

# Towards the introduction of ride sharing (Summary)

December 8<sup>th</sup>, 2016



Sharing Economy Project Team

# 1. JANE Proposal

---

In order to introduce ride sharing in Japan, JANE proposes the following:

- 1. Immediately set up a council within the government to consider regulatory frameworks for ride sharing**
- 2. Adopt new law to legalize ride sharing as soon as possible**
- 3. Rule-making should take into account the nature of the sharing economy and the effective utilization of technology**

## 2 Why is ride sharing necessary?

---

Global ride share market is expanding,  
with increasing number of unicorn  
startups

Japan needs to prepare for the coming  
new era of self-driving cars by  
accumulating driving logs and other data

Advantages include enhanced consumer  
convenience,  
work style improvement and promotion  
of smart city

Ride-sharing's flexible provision of  
service can solve mobility problems in  
areas with shortage of public transport

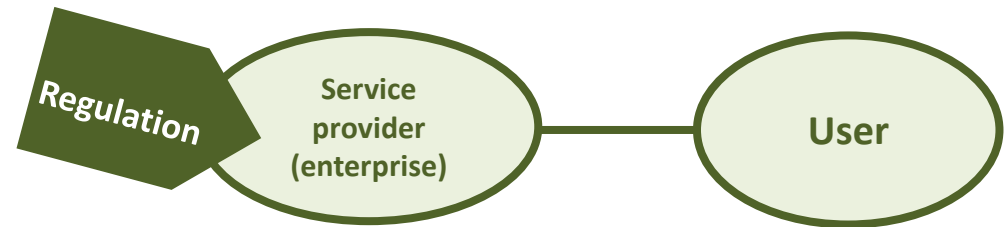


Ride sharing should be legalized without delay

# 3-1 Ride Sharing Framework (concept)

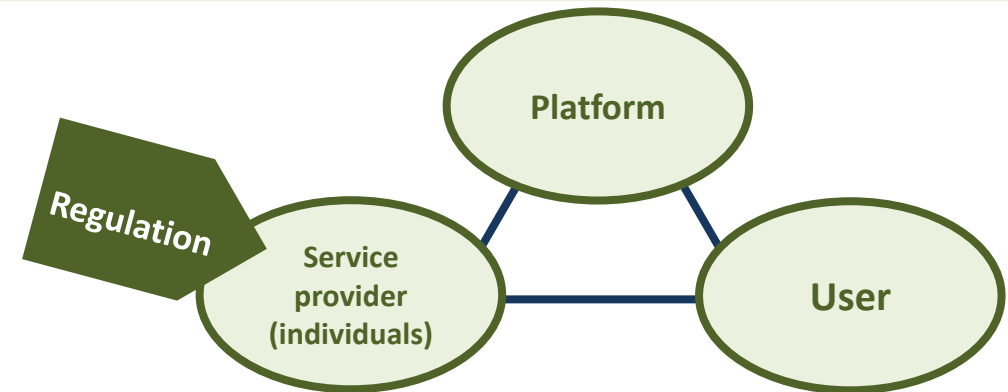
## Ideas behind conventional industry laws

- Quality standard ensured by regulating business operators



## If the same line of thinking is applied to sharing economy fields

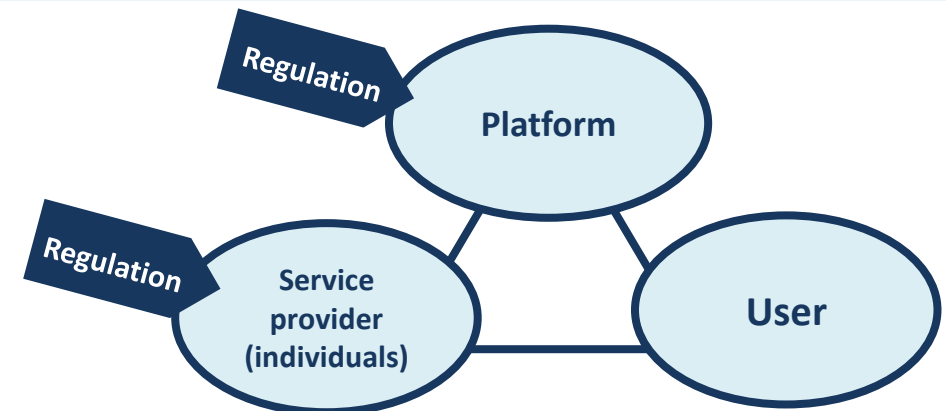
- Private individuals can be **overburdened by rules** intended to regulate the enterprise
- Platforms fall **outside the scope of regulation**



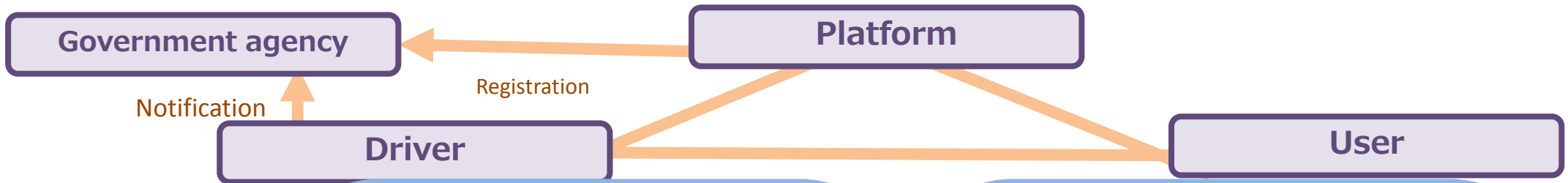
Regulations should evolve in keeping with the development of the new economy

## JANE proposal

- Focus on the importance of the role played by service platforms in the sharing economy
- Overall quality of service can be maintained by distributing **the responsibility between platforms and service providers**, which also means easing the regulatory burden for service providers



# 3-2 Ride sharing framework (regulatory issues)



	Obligations of service platform	Obligations of driver
Competent authorities	<ul style="list-style-type: none"> <li>✓ Registration of platform</li> </ul>	<ul style="list-style-type: none"> <li>✓ Notification by driver (electronic notification should be accepted)</li> </ul>
Driver qualification	<ul style="list-style-type: none"> <li>✓ Carry out drivers' background checks (to filter out those with criminal or critical accident records)</li> <li>✓ Incorporate a driver rating system</li> </ul>	<ul style="list-style-type: none"> <li>✓ Between the age of 21 and 75</li> <li>✓ More than a year since obtaining a driving license</li> <li>✓ Participation in certified courses</li> </ul>
Management of service operations	<ul style="list-style-type: none"> <li>✓ Keep driving logs</li> <li>✓ Compile drivers list</li> <li>✓ Record all accidents</li> <li>✓ Report to authorities and suspend drivers in case of serious accidents</li> <li>✓ Set maximum limit of driving hours per day</li> </ul>	<ul style="list-style-type: none"> <li>✓ Breathalyzer test</li> <li>✓ Reporting to service platform in case of accidents</li> </ul>
Insurance	<ul style="list-style-type: none"> <li>✓ Insurance subscription</li> </ul>	<ul style="list-style-type: none"> <li>✓ Insurance subscription</li> </ul>
Vehicle		<ul style="list-style-type: none"> <li>✓ Vehicles that are large-sized or more than 10 years old not allowed</li> <li>✓ Notify to the authority the vehicle used as well as the driver name</li> </ul>
Fares	<ul style="list-style-type: none"> <li>✓ Transparency in fare pricing</li> <li>✓ Acceptance of cashless payments</li> </ul>	
Others	<ul style="list-style-type: none"> <li>✓ Platforms that do not take appropriate measures are subject to business improvement orders or revocation of registration</li> <li>✓ Overseas platforms providing service in Japan also need to comply with the same rules</li> </ul>	<ul style="list-style-type: none"> <li>✓ Only allowed to carry passengers matched by service platform (cruising taxis not permitted)</li> </ul>

Complementary responsibilities to ensure quality of service

## 4. JANE's response to the views given by the government (excerpts)

Government views (*)	JANE response
Ride sharing is a mechanism where drivers bear sole responsibility, making it difficult to ensure the safety of rides	<ul style="list-style-type: none"> <li>✓ JANE proposal also assigns obligations to platform operators for ensuring certain level of standard to guarantee ride safety</li> <li>✓ Drivers will not be the sole bearer of responsibility</li> </ul>
Taxis are in oversupply. Ride sharing could negatively affect the employment of taxi drivers	<ul style="list-style-type: none"> <li>✓ Ride sharing will expand door-to-door transportation service market</li> <li>✓ Increasing number of ageing taxi drivers implies a serious shortage of drivers in the future</li> <li>✓ Need to encourage flexible work style not limited to regular employment</li> </ul>
Safety concerns for and opposition to ride sharing are spreading worldwide	<ul style="list-style-type: none"> <li>✓ JANE's guideline proposal is aimed to address safety concerns of these ongoing discussions</li> <li>✓ Countries globally are discussing and building legal frameworks for ride sharing</li> <li>✓ Government stance of refusing to put it on the agenda is a hindrance to innovation</li> </ul>

\*Based on a reply from the Ministry of Land, Transport and Infrastructure received via the hotline for regulatory reform regarding measures included in JANE policy proposal on creating a legal framework for ride sharing (submitted in October 2015)

# Reference: Status of ride share rule-making in other countries

※Compiled from news sources (as of November 30<sup>th</sup> 2016)

US	State or city level regulations	Regulatory framework in place in many states or cities to allow ride sharing companies to operate under certain conditions.
UK	City level regulations	Greater London authority made a series of amendments to regulations relating to ride-sharing services.
China	National regulations already in place	New national regulations were adopted in 2016 to legalize rides share services under certain conditions and came into effect in November 2016.
The Philippines	National regulations already in place	The transportation ministry revised its decree in May 2015 (Order 2015-011) to provide a regulatory framework for ride sharing services categorized as “TVNS (Transportation Network Vehicle Service)”
Singapore	Legal framework partly in place, fully-fledged regulations due next year	Ride sharing in Singapore using private vehicles is partly permitted as “car pooling” under the Road Traffic (Car Pools Exemption) Order 2015. Complete legalization under a set of rules is expected to come into effect by June 2017.
Vietnam	Experimental rules in place	The transport ministry adopted ride sharing rules in July, which came into force in January this year (as a two-year pilot program to embed technology in transport governance)
Taiwan	National regulations due to be implemented	Revised taxi industry laws and adopted new regulations to allow online platform-based car hiring services, which are due to take effect in January 2017
Estonia	Under deliberation in Parliament	A bill to legalize ride sharing services under a set of conditions is being deliberated in parliament
Italy	Under deliberation in Parliament	Comprehensive “sharing economy law” that also covers ride sharing is under deliberation in parliament

**Hello, Future!**

