

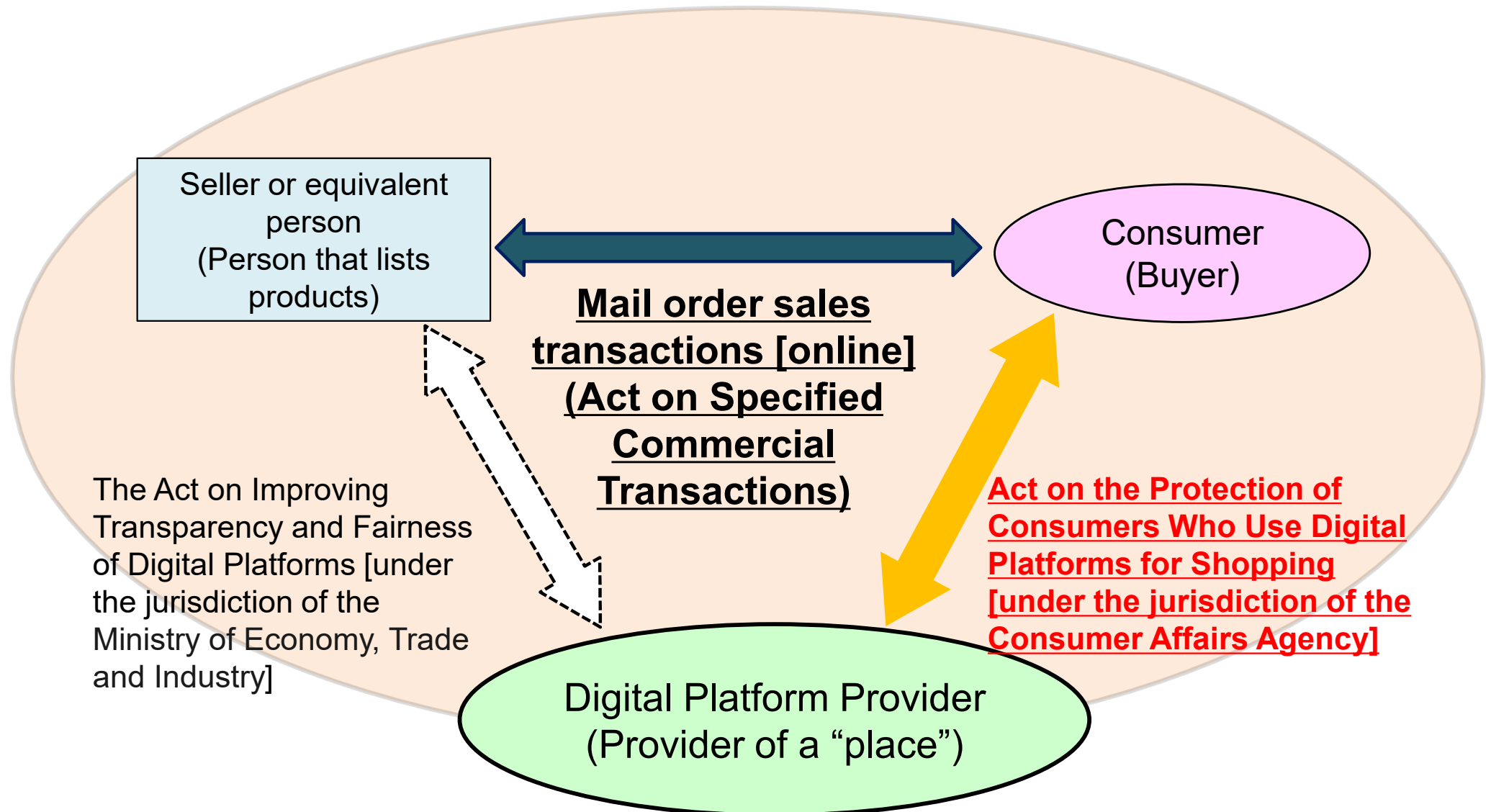
Initiatives of CAA related to Consumer Protection in Digital Age

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Transactions on digital platforms (example)



Act on the Protection of Consumers Who Use Digital Platforms for Shopping Outline

Problems such as **the distribution of unsafe products** and **difficulty in identifying sellers in resolving disputes** exist on **digital platforms for shopping** such as online malls. In response to this, **a new Act was prepared to protect consumer interests.**

Content of the New Act

(Passed on April 28, 2021, promulgated on May 10, 2021, enforced on May 1, 2022)

(1) Obligations of Digital Platform Providers (Article 3)

- In order to contribute to the optimization of mail-order transactions conducted using digital platforms and the promotion of dispute resolution, digital platform providers are obligated to make efforts to implement and disclose an outline of the following measures listed in ① to ③ below (and the Prime Minister draws up guidelines for specific content)
 - ① Measures that enable **smooth communication** between consumers and sellers or equivalent persons
 - ② Measures to **secure the appropriateness of representations of sales conditions, etc.** in response to complaints filed by consumers
 - ③ Measures to request that sellers or equivalent persons **provide information helpful for identifying them**

(2) Suspension of Listing Products (Article 4)

The Prime Minister **requests** that digital platform providers **remove listings, etc.** of unsafe products (*) when the seller cannot be expected to correct the representation due to reasons such as that the seller cannot be specified

⇒Exemption of digital platform provider liability for damages to sellers caused in response to requests

(*) Products, etc. that have particularly false or misleading information on important particulars on their labelling (those regarding product safety, etc.)

(3) Right to Request Disclosure of Seller's or Equivalent Person's Information (Article 5)

- Establish **the right to request the disclosure of information on sellers or equivalent persons** as necessary when consumers make a claim for damages, etc.

* Not applicable if the amount of damages claimed for is less than a certain amount or the claim has been brought for an unjustifiable purpose

(4) Public-Private Council (Articles 6-9) / Reporting System (Article 10)

- **A public-private council** consisting of groups consisting of digital platform providers, consumer groups, relevant government agencies, etc. **will be organized** to exchange information such as **sharing the status of efforts.**
- Establishing of a **reporting system** in which **consumers, etc.** can report the risk of damage to consumers using digital platforms for shopping and request that the Prime Minister (Consumer Affairs Agency) take appropriate measures in response to this

* The review is to be made in the 3rd year of enforcement of this Act in light of the status of its enforcement and changes to economic and social conditions.

Content of major amendments to the Act on Specified Commercial Transactions concerning “Fraudulent Subscription-Based Business Practices”

Point 1

Direct punishment for indication services as not being subscription-based

Point 2

Addition of the items obligatory to be indicated in mail order advertisements as follows:

- (1) the period for the offer of contract and its contents (if applicable)
- (2) item on cancellation for the service contract

Point 3

Prohibition of obstructing the cancellation of mail order sales

Point 4

Establishment of a system that allows the cancellation of applications made based on the above (Point 1) indication

Point 5

Addition of indication (Point 1) and obstruction (Point 3) as above to requests for injunctions by Qualified Consumer Organizations

Representations that are difficult for general consumers to identify as being Representations of Entrepreneur

(Public Notices on 28 March 2023 (2023 Cabinet Office Public Notices no .19) 、
enforced on 1 October 2023)

[Public Notices] the transaction of goods or services which the Entrepreneur supplies (①) ,and that appear to be difficult for general consumers to identify as being Representations of Entrepreneur (②) .

Regulation Contents : Things that are advertisements those cannot be recognized as advertisements

① the transaction of goods or services which the Entrepreneur supplies (advertisement)

- Anything in which the Entrepreneur is involved in determining the content to be posted(represented) falls under advertising.
- For example, if the Entrepreneur instruct a third party the content of the post(representations) ,and the third party(such as influencers or consumers) post the content.

② that appear to be difficult for general consumers to identify as being representations of entrepreneur (those that are difficult to identify as advertising)

- Those that are not clearly identified as advertisements from the entire representations.
- If the representation doesn't indicate that it is an advertisement at all or is unclear(for example, if the statement is written in small terms that it is an advertisement).

