



BSA Comments on “Consideration on Applying Telecommunications Business Act to Foreign Corporations etc. Operating Telecommunication Business (draft)”

January 6, 2021

BSA | The Software Alliance (**BSA**)¹ welcomes the opportunity to provide our comments to the Ministry of Internal Affairs and Communications (**MIC**) on the draft “Consideration on Applying Telecommunications Business Act to Foreign Corporations etc. Operating Telecommunication Business” (**Guidance**).

BSA is the leading advocate for the global software industry before governments and in the international marketplace. BSA members lead the world in offering cutting-edge technologies and services, including cloud computing, data analytics, machine learning, and artificial intelligence, while taking responsible and trusted use of data.

Observations and Recommendations

BSA appreciates MIC’s continued efforts to guide service providers on the implementation of the amended Telecommunication Business Act (**TBA**) which will now apply to certain foreign enterprises. We understand from our earlier communication with MIC that the applied scope of business will not be expanded, leaving the substantive rules and categories unchanged, and that the amended TBA will be applied equally to both domestic and foreign companies offering covered services to persons in Japan.

Opportunity for Further Regulatory Reform

We urge MIC, in close collaboration with interested private sector stakeholders, including BSA members, to consider further reforms of the TBA to promote innovation and establish great regulatory flexibility to keep pace with the rapid advancement of technology. Specifically, rather than simply applying existing requirements imposed on Japan-based telecommunications businesses to foreign-based enterprises offering relevant services in Japan, we continue to recommend that MIC propose adjustments to Japan’s telecommunications regulatory framework more generally to reduce the regulatory burden on ALL parties, whether based in Japan or over-seas. Such a progressive approach to Telecom reform could spur further development of innovative services, including by domestic enterprises in Japan, increase diversity and competition in the market, enhance consumer protections, and reduce costs.

To achieve these goals, we recommend establishing a multi-stakeholder process to better understand the impact of current and alternative regulatory approaches to the telecommunications and information technology sectors. Such an effort could serve to rationalize and simplify overlapping rules and regulations in Japan, and position Japan as a

¹ BSA’s members include: Adobe, Amazon Web Services, Atlassian, Autodesk, AVEVA, Bentley Systems, Box, Cisco, CNC/Mastercam, DocuSign, IBM, Informatica, Intel, MathWorks, Microsoft, Okta, Oracle, PTC, Salesforce, ServiceNow, Siemens Industry Software Inc., Sitecore, Slack, Splunk, Synopsys, Trend Micro, Trimble Solutions Corporation, Twilio, and Workday.

leader internationally to drive regulatory convergence that will promote trade in digital services.

Conclusion

BSA appreciates the opportunity to comment on the Guidance. We hope that our recommendation will be useful as you continue to refine the Guidance and provide clarity on the scope of regulations applied in the telecommunication sector. We look forward to having conversation in the future on the topic as opportunities arise to update regulations in telecommunication sector. Please let us know if you have any questions or would like to discuss comments in more details.