. For this reason, evaluation will be conducted quickly for fish species with high output or other fish species that need quick actions due to deteriorated resources. In addition, other useful fish species will be added to evaluation in sequence.
- b. Policymakers should drastically expand investigation framework, such as enhancing investigations based research ship and strengthening information collection schemes. In addition, new framework will be established to utilize as big data for identifying resource volume a wide variety of information such as satellite data and fish detection information during operations.
- c. It is necessary to alter resource management target setting methods from minimum resource level-based approach that focuses on stable reproduction by introducing internationally accepted “Maximum Sustainable Yield “(hereinafter, referred to as “MSY”)-based approach. MSY should be set in line with scientific insights.
- d. New legislation will be established to set forth resource management guidelines on the nationwide basis. Such guidelines should set forth the two types of criteria for each main fish species already covered with resource evaluation: “Target reference point” (resource level from which MSY is obtainable) that serves as resource level for resource recovery and preservation ; and “Limit reference point” that serves as the level for beefing up resource management for preventing over-fishing. If it falls short of the latter standard, policymakers should draft and implement resource recovery plan for restoring target management level within 10 years in principle.
- e. To maintain and gradually recover resource level in a way to satisfy the “Target reference point”, “Total Allowance Catches” (hereinafter, referred to as “TAC”) should be established annually. The scope of fish species covered with TAC will be expanded in series when fisheries categories and fishery areas get ready. 80% of fishery output should be covered with TAC at an early timing.
- f. As for licensed fishing, it is necessary to introduce “Individual Quota “(hereinafter, referred to as “IQ”) program for all TAC fish species in sequence when they are ready. When introducing IQ, the central government will allocate IQ to fishing license holders for each fishing boat as a percentage to TAC, paying attentions to past records. IQ quantity will be set in line with TAC in the same fiscal year. To encourage scale



expansion and new market entries while addressing resource management, transfer of IQ percentage at the time of fishing boat handover, etc. should be permitted.

- g. To smoothly introduce IQ and rationally utilize resources, fishermen should be able to trade their IQ quantity for certain fish species within a fiscal year under the central government's approval.
- h. If IQ alone is not able to serve as an effective resource management tool, resource management such as fishing operational hours and fish length limitation should be appropriately combined.
- i. To steadily conduct the aforementioned resource management,
  - Fishermen should be required to report their fish catches of TAC fish species immediately after water uptake. In this process, they should report quickly by making the best use of ICT, etc.
  - Fish catch data should be collected one after another. If it is necessary for resource management purposes, various administrative orders will be given at an appropriate timing, such as suspension of fish catching.
  - If IQ is exceeded, highly-deterrent penalties, such as punishment or IQ allocation cut, should be imposed.
- j. As for sea-area fisheries adjustment committees, it is necessary to reexamine committee member appointment methods for appropriate resource management purposes and appoint committee members flexibly mainly from experts or fishermen familiar with resource management and fishery business management.
- k. Assistance should be provided to fishing boat reduction or fishing suspension in order to smoothly shift to new resource management framework.
- l. Under new resource management system, policymakers should enhance functions and create legislations about fishery income stabilization program as a safety net for stable income source for fishermen engaging in appropriate resource management.

## [2] Reexamining Appropriate Farming Fishery

[Take actions in FY2019]

As for farming fishery such as seeding production, fish release or fosterage management, it is necessary to verify their impacts on Japan's domestic coastal resources as a part of resource management efforts. As seed release by a prefecture or a fisheries cooperative might lead to resource recoveries among multiple prefectures, it is important to put a high priority on farming fishery that is effective on the nationwide scale.

For this reason,

- a. As for farming fishery programs implemented to date, it is necessary to evaluate their resource creation effect. If a program has already attained its resource creation goals or yields no effect, such a program will not be implemented.
- b. Policymakers should continue projects on specific methods or fish species if they yield

satisfactory resource creation effect. In this process, the central government should appropriately divide their roles with prefectural governments, such as conducting necessary technical development or demonstration on wide-area fish species. As for wide-area migratory fish species, policymakers should facilitate that several prefectural governments should jointly conduct their seed release projects.

### (3) Distribution Structural Reforms that Contribute to Fishermen's Income Growth

[Promptly take measures, such as submitting related law bills at an early timing]

To increase income of Japanese fishermen, it is important to appropriately deliver to consumers' values created by fishermen and enhance fish product's value added by ensuring traceability and quality/ hygiene management in fish product distribution, consolidating fish products distribution sector and achieving quicker information sharing. With fish food demand anticipated to grow on the global scale, it is important to cultivate demand both in domestic and overseas markets.

For this reason,

- a. Based on the consumer-oriented product development concept, policymakers should strongly push ahead with the following efforts.
  - Improving distribution process efficiency (lower cost and enhanced value added through collaboration with fish processors)
  - Utilizing ICT, etc. (introducing e-trading, introducing AI/ICT-based screening/processing technologies, etc.)
  - Enhancing quality/ hygiene management (introducing new freshness-keeping technologies, adoption of HACCP (hazard analysis and critical control point) at seafood processing facilities, etc.)
  - Coping with domestic and overseas demand (strategical export expansion, etc.)
- b. To contribute to fishermen's income growth and push ahead with seafood supply in line with consumer needs, efforts should be made to integrate/put more focus on production area markets, reorganize fishing harbor capabilities necessary to this end and put higher priority on landing harbors. It is also necessary to provide farmer-side distribution bases at consumption markets.
- c. From the viewpoints of stricter resource management, elimination of IUU (illegal unreported unregulated) fishing operations and export enhancement, efforts should be made to create appropriate legal framework related with fish catch certification, which serves as the starting point in traceability. Highly necessary items should be covered with this framework in series. Traceability projects should be promoted by making best use of ICT, etc.
- d. To reduce fishery production cost, it is necessary to investigate supply of fishery production materials at home and abroad. Efforts should be also made to introduce state-of-the-art technologies and reexamine suppliers and procurement methods for

main materials, such as fishing boats, fishermen's net, etc.

(4) Establishing Appropriate Environment to Secure New Workers and Enhance Investment for Transforming Fishery into a Growth Industry and Sending up Fishermen's Income Level

[1] Reexamining fishing license scheme in a way to contribute to productivity enhancement

[a, b, c, d, e, f, g: Promptly take measures, such as submitting related law bills at an early timing; h: Start examination in FY2018, and promptly take measures upon reaching a conclusion]

As for licensed fishing operations that applies in high-seas and offshore fisheries, it is necessary to maintain/enhance competitive edge over fishing operators in neighboring nations. For this reason, in establishing internationally competitive new resource management systems, it is desirable to contribute to improved productivity and enhanced international competitive edge of high-seas and offshore fisheries by introducing larger fishing boats and high-tech equipment, and improving living and working conditions to attract younger fishermen. In addition, it is also necessary to constantly verify and rationalize ship safety regulations such as maritime officer crew standards based on the actual conditions. Further, according to some experts, maritime officer crew standards, which apply uniformly based on ship size, should be further examined in line with fishing boat performance or actual operational situations, as it is not easy to hire new fishing boat crew.

For this reason,

- a. From the viewpoint of appropriately managing main resources such as TAC fish species, the current four types of fishery licenses should be reorganized to two types: Minister's license fishing operations; and prefectural governor license fishing operations. By further utilizing test development operations, introduction of new fishing methods should be encouraged.
- b. As for fishery types that are ready for introduction of IQ, policymakers should drastically reexamine input controls-related regulations and eliminate tonnage limit or any other restriction that prevents introduction of larger fishing boats. Resource management restrictions not covered with IQ (fishing operational areas, operational period, body length restrictions, etc.) should be also utilized as necessity.
- c. When fishing boat is transferred, successor should be given fishery license and also obtain IQ at the same time.
- d. Fishery license holders should be required to report their resource management status, production data, etc.
- e. To appropriately manage resources and make highly productive fishermen engage in high-sea and offshore fisheries, policymakers should give improvement

recommendation or annual license to fishermen that do not appropriately work on their resource management or suffer significantly low productivity.

- f. As for minister license fishery operations, if licensed fishermen get out of their business, new license will be granted as necessity (time limit should be set for each case). Bulk renewal program (a program in which time limits for all licenses will finish off at a certain timing, and then new license will be granted) should be abolished.
- g. To make quicker fishery reports and provide more accurate reports, it should be required to start electronic fishery reports and install a VMS (vessel monitoring system).
- h. As for maritime officer program, the following points should be examined.
  - Appropriate environment should be established to encourage obtaining maritime officer qualifications by gaining test eligibility for the license of maritime officer at an earlier timing through review of admission eligibility of ship crew training facilities, diversifying opportunities of getting license of maritime officer such as expansion of e-learning training utilization, and expanding examination opportunities such as extending effective period of the pass of test subjects.
  - As for engine-related services for medium-sized (total 20 tons or heavier, and shorter than 24 meters) fishing boats engaging in coastal operations (within 100 nautical miles), Ministry of Land, Infrastructure, Transport and Tourism and Fisheries Agency will work together to investigate actual conditions and, based on the results and investigation result related with future technological advances, examine necessary maritime officer qualification scheme while ensuring safety navigation.

## [2] Reexamining Sea-level Surface Utilization Scheme that will Contribute to Development of Aquaculture/Coastal Fisheries

[Promptly take measures, such as submitting related law bills at an early timing]

As for aquaculture/coastal fisheries, prefectural government drafts fishing ground plans after consultations with sea-area fisheries adjustment committees consisting of fishermen and academic experts and grants fishery rights to fishermen or fisheries cooperative in line with its fishing ground plans to manage fishing grounds. However, in granting fishery right, higher priority is placed on local fisheries cooperative or fishermen uniformly, which is different from the viewpoint to push ahead with operations by persons motivated and able to utilize fishing grounds. In many cases, management of fishing grounds is not centralized, so idle fishing grounds is unlikely to be utilized. On the other hand, as aquaculture sector enjoys stronger overseas demand for farm-raised fish, it is essential to provide appropriate environment for transforming aquaculture sector to a growth industry, such as using fishing grounds, encouraging aquaculture technology R&D in tie-up between private-sector firms and public organizations, utilizing artificial seeds and protecting R&D outcomes with seeds variety registration.

For this reason,

- a. Aquaculture/coastal fishery-related schemes will be reorganized in line with the following concepts:
  - As aquaculture/coastal fisheries only utilize limited water areas (fishing grounds), fishery right scheme will be maintained in the future from the viewpoints of appropriately conducting resource management and avoiding fishery-related troubles.
  - In this process, efforts should be made to make fishery right granting process transparent and identify the content of fishery rights from the viewpoints of smooth scale expansion and market entries of the aquaculture sector, which plays important roles in transforming the fishery sector into a growth industry.
  - In addition, new system should be created where prefectural government may entrust fisheries cooperative with coastal fishing grounds management services.
- b. As for fishing ground plan that serves as the premise for granting fishery rights, prefectural government, as in the past in principle every 5 or 10 years, should develop and publicly announce its “fishing ground plan” containing fishery rights (3 types: Fixed gear fishery right, demarcated fishery right, and common fishery right) zones for each sea area after consulting with sea-area fisheries adjustment committees. This plan will be revised as necessity.
- c. When developing fishing ground plan, prefectural governments should, while appropriately conducting resource management for such sea-area, pay attentions to making the best use of the sea surface of such sea-area and, if necessary, actively push ahead with setting new sea areas for aquaculture operations.
- d. If it is appropriate to set new sea areas offshore for aquaculture operations, the central government will instruct prefectural governments to set new sea areas.
- e. When developing fishing ground plans, prefectural governments will carefully listen to many requests from new entrant applicants or other stakeholders, publicly announce study result about such requests, and set forth these procedures in related legislations.
- f. Types of fishery rights stay unchanged from traditional categories: Fixed gear fishery right, demarcated fishery right, and common fishery right.
- g. Fixed gear fishery right and demarcated fishery right will be granted to individual fisherman. If an individual fisherman wishes, demarcated fishery right is granted to an organization he/she belongs to, fisherman’s organization (fisheries cooperative).
- h. Common fishery right is granted to fishermen’ organization (fisheries cooperative) consisting of many fishermen that jointly use a certain water surface.
- i. Fishery right for individual fisherman (individual fishery right) may be subject to mortgage under involvement of prefectural government as long as it is necessary for such fisherman’s business operations.
- j. As for fishery right for fishermen’ organization (group fishery right), internal

adjustment on using fishing grounds among member individual fishermen will be conducted in line with fishery right exercise rules. The fishery right exercise rules will not cover other persons than the members.

- k. If an individual fisherman related with group fisher right is a member of such group, the said group should set up district section on a permanent basis consisting of local fishermen related with such group fishery right. This district sectional meeting should establish and operate fishery right exercise rules.
- l. Fishermen' group with group fishery right should periodically develop its plan describing its policies on collaboration or transformation to corporation in order to maintain and improve its fishery productivity related with such group fishery right.
- m. Rules on setting priority in prefectural government's granting fishery right should be deleted from applicable legislation. Instead, lawmakers should pass a new legislation that sets forth the following points that prefectural governments should consider in granting fishery rights:
  - If a person that has existing fishery right (hereinafter, referred to as "fishery right holder") appropriately and effectively uses the water area, a higher priority should be placed on continuous use of such fishery right.
  - In any other case, fishery right should be granted to a person recognized as contributing to development of regional fishing industry.
- n. Fishery right holders should report to prefectural government about their fishery right utilization situations, resource management conditions and production data. If existing fishery right holder does not appropriately and effectively use the water area, prefectural government should give improvement instructions or recommendations or revoke the fishery right.
- o. Applicable laws should set forth a rule that prefectural government takes responsibility to maintain coastal fishing grounds at favorable conditions and maintain/improve fishery production capabilities. Then, prefectural government should create its framework that it may entrust fishing grounds management services to appropriate fisheries cooperative with management abilities by setting up applicable rules.
- p. Person entrusted with fishing grounds management services should, within its own rules, develop fishing grounds management policy that sets forth service operation methods, obtain an approval from prefectural government and report service implementation situations to prefectural government. If it needs to collect service fees from other persons than fisheries cooperative's members, the fishing grounds management policy should clearly indicate use of fishing grounds management fees and cost estimation standards and make publicly available income/expenditure calculation on such usages every fiscal year.
- q. The following actions will be taken for development of the aquaculture sector.
  - It is necessary to set out strategic aquaculture products with eye on domestic and

overseas market demand, draft comprehensive strategy ranging from production to sales and export, and work on promotion of the aquaculture sector on the full scale.

- As for technological development, more emphasis should be put on technological development for well-ranked seeds and low-cost feed which put restraint on fish aquaculture operations, and supply capacity enhancement.
- Assistance for verification tests should be expanded to foster internationally competitive aquaculture operations.
- To expand appropriate locations for aquaculture operations in Japan, which has fewer tranquil water areas, high priority should be put on projects necessary for securing large-size tranquil water areas. It is also necessary to actively push ahead with effective utilization of fishing harbors (water areas and land areas).
- With eye on expansion of international markets, it is necessary to create appropriate environment to encourage export by setting up HACCP-compatible facilities and increasing the number of drugs accepted by export partner nations.

### [3] Matters related with Fish Epidemic Prevention

[Examine and draw conclusion in FY2018 and take measures in FY2019]

To transform aquaculture sector as a growth industry, it is necessary to appropriately prevent and address fish diseases that might generate significant amount of loss if they emerge. In particular, it is a global concern that heavy usage of antibiotic substances will lead to spread-out of drug resistance bacteria. It is pointed out that importance of appropriately using effective vaccines in a timely manner.

Under such condition, acceleration of vaccine development efforts and vaccine approval procedures is further needed. Stakeholders including vaccine user fish farmers should be further familiar with knowledge on fish epidemic prevention efforts.

For this reason,

- a. Based on accumulations of fish epidemic prevention-related systematic knowledge and training sessions for learning such knowledge, an appropriate environment should be created so that private-sector fish farmers that will play important roles in development of aquaculture sector will be able to obtain fish epidemic control-related knowledge. Policymakers should examine, draw conclusion on, and implement necessary solutions, such as granting the private sector an opportunity to training sessions or fish health official qualification eligibility.
- b. To further shorten fish disease-related drug approval review time span such as fishery-use vaccines, examinations should be conducted for improving efficiency of approval review procedures. For drugs approved overseas, examinations should be conducted simplifying screening methods through utilizing overseas basic data or past record data. It is also necessary to create and implement specific goals for shortening the procedure period as well as a roadmap to achieve such goal in tie-up with related

government ministries/agencies.

[4] Reexamining Fisheries Cooperative System in line with Directions of Fishery Policies

[Promptly take measures, such as submitting related law bills at an early timing] To conduct fishery reforms this time and transform the fishery sector to a growth industry to send up fisherman's income, fisheries cooperative's active involvement in line with reform's principles is absolutely necessary.

However, it is pointed out issues of concern about the failure of governance because some fisheries cooperative collect fishing ground use fee with uncertain purposes or unclear burden level and some have unwritten rules to impose unnecessary burdens on their members in materials procurement or shipment.

For this reason, policymakers should evaluate roles and functions that fisheries cooperative have performed to date and reexamine the following points in line with directions of fishery policy reforms.

- a. Recognizing fisheries cooperative as a group fishery right entity, fishing ground manager who is responsible for the public function, policymakers should set forth the following points in related legislations.
  - Fisheries cooperative should be allowed to engage in fishing grounds management services as stated in (4) o and p as their own programs.
  - If collecting some fees related with group fishery right or fishing grounds management from fishermen, it is necessary to set forth fishery right exercise rules and fishing grounds management policy and obtain an approval from prefectural government.
  - If collecting some fees related with fishing grounds management services from non-members of the fisheries cooperative, it is necessary to clearly indicate income/expenditure calculation on use and disclose the information.
  - If an individual fisherman related with group fishery right is a member of fisheries cooperative, the fisheries cooperative should set up district task force on a permanent basis consisting of local fishermen related with such group fishery right. This district task force should be able to establish and operate its fishery right exercise rules.
  - National Federation of Japan Fisheries Cooperatives (hereinafter, referred to as "Zengyoren") should be able to engage in their projects so that fisheries cooperative's group fishery right- or fishing grounds management-related services will be implemented appropriately.
- b. To enhance fisheries cooperative's organization and operational structure, the following measures should be taken.
  - As an objective of fisheries cooperative, applicable laws should clearly indicate



improvement in fishermen's income level.

- The law stipulates to put sales professionals etc inside court of fisheries cooperative.
- Credit Federations of Fishery Cooperatives, etc., which provides credit business should introduce audit services by certified public accountants, shifting away from audit services by Zengyoren.
- New framework should be established so that fishery production association is able to be reorganized as a joint-stock corporation.
- The central government should encourage fisheries cooperative's wide-area mergers if it is necessary to enhance their sales capabilities, such as integration of production area markets.

### 3. Medical Care and Long-term Care

#### (1) Important Issues of This Term

Japan is entering an unprecedented situation with fewer children and an aging society. In FY2022, four years from now, the so-called baby boom generation (born between 1947 and 1949) will begin to reach 75 years old, and Japan's social security-related expenditures are expected to increase at a rapid pace<sup>2</sup>. On the other hand, the number of the generation financially supporting the nation's existing social security system will sharply decrease at a rate of 800,000 every year. The seriousness of the shortage of these supporters and the increasing burden on the people like social insurance premiums are already approaching their limits. The working generation, which is playing a central role among these supporters, is feeling senses of fear and crisis about the future, which inhibits the growth through invigoration of consumption and investment.

Japan's financial constraints are worsening due to the changes in its demographic structure. Even in such a difficult situation, Japan must pass the existing medical and long-term care systems such as the universal healthcare system onto the next generation to create a sustainable society. To do this, it is imperative to efficiently utilize medical resources by making full use of IoT and AI, continue to improve productivity, and extend the people's healthy life expectancy. In this sense, reforming Japan's regulatory structure is our responsibility to the next generation, and there is no time to lose toward 2022.

With "the Realization of Medical Care toward Society5.0" set as a priority deliberation item of this term, the Medical Care and Long-term Care Working Group has studied the efficient utilization of medical resources by making full use of IoT and AI and from the

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<sup>2</sup> Even after that, the second baby-boom generation (born between 1971 and 1974) will become elderly. Toward 2040 when the population of the elderly in Japan will hit a peak, it is expected that the cost of medical and long-term care benefits will exceed 90 trillion yen (about 1.8 times of today), and that the number of supporters needed to take care of these elderly people in the medical and long-term care fields will be approximately 8 million (about 1.3 times of today).

perspectives of the people and care service users. As a result, the Working Group compiled the “Promotion of Online Medical Care” and the “Review concerning the Health Insurance Claims Review & Reimbursement Services” as specific regulatory reform items. In addition, from the viewpoint of improvement of productivity in the medical care field, the Working Group compiled the “Initiatives for Supporting Medical Ventures” and the “More Efficient Review by PMDA”. Furthermore, from the viewpoint of extending the people's healthy life expectancy, the Working Group studied the “Improved Operation of the Borderline of Pharmaceuticals to Non-Pharmaceuticals (notified in 1971)”, the “Improved Operation of the System of Foods with Function Claims”, and the “Measures to Promote the System of Treatment upon Request by Patients”.

## (2) Promotion of Online Medical Care

The number of patients who are unable to move around and are receiving home care services increased significantly throughout the country. It is expected that the needs for "home care" will continue to increase in both the medical care and long-term care fields. Under such circumstances, discussions on medical consultation progressed in a constructive manner toward the promotion of “Online Medical Consultation”, encouraged by the rapid advance of IoT and AI technologies. As a result, the assessment of online medical consultation was newly introduced in the revision of medical service fees this past April. Prior to this, in March 2018, the Ministry of Health, Labour and Welfare announced the “Guidelines for Appropriate Implementation of Online Medical Consultation”. It is expected that these measures will broaden the possibility that patients who are unable to move around will receive medical consultation services at home in the future.

However, patients who are unable to move around would not be able to benefit from the convenience of online medical consultation unless a “Comprehensive Home Medical Care System” is put in place, which covers medical consultation, drug administration guidance, and the receipt of drugs. Today, it is mandated that drugs for external prescription must be sold only after pharmacists provide administration guidance to patients "face-to-face," and providing drug administration guidance online is not permitted. Specifically, when a patient receives online medical consultation, he/she must go to a pharmacy to get the drugs the doctor prescribes for external prescription, unless a pharmacist visits the patient at home to provide drug administration guidance face-to-face. In this case, the patient must show a mailed prescription or an electronic prescription ticket before receiving drug administration guidance from a pharmacist face-to-face.

Realizing a “Comprehensive Home Medical Care System” after solving these issues will not only reduce the burden of patients and their families but also alleviate the burden of medical workers. Such a system is also necessary to get the best out of limited medical resources in the region. Toward the realization of a “Comprehensive Home Medical Care

System”, the Medical Care and Long-term Care Working Group compiled the following specific regulatory reform items.

[1] Clarification on the handling of online medical consultation

[This measure was already taken]

A notification concerning the handling of online medical consultation was released last year – the Medical Consultation Using Information and Communication Equipment (so-called Remote Medical Consultation) (Notification of Director General of Health Policy Bureau on July 14, 2017, hereinafter referred to as "Notification of Health Policy Bureau in 2017"). However, this notification contained vague standards such as for the handling of initial consultation and the scope of application. In addition, the notification was not well known to medical experts.

Therefore, the handling of online medical consultation, including the related, existing notifications and office communications, will be reviewed to prepare easy-to-understand Guidelines for Appropriate Implementation of Online Medical Consultation (hereinafter referred to as the "Guidelines"). The Guidelines will be made widely known to medical experts.

[2] Reviewing geographical conditions concerning where online medical consultation services can be offered

[This measure was already taken]

The Notification of Director General of Health Policy Bureau in 2017 referred to "isolated islands and remote areas" as the locations where online medical consultation services can be offered. Although the notification indicated that these locations were just examples, the recognition that online medical consultation should be basically applied to "isolated islands and remote areas" retains persistently among medical experts. It is pointed out that this recognition is hindering the penetration of online medical consultation.

Therefore, the Guidelines will indicate that online medical consultation can be applied not only to "isolated islands and remote areas" but also to other locations, depending on the condition of patients and the judgement of doctors.

[3] Clarification on the interpretation of the places where doctors can conduct online medical consultation

[This measure was already taken]

The places where doctors can conduct online medical consultation were not clearly defined in the notifications and office communications released to date. For example, it is not clear whether or not doctors can offer online medical consultation from their home. It is pointed out that this fact is hindering the active utilization of online medical consultation. Therefore, the Guidelines will clearly indicate that the places where doctors can conduct

online medical consultation do not have to be in medical institutions.

[4] Reviewing the places where patients can receive online medical consultation

[This measure was already taken]

The Medical Service Act (Act No. 105 of 1948) stipulates that medical care services must be provided in medical institutions such as hospitals, clinics, etc. or at patients' home or the like. However, the scope of the "home or the like" is not clearly defined in the Medical Service Act, and it is not clear whether or not patients can receive online medical consultation at their workplaces, community centers, etc. It is pointed out that this fact is hindering the active utilization of online medical consultation.

Therefore, the interpretation of the scope of the "home or the like" stipulated in the Medical Service Act will be reviewed, and the Guidelines will clearly indicate that patients can receive online medical consultation at the places that meet certain conditions such as the environment where patient privacy can be protected.

[5] Clarification on the handling of initial consultation on online medical consultation

[This measure was already taken]

Concerning smoking cessation outpatients, the Notification of Director General of Health Policy Bureau in 2017 says, "Even if direct face-to-face medical consultation was not involved, medical consultation services provided only on remote medical consultation will not conflict directly with Article 20 of the Medical Practitioners Act, etc." But this wording is not generalized down to specific details. It is pointed out that in what cases initial consultation on online medical consultation is legitimate is not yet clearly defined. Therefore, while saying that initial consultation shall be conducted face-to-face in principle, the Guidelines will clearly indicate specific examples of the cases in which initial consultation on online medical consultation is legitimate.

[6] Updating rules for online medical consultation in an appropriate manner

[This measure will be examined, concluded, and taken in FY2018]

IoT and AI used for online medical consultation are advancing on a daily basis. It is pointed out that if the existing rules are not updated in an appropriate manner to keep up with the pace of technical innovation, it will hinder the penetration of online medical consultation. There are people who point out that because the existing guidelines list only basic concepts, it is difficult to answer practical and detailed questions from medical experts based only on these guidelines.

Therefore, the Ministry of Health, Labour and Welfare will examine and take the following measures.

- Depending on the pace of technical development and accumulation of evidence, the Guidelines will be updated at least once a year.

- Q&A manuals and other reference materials for the Guidelines will be prepared so that practical and detailed questions from medical experts can be answered in a user-friendly manner.

[7] Clarification on how to combine cases suited for online medical consultation with face-to-face medical consultation

[This measure was already taken]

Patients subject to online medical consultation are listed in the Notification of Director General of Health Policy Bureau in 2017. Because this list has not been reviewed since then, there are many doctors who do not understand how to utilize cases suited for online medical consultation and how to combine online medical consultation with face-to-face medical consultation. It is pointed out that this fact is hindering the penetration of online medical consultation.

Therefore, the Guidelines will clearly indicate what cases are suited for online medical consultation and how to combine online medical consultation with face-to-face medical consultation.

[8] Reviewing the places where patients can receive drug administration guidance

[This measure will be examined and concluded in FY2018 and will be taken in the first half of FY2019]

It is pointed out that if patients can receive medical consultation and prescribed drugs at their workplace, it will effectively prevent lifestyle-related diseases from becoming severe. Under the Medical Service Act, patients are allowed to receive online medical consultation at their workplace if the environment meets certain conditions. However, under the enforcement regulation of the Pharmacists Act (Health and Welfare Ministry Ordinance No. 5 of 1961), patients are not allowed to receive drug administration guidance from pharmacists at their workplace.

Therefore, the enforcement regulation of the Pharmacists Act will be reviewed, then the outcome will be examined and implemented so that pharmacists can provide drug administration guidance at the places where patients receive online medical consultation (such as workplaces).

[9] Promoting the collection of data concerning online medical consultation

[This measure will be examined and concluded in FY2018]

The assessment of medical service fees for online medical consultation started effective in FY2018. It is considered that the collection and analysis of a wide range of data concerning online medical consultation, evidence accumulation, and the adequate assessment of the outcomes will lead to the development of high-value-added medical consultation services in the future. However, it is pointed out that procedures for being

listed in the National Health Insurance drug price list is not clearly defined.

In order to further enhance online medical consultation services, the Ministry of Health, Labour and Welfare will expedite the collection of data and case examples concerning the safety and effectiveness of online medical consultation and the understanding of what is happening in the online medical consultation field in cooperation with relevant medical societies, companies, and other institutions.

- [10] Examining the expanded assessment of medical service fees concerning online medical consultation in the revision of medical service fees for the next term and later

[This measure will be examined and concluded in FY2019]

Medical service fees concerning online medical consultation were newly introduced in the revision of medical service fees in FY2018. However, the current medical service fees are determined based on the assumption that each patient receives monthly face-to-face medical consultation by the same doctor for the first six months after the initial consultation. It is pointed out that in order for the people to enjoy the full benefits of online medical consultation, the assessment of medical service fees for online medical consultation needs to be expanded further from the perspective of patients who are unable to move around. In addition, there are people who point out the need for comprehensive assessment based on the characteristics of online medical consultation, such as "watching" and "monitoring," and the need to reduce the burden of medical workers through work style reform.

For these reasons, the Ministry of Health, Labour and Welfare will survey and verify the penetration of the newly introduced online medical consultation fees based on the descriptions in the Guidelines. At the same time, the Ministry will review medical service fees for online medical consultation in the revision of medical service fees for the next term and later, in order to further expand online medical consultation services from the perspective of patients.

- [11] Realizing online drug administration guidance under certain conditions

[This measure will be examined and concluded in FY2018  
and will be taken in the first half of FY2019]

Today, the "Home Drug Administration Guidance and Drug Management System" is put in place so that pharmacists can visit the home of patients who are unable to move around to provide drug administration guidance, drug management, and other services. While this type of support is important, the promotion of this system alone can hardly respond to the needs of these patients. In fact, because of the shortage of pharmacists who visit patients and for other reasons, some patients, and patients in some regions, must go to pharmacies only to receive drug administration guidance.

Those patients and regions that desperately need to receive the same services that those patients subject to online medical consultation and home care services are receiving today. To make it happen, their personal pharmacists/pharmacies need to play a substantial role in medical care and long-term care in the framework of regional comprehensive care system. With the aim to promote the separation of pharmacy and clinic and the use of personal pharmacists/pharmacies, which will enable the people to benefit more from information about the quality, effectiveness and safety of drugs, the Ministry of Health, Labour and Welfare will examine, and will draw a conclusion from, the system of pharmacists flexibly combining face-to-face drug administration guidance with online drug administration guidance.

#### [12] Complete computerization of electronic prescriptions

[This measure will be examined and concluded in the first half of FY2018  
and will be taken by the end of FY2018]

While electronic data can be used as original prescriptions at present, the “Operational Guidelines for Electronic Prescriptions” (March 31, 2016), which the Ministry of Health, Labour and Welfare formulated in 2016, requires each patient to present an electronic prescription ticket and a prescription confirmation number at a pharmacy. However, if all the processes ranging from the issuance of electronic prescriptions to the receipt of them are not completely computerized, and if paperwork is not eliminated as the result, the benefits from the introduction of electronic prescriptions will be lost, making it impossible to realize the “Comprehensive Home Medical Care System”.

Toward the realization of the “Comprehensive Home Medical Care System,” the Ministry of Health, Labour and Welfare will revise the Guidelines and prepare/publicize a specific roadmap aimed to completely computerize the scheme of electronic prescriptions by taking advantage of online services.

#### (3) Initiatives for Supporting Medical Ventures

While European and North American mega pharma companies are undergoing the process of specialization, many new venture-derived drugs are being commercialized. It is said that the center of innovation in the development of drugs and medical devices in the future will be ventures. In Japan, however, despite its dominant basic research and manufacturing technologies, its excellence in innovation is not evaluated appropriately. This is why Japanese venture companies are unable to receive sufficient financial support such as in the form of investment. Therefore, it is pointed out that these venture companies need more support. Especially concerning the drugs to which a cost-calculation method is applied, despite the fact that innovative drugs could be a part of the group, their elements of innovation are undervalued in their drug prices compared with the drugs to which price determination by comparable drugs is applied.

From the standpoints of promoting innovation which will lead to the creation of new innovative drugs and increasing productivity in the pharmaceutical industry, the Medical Care and Long-term Care Working Group examined appropriate methods of evaluating the level of innovation particularly in the cases where drug prices are calculated by the cost-calculation method. The Working Group examined the following specific regulatory reform items.

[1] Appropriate assessment of the level of innovation for innovative drugs

[This measure was already taken]

Because the novelty of many of the drugs that medical ventures manufacture and distribute is high, their prices are calculated by the cost-calculation method, not by "price determination by comparable drugs," which is applied when there are existing drugs that have similar drug efficacy. In the cost-calculation method, a premium is applied to the base price as a percentage of operating margin. In this case, even if the maximum premium of 100% is applied, the base price will not be doubled unlike the case of price determination by comparable drugs, which results in differences in drug pricing.

Therefore, the pricing of drugs currently calculated by the cost-calculation method will be revised to apply a premium to the total base price, like the case of price determination by comparable drugs, instead of applying a premium only to the operating margin.

[2] Appropriate calculation of sales and general administrative expenses

[This measure was already taken]

In the cost-calculation method, the cost of drugs is calculated using the same factors across the board regardless of the size of companies. Unlike major pharmaceutical companies, the percentage of sales and general administrative expenses and research and development expenditures in the cost structure of medical ventures is large. If the same factors are applied to these expenses and expenditure, they are often undervalued compared with large players.

Therefore, concerning the factor of sales and general administrative expenses that is set at the same value in the cost-calculation method, the Ministry of Health, Labour and Welfare will examine, and take necessary measures, the need to take into account each cost item of drugs that drug companies report and the conditions that should be met.

[3] Appropriate calculation of research and development expenditure

[This measure was already taken]

In the cost-calculation method, the total amount of subsidies that a company receives from the Government will be deducted from the amount of its research and development expenditure. However, there are cases where companies return part of such subsidies in the form of levies depending on the sales amount of a new drug after being listed in the



National Health Insurance drug price list. It is inappropriate to deduct all the total amount of subsidies from research and development expenditure.

Therefore, in the drug cost-calculation method, the total amount of subsidies that need to be returned after the development of a new drug as levies depending on the sales amount shall not be deducted from the research and development expenditure.

#### (4) Increasing Efficiency in Review Procedure by the Pharmaceuticals and Medical Devices Agency

In order to improve the business environment in Japan and help Japanese companies improve productivity toward the realization of an “Economy with GDP of 600 Trillion Yen”, the Working Group has examined possible reductions in administrative costs that Japanese companies must bear in conducting their economic activities.

The importance of improved productivity applies also to the medical field, which has a non-profitable aspect. As mentioned above, the improvement in productivity is the key to maintaining the sustainability of medical services in Japan.

There are a wide variety of administrative procedures in the medical field. The Working Group compiled the following as regulatory reform items of this term, with focus on increased efficiency in new drug review procedure by the Pharmaceuticals and Medical Devices Agency (hereinafter referred to as "PMDA"), which many companies strongly want to be improved.

##### [1] Promotion of computerization

[This measure will be examined and taken in FY2018]

Concerning the new drug review procedure by the PMDA, efforts for paperless are being made including the introduction of an electronic application data system. However, the current operation still requires the submission of dossiers in paper form in addition to dossiers in electronic form.

Therefore, the PMDA will prepare/publicize a roadmap towards further promotion of computerization in its new drug review procedure, including a modification to the current operation that requires the submission of paper application dossiers in addition to electronic application dossiers.

##### [2] Increasing the transparency of review processes

[This measure will be examined and taken in FY2018]

In the process of a new drug application approval review by the PMDA, a “New Drug Application Review Report (1)” is prepared prior to a deliberation by experts. Part of the report will be disclosed to the applicant to confirm that the part of the report is consistent with the applicant's view. The other parts of the report that do not require the applicant's confirmation are masked. However, there are some people who call for the removal of the

masking with the aim to increase the transparency of the review process.

Therefore, the masked parts of a New Drug Application Review Report (1), which do not require the applicant's confirmation, will be removed so that the applicant can follow the progress of approval review process by the PMDA.

[3] Increasing efficiency in preparing the dossiers required to reclaim new drug application approval reviews

[This measure will be examined in FY2018 and will be concluded and taken in FY2019]

To reclaim new drug application approval reviews by the PMDA, application dossiers need to be submitted. But the contents of these application dossiers partially overlap with those of the “Periodic Safety Update Reports”, imposing excessive burdens on drug manufacturers and distributors in preparing such application dossiers.

Therefore, efficiency in preparing various application dossiers needed for reclaiming new drug application approval reviews will be increased by checking for the presence of overlaps in the contents.

[4] Ensuring consistency with overseas regulations

[This measure will be examined in FY2018 and will be taken in FY2020]

With the Guideline on Multi-Regional Clinical Trials (ICH-E17) set in place, the pace of global clinical trials is expected to accelerate further in the future. But if Japan does not proactively take measures consistent with overseas regulations, it may lag behind the world in the race for new drug applications.

While maintaining the safety of new drugs and based on the Guideline on Multi-Regional Clinical Trials, the PMDA will organize and publicize the concept of why Japanese-specific data are required so that the country will not lag behind the world in the race for new drug applications.

[5] Acceptance of English documents

[This measure will be examined in FY2019 and will be taken in FY2020]

The current system requires the submission of a Japanese translation of English documents such as protocols for database search after the manufacture and distribution of PMDA-approved new drugs. But it is expected that these protocols will be used not only by the PMDA and drug manufactures/distributors but also by database providers and data sources such as medical institutions.

Therefore, the PMDA will organize possible issues and measures in accepting the submission of original English documents such as protocols for database search after the manufacture and distribution of PMDA-approved new drugs.

[6] Computerization of drug package inserts

[This measure will be examined and concluded in FY2018  
and will be taken in FY2019]

The current system requires drug package inserts to be attached to the containers of drugs. However, there are cases where the descriptions of drug package inserts change during the processes of shipment, distribution, and wholesaling. In these cases, there is a risk that the latest information may not be given when drugs are delivered to medical institutions. Therefore, the PMDA will survey and study the feasibility of accepting the latest drug information through announcements on the Internet in place of the latest paper drug package inserts attached to the containers of drugs. Possible operational issues will also be organized.

[7] Mutual acceptance of GMP inspection results

[This measure will be examined and concluded in FY2018  
and will be taken in FY2019]

For a country subject to the Mutual Recognition Agreement (MRA) or the Memorandum of Understanding (MOU) on the Good Manufacturing Practice (GMP) for Medicinal Products, if a manufacturer in the country submits a GMP certificate the local regulatory agency issues, the PMDA usually conducts only a written GMP inspection without conducting an on-site inspection. However, this practice is applied only to a limited number of applications because the MRA does not cover drug substances and sterile products.

In order to reduce the burdens imposed on drug manufactures/distributors by the PMDA's GMP inspections at plants in countries subject to the MRA, the Ministry of Health, Labour and Welfare will broaden the coverage of the drug products subject to the MRA on the list as of the end of FY2017. At the same time, the Ministry will expedite the necessary procedure to include drug substances and sterile products in the drug products subject to the MRA. Furthermore, in order to ensure the quality of GMP inspections in Japan and implement the MRA and the MOU in a steady manner, the Ministry will create an environment in which prefectures can enhance and step up the level of their GMP inspections.

[8] Utilizing GCP inspection results obtained by overseas institutions

[This measure will be examined in FY2018]

A study is currently underway among overseas regulatory agencies concerning the mutual utilization of information on good clinical practice (GCP) inspections, and Japan is one of the members involved in the study.

The Ministry of Health, Labour and Welfare will continue to push along this effort. When the manufacturers of the new drug products approved as GCP-compliant by overseas

regulatory agencies (in the U.S. and the EU) apply for approval in Japan, the Ministry will try to increase efficiency in GCP compliance inspections for overseas clinical trial facilities by utilizing the inspection results obtained by these regulatory agencies.

[9] Improving the operation of the Cartagena Act

[This measure will be examined and concluded in FY2018 and will be taken in FY2019]

In Japan, clinical trials are not allowed unless the impact assessment of biological diversity is completed in accordance with the Act on the Conservation and Sustainable Use of Biological Diversity through Regulations on the Use of Living Modified Organisms (Act No. 97 of 2003, hereinafter referred to as "Cartagena Act"). On the other hand, it is equally important for Japan to maintain and enhance its international competitiveness in the field of regenerative medical products.

Based on the review of operation in July 2016 concerning the procedure for the ministerial approval and confirmation of the Cartagena Act that the PMDA reviews, the Ministry of Health, Labour and Welfare will measure the number of days required for such reviews. Based on the result, the Ministry will study the need for another review of the operation and take appropriate measures if necessary.

(5) Improving the operation of the Borderline of Pharmaceuticals to Non-Pharmaceuticals (Notification in 1971)

As a measure to transform Japan's agriculture into a growth industry, some people point out the need to promote more value-added agricultural, forestry and fishery products by differentiating them from the viewpoint of health-promoting functions and in cooperation with medical science and engineering.

However, if a raw material exclusively used as a pharmaceutical is contained in a fresh food from the beginning, and if it is used as an ingredient involved in function claims, it is very difficult to notify the fresh food as a food with function claims. It is pointed out that this fact is hindering the promotion of more high-value-added products.

Therefore, the Medical Care and Long-term Care Working Group studied the basic ideas about the operation of the borderline of pharmaceuticals to non-pharmaceuticals that will enable more appropriate labeling for the ingredients of fresh foods involved in function claims. As a result, the Working Group has compiled the following regulatory reform items.

[1] Clarification on the concept of the Borderline of Pharmaceuticals to Non-Pharmaceuticals

[This measure will be examined, concluded, and taken in FY2018]  
“The Guidelines on Notification of Foods with Function Claims” by the Consumer Affairs Agency (Notification of Director of Food Labeling Planning Division, the Consumer

Affairs Agency on March 30, 2015) require that the “ingredients involved in function claims” in the System of Foods with Function Claims not fall under the raw materials included in the “List of Raw Materials Exclusively Used as Pharmaceuticals” in the “Guidance and Regulations on Drugs without Approval or Authorization” (Notification of Director General of Pharmaceutical Affairs Bureau, the Ministry of Health and Welfare on June 1, 1971). If a raw material exclusively used as a pharmaceutical is contained in a fresh food from the beginning, and if it is used as an ingredient involved in function claims, it is very difficult to notify the fresh food, and foods cooked and processed using the fresh food, as foods with function claims.

Therefore, the Ministry of Health, Labour and Welfare will issue Q&As to disseminate the information on whether specific fresh foods that contain raw materials exclusively used as pharmaceuticals from the beginning as well as processed foods using these raw materials (including traditional fermented foods and supplement foods) fall under the category of pharmaceuticals. Based on the information, the Consumer Affairs Agency will clearly define the process of judging the acceptance/rejection of notified foods with function claims, and it will reflect the results in Q&As for widespread distribution.

[2] Laying out a framework to handle application and inquiries about the Borderline of Pharmaceuticals to Non-Pharmaceuticals

[This measure will be examined and concluded in FY2018 and will be taken in the first half of FY2019]

When it is uncertain whether a new raw material that people take by mouth falls under the category of pharmaceuticals, in accordance with the descriptions in the “Guidance and Regulations on Drugs without Approval or Authorization”, the drug company can ask the Ministry of Health, Labour and Welfare for judgment by submitting the raw material's data on pharmacological actions, physiological functions, toxicity, and eating habits through the prefectural government's pharmaceutical affairs section. Because there are many inquiries about the borderline of pharmaceuticals to non-pharmaceuticals, the Ministry of Health, Labour and Welfare is handling these inquiries from all around the country via prefectures. However, when drug companies ask for judgment concerning the borderline of pharmaceuticals to non-pharmaceuticals for a new raw material as mentioned above, some drug companies want to deal directly with the Ministry of Health, Labour and Welfare.

Therefore, the Ministry of Health, Labour and Welfare will lay out a framework in which drug companies can deal directly with it, in the case where such a process is considered to contribute to increased efficiency on both sides, and on the condition that the prefectural government's pharmaceutical affairs section confirms the data that the drug companies submit asking for judgment concerning the borderline of pharmaceuticals to non-pharmaceuticals for new raw materials. This framework will be reflected in Q&As for

widespread distribution.

(6) Improving the operation of the System of Foods with Function Claims

Needless to say, in order to extend the people's healthy life expectancy, every Japanese needs to accurately understand the ingredients of foods he/she takes by mouth and pay attention to health management.

The System of Foods with Function Claims was introduced to increase the number of options consumers who are paying attention to health management can take, by providing the correct, easy-to-understand information about the functions of foods. However, mainly for the reasons of complex function claim management during the course of distribution as well as a large number of small manufacturers involved, there are only a limited number of the fresh foods that fall under foods with function claims today.

Therefore, the Medical Care and Long-term Care Working Group has compiled the following regulatory reform items by studying how to improve the operation of the System of Foods with Function Claims.

[1] Reviewing the basic ideas about food labeling for fresh foods

[This measure was already taken]

Between the shipment and the retailing, fresh foods will go through various processes such as being packed in boxes, sorted into smaller sizes, and put into plastic packs. As the forms of containers and packaging change, food labeling management will become more complex and less accurate.

Therefore, the Consumer Affairs Agency will discuss with industry groups and other parties the basic ideas about food labeling suited for fresh foods, such as a mechanism to enable simpler food labeling. After drawing a conclusion, the Agency will reflect such a mechanism in Q&As for widespread distribution. In addition, the Agency will define possible labeling for the general characteristics of fresh foods, such as vitamins and minerals, and it will reflect the outcome in Q&As for widespread distribution.

[2] Promoting the utilization of research reviews

[This measure will be examined, concluded, and taken in 2018]

Fresh food producers and distributors do not necessarily have enough know-how on the indication of scientific evidence, appropriate production and shipment management, inspection, etc., which imposes burdens on them in notifying foods with function claims. Therefore, concerning scientific evidence for the functionality of ingredients involved in function claims, the Ministry of Agriculture, Forestry and Fisheries will prepare and publicize a roadmap for improving and expanding the scope of the research reviews published by the National Agriculture and Food Research Organization so that fresh food producers and distributors can notify foods with function claims without difficulty by

reference to the research reviews. In addition, the Ministry will clearly indicate the name of the division specializing in each fresh food so that the producers and distributors can receive accurate advice in a smooth manner.

(7) Reviewing the practices of the Health Insurance Claims Review & Reimbursement Services

Despite the fact that the Health Insurance Claims Review & Reimbursement Services (hereinafter referred to as the "HICR & RS") almost completed the computerization of medical fee receipts, with its online claim reviews ready for use, the progress of improvements in ICT-assisted operational efficiency and streamlining is slow. For this reason, the HICR & RS still has physical branch offices in all 47 prefectures, where inefficient operations based on human labor are still continuing. As a result, judgment criteria are not clearly defined, and uniformity is not fully ensured in the process of claim reviews. In order to maintain Japan's universal healthcare system while the burdens of health insurance premiums are rising to their limits toward FY2022, it is necessary to accelerate the reform aimed to clearly define judgment criteria and to ensure the uniformity of claim reviews by thoroughly realizing ICT-assisted operational efficiency and streamlining.

Therefore, the Working Group continued to study the basic ideas about claim review practices of the HICR & RS. It compiled the following regulatory reform items.

[1] Cooperating with Government CIO in the process of developing a new computer system

[a: The basic design will be completed in 2018, the system development will be completed by the end of FY2019, and the integration test will be completed by the fall of 2020]

[b: This measure will be taken by the end of FY2020]

In June 2017, the integration of the requirements for the new computer system of the HICR & RS into the "Plans and Roadmap for Streamlining and Sophisticating HICR & RS Operations" (hereinafter referred to as the "Plans and Roadmap") was approved in a Cabinet meeting as part of the Implementation Plan for Regulatory Reform. Almost all the requirements that were announced in July 2017 are now included in the "Plans and Roadmap. However, continuously checking if the new computer system will satisfy these requirements would require continued cooperation with Government CIO until the operation of the computer system starts.

Therefore, the following measures will be taken concerning the new computer system of the HICR & RS.

- a. To make sure that the following requirements are met in the new computer system, the HICR & RS will cooperate with Government CIO at each stage of the development

phase (basic design, system development, and integration test).

- The computer system shall be modularized into functional units under the HICR & RS' responsibility, including (i) the acceptance of medical fee receipts, (ii) the sorting of accepted medical fee receipts into appropriate review processes, (iii) claim reviews, and (iv) the payment of medical fees.
  - Each module shall be integrated into the computer system via standard interfaces. In addition, each module shall have a structure that allows for flexible improvements on an as-needed basis, the use of the system by insurers themselves and outsourcing of the operation to external service providers.
  - The computer system shall offer medical institutions convenient services such as checking functions so that they can make easy corrections without the need of technical review by the HICR & RS, such as input error in medical fee receipts. The above-mentioned functional units shall be carefully divided into the following two groups: the functions that insurers themselves can handle and the functions that the HICR & RS takes care of. The functions in the former group shall be designed so that insurers themselves can deal with these functions without difficulty.
  - Maximizing the power of the modularized computer system would require seamless interaction between these modules, as well as smooth interaction among the HICR & RS, medical institutions, insurers, external specialized service providers, and others. For this reason, the formats and numbering of various types of data shall be unified, based on which the introduction of interactive databases shall be considered. To this end, the format of medical fee receipts shall be reviewed.
  - To reduce man-hours involved as much as possible, the computer system shall be designed to be user-friendly and easy-to-view.
  - The ability to process as many medical fee receipts as possible efficiently and intensively determines the total efficiency of the module that bears the claim review function. For this reason, the new system shall not be based on the existing functions set up in each region, and the number of necessary functions shall be minimized by carefully shaving off region-specific differences so that the same computer system can process a broader range of data. In addition, the best information technology shall be effectively utilized to increase the efficiency of claim reviews.
  - The maintenance cost of the new computer system shall be minimized in an effective manner. At the same time, the security of the system shall be stepped up.
- b. The formats of medical fee receipts shall be reviewed so that it will become better suited for the checking function, and at the same time the computer system shall be renovated. In this process, it is necessary to continue to promote compliance with international standards such as the name of diseases.

[2] Disclosure of the return on investment for the new computer system



[This measure will be taken in 2018]

While the process of how to develop the new system is laid out in the “Plans and Roadmap ”, there are no descriptions about its quantitative targets. For this reason, it is pointed out that this reform’s goals are difficult to understand.

Therefore, estimated return on investment for the new computer system will be disclosed to the people in an easily understandable way.

[3] Maximizing the consolidation and integration of branch offices

[This measure will be examined and concluded in 2018 and will be taken in 2019]

Concerning the consolidation and integration of branch offices, a measure to draw a conclusion by the end of the year was approved in a Cabinet meeting in June 2017 as part of the Implementation Plan for Regulatory Reform, but the decision-making ended up postponed. According to the “Measures to be Taken by the HICR & RS in Restructuring Claim Reviews and Payment Organizations”, which were announced in March 2018, the basic ideas about the consolidation (the scope of functions that can be consolidated, methods for consolidation, and ideas about operations after the consolidation, etc.) were set to be verified through demonstration projects in FY2018. But it is uncertain how much of consolidation could be achieved after the verification.

Therefore, the HICR & RS will expedite the verification of the basic ideas about the consolidation (the scope of functions that can be consolidated, methods for consolidation, ideas about operations after the consolidation, etc.) through the demonstration projects to be conducted this fiscal year (FY2018) on the conditions that the effects of the consolidation and integration will be maximized. After drawing a conclusion, the HICR & RS will publicize the outcome. At the same time, a bill prepared based on the verification results will be submitted.

[4] Developing a structure for the centralization of claim reviews

[a: This measure will be concluded and taken in the first half of FY2018

b, c: These measures will be examined and concluded in FY2018

d: This new measure will be examined in FY2018, an interim report

will be submitted in FY2019, and a conclusion will be drawn by the end of FY2020]

Concerning the development of a structure for the centralization of claim reviews, a measure to draw a conclusion by the end of 2017 on how to proceed was approved in a Cabinet meeting as part of the Implementation Plan for Regulatory Reform (Cabinet decision in June 2017). But a specific, clear roadmap has not yet been laid out, and any conclusion has not been drawn concerning the mechanism that ensures the consistency and objectivity of claim reviews.

“The Plans for Streamlining and Sophisticating HICR & RS Operations” say that the measures for the following items will be taken later, which means the decision-making

will be postponed.

- The legal position of claim reviews and payment organizations and their governance
- The roles and necessity of a tripartite claim review committee
- The roles and necessity of the claim review committee set up in each prefecture
- The most efficient way to utilize the HICR & RS, as an acting organization for insurers in claim reviews and payment functions, and All-Japan Federation of National Health Insurance Organizations

Therefore, the HICR & RS will continue to study and draw conclusions concerning how to proceed with the following measures, which are the premises for the centralization of claim reviews.

- a. The HICR & RS will figure out details of specific differences among the computer checking rules that branch offices individually set in the past. At the same time, the HICR & RS will present a specific roadmap up to work completion.
- b. The HICR & RS will study and draw conclusions concerning specific mechanisms for "developing a structure in which experts can hold data-based discussions at the HICR & RS head office and ensuring the consistency and objectivity of claim reviews based on evidence."
- c. The HICR & RS will study (including possible law amendments) and draw conclusions concerning the following items whose decision-making was postponed in the "Plans and Roadmap".
  - The legal position of claim reviews and payment organizations and their governance
  - The roles and necessity of a tripartite claim review committee
- d. The HICR & RS will study (including possible law amendments) and draw conclusions concerning the following items whose decision-making was postponed in the "Plans and Roadmap".
  - The most efficient way to utilize the HICR & RS, as an acting organization for insurers in claim reviews and payment functions, and All-Japan Federation of National Health Insurance Organizations
  - The roles and necessity of the claim review committee that each prefecture set up in the past.

#### [5] Reviewing the system of administrative fees

[This measure will be examined and concluded in FY2018  
and will be taken by the end of 2019]

In accordance with Article 26 of the Health Insurance Claims Review & Reimbursement Services Act No. 129 of 1948), the amount of fees the HICR & RS will receive shall be calculated based on the points indicated in each medical fee receipt that will be submitted to the insurer. However, after the introduction of the new system, each of the claim review processes of acceptance, review, and payment will be modularized, allowing for more

flexible mechanisms such as the use of the system by insurers themselves and the outsourcing of the operation to external service providers. Given this change, it is pointed out that the past inflexible cost-bearing mechanism must be reviewed and changed to a new mechanism based on private-private contracts, by which the fees are determined between each insurer and the HICR & RS so that the prices are commensurate with outsourced operations and services.

Therefore, the HICR & RS will study (including possible law amendments) and draw conclusions concerning the review of the existing administrative fee system, including a reduction in administrative cost through the introduction of the new computer system, a re-examination of the claim review process, the use of the system by insurers themselves, and the outsourcing of the claim review process to external service providers. At the same time, the HICR & RS will take necessary measures based on the study results.

(8) Measures to promote the System of Treatment upon Request by Patients

The System of Treatment upon Request by Patients was established as a new mechanism for incorporating treatments not covered by the medical insurance following the partial amendment to the Health Insurance Act (Act No. 70 of 1922) in 2015, which was deliberated in the former Regulatory Reform Committee. The system was intended to show solidarity with patients who want to use drug products not approved in Japan in an expeditious manner, as part of the incorporating treatments not covered by the medical insurance.

However, as of the end of February 2018, there were only four cases in which patients desired to get a new treatment that did not fall under the existing medical treatment techniques and the new technique was eventually approved. One of the reasons for the poor result is considered to be heavy burdens on medical institutions, including the requirement of preparing burdensome high-level implementation plans that would be required for advanced medical care to be covered by insurance.

Therefore, the Working Group has studied measures to encourage further utilization of the System of Treatment upon Request by Patients, compiling the following regulatory reform items.

[1] Examining the measures to improve the operation of this system in line with its intention

[This measure will be examined in FY2018 and will be taken as soon as the conclusion is drawn]

The System of Treatment upon Request by Patients was introduced as a new mechanism for patients who are fighting difficult-to-treat diseases so that they can get a new treatment upon their request in a more expeditious manner. However, even if a patient expresses a desire to get a new treatment during a consultation upon his/her request, the existing

operation requires the preparation of a high-level implementation plan that would be required for advanced medical care. There were cases in which such a treatment was judged as "difficult to implement" due mainly to the lack of an implementation system at the medical institution. In these cases, the operation is seen deviated from the intention of showing solidarity with patients.

Based on this system's intention that new treatments should be provided upon request by patients, if a patient expresses a desire to get a new treatment, he/she must be able to utilize this system in an expeditious manner so long as the safety and effectiveness of the treatment are ensured. Therefore, the Ministry of Health, Labour and Welfare will study the measures to improve the operation of this system and take necessary actions.

## [2] Efforts to publicize this system and support medical institutions

[This measure will be taken in FY2018]

There were 91 cases of patients seeking consultation in about two years from the start of the system to the end of February 2018. Out of the 91 cases, 11 cases were taken care of using existing advanced medical care and clinical trials. There were only four cases in which patients desired to get a new treatment that did not fall under the existing medical treatment techniques and the new technique was eventually approved. It is pointed out that the System of Treatment upon Request by Patients is not made fully known.

In addition, this system requires the preparation of a high-level implementation plan that would be required for advanced medical care. For this reason, it is pointed out that this system is not differentiated from the conventional assessment treatments listed in the National Health Insurance.

Therefore, the Ministry of Health, Labour and Welfare will come up with a better way to disseminate the system and take necessary measures so that patients who are determined to fight and overcome difficult-to-treat diseases can select an appropriate option.

From the standpoint of clearly defining differences from the conventional insured medical treatments, the Ministry of Health, Labour and Welfare will examine specific measures to reduce burdens on medical institutions including the following items so that patients can utilize this system more easily, based on which the Ministry will take necessary measures.

- To prepare and publicize Q&As for medical institutions
- To simplify the preparation of the documents needed to apply for treatments upon request by patients such as clinical study plans for the purpose of reducing burdens on medical institutions
- To this end, as reference for medical institutions, provide plans for past treatments upon request by patients, and plans for clinical studies for existing advanced medical care as much as possible

## (9) The Items Followed up in a Focused Manner

As the matters to be followed up in a focused manner in this term, the Working Group chose the following items and held a series of intensive discussions: (i) attainment of flexible combinations of services covered and not covered by the public long-term care insurance and (ii) Reviewing practices concerning the Health Insurance Claims Review & Reimbursement Services, both of which are covered in the Implementation Plan for Regulatory Reform (Cabinet decision in June 2017), and (iii) Creating a new mechanism for incorporating treatments not covered by the medical insurance (the System of Treatment upon Request by Patients), which is covered in the Implementation Plan for Regulatory Reform (Cabinet decision in June 2014).

In addition, concerning improvements in the system of foods with function claims and the review of the 14-day prescription date restriction of new drugs, the Working Group checked the operational status of each system and the progress of examination for implementing the reforms.

[1] Attainment of flexible combinations of services covered and not covered by the public long-term care insurance

The Working Group followed up on the development of easy-to-understand rules (guidelines) for local governments and nursing-care companies so that flexible combinations of services covered and not covered by the public long-term care insurance can be provided appropriately at the sites of home care and day-care services. The “Report of Research concerning Combinations of Services Covered and Not Covered by the Public Long-Term Care Insurance” was released to put together the results of several of the regulatory reform items that would be examined and concluded in FY2017. While keeping close watch on the progress of these operations, the Working Group will continue to follow up on the remaining regulatory reform items.

[2] Reviewing practices concerning the Health Insurance Claims Review & Reimbursement Services

In this term, the Working Group discussed the status of implementing the regulatory reform items related to this subject while hearing the progress of constructing a new computer system. As a result, it was found out that some underlying and important issues have not been solved. Therefore, the Working Group has included additional regulatory reform items in this report in order to study the remaining issues in an expeditious and reliable manner and successfully implement these measures.

[3] Creating a new mechanism for incorporating treatments not covered by the medical insurance (the System of Treatment upon Request by Patients)

The System of Treatment upon Request by Patients was established as a new mechanism for incorporating treatments not covered by the medical insurance following the partial

amendment to the Health Insurance Act in 2015, which was deliberated in the former Regulatory Reform Committee. However, as of the end of February 2018, there were only four cases in which patients desired to get a new treatment that did not fall under the existing medical treatment techniques and the new technique was eventually approved. Therefore, the Working Group has studied measures to encourage further utilization of the System of Treatment upon Request by Patients. These measures have been included in this report as additional regulatory reform items.

#### 4. Child Rearing and Employment Field

##### (1) Important Issues for This Term

This term, regulatory reform for “Improvement in the employment ratio of international students studying in Japan” and “Re-examination of regulations related to large baby carriage with auxiliary drive” was undertaken and specific regulatory reform items were compiled.

##### (2) Improvement in Employment Ratio of International Student Studying in Japan

Amid the rapid rise of salary levels in neighboring Asian countries, retaining international students, an important source of high-level human resources, is an imminent challenge. Although about 60% of international students want to be employed by Japanese companies<sup>2</sup>, actually only 30% of the total have managed to be employed<sup>3</sup>. Consequently, “Japan Revitalization Strategy 2016” (Cabinet decision on June 2, 2016) sets the goal of raising this rate to 50% of the total and efforts to achieve this have been made.

It is not easy to raise the employment rate of international students under the recruiting practices unique to Japan. In order to attain the aim of raising the employment rate of international students to 50%, re-examination of the current systems taking account into the actual situation of international students as well as simplification of various administrative procedures for both companies and students are essential.

On the government side, the following measures should be taken in order to create an environment in which international students at universities and graduate schools (hereinafter referred to as “universities”) are easily employed and make use of their abilities.

##### [1] Simplifying and enhancing transparency of procedures for changing status of residence

[a,b,c:Take measures in FY 2018, d:Take measures in FY 2019]

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<sup>2</sup> "FY 2015 Survey on Living Conditions of Private-Expense International Students" by Japan Student Services Association

<sup>3</sup> "FY 2016 Survey on Career Path and Academic Awards of International Students" by Japan Student Services Association

International students need to change their status of residence to a status corresponding to their jobs in their workplace and many of them seek to change to “engineer, specialist in humanities, international services.” The Ministry of Justice flexibly judges the relationship between their majors at universities and jobs as a condition of permission but, on the other hand, it is sometimes pointed out that its explanation about the reasons for non-permission for status change lack carefulness. Also, when going through administrative procedures, the smaller the size of the hiring company, the more attached documents are required.

Consequently, the following measures are suggested:

- a. Conduct research and analysis of non-permitted cases in applications for permission for changing status of residence to enhance examples of permitted and non-permitted cases in guidelines on permission of status change of residents, and make it thoroughly known;
- b. If an application for change of status of residence is not permitted, regional immigration bureaus ensure that they describe the reasons and facts behind the reasons in a written notice more specifically and appropriately;
- c. Start to partially introduce on-line application procedures in order to reduce congestion at windows of regional immigration bureaus;
- d. Even if companies employing international students are small or medium-sized or start-ups, they will be allowed to reduce requirements on attached documents to the same level as for larger companies when they go to the procedures for changing status of residence, once they meet certain conditions (for example, in the case where a company which employs a student who has completed the “International Student Career Development Program” positively continues its activity in the said program as a participating company for three fiscal years).

[2] Incentives to find employment and the activation of a high level human resources point system to raise the retention rate

[a: Take measures in FY 2019, b: Take measures in FY 2018]

In order to activate high level foreign human resources, if a total score of 70 points awarded based on academic background, annual income and other categories is achieved, preferential measures in immigration management (extension of the period of stay, family members accompaniment and work, priority processing of procedures, etc.) are provided. In the case of graduates of “Universities Decided by Notification of the Minister of Justice,” which become objects of special additional points, the possibility of the above favorable measures being applied is high. But among universities in Japan, of no more than 13 schools are “Universities Specified by Notification of the Minister of Justice,” the core are city universities. From the point of view of guaranteeing the success of especially excellent international students in finding employment in Japan and help them stick with

a job, and also in order to urge corporate hiring, it is important to expand preferential immigration management measures based on the advanced human resources point system. Accordingly,

- a. In order to expand the scope Japan's "Universities Specified by Notification of the Minister of Justice," which are the objects of special additional points, revise the Ministry of Justice notifications which decide the scope of targeted universities.
- b. In order that the high level human resource point system is positively applied to find employment for international students, thoroughly inform international students and corporate.

### [3] Re-examine the requirements for start business

[a: Examine and reach conclusions in FY 2018 and promptly take measures after reaching conclusions, b: Start examination based on implementation conditions of special cases]

In order to acquire residence qualification for "Management/Administration" necessary for corporations, the employment of more than two full-time staff or meeting the requisite corporate scale of capital equal to a total of more than 5 million yen in invested funds is required. In order to promote the acceptance of foreign entrepreneurs, even now, in the case of moving into incubation facilities owned or designated by concerned local authorities, when the appropriate local authorities bear the cost of the enterprise, of the capital or invested funds, up to a maximum of 2 million yen will be considered, and furthermore, again from now on the establishment of special cases is planned, regarding the concerned special cases, authorization by regional authorities is a necessary condition.

Consequently,

- a. Concerning the special case in which municipalities bear the burden for the applicant up to a maximum of 2 million yen of the capital or invested funds of 5 million yen needed to acquire the resident qualification for "Management/Administration," consider that the case of universities providing assistance to corporates bearing the burden can also be the object of special cases, and take necessary measures.
- b. Concerning the special case in which a new residence qualification is provided to activities to start business conducted under appropriate management and special assistance by state and municipalities, also consider that cases in which universities provide assistance can be the objects of special cases, and take necessary measures.

### [4] Active utilization of internships

[Examine, reach conclusions and take measures in FY 2018]

Internships are effective as a means of deepening mutual understanding of international students and corporates. However, on the Ministry of Justice website, the difference in the conditions of participation between unpaid and paid internships is not clearly defined, and the information is broadly recognized that internships are provided only to students



just before graduation.

Consequently,

- a. Make it thoroughly known that in unpaid internships, participation is allowed regardless of the intended person or activities, while in paid internships, if internship activities are no longer than 28 hours per week, such activities are considered as falling within the scope of comprehensive permission for unqualified activities (so-called part-time work), so there are no limits on the intended person or activities (however, activities in amusement and entertainment parlors, etc., are excluded) and participation is allowed without submitting individual applications.
- b. Make it thoroughly known that in paid internships with internship activities exceeding 28 hours per week, in those cases in which the activities are training necessary to earn credits, are closely related to major courses, etc., participation is allowed even if students are not in the final year of study.

[5] Strengthen Japanese language ability for work

[a: Examine in FY 2018, promptly take measures after reaching conclusions in FY 2019,  
b, c: Examine, reach conclusions in FY 2018 and take measures in FY 2019]

In order to work and positively act in Japan, a level of Japanese language ability that is not an obstacle to doing business is required. It is important to improve an educational environment that strengthens Japanese language ability used in business.

Consequently,

- a. Improve the system for training and study of Japanese language teachers and prepare standards for certifying the skill of Japanese language teachers.
- b. Publicly announce the results of the “International Student Career Development Program” begun by several universities (business Japanese, career education, know-how required for finding employment, etc.), and aim to deploy them laterally to universities not participating in these projects.
- c. To enable foreign students to smoothly stay at a place of employment, offer opportunities to study business Japanese, etc., through practical study in order to enhance necessary Japanese language communication ability at the workplace.

[6] Strengthen assistance for finding employment in the local areas

[a: Examine and reach conclusions in FY 2018 and take measures in FY 2019,  
b: Examine and reach conclusions in FY 2018 and  
take phased measures in FY 2019 and afterwards,  
c: Examine, reach conclusions and take measures in FY 2018]

Since about 70% of foreign students study at local universities outside Tokyo, assistance for finding employment in the local areas is required.

Consequently,

- a. In dealing with the flow of people from greater Tokyo to the local areas, regarding the policy of securing workers by municipalities, discover enterprises actively accepting workers including foreign students from greater Tokyo, and assist the smooth matching of staff, etc.
- b. To further promote matching of foreign students residing in the local areas and corporates, strengthen the support system for public job search consulting, expanding employment service centers for foreigners at Hello Work, etc.
- c. Thoroughly make known the existence of the guidebook for the improvement of foreign staff employment administration with regards to corporates “To Prepare an Attractive Environment for High Level Foreign Staff – Collection of Good Examples Useful for Improvement of Employment Management”.

### (3) Regulatory Reform in the Area of Child Rearing

The government is implementing all types of policies to eliminate waiting lists for nurseries, but as before the problem of waiting lists for nurseries exists centered in urban areas. In urban areas, childcare facilities without playgrounds have also increased, and prudent care is required to ensure the safety of children playing in parks and going out of the facilities for a walk. In addition, the primary reason for children being on waiting lists is a shortage of childcare staff, and in order to mobilize potential childcare staff not engaged in childcare while possessing qualifications, policies to lighten the burden on childcare sites are required.

#### [1] Re-examine regulations concerning large baby carriages with auxiliary drives

[Start Examination in FY 2018, reach conclusions during FY 2018 and promptly take measures after reaching conclusions]

At present, in Japan’s nurseries and other places, large baby carriages that can carry many infants are widely used. Large baby carriages can carry many infants with a combined weight of around 80 – 100 kilograms. Because of this, It is pointed out that the attachment of auxiliary drives to large baby carriages to supplement human power will lead not only to lighten the burden on nursery staff but also to prevent accidents involving nursery staff and infant passengers by means of maximum speed control and automatic braking functions.

In the current system, persons driving “children’s vehicles” are treated as pedestrians, but there is no particular standard for treating baby carriages not equipped with auxiliary drives that can move on sidewalks as “children’s vehicles.” On the other hand, in order for baby carriages with auxiliary drives to be treated as “children’s vehicles” that can travel on the sidewalk, they need to meet the standard (not exceeding length 120cm, width 70cm, height 109cm, etc.) indicated by “Concerning the management of baby carriages with auxiliary drives, and in case this standard is not met, they are not treated as children’s

vehicles and are required to travel on the road.

Standards indicated by “Concerning the Management of Baby Carriages with Auxiliary Drives” are indicated from the point of view of not being a hindrance to the safety and smooth flow of other traffic elements (pedestrians, etc.) that travel on the sidewalk, and there is an aspect in which these standards, having a basis in law, moreover have an aspect that is indicated based on the standards for pedestrian assistance vehicles (so-called rolling walkers), etc., that utilize motors, the use of which is similar. In recent years, based on the fact that large baby carriages with auxiliary drives exceeding these standards have been proposed as products useful for infant care, it is necessary to examine how these standards should be.

As a challenge to the issue of getting children off waiting lists – one of the government’s most important policies, ensuring the safety of children and improving the working environment of nursery staff is important and a rapid revision of the appropriate regulations is required.

Consequently, regarding baby carriages with auxiliary drives, quickly examine how large they can be, etc., to let them travel on the sidewalk while ensuring the safe and smooth flow of other traffic elements, and what the standards should be based on the opinions of baby carriage sellers, etc., and people related to infant care service, and take necessary measures.

#### (4) Follow-up of important Points of Matters Undertaken

A hearing was conducted about conditions for consideration from the Ministry of Health and Labor, with “Establishment of Employment Rules for Job-Type Full-Time Employees,” “Early provision of legal paid holidays,” and “Appropriate Termination of Employment Mutually Agreed by Employers and Employees” incorporated in the regulatory reform implementation plan as matters to follow-up.

##### [1] Establishment of employment rules for job-type full-time employees

Based on the results of a survey of “Establishment of Employment Rules for Job-Type Full-Time Employees” described in the Plan for Regulatory Reform (Cabinet decision in June 2017) and “Survey of Responses to the Revised Labor Contract Law and its Exceptions and the Situation of Utilization of Various Full-Time Employees” by the Institute for Labor Policy and Training, as measures are now being taken toward the diffusion and expansion of various full-time workers, continue to conduct follow-up from now on.

##### [2] The early provision of legal paid holidays

Based on “Early provision of legal paid holidays” noted in the Plan for Regulatory Reform (Cabinet decision in June 2017), “Guide to Improve the Establishment of Working Hours,

etc.” (Ministry of Health and Labor Notification No. 108 of 2008) and “Guidelines for Measures Which Should be Taken by Employees in order to be Compatible with Professional Life and Family Life of Workers who Raise or will Raise Children and Care for or will Care for Families” (Ministry of Health and Labor Notification No. 509 of 2009) were revised on September 27, 2017, and both were applied from October 1, 2017. Regarding conditions of the provision of paid holidays (as of April 2017), in the “FY 2017 Survey on the Realization of ‘Harmony of Work and Life’ and Promotion of the Diffusion of a Special Holiday System,” the conditions were understood, while regarding the survey of the actual state of children’s nursing holidays and care-giving holidays, the issue is considered to be examined continuously, and follow-up will continue from now on.

- [3] Appropriate way to terminate employment as mutually agreed by labor and management

Based on “The appropriate way to terminate employment as mutually agreed by labor and management” noted in the Regulatory Reform Plan (Cabinet decision in June 2017), the “Symposium Regarding Trying to Make a Transparent and Fair System to Settle Labor Disputes” was established in October 2017, debate was held 20 times about measures for more effective utilization of the means of settlement of various individual labor related disputes for disputes centered around already systematized termination of employment, and an appropriate system of monetary compensation at times of invalid dismissal, and a report was completed in May 2017. Based on the results of the report, a place for expert investigation of technical legal points will be established, and this issue will be followed up to continue investigation.

## 5. Investment, etc.

### (1) Priority issues of this term

This term, the Council for Promotion of Regulatory Reform worked on priority issues such as “Frequency band system reform,” “Regulatory reform concerning broadcasting,” “Regulatory reform in the energy sector,” “Public-private data utilization and thorough commitment to e-government initiatives,” and “Regulatory reform concerning finance and funding.” The results of “Frequency band system reform” were provided in the Second Report. As opinions for investment, etc., the Council issued “Opinions concerning promotion of public-private data utilization” (April 24, 2018) and “Opinions concerning regulatory reform in the energy sector” (May 18, 2018).

### (2) Regulatory reform concerning broadcasting (background and perspectives)

Need for radio waves for new usage will grow as the Society 5.0 becomes reality. For the future economic growth of Japan, it is crucial to make the most of radio waves, which are limited resources as well as public common property. Accordingly, the Council put together items that should be reviewed for the Radio Spectrum Allocation Reform in the Second Report regarding visualization of frequency assignment/use, measured for securing frequency bands, review of the system for frequency assignments, and review of the system for spectrum user fees for further reflecting the economic value. In so doing, the Council planned to advance discussions on further effective use of bands for broadcasting with the vision of the future of broadcasting business as 4K and 8K technologies are introduced and further convergence of communication and broadcasting. Technological innovations and further convergence of telecommunications and broadcasting are extremely important factors when envisioning the future broadcasting business. Video distribution via telecommunication systems is growing rapidly and expected to see a great change as 5G technology becomes available. Unsurprisingly, video

contents are distributed across the border, transcending the boundaries of traditional business categories of telecommunications, broadcasting, and contents, and facing the international competition.

In such a new environment, viewers in Japan and around the world will have access to a greater variety of video contents and information they want. The future of video contents is not limited to 4K or 8K technologies but extends to AR (Augmented Reality) and VR (Virtual Reality). This is a great opportunity for Japanese economy not just broadcasters. Japan can envision a new growth strategy by drawing on technological innovations and the country's strength in human resources. Japan could make rapid progress especially in the coming two years leading up to the 2020 Tokyo Olympic and Paralympic Games as they will attract attention from the world and a lot of video contents will be created.

However, when looking into the future of the broadcasting business, there are issues in both the business environment and the production sites.

As for the business environment, there is an ongoing trend of the young generation watching less TV, and such demographics will keep growing year after year. Some foreign OTT (over the top) businesses which provide services in Japan too are already competing fiercely with broadcasters in the US and other countries although this may not simply apply to Japan because of the differences in environments. To respond to this challenge, it is increasingly important to further transform the traditional business model of Japan's broadcast industry which is focused on serving the domestic market only with the airwaves and closed to the outside.

The change in the business environment should be monitored particularly of local broadcasters. While the trend toward population decline resulting from the country's declining birthrate and aging population is especially strong in rural Japan, it is a big challenge for community-based local stations to continue providing excellent local contents by further increasing their performance in covering and transmitting local information.

Production sites also have their own challenges. While some efforts have been made to resolve long-time issues of business relations between broadcasters and production companies and work environment problems, the situation has not improved satisfactorily. There is also an unsolved issue concerning copyright clearance, which is preventing further utilization of contents.

Overcoming these challenges is a precondition for development of a new growth strategy. Broadcasters in Japan have created high-quality video contents so far but they may not be able to use these contents without solving such challenges properly. To provide various fine contents to the public, and thereby maintaining and growing their social functions to satisfy the public's right to know among others, the broadcasters will be required to keep up with the latest technological innovation, seek financial and human resources from various sources, accept new competitors, operate globally by strengthening international

competitiveness, and develop a new business model. As well, the environment should be improved so that staff in production sites could perform their best.

The Council envisions that broadcasters, after the said challenges have been solved, will fully perform their social function as an infrastructure of healthy democracy by providing various fine contents to viewers not only in Japan but abroad and satisfying the public's right to know. The emerging environment ushered in by technological innovations, further convergence of telecommunications and broadcasting, and global competition does not have to be an adversity but can be viewed as a tremendous opportunity for growth.

To effectively utilize radio waves which are public common property, it is important to quickly present a roadmap for overcoming the challenges faced by broadcasters and start pursuing the vision of the solid broadcasting business.

(3) Regulatory reform concerning broadcasting (development of a business model transcending the boundary of telecommunications and broadcasting)

[1] Promotion of simultaneous distribution through the internet and development of a platform/distribution infrastructure which transcends the boundary of telecommunications and broadcasting and is adapted to the new environment

[a: Take measures in FY2018.

b: Continue examinations and draw conclusions early.

c: To be discussed later in (5) 2) b. d: Start in FY2018.

e: Start examinations in FY2018 and draw conclusions by FY2019.

f: Examine and draw conclusions in FY2018.]

As content distribution on the internet has developed to the point where it is almost indistinguishable from TV broadcasting to viewers thanks to the advance in internet technology, simultaneous distribution of TV programs on the internet is an unavoidable challenge. In this respect, if a common platform for internet distribution is established, it will increase convenience of viewers and can create an increased synergy by working as a hub for TV stations.

As well, it is necessary to create an environment which makes the new platform/distribution infrastructure<sup>4</sup> available for use by internet content providers as well as broadcasters in order to enable services that are compatible with the further convergence of telecommunications and broadcasting, latest technologies including AR and VR, and various environments in and outside of Japan.

Accordingly, the government will promote simultaneous distribution on the internet while taking the following measures to develop a new platform/distribution infrastructure which is easy to use for viewers regardless of whether the distribution method is a

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<sup>4</sup> The "new platform/distribution infrastructure" here means a platform or distribution infrastructure which can be used by various businesses including existing broadcasters and new entrants for their video distribution businesses regardless of the distribution method including a telecommunication network or airwave (or even new technology).

telecommunication network or airwave and is designed for use by various businesses, providing existing broadcasting companies a new option to develop a new business in a less restricted manner and at the same time making it easy for new players to enter the market.

- a. Take necessary measures including setting up a place of discussions to create an environment which is easy to use for NHK and commercial TV stations when distributing contents on the internet and for viewers as well, and to develop an easy-to-manage distribution infrastructure.
- b. Draw conclusions on whether NHK programs should be simultaneously distributed online at all times
- c. Facilitate clearance of copyrights, etc. concerning simultaneous distribution on the internet (To be discussed in (5) 2) b.)
- d. To develop a new growth strategy by utilizing the latest technologies in the era of Society 5.0, industry, government and academia (related businesses including broadcasters/telecommunications companies, universities/research institutions, relevant offices and ministries, etc.) work together and make discussions, and then test technologies for development of a new distribution infrastructure.
- e. Examine possibilities of utilizing the former site of the terrestrial broadcasting station of The Open University of Japan and the V-High band for the new platform.
- f. Discuss the results of research and development activities by NHK and how its facilities should be used on an as needed basis for creating an environment for development of the new platform/distribution infrastructure.

## [2] Promotion of new entries

[a. b: Take measures in FY2019.

c: Examine and draw certain conclusions in FY2018.]

For development of a new business model, there are high expectations not only on existing broadcasters but on businesses entering the market from other industries.

Therefore, the government will encourage new entries to the broadcasting market. To this end, apart from the effort listed in (3) 1) e, the following measures will be taken by Ministry of Internal Affairs and Communications (MIC):

- a. Terrestrial broadcasting by The Open University of Japan Foundation will be terminated at the end of September this year. MIC will develop necessary policies concerning the allocation of the site, especially how to use it after it is used for the 2020 Tokyo Olympic and Paralympic Games, by examining the possibilities of using it for promoting new entries and advancing services.
- b. Develop necessary regulations for software business of satellite broadcasting sometime during FY2019, e.g., introducing a system to verify if a band is effectively used at the time of certification of operations by a basic satellite broadcasting station



and of renewal of certification every five years, to promote a wider variety of broadcast programs and an increase in competitiveness by encouraging new entries.

- c. The V-High band is currently vacant as no service providers are using it. Based on the results of solicitation of opinions released by MIC in February this year, MIC will discuss measures to utilize the V-High band for creation of new services/business models of the era of telecommunications/broadcasting convergence.

[3] Review of the business foundation of local broadcasters

[Start examinations in FY2018, issue an interim summary in the middle of 2019, and draw conclusions in FY2019.]

As the country's population declines, it is important for local broadcasters to not only be vertically affiliated with key stations but also horizontally cooperate with other stations in and outside of their service areas in order to continue to function as local information providers. In fact, the revision of the Broadcasting Act in 2010 has made it possible to separate the broadcasting equipment divisions and the program production divisions of broadcasters. As well, the certified broadcasting holding company system has allowed a capital tie-up for local broadcasters.

In the meantime, as telecommunications and broadcasting are further converged, local broadcasters can provide services outside their regions distribute contents globally and draw up new growth strategies. Some local broadcasters have in fact produced great results. Continuous provision of various kinds of local information is an indispensable foundation for democracy, although it is largely up to the local broadcaster's management decision. Based on this perspective, public and private sectors need to work together and draw a vision for the future.

Accordingly, MIC will review the business foundation of local broadcasters, which are indispensable as a foundation for democracy, based on new changes in the environment including convergence of telecommunications and broadcasting and global content expansion. In so doing, MIC will also discuss ideal regulations and promotion for reinforcement of the business foundation and the future of licensing.

[4] Securing of management governance of broadcasters

[Examine, draw conclusions, and take measures in FY2018.]

Governance must be ensured if broadcasters want to improve corporate value in the long term, and secure steady profitability. As they continue to be required to fulfill their social function as a foundation for democracy by using frequencies, which are public common property, broadcasters must ensure especially solid management governance.

Accordingly, MIC will assess the current status, provide relevant information and take other necessary measures to make sure that broadcasters will commit to further ensuring management governance from the perspective of improvement in corporate value and

profitability.

(4) Regulatory reform concerning broadcasting (global development, effective utilization of contents)

[1] Enhancement/drastring reinforcement of NHK's international division

[Examine and draw conclusions in FY2018.]

One of the extremely important roles of NHK is to help promote Japan's appeal and increase its presence in the world by providing information globally. While NHK is currently broadcasting programs internationally, there is a lot of room for improvement. NHK needs to reinforce its international division also to lead other private broadcasters by example when they go global.

Accordingly, the government will take necessary measures to promote NHK's efforts of providing more multi-lingual services, securing excellent human resources from inside and outside of the organization, and utilizing contents produced by private companies.

[2] Support for exporting broadcast contents overseas

[a, b, c, f, g: Implement continually from the first half of FY2018.

d: Submit a bill by an ordinary session of the Diet in 2019.

e: Take measure in early FY2018.]

Well received in other countries, Japan's contents enjoy strong popularity evidenced by hundreds of thousands of visitors to Japan Expo. Such tremendous popularity, however, is not necessarily transformed into profits, so it is necessary to further tap into potential competitiveness of broadcast contents. As well, it is necessary to strengthen anti-piracy measures by increasing assistance, etc. because Japan's content providers are likely to be suffering a huge loss of income from illegal distribution of contents across the borders on the internet. As the content industry has ripple effects in industries in other fields by attracting more foreign tourists to Japan and developing markets for local products, and helps improve Japan's image with attractive contents, the content industry is extremely important both in terms of economy and diplomacy.

In fact, some local broadcasters have already achieved success by going global ahead of others. The coming further convergence of telecommunications and broadcasting will provide great opportunities for local broadcasters as well. As Japan attracts a lot of attention from the world with the 2020 Tokyo Olympic and Paralympic Games approaching, public and private sectors need to strengthen cooperation.

Therefore, the government will take the following measures with regard to export of broadcast contents overseas:

- a. Conduct continuous and more proactive support projects for foreign countries' introduction of Japanese broadcast contents.
- b. Provide greater personnel and financial support for activities to demand removal of

pirated or otherwise illegal contents.

- c. Promote information exchange with overseas authorities in charge of copyright issues. Use high and other levels of communication/frameworks to approach foreign governments which are slow in controlling copyright infringements to call for fast and full regulation.
- d. Advance legislation efforts to enable actions against leech sites which list addresses of pirated contents available on the internet.
- e. Set up a place for experts, relevant offices and ministries, right holders, and providers to work together and examine measures to combat pirated contents spread across the border on the internet.
- f. Strengthen information exchange and cooperation with relevant authorities of countries and regions where many copyright infringements occur and countries which strongly protect copyrights, and discuss reinforcement of measures by taking the idea from these countries as needed.
- g. With regard to regulations on imported contents in other countries, call for relaxation or removal of regulations or continue to urge them to secure unrestricted distribution of Japanese contents through bilateral or multilateral talks, negotiations, and dialogues by public and private sectors based on the requests from various industrial circles in order to promote Japan's broadcast contents overseas.

### [3] Utilization of NHK's archives

[Install in FY2018 and draw conclusions in FY2019.]

Contents produced by NHK in the past are valuable assets of the public, requiring effective utilization, based on the fact that NHK is a public broadcaster supported by license fees from the public.

Therefore, the government will set up a place of discussions where the parties concerned will examine more active measures to promote utilization of NHK's contents not only by general viewers but also by other broadcasters and content providers, e.g., making contents of certain fields available for free after a certain period of time while protecting copyrights.

## (5) Regulatory reform concerning broadcasting (creation of an environment where staff can perform their best on production sites)

### [1] Further improvement of the environment of production sites in terms of production-related transactions and workstyles

[a: Take measures in early FY2018. b: Implement in FY2018.

c, d: Start examinations in FY2018 and draw conclusions in the first half of FY2019.

e, f: Implement continually from the first half of FY2018.

g: Examine the entire project in FY2018 or later.  
 Draw conclusions by the first half of FY2019 regarding summary,  
 analysis, and examinations concerning content production sites]

Issues of production sites have long remained unsolved. The issue of unreasonable conduct taking advantage of a superior position in a transaction of broadcast content production has been criticized many times in the past while MIC has developed guidelines and Japan Fair Trade Commission (JFTC) has conducted investigations against such conduct. However, the situation has not improved very much. Some have voiced concerns that production companies are facing tougher price negotiations as the broadcasting business environment is getting more challenging recent years. The Report on Fact-Finding Survey on Transactions for the Production of TV Programs (JFTC, July 29, 2015) pointed out some cases of possible violation of regulations of abuse of a superior position involving gratuitous transfers of copyrights concerning programs produced by production companies and no payment of income earned from secondary use of copyrighted materials. Some have also argued that there are a number of cases which run afoul of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54, 1947; hereinafter referred to as “Antimonopoly Act”) or the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (Act No. 120, 1956; hereinafter referred to as “Subcontract Act”) but relevant agencies have rarely taken action to enforce these laws. The facts that various parties are involved in transactions, and transactions vary in their substance also contribute to the issue remaining unsolved for many years.

Another issue pointed out is related to extreme work environment of both ordering parties and contractors when contents are produced. Twelve point five percent of employees in the broadcasting business and 14.3% in the video picture, sound information, character information production & distribution business work 60 hours or more during the final week of any given month, significantly higher than the all-industry average of 7.7%.<sup>5</sup> The problem is also complicated by the fact that freelance creators and directors who are not employed by companies work with employees in the same production sites.

Therefore, the government will take the following measures with regard to further improvement of the environment of production sites in terms of production-related transactions and workstyles:

- a With regard to transactions concerning broadcast program production, MIC will promptly conduct a fact-finding survey (based on the follow-up survey of “Guidelines concerning improvement of transactions of broadcast content production” (5<sup>th</sup> edition, July 21, 2017) and JFTC and the Small and Medium Enterprise Agency (SMEA) will provide cooperation. MIC will work to find out why there is difference in understanding between ordering parties and contractors, and reveal actual conditions of

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<sup>5</sup> Source: “Labour Force Survey” (2017, MIC)

- transaction prices concerning program production (including actual conditions of price negotiations when outsourcing).
- b Conduct a fact-finding survey (a questionnaire survey of the media industry) with regard to how people work in production sites.
  - c Based on the fact-finding survey discussed in the above a, work to revise “Guidelines concerning improvement of transactions of broadcast content production” and to develop new transaction rules (including legal actions) for more transparent, fairer transactions.
  - d Based on the fact-finding survey discussed in the above a, MIC and the “Council for promotion of fair trade of broadcast contents” (made of industrial organizations of both ordering parties and contractors) will work together and discuss the necessity of establishing a neutral and trustworthy system to secure improvement of compliance (including creation of a complaints processing counter, disclosure of information in the event that violation or unfair treatment has been confirmed) with regard to measures to improve the environment of production sites and secure improvement of compliance.
  - e Apply the Antimonopoly Act, Subcontract Act, and labor-related laws and regulations fairly. In this respect, JFTC, SMEA, and Ministry of Health, Labour and Welfare (MHLW) will provide training sessions to the parties concerned of transactions such as broadcasters and production companies on compliance of these laws in transactions of broadcast content production and on provision of information to various administrative agencies, in a bid to promote their understanding, while MIC will provide cooperation. As well, SMEA will promptly deploy “Subcontractor G-men” investigators to conduct interview with the broadcast content production industry.
  - f Based on the fact-finding survey discussed in the above a, if violation of the Antimonopoly Act or Subcontract Act is suspected, investigation will be conducted. If violation is confirmed, strict measures will be taken.
  - g Summarize and analyze actual conditions and issues with regard to work styles of those who are quasi-employed such as freelance workers in broadcast content production sites in cooperation with MIC and use the results for general discussions on how to protect workstyles of quasi-employed people while also examining a temporary necessary arrangement for production sites concerning broadcasting.

[2] Promotion of content distribution

[a: Start examinations in FY2018, draw conclusions and take measures in FY2019.

b: Start examinations in FY2018. Implement based on the state of examinations.

Take measures for necessary revision to the copyright system in FY2019.]

To enable viewers to make the most of the latest technology and thereby enjoy various contents, for example, watch the same program simultaneously on TV, PC, and smartphones, distribution of copyright-cleared contents must be promoted. Discussions

on each system for concentration of rights information, rights clearance, and profit sharing have been made at Agency for Cultural Affairs (ACA) among others for many years and measures have been taken accordingly. However, as blockchain, AI and other technologies have been increasingly deployed in other countries to realize new practices free from issues inherent to the conventional methods, Japan also needs to respond to new needs and challenges quickly in order to promote content distribution appropriate for the era of convergence of telecommunications and broadcasting.

Therefore, the government will take the following measures with regard to promotion of content distribution:

- a. Advance the demonstration project of rights information database (development of a rights information database and development of a rights clearance platform based on the database concerned) while taking into account opinions of users including broadcasters in order to realize efficient rights clearance in the field of music. To ensure coherent efforts among concentrated management of rights information, comprehensive rights clearance, and profit sharing for the overall reform, MIC in cooperation with relevant offices and ministries will sort out the needs and challenges of developing a broadcast content distribution infrastructure. ACA, based on MIC's efforts, will conduct a necessary review on the copyright system and improve it while seeking cooperation from MIC and Ministry of Economy, Trade and Industry (METI). Relevant offices and ministries will make necessary efforts on other issues including operations. In so doing, they will refer to overseas practices which utilize blockchain technology and AI technology.
- b. To facilitate copyright clearance concerning simultaneous distribution on the internet, consider broadcasters' specific measures to introduce simultaneous distribution on the internet and service details based on review results by MIC's examination commission concerning promotion of broadcast content production/distribution, and solve relevant issues. In so doing, based on the advance in new technology, make necessary revision to the copyright system concerning broadcasting, for instance with the Extended Collective License system, in a bid to keep a balance between appropriate protection of copyrights and promotion of fair use.

(6) Regulatory reform concerning broadcasting (effective utilization of radio waves and others)

[1] Effective utilization of radio waves

[Start examinations in FY2018 and put together an interim summary in the first half of FY2019.]

Our Second Report called for the study of the state of spectrum use in order to get a more accurate picture of the actual state of use of frequencies. It also stated the need for further study of effective broadcast band utilization and indicated solicitation of suggestions for effective utilization from the perspective of creating innovations.

Therefore, to utilize broadcast frequencies more effectively, MIC will survey the state of use and investigate and study ways of effective utilization.

[2] Study of the future of new CAS function.

[a: Promptly implement in the first half of FY2018.

b: Promptly implement in 2018.]

Ahead of practical implementation of the new 4K/8K satellite broadcasting starting from December this year, details of the functions of conditional access, so-called new CAS (Conditional Access System) functions are being worked out. Right now, BS and terrestrial digital broadcasting can be received on TV sets by inserting an IC card (B-CAS Card), which will be replaced by an IC chip under the new CAS. Some have already pointed out a number of issues concerning the new CAS including the non-transparent process of relevant discussions. As well, further discussions need to be made on functions of the new CAS: descrambling and subscriber identification.

Therefore, as telecommunications and broadcasting are more converged, the government will take the following measures so that consumers could choose from various transmission modes of terrestrial broadcasting, satellite broadcasting and the internet and agree to the burden of cost when entering into the era of 4K/8K broadcasting.

a. The parties concerned including MIC will conduct dissemination and enlightenment activities while providing sufficient information to consumers on the new CAS functions to be equipped with TV sets in the said enlightenment activities.

b. Some people are calling for a reduction of the burden on consumers upon the failure of devices equipped with the new CAS functions and also argue that the descrambling function and the subscriber identification function that are combined should be separated. Based on these arguments, promptly set up a place of discussions at MIC by the parties concerned including consumers on the future of the new CAS functions while taking it into account that product development and capital investment are already underway based on the current specifications to meet the start of 4K/8K broadcasting in December this year.

### [3] Others

[Implement in FY2019.]

The Council conducted discussions especially at the Investment and Miscellaneous Issues Working Group. by meeting 21 times starting from February 7, 2018, where a variety of parties including experts, businesses, relevant offices and ministries were invited to provide explanation. Various views were presented concerning the future of the broadcasting business and the change in the surrounding environment in and outside of Japan, and on the proposed reform as well, participants expressed a variety of opinions ranging from the future of the business to the whole concept of the regulatory system including the Broadcasting Act, the Copyright Act, etc. Discussions were made not on specific issues or regulations but participants were aware of the radical change surrounding the broadcasting business and called for appropriate measures to be taken. Therefore, aiming to achieve Society 5.0, MIC will conduct comprehensive inspection on the policies for broadcasting based on the opinions<sup>6</sup> presented in the past meetings in a bid to help realize ideal broadcasting which is compatible with the changing environment including technological innovations such as convergence of telecommunications and broadcasting.

#### (7) Regulatory reform in the energy sector (ideal electricity futures market)

Electricity and gas deregulation is one important reform made on “bedrock” regulations by the Second Abe Cabinet. The Council inspected its current status and challenges.

Of this reform, the reorganization of the power system is underway according to the schedule, starting from establishment of the Organization for Cross-regional Coordination of Transmission Operators, and full liberalization of entry to electricity retail business to separation of power generation and distribution/transmission which is expected in 2020. While measures to promote competition have been taken, including vitalization of the wholesale market, there are still some challenges to overcome before realizing a competitive market where a price mechanism is effective.

One of the remaining important challenges is establishment of an electricity futures market. Electricity futures are indispensable for dealing with a price fluctuation risk resulting from liberalization of electricity retail business. For this reason, discussions on listing started from 2015 when the electricity system reorganization started, and have already covered details. However, an appropriate exchange needs to be established to make sure the futures market has a fair and transparent pricing function and is trusted by market participants.

Based on the above, the Council discussed an ideal electricity futures market and put

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<sup>6</sup> See materials and minutes of the 28<sup>th</sup>, 33<sup>rd</sup>, and 34<sup>th</sup> meetings of the Council for Promotion of Regulatory Reform, and of the 14<sup>th</sup>, 15<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup>, 19<sup>th</sup>, 20<sup>th</sup>, 23<sup>rd</sup>, 25<sup>th</sup>, 26<sup>th</sup>, 27<sup>th</sup>, 28<sup>th</sup>, 31<sup>st</sup>, 32<sup>nd</sup>, 33<sup>rd</sup>, 34<sup>th</sup>, 36<sup>th</sup>, 37<sup>th</sup>, and 38<sup>th</sup> meetings of the Investment and Miscellaneous Issues Working Group.



together the results.

[1] Review of an ideal electricity futures market

[Immediately start examinations, draw conclusions by the time appropriate for market establishment from the perspective of the electricity system reorganization, and promptly take measures as needed.]

Establishment of an electricity futures market is an important element for reorganization of the electricity system, so an ideal electricity futures market should be discussed from the perspective of successfully reorganizing the system. It is impractical to expect a market which is reliable and easy to use for market participants to be created solely by Tokyo Commodity Exchange, which has already started examination in details, considering its capital strength, human resources, and experience, on the ground that in an electricity futures market where power companies and other giant players participate, the trade amount per transaction is expected to be large. As well, it is important to keep a stricter watch on unfair trading than in other commodity futures markets, considering the risk of insider trading using internal information of power companies among others. Electricity futures should not be listed prematurely without solving these issues and achieving sufficient understanding of trading parties.

Accordingly, measures against insider or other unfair trading will be developed to realize an electricity futures market that has a fair, transparent pricing function and sufficient liquidity. As well, before the market establishment, independent efforts by Tokyo Commodity Exchange, cooperation with experienced exchanges overseas, and establishment of a comprehensive exchange will be compared to arrive at a conclusion on how the market should be established. Then, necessary measures will be taken accordingly.

(8) Regulatory reform in the energy sector (promotion of competition in the gas retail market)

As discussed in (7), electricity and gas deregulation is one important reform made on “bedrock” regulations by the Second Abe Cabinet. The Council inspected its current status and challenges.

The gas system has seen only a limited effect of the full liberalization of entry to city gas retail business which started in April 2017; 18 new businesses are serving (or expected to serve) households (as of the end of March 2018) and 3% of households have switched to other companies (as of the end of February 2018.) Measures to promote competition are inadequate and there is no future plans for the moment. As city gas service area accounts for only around 6% of the national land (around 67% of all households), and the market is made of a few large corporations and many small and medium-sized enterprises, city gas is significantly different from electricity in its market structure. New entry is also hampered by security risk as gas leakage could lead to a serious accident.

Many challenges must be overcome to promote further competition. Efforts need to be accelerated to secure benefits from the gas system reorganization for users. The gas system needs to be revamped to keep pace with electricity by quickly working out detailed measures so that users could enjoy not only lower gas cost but various energy-related services, e.g., combination of electricity and gas, and combination of gas and other services.

Based on the above, the Council discussed efforts for promotion of competition in the gas retail market and put together the results with regard to the gas system.

[1] Promotion of competition in the gas retail market (shift from the current standard calorific value system to the calorific value band system)

[Immediately start examinations. Conduct research and summarize points at issue by FY2019 and aim to draw conclusions in FY2020.]

As Japan uses the “standard calorific value system”, gas (LNG) can be distributed through pipes of general gas pipeline service providers only after going through heat-quantity adjustment with addition of LPG. As well, development of pipe networks by those who are not general gas pipeline service providers is allowed only in certain areas. As a result, securing of heat-quantity adjustment facilities is an essential entry requirement or barrier for businesses which wish to import LNG and retail it as city gas.

On the other hand, European countries and South Korea use the “calorific value band system,” in which city gas which falls within a certain band of heat quantity can be supplied. Switching from the current standard calorific value system to the calorific value band system does not only promote retailers’ new entries but also reduces cost incurred by heat-quantity adjustment, and may lead to lower gas price. As well, it makes it easier to connect pipes for different heat quantity cross-regionally, promoting competition between regions. Some argue that it is largely useless and unfair to adjust heat quantity of all gases just because it benefits some customers such as operators of industrial furnaces. Therefore, a switch from the current standard calorific value system to the calorific value band system will be discussed based on the state of city gas supply in foreign countries and conclusions will be obtained. In so doing, the government will look at the markets of LPG and LNG and the impacts on combustion devices concerning heat-quantity adjustment and supply facilities including pipes, calculate cost required for taking relevant measures, put together an interim summary of points at issues requiring examination for the switching, and then discuss design of a system concerning charging methods and cost sharing.

[2] Promotion of competition in the gas retail market (promotion of competition among retailers by collective receiving of gas)

[Examine, draw conclusions in FY2018, and take necessary measures

promptly after drawing conclusions.]

Collective receiving of gas is not allowed due to the issues of security, switching restrictions, and fairness in transportation-cost sharing under the Gas Business Act (Act No. 51, 1954).

In reality, however, there are quite a few cases of collective receiving of gas and yet no security problems or complaints on price have been reported. In the meantime, equivalent forms of supply of LPG as well as electricity are allowed. Therefore, the issue of security can be cleared if rules to guarantee the current security level are developed. As well, there is no difference from electricity in terms of switching restrictions, and the issue of transportation-cost sharing can be solved just by developing new rules which cover collective receiving of gas.

Collective receiving of gas, if allowed, is expected to push diversification of services and promote competition among retailers as they will strive to reduce non-transportation cost. Therefore, the government will discuss deregulation of collective receiving of gas and measures to otherwise realize consumers' benefits as much as possible, draw conclusions, and take necessary measures. In so doing, the government will hear from a variety of the parties concerned including consumer representatives, experts, businesses expected to enter the market while taking consumers' benefits and fairness in transportation-cost sharing into full consideration and looking at the actual conditions of businesses based on collective receiving of electricity.

[3] Promotion of competition in the gas retail market (promotion of gas wholesale by leading businesses by institutional measures)

[Examine, draw conclusions in FY2018, and take necessary measures promptly after drawing conclusions.]

Businesses importing and wholesaling LNG need to make a huge amount of capital investment, and thus they are effectively limited to only a handful of large corporations. Today, they hardly supply LNG to new retailers.

In such conditions, strong measures to urge leading wholesalers to supply gas to new retailers will be required for revitalizing the gas wholesale market and promoting competition among retailers. If leading wholesalers supply gas at the same price to retailers as they do to their retail divisions including cases where they supply gas through an exchange (equal treatment of internal and external customers), and retailers including new entrants are provided with gas, competition of the whole retail market will be promoted.

Therefore, to promote competition in the gas retail market, the government will conduct technical study of mechanisms to promote wholesale, including transactions through an exchange and institutional measures to force leading gas wholesalers to provide gas to retailers at the same price as they do to their internal retail divisions, draw conclusions

and take necessary measures.

- [4] Promotion of competition in the gas retail market (correction of gas transportation cost)

[Release results of post-evaluation in FY2018. Then take measures continually.] City gas transportation cost need to be approved by the Minister of Economy, Trade and Industry after transportation service provisions set by general gas pipeline service providers are examined by the Electricity and Gas Market Surveillance Commission. For electricity transportation cost, individual assessment is used, and in case of fees being extremely inefficient compared to other companies, a yardstick method to require the reduction is used in combination. The same goes for gas. The combination of individual assessment and the yardstick method was used from before the liberalization of retail sales. But some argue that gas transportation cost have remained inefficient because many items of expenditure were assessed only by the yardstick method when the gas retail industry was deregulated and that it is practically impossible for new comers to make a foray into areas where transportation cost account for an extremely large percentage of a retail price. Therefore, with regard to city gas transportation cost newly filed for approval after the liberalization of retail sales, the government will conduct individual assessment on all items of expenditure, and in addition make sufficient post-evaluation of already-approved transportation cost to find any accumulation of excessive profits and a gap between assumed unit price and actual unit price. Then, the government will release the results and take necessary measures including issuing an order to file a reduction of transportation cost accordingly.

- [5] Promotion of competition in the gas retail market (creation of a competing environment in internal pipe maintenance/construction)

[Start examinations in FY2018, draw conclusions and take measures in FY2019.] The gas system reform put general gas pipeline service providers in charge of regular inspections and emergency maintenance of pipes in the premises of consumers (internal pipes) to ensure lasting safety. General gas pipeline service providers often outsource the tasks from inspection companies, etc. but in such cases there is no competitive mechanism working among inspection companies and cost efficiency remains low despite the cost being part of transportation cost.

As well, according to the Gas Business Act, change of gas facilities needs to be approved by gas businesses, so there is an established system in which general gas pipeline service providers approve contractors which work on internal pipes. As general gas pipeline service providers decide on construction costs and materials to be used for internal pipe works, there is no price difference among designated contractors and no competitive mechanism is working either.

Therefore, the government will treat internal pipe maintenance and construction as part of transportation cost and something equivalent to transportation cost respectively and provide strict assessment accordingly. As well, to introduce a competitive mechanism, the government will discuss ways to make outsourcing requirements from general gas pipeline service providers more transparent while ensuring the security level, and take necessary measures.

[6] Promotion of competition in the gas retail market (promotion of use of LNG terminals by third parties)

[a: Start examinations in FY2018 and draw conclusions in FY2019.

b: Examine, draw conclusions, and take measures in FY2018.

c: Take measures in FY2018.]

The gas system reform has institutionalized third-party use of LNG terminals, and requires LNG terminals which meet certain conditions to report agreements concerning contract gas manufacturing and to release information on the capacity of LNG tanks, etc. As well, “other LNG terminals” were advised to formulate user guidelines and release information in the “Guidelines for Proper Gas Trade.” (February 6, 2017. JFTC, METI)

At the moment, however, information on terminals is not disclosed sufficiently and users are unable to determine business predictability. Opportunities for new entries using “other LNG terminals” including cases of wholesale by tank trucks in provincial cities are also limited.

Needs of third-party use of LNG terminals are expected to grow due to new entrants to gas supply market, increase of bulk procurement and distribution/greater efficiency, and larger trade volume with China, etc. For this reason, it is necessary to promote not only establishment of new terminals but also third-party use by raising the operation rate through utilizing idle capacity of existing terminals.

Accordingly, the government will take the following measures from the perspective of promotion of third-party use of LNG terminals

- a. Based on the needs of businesses and the state of new entries, discuss making more LNG terminals subject to mandatory formulation of terms of service while listening to voices of prospective users, and draw conclusions.
- b. Work out details concerning capacity determination of manufacturing facilities, terminal user fees, and kinds of information required upon application for prior examination, and take necessary measures.
- c. Promote utilization of mediation and arbitration by the Electricity and Gas Market Surveillance Commission.

[7] Promotion of competition in the gas retail market (realizing compatibility of gas-related safety regulations)

[Start examinations in FY2018, draw conclusions and take measures in FY2019.] There are two different registration systems for businesses supplying gas generated by simple equipment to users through pipes based on two different laws. Businesses which supply fewer than 70 households need to register as “LPG dealers” according to the Act on the Securing of Safety and the Optimization of Transaction of Liquefied Petroleum Gas (Act No. 149, 1967; hereinafter referred to as the “Liquefied Petroleum Gas Act”) whereas businesses which serve 70 or more households are required to register as “community gas utility businesses” under the Gas Business Act.

Safety rules differ between the Gas Business Act and the Liquefied Petroleum Gas Act in distance required from fire equipment, for example. Some have pointed out that many community gas utility businesses are burdened with complying with both laws because they operate as LPG dealers as well.

Therefore, in a bid to reduce the burden on businesses, the government will take necessary measures to make safety rules specified by the Gas Business Act and the Liquefied Petroleum Gas Act compatible with each other without changing the current legal structure.

- (9) **Public-private data utilization and thorough commitment to e-government initiatives**
- Data utilization is one of the most important challenges for the growth strategy aimed at Society 5.0. Gathering data held by various public agencies and private businesses and utilizing it through analyses will become a source of greater competitiveness in a society. The groundwork was completed when the Basic Act on the Advancement of Public and Private Sector Data Utilization (Act No. 103, 2016) was passed but there are still many specific issues left unaddressed. Among them, the Council in this term focused on issues that would require prompt actions.
- The first issue is about utilization of data held by local governments. Legislation efforts for collecting and utilizing personal data were promoted and new rules took effect from the spring of 2017 concerning anonymized information. However, these rules only apply to personal data held by private businesses (anonymized information under the revised Act on the Protection of Personal Information) and those owned by national governmental institutions (unidentifiably-processed personal information under the revised Act on the Protection of Personal Information Held by Administrative Organs). As for personal data held by local governments, the government decided to rely on local governments’ ordinances based on the fact that such personal data had been handled according to the privacy protection ordinance of each local government. This matter was discussed by the Council in the previous term as well, which led to the call for discussions on “possibilities to resolve the matter by legislation while encouraging advanced local governments to develop ordinances for the time being” as included in the regulatory reform implementation plan (Cabinet decision in June 2017.) The subsequent discussions by MIC,

however, were actually inadequate, so it is necessary to present a fresh roadmap. The second issue is about thorough data utilization in various administrative procedures. At the foundation of this effort is the My Number system. Expectations are high that the system as a digital society's infrastructure will improve convenience for the public, but convenience is yet to improve fully at this moment. As well, some are concerned that the industrial circle does not have correct understanding of detailed safety control measures that should be taken when personal information including My Numbers is handled, and that the My Number system which consists of multiple systems is hard to understand for the public. Therefore, the government needs to put issues in perspective. Promotion of computerization and data utilization in tax/social insurance procedures is also a great challenge. Especially regarding year-end tax adjustments, final returns, and special collection of resident tax, there are high hopes corporations and the public will be relieved of a burden, so the government needs to make prompt efforts. Based on the perspectives above, the Council conducted study and put together the results.

[1] Utilization of data held by local governments

[Take measures for process clarification in the first half of FY2018.  
Examine and draw conclusions on legislative measures in FY2018.  
Take measures in FY2019.]

As utilization of various data held by public and private sectors is the most important challenge in the growth strategy, relevant rules have to be developed promptly. As for data held by public and private sectors, rules were developed to allow utilization of personal information after processing. But a challenge still remains in utilization of data held by local governments. At the moment, rule development is entrusted to each local government and at this rate there will be difference in content, operation, and time of enforcement among local governments, which may hamper the progress of overall data utilization efforts.

That is why the Council recommended in the First Report study on possibilities of resolving the matter by legislative measures, among others, so that rules on processing and utilization of unidentifiably-processed personal information would be compatible across different local governments, and the recommendation was subsequently included in the regulatory reform implementation plan (Cabinet decision in June 2017.)

In response to this, MIC held Experts Committee meetings and issued a report in April this year (Report by the Experts Committee on an ideal system for effective utilization of personal data held by local governments). The Report called for study on "processing organization" which process personal information provided by local governments into unidentifiably-processed personal information, and stated that, as a precondition for such study, support must be provided for collecting cases of utilization of unidentifiably-processed personal information from local governments and revising privacy protection

ordinances.

As many local governments are working on enactment of privacy protection ordinances, “possibilities of differences among local governments becoming hard to eliminate” may materialize at this rate, just as warned by the Council.

Therefore, the government will clarify the process of promptly creating an environment where personal data held by local governments can be easily utilized under the same rules (also will put the issue of whether to rely on legislative measures or development of ordinances in perspective). By following the process, the government will organize examples of utilization and at the same time verify the effectiveness of the current utilization rules of local governments. Based on the results, the government will organize specific issues on legislative measures (including development of processing organizations) and draw conclusions. As well, the government will verify the effectiveness including business profitability and take necessary measures accordingly.

- [2] Promotion of proper understanding of the My Number system (provision of guidelines, Q&A, etc.)

[Examine, draw conclusions, and take measures in FY2018.]

Personal information including My Number is defined as “specific personal information,” requiring a stricter procedure to be followed with regard to the collection, storage, provision, etc. thereof when handled compared to regular personal information in some cases. However, security control measures which need to be in place are not much different from those for regular personal information. Some argue that because some businesses are not well informed and have a wrong understanding that the handling procedure for collecting, storing and providing specific personal information is extremely rigorous, they feel a heavier burden than they are supposed to when managing specific personal information.

Therefore, to promote businesses’ proper understanding of appropriate handling of specific personal information, the government will study and implement provision of guidelines, Q&A, etc. which satisfy the following requirements, based on opinions of the parties concerned.

- Newly distributed materials need to be improved for easier understanding from existing materials which show what are the same and different between handling of specific personal information and that of regular personal information.
- Guidelines need to be available on a website in a processable data format, and Q&A needs to have better searchability.

- [3] Promotion of proper understanding of the My Number system (promotion activities)

[Start examinations in FY2018, draw conclusions and take measures in FY2019.]



With a purpose of realizing a fair and equitable society, improving convenience for the public, and achieving higher efficiency in administration services, the My Number system is expected to become the foundation for a digital society. However, consisting of multiple different systems, it is hard to understand for the public, which may be preventing elimination of concerns and misunderstanding regarding the My Number system, as some argue.

Therefore, to promote proper understanding concerning the My Number system, the government will review the past promotion activities, discuss ways to continue to communicate the difference between My Number and My Number Card, and the meaning, roles, and benefits of the Mynportal website in an easy to understand manner to the public and media, and implement them.

[4] Promotion of utilization of the My Number system (formulation of a roadmap)

[Draw conclusions and take measures in 2020.]

Article 6, paragraph 1 of the Supplementary Provisions to the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (Act No. 27, 2013) stipulates a revision to the same Act after around three years (October 2020) from the enforcement in October 2015. Not limited to the revision of this timing, the government should make a range of efforts in order to fully exploit the potential of the My Number system which is expected to become the foundation of a digital society.

Therefore, to promote utilization of the My Number system for increased convenience for the public, the government will work out and announce a roadmap for 2021 and thereafter.

[5] Promotion of utilization of the My Number system (individual measures for promotion of utilization)

[a: Draw conclusions in FY2018.

b: Start examinations in FY2018 and draw conclusions in FY2019.

c: Draw conclusions and take measures in 2019.]

The My Number system is expected to become the foundation of Japan's digital society. To promote the utilization of the My Number system, it is important to develop a system for its utilization based on the needs of businesses.

Accordingly, the following measures will be taken:

- a. The revised Japan Revitalization Strategy 2015 (Cabinet decision on June 30, 2015) states, "the Government will study appropriate ways, benefits and challenges of using My Number (Individual Number) in securities transactions and other areas, particularly of high public interest, and accordingly implement necessary legislative or other measures at the ordinary session of the Diet in 2019." Based on this, the government will continue to promote discussions on how the My Number system should be used at relevant offices, ministries and industries, and draw conclusions.

- b. The government will discuss systems to enable prompt provision of information of address change, death, etc. to businesses as part of efforts to realize a one-stop service for procedures concerning a move and that for procedures concerning death and inheritance, and draw conclusions.
- c. Facilitate the utilization of Japanese Public Key Infrastructure by enabling access from smartphones (Android, iOS terminals) quickly for greater convenience.

[6] Promotion of computerization on year-end adjustment procedure related to income tax

[Take measures in FY2018.]

The tax withholding system and the year-end adjustment system concerning employment income have long been used to simplify tax payment procedures for employment income earners (employees) and to curb social cost. To reduce the burden on withholding agents (employers) and curb costs on the society as a whole including both employees and employers by further utilizing ICT, the regulatory reform implementation plan (Cabinet decision in June 2017) called for promotion of computerization on year-end adjustment procedure. Based on this, the government took required measures in the tax system revision of FY2018 but further discussions are required for steadily advancing computerization and simplification of procedures for year-end adjustments concerning franchise group insurance included in the regulatory reform implementation plan.

Therefore, based on the understanding that computerization and simplification of procedures for year-end adjustments concerning franchise group insurance included in the regulatory reform implementation plan (Cabinet decision in June 2017) are only possible with cooperation with relevant businesses (insurance companies, employers, etc.), the government will take necessary measures including deciding and releasing a standard data format in order to promote cooperation among businesses starting from October 2020 when the procedures for year-end adjustments are computerized.

[7] Computerization on notification about the amount of inhabitants` tax special collection

[a: Take measures in the first half of FY2018.

b: Examine and draw conclusions in FY2018, and promptly take measures after drawing conclusions.]

The regulatory reform implementation plan (Cabinet decision in June 2017) called for support for promotion of electronic delivery of notification about the amount of inhabitants` tax special collection to special collecting agents, and discussions for promotion of electronic delivery of notifications for taxpayers to employees. In response to this, various measures were taken, including giving advice to municipalities, to promote electronic delivery of notifications for special collecting agents while it was agreed to adopt a system

to send notification for taxpayers through eLTAX. For advancing computerization steadily, the government needs to further accelerate discussions.

Accordingly, the government will take the following measures:

- a. As electronic notification through eLTAX is available for notification about the amount of inhabitants' tax special collection (for special collecting agents), the government will set up a target date by when municipalities which are still unable to handle electronic notifications with electronic signatures need to be compatible with them, and will provide advice accordingly.
- b. As for notification about the amount of inhabitants' tax special collection (for taxpayers), the government will continue discussions, aiming to realize electronic notification based on eLTAX in all municipalities, and draw conclusions. In so doing, the government will make sure that no differences in handling will arise among municipalities.

[8] Promotion of computerization of procedures for final income tax returns

[Start examinations from FY2018 and draw conclusions by FY2020.

Take measures promptly after drawing conclusions.]

Some argue that the government should realize improved convenience for taxpayers by further advancing computerization and simplification of procedures for filing of medical expense deduction and Hometown Tax deduction that are used by many taxpayers when they do final returns.

Accordingly, as for medical expense deduction, the government will discuss measures to promote electronic issuance of medical expense information, identify technical issues concerning a system which enables users to obtain information required for filing through the Mynportal website and to copy it to e-Tax automatically, and draw conclusions. The government will also discuss the system concerning Hometown Tax deduction together with the medical expense deduction system, and draw conclusions.

[9] Increased cooperation between the central and local governments in income-tax corrections concerning dependent deduction

[Examine and draw conclusions in FY2018.]

In the event of errors in application of dependent deduction, etc. in year-end adjustments, tax offices are supposed to notify corrections to employers based on information submitted by municipalities to tax offices concerning wrong application, and more than a hundred thousand correction notifications are issued in any given year. But municipalities often provide information to tax offices in writing, and information items they submit vary as well. In addition, when employers inform employees on corrections, they sometimes have hard time making employees understand corrections and getting cooperation. For this reason, some call for promotion of further computerization in information provision from

local governments to the central government, and measures to help employers explain corrections to employees more easily.

Therefore, the government will further promote data coordination from local governments to the central government on information concerning errors in application of dependent deduction, etc., discuss necessary measures including issuance of an individual slip for every employee to help employers inform employees on the content of correction notifications sent by tax offices, and draw conclusions.

(10) Regulatory reform concerning finance and funding

The long-standing challenge in Japan's growth strategy is increasing the number of new businesses. The business entry rate in Japan has been reported lower than in European countries and the US. It has long been pointed out that the difficulty in funding is one of the major culprits, and so various efforts have been made to combat it. It, however, still remains unsolved.

Based on the above understanding, the Council this term discussed funding through transfer of receivables and crowdfunding to promote smoother and more diversified funding and drew certain conclusions. Still, many other issues remain unaddressed including expansion of risk money supply to growing corporations, and promotion of IPO (initial public offerings) and improvement of funding environment after the IPO, particularly of R&D oriented ventures. The Council will continue to discuss these issues. As new technological innovations continue, various fields have seen many cases where a regulatory framework lags behind technology. One of such fields is finance. Amid the progress of FinTech, conventional regulations themselves including the system of vertical division of industries are considered problematic. Although these issues were presented at the meeting, the Council was not able to fully discuss them this term. Therefore, the Council will continue to work on them.

[1] Dissemination of Interpretations Concerning Assignment of Claims with a Special Agreement to Restrict Assignment of Claims

[Continue the measures until the enforcement of the Revised Law of Obligations.]

In the revision of claim-related provisions in Civil Code (Act No. 89 of 1896) scheduled to take effect in spring 2020 (hereinafter referred to as the "Revised Law of Obligations"), provisions that have been pointed out as hindering the financing of SMEs by means such as using their accounts receivables will be revised. Under the revision, claims will be allowed to be assigned even in cases where a special agreement restricting the assignment of a claim (hereinafter referred to as the "Special Restriction on Claim Assignment") has been concluded between the parties concerned (the obligee and the obligor in a contract that generates a claim) and validity of the obligor to fix the destination to perform his/her obligations will remain.

However, assigning a claim imposed with the Special Restriction on Claim Assignment can result in hindering the financing efforts of SMEs by means of assigning claims due to the risks, such as having their contract being terminated because of violating such agreement with the obligor and being excluded from future business transactions.

Therefore, government interpretations including the following contents concerning the assignment of claims shall be widely disseminated to the public through economic, industry and other relevant organizations based on the purpose of the Revised Law of Obligations which aims to facilitate the financing of SMEs..

- The validity of the assignment of claims shall not be hindered even if the Special Restriction on Claim Assignment is attached.
- Assignment of claims conducted, at least for financing purposes, shall not cause contract termination or damage compensation. Furthermore, it is extremely unreasonable to terminate a contract or cut off business relationships based on the assignment of claims conducted, which can be considered abuse of rights.

[2] Efforts to build practices that allow assignments of claims conducted for financing purposes

- [a: Start examining in FY2018, draw a conclusion/take measures until the enforcement of the Revised Law of Obligations.,
- b: Examine/draw a conclusion in FY2018 and continue the measures until the enforcement of the Revised Law of Obligations.,
- c: Continue the measures until the enforcement of the Revised Law of Obligations.,
- d: Start examining in FY2018 and draw a conclusion/take measures until the enforcement of the Revised Law of Obligations.]

Under the Revised Law of Obligations, assignment of claims conducted for financing purposes is interpreted as no cause for contract termination, damage compensation or discontinuation of business relationships even if the contract is imposed with the Special Restriction on Claim Assignment. However, unless it is clearly indicated in the relevant contract, SMEs may not be able to start financing by means of assignment of claims.

To address this issue, the following measures shall be taken.

- a. Concerning the standard construction work contract agreements (standard agreements for public works contracts, standard agreements for private construction work contracts (A and B) and standard agreements for construction work subcontractor contracts) formulated and recommended by the Central Council for Construction Business based on the Construction Business Act (Act No. 100 of 1949), the necessary measures, such as clarifying the interpretation that assignment of claims conducted for financing purposes shall not be a cause of contract termination, damage compensation or discontinuation of business relationships, shall be examined and appropriate

measures shall be taken according to the conclusion of such examination.

- b. In order to build practices that conform to the legislative purpose of the Revised Law of Obligations, industries where the demand for financing by means of assignment of claims is expected shall be informed that it is desirable to clarify the following matters in contracts used by each company.
  - Even in the case of concluding the Special Restriction on Claim Assignment based on the Revised Law of Obligations, such agreement shall not include any provision to prohibit assignment of claims to financial institutions, etc. for financing purposes.
  - Even in the case of assigning a claim attached with the Special Restriction on Claim Assignment for financing purposes, it shall not be a cause of contract termination or damage compensation.
- c. It shall be informed that the promotion standards (Notification No. 82 of the Ministry of Economy, Trade and Industry of 1971) under Article 3, paragraph (1) of the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises stipulate an obligation to make efforts not to prohibit the assignment of claims to financial institutions, etc. even if the Special Restriction on Claim Assignment is concluded between a parent company and a subcontractor.
- d. Whether or not to prepare new materials for dissemination and promotion of ABL (Asset-based Lending) or revise old materials that are useful shall be considered and whichever one is decided upon shall be implemented. New materials shall state that under the Revised Law of Obligations, the validity of the assignment of claims imposed with the Special Restriction Claim Assignment is not hindered, assignment of claims for financing purposes cannot be a cause of contract termination or damage compensation and engaging in acts, such as terminating a contract and cutting off business relationships, based on the assignment of claims conducted is extremely unreasonable which can be considered abuse of rights.

[3] Efforts concerning acceptance/collateralization, etc. of claims imposed with the Special Restriction on Claim Assignment by financial institutions

[a: Examine, draw a conclusion and take measures until the enforcement of the Revised Law of Obligations.,

b: Examine, draw a conclusion and take measures until the enforcement of the Revised Law of Obligations.]

As a formality, assigning claims imposed with the Special Restriction on Claim Assignment may be interpreted as a violation of the special agreement between the concerned parties (the obligee and the obligor in a contract that generates a claim) even under the Revised Law of Obligations, which may become an obstacle when financial institutions supply funds to SMEs after the claims are assigned to them. To eliminate such obstacle, the following measures shall be taken.

- a. In order to eliminate potential compliance concerns of financial institutions about triggering a breach of contract by borrowers, the opinions of the Financial Services Agency shall be published on websites, etc. regarding the specific financial regulatory concerns expressed by financial institutions in relation to taking over the claims imposed with the Special Restriction on Claim Assignment from borrowers, acquiring them as collateral or arranging them.
- b. The Inspection Manual for Deposit-taking Institutions and its attached documents will be abolished after the end of FY 2018 which is before the enforcement of the Revised Law of Obligations. Therefore, if there is any inquiry from financial institutions, the following information shall be published on websites, etc.: comprehensively assessed collateral value which takes into consideration the practicality of collecting collateral based on factors, such as the economic value of collateral and the presence or absence of legal obstacles, instead of making a decision merely on formality based on the presence or absence of the Special Restriction on Claim Assignment.

#### [4] Regulatory reform concerning crowdfunding

[Examine, draw a conclusion and take measures in FY 2018.]

Crowdfunding is a mechanism that enables new and growing companies to be connected with a large number of funders over the Internet to collect small amounts of funds from each funder.

Particularly for the loan-based crowdfunding business scheme (also called lending-based crowdfunding, P2P lending and social lending), the necessity of people who provide funding (investors) to be registered as money lenders pursuant to the Money Lending Business Act (Act No. 32 of 1983) is determined based on whether or not the decision to execute loans is made by these investors. In determining this, the obligations of the loan-based crowdfunding platform operators are to ensure that no information from which borrowers can be identified is indicated (anonymization) and funds are supplied to many borrowers (multiple borrowers) and are used as elements of consideration by regulatory authorities. However, in reality, there has been too much focus on ensuring the two elements, “anonymization” and “multiple borrowers” so that platform operators are merely refraining from indicating any information that can be used by investors to identify borrowers and soliciting investments in multiple funds to ensure that investors are not considered as lenders under the Money Lending Business Act. There are some opinions that these situations not only do not lead to better investor protection but also cannot prevent investment in funds that make inappropriate loans. To promote healthy market growth, it is necessary to consider new measures by focusing on the functions of the services provided by platform operators and according to the realities of the loan-based crowdfunding businesses, purpose of the existing systems, etc.

Meanwhile, equity-based crowdfunding, which became available also in Japan in May

2015 following the amendments to the Financial Instruments and Exchange Act (Act No. 25 of 1948) based on the Implementation Plan for Regulatory Reform (Cabinet decision on June 30, 2013), has been gaining attention as a new means of financing for new and growing companies with numerous cases of its use being reported since FY2017. Concerning the upper limits on the total issue amount (100 million yen) and the investment amount per investor (500,000 yen), it has been pointed out that these upper limits create a bottleneck in using it as a means of financing and also reconsidering the system at the present point is inappropriate considering how it has been used up until now. Either way, while securing the protection of investors when recruiting them to invest in private equity shares, it is necessary to facilitate the supply of risk capital to growing companies.

Therefore, new operational measures for loan-based crowdfunding platforms, including the attributes of borrowers, shall be considered that can be applied along with the conventional obligations, anonymization and multiple borrowers, considered as an element in determining whether or not investors need to be registered as money lenders. These measures shall be developed on the premise that ensuring anonymization and multiple borrowers is not mandatory and in line with the functions of financial services offered while listening to the opinions of the operators of loan-based crowdsourcing platforms, investors, registration administrative agencies and other concerned parties and also based on the viewpoint of protecting investors under the Financial Instruments and Exchange Act and protecting borrowers under the Money Lending Business Act. When developing new measures, cases requiring the regulatory concerns of the Money Lending Business Act shall be clarified since it has been pointed out that specific regulatory concerns of the same Act have not occurred as a matter of fact, and these measures shall be made public through appropriate means.

[5] Expansion of the use of the credit guarantee system for SMEs to the agriculture sector

[Examine and draw a conclusion in FY 2018.]

At present, the agriculture sector is not covered under the Small and Medium-sized Enterprise Credit Insurance Act (Act No. 264 of 1950). Therefore, except for the National Strategic Special Zones (Special Agriculture Zones), commercial and industrial companies that seek to raise funds for their agriculture businesses are not allowed to use the credit guarantee system for SMEs. In response to this, it has been pointed out that having to use the credit guarantee system for SMEs and the agriculture credit guarantee insurance system concurrently is troublesome and incomprehensible for these commercial and industrial companies.

Therefore, in order to support the sixth industrialization of agriculture and efforts of commercial and industrial companies in the agriculture sector, discussions shall be carried out with the relevant agencies to make a decision on making the use of the credit guarantee



system for SMEs available to commercial and industrial companies when they need to borrow the business funds necessary for starting their agriculture businesses while taking into consideration the regional needs.

(11) Regulatory reform on the defined contribution pension plans

The defined contribution pension plans are for securing the income of the elderly people together with the public pension. While a medium- to long-term adjustment for the public pension benefits is expected to be carried out, the importance of defined contribution pension plans has been increasing since these plans became available to all citizens, in principle, in January 2017. Under these circumstances, the increase in age of losing participation eligibility, relaxation on the regulation for financial institution staff members to hold concurrent posts and measures to disseminate and expand the system were examined and the results were summarized as follows.

[1] Increase in the age of losing participation eligibility for the individual-type defined contribution pension plan

[Start preparing to examine in FY 2018, examine as soon as it is ready and draw a conclusion by the review targeted for five years after the enforcement (January 2022).]

The defined contribution pension plans are for securing the income of the elderly people together with the public pension. According to the Defined Contribution Pension Act (Act No. 88 of 2001), the age of losing participation eligibility (maximum age allowed to make contributions) is stipulated as 60 years old. Considering the fact that the Guidelines of Measures for Aging Society (Cabinet decision on February 16, 2018) states that “secure stable employment opportunities where people can work until 65 years old as long as they have the motivation, ability and desire to do so”, it is necessary to examine the increase of the age of losing participation eligibility for the individual-type defined contribution pension plan.

Therefore, the increase of the age of losing participation eligibility for the individual-type defined contribution pension plan to 65 years old shall be examined and the conclusion of the examination shall be drawn by the review targeted for five years (January 2022) after the enforcement prescribed in Article 2, Supplementary Provisions of the Act for Partial Revision of the Defined Contribution Pension Act, etc. (Act No. 66 of 2016).

[2] Review of the age of losing participation eligibility for the corporate-type defined contribution pension plan

[Start preparing to examine in FY2018, examine as soon as it is ready and draw a conclusion by the review targeted for five years after the

enforcement (January 2022).]

According to the Defined Contribution Pension Act, the age of losing participation eligibility for the corporate-type defined contribution pension plan is 60 years old, in principle, however, by stipulating in the contract, the same age can be raised to 65 years old for those who are continuously being employed in the same office until they reach 60 years old. It is not uncommon to see employees over 60 years old transferring within the same company group to secure their employment until the age of 65, however, these transferees will not be able to continue making their contributions under the existing system, which has been criticized for not matching with the actual situations in companies. Therefore, the age of losing participation eligibility for the corporate-type defined contribution pension plan shall be reviewed and the eligibility of those who have transferred within the same company group in order to subscribe for the pension after 60 years old shall be examined. Then, the conclusion of the examination shall be drawn by the review targeted for five years after the enforcement prescribed in Article 2, Supplementary Provisions of the Act for Partial Revision of the Defined Contribution Pension Act, etc. (January 2022).

[3] Relaxation of the regulation on holding concurrent posts

[Examine and draw a conclusion in FY 2018.]

The operation and management of the defined contribution pension plans are entrusted to financial institutions, such as banks, securities, life and nonlife insurance companies, by companies (corporate-type) or the National Pension Fund Association (individual-type). These financial institutions carry out various tasks related to these pensions for subscribers, etc. (such as selecting the method for operation, making suggestions to subscribers, etc. and providing information on the methods of the relevant operation) and their sales staff are prohibited to perform any work related to the operation of pension plans due to the risk of a conflict of interest. For this reason, financial institution tellers are not allowed to provide any explanation related to the operation of the individual-type contribution pension plan to subscribers, etc. (subscribers and those wishing to subscribe), unless given by the staff members dedicated to pension-related tasks.

Therefore, sales staff members at financial institutions shall be allowed to provide information on how to operate defined contribution pension plans to subscribers, etc.

[4] Clarification of the scope of activities of sales staff of financial institutions following the relaxation of the regulation on holding concurrent posts

[Examine and draw a conclusion in FY 2018.]

When allowing the sales staff member at financial institutions to provide information on how to operate pension plans to subscribers, etc. as mentioned in , it is necessary to clarify the scope of activities allowed for them.

Therefore, the scope of activities allowed for sales staff at financial institutions shall be specified concretely in addition to making it possible for them to provide information on how to operate defined contribution pension plans to subscribers, etc.

[5] Examining further measures for disseminating/expanding private pensions

[Start organizing discussion points to examine them in FY 2018 and draw a conclusion by the review targeted for five years after the enforcement (January 2022).]

Defined contribution pension plans are considered as a pension system to secure the income of the elderly people together with the public pension. It is important to examine the measures for increasing the number of subscribers and pension income of the elderly people to make them fulfill their role as supplementary to the public pension. Meanwhile, it is necessary to examine the measures from the viewpoint of subscribers by referring to overseas cases and considering various situations that may occur over the long-term subscription period, including the handling of subscribers who withdraw from midway (lump-sum withdrawal payments) and the advisability of handling discretionary investment contracts based on commission levels as an option for individuals with little experience in asset management.

Therefore, in order to further disseminate and expand private pensions, discussion points concerning concrete measures that contribute to increasing the number of subscribers and securing the income of the elderly people shall be organized and a conclusion shall be drawn by the review targeted for five years after the enforcement prescribed in Article 2, Supplementary Provisions of the Act for Partial Revision of the Defined Contribution Pension Act, etc. (January 2022).

(12) Regulatory reforms to meet the requests of other private businesses, etc.

[1] Improvement of environment to allow copyrighted works to be used smoothly in remote education high school programs

- [a: Take prompt measures.,
- b: Start examine promptly without waiting for the enforcement of the revised law and draw a conclusion.,
- c: Take prompt measures after the enforcement of the revised law.]

Based on the Copyright Act (Act No. 48 of 1970) whose partial amendment was approved at the ordinary Diet session in 2018, public transmission will be allowed without the permission of the copyright holder under the condition of payment of compensation which is for classes held at schools including remote education high school programs and other non-profit educational institutions. As a result, public transmission for simultaneous interactive remote education classes will be subject to compensation after the enforcement

of the revised law and paper-based duplications for public transmission for holding remote education joint classes and face-to-face lessons will continue to require no compensation. In other words, the law having these systematic differences has been approved by Diet. With regard to such institutional differences, the Investment and Miscellaneous Issues Working Group. have held repeated discussions with the Ministry of Education, Culture, Sports, Science and Technology for eight times in total to make sure that such differences do not become an obstacle in promoting remote education, which should be continuously paid attention to even after the reviewed law is established.

In order to ensure that the interests of copyright holders are appropriately protected and also based on the viewpoint of preventing the institutional differences concerning the compensation for copyright from hindering the promotion of remote education, the following measures shall be taken:

- a. Under the compensation amount approval system, the amount of compensation shall be appropriately set.
- b. Based on the design, etc. of systems concerning compensation, the necessary support including financial support to prevent the institutional differences from hindering the promotion of ICT education shall be examined and a conclusion shall be drawn.
- c. Taking into consideration the operational situation of the systems in the future, such institutional differences shall be examined and resolved promptly while gaining an understanding of the persons concerned.

[2] Relaxation of the regulation on bringing in wireless devices to Japan that have not been certified to comply with technical regulations

[a and b: Examine, draw a conclusion and take measures in FY 2018.]

Entering the era of the fourth industrial revolution, the global competition surrounding the wireless devices for IoT applications and wireless equipment installed with AI technologies have been rapidly growing and the importance of open innovation by businesses that own various technologies is increasing more and more.

From the viewpoint of preventing interference of radio waves, wireless devices in each country need to conform to the technical standards of each relevant country. In Japan as well, it is required that wireless devices conform to the technical standards prescribed by the Radio Act (Act No. 131 of 1950) and the technical standards conformity certification system has been established as a means of ensuring that such requirement is complied with. However, there were some opinions that such devices cannot be promptly tested or demonstrated because of time-consuming procedures required in some cases under the existing system, which may lead to a delay in product and service development.

According to the Act for Partial Revision of the Telecommunications Business Act (Act No. 26 of 2015), Wi-Fi and Bluetooth terminals that are brought by visitors, etc. to Japan are allowed to be used in Japan limited to within 90 days if they satisfy the requirements

such as conforming to technical standards that are equivalent to those prescribed by the Radio Act in Japan. Given this fact, there were opinions that the risks associated with their use in research and development, etc. may be fewer than the risks associated with the use of wireless devices brought by visitors, etc.

Therefore, the following measures shall be taken from the viewpoint of promoting the development and testing of new services that utilize overseas new wireless devices:

- a Concerning the devices that have not obtained the technical standards conformity certification, the use of wireless stations shall be allowed with simple procedures including simplified application contents from the viewpoint of speeding up experiments, tests, etc. using radio waves. Moreover, for the wireless stations that acquired the experimental station license, measures to accelerate the practical applications based on the experimentation results shall be examined and immediately applied as soon as they are determined.
- b Concerning wireless equipment that uses technologies including Wi-Fi, Bluetooth and Zigbee that conform to technical standards equivalent to those prescribed by the Radio Act in Japan, if they are to be used for non-commercial purposes such as surveys, tests and research and development, the use of such equipment brought from overseas to Japan even without obtaining technical standards conformity certifications shall be examined, including their long-term use (6 months or longer) for the purpose of research and development, etc. Then, institutional reform shall be implemented promptly and the necessary measures shall be taken.

[3] Survey and publication of provisions in the ordinance concerning the area requirement, etc. of dry cleaners

[Take measures in FY 2018.]

When a business person plans to open a dry cleaner based on the Laundries Act (Act No. 207 of 1950) and there are various regulations that have been established based on the ordinances stipulated by the prefecture, etc., he/she must take measures based on the provisions of such regulations. Among them, the provision established on the area requirement, etc. for the opening of a dry cleaner varies depending on local governments and such variance between local governments is becoming an obstacle in terms of economic efficiency for business owners that operate over a wide area. It has been pointed out that having inconsistent provisions in the ordinance of local governments is a problem from the perspective of public health sought by the Laundries Act.

Therefore, concerning the provisions in the local government's ordinance for the area requirement, etc. for a dry cleaner, specific regulatory contents shall be surveyed and the results shall be summarized and published to create an environment where local governments can easily review their regulations voluntarily while referring to regulations in other local governments. An additional survey shall be conducted as required.

- [4] Exclusion of “shareholders holding 5% or more of the shares only for fund management purposes” from the scope of officers, etc. in the Waste Management and Public Cleansing Act

[a: Examine and draw a conclusion in FY 2018 and take prompt measures according to the conclusion.,  
b: Start examining in FY 2018, draw a conclusion in FY 2020 and take prompt measures according to the conclusion.]

Based on the Waste Management and Public Cleansing Act (Act No. 137 of 1970), when a shareholder holding 5% of the total outstanding shares or a person who invested an amount equivalent to 5% or more of the stake is changed, the industrial waste collectors, transporters and disposal operators must notify the prefectural governor of such change within 30 days. Here, if the person obliged to give such notification is a listed company, there are corporate shareholders aiming to manage funds and because their ownership ratios vary with stock prices, shareholders and investors holding 5% or more shares change more frequently. Considering the large burden of having to notify changes due to such factors each time, listed companies should consider excluding such corporate shareholders from the subject of notification obligation.

Therefore, the following shall be implemented for the handling of corporate shareholders aiming to manage funds pertaining to the subject of notification obligation for shareholders holding 5% of the total outstanding shares or a person who invested an amount equivalent to 5% or more of the stake in the industrial waste collectors, transporters and disposal operators:

- a Excluding the cases where the trust bank is a shareholder of the listed industrial waste collector, transporter or disposal operator from the subject of notification obligation shall be examined and the necessary measures shall be taken if the conclusion is to exclude such cases.
- b Excluding corporate shareholders only for managing funds other than the funds in a. from the subject of notification obligation shall be examined and the necessary measures shall be taken if the conclusion is to exclude such case.

- [5] Addition of corporate identity verification document by the Act on Prevention of Transfer of Criminal Proceeds

[Examine and draw a conclusion in FY 2018.]

The Act on Prevention of Transfer of Criminal Proceeds (Act No. 22 of 2007) allows certain certificates of registered matters to be used as corporate identity verification documents when performing verification at the time of transaction, however, commercial/corporate registration information printed by the “registration information

service” operated by Minji Homu Kyokai Foundation are not allowed to be used for the same purpose. Since this registration information acquired by said service is the same information as the registration information possessed by the registry office at the time of application by the user, the necessity of adding it as a corporate identity verification document when performing verification at the time of transaction has been pointed out from the viewpoint of convenience of procedures, etc.

Therefore, concerning the method of verifying the corporate identity when performing at the time of transaction, whether the commercial/corporate registration information printed by the “registration information service” operated by Minji Homu Kyokai Foundation has sufficient proof as an identity verification document shall be examined and a conclusion shall be drawn.

- [6] Relaxation of the verification obligation at the time of transaction related to loans for SPCs used in leasing structure by the Act on Prevention of Transfer of Criminal Proceeds

[Start examining in FY 2018 and draw a conclusion in FY 2019.]

Concluding a contract in which a monetary loan is made by the parent company which is the money lender prescribed in Article 2, paragraph (2) of the Money Lending Business Act to its wholly-owned SPC (Special-Purpose Company) is not considered to be a transaction that allows simplified due diligence based on the Act on Prevention of Transfer of Criminal Proceeds. Therefore, the identity of said subsidiary must be verified at the time of transaction. In response to this, it has been pointed out that the so-called “parent-subsidiary loan” for SPCs should be excluded from the subject of verification at the time of transaction since it is not likely to be considered as a high risk or suspicious transaction. Therefore, the relaxation of the obligation to perform verification at the time of transaction on the money lender when concluding a contract in which a monetary loan is made by the parent company which is the money lender prescribed in Article 2, paragraph (2) of the Money Lending Business Act to its wholly-owned SPC (Special-Purpose Company) shall be examined and a conclusion shall be drawn.

- [7] Review of verification obligation at the time of transaction for over-the-counter commodity derivative transactions by the Act on Prevention of Transfer of Criminal Proceeds

[Examine and draw a conclusion in FY 2018.]

Under the Act on Prevention of Transfer of Criminal Proceeds, commodity derivatives business operators are required to perform verification at the time of transaction on customers, etc. when concluding a contract covering the performance of over-the-counter commodity derivative transactions, etc. On the other hand, among the over-the-counter commodity derivative transactions under the Financial Instruments and Exchange Act,

performing simplified due diligence is allowed for transactions where settlement instructions, etc. are made with a specific business operator, etc. using a specific communication means through said specific communication means.

In response to this, it has been pointed out that performing simplified due diligence should be allowed also for the over-the-counter derivative transactions if the settlement instructions, etc. are made with a specific business operator, etc. through a specific communication means.

Therefore, allowing the performance of simplified due diligence for the over-the-counter derivative transactions that use a specific communication means shall be examined based on the actual situation, etc. of the previous transactions that used a specific communication means and a conclusion shall be drawn.

- [8] Relaxation on the information legally required to be specified in advertisements, etc. by financial instruments business operators, etc.

[Examine and draw a conclusion in FY 2018.]

Based on the Cabinet Office Order on Financial Instruments Business, etc. (Cabinet Office Order No. 52 of 2007), in cases where a financial instruments business operator, etc. intends to make an advertisement, etc., it must indicate the name, etc. of the financial instruments firms association that such financial instruments business operator, etc. is a member of. In response to this, it has been pointed out that there is little need to describe any association that has no jurisdiction over the work related to such advertisement, etc. and describing only the association that has jurisdiction over such work should be sufficient.

Therefore, the sufficiency of describing only the association that has jurisdiction over the advertisement, etc. intended by the financial instruments business operator, etc. shall be examined and a conclusion shall be drawn.

- [9] Relaxation of the regulation on the methods of measuring credit risk in trade finance

[Examine and draw a conclusion in FY 2018.]

In calculating capital adequacy ratios for banks, credit risk (risk of default on financial obligations by borrowers, etc.) related to business corporations, etc. is calculated by applying one year for transactions whose remaining term such as lending is less than one year as the lower limit, however, “highly liquid short-term trade-related contingent liabilities” are excluded from this lower limit in trade-related transactions in Japan. Compared to regulations in Europe and the U.S., the scope of trade-related transactions that are not subject to this lower limit is narrower in Japan so that it is possible that Japanese banks calculate excessive credit risks compared with foreign banks. For this reason, it has been pointed out that “highly liquid short-term trade-related contingent



liabilities” should be excluded from this lower limit whether or not they are contingent liabilities.

Therefore, in calculating credit risk related to business corporations, regardless of contingent liabilities, exclusion of the “highly liquid short-term trade-related contingent liabilities” from the application of the lower limit of one year shall be examined based on the Basel III framework finalized in December 2017 and the actual situation of trade-related transactions and a conclusion shall be drawn.

[10] Simplification of applicability/non-applicability notification for employees over 70 years old for employee's pension system

[Examine and draw a conclusion in FY 2018.]

The employer, etc. of the applicable business establishment is required to submit the applicability/non-applicability notification for employees over 70 years old for employee's pension system to the pension office when he/she hires a new employee who is 70 years old or older or continues to employ an insured employee even after he/she reaches the age of 70. In response to this, it has been pointed out that entry items in the pension-related notification forms including said notification should be rationalized. For example, most documents require a date which is one day before the retirement date and birthday to be filled in as the start date of eligibility and the end date of eligibility, however, it is less confusing to require to fill in the actual retirement date and birthday instead.

Therefore, from the viewpoint of reducing the burden of the employer, etc. of the applicable business establishment, measures such as simplification of procedures for changes, etc. of the applicability/non-applicability notification form for employees over 70 years old shall be examined and a conclusion shall be drawn.

[11] Simplification of the reporting of the maximum amount of funds pertaining to defined benefit corporate pension

[Examine and draw a conclusion in FY 2018.]

For the defined benefit corporate pension, if the reserve fund exceeds the upper limit of the reserve fund, the premium must be lowered or stopped according to the amount in excess. In response to this, it has been pointed out that it is unnecessary to calculate and report the upper limit of the reserved fund for plans that have no subscribers and plans in which new subscription is being suspended so that the future benefits for the subscribers remain the same and thus have no premium to be deducted.

Therefore, making it unnecessary to calculate and report the upper limit of the reserved fund pertaining to the defined benefit corporate pension if there is no premium to be deducted shall be examined and a conclusion shall be drawn.

[12] Simplification of administrative procedures in the certified support providers for

business innovation

[Examine and draw a conclusion in FY 2018.]

Based on the Act for Facilitating New Business Activities of Small and Medium-sized Enterprises (Act No. 18 of 1999), when there is any change in the name of the representative, location of the office, etc., the certified support providers for business innovation must notify the competent minister of such change. In response to this, it has been pointed out that financial institutions, which are the support providers for business innovation, make separate notifications of such change to the ministries concerned based on the governing law for incorporation, etc. of each institution and thus, simplification of such duplicated administrative procedures should be examined.

Therefore, simplification of duplicated administrative procedures in the certified support providers for business innovation shall be examined and a conclusion shall be drawn.

- [13] Establishment of a grace period for periodic voluntary inspections conducted by high pressure gas manufacturers

[Examine and draw a conclusion in FY 2018.]

Based on the High Pressure Gas Safety Act (Act No. 204 of 1951), high pressure gas manufacturers are obliged to conduct periodic voluntary inspections for safety at least once a year. In response to this, it has been pointed out that a certain grace period should be established for such periodic voluntary inspections to disperse the construction period throughout the industry when it is difficult to secure construction contractors with the rising construction costs due to the concentration of construction period.

Therefore, establishing a certain grace period for the periodic voluntary inspections conducted by high pressure gas manufacturers shall be examined and a conclusion shall be drawn.

- [14] Review of the format of receipts issued by certified administrative procedures legal specialists

[Examine and draw a conclusion in FY 2018.]

When a certified administrative procedures legal specialist receives a fee from a client, he/she must prepare a receipt in the form prescribed by the Japan Federation of Certified Administrative Procedures Legal Specialists Associations and issue it to the client based on the Certified Administrative Procedures Legal Specialist Act (Act No. 4 of 1951), however, it has been pointed out that designation of such format should be abolished from the viewpoint of progress of IT applications and improvement in work efficiency.

Therefore, reviewing the format of the receipt issued by certified administrative procedures legal specialists, including the necessity of designating such format, shall be

examined from the viewpoint of progress of IT applications and improvement in work efficiency and taking into consideration the actual situation of work and opinions of the Japan Federation of Certified Administrative Procedures Legal Specialists Associations and a conclusion shall be drawn.

(13) Matters that were primarily followed up

The Investment and Miscellaneous Issues

Working Group. primarily followed up on the following matters in the Implementation Plan for Regulatory Reform (Cabinet decision on June 30, 2017): [1] IT-based/one-stop tax and social insurance administrative work, [2] choosing remote education in the era of IT as the primary follow-up item in the beginning of the year, and of the same plan, [3] utilization of public and private data (particularly utilization of data possessed by local governments, etc.) and [4] review of the sun shadow regulation.

[1] IT-based/one-stop tax and social insurance administrative work

Interviews were conducted with the Ministry of Finance and Ministry of Internal Affairs and Communications concerning the status of examination towards the implementation of IT-based/one-stop tax-related administrative work and the relevant matters were incorporated as the regulatory reform items for the current term in order to steadily advance the digitization/simplification of the year-end adjustment procedures related to franchise group insurance, digitization, etc. of the inhabitant tax special collection notice (for the obligors of special collection and taxpayers) (See (9) and ).

For the status of examination towards the implementation of IT-based/one-stop social insurance-related administrative work, the Subcommittee on Administrative Procedures conducted an interview with the Ministry of Health, Labour and Welfare and compiled “Towards Reduction of Administrative Procedure Costs (results of the review and future policies)”. Follow-ups will continue to be made in collaboration with the Subcommittee on Administrative Procedures.

[2] Remote education in the era of IT

See (12) [1] Improvement of environment to allow copyrighted works to be used smoothly in remote education high school programs.

[3] Utilization of public and private data

See (9) Utilization of public and private data and developing fully functional e-government.

[4] Review of the sun shadow regulation

Interviews were conducted with the Ministry of Land, Infrastructure, Transport and Tourism on the status examination concerning the review of the sun shadow regulation based on the factual survey on regulations, etc. and the results of the factual survey were requested to be revealed in response to the fact that the countermeasure of notifying cases, etc. was indicated. It is necessary to check the efforts of the same Ministry concerning these matters.

## 6. Other Important Issues

### (1) Important Issues for this Term

Concerning common issues cross-cutting the Cabinet office and ministries, and important issues which should be comprehensively dealt with, these shall be discussed by the Council for Promotion of Regulatory Reform in which all members of it take part. In this term, the Council discussed two points as main themes, “inbound assistance and regulatory reform for the success of the Olympic and Paralympic Games” and “regulatory reform in regional areas.”

Concerning the first theme, the Olympic and Paralympic Games in Tokyo in 2020 is a precious opportunity which leads to an increase in inbound tourism across Japan in addition to convey the attractiveness of Japan domestically and globally. Regulatory reform is important to further enhance the framework for accepting inbound tourists, to respond to the broad needs of the people with diversifying lifestyles and values, and to bring the success of the Olympic and Paralympic Games in Tokyo in 2020 including various events related to the Games.

From these perspectives, the Council examined regulatory reform in passenger and cargo transportation businesses to meet the new demand, regulatory reform in Minpaku services (private accommodation services), and the re-examination of regulations for outdoor advertisements related to Projection Mapping (hereinafter referred to as “PM”).

Concerning the second theme “regulatory reform in regional areas” different forms/formats used among municipalities are a burden for business operators operating in wide geographical areas beyond areas covered by each municipality. Consequently, the Council established “Task Force for Regulatory Reform in Regional Areas” in accordance with the Implementation Plan for Regulatory Reform (Cabinet decision in June 2017) and discussed in order to implement effective improvement measures for reducing the burden of business operators.

### (2) Regulatory Reform in Passenger and Cargo Transportation Businesses to Meet the New Demand

Concerning regulatory reform in passenger and cargo transportation businesses to meet the new demand, the Council examined how regulations should be for passenger and cargo

transportation to realize new services provided by taxi operators. The taxi industry, which has been engaging in various efforts across the industry to deal with social issues, is required to cope with the various needs of individuals amid the serious supply constraints of a shortage of drivers. In order to respond to these needs, it is necessary not to persist in the basic regulatory structure currently implemented but to realize effective services using ICT, and realization of such services will help the growth of the taxi industry. It is important to further examine the issue in the future.

[1] Realization of new taxi services to cope with various transporting demands

[Start examination in FY2018 and reach conclusions in FY2019]

Social issues related to taxi services have been expanding to include the weakened public transportation base in local areas on the back of depopulation, etc., structural change of user groups on the back of the aging population, etc., and accommodate to the Olympic and Paralympic Games in Tokyo in 2020, and so on. Currently, to recognize and cope with these various social issues, taxi operators continue to pursue a wide range of activities including demonstration tests to challenge these issues. Demonstration tests such as “shared ride fare”, “pre-fixed taxi fare,” etc. are ongoing. Also, a significant decrease in the number of areas poorly served by public transportation has been seen due to the introduction of the “shared-ride taxi” as a daily means of transport for local residents, etc. Most of these initiatives are activities supported by high recognition by the industry which plays a part of public transportation. However, it cannot be denied that such initiatives are taken by sacrificing corporate profits when the industry is facing the stark reality of driver shortage, etc., or they are taken with support from the government or municipalities. Accordingly, in the sense of introducing various services required by a wide range of user, there are challenges in terms of sustainability and expansion of the initiatives.

Now that ICT can be used for operational management, etc., and many people are using communication tools, it is important to completely reconsider how the form of regional transportation systems including chargeable transportation by private motor vehicles should be, thus taxi operators will be able to develop originality and ingenuity to carefully respond to individual needs to realize significant growth of the taxi industry and to create an environment in which various people such as the aged, inbound tourists, etc. are released from the stress of moving place to place.

Consequently, get flexible transportation services in shape and aim to introduce them, setting the period before the Olympic and Paralympic Games in Tokyo in 2020 as a major milestone, and also in order to cope with society after the Games. Re-examine user’s needs and various issues in local transportation and comprehensively examine how new appropriate taxi services, which realize a careful response to user’s needs and diverse working styles of drivers actively using ICT, should be and quickly reach conclusions from users’ standpoints.

[2] Clarification of emergency assistance taxi business

- [a:Start examination in FY2018 and reach conclusions in FY 2018,
- b: Start examination in FY2018 and reach conclusions in FY 2019]

Due to the diffusion of wireless communication in the taxi business, “emergency assistance taxi business” focusing on its mobility was allowed by “Emergency Business etc., by Taxi Operators”(Notice of Manager of the Automobile Section, Regional Transportation Bureau, Ministry of Transport), dated on June 29, 1989. Not only shopping substitute (one person representing another), reservation substitute at hospitals, etc., but also other services similar to cargo transportation such as transportation of pets and delivery of lost articles are provided to the extent that they will not interfere with taxi business. On the other hand, cargo transportation demand has been growing year-by-year along with the expansion of e-commerce (EC) websites, etc., resulting in requests to use emergency assistance taxis as a supportive measure to cope with a shortage of cargo drivers. However, services which are considered as “transportation activities based on social standards” are not allowed and have yet to materialize.

Nevertheless, reflecting the growing demand for cargo transportation as well as the diversification of user’s needs, some people point out that demand for services to deliver important goods such as keys, documents, research materials, etc., is not yet sufficiently fulfilled. It is necessary to adjust our way of thinking since the situation has been changing since 1989 with a labour shortage in cargo transportation business, diversification of user’s needs, matching due to diffusion of ICT, etc., and several taxi operators’ provision of the emergency assistance taxi service which is similar to cargo transportation service in its appearance.

Consequently,

- a. Emergency assistance taxi business should be operated using taxi vehicles to the extent that it will not interfere with the core taxi business, and the scope of “emergency assistance” which will not fall under “transportation activities based on social standards” should be clarified.
- b. From the perspectives of user’s needs, improvement of productivity and solving the labour shortage, start to examine an appropriate how cargo transportation using taxi vehicles described in the Motor Truck Transportation Business Act (Act No. 83 of 1989) should be. Concerning this, the examination will be carefully conducted in order not to damage the safety of transportation and the protection of user while referring to stakeholders’ input.

(3) Regulatory Reform in Minpaku Services

- [a,b: Already took measures (Take measures continuously from FY 2018 onwards), c,d:Take measures in FY2018]

Promoting Minpaku services is important to respond the growing demand for sightseeing from inside and outside Japan. Minpaku services, based on the Private Lodging Business Act (Act No. 65 of 2017) (hereinafter referred to as the “Private Lodging Business”) will start on June 15, 2018 as another regulatory framework of the existing Inns and Hotels Act (Act No. 138 of 1948).

Although the maximum number of days of letting people lodge is stipulated as 180 days a year by the Private Lodging Business Act, the operation of private lodging business can be limited by Ordinances in accordance with a Cabinet Order which stipulates that “it is able to limit the operation of private lodging business, specifying areas and periods especially necessary to prevent a deteriorating living environment as a result of noise and other incidents caused by private lodging business.”

Currently, since Ordinances are established in many prefectures or cities with public health centers, etc. (hereinafter referred to as “prefectures, etc.”), the operation of private lodging business is significantly limited in some prefectures, etc.,. Limiting the operation beyond what is necessary departs from the purpose of the Private Lodging Business Act, so such limitation should be adjusted. Also, it is pointed out that applying strict limitations will adversely cause risk of illegal private lodging getting operated.

In addition, application should be submitted through the use of on-line systems, some prefectures, etc., require submission of additionally attached documents or submission of paper documents. Some people point out that cumbersome procedures are one of the reasons for sluggish growth of the number of applications.

Consequently, take the following measures in order to promote the private lodging business:

- a. Concerning the limit on the operation of private lodging business stipulated by Ordinances, ensure that prefectures, etc., thoroughly understand that limiting the operation in all periods of the year, equally limiting the operation based on an idea of all areas of prefectures, etc., as one unit, etc., depart from the purpose of the Private Lodging Business Act and are not appropriate based on the standards stipulated by the Cabinet Order among others, thus request them that private lodging business be operated in accordance with the Private Lodging Business Act.

Also, concerning the areas where the operation of private lodging business stipulated by Ordinances is limited, confirm with prefectures, etc., if the limitations are excessively harder than the rationally acceptable level in light of the standards stipulated by the Cabinet Order and require them to make a response to reflect the purpose of the act.

- b. Publicly announce the situation of the areas where the operation of private lodging business stipulated by Ordinances is limited so that operations and users of private lodging, etc., can confirm them, displaying them as a list in the website.
- c. Request prefectures, etc., that they set a basic principle of on-line application in

addition to cutting the number of attached documents in order to simplify the procedures related to private lodging business.

- d. Endeavor to improve the impression of private lodging business held by municipalities and local residents, laterally developing positive examples such as the removal of illegal private lodging services, promotion of the local vitalization utilizing private lodging business, etc.

#### (4) Re-examination of Regulations for Outdoor Advertisements Related to Projection Mapping

[a:Already took measures (Continuously take measures in FY 2018 for the parts to which municipalities are urged to respond), b:Already took measures]

PM has high expectations as a new method of expression toward the Olympic and Paralympic Games in Tokyo in 2020. It has not been used much in public spaces, since it is regulated in the same way for conventional outdoor advertisements, i.e., tangible objects such as advertisement boards, advertisement towers, etc. Conventional outdoor advertisements are regulated for several reasons such as consideration for scenery, possibility of accidents by falling, disturbance of traffic, etc. on the other hand, it is unreasonable to apply the same kind of regulations to PM which is an intangible object projecting images at night and has a completely different nature.

Outdoor advertisement is regulated by ordinances established by each municipalities taking account of the “Outdoor Advertisement Ordinance Guidelines”(Notification of Chief, General Affairs Division, City Bureau, Ministry of Construction on March 27, 1964)compiled by Ministry of Land, Infrastructure, Transport and Tourism based on the Outdoor Advertisement Act (Act No. 189 of 1949). Since outdoor advertisement is judged individually by municipalities including the judgement of whether or not PM scheduled to be implemented falls under the category of outdoor advertisement, an implementing entity can hardly anticipate if it will be able to implement, and what kind of limitations will be imposed at the time of implementation. In addition, where to apply is often not clear at the time of carrying out PM.

Consequently, implement the following measures in order to promote carrying out PM:

- a. Clarify that PM is not included in conventional outdoor advertisement, quickly establish minimum necessary rules appropriate to PM and useful to promote carrying it out, and inform municipalities of it to encourage them to take action.
- b. Compile an execution manual explaining about the procedure, help desk, etc. necessary for business operators to carry out PM, and widely inform.

#### (5) Regulatory Reform in Regional Areas

Concerning documentary forms/formats (hereinafter referred to as “forms, etc.”) for



administrative procedures in municipalities, especially the forms, etc., which affect economic activities since they are different in each municipality resulting in a burden on corporates, it was proposed in the First Report by the Council and the Implementation Plan for Regulatory Reform (Cabinet decision in June 2017) to examine the forms with which corporates or corporates on behalf of their employees proceed with multiple municipalities, and consider improvement measures such as to unify the forms while consulting with municipalities.

Consequently, take improvement measures necessary to each forms, etc., in order to reduce the burden on corporates who take administrative procedures in multiple municipalities.

(6) Items that have been followed up on in a focused manner

The same as last year, intensively followed up on the “Regulatory Reform in Minpaku services” described in the Implementation Plan for Regulatory Reform (Cabinet decision in June 2016) and about “Use of private sector for Labor Standards Inspection” described in the Implementation Plan for Regulatory Reform (Cabinet decision in June 2017).

[1] Regulatory reform in Minpaku services

Concerning the Private Lodging Business Act established in accordance with the framework of regulations stipulated in the Implementation Plan for Regulatory Reform (Cabinet decision in June 2016), conducted a follow-up focusing on Cabinet orders and ministerial Ordinances referring to the discussion in the previous term in which restrictions imposed by Ordinances on the operation of private lodging business should be minimum and exceptional and as a result learned that Ordinances were established in many prefectures, etc., which may have significantly limited the operation of private lodging business, resulting in our confirmation of the views of ministries and agencies responsible for the regulation.

Based on the contents of the confirmation, pursue the measures described in the above (3) and will follow up on the situation after the Act will be effective.

[2] Use of private sector for Labor Standards Inspection

Concerning the advisory and guidance service by private sectors for work places with unfilled an overtime work agreement (so called the 36 Agreement), it was confirmed that preparatory work has been made including the implementation of pilot projects with sufficient budgets for the project, and as a measure to increase deterrence and corrective effect on violation of the Labor Standards Act (Act No. 49 of 1947) that “teams to instruct and support improving working hours (research and instruction group)” which supervise and give instructions focusing on curbing long working hours have been established in the Labour Standards Inspection Offices across Japan.

Continue to follow up on the implementing situation of the projects utilizing private entities.

(Attached Table) Improvement Measures of Forms/Formats in Municipalities

[1]	Application/Result report for the additional (adjusted) amount of Institutional benefit payable to authorized childcare facility, etc.	Concerning request for payment of institutional benefits [Article 27 of Children and Childrearing Act (Act No. 65 of 2012) and Article 6, Paragraph 1 of the Supplementary Provisions], in consideration of the results of research and study about the actual situation, etc., related to administration of the newly implemented childrearing support arrangement, make review if necessary, including claim for the payment of basic part, of the “Application/Result report for the Additional (Adjusted) Amount of Institutional Benefit Payable” described in “Regarding the points for consideration of implementation associated with the change of criteria, etc., for calculation of the amount of expenditure necessary for specified education, childcare, etc. (Notification of the Supervisory of Children and Childrearing Headquarters, Cabinet Office, Director of Elementary and Secondary Education Bureau, Ministry of Education, Culture, Sports, Science and Technology, and Equal Employment and Children and Families Bureau, Ministry of Health, Labour and Welfare on August 23, 2016), while hearing opinions from cities, wards, towns and villages and business operators, and notify cities, wards, towns and villages of the result in order to apply it to the payments for April, 2019. The relevant formats shall be electronic data in a file format suitable for processing by computer.	Take measures in FY 2018
[2]	Application for an automobile storage place certificate/ notification for an automobile storage place	<p>a Concerning the application for an automobile storage place certificate [Article 4, Paragraph 1 of the Act on Securing a Storage place, etc. (Act No. 145 of 1962)], a notification for an automobile storage place (Article 5 of the same Act), and a document which shall make a prima facie case showing that an owner of an automobile has a right to use the place which is related to the application or notification of relevant applicant[Article 1, Paragraph 2-1 of the Regulations for Enforcement of the Act on Securing an Automobile Storage Place (National Public Safety Council Regulation No. 1 of 1990)], notify to prefectural police the following within 2018.</p> <ul style="list-style-type: none"> <li>•To post formats prepared by prefectural police on each prefectural police websites in the form of electronic data in a file format suitable for processing by computer.</li> <li>•To post the information on all prefectural police websites that even an application or notification form prepared by any police other than the police can be used for the relevant application or notification, and disseminate it at all windows of prefectural police involved in the application or the notification.</li> <li>•If an application or notification was made in the relevant</li> </ul>	<p>a: Take measures in FY 2018</p> <p>b, c: Continuously take measures in FY 2018 and thereafter</p>

		<p>formats prepared by other prefectural police, to receive and handle them in an appropriate manner.</p> <ul style="list-style-type: none"> <li>• Not to require a statement of the reasons that the address and location of the car for which a person submits an application or make submission are different.</li> </ul> <p>b Concerning the application for an automobile storage place certificate, electronic submission through OSS (one-stop-service for administrative procedures for automobile ownership) in nationally unified formats is available. The number of prefectural police at which this electronic submission is available is expected to increase to 43 within FY 2019, and advise remaining 4 prefectural police to immediately introduce it.</p> <p>c Concerning the notification for an automobile storage place, cooperating with relevant ministries and agencies as well as organizational bodies, instruct the Council for Promotion of OSS consisting of prefectural police to introduce it in order to make electronic submission available.</p>	
[3]	Application for qualification screening to participate in competitive bidding	Concerning the application for qualification screening to participate in competitive bidding [Article 167-5, 167-5-2, etc., of the Order for Enforcement of Local Autonomy Act (Cabinet Order No. 16 of 1947)], based on an understanding of the actual situation in municipalities and business operators and the results from hearing their opinions, organize the minimum required items and attached documents, etc., necessary for screening in municipalities, and proceed examination toward the creation of standard formats and standardization of an electronic bidding system, setting a process schedule within FY 2018.	Start examination in FY 2018
[4]	Application for issuance of a certificate of tax payment (for the use of applying for qualification screening to participate in competitive bidding)	Concerning the application for a certificate of tax payment to be used for the application for qualification screening to participate in competitive bidding [Article 20-10 of Local Tax Act (Act No. 226 of 1950)], because tax items, etc. necessary to certify for qualification screening differ among municipalities, while hearing opinions of municipalities and relevant industries, proceed examination about the creation of standard formats based on the progress of examination on the unification/standardization of screening items and appended documents related to the application for qualification screening to participate in competitive bidding.	Start examination in FY 2018
[5]	Format for inquiries into insurance contracts	a Concerning inquiries into insurance contracts [Article 141 of the National Tax Collection Act (Act No. 147 of 1954) which is considered as the same Act being applied based on Article 68, Paragraph 6 of the Local Tax Act., etc.], advise, based on the Implementation Plan for Regulatory Reform (Cabinet decision in June 2014), municipalities to use the standard formats “Regarding inquiries into the contents of insurance contracts (for	a: Take measures in FY 2018 b: If standard formats are not disseminated, examine in FY 2018 and

		<p>life insurance and mutual aid)” created following our request for consideration in FY 2015 to a council (National Council for Local Tax) consisting of municipalities, and study disseminating situation in municipalities within FY 2018.</p> <p>b If the usage of the relevant format does not progress in municipalities, consider measures to promote it based on an understanding of actual situation in municipalities, the Life Insurance Association of Japan, etc., and the results from hearing their opinions.</p>	thereafter
[6]	Format for inquiries into salary	Concerning inquiries into salary, (Article 141 of the National Tax Collection Act, which is considered as the same Act being applied based on Article 68, Paragraph 6 of the Local Tax Act., etc.), within FY 2018, request a council (National Council for Local Tax) consisting of municipalities that it will arrange standard formats while hearing opinions from business operators in order to advise municipalities, and promptly advise the municipalities upon its arrangement being concluded. The relevant format shall be electronic data in a file format suitable for processing by computer.	Take measures in FY 2018
[7]	Notice for payment/explanatory documents for payment for individual enterprise tax/ vehicle tax/light vehicle tax/real estate acquisition tax/fixed asset tax /city planning tax	<p>a Concerning payment of individual enterprise tax, vehicle tax, light vehicle tax, real estate acquisition tax, fixed asset tax and city planning tax, proceed examination from FY 2018 based on an understanding of the actual situations in municipalities and business operators and the results from hearing their opinions, in accordance with the order of priority toward the introduction of systems which enable electronic transmission of notification for tax payment and statement of taxation in nationally unified formats while looking at the timing of maintenance and improvement of related systems, taking into account of business operators’ heavy tax items.</p> <p>b In addition, endeavor to reduce the usage of paper through encouraging the use of account transfer, payment at convenience stores and by credit cards, etc.</p>	<p>a: Start examination in FY 2018 and promptly take measures as soon as reaching conclusions</p> <p>b: Continuously take measures in FY 2018 and thereafter</p>
[8]	Declaration for vehicle tax/vehicle acquisition tax	Concerning declarations related to vehicle tax and vehicle acquisition tax, electronic submission through OSS (one-stop-service for administrative procedures for automobile ownership) in nationally unified formats is available. The number of municipalities at which the electronic submission is available is expected to increase to 43 within FY 2019, and advise remaining 4 prefectures to immediate introduce it.	Continuously take measures in FY 2018 and thereafter

[9]	Declaration/ explanatory documents for payment of business site tax, /prefectural inhabitant tax of corporation /municipal inhabitant tax of corporation	<p>a Concerning declarations related to business site tax, and prefectural inhabitant tax of corporation and municipal inhabitant tax of enterprise, electronic submission through eLTAX in nationally unified formats is available in all municipalities. Toward active use of it, advise municipalities in addition to encouraging business associations, the Certified Tax Accountants' Association, etc.</p> <p>b Regarding payments of business site tax, and prefectural inhabitant tax of corporation and municipal inhabitant tax of enterprise, a common tax payment system which makes electronic tax payment available in nationally unified formats is scheduled to be introduced in October, 2019.</p>	<p>a: Continuously take measures in FY 2018 and thereafter</p> <p>b: Take measures in October, 2019</p>
[10]	Notification for establishment of corporation	<p>a Concerning notification of establishment of corporation, etc., (Article 317-2, Paragraph 8 of Local Tax Act), make available integrated electronic submission to multiple municipalities in nationally unified formats from September 2019, following improvement of eLTAX. Advise four municipalities in which electronic submission has not been available to immediately respond to this issue.</p> <p>b Also, make available integrated electronic submission to the state and multiple municipalities within FY 2019.</p>	<p>a: Take measures in September, 2019(Continuously take measures for advices in FY 2018 and thereafter)</p> <p>b: Take measures in 2019</p>
[11]	Salary payment report/Notification for salaried employees' changes related to special collection	Concerning a notification for salaried employees changes related to salary payment report (Article 317-6, Paragraph 2 of Local Tax Act) and a notification for salaried employees' changes related to special collection (Article 321-5, Paragraph 3 of the same Act), electronic submission through eLTAX in nationally unified formats is available in all cities, wards, towns and villages. Toward active use of it, advise cities, wards, towns and villages in addition to encouraging business associations and the Certified Tax Accountants' Association, etc.	Continuously take measures in FY 2018 and thereafter
[12]	Salary payment report (Summary chart)	Concerning salary payment report (Article 317-6, Paragraph 1 of Local Tax Act), electronic submission through eLTAX in nationally unified formats is available in all cities, wards, towns and villages. Toward active use of it, advise cities, wards, towns and villages in addition to encouraging business associations, the Certified Tax Accountants' Association, etc.	Continuously take measures in FY 2018 and thereafter

[13]	Notification for the amount of special tax collection	<p>a Concerning a notification for the amount of special tax collection (Article 321-4, Paragraph 1 of Local Tax Act/ for a person subject to special collection), electronic notification through eLTAX is available. Advice within first half of FY 2019 setting a target related to timing of responding to this issue for cities, wards, towns and villages which electronic notification has not been available of immediate response to this issue.</p> <p>b Concerning a notification for special tax collection amount (for a tax payer), continue to examine toward realization of electronic notification through eLTAX in all cities, wards, towns and villages to reach a conclusion. When examining, ensure that treatment should not differ among cities, wards, towns and villages.</p>	<p>a: Take measures in First Half of FY 2018</p> <p>b: Examine, reach conclusions and promptly take measures as soon as reaching conclusions in FY 2018</p>
[14]	Request for switching to special collection	Concerning a request for switching to special collection (Article 321-4, Paragraph 5 of Local Tax Act), electronic submission through eLTAX in nationally unified formats is available in all cities, wards, towns and villages. Toward active use of it, advise all cities, wards, towns and villages in addition to encouraging business associations and the Certified Tax Accountants' Association, etc.	Continuously take measure in FY 2018 and thereafter
[15]	Application for approval of tentative storage /tentative handling of hazardous materials	Concerning application for approval of tentative storage /tentative handling of hazardous materials [Particular provision of Article 10, Paragraph 1 of Fire Service Act (Act No. 186 of 1948)], create standard formats based on an understanding of the actual situation in Fire Chiefs' Association of Japan and business operators and the results of hearing their opinions, and notify municipalities (fire headquarter and fire stations) within FY 2018. The relevant format shall be electronic data in a file format suitable for processing by computer.	Take measures in FY 2018
[16]	Notification for appointment of hazardous materials supervisory superintendents	Concerning documents necessary to attach to a notification for appointment of hazardous materials supervisory superintendents [Article 48, Paragraph 3 of Regulations for Hazardous Materials Control(Prime Minister's Office Ordinance No. 55 of 1959)], make review, if necessary, "Certificate for Practical Experience" described in "For Sending of Operational Reference (Except service stations) for Regulatory Administration of Hazardous Materials"(Notification of Chief of Hazardous Material Control Division, Fire and Disaster Management Agency on July 4, 1989), and notify municipalities within FY 2018. The relevant format shall be electronic data in a file format suitable for processing by computer.	Take measures in FY 2018
[17]	Applications for permission for operation and Notification for	a Concerning Application for permission for whole selling business [Article 34 of Act on Securing the Quality and Safety, etc., of Pharmaceutical Products and Medical Instruments, etc.(Act No. 145 of 1960)], Application for Permission for Selling and	<p>a: Take measures in First Half of FY 2018</p> <p>b: Take measures</p>

	<p>changes, etc., of whole seller, distributor and leasing company for advanced management medical instruments, and Notification for changes, etc., in opening drug store</p>	<p>Leasing of Advanced Management Medical Instruments (Article 39 of the same Act), Notification for Changes, etc., in Opening Drug Store (Article 10 of the same Act), Notification for Changes, etc., of Whole seller (Article 38 of the same Act), and Notification for Changes, etc., of Advanced Management Medical Instruments Distributor and Leasing Company (Article 40 of the same Act), post Form No. 86 “Application for Permission for Wholesaling Business,” and Form No. 87 “Application for Permission for Selling and Leasing Advanced Management Medical Instruments,” Form 6 “Notification for Changes” and Form 8 “Suspension, Termination and Re-commencement” stipulated in “The Regulations for Enforcement of Act on the Securing the Quality and Safety, etc., of Pharmaceutical Products and Medical Instruments, etc. (Ministry of Health and Welfare Ordinance No. 1 of 1961) on the website of the Ministry of Health, Labour and Welfare, and advise municipalities that they should accept the relevant applications or notifications in an appropriate manner and, including subsequent processing, not disadvantage a person who has submitted an application or has made a notification, if the application or the notification was made using the relevant form.</p> <p>b Concerning documents necessary to attach to the relevant applications or notifications, based on an understanding of the actual situation in municipalities and business operators and the results from hearing their opinions, establish standard formats for documents which can be uniformed, and notify municipalities within FY 2018. The relevant format shall be electronic data in a file format suitable for processing by computer.</p>	<p>in FY 2018</p>
<p>[18]</p>	<p>Application for registration/notification for changes, etc., of poisonous and deleterious substances general seller</p>	<p>a Concerning application for registration of poisonous and deleterious substances general seller [Article 4, Paragraph 3 of Poisonous and Deleterious Substances Control Act (Act No. 303 of 1950)] and notification for changes, etc., of poisonous and deleterious substances general seller (Article 10 of the same Act), post No. 2 Appended Form “Application for Registration of Poisonous and Deleterious Substances General Seller, Agricultural Items Seller, Specialized Items Seller” and No. 11 Appended Form “Notification of Change” stipulated in the Regulations for Enforcement of Act on the Poisonous and Deleterious Substance Control (Ministry of Health and Welfare Ordinance No. 4 of 1951) on the website of the Ministry of Health, Labour and Welfare in an electronic data in a file format suitable for processing by computer within the first half of FY 2018, and advise municipalities that they should accept the relevant applications or notifications in an appropriate manner</p>	<p>a: Take measures in First Half of FY 2018 b: Take measures in FY 2018</p>



		<p>and, including subsequent processing, not disadvantage a person who has submitted the application or has made a notification, if the application or the notification was made using the relevant formats.</p> <p>b Concerning documents necessary for the relevant application or notification, create standard formats for documents which can be uniformed, based on an understanding of the actual situation in municipalities and business operators and the results from hearing their opinions, and notify municipalities within FY 2018. The relevant format shall be electronic data in a file format suitable for processing by computer.</p>	
[19]	Notification of changes in board members of licensed narcotic drug retailer	<p>a Concerning notification of changes in board members of licensed narcotic drug retailer [Article 3, Paragraph 3-7 of Narcotic Drug Psychotropic Drug Control Act (Act No. 14 of 1953)], create standard formats based on an understanding of the actual situation in municipalities and business operators and the results of hearing their opinions, and notify municipalities within FY 2018. The relevant format shall be posted on the website of Ministry of Health, Labour and Welfare in the form of an electronic data in a file format suitable for processing by computer while promptly regulate thereafter by the Regulations for Enforcement of the Act on Narcotic Drug Psychotropic Drug Control (Ministry of Health and Welfare Ordinance No. 4 of 1951).</p> <p>b Concerning a medical certificate of a board member necessary to attach to the relevant notification, create a standard format based on an understanding of the actual situation in municipality and business operators, and notify municipalities within FY 2018. The relevant format shall be posted on the website of Ministry of Health, Labour and Welfare in electronic data in a file format suitable for processing by computer.</p> <p>c Concerning the matter that a medical certificate for the board members who do not conduct business related to drug retailing business is not required to be attached, clarify the scope of board members whose medical certificates are not required, and notify municipalities within FY 2018.</p>	<p>a: Take measures in FY 2018 (Promptly take measures for what stipulated by Ministerial Ordinances in FY 2018 and thereafter)</p> <p>b, c: Take measures in FY 2018</p>
[20]	Reference documents related to determination/implementation of public assistance	<p>Concerning reference into determination and implementation of public assistance [Article 29 of Public Assistance Act (Act No. 144 of 1950)], disseminate “Regarding the Implementation of Investigation of Insurance Companies” (Notice of Division Chief of Public Assistance Division, Social Welfare and War Victims’ Relief Bureau, Ministry of Health, Labour and Welfare on February 13, 2016) to municipalities through either notification or other means within FY 2018. When disseminating the relevant matters,</p>	Take measures in FY 2018

		examine the formats including a possible change to formats in which “designation of date of survey” can be made, based on an understanding of the actual situation in municipalities and the Life Insurance Association of Japan, etc., and revise them if necessary. The relevant formats shall be electronic data in a file format suitable for processing by computer.	
[21]	Application for designation for designated home-visit long-term care business operator, designated outpatient long-term care business operator, designated daily life long-term care admitted to a specified facility business operator, designated community daily long-term care for dementia patient business operator	Concerning application for designation for designated home-visit long-term care business operator, designated outpatient long-term care business operator, designated daily life long-term care admitted to a specified facility business operator [(Article 70 of the Long-Term Care Insurance Act. (Act No. 123 of 1997)) and application for designation for designated community daily long-term care for dementia patient business operator (Article 78-2 of the same Act), disseminate through either notification or other means within FY 2018 municipalities of Form No. 1 “Application (Permission) for Designated In-home Long Term Care Service Site, Designated Care Prevention Support Service Site, Designated In-home Long Term Care Support Site and Facility Covered by Long-Term Care Insurance ”described in “Regarding Reference Format (Proposal) Related to Designation of Designated In-Home Service Site, etc.” (Announcement by Promotion Division, Health and Welfare for the Elderly Bureau, Ministry of Health, Labour and Welfare on February 28, 2006) and Form No.1 “Application for Community-Based Service Site and Community-Based Care Prevention Service Site” described in “Regarding Reference Examples of Regulations, etc., Related to Designation of Community-Based Service Site”(Announcement by Promotion Division, Health and Welfare for the Elderly Bureau, Ministry of Health, Labour and Welfare on February 20, 2006) and ledger sheets, etc., necessary to attach the relevant application). When disseminating the relevant matters, examine the relevant application, ledger sheets, etc., based on an understanding of the actual situation in municipalities and business operators, and revise them if necessary. The relevant formats shall be electronic data in a file format suitable for processing by computer.	Take measures in FY 2018
[22]	Forest Management Plan	Concerning the Forest Management Plan [(Article 11, Paragraph 1 of the Forestry Act (Act No. 249 of 1951)), disseminate “The Format for the Forestry Management Plan stipulated by Article 34 of the Regulations for Enforcement of the Forestry Act” described in “Guidelines for Implementation of Forestry Management Plan Policy” (Notification of Director General of Forestry Agency on March 26, 2012) to municipalities through either notification or other means within FY 2018. When disseminating the relevant matters, examine the formats based on an understanding of the	Take measures in FY 2018

		difficulties in municipalities and business operators and revise them if necessary. The relevant formats shall be electronic data in a file format suitable for processing by computer.	
[23]	Application for registration/Notification of changes in registration items of outdoor advertising business	Concerning application for the registration of outdoor advertising businesses and notification in registration items [Article 9 of Outdoor Advertisement Act (Act No. 189 of 1949)], based on an understanding of the actual situation in municipalities and business operators and the results from hearing their opinions, make review as necessary Form No.1 “Outdoor Advertising Business Registration” and Form No. 4 “Notification of Changes in Outdoor Advertising Business Registration Items” described in “Outdoor Advertising Registration Reference Materials (Proposal)” (Notification of Manager, Park, Green Spaces and Landscape Division, City and Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism on December 17, 2004), and notify municipalities within the first half of FY 2018. The relevant formats shall be electronic data in a file format suitable for processing by computer. Also review documents that need to be appended to either the application or notification.	Take measures in First Half of FY 2018
[24]	Application for approval to carry out road construction	Concerning the Application for approval to carry out road construction [Article 24 of Road Act (Act No. 180 of 1952)], disseminate to road administrators (prefectures, cities, towns and villages) the form described in “Regarding the Format of Application for Approval to Carry Out Road Construction” described in “Regarding the Form for Application to Carry Out Road Construction” (March 29, 1996 Notice from Road Administration Bureau, Road Administration Division, Ministry of Construction) through either notification or means within FY 2018. When disseminating the relevant matters, examine the formats based on an understanding of the actual situation in road administrators and revise them if necessary. The relevant formats shall be electronic data in a file format suitable for processing by computer.	Take measures in FY 2018
[25]	Application for Permission for Exclusive Use of Roads	Concerning the Application for Permission for Exclusive Use of Roads (Article 32, Paragraph 1 of Road Act), disseminate to road administrators (prefectures, cities, towns and villages) Form No. 5 “Application/Consultation Form for Permitting Exclusive Use of Roads” stipulated in Regulations for Enforcement of Road Act (Ministry of Construction Order No. 25 of 1952) through either notification or other means within FY 2018. When disseminating the relevant matters, examine the formats based on an understanding of the actual situation in road administrators, and revise them if necessary. The relevant formats shall be electronic data in a file format suitable for processing by computer.	Take measures in FY 2018

[26]	Consultation document for road side excavation	Concerning consultation for implementation of roadside excavation, which is conducted based on the business operators' voluntary cooperation, while furthering consultation with the Tokyo Metropolitan and Special Wards about implementation in ways that do not become a burden for business operators, proceed understanding of the actual situation, etc., of consultation for implementation of roadside excavation in other municipalities, create standard forms within FY 2018, and take other required measures for the use of standard formats by Tokyo Metropolitan, Special Wards and other related municipalities. The relevant formats shall be electronic data in a file format suitable for processing by computer.	Take measures in FY 2018
[27]	Application for permission of temporary operations	Concerning application for temporary operations [Article 34, Paragraph 1 of Road Transport Act (Act No. 185 of 1951)], based on an understanding of the actual situation in cities, wards, towns and villages, decided unified formats as a processing standard [Article 245, Paragraph 9-3 of the Local Autonomy Act (Act No. 67 of 1977)] and notify to cities, wards, towns and villages within FY 2018. The relevant format shall be electronic data in a file format suitable for processing by computer.	Take measures in FY 2018
[28]	Industrial Waste Disposal Plan and Report on Situation Regarding Implementation of the Industrial Waste Disposal Plan	<p>a Concerning the Industrial Waste Disposal Plan (Article 12, Paragraph 9 of Act on Waste Disposal and Public Cleaning) and Report on Situation Regarding Implementation of the Industrial Disposal Plan (Paragraph 10 of the same Article), disseminate to municipalities through notification or other means Form No. 2-8 "Industrial Waste Disposal Plan" and Form No. 2-9 "Report on Situation Regarding Implementation of the Industrial Disposal" stipulated by Regulations for Enforcement of Act on the Implementation of Waste Disposal and Public Cleaning (Ministry of Health and Welfare Ordinance No. 35 of 1971) within FY 2018. When disseminating the relevant matters, examine the formats based on an understanding of the actual situation in municipalities and revise them if necessary. The relevant format shall be electronic data in a file format suitable for processing by computer.</p> <p>b The same applies to the Plan for special controlled Industrial Waste Disposal (Article 12-2, Paragraph 10) and Report on Situation Regarding Implementation of special controlled Industrial Disposal Plan (Paragraph 11 of the same Article).</p>	Take measures in FY 2018

[29]	Report on Situation Regarding the Provision of Industrial Waste Management Sheets, etc.	<p>a Concerning the provision of industrial waste management sheets (Article 12-3, Paragraph 7 of the Act on Waste Disposal and Public Cleaning, disseminate to municipalities through notification or other means Form 3 “Report on Situation Regarding the Provision of Industrial Management Sheets, etc.” stipulated by the Regulations for Enforcement of Act on Waste Disposal and Public Cleaning within FY 2018. When disseminating the relevant matters, examine the relevant formats based on an understanding of the actual situation in municipalities, and revise them if necessary. The relevant formats shall be electronic data in a file format suitable for processing by computer.</p> <p>b In addition, if using electronic manifests, because it is not necessary to submit the Report on Conditions for the Provision of Industrial Waste Management Sheets, etc., endeavor to diffuse the electronic manifests.</p>	<p>a: Take measures in FY 2018</p> <p>b: Continuously take measures in FY 2018 and thereafter</p>
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## Members and Associate Members of the Council for Promotion of Regulatory Reform

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	Haruno YOSHIDA	President & Representative Director, BT Japan Corporation

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- Junichi KAWADA Director, Executive Vice President, JXTG Holdings
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- ⌘ Agriculture and Forestry Working Group
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- Yoshihide WATANABE Director and Senior Managing Executive Officer, Chief Director of Business Planning, Kagome Co., Ltd.
- ⌘ Fishery Working Group
- Masahiko ARIJI Professor of Fishery and Food Strategy, Institute for World Economy, Kindai University
- Hiroshi IZUMISAWA Representative Director, Izumisawa-Suisan Co., Ltd.
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- Masayoshi HONMA Professor, Department of Economics, Seinan Gakuin University
- Yoshihide WATANABE Director and Senior Managing Executive Officer, Chief Director of Corporate Planning, Kagome Co., Ltd.
- ⌘ Medical Care and Long-term Care Working Group
- Koichi KAWABUCHI Professor, Health Care Economics, Graduate School of Medical and Dental Sciences, Tokyo Medical and Dental University
- Ryosuke TSUCHIYA Advisor, Tokiwa Kai Group
- Yuzo TODA Director, Vice President and Chief Technical Officer, FUJIFILM Corporation
- Akira MORITA Professor, College of Policy Studies, Tsuda University
- ⌘ Childcare and Employment Working Group
- Mika IKEMOTO Senior Researcher, Japan Research Institute
- Yoichi SHIMADA Executive Vice President, Waseda University
- ⌘ Investment and Miscellaneous Issues Working Group
- Tsuguhiko KADOKAWA Chairman of the Board of Directors, Kadokawa Corporation
- Fumihiko MURAKAMI Research Director, ICT and Media Strategy Group, Social ICT Innovation Division, Consulting Unit, Mitsubishi Research Institute, Inc.

Working Group Members

Working Group	Members			
⌚ Subcommittee for Administrative Burden Reduction	Shigeru TAKAHASHI	Chair	Sadakazu OSAKI	Associate Member
	Junji ANNEN Makiko EDA Miho NOSAKA Izumi HAYASHI Eiji HARA	Vice-chair Member Member Member Member	Junichi KAWADA Jiro KOKURYO Soichiro SAKUMA Yoshihiro TANAKA Kanae TSUTSUMI Takao HAMANISHI	Ast. Mbr. Ast. Mbr. Ast. Mbr. Ast. Mbr. Ast. Mbr. Ast. Mbr.
⌚ Agriculture and Forestry Working Group	Yasuyuki IIDA Yukihiro HASEGAWA Izumi HAYASHI Haruno YOSHIDA	Chair Vice-chair Member Member	Ryosuke AOKI Kazushi SAITO Yuko SHIRAI Masafumi HAYASHI Takeshi FUJITA Masayoshi HONMA Kaori MITSUMORI Yoshihide WATANABE	Ast. Mbr. Ast. Mbr. Ast. Mbr. Ast. Mbr. Ast. Mbr. Ast. Mbr. Ast. Mbr. Ast. Mbr.
⌚ Fishery Working Group	Miho NOSAKA Eiji HARA Yukihiro HASEGAWA Izumi HAYASHI	Chair Vice-chair Member Member	Masahiko ARIJI Hiroshi IZUMISAWA Yukinori SHITAUTSUBO Masayuki NAKAJIMA Wakao HANAOKA Masayoshi HONMA Yoshihide WATAMABE	Ast. Mbr. Ast. Mbr. Ast. Mbr. Ast. Mbr. Ast. Mbr. Ast. Mbr. Ast. Mbr. Ast. Mbr.
⌚ Medical Care and Long-term Care Working Group	Izumi HAYASHI Ryuichi MORISHITA Makiko EDA Miho NOSAKA	Chair Vice-chair Member Member	Koichi KAWABUCHI Ryosuke TSUCHIYA Yuzo TODA Akira MORITA	Ast. Mbr. Ast. Mbr. Ast. Mbr. Ast. Mbr.
⌚ Childcare and Employment Working Group	Junji ANNEN Ryuichi MORISHITA Yasuyuki IIDA Naohiro YASHIRO	Chair Vice-chair Member Member	Mika IKEMOTO Yoichi SHIMADA	Ast. Mbr. Ast. Mbr.
⌚ Investment and Miscellaneous Issues Working Group	Eiji HARA Haruno YOSHIDA Yasuyuki IIDA Ryuichi MORISHITA Naohiro YASHIRO	Chair Vice-chair Member Member Member	Tsuguhiko KADOKAWA Fumihiro MURAKAMI	Ast. Mbr. Ast. Mbr.
⌚ Regulatory Reform in Regional Areas Task Force	Naohiro YASHIRO Shigeru TAKAHASHI	Lead Sub-lead	Yoshihiro TANAKA Takao HAMANISHI	Ast. Mbr. Ast. Mbr.





## Past Discussion of the Council for Promotion of Regulatory Reform and Working Groups

## ☐ Council for Promotion of Regulatory Reform

19 <sup>th</sup> meeting	July 20, 2017	<ul style="list-style-type: none"> <li>• How to proceed with the Council for Promotion of Regulatory Reform</li> <li>• Implementation of intensive reception through the Hotline on Regulatory Reform</li> </ul>
20 <sup>th</sup>	September 11, 2017	<ul style="list-style-type: none"> <li>• Concerning the Hotline on Regulatory Reform</li> <li>• Urgent issues of importance</li> </ul>
21 <sup>st</sup>	October 24, 2017	<ul style="list-style-type: none"> <li>• Review of regulations for outdoor advertising</li> <li>• Realization of new transportation services including taxis responding to user needs</li> <li>• Concerning the Hotline on Regulatory Reform</li> </ul>
22 <sup>nd</sup>	November 17, 2017	<ul style="list-style-type: none"> <li>• Ex post facto reports on the “Recommendations to promote the turning of forestry into a growth industry and the proper management of forest resources”</li> <li>• Progress in discussions on the review of a childcare system</li> <li>• Progress in discussions on the reform of the spectrum allocation system</li> </ul>
23 <sup>rd</sup>	November 29, 2017	<ul style="list-style-type: none"> <li>• Opinions concerning the review of the farmland system responding to new needs</li> <li>• Publication of the report</li> </ul>
24 <sup>th</sup>	December 12, 2017	<ul style="list-style-type: none"> <li>• Review of outdoor advertisement regulation</li> <li>• Regulatory reform in rural areas</li> <li>• Private lodging business (minpaku)</li> </ul>
25 <sup>th</sup>	January 30, 2018	<ul style="list-style-type: none"> <li>• Realizing new transportation services by taxis and other methods based on user demand</li> <li>• Follow-up for regulatory reform implementation plans</li> </ul>
26 <sup>th</sup>	February 26, 2018	<ul style="list-style-type: none"> <li>• Realizing new transportation services by taxis and other methods based on user demand</li> <li>• Private lodging business</li> <li>• Public discussion planning</li> <li>• Regulatory Reform Hotline</li> </ul>
27 <sup>th</sup>	March 13, 2018	<ul style="list-style-type: none"> <li>• Realizing new transportation services by taxis and other methods based on user demand</li> <li>• Review of outdoor advertisement regulation</li> <li>• Establishment of the Task Force for Rural Regulatory Reform</li> </ul>
28 <sup>th</sup>	April 16, 2018	<ul style="list-style-type: none"> <li>• Broadcasting regulation reform</li> </ul>
29 <sup>th</sup>	April 20, 2018	<ul style="list-style-type: none"> <li>• Comments on improving employment rate of foreign students studying in Japan</li> <li>• Comments on realizing Comprehensive Home Health Care</li> </ul>
30 <sup>th</sup>	April 24, 2018	<ul style="list-style-type: none"> <li>• Realizing new transportation services by taxis and other methods based on user demand</li> <li>• Comments on advancing the utilization of public and private sector data</li> <li>• Reducing administrative procedure costs</li> </ul>
31 <sup>st</sup>	May 11, 2018	<ul style="list-style-type: none"> <li>• Comments on new taxi services based on various mobility demands</li> <li>• Comments on promoting on-line medical services</li> </ul>
32 <sup>nd</sup>	May 18, 2018	<ul style="list-style-type: none"> <li>• Comments on advancing the utilization of public and private sector data</li> <li>• Comments on regulatory reforms for the energy industry</li> </ul>

33 <sup>rd</sup>	May 25, 2018	<ul style="list-style-type: none"> <li>• Results of discussions at the Rural Regulatory Reform Task Force</li> <li>• The Draft Third Report on the Promotion of Regulatory Reform</li> <li>• Regulatory Reform Hotline</li> </ul>
34 <sup>th</sup>	June 4, 2018	<ul style="list-style-type: none"> <li>• Publication of the report</li> </ul>

⊕ Subcommittee for Administrative Burden Reduction

1 <sup>st</sup> meeting	August 29, 2017	<ul style="list-style-type: none"> <li>• Subcommittee management process</li> <li>• Establishing discussion groups to review basic plans for key areas</li> <li>• Overview of the Basic Plan</li> </ul>
2 <sup>nd</sup>	September 15, 2017	<ul style="list-style-type: none"> <li>• Interviews with Basic Plan stakeholders <ul style="list-style-type: none"> <li>- Japan Business Federation, Japan Association of Corporate Executives, Japan Association of New Economy</li> <li>- Japan Chamber of Commerce and Industry, Central Federation of Societies of Commerce and Industry, National Federation of Small Business Associations</li> <li>- Japan Federation of Labor and Social Security Attorney's Associations</li> </ul> </li> </ul>
3 <sup>rd</sup>	October 27, 2017	<ul style="list-style-type: none"> <li>• Projects for saving administrative procedure costs in Tottori Prefecture</li> </ul>
4 <sup>th</sup>	November 20, 2017	<ul style="list-style-type: none"> <li>• Simplifying procedures for personal identification</li> </ul>
5 <sup>th</sup>	December 22, 2017	<ul style="list-style-type: none"> <li>• Simplifying the process of bidding for and signing government contracts</li> <li>• Interviews with the relevant ministries and agencies (on bidding and signing) <ul style="list-style-type: none"> <li>- Goods and services (MIC: Ministry of Internal Affairs and Communications)</li> <li>- Construction and surveying (MLIT: Ministry of Land, Infrastructure, Transport and Tourism)</li> </ul> </li> <li>• Qualifications for bidding in independent administrative agency contracts (goods and services)</li> </ul>
6 <sup>th</sup>	January 31, 2018	<ul style="list-style-type: none"> <li>• Simplifying administrative procedures for small businesses and private business owners</li> <li>• Interview with the relevant ministries and agencies <ul style="list-style-type: none"> <li>- Digital Government Project planning (Cabinet Office IT Strategic Headquarters)</li> </ul> </li> </ul>
7 <sup>th</sup>	March 9, 2018	<ul style="list-style-type: none"> <li>• Policies for simplifying the process of bidding for and signing government contracts (interviews with the relevant ministries and agencies) <ul style="list-style-type: none"> <li>- Goods and services</li> <li>- Construction and surveying</li> </ul> </li> <li>• Others</li> </ul>
8 <sup>th</sup>	May 29, 2018	<ul style="list-style-type: none"> <li>• Following up FY 2017 initiatives</li> <li>• Results of evaluating administrative procedure costs and their savings forecast (final version)</li> </ul>

⊕ Administrative Burden Reduction Discussion Group A

1 <sup>st</sup> meeting	September 21, 2017	<ul style="list-style-type: none"> <li>• Interviews with the relevant ministries and agencies</li> <li>- Focus area: national and local taxes</li> </ul>
2 <sup>nd</sup>	October 5, 2017	<ul style="list-style-type: none"> <li>• Interviews with the relevant ministries and agencies</li> <li>- Focus area: social security procedures</li> <li>• Review of the Basic Plan (procedures for issuing business licenses) (draft)</li> </ul>
3 <sup>rd</sup>	November 2, 2017	<ul style="list-style-type: none"> <li>• Interviews with the relevant ministries and agencies</li> <li>- Focus area: social security procedures</li> <li>• Responses from government arms to survey on the review of the Basic Plan (procedures for issuing business licenses)</li> </ul>
4 <sup>th</sup>	January 18, 2018	<ul style="list-style-type: none"> <li>• Interviews with the relevant ministries and agencies</li> <li>- Focus area: procedures for issuing business licenses (National Police Agency, MAFF: Ministry of Agriculture, Forestry and Fisheries, MOE: Ministry of the Environment, and METI: Ministry of Economy, Trade and Industry)</li> </ul>
5 <sup>th</sup>	February 1, 2018	<ul style="list-style-type: none"> <li>• Interviews with the relevant ministries and agencies</li> <li>- Focus area: procedures for issuing business licenses (Financial Services Agency, MLIT, and MHLW: Ministry of Health, Labour and Welfare)</li> </ul>
6 <sup>th</sup>	February 21, 2018	<ul style="list-style-type: none"> <li>• Interviews with the relevant ministries and agencies</li> <li>- Focus area: social security procedures (MHLW)</li> </ul>
7 <sup>th</sup>	March 15, 2018	<ul style="list-style-type: none"> <li>• Interviews with the relevant ministries and agencies</li> <li>- Focus area: procedures for issuing business licenses (MAFF, MLIT, and MHLW)</li> </ul>
8 <sup>th</sup>	March 27, 2018	<ul style="list-style-type: none"> <li>• Interviews with the relevant ministries and agencies</li> <li>- Focus area: procedures for issuing business licenses (METI and MOE)</li> </ul>

Ⓒ Administrative Burden Reduction Discussion Group B

1 <sup>st</sup> meeting	September 19, 2017	<ul style="list-style-type: none"> <li>• Interview with government arms 1 – focus area: issuing official documents requested by employees</li> <li>• Interview with government arms 2 – focus area: procedure for labor management</li> </ul>
2 <sup>nd</sup>	October 3, 2017	<ul style="list-style-type: none"> <li>• Focus area: subsidy procedure</li> </ul>
3 <sup>rd</sup>	October 20, 2017	<ul style="list-style-type: none"> <li>• Focus area: cooperating with surveys and statistics</li> </ul>
4 <sup>th</sup>	November 30, 2017	<ul style="list-style-type: none"> <li>• Interview with government arms (cooperating with surveys and statistics)</li> <li>• Consolidating similar statistics (National Personnel Authority's survey on private sector payment by job types, National Tax Agency's survey on private sector payment, MHLW's survey on wage structure)</li> <li>• Response from government arms on guidelines for basic plan review guidelines (cooperating with surveys and statistics, subsidy procedure) and on interviews (employment certificate and labor management)</li> </ul>
5 <sup>th</sup>	February 15, 2018	<ul style="list-style-type: none"> <li>• Interview with government arms</li> <li>- Commercial registration (MOJ: Ministry of Justice)</li> </ul>
6 <sup>th</sup>	February 20, 2018	<ul style="list-style-type: none"> <li>• Interview with government arms</li> <li>- Cooperating with surveys and statistics (consolidating similar statistics)</li> <li>• Interview with government arms</li> <li>- Issuing official documents requested by employees</li> </ul>

7 <sup>th</sup>	March 23, 2018	<ul style="list-style-type: none"> <li>• Interview with government arms</li> <li>- Focus area: commercial registration (MOJ)</li> <li>- Focus area: cooperating with surveys and statistics (consolidating similar statistics)</li> </ul>
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⊕ Agriculture and Forestry Working Group

1 <sup>st</sup> meeting	September 20, 2017	<ul style="list-style-type: none"> <li>• Current situation and issues of policies for forests and forestry (Interviews with the relevant ministries and agencies)</li> <li>• Main deliberation topics of the Agriculture and Forestry Working Group for the term</li> </ul>
2 <sup>nd</sup>	October 5, 2017	<ul style="list-style-type: none"> <li>• Recommendations on forests and forestry (Interviews with the relevant ministries and agencies)</li> <li>• Interviews with the Ministry of Internal Affairs and Communications concerning the “Promotion of the turning of forestry into a growth industry and the proper management of forest resources” (from the standpoint of reviewing the tax system for promotion of forest sink activities)</li> </ul>
3 <sup>rd</sup>	October 11, 2017	<ul style="list-style-type: none"> <li>• Current situation and issues of policies for forests and forestry (Interviews with the relevant business operators)</li> </ul>
4 <sup>th</sup>	October 25, 2017	<ul style="list-style-type: none"> <li>• Current situation and issues of the wholesale market (Interviews with the relevant ministries and agencies)</li> </ul>
5 <sup>th</sup>	November 1, 2017	<ul style="list-style-type: none"> <li>• Current situation and issues of the wholesale market (Interviews with the relevant business operators)</li> </ul>
6 <sup>th</sup>	November 6, 2017	<ul style="list-style-type: none"> <li>• Recommendations on forests and forestry</li> <li>• Promotion of the utilization of new agricultural production facilities/equipment in farmland (Interviews with agricultural workers)</li> </ul>
7 <sup>th</sup>	November 15, 2017	<ul style="list-style-type: none"> <li>• Various issues concerning farmland (Interviews with the relevant ministries and agencies)</li> </ul>
8 <sup>th</sup>	November 24, 2017	<ul style="list-style-type: none"> <li>• Proposals (draft) for promoting the reform of distribution structure including the wholesale market</li> <li>• Opinions (draft) on the review of the farmland system responding to new needs</li> </ul>
9 <sup>th</sup>	January 23, 2018	<ul style="list-style-type: none"> <li>• Structural reform of food and distribution structure (update on plans for revitalizing agriculture, forestry, fisheries, and rural regions)</li> <li>• Review of regulations and standards limiting the usage of wood</li> </ul>
10 <sup>th</sup>	February 16, 2018	<ul style="list-style-type: none"> <li>• Review of regulations and standards limiting the usage of wood</li> <li>• Update on plans for new legal framework governing forest management</li> <li>• Land usage regulations for plant factories</li> </ul>
11 <sup>th</sup>	February 20, 2018	<ul style="list-style-type: none"> <li>• Productivity innovation in forestry and wood industry</li> </ul>
12 <sup>th</sup>	February 28, 2018	<ul style="list-style-type: none"> <li>• Land usage regulations for plant factories</li> </ul>
13 <sup>th</sup>	March 16, 2018	<ul style="list-style-type: none"> <li>• Reviewing regulations and standards to promote broader application of wood</li> <li>• Current status and challenges for managing government-owned forest</li> </ul>
14 <sup>th</sup>	March 23, 2018	<ul style="list-style-type: none"> <li>• Using drones in agriculture</li> <li>• Bill for reforming food distribution structure</li> </ul>
15 <sup>th</sup>	April 18, 2018	<ul style="list-style-type: none"> <li>• Initiatives for transforming forestry and wood business into growth industry</li> </ul>

16 <sup>th</sup>	April 26, 2018	<ul style="list-style-type: none"> <li>• Update on the agricultural cooperatives reform</li> </ul>
17 <sup>th</sup>	May 10, 2018	<ul style="list-style-type: none"> <li>• Review of regulations and standards limiting the usage of wood</li> <li>• Update on the agricultural commission reform</li> </ul>
18 <sup>th</sup>	May 16, 2018	<ul style="list-style-type: none"> <li>• Update on voluntary reforms initiated by the JA Group during the focus period for advancing agricultural cooperatives reform</li> <li>• Land usage regulations for plant factories</li> </ul>
19 <sup>th</sup>	May 23, 2018	<ul style="list-style-type: none"> <li>• Using drones in agriculture</li> </ul>

#### ☪ Fishery Working Group

1 <sup>st</sup> meeting	September 20, 2017	<ul style="list-style-type: none"> <li>• Current status and challenges for Japan's fishing industry</li> <li>• Key issues for the Fishery Working Group in this term</li> </ul>
2 <sup>nd</sup>	September 25, 2017	<ul style="list-style-type: none"> <li>• Interview with the National Federation of Fisheries Cooperative Associations</li> <li>• Interview with Japan Fisheries Research and Education Agency</li> </ul>
3 <sup>rd</sup>	October 13, 2017	<ul style="list-style-type: none"> <li>• Interview on coastal fish farming with local governments, fisheries cooperatives, and private businesses.</li> <li>• Interview with fisheries cooperatives on the current status of coastal fishing</li> </ul>
4 <sup>th</sup>	October 27, 2017	<ul style="list-style-type: none"> <li>• Interview with offshore fishing operators</li> <li>• Interview with high seas fishing operators</li> </ul>
5 <sup>th</sup>	November 6, 2017	<ul style="list-style-type: none"> <li>• Interview with fishery product distributors - Part 1</li> <li>• Interview with fishery product distributors - Part 2</li> </ul>
6 <sup>th</sup>	November 17, 2017	<ul style="list-style-type: none"> <li>• Fishery Working Group discussion review</li> </ul>
7 <sup>th</sup>	November 24, 2017	<ul style="list-style-type: none"> <li>• Update on planning by the MAFF aimed at transforming the fishing business into a growth industry and enhancing fishery resource management</li> </ul>
8 <sup>th</sup>	January 30, 2018	<ul style="list-style-type: none"> <li>• Response from the MAFF for technical inquiries concerning asset evaluation sent by the Fishery Working Group</li> <li>• Interview with business operators on the current status of equipment aboard fishing vessels</li> </ul>
9 <sup>th</sup>	February 15, 2018	<ul style="list-style-type: none"> <li>• Interview with the industry building large fishing vessels</li> <li>• Interview with the MLIT on the status of seafarer license and vessel safety standards</li> </ul>
10 <sup>th</sup>	February 27, 2018	<ul style="list-style-type: none"> <li>• Interview with fish farmers</li> </ul>
11 <sup>th</sup>	March 13, 2018	<ul style="list-style-type: none"> <li>• Interview with fish distribution and processing businesses</li> <li>• Interview with Japan Fisheries Association</li> </ul>
12 <sup>th</sup>	March 20, 2018	<ul style="list-style-type: none"> <li>• Interview with pharmaceuticals</li> <li>• Interview with fish farmers</li> <li>• Interview with off-shore and high seas fishing organizations</li> </ul>
13 <sup>th</sup>	March 30, 2018	<ul style="list-style-type: none"> <li>• Interview with the National Federation of Fisheries Cooperative Associations</li> </ul>
14 <sup>th</sup>	April 6, 2018	<ul style="list-style-type: none"> <li>• Interview with fish farmers</li> <li>• Interview with fisheries cooperatives</li> </ul>
15 <sup>th</sup>	May 15, 2018	<ul style="list-style-type: none"> <li>• Working Group discussion based on interview results</li> </ul>
16 <sup>th</sup>	May 18, 2018	<ul style="list-style-type: none"> <li>• Interview with the MLIT on safety rules for vessels</li> <li>• Fish quarantine issues</li> </ul>

17 <sup>th</sup>	May 31, 2018	<ul style="list-style-type: none"><li>• Interview with the MAFF on reforming fishery policies</li></ul>
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☪ Medical Care and Long-term Care Working Group

*1	June 22, 2017	<ul style="list-style-type: none"> <li>• Review of procedure for handling generic medicine in drug stores when pharmacists are absent</li> <li>• Review of standards for advertising generic medicine and designated quasi-drugs</li> </ul>
1 <sup>st</sup> meeting	September 6, 2017	<ul style="list-style-type: none"> <li>• Notification on telemedicine</li> </ul>
2 <sup>nd</sup>	September 19, 2017	<ul style="list-style-type: none"> <li>• Key issues for the Medical Care and Long-term Care Working Group in this term</li> </ul>
3 <sup>rd</sup>	October 2, 2017	<ul style="list-style-type: none"> <li>• Realizing medical services in Society 5.0</li> <li>• Review of the Health Insurance Claims Review and Reimbursement Services (HICRRS)</li> </ul>
4 <sup>th</sup>	October 10, 2017	<ul style="list-style-type: none"> <li>• Realizing medical services in Society 5.0</li> <li>• Regulations for advancing innovations in medical service</li> <li>• Follow-up for regulatory reform plans in the field of long-term care</li> </ul>
5 <sup>th</sup>	November 6, 2017	<ul style="list-style-type: none"> <li>• Realizing medical services in Society 5.0</li> <li>• Using experimental medicine by patients' requests</li> <li>• Review of the two-week limitation for prescribing new drugs</li> </ul>
6 <sup>th</sup>	November 20, 2017	<ul style="list-style-type: none"> <li>• Review of the practical implementation of the 1971 Notice distinguishing drug from food</li> <li>• Response by the MHLW to inquiries based on the 3rd Medical Care and Long-term Care Working Group meeting (telemedicine and the HICRRS)</li> </ul>
7 <sup>th</sup>	December 5, 2017	<ul style="list-style-type: none"> <li>• Review of the HICRRS</li> <li>• Realizing medical services in Society 5.0</li> </ul>
8 <sup>th</sup>	December 19, 2017	<ul style="list-style-type: none"> <li>• Increasing the medical fee for telemedicine</li> <li>• Challenges and guidelines for promoting electronic prescribing</li> <li>• Review of the HICRRS (sending questionnaire)</li> </ul>
9 <sup>th</sup>	January 16, 2018	<ul style="list-style-type: none"> <li>• Clarification of telemedicine rules</li> <li>• Saving costs for administrative procedures in non-profit sectors</li> <li>• Review of the HICRRS (responses to the questionnaire from the MHLW and HICRRS)</li> </ul>
10 <sup>th</sup>	January 30, 2018	<ul style="list-style-type: none"> <li>• Review of the practical implementation of the 1971 Notice distinguishing drug from food</li> <li>• Realizing flexible services by combining services both covered and not covered by Long-term Care Insurance</li> </ul>
11 <sup>th</sup>	February 13, 2018	<ul style="list-style-type: none"> <li>• Review of the HICRRS</li> </ul>
12 <sup>th</sup>	February 20, 2018	<ul style="list-style-type: none"> <li>• Realizing medical services in Society 5.0</li> </ul>
13 <sup>th</sup>	March 6, 2018	<ul style="list-style-type: none"> <li>• Improvement of functional food framework</li> </ul>
14 <sup>th</sup>	March 13, 2018	<ul style="list-style-type: none"> <li>• Follow-up for regulatory reform plans in the field of long-term care</li> </ul>
15 <sup>th</sup>	April 3, 2018	<ul style="list-style-type: none"> <li>• Using experimental medicine by patients' requests</li> <li>• Notification of perishables under the system of foods with functional claims</li> </ul>
16 <sup>th</sup>	April 17, 2018	<ul style="list-style-type: none"> <li>• Review of the HICRRS</li> <li>• Comments on realizing Comprehensive Home Health Care</li> </ul>



17 <sup>th</sup>	May 8, 2018	<ul style="list-style-type: none"> <li>• Comments on the promotion of online medical services</li> </ul>
18 <sup>th</sup>	May 15, 2018	<ul style="list-style-type: none"> <li>• Comments on realizing Comprehensive Home Health Care</li> </ul>

\*1 Part of activity by the Medical Care, Long-term Care, and Child Care Working Group during its previous term.

#### ☪ Childcare and Employment Working Group

1 <sup>st</sup> meeting	September 22, 2017	<ul style="list-style-type: none"> <li>• Main deliberation topics of the Childcare and Employment Working Group for the term</li> <li>• Interviews concerning childcare (Interviews with the relevant ministries and agencies)</li> </ul>
2 <sup>nd</sup>	October 6, 2017	<ul style="list-style-type: none"> <li>• Interviews concerning childcare (Interviews with the relevant ministries and agencies as well as the relevant business operators)</li> </ul>
3 <sup>rd</sup>	October 18, 2017	<ul style="list-style-type: none"> <li>• Interviews concerning childcare (Interviews with the relevant ministries and agencies as well as the relevant local governments)</li> </ul>
4 <sup>th</sup>	November 1, 2017	<ul style="list-style-type: none"> <li>• Current situation of childcare</li> <li>• Remote education in the IT era (Interviews with the relevant ministries and agencies)</li> </ul>
5 <sup>th</sup>	January 29, 2018	<ul style="list-style-type: none"> <li>• Interviews with experts on non-Japanese talents</li> <li>- Status and challenges for non-Japanese students seeking employment in Japan (think tanks)</li> </ul>
6 <sup>th</sup>	February 8, 2018	<ul style="list-style-type: none"> <li>• Interviews with experts on non-Japanese talents</li> <li>- Status and challenges for non-Japanese students seeking employment in Japan (think tanks)</li> </ul>
7 <sup>th</sup>	February 19, 2018	<ul style="list-style-type: none"> <li>• Interviews with parties involved on non-Japanese talents</li> <li>- Status and challenges for universities supporting non-Japanese students' job hunting (job placement businesses)</li> <li>- Ideal employment of non-Japanese students: business viewpoints (Japan Chamber of Commerce and Industry)</li> </ul>
8 <sup>th</sup>	March 5, 2018	<ul style="list-style-type: none"> <li>• Interviews with government arms on non-Japanese talents</li> <li>- Policies for advancing the employment of non-Japanese students (MEXT, MHLW, and METI)</li> </ul>
9 <sup>th</sup>	March 19, 2018	<ul style="list-style-type: none"> <li>• Interviews with government arms on non-Japanese talents</li> <li>- Immigration policies applied to non-Japanese students (MOJ)</li> </ul>
10 <sup>th</sup>	March 28, 2018	<ul style="list-style-type: none"> <li>• Interviews with experts on non-Japanese talents</li> <li>- Status and challenges for training non-Japanese students to develop Japanese communication skills for business transactions (Japanese language training experts)</li> <li>• Interviews with government arms on non-Japanese talents</li> <li>- Support for non-Japanese students seeking employment in rural areas (Cabinet Secretariat)</li> </ul>
11 <sup>th</sup>	April 25, 2018	<ul style="list-style-type: none"> <li>• Update on plans for promoting internship programs (MEXT)</li> <li>• Update on plans for giving mandatory paid leaves earlier (MHLW)</li> <li>• Update on plans for establishing employment rules applied to "job-based" permanent workers (MHLW)</li> <li>• Update on plans for developing rules on terminating employment without causing labor disputes (MHLW)</li> </ul>

Ⓒ Investment and Miscellaneous Issues Working Group

*2	June 26, 2017	<ul style="list-style-type: none"> <li>• Remote education in the IT era (Interviews with the relevant ministries and agencies)</li> </ul>
1 <sup>st</sup> meeting	September 15, 2017	<ul style="list-style-type: none"> <li>• Main deliberation topics of the Investment and Miscellaneous Issues Working Group for the term</li> <li>• Remote education in the IT era (Interviews with the relevant ministries and agencies)</li> </ul>
2 <sup>nd</sup>	September 26, 2017	<ul style="list-style-type: none"> <li>• Promotion of the funding through the transfer of receivables (Interviews with the relevant ministries and agencies as well as the relevant organizations)</li> <li>• Status of implementation by the first half of this fiscal year of the Implementation Plan for Regulation Reform (June, 2017)</li> </ul>
3 <sup>rd</sup>	October 11, 2017	<ul style="list-style-type: none"> <li>• Reform of the spectrum allocation system (Interviews with experts)</li> <li>• Status of implementation by the first half of this fiscal year of the Implementation Plan for Regulation Reform</li> </ul>
4 <sup>th</sup>	October 17, 2017	<ul style="list-style-type: none"> <li>• Reform of the spectrum allocation system (Interviews with experts)</li> </ul>
5 <sup>th</sup>	October 24, 2017	<ul style="list-style-type: none"> <li>• Reform of the spectrum allocation system (Interviews with experts and the relevant business operators)</li> </ul>
6 <sup>th</sup>	October 25, 2017	<ul style="list-style-type: none"> <li>• Reform of the spectrum allocation system (Interviews with the relevant business operators and the relevant organizations)</li> </ul>
7 <sup>th</sup>	October 30, 2017	<ul style="list-style-type: none"> <li>• Reform of the spectrum allocation system (Interviews with experts and the relevant ministries and agencies)</li> </ul>
8 <sup>th</sup>	November 9, 2017	<ul style="list-style-type: none"> <li>• Reform of the spectrum allocation system (Interviews with the relevant ministries and agencies)</li> </ul>
9 <sup>th</sup>	November 16, 2017	<ul style="list-style-type: none"> <li>• Reform of the spectrum allocation system (Interviews with experts, the relevant organizations, and the relevant ministries and agencies)</li> </ul>
10 <sup>th</sup>	November 17, 2017	<ul style="list-style-type: none"> <li>• Reform of the spectrum allocation system (Interviews with experts, the relevant organizations, and the relevant ministries and agencies)</li> </ul>
11 <sup>th</sup>	December 8, 2017	<ul style="list-style-type: none"> <li>• Promotion of funding through transfer of receivables (interviews with experts and the relevant ministries and agencies)</li> </ul>
12 <sup>th</sup>	January 19, 2018	<ul style="list-style-type: none"> <li>• Remote education in the IT era (Interviews with the relevant ministries and agencies)</li> </ul>
13 <sup>th</sup>	January 31, 2018	<ul style="list-style-type: none"> <li>• Easing regulations for importing wireless device without technical certificates issued by the Japanese Government (Interviews with relevant organizations and government arms)</li> </ul>
14 <sup>th</sup>	February 7, 2018	<ul style="list-style-type: none"> <li>• Broadcasting regulation reform (Interviews with experts)</li> </ul>
15 <sup>th</sup>	February 19, 2018	<ul style="list-style-type: none"> <li>• Regulatory reforms for the energy industry (Interviews with experts)</li> <li>• Broadcasting regulation reform (Interviews with experts)</li> </ul>

16 <sup>th</sup>	February 27, 2018	<ul style="list-style-type: none"> <li>• The evolution of FinTech and regulation (Interviews with experts)</li> <li>• Regulatory reforms for cloud funding (Interviews with experts, relevant organizations and government arms)</li> <li>• Regulatory reforms for the energy industry (Interviews with relevant businesses)</li> </ul>
17 <sup>th</sup>	March 8, 2018	<ul style="list-style-type: none"> <li>• Broadcasting regulation reform (Interviews with relevant businesses)</li> </ul>
18 <sup>th</sup>	March 15, 2018	<ul style="list-style-type: none"> <li>• Broadcasting regulation reform (Interviews with experts)</li> </ul>
19 <sup>th</sup>	March 22, 2018	<ul style="list-style-type: none"> <li>• Sunlight rule review (Interviews with the relevant ministries and agencies and other organizations)</li> <li>• Broadcasting regulation reform (Interviews with experts)</li> </ul>
20 <sup>th</sup>	April 4, 2018	<ul style="list-style-type: none"> <li>• Broadcasting regulation reform (Interviews with experts and relevant organizations)</li> </ul>
21 <sup>st</sup>	April 13, 2018	<ul style="list-style-type: none"> <li>• Regulatory reforms for the energy industry (Interviews with experts and the relevant ministries and agencies)</li> </ul>
22 <sup>nd</sup>	April 18, 2018	<ul style="list-style-type: none"> <li>• Utilization of data held by local governments (Interviews with the relevant ministries and agencies)</li> <li>• Discussions on the My Number Card (My Number) system (Interviews with experts, relevant organizations and ministries and agencies)</li> </ul>
23 <sup>rd</sup>	April 20, 2018	<ul style="list-style-type: none"> <li>• Broadcasting regulation reform (Interviews with the relevant ministries and agencies)</li> </ul>
24 <sup>th</sup>	April 23, 2018	<ul style="list-style-type: none"> <li>• Discussions on the My Number Card system (Interviews with the relevant ministries and agencies)</li> <li>• Comments on advancing the utilization of public and private sector data</li> </ul>
25 <sup>th</sup>	April 24, 2018	<ul style="list-style-type: none"> <li>• Broadcasting regulation reform (Interviews with experts, relevant organizations and government arms)</li> </ul>
26 <sup>th</sup>	April 25, 2018	<ul style="list-style-type: none"> <li>• Broadcasting regulation reform (Interviews with experts)</li> </ul>
27 <sup>th</sup>	April 25, 2018	<ul style="list-style-type: none"> <li>• Broadcasting regulation reform (Interviews with experts and the relevant ministries and agencies)</li> </ul>
28 <sup>th</sup>	April 26, 2018	<ul style="list-style-type: none"> <li>• Broadcasting regulation reform (Interviews with relevant businesses and other organizations)</li> </ul>
29 <sup>th</sup>	April 27, 2018	<ul style="list-style-type: none"> <li>• Regulatory reforms for the energy industry (Interviews with the relevant ministries and agencies)</li> </ul>
30 <sup>th</sup>	May 8, 2018	<ul style="list-style-type: none"> <li>• Regulatory reforms for the energy industry (Interviews with experts and the relevant ministries and agencies)</li> </ul>
31 <sup>st</sup>	May 9, 2018	<ul style="list-style-type: none"> <li>• Broadcasting regulation reform (Interviews with the relevant ministries and agencies)</li> </ul>
32 <sup>nd</sup>	May 14, 2018	<ul style="list-style-type: none"> <li>• Broadcasting regulation reform (Interviews with experts and the relevant ministries and agencies)</li> </ul>
33 <sup>rd</sup>	May 15, 2018	<ul style="list-style-type: none"> <li>• Broadcasting regulation reform (Interviews with the relevant ministries and agencies)</li> </ul>
34 <sup>th</sup>	May 17, 2018	<ul style="list-style-type: none"> <li>• Regulatory reforms for the energy industry (Interviews with experts and relevant businesses)</li> <li>• Broadcasting regulation reform (Interviews with the relevant ministries and agencies)</li> </ul>

35 <sup>th</sup>	May 18, 2018	<ul style="list-style-type: none"> <li>• Comments on regulatory reforms for the energy industry</li> </ul>
36 <sup>th</sup>	May 21, 2018	<ul style="list-style-type: none"> <li>• Broadcasting regulation reform (Interviews with relevant businesses)</li> </ul>
37 <sup>th</sup>	May 23, 2018	<ul style="list-style-type: none"> <li>• Smoother funding for growth industries (Interviews with the relevant ministries and agencies)</li> <li>• Broadcasting regulation reform (Interviews with relevant organizations and government arms)</li> </ul>
38 <sup>th</sup>	May 25, 2018	<ul style="list-style-type: none"> <li>• Contents of the report</li> </ul>

\*2 Part of activity by the Investment Working Group for the previous term

#### ⊕ Regulatory Reform in Regional Areas ⊕ Task Force

1 <sup>st</sup>	April 4, 2018	<ul style="list-style-type: none"> <li>• Results of improvement discussions (interview with the MIC)</li> </ul>
2 <sup>nd</sup>	April 6, 2018	<ul style="list-style-type: none"> <li>• Results of improvement discussions (interviews with the National Police Agency, MHLW, and MLIT)</li> </ul>
3 <sup>rd</sup>	April 16, 2018	<ul style="list-style-type: none"> <li>• Results of improvement discussions (interviews with the MHLW and Cabinet Office)</li> </ul>
4 <sup>th</sup>	April 23, 2018	<ul style="list-style-type: none"> <li>• Results of improvement discussions (interviews with the MOE and MIC)</li> </ul>

#### Expert Team discussions

1 <sup>st</sup>	November 22, 2017	<ul style="list-style-type: none"> <li>• Regulations for the system of foods with functional claims on perishables</li> </ul>
2 <sup>nd</sup>	March 9, 2018	<ul style="list-style-type: none"> <li>• Introduction of lockers for consumers to send cloths to laundry shops and retrieve them after being washed</li> </ul>
3 <sup>rd</sup>	March 29, 2018	<ul style="list-style-type: none"> <li>• Regulatory reforms for defined contribution plan</li> </ul>
4 <sup>th</sup>	March 29, 2018	<ul style="list-style-type: none"> <li>• Review of the Road Traffic Act provisions for large power-assisted baby carriage</li> </ul>
5 <sup>th</sup>	April 19, 2018	<ul style="list-style-type: none"> <li>• Introduction of lockers for consumers to send cloths to laundry shops and retrieve them after being washed</li> </ul>
6 <sup>th</sup>	May 11, 2018	<ul style="list-style-type: none"> <li>• Regulatory reforms for defined contribution plan</li> </ul>

#### Public discussion

1 <sup>st</sup>	March 27, 2018	<ul style="list-style-type: none"> <li>• Advancing online medical service: new possibilities for medical services under Society 5.0</li> </ul>
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