First Report by the Council for Promotion of Regulatory Reform

- Opening the Door to Tomorrow -

May 23, 2017
Council for Promotion of Regulatory Reform

Chapter 1. General Remarks

1. Introduction

"Aiming at bringing a "600-trillion-yen GDP economy" into reality, the Government will thoroughly tackle bedrock regulation reforms in order to realize attractive business through innovation for the first time in the world. The Council for Promotion of Regulatory Reform is a new engine, so we would like to make progress and accelerate the reforms."

At the first meeting of the Council for Promotion of Regulatory Reform held on September 12, 2016, Prime Minister Shinzo Abe expressed the significance of regulatory reform, and then the Council for Promotion of Regulatory Reform (hereinafter referred to as the "Council") launched as a promoter.

The Council is an advisory body to the Prime Minister and will comprehensively research and deliberate the status of regulations required for promoting the structural reform of the economy and society, and its mandate is about three years until July 31, 2019.

This report is a compilation of the results of research and deliberation for about nine months after the Council was launched in September 2016 and will be submitted to the Prime Minister as the First Report by the Council.

2. Circumstances Surrounding Regulatory Reform and Roles of the Council

Necessity for regulatory reform has already been discussed in various situations and, in principle, it is shared widely among Japanese citizens. The significance of regulatory reform is pointed out as follows:

(i) Spur innovation that adapts to changes in economic circumstances

(ii) Ensure that new products and services are available for Japanese citizens to enjoy and provide diverse options for Japanese citizens

(iii) Develop an environment where the private sector can demonstrate originality and ingenuity and increase productivity

(iv) Establish a system for supporting diverse working styles and smooth mobility of labor so as to realize a society in which all people are able to demonstrate their abilities

(v) Remove factors that prevent regional economic revitalization

On the other hand, however, it is also true that the direction of solutions has not been found for many years, while necessity for regulatory reform has been shared widely: that there are so-called "bedrock regulations". It is one of the roles of the Council, which made a new start, to establish a roadmap for reform of remaining bedrock regulations.

Furthermore, with the rapid advancement of technological innovation including ICT, outdated structures are being revealed in many fields where temporary expedients have been repeated. In particular, ICT is dramatically increasing the possibility of sharing and using the information provided on text, image and sensors, which makes existing regulatory methodology outdated and enables the establishment of more simple and effective rules. In this way, it is also an important role of the Council to reform old regulations that are not in line with the times.

In Japan, particularly in administration, users incur huge costs due to delays in full-scale use of ICT. The Council established the Subcommittee for Administrative Burden Reduction based on a pillar of "Introduction of new methodologies for regulation and system reforms to concurrently proceed with regulation reform and simplification and computerization of administrative procedures from the standpoint of business operators" that was decided in the "Japan Revitalization Strategy 2016" (On June 2, 2016, the Cabinet granted approval), dealing squarely with the task of reducing administrative procedural costs.

The Council gives priority to the following points in order to fulfill its roles.

At first, the Council has invited regulatory enforcement ministries and agencies, relevant industries and other stakeholders so that it may adequately listen to their opinions without being bound to any one point of view, and the Council has deliberated from multiple perspectives whether the regulations in question need to be reformed. In the process of deliberation, the Council works to raise problem awareness of more people by disclosing various issues and opinions to the public in an easy-to-understand manner. Such an open deliberation is essential for bedrock regulations reforms and is also the role of the Council.

Secondly, the Council makes efforts to understand issues and facts subject to existing regulations rationally and extensively from the standpoint of users. Regulations are the system in which the governmental authority restricts economic activities of Japanese citizens and companies. In any time, therefore, the evidence for regulations must be critically reviewed and fully explained to Japanese citizens. That is, it is a policy area in which "Evidence-Based Policy Making" is most strongly required. However, the legitimacy of regulations could be emotionally discussed and the position of users tends to be neglected.

This report compiles the results of essential and robust discussions, based on the foregoing philosophy, through recognition of the ideal form that regulations and systems should take.

3. Consultation Process

(1) Topic Selection and Organizational Framework for Consultation

At the first meeting of the Council for Promotion of Regulatory Reform held on September 12, 2016, the Council immediately established the Subcommittee for Administrative Burden Reduction and the Working Group on Agriculture to initiate work on "Reduction of administrative procedure costs from the standpoint of business operators", "Regulatory reforms concerning production, distribution, etc., of milk and dairy products" and "Structural reform of purchase, distribution and processing of agricultural production materials".

At the second meeting of the Council for Promotion of Regulatory Reform held on October 6, 2016, the Council decided five priority issues of this term: (i) Distribution reform of agriculture, (ii) Support for switching careers, (iii) Reform of the long-term care service, (iv) Thorough reform of regulations for advancing the digital society, and (v) Regulatory reforms for support of inbound affairs as well as success of the Tokyo 2020 Olympic and Paralympic Games, and established the new Working Groups on (i) Human Resources, (ii) Medical care, Long-term care,

Child care, and (iii) Investment, etc. At the same time, the Council also decided the framework for establishing the "Task Force" in order to complement discussions at the meeting concerning matters requiring technical investigation.

In addition, the "Hotline on Regulatory Reform" was established in the Cabinet Office, as the former Council for Regulatory Reform had established, in order to realize regulatory reform proposals widely received from citizens and companies. These proposals were presented to relevant ministries and agencies to request an examination as necessary, and the Council made every effort to achieve reforms based on the proposals.

(2) Focused Follow-up

It is essential for realistically advancing reforms that the Council keeps track of the progress of the past Implementation Plan for Regulatory Reform. At the second meeting of the Council for Promotion of Regulatory Reform, the Council made a decision to designate as focused follow-up the following matters among the matters approved by a Cabinet Decision in the Implementation Plan for Regulatory Reform:

(Working Group on Agriculture)

- Reliable implementation of reforms of agricultural cooperatives
- Regulatory reforms concerning production, distribution, etc., of milk and dairy products
- Reassessment of the mechanisms for price formation pertaining to production materials and establishment of an industry structure for distribution and processing

(Working Group on Human Resources)

- Considering the appropriate manner for terminating employment that is satisfactory to both labor and management

(Working Group on Medical care, Long-term care, Child care)

- Improving efficiency and ensuring uniformity in the examination of medical fees

(Working Group on Investment, etc.)

- Reviewing the system for licensed guide interpreters

(Plenary Meeting)

- Regulatory reform in "Minpaku" services
- Regulatory reform in regional areas
- Regional Councils for Regulatory Reform

(3) Open Discussions

The Council hosted two Open Discussions in this term in order to call for public attention toward the promotion of regulatory reforms.

For both discussions, the Council selected examination topics in which Japanese citizens presumably have high levels of interest, and intended to find out the direction of reform from the standpoint of Japanese citizens.

In addition, the Council actively incorporated opinions provided from observers and online live broadcast audiences in order to enhance discussions.

First discussion: February 21, 2017

- Ideal ways to provide and use the long-term care service

Second discussion: April 13, 2017

- Establishment of employment rules for job-based regular employees

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

In the process of promoting regulatory reforms, the Council places special emphasis on the various proposals provided from 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.

As a result of "intensive receptions" of further proposals in November 2016, the Council conducted focused advertisement activities geared toward public relations on the Cabinet Office website as well as various institutions including local governments, and thereby collected 471 proposals in the month.

The Hotline on Regulatory Reform has received 582 proposals (as of April 30, 2017) since August 2016. These proposals were presented to relevant ministries and agencies to request an examination as necessary, and the 526 responses, which had been provided by relevant ministries and agencies, were disclosed on the Cabinet Office website.

The Team on Hotline Proposals reported to the Council about items that needed 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. Thus, the results were leveraged to compile individual-basis and concrete reform items.

Based on examinations by the Team on Hotline Proposals, in addition, the Council revised the process so as to ask a proposer to describe as much as possible in a proposal acceptance form the economic and social effects expected when the proposal is realized.

In this term, the Council compiled reports on 141 items, around 70% of which are related to the proposals submitted to the Hotline on Regulatory Reform.

(5) Steady Promotion of Regulatory Review by Each Ministry or Agency

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

Regarding Regulatory Review initiatives, regulatory enforcement ministries and agencies have been preparing and disclosing the "Regulation Sheets" as well as setting and announcing the "regulation review time limit" with up to a 5-year cycle.

In this term, regarding regulations (191 cases) that have been systematized under legislative formats amongst those that would reach their review timing in Fiscal Year 2016, regulatory

enforcement ministries and agencies prepared the Regulation Sheets and disclosed them on the Cabinet Office website, respectively.

Regulatory reform is an endless process, and it requires continuous efforts. It is necessary that regulatory enforcement ministries and agencies themselves will proactively undertake regulatory reform through Regulatory Reviews. Moreover, based on the Implementation Plan for Regulatory Reform in June 2016, continuous examinations are needed for improvements to hone the Regulatory Review into a further effective system as well as the coordination between Regulatory Reviews and preliminary regulation evaluations.

4. Working toward Realizing this Report

The Council 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 the "Implementation Plan for Regulatory Reform" and to have it approved by a Cabinet Decision.

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

5. Progressing to the Next Step

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

After submitting this report, the Council will further undertake regulatory reforms for one period from July 2017 to June 2018. The Council should promptly formulate its activity policy including prioritized areas to be covered and consultation processes thereof. The Subcommittee for Administrative Burden Reduction has already continued its activities according to specific schedules on the basis of the report compiled in March 2017 and will continue intensive deliberation.

(2) Follow-up of Decisions

Time and time again, reports and Cabinet Decisions have been made regarding regulatory reforms. As they have not been followed up properly, however, there are some cases where the reforms have not progressed as initially intended. Therefore, the Council will receive reports on the reassessment progress of the reforms (including decisions of the former Council for Regulatory Reform) from the Government in order to ensure the implementation of the reform. In particular, regulatory reform items requiring focused follow-up will be undertaken under

specific follow-up policies.

Chapter 2. Reducing the Administrative Costs

1. Promotion of Regulatory Reform, Simplification of Administrative Procedures, and Evolution of Information Technology in an Integrated and Unified Manner ("Japan Revitalization Strategy 2016" (On June 2, 2016, the Cabinet granted approval) (Abstract))

In order to thoroughly support business operators in improvement of productivity with the aim of making Japan "the most business-friendly country in the world" and bringing a "600-trillion-yen GDP economy" into reality, the Government will introduce new methodologies for regulation and system reform to concurrently proceed with regulation reform and simplification and computerization of administrative procedures, and will systematically take actions to reduce regulatory and administrative procedure costs from the standpoint of business operators by setting a time line.

To this end, the Government will conduct surveys into the methodologies adopted by foreign countries, and examine the approaches to reduce regulatory and procedural costs and how goals should be set. The Government will, by the end of this fiscal year, select a wide range of focused areas where the Government should promote regulation reform, simplification of administrative procedures, and evolution of information technology in an integrated and unified manner and on a full-scale basis, as well as decide the goals to reduce regulatory and administrative procedural costs, and then promoting systematic efforts to accomplish them.

2. Discussions and Reports in the Subcommittee for Administrative Burden Reduction

Pursuant to the foregoing Cabinet Decision, the Subcommittee for Administrative Burden Reduction was established at the first meeting of the Council for Promotion of Regulatory Reform (September 12, 2016). While investigating the efforts by foreign countries as well as conducting questionnaires and public hearings from business operators about burdens, considering the discussion of the preceding efforts for simplification of regulatory and administrative procedures in the Council for Promotion of Foreign Direct Investment in Japan and the Council on Investments for the Future, the Subcommittee for Administrative Burden Reduction decided the "Basic Program on Reducing Administrative Burden –Toward Reducing the Administrative Costs–" at the 12th subcommittee meeting (March 29, 2017).

Then, at the 14th meeting of the Council for Promotion of Regulatory Reform held on the same day, the Basic Program on Reducing Administrative Burden was approved. Taking into consideration the request from the heads of three economic associations (Japan Business Federation, Japan Chamber of Commerce and Industry, Japan Association of Corporate Executives) attending the meeting, the Prime Minister made a statement: "The Government as a whole will promote regulatory reform, simplification of administrative procedures, and evolution of information technology in an integrated and unified manner. By 2020 when the Tokyo 2020 Olympic and Paralympic Games will be held, we will aim to reduce administrative costs by at

least 20% with respect to the areas in which excessive burdens are imposed on businesses (such as business approvals and licenses). The Government would like to request the cooperation of local governments for reducing administrative costs in collaboration with the Government."

Overview of the Basic Program on Reducing Administrative Burden is as follows:

(1) Three Principles for Administrative Burden Reduction in Japan

(i) Pursuit of Thoroughness in Computerization of Administrative Procedure (Digital First Principle)

Ministries and Agencies of Japanese Government shall pursue computerization of administrative procedures including attached documents as thoroughly as possible.

(ii) Once-Only (Once-Only Principle)

In order for business not to inform various agencies of the same information, ministries and agencies shall share the information collected from Business.

(iii) Uniform Documentary Forms

Ministries and agencies shall maintain uniform documentary forms in case they request similar information on the background of similar policy objectives to the greatest extent possible.

Note: Ministries and agencies shall strive to reduce local governments' administrative burden along with obtaining the understanding and cooperation of local governments.

(2) Prioritized Areas and Reduction Goals

(i) Prioritized Areas

For the following nine prioritized areas, each ministry or agency shall guide the formulation of plans to achieve reduction goals and promote efforts to reduce administrative costs.

Procedures for:

ⅰ. Business approvals and licenses
ⅱ. Social insurance
ⅲ. National taxes
ⅳ. Local taxes
ⅴ. Subsidies
ⅵ. Providing responses to statistical studies and other surveys
ⅶ. Labor management of corporate members
ⅷ. Commercial registrations
ⅸ. Issuance of certificates as the request from corporate members

Note: The cumulative percentage of responses of the questionnaire surveys that identified areas 1 to 9 as burdensome was about 69%.

The “administrative burden about procedures for employees’ tax payments” and “submitting a bid to or entering into a contract with an administrative ministry or agency” will be discussed separately during meetings of the Council for Promotion of Regulatory Reform as soon as possible.

(ii) Reduction Goals

The numerical target is to reduce the total of administrative costs (measured in “time” (the number of hours spent within a business to complete a procedure) by 20% (The duration will be for a period of three years, until fiscal year 2019. However, for some issues, this period may be extended to five years, until fiscal year 2021.))

(Note 1) For national taxes and local taxes, numerical targets will be set separately, such as the goal for the utilization rate of electronic filing of corporate inhabitant and consumption taxes, called “e-tax”, by major corporations is 100%.

(Note 2) Providing responses to Statistical studies and other surveys is addressed based on the Basic Policy for the Fundamental Reform of Economic Statistics.

(3) Implementation of Strategic Actions in Japan

(i) Prioritized Areas

Each ministry or agency will formulate a basic implementing plan by the end of June 2017. Measures that can be implemented at that point will be started as soon as possible.

Starting in July 2017, the Subcommittee for Administrative Burden Reduction will extensively examine the basic implementing plans formulated by ministries and agencies, including their efforts and targets, and request improvements as necessary.

Each ministry or agency will revise its basic implementing plan by March 2018.

(ii) Other Areas

Each ministry or agency will make efforts to reduce administrative costs.

The Subcommittee for Administrative Burden Reduction, as needed, will keep track of the progress on the efforts by respective ministries and agencies, by utilizing specific measures such as requesting time schedules for corresponding ministries and agencies.

3. Future Actions

As administrative procedures are designed to properly execute administration, priority tends to be placed on the standpoint of administration. For the purpose of enhancing the competitive power and productivity of Japanese industry, however, it is essential to streamline administrative procedures from the standpoint of businesses, aiming for greater efficiency. In doing so, the efforts require the active involvement of local governments as well as the involvement of the national government and competent authorities. The Government shall strive to reduce local governments’ administrative costs along with obtaining the understanding and cooperation of

local governments. Such streamlining of operational processes will greatly contribute to the efficiency of the administration itself as well as the review of the way in working, called “Work Style Reform” in Japan .

Each ministry and agency will, adhering to the Three Principles for Administrative Burden Reduction in Japan (“Pursuit of Thoroughness in Computerization of Administrative Procedure”, “Once Only”, “Uniform Documentary Forms”), actively and steadily work on reducing administrative costs, pursuant to the report of the Subcommittee for Administrative Burden Reduction to the effect that the Government will aim to reduce administrative costs by 20% by 2020. At the same time, issues that need cooperation among ministries and agencies will be actively addressed. Furthermore, the Subcommittee for Administrative Burden Reduction will keep track of the progress of the efforts by respective ministries and agencies, pursuant to the reports of the Subcommittee for Administrative Burden Reduction, and will continuously promote efforts to reduce administrative costs.

Chapter 3. Promotion of Regulatory Reforms in Each Sector

1. Agriculture

(1) Objective of Regulatory Reform and Standpoint of Review

Japan’s agriculture is a key industry in the community and has a high potential to support “Washoku (Japanese diet)” that Japan can be proud of. Under the policy “Proactive Agricultural Administration”, the highest level has been recorded in the past eleven years: the number of new farmers who changed occupations under age 50 is more than 23,000 and agricultural income is 3.3 trillion yen per year. However, the average age of people engaged in agriculture is over 66 and therefore the aging of the population of people engaged in agriculture and the shortage of successors present serious issues.

In order to transform Japan’s agriculture into a growth industry, it is necessary to emerge from such a situation and to create a work environment in which motivated producers including young people can play an active role. It is also necessary to switch from the idea of maintaining the current status and to undertake a review of existing systems while incorporating innovation and a diverse range of personnel from fields outside of agriculture, and for farmers 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. Consequently, the future of Japan’s agriculture will be ensured.

The “Fourth Report by the Council for Regulatory Reform” compiled by the Council for Regulatory Reform in May 2016 made proposals regarding “production, distribution, etc., of milk and dairy products” as well as “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”. Following the report, the Implementation Plan for Regulatory Reform, which was approved by

the Cabinet in June 2016, specified that these issues would be concluded by the end of the fall of 2016. Then, the Council, which was established in September 2016 as the successor to the Council for Regulatory Reform, disclosed new issues: “Step toward the concrete realization of “reassessment of the mechanisms for price formation pertaining to production materials which 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” based on the framework for comprehensive TPP-related policies” (November 11, 2016), “Opinion on the reform of the agricultural cooperative” (November 28, 2016), and “Opinion on reforms concerning production, distribution, etc., of milk and dairy products” (November 28, 2016). Taking into consideration these opinions, after examinations and discussions by the Government and ruling parties, the “Policy Package for Enhancing Competitiveness of Japan's Agriculture” was compiled in November 2016. As a result, a legislative bill regarding the support for enhancing agricultural competitiveness and a bill for revising the Act concerning the Stable Management of Livestock Farming were submitted in the 2017 ordinary Diet session.

In order to make such agricultural reforms truly effective and to significantly develop the reforms, it is necessary to carefully keep track of the progress of this revision to the law and to thoroughly promote the structural reforms and the productivity growth pursuant to the “Vitality Creation Plan of Agriculture, Forestry, Fisheries and Regions” (November 29, 2016 (revision) Vitality Creation Headquarters of Agriculture, Forestry, Fisheries and Regions), so that sustained reforms will continue to be advanced.

Accordingly, items for regulatory reform that should be addressed in the future have been compiled as given in section (2) and (3).

(2) Specific Items for Regulatory Reform

(i) Reduction of prices for production materials and establishment of an industry structure for distribution and processing which is advantageous for producers

A. Legislation for the provision of high-quality agricultural materials at low cost and the rational distribution of agricultural products

[a: Measures taken, b: Take measures in FY2017]

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 and related groups and others come together to advance effective measures.

Therefore,

a. Pursuant to the “Policy Package for Enhancing Competitiveness of Japan's Agriculture” formulated in November 2016, a legislative bill regarding the support for enhancing agricultural competitiveness will be submitted.

b. In the implementation of the Act on Support for Enhancing Agricultural Competitiveness

(Act No. 35 of 2017), attention should be paid to the following points:

- Business environments for agricultural materials business and agricultural products distribution business will be steadily developed.
-Business restructuring and expansion for agricultural materials business and agricultural products distribution business will be properly promoted.
-Specific measures will be taken to smoothly obtain the necessary information, including prices, regarding purchase of agricultural materials and shipping of agricultural products.
-Specific measures will be taken to promote the direct sale of agricultural products and to properly evaluate the quality thereof.

B. General inspection of regulations for agricultural production materials and distribution of agricultural products

[a: Survey conducted by the first half of FY2018. Based on the survey, measures will be examined by the first half of FY2019; promptly take measures upon reaching a conclusion, b: Take measures in the first half of FY2019, c: Examine and draw conclusions in 2017, d: Measures taken]

In order to increase incomes for farmers in Japan, it is necessary to further strengthen the international competitiveness of agriculture and related industries and to realize "strong agriculture" that can succeed among domestic and international competition. For this reason, it is important to introduce a system that is able to respond the changes in the social environment and technological innovation, through drastic reform of a system that has become irrelevant, general inspection of various legal systems and abolishment of regulations without reasonable grounds.

Therefore, the following measures will be adopted.

a. Pursuant to the Act on Support for Enhancing Agricultural Competitiveness, upon conducting a survey on the provision of agricultural materials and the distribution of agricultural products both in Japan and abroad, examinations will be conducted on appropriate measures to realize the provision of high-quality agricultural materials at low cost and the rational distribution of agricultural products.
b. General inspection will be promptly conducted regarding various legal systems such as the Agricultural Chemicals Regulation Law (Law No. 82 of 1948) as well as all types of regulations and systems including voluntary regulations independent from laws established by industry groups in order to take the necessary measures.
c. As for wholesalers, in particular, taking into consideration changes in economic and social circumstances, the Wholesale Market Act (Act No. 35 of 1971) will be drastically revised to abolish regulations without reasonable grounds. Specific conclusions will be obtained by the end of 2017 so as to revise required laws and regulations and applications thereof.
d. The draft of the law will be submitted to abolish the Act on Promotion of Agricultural

Mechanization (Act No. 252 of 1953) and the Main Crop Seeds Act (Act No. 131 of 1952).

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

A. Reform of the system of Compensation Price for Producers of Milk for Manufacturing Use

[a: Measures taken, b: Take measures in FY2017]

In reviewing the system of Compensation Price for Producers of Milk for Manufacturing Use, it is necessary to ensure the intent of the reform: in order to realize a new business environment for producers in which they can choose the shipping destination freely based on fair conditions, produce milk and dairy products with originality and ingenuity driven by a business mindset, and as a result increase their income.

Specifically, the system should be reformed so that producers can freely choose shipping destination of raw milk without any handicap derived from shipping styles: such as marketing collaboration, direct sale to dairy manufacturers, treatment and processing by dairy farmers themselves, and a combination of these things.

In addition, an agricultural co-operative, which is a designated milk producer group, will promote the reduction of intermediate costs and logistics costs (including streamlining of themselves) in order to further increase the income of producers, while strengthening milk price bargaining. Also, it is required to correct the current system in which the Government provides financial support only to producers that consign milk for sale to designated agricultural co-operatives.

Therefore, the following measures will be adopted.

a. The Act on Temporary Measures concerning Compensation Price for Producers of Milk for Manufacturing Use (Act No. 112 of 1965) will be abolished. Then, in order to realize a new business environment for producers in which they can freely choose the shipping destination based on fair conditions, produce milk and dairy products with originality and ingenuity driven by a business mindset, and as a result increase their income, a bill for revising the law will be submitted that is necessary to ensure a stable supply of dairy products in accordance with supply and demand by providing subsidies not only to dairy farmers that consign all the amount of milk for sale to designated milk producer groups, but also to all producers of milk for manufacturing use.

b. Taking into consideration the foregoing purport of the reform of the system, the Government will establish management rules such as legislation and notification for the new system. In this regard, attention should be paid to that: the annual sales plan can secure the effectiveness of adjustment of milk for drinking and for dairy products, and the rules never permit the use in an ad hoc manner such as partial consignment.

B. Measures for disadvantaged areas

[Take measures in FY2017]

As for producers in disadvantaged areas, it is inevitable that costs for collecting milk become high. Therefore, for agricultural co-operatives, private companies, etc., that are engaged in sales in response to collecting milk in disadvantaged areas, the Government will provide additional subsidies equal to a part of the costs for collecting milk within the areas (including disadvantaged areas) designated in advance, in the case that the following conditions are met: they do not reject collecting milk to sell requested by all producers within the areas; or they submit reports on costs for collecting milk to both Government and producers. Thus, the general framework will be determined, and after the relevant laws are passed, management rules such as a Cabinet Order, ministerial ordinance and notification will be established.

From the viewpoint of smooth collection and delivery of raw milk by producers in disadvantaged areas, Government should establish detail rules of the system for subsidizing costs of business operators collecting and delivering raw milk under which new business operators will be equally supported and that raw milk from producers in disadvantaged areas will be surely collected.

(iii) Steadily promoting agricultural cooperative reforms

[Continuously take measures from FY2017]

With regard to agricultural cooperative reforms, taking into consideration “reassessing agricultural cooperatives” described in the Implementation Plan for Regulatory Reform in June 2014 and “reliably carrying out agricultural cooperative reforms” described in the Implementation Plan for Regulatory Reform in June 2015, self-improvement must be accelerated during the “agricultural cooperative reform intensive promotion period” until the end of May 2019. The reform of the National Federation of Agricultural Cooperative Associations (ZEN-NOH) is important to promote reforms regarding agricultural production materials and distribution/processing of agricultural products, stipulated in the “Policy Package for Enhancing Competitiveness of Japan's Agriculture”. Furthermore, steady progress in self-improvement is also strongly expected in local agricultural cooperatives.

Therefore,

a. The Government will keep track of the progress of spontaneous reforms by the JA Group during the “agricultural cooperative reform intensive promotion period”, including the status of implementing the annual plan newly formulated by ZEN-NOH, which includes the revision of purchasing business of production materials and the strengthening of the sales organization of agricultural products, in order to promote true realization of reforms for farmers. With regard to the issues of “ZEN-NOH’s purchasing method of production materials” and “ZEN-NOH’s selling method of production materials” described in the “Policy Package for Enhancing Competitiveness of Japan's Agriculture”, in particular, the

Council will facilitate reliable and systematic implementation.

b. The Government also urges local agricultural cooperatives to thoroughly implement spontaneous reforms through business operations according to the purport of the amended Agricultural Cooperative Act in 2015: shifting to business operations that place emphasis on the advantageous sale of agricultural products and related instructions for farming as well as the advantageous procurement of production materials; and never forcing farmers to use the cooperatives' business.

c. In addition to the above, taking into consideration "reassessing agricultural cooperatives" described in the Implementation Plan for Regulatory Reform in June 2014 and "reliably carrying out agricultural cooperative reforms" described in the Implementation Plan for Regulatory Reform in June 2015, the Government will advance steady self-improvement during the "agricultural cooperative reform intensive promotion period", which includes shifting the central unions system to the new system as well as transferring the credit business of local agricultural cooperatives to the Norinchukin Bank, and will keep track of the progress thereof.

(iv) Regulation reforms to promote utilization of agricultural land with the aim of strengthening agricultural competitiveness and revitalizing regional economies

Agricultural land is a fundamental foundation supporting agriculture. Reforms have been constantly promoted such as integration and aggregation of agricultural land led by the Farmland Intermediary Management Institution as well as diversification of farmland owners. It is necessary to continue to advance sustained reforms according to actual conditions. From the standpoint of revitalizing regional economies, agriculture is a key pillar of regional economies and the effective utilization of land including agricultural land is a key element to advance regional vitalization.

For this reason, on the basis of the results of the previous reforms, the Council will continue to widely examine regulations and systems regarding agricultural land from the viewpoint of the following: (1) whether integration and aggregation of agricultural land led by the Farmland Intermediary Management Institution are effectively implemented, (2) whether agricultural land is fully utilized by motivated and diverse producers, (3) whether the current regulation for farmland conversion is appropriate for leading the revitalization of regional economies to the strengthening of agricultural competitiveness, and (4) whether the agricultural land policies are reviewed without predictions so as to suit current agriculture that is supported by new technology including agricultural structures and plant factories. Concrete reform items are as follows:

A. Further promotion of integration and aggregation of agricultural land led by the Farmland Intermediary Management Institution

[Start examination in 2017 and promptly take measures upon

reaching a conclusion in FY2018]

Since Fiscal Year 2014 when the Farmland Intermediary Management Institution was launched, the integration and aggregation of agricultural land to producers have been advanced. The farmland cultivated by producers accounted for 54 % of all agricultural land at the end of Fiscal Year 2016 (the "Japan Revitalization Strategy 2016" (On June 2, 2016, the Cabinet granted approval) sets the goal that the farmland cultivated by producers will account for 80% of all agricultural land by Fiscal Year 2023). On the other hand, the cases easily to lead leveled off by Fiscal Year 2015. In Fiscal Year 2016, despite expectations for identifying new actions for integration, the rate of increase declined from the previous year. In order to achieve the goal, further measures should be examined and implemented.

Therefore, on the basis of the results of integration and aggregation of agricultural land led by the Farmland Intermediary Management Institution, the Government will examine improvements for further promotion of the farmland intermediary management business, including the treatment of measures for liquidation of farmland by other institutions, and will ensure steady implementation in line with the reassessment of the farmland intermediary management business, which will be conducted for five years since the enforcement of the Act on Promotion of the Farmland Intermediary Management Program (Act No. 101 of 2013).

B. Controlling farmers' expectations regarding farmland conversion for agricultural land liquidity

[Start examination in 2017 and promptly take measures upon reaching a conclusion in FY2018]

In order to promote integration and aggregation of agricultural land aiming at enhancing competitiveness through expanding farm sizes and reducing production costs of producers, it remains an important issue to promote farmland liquidity. Therefore, it is necessary to prevent farmers' expectations for farmland conversion from impairing farmland liquidity. For this reason, the "Review Committee on the Regulations for Farmland Conversion from the Standpoint of Promoting Farmland Liquidity", established by the Ministry of Agriculture, Forestry and Fisheries, compiled the interim report through investigations and examinations. In this interim report, the following specific methods are proposed to control farmers' expectations for farmland conversion and to promote integration and aggregation of agricultural land to producers, for which measures should be examined:

-Method of controlling farmers' expectations for farmland conversion by reducing benefits from farmland conversion to zero or to a significantly small amount, such as collecting benefits from farmland conversion;

-Method of controlling farmers' expectations for farmland conversion by restricting farmland conversion, such as tightening the regulations for farmland conversion; and

-Method of attracting farmers with expectations for farmland conversion to farmland liquidity by thoroughly explaining the situation of regulations for farmland as well as encouraging farmers to set land usage rights.

It is necessary that pursuant to this interim report, examinations will steadily progress toward realizing specific measures.

With regard to measures, such as collecting benefits from farmland conversion, for the purpose of improving the situation in which farmland liquidity is prevented due to excessive expectations for farmland conversion, therefore, the Government will steadily implement examinations required to realize the measures as well as improvements regarding the farmland intermediary management business described in A.

C. Promoting utilization of new facilities and equipment for agricultural production built and operated in agricultural land

[Examination in 2017 and promptly take measures upon reaching a conclusion]

As a result of the technological advance regarding agricultural production, there are cases where fruit and vegetables are effectively produced using various methods in concrete-covered agricultural structures and the so-called plant factories. When such facilities are built on the current agriculture land, the relevant land is excluded from the scope of agricultural land under the Agricultural Land Act (Act No. 229 of 1952), and therefore procedures for farmland conversion are required. However, some point out that the land should be treated similarly to agricultural land in the case that the land continues to be used for agricultural production, such as the case that agricultural structures are built on agricultural land.

Therefore,, the Government will examine the treatment of agricultural land under the Agricultural Land Act in the case that various facilities and equipment are built and operated on the land to support agricultural production utilizing new technological innovation, while maintaining the possibility of utilizing the land for the future.

(3) Forestry and Fisheries

Through agricultural reforms over the last several years, the aging of the population of people engaged in agriculture and the shortage of producers as well as the various traditional systems unsuited to new problems present serious issues. It is also true that Japan’s agriculture may miss the chance to appeal to the world taking advantage of Japan’s high potential. The Council has been promoting reforms from various angles in order that Japan’s agriculture promptly emerges from such a situation and achieves transformation into an influential industry that can be expected to further develop.

The Council will broaden the field of examinations not only to agriculture but also to forestry and fisheries that are primary industries with the same potential as agriculture, understand and analyze the facts, hear various opinions from stakeholders and experts, and then have

discussions in order to realize regulatory reforms supporting the growth of forestry and fisheries as a competitive industry, the same as agriculture.

(i) Promotion of forestry as a growth industry and proper management of forestry resources

[Examine and draw conclusions in 2017,
and promptly take measures upon reaching a conclusion]

With respect to situations surrounding forestry, forest resources have not been fully utilized on the economic value basis despite the fact that domestic forest resources are reaching maturity, and some forests have not fully fulfilled the socially beneficial functions, such as a means of absorbing CO_2, because the forests are not properly managed. For this reason, it is required to make maximum and effective use of forest resources on the economic value basis as well as to establish the new system of forest management so that public-sector entities can properly manage forests that have not been properly managed without economic value.

Therefore, in order to make forestry a growth industry and to realize proper management of forest resources, the Government will examine the measures for integrating and consolidating management and operation of forests to motivated and sustained forestry operators as well as the framework, including financial resources, that contributes to the public systems by municipalities for complementing the measures and sustainable enforcement thereof. Upon obtaining a conclusion, the Government will promptly implement reforms of required regulations and systems.

(ii) Promotion of fisheries as a growth industry and management of fishery resources

[Start examination in 2017, draw conclusion in 2018,
and promptly take measures upon reaching a conclusion]

With respect to situations surrounding fisheries, problems such as resource management as well as low fishery income and a small number of new recruits have been reported. As a result, the production amount of fisheries has been decreasing in Japan, while increasing across the world, and the world's 6th largest Exclusive Economic Zone (EEZ) cannot be utilized effectively. Furthermore, while the production amount of aquaculture has significantly increased across the world and accounts for 50% of the production amount of fisheries, the production amount of aquaculture accounts for only 20% in Japan.

In order to address such situations, the "Basic Plan for Fisheries" was approved by the Cabinet in April 2017, which stipulates the development of fishery management entities with international competitiveness and the enhancement of fishery resource management based on quantity management. However, further drastic improvements should be examined.

Therefore, in order to enhance fishery resource management based on quantity management and to make fishery a growth industry respectively in a vigorous manner, the Government will start examination of the necessary measures including the review of related laws and promptly obtain a conclusion.

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

(i) Reliably carrying out agricultural cooperative reforms

The Council set the following as focused follow-up items: "reassessing agricultural cooperatives" described in the Implementation Plan for Regulatory Reform in June 2014 and "reliably carrying out agricultural cooperative reforms" described in the Implementation Plan for Regulatory Reform in June 2015, as well as "regulatory reforms concerning production, distribution, etc., of milk and dairy products" and "reassessment of the mechanisms for price formation pertaining to production materials and establishment of an industry structure for distribution and processing" described in the Implementation Plan for Regulatory Reform in June 2016. At the same time, the Council verified the status of review for legislation and operation of the systems.

With regard to "reassessing agricultural cooperatives" described in the Implementation Plan for Regulatory Reform in June 2014 and "reliably carrying out agricultural cooperative reforms" described in the Implementation Plan for Regulatory Reform in June 2015, the JA Group has been promoting self-improvement during the "agricultural cooperative reform intensive promotion period" until the end of May 2019. Continuous follow-up needs to be implemented for steady progress in reforms.

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

With regard to regulatory reforms concerning production, distribution, etc., of milk and dairy products, in order to strengthen monitoring of dairy products that have been imported through state-trading, successful bidders are obliged to submit the distribution plan and to report the implementation of plans and sales results regarding additional imports of butter, announced by the Agriculture & Livestock Industries Corporation (ALIC) in September 2016 and thereafter. Also, measures have been taken to improve the accuracy of retail surveys of butter and to share information about the status of demand and supply among those involved. With regard to criteria to be examined for authorizing the manufacture for long shelf life (LL) milk in order to ensure sanitary conditions, in May 2017, time from milking until the milk is received at a processing facility was amended from no longer than 48 hours to 96 hours, only when certain requirements are met. With regard to the revision of the compensation system under the Act on Temporary Measures concerning Compensation Price for Producers of Milk for Manufacturing Use, a Cabinet Order and ministerial ordinance will be established after the laws are passed, and continuous follow-up is required to prepare a free business environment for motivated milk producers.

(iii) Reassessment of the mechanisms for price formation pertaining to production materials and establishment of an industry structure for distribution and processing

With regard to reassessment of the mechanisms for price formation pertaining to

production materials and establishment of an industry structure for distribution and processing, pursuant to the "Policy Package for Enhancing Competitiveness of Japan's Agriculture", the Act on Support for Enhancing Agricultural Competitiveness was passed by the Diet in May 2017, and ZEN-NOH announced the program for self-improvement. The Act on Support for Enhancing Agricultural Competitiveness should be promptly enforced so that producers can procure feedstuff and compost even one yen cheaper and sell agricultural products even one yen higher. In addition, a continuous follow-up is required whether self-improvement by the JA Group including ZEN-NOH is steadily implemented.

2. Human resources

(1)Objective of Regulatory Reform and Standpoint of Review

Since working styles have diversified, it is urgently necessary to develop an environment in which the adoption of a work style is not complex and the choice of a specific working style does not lead to remarkable disadvantages. Furthermore, amidst progressing population decline, sustainable economic growth requires the entire society to make maximum use of "human resources." For improving the productivity of the Japanese economy as a whole, it is important to realize an optimal allocation of human resources through "smooth transfer of labor without unemployment," and develop an environment in which each worker is able to realize his/her full potential.

To accomplish these goals, first, it is necessary to have a "system to facilitate new employment," which enables workers wishing for a job change to move on to their next companies.

Secondly, it is necessary to have a "system to ensure that a job change does not lead to disadvantage" for the purpose of ensuring that workers who have changed their companies will not suffer any disadvantage as a result of their job change. In the course of developing such system, it is desirable that taxation policies related to retirement benefits should be reviewed since the longer the length of employment is, the more favorable such benefits become.

Thirdly, it is necessary to have a "system to enable people to change their jobs without worries" so as to dispel the concerns of workers wishing for a job change as much as possible.

On the basis of the above, for the field of human resources, specific regulatory reform items are organized with the keyword "job change" from the perspective of smoothly facilitating voluntary labor movement, pertaining to (i) the development of a system to facilitate new employment (the establishment of employment rules for job-based regular employees, and the simplification of administrative procedures for starting employment placement businesses), (ii)

the development of a system to ensure that a job change does not lead to disadvantage (earlier provision of statutory annual paid leave); and (iii) the development of a system to enable people to change their jobs without worries (promotion to improve employers' knowledge concerning labor laws).

(2)Specific Items for Regulatory Reform

(i) Development of a system to facilitate new employment

A. Establishment of employment rules for job-based regular employees

[Start examination in FY2017, and promptly take measures upon reaching a conclusion]

The Implementation Plan for Regulatory Reform as of June 2014 sets forth, "In the immediate future, the interpretation of the Labor Contracts Act (Act No. 128 of 2007) is to be communicated and disseminated" with a view to establishing employment rules for job-based regular employees who have one of the elements "duty", "workplace" or "working hours" limited (or have multiple elements limited). In response to this, the notification "'Points of Concern in Employment Management' Pertaining to Diverse Employees (Notification of Director of Labour Standards Bureau, Ministry of Health, Labour and Welfare, dated July 30, 2014)" was issued.

However, since legal frameworks for employment rules for job-based regular employees are not sufficient from the perspective of workers, the development of applicable laws and regulations should be further advanced in order to enable individuals to select diverse working styles with less worry.

In the past, the "Opinion Concerning the Development of Employment Rules for Job-based Regular Employees (December 5, 2013)" was released in relation to the development of related laws and regulations. However, in a subsequent report, the "Report of the Advisory Panel of Experts for Dissemination and Expansion of 'Diverse Regular Employees' (July 2014)," the firm penetration of actual use of diverse regular employees was considered necessary first. For that reason, the Ministry of Health, Labour and Welfare is currently conducting a fact-finding investigation into the penetration status of actual use of such employees, along with promotional activities.

Therefore, on the basis of the results of the fact-finding investigation released in 2017, deliberations will be held pertaining to further policies required including the development of related laws and regulations, and necessary measures will be implemented.

B. Simplification of administrative procedures for starting employment placement businesses

[Examine and draw conclusions in FY2017, and promptly take measures upon reaching a

conclusion]

When a corporation founded in accordance with special laws (e.g., a chamber of commerce) engages in employment placement business without any charge for its constituent members, it is required to notify the Minister of Health, Labour and Welfare. With regard to documents to be submitted in this notification process, it has no longer been required to submit the "certified copies of directors' certificates of residence, and their personal resumes" since April 1, 2017. Nevertheless, some opinions suggest further simplification should be required.

Furthermore, in the case where a special corporation engaging in employment placement business for its constituent members on the basis of the above notification is to embark on the same business for people other than its constituent members, the permission of the Minister of Health, Labour and Welfare must be obtained again. Some opinions suggest that this permission procedure in such case should be simplified.

Therefore, the documents that corporations founded in accordance with special laws submit to start employment placement business will be examined, and the simplification of the document requirement will be advanced.

(ii) Development of a system to ensure that job change does not lead to disadvantage

A. Earlier provision of statutory annual paid leave

[The deliberation of guideline amendments will be started and concluded in FY2017, and measures will be implemented promptly after conclusion. A fact-finding investigation on earlier provision of annual paid leave will be started within approximately two years after the enforcement of the amended guidelines. When results of the investigation become available, the deliberation of necessary policies including amendments to related laws and regulations will promptly be started and concluded.]

For the purpose of achieving a sound work-life balance and health maintenance, it is important to be able to take leave when it is necessary to do so. However, the current framework is not regarded as meeting diverse needs pertaining to leave of absence since, for example, the statutory annual paid leave is not granted during the first six months of joining a company. As a consequence, this renders job changes disadvantageous. On the basis of these views, the "Opinion Concerning Earlier Provision of Statutory Annual Paid Leave" (January 26, 2017) was prepared, and the following recommendations were made.

1. The current framework that does not grant the statutory annual paid leave during the first six months of joining a company (10 annual paid leave days are granted in the seventh month) should be changed to a framework which grants a certain number of annual paid leave days from the commencement day of employment. An example framework may be one under which one annual paid leave day is granted on the commencement day of

employment, one day is granted in each subsequent month, and four days are granted in the seventh month (10 days in total).

2. The current framework under which it takes six years and a half after joining a company until the number of statutory annual paid leave days reaches 20 days should be changed to a framework under which the same number reaches 20 days as early as possible. An example framework may be one under which the number reaches 20 days within one year and a half of joining a company.
3. The current framework should be amended since a labor-management agreement may potentially prevent workers from obtaining leave for caring for sick children or long-term care leave (in principle, five days respectively) during the first six months of joining a company. The amended framework should allow workers to take a certain number of leave days for caring for their sick children and long-term care from the commencement day of their employment. An example framework may be one under which one leave day is granted on the commencement day of employment, one day is granted in each of the third month and fifth month, and two days are granted in the seventh month (five days in total), even where a labor-management agreement has been executed.

Therefore, in order to attain the contents of the "Opinion Concerning Earlier Provision of Statutory Annual Paid Leave," the following details will be added to it; the "Guidelines on the Improvement of Working Hours, etc." (Public Notice No. 108 of Ministry of Health, Labour and Welfare, 2008) and the "Guidelines for Measures that Employers Should Take to Enable Employees Who Care for, or Who Are to Care for, Their Children or Family Members to Manage Both of Their Work and Family Life" (Public Notice No. 509 of Ministry of Health, Labour and Welfare, 2009) should desirably be amended, and workplaces should, on the basis of their circumstances, desirably take their own actions pertaining to the points that (a) the continuous employment period required until annual paid leave is granted in the first year of joining a company should be shortened as much as possible, that (b) the continuous employment period required until the number of annual paid leave days reaches 20 days should be shortened as much as possible, and that (c) workers should be able to obtain a certain number of leave days for taking care of their sick children, or for long-term care, from the commencement day of their employment, even where a labor-management agreement affecting such leave has been executed. Furthermore, after the "Guidelines on the Improvement of Working Hours, etc." and other relevant documents are amended, actions will be actively taken to disseminate and raise awareness regarding the amended guidelines, etc., and a fact-finding investigation will be conducted into the status of earlier provision of leave. In addition, on the basis of results of this investigation, other necessary policies as well as any amendments to related laws and regulations will be discussed promptly.

(iii) Development of a system to enable people to change their jobs without worries

A. Promotion to improve employers' knowledge concerning labor laws

[Examine and draw conclusions in FY2017, and promptly take measures upon reaching a conclusion]

The Employment Security Act (Act No. 141 of 1947) obliges an employment placement business provider to appoint an employment placement manager, and offers a framework to guarantee that such manager possesses a certain level of knowledge by requiring the person subject to appointment to receive a training course to acquire necessary knowledge. Furthermore, similar frameworks to guarantee a certain level of knowledge are stipulated in the Industrial Safety and Health Act (Act No. 57 of 1972), and the Act for Securing the Proper Operation of Worker Dispatching Undertakings and Protection of Dispatched Workers (Act No. 88 of 1985).

However, such a framework is not available for improving knowledge concerning basic labor laws such as the Labor Standards Act (Act No. 49 of 1947). This means that the same Act relies on employers' voluntary approaches, as it merely prescribes in its Article 105-2, "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."

Therefore, policies to enable employers to acquire sufficient knowledge concerning basic labor laws will be deliberated upon widely, and necessary measures will be implemented.

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

(i) Termination of employment that both management and labor can accept

As a matter subject to focused follow-ups, the Human Resource Working Group selected "termination of employment that both management and labor can accept" incorporated in the Implementation Plan for Regulatory Reform as of June 2015. In this regard, an interview with the Ministry of Health, Labour and Welfare was held in relation to the deliberation status of its "Study Group on Transparent and Just Labor Dispute Resolution Systems, etc." In the future, follow-ups will be continuously carried out in order to ensure that approaches in accordance with the objectives of the Implementation Plan for Regulatory Reform are taken.

3. Medical care, long-term care, child care

(1)Objective of Regulatory Reform and Standpoint of Review

Japan's population aging and low birthrate have structurally and rapidly been advancing. Among "the new three arrows" presented by the Cabinet for the purpose of achieving a society in

which all citizens are dynamically engaged, the attainment of "dream-weaving childcare support" (e.g., total reduction of children waiting for admission to nursery centers), and "social security that provides reassurance" (e.g., aiming for "no one forced to leave his/her long-term care job") is an essential purpose of regulatory reforms.

Social security benefits amount to 37.9 trillion yen for medical care and 10.0 trillion yen for long-term care (each based on the budget for FY2016), together accounting for 9.2% of the GDP. The expenditure for medical care and long-term care is projected to significantly increase for years to come toward the year 2025 in which all the so-called baby-boom generation will be latter-stage elderly.

With the aforementioned rapidly aging population and low birthrate, and limited financial resources, Japan's pressing issue is how to make the existing social security systems, which include the public health insurance and long-term care insurance, sustainable and how to effectively and efficiently provide the medical services and long-term care services required by citizens to the utmost extent. Thus, it is necessary to constantly review and reform, with the mindset of the general public, the existing regulations interfering with such issues to be addressed.

For the foregoing purposes, the Council for Promotion of Regulatory Reform embarked on a regulatory reform of the following three domains of social security (including advancement of health): medical care, long-term care and childcare. In so doing, the Council organized the individual, specific regulatory reform items described in (2).

Among the topics of deliberation, the "Ideal ways to provide and use the long-term care service " (specifically the items (i) to (iv) of (2)), which has been selected as a priority deliberation item by the Medical Care, Long-term Care and Childcare Working Group, is explained specifically below.

As Japan has turned into an unparalleled super-aging society, the need for long-term care has risen without any sign of slowing down. In order to enable people to choose long-term care services depending on their needs, and thereby prevent care service users and their families from feeling overly anxious about reaching a state of requiring long-term care, the Council embarked on reforms from the perspective of the general public and care service users.

(i) Improvements in the system of information disclosure contributing to long-term care service users' choices, and in third-party evaluations

For care service users and their families to choose long-term care services according to their needs, it is necessary to be able to obtain appropriate information. For this purpose,

there are the system of information disclosure concerning long-term care services, which publishes information on long-term care service providers, and the third-party evaluation program for welfare services, in which third-party evaluating organizations evaluate the quality of services provided by long-term care service providers from a professional and objective perspective. However, the public awareness of these system and program is low, and thus reform is required to make sure that the system and program truly contribute to long-term care service users' choices. For that reason, various measures will be implemented to review and disseminate the information disclosure system, which include efforts to clearly show information about the system, and to improve the evaluation receiving rate and quality of third-party evaluations.

(ii) Attainment of flexible combinations of services covered and not covered by long-term care insurance

Since long-term care is to support every aspect of an individual, it is difficult to meet the diverse long-term care needs of people just by utilizing long-term care insurance services. From the perspective of not only people requiring long-term care but also their supporting families, what is required is to attain a flexible combination of services covered and not covered by the public long-term care insurance, and to make diverse services available so as to raise the "breaking point of at-home long-term care." However, such flexible combination may not be possible in some cases under the current long-term care insurance system, since there are rules requiring a clear distinction of services available under the public long-term care insurance and those not covered by that insurance. For that reason, measures will be taken to clarify nationwide rules for achieving flexible combinations of home help service and day service.

(iii) Review of the current manner of supply of long-term care services

The operation of the public long-term care insurance system falls within the administration of local governments, and thus their roles in the field of long-term care are huge. Meanwhile, the improper operation of the system by local governments may pose risks of services not provided according to users' needs. On the basis of these points, actions will be taken to make sure basic policies specify that long-term care insurance program (support) plans are required to reflect accurate needs. Furthermore, points of concern in connection with local governments' own public solicitation to select long-term care providers will be specified.

(iv) Promotion of long-term care business expansion and streamlining of operations

For the expansion and promotion of long-term care services, it is necessary to conduct reforms, for example, to reduce the burden of administrative work on long-term care providers, care staff, and the insurer. To accomplish this goal, discussions on the simplification of the entire system of long-term-care fees will be started. In addition, the current manner of pledging collateral for obtaining loans from the Welfare and Medical Service Agency will be examined.

(2)Specific regulatory reform items

(i) Improvements in the system of information disclosure contributing to long-term care service users' choices, and in third-party evaluations

A. Review aiming to clearly show information contributing to users' choices of long-term care providers

[Examine and draw conclusions in FY2017, and take measures in FY2018]

Although information on each long-term care provider's long-term care services is published through the system of long-term care service information disclosure, the user utilization rate of the system is low, and it has been pointed out that the system is not enough utilized for choosing long-term care services.

One of the factors contributing to this situation is that the volume of published information is enormous, and its details are technical. Consequently, it is difficult for general users to sufficiently understand published information and then compare long-term care providers.

Therefore, among information items on the system of long-term care service information disclosure, an investigation and study will be conducted on the information that is to be a standard for choosing of long-term care providers. On the basis of results of such investigation and study, whether it is appropriate to restructure information by dividing it into information for users and their families and information for professionals (e.g., care managers) will be deliberated, and information contributing to choosing long-term care providers will be shown in an easy-to-understand manner.

B. Addition of functions contributing to users' choices to the system of information disclosure

[Examine and draw conclusions in FY2017, and take measures in the first half of FY2018]

Under the public long-term care insurance system, it is possible to use multiple long-term care services by combining them. There are some requests that a mechanism to find out specific examples of service combination, total costs and other details should be added to the system of long-term care service information disclosure.

Therefore, for the purpose of contributing to users' independently selection of services, deliberations will be held to draw conclusions pertaining to, among other things, the addition of a simple estimation function for calculating the total cost of a particular combination of various services to the system of long-term care service information disclosure.

C. Dissemination of the system of long-term care service information disclosure

[Take measures in the first half of FY2017]

The existence of the system of long-term care service information disclosure is not known by a sufficient number of long-term care service users.

Therefore, when users require long-term care, in order for users to be aware of the system of long-term care service information disclosure at an appropriate timing, methods for disseminating the system will be deliberated upon, which include encouraging local governments to include the URL of the system in their written result notification concerning the certification of need for long-term care or support. Furthermore, the system will be diffused in cooperation with local governments.

D. Setting specific numerical targets for the promotion of receiving third-party evaluations, and implementation of support, etc.

[(a): Examine and draw conclusions in FY2017; (b): Take measures in FY2017]

With regard to the third-party evaluation program for welfare services, the evaluation receiving rate among long-term care providers is extremely low. From the aspect of diffusing the evaluation system, improving the evaluation receiving rate is an issue.

Aiming to raise the rate of receiving third-party evaluations of welfare services among intensive care homes for the elderly, nursing homes for the elderly, low-cost homes for the elderly, day services and home help service providers, the Ministry of Health, Labour and Welfare has taken various approaches since 2016 with a target of attaining “a higher evaluation receiving rate than that of the previous year,” which include diffusing local governments with the evaluation program so as to encourage such governments to promote active receipt of third-party evaluations to long-term care facilities, etc. Despite this, the receiving rate under the evaluation program still remains low in the field of long-term care.

Therefore,

(a) The significance and other matters of receiving third-party evaluations will be clarified. Subsequently, on the basis of opinions of prefectures, etc., deliberations will be held to draw conclusions pertaining to the setting and release of numerical targets for the rate of receiving third-party evaluations of welfare services according to each business type and each prefecture.

(b) Each prefecture’s rate of receiving third-party evaluations, etc., will be released.

E. Enhancement of incentives to receive third-party evaluations

[(a) & (b): Examine and draw conclusions in FY2017, and take measures in FY2018; (c): Take measures in FY2018]

In relation to third-party evaluations of welfare services, some parties indicate that there may be some overlaps between such evaluations and the competent ministry's or agency's guidance and audits, and between such evaluations and on-site surveys, etc., under the system of information disclosure.

(a) Therefore, Deliberations will be held to draw conclusions pertaining to the reduction of the burden on long-term care providers; for instance, when a third-party evaluation organization is to conduct an evaluation, the relevant long-term care provider should be encouraged through the prefecture, etc., to use the same documents as those that the provider submitted for other audits or evaluations.

(b) In cooperation with prefectures, etc., the merits of receiving evaluations will be communicated to long-term care providers in an easy-to-understand manner, which include measures to reduce the burden on long-term care providers receiving third-party evaluations.

(c) The status of receiving third-party evaluations will be displayed on the system of long-term care service information disclosure more clearly. In addition, evaluation results will be displayed too, subject to the consent of long-term care providers.

F. Enhancement of the position of third-party evaluations as information for users' choices

[(a): Take measures in FY2017, and become mandatory from FY2018;
(b): Take measures in FY2018]

The third-party evaluation program for welfare services is implemented to attain its one of purposes of improving the quality of services offered by long-term care providers, and serving as information contributing to users' choices of appropriate services. However, it has been pointed out that users seldom refer to third-party evaluation results in choosing their long-term care providers.

(a) Therefore, as an important matter to be explained by long-term care providers at the time of execution of contracts, each provider will be obliged to explain its status of receiving third-party evaluations.

(b) The status of receiving third-party evaluations will be displayed on the system of long-term care service information disclosure in an easier-to-understand manner. In addition, evaluation results will be displayed too, subject to the consent of long-term care providers (re-listed).

G. Promotion of improvements in the quality of third-party evaluation organizations and evaluators

[Examine and draw conclusions in FY2017]

With regard to the third-party evaluation program for welfare services, it has been pointed out that the quality of third-party evaluation organizations and evaluators is not satisfactory, constituting one of the factors obstructing the diffusion of receiving

evaluations.

Therefore, the existing training structure will be reviewed with a view to improving the quality of third-party evaluation organizations and evaluators. In addition, rules for removing incompetent third-party evaluation organizations (evaluators) will be deliberated upon to draw conclusions in this regard.

H. Enrichment of evaluation standards for welfare services for the elderly

[Already implemented]

In order to judge the quality of long-term care providers, it is necessary to enrich service evaluation standards that are currently being formulated for each welfare facility type, as standards to be used to evaluate services and support contents based on the characteristics and specialties of facilities, etc.

Therefore, service evaluation standards for nursing homes for the elderly, and such standards for low-cost homes for the elderly will be formulated.

I. Preparation of guidebooks, etc., for long-term care providers

[Take measures in FY2017]

Since the third-party evaluation program for welfare services has not taken root among long-term care providers, it is necessary to strive to disseminate the program to such providers.

Therefore, guidebooks (printed books) and pamphlets that explain, along with other matters, how to receive and utilize third-party evaluations will be prepared for long-term care providers.

(ii) Attainment of flexible combinations of services covered and not covered by the public long-term care insurance

A. Issuance and dissemination of a new notification concerning combinations of services covered and not covered by the public long-term care insurance

[Examine and draw conclusions in FY2017, and take measures promptly during the first half of FY2018]

Although the public long-term care insurance system allows the provision of combinations of services under the insurance and those not under the insurance (hereinafter referred to as “both service types”) in order to meet diverse needs, it requires both service types to be clearly distinguished.

In combining both service types, there is a risk that the guidance of local governments

may be inconsistent among them without defined and perspicuous rules. Consequently, it is pointed out that this situation potentially obstructs long-term care providers' provision of flexible combinations of both service types.

Therefore, in order to enable both service types to be combined appropriately and make it easier for local governments and long-term care providers to understand rules for service combination, a perspicuous and defined notification (technical advice) will be issued and disseminated on the basis of conclusions drawn from deliberations on the following (a) to (c).

(a) The organization of the current rules for combining both service types of home help service (including the clarification of rules for consecutive provision of both service types; refer to B.(a) under the relevant item title)
(b) The development of rules for flexible combinations of both service types of day service (refer to C. under the relevant item title)
(c) The clarification of price regulations concerning the provision of services equivalent to those under the public long-term care insurance at the full self-charge (refer to E. under the relevant item title)

B. Attainment of flexible combinations of home help services

[(a): Examine and draw conclusions in FY2017; (b): Start examination in FY2017]

Although the public long-term care insurance system allows the provision of combinations of both service types in order to meet diverse needs, it requires both service types to be clearly distinguished pursuant to the "Handling of Business Operation by Designated Home Help Service Providers" (Notification of Director of Promotion Division, Elderly Health and Welfare Bureau, Ministry of Health and Welfare, dated November 16, 2000), etc. Consequently, with regard to home help services, flexible combinations of both service types may not be possible in some cases, since it is difficult to provide both service types simultaneously in an integrated manner, or since the guidance of local governments concerning the consecutive provision of both service types may be inconsistent among them.

Therefore, for the purpose of ensuring appropriate, flexible combinations of both service types of home help service:

(a) The organization of the current rules for combining both service types (including the clarification of rules for the consecutive provision of both service types) will be deliberated to draw conclusions.

Also:

(b) Deliberations will be held concerning the simultaneous and integrated provision of both service types on the basis of such issues as the following:
- Risks of obstructing support for self-reliance or the prevention of severe conditions
- Risks triggering an increase in insurance benefits
- Service categories guaranteeing appropriate insurance benefits
- Proper management by care managers, etc.

C. Attainment of flexible combinations of day services

[Examine and draw conclusions in FY2017]

With regard to day services, it has been pointed out that the provision of flexible combinations of both service types is difficult, or local governments' guidance is inconsistent among them, due to regulations requiring both service types to be clearly distinguished. Furthermore, it is also pointed out that if a paid-for service not covered by the insurance is provided immediately before or after the user is transported to a day service provider's facility or in combination with such transportation, this service provision may amount to the paid-for transportation under the Road Transportation Act (Act No. 183 of 1951).

Therefore, the following (a) to (c) will be deliberated upon to draw conclusions, in order to ensure appropriate and flexible combinations of both service types in relation to day service.

(a) The clarification of interpretation of related laws and regulations concerning the provision of services not covered by the insurance immediately before or after the user's transportation to his/her day service provider or in combination with such transportation
(b) With regard to the provision of services not covered by the insurance to users of day services, how rules for such service provision should be
(c) With regard to the provision of services that are not covered by the insurance, are performed on days or during hours when services under the insurance are not provided, and utilize the personnel and/or facilities at the day service provider, and with regard to the provision of services at day service providers at which users of both service types and other users are present together, the organization of the current rules for such types of service provision

D. The manner of flexible price setting for services not covered by the insurance and relating to insurance-covered services

[Start of organization in FY2017]

Under the current public long-term care insurance system, the upper limit of the price of a service under the insurance is its official price, and the collection of any appointment fee,

or fee for requesting a particular time slot, at the expense of users is not permitted. However, it has been pointed out that the introduction of appointment fees and/or time allocation fees may generate merits, as it may raise the breaking point of family members' long-term care at home, improve the levels of self-reliance and satisfaction of persons requiring long-term care, and the quality and productivity of services from the standpoint of long-term care providers, and lead to improved treatment and working styles for care staff.

Therefore, with regard to the collection of extra fees at the expense of users, which include appointment fees for receiving long-term care from particular care staff and time allocation fees for receiving long-term care services during a busy period of time or in a busy time slot, points of contention will be organized in the light of the fact that there is a number of relevant issues such as the protection of users.

E. Clarification of price-related regulations concerning the provision of services equivalent to those covered by the public long-term care insurance at the expense of users

[Examine and draw conclusions in FY2017]

For services not covered by the public long-term care insurance, their prices are freely set in principle. However, in the case where a designated at-home service provider is to provide a designated service other than services based on the statutory proxy receipt system, which means the provision of a service equivalent to a service covered by the insurance at the expense of the user, setting an unreasonable difference in amount between the service to be provided and the equivalent service under the insurance is prohibited. However, due to the fact that the interpretation of the phrase "unreasonable difference in amount" in the "Standards for the Personnel, Facilities, Operation of Designated At-home Service Businesses, etc." (Ordnance No. 37 of 1999, issued by the Ministry of Health and Welfare) is ambiguous, the guidance of local governments is not consistent among them. Consequently, it has been pointed out that this situation interferes with long-term care providers' provision of services not covered by the insurance.

Therefore, with regard to the prohibition of setting an unreasonable difference in amount between the service fee to be paid directly by the user for a designated service other than services based on the statutory proxy receipt system, and the fee for the designated service based on the statutory proxy receipt system, the interpretation of the phrase "unreasonable difference in amount" will be clarified.

(iii) Review of the manner of supply of long-term care services

A. Policies for accurate estimation of the amount of services reflecting needs specified in the long-term care insurance program (support) plans, and for securing the estimated amount

[Take measures in FY2017]

Each local government estimates the required amount of long-term care services when formulating a "long-term care insurance program plan" and a "long-term care insurance program support plan," for both of which three years constitute a term. However, it has been pointed out that some local governments fail to set out a plan reflecting needs for services that are useful in easing the breaking point of at-home life, such as multifunctional care services in small group homes and regular-visit-based/demand-based at-home care, and needs for specified facilities' services such as paid-for nursing homes for the elderly.

Therefore, to the basic national policies for the long-term care insurance program plan and long-term care insurance program support plan for the seventh term, it is necessary to add the detail that local governments are required to make efforts to formulate, in the aforementioned plans, policies for accurate estimation of the amount of services reflecting needs for various long-term care services such as multifunctional small group homes, regular visiting/on demand home-visit long-term/nursing care, and specified facilities, and policies for securing the estimated amount.

B. Understanding of the actual estimation of specified facilities' service amounts in the long-term care insurance program (support) plans

[Take measures in the first half of FY2018]

In order to provide diverse services according to users' various needs, the Implementation Plan for Regulatory Reform as of June 2014 specified that each local government was to be notified of the requirement that each municipality was to accurately grasp the demand for long-term care services on the basis of the actual situation of persons in need of long-term care, etc., and to estimate an appropriate amount of services, including services of specified facilities such as paid-for long-term homes for the elderly, in light of the circumstances of the area. Accordingly, the Ministry of Health, Labour and Welfare notified local governments to that effect in July of the same year.

However, some survey results suggest that many local governments have not taken any particular action upon receipt of the notification. For that reason, it is pointed out that examinations are required to find out how each local government has estimated the amount of specified facilities' services since its receipt of the notification.

Therefore, after the Ministry of Health, Labour and Welfare notified local governments

(the "Distribution of 'Worksheet for Long-term Care Insurance Program (Support) Plan' [Final Version]," Administrative Circular of Long-term Care Insurance and Planning Division of Health and Welfare Bureau for the Elderly, Ministry of Health, Labour and Welfare, dated July 3, 2014) that, in order to provide diverse services according to users' various needs, each municipality is required to accurately grasp the demand for long-term care services on the basis of the actual situation of persons in need of long-term care, etc., and to estimate an appropriate amount of services including services of specified facilities such as paid-for long-term homes for the elderly, in light of the circumstances of the area, local governments will be familiarized again with the necessity for an accurate grasp of needs in estimating a service amount when formulating the long-term care insurance program (support) plans for the seventh term. Furthermore, the national government will provide support in this regard, investigate how local governments estimate their respective amounts of services including services of specified facilities, and publish results of this investigation.

C. Clarification of points of concern in relation to public solicitations for selecting long-term care providers

[Take measures in FY2017]

With regard to services covered by the public long-term care insurance and subject to total volume control, such as services of specified facilities, local governments individually hold a public solicitation to seek newly starting long-term care providers in some cases.

However, there are suggestions that such public solicitation is not adequate in selecting the best long-term care providers to provide the most-proper services for users, since the implementation methods of local governments for holding public solicitations on their own may often lack impartiality or transparency; for instance, the period of opening a public solicitation is short, or screening processes are not made public. Furthermore, some solicitations are based on unfair screening criteria, or impose an excessive burden on long-term care providers.

Therefore, in order to secure each local government's impartiality and transparency in relation to public solicitations it arranges on its own for selecting long-term care providers, such points of concern as the following in connection with public solicitation processes and the selection of long-term care providers will be clarified and disseminated to local governments.

(a) Screening criteria should be formulated and published. In formulating screening criteria, etc., it is necessary to pay attention to the burden on long-term care providers in light of impartiality among applicant providers and the purposes of their installation of facilities, etc.
(b) The timing of public solicitations should be disseminated in advance, and a sufficient period of time to accept applications to public solicitations should be secured.
(c) Screening procedures and results should be published.

D. Notification concerning the selection of business operators in relation to the entrustment of operations related to welfare facilities and the public solicitation for designated administrators

[Take measures in FY2017]

When a local government entrusts the management of welfare facilities by utilizing the designated administrator system, a private business operator such as a stock company may be designated as an administrator. However, it was pointed out that business operators other than social welfare corporations were excluded from the scope of eligibility in some municipalities; for instance, the requirements for participating in a public solicitation limited eligible applicants to social welfare corporations. Consequently, the Implementation Plan for Regulatory Reform as of June 2014 required local governments to be notified that stock companies should not be excluded without due reason from the scope of eligibility for public solicitations concerning operation entrustment and the designated administrator system. Accordingly, the Ministry of Health, Labour and Welfare issued the notification to local governments in September of the same year.

However, some survey results suggest that many local governments have not taken any particular action upon receipt of the notification. For that reason, it is necessary to implement further policies in order to secure impartiality in the management of public solicitations concerning the entrustment of operations of welfare facilities and the designated administrator system.

Therefore, in order to ensure thorough observance of the details of the notification (the "Operation of Designated Administrator System for Social Welfare Facilities," Notification of Director of Welfare Promotion Division of Social Welfare and War Victims' Relief Bureau, Ministry of Health, Labour and Welfare, dated September 29, 2014) requiring local governments not to exclude stock companies without due reason from the scope of eligibility for public solicitations concerning the entrustment of operations relating to welfare facilities and the designated administrator system, local governments will be notified of the importance of their selection business operators with a view to securing the quality of services, and on the basis of the purposes of the systems for bid tendering and

contracts, and the designated administrator system.

(iv) Promotion of long-term care business expansion and the streamlining of operations

A. Review of regulations interfering with the business operation of regular visiting/on demand home-visit long-term/nursing care and multifunctional small group homes

[Examine and draw conclusions in FY2017]

For the elderly to continue living in their familiar communities, the enrichment of services supporting their at-home lives, such as regular-visit-based/demand-based at-home care and multifunctional care services in small group homes, is essential.

However, for either of the aforementioned services, the burden of personnel costs in proportion to users is significant especially at the stage of startup of the business, due to strict personnel requirements under the designation criteria, rendering it difficult to make care businesses profitable. Consequently, it has been pointed out that this situation causes an obstacle to businesses in newly starting to provide the services concerned.

Therefore, in discussions over the revision of long-term-care fees for the year 2018, deliberations will be held to draw conclusions concerning whether to permit the concurrent engagement as a daytime operator for regular-visit-based/demand-based at-home care and as a care staff member providing as-needed at-home care services, and whether to permit the provision of at-home care services to people other than users registered for multifunctional care services in small group homes.

B. Simplification of the long-term-care fee system

[Examine and draw conclusions in FY2017]

Since its introduction in 2000, the public long-term care insurance system has gone through repeated system amendments, and its fee system as well as the categories of services under the system have become extremely complex. Consequently, it is pointed out that the administrative burden on both long-term care providers and the insurer has increased, and that the fee system has become an increasingly difficult system for users and their families to understand.

Therefore, with a view to ensuring that services necessary for users are provided, discussions will be held to reach conclusions on the simplification of the long-term-care fee system for the purposes of reducing the administrative burden on long-term care providers, the insurer, etc., and making it possible for users and their families to voluntarily select their services.

C. Review of the current manner in which social welfare corporations' foundational assets

are pledged as collateral

[Start Examinations in FY2017, draw conclusion and take measures in FY2018]

When a social welfare corporation is to take out a loan, its foundational assets such as real estate are pledged as collateral. However, the authorization of the competent authorities is required for taking out such loan, unless the Welfare and Medical Service Agency is a security interest holder, or the loan is co-financed by a private financial institution and the same agency. For that reason, it has been pointed out that social welfare corporations keep a distance from taking out a loan solely from a private financial institution.

Therefore, with regard to social welfare corporations' pledge of their foundational assets as collateral, deliberations will be held to draw conclusions as to whether it is possible for such corporations to provide collateral only to private financial institutions without the authorization of the competent authorities, with due attention to the protection of the elderly staying in such corporations, the stability of such corporations' management, etc.

D. Review of the current manner of pledge of collateral for loans from the Welfare and Medical Service Agency on the basis that the role of the Agency is to complement private-sector businesses

[Start Examinations in FY2017, draw conclusion and take measures in FY2018]

When the Welfare and Medical Service Agency provides a loan, the Agency is to hold the first priority mortgage on the relevant properties pledged for the loan, in principle. Since the protection of private financial institutions' claims has no choice but to be subordinate to the Agency's claims, there are suggestions that private financial institutions are not willing to finance medical and welfare fields.

As public funds are the financial source for loans provided by the Welfare and Medical Service Agency, in principle, the Agency holds the first priority mortgage on properties pledged by the loan recipient. However, given that the role of the Agency is to complement private-sector businesses, how rules for the protection of loan recoverability should be will be deliberated upon to draw conclusions in this regard.

(v) Review concerning The Health Insurance Claims Review & Reimbursement Services

A. Construction of a computer system that can be dismantled according to function

[(a): Draw conclusion in the first half of FY2017; and (b): Start examination in FY2017, promptly take measures upon reaching a conclusion, and implement by FY2020]

The advisory panel of experts organized by the Ministry of Health, Labour and Welfare in response to the Implementation Plan for Regulatory Reform as of June 2016 deliberated on the streamlining of the claim reviews of The Health Insurance Claims Review & Reimbursement Services (hereinafter referred to as the "HICR & RS") and on the securing

of uniformity in the claim reviews. Furthermore, in January 2017, the "Report on the Advisory Panel of Experts for Attaining Quality Medical Care in the Era of Data Health" (effective and efficient health businesses based on the analysis of health-related data) was prepared. According to this report, the renewal plan, currently being formulated, for the HICR & RS's computer system subject to renewal during fiscal 2020 should be reviewed overall, the next computer system should be based on an architecture "which allows functions to be detached and whose access and operation methods are flexible and excellent in adopting changes," and basic policies should be organized for the "Streamlining Plan and Process Chart for HICR & RS Operations" by the spring of 2017.

Therefore, the following measures will be implemented in relation to the HICR & RS's computer system.

(a) The "Streamlining Plan and Process Chart for HICR & RS Operations" will incorporate the details that the HICR & RS's next computer system is to adopt a design method to develop an optimal total system by dismantling the operations of the HICR & RS according to function and re-assembling the separated units (hereinafter referred to as "modules") with use of a standard manner (hereinafter referred to as "modularize/modularization"), and that the next computer system is to satisfy the following requirements.

- The computer system is modularized according to the function units that HICR & RS is in charge of, including (i) the acceptance of medical prescriptions (receipts), (ii) the allocation of medical prescriptions to proper claim review processes, (iii) the receipt of claim review results, and (iv) the payment of claims on the basis of such results.
- The system is to be designed to ensure that its modules are integrated by using a standard connection method (interface), and to allow expeditious module-specific improvements, etc., the insurer's use, and entrustment to contractors, etc., if required.
- In relation to points to which corrections can be made without the HICR & RS's technical review, such as erroneous input of medical prescriptions, ideas should be incorporated to provide medical institutions with the computerized check function that the HICR & RS operates, so as to enable such institutions to deal with such points. With regard to the insurer, the functions that the insurer is to take charge on its own, and the functions that are to be entrusted to the HICR & RS should be examined according to each of the aforementioned divided function units. In relation to the former, the system should be designed to enable the insurer to manage its functions by itself.
- The maximization of effectiveness of the modularization requires smooth coordination among the modules and among the HICR & RS, medical institutions,

the insurer, external specialists, etc. For that reason, the formats and numbering of various data are required be standardized. On the premise of such standardization, mutually interconnected databases should be introduced, and the medical subscription (receipt) form should be revised for such standardization.

- To reduce manual operation hours as much as possible, the computer system should be visually user-friendly and easy for users to operate.
- With regard to the module for review function, the efficient and centralized processing of medical prescriptions to the maximum extent possible contributes to operation streamlining. Thus, the system should not be based on the current functions set up independently for each region. Instead, necessary regional differences should be examined to minimize them so as to expand the scope that the same computer system can process as widely as possible.
- The construction of the computer system should cooperate with the government CIO involved in the planning of IT systems across the governmental offices and ministries, and should be implemented as it is evaluated by the government CIO at the same time.

(b) Concurrent with the change of the medical prescription form to one suitable for computerized check, system renewal will be carried out. In so doing, disease names, etc., are to continue to be revised to conform to international standards.

B. Implementation of the consolidation and integration of branches

[Examine and draw conclusions in 2017]

The current HICR & RS has established its branches in all 47 prefectures, each of which is equipped with its own system, personnel, review committee and physical branch facilities on the premise that claim reviews are completed within each branch. However, despite the fact that the computerization of medical prescriptions was completed and that online claim reviews was made possible, it was pointed out that the necessity of establishing branches in all 47 prefectures to process administrative work was low. Accordingly, in June 2016, rather than organizational and structural revisions on the basis of the current HICR & RS, a zero-based revision of the current form of claim reviews for medical fees was decided in a Cabinet meeting as part of the relevant Implementation Plan for Regulatory Reform.

In response to this decision, an advisory panel of experts organized by the Ministry of Health, Labour and Welfare held deliberations, and the “Report on the Advisory Panel of Experts for Attaining Quality Medical Care in the Era of Data Health” was prepared in January 2017. However, with regard to the branches, both arguments for “consolidation and integration” and “maintenance of the status quo” were stated in the report. Consequently, the issue concerning branches still remains.

Therefore, deliberations will continuously be held toward attaining the consolidation and integration of branches, until conclusions are reached.

C. Systematization for the centralization of claim reviews

[Examine and draw conclusions in 2017]

In relation to the HICR & RS, the computerization of medical prescriptions was mostly completed, and thus the automated and online reviews of medical fee claims with use of ICT was possible. Despite this, it was pointed out that manual, inefficient management of operations still continued, in the same manner as paper-based medical prescriptions. In June 2016, the formulation of nationwide and clear decision criteria for minimization of manual administrative procedures with utmost use of ICT was decided in a Cabinet meeting as part of the relevant Implementation Plan for Regulatory Reform.

In response to this decision, an advisory panel of experts organized by the Ministry of Health, Labour and Welfare held deliberations, and the "Report on the Advisory Panel of Experts for Attaining Quality Medical Care in the Era of Data Health" was prepared in January 2017. However, no sufficient reform plan was indicated with regard to the centralization of claim reviews, and both arguments for "centralization" and "maintenance of the status quo" were stated in the report. Consequently, the issue still remains.

Therefore, deliberations will be continued to reach conclusions concerning specific ways to proceed with the following matters that are conditions for the centralization of claim reviews.

(a) Review contents of the review committee should be visualized to understand specific regional differences in such contents. Furthermore, thorough approaches should be taken to remove any concerns about conflict of interest among the review committee members.

(b) On the basis of data, a structure for discussions by experts should be developed at the head office of the HICR & RS, and the consistency and objectivity of review contents should be guaranteed on the basis of evidence.

(vi) Review of the 14-day prescription date restriction of new drugs

[Examine and draw conclusions in FY2017]

The "Matters to Be Indicated as Prescribed by the Minister of Health, Labour and Welfare Pursuant to Rules for Treatment and Rules for Drugs" (Announcement No. 107 of Ministry of Health, Labour and Welfare, 2006) stipulates that the prescription period is restricted to up to 14 days for new drugs for which one year has not passed since the first day of the month following the date on which such drugs are listed on the national health insurance drug price list.

However, while it is necessary to pay attention to securing the safety of new drugs since data on these drugs are mostly derived from clinical trials and thus limited, there is no scientific basis supporting the uniform application of the 14-day period. It is pointed out that visiting a hospital once in two weeks for drug administration is a burden on patients and accompanying persons, often causing them to give up choosing new drugs. In June 2015, it was decided, in the Implementation Plan for Regulatory Reform, that the Central Social Insurance Medical Council (hereinafter referred to as the "CSIMC") was to deliberate on, and draw conclusions concerning, the prescription period restriction.

As a result of the deliberations of the CSIMC on this regulatory reform item in 2015, it came to a conclusion that there would be no revision of the prescription period restriction. However, there were suggestions that the issue should be deliberated upon by the CSIMC again with specific revision proposals presented to it as options. On the basis of such suggestions, the CSIMC will hold deliberations toward the medical fee revision in FY2018.

Therefore, with regard to the prescription period restriction for new drugs, deliberations will be held to draw conclusions concerning options of specific revision proposals including a greater number of days for the prescription period restriction for new drugs than the current restriction of 14 days. In so doing, it is necessary to take account of securing the safety (e.g., early detection of side effects) as well as convenience of patients.

(vii) Improvements in the system of Foods with Function Claims

A. Setting of operation improvement objectives, and formulating and publishing a process chart for attaining such objectives

[Examine, draw conclusions, and take measures in the first half of FY2017]

With regard to the notification procedure under the system of Foods with Function Claims, since the processing of notifications by the Consumer Affairs Agency is tremendously time-consuming, businesses' foreseeability in terms of business expansion is affected; for instance, the timing of launching a product is difficult to decide. It has been pointed out that unless improvements are made in the relevant administrative work, there are risks that the system of Foods with Function Claims may not be used.

Therefore, with regard to the notification procedure for Foods with Function Claims, operation improvement objectives will be set regarding the required number of days after business operators submit their documents until any defect is pointed out to them if any. Furthermore, a process chart for attaining such objectives will be formulated and published.

B. Simplification of notification documents

[Setting of simplification objectives during the first half of FY2017, Examine and draw

conclusions in FY2017, and take measures in FY2018]

It has been pointed out that the notification procedure under the system of Foods with Function Claims requires numerous documents for notification and is so complex that it is not easy for business operators to prepare such documents, resulting in a factor causing the processing of notification-related administrative work by the Consumer Affairs Agency to be time-consuming.

Therefore, objectives will be set for the simplification of the notification documents prescribed in the "Guidelines on Notification of Foods with Function Claims" (Notification of Director of Food Labeling Planning Division, Consumer Affairs Agency, dated March 30, 2015). Thereafter, specific plans for the simplification will be deliberated upon in cooperation with relevant parties, with the necessity of each document, any burden on applicants, etc., taken into account. Subsequently, necessary measures will be taken, such as reflecting such plans in the guidelines and databases.

C. Improvements in the operation of the notification procedure for Foods with Function Claims through enhancement of cooperation with industry groups, etc.

[(a) & (b): Examine, draw conclusions, and take measures in the first half of 2017;
(c) & (d): Examine and draw conclusions in FY2017, and take measures in FY2018]

To speed up the notification procedure under the system of Foods with Function Claims, it is necessary to develop a framework to assist business operators in preparing notification documents. In achieving this target, there are suggestions that the utilization of the functions of industry groups, etc., is helpful. Furthermore, it has been pointed out that one of the causes of slow administrative work results from the fact that the notification of a mere minor correction in a notified food product labeled with a function claim is also confirmed by the Consumer Affairs Agency in the same manner as a fresh notification.

Therefore, with regard to the notification procedure under the system of Foods with Function Claims, the acceleration and streamlining of the procedure will be attained through enhancement of cooperation with industry groups, etc., which includes the approaches in the following (a) to (d).

(a) In order to utilize the functions of industry groups, etc., which put together questions from business operators and/or disseminate information to business operators, efforts will be made to enhance cooperation between the Consumer Affairs Agency and such industry groups, etc., for instance, through information sharing.
(b) In order to respond to questions from industry groups, etc., and provide consultation to them, a dedicated contact point will be set up at the Consumer Affairs Agency.
(c) For notification documents that have received a check of industry groups, etc., a structure to enable smooth confirmation processes at the Consumer Affairs Agency will be developed. Furthermore, the fact that industry groups, etc., are available for use in relation to the notification of Foods with Function Claims will be disseminated and promoted, for instance, by posting this information on the website of the Consumer Affairs Agency.
(d) For minor corrections in notified Foods with Function Claims, standards for minor correction will be clarified to realize smooth procedures.

D. Review of the "Guidelines on Notification of Foods with Function Claims," and formulation and dissemination of Q&As

[Examine, draw conclusions, and take measures in 2017]

It has been pointed out that difficult descriptions in the "Guidelines on Notification of Foods with Function Claims," and the fact that the same guidelines can be interpreted widely, create an obstacle to smooth preparation of notification documents and to making corrections to rejected notification documents.

Therefore, the guidelines will be revised to make them more understandable in cooperation with industry groups, etc., for instance, by reflecting matters frequently asked about by business operators in the guidelines. Along with such revision, Q&As will be formulated by organizing errors frequently found in notification documents, and will be disseminated by publishing them on the website of the Consumer Affairs Agency, etc.

E. Promotion of the utilization of the system of Foods with Function Claims for fresh foods

[Examine and draw conclusions in FY2017, and take measures in FY2018]

With regard to Foods with Function Claims, 815 notified products have been published as of the end of 2016. Among such products, only six products are fresh food products. It is pointed out that in addition to the fact that the notification procedure is complex, the reasons for a low number of notifications include technical issues that producers find it difficult to solve on their own; for instance, it is necessary to examine and collect scientific bases evidencing that the ingredients of the fresh food product concerned contain a functionality useful for the human body, or it is difficult to implement the quality control required for the proper function labeling of a useful ingredient because the ingredient

amount varies, as such variations are characteristics of fresh food products. For that reason, measures for enhancing support for producers are considered necessary.

Therefore, interviews with relevant parties such as agricultural cooperatives will be held, and measures to promote the utilization of the system of Foods with Function Claims for fresh foods will be deliberated upon. After reaching conclusions, necessary measures will be implemented.

F. Dissemination of conditions for use of data on individuals including those aged 18 or 19 as a notification document

[Dissemination during the first half of 2017, and updating the guidelines and Q&As in 2017]

In accordance with the "Guidelines on Notification of Foods with Function Claims," minors are, in principle, excluded from participants in clinical trials, and subjects of clinical trials under research reviews. However, the Consumer Affairs Agency accepts the use of data whose subjects include those aged 18 or 19, provided that the agency finds that the adequacy of such data is properly considered in documents for notification. Nonetheless, it has been pointed out that the insufficient dissemination of this data usage concerning minors causes business operators to refrain from using data whose subjects include those aged 18 or 19.

Therefore, where documents for notification contain data from a clinical trial, or a research review on a clinical trial, whose participants or subjects include those aged 18 or 19, the use of such data is allowed if the adequacy of including such minors is also explained in the documents. This type of data usage will be disseminated and reflected in the "Guidelines on Notification of Foods with Function Claims" and new Q&As to be formulated.

G. Clarification of expressions used for the labelling of function claims permitted when data originate from observational studies whose outcome assessment items pertain to diseases

[Examine, draw conclusions, and take measures in 2017]

There has been so far no food product with any function claim based on an observational study as its scientific basis. What is pointed out as a cause of this situation is the following problem: when using, as the scientific basis of a function claim, an observational study whose outcome assessment items pertain to a disease, and when using such function claim for the function labeling of the food product concerned without any change, the expression used for the label may potentially imply any therapeutic or preventive effects against other diseases to which the application of the function labeling

system is not permitted. Consequently, for cases where observational studies with outcome assessment items associated with diseases are used as their scientific bases, it is necessary to clarify what expression methods are permitted for function labeling from the aspect of health maintenance and enhancement.

Therefore, deliberations will be held with industry groups, etc., to draw conclusions concerning what expression methods are permitted for function labeling when observational studies whose outcome assessment items pertain to diseases are used as part of notification documents. Furthermore, such conclusions will be disseminated by describing them in the Q&As on Foods with Function Claims.

H. Expansion of the scope of data on persons with minor conditions handled under the system of Foods with Function Claims

[Examine in FY2017, and draw conclusions, and take measures in FY2018]

In accordance with the "Guidelines on Notification of Foods with Function Claims," participants in clinical trials, or subjects of clinical trials under research reviews are required to be, in principle, those who are free from any disease. However, the guidelines also stipulate that data whose subjects include those with minor conditions may be used if such data are within the scope of use prescribed for the testing methods for foods for specified health uses. Despite this, there is only a small volume of data available since the aforementioned scope is limited. Consequently, it has been pointed out that business operators are not able to use diverse and useful data as their scientific bases.

Therefore, through survey projects, the scope of use of data originating from clinical trials, or research reviews on clinical trials, whose participants or subjects include persons with minor conditions will be deliberated upon as to whether it should not be limited to the current scope of data use permitted for the testing methods under the system of foods for specified health uses (e.g., regarding cholesterol, neutral fat, hypertension, etc.), and whether such data should be allowed to be used as notification documents for Foods with Function Claims relating to allergy, uric acid levels, cognitive functions, etc. On the basis of deliberation results, the borderline of usable data use will be published.

(viii) Review of the certificate of employment required for use of nursery centers

A. Preparation of standard forms of the certificate of employment required for use of nursery centers

[Examine, draw conclusions, and take measures in the first half of FY2017]

In order to use nursery centers, the need of using such facilities is required to be qualified by municipalities. Municipalities require parents to submit documents certifying their status of being in employment (hereinafter referred to as the "certificate of

employment"), for the purpose of confirming the fact of their employment and the amount of childcare required, both of which are grounds for their need for childcare. It has been pointed out that the fact that municipalities have their own forms of the certificate of employment poses a great burden on employing companies that prepare the certificate of employment.

Therefore, with regard to the forms of the certificate of employment required for application processes for use of nursery centers, the fewest possible standard types of form for the certificate will be prepared with due attention to reducing the burden on companies that prepare the certificate of employment, and local governments will be requested to use such standard forms. In addition, local governments will be requested to use the foregoing standard forms for other certificates prepared by employers for employees' use of nursery centers, etc., including the certificate of childcare leave, the certificate of employment reinstatement, and the certificate of employment for application for children's use of after-school children's clubs.

B. Dissemination and promotion of electronic forms of the certificate of employment required for use of nursery centers

[Take measures in 2017]

Some municipalities do not provide an electronic form of the certificate of employment required for use of nursery centers, which is regarded as causing a great burden on employers that prepare such certificate.

Therefore, local governments will be requested to provide an electronic form of the certificate of employment required for use of nursery centers, and the form of each local government will be provided in electronic format on the Myna Portal. Furthermore, local governments will be requested to ensure that their electronic forms can be printed out to use them as paper forms, for the case of submitting a hand-written application form directly to the contact point or by post.

(ix) Dissemination concerning nursery centers' acceptance of children other than those of the officers and employees of group companies belonging to financial institutions that set up such nursery centers

[Take measures in the first half of FY2017]

Since the number of financial institutions that have set up nursery centers for the officers and employees of their group companies has increased, the local governments, companies, etc., in the same areas express their wish that such nursery centers accept local children. However, financial institutions are prohibited from engaging in other businesses. Even where a nursery center is established for the welfare of group companies' officers and

employees, there is a risk that accepting children other than those of such officers and employees may be regarded as operating another business. For that reason, it has been pointed out that financial institutions find it difficult to accept local children.

Therefore, in relation to the interpretation of laws and regulations, the following points in (a) to (c) will be disseminated through industry groups related to financial institutions, pertaining to the acceptance of children other than those of the officers and employees of financial institutions' group companies by nursery centers established by such financial institutions.

(a) Where a nursery center has an excess capacity after accepting the children of the officers and employees, it may accept other children as part of social contribution activities even under the current legal system, provided that such acceptance is within the scope of such activities.
(b) An excess capacity in this regard is judged on the basis of not only the number of children accepted in comparison with the quota, but also the nursery center's operational structure and the status of its maintenance.
(c) Where the situation is regarded as within the excess capacity of the nursery center, and also the financial institution is not found to engage in another business, the nursery center is allowed to continuously accept local children.

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

From the Implementation Plan for Regulatory Reform as of June 2016, the Medical Care, Long-term Care and Childcare Working Group selected "(i) Improving efficiency and ensuring uniformity in the examination of medical fees" as a matter subject to focused follow-up.

The operational status of each of the following systems, and the status of deliberation on each of such systems with a view to implementing reforms in them were confirmed: "(ii) Acceptance of the labelling of function claims with regard to processed foods and agricultural and marine products including so-called health foods, which contain ingredients with health functions (Foods with Function Claims)" in the Implementation Plan for Regulatory Reform as of June 2013; "(iii) Creating a new mechanism for concomitant use of treatments not covered by medical insurance (patient-requested treatment)" and "(iv) Consolidating business management of long-term care and childcare businesses and ensuring equal conditions of competition" in the Implementation Plan for Regulatory Reform as of June 2014; "(v) Compatibility between the independence of insurance pharmacies and the enhancement of patient convenience" and "(vi) Review of the 14-day prescription date restriction of new drugs" in the Implementation Plan for Regulatory Reform as of June 2015; and "(vii) Reassessment of systems for providing care for terminal patients at home" in the Implementation Plan for Regulatory Reform as of June 2016.

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

Three members of the Council participated, as constituent members, in an advisory panel of experts held by the Ministry of Health, Labour and Welfare on the basis of the Implementation Plan for Regulatory Reform as of June 2016, energetically embarking on the implementation of reforms. However, regrettably the report of the panel was found to contain insufficient points. Accordingly, the attainment of prompt and reliable deliberations on the remaining issues is again incorporated in this Report as a regulatory reform item (refer to (2) (v)).

(ii) Foods with Function Claims

Interviews with industry groups were held to find out problems in the operation of the system. In order to request the Consumer Affairs Agency to make improvements to solve such problems, this topic is incorporated as a regulatory reform item for the current term (refer to (2) (vii)).

(iii) Patient-requested Treatment

After the system of treatment upon patients' request became available following an amendment to the Health Insurance Act (Act No. 70 of 1922; the amended Act enforced in April 2016), only two cases of treatment were authorized in one year up to the end of FY2016. On this basis, the Ministry of Health, Labour and Welfare is requested to exercise its ingenuity in its operation of the system and disseminate the system for better utilization, and to respect the system's purpose of fulfilling patients' heartfelt requests in the Ministry's operation of the system.

(iv) Consolidating business management of long-term care and childcare businesses and ensuring equal conditions of competition

Interviews with the Ministry of Health, Labour and Welfare were conducted mainly in relation to reforms in the social welfare corporation system, and the implementation of reforms as specified in the Implementation Plan for Regulatory Reform was confirmed. However, among the reform items implemented, the outcomes of some items were found not to meet the Council's expectations. For that reason, these topics are incorporated as a regulatory reform items for the current term (refer to (2) (iii) B. and D.).

(v) Compatibility between the independence of insurance pharmacies and the enhancement of patient convenience

With regard to the structural and managerial independence of insurance pharmacies, the operation manner uniformly requiring insurance pharmacies to be physically separated from insurance medical care institutions by public roads, etc., was reformed, and the reformed

operation manner came into effect from October 2016. However, when a hospital to be opened by the National Hospital Organization was about to invite a pharmacy to open on the premises of the hospital, the Ministry of Health, Labour and Welfare, which holds jurisdiction over the National Hospital Organization, informed the same organization that such invitation was not desirable on the ground that the conditions of its public solicitation did not conform to the policy for promoting family pharmacists and pharmacies. Consequently, the hospital gave up its public solicitation. As shown, in terms of the operation of the system, there is a gap between the position of the Ministry of Health, Labour and Welfare and that of the Council seeking to improve the convenience of patients. Therefore, it is necessary to keep a close watch over the system operation in the future.

(vi) Review of the 14-day prescription date restriction of new drugs

From the perspective of enhancing the convenience of patients, etc., such as those struggling with intractable diseases while working, this matter is incorporated as a regulatory reform item for the current term in order to seek more deliberations (refer to (2) (vi)).

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

Interviews with the Ministry of Health, Labour and Welfare were conducted pertaining to the status of its deliberation toward implementing reforms. With regard to the experience requirements for the qualification of nurses to engage in practical end-of-life care in cooperation with doctors, concerns about whether an excessively high level of experience was required were raised. Aiming to implement measures during FY2017, the Council will continue to pay close attention to its deliberation status.

4. Investment etc.

(1)Objective of Regulatory Reform and Standpoint of Review

In this term, the Council for Promotion of Regulatory Reform worked on five pillars: "Adoption of IT and one-stop service on procedures related to tax and social insurance," "Utilizing public and private sectors data," "Remote education/remote medical consultation in the IT era," "Revision on sun shadow regulations," and "Adjustment/sharing of radio wave frequency" as discussed in the following (i)-(v).

(i) Adoption of IT and one-stop services on procedures related to tax and social insurance

Procedures related to income tax (year-end tax adjustment), inhabitants' tax (notification about the amount of tax special collection), and social insurance is a huge burden on companies, constraining improvements in their productivity. It is supposed to be able to drastically rationalize the procedures through the use of ICT and the "My Number" system as seen in preceding cases of other countries. However, our country has remained unchanged in that people are required to submit papers to service counters for various procedures, and in

some cases, they have to provide the same information to different service counters due to the vertically segmented administrative system.

Based on the above, the Council for Promotion of Regulatory Reform has put together regulatory reform items by discussing the design of the most appropriate system through a review of the entire process, rather than aiming at partial improvements on individual procedures, in order to create a rational system for both corporations and their employees.

These issues were discussed mainly by the Working Group on Investments, etc., although they were part of the agenda for the Subcommittee for Administrative Burden Reduction.

(ii) Utilizing public and private sectors data

Big data utilization is one of the most important areas of the government's growth strategy. For this reason, rules have been developed/improved as seen in the 2015 revision of the Act on the Protection of Personal Information (Act No. 57 of 2003), and the 2016 revision of the Act on the Protection of Personal Information Held by Administrative Organs (Act No. 58 of 2003), and legislation of the Basic Act on the Advancement of Utilizing Public and Private Sector Data (Act No. 103 of 2016). Rules on anonymized data, etc., newly established in the revised Act on the Protection of Personal Information will be enforced in May 2017.

Based on the above, the Council for Promotion of Regulatory Reform made necessary inspections as these rules were being developed. Special focus was given to how personal data held by local governments should be utilized as new regulations will be established on this matter. The Council for Promotion of Regulatory Reform also discussed registered real estate information, including the issue of a gap between the reality and registered information, from the perspective of open data promotion.

(iii) Remote education/remote medical consultation in the IT era

High-quality medical/educational services beyond geographical/time constraints have become a reality thanks to ICT development. However, ICT utilization is prevented in many cases due to regulations requiring conventional "face-to-face" services.

Based on the above, the Council for Promotion of Regulatory Reform have inspected the results of the regulatory reform while working to discover unidentified issues.

(iv) Revision of sun shadow regulations

Deregulation on the floor area ratio, etc., has been quite effective in promoting investment so far. As an unaddressed issue for further investment promotion, the Council for Promotion of Regulatory Reform discussed revision of sun shadow regulations.

(v) Adjustment/sharing of radio wave frequency

Needs are growing for available radio waves as the fourth industrial revolution proceeds. To respond to these needs, it is crucial to inspect whether already-assigned frequencies are

effectively utilized and work on adjustment and sharing. Some other countries have already begun adjustment/sharing of frequencies, especially those assigned for public use.

Based on the above, the Council for Promotion of Regulatory Reform discussed frequency assignment for public use in Japan by using other leading countries' cases as a reference.

In Investment, etc., the Council for Promotion of Regulatory Reform considered a variety of other items requested by businesses in addition to the above (i)-(v) and put together necessary regulatory reform items. Results of this will be discussed in (2).

On another note, with regard to "Utilizing public and private sectors data" and "Remote education in the IT era," the Council for Promotion of Regulatory Reform released "Opinion regarding promotion of utilizing public and private sectors data" and "Opinion regarding promotion of remote education" on April 25, 2017.

(2)Specific Items for Regulatory Reform

(i) Adoption of IT and one-stop service on procedures related to tax and social insurance

A. Promotion of computerization on year-end adjustment procedure related to income tax

[Examine, draw conclusions in FY2017.]

Systems of withholding tax and year-end adjustment concerning employment income have been used for many years to simplify tax payment procedures for employment income earners (employees), who account for a large part of income tax payers, and restrain social cost.

Some argue, though, based on the administrative burden on withholding agents (employers), that electronic filing should be allowed for documents related to year-end adjustment (insurance-premium-deduction certificates, mortgage balance certificates), which are currently supposed to be submitted in paper format, and that procedures should be simplified for deduction concerning premiums of life insurance, etc., for employers on a group special contract.

Therefore, the Council for Promotion of Regulatory Reform will examine and draw conclusions on making electronic filing available for practically all documents related to year-end adjustment through further ICT utilization in view of lowering the costs for society overall including employees and employers based on opinions of interested parties.

At the same time, the Council for Promotion of Regulatory Reform will discuss and draw conclusions on development of systems to enable employees to easily complete deduction application forms by using electronically issued deduction certificates and to submit them to employers.

As well, in view of further rationalizing the entire process of year-end adjustment, the Council for Promotion of Regulatory Reform will examine and draw conclusions on possibilities and measures related to the following points based on opinions of interested parties.

- Aiming to simplify in-house deduction filing procedures from employees to their employer regarding deduction application forms concerning premiums of life insurance, etc., for employers on a group special contract
- Considering a framework that enables users to provide information concerning various deductions such as insurance premium deduction and mortgage deduction to the “My Number” Portal and to use such registered information as certificates for deductions based on the premises that a system will be developed to allow efficient data sharing among “My Number” Portal, related businesses and employers and that necessary legal measures will be taken.

B. Computerization on notification about the amount of inhabitants’ tax special collection

[a: Implement continuously from FY2017 onwards.
b: Examine in 2017, and take measures upon drawing conclusions.]

Notification about the amount of inhabitants’ tax special collection is issued to companies by municipalities where employees reside and it consists of notification for special collecting agents and that for taxpayers. Companies are supposed to make special collection from employees’ salaries based on the notification for special collecting agents, and issue the notification for taxpayers to employees. While it is technically possible for municipalities to issue the notification for special collecting agents electronically, only a few have done so. Some argue that companies would have extra difficulties to use electronic notification and issue it to employees because notification for taxpayers is not yet ready for electronic issuance, which would make companies receive notification for taxpayers in paper from municipalities anyway.

Therefore, the following measures will be taken:

a. Make sure the necessary support will be provided for promotion of electronic issuance to municipalities that have not begun electronic issuance of the original copy of notification about the amount of inhabitants’ tax special collection for special collecting agents through advice on the significance and effect of introduction of electronic issuance.
b. Examine and promptly draw conclusions on possibilities of notification about the amount of inhabitants’ tax special collection for taxpayers being sent electronically to companies and received by employees, or possibilities of notification being received by employees through "My Number" Portal without going through companies in order to reduce companies’ burden and streamline the entire procedure.

C. Revision of social-insurance-related procedures (1) (Substantial increase in the rate of online application usage)

[a: Develop progress schedule in the first half of 2017.
b: Take measures continuously in 2017 and thereafter.

c: Examine, draw conclusions in FY2017.]

For the procedure for social insurance/labor insurance that companies use repeatedly and continuously, the rate of online application usage remains at 9.6% (in FY2015). There is a variety of causes for this: online application does not look attractive compared to paper-based application that does not require fees anyway; online application suffers from a low degree of recognition; some health insurance societies have developed unique systems or application methods; and usability is unsatisfactory. However, the government should stick to its principle of "Digital First" and aim to make substantial improvements in the rate of online application usage.

Therefore, the following measures will be taken:

a. For reduction of companies' burden during procedures concerning social insurance/labor insurance for employees, the government will work out and implement a progress schedule to ensure computerization by FY2020, aiming to make substantial improvements in the rate of online application usage (9.6% in FY2015) based on the principle of "Digital First" by, for example, making it compulsory for companies of a certain size to make electronic filing of notification of the base amount for calculation of social insurance, etc., to the Japan Pension Service.
b. The government will makes sure that organization-wide promotion will be carried out including: publicizing availability of electronic filing in procedures related to social insurance/labor insurance through company visits and website postings, distributing leaflets at service counters of all the pension offices and public employment security offices, installing application terminals for usage promotion in selective locations, providing electronic-filing demonstration in briefing sessions for companies as many times as possible, and making sure that service counter staff will stick to the principle of "Digital First" and promote electronic filing to visitors.
c. The government will visualize operation flows at institutions related to social insurance/labor insurance, optimize them for electronic filing, discuss measures to shorten processing time, and set up standard processing time after drawing conclusions.

D. Revision of social-insurance-related procedures (2) (Procedure revision by utilizing online application)

[a: Examine, draw conclusions in FY2017. b: Take measures in 2017.
c: Examine, draw conclusions, take measures in FY2017.
d: Examine, draw conclusions in FY2017.]

It is a huge burden on companies that they have to file the same or similar information separately to different institutions for procedures related to social insurance/labor insurance because these institutions serve different systems. To reduce such a burden, it is necessary to revise procedures for a one-stop service on the "Once only" principle by utilizing online

application after reducing and integrating procedures and required information.

Therefore, the following measures will be taken:

a. The government will discuss, decide on and implement measures to change the current situation where companies are required to submit different forms to relevant service counters respectively based on each law concerning employees' pension insurance, health insurance, and labor insurance at the time of start or termination of employment, and to ensure that the "same information will not be asked for again."
b. With regard to software for labor management, etc., compatible with API for external coordination, the government will increase the frequency of meetings with software venders from a few times a year at the moment, and will release the results of handling based on received opinions. Based on such opinions, the government will promote application through API for external coordination and implement measures to improve usability.
c. The government will discuss skipping the process of getting seals or signatures from employees, which is currently required to certify that companies represent them or have their consent, and take measures after drawing conclusions.
d. The government will examine and draw conclusions on measures to improve the convenience of applicant companies by learning more about their application procedures in health insurance societies.

(ii) Utilizing public and private sectors data

A. Utilizing data held by local governments

[a: Take measures to conduct an exchange of opinions in the first half of FY2017. Draw conclusions from examination on the possibilities of settlement through legislation in FY2017.
b: Examine and draw conclusions in FY2017. while examining the possibilities of settlement through legislation,
c, d: Take measures in the first half of FY2017.]

As utilization of various data held by the private sector and national and local governments is critically important, rules to allow utilization of processed personal information have been developed through revision of laws such as the Act on the Protection of Personal Information and the Act on the Protection of Personal Information Held by Administrative Organs. As well, based on the Basic Act on the Advancement of Utilizing Public and Private Sector Data, the government is preparing a promotion system.

Against this backdrop, the Ministry of Internal Affairs and Communications (MIC) states in its report of "Review meeting concerning personal data held by local governments" that local governments should seek consistency in the system for non-identifiable processed information with the private sector and the national government when they introduce it. However, if such new rule development is left to each local government's ordinance, it will

likely lead to differences in the ordinance's content and operation as well as time of enactment among local governments. As a result, it may end up with varying states of data provision among local governments, and extreme difficulty in eliminating such differences.

While MIC have heard opinions from local governments on ordinance enforcement through review meetings, etc., the Council for Promotion of Regulatory Reform determined that they have conducted exchanges of opinions without any specific measures in mind other than ordinance enforcement premised on the above possibilities.

Therefore, the following measures will be taken:

a. With regard to processing and utilization of non-identifiable processed information in local governments, the government will promptly set up an opportunity for opinion exchange to proceed with rule development in line with local governments' wishes so that consistent rules would be developed. For the moment, the government will also examine the possibilities of settlement through legislation based on local governments' wishes while promoting ordinance development by advanced local governments.
b. To prevent problems that local governments may face, e.g., being dwarfed by the task of processing and handling of non-identifiable processed information, having a shortage of manpower, etc., the government will promote establishment or creation of joint contract institutions that are entrusted with formation of non-identifiable processed information by local governments.
c. The government will set up an official service counter providing preliminary consultation regarding processing and handling of non-identifiable processed information concerning local governments.
d. The government will set up an official service counter providing preliminary consultation regarding processing and handling of non-identifiable processed information (anonymized information) open to national government administrative organs and private businesses.

B. Handling of personal information in medical or related research

[Measures have been taken for revision of guidelines, etc., due to enforcement of the revised Act on the Protection of Personal Information. Examine, draw conclusions on system improvement around FY2020.]

With regard to the definition of personal information, the revised Act on the Protection of Personal Information states clearly that personal identification codes are deemed as personal information. The revised Act on the Protection of Personal Information also states that obtaining special care-required personal information requires consent of the person concerned in principle and prohibits the use of the "opt-out method". With regard to this, some are concerned that this may obstruct implementation of medical or related research even after the enforcement of the revised Act on the Protection of Personal Information

unless the past application in the “Ethical guidelines for medical or related research with human subjects” (Ministry of Education, Culture, Sports, Science and Technology (MEXT) and Ministry of Health, Labour and Welfare (MHLW) Notification No. 3 of 2014) and others is maintained. As well, some argue that handling of personal information in medical or related research should be revised, with the possibility of taking legal measures in the future, for further system improvement based on the state of enforcement of the revised Act on the Protection of Personal Information.

Therefore, the government will make sure that implementation of medical or related research will not be obstructed when revising the “Ethical guidelines for medical or related research with human subjects” due to the enforcement of the revised Act on the Protection of Personal Information.

As well, the government will consider revision for further system improvement regarding handling of personal information during implementation of medical or related research after the enforcement of the revised Act on the Protection of Personal Information.

C. Smooth enforcement of the Act on Anonymized Medical Data to Contribute to R&D in the Medical Field

[Examine, draw conclusions, take measures by the time of enforcement of the Act on Anonymized Medical Data to Contribute to R&D in the Medical Field.]

It is required to develop a new base to collect medical treatment and inspection data from a wide range of sources, securely manage and anonymize them, and promote their use towards advancement of R&D for new drugs and treatment based on utilization of such data in the medical field. For this purpose, the government submitted to the Diet a bill on Anonymized Medical Data to Contribute to R&D in the Medical Field, which has just been passed. It includes regulations on certification of businesses anonymizing medical data and handling of medical information, etc., regarding anonymized medical data to contribute to R&D in the medical field. Upon the enforcement of the Act on Anonymized Medical Data to Contribute to R&D in the Medical Field (Act No. 28 of 2017), some argue that it should provide some kind of advantage or incentives to medical institutions in return for providing data to certified businesses, that it should make sure that certified businesses can operate a stable business, and that it should make sure that certified businesses will not make data exclusive to themselves when receiving it from medical institutions or providing it to users.

Therefore, the government will aim for smooth enforcement of the Act on Anonymized Medical Data to Contribute to R&D in the Medical Field by establishing responsible ministry ordinances, etc., in order to promote medical data utilization and eventually creation of new technologies/industries related to health/medical care. When doing so, the government will pay particular attention to ensuring an effective mechanism in terms of development of an environment for promoting data provision by medical institutions, a guarantee of stable operation for businesses anonymizing medical data, and prevention of

exclusive possession of data by certified businesses.

D. Management of real estate registration data (promotion of inheritance registration)

[a: Take measures in the first half of FY2017. b: Take measures in FY2017. c: Start examination in FY2017, and take measures for items on which conclusions have been drawn.]

Although real estate registers are practically the source of information for landowners, listed information does not reflect the true state due to incompletion of inheritance registration, etc., which makes it difficult to get information on landowners and is causing problems for local governments' operation and development by the private sector. Some argue that the government should revise how real estate registration should be by identifying such a gap between registered information and the actual state. Others argue that the government should promptly consider system development for promotion of inheritance registration, including the possibility of linking it to family registers where application of "My Number" is considered.

Therefore, the following measures will be taken:

a. To assess the state of the gap between those listed in real estate registers as owners and true owners, the government will inspect to see the degree to which land inheritance registration is likely to be incomplete and release the results.
b. The government will develop a system to help registrars promote inheritance registration by explaining its advantages, and disadvantages if left unregistered, to inheritors who use the statutory inheritance information certification system in order to raise awareness of the significance of inheritance registration.
c. To eliminate land for which inheritance registration has long been incomplete, the government will examine specific measures including a system revision, e.g., setting up a link to family registers where application of "My Number" is considered, in order to grasp land owner information including information of decease and information of inheritors, and take necessary measures for items on which conclusions have been drawn.

E. How real estate registration information should be released

[Start examination in FY2017 and draw conclusions in FY2018.]

Registered real estate information is provided for a fee. On this, however, some argue that information should be available more openly, if not for free of charge, from the perspective of open data promotion. Some also point out that the government should aim for revitalization of the property market by promoting management and release of certain data such as land owner information.

Therefore, the government will examine how real estate registration information should be released, including the pros and cons of free release of a limited range of information, in

view of improving people's convenience while taking personal information protection into account due to the importance of information registered in a real estate database, and will make necessary revisions.

F. Coordination of real estate registration information, etc., among administrative agencies

[Examine, draw conclusions in FY2017.]

As real estate registers are practically the source of information for landowners, USB flash drives or other media are being used when such information is provided to administrative agencies, causing concerns for security as well as a burden on both providers and recipients. As well, some argue that open data promotion for revitalization of the property market should be considered only after development of a system that realizes effective and efficient sharing of certain information including information of landowners in view of realizing more efficient administrative procedures and appropriate management of land.

Therefore, the following measures will be taken:

a. The government will develop a system that enables each administrative agency to make efficient use of owner information listed in various ledgers such as the real estate registration information system, farmland ledgers, forest ledgers, property tax ledgers, and the real estate information database.
b. The government will determine a governmental promotion system to develop a mechanism that realizes accumulation of the most updated and accurate information of landowners by coordinating information listed in various ledgers as discussed in the above, and makes a certain range of information available for use.

(iii) Remote medical consultation in the IT era

A. Clarification on handling of remote medical consultation

[Examine, draw conclusions, take measures in the first half of FY2017.]

With regard to medical consultation using information and communication equipment (so called "remote medical consultation"), an Office Memorandum issued by MHLW Health Policy Bureau in August 2015 made it clear that it could be implemented at a physician's discretion. However, some argue that they still need to see appropriate legal interpretation by each Regional Bureau Health and Welfare or public health center.

Therefore, the government will issue new notification including the following items to provide clarification on handling of remote medical consultation.

- Remote medical consultation is available for areas other than "remote islands/rural areas" as well.
- Remote medical consultation is available for a first-time consultation as well.

- Smoking cessation outpatient services fully conducted on a remote basis, and diseases that require only one-time consultation are assumed to be cases where remote medical consultation is available at a physician's discretion.
- SNS and/or combination of images and emails are assumed to be available as tools at a physician's discretion.

B. Better assessment for remote medical consultation in terms of medical fees

[Examine, draw conclusions in FY2017, measures to be taken in FY2018】

Remote medical consultation is not valued fairly in terms of medical fees, which is working against its wider adoption.

Therefore, the government will examine and draw conclusions on how remote medical consultation should be evaluated in terms of medical fees in anticipation of a revision of medical fees in FY2018 so that it would be more appropriately evaluated and compensated in view of realizing the provision of effective and efficient medical care. During the examination, the government will not simply compare face-to-face consultation and remote consultation but consider various possibilities, e.g., prevention of aggravation of diseases through a continuous follow-up realized by a combination of face-to-face and online consultation, as in an example of a patient with diabetes or other lifestyle-related diseases being treated through effective guidance/management and remote monitoring of his/her blood pressure and sugar.

(iv) Remote education in the IT era

A. Measures for full-scale promotion of remote education

[Start examination in FY2017. Draw conclusions, take measures in the first half of FY2018.]

It is feasible to provide remote education on certain conditions under the current rules. In view of providing high-quality lessons in various subjects, especially programing and English conversation, which are expected to be in high demand, use of remote education is effective.

As well, some argue that utilization of remote education will contribute to alleviating the burden on teachers.

Therefore, while it is possible to provide remote education under the current rules, the government, aiming for further improvement of educational quality, will put together measures for full-scale promotion with a broader perspective, inform those concerned with schools, and take other necessary measures.

B. Measures to reduce teachers without appropriate subject qualifications

[a: Implement continuously from FY2017 onwards.
b: Start examination in FY2017. Draw conclusions, take measures in FY2018.]

The system for teachers without appropriate subject qualifications is used if teachers with

qualifications for a certain subject are unavailable and allows teachers with qualifications for other subjects to teach the subject concerned. The system was supposed to be a temporary measure (Paragraph 2 of the Supplementary Provisions of the Education Personnel Certification Act (Act No. 147 of 1949)). But it has been maintained for over 60 years and many junior high schools and high schools are still using it today (7,171 and 3,680 cases in junior high schools and high schools, respectively, in FY2015). In terms of educational quality, it is a serious issue that children are being taught a subject by teachers who do not specialize in it, and it should not be left unaddressed.

Therefore, the following measures will be taken:

a. With regard to the problems of educational quality and the burden on teachers suggested by the fact that teachers without appropriate subject qualifications have to teach the subject concerned, the government will aim to improve educational quality and reduce the burden on teachers by promoting remote education feasible under the current rules and encouraging Prefectural Boards of Education to improve training, etc.
b. With an aim to limit the use of the system for teachers without appropriate subject qualifications to cases where schools are facing an unexpected shortage of teachers during a term as well as to reduce the system use in a phased manner by giving instructions to Prefectural Boards of Education, the government will inspect the actual state of teaching by teachers without appropriate subject qualifications, based on which the government will review and organize cases where the system use should be allowed and other important items to note in order to revise the system.

C. Solving issues on the Copyright Act in remote education in high schools

[Examine, draw conclusions, take measures in FY2017.]

When playing music or using materials during a class of school education, it is generally considered not necessary to obtain authorization under the Copyright Act (Act No. 48 of 1970). However, in the case of a class provided through remote education, playing music or transmission of materials may be considered “transmission to many and unspecified persons,” and require authorization of copyright holders. Eligible for special measures stipulated in (Paragraph 2, Article 35 of) the Copyright Act, currently, a “joint class” (with a teacher and students in both classrooms) does not need to obtain authorization of (or pay compensation to) copyright holders just as regular face-to-face lessons in classrooms do not. On the other hand, no measures are taken for a “simultaneous bidirectional remote class” (where there is only a teacher and no students on the side of transmission), which has been legally available in high schools since April 2015, and thus it would need to obtain authorization of copyright holders in principle. This is considered as a constraint on music classes, etc.

Therefore, the government will examine issues of the copyright system in a

"simultaneous bidirectional remote class" that has been legally available in high schools since April 2015, and take the necessary measures.

D. Developing an information security policy

[Examine, draw conclusions, take measures in the first half of FY2017.]

The "simultaneous bidirectional remote class" has become legally available in high schools with full-day courses/part-time courses since April 2015. However, because an information security policy concerning education has not been established, learning systems (systems handling learning materials) would be subject to an extremely high level of security requirements similar to that for school administrative systems (systems handling student directories and grades), thereby incurring a huge cost, which is considered to hinder the spread of remote education.

Therefore, the government will promptly develop guidelines for an information security policy for education in view of creating an environment where ICT-based education can be provided based on the characteristics of schools where students are supposed to have free access to learning systems.

(v) Revision of sun shadow regulations

A. Revision of sun shadow regulations on station buildings and garages along railroad tracks

[Examine, draw conclusions in FY2017, and take measures promptly upon drawing conclusions.]

Station buildings and garages along railroad tracks are subject to sun shadow regulations concerning building sites if specific administrative agencies consider them as building sites. However, some argue that they are unlikely to be used for a residence and do not necessarily require sunlight, and thus should be exempted from sun shadow regulations.

Therefore, with regard to station buildings and garages along railroad tracks, the government will inspect the actual state of regulations by local governments' ordinances based on Article 56-2 of the Building Standards Act (Act No. 201 of 1950), examine operation of sun shadow regulations by local governments' ordinances, and draw conclusions.

B. Revision of sun shadow regulations on reconstruction of old buildings

[Examine, draw conclusions in FY2017, and take measures promptly upon drawing conclusions.]

Some argue that in reconstruction of old buildings including condominiums, sun shadow regulations are obstructing the use of the system for relaxing floor area ratios stipulated in the Act on Facilitation of Reconstruction of Condominiums (Act No. 78 of 2002), thus preventing growth of reconstruction.

Therefore, with regard to reconstruction of old buildings including condominiums, the

government will inspect the actual state of special provisions of sun shadow regulations based on Article 56-2 of the Building Standards Act, and examine and draw conclusions on operation of special provisions towards facilitation of reconstruction of old buildings including condominiums.

C. Revision of sun shadow regulations on Prompt Development Areas for Urban Renaissance

[Examine, draw conclusions in FY2017.]

Special urban renaissance districts are part of districts subject to urban planning to induce construction of buildings that contribute to urban regeneration and have special uses, floor area ratios, height, arrangement, etc., aimed at reasonable, sound, and high-level usage of land among Prompt Development Areas for Urban Renaissance including Specific Prompt Development Areas for Urban Renaissance designated by the government based on the Act on Special Measures concerning Urban Renaissance (Act No. 22 of 2002). However, some argue that the government should promptly facilitate appropriate, high-level usage of land because the effects of high-level usage allowed for special urban renaissance districts cannot be fully expected in Specific Prompt Development Areas for Urban Renaissance that are adjacent to areas subject to sun shadow regulations.

Therefore, the government will inspect the actual state of sun shadow regulations in areas surrounding special urban renaissance districts, and examine the operation of sun shadow regulations in applicable areas within Prompt Development Areas for Urban Renaissance.

(vi) Adjustment/sharing of radio wave frequency

A. Disclosure of assignment/use of public frequency bands and revision of how the state of usage should be studied

[Start examination in FY2017, draw conclusions in FY2018, and take measures in a phased manner upon drawing conclusions.]

In Japan, the state of assignment of frequency for the government sector is largely not open to the public. As well, study of the state of usage is limited to a survey over existing licensees (conducted once every three years in principle), and detailed study on the actual state is not conducted unlike in other countries, which makes it reasonable to question the effective use of valuable frequencies.

Therefore, the following measures will be taken:

a. From the perspective of effective use of frequencies, the government will take measures to readily disclose information on users who were assigned frequencies and their usage by using other countries' cases as reference in order to get a more accurate picture of the actual state of usage of frequencies assigned to the governmental functions including policing, self-defense force, firefighting, disaster prevention, etc., while making sure that there would be no interference in each operation from interception or jamming of communication and taking confidentiality into full

consideration.

b. From the perspective of effective use of frequencies, the government will examine study approaches and take necessary measures in order to get a more accurate picture of the actual state of usage of frequencies assigned to the governmental functions including policing, self-defense force, firefighting, disaster prevention, etc.

B. Setting up target figures concerning making public-use frequencies available to the private sector

[Examine, draw conclusions, and take measures by the time of revising the targets for the next term.]

In the US and the UK, governments have opened up frequencies for government sectors to private sectors since 2010, set up target figures of sharing those frequencies with the private sectors (public-private sharing) and have been working on securing required frequencies. On the other hand, Japan has yet to set up target figures of securing frequencies from the government sector for private use although the government is considering adjustment/sharing/reallocation of frequencies. As securing frequencies is a pressing issue due to maximization of the number of accesses to frequencies, the government should work towards it by setting up target figures.

Therefore, from the perspective of effective use of frequencies, the government will examine and draw conclusions on setting up target figures of making frequencies used by the government sector available to private use, or public-private sharing, when setting up target figures for securing frequencies next time.

C. Promotion of public-public/public-private sharing

[Start examination in FY2017. When it is ready, a technical test will be conducted and then conclusions will be drawn in FY2020.]

While a certain degree of public-private sharing of frequencies is seen in specific areas today, it is limited in terms of locations and usage, far from being effectively utilized. On the other hand, public-public sharing and public-private sharing seem to be under way through dynamic allocation made possible by innovative technology in the United States and the United Kingdom. From the perspective of effective use of frequencies, Japan should also consider public-public sharing and public-private sharing of frequencies.

Therefore, the government will discuss more dynamic sharing approaches that apply more efficient and effective technology to determination of sharing conditions including sharable place, time, and transmitted power.

D. Promotion of more effective frequency reallocation

[Examine, draw conclusions in FY2017.]

There is a system currently in place called “termination promotion measures” that

promotes reallocation of radio waves by making those who will newly be assigned radio waves cover the expenses required for frequency migration. However, only limited reallocation has been realized so far because under this system radio stations that terminate use of frequencies need to be private businesses.

Therefore, based on the indication in the final report of the Radio Policy Vision Council (December 2014) that termination promotion measures need to be improved in light of economic value, the government will consider a more flexible, enhanced system where not only private businesses but also radio stations for governmental functions could be eligible for termination promotion measures, and at the same time those who will newly be assigned radio waves would additionally cover necessary expenses incurred by existing licensees for continuous smooth operation during a transition period from the perspective of efficient use of frequencies and promotion of reallocation.

E. Making the experimental test station system well known and considering a new test licensing system

[a: Examine, draw conclusions, and take measures in FY2017.
b: Examine, draw conclusions in FY2017.]

Currently, the “specific experimental test station system” is in place, which grants radio station licenses valid for a short term in specific areas after a relatively short examination period. However, “practical use” is not allowed in current experimental test stations/specific experimental test stations under the system, which is considered to have a chilling effect on investments in development and commercialization because of low predictability associated with the current temporary license.

Therefore, in view of promoting new entries and improving Japan's international competitiveness, the following measures will be taken:

a. The government will thoroughly communicate that “experimental test stations” are allowed to conduct experiments/tests where they can deliver experimental services to the public and that the license can be valid not just in specific areas but the entire country as long as experimental test stations are not likely to disturb operation by existing radio stations through interference or other kinds of obstruction.
b. In view of making application/examination processes transparent, the government will release information such as time of application, examination details, whether a license has been issued or not, time of decision, etc., for each case as long as applicants agree, and discuss the pros and cons of making it possible for applicants to obtain regular licenses on the same frequency band through a minor interim examination process based on the results of their experiments when completed.

(vii) Revision of regulations related to next-generation automobiles (fuel cell vehicles)

A. Revision of obligations of high-pressure gas dealers

[Start examination in FY2017, and take measures upon drawing conclusions in FY2018.]

The High-Pressure Gas Safety Act (Act No. 204 of 1951) states that high-pressure gas dealers are required to prepare ledgers containing information on the security state of recipients of high-pressure gas and elect a sales safety chief who manages security operation.

With regard to this, as hydrogen filling stations are seeing an increasing amount of time required for filling because of entry and management of security ledgers, some argue that management of security ledgers should be discontinued because hydrogen filling stations only fill high-pressure hydrogen containers fixed to vehicles.

As well, some question not just such ledger management but also the need for election of sales safety chiefs because they are only responsible for entry and management of security ledgers when it is difficult to secure human resources.

Therefore, the following measures will be taken:

a. The government will consider discontinuation of security ledgers at hydrogen filling stations and will take necessary measures after drawing conclusions.
b. The government will consider rationalization of election of sales safety chiefs at hydrogen filling stations together with discontinuation of security ledgers, and will take necessary measures after drawing conclusions.

B. Elimination of the need to confirm on-vehicle container summary certificates, etc., when filling with hydrogen.

[Start examination in FY2017.]

The High-Pressure Gas Safety Act prohibits filling anything other than containers that passed container inspection with high-pressure gas, and on-vehicle container summary certificates, etc., must be confirmed when filling high-pressure hydrogen containers for fuel cell vehicles.

With regard to this, some argue that it is unreasonable to oblige hydrogen filling station businesses to confirm on-vehicle container summary certificates, etc., when users are obligated to conduct inspection and maintenance of vehicles under the Road Transport Vehicle Act (Act No. 185 of 1951).

As well, in view of promoting fuel cell vehicles, some argue that the government should eliminate the need to confirm on-vehicle container summary certificates, etc., when filling hydrogen containers by making it an automobile inspection requirement that the validity of on-vehicle containers survives the term of automobile inspection validity.

Furthermore, some point out that the government needs to review the scope of responsibilities of vehicle users and hydrogen filling station businesses including possible legislation in anticipation of full-fledged popularization of hydrogen fuel cell vehicles in

future.

In anticipation of full-fledged popularization of hydrogen fuel cell vehicles in future, the government will therefore begin deliberation on how safety confirmation should be conducted when filling on-vehicle containers with hydrogen in terms of the burden related to hydrogen tank regulations on vehicle users and hydrogen filling station businesses as well as security of hydrogen tanks based on how businesses understand the issue of confirmation of on-vehicle container summary certificates, etc., and opinions and proposals of interested parties.

C. Use of spare parts at hydrogen filling stations

[Examine, draw conclusions in FY2017, and take measures promptly upon drawing conclusions.]

According to the High-Pressure Gas Safety Act, use of spare parts at high-pressure gas facilities, if it is considered to be replacement of equipment, requires permission for change except in cases of minor changes. As well, there are some prescribed methods of using spare parts without obtaining permission for change, e.g., using certified spare parts with proof of safety, or spare parts that passed entrusted examination of the High-Pressure Gas Safety Institute of Japan. With regard to this, some argue that the government should develop procedure manuals, etc., for manufacturers to be able to smoothly apply for factory authorization because no procedure manual has been issued for the class of hydrogen filling stations although “Regarding authorization, etc., of persons who conduct tests according to the regulation set forth in Article 6, paragraph (1), item (xi) of the General High-Pressure Gas Safety Ordinance and persons who manufacture products according to item (xiii) of the same paragraph” (decision by Director-General for Commerce, Distribution and Industrial Safety Policy, Ministry of Economy, Trade and Industry (METI) on February 26, 2016) has been issued concerning factory authorization by the Minister of Economy, Trade and Industry.

Therefore, with regard to the use of spare parts at hydrogen filling stations, the government will work on procedure manuals, etc., and environment development so that manufacturers of products for hydrogen filling stations could obtain authorization for their factories from the Minister of Economy, Trade and Industry and promptly produce certified products.

D. Relaxing security inspection methods

[Examine, draw conclusions, and take measures by FY2018 once security inspection methods have been developed by industrial organizations.]

The General High-Pressure Gas Safety Ordinance (Ordinance of the Ministry of International Trade and Industry No. 53 of 1966) states that high-pressure gas facilities installed in hydrogen filling stations are subject to mandatory security inspection by prefectural governors and self-inspection for security at least once a year in principle. With

regard to this, some argue that the economic burden, especially of overhaul inspection, on businesses is growing, that there is an increasing risk of leakage through repeated overhauling and reassembling, and that it may cause material deterioration including corrosion because materials used must be immune to hydrogen.

Therefore, with regard to high-pressure facilities installed in hydrogen filling stations, the government will consider making an addition to "Notice providing security inspection methods" (METI Public Notice No. 84 of 2005) based on security inspection methods proposed by industrial organizations, etc., in view of relaxing the burden on businesses, and will take necessary measures after drawing conclusions.

E. Revision of security supervisors

[a: Start examination in FY2017.
b: Start examination in FY2017, and take measures upon drawing conclusions in FY2018.]

According to the High-Pressure Gas Safety Act, high-pressure gas manufacturers must elect security supervisors, etc., and in hydrogen filling stations as well security supervisors must conduct inspection three times a day and establish a contact system for the time when they are away. Furthermore, hydrogen filling stations are supposed to elect security supervisors from people who have been issued a license as high-pressure gas manufacture manager and experienced hydrogen manufacturing for six months or more.

With regard to this, some argue that the government should allow security supervisors to serve two or more hydrogen filling stations concurrently on condition that they establish an emergency contact system because it is hard for each hydrogen filling station to secure such a qualified person, which is contributing to the increase of operation cost and difficulties for new entrants.

With regard to experience required for security supervisors at hydrogen filling stations, some also argue that the government should rationalize requirements by allowing experience of a shorter period in cases where a person has experience in manufacturing other kinds of combustible high-pressure gas.

Therefore, the following measures will be taken:

a. The government will start deliberation on safety based on proposals by businesses with regard to appropriate security systems if security supervisors hold concurrent positions in multiple hydrogen filling stations.
b. The government will work with businesses and consider how to rationalize experience requirements for security supervisors at hydrogen filling stations without affecting safety, and will rationalize experience requirements after drawing conclusions.

F. Allowing unmanned operation of hydrogen filling station facilities through remote

monitoring

[Start examination regarding the High-Pressure Gas Safety Act in FY2017. Start examination regarding the Fire Services Act once measures have been taken on the High-Pressure Gas Safety Act.]

According to the High-Pressure Gas Safety Act, high pressure gas manufacturers must elect security supervisors, etc., and in hydrogen filling stations as well security supervisors must conduct inspection three times a day and establish a contact system for the time when they are away. With regard to this, some argue that the government should allow unmanned operation based on the results in the security state by security supervisors serving two or more locations as well as technological development, considering that unmanned operation of hydrogen filling station facilities through remote monitoring has already been put to practical use in other countries including the US.

Therefore, with regard to unmanned operation of hydrogen filling station facilities through remote monitoring, the government will start examining appropriate measures for necessary hardware and software in view of securing safety and convenience by using other countries' cases as reference based on proposals by businesses.

As well, if technical standards on the High-Pressure Gas Safety Act have been established concerning unmanned operation of hydrogen filling station facilities through remote monitoring, the government will start consideration of safety measures on the Fire Services Act (Act No. 186 of 1948) for cases of an unmanned hydrogen filling station set up side by side with a gas station based on such technical standards.

G. Relaxing election of security controllers, etc., concerning hydrogen shipping facilities

[Start examination in FY2017.]

According to the High-Pressure Gas Safety Act, high-pressure gas manufacturers that have hydrogen shipping facilities in place must elect security controllers, supervisory safety workers, etc. With regard to this, as even small-scale hydrogen shipping facilities attached to hydrogen filling stations are required to elect security controllers, etc., which increases cost, some argue that the government should allow security supervisors to be substituted on condition that safety equivalent to that required for hydrogen filling stations is secured.

Therefore, based on proposals by businesses, the government will start consideration of appropriate security systems in cases where security supervisors substitute security controllers, etc., concerning small-scale hydrogen shipping facilities attached to hydrogen filling stations.

H. Making it possible to fill up with hydrogen at general households

[Start examination in FY2017.]

The General High-Pressure Gas Safety Ordinance provides technical standards concerning mobile filling under 20MPa, etc. However, they require, for example, a barrier

between the compressor and dispenser, which would make them impractical for use in general households, and thus some argue that the government should consider appropriate regulations according to risk without being constrained by the conventional laws and regulations.

Therefore, the government will start consideration of safety of filling up with hydrogen at general households based on proposals by businesses.

I. Revision of handling of small amounts of leakage at hydrogen filling stations

[Start examination in FY2017, and draw conclusions in FY2030.]

The High-Pressure Gas Safety Act requires high-pressure gas manufacturers, etc., to submit an accident report if a disaster breaks out from high-pressure gas they owned or possessed. With regard to this, some argue that the government should make revisions so that a small amount of leakage from joints or opening/closing parts that is undetectable by a leak detector would not have to be treated as an accident because if high-pressure gas manufacturers submit an accident report, they would have to obtain the prefectural governor's approval before resuming operation, hence facing a period of closure of hydrogen filling stations.

Therefore, with regard to handling of small amounts of leakage from joints or opening/closing parts at hydrogen filling stations, the government will evaluate risk, consider revision, and draw conclusions.

J. Rationalizing measures for gas-filled containers at hydrogen filling stations

[a: Start examination in FY2017, and take measures promptly upon drawing conclusions in FY2018.
b, c: Take measures in FY2017.]

The General High-Pressure Gas Safety Ordinance requires that measures be taken to block direct sunlight on gas-filled containers, etc., at hydrogen filling stations, and gives exemplified standards: setting up a lightweight roof made of non-combustible or flame-resistant materials, or covering with a non-combustible or flame-resistant sheet if only for a short period of time. With regard to this, some argue that many businesses are having a hard time in obtaining a prefectural governor's approval, even though they secure safety equivalent to that provided in the exemplified standards through other measures.

As well, the said Ordinance requires that the temperature of gas-filled containers, etc., at hydrogen filling stations be kept at 40 degrees or under at all times but it would not violate technical standards if it reaches over 40 degrees due to the outdoor temperature as long as containers are placed in a breezy shade. With regard to this, some argue that although there are no technical standards that provide a basis for requiring installation of a sprinkler system over gas-filled containers, etc., at hydrogen filling stations, some prefectures have issued administrative guidance requiring water sprinkling, which has become a burden on

businesses.

Therefore, the following measures will be taken:

a. With regard to measures to block direct sunlight over gas-filled containers, etc., at hydrogen filling stations, the government will examine measures that are deemed to have safety equivalent to that provided by the current exemplified standards, and make them legally acceptable after drawing conclusions.
b. The government will inform prefectures that gas-filled containers, etc., at hydrogen filling stations whose temperature exceeds 40 degrees due to the outdoor temperature do not violate technical standards according to the General High-Pressure Gas Safety Ordinance as long as measures have been taken to block direct sunlight and ventilation is secured.
c. The government will inform prefectures that there is no such thing as technical standards requiring installation of a sprinkler system over gas-filled containers, etc., at hydrogen filling stations in the General High-Pressure Gas Safety Ordinance

K. Revision of technical standards concerning storage of hydrogen filling stations that are class two manufacturing businesses with a storage capacity of less than 300m^3 and processing capacity of 30m^3/day or more

[Start examination in FY2017, and draw conclusions, take measures in the first half of FY2019.]

According to the General High-Pressure Gas Safety Ordinance, technical standards concerning manufacturing and storage applied to class two manufacturing businesses (30-100m^3/day) are supposed to be equivalent to those for class one manufacturing businesses (100m^3/day or more). With regard to this, some argue that because these technical standards concerning storage assume storage space of 300m^3 or more, the government should relax regulations such as firewalls and excess flow check measures for accumulators for storage space under 300m^3.

Therefore, the government will consider revision of technical standards concerning storage of hydrogen filling stations that are class two manufacturing businesses with storage capacity of less than 300m^3 and processing capacity of 30m^3/day or more, and will take the necessary measures after drawing conclusions.

L. Clarifying notification concerning emergency filling of fuel cell vehicles.

[Take measures in FY2017.]

The General High-Pressure Gas Safety Ordinance provides technical standards for mobile filling under 20 MPa, etc., and makes emergency filling of fuel cell vehicles possible at locations notified to prefectural governors in advance. With regard to this, some argue that smooth service is difficult to provide because the specification of detailed time and place is often required when making such notification.

Therefore, the government will inform prefectures with regard to notification concerning emergency filling of fuel cell vehicles from the perspective of smooth service.

M. Revision of a computation method for throughput of evaporators at hydrogen filling stations of a pump-boosted liquefied hydrogen type

[Take measures in FY2017.]

According to the General High-Pressure Gas Safety Ordinance, a computation of throughput used for the decision on permission or notification is based on the high-pressure facilities' actual operable capacity for a day, and is done by totaling such capacities. With regard to this, some argue that throughputs should not be added up in the case of structures where it is physically made impossible to operate two evaporators at the same time through an interlocking mechanism or other measures when computing the throughput of evaporators at hydrogen filling stations of a pump-boosted liquefied hydrogen type.

Therefore, the government will inform prefectures that throughputs should not be totaled with regard to a computation method for throughput of evaporators arranged in parallel at hydrogen filling stations of a pump-boosted liquefied hydrogen type.

N. Revision of technical standards concerning hydrogen filling station facilities

[Conduct risk assessment by FY2019.
Examine, draw conclusions based on the results of the risk assessment.]

Technical standards concerning hydrogen filling station facilities pursuant to the General High-Pressure Gas Safety Ordinance stipulate safety measures including double breakers and excess flow check valves. With regard to this, some argue that these technical standards were established based on risk assessment conducted before results of 82MPa hydrogen filling stations became available and that they should be revised by conducting another risk assessment.

Therefore, the government will make sure that another round of risk assessments be conducted on hydrogen filling stations by businesses, etc., in cooperation with experts and regulatory authorities based on the latest information, consider revision of technical standards concerning hydrogen filling station facilities based on the results of the said risk assessment, and take necessary measures after drawing conclusions.

O. Consideration of revision, etc., of exemplified standards concerning decision criteria of hydrogen's properties

[Examine once new decision criteria are provided.]

In the General High-Pressure Gas Safety Ordinance, standards concerning steel that could be used at hydrogen filling stations were made into performance specifications with exemplified standards. Some argue that if new decision criteria for hydrogen's properties are established, the government should make an addition to the exemplified standards so

that highly versatile steel could be utilized.

Therefore, with regard to steel that could be used at hydrogen filling stations, the government should promptly consider revision of exemplified standards if new decision criteria for hydrogen's properties are provided through R&D activities by industrial organizations, etc.

P. Eliminating pressure limits concerning design at design coefficient of 3.5

[Start examination in FY2017, draw conclusions in FY2018, and take measures promptly upon drawing conclusions.]

The General High-Pressure Gas Safety Ordinance provides facilities with design pressure of 20MPa or lower as an example of technical standards applied to cases where high-pressure gas facilities were designed at a design coefficient of 3.5. With regard to this, some argue that unlike other domestic laws and regulations, the High-Pressure Gas Safety Act is the only law that sets forth pressure limits and effectively limits materials allowed to be used.

Therefore, the government will work with businesses in examining the effect on safety if pressure limits are removed for hydrogen filling station facilities designed at a design coefficient of 3.5, and remove pressure limits after drawing conclusions.

Q. Design coefficient lower than 3.5

[Start examination in FY2017.]

According to the General High-Pressure Gas Safety Ordinance, specified facilities designed at a design coefficient lower than 3.5 are required to obtain special permission of the Minister of Economy, Trade and Industry and go through assessment by the prior evaluation committee of the High-Pressure Gas Safety Institute of Japan. With regard to this, some argue that such a procedure for obtaining ministerial special permission is a burden to businesses and that the government should consider developing standards concerning a design coefficient lower than 3.5, (e.g., 2.4) in light of the case in the US where standards concerning a design coefficient of 2.4 have already been established in ASME (American Society of Mechanical Engineers) standards.

Therefore, with regard to design coefficient of specified facilities concerning hydrogen filling stations, the government will work with businesses in examining high pressure gas safety ordinance and technical standards for design and manufacturing at a design coefficient lower than 3.5 (e.g., 2.4) which do not require obtaining ministerial special permission or going through prior evaluation based on cases of other countries including the US.

R. Utilizing a system that does not require domestic examination for explosion-proof equipment

[Start examination in FY2017. Draw conclusions, take measures in FY2019.]

According to the Industrial Safety and Health Act (Act No. 57 of 1972), some equipment used at hydrogen filling stations must meet one of the domestic explosion-proof standards or standards, etc., based on IEC (International Electrotechnical Commission) Standards as explosion-proof electric apparatus (hereinafter referred to as "explosion-proof equipment") and a pass-type examination by a registered-type examination agency. As well, the 2014 revision of the Industrial Safety and Health Act has made it possible for examination agencies in other countries to be registered as a type examination agency.

With regard to this, some argue that few foreign examination agencies have been registered because there is little incentive for them to be registered in Japan. Others argue that products certified by the ATEX directive (explosion-proof directive) based on EN (European Norm) should be eligible for an already established system where explosion-proof equipment verified to have equivalent or higher explosion-proof performance than explosion-proof equipment which meets domestic standards is considered to meet domestic standards.

Therefore, the government will examine if EN could be treated the same way as IEC Standards that are recognized as international standards, consider approaches to utilize data of type examination of the ATEX directive based on EN for domestic examination, and take necessary measures after drawing conclusions.

S. Reducing time required for type approval, etc.

[Start examination in FY2017. Draw conclusions, take measures in FY2018.]

According to the High-Pressure Gas Safety Act, mass production of high-pressure hydrogen containers for fuel cell vehicles requires registration of a manufacturer of containers, etc., for each factory, and then type approval of containers based on the result of type examination conducted at each factory. With regard to this, some argue that it takes three months to obtain registration of a manufacturer of containers, etc., six months to conduct type examination, and three months to obtain type approval, in other words nearly a year before mass production can start, which is a burden to businesses.

Therefore, with regard to high-pressure hydrogen containers for fuel cell vehicles, the government will examine approaches to accept applications for registration of a manufacturer of containers, etc., and type approval at the same time, and take necessary measures after drawing conclusions.

T. Developing a mechanism for international reciprocal recognition of high-pressure hydrogen containers for fuel cell vehicles based on the United Nations Regulation (UN-R134)

[Take measures in FY2017.]

To incorporate the UN Regulation (UN-R134) based on the UN Agreement Concerning the Mutual Recognition of Type Approvals for Wheeled Vehicles, Equipment, etc., laws and regulations related to the High-Pressure Gas Safety Act have been amended.

With regard to this, while a permit for approval authorities of other countries is required when exporting domestically authorized high-pressure hydrogen containers, some argue that it is virtually impossible to export fuel cell vehicles equipped with high-pressure hydrogen containers because domestic regulations for issuing such permits are not fully developed.

Therefore, the government will improve domestic regulations for effective utilization of a mechanism for international reciprocal recognition based on the UN Agreement Concerning the Mutual Recognition of Type Approvals for Wheeled Vehicles, Equipment, etc.

U. Revision of quality management methods for high-pressure hydrogen containers for fuel cell vehicles

[Take measures in FY2017.]

According to the High-Pressure Gas Safety Act, registration of a manufacturer of containers, etc., requires meeting technical standards set forth in an ordinance of METI, which calls for a set of tests, a crushing test and a pressure cycle test, to be implemented. With regard to this, some argue that businesses are not allowed to ship high-pressure hydrogen containers for fuel cell vehicles until the completion of such tests, and thus are burdened with storage costs.

Therefore, based on proposals by businesses, the government will start examining safety with regard to quality management methods that can replace crushing and pressure cycle tests for high-pressure hydrogen containers for fuel cell vehicles.

V. Revision of examination system for high-pressure hydrogen containers installed in fuel cell vehicles under development

[Take measures in the first half of FY2017.]

Special filling system based on the High-Pressure Gas Safety Act has made filling and consumption possible for high-pressure hydrogen containers without a stamp that are installed in vehicles under development that do not run on public roads. However, some argue that storage and transportation are still not allowed, which makes it impossible for such vehicles to run on non-public roads.

Therefore, the government will clarify regulations concerning storage and transportation if high-pressure hydrogen containers without a stamp installed in vehicles under development that do not run on public roads have received special filling permission based on the High-Pressure Gas Safety Act.

W. Simplifying procedures for special filling permission concerning high-pressure hydrogen containers for fuel cell vehicles

[Start examination in FY2017.]

When driving fuel cell vehicles equipped with high-pressure hydrogen containers without a stamp in multiple prefectures including public roads by using the special filling system based on the High-Pressure Gas Safety Act, it is required to seek permission from each prefecture. Because of this, some argue that the government should simplify procedures so that all permissions could be obtained by one application.

Therefore, with regard to the special filling permission system based on the High-Pressure Gas Safety Act, the government will start examining the simplification of procedures for special filling permission so that multiple permissions could be obtained by one application.

X. Eliminating the need of approval at the time of development of high-pressure hydrogen containers for vehicles

[Start examination in FY2017.]

While the High-Pressure Gas Safety Act requires containers to have stamping, etc., when filling them with high-pressure gas, such stamps are provided when container examination is passed or when a manufacturer of containers, etc., obtains type approval. Some argue that this contributes to a delay in the development of high-pressure hydrogen containers for vehicles because the High-Pressure Gas Safety Act requires approval for each development item while the Road Transport Vehicle Act does not require approval at the time of vehicle development.

Therefore, with regard to approval at the time of development of high-pressure hydrogen containers for vehicles, the government will examine the impact on safety if such approval is made unnecessary, and start consideration based on proposals by businesses concerning specific container development approaches, etc.

Y. Streamlining administrative procedures concerning fuel cell vehicles

[Start examination in FY2017.]

With regard to vehicles such as fuel cell vehicles equipped with high-pressure gas containers, competent authorities for high-pressure gas containers and vehicles are not the same: the former METI and the latter Ministry of Land, Infrastructure, Transport and Tourism (MLIT). With regard to this, some argue that businesses are expected to be burdened with separate applications, one to METI for procedures of high-pressure gas containers and another to MLIT for procedures related to vehicle systems, in light of future full-fledged popularization of fuel cell vehicles.

Therefore, the government will consider appropriate administrative procedures concerning fuel cell vehicles from the perspective of the burden on businesses, etc.

Z. Revision of interpretation regarding glass fiber that does not share design load concerning high-pressure containers

[Examine, draw conclusions in FY2017.]

In the safety regulations for containers concerning international reciprocal recognition (Ordinance of METI, No. 82 of 2016), with regard to glass fiber that does not share design load concerning high-pressure containers, manufacturers of containers, etc., are interpreted as its guarantor who assures that it is appropriate in terms of tensile strength and breaking strain. With regard to this, some argue that the government should revise application of regulations, which assume load sharing, to glass fiber that does not share the load.

Therefore, with regard to glass fiber that does not share the design load concerning high-pressure containers, the government will conclude whether regulations concerning materials are necessary or not, and take the necessary measures.

AA. Relaxing standards of allowed dent depth of high-pressure hydrogen containers for fuel cell vehicles

[a: Examine, draw conclusions, and take measures in FY2017.
b: Start examination in FY2017, draw conclusions in FY2018.]

According to the safety regulations for containers concerning international reciprocal recognition, etc., manufacturers of containers, etc., are allowed to stamp containers at a maximum allowed dent depth of 1.25mm. As well, when they find dents at the time of high-pressure gas container reexamination, and if those dents are not deeper than the maximum allowed dent depth, they are allowed to use resin to repair the dents and pass the examination.

With regard to this, some argue that the maximum allowed dent depth should not be limited to 1.25mm but set more flexibly according to design in light of the fact that the UN Regulation (UN-R134) allows manufacturing of high-pressure gas containers designed to be able to withstand dents deeper than 1.25mm, for example, with thicker protection layers.

Some also argue that if dents do not expose fiber, repairing them should not be made mandatory at the time of high-pressure gas container reexamination, because fiber is effectively protected in such a state.

Therefore, the following measures will be taken:

a. The government will examine if it is safe or not to lift the rule of maximum allowable dent depth of 1.25mm on high-pressure hydrogen containers for fuel cell vehicles, and will take necessary measures if safety is confirmed.
b. The government will examine if there are no safety issues in making dent repair unnecessary at the time of reexamination of high-pressure hydrogen containers for fuel cell vehicles if the cut is no deeper than the maximum allowed dent depth and fiber is not exposed, and will take the necessary measures if safety is confirmed.

BB. Relaxing marking methods for high-pressure hydrogen containers for fuel cell vehicles

[Start examination in FY2017. Draw conclusions, take measures in 2018.]

According to the safety regulations for containers concerning international reciprocal recognition, etc., if manufacturers of containers, etc., wish to display their marks, they are allowed to use one of the two methods: enfolding the mark by the hoop wrap layer in a visible location, or inscribing the mark on aluminum foil and fixing it firmly on the surface of the container body. With regard to this, some argue that the government should allow any marking method when approval is sought for containers in Japan just as when approval is sought for containers overseas based on the UN Regulation (UN-R134).

Therefore, based on the UN Regulation (UN-R134), the government will consider accepting any marking method when approval is sought for high-pressure hydrogen containers for fuel cell vehicles in Japan, and take necessary measures after drawing conclusions.

CC. Relaxing rules for marks around the hydrogen filler openings of fuel cell vehicles

[Examine, draw conclusions, take measures in FY2017.]

The High-Pressure Gas Safety Act requires displaying a mark 30mm long and 45mm wide or larger as an on-vehicle container summary certificate, etc., and another mark 20mm long and 45mm wide or larger as a container reexamination certificate on the lid of the hydrogen filler opening of a fuel cell vehicle. With regard to this, some argue that manufacturers in Japan should be able to decide their own formats for on-vehicle container summary certificates, etc., just as manufacturers in other countries, and that manufacturers in Japan should also be able to decide their own formats for container reexamination certificates as long as required information is included because container reexamination is Japan's unique system.

Therefore, the government will consider regulations by the size of characters or other measures for marks around the hydrogen filler openings of fuel cell vehicles, and take necessary measures after drawing conclusions.

DD. Registering a manufacturer of containers, etc., as a company

[Start examination in FY2017.]

According to the High-Pressure Gas Safety Act, application for registration of a manufacturer of containers, etc., and type approval must be made for each factory. With regard to this, some argue that factory-based application is a burden to businesses in light of future expansion of mass production of high-pressure hydrogen containers for fuel cell vehicles. Others also argue that flexible production will be possible through adjustment among multiple factories if the High-Pressure Gas Safety Act allows company-based-type approval just as the Road Transport Vehicle Act does.

Therefore, the government will start examining safety with regard to company-based registration of a manufacturer of containers, etc., and type approval based on proposals by businesses.

EE. Revision of renewal of registration of a manufacturer of containers, etc.

[Start examination in FY2017, draw conclusions in FY2018.]

The High-Pressure Gas Safety Act requires renewal of registration of a manufacturer of containers, etc., every five years. However, some argue that this makes appropriate production management difficult because when registration is renewed, manufacturers of containers, etc., will be issued a new registration number, which will change product codes for high-pressure hydrogen containers as well, resulting in multiple codes for the same products.

Therefore, the government will consider a system where, upon renewal of registration of a manufacturer of containers, etc., the registration number will be carried over, based on proposals by businesses, and draw conclusions.

FF. Correcting the definition of types of hydrogen storage systems

[Start examination in FY2017, draw conclusions by FY2019.]

According to the "Notice providing details of specifications of containers and methods of container reexamination based on the safety regulations for containers concerning international reciprocal recognition, etc." (METI Notification No. 184 of 2016), a hydrogen storage system type is defined by the manufacturing method and the manufacturing place. With regard to this, some argue that this makes appropriate production management difficult because containers with the same design but manufactured by different methods, at different places, or by different businesses will be issued different type approval numbers, resulting in multiple codes for the same products.

Therefore, the government will examine and draw conclusions on a system where high-pressure hydrogen containers manufactured with the same design will be issued the same type approval number regardless of manufacturing methods, places, and manufacturers, based on proposals by businesses.

GG. Extending the allowed filling period of high-pressure hydrogen containers for fuel cell vehicles

[Start examination in FY2017.]

The High-Pressure Gas Safety Act sets the allowed filling period of high-pressure gas containers at 15 years. With regard to this, some argue that the government should develop technical guidance that allows high-pressure hydrogen containers for fuel cell vehicles to be filled after 15 years in Japan in light of the fact that the allowed filling periods of high-pressure hydrogen containers for fuel cell vehicles in the US and Europe can be set at

25 years or less and 20 years or less, respectively.

Therefore, the government will start examination of safety of 15-year-old-plus high-pressure hydrogen containers for fuel cell vehicles based on proposals by businesses.

HH. Permitting reuse of power units for fuel cell industrial vehicles equipped with containers that are in their allowed filling periods

[Start examination in FY2017, draw conclusions in 2019.]

In the safety regulations for containers concerning international reciprocal recognition, etc., a vehicle and high-pressure gas containers installed in it are linked, and in the event that a fuel cell industrial vehicle has become out of commission due to a fault, etc., the power unit cannot be reinstalled in another vehicle even if high-pressure containers installed in the power unit are still in their allowed filling periods. With regard to this, some argue that the government should allow power units equipped with high-pressure containers to be reinstalled in another vehicle as long as the containers have been appropriately inspected and managed, and still have remaining allowed filling periods in light of the future full-fledged popularization of fuel cell vehicles.

Therefore, the government will start examination of a system to appropriately inspect and manage safety in the case of reuse of power units equipped with high-pressure hydrogen containers that are in their allowed filling periods, based on proposals by businesses, and take the necessary measures, if safety is confirmed, after drawing conclusions.

II. Safe recycling process concerning fuel cell vehicles equipped with high-pressure hydrogen containers that have exceeded their allowed filling periods

[Start examination in FY2017.]

According to the General High-Pressure Gas Safety Ordinance, not just filling but also storing and transporting general composite containers, etc., which have exceeded their allowed filling periods are prohibited, and thus hydrogen must be removed from them before towing away a fuel cell vehicle equipped with such containers. With regard to this, some argue that the government should allow transportation to recycling process facilities and temporary storage after transportation because it is expected to be dangerous to remove gas at a parking lot or an accident site.

Therefore, the government will examine if there is no safety issue in the disposal method for fuel cell vehicles equipped with high-pressure hydrogen containers that have exceeded their allowed filling periods, based on proposals by businesses, and draw conclusions.

JJ. Supply of reserve tanks after termination of sales of fuel cell vehicles

[Start examination if necessary data are provided.]

The safety regulations for containers (Ordinance of the Ministry of International Trade and Industry No. 50 of 1966) states that the allowed filling period of high-pressure gas

containers is 15 years of the month they passed container examination. However, some argue that the government should establish how to manage containers until the start of use after they pass container examination and count 15 years from the day when they are installed in a vehicle based on data concerning deterioration during a period when they are kept unused because advanced production of reserve tanks is difficult after sales termination of fuel cell vehicles.

Therefore, the government will examine allowed filling periods of high-pressure hydrogen containers for fuel cell vehicles and composite container accumulators, and if industrial organizations, etc., through their R&D activities, obtain and provide data concerning deterioration when such products are kept unused and ways to manage them before the start of use, the government will start examining safety thereof.

KK. Examining regulations related to hydrogen/fuel cell vehicles in a public place

[Start examination in a public place in FY2017.]

As regulations related to hydrogen/fuel cell vehicles need to be examined from comprehensive perspectives including safety, expansion of use, and international competitiveness in light of their future full-fledged popularization, some argue that regulatory authorities, promoting departments, and other interested parties from businesses/industries should work together to advance discussion.

Therefore, with regard to the above items to be examined related to hydrogen/fuel cell vehicles, the government will start examination in a public place with regulatory authorities, promoting departments, interested parties from businesses/industries and experts.

(viii) Others

A. Raising the maximum filling amounts of LNG tank trucks

[Start examination once industrial organizations, etc., provide proposals based on technical examination concerning safety.]

The safety regulations for containers set the maximum filling amounts of LNG tank trucks at 90% of capacity. With regard to this, some argue that the government should consider raising the upper limit of the filling amounts of LNG tank trucks based on other countries' actual cases where up to 97% of capacity is allowed.

Therefore, the government will consider raising the maximum filling amounts of LNG tank trucks according to proposals by industrial organizations, etc., based on a technical examination concerning safety.

B. Promoting security operation for high-pressure gas manufacturing facilities through remote monitoring

[Start examination once industrial organizations, etc., provide proposals based on technical examination concerning safety.]

According to the High-Pressure Gas Safety Act, supervisory safety workers are required to manage maintenance of manufacturing facilities, monitoring of manufacturing methods, and implementation of emergency measures in cases of a disaster. With regard to this, some argue that it is technically possible to conduct ICT-based remote monitoring and realize performance at a level equivalent or higher than supervisory safety workers and that the government should allow substituting ICT utilization for supervisory safety workers.

Therefore, the government will examine if it is acceptable to substitute ICT-based remote monitoring for permanently stationed supervisory safety workers at high-pressure gas manufacturing facilities according to proposals by industrial organizations, etc., based on a technical examination concerning safety.

C. Securing opportunities for taking security training courses

[Measures to be taken in FY2017.]

According to the High-Pressure Gas Safety Act, safety planning promoters as well as supervisory safety workers and safety chiefs, if two years and six months have passed since the start day of the first fiscal year after they were licensed, are required to take training courses provided by the High-Pressure Gas Safety Institute of Japan, etc., within six months of their election. With regard to this, some argue that opportunities for taking training courses are limited and it may be difficult to meet this requirement within six months depending on when they were elected because these courses are offered roughly only once every half a year.

Therefore, the government will secure enough opportunities for everyone to take security training courses by instructing the High-Pressure Gas Safety Institute of Japan to schedule training courses for each area block so that there would be no overlap of course dates.

D. Revision of procedures for registration of electricity generation business/notification of specified electricity transmission and distribution business

[Start examination in FY2017.]

When making notification of electricity generation business or specified electricity transmission and distribution business, it is required to undergo the following process: (i) application for admission to Organization for Cross-regional Coordination of Transmission Operators, JAPAN, (ii) notification of business to METI, (iii) notification to Organization for Cross-regional Coordination of Transmission Operators, JAPAN, and (iv) notification of admission to METI. Some argue that this is an extreme administrative burden to businesses because the procedure involves filing so many documents to different service counters.

Therefore, the government will start considering revision of procedures concerning notification of electricity generation business and specified electricity transmission and distribution business in view of reducing the administrative burden on businesses.

E. Allowing voluntary application of IFRS by bank groups

[Examine, draw conclusions in FY2017.]

Various regulations on banks and bank holding companies assume that banks and bank holding companies develop consolidated financial statements based on Japan standards and do not assume their voluntary adoption of IFRS (International Financial Reporting Standards). With regard to this, some argue that the government should revise the system so that banks and bank holding companies could voluntarily adopt IFRS just as ordinary industrial corporations can.

Therefore, the government will examine and draw conclusions on revisions that would be required on various regulations including those on disclosure and reporting if banks and bank holding companies voluntarily adopted IFRS.

F. Relaxing disclosure regulations of non-consolidated capital adequacy ratios of banks

[Examine, draw conclusions in FY2017.]

The Banking Act (Act No. 59 of 1981) imposes regulations requiring disclosure of capital adequacy ratios on a holding-company basis, a consolidated basis, and a non-consolidated basis, respectively. With regard to this, some argue that Japan's regulations are more demanding than their counterparts in other countries because they require disclosure on a non-consolidated basis as well while the Basel Accords apply to capital adequacy ratios on a consolidated basis.

Therefore, based on the idea of increasing the effectiveness of market regulations through enhanced information disclosure, the government will consider and draw conclusions on relaxation of regulations, which currently require banks to make non-consolidated-basis disclosure of capital adequacy ratios, on non-major items when making revisions in line with international agreement concerning the Basel Accords.

G. Reducing the procedure-related burden on foreign account management institutions

[Take measures in FY2017.]

If foreign financial institutions wish to participate in a book-entry system of book-entry institutions in Japan and conduct securities administration in their home countries, they require designation, etc., from the competent minister, Bank of Japan, and Japan Securities Depository Center. With regard to this, some argue that the government should work toward reduction of the burden, including that stemming from application procedures, etc., on foreign account management institutions, in order to promote investment in Japan by foreign investors.

Therefore, the government will work toward reduction of the burden of application procedures on foreign account management institutions by releasing information on websites and reducing required documents.

H. Simplifying application procedures for approval concerning defined benefit pension plans

[Examine, draw conclusions in FY2017.]

When changing provisions of defined benefit pension plans, approval of the Minister of Health, Labour and Welfare will be required. With regard to this, some argue that there will be a backlog of unprocessed applications if the government does not simplify application procedures for approval when defined benefit pension plans number around 14,000 (as of March 2016).

Therefore, the government will work toward simplification of application procedures for approval concerning change in provisions of defined benefit pension plans.

I. Revision of regulations on industrial waste inflow from other prefectures

[Start examination in FY2017, draw conclusions around FY2018.]

When industrial waste is transported to other prefectures, some of the recipient prefectures require prior consultation based on ordinances or guidelines, and a lot of time and effort is consumed for applying for and obtaining approval. As well, details of prior consultation (allowed industrial waste, required documents, etc.) vary across prefectures, and thus decisions on the same procedure could be different depending on the prefecture, which, some argue, may prevent smooth and appropriate waste processing.

Therefore, the government will set up an opportunity of opinion exchange inviting interested parties based on “Direction of revision of the waste processing system” (opinion offered) (Central Environment Council, February 14, 2017) that put together results of the review of regulations on industrial waste inflow from other prefectures.

J. Revision of the system for certification of excellence

[Start examination in FY2017, draw conclusions in FY2018.]

The system for certification of excellent industrial waste disposal businesses recognizes compliance and transparency of industrial waste disposal businesses based on rigorous screening by local governments. Some argue, however, that the government should consider disclosure in view of making excellent industrial waste disposal businesses be chosen by waste generators.

Therefore, the government will closely examine revision/enhancement of requirements for certification of excellent industrial waste disposal businesses and preferential treatment for certified disposal businesses based on “Direction of revision of the waste processing system" (opinion offered).

K. Eliminating double regulations on performance standards and standard control concentration of local exhaust ventilation

[Examine, draw conclusions in FY2017.]

The Ordinance on Prevention of Organic Solvent Poisoning (Ordinance of the Ministry

of Labour No. 36 of 1972) requires installation of local exhaust ventilation, etc., when engaging workers to carry out organic solvent work, and if employers wish to substitute other emission preventive/control measures for installation of local exhaust ventilation, they are required to obtain permission from the director of the labor standards office concerned. Some argue, however, that this is obstructing introduction of new technologies because it takes a long time to obtain such permission.

Therefore, the government will consider and draw conclusions on measures to reduce time required for examination for permission of the director of the labor standards office concerned regarding not installing local exhaust ventilation, including disclosure of permitted cases, promotion of general-purpose emission preventive/control devices, and simplification of examination concerning typical emission preventive/control measures.

L. Promoting private use of basic surveys concerning city planning

[Start examination in FY2017. Draw conclusions, take measures in FY2018.]

Based on the City Planning Act (Act No. 100 of 1968), prefectures are supposed to conduct basic surveys concerning city planning around every five years. While basic surveys concerning city planning are effective in analyzing the present state of cities, some argue that in many cases prefectures refuse to provide data to private businesses as they would deem it as utilization other than for intended purposes because of the lack of clear guidelines concerning how to process personal information.

Therefore, aiming to make basic surveys concerning city planning available, the government will identify challenges including clarification of how to process personal information, and consider measures for them as well as develop and communicate guidelines to prefectures.

M. Shift to cloud-based electronic delivery for promotion of "i-Construction" measures

[Examine, draw conclusions in FY2017.]

"Guidelines for electronic delivery of construction completion books" (MLIT, March 2016) stipulates delivery of product data for public works, etc., by electronic media. With regard to this, some argue that the government should allow electronic delivery to cloud servers because cloud services have become popular recently and the size of electronic data to be delivered is expected to grow as well.

Therefore, the government will examine and draw conclusions on the use of the Internet for electronic delivery of product data for public works, etc.

N. Creating technical qualifications concerning telecommunication engineering business

[Examine, draw conclusions in FY2017.]

In telecommunication engineering work, only those with practical experience and licensed "professional engineers" are qualified as managing engineers, and some argue that

the government should introduce alternative qualifications because there is a shortage of people who meet engineer requirements in telecommunication engineering business.

Therefore, the government will consider and draw conclusions on creation of technical qualifications concerning telecommunication engineering business.

O. Reducing application documents concerning notification of lease of private microbuses

[Examine, draw conclusions, take measures in FY2017.]

Upon notification of private microbus lease, those who have already leased their private microbuses are required to attach or show a copy of their lease ledger of private microbuses during the preceding two years of business. However, some argue that those who have a business record over two years should not be required to attach or present a copy of their lease ledger of the preceding two years because the Transport Branch Office is considered to be able to sufficiently assess the state of their lease by checking up with the past notification.

Therefore, the government will consider measures including simplification of procedures to exempt applicants from an unnecessary burden if they have a two-year-plus record of leasing private microbuses, and take necessary measures after drawing conclusions.

P. Revision of procedures for approval of entertainment and amusement trades

[Examine, draw conclusions in FY2017.]

The Act on Control and Improvement of Amusement Business, etc. (Act No. 122 of 1948) does not stipulate procedures required of sole proprietors running licensed snack bars, pubs, etc., when they incorporate their businesses, and thus it is generally understood that they need to first close their businesses, and apply for a business license again as a corporation, which effectively makes it impossible for them to run their business until they are granted a license again. Because of this, some argue that the government should make sure that they can continuously run their business without interruption by allowing them to apply for a business license as a corporation first and report the cessation of business as a sole proprietor after they are granted the license, just as regular restaurant businesses are allowed.

Therefore, the government will consider and draw conclusions on measures with regard to incorporation procedures by sole proprietors who run snack bars, pubs, etc., licensed as entertainment and amusement trades based on the result of a fact-finding survey conducted in FY2016.

Q. Request for the issuance of a transcript of a family register, etc., by specific administrative scriveners

[Examine, draw conclusions in FY2018.]

According to the Family Register Act (Act No. 224 of 1947), attorneys may request the

issuance of a transcript of a family register, etc., if they need it in order to execute representation services for dispute resolution procedures concerning a case they have undertaken. As well, specific administrative scriveners, created through the 2014 revision of the Certified Administrative Procedures Legal Specialist Act (Act No. 4 of 1951), are allowed to act as representatives for appeal procedures concerning permission and authorization, etc., in relation to documents that administrative scriveners prepared to be submitted to public agencies. With regard to this, some argue that the government should allow specific administrative scriveners to request the issuance of a transcript of a family register, etc., if they need it in order to execute representation services for appeal procedures just as attorneys are allowed.

Therefore, the government will consider and draw conclusions on allowing specific administrative scriveners as well to request the issuance of a transcript of a family register, etc., if they need it in order to execute representation services for appeal procedures.

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

Among items included in June 2016's Implementation Plan for Regulatory Reform, the government arranged a review of the system for licensed guide interpreters as a focused follow-up item, and discussed the state of review for the system's improvement.

(i) Reviewing the system for licensed guide interpreters

Based on the Implementation Plan for Regulatory Reform of June 2014, a reform bill was submitted to the ordinary session of the Diet in 2017, which was aimed at repealing the exclusiveness of practice by licensed guide interpreters and introduce regulations on tour operators. This is considered as a fair measure for necessary regulatory reform in order to address the shortage of licensed guide interpreters caused by the sharp rise of foreign tourists and respond to the need of preventing damage from overcharging. In the meantime, because execution of the repeal of the exclusiveness of practice by licensed guide interpreters is urgently called for and ministerial ordinances need to be developed for regulations that will be introduced for tour operators, the government should continue to pay attention to the state of preparation and deliberation.

5. Other important issues (support for inbound tourism, etc.)

(1)Objective of Regulatory Reform and Standpoint of Review

Cross-ministerial issues and important issues to be worked on by the entire government are supposed to be discussed at a plenary meeting that all the committee members attend. This term, the Council for Promotion of Regulatory Reform deliberated mainly on the following three topics: (i) Support for inbound tourism, (ii) Forms/formats for procedures in local governments, and (iii) Use of private sector for Labor Standards Inspection.

Support for inbound tourism, the first topic, is obviously a large pillar of the growth strategy

and regional vitalization. In 2016, the number of foreign tourists who visited Japan exceeded 20 million, and they spent around 3.5 trillion yen. To develop tourism into one of Japan's key industries, the government put together the "Tourism Vision to Support the Future of Japan" in March 2016, and has set up a target of 40 million foreign visitors to Japan in 2020, the year of Tokyo Olympic and Paralympic Games. The government has been working on environment development to achieve the target.

However, the areas of transportation service and accommodation service, both of which are vital to tourism, are facing labor and accommodation shortages, failing to fully respond to the growing number of tourists. Not only that, some argue Japan is poorly handling the changes on the supply side such as the advent of new ICT-based services and on the demand side including diversification of user needs.

With the Tokyo 2020 Olympic and Paralympic Games around the corner, radical revisions of regulations on these services and sustainable growth are crucial for promoting Japan's attractiveness and further harnessing inbound tourism demand in regional communities that are facing dwindling populations. Based on this perspective, the Council for Promotion of Regulatory Reform made a review.

First, with regard to Minpaku services, deliberated by the Council for Regulatory Reform, the predecessor of the Council for Promotion of Regulatory Reform, for which a new regulation framework was set forth in the Implementation Plan for Regulatory Reform of June 2016, the Council for Promotion of Regulatory Reform followed up on the state of progress for development of a bill. At the same time, the Council for Promotion of Regulatory Reform discussed the drastic revision of standards for buildings and facilities with regard to the existing hotel business regulations.

Next, with regard to transportation services, the Council for Promotion of Regulatory Reform considered revision of regulations in order to create an environment for vitalizing emerging services based on the structural change of both demand and supply. The Council for Promotion of Regulatory Reform conducted hearings from regulatory ministries based on specific requests from businesses, and discussed the direction of regulations to be established in consideration of opinions from various parties. In the areas of transportation of people and goods, it has become clear that further regulatory reform is called for as various problems have come to light, e.g., difficulties of securing young drivers, and the burden of operation management on businesses, against the backdrop of individualization, diversification, and a sharp rise in demand. It is important to continue discussion for further reform in order to establish Japan's unique system while leveraging originality and ingenuity of businesses as well as regional efforts and staying updated on the trend of sharing economy.

With regard to forms/formats for procedures in local governments, the second topic, each local government has not hesitated to devise unique regulations and adopted their own forms/formats against the backdrop of promotion of local autonomy. However, as corporate activities transcend administrative boundaries, variation in regulations and forms/formats may

produce a substantial burden on corporations operating in a wide area. This term, the Council for Promotion of Regulatory Reform decided to focus especially on forms/formats in cooperation with the Subcommittee for Administrative Burden Reduction and discussed how to move forward while exchanging opinions with the six major regional government associations.

With regard to the use of the private sector for Labor Standards Inspection, the third topic, a supervisory system to correct the practice of long working hours is crucial for achieving much-expected Work Style Reform. However, it is difficult to conduct full inspections of business establishments due to a shortage of labor standards inspectors. This brought the Council for Promotion of Regulatory Reform to consider expanding the use of the private sector so that inspectors could focus on their own responsibilities as public servants. Because expertise in the tasks of labor standards inspection is required, the Council for Promotion of Regulatory Reform formed a taskforce for discussion.

(2)Specific Items for Regulatory Reform

(i) Regulatory reform for passenger transport business, etc., through ICT, AI and other technological innovation

A. Creating an environment for promotion of soft meters based on ICT

[Start examination in the first half of FY2017, draw conclusions in the first half of FY2018, and take measures in FY2018.]

The current taximeters based on revolution length measures are designated as specified measuring instruments under the Measurement Act (Act No. 51 of 1992) in view of securing accuracy in driving distance, etc., while passengers are in a vehicle, thus subject to an annual fitting inspection (to see instrumental errors). Not only that, every fare change will result in costs for businesses, which makes it hard for them to set fares in a flexible manner.

Therefore, aiming to promote flexible settings of fares according to customer needs, and innovation for productivity improvement of businesses, the government will create a necessary environment for development and promotion of new taximeters in order to make it possible to use systems that provide distance information accurate enough to be used as a basis for fare calculation of taxi businesses (soft meters, etc.) in addition to taximeters based on revolution length measures. To do so, the government will make sure that interested parties review required levels of distance-measurement accuracy, systems to secure required accuracy, and technical standards, and promptly draw conclusions.

B. Clarifying relationship of ICT-based soft meters and the Measurement Act

[Start examination in FY2018.]

Taximeters measure distance based on the measured value obtained by revolution length measures directly attached to taxis in order to actually measure distance based on the idea of accurate measurement set forth in the Measurement Act. Currently, meters (soft meters,

etc.) based not on this approach but on other new approaches, do not apply to specified measuring instruments defined on the Measurement Act.

Therefore, based on the state of review discussed in A, the government will clarify the relationship of ICT-based soft meters and the Measurement Act by making sure that interested parties review technical standards, etc., required for businesses and consumers to be able to mutually confirm distance information based on which fares are calculated.

C. Introducing a system of pre-determined fares based on users' agreement

[Start examination in FY2017. Draw conclusions, take measures in FY2018.]

On fares, each taxi business is required to apply for approval from the Minister of Land, Infrastructure and Transport, and apart from fares based on both time and distance, there are a couple of approved fare types: time charge fare, fixed fare, etc. However, for fixed fares, businesses have to obtain approval for each service section they have decided in advance, which makes it hard for them to set fares in a flexible manner to meet the needs of users.

Therefore, in order to realize a service catering to the needs of taxi users, and allow them to use taxis without worrying that fares may go up by getting stuck in traffic or taking a detour, the government will consider and draw conclusions on a system to provide comprehensive approval for flexible fare setting by businesses through a certain formula and to eliminate the need of individual approval for a specified route on condition that users be presented and agree on driving routes and fares through a vehicle allocation application, etc., in advance, while thinking of user protection measures as well.

D. Creating an environment for improved operation management through ICT utilization

[Examine, draw conclusions, take measures in FY2017.]

New methods realized by ICT utilization, etc., are not reflected in regulations stipulating methods to manage the state of operation, drivers, etc., concerning general passenger vehicle transportation business based on the Road Transportation Act and related laws and regulations as well as notices.

Therefore, the government will consider and draw conclusions on measures that enable businesses to use new roll call methods based on ICT while informing them that they can record and save a history of service and attendance of drivers as electronic data.

E. Transportation by private motor vehicles

[Examine, draw conclusions in FY2017.]

As a service to support transportation in rural areas with poor public transportation services and to respond to diversifying needs of traveling, some Internet-based services have begun where users find others who have the same destination as theirs for carpooling by private vehicles, but that are not yet popular. Article 78 of the Road Transportation Act prohibits, in principle, onerous transportation by private motor vehicles unless by those who

are registered or licensed and official notices have been issued showing examples of modes of transportation that are exempt from registration or license. But as these notices do not clearly show the idea that onerous transportation by private motor vehicles is prohibited in principle, it is difficult to interpret the scope of transportation that does not require registration or license, which is further obstructing the growth of such services

Therefore, the government will issue official notices to clearly present that users in general have expectations, when using transportation by private motor vehicles for a fee, for safety of transportation and protection equivalent to what they receive from passenger vehicle transportation business, and that that is the reason those who provide transportation by private motor vehicles for a fee are required to be registered or licensed, and to clarify the accepted scope of payment up to a certain amount apart from gasoline cost in transportation by private motor vehicles without the need of registration or license.

(ii) Regulatory reform on motor truck transportation business to meet demand in regional areas

A. Revision of operation concerning mixed loading of passengers and goods

[Examine, draw conclusions, and take measures in the first half of FY2017.]

To efficiently improve both passenger transportation and freight transportation in the provinces when facing dwindling and aging populations with fewer children, it is required to clarify conditions on which passenger vehicle transportation businesses are allowed to conduct motor truck transportation with vehicles for passenger transportation, and create an environment where they can play an active role in motor truck transportation by improving predictability.

With regard to the regulations concerning transportation of a small quantity of freight by general passenger vehicle shared transportation business operators based on the specifications set forth in Article 82 of the Road Transportation Act, according to the current law implementation, the maximum weight limit for freight is the same as that allowed for transportation by light motor truck transportation business operators and freight whose weight exceeds the said maximum limit shall be handled individually. By revising this current law implementation, the government will clarify conditions on which general passenger vehicle shared transportation business operators are allowed to use vehicles for passenger transportation for motor truck transportation so that they could operate in a flexible manner according to the structure of passenger buses, etc., and thereby enabling businesses to decide by themselves.

B. Revision of regulations of the number of motor vehicles owned in opening new offices in motor truck transportation business

[Examine, draw conclusions in FY2017.]

With regard to opening a new office in motor truck transportation business, official

notices have been issued that uniformly require such an office to have five or more vehicles for business except for transportation in islands with the aim to secure transportation safety. This rule works as criteria to determine whether a business can provide accurate and reliable services from the perspective of safety management. Some argue, though, this makes it difficult to set up a new office in depopulated areas.

Therefore, in order to allow establishment of offices in a reasonable scale in accordance with the actual local conditions and secure transportation safety at the same time, the government will talk with interested parties, then consider and draw conclusions on how to regulate the minimum number of vehicles required when a new office is set up in two kinds of cases: where a new office is set up in depopulated areas by a motor truck transportation business to add to its already wide business area and where a new office is set up in depopulated areas by an SME based on the premise that appropriate operation management will be carried out through ICT utilization and that other certain conditions will be met.

(iii) Qualifications for examination of the class 2 driver's license

[Start examination in 2017, and take measures promptly upon drawing conclusions.]

As society is aging and more and more senior drivers are giving up their licenses, the issue of driver shortages is becoming serious due to declining birthrates while demand for public transportation is expected to grow especially in rural areas. With regard to this, some argue that the government should appropriately analyze the rationale based on which only people at the age of 21 or over are allowed to take the examination of the class 2 driver's license that is required as a driver in passenger vehicle transportation business, and that the fact that there are no exceptional measures in place regarding the 21-years-old requirement makes it hard for young people to choose being a professional driver as their future occupation.

Therefore, based on the development of automobile technology and the perspective of ensuring safety in addition to the argument that the rational for the age requirement for the class 2 driver's license examination needs appropriate analysis and that the lack of no exceptional measures to the age requirement makes it hard for young people to want to choose being a professional driver in passenger vehicle transportation business as their occupation, the government will analyze the rationale of setting an age requirement of 21 or over for the examination in favor of more appropriate measures, and publish the results, based on which the government will invite the competent authorities of safety in passenger vehicle transportation business, businesses and other interested parties who have knowledge concerning the actual state of passenger vehicle transportation business and traffic safety for comprehensive discussion for an appropriate system for the class 2 driver's license system, and examine whether the age requirement of 21 or over for the class 2 driver's license examination is appropriate or not and whether training sessions and other measures including a guarantee of safety by businesses can appropriately complement a driver's quality that the current system is trying to secure by the age requirement.

(iv) Review of regulations concerning hotel business

[Examine, draw conclusions after legislation of the Bill for Partial Amendment of the Inns and Hotels Act. Take measures upon enforcement.]

Established in 1948 for the purpose of "contributing to the improvement of public hygiene and people's lives," the Inns and Hotels Act (Act No. 138 of 1948) remains in existence today without having been given sufficient modification to meet the needs of the times. Some argue that excessive regulations deprive hotel businesses of originality and ingenuity, and make it hard for them to fully respond to the growing demand for accommodation and diversifying accommodation needs of tourists including foreigners.

Regulations based on the same Act are mainly standards for buildings and facilities, and objectives of many of those regulations can be satisfied by the use of ICT, etc., or advance notice to customers of the state of buildings and facilities without relying on all the small rules. Furthermore, as the necessity of many regulations is unclear in terms of the objectives of the Act, it is important to realize optimum and minimum regulations through comprehensive review of the standards for buildings and facilities.

Therefore, the government will conduct a zero-base review on all the regulations established by the standards for buildings and facilities concerning hotel business and see if any of the regulations can be abolished. The government will at least execute the following:

a. Abolish regulations on the minimum number of rooms.
b. Abolish regulations on types of bedding.
c. Abolish regulations on types of boundaries between rooms.
d. Revise specific requirements for daylighting facilities in accordance with the Building Standards Act.
e. Revise specific requirements for lightning equipment by replacing numerical specifications with qualitative expressions.
f. Revise specific requirements for restrooms by replacing numerical specifications with qualitative expressions.
g. Revise regulations on the minimum floor space of a room into those based on whether the room has a bed or not.
h. Remove specific requirements on bathing facilities and instead apply more lenient standards for *ryokan*, Japanese-style hotels, for standardization.
   As well, remove all regulations except for those required for infection control measures, including those for legionellosis, and users' safety.
i. Abolish numerical specifications on the front desk, e.g., the desk needs to be longer than 1.8m. As well, consider ICT-based specific alternative measures replacing face-to-face communication, and allow such measures to be exempted from the regulations.

(v) Regulatory reform in regional areas

[Examine, draw conclusions in FY2017. Take measures promptly upon drawing conclusions.]

Based on the argument that corporations that operate beyond the boundaries of local governments are facing difficulties in cases where details of regulations predicated on local government-enforced ordinances vary across different local governments, the Council for Regulatory Reform, the predecessor of the Council for Promotion of Regulatory Reform, had discussions and issued the "Fourth Report by the Council for Regulatory Reform" (May 19, 2016) and the Implementation Plan for Regulatory Reform in June2016, in which they stated that they would continue examinations to reach a conclusion on the responses the national government should make in an effort to promote regulatory reforms in regional areas while respecting local autonomy.

While regulations vary in their contents across different local governments, the Council for Promotion of Regulatory Reform has just had focused discussions on forms/formats (hereinafter referred to as "forms, etc.") in this term's meetings and recognizes the need to clarify the subject of examination, and to move forward by obtaining local governments' understanding and cooperation in consideration of the burden on businesses.

Therefore, the government will search forms, etc., used in procedures at local governments, especially those that affect economic activities for the moment and find ones to which one of the following applies:

a. Forms, etc., which a business is required to use for application to multiple local governments, or
b. Forms, etc., which are required for administrative procedures for employees at businesses and involve multiple local governments.

Then the government will consider and draw conclusions on improvement measures (unification through national laws and regulations, presentation of templates for forms, etc., through technical guidance by the national government to local governments, creation of templates for formats, etc., by cooperation of local governments) for the identified forms, etc., according to the actual conditions of each regarding a list of items prepared in consideration of the burden on businesses. When doing so, the government will make sure to fully discuss with local governments on each procedure. Then the government will take necessary measures once conclusions have been reached.

(vi) Use of private sector for Labor Standards Inspection

[a: Start in FY2018 and take measures by FY2020 for workplaces that have not filed an overtime work agreement (so called the 36 Agreement) and are required to develop employment regulations.

Take measures systematically from FY2021 onwards for other workplaces.

Take measures continuously from FY2018 onwards on

supervision and guidance by labor standards inspectors.
b: Examine from FY2017 onwards.]

With regard to tasks of labor standards inspection, sufficient supervision is not provided to workplaces because regular supervision (supervision conducted for workplaces selected according to the state of each Labour Bureau's jurisdiction based on a one-year plan) has been provided to only around 3% of the total number of workplaces in recent years while the number of labor standards inspectors has seen some increase. As well, about 70% of the regularly supervised workplaces have been found violating the standards.

Based on the "Action Plan for the Realization of Work Style Reform" (The Council for the Realization of Work Style Reform, March 28, 2017), the Bill to Amend the Labor Standards Act that introduces upper limits of overtime work with penalties is to be submitted to the Diet, and further enforcement of regulations is called for. Against this backdrop, it is crucial for the government to expand the use of the private sector for supporting labor standards inspectors in their tasks in order to properly deal with issues including poor supervision especially to retailers and restaurants which tend to have many workplaces, and insufficient understanding of signing and reporting of the 36 Agreement at workplaces.

As well, the government needs to discuss securing and enhancement of effectiveness of supervision and guidance at the Labor Standards Inspection Offices based on the change in the socio-economic condition.

Therefore, the following will be implemented:

a. Execute the following measures in order to increase the use of the private sector in the tasks of labor standards inspection

   ・Assignees in the private sector (decided through bidding; subject to obligations of confidentiality and prohibition of acts of conflict of interest and dishonorable conduct by signing a contract) send self-inspection forms, etc. (inspection sheets asking about the state of conclusion of the 36 Agreement, compliance with the upper limits of working hours, development of employment regulations, clear presentation of working conditions, etc.) to workplaces that have not filed the 36 Agreement (with or without the need of developing employment regulations), and put together answers, and, if consent has been obtained, check on labor-related documents and provide consultation and guidance to workplaces that are considered to require guidance or have not responded.

   ・Labor standards inspectors provide necessary supervision and guidance to workplaces which did not respond to the above measures, or have been found having problems as a result of checking.

b. Continue to consider measures to improve deterrent/corrective effects against violating the Labor Standards Act in order to secure/enhance effectiveness of supervision and guidance at the Labor Standards Inspection Offices.

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

The Council for Promotion of Regulatory Reform arranged “Regulatory reform in Minpaku services” and "Regulatory reform in regional areas" included in June 2016’s Implementation Plan for Regulatory Reform as well as “Establishing ‘Regional Councils for Regulatory Reform’” provided in June 2015’s Implementation Plan for Regulatory Reform as focused follow-up items.

(i) Regulatory reform in Minpaku services

Based on the decision of a framework for new regulations concerning Minpaku services made in 2016 June’s Implementation Plan for Regulatory Reform, the Council for Promotion of Regulatory Reform conducted successive hearings from regulatory ministries on the progress of examination for development of a bill, where the Council for Promotion of Regulatory Reform checked the maximum number of days available for Minpaku accommodation offering, which would be set to 180 days, incorporation of local situations through local governments’ ordinances, ICT application to notification/registration systems, provisions on review, etc. In addition to such progress, it is encouraging that the “Residential Accommodation Business Bill” was submitted to the ordinary session of the Diet in 2017 according to the details of the framework for new regulations and time for implementation set forth in the Plan.

If the Bill is passed, deliberation will start for developing governmental and ministerial ordinances and necessary systems, thus it is important to continue following up on the progress after legislation.

(ii) Regulatory reform in regional areas

Based on June 2016’s Implementation Plan for Regulatory Reform which stated that discussion would continue to draw conclusions on how the government should act towards promotion of regional regulatory reform while respecting local autonomy, the Council for Promotion of Regulatory Reform focused on forms/formats for procedures in local governments this term and made arrangements with related ministries in addition to exchanging opinions on how to continue examination going forward with the six major regional government associations in a meeting in April 2017.

Based on the results, it is important to follow up on the state of progress in competent regulatory authorities, which are supposed to consider improvement measures in consultation with local governments as discussed in the above (2) (v).

(iii) Establishing “Regional Councils for Regulatory Reform”

Based on June 2015's Implementation Plan for Regulatory Reform, the Council for Promotion of Regulatory Reform issued documents requesting consideration of establishment

of “Regional Councils for Regulatory Reform” to the heads of prefectures and municipalities and documents requesting support for the initiative to the six major regional government associations, economic organizations, etc., posted related information on websites, and fielded inquiries from local governments as a support measure for establishment of the said Councils. As a result, "Regional Councils for Regulatory Reform" were set up in Ibaraki and Tokushima prefectures in April 2016 and in Shizuoka Prefecture in November the same year.

It is important to continue following up on the state of progress of examination and efforts toward establishment of "Regional Councils for Regulatory Reform" in local governments.

(Appendix 1)

Members of the Council for Promotion of Regulatory Reform and Associate Members

Members of the Council

Chair	Hiroko OTA	Professor, National Graduate Institute for Policy Studies
Vice-Chair	Yasufumi KANEMARU	Chairman and President, Group CEO, Future Corporation
	Junji ANNEN	Professor, Chuo Law School, Chuo University
	Yasuyuki IIDA	Associate Professor, School of Political Science and Economics, Meiji University
	Makiko EDA	President, Intel Japan
	Shigetaka KOMORI	Chairman and CEO, FUJIFILM Holdings Corporation
	Shigeru TAKAHASHI	Professor, Faculty of Law, Hosei University
	Miho NOSAKA	Full-time Lecturer, School of Management and Information Sciences, Tama University
	Yukihiro HASEGAWA	Editorial Writer, the Tokyo Shimbun and the Chunichi Shimbun
	Izumi HAYASHI	Attorney-at-law, Sakurazaka Law Offices
	Eiji HARA	President, Public Policy Planning & Consulting Co.
	Ryuichi MORISHITA	Endowed Chair, Graduate School of Medicine, Osaka University
	Naohiro YASHIRO	Specially Appointed Professor, Faculty of Global Business, Showa Women's University
	Haruno YOSHIDA	Managing Director, BT Japan

Associate Members

■ Subcommittee for Administrative Burden Reduction

Sadakazu OSAKI	Principal Researcher, Nomura Research Institute
Junichi KAWADA	Director and Executive Vice President, JXTG Holdings
Jiro KOKURYO	Vice-President, Keio University; Professor, Faculty of Policy Management
Soichiro SAKUMA	Representative Director and Executive Vice-President, Nippon Steel & Sumitomo Metal Corporation
Kanae TSUTSUMI	Representative Director, CareerMam

■ Agriculture Working Group

Kazushi SAITO	Representative Director, Shonai Kome Koubou Inc.
Takeshi FUJITA	Representative Director, Fujita Farm
Masayoshi HONMA	Professor, Department of Economics, Seinan Gakuin University,
Kaori MITSUMORI	Director, Budoubatake Ltd.

Yoshihide WATANABE	Director & Senior Managing Executive Officer, and Director of Corporate Planning Division, Kagome Co., Ltd.

■ Human Resource Working Group

Yoichi SHIMADA	Executive Vice President, Waseda University

■ Medical Care, Long-term Care and Childcare Working Group

Koichi KAWABUCHI	Professor, Health Care Economics, Graduate School, National University Corporation Tokyo Medical and Dental University
Ryosuke TSUCHIYA	Chair Person, Kanagawa Prefectural Hospital Organization
Yuzo TODA	Director, Vice President, and Chief Technical Officer, FUJIFILM Corporation

■ Investment and Miscellaneous Issues Working Group

Fumihiro MURAKAMI	Chief Researcher, Social ICT Solutions Division, Mitsubishi Research Institute, Inc.

Members of Working Groups, etc.

Working Groups, etc.	Members			
■ Subcommittee for Administrative Burden Reduction	Shigeru TAKAHASHI	Chair	Sadakazu OSAKI	Assoc. M
	Ryuichi MORISHITA	Vice-Chair	Junichi KAWADA	Assoc. M
	Miho NOSAKA	Member	Jiro KOKURYO	Assoc. M
	Eiji HARA	Member	Soichiro SAKUMA	Assoc. M
	Haruno YOSHIDA	Member	Kanae TSUTSUMI	Assoc. M
■ Agriculture Working Group	Yasufumi KANEMARU	Chair	Kazushi SAITO	Assoc. M
	Yasuyuki IIDA	Vice-Chair	Takeshi FUJITA	Assoc. M
	Miho NOSAKA	Member	Masayoshi HONMA	Assoc. M
	Yukihiro HASEGAWA	Member	Kaori MIMORI	Assoc. M
	Izumi HAYASHI	Member	Yoshihide WATANABE	Assoc. M
■ Human Resource Working Group	Junji ANNEN	Chair	Yoichi SHIMADA	Assoc. M
	Naohiro YASHIRO	Vice-Chair		
	Yasuyuki IIDA	Member		
	Yukihiro HASEGAWA	Member		
■ Medical Care, Long-term Care and Childcare Working Group	Izumi HAYASHI	Chair	Koichi KAWABUCHI	Assoc. M
	Makiko EDA	Vice-Chair	Ryosuke TSUCHIYA	Assoc. M
	Junji ANNEN	Member	Yuzo TODA	Assoc. M
	Ryuichi MORISHITA	Member		
■ Investment and Miscellaneous Issues Working Group	Eiji HARA	Chair	Fumihiro MURAKAMI	Assoc. M
	Haruno YOSHIDA	Vice-Chair		
	Makiko EDA	Member		
	Shigeru TAKAHASHI	Member		
	Naohiro YASHIRO	Member		
■ Task Force on Use of Private Sector for Labor Standard Inspection	Naohiro YASHIRO	Leader		
	Shigeru TAKAHASHI	Member		
	Miho NOSAKA	Member		
	Hiroko OTA	Chair		
	Yasufumi KANEMARU	Vice-Chair		

(Appendix 2)

Past Discussions of the Council for Promotion of Regulatory Reform, Working Groups, etc.

■ Council for Promotion of Regulatory Reform

1st meeting	Sep. 12, 2016	- Mutual election for the Chair, and appointment of a Vice-Chair - The Prime Minister's consultation - Rules for the operation of the Council for Promotion of Regulatory Reform - Establishment of the Subcommittee for Administrative Burden Reduction - Details concerning working groups - Concerning the Agriculture Working Group - Exchange of opinions concerning future deliberations
2nd meeting	Oct. 6, 2016	- How to proceed with the Council for Promotion of Regulatory Reform - Implementation of intensive reception through the Hotline on Regulatory Reform - Concerning *Minpaku* services - Regional regulatory reforms
3rd meeting	Oct. 24, 2018	- Review of regulations for hotels and Japanese-style inns (the Inns and Hotels Act) - Opinions concerning the review of the mechanism of setting prices for production materials and the establishment of distribution and processing industry structures - Main deliberation topics of each working group for the term
4th meting	Nov. 7, 2016	- Concerning regulatory review - Concerning the Hotline on Regulatory Reform - Reform of agricultural cooperatives and the distribution of milk and dairy products
5th meeting	Nov. 15, 2016	- Review of rules for hotels and Japanese-style inns - Concerning "improving efficiency and ensuring uniformity in the review of medical fees"
6th meeting	Nov. 28, 2016	- Opinions concerning the reform of agricultural cooperatives - Opinions concerning the reform in the production, distribution, etc., of milk and dairy products
7th meeting	Dec. 6, 2016	- Concerning the "intensive implementation period for reforming agricultural cooperatives" with regard to the reform of agricultural cooperatives - Review of rules for hotels and Japanese-style inns - Concerning the Hotline on Regulatory Reform
8th meeting	Dec. 22, 2016	- Concerning *Minpaku* services - Concerning the Hotline on Regulatory Reform - Implementation of open discussions
9th meeting	Jan. 26, 2017	- Concerning "improving efficiency and ensuring uniformity in the review of medical fees" - Deliberation status of the Subcommittee for Administrative Burden Reduction - Earlier provision of statuary annual paid leave - Concerning the Hotline on Regulatory Reform - Follow-up of the Implementation Plan for Regulatory Reform
10th meeting	Feb. 7, 2017	- Development of an environment for revitalizing mobile and transportation services on the basis of structural changes in demand

11th meeting	Feb. 23, 2017	- Concerning *Minpaku* services - Review of rules for hotels and Japanese-style inns - Concerning the Hotline on Regulatory Reform
12th meeting	Mar. 9, 2017	- Development of an environment for revitalizing mobile and transportation services on the basis of structural changes in demand - Establishment of the "Task Force on Use of Private Sector for Labor Standard Inspection"
13th meeting	Mar. 23, 2017	- The way of the viewing and payment organization for medical fees - Development of an environment for revitalizing mobile and transportation services on the basis of structural changes in demand - Implementation of open discussions
14th meeting	Mar. 29, 2017	- Toward reducing costs for administrative procedures
15th meeting	Apr. 14, 2017	- Regional regulatory reforms (exchange of opinions with the six major regional government associations) - Development of an environment for revitalizing mobile and transportation services on the basis of structural changes in demand - Concerning the Hotline on Regulatory Reform
16th meeting	Apr. 25, 2017	- The way of the viewing and payment organization for medical fees - Opinions concerning flexible combinations of services covered and not covered by the public long-term care insurance - Opinions concerning the promotion of utilization of public and private sectors' data - Opinions concerning the promotion of remote education - The deliberation status of the "Task Force on Use of Private Sector for Labor Standard Inspection" - Regional regulatory reforms
17th meeting	May 16, 2017	- Use of private sectors in labor standard inspection - Concerning a draft of the report - Concerning the Hotline on Regulatory Reform
18th meeting	May 23, 2017	- Publication of the report

■ Subcommittee for Administrative Burden Reduction

1st meeting	Sep. 20, 2016	- Appointment of the Vice-Chair - Operation of the Subcommittee - Past and current status of reduction of costs for regulatory and administrative procedures - How to proceed with the Subcommittee for Administrative Burden Reduction
2nd meeting	Oct. 3, 2016	- Deliberation status with regard to other departments' advanced efforts - Methodologies adopted in other countries to reduce administrative costs - Points of view on "regulatory and administrative costs" - How to understand the needs of businesses
3rd	Oct. 20,	- Interviews with relevant parties

meeting	2016	
4th meeting	Nov. 15, 2016	- Interviews with relevant parties - Interviews with relevant ministries and agencies
5th meeting	Nov. 21, 2016	- Interviews with relevant parties
6th meeting	Dec. 13, 2016	- Methodologies adopted by other countries and suggestions for Japan's efforts - Organization of the results of interviews with relevant parties (in relation to the identification of the needs of businesses)
7th meeting	Dec. 20, 2016	- Identification of the needs of businesses - Results of the questionnaires sent to economic organizations (in relation to the identification of the needs of businesses) - Results of the "invitation for public comments concerning the reduction of regulatory and administrative costs" (in relation to the identification of the needs of businesses) - Deliberation status with regard to other departments' advanced efforts - Points to be discussed concerning the prioritized areas, goals, and methods for the reduction of regulatory and administrative costs
8th meeting	Jan. 19, 2017	- Report on the needs of businesses - Points of view on the "prioritized areas," "reduction targets," and "implementation of strategic actions" - Concerning interviews with relevant ministries and agencies
9th meeting	Jan. 30, 2017	- Interviews with relevant ministries and agencies
10th meeting	Feb. 2, 2017	- Interviews with relevant ministries and agencies
11th meeting	Mar. 6, 2017	- Discussions concerning the report
12th meeting	Mar. 29, 2017	- Publication of the report
13th meeting	Apr. 6, 2017	- Operation policies for the formulation of a basic plan
14th meeting	Apr. 17, 2017	- Operation policies for the formulation of a basic plan - How to make progress with "procedures for bid tendering and contracts involving administrative bodies" in the future - How to make progress with "surveys (other than statistical surveys)" in the future
15th meeting	May 18, 2017	- Concerning "procedures for bid tendering and contracts involving administrative bodies" - Report (points of view) on "surveys (other than statistical surveys)"

■ Agriculture Working Group

1st meeting	Sep. 13, 2016	- Greeting among members and associate members - Past developments and main topics of discussion

2nd meeting	Sep. 20, 2016	- Interviews with the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry concerning initiatives for the review of the mechanism of setting prices for production materials, and for the establishment of an industry structure for distribution and processing to enable producers to trade in an advantageous manner
3rd meeting	Sep. 29, 2016	- Initiatives for the review of the mechanism of setting prices for production materials, and for the establishment of an industry structure for distribution and processing to enable producers to trade in an advantageous manner
4th meeting	Oct. 6, 2016	- Gathering opinions concerning the review of the mechanism of setting prices for production materials, and the establishment of an industry structure for distribution and processing to enable producers to trade in an advantageous manner
5th meeting	Oct. 13, 2016	- Follow-up on the reform of agricultural cooperatives - Deliberation status in relation to the production, distribution, etc., of milk and dairy products
6th meeting	Oct. 18, 2016	- Regulatory reform in the production, distribution, etc., of milk and dairy products - Deliberation status in relation to the production, distribution, etc., of milk and dairy products
7th meeting	Nov. 11, 2016	- Gathering opinions concerning the reform of agricultural cooperatives - Gathering opinions concerning the reform in the production, distribution, etc., of milk and dairy products
8th meeting	Nov. 11, 2016	- Opinions concerning the review of the mechanism of setting prices for production materials, and the establishment of an industry structure for distribution and processing to enable producers to trade in an advantageous manner
9th meeting	Jan. 30, 2017	- Regulatory reform in agricultural fields - Outline of the Act for Enhancing and Supporting Agricultural Competitiveness (tentative title), etc.
10th meeting	Feb. 14, 2017	- Concerning the Act for Enhancing and Supporting Agricultural Competitiveness (tentative title), etc. - Operation status, etc., of the Farmland Intermediary Management Institution - Deliberation status, etc., with regard to returning farmland conversion benefits to the community
11th meeting	Feb. 21, 2017	- Concerning draft amendments to the Act for Stable Livestock Farming and the Act for the Agriculture and Livestock Industries Corporation
12th meeting	Apr. 7, 2017	- Concerning the annual plan of the National Federation of Agricultural Cooperative Associations - Concerning the agricultural commission and the Agricultural Land Information System
13th meeting	May 10, 2017	- Current situation and issues of policies for forests and forestry - Current situation and issues of policies for fishery

■ Human Resource Working Group

1st meeting	Oct. 18, 2016	- How to proceed with the Human Resource Working Group for the time being - Deliberation status concerning the manner of information sharing (information disclosure)

		before joining a company
2nd meeting	Oct. 25, 2016	- Deliberation status concerning the manner of information sharing (clarification of wage calculation methods, etc.) before joining a company - Deliberation status concerning the manner of hiring
3rd meeting	Nov. 1, 2016	- Deliberation status concerning the “development of employment rules for job-based regular employees” - Deliberation status concerning the “restructuring of rules for employment placement businesses” - Deliberation status concerning the “development of systems of the government’s support for job changes and skill acquisition under certain procedures” - Deliberation status concerning the “manner of securing workers’ health”
4th meeting	Nov. 18, 2016	- Interviews concerning job changes - Interviews concerning the deliberation status with regard to the “development of an environment to fulfil the needs of diverse workers”
5th meeting	Dec. 2, 2016	- Interviews concerning job changes
6th meeting	Dec. 20, 2016	- Interviews concerning job changes - Interviews concerning the development of employment rules for job-based regular employees
7th meeting	Jan. 24, 2017	- Earlier provision of statutory annual paid leave - Deliberation status concerning the “promotion of use of internships” - Deliberation status concerning the “development of an environment to fulfil the needs of diverse workers”
8th meeting	Jan. 31, 2017	- Deliberation status concerning the “manner of securing workers’ health” - Deliberation status concerning the “manner of securing workers’ health working at home” - Deliberation status concerning the “dissemination of knowledge about laws and regulations”
9th meeting	Feb. 14, 2017	- Mid-career recruitment of national public officers - Deliberation status concerning the “manner of terminating employment that both labor and management can accept”
10th meeting	Feb. 28, 2017	- Promotion of improvements in employers’ knowledge about labor laws
11th meeting	Mar. 10, 2017	- Establishment of employment rules for job-based regular employees
12th meeting	Mar. 28, 2017	- Diversification of businesses to engage in employment placement - Establishment of employment rules for job-based regular employees

■ Medical Care, Long-term Care and Childcare Working Group

1st meeting	Oct. 11, 2016	- Operation policies for the Medical Care, Long-term Care and Childcare Working Group - Concerning “improving efficiency and ensuring uniformity in the review of medical fees”

2nd meeting	Oct. 24, 2016	- Concerning “improving efficiency and ensuring uniformity in the review of medical fees”
3rd meeting	Nov. 8, 2016	- Concerning “improving efficiency and ensuring uniformity in the review of medical fees” - Ideal ways to provide and use the long-term care service
4th meeting	Nov. 15, 2016	- Concerning “reviewing regulations concerning the furtherance of separating drug dispensing and prescribing functions” - Concerning “improving efficiency and ensuring uniformity in the review of medical fees”
5th meeting	Nov. 30, 2016	- Interviews concerning long-term care services
6th meeting	Dec. 14, 2016	- Improvement plans with regard to the notification of Foods with Function Claims - Forms of the certificate required for admission to nursery centers - Ideal ways to provide and use the long-term care service
7th meeting	Jan. 17, 2017	- Interviews concerning ideal ways to provide and use the long-term care service
8th meeting	Jan. 31, 2017	- Forms of the certificate required for admission to nursery centers - Third-party evaluations of long-term care services
9th meeting	Feb. 14, 2017	- Ideal ways to provide and use the long-term care service - The separation of drug dispensing and prescribing functions
10th meeting	Feb. 28, 2017	- Improvement plans with regard to the notification of Foods with Function Claims - Ideal ways to provide and use the long-term care service
11th meeting	Mar. 15, 2017	- Ideal ways to provide and use the long-term care service - Reform of the social welfare corporation system
12th meeting	Apr. 3, 2017	- Concerning the system of treatment upon patients’ request - Ideal ways to provide and use the long-term care service
13th meeting	Apr. 11, 2017	- Review of regulations concerning the provision of care to terminal patients at home
14th meeting	Apr. 17, 2017	- Review of regulations concerning the furtherance of separating drug dispensing and prescribing functions - Review of the 14-day prescription date restriction of new drugs
15th meeting	Apr. 25, 2017	- Concerning opinions (draft) on flexible combinations of services covered and not covered by the public long-term care insurance

■ Investment and Miscellaneous Issues Working Group

1st meeting	Oct. 18, 2016	- Operation policies for the Investment and Miscellaneous Issues Working Group - Concerning thorough review of regulations for the evolution of a digital society
2nd meeting	Nov. 4, 2016	- Utilization of public and private sectors’ data
3rd meeting	Nov. 15, 2016	- Utilization of public and private sectors’ data
4th meeting	Nov. 21, 2016	- Utilization of public and private sectors’ data - Handling of personal information in medical fields

5th meeting	Nov. 29, 2016	- Remote education in the IT era - Handling of personal information in medical fields
6th meeting	Dec. 15, 2016	- Review of the licensed guide interpreter system (follow-up) - Utilization of public and private sectors' data - Handling of personal information in medical fields
7th meeting	Jan. 20, 2017	- Utilization of public and private sectors' data - Adoption of IT and one-stop services for procedures related to tax and social insurance
8th meeting	Feb. 10, 2017	- Promotion of investment in urban areas - Adoption of IT and one-stop services for procedures related to tax and social insurance
9th meeting	Feb. 24, 2017	- Adjustment and sharing of radio frequencies - Adoption of IT and one-stop services for procedures related to tax and social insurance - Remote education in the IT era
10th meeting	Mar. 13, 2017	- Remote medical care in the IT era - Adoption of IT and one-stop services for procedures related to tax and social insurance
11th meeting	Mar. 30, 2017	- Adjustment and sharing of radio frequencies - Adoption of IT and one-stop services for procedures related to tax and social insurance - Review of the system of real estate registration
12th meeting	Mar. 31, 2017	- Utilization of public and private sectors' data - Remote education in the IT era - Review of regulations related to next-generation automobiles (fuel-cell vehicles)
13th meeting	Apr. 5, 2017	- Review of the system of real estate registration - Remote education in the IT era
14th meeting	Apr. 20, 2017	- Adoption of IT and one-stop services for procedures related to tax and social insurance (notification of the amount of inhabitants' tax special collection) - Adoption of IT and one-stop services for procedures related to tax and social insurance (social insurance) - Review of the system of real estate registration
15th meeting	Apr. 25, 2017	- Opinions concerning the promotion of utilization of public and private sectors' data - Opinions concerning the promotion of remote education
16th meeting	May 9, 2017	- Remote education in the IT era

■ Task Force on Use of Private Sector for Labor Standard Inspection

1st meeting	Mar. 16, 2017	- Use of private sector in labor standard inspection
2nd meeting	Apr. 6, 2017	- Use of private sector in labor standard inspection
3rd meeting	May 8, 2017	- Concerning the report of the Task Force on Use of Private Sector for Labor Standard Inspection

■ Open discussions

1st meeting	Feb. 21, 2017	- Ideal ways to provide and use the long-term care service
2nd meeting	Apr. 13, 2017	- Establishment of employment rules for job-based regular employees