

# Detailed Proposal on Legislative Measures to Promote Utilization of Information Technology

October 30, 2015

Hello, Future!



Japan Association of New Economy

Task Force on e-Government Promotion

# 1. Introduction (Background)

◆ April 27 – JANE released a policy proposal, “Towards realization of the world best class IT nation with utilization of My Number system”

Realization of a  
Society Based on IT

New Legislation for  
Utilization of  
Information  
Technology

- Develop legal environment to promote innovation through further use of IT.
- Declare to the principle of prioritizing digitization.
- Abolish the principle that administrative procedures such as applications and notifications must be made face-to-face/in-writing.
- Existing laws and regulations should be fully re-examined to realize “IT in principle.”
- “Digital-First” principle
- Abolition of “face-to-face/in-writing” principle
- Re-examine existing laws and regulations in order to promote the utilization of IT.

◆ Submitted by Minister Yamaguchi on May 29, 2015 to the 6th Thematic Meeting of the Industrial Competitiveness Council: Comprehensive IT Strategy Unit in the Cabinet Secretariat “Initiatives Toward the Promoting of the Utilization of Information Technology”

## Creation of a new legislation which promotes smooth distribution of information

In order for the public to truly enjoy the convenience brought by the utilization of IT in their daily lives and economic activities...the new legislation that expedites smooth distribution of information by the utilization of IT while ensuring cybersecurity should be introduced in the next ordinary Diet session.

◆ Cabinet Decision on June 30, 2015 – “the 2015 revision of the Japan Revitalization Strategy”

## New legislative measures to promote the utilization of IT

### Aiming to submit the related bills from the next ordinary Diet session in sequence

“Shifting from the general principle of “face-to-face/in-writing” in administrative procedures to “IT in principle”, the legislative measures necessary to achieve the “one-stop” in various administrative procedures (such as notice of death, moving, etc.) and to vitalize the emerging markets such as “Sharing Economy” should be taken.”

Taking the excellent opportunity provided by the launch of the My Number system in January 2016, this document offers a detailed proposal on the necessary legislation to promote the utilization of IT, in order to abolish the general principle of “face-to-face/in-writing” and to realize a “Digital-First” society.

# 2. Necessary Legal Framework

## Basic Promotion Act

### Chapter 1 – General Provisions

- Purpose
- Basic Principles and general rules
- Obligations of the national and local governments
- Obligations of businesses and the public

### Chapter 2 – Establishment of Basic Policy and Action Plans

- Development of basic policy by the Government
- Preparation of action plans for each ministry and agency and report on state of implementation
- Enhancement of “control tower”(Commander) functions
- Collaboration and cooperation at national and regional levels

### Chapter 3 – Measures for Administrative Agencies

- Prioritize electronic means in information disclosure
- Provide one-stop services and prohibit recurring requests
- Provide “Directory” of administrative information to the public
- Make Application Programming Interface available to the public
- Public-oriented perspective, accessibility
- Enhance credibility of electronic data
- Develop electronic document management systems
- Grant authenticity to electronic data
- Promote digital payment systems

### Chapter – 4 Utilizing IT in Other National Branches

- Judicial Branch
- Legislative Branch

## Comprehensive Re-arrangement Act

Regulatory reform for the creation of new industries

Re-examination of existing laws and regulations preventing the use of IT

### Laws subject to revision

- Act on Use of Information and Communications Technology in Administrative Procedure
- Electronic Document Act
- Building Lots and Buildings Transaction Business Act
- Medical Practitioners' Act
- Pharmaceutical Affairs Act
- Companies Act
- Copyright Act
- School Education Act
- Labor Standards Act
- Financial Instrument and Exchange Act
- Commercial Registration Act
- Act on Prevention of Transfer of Criminal Proceeds
- Act on Identification, etc. by Mobile Voice Communications Carriers of their Subscribers, etc. and for Prevention of Improper Use of Mobile Voice Communications Services
- Laws and regulations seeking age identification, etc.

## Foundation Establishment Act

- Revisions on the Act on Electronic Signatures and Certification Business
- My Number Portal
- e-P.O. Box

Clarification of legal status

# 3. Suggested Provisions of the Basic Promotion Act (1/4)

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## Chapter 1 – General Provisions

### ● Purpose

- In order to realize “the world’s best class IT nation”, the Japan government shall provide the overall framework, including basic principles and general provisions to securely implement comprehensive and systemic measures.

### ● Basic Principles and General Rules

- General principle of “Digital-First”
- Abolishment of “Face-to-face/In-writing” principle
- Constitutive re-examination of laws and regulations in order to facilitate creation of services and industries reflecting on emerging trends
- Development of mechanisms to collect public opinions in policy planning

### ● Obligations of the National and Local governments

- The national and local governments shall develop and implement needed measures to promote the utilization of IT based on the basic principles and general rules of the Basic Promotion Act.

### ● Obligations of Businesses and the Public

- Businesses and the public shall make efforts to increase productivity through the utilization of IT.

# 3. Suggested Provisions of the Basic Promotion Act (2/4)

## Chapter 2 – Development of Basic Policy and Action Plans

### ● **Basic policy by the Government**

- The Government will set a basic policy related to the utilization of IT in order to comprehensively and systemically implement measures in line with the basic principles and general rules of this Act.

### ● **Action plans for each administrative agency and reports on implementation status**

- Each administrative body will develop an action plan on the measures to be carried out every year based on the above basic policy, and the Government shall compile these plans.
- The Government will report to the Diet on the development and implementation of these action plans each fiscal year, and make a summary of those reports available to the public.

### ● **Enhancement of “control tower” (commander) functions in order to realize “the world’s best class IT nation,” including increasing of the authority of the Chief Information Officer (CIO)**

This measure shall be considered while keeping in mind the following points:

- ✓ The reorganization of authorities among ministers (rights to issue recommendations and command, requests for the submission of documents, disclosure of opinions, etc.)
- ✓ The enhancement of Government CIO secretariat functions (including active appointment to the positions from the private sector)

### ● **Collaboration and cooperation at national and regional levels**

- A commission to facilitate cooperation between national and local governments shall be set up to strengthen the utilization of IT in the government. The Government CIO shall be appointed to the commissioner.
- This commission should develop a comprehensive plan for cooperation between national and local governments in standardizing digitalization of administrative proceeding, the demarcation of tasks between among governments, and financial measures as a part of a Government-wide action plan.

# 3. Suggested Provisions of the Basic Promotion Act (3/4)

## Chapter 3 - Measures for administrative agencies

- **Prioritize electronic means in the information disclosure**
  - If the public or businesses wish to exchange information through electronic means with administrative agencies, such administrative agencies must not refuse to do so unless specific reasons exist, and in case where they do refuse, the reasons must be disclosed.
- **Provide one-stop service and prohibit recurring requests**
  - Administrative agencies must improve their work-flow through efforts among administrative agencies and within an agency, such as establishing a single-window for their administrative procedures.
  - Administrative agencies must not call for information already submitted as long as it is up-to-date.
  - Administrative agencies must cooperate with each other to improve the convenience of e-government, such as by the standardizing data exchange formats.
- **Provide “Directory” of administrative information to the public**
  - Administrative agencies must make public a list of administrative information they own.
  - Administrative agencies must disclose administrative information listed in the directory, except for the information related to national defense or sensitive personal/corporate information.
  - Administrative agencies must provide the public with administrative information in a machine-readable format.
- **Expose Application Programming Interfaces (APIs) to the public**
  - Administrative agencies shall create a interface for the data exchange among agencies and the public/businesses in line with the international standards. Information regarding such APIs must be publicly available and up-to-date.
- **Public-oriented perspective and securing accessibility**
  - Governmental information systems must be simple, user-friendly, and efficient for the public.
  - e-governance measures of administrative agencies must conform to the international accessibility standards, be compatible with various devices, and information must be machine-readable.
- **Enhance credibility of electronic data**
  - When communicating information by electronic means, administrative agencies must secure anonymity by taking measures such as encryption, and implement countermeasures against the falsification of information and fraud in line with the international standards. Furthermore, administrative agencies must take measures for cybersecurity to protect the public.

### 3. Suggested Provisions of the Basic Promotion Act (4/4)

#### (Chapter 3 (Cont'd))

- **Develop electronic document management systems**

- Administrative agencies shall manage documents digitally.
- Administrative agencies shall digitize documents submitted on paper while ensuring consistency of the content.

Note: German Act to Promote Electronic Government – Section 6 provides the obligation to keep electronic records in principle, and Section 7 provides that document papers submitted should be destroyed or returned, except in specific circumstances, once it was ensured that the pictorial and text content of the electronic documents correspond to the paper documents.

- **Grant authenticity to electronic data**

- Administrative agencies must qualify electronic data and digitized documents as authentic documents.

Note: US Federal Rules of Evidence (FRE) Rule 1002 provides that e-mails, text messages, chat room logs, and other e-records qualify as original documents.

- **Promote digital payment systems**

- The Government shall consider electronic systems such as electronic payments, cashless payments and electronic contracts among public-private and private-private, and take necessary measures (including developing an environment that usage of cashless payment systems is obliged for public services, and standardizing electronic receipt).

- **Enhance computer programming education**

- The Government shall consider measures to enhance computer programming education from an early stage and take necessary measures.

\*In *Japan Ahead*, released by JANE in May 2015, we proposed that cashless payment systems should be available for all major facilities and services by 2020.

#### Chapter 4 – Utilizing IT in other national branches

##### Judicial Branch

- Court record shall be digitized and made available to the public
- Court session schedules (case numbers, case names, court numbers, start times, etc.) shall be available on the internet
- The Government shall commence consideration of holding court sessions on the internet

##### Legislative Branch

- Income and expenditure reports on political funds and a list of the reports shall be publically available on the internet
- Use of e-mail for election campaigns by voters (i.e., non-candidates/political parties) shall be allowed (to be allowed from the next national elections)
- The Government shall look into feasibility of online voting system

#### 4. Suggested Provisions of the Comprehensive Re-arrangement Act (1/3)

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The policies for the realization of the basic rules and principles shall be considered, and necessary laws and regulations supporting the policies shall be developed.

**Regulatory reform for the  
creation of new industries**



Please see our another proposal,  
“Detailed Proposal on Legislative Measures  
to Advance the Sharing Economy”.

**Reconsideration of existing  
Laws and regulations  
preventing the use of IT**



[Please see the subsequent pages for details.](#)



## 4. Suggested Provisions of the Comprehensive Re-arrangement Act (2/3)

**Current systems, laws, and regulations hindering the utilization of IT should be re-examined; regulations like those that follow should be abandoned; and work should be done to develop an environment for utilizing IT.**

### ■ **Abolish regulations requiring face-to-face communication**

- General rule that important elements in real estate transaction to be explained face-to-face should be completely abandoned
- Promote internet sales of prescription medicines and medicines requiring pharmacist intervention
- Promote telemedicine
- Promote on-demand classes and tele-education

### ■ **Eliminate regulations not allowing to provide information over the internet as a normal method**

- Digitize documents explaining important elements in real estate transaction, intermediary agreement, and documents issued by the real estate agent in accordance with Article 37 of the Building Lots and Buildings Transaction Business Act
- Realize digital prescriptions and active use of the e-prescriptions at an early stage
- Accredite digital textbooks
- Explanatory notes to financial instruments to be provided based on laws shall be given by electronic means in principle.
- Documents for shareholders' meeting such as business reports shall be disclosed on the internet in principle and shareholders can exercise their voting rights via electronic means as well

### ■ **Expand digitalization of administrative/private procedures and their availability on the internet**

- Enhance digital issuance of various notifications and certificates by the national and local governments
- Promote the digitization of the administrative documents such as applications for tax exemptions for dependents
- Promote electronic tax filing and payment by enhancing convenience of e-Tax (e-filing system for tax) in collaboration with private software and applications
- Promote complete digitization of business documents such as e-contracts, e-invoices, and e-receipts.
- Make application process for e-certificate (electronic authentication) of a commercial registration online, and reduce business costs for use of the certificate
- Promote the digitization of tax and public utility fee collection in the regions
- Ensure that requests for administrative information disclosure are filed electronically through the website
- Utilize the My Number (The Social Security and Tax Number) system in directory management by the governments and the private sector (Examples: voter registries, shareholder lists of listed companies, license/certificate holder registries)

## 4. Suggested Provisions of the Comprehensive Re-arrangement Act (3/3)

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### Laws and regulations subject to revision

- **Online Administrative Procedures Law**
- **e-Document Law**
- **Building Lots and Buildings Transaction Business Act**
- **Medical Practitioners' Act**
- **Pharmaceutical Affairs Act**
- **Companies Act**
- **Copyright Act**
- **School Education Act**
- **Labor Standards Act**
- **Financial Instruments and Exchange Act**
- **Commercial Registration Act**
- **Act on Prevention of Transfer of Criminal Proceeds**
- **Act for Prevention of Improper Use of Mobile Phones**
- **Laws and regulations requiring true age and identity verification**

etc.

A proposal on regulatory reform has been separately submitted to the Hotline on Regulatory Reform.

## 4. Comprehensive Re-arrangement Act – Analysis of Stocktaking Results

### Government Stocktaking Results

Results of stocktaking that are not legally possible to complete online  
(Examined all administrative procedures)

	Total No. of Procedures (b)	No. of computerized procedures	No. of Procedures not available online due to legal restrictions (a)	Ratio (a/b) %
Public (Nat'l Gov.) - Private	20,061	8,850※1	133	0.7
Local Gov. – Private	14,694	※2	5,030※3	34.2
Private – Private	3,086	※2	464※3	15.0

(Source) Sub-Committee on Regulatory System Reform, the Comprehensive IT Strategy Unit in the Cabinet Secretariat



- Based on the stocktaking results, obstacles to make administrative procedures available online should be figured out by examining reasoning of the responsible ministries and agencies. Except for procedures with reasonable justification such as cost effectiveness, all administrative procedures should be available online by Comprehensive Re-arrangement Act.
- Use of personal identification associated with My Number and attribute certification, collaborations with the My Number Portal and e-P.O. Box and other relevant measures should be taken into consideration.
- Depending on the importance, omissions or simplifications of mandatory supplemental documents and personal seals should be considered in order to be available online.

## 5. Foundation Establishment Act : e-signatures, My Number Portal, e-P.O. Box

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The development of the following infrastructure is essential in order to embody the Basic Promotion Act and Comprehensive Re-arrangement Act. Creation of legal basis should be necessary to that end. Public-private collaboration and cost minimization should be taken into consideration in developing laws and regulation.

### ■ **e-Signature (in relation to: the Act on Electronic Signatures and Certification Business)**

- Give legal status to attribute-based-authentication (such as job title) and, and developing business environment for the authentication service

### ■ **My Number portal site for individuals and corporations (in relation to: the Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure)**

- Clarify the service schedule of the “My Number Portal” for individuals
- Consider mechanisms of self-management of personal health records (PHR) such as medical care, nursing care, and health status.
- Develop “My Number Portal” for corporations which enables various administrative procedures such as establishment of corp., filing tax and browsing information owned by the government, e-P.O. Box, and payment.
- Promote use of corporate numbers and consider introducing a numbering system for self-employed
- Enhance functionality of “My Number Portal” by exposing the API and encouraging private sector to develop compatible apps

### ■ **e-P.O. Box (in relation to: the Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure)**

- Clarify legal status of e-P.O.Box (i.e., Online P.O. Box)
- Support businesses associated with e-P.O. Box
- Install notification systems such as proof of delivery and arrival notice
- Ensure email security conforming to the international standards and connectivity to existing platforms such as SMS.

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