

Provisional Translation by the Cabinet Office

Fourth Report by the Council for
Regulatory Reform
~Never-Ending Challenges~

May 19, 2016
Council for Regulatory Reform

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Chapter I. General Remarks

1. Objectives of Regulatory Reform

(1) Necessity for Regulatory Reform: Why do We Need Regulatory Reform?

Japan has many different types of prescriptions from laws and regulations to circular notices and other directives issued at the operational level. Many, if not most, current regulations were both understandable and rational when established.

However, as international circumstances and domestic socio-economic structures change, it is vital to constantly reexamine whether these regulations are still reasonable. A regulation that was once rational might now excessively hamper business innovation in the private sector. Furthermore, a review of safety regulations may also allow the same or a higher level of safety to be ensured in a more efficient manner.

In recent years, circumstances, both domestically and internationally, have been evolving at even greater speeds. Japan, as a member of the international community, must make a sustained effort and execute reforms in searching for and realizing regulations suited to the times so that we may continue to be an affluent and vibrant country. The objectives of regulatory reform are precisely to provide stability to and improve the lives of our people, contribute to economic revitalization and, through these reforms, enable Japan to grow and develop.

(2) Significance of Regulatory Reforms in Recent Context: Growth Strategy Key and Provision of Diverse Options for the Public

As stated in section (1) above, as long as regulations exist and socio-economic structures shift, it is crucial that policies be constantly reassessed through efforts to reform regulations.

Moreover, it should be pointed out that regulatory reform in recent years has played an important role in overall economic policy. Following implementation of the “three arrows” of Abenomics, i.e. aggressive monetary policy, flexible fiscal policy, and growth strategy, the second stage of policies, a “new set of three arrows,” is being promoted to realize a society in which all citizens are dynamically engaged, and regulatory reform is central to the first arrow of this new set, which is the achievement of a resilient economy. Fostering mobility among people, goods, credit and information toward growth through regulatory reform is an important policy agenda.

In addition, an environment also needs to be created where multiple choices may be offered via regulatory reforms that suit people’s needs in areas closely related to their lives. This is also important from the standpoint of the second arrow, child-rearing assistance, and the third arrow, addressing the need for elder care.

In this senses, the primary goals of regulatory reform are:

- (i) To spur innovation that adapts to changes in economic circumstances
- (ii) To ensure that new products and services developed through technological innovation are available for the public to enjoy
- (iii) To realize an inclusive society in which women actively participate and all people, including the young and the elderly, are able to demonstrate their abilities, and the systems are promoted to support the smooth mobility of labor from the standpoint of revitalizing the economy and

- strengthening its growth potential amid a decreasing population
- (iv) To remove regulations that hamper regional revitalization.

(3) Consultations by the Council for Regulatory Reform: History and Features of Deliberations

The Council for Regulatory Reform was established in January 2013 based on a cabinet order to serve as an advisory body to the Prime Minister for comprehensively researching and deliberating regulatory reforms.

In the process of consultation, the Council has invited regulatory enforcement agencies, relevant industries and other stakeholders so that it may adequately listen to their opinions, and the Council has deliberated from multiple perspectives whether the regulations in question need to be reformed. From the standpoint of an advisory body comprised of experts, the Council for Regulatory Reform has discussed the ideal form that regulations should take, without being bound to any one point of view, and settled on a robust approach.

Meanwhile, through the Hotline on Regulatory Reform and other avenues, the Council has received requests from broad layers of public and examined as many of these suggestions as possible. Since the Council for Regulatory Reform was established, a total of 624 items have been incorporated in all reports released by the Council, including those from this term. While regulatory enforcement agencies themselves and other entities have also studied and consulted on regulatory reforms, a striking feature of the Council for Regulatory Reform is that this council examines regulations thoroughly across the board.

Since the Council for Regulatory Reform was established, it has been active for four terms: the first from January 2013 to June 2013, the second from July 2013 to June 2014, the third from July 2014 to June 2015, and the fourth from July 2015 to the present. In the first three terms, the Council vigorously reviewed regulatory reforms, including so-called “bedrock regulations,” reforms of which have not been instituted for many years, and submitted reports to the Prime Minister three times. These reports have provided the foundation for Implementation Plan for Regulatory Reform, which were approved by the Cabinet shortly afterwards, advancing the government’s regulatory reform initiatives.

In this term since the submission of its third report, the Council has again examined regulatory reform in many areas. This report is a compilation of the results of these examinations and is submitted to the Prime Minister as the “Fourth Report by the Council for Regulatory Reform.”

2. Priorities during Consultations This Term

(1) Regulatory Reform for Realizing Key Cabinet Policies: “Realizing Diversified Working Styles” and “Increasing Productivity”

The Council for Regulatory Reform has prioritized reform of regulations hindering the realization of key Cabinet policies, including promoting a growth strategy that allows a diverse range of new businesses to be created out of the private sector’s dynamic originality and ingenuity, surmounting the issues of a decreasing population and contracting regional economies, and establishing a positive growth cycle with the creation of cities, people and work.

During this term, the Council has particularly worked to reform regulations necessary for raising productivity and forming a society where each and every citizen is able to take a more active part in his or her workplace and community in the aim of realizing the second set of three arrows of Abenomics, the administration's fundamental policy.

More specifically, the Council gave priority to the following matters in its deliberations.

- Regulatory reforms for realizing diverse working styles
- Regulatory reforms for promoting "local Abenomics"
- Regulatory reforms for promoting a sharing economy
- Regulatory reforms with a focus on rapidly increasing inbound tourism

(See Chapter II for more specific findings of these deliberations.)

(2) Culmination of Reforms Addressed So Far (Focused Follow-up): Toward the Realization of Solid Reforms

Time and time again, reports have been presented and cabinet decisions rendered on regulatory reforms. However, these efforts have not been appropriately followed up, so there have been cases where reforms did not gain ground as originally intended. It is essential for realistically advancing reforms that the Council for Regulatory Reform receive reports from the government on the progress of the Implementation Plan for Regulatory Reform and appropriate follow up on such progress. As it approaches the end of its mandate, the Council conducted intensive follow-ups during the present term particularly of matters incorporated in Implementation Plan for Regulatory Reform over the past three years.

(See Chapter II and Appendix 1 for specific results of these follow-ups.)

<Health and Medical Care>

- (i) Creating a new mechanism for incorporating treatments not covered by medical insurance
- (ii) Consolidating business management of long-term care and childcare businesses and ensuring equivalent conditions of competition
- (iii) Developing a system that allows health insurance providers to check insurance claim data
- (iv) Reassessing regulations in the furtherance of separating drug dispensing and prescribing functions
- (v) Reassessing the way in which insurance benefits are provided for ethical pharmaceuticals that are similar to commercial products (drugs comparable to those available on the open market)
- (vi) Constructing a system for facilitating remote diagnosis and treatment
- (vii) Reassessing the examination procedures for Food for Specified Health Uses

<Employment>

- (viii) Developing a government-supported system for switching careers and skill enhancement that may be implemented using certain procedures

- (ix) Reconstructing regulations for employment and intermediary job placement businesses
- (x) Considering the appropriate manner for terminating employment that is satisfactory to both labor and management

<Agriculture>

- (xi) Strengthening the functions of public intermediate organizations for farmland consolidation
- (xii) Reliably carrying out various reforms based on partial revision of the Agricultural Co-operatives Act and other laws (revision of the Agricultural Co-operatives Act, Agricultural Land Act, Act on Agricultural Commission, etc.)

<Investment Promotion and Miscellaneous Issues>

- (xiii) Promoting recycling of pet bottles collected at shops
- (xiv) Reassessing regulations to meet the needs of users of barbers and beauty salons
- (xv) Promoting the use and application of robots
- (xvi) Promoting the popularization and increased use of new generation vehicles (including regulations concerning fuel cell vehicles and other new generation vehicles)
- (xvii) Smoothly enforcing the revised Act on the Protection of Personal Information (including fostering the spread of big data businesses)
- (xviii) Promoting the reconstruction and rehabilitation of decrepit apartment buildings
- (xix) Reassessing the “Guidelines Concerning Distribution Systems and Business Practices” (reviewing safe harbor)

<Regional Revitalization>

- (xx) Regulatory reform in Minpaku services (providing lodging service that makes use of ordinary houses and villas, and advertises for lodgers through the internet)
- (xxi) Establishing Regional Councils for Regulatory Reform
- (xxii) Review of regulations for the Act on Control and Improvement of Amusement Business, etc.

Most of the items incorporated in the past three reports have been reflected in Implementation Plan for Regulatory Reform soon thereafter in a form similar to the manner proposed and have been subject to subsequent follow-up, but the following two items have been modified during the process of formulating the Implementation Plan for Regulatory Reform from the manner in which they were initially proposed in their respective reports. Their status since the reports is described below.

It is important that intensive debate continues on the necessity for regulatory reform while ascertaining the status of the formation of relevant systems in the relevant fields.

A. Online Sales of Non-Prescription Drugs

a. Content of Report on Regulatory Reform (June 5, 2013)

The new rules replacing conventional regulations have taken into account the distribution format characteristics and voluntary industry guidelines to establish a system that appropriately ensures safety, and allows for the sale of all non-prescription drugs over the

internet and through other channels, and such a framework for these is to be arranged by September 2013 at the latest.

b. Subsequent Status of Establishment of Relevant Systems

The June 2013 implementation plan for regulatory reform (i) permitted online sales of non-prescription drugs with appropriate rules while ensuring the safety of consumers, and (ii) considered a framework for encouraging prudent sale and use of “Switch-Over-The-Counter (SOTC) drugs” early after switching from ethical pharmaceuticals to non-prescription drugs as well as “items designated as dangerous drugs,” which are highly toxic and powerful.

Thereafter, under the Ministry of Health, Labour and Welfare, the Working Group on Drafting Rules for Sale of Non-Prescription Drugs proceeded to consider numeral one and the Expert Working Group on Reviewing and Verifying SOTC conducted a review of numeral two. The report on numeral two, in particular, pointed out the need for pharmacists to provide information and guidance face-to-face with consumers about SOTC and items designated as toxic or dangerous. Following these reports, (i) the Ministry of Health, Labour and Welfare reconsidered the system for selling pharmaceuticals and allowed online sales of non-prescription drugs under certain rules and (ii) a Cabinet Decision was handed down on November 12, 2013 approving legislation revising the Pharmaceutical Affairs Act designating those SOTC as well as items designated as toxic or dangerous which are within the classification of non-prescription pharmaceuticals to be newly specified as “pharmaceuticals requiring guidance” and mandating that they be sold face-to-face by a pharmacist.

The revised Pharmaceutical Affairs Act went into effect on June 12, 2014, allowing the sale of non-prescription drugs over the internet and other such channels.

It should be noted that the revised Pharmaceutical Affairs Act stipulates that pharmacists must directly sell medicines dispensed with a prescription face-to-face.

Meanwhile, on March 31, 2016, the Ministry of Health, Labour and Welfare revised the “Ministerial Ordinance on the Use of Information Communication Technology in Document Storage, etc. undertaken by Private Businesses Based on Provisions of Acts and Regulations under the Purview of the Ministry of Health, Labour and Welfare” (Ministry of Health, Labour and Welfare Ordinance No. 44 of 2005) to remove the ban on electronic prescriptions. This has been regarded as a prior condition for considering modes of sale for drugs dispensed with a prescription, other than direct face-to-face sales, such as over the internet or through other channels, so it is important that consideration be given to reviewing the issues to be addressed in the future.

B. Reassessment of Regulations on Working Hours

a. Content of Second Report on Regulatory Reform (June 13, 2014)

With regard to reassessing regulations on working hours, the second report pointed out the necessity for a “new system of working hours” in this new environment, in which there has

been a noticeable increase in work in fields where it is difficult to measure results according to the length of working hours, such that regulations on working hours are reassessed in a way that separates the link between wages and work time periods or length, while, at the same time thoroughly protects workers' health from the perspective of the necessity for introducing "regulations on quantitative limits on working hours" and "compulsory arrangements for promoting the acquisition of vacation time and holidays." A proposal was incorporated that enables this three-part reform to proceed. Also, with regard to the scope of those subject to such regulations, a proposal was also put forth that the decision should basically be left to the autonomy of collective labor and management at the corporate level after the national government has indicated its criterion. Nevertheless, this was not reflected in the subsequent implementation plan for regulatory reform.

It should be noted that the same report called for the Council for Regulatory Reform to deliberate the issue further in the aim of realizing a new system of working hours for the three-part reform, and resolute deliberations and reviews should continue within the context of additional approaches being made to both labor and management.

b. Subsequent Status of Establishment of Relevant Systems

With regard to reassessing the regulations on working hours, the revised "Japan Revitalization Strategy" 2014 (approved by Cabinet Decision on June 24, 2014) created a "new system of working hours" for workers satisfying certain annual income requirements (for example, annual salary of ¥10,000,000 or greater. Following this, the Labour Policy Council under the Ministry of Health, Labour and Welfare conducted a review, and legislation was submitted to the 2015 Diet to partially revise the Labor Standards Act and other laws (this legislation is currently under consideration by the Diet).

(3) Steady Promotion of Regulatory Review by Each Ministry or Agency: Promotion of Government-Wide Regulatory Review

In order for government ministries and agencies to reassess the many regulations under their jurisdictions in a more timely and effective manner, it is important to construct a system through which the competent ministries and agencies themselves will independently and proactively undertake regulatory reform (regulatory review) so that reforms will emerge not only in the form of external proposals, such as those put forth by the Council for Regulatory Reform and other such entities.

From the standpoint of regulatory review taking root and be promoted, the Council for Regulatory Reform has determined the matters to be given tentative priority in the preparation of regulatory sheets by each ministry or agency and has confirmed the content of such regulatory sheets forwarded by each ministry or agency. Also, the Council has requested regulatory enforcement agencies to arrange the regulations subject to review and the timing of such reviews so that these reassessments proceed in a systematic and steady manner (for more specific details see Chapter III).

3. Working toward Realizing this Report

The Council for Regulatory Reform has compiled this report and submitted it to the Prime Minister. The next stage is “implementation.” Work must immediately be initiated, deadlines set and each of the regulations, and systems cited here steadily realized along with their operation and practice.

For this reason, it is necessary to formulate a schedule detailing the process to be followed through realization of reforms, which means drawing up plans similar to the Implementation Plan for Regulatory Reform proposed in June 2013, June 2014 and June 2015 and to have these approved by cabinet decision.

Many regulations encompass trade-offs or involve a structure where interests conflict, which leads to a passive stance being adopted by regulatory enforcement agencies and are 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.

4. Progressing to the Next Step

The Council for Regulatory Reform will reach the limit of its mandate at the end of July 2016, but, as stated above, in order for Japan to continue to be an affluent and vibrant society accommodating socioeconomic structural changes, there needs to be constant verification of ideal mode for which regulations should be structured. There is truly “no end to regulatory reform.”

So that regulatory reform will be furthered in an effective manner in the future as well, it is vital that a new organization be promptly launched to follow the current Council for Regulatory Reform (who ends on July 31, 2016) so that regulatory reforms will be addressed without interruption.

Also, there are items incorporated in previous reports, as well as this one, and implementation plans for regulatory reform for which measures have not been completed as of the current point in time, and the status of these will need to be followed up. Even after the Council for Regulatory Reform’s mandate terminates, an organization in charge of regulatory reform will need to resolutely follow up on these matters and ascertain their progress through their translation into reforms.

Furthermore, so that the deliberations conducted by the Council for Regulatory Reform continue on and lead to even more results, the organization in charge of regulatory reform should consider participating in planning activities under the following sorts of themes, while it works to form more effective and efficient liaisons with the Industrial Competitiveness Council, Council on Overcoming Population Decline and Vitalizing Local Economy in Japan, Council on Economy and Fiscal Policy and other such bodies.

- Consider reassessing systems so that they may keep pace with additional progress made in establishing a sharing economy
- Having marshaled an approach to the relationship between regional and national issues, consider the ideal way in which regulation should be structured

- Not be limited to “regulations” in the narrow sense, but address the way in which administrative procedures should be laid out in order to reduce the burden on business activities domestically and improve convenience for the public

Chapter II. Regulatory Reforms in Each Sector

1. Health and Medical Care

(1) Objectives and Examination Perspectives of Regulatory Reform

Japan has established an insurance system that covers all of its citizens allowing them to receive high-quality healthcare services at a low cost and, in doing so, has realized a society with the highest rates of longevity anywhere in the world. While extension of the average lifespan has steadily increased the elderly population, the declining birth rate has still not been stemmed such that, as of October 1, 2015, the ratio of people aged 65 or older in Japan's total population reached 26.7% (figure confirmed in the Ministry of Internal Affairs and Communications' "Population Projection"). As the shift toward an aging population has steadily increased medical, nursing care and other social security expenses, each and every citizen is expected to increase his or her healthy lifespan and maintain a good life, and medical service and nursing care systems need to continually be reassessed free of the limitations of conventional thinking. It is particularly important to further promote self-medication, in which people prevent illness and manage their health on their own, and to proactively advance the use of information communication technology in the medical field, which will allow for effective use of management resources in the health and medical care sectors and construct a system that provides efficient and high-quality healthcare and nursing care which meets the public's needs.

In the aim of making Japan a society where people live long and healthy lives premised upon consideration for the health and safety of the public, the Working Group on Health and Medical Care has regarded "improving convenience to the public," "revitalizing the economy through development of the medical service and welfare industries" and "sound public finances for medical insurance" as its basic tenants. When addressing regulatory reform from the aforementioned perspectives, the Working Group compiled separate specific items for regulatory reform for four items considered, as described in section (3), in conducting its review for the fourth report.

(2) Focused Follow-up

The Working Group on Health and Medical Care conducted a focused follow-up of some items stated in the June 2014 Implementation Plan for Regulatory Reform, namely "creating a new mechanism for incorporating treatments not covered by medical insurance," "consolidating business management of long-term care and childcare businesses and ensuring equivalent conditions of competition" and "developing a system that allows health insurance providers to check insurance claim data," as well as items listed in the June 2015 Implementation Plan for Regulatory Reform which were "reassessing regulations in the furtherance of separating drug dispensing and prescribing functions," "reassessing the way in which insurance benefits are provided for ethical pharmaceuticals that are similar to commercial products (drugs comparable to those available on the open market)," "constructing a system for facilitating remote diagnosis and treatment" and "reassessing the examination procedures for Food for Specified Health Uses," to verify the status of reassessment of such items in the aim of constructing respective systems and verifying the status of operation of such systems.

Of these items, with regard to “creating a new mechanism for incorporating treatments not covered by medical insurance,” prior to the system for patient requested treatment going into effect in April 2016, the Working Group interviewed officials of the Ministry of Health, Labour and Welfare concerning the substance of the act and any subsequent consideration to confirm that the review had proceeded in accordance with the matters detailed in the Implementation Plan for Regulatory Reform in November 2015 after the relevant laws had been passed. In the future, the Working Group will continue to follow-up on whether or not the manner in which the system is laid out makes it truly easy to use for patients battling serious illness, while focusing on the status of system operation and utilization.

Also, with regard to “reassessing regulations to further separate drug dispensing and prescribing functions” and “reassessing the way in which insurance benefits are provided for ethical pharmaceuticals similar to commercial products (drugs comparable to those available on the open market),” the Working Group interviewed officials of the Ministry of Health, Labour and Welfare in April 2016 about the status of the reassessment of such systems based on the results of the 2016 revision of medical fees. Particularly with regard to the former, the officials explained that dispensing fees had been revised into a remuneration system commensurate with the functions and services provided by pharmacists and pharmacies, but it was premature to conduct an assessment of its effectiveness. It is necessary that this item continue to be followed up to determine whether or not the reassessment allowed the merits to be experienced by each and every patient. The Working Group also confirmed that reviews had been moving forward on other matters in accordance with the Implementation Plan for Regulatory Reform and the Working Group will follow up as necessary while monitoring the progress being made on the respective items.

(3) Concrete Regulatory Reform Items

(i) Reassessment of systems for providing care for terminal patients at home

A. Promotion of efforts to smoothly promote care for terminal patients in communities [review in Fiscal Year 2016 and decision in Fiscal Year 2017]

In Japan, as the population ages further, a large increase in the number of people dying is to be expected, and improving systems for providing medical and nursing care at home, including systems for caring for terminal patients, is an urgent issue.

In the actual provision of medical care at home, nursing care at facilities and other such situations, it is difficult for one physician to meet the needs of patients and users of such services 24 hours a day 365 days a year. In order to alleviate some of the burden on physicians in postmortem examinations and other such procedures, efforts need to move forward immediately so that there is sufficient cooperation among physicians as well as among medical institutions and nursing care facilities.

Therefore, so that systems may be maintained for providing care for terminally ill members of the public at their homes where they have lived, nursing care facilities or other places which such people so desire, efforts will be made with the cooperation of healthcare

workers and others to review measures and reach a conclusion for smoothly advancing care for the terminally ill in communities, including ensuring the availability of cooperating hospitals or nursing care facilities and other such institutions as well as collaboration among physicians in providing medical care at home.

- B. Development of procedures for death certification in caring for the terminally ill at home [review to be initiated in Fiscal Year 2016 and conclusion rendered and measures to be taken in Fiscal Year 2017]

In areas where there is a shortage of physicians or it is difficult to secure the services of a physician to issue a death certificate promptly. It has been pointed out that, to issue a death certificate, a physician needs to perform a face-to-face postmortem examination in person when 24 hours have passed since the consultation, so patients and families are forced to undergo great inconvenience, such as separation from places with which they are familiar in order to be provided with care, hospitalization or entrance into a nursing care facility, as well as the body being preserved for long time or transported long distances so that a postmortem examination may be performed.

Accordingly, in order to respond to situations where it is difficult to provide reasonable care for the terminally ill at home, specific operations will be immediately reviewed and regulations reassessed so that, in cases where all of the requirements listed below in items a through e are satisfied despite 24 hours having passed since the consultation, the death may be certificated without having a physician perform a face-to-face postmortem examination in person and a death certificate issued.

- a. Where it is predicted that the person will die sooner or later based on the course of diagnoses performed directly face-to-face by a physician
- b. Where there is a prior arrangement regarding the response when the person is terminally ill or there has otherwise been sufficient cooperation between the physician and nurse, and the patient and family have given their consent to such an arrangement
- c. Where, even though there has been an effort to work together with a physician or with a healthcare institution for nursing care facility, it is difficult for a physician to promptly perform a face-to-face postmortem examination in person
- d. Where a nurse who has received a certain amount of education about medical jurisprudence and other relevant subjects is able to promptly report the information necessary for a physician to make a determination, such as matters determined in advance with a physician, including confirming the three signs of death
- e. Where a physician who has received a report from a nurse is able to make a determination that confirms the facts of the death and that there is no suspicion of criminality by the physician ascertaining the patient's condition using a combination of communication means employing video phone equipment or other such information communication technology

(ii) Reassessment of handling of non-prescription drugs when a pharmacist is not present at a pharmacy

- A. Reassessment of the handling of Category 2 and 3 pharmaceutical products when a pharmacist is not present at a pharmacy [review and conclusion in Fiscal Year 2016 and measures to be taken in first half of Fiscal Year 2017]

Because the current system in place requires that an entire pharmacy be closed when a pharmacist is not present, Category 2 and 3 pharmaceutical products may not be sold even though a registered vendor is working when a pharmacist is not present.

On account of this, it has been pointed out that, in order to have Category 2 and 3 pharmaceutical products sold only by a registered vendor when the pharmacist is absent, the inside of the same store must be divided into the pharmacy section and retail section and a permit obtained to allow these two areas to be set up next to each other, which is a burden on the business operator. Also, a permit for joint establishment of such facilities may not be obtained by a pharmacy which has a small area. In addition, at pharmacies where a sufficient number of pharmacists cannot be secured, the pharmacist is not able to go out of the shop to handle a matter at home or for any other reason while the pharmacy is open.

Also, it has been pointed out that the current system is unreasonable in that it does not allow a pharmacy such as the one described above to handle sales of Category 2 and 3 pharmaceutical products at night, even if such services are desired unless a pharmacist is permanently stationed at the shop.

Accordingly, on the premise of promoting a patient-focused separation of drug dispensing from prescribing and, at the same time, giving consideration to balancing such separation with assurance of a system for having pharmacies to meet demands for dispensing pharmaceuticals with a prescription, regulations will be reassessed after conducting a broad range of interviews to hear the views of people in the industry so that registered vendors will be able to sell Category 2 and 3 pharmaceutical products at pharmacies even when a pharmacist is not present.

- B. Consolidation of guidance on permits for adjacent establishment of pharmacies and retail businesses (review, conclusion and measures to be taken in Fiscal Year 2016)

The standards for examination and guidance related to permits for adjacent establishment of pharmacies and retail businesses (hereinafter, “examination standards, etc.”) are prescribed independently by prefectural governors and cities or special zones with public health centers (hereinafter, “prefectures, etc.”), which are the entities authorized by law to grant permits. In cases where a pharmacy and a retail business are consolidated, a section for the pharmacy and one for retail sales are required to be separated within one shop, and the requirements for structures and facilities necessary for such a division differ according to the prefecture. This variation has been pointed out to be a cause of confusion among businesses.

Accordingly, an investigation will be conducted of the current state of differences in examination standards, etc. by prefectures, etc. as concerns permits for adjacent

establishment of a pharmacy and retail sales business to verify such rationale and the results will be publicly released, after which a review will be conducted of the examination standards, etc. based on the verified results and the necessary measures will be taken.

(iii) Improving efficiency and ensuring uniformity in the examination of medical fees

- A. Establishment of an organization to review the state of examination of medical fees and execution of a detailed review [review organization already established and the policy is to be consolidated by the summer of 2016 with measures to be taken in 2016 as soon as a conclusion is reached]

The Health Insurance Claims Review & Reimbursement Services (“HICR&RS”) completed the process of digitizing insurance claim data, but it has been pointed out that, even though information communication technology is utilized allowing medical fees to be reviewed automatically online, the HICR&RS continues to have branch offices in all 47 prefectures and engages in inefficient manual operations just as it did when the insurance claim data were provided in paper form.

It has also been pointed out that one cause of this situation is the HICR&RS’s insufficient knowledge of information communication technology and insufficient governance exercised over management. There are concerns that the HICR&RS is of an insufficient quality to serve as the institution responsible for appropriately and smoothly examining and dispersing payment for expenses covered under public medical insurance.

These review and payment operations have been entrusted to the HICR&RS by the National Federation of Health Insurance Societies, the Japan Health Insurance Association, Society-Managed Health Insurance and other such health insurance providers, but, currently, the principle of competition is not working and the HICR&RS has essentially monopolized such operations. It has also been pointed out that this exclusive control has limited any improvement in efficiency that the HICR&RS is able to make through its own efforts. Although the organization has been afforded the opportunity to reform itself on several occasions previously, these efforts were assessed as not having resulted in fundamental structural improvements.

Therefore, the way in which medical fees should be examined will be reassessed from zero rather than reviewing any organization or systems premised on the current HICR&RS. Accordingly, a review organization that meets the following requirements will be set up and a course of action indicated for the points at issue. The review to be conducted, and then a policy will be developed by the summer of 2016 with a conclusion reached in 2016.

- a. A review organization will be set up that will be responsible for making the examination of medical fees more efficient and ensuring uniformity in such processes, and the secretariat for this review organization will not include the HICR&RS or any parties involved with the HICR&RS.
- b. The people comprising the review organization will be outside experts possessing a high degree of expertise, such as specialists in utilizing information communication

technology to enhance operational efficiency and corporate managers with a high awareness of costs. Also, people associated with the HICR&RS will not be included as members of the review organization.

- B. Reassessment of the examination of medical fees [with regard to items a to i, a policy will be developed by the summer of 2016 and measures taken promptly as soon as a conclusion is reached in 2016]

In order to thoroughly utilize information communication technology to minimize administrative procedures that have been required to be performed manually, it has been pointed out that the examination criteria needs to be clarified and uniformity ensured. Also, it has been pointed out that it is necessary to enhance the transparency of such examinations and promote greater understanding among health insurance providers and medical institutions so that efficiency of the examination operations is continually enhanced.

Accordingly, the following items a to i will be reviewed in detail and a conclusion reached on the examination of medical fees under social insurance and national health insurance in order to minimize manual office procedures by adopting information communication technology to the maximum extent feasible, enhance the efficiency, accuracy and transparency of operations to the maximum extent feasible, as well as promote greater understanding among medical institutions and health insurance providers.

- a. With the participation of physicians, draft clear criteria that are uniform nationwide
- b. Make it possible to perform highly accurate computer checks based on the aforementioned criteria (clarify items to be examined that require medical determinations)
- c. Reassess the format of insurance claim data suited for computer checks
- d. Construct measures to prevent omissions, errors or other such lapses in entries at the stage when insurance claim data are requested
- e. Utilize information communication technology to efficiently provide notification of examination results and disclose information about examination standards
- f. Construct a system that integrates medical determinations in the examination performed by physicians and continually reflects such information in computer checks
- g. Make it possible for physicians to conduct examinations and engage in consultations online, and automates the accumulation of data, including examination results, so as to enhance the efficiency and sophistication of examination procedures requiring medical determinations through the referencing of statistical analysis results, searching for previous cases, utilizing artificial intelligence and other such methods
- h. In cases where there are questions about examination results due to reasons such as differences in medical judgments, enhance the efficiency and sophistication of systems for physicians to perform a re-examination based on a request from a healthcare institution or health insurance provider

- i. Endeavor to share information about insurance claim data under social insurance and national health insurance, and make the terms of such inspections more uniform
- C. Reassessment of the state of organizations and systems [policy to be developed by the summer of 2016 and measures taken as soon as a conclusion is reached in 2016]

The HICR&RS currently has branch offices set up in all 47 prefectures and has arranged its systems, employees, review committees and physical branch office facilities on the assumption that examinations will be concluded by each branch, but the completion of the digitalization of insurance claim data makes it possible for examinations to be conducted online, so it has been pointed out that a fundamental rationalization and improvement of efficiency should be carried out by reassessing review operations and consolidating branch office functions.

The Act on Social Insurance Medical Fee Payment Fund (Act No. 129 of 1948) prescribes that the HICR&RS establishes branch offices and review committees in all 47 prefectures and that the cost required for medical fee-related operations be borne by health insurance providers based on a standard using the number of insurance claim data handled. Also, although the 2015 revision of the Act expanded the scope of operations, the operations which the HICR&RS is actually performing are limited to those involving the review and payment of medical fees. It has been pointed out that these services are a factor in hindering efforts to improve efficiency by the HICR&RS on its own and provide services requested by health insurance providers.

Therefore, from the standpoint of maintaining the smooth and appropriate examination and payment of medical fees and pursuing an efficient organization and system for society as a whole, a review will not be conducted of an organization or system premised on the current HICR&RS, but will review the following items a to c in detail and reach a conclusion on these matters in order to reassess from scratch the way in which medical fees should be examined.

- a. After having taken into account the “reassessment of the examination of medical fees,” the necessity of each operation which the current HICR&RS is regarded as being responsible for (particularly, the work of checking as well as the explanations and guidance provided by employees) will be reviewed and any unnecessary or inefficient operations scaled back
- b. Of the operations regarded as being necessary in step a, the review will be conducted to determine if there are any operations for which it would be appropriate for health insurance providers to utilize entities other than the HICR&RS (including private companies) to perform efficient administration, and mechanisms will be constructed for specific utilization in cases where there are such operations
- c. Of the operations regarded as being necessary in step a, in cases where, after consideration has been given in step b, there are operations for which it is appropriate for the HICR&RS to handle, a review will be conducted of the way in which specific

organizations, systems and other such features should be structured (including a framework for employees and systems that includes operational bases, scope of operations, forms of legal entities, governance framework, structure for charging office expenses, and manner in which regulations should be laid out, etc.)

(iv) Reassessment of advertising standards, etc. for non-prescription drugs and designated quasi-drugs

A. Reassessment of advertising standards, etc. for non-prescription drugs and designated quasi-drugs [review and conclusion in Fiscal Year 2016 and measures to be taken in the first half of Fiscal Year 2017]

In the “Standards for Fair advertising Practices of drugs, etc.,” the basic standards are prescribed that advertisers are to observe so that the content of advertisements for non-prescription drugs or designated quasi-drugs (hereinafter, “non-prescription drugs, etc.”) do not extend to false or misleading representations.

This standard was enacted in 1980, but it has been pointed out that things are different now from that time in that there has been an increased importance in advertising that contributes to consumers making their own choices in order to promote self-medication utilizing non-prescription drugs, etc., and there has been a rapid increase in diversity in advertising media, including the internet, such that the standards are no longer suited to the times.

Therefore, taking into account the promotion of self-medication and increased diversity in advertising media, the necessary reassessment will be undertaken by closely examining the “Standards for Fair advertising Practices of drugs, etc.” as a whole while listening to the views of people connected to the industry from the standpoint of information about non-prescription drugs, etc. being provided in an accurate and appropriate manner through advertising wording that is easy for consumers to understand.

B. Reassessment of state of monitoring and guidance of advertising for non-prescription drugs and designated quasi-drugs [review and conclusion in Fiscal Year 2016 and measures to be taken in the first half of Fiscal Year 2017]

Prefectures monitor advertisements of non-prescription drugs, etc. and provide guidance about such advertising to manufacturers and marketers of non-prescription drugs, etc. in accordance with the “Standards for Fair advertising Practices of drugs, etc.” However, regardless of the fact that advertisements for non-prescription drugs, etc. attract the attention of a large number of the general public nationwide, the propriety of specific advertising representations is not indicated in the standards, so disparities have arisen in the guidance provided by prefectures. With regard to such disparities, the “Nationwide Council on Monitoring the Advertising of Pharmaceutical Products,” which is comprised of officials from the Ministry of Health, Labour and Welfare as well as key prefectures, was established and held deliberations, but it was pointed out that the deliberations ended with simply an exchange of views and did not lead to any sort of consolidation of details concerning the

guidance to be provided.

Also, the Japan Self-Medication Industry, which is an industry group concerned with non-prescription drugs, etc., obtained the consent of the Ministry of Health, Labour and Welfare and independently drafted the “Standards for Fair advertising Practices of drugs, etc.” (hereinafter, “Voluntary Guidelines”), which provide commentary on the standards. The Japan Self-Medication Industry has worked to standardize advertising in the industry with regard to advertising representations concerning non-prescription drugs, etc., but prefectures are engaging in monitoring and providing guidance that references case studies published in a private sector publication in 2006, so disparities have arisen between the content of the Voluntary Guidelines drafted with the consent of the Ministry of Health, Labour and Welfare and the sort of guidance provided by prefectures such that it has been pointed out that the manner in which advertisements are monitored and guidance provided about them is inappropriate.

Therefore, a reassessment will be conducted of the state of advertising monitoring and guidance nationwide and in the prefectures so that a framework may be constructed such that disparities do not arise to the extent feasible in the type of guidance provided about advertising related to non-prescription drugs, etc., and guidance will be standardized at the national level in instances where disparities do arise despite such a framework.

In so doing, while listening to the views of people involved with the industry, the Council for Regulatory Reform will conduct a review that includes issuing notices for the provision of detailed and specific commentary about the “Standards for Fair advertising Practices of drugs, etc.” and adopt measures or take other steps that further clarify practices concerning advertising monitoring and guidance pertaining to non-prescription drugs, etc.

C. Reassessment of representations about the effectiveness and efficacy of non-prescription drugs and designated quasi-drugs [review, conclusion and measures to be taken in Fiscal Year 2016]

The Act on Securing Quality, Efficacy and Safety of Pharmaceuticals, Medical Devices, Regenerative and Cellular Therapy Products, Gene Therapy Products, and Cosmetics (Act No. 145 of 1960) prescribes that advertisements about non-prescription drugs, etc. shall be expressed within the scope of the indications for which the non-prescription drugs, etc. have been approved, but it has been pointed out that there are cases where the wording concerning the indications is abstract and it is difficult for consumers to know what the specific effects are on what sort of diseases or symptoms.

Therefore, representations about indications under the approval standards will be reassessed with regard to the efficacy and effectiveness of non-prescription drugs, etc. so that advertising may be provided which is easy for consumers to understand.

2. Employment

(1) Objectives and Examination Perspectives of Regulatory Reform

Against the backdrop of changes in lifestyles and values, the rapid increase in aging population on account of the low birthrate, developments in information technology, increasing globalization and other such changes, the needs of workers and employers have become more diverse. For example, workers have been heard to express needs such as “I would like to work irrespective of time and place,” “I would like to work a proper job while raising children or taking care of an elderly relative” and “I would like to be active and contribute more regardless of my age or gender” and employers have voiced needs such as “I am having difficulty due to labor shortages” and “I would like to use a variety of personnel to increase productivity.” However, conventional employment practices and a legal system based on such practices have not sufficiently responded to such needs. So, in order to satisfy a variety of needs, increase the productivity of each and every worker, and realize economic growth, reforms need to be advanced to make working styles more flexible and diversified, increase attractive options for each and every worker, and aim to realize a society where all people can be active.

More specifically, the “creation of a system that allows employment to be found and jobs changed with ease” is necessary in order to make sure that workers and employers are better matched. Also, being able to continue to work without damaging one’s physical or mental health is also important no matter what the working style may be, and, from this perspective, the “creation of workplaces where people can work with peace of mind in good health and in safe environment” is necessary. Moreover, it is vital that no matter what sort of working style is adopted, people should not be treated unreasonably and receive appropriate treatment in pay and benefits regardless of their gender or mode of employment, and that opportunities for building a career be afforded fairly. In addition, it is also necessary to reassess the state of the division of employment into either “regular” or “non-regular.” From this perspective, the “creation of a framework that enables people to be active while being fairly treated” is necessary. Creating such a framework will make it possible to maintain a working environment where each and every worker has a sufficient understanding and consents to his or her own role and treatment as well as develops his or her own ability and makes use of it.

As described above, three perspectives for the review were established, which are: (i) creation of a system that allows employment to be found and jobs changed with ease, (ii) creation of workplaces where people can work with peace of mind in good health and in safe environment, and (iii) creation of a framework that enables people to be active with fair treatment, and the specific items for regulatory reform were consolidated in accordance with these.

(2) Focused Follow-up

The Working Group on Employment conducted a focused follow-up of some items stated in the June 2015 Implementation Plan for Regulatory Reform, which were “developing a government-supported system for switching careers and skill enhancement that may be implemented using certain procedures,” “reconstructing regulations for employment and intermediary job placement businesses” and “considering the appropriate manner for terminating employment that is

satisfactory to both labor and management” and verified the status of review at the competent government agencies and ministries.

First, the Working Group on Employment conducted interviews with officials of the Ministry of Health, Labour and Welfare about the status of review of “developing a government-supported system for switching careers and skill enhancement that may be implemented using certain procedures” and has steadily followed up on these reviews. In the future, the Working Group on Employment will need to follow up on the review and give consideration to additional frameworks in which incentives work to provide support early on for finding employment once again in order to minimize the period unemployed, so that efforts continue to be carried out in line with the purport of the Implementation Plan for Regulatory Reform.

Also, the Working Group on Employment conducted interviews with officials of the Ministry of Health, Labour and Welfare concerning the status of review on “reconstructing regulations for employment and intermediary job placement businesses” and has steadily followed up on these efforts. In the future, the Working Group on Employment will need to follow up on the review and other discussions by the “Review Committee on the State of Employment, Intermediary Job Placement Businesses, etc.” so that efforts continue to be carried out in line with the purport of the Implementation Plan for Regulatory Reform.

Furthermore, with regard to “considering the appropriate manner for terminating employment that is satisfactory to both labor and management,” the Working Group on Employment conducted interviews with officials of the Ministry of Health, Labour and Welfare concerning the status of such review and has steadily followed up on these efforts. In the future, the Working Group on Employment will need to follow up on the review and other discussions by the “Review Committee on State of Transparent and Fair Systems for Resolution of Labor Disputes” so that such efforts continued to be carried out in line with the purport of the Implementation Plan for Regulatory Reform.

(3) Concrete Regulatory Reform Items

(i) Creation of a system that allows employment to be found and jobs changed with ease

A. State of information sharing prior to new employment (information disclosure) [review and conclusion in Fiscal Year 2016, and measures to be taken promptly after a conclusion is reached]

Companies have been progressively disclosing information in areas related to specific purposes, such as promoting a more active role for women, promoting the employment of young people and assistance in raising children. Promoting such information disclosure has merit not just for the worker but also the employer in that it is easier to secure quality personnel.

Therefore, in order to further advance information disclosure about workplaces in companies, the points that need to be addressed regarding information disclosure and the creation of list of information about workplaces that companies disclose in order to make it easier for workers to make comparisons (ex. items desirable for disclosure in order to make a

better fit between worker and company, how to read the information disclosed, and points to be addressed when small and medium-sized companies disclose information) will be consolidated and public awareness to the greatest extent possible will be increased. In addition, a common database will be developed that makes it possible to check information about workplaces at companies, and is not limited to the specific fields of promoting more active role for women, promoting employment of young people and providing assistance for child-rearing, and people will be encouraged to actively utilize this database, which will lead to further voluntary disclosure of information by companies.

B. State of information sharing prior to new employment (clearly specifying the methods for calculating wages and other matters) [measures to be taken in Fiscal Year 2016]

To prevent labor disputes over wages, it is necessary to precisely and clearly indicate what sort of calculation basis is utilized in figuring the total amount of wages to be paid to a worker so that no misunderstandings arise.

Therefore, the following efforts will be undertaken from the standpoint of preventing labor disputes over wages.

- a. Even greater encouragement will be given to precisely and clearly indicating the method for calculating extra pay for overtime work, holiday work and late-night work.
- b. Through guidance will be issued to people who violate the obligation to clearly indicate working conditions.

The “Policy for Employers, Employment Placement Business Providers and other Relevant Parties to Appropriately Ensure Employment Opportunities and Employment Retentions for Youth” (2015 Public Notice No. 406 of the Ministry of Health, Labour and Welfare) states that, with regard to recruitment and job offers for which young people may apply, the method for calculating fixed overtime pay, amount of basic pay excluding fixed overtime pay and other such matters shall be clearly indicated when adopting systems for concluding labor contracts where overtime pay is paid at a fixed amount for a certain amount of time of overtime work, holiday work or late-night work.

C. State of hiring [measures to be taken in 2016]

The “Policy for Employers, Employment Placement Business Providers and other Relevant Parties to Appropriately Ensure Employment Opportunities and Employment Retentions for Youth” states that “with regard to the timing of hiring people who are scheduled to graduate from schools or other such institutions, although collective hiring in the spring has taken hold as an employment practice, the introduction of hiring year-round as well as hiring in the fall should be proactively considered from the perspective of providing opportunities for young people who have missed the timing for applying on account of some reason,” and reviewing the introduction of diverse hiring methods has been positioned as a consideration affording opportunities for young people who have missed the chance to

submit applications during the collective hiring in the spring. However, in order to advance reforms to make working styles more flexible and diversified, it is also important to ensure diversity in the timing when people are able to begin working and timing when they are able to apply for jobs.

Therefore, it will be made clear that the introduction of year-round hiring and other such practices is also important from the perspective of promoting more flexible and diversified working styles, and this will be thoroughly publicized so as to encourage the proactive introduction of year-round hiring and similar practices.

- D. Promotion of the use of internships [investigation and review will begin promptly to the extent feasible in Fiscal Year 2016 and measures taken promptly as soon as a conclusion is reached]

Internships are significant for university and other school students in fostering a greater awareness of employment and career education. Also, for companies, they are useful for promoting greater understanding of the company and communicating its attractiveness. This is particularly significant for small and medium-sized companies. In addition, internships have the significance of improving suitable matches between students and companies, but the “Basic Approach for the Promotion of Internships” states that information about students acquired by companies during internships is basically handled so that “it may not be used for publicity activities or activities for hiring or selecting employees.” However, from the perspective of having better matches between students and companies, it should be clearly specified, on the premise that nonparticipation in internships does not prove to be a disadvantage in future hiring selections, to the effect that companies may use information about students acquired during internships in cases where the students themselves desire such information to be used in publicity as well as in hiring and selection activities. Also, small and medium-sized companies should effectively and flexibly utilize various internship programs in order to secure personnel.

Therefore, in order to promote appropriate internships, forums on how internships should be structured will be promptly launched with the participation of people in education and business, and the following matters will be researched and reviewed, including from the perspective of improving matches between students and companies, and any necessary measures will be adopted.

- a. Needs of universities and other educational institutions, students as well as companies as concerns internships
- b. State of handling of student information acquired by companies through internships
- c. State of measures enabling small and medium-sized companies to effectively and flexibly utilize various internship programs

A framework not only for students but also working adults to experience employment, such as through an internship, contributes to their ability to find employment or change jobs

to another job for which they are better suited. Accordingly, it is hoped that deliberations will be thoroughly conducted concerning the sort of framework to be constructed in order to increase the quality of employment searches and job changes.

(ii) Creation of workplaces where people can work with peace of mind in good health and in safe environment

A. State of safeguarding of workers' health [measures to be taken in Fiscal Year 2016 for (i)(ii), and, for (iii), a review will be conducted, conclusion reached and measures adopted as soon as a conclusion is reached in Fiscal Year 2016]

Work-related accidents often occur at small business establishments. However, the support for small business establishments provided by occupational health support centers, which have been established by the Japan Organization of Occupational Health and Safety, is not highly utilized by businesses that are particularly small in scale (business establishments with fewer than 10 regular workers). Also, the system for training industrial physicians, who have a significant impact on ensuring the health of workers, is insufficient, and their role is not necessarily adequately exercised.

Therefore, (i) the proactive utilization of occupational health support centers will be promoted vis-à-vis small businesses from the standpoint of ensuring the health of workers affiliated with small-scale business establishments, (ii) training will be enhanced for industrial physicians from the standpoint of ensuring and improving the quality of industrial physicians, and (iii) an environment will continue to be developed which the views of industrial physicians are sufficiently reflected, including enhancing the provision of information to industrial physicians from workplaces and strengthening collaboration with industrial health staff besides physicians.

B. State of safeguarding the health of homeworkers [review and conclusion in Fiscal Year 2016, and measures to be taken promptly as soon as a conclusion is reached]

With regard to the employment of people other than workers used by businesses, the Home Work Act (Act No. 60 of 1970) specifies that businesses are obligated to take certain measures for the safety and health of homeworkers and others to which work is outsourced, and administrative action may be taken in cases where said measures have not been adopted. However, as has been seen in the rise of crowdsourcing, people who perform work at home, a form of employment which is continuing to expand (form of employment pursued at home in which information communication devices are utilized to provide services based on a contract (excluding cases where the services are provided by a corporation, other people are used, or other similar circumstances)), are not included in the definition of homeworkers who manufacture products or provide other similar services, and the "Guidelines for Appropriate Implementation of Work at Home" are limited to certain wording concerning work with personal computers as refers to ensuring the health of such workers. Also, there are no legal guarantees either pertaining to measures for ensuring the health of homeworkers.

Therefore, the following efforts will be made from the perspective of ensuring the health of homeworkers.

- a. Stipulations that pertain to ensuring workers health in the “Guidelines for Appropriate Implementation of Work at Home” will be improved.
 - b. Taking into account the emergence of new forms of employment such as crowdsourcing, a comprehensive understanding will be gained of the reality of employment of people working at home, the issues related to ensuring the health of homeworkers consolidated, and any necessary measures adopted.
- C. State of provision of knowledge about laws and regulations [measures to be taken in Fiscal Year 2016]

Article 105-2 of the Labor Standards Act (Act No. 49 of 1947) states that “In order to attain the purpose of this Act, the Minister of Health, Labour and Welfare and the directors of the Prefectural Labor Offices shall provide Workers and Employers with data and other necessary assistance.” Easy-to-understand publicity materials have already been prepared for providing legal knowledge to workers. However, although it is also considered effective to provide such legal knowledge to employers as well based on the perspective of preventing labor disputes before they happen, it cannot be said that such activities have been sufficiently carried out.

Therefore, from the perspective of maintaining an environment in which employers are able to proactively obtain legal knowledge, efforts will be encouraged that prompt employers to voluntarily acquire legal knowledge through improved publicity materials targeting employers and increased awareness about such materials.

(iii) Creation of a framework that enables people to be active and fairly treated

A. State of fair treatment

In the aim of promoting reforms that afford more flexible and diversified working styles, increase attractive options for each and every worker and realize a society where all people are able to play an active role, it is important that workers not be treated unreasonably no matter what their working style, that they be appropriately treated in terms of pay and benefits regardless of their gender or type of employment and that opportunities to build a career be fairly afforded.

In addition, although the division of employment into “regular” and “non-regular” is broadly utilized, from the perspective of promoting reforms to provide more flexible and diversified working styles, rather than using such a division, it is necessary to aim to establish a society in which each and every type of working style is respected and each and every worker is able to select the best working style for him or her from a variety of options by classifying employment using designations that combine options such as indefinite or fixed term, full-time or part-time, direct hires or indirect hires (temporary labor) and so on.

B. Realization of the same wages for the same work [measures to be taken promptly to the extent feasible]

While giving adequate consideration to employment practices in Japan, preparations will move forward for legal revisions with the aim of realizing the same wages for the same work. In addition to this, guidelines will be drafted soon and case studies presented regarding what sort of differences in treatment may be regarded as unjustified.

C. State of legislation regarding fixed-term employment [proceedings to be conducted continuously from Fiscal Year 2016 onwards]

The revised Labor Contract Act, which went into effect on April 1, 2013, introduced the “rule pertaining to conversion into indefinite-term contracts” (rule that says when a fixed-term employment contract has been repeatedly renewed to exceed a total of five years, the company or other employer must convert the employee’s contract into an indefinite-term employment contract upon application by the worker), but, even though the Japan Institute for Labour Policy and Training has conducted surveys of actual conditions at companies, this rule has not necessarily been sufficiently understood. In order to bring to light the status of companies’ response to the revision of laws pertaining to fixed-term employment, the Institute conducted the “survey on the status of use of elderly employees and fixed-term contract employees after the Act’s revision” (survey conducted in 2013) and the “survey on the status of the response to the revised Labor Contract Act and the Act’s special provisions as well as the status of utilization of a variety of regular employees” (survey conducted in 2015), but there have been issues concerning the survey methods such as how frequency should be dealt with as well as how to ascertain actual conditions at small and medium-size companies.

Therefore, in order to review the state of fixed-term employment legislation including the rule pertaining to conversion into indefinite-term contracts, work will continue to be conducted to ascertain the reality of company responses to reassessment of the legal system for fixed-term employment, and particular attention will be given to whether or not a more accurate grasp of the reality may be ascertained as concerns survey methods in such cases.

3. Agriculture

(1) Objective of Regulatory Reform and Standpoint of Review

While Japan's agriculture has the potential to produce flavorful agricultural and livestock products that are safe and secure at a world-class level, agricultural production, agricultural income and the number of people engaged in key agriculture are all trending downward, and the aging of the population of people engaged in agriculture and shortage of successors present serious issues.

In order to emerge from such a situation and transform agriculture into a dream-inspiring profession that young people want to participate in and can be expected to further develop, it is necessary to switch from the idea of maintaining the current status and undertake a review of such systems while incorporating innovation and a diverse range of personnel from fields outside of agriculture, and for producers and community agricultural organizations to take the lead in making it easier to innovate in order to enhance productivity and increase the value added to livestock and agricultural products in keeping with regional characteristics.

So that an environment may be developed in which possibilities and potential maintained by producers suited to a "new era of agricultural policy" may be fully exercised, items for regulatory reform that should be addressed in the future have been compiled as given in section (3) in order to realize an agricultural industry where the efforts of producers are rewarded and sustained reforms continue to be advanced.

Also, follow-up was conducted of matters approved by Cabinet Decision.

(2) Focused Follow-up

A focused follow-up was conducted of the items "strengthening the functions of public intermediate organizations for farmland consolidation" and "reliably carrying out various reforms based on partial revision of the Agricultural Co-operatives Act and other laws (revision of the Agricultural Co-operatives Act, Agricultural Land Act and Act on Agricultural Commission, etc.)," which were listed in the June 2015 Implementation Plan for Regulatory Reform, to verify the status of reviews progressing toward the creation of legislation as well as the status of operation of such systems.

With regard to public intermediate organizations for farmland consolidation, areas that may be loaned or subleased in Fiscal Year 2015 were increased by three times the respective areas in Fiscal Year 2014 (initial fiscal year). It is important that additional activities be undertaken in order to further accelerate the accumulation and concentration of agricultural land in the future.

With regard to reassessing agricultural commissions and other such councils, corporate entities able to own agricultural land (agricultural production corporations) and agricultural cooperatives, bills for revising the relevant laws were passed by the Diet in August 2015 and went into effect in April 2016. It is important that their post-revision operation be steadily implemented in line with the purport of the regulatory reforms.

(3) Concrete Regulatory Reform Items

(i) Regulatory reforms concerning production, distribution, etc. of milk and dairy products

- A. Thorough reforms that include pros and cons of the system for designated milk producer groups as well as the structure through which the current subsidies are distributed [review and conclusion by the fall of 2016]

Japan's dairy industry faces a very serious situation with (i) 4 to 5% of producers leaving agriculture at an annual rate and the number of cows that have calved at least once decreasing by approximately 30% over the past 30 years, (ii) production amounts also have tended to decline over the past 20 or so years, and (iii) the future being unclear due to a shortage of people willing to take over for retiring farmers. The Council for Regulatory Reform presented the following comments regarding these points.

- Even though the milk producers face the more difficult labor environment than is present with other agricultural products, these labors have not been rewarded in terms of income. One inhibiting factor has been that issues involving the production and distribution structure have not made it sufficiently possible to appropriately grasp consumer needs or link these to improvements neither in terms of value added nor returns in the form of producer income.
- Currently, many producers assume risks on their own in terms of investment and procuring financing, while the pioneering of new markets and price negotiations are left to designated milk producer groups. It is important that a variety of options for producers be made available to foster a business mindset, more specifically and appropriately respond to consumer needs and ensure greater flexibility. In addition, it is important that an environment be developed which enables motivated producers nationwide to actively invest.

Therefore, it is necessary to address to changes in the demand structure for milk after introduction of the system of designated milk producer groups as well as the increasingly diversified consumer needs, and to further increase income of dairy farms while strengthening the production infrastructure of Japan's dairy industry.

Accordingly, the various functions currently maintained by designated milk producer groups will be assessed and verified. From the perspective of realizing an even quicker response to ultimate demand as well as growth and expansion of Japan's dairy industry, a review will be conducted and conclusion reached on fundamental reforms, including the necessity of the system for designated milk producer groups and the current structure for dispensing subsidies, with the aim of increasing value added through fostering a business mindset among dairy farmers and enhancing the flexibility of production and distribution.

- B. Strengthened monitoring of butter and other dairy products [items a and b are to be implemented as soon as possible in Fiscal Year 2016]

In addition, butter has been imported through a state-trading framework in accordance with the Act on Temporary Measures concerning Compensation Price for Producers of Milk for Manufacturing Use in order to address recent shortages of butter. Qualitatively, this

imported butter must be supplied in a timelier manner and in more suitable quantities than ordinary products imported through private trading.

Nevertheless, it has been pointed out that these products have not necessarily been delivered to the public in a timely manner, nor is there an accurate understanding among those involved of such causes or an accurate grasp held of the situation.

Therefore, the following measures should be adopted.

- a. In cases where dairy products that have been imported through state-trading are to be sold, the distribution plan extending to final consumption will be checked and the products will not be sold when such a plan is not well defined. Also, checks will be carried out by collecting reports and conducting inspections so that such plans are reliably carried out.
 - b. Market surveys of butter will be broadened to cover conditions related to restrictions, such as purchase points, as well as the status of demand and supply of butter for commercial use, in addition to surveying the ratio of retail shops falling under the category of “out-of-stock or unavailable.” Also, survey accuracy will be improved so that daily shifts in supply and demand are able to be ascertained.
- C. Reassessment of items to be examined for authorizing the manufacture of long shelf life milk [data will be collected by no later than Fiscal Year 2017 and a conclusion reached in six months to one year from the time the necessary data has been assembled]

Currently, in order to produce milk having a long shelf life in Japan, 24 examination items (under the Food Sanitation Act (Act No. 233 of 1947)) must be satisfied and the product certified by the Minister of Health, Labour and Welfare. Some of these examination items are not suited to present conditions of dairy farmers or dairy manufacturers. It has been pointed out by businesses that some of these items, such as the condition requiring “time from milking until the milk is received at a processing facility be no longer than 48 hours,” may be eased today when milk is cooled in bulk coolers and functions for maintaining quality have improved.

Therefore, after confirming improvements made in bulk cooler cooling, consideration should be given to reassessing the “examination items for products that may be stored at a normal temperature” in order to ensure sanitary conditions for milk for which more than 48 hours have passed since it was obtained through milking, and allowances will be made for the required notices. The scientific data necessary for considering a reassessment should be collected with requests presented for business cooperation.

(ii) Reassessment of the mechanisms for price formation pertaining to production materials and efforts related to the establishment of an industry structure for distribution and processing in which producers are able to trade advantageously

- A. Efforts related to a “reassessment of the mechanisms for price formation as pertains to production materials and leads to increased income for producers” and “establishment of an

industry structure for distribution and processing in which producers are able to stably trade at advantageous terms” [review and conclusion on specific measures by the end of the fall of 2016]

In order to create a “new era of agricultural policy” and transform Japan’s agriculture into a growth industry, it is necessary to construct a framework that enables producers to procure materials even one yen cheaper and sell agricultural products even one yen higher. For this reason, it is vital that not only producers, but also production material manufacturers, distributors, related groups and others come together to advance effective measures.

Currently, provisional calculations put the cost of production materials even higher than those available in South Korea, and there are also issues to be addressed regarding the structure of industries related to distribution and processing.

Accordingly, a review should be conducted of the following matters and a conclusion reached on specific measures.

- a. Reassessment of mechanisms concerning the formation of prices for production materials which lead to increased income for producers
 - Measures that allow producers to select their own production materials that are even a little cheaper and procure such materials
 - Efforts by production material manufacturers aimed at reducing production costs and providing products suited to the real needs of producers
 - Efforts and measures for revitalizing competition among distributors in order to provide production materials at a lower price to producers regardless of whether they are agricultural cooperatives or commercial suppliers
 - b. Establishment of an industry structure for distribution and processing that allows producers to trade stably and at advantageous terms
 - Measures for forming a distribution structure where a variety of options are available for producers to take responsibility for determining prices with customers
 - Efforts by agricultural cooperative, diverse groups of producers, distributors, wholesalers and others to construct sales channels that allow products to be sold even a little higher and increase net income of producers
 - Measures pertaining to price setting, fees and other items in a variety of distribution channels that are easy to understand and satisfactory from the viewpoint of the farmer
- B. Implementation of measures for ensuring fair and free competition [measures to be taken in Fiscal Year 2016 and later]

Producers are able to favorably purchase agricultural production materials from a variety of options and products may be sold through a variety of channels on the premise that fair and free competitive environment has to be ensured. The Japan Fair Trade Commission has made efforts, such as, to take legal measures against conducts that fall within the purview of unfair trade practices and raise concerns in terms of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947; hereinafter,

“Antimonopoly Act”), to issue warnings and precautions to conducts that could constitute violations, and to provide the “Guidelines Concerning Activities of Agricultural Co-operatives under the Antimonopoly Act.” Further extensive information gathering and more efficient and effective actions are continuously needed.

Therefore, the Japan Fair Trade Commission should adopt the following measures.

- a. With regard to the point of contact, established in April 2016, for receiving information provided by producers, business entities and others, the Japan Fair Trade Commission, together with the Ministry of Agriculture, Forestry and Fisheries, will proactively announce the establishment and work to increase public awareness of it, and will collect information related to conducts suspected to violate the Antimonopoly Act through this point of contact.
- b. The Japan Fair Trade Commission will conduct efficient investigations in cases where it comes across information related to conducts suspected to violate the Antimonopoly Act in the agricultural sector, and will strengthen its enforcement activities against Antimonopoly Act violations in the agricultural sector through the “Task Force for Agricultural Sector ,” established April 2016, in order to implement and announce effective corrective measures as necessary.

4. Investment Promotion and Miscellaneous Issues

(1) Objectives and Examination Perspectives of Regulatory Reform

As stated in Chapter I General Remarks, regulatory reform is also vital for advancing the government's growth strategy, and it is essential, in moving regulatory reform forward, that the views of businesses and others forwarded through the Hotline on Regulatory Reform and other avenues be sufficiently taken into account in reassessing regulations in a broad range of industries.

The working groups on energy, environment, business startups and other matters in the first term, on business startups, IT, trade, investment and other matters in the second term and on investment promotion and miscellaneous matters in the third term have conducted broad-based reviews of regulatory reforms spanning various industries from such perspectives. The result has been the compilation of a total of 335 items in these fields in Implementation Plan for Regulatory Reform over the past three years. In this term, the Council for Regulatory Reform conducted interviews with officials of competent ministries and agencies mainly concerning those items prioritized for follow-up to confirm the status of their review and operation. The results are given in section (2).

Furthermore, the Council for Regulatory Reform examined a broad range of requests from businesses and others as well as the opinions and views of competent ministries and agencies mainly those requests forwarded to the Hotline on Regulatory Reform, and compiled new items for regulatory reform to be addressed in the future. The results are given in section (3), and are divided into: (i) reassessing regulations corresponding to changes in socio-economic conditions, (ii) reassessing regulations related to inbound tourists and tourism, (iii) reassessing regulations related to energy and the environment, and (iv) reassessing regulations to address other requests put forth by businesses and others in the private sector.

With regard to (i) reassessing regulations corresponding to changes in socio-economic conditions, the Council for Regulatory Reform reviewed various proposals put forth by economic groups and individual businesses, which were forwarded to the Hotline on Regulatory Reform. An issue raised is the use of young people and human resources in Japan which is facing an aging population due to the declining birthrate and a decrease in the working population, and it is important that regulations be reassessed which hinder such utilization. From this perspective, the Council addressed the issue of the driver licensing system. Also, in terms of corporate management in recent years, there has been an increased awareness of risk management as well as management of the entire corporate group, and the Council reviewed the way in which regulations should be structured taking into the account such issues. In addition, items were compiled for reform also in regard to the structure of the legal system, taking into account the increasing diversification of needs, advances in informatization, and developments in information and scientific technology.

With regard to (ii) reassessing regulations related to inbound tourists and tourism, it is important that regulations hindering the reception of foreigners visiting Japan be fundamentally reformed, because in 2015 the government brought into view a time when 20,000,000 foreign tourists visit Japan, and, as stated in the "Tourism Vision to Support the Future of Japan" published in March 2016 which aims to further increase such number, the government has set a target of further increasing foreign tourists to Japan. From this perspective, the Council for Regulatory Reform

focused on receiving proposals to reform regulations related to inbound travelers and tourism in November 2015, and worked to reassess the system for interpreter guides (abolishing exclusive practices engaged in by interpreter guides).

With regard to (iii) reassessing regulations related to energy and the environment, in view of the situation today when the utilization of renewable energy is becoming increasingly important in order to strengthen energy security and realize the creation of a low carbon society, regulations were addressed that were related to wind power generation, the introduction of which has not been adequately advanced. It is necessary that the review be conducted and conclusion reached from the perspectives of transforming the energy system, which is an urgent issue, and affording appropriate consideration for the environment. Also, with regard to various regulations related to waste processing, the Council for Regulatory Reform also addressed reassessments of these so that appropriate processing is promoted while alleviating the burden on businesses to the extent feasible.

Other than numerals (i) to (iii), the Council worked on a broad range of regulatory reform items pertaining to requests received from businesses and others as a start for expanding those who may be subject to the provision of interest subsidies as stated in numeral (iv).

(2) Focused Follow-up

The Council for Regulatory Reform conducted a focused follow-up of items listed in Implementation Plan for Regulatory Reform issued over the past three years, specifically “promoting recycling of pet bottles collected at shops,” “reassessing regulations to meet the needs of users of barbers and beauty salons,” “promoting the use and application of robots,” “promoting the popularization and increased use of new generation vehicles (including regulations concerning fuel cell vehicles and other new generation vehicles),” “smoothly enforcing the revised Act on the Protection of Personal Information (including fostering the spread of big data businesses),” “promoting the reconstruction and rehabilitation of decrepit apartment buildings” and “reassessing the “Guidelines Concerning Distribution Systems and Business Practices” (reviewing safe harbor),” and verified the status of review in the aim of revising systems as well as the confirming the status of operation of such systems. The results are given below.

(i) Promoting recycling of pet bottles collected at shops

The June 2015 Implementation Plan for Regulatory Reform was taken into account in clarifying the handling of pet bottles and other such items collected at supermarkets, convenience stores and other shops under the Waste Management and Public Cleaning Act (Act No. 137 of 1970; hereinafter “Waste Management Act”). Also, public awareness of this system was promoted in order to further the use of the “recycling manufacture appointment system,” which does not require a permit for waste management services for businesses satisfying certain conditions to engage in such collection and transportation. There are expectations that these will lead to promoting recycling of pet bottles collected at shops.

On the other hand, how the system actually is operated today is left to the judgment of local governments, which are the entities responsible, and it is important that appropriate follow-up

be conducted through the competent ministries and agencies. Therefore, it is necessary that attention continue to be focused on this matter.

(ii) Reassessing regulations to meet the needs of users of barbers and beauty salons

In the June 2015 Implementation Plan for Regulatory Reform, seven regulatory reform items were included from the perspective of improving the convenience of users and benefits to businesses and people employed at barbers and beauty salons. With regard to the status of implementing these items, it has been confirmed, for example, that regulations have been abolished concerning the scope of duties based on the gender of the user, and the opening of duplicate barbershops and beauty salons has been permitted in shops where there are only people holding certification as both a barber and beauty salon technician. It is encouraging that a response has been carried out that is overall in line with the plan.

On the other hand, a review is currently ongoing regarding a reassessment of training at educational facilities and simplifying procedures for acquisition of certification as both a barber and beauty salon technician. Attention needs to continue to be directed toward this matter.

(iii) Promoting the use and application of robots

Eight items for regulatory reform concerning promotion of the use and application of robots were incorporated in the June 2015 Implementation Plan for Regulatory Reform. Verification of the status of such implementation found that the measure has moved forward in line with the plan as of the end of Fiscal Year 2015.

On the other hand, as there are many items that require continued review even after Fiscal Year 2016, including items for which the timing of implementation has not yet arrived, attention needs to continue to be directed towards these items with the aim of addressing robots which are beginning to permeate our daily lives as well as realizing a “robot society” in the future.

(iv) Promoting the popularization and increased use of new generation vehicles (including regulations concerning fuel cell vehicles and other new generation vehicles)

In the June 2013 Implementation Plan for Regulatory Reform, 27 items related to promotion of the popularization and increased use of new generation vehicles were incorporated as well as 18 regulatory reforms in the June 2015 Implementation Plan for Regulatory Reform. When the status of their implementation was verified, it was found that 22 items of the former have been resolved and that the response has advanced in accordance with plans for these, including an acknowledgment by businesses that the response has progressed appropriately as of the current point in time.

The “Revised Roadmap for Hydrogen and Fuel Cell Strategy” states that efforts aimed at realizing a hydrogen-based society are to be accelerated, and items for which the timing of implementation has not yet arrived also need to continue to be addressed so that a review with the cooperation of industry, government and academia proceeds as quickly as possible.

(v) Smoothly enforcing the revised Act on the Protection of Personal Information (including fostering the spread of big data businesses)

In September 2015, a revised version of the Act on the Protection of Personal Information was enacted, and the Personal Information Protection Commission is currently conducting a review with the aim of fully implementing the law (date specified by Cabinet Order is within two years from September 9, 2015). As stated in the June 2014 Implementation Plan for Regulatory Reform, attention needs to continue to be directed so that an excessive burden is not placed on businesses and there is a structure in place for appropriate and effective utilization of personal information as well as for the extension of big data business.

(vi) Promoting the reconstruction and rehabilitation of decrepit apartment buildings

In the previous term, the response that took into account the June 2013 Implementation Plan for Regulatory Reform confirmed that the reconstruction and rehabilitation has been promoted of apartment buildings having insufficient earthquake resistance. Also, this term, the June 2015 Implementation Plan for Regulatory Reform was taken into account in conducting a follow-up of further promotion measures for such reconstruction or rehabilitation, and it was confirmed that additional responses have moved forward, including the submission of revised legislation that includes wording facilitating the application of urban renewal projects so that resolutions on reconstructing apartment buildings, which had necessitated the consent of four-fifths of the owners (and two-thirds or more of the owners in each building), would be able to proceed with the consent of two-thirds or more of the owners. Attention needs to continue to be paid to whether or not reconstruction is actually proceeding smoothly based on these responses as well as the status of such execution, and work will need to steadily move forward in the future as well on promoting renewal projects, including reconstruction and rehabilitation.

(vii) Reassessing the “Guidelines Concerning Distribution Systems and Business Practices” (reviewing safe harbor)

Based on the Third Report and the June 2015 Implementation Plan for Regulatory Reform, a review of the standards and requirements related to safe harbor (*) under the “Guidelines Concerning Distribution Systems and Business Practices” was conducted, and the results were reported to the Working Group on Investment Promotion and Miscellaneous Issues. The procedures for public comment on the proposed revisions of the Guidelines commenced in March 2016. The revised draft has been assessed as contributing to improving the foreseeability of businesses as it relaxes to a certain extent market share requirements pertaining to safe harbor based on past judgments and adjudications as well as other guidelines. In the future, attention needs to be directed so that the Guidelines are promptly revised after the public comment procedures.

(*) Under the “Guidelines Concerning Distribution Systems and Business Practices,” safe harbor refers to the scope of some non-price restraints that are not regarded as violations of the law nor subject to regulation in cases where certain standards and requirements are

met.

(3) Concrete Regulatory Reform Items

(i) Review on Regulations Responding to Socio-economic Changes

A. Relaxing qualifications for category 2 licenses

The shortage of taxi drivers and other such commercial vehicle operators is expected to further intensify in step with Japan's decreasing birthrate and graying population. Meanwhile, qualifications for the category 2 license for regular automobile, which taxi drivers are obliged to gain, requires that he/she is at least 21 years of age and also has had a driver's license for regular automobile for at least three years. It has been pointed out regarding this fact that rather than uniformly restricting qualifications by such formalities as age or years of experience, the aptitude for driving should be assessed by tests; another issue pointed out is that qualifications should be relaxed by encouraging young people to become drivers and thereby ease the shortage.

Therefore, the following measures will be adopted:

- a. Review of the required years of experience (at least three years) [Start examinations in Fiscal Year 2016; draw conclusions by Fiscal Year 2018]

In view of existing special programs, an examination will be conducted and have conclusions reached about leveling down category 2 license qualifications from a three-year experience requirement to individuals satisfying certain conditions; the Council will also examine appropriate tests and driving lessons required to this end.

- b. Review on age requirement (at least 21 years of age) [Start examinations in Fiscal Year 2016; promptly take measures upon drawing conclusions]

In view of the ensuring of safety, the progress in automotive technology, and how driver shortages are intensifying with Japan's decreasing birthrate and graying population, comprehensive examination will be conducted about an appropriate future for the category 2 license system. Age requirements will be included in this examination.

B. Reviewing the license required for driving passenger vans [Start examinations in Fiscal Year 2016; draw conclusions by Fiscal Year 2018]

Currently available passenger vans have a different riding capacity, i.e. 10, 14, and 15 people, despite their sizes being identical. Meanwhile, no more than 10 people are allowed to be aboard with either a driver's license for semi-intermediate vehicles, which are to be newly established, or ordinary driver's licenses. An intermediate vehicle license is required when driving an 11-member capacity car, which means that despite being a same-sized passenger van, drivers need different licenses depending on the riding capacity. It has been pointed out that enabling drivers to run 15-member capacity passenger vans without intermediate vehicle licenses would allow for making an effective use of human resources.

Therefore, in terms of enabling drivers to use licenses for semi-intermediate vehicles when driving passenger vans that, if the riding capacity is 11 or more, requires intermediate vehicle licenses, necessary issues such as safety-ensuring measures, appropriate examinations for lifting conditional license limitations, and reviews on riding capacity will be examined and have conclusions reached upon taking account of road traffic safety and the burden placed on individuals who seek to drive:.

C. Reviewing vehicle license plate seals [Examine and draw conclusions in Fiscal Year 2016; take measures in Fiscal Year 2017]

Registered vehicles cannot be operated without having been applied with a vehicle registration number and receiving a license plate seal. Apart from transport bureaus throughout Japan, entrusted dealers and administrative scriveners are given the authority to apply these seals, thereby providing drivers with a certain extent of convenience. However, it has been pointed out that methods with higher convenience levels should be examined.

Therefore, regarding vehicle license plate seals, necessary measures will be taken in view of changes in vehicle registration systems upon examining and drawing conclusions on steps to both ease the burden and improve convenience for vehicle users, e.g. reviewing the entrusted range of seal applications.

D. Reviewing on appropriate mobile barber and beauty service trailers [Examine, draw conclusions, and take measures in 2016]

When barber and beauty services receive permission as barber or beauty salon establishments, they are allowed to provide services with “mobile barber and beauty service trailers,” which are vehicles supplied with required equipment. These trailers are generally treated in the same manner as non-mobile stores, but while some municipalities have framed regulations predicated on the characteristic features of mobile service trailers, other municipalities have not established such exceptions. For instance, in some cases the same minimum floor space standard for non-mobile stores are applied on an as-is basis to mobile barber and beauty service trailers. It has been pointed out that requirements for an excessive amount of space have consequently led to the vehicle’s parking space restrictions and purchase cost, thereby hampering its widespread use.

Therefore, from the perspective of ensuring adequate hygiene levels and addressing the wide-ranging consumer needs in Japan, which is a country that entered an ultra-aging society, the standing that mobile barber and beauty service trailers have amongst the barber and beauty service domain will be publicly released. Moreover, an investigation will be conducted on differences that currently exist between local governments regarding how mobile barber and beauty service trailers are treated, thereby verifying whether standards set by local governments can be deemed as rational hygienically required measures. Appropriate standards for the said service trailers will accordingly be examined, and in turn, a conclusion will be reached.

- E. Reviewing how legal businesses are handled among group companies [Examine, draw conclusions, and take measures in the first half of 2016]

Article 72 of the Attorney Act (Act No. 205 of 1949) prohibits parties other than attorney-at-laws or legal profession corporations to deal with another party's legal business for the purpose of obtaining rewards. Given that restrictions of Article 72 apply to legal business entrustments between group companies, it has been pointed out that in today's society, where group management and the use of company split-up systems is increasingly garnering attention, regulations based on the Act is hampering the group-wide risk management efforts made by parent companies.

Therefore, regarding onerous legal business handlings between group companies, an examination will be conducted and have necessary measures taken from the perspective of ensuring the predictability of terms and ranges covered under the regulations of Article 72.

- F. Reviewing how to handle the Building Standards Act to promote the establishment of small-scale compressed hydrogen stations in urban areas [Examine and draw conclusions in Fiscal Year 2016; promptly take measures upon drawing conclusions]

The Implementation Plan for Regulatory Reform of June 2013 defined that small-scale compressed hydrogen stations, which are equivalent to class 2 producers prescribed under the High Pressure Gas Safety Act (Act No. 204 of 1951), can be established in urban areas upon gaining the permission of specific administrative agencies if the stations meet specified standards. It has been pointed out that from the viewpoint of encouraging the widespread use of hydrogen stations, the stations should be prescribed by public notice as buildings that are, in a similar manner as Class 1 Producers, installable in urban areas without the need to gain permission from specific administrative agencies.

Therefore, regarding small-scale compressed hydrogen stations, which are equivalent to class 2 producers from the High Pressure Gas Safety Act, an examination will be conducted and conclusions reached about prescribing a public notice to render the stations installable in urban areas without the need to gain permission from specific administrative agencies. This effort will take account of outcomes from urban-area establishments of these stations.

- G. Making it a standard to provide notice-of-calling attachments for general shareholder's meetings in electronic formats [Examine and draw conclusions in 2016]

The Companies Act (Act No. 86 of 2005) requires individual consent from shareholders to provide stockholders with shareholder's meeting notice-of-callings and its attachments on an electronic basis, rather than as a document. It has been pointed out that this regulation is a factor hampering the electronic provision of notice-of-callings, saddling operators with cost, and rendering the time insufficient for shareholders to engage in examinations.

Therefore, an examination will be conducted and have conclusions reached on the issues and necessary measures in making it a general rule to provide notice-of-calling attachments

for general shareholder's meetings in electronic formats.

H. Examining appropriate right-restricting provisions that are adoptable and can cope with future social changes [Examine and draw conclusions in Fiscal Year 2016]

The Copyright Act (Act No. 48, 1970) prescribes right-restricting provisions on an individual basis, regarding certain cases in which one can use works without having permission of the copyright owner. It has been pointed out, however, that the introduction of adaptable right-restricting provisions should be examined in an effort to both offer new services resulting from subsequent technological breakthroughs and to in turn prepare future business environments.

Therefore, an examination will be conducted and have conclusions reached on appropriate right-restricting Copyright Act provisions that are adequately adaptable and can cope with future social changes, while both giving due attention to preserving a balance with the protection of rights and incorporating perspectives on the development of new industries such as security-oriented reverse engineering.

I. Defining the legal foundation of time-stamping [Start examining in Fiscal Year 2016]

Time-stamping is currently described in Article 3, Clause 5 of the Regulations to Enforce the Computerized Maintenance of Account Books Act (Ordinance No. 43 of the Finance Ministry, 1998) as a condition to save electronic records of national tax documents; however, they are not deemed to have fixed dates as opposed to notarial deeds or certified mails, and thereby have little legal foundation. It has been pointed out that an environment that allows for safe international electronic trading should be developed, upon specifying the legal foundation of operator-issued time-stamping that are, under the Japan Data Communications Association's system of time-stamping service reliability/security accreditation, accredited as reliable from both technological and management grounds.

Therefore, the ideal future goals of foundations for time-stamping and other electronic certifications will be examined in an effort to establish an environment that enables secure electronic trading.

J. Accepting external storage media-based notifications under the Act on Energy-saving for Buildings [Examine and reach conclusion before the said act is enforced]

The Act on the Rational Use of Energy (Act No. 49 of 1979, hereinafter "Rational Energy Use Act") requires clients and owners to notify their energy-saving measures to the presiding administrative agency. This applies if, when newly constructing or making a major repair on houses or buildings, measures on efficient energy uses are needed for the said house or building. (With the Act on Improvement of Energy Consumption Performance of Buildings (Act No. 53 of 2015, hereinafter "Act on Energy-saving for Buildings") being enforced, notifications predicated on the Rational Energy Use Act will be ceased while in turn a notification system based on the Act on Energy-saving for Buildings will be launched.) In

response to the likelihood of the workload for notification-related operations increasing, such as by the number notification documents building up to an enormous amount, it has been pointed out that applications by external storage media should be available along with online applications.

Therefore, an examination will be conducted on procedures required under the Act on Energy-saving for Buildings, which will include external storage media-based notifications, and thereby conclusions will be reached.

K. Diversifying investment crowdfunding payment means [Examine and draw conclusions in Fiscal Year 2016]

Financial instruments business operators are in general prohibited from concluding or canvassing for financial instruments transaction contracts, including credit card payments, on the condition of loaning money or offering credit by non-margin transaction methods. Meanwhile, credit card payment is allowed as an exception in transactions based on cumulative investment contracts. From the perspective of increasing investors' convenience levels, it has been pointed out that, in a similar manner as cumulative investment contracts, credit card payments should be allowed as an exception in anonymous association contract equity purchases under services that handle online application offerings.

Therefore, an examination will be conducted and have conclusions reached on enabling credit card payments in such investment crowdfunding as anonymous association contract equity purchases under services that handle online application offerings, while giving due attention to stepping up investor convenience levels and restricting churning.

(ii) Review regulations concerning inbound and general tourism

A. Reviewing the system for licensed guide interpreters [Present bill by the end of Fiscal Year 2016]

The Licensed Guide Interpreters Act (Act No. 210 of 1949) prohibits non-licensed guide interpreters from serving as professional traveling guides both on an onerous basis and in foreign languages (i.e. exclusiveness of practice). Foreign tourists to Japan in 2015, however, saw an upsurge to nearly 20 million, and as the "Tourism Vision to Support the Future of Japan" sets forth, the government aims to subsequently double the number to reach 40 million by 2020. Tourist needs are diversifying and moving beyond previous needs such as making visits to scenic and historic sites.

Three-fourths of existing licensed guide interpreters are overconcentrated in urban areas, and two-thirds of the language available is English, which is resulting in a failure to address the recent increase of demand for Chinese and Korean language support. It has accordingly been pointed out how evident it is that maintaining the exclusiveness of practice by licensed guide interpreters would lead to a failure in achieving a "tourism-oriented developed nation," both in regard to qualitative and quantitative grounds.

In an effort to cater to the increasing number of foreign tourists visiting Japan and their

diversifying needs, the exclusiveness of practice by licensed guide interpreters will be repealed, with only the exclusivity of the job title being retained. On this occasion, a system to optimize the duties of tour operators, which are individuals who plan and arrange Japan touring products, will be introduced in an effort to prevent group tour qualities declining in conjunction with the repealing of the exclusiveness of practice.

B. Strengthening advertisement on duty-free sales systems related to automated gates
[Measures taken]

Under the consumption tax exemption system for foreign tourists, consumption taxes are exempted when duty-free shops sell non-taxed articles, under specified methods, to foreign tourists and other nonresidents of Japan. Under this occasion, individuals are confirmed as nonresidents of Japan based on immigration seals that are imprinted on their passports. However, unless requested, this seal is not provided on the passports of individuals who use the automated gates of immigration counters. It has accordingly been pointed out that when individuals that passed through automated gates try to use the tax exemption system, their purchases are not rendered duty-free because of the inability to confirm them as nonresidents of Japan. This, in turn, results in complaints and troubles.

The websites provided below will therefore describe the following issues to further facilitate the understanding of automated gate users: tax-free purchases require confirmation at duty-free shops, based on immigration seals imprinted on the purchaser's passport, that the purchaser is a nonresident of Japan; automated gate users are normally not provided with seals, but the seals will be offered if users request for it when passing the gate.

- a. User's guide page of the Ministry of Justice website
- b. Tax-free shop information website of the Japan National Tourism Organization (JNTO) for foreign tourists

C. Reviewing on appropriate embarkation cards for foreign nationals (ED card) [Examine and draw conclusions in Fiscal Year 2016]

The Immigration Control and Refugee Recognition Act (Cabinet Order No. 319 of 1951) requires foreign nationals with the intent of landing to Japan to file a landing application to the immigration inspector, as per procedures prescribed by the ordinance of the Ministry of Justice, and subsequently undergo examinations for landing. To express and confirm the intent of landing in a simple and explicit manner, the said ordinance prescribes to submit an embarkation card for foreign nationals. It has been pointed out how incorrect or blank entries have occurred in these cards, thereby hindering smooth immigration examination processes.

Therefore, an examination will be conducted and have conclusions reached on added revisions for the embarkation card for foreign nationals, both upon making international-basis format comparisons on the card and from the perspectives of further expediting and facilitating immigration examination processes.

(iii) Review of Energy- and Environment-related Regulations

A. Shortening the environmental assessment period for wind power

The Environmental Impact Assessment Law (Law No. 81 of 1997) prescribes environmental assessment procedures for businesses that are extensive in scale and could potentially have significant environmental influence. Wind power stations must arrange these procedures for businesses over a certain size, but these assessment processes typically are extremely time-consuming. This, in turn, results in business development delays and forces operators to shoulder extensive costs while facing a multitude of risks, such as purchase price and equipment/material price changes, which could thereby render system connections difficult and make operators give up efforts to commercialize the project. It has been pointed out that, in terms of encouraging the widespread use of clean energy, the period of wind power-related environmental assessment procedures should be shortened to the extent possible while maintaining consciousness on the environment.

Therefore, the following measures will be adopted:

- a Establishing a methodology for ahead-of-schedule environmental surveys [Start examining in Fiscal Year 2016; draw conclusions and take measures in Fiscal Year 2017]

The environmental impact survey of wind power-related environmental assessment procedures will be moved up, the learning gained through the “Demonstration of Early Environmental Assessment Survey,” which is performed concurrently with other procedures, will be studied, and thereby a methodology for ahead-of-schedule environmental surveys will be worked out.

- b Examining method to extract optimal location [Examine, draw conclusions, and take measures in Fiscal Year 2016]

the “Project to Develop Community-led and Strategic Methods related to Wind Power to Extract Optimal Location,” which is an effort to examine methods for extracting optimal wind power station locations, will be smoothly performed, and a guide will be laid down based on the obtained learning, by encouraging municipalities to take the initiative in engaging with preliminary arrangements on regulatory procedures and making adjustments with stakeholders/local residents, and at the same time carrying forward environmental impact assessment procedures in solidarity with the aforementioned parties.

- c Generalizing term-halving methods [Measures for generalization will be taken from Fiscal Year 2017 onward while obtaining results of initiatives; individual items will be verified from Fiscal Year 2016]

With initiatives to shorten the period of wind power-related environmental assessments, term-halving methods to allow for completing procedures, which are expected to take three to four years, over a timeframe of some 1.5 to two years, will be generalized. At the same

time, regarding the specific speed-up effort outcomes from the implemented environmental assessment cases, verifications based on all performed cases, spanning from the environment consciousness document to the evaluation document expected to be finalized in Fiscal Year 2016, will be engaged in, and thereby the verification results to will be disclosed to operators.

- B. Relaxing the required scale of wind power-related environmental assessments and narrowing down reference items [Start examining in Fiscal Year 2016; draw conclusions and take measures upon gaining needed data]

The Order for Enforcement of Environmental Impact Assessment Law (Cabinet Order No. 346 of 1997) uniformly requires wind power stations, covered under environmental assessments, to be “at least 10,000 kw for Class 1 Projects, and for Class 2 Projects, at least 7,500 kw and under 10,000 kw.” It has been pointed out that these scale requirements should be enhanced from the perspective of bringing environmental impact-based, rational environmental assessment procedures forward, and also in view of foreign cases and conditions of late in which per-project scales are increasing.

Procedures for wind power-related environmental assessments prescribe items, which embrace the likelihood of being affected by general wind power projects, as issues that operators should refer to when performing actual environmental impact assessments. Although operators carry the actual procedures forward on account of these reference items, it has been pointed out that the items include issues with substantially low environmental impact compared to other projects, and that this is resulting in both the extended amount of time required and the financial cost of wind power projects.

Therefore measures. required based on such issues of the wind power-related environmental assessment as scale requirement reviews and narrowing down reference items, will be examined and draw conclusions to enable smooth progress in wind power siting on account of the environment and local communities, reflecting on efforts to identify environmental impact conditions through preceding demonstration projects.

- C. Reviewing the timing to submit changes on Soil Contamination Countermeasures Act-based designated survey agencies [Examine, draw conclusions, and take measures in Fiscal Year 2016]

Survey agencies designated under the Soil Contamination Countermeasures Act (Act No. 53 of 2002) are “required to notify no later than 14 days before the day of changing” corporation names, addresses, names of representatives and executives, and the area in which percentage surveys for technical managers and corporation members are conducted. However, items such as the selection of directors, which under the Companies Act is required to be decided through general shareholder’s meetings, cannot be notified to external bodies before undergoing the aforementioned meeting. Regarding registrations and other notifications, the Act requires changes on representatives, executives, and addresses to be notified within a

given period after the decisions have been made. Based on this fact, it has been pointed out that making after-the-fact notifications should be allowed for survey agencies designated under the Soil Contamination Countermeasures Act as well.

Therefore, regarding the timing for Soil Contamination Countermeasures Act-based designated survey agencies to submit change notices, an examination will be conducted and have conclusions reached about the agency notifying their change within a given period after, rather than before, deciding the change.

D. Reviewing how waste fiber, which is discarded in leasing businesses, is defined under the Waste Management and Public Cleansing Act [Start examining in Fiscal Year 2016; draw conclusions in Fiscal Year 2017]

The Waste Management and Public Cleansing Act defines waste fiber as articles related to both construction businesses (e.g. particulars resulting from removing, reconstructing, and building new workpieces) and the textile industry (excluding textile product manufacturing such as clothing), and also defines industrial waste as articles in which polychlorinated biphenyl has permeated into (Article 2, Item 3 of Order for Enforcement of Waste Management and Public Cleansing Act (Cabinet Order No. 300 of 1971)). The said Act does not classify leasing business-related (i.e. goods rental and leasing business) waste fiber as industrial waste. After the lease term termination, this in turn causes the leasing company to process waste fiber, produced from articles that clients returned upon the end of the lease (e.g. duvets, curtains, uniforms), as general waste. However, it has been pointed out that waste generators are being overburdened, given how leasing companies produce a relatively large amount of waste and this renders it very difficult for generators to process the scrap-turned waste fiber as general waste.

Therefore, a hearing will be conducted on relevant parties and have investigations performed on the property, generated volume, and difficulties in treatment regarding the waste fiber, which transforms into waste in the leasing business. Based on results of these initiatives, an examination will be conducted and have conclusions reached on how to address these wastes under the Waste Management and Public Cleansing Act.

E. Consolidating report formats of the industrial waste control manifest [Measures for Fiscal Year 2016]

Regulations under Article 12-3, Clause 7 of the Waste Management and Public Cleansing Act require the deliverer of the industrial waste control manifest to submit a report to prefectural governors. It has been pointed out, however, that prefectures are employing different report formats, despite Article 8-2 from the Regulations of Waste Management and Public Cleansing Law (Ordinance No. 35 of the Ministry of Health and Welfare, 1971) prescribing the style of reports, and that this is placing a strain on operators.

Therefore, in terms of consolidating the format of prefectural governor-addressed reports associated with Article 12-3 Clause 7 of the Waste Management and Public Cleansing Act's

industrial waste control manifest (“manifest”), necessary measures will be taken on the premise of examination results from Fiscal Year 2015.

F. Extending the deadline of executive change notifications under permissions for industrial waste disposal businesses [Draw conclusions and take measures in Fiscal Year 2016]

Article 14-2 of the Waste Management and Public Cleansing Act requires industrial waste collectors and transporters or disposal operators to, upon changing names or executives, notify the prefectural government no later than 10 days from the alteration. The Act also requires the aforementioned parties to attach a certificate of registered matters to the said notification. However, it has been pointed out that obtaining the said certificates is so time-consuming as well as disproportionate it is to the Companies Act’s 14-day limit for making an executive change registration that this timeframe should be extended.

Therefore, in view of alleviating the applicant’s workload, a submission deadline that factors in the change registration deadline (i.e. within two weeks) will be arranged for when the aforementioned parties are, in the future, required to attach a certificate of registered matters to change notices.

G. Defining the waste applicability evaluation criteria regarding refuse-derived fuel (RDF) from general waste [Conditions assessed from Fiscal Year 2016 onward; examine and draw conclusions as soon as required information is obtained]

The notice as of March 29, 2013 defined interpretations on how to address transportation costs when judging the applicability of wastes. It stated that “[w]hen industrial waste possessors (e.g. waste generators) hand over the waste to parties that receive such articles on an onerous basis to recycle or employ them as energy sources for electricity, heat, or gas, it is, at the very least, acceptable to judge that the articles are not deemed as waste regarding the time and henceforth in which the party receiving the industrial waste on an onerous basis for recycling or energy source usage purposes became the possessor. This applies to cases in which an economic loss is occurring in the handing-over party regarding the entire project related to the hand-over of the said waste, e.g. when the handing-over party shoulders the transportation cost and the said transportation cost exceeds the sales proceeds.” This notice, however, involves industrial waste, and does not specify whether it covers cases under which general waste is employed as energy sources. It has been pointed out that for instance, when municipalities sell household waste-derived RDFs for fuel use on an onerous basis, the transaction often turns into an inverse onerous contract as a result of the municipality covering the transportation cost.

Therefore, in view of interpretations on industrial waste-derived RDFs, an examination will be conducted and have conclusions reached upon conducting a hearing on relevant parties regarding the waste applicability evaluation criteria for general waste-derived RDFs.

(iv) Other Reforms

- A. Expanding recipients in the interest subsidy system [Measures taken for the “interest subsidy to promote financing for environmental risk surveys”; examine, draw conclusions, and take measures in Fiscal Year 2016 for “interest subsidy to support General Special Zones,” “subsidy for cost on the promotion project to introduce specified equipment to achieve rational energy use,” and “interest subsidy to promote eco-friendly financing”]

The four interest subsidy systems, i.e. the “interest subsidy to support General Special Zones,” “subsidy for cost on the promotion project to introduce specified equipment to achieve rational energy use,” “interest subsidy to promote financing for environmental risk surveys” and “interest subsidy to promote eco-friendly financing” do not include life insurance companies as a financial institution to which interest subsidies are granted. While life insurance companies manage the premium acquired through life insurance contracts with long-term business loans, they are not provided with interest subsidies, and it has been pointed out that this fact is operating to the disadvantage of life insurance companies in the loan race with other financial institutions.

Therefore, the following measures will be adopted:

- a. An examination will be conducted and have conclusions reached about adding life insurance companies as financial institutions to which the “interest subsidy to support General Special Zones” is granted, and thereby take necessary measures.
 - b. An examination will be conducted and have conclusions reached about adding life insurance companies as financial institutions to which interest subsidies regarding “subsidy for cost on the promotion project to introduce specified equipment to achieve rational energy use” are granted, and thereby take necessary measures.
 - c. An examination will be conducted and have conclusions reached about adding life insurance companies as financial institutions to which the “interest subsidy to promote financing for environmental risk surveys” and the “interest subsidy to promote eco-friendly financing” is granted, and thereby take necessary measures.
- B. Reviewing reason of extraordinary report submission (overseas public offering) [Examine and draw conclusions in Fiscal Year 2016]

Regarding public offerings or sales of share certificates, share option certificates, or bonds with share options, when an offering or sales of the said certificates/bonds with a one hundred million yen or above aggregate issue price or total sales amount begins outside of Japan, extraordinary reports, which describe the types of securities and other required information, must be submitted without delay. However, it has been pointed out that (overseas public offering) extraordinary reports do not have to be submitted if the aggregate of the offering, including overseas flotation, is described in the domestic public offering securities registration statement.

Therefore, regarding cases in which domestic and overseas public offerings are conducted simultaneously, an examination will be conducted and have conclusions reached about

rendering extraordinary report submissions unnecessary if all items required in the report is provided in the securities registration statement.

- C. Relaxing the obligation to grant transaction reports for discretionary investment account-based investment trust transactions [Examine and draw conclusions in Fiscal Year 2016]

Article 37-4 of the Financial Instruments and Exchange Act (Act No. 25 of 1948) requires financial instruments business operators and other parties to prepare a written statement and grant this to the client without delay when a financial instruments transaction contract is concluded. Sellers must grant reports to clients on a per-transaction basis, and this includes business deals grounded on discretionary investment accounts (commonly known as wrap accounts), in which securities companies and trust companies manage the clients' portfolio in an all-inclusive manner. With regard to this fact, operators are being exposed to grant-related duties and facing complaints from clients who entrusted their investment decisions to the operators. In turn, it has been pointed out that obligations of the grant should be relaxed through such efforts as allowing collective transaction report deliveries in a manner covering a certain period of time.

Therefore, upon giving due attention to providing clients with adequate information, an examination will be conducted and have conclusions reached on relaxing operators' obligations to grant written statements that describe details of discretionary investment contract-based transactions.

- D. Reviewing sales representative registration-related application items set forth under the Commodity Derivatives Act [Examine and draw conclusions by the next revision of the law]

The Commodity Derivatives Act (Act No. 239 of 1950) requires commodity futures transactions dealers to submit to competent ministers an application that describes information including the address, date of birth, and the name of the individual engaging in sales activities. With regard to this fact, it has been pointed out that these described items, such as addresses, should be excluded to reduce the administrative tasks of operators.

Therefore, an examination will be conducted on the items described in the Commodity Derivatives Act's sales representative registration application, from the perspective of narrowing down the items to particulars needed for ensuring the effectiveness of the said law's enforcement.

- E. Making the timeframe of liquor stocktaking, under which collective register entries are authorized, flexible [Examine, draw conclusions, and take measures in the first half of 2016]

The Liquor Tax Act and its official notice places an obligation on liquor sellers to make register entries on a per-liquor-acceptance/sales basis, but liquor sellers are allowed to make

collective register entries for up to three months if they manage to meet certain requirements. On the other hand, the aforementioned Act and its official notice sets forth a requirement for authorizing collective register entries, prescribing that “[s]tocktaking for stocks must be carried out at the end of a month that remains within a three-month timeframe.” It has been pointed out that this results in inconsistent stocktaking timings between liquor and other products, and is in turn putting a strain on liquor sellers.

Therefore, to reduce administrative tasks of liquor sellers, a review will be conducted on the requirement for authorizing the said collective register entries to allow for midmonth stocktaking.

F. Deregulating the concentration of hazardous material inside hazardous material drying equipment [Examine, draw conclusions, and take measures by the end of Fiscal Year 2016]

“Preventing explosion accidents in drying equipment for hazardous material” (Notification No. 695 of December 27, 1977) prescribes that “[d]rying equipment for hazardous material must be equipped with ventilators and engage in forced ventilation, in an effort to prevent the concentration of hazardous material, which results in conjunction with the drying-up process, from reaching or exceeding the 30% explosion lower limit.” Meanwhile, in the U.S., the lower limit of hazardous material concentration is relaxed to 50% if additional ventilators have been arranged. In view of these undertakings, it has been pointed out that Japan should also relax hazardous material concentration to a 50% lower explosion limit, on the condition of ensuring a certain safety level.

Therefore, regarding the allowed range of hazardous material concentration resulting in conjunction with dry-ups, which is prescribed under No. 2 of “Preventing explosion accidents in drying equipment for hazardous material,” the range will be relaxed in view of the latest U.S. and European trends.

G. Reviewing how to address corrosion allowance in strength calculation under the Construction Code for Pressure Vessels [Examine, draw conclusions, and take measures in Fiscal Year 2016]

Article 11 of the Construction Code for Pressure Vessels (Public Notice No. 196 of the Ministry of Health, Labour and Welfare, 2003) prescribes that the establishment of class-1 high-pressure vessels requires a minimum plate thickness that amounts to the sum of corrosion allowance (at least one millimeters) and the thickness under which the pressure and allowable tensile pressure of the plate is rendered equivalent (i.e. formula-based thickness). In view of this requirement, the interval of the said vessel’s overhaul inspection is evaluated by the remaining base material life in terms of the minimum plate thickness. Meanwhile, corrosion allowance is a margin as of the time of production and takes account of future thinning; therefore, it presumably does not require constant efforts to maintain the allowance after the vessel enters into service. Consequently, it has been pointed out that the remaining life, related to interval acknowledgments of class-1 high-pressure vessel overhauls, should be

evaluated by employing values that had corrosion allowance subtracted from the construction code-based minimum plate thickness.

Therefore, regarding remaining life calculations for the acknowledgment of class-1 high-pressure vessel overhaul intervals, an examination will be conducted on evaluating remaining life by subtracting corrosion allowance from the Construction Code for Pressure Vessels-based minimum plate thickness. Necessary measures will thereby be taken upon drawing a conclusion.

H. Reviewing Fuel Container Safety Rules related to container reinspection methods [Examine and draw conclusions by the end of Fiscal Year 2016]

The High Pressure Gas Safety Act requires containers, in which high pressure gas is filled, to periodically receive and pass container reinspections in order to have it refilled with gas. Taking a re-inspection method that is not based on the Public Notice of Particulars on the Fuel Container Safety Rules (Public Notice No. 150 of the Ministry of International Trade and Industry, 1997) requires an authorization from the Minister of Economy, Trade and Industry on a per-method basis. It has been pointed out that the aforementioned public notice should prescribe echo and ultrasonic non-destructive inspections that have track records in the U.S. and Europe, and also that these inspections should be authorized through common procedures.

Therefore, in view of the demonstrated results from the special measure for corporate demonstration special scheme-based Fuel Container Safety Rules (Ordinance No. 50 of the Ministry of International Trade and Industry, 1966), which have been in place since Fiscal Year 2014, an examination will be conducted on enabling echo and ultrasonic non-destructive inspections for gas containers available through common procedures, and a conclusion will thereby be reached.

I. Relaxing anti-falling measures for existing escalators under the Building Standards Act [Take measures by the end of Fiscal Year 2016]

When adding or bettering existing non-compliant buildings to a certain or greater extent, parts of the building that are unrelated to the processes must also comply with the “Item on Prescribing a Structural Method in which the Risk of Escalators Falling from Earthquakes and Other Tremors are Absent” (Public Notice No. 1046 of the Ministry of Land, Infrastructure and Transport, 2013). In light of financial costs and the impact on convenience, it has been pointed out that measures based on simpler specifications should be authorized.

Therefore, the aforementioned Item will be reformed, and, regarding cases in which insufficiencies exist in the gap between the escalator and the building’s beam, standards will be streamlined on account of the strength of trusses observed under compressive force applications.

J. Expediting the process of permitting access for special-purpose vehicles [Take measures in a

phased manner from Fiscal Year 2016 onward]

Regarding examinations for special-purpose vehicle access permission applications, the routes described in the Road Information Bulletin had been systematized, thus allowing for streamlining the administrative task of the examination. On the other hand, routes that are not covered in the Bulletin must undergo examinations on a per-case basis, and this could result in a prolonged timeframe between the application and permission. It has been pointed out that this is causing delays in constructions.

Therefore, efforts will be made to strengthen the auto-examination system that harnesses electronic data and expand the large-size vehicle guiding section, with sights set toward reducing the period for examining special-purpose vehicle access permission applications. Other efforts will be carried out as well to develop readily understandable application manuals and achieve intensified examination systems for directly-controlled local agencies (e.g. national road office), thereby implementing remedial measures that would enable efficient and prompt examinations.

K. Expanding the range of notifications related to revisions on aircraft Minimum Equipment List [Examine and draw conclusions in Fiscal Year 2016]

Setting and revising aircraft operation or maintenance manuals require the Minister of Land, Infrastructure and Transport's authorization. These settings and revisions, however, can be based on notifications, if the "Aircraft Minimum Equipment List for Cases in which Equipment and Other Particulars are Under Irregular Conditions," which is a list arranged as per the Master Minimum Equipment List (i.e. a standard the designer prescribed and gained approval from the country of design origin; hereinafter "MMEL"), is to be revised in step with and on the same details as revisions made on the MMEL. It has been pointed out regarding this fact that maintenance manual notification requirements should be relaxed to allow for similar notification-based changes on revisions to render the details rigid within the range of standards laid out by the MMEL, including scaling back repair limits and adding permissive conditions.

Therefore, regarding when rendering the "Aircraft Minimum Equipment List for Cases in which Equipment and Other Particulars are Under Irregular Conditions" rigid than the MMEL, an examination will be conducted and have conclusions reached on enabling revisions by having both a comparison chart on the Minimum Equipment List, and an MMEL that specifies the intent of the revision, notified.

L. Reviewing aircraft equipment maintenance entrustment control [Start examining in Fiscal Year 2016]

Air carriers are required to stipulate, in maintenance manuals or its annexes, the maintenance trustees for all the equipment they own. It has been pointed out that the need for filing notifications and describing trustees on an individual basis on maintenance manuals should be eliminated, if and only when the air carrier is deemed to be engaging appropriately

in entrustment control, e.g. trustee examinations and evaluations, internal regulation/system-based trustee and item control.

Therefore, an examination will be conducted on the following issues: (i) having air carriers stipulate in maintenance manuals to adequately control trustees under management systems and internal regulations; and (ii) for air carriers that were authorized for system-based control, whether they can be confirmed in an equivalent manner as the current regulatory approach, which requires individual-basis trustee descriptions on the maintenance manual, by such methods as submitting control lists in response to requests from the authority.

M. Reviewing approval for extended twin-engine aircraft operations [Examine and draw conclusions in Fiscal Year 2016]

Air carriers are required to obtain approval from the Civil Aviation Bureau of the Ministry of Land, Infrastructure and Transport when implementing extended twin-engine aircraft operations (hereinafter “ETOPS”). It has been pointed out that the need for the said approval should be eliminated when performing ETOPS without passenger or freight transportation, e.g. airlifting new machines from overseas to Japan.

Therefore, an examination will be conducted and have conclusions reached on treating certain cases, e.g. airlifting new machines, as a special exception that does not fall under the scope of ETOPS.

N. Review on regulations related to plasma derivative exports [Start examining in Fiscal Year 2016; draw conclusions by Fiscal Year 2018]

The “Basic Policy for Improvement of the Safety of Blood Products and Securing Stable Supplies” (Public Notice No. 247 of the Ministry of Health, Labour and Welfare, 2013) sets forth a principle of domestic self-sufficiency for plasma derivatives in light of the preparation’s distinct features. Plasma derivatives, however, have yet to achieve domestic self-sufficiency at the moment, and the Export Trade Control Order (Cabinet Order No. 378 of 1949) basically prohibits overseas exports. It has been pointed out that exports should be authorized in terms of contributing to the wider world and enabling overseas manufacturing to achieve a stable supply of domestic blood derivatives.

Therefore, an examination will be conducted and have conclusions reached on arranging with relevant parties about appropriate plasma derivative export approvals. This effort will be in step with reviews on the “Basic Policy for Improvement of the Safety of Blood Products and Securing Stable Supplies.”

5. Regional Revitalization

(1) Objectives and Examination Perspectives of Regulatory Reform

Bringing back vitality into regional communities and maintaining and achieving their development is essential for the Japanese economy to grow in a continued and stable fashion. However, as Japan's population dwindles and moves into an ultra-aging society, it has been pointed out that regional communities in particular are running out of steam.

To make combined regional vitalization efforts, the Japanese Government has been carrying forward such initiatives as establishing a Council on Overcoming Population Decline and Vitalizing Local Economy in Japan in September 2014, as well as laying down a "Comprehensive Strategy for Overcoming Population Decline and Vitalizing Local Economy" in December of the same year. Regional vitalization requires developing industries that make good use of strengths and ideas that are provided from communities. It also requires, in a circumstance-based manner, establishing mechanisms to invite people into regional areas and make circular monetary flows in an effort to create jobs, as well as maintaining and regenerating local communities. When implementing these steps, regulatory reform plays a significant role. It has been pointed out that the regulations currently in place are, in large part, focused on urban areas and the previous years in which Japan experienced high economic growth; it is not in line with the depopulating society and the reality of regional areas.

To contribute to regional vitalization initiatives, which is a key measure of the Cabinet, the Council for Regulatory Reform has been discussing, under the Working Group on Regional Revitalization launched in September 2014 by the Council, about regulatory reform issues required for regional revitalization. In its discussions, the Council carried forward consultations by embracing the "local-first" mindset again this term, and thereby did not hesitate in receiving reform proposals from regional areas to the Hotline on Regulatory Reform. The Council for Regulatory Reform consequently compiled concrete and individual-basis regulatory reform items for the following regional revitalization-related issues: (i) regulatory reform in Minpaku services; (ii) regulatory reform in regional areas; (iii) review of regulations related to buildings and land use; and (iv) other regulatory reviews that contribute to regional revitalization.

(i) Regulatory reform in "Minpaku" services

Inviting people into regional areas requires appealing content that would catch people's attention. The so-called "Minpaku" service, offering hands-on experience of living in rural areas, has the potential of serving as a significant element of such content. It has been pointed out, however, that many Minpaku services are currently underway without obtaining required hotel business permissions. Adequate rules must promptly be laid down and promoted.

Therefore, lodging services will be provided with a wide array of options to stimulate new lodging demand; at the same time, a type-based regulatory system (i.e. owner residing/absent types) will be developed to address various issues such as negative externalities and allow for promoting need-meeting Minpaku services under adequate regulations.

The Minpaku service is a service domain within the concept of the sharing economy (*).

With regard to appropriate regulations for this concept, in this term the Council for Regulatory Reform intensively examined about regulatory reforms in Minpaku services, the rapid spread of which has been both noticeable in reality and has been lingering as an issue since the previous term.

Other services besides Minpaku include initiatives of sharing vehicles, facilities such as meeting rooms, labor, funds, and knowledge/skills. What is essential for further encouraging the sharing economy, and arranging an environment in which the entire society draws on assets to a maximum extent alike, are efforts to examine rules that are needed and appropriate. Meanwhile, the key characteristics of the sharing economy are that previous approaches predicated on in-advance operational regulations towards service providers would not allow for adequate regulations, and also that applying appropriate regulations on intermediaries become an issue in ensuring adequate use of the aforementioned services. Future examinations on the regulatory reform, including non-Minpaku service fields, will require considerations on appropriate new regulations based on these characteristics.

(*) Sharing economy: An economic framework that is becoming increasingly widespread; this concept is based on exchanging and sharing services, goods, houses, and so forth, and made possible by the development of social media.

(ii) Regulatory reform in regional areas

Maintaining and developing the vitality of regional areas require the implementation of circumstance-based, necessary measures such as tightening or relaxing regulations. Regarding ordinances predicated on local government-enforced ordinances, it has been pointed out that differences in concrete regulation details are in some cases hampering wide-area economic activities, and also that the national government should, upon identifying and verifying the differences, take necessary action if the discrepancies are posing problems.

Therefore, examinations will be continued to reach a conclusion on the responses the national government should make in an effort to promote regulatory reforms in regional areas.

(iii) Review of regulations related to buildings and land use

When maintaining and regenerating regional communities, making effective use of such resources of the area as buildings and land is absolutely essential. The usage of buildings and land, however, is often hampered by the many regulations that are involved. For instance, it has been pointed out that regulations on land use or buildings render it difficult to smoothly carry out initiatives to rebuild existing buildings or construct new buildings in a manner that goes in step with the needs of the age.

Therefore, the following initiatives will be conducted: relax building restrictions in use districts, define details of the Condominium Standard Management Bylaws, promote marketing of buildings that do not have certificates of inspection, define the procedures for changing unintended car movement protection (UCMP) system parts of elevators, review operating district requirements for the type 1 urban redevelopment project, and extend the permitted term

for river zone occupancy.

(iv) Other Regulatory Reviews that contribute to regional revitalization

As initiatives other than the aforementioned (i)-(iii), the Council for Regulatory Reform will take account of requests filed to aid regional revitalization efforts, and thereby define regulations on freight vehicle transport businesses, review the temporarily arranged operating districts for chartered buses, establish systems related to regional service business entities, expand options for thrift shops regarding not-in-person authenticity confirmations on the other party

(2) Focused Follow-up

The Working Group on Regional Revitalization arranged the “Review of regulations for the Act on Control and Improvement of Amusement Business, etc.,” which was listed on June 2014’s Implementation Plan for Regulatory Reform, as a focused follow-up item. Other particulars set as focused follow-up items were the “regulatory reform in Minpaku services (providing lodging service that makes use of ordinary houses and villas, and advertises for lodgers through the internet)” and “establishing Regional Councils for Regulatory Reform,” which were provided in June 2015’s Implementation Plan for Regulatory Reform. The Working Group thereby discussed the progress of the initiatives.

(i) Regulatory reform in Minpaku services (providing lodging service that makes use of ordinary houses and villas, and advertises for lodgers through the internet)

Based on June 2015’s Implementation Plan for Regulatory Reform, November 2015 saw the launch of the Investigative Commission on the Appropriate Minpaku Service with the Ministry of Health, Labour and Welfare and the Japan Tourism Agency serving as a joint secretariat. It can be credited how needed examinations are underway, as observed in March 2016’s intermediary compilation of summary points and the enforcement of responses for “Issues that must be Promptly Addressed” since April 2016. The aforementioned Commission plans to carry forward examinations in an effort to draw conclusions by June 2016, and has sights set on working to develop required legal systems in view of the examination results. Continued follow-ups are needed for the progress of these examinations and details on the legal system development.

(ii) Establishing Regional Councils for Regulatory Reform

Based on June 2015’s Implementation Plan for Regulatory Reform, December 2015 saw the issuance of documents requesting to explore about establishing Regional Councils for Regulatory Reform, directed to prefectural government/municipality heads under the name of the Council for Regulatory Reform Chair. The Council for Regulatory Reform also issued documents requesting for cooperation from the six major regional government associations and economic organizations, posted relevant material on the Council for Regulatory Reform website,

and, as an effort to aid the establishment of Regional Councils, responded to individual inquiries from local governments. These initiatives resulted in the establishment of Regional Councils for Regulatory Reform in Ibaraki and Tokushima Prefectures in April 2016, as well as in Katsuragi City, Nara Prefecture in May 2016. Continued follow-ups are needed for explorations and initiatives by local governments aimed at establishing Regional Councils for Regulatory Reform.

(iii) Review of regulations for the Act on Control and Improvement of Amusement Business, etc.

An advisory council, which was established based on June 2014's Implementation Plan for Regulatory Reform, compiled in September 2014 a "Report on Appropriate Regulations for Businesses that Encourage Dancing." It can be credited how the "Legislative Bill on Partial Revision of the Act on Control and Improvement of Amusement Business, etc.," submitted in response to the Report, had passed in June 2015, as well as how relevant subsidiary legislation prescribed methods to measure luminous intensities were prescribed and promulgated in November of the same year. Follow-ups will be conducted on an as-needed basis regarding how the legislation is applied after the revised and subsidiary legislation is enforced in June 2016.

(3) Concrete Regulatory Reform Items

(i) Regulatory reform in Minpaku services [Examine and draw conclusions in the first half of 2016, present bill by the end of Fiscal Year 2016]

It has been pointed out that many Minpaku services are currently underway without obtaining required hotel business permissions. The Japanese Government must promptly lay down adequate rules and promote regulatory reform efforts.

Based on June 2015's Implementation Plan for Regulatory Reform, examination was made at the Investigative Commission on the Appropriate Minpaku Service, hosted by relevant ministries and agencies. As a result, the Commission relaxed the license standards for simplified lodging services (minimum standard for guest room floor areas) (enforced in April 2016) as a response to issues that must be promptly addressed, and their examinations are ongoing.

The Council for Regulatory Reform conducted extensive hearings from experts, operators, and relevant bodies, and this initiative covered the progress of examinations made by relevant ministries and agencies. The Council in turn finalized and disclosed in December 2015 an "Opinion on the Promotion of Minpaku Services," calling for responses on various issues such as having relevant ministries and agencies expedite their examinations, conducting drastic measures including an issuance of new regulations needed for specified Minpaku services, ensuring safety and security, and addressing negative externalities. The council continued to engage in further examinations, such as by hosting in March 2016 an open discussion on Minpaku services.

The Minpaku service is a domain of the information technology-based sharing economy, and this sharing economy concept must be promoted from the perspective of its economic effects

and for improving the convenience of Japanese citizens. The key characteristics of the sharing economy are that previous approaches predicated on in-advance operational regulations towards service providers would not allow for adequate regulations; also, applying appropriate regulations on intermediaries become an issue in ensuring adequate use of services provided in the sharing economy system. Based on these characteristics, examinations are needed for appropriate new regulations on Minpaku service fields.

Therefore, a type-based regulatory system will be developed under the following frameworks 1-3 to allow for promoting need-meeting Minpaku services (that is providing a lodging service by making use of houses (detached houses or apartments), hereinafter referred to as “Minpaku”) under adequate regulations. Efforts will be made to promptly work on the development of legal systems, including decision about administrative agencies presiding over notification and registration processes. House-based lodging services will be offered under this new framework, and the legal system of this framework is to be separated from the existing Inns and Hotels Act (Act No. 138 of 1948) that covers hotels and inns.

Note that:

- After the enforcement of the law, condition-based revision is to be made when necessary.
- Notifications and registrations are to be basically made via the internet. Due consideration on the convenience of relevant parties by examining about using My Number and corporate number for elimination the need of attaching residence certificates is to be given.
- Prompt examining reviews on regulations for existing hotels and inns, in view of its balance with details and the extent of regulations on Minpaku is to be made.

1. Minpaku types

(1) Owner residing-type Minpaku

<Requirements>

- (i) The concerned house serves as a basis of an individual’s daily life (where a residence certificate is registered).
- (ii) The house provider stays overnight on the day and so forth the house is offered for service.
- (iii) The annual number of service-provided days meet certain specific requirements.

While “certain specific requirements” could include an upper annual limit for service-provided days, the requirements should be one that allows for addressing “houses” in a different manner from existing “hotels and inns”. An adequate number of days under a half years (that is not exceeding 180 days) is to be set, upon arranging a limitation based on the upper annual limit for service-provided days. Examples from other nations are to be referred and heed to the competitive conditions with existing hotels and inns is to be paid.

<Framework>

- Owner residing-type Minpaku will take a notification-based system. The following items are rendered obligatory:

- Developing and saving a user list
- Hygiene management measures (maintaining and securing general hygiene levels)
- Countermeasures on negative externalities (for example, describing precautions to users (including noise and waste disposal), putting up signs at the entrance stating that the house is providing Minpaku, addressing complaints)
- (If the house is an apartment (compartmented-ownership building)) Confirming the absence of management bylaw violations
- (If the house provider is a leaseholder, instead of the owner) Confirming the absence of lease contracts (including articles stating that subleases are not authorized)
- Providing information to administrative authorities (health and hygiene, police, tax)
- Minpaku is also available in exclusive districts for residential use, upon regarding them as houses. It is acceptable to prohibit Minpaku by ordinances, based on conditions of the area.
- Regulations will not be arranged for lodging refusal restrictions.

(2) Owner absent-type Minpaku

<Requirements>

- (i) The concerned house does not serve as a basis of an individual's daily life, or, despite the house serving as a basis of an individual's daily life, the house provider is not staying overnight on the day the house is offered for service (including corporate-owned houses).
- (ii) The annual number of service-provided days and so forth meets certain specific requirements.

While "certain specific requirements" could include an upper annual limit for service-provided days, the requirements should be one that allows for addressing "houses" in a different manner from existing "hotels and inns". Adequate number of days under a half year (that is not exceeding 180 days) is to be set, upon arranging a limitation based on the upper annual limit for service-provided days. When engaging in this process, Examples from other nations are to be referred and heed to the competitive conditions with existing hotels and inns is to be paid.
- (iii) The service-providing house has a "Minpaku facility manager." (Either the registered manager is entrusted with the management of the house, or the house provider him/herself registers as manager.)

<Framework>

- Owner-absent type Minpaku will take a notification-based system. Putting up signs on the entrance stating that the house is providing Minpaku, as well as the Minpaku facility manager's contract address in Japan, is rendered obligatory.
- Minpaku is also available in exclusive districts for residential use, upon regarding them as houses. It is acceptable to prohibit Minpaku by ordinances, based on conditions of the area.
- Regulations will not be arranged for lodging refusal restrictions.

2. Minpaku facility manager

<Framework>

- Minpaku facility managers will be based on a registration system. The following items are rendered obligatory:
 - Developing and saving a user list
 - Hygiene management measures (maintaining and securing general hygiene levels)
 - Countermeasures on negative externalities (for example describing precautions to users (including noise and waste disposal), addressing complaints)
 - (If the house is an apartment (compartmented-ownership building)) Confirming the absence of management bylaw violations
 - (If the house provider is a leaseholder, instead of the owner) Confirming the absence of lease contracts (including articles stating that subleases are not authorized) violations
 - Providing information to administrative authorities (health and hygiene, police, tax)
- Penalties will be established for unlawful behaviors. At the same time, business suspensions and revocation of registrations will be rendered possible in the event of illegal activities.

3. Intermediary

<Framework>

- Minpaku intermediaries will be based on a registration system. The following items are rendered obligatory:
 - Describing business terms in view of ensuring that the consumer engages in safe transactions
 - Stating on the website that the concerned provision of property applies as a Minpaku
 - Providing information to administrative authorities (health and hygiene, police, tax)
- It is prohibited to offer notification-less Minpaku, or Minpaku that exceed “certain specific requirements,” for example an upper annual limit of service-provided days.
- Penalties will be established for unlawful behaviors. At the same time, business suspensions and revocation of registrations will be rendered possible in the event of illegal activities.

(ii) Regulatory reform in regional areas [Examine from Fiscal Year 2016 onwards]

A wide array of regulations exists in Japan, ranging from those of operational levels, such as official notices, to laws and regulations prescribed by the national government. In some cases, certain rules on a particular regulation are prescribed by the national government, while local governments stipulate concrete details of the regulation with ordinances. It has been pointed out that some of the regulations predicated on local government-enforced ordinances do not have a clear-cut grounding in terms of the concerned area’s conditions. Furthermore, other issues

pointed out include how differences between local governments, regarding concrete regulation details set forth under ordinances, are impairing the economic efficiency of companies that operate widely across different municipalities. Another issue pointed out was that the national government should identify regulations predicated on local government-enforced ordinances, verify the rationality of differences that exist between regulatory details set forth by local governments, and thereby take necessary steps in response to any issues.

Therefore, examinations will be continued to reach a conclusion on a national government response that would enable to promote regulatory reform in regional areas while enshrining the decentralization of power.

(iii) Review of regulations related to buildings and land use

A. Relaxation of building restrictions in use districts

a. Reviewing the use regulation when employing motors in warehouses [Take measures in the first half of Fiscal Year 2016]

Warehouses that accompany sorting, packaging, and packing works are currently treated as factories, with its workplace floor space restricted to no more than 150 m² in commercial districts and its neighboring commercial districts, and no more than 50 m² in quasi-residential districts. It has been pointed out that these regulations have rendered it unfeasible to rebuild existing warehouses or construct new warehouses in a manner that goes in step with the needs of the age.

Warehouses that accompany motor-employing sorting, packaging, and packing works have the function as a “warehouse engaging in the storage business.” Therefore, if the aforementioned warehouse neither influences surroundings by noise, nor damages a favorable residential environment, a technical advice on permissions predicated on Article 48 of the Building Standards Act (Act No. 201 of 1950) will be issued and its details thoroughly communicated, in an effort to enable the construction of the said warehouses in step with the condition and needs of the use district.

b. Reviewing the use regulation of convenience stores in low-rise exclusive residential districts [Take measures in the first half of Fiscal Year 2016]

Convenience stores are not allowed to be constructed in category 1 low-rise exclusive residential districts. In category 2 low-rise exclusive residential districts, constructions of such stores are allowed only when its floor space is no more than 150 m². It has been pointed out that efforts should be made to both enable constructions in category 1 low-rise exclusive residential districts and relax floor space regulations in category 2 districts, from the perspectives of taking steps for barrier-free initiatives and addressing supermarket shortages.

Therefore, regarding convenience stores, a technical advice on permissions predicated on Article 48 of the Building Standards Act will be issued and its details thoroughly communicated, in an effort to enable constructions in the said category 1 districts as well

as floor space regulation-exceeding constructions in category 2 districts. The issuance will be in step with the condition and needs of the districts, and apply to cases in which the aforementioned constructions do not damage a favorable environment of low-rise housing.

- c. Thoroughly communicating the operation of permit systems for convenience stores in exclusive industrial districts [Take measures in the first half of Fiscal Year 2016]

Restaurants or stores engaging in merchandising, e.g. convenience stores, are not allowed to be constructed in exclusive industrial districts. Meanwhile, facilities necessary for the use of working staff, such as the numerous cafeterias and convenience stores within the same district geared towards factory employees, are allowed to be constructed under permissions predicated on Article 48 of the Building Standards Act. It has been pointed out that despite March 2005's issuance of the technical advice "Promotion of the Regulatory Reform and the Operation of the Urban Planning/Construction Regulatory System," constructions of the aforementioned restaurants or stores are in some cases not allowed given the inconsistent responses of specific administrative agencies.

Therefore, regarding facilities necessary for the use of working staff, such as the numerous cafeterias and convenience stores within industrial districts geared towards factory employees, renewed efforts will be made to thoroughly communicate to specific administrative agencies that it is appropriate for the agencies to authorize construction of the said facilities by applying the permission system under Article 48 of the Building Standards Act. This effort will take account of individual situations and give due consideration to preventing any damage occurring to the advantages of the district's industry.

B. Define details related to the Condominium Standard Management Bylaws

- a. Defining the purpose of "Issues that Contribute to Housing Features" [Take measures in the first half of Fiscal Year 2016]

Article 22, Item 1 of the Condominium Standard Management Bylaws sets forth that the condominium management association implements, under its own responsibility and charge, the following upon regarding it as planned repairs: improvement works that are related to openings such as entrance doors, windowpanes, and window frames attached to the dwelling units in the common area, and are at the same time works that contribute to stepping up security, soundproofing, insulation, or other such housing features. It has been pointed out from the perspective of scaling up the housing renovation market that the said provision should specify terms on barrier-free efforts and senior citizen support to the reference on security, soundproof, or insulation features, and at the same time change the expression "insulation" to "energy-conserving."

Therefore, the purpose of Condominium Standard Management Bylaws Article 22, Item 1's provisions on "Issues that Contribute to Housing Features," including how the provision covers barrier-free efforts, senior citizen support, and energy conservation

concepts, will be defined and thoroughly communicated.

b. Measures contributing to decisions made by the management association [Measures taken]

Article 22, Item 1 of the Condominium Standard Management Bylaws sets forth that the condominium management association implements, under its own responsibility and charge, the following upon regarding it as planned repairs. It also requires the association to give technical, engineering-based decisions on maintaining the strength and durability of the openings mentioned below: improvement works that are related to openings such as entrance doors, windowpanes, and window frames attached to the dwelling units in the common area, and are at the same time works that contribute to stepping up security, soundproofing, insulation, or other such housing features. However, making such decisions is not an easy task for the management association, and this fact consequently results in many cases where improvement work initiatives are given up. It has accordingly been pointed out that measures to aid the technical and engineering-based decisions made by the management association, when engaging in improvement works for openings, is in need.

Therefore, upon classifying the assumed improvement works, explanations on issues that must be decided by the association will be incorporated as an annex for the Condominium Standard Management Bylaws, which will in turn be thoroughly communicated. This is an effort to aid decisions made by the management association for improvement works on openings in condominiums.

C. Promote marketing of buildings that do not have certificates of inspection [Examine, draw conclusions, and take measures from Fiscal Year 2016 onward on a continuous basis]

Certificates of inspections are granted when the building is, after works have completed for buildings that underwent confirmation applications, in compliance with Building Standards regulations. The said buildings are not available for use prior to the certificate grant, but in reality, there are many buildings that have not been granted the certificate. It has been pointed out that in order to facilitate the marketing of existing certificate-less building stocks, measures should be taken so that operators can comfortably engage in transactions (e.g. purchase, finance), particularly for cases in which building confirmations for extensions or change in usages are not needed.

Therefore, regarding certificate-less buildings, an examination will be conducted and have conclusions reached on measures that will enable operators to comfortably engage in transactions (e.g. purchase, finance). This is to facilitate the marketing of existing stocks, including cases under which building confirmations for extensions or change in usages are not needed. The said measures will be implemented immediately upon reaching a conclusion.

D. Define procedures associated with changing unintended car movement protection (UCMP) system parts of elevators [Measures taken]

It is mandatory to install Minister-acknowledged, unintended car movement protection

(UCMP) systems to elevators. The procedures under the Building Standards Act, regarding the installation of these UCMP systems, prescribe that confirmation applications are not needed, except when newly installing or removing the entire elevator. If the Minister's acknowledgment is re-obtained in step with some changes in the system's parts, this is to be simply communicated to specific administrative agencies when filing the first periodic inspection report after making changes to the Minister's acknowledgment number; however, it has been pointed out that this procedure is not specifically laid out.

Therefore, regarding the UCMP systems existing in elevators, the procedures to file reports to specific administrative agencies will be defined and thoroughly communicated. This applies to cases in which changes occur in the Minister's acknowledgment number in step with some system part alterations.

E. Review operating district requirements for the type 1 urban redevelopment project [Measures taken from Fiscal Year 2016 onward]

Districts in which type 1 urban redevelopment projects are enforced under the Urban Renewal Act (Act No. 38 of 1969) must have a total fireproof building area, upon excluding old or confined establishments, of no more than roughly a third of the sum of all building areas in the said district. Excluded confined buildings are prescribed as establishments that have a building area of under 150 m². Meanwhile, it has been pointed out that there is a need for efforts to establish new urban functions and to engage in intensive urban land use in a reasonable and sound manner. This should be achieved by arranging the excluded square measures of confined buildings, both in tandem with the lower building area limit prescribed under the enforced district's urban planning, and upon reflecting the reality surrounding office buildings of late.

Therefore, regarding requirements for districts in which type 1 urban redevelopment projects are enforced under the Urban Renewal Act, revisions will be conducted for the square measures of confined buildings excluded from building area calculations, in an effort to arrange it in tandem with the lower building area limit prescribed under the enforced district's urban planning.

F. Extend the permitted term for river zone occupancy [Take measures in the first half of Fiscal Year 2016]

The River Act (Act No. 167 of 1964) requires occupancy parties that are to establish pavement cafes, barbecue venues, and event-hosting facilities to gain permission for occupancy from river authorities. The Rules on River Zone Occupancy Permission, however, prescribes the period of occupancy permission as no more than three years when the said party is a business activity operator (e.g. private enterprise). It has been pointed out that this limitation set forth by the Rules prevent operators from conducting businesses assuming extended use of the occupied zones, which in turn hampers commercial-based, effective river zone usages looking to create comfortable and lively waterfront areas.

Therefore, the permitted term for when operators engage in business activities that occupy river zones will be extended; the term accordingly will be changed from the current maximum of three years to ten years, which is equivalent to when public parties conduct river zone occupations.

(iv) Other Regulatory Reviews that contribute to regional revitalization

A. Define regulations covered under freight vehicle transport businesses [Take measures in the first half of Fiscal Year 2016]

The Motor Truck Transportation Business Act (Act No. 83 of December 19, 1989) requires either obtaining permission or notifying the Minister of Land, Infrastructure and Transport when employing vehicles to transport freight, on an onerous basis, and in response to demands from other individuals. In terms of collecting charges for vehicle-based, store product delivery services, however, it has been pointed out that the store operators are forced to give up the said service as a result of the need for filing the aforementioned notification or gaining permission.

Therefore, regarding regulated items related to freight vehicle transport businesses, a document will be issued prescribing that when monetary receipts under delivery-involving services do not entail onerous characteristics as transport considerations, these services will not be covered by regulations of the Motor Truck Transportation Business Act. This document will be thoroughly communicated along with sample cases that do not entail onerous characteristics as transport considerations.

B. Review the temporarily arranged operating districts for chartered buses [a. Examine, draw conclusions, and take measures in the first half of Fiscal Year 2016; b. take measures in the first half of Fiscal Year 2016]

Regarding chartered buses, time-limited temporary operating districts can be arranged if, and only when, operators that have received safety evaluation acknowledgments are serving foreign tourists to Japan. It has been pointed out, however, that these temporary district arrangements for foreign tourist-serving chartered buses should be rendered permanent in view of the driver shortage of late. Another issue pointed out is that temporary operating district arrangements should be available for domestic charter bus demand as well.

The following initiatives will therefore be conducted:

- a. Examine about rendering temporary district arrangements for foreign tourist-serving chartered buses permanent in view of future trends in foreign tourists visiting Japan, and how the safety of transport is ensured. The Council will take the needed steps upon drawing conclusions.
- b. Thoroughly communicate that if, in terms of domestic demand, a temporary increase in transportation demand is expected to render the transportation capacity of the concerned district's chartered bus insufficient, this area can be arranged as a temporary operating district.

C. Establish systems related to regional service business entities [Take measures whenever necessary from Fiscal Year 2016 onwards]

Local residents, operators, landowners, and other parties are trying to take the initiative in a wide array of undertakings aimed at maintaining, controlling, and improving the value and favorable environment of regional areas. In the meantime, it has been pointed out that there is a lack of a fitting juridical personality to provide regional area-assisting services. Another issue pointed out is the need to design a system that allows service business entities to function in an on-spot fashion.

Therefore, the systems in need will be established based on previous examination results on appropriate service business entities that employ business-like approaches and addresses various local issues in a comprehensive and efficient manner.

D. Expand options for thrift shops regarding not-in-person authenticity confirmations on the other party [Measures taken]

When purchasing antiques, thrift shops are required to confirm the authenticity of the other party. A number of methods are allowed as not-in-person confirmation methods, including the approach using electronic signatures as prescribed under the Act on Electronic Signatures and Certification Business (Act No. 102 of 2000). However, despite how the introduction of the “My Number” system extended the range covered by the Act Concerning Digital Signature Certification of Local Public Entity-based (Act No. 153 of 2002) “Public Certification Service for Individuals” to private businesses, methods that apply this service have yet to be authorized. It has been pointed that a more straightforward identification measure should be examined.

Therefore, methods that apply the Public Certification Service for Individuals will be authorized as an option for thrift shops to confirm the other party in a not-in-person manner.

1. Necessity of Regulatory Review

The ideal approach for regulatory reform is to have presiding ministries and agencies both autonomously and actively engage in the reform, in step with changes in the environment and age. As an endeavor to establish a roadmap for such unremitting and independent review efforts by regulatory enforcement agencies, the Council for Regulatory Reform developed a regulatory review mechanism based on June 2014's Implementation Plan for Regulatory Reform.

Regarding regulatory review initiatives, regulatory enforcement agencies have been preparing and disclosing Regulation Sheets following the finalization of the "Implementation of Regulatory Review" (finalized in the Council for Regulatory Reform on October 10, 2014), which is a document prescribing review operation policies.

In view of the efforts made thus far, this term the Council for Regulatory Reform worked to encourage regulatory enforcement agencies to gather steam toward reform efforts; examples include expanding the range covered by the Regulation Sheet and setting/announcing the regulation review time limit.

Reviewing regulations is an endless process, and it requires incessant efforts. The Council for Regulatory Reform strongly hopes that regulatory enforcement agency-led initiatives with the preparation of Regulation Sheets will carry on, and also that efforts will be made to reform out-of-date regulations.

2. Concrete Initiatives of Regulatory Review

(1) Preparation of Regulation Sheets

(i) Range of Regulation Sheets that must be preferentially prepared for the time being

June 2014's Implementation Plan for Regulatory Reform covers:

A. Regulations that are reaching its review timing

B. Regulations deemed as requiring re-examination by the Council for Regulatory Reform amongst the responses that regulatory enforcement agencies made on proposals delivered to the Hotline on Regulatory Reform

C. Regulations concerning items consulted in the Council for Regulatory Reform

Meanwhile, the Council for Regulatory Reform set forth that the preparation of the Sheets will be addressed in a phased manner, both to render it a continued initiative and in view of the strain placed by this process.

Reflecting on this fact, the "Implementation of Regulatory Review" will limit the issues covered under the aforementioned item A to: "regulations that reach its review timing in Fiscal Year 2015, among those that prescribe notice/official notice originators as members no higher than ministry and agency section managers." Item B will be as per the Implementation Plan for Regulatory Reform, and item C will have its subject and timing of preparation examined separately in view of how preparations for items A and B are proceeding.

In view of how initiatives from the previous term are moving forward, in this term, efforts will be made to expand item A to make it cover regulations that have been systematized under

legislative formats. Regulation Sheets will also be developed, regarding item C, upon selecting the subject of preparation in view of how the meetings are proceeding.

(ii) Regulation Sheet submission to the Council for Regulatory Reform (as of May 10, 2016)

- A. Regulations that are reaching its review timing: 37 (regulations that reach its review timing in Fiscal Year 2015, among those that prescribe notice/official notice originators as members no higher than ministry and agency section managers: 4; regulations that have been systematized under legislative formats amongst those that reach its review timing in Fiscal Year 2015: 33)
- B. Regulations deemed as requiring re-examination by the Council for Regulatory Reform amongst the responses that regulatory enforcement agencies made on proposals delivered to the Hotline on Regulatory Reform: 87
- C. Regulations concerning items consulted in the Council for Regulatory Reform: 15

(2) Announcement and arrangement of the time limit for review of regulations

Based on June 2015's Implementation Plan for Regulatory Reform, the time limit for regulation reviews was disclosed on the websites of regulatory enforcement agencies by the end of 2015, upon conducting required revisions under the per-law basis review year/interval.

The Council for Regulatory Reform also compiled and disclosed this term a list of fiscal years to review regulation-related legislations (430 items) and government/ministerial ordinance subsidiaries (3,784 items). This list is a first-ever attempt to describe the review time limits and covered laws/regulations based on the levels of the laws and regulations (e.g. laws, Cabinet orders, ministries and agency ordinances, public notices); it is a major step forward in terms of ensuring transparency in the regulation review efforts of regulatory enforcement agencies.

3. Future Issues

(1) Improvement on Regulatory Review

The mainstay initiatives carried forward under the Regulatory Review were the preparation and disclosure of Regulation Sheets. During this process, the following issues emerged:

- The current approach in which Regulation Sheets are developed on a per-law basis result in indefinite descriptions; on the other hand, preparing sheets for each provision of the laws would render the workload enormous
- The regulatory enforcement agencies have not elaborately filled out some items such as "related budget" and "evaluation results on related policies"

Efforts on preparing and disclosing Regulation Sheets are getting on track, and the Regulatory Review initiatives must be continued. Examinations are needed, however, on responses to the aforementioned issues and for improvements to hone the Regulatory Review into a further effective system.

(2) Coordination between Regulatory Reviews and ex-ante evaluation of regulations.

Regarding the ex-ante evaluation regulations that have been fully underway from October 2007, the “Improvement plan for Policy Evaluation related to Regulations (interim report for Fiscal Year 2015),” (February 23, 2016) compiled by the Policy Evaluation Council(Policy Evaluation System Subcommittee) Ministry of Internal Affairs and Communications, set forth appropriate reviews (i.e. ex-post evaluations) and cooperation with Council for Regulatory Reform-led Regulatory Reviews as one of the key issues to examine in Fiscal Year 2016.

In view of this, the following efforts will be made to achieve coordination between ex-ante evaluation of regulation and Regulatory Reviews, with regard to regulations that underwent ex-ante evaluation by regulatory enforcement agencies:

- (i) Regulatory enforcement agencies will attach ex-ante evaluation when preparing Regulation Sheets, and perform post-verifications on both costs/benefits assumed in preliminary evaluations and unexpected effects
- (ii) The Ministry of Internal Affairs and Communications will inspect the post-verifications that regulatory enforcement agencies conducted on the aforementioned initiative

Future discussions on the said review of regulations should make use of both the aforementioned post-verifications of regulatory enforcement agencies, and results from Ministry of Internal Affairs and Communications-led inspections.

Regulations that have not been covered by regulatory enforcement agencies’ ex-ante evaluation must, as previously done, be subject to Regulation Sheet preparation and disclosure initiatives.

Chapter IV. Consultation Process of the Council for Regulatory Reform in the Third Term

1. Organizational Framework for Consultation

This term's Council for Regulatory Reform engaged in examinations upon establishing Working Groups on health and medical care, employment, agriculture, investment promotion and miscellaneous issues, and regional revitalization, in a similar manner from the previous term. The examinations were also in step with consultations in the plenary session.

The Council arranged to have the Working Groups develop a system that allows for effective and efficient examinations while giving due consideration to the opinions provided by experts and specialists of each domain; the Groups thereby selected topics to incorporate into the growth strategy on a per-field basis and placed priority on consulting the selected topics.

2. Timely Expression of Opinions

As a continued effort from the previous term to make well-timed and adequate responses as the Council for Regulatory Reform, the Council expressed its opinions in a timely fashion to expedite regulatory reform discussions (See attachment 3).

- Opinion on the Promotion of Minpaku Services (December 21, 2015)
- Opinion on the Review of Milk Distribution and so forth (April 8, 2016)

3. Open Discussions

In a similar manner to the previously convened four sessions, the Council for Regulatory Reform hosted two Open Discussions in this term.

In consistency with previous discussions, for both discussions, the Council selected regulatory reform examination topics on areas in which Japanese citizens presumably have high levels of interest in. Furthermore, the Council did not set its goal on reaching conclusions; rather, the main focus of the discussions was to reorganize regulation-related summary points.

This term's open discussions actively incorporated opinions provided from observers and online live broadcast audiences, in order to call for public attention toward the promotion of regulatory reforms.

First discussion: Monday, February 22, 2016

- Regulatory reform to achieve diversified working styles: Is the amount of pre-employment /pre-job switch information enough?
 - Choosing good workplaces-

Second discussion: Monday, March 14, 2016

- Regulatory reform in Minpaku services

4. Hotline on Regulatory Reform

In the process of promoting regulatory reforms, the Council for Regulatory Reform places special emphasis on the various proposals provided from Japanese citizens, companies, and institutions. In a continued effort from previous terms, the Council accepted regulatory reform proposals at the Hotline on Regulatory Reform on a regular basis.

Another effort consistent from the last term was how the Council set an “intensive reception month,” and conducted focused advertisement activities geared toward public relations and other institutions on the Cabinet Office website. In October 2015, 343 proposals were submitted, while in November the Council accepted 248 proposals as a result of intensive receptions under the public offering topic of “inbound tourism and tourism in general.” The Council accepted non-intensive reception topics as usual in November, thereby collecting 82 proposals.

The Hotline on Regulatory Reform received 4,423 proposals (as of April 30, 2016) since March 2013. These proposals were presented to relevant ministries and agencies to request for examination as necessary (i.e. 2,603 items, upon excluding the ones that were irrelevant to the regulatory reform), and the Council disclosed the 2,595 responses, provided by relevant ministries and agencies, on the Cabinet Office website. The Team on Hotline Proposals reported to the Council about items that need careful inspections and examinations amongst the responses provided from relevant ministries and agencies, and, in turn, the Working Groups engaged in careful inspections and examinations. The results were leveraged to compile individual-basis and concrete reform items.

This term, the Council for Regulatory Reform compiled reports on 80 items, around 80% of which are related to the proposals submitted to the Hotline on Regulatory Reform.

5. Cooperation with Other Meetings

Regarding the Council for Regulatory Reform’s relationship with the Industrial Competitiveness Council, which sets its focus primarily on growth strategies, some Council for Regulatory Reform members took part in meetings of the two Councils while serving as a member of both bodies. This, along with other initiatives, allowed for effective cooperation between the Councils and boosted up regulatory reform outcomes.

The Council for Regulatory Reform also worked to share information with bodies related to the regulatory reform, i.e. the Council on Economic and Fiscal Policy, the Council on Overcoming Population Decline and Vitalizing Local Economy in Japan, Council on National Strategic Special Zones and Working Group of the National Strategic Special Zone Working Group, Strategic Headquarters for the Promotion of an Advanced Information and Telecommunications Network Society (IT Strategic Headquarters), and the Conference on Promoting Direct Investment into Japan.

6. International Best Practice Tests

The International Best Practice Test is an initiative to verify whether Japan has the world’s most advanced regulations based on international comparisons. The Test focuses on the necessity and rationality of individual regulations, and sets its sight toward establishing Japan as both “the most business-friendly country in the world” and “the most citizen-friendly country in the world.” Its use was first referred in the Prime Minister’s order (January 25, 2013; Headquarters for Japan’s Economic Revitalization).

The Test for this term covered the following four items amongst the examination items, including category 2 licenses, Minpaku services, and other such topics that are closely related to the lives of Japanese citizens (See attachment 2).

<Investment Promotion and Miscellaneous Issues>

- Relaxing category 2 license qualifications
- Reviewing requirements for the scale of wind power-related environmental assessments
- Expediting procedures for wind power-related environmental assessments

<Regional Revitalization>

- Regulatory reform in Minpaku services

More specifically, the Council for Regulatory Reform called on regulatory enforcement agencies to respond on international comparisons regarding current regulatory conditions, along with the necessity to maintain regulations, and thereby discussed its validity and the future course of reforms. Also, regarding items that were not covered by the Test, the Council strived to compare on an international basis and discuss the necessity and validity of regulations in an effort to seek a wide-ranging understanding from Japanese citizens.

It is a natural duty for ministries and agencies, which preside over regulations, to engage in unremitting efforts to review appropriate regulations and systems in light of international policy/system trends. Regulatory reform efforts must be continued by embracing global perspectives for domains in which international comparisons prove to be effective.

Appendix A: Members of Regulatory Reform Council and Associate Member

Members of Regulatory Reform Council

Chair	Mr. Motoyuki OKA	Senior Advisor, Sumitomo Corporation
Vice-Chair	Ms. Hiroko OTA	Professor, National Graduate Institute for Policy Studies
	Mr. Junji ANNEN	Professor, Chuo University
	Mr. Mitsudo URANO	Senior Advisor, Nichirei Corporation
	Mr. Sadakazu OSAKI	Head of Research, Nomura Research Institute
	Ms. Yuri OKINA	Vice Chairman of the Institute, The Japan Research Institute, Limited
	Mr. Yasufumi KANEMARU	Group CEO, Future Corporation
	Mr. Soichiro SAKUMA	Executive Vice President, Nippon Steel & Sumitomo Metal Corporation
	Ms. Kaori SASAKI	CEO, ewoman, Inc.
	Mr. Hisao TAKI	Chairman and Representative Director, Gurunavi, Inc.
	Mr. Kotaro TSURU	Professor, Graduate School of Business and Commerce, Keio University
	Mr. Yukihiro HASEGAWA	Deputy Chief Editorial Writer, Tokyo Shimbun
	Ms. Izumi HAYASHI	Attorney-at-law, Sakurazaka Law Offices
	Mr. Toshihiro MATSUMURA	Professor, Institute of Social Science, University of Tokyo
	Mr. Ryuichi MORISHITA	Professor, Department of Clinical Gene Therapy, Graduate School of Medicine, Osaka University

Associate Members

Health and Medical Care working group		
	Mr. Susumu TAKIGUCHI	CEO, JMB HOLDINGS INC.
	Mr. Setsuo TAKEKAWA	CEO, Medical Corporate Body KEN IKU KAI
	Mr. Ryosuke TSUCHIYA	Chair Person, Kanagawa Prefectural Hospital Organization
	Mr. Yukihiro MATSUYAMA	Research Director, The Canon Institute for Global Studies
Employment working group		
	Mr. Yoichi SHIMADA	Professor, School of Law, Waseda University
	Mr. Yuichiro MIZUMACHI	Professor, Institute of Social Science, University of Tokyo
Agriculture working group		
	Mr. Ayumu KITAMURA	Director Rokusei Co., Ltd.
	Mr. Susumu TANAKA	President, Salad Bowl Co., Ltd.
	Mr. Masayoshi HONMA	Professor, Dept. of Agricultural and Resource Economics, The University of Tokyo
	Mr. Takeshi MATSUMOTO	President, Farm Alliance Management Co., Ltd. Project Manager, Matsumoto Farm Co., Ltd.
	Mr. Yoshihide WATANABE	Director and Senior Managing Executive Officer, Corporate Planning Division, Kagome Co., Ltd.
Investment Promotion and Miscellaneous Issues working group		
	Mr. Akira KAWAMOTO	Professor, Keio University
	Mr. Hideaki KUBORI	Founding Partner, Hibiya Park Law Offices
	Mr. Mikio KOBAYASHI	Senior Expert, Planning, Procurement, Kao Corporation
	Mr. Masanori MARUO	Managing Director, SMBC NIKKO SECURITIES INC.
	Mr. Masato DOGAUCHI	Professor, Waseda University, Law School

Members of Each Working Group

	Members	
	Members of Regulatory Reform Council	Associate Members
Health and Medical Care WG	Ms. Yuri OKINA (Chair) Ms. Izumi HAYASHI (Vice Chair) Mr. Yasufumi KANEMARU Ms. Kaori SASAKI Mr. Ryuichi MORISHITA	Mr. Susumu TAKIGUCHI Mr. Setsuo TAKEKAWA Mr. Ryosuke TSUCHIYA Mr. Yukihiro MATSUYAMA
Employment WG	Mr. Kotaro TSURU (Chair) Ms. Kaori SASAKI (Vice Chair) Mr. Mitsudo URANO Mr. Sadakazu OSAKI Mr. Soichiro SAKUMA	Mr. Yoichi SHIMADA Mr. Yuichiro MIZUMACHI
Agriculture WG	Mr. Yasufumi KANEMARU (Chair) Mr. Mitsudo URANO (Vice Chair) Mr. Hisao TAKI Mr. Yukihiro HASEGAWA Ms. Izumi HAYASHI	Mr. Ayumu KITAMURA Mr. Susumu TANAKA Mr. Masayoshi HONMA Mr. Takeshi MATSUMOTO Mr. Yoshihide WATANABE
Investment Promotion and Miscellaneous Issues WG	Mr. Sadakazu OSAKI (Chair) Mr. Toshihiro MATSUMURA (Vice Chair) Mr. Junji ANNEN Mr. Ryuichi MORISHITA	Mr. Akira KAWAMOTO Mr. Hideaki KUBORI Mr. Mikio KOBAYASHI Mr. Masanori MARUO Mr. Masato DOGAUCHI
Regional Revitalization WG	Mr. Junji ANNEN (Chair) Mr. Hisao TAKI (Vice Chair) Ms. Yuri OKINA Mr. Soichiro SAKUMA Mr. Yukihiro HASEGAWA Mr. Toshihiro MATSUMURA	

*Appendix B: Consultation Process of Regulatory Reform Council and its Working Groups
in chronological order(From July 2015 on)*

【Regulatory Reform Council】

the 48th	Sep 2, 2015	<ul style="list-style-type: none"> • Procedure of Regulatory Reform Council • Hotline on Regulatory Reform
the 49th	Oct 5, 2015	<ul style="list-style-type: none"> • Sharing economy • Hotline on Regulatory Reform
the 50th	Oct 15, 2015	<ul style="list-style-type: none"> • Procedure of Regulatory Reform Council • Intensive reception of Hotline on Regulatory Reform
the 51th	Oct 26, 2015	<ul style="list-style-type: none"> • Regulatory reforms for realizing diverse working styles
the 52th	Nov 12, 2015	<ul style="list-style-type: none"> • Regional Councils for Regulatory Reform • Hotline on Regulatory Reform • Revision of material of the 51th Regulatory Reform Council
the 53th	Nov 19, 2015	<ul style="list-style-type: none"> • Sharing economy • Regulatory Review
the 54th	Dec 4, 2015	<ul style="list-style-type: none"> • Regional Councils for Regulatory Reform • Open Discussion • Regulatory Review
the 55th	Dec 21, 2015	<ul style="list-style-type: none"> • Minpaku services • Regulatory reforms with a focus on rapidly increasing inbound tourism • Hotline on Regulatory Reform • Regulatory Review
the 56th	Jan 18, 2016	<ul style="list-style-type: none"> • Regulatory reform in regional areas • Hotline on Regulatory Reform
the 57th	Jan 28, 2016	<ul style="list-style-type: none"> • Reviewing the system for licensed guide interpreters • Open Discussion • Regulatory Review
the 58th	Feb 2, 2016	<ul style="list-style-type: none"> • Promoting the reconstruction and rehabilitation of decrepit apartment buildings • Reviewing the system for licensed guide interpreters • Follow-up • Regional Councils for Regulatory Reform • Regulatory Review
the 59th	Mar 9, 2016	<ul style="list-style-type: none"> • Regulatory reform in regional areas • Regional Councils for Regulatory Reform • Hotline on Regulatory Reform • Regulatory Review
the 60th	Apr 8, 2016	<ul style="list-style-type: none"> • Reviewing the system for licensed guide interpreters • Minpaku services • Regional Councils for Regulatory Reform • Opinion of Agriculture WG
the 61th	Apr 19, 2016	<ul style="list-style-type: none"> • Regulatory reform in regional areas • Comprehensive ascertainment of permits and license • Regulatory Review • Hotline on Regulatory Reform
the 62th	May 10, 2016	<ul style="list-style-type: none"> • Draft of Report • Hotline on Regulatory Reform • Regulatory Review
the 63th	May 19, 2016	<ul style="list-style-type: none"> • Decision of Report

【Health and Medical Care WG】

the 37th	Sep 28, 2015	<ul style="list-style-type: none"> • Procedure of WG
the 38th	Oct 23, 2015	<ul style="list-style-type: none"> • Reassessment of systems for providing care for terminal patients at home • Creating a new mechanism for incorporation treatments not covered by medical insurance
the 39th	Nov 9, 2015	<ul style="list-style-type: none"> • Reassessment of handling of non-prescription drugs when a pharmacist is not present at a pharmacy • Developing a system that allows health insurance providers to check insurance claim data

the 40th	Nov 26, 2015	<ul style="list-style-type: none"> Improving efficiency and ensuring uniformity in the examination of medical fees Reassessment of systems for providing care for terminal patients at home
the 41th	Dec 16, 2015	<ul style="list-style-type: none"> Improving efficiency and ensuring uniformity in the examination of medical fees Reassessment of handling of non-prescription drugs when a pharmacist is not present at a pharmacy
the 42th	Dec 24, 2015	<ul style="list-style-type: none"> Improving efficiency and ensuring uniformity in the examination of medical fees Reassessment of systems for providing care for terminal patients at home
the 43th	Jan 21, 2016	<ul style="list-style-type: none"> Improving efficiency and ensuring uniformity in the examination of medical fees Reassessing the examination procedures for Food for Specified Health Uses
the 44th	Feb 8, 2016	<ul style="list-style-type: none"> Reassessment of advertising standards, etc. for non-prescription drugs and designated quasi-drugs
the 45th	Feb 29, 2016	<ul style="list-style-type: none"> Improving efficiency and ensuring uniformity in the examination of medical fees
the 46th	Mar 17, 2016	<ul style="list-style-type: none"> Reassessment of handling of non-prescription drugs when a pharmacist is not present at a pharmacy Reassessment of advertising standards, etc. for non-prescription drugs and designated quasi-drugs
the 47th	Apr 1, 2016	<ul style="list-style-type: none"> Reassessing regulations in the furtherance of separating drug dispensing and prescribing functions Reassessing the way in which insurance benefits are provided for ethical pharmaceuticals that are similar to commercial products (drugs comparable to those available on the open market) Reassessing 14 days prescription days restrictions of new drugs
the 48th	Apr 14, 2016	<ul style="list-style-type: none"> Promotion of remote monitoring Regulatory Reform of nurture

【Employment WG】

the 39th	Oct 9, 2015	<ul style="list-style-type: none"> Procedure of WG
the 40th	Oct 28, 2015	<ul style="list-style-type: none"> Entrance of employment Others
the 41th	Nov 6, 2015	<ul style="list-style-type: none"> Considering the appropriate manner for terminating employment that is satisfactory to both labor and management Employment system based on concrete job description Developing a government-supported system for switching careers and skill enhancement that may be implemented using certain procedures Reassessing the worker dispatching undertaking system Reconstructing regulations for employment and intermediary job placement businesses
the 42th	Dec 17, 2015	<ul style="list-style-type: none"> Integrated reform about work place and time which supports diversified working styles
the 43th	Jan 22, 2016	<ul style="list-style-type: none"> Developing a government-supported system for switching careers and skill enhancement that may be implemented using certain procedures State of legislation regarding fixed-term employment Creation of workplaces where people can work with peace of mind in good health and in safe environment
the 44th	Feb 2, 2016	<ul style="list-style-type: none"> Integrated reform about work place and time which supports diversified working styles
the 45th	Feb 9, 2016	<ul style="list-style-type: none"> Entrance of employment
the 46th	Mar 17, 2016	<ul style="list-style-type: none"> Reconstructing regulations for employment and intermediary job placement businesses

【Agriculture WG】

the 25th	Sep 11, 2015	<ul style="list-style-type: none"> Present conditions of butter supply-demand Present conditions of milk and dairy products
the 26th	Oct 14, 2015	<ul style="list-style-type: none"> Farmland information disclosure system Present conditions of butter supply-demand
the 27th	Oct 27, 2015	<ul style="list-style-type: none"> Present conditions and problems of dairyman
the 28th	Dec 2, 2015	<ul style="list-style-type: none"> Present conditions of butter supply-demand
the 29th	Dec 16, 2015	<ul style="list-style-type: none"> Strengthening and lightening taxation for unused agricultural land and so forth

the 30th	Jan 13, 2016	• Needs of milk and dairy products and so forth
the 31th	Feb 4, 2016	• Present conditions and problems of production material procurement and distribution of farm products
the 32th	Feb 25, 2016	• Reassessment of the mechanisms for price formation as pertains to production materials and leads to increased income for producers and establishment of an industry structure for distribution and processing in which producers are able to stably trade at advantageous terms
the 33th	Mar 10, 2016	• Present conditions of milk distribution • Present conditions and problems of production material procurement and distribution of farm products
the 34th	Mar 23, 2016	• Present conditions of milk production and distribution
the 35th	Mar 30, 2016	• Reassessment of the mechanisms for price formation as pertains to production materials and leads to increased income for producers and establishment of an industry structure for distribution and processing in which producers are able to stably trade at advantageous terms
the 36th	Mar 31, 2016	• Opinion on review of milk distribution and so forth
the 37th	Apr 12, 2016	• Reassessment of the mechanisms for price formation as pertains to production materials and leads to increased income for producers and establishment of an industry structure for distribution and processing in which producers are able to stably trade at advantageous terms

【 Investment Promotion and Miscellaneous Issues WG 】

the 12th	Oct 2, 2015	• Procedure of WG • Re-commodification of plastics containers and packaging and bid system
the 13th	Oct 27, 2015	• Reviewing how legal businesses are handled among group companies
the 14 th	Nov 10, 2015	• Relaxing qualifications for category 2 licenses • International matching of household goods quality labeling
the 15th	Nov 27, 2015	• Expanding recipients in the interest subsidy system • International matching of household goods quality labeling
the 16th	Dec.7, 2015	• Reassessing regulations to meet the needs of users of barbers and beauty salons • Reviewing on appropriate mobile barber and beauty service trailers • Environmental improvement for venture upbringing by national universities
the 17th	Dec 22, 2015	• Reassessing the environmental assessment system for wind power
the 18th	Jan 27, 2016	• Relaxing qualifications for category 2 licenses • Reassessing ride capacity of standard-sized automobile
the 19th	Feb 16, 2016	• Strengthening advertisement on duty-free sales systems related to automated gates • Reviewing on appropriate embarkation cards for foreign nationals
the 20th	Mar 15, 2016	• Reviewing vehicle license plate seals • Promoting recycling of pet bottles collected at shops • Reassessing regulations concerning robot • Reassessing regulations concerning fuel cell vehicles and other new generation vehicles
the 21th	Mar 23, 2016	• Reassessing the Guidelines Concerning Distribution Systems and Business Practices
the 22th	Apr 6, 2016	• Reassessing the Soil Contamination Countermeasures Act

【 Regional Revitalization WG 】

the 18th	Aug 5, 2015	• Review of regulations for the Act on Control and Improvement of Amusement Business, etc.
the 19th	Oct 6, 2015	• Review of regulations for the Act on Control and Improvement of Amusement Business, etc. • Procedure of WG
the 20th	Oct 29, 2015	• Minpaku services
the 21th	Nov 9, 2015	• Revised Act on Special Measures concerning Taxi • Minpaku services
the 22th	Nov 25, 2015	• Minpaku services
the 23th	Dec 9, 2015	• Minpaku services
the 24th	Dec 22, 2015	• Sharing economy

the 25th	Jan 15, 2016	• Minpaku services
the 26th	Jan 26, 2016	• Promote marketing of buildings that do not have certificates of inspection
the 27th	Feb 5, 2016	• Minpaku services
the 28th	Feb 25, 2016	• Define regulations covered under freight vehicle transport businesses
the 29th	Mar 7, 2016	• Relaxation of building restrictions in use districts
the 30th	Mar29, 2016	• Promote marketing of buildings that do not have certificates of inspection • Relaxation of building restrictions in use districts
the 31th	Apr 5, 2016	• Minpaku services • Review of regulations for the Act on Control and Improvement of Amusement Business, etc.
the 32th	Apr 22, 2016	• Regional service business entities