

Policy Outline of the Institutional Revision for Utilization of Personal Data

**Strategic Headquarters for the Promotion of an Advanced
Information and Telecommunications Network Society**

June 24 2014

This paper is a provisional translation. Please refer to the original version in Japanese for nuance.

CONTENTS

- Part 1. Introduction 5
- Part 2. Basic Concepts 6
 - I. Purpose of the institutional review 6
 - 1. Background 6
 - 2. Issues 7
 - II. Basic framework of the institutional review 9
 - 1. Implementation of a framework that enables personal data to be utilized without consent of the persons 9
 - 2. Basic framework of the system and the utilization of voluntary efforts in the private sector that supplements the framework 10
 - 3. Ensuring the enforcement of an effective system by developing an independent third-party authority system 11
 - III. Future Schedule 12
- Part 3. System Design 13
 - I. Purpose and Fundamental Principles 13
 - II. Implementation of a framework for promoting the utilization of personal data 13
 - 1. Handling of data with reduced possibility of certain individuals being identified 13
 - 2. Handling of personal data owned by administrative bodies, incorporated administrative agencies, and others 14
 - III. Basic framework of the system and the utilization of voluntary efforts in the private sector supplementing the system 14
 - 1. Regulations pertaining to the basic framework of the system 14
 - 2. Creation of a framework for the establishment of and compliance with the self-regulations led by the private sector 17

3. Framework for the private sector-led cross-border transfer of personal data.....	17
IV. Ensure to enforce an effective system by developing a third-party authority system	18
1. Development of a third-party authority system	18
2. Consistency of the regulations between businesses and local public bodies, administrative agencies, incorporated administrative agencies, and others	21
3. Disclosures	21
V. Actions for globalization	21
1. Extraterritorial application.....	21
2. Cooperation for enforcement	21
3. Cross-border transfer of personal data	22
VI. Other amendments to the system	22
1. Handling of businesses that handle personal data on a small scale.....	22
2. Handling of personal information for academic research purposes	23
VII. Issues to be further discussed	23
1. New dispute resolution structure.....	23
2. Profiling.....	23
3. Privacy Impact Assessment (PIA)	23
4. So-called list brokers	23

Part 1. Introduction

This outline shows the Government's direction on the particulars for which measures are to be taken in accordance with the amendment made to the personal information protection-related laws and others based on the consideration for *Directions on Institutional Revision for Protection and Utilization of Personal Data*, which was decided upon on December 20, 2013, by the Strategic Headquarters for the Promotion of an Advanced Information and Telecommunications Network Society.

This outline shall henceforth be available for public comments asking citizens' opinions, based on which and others the Cabinet Secretariat shall take the initiative to revise the direction wherever necessary in negotiation with other ministries and agencies and put the details of system design and others in a bill.

Part 2. Basic Concepts

I. Purpose of the institutional review

1. Background

Over ten years have passed since the establishment of the Personal Data Protection Law¹ (hereinafter referred to as “the Current Law”), and the exponential progress in information and communications technology made during this period is expected to contribute to creating made-in-Japan innovation in the future, such as enabling the collection and analysis of diverse and vast amounts of data, so-called big data, which greatly contributes to creating new industries and services and resolving various issues surrounding Japan. It has increasingly been possible to utilize personal data characterized by information on personal behaviors, states, and others, in particular, for public interest, as well as for their own benefits, by using advanced information and communications technology that could not be realized at the time of the establishment of the Current Law, and its use is considered to be highly valuable. However, a gray area arises and expands concurrently where it is not clear whether personal data is permitted to be utilized freely, obfuscating the scope of data that must be protected, and the rules with which businesses must comply in utilizing personal data.

Meanwhile, consumers’ awareness of personal data has been expanding until now since the establishment of the Current Law with customers worrying that their personal data might be misused with the utilization of advanced information and communications technology and wishing that their personal data should be handled with greater care than ever as the concepts of personal information and privacy are acknowledged widely in society, and a system is expected to be built that makes it clear which personal data that must be protected be handled properly and gives consumers a sense of security.

Under such circumstances, *a barrier to the utilization of personal data* has emerged, which also causes businesses that are currently not particularly causing problems in relation to the violation of personal rights and interests in utilizing personal data to be concerned about privacy-related social criticism in utilizing personal data and to hesitate utilizing personal data because of the occurrence and expansion of the gray area. Thus it cannot be said that personal data has necessarily been fully utilized.

¹ Act on the Protection of Personal Information (Act No. 57 of 2003)

In view of the current state, the Government's growth strategy aims at the revitalization of industries by utilizing data. Particularly it is expected that *the barrier* for businesses to *utilize personal data* as highly valuable to be removed and that the violation of personal rights and interests should be prevented as in the past, and that an environment should be developed with personal information and privacy being protected that realizes the utilization of personal data for creating new industries and services, improving the safety and security of citizens, and other purposes.

With the globalization of corporate activities, the development of information and communications technology has been making cross-border data flows, such as cloud services, extremely easy. In order to work on such changes, discussion and legislation on personal information and privacy protection have been developing worldwide: the OECD (Organization for Economic Co-Operation and Development), of which Japan is a member, revised its privacy guidelines² in July 2013; the Consumer Privacy Bill of Rights³ was made public in the United States in February 2012; in the European Union the personal data protection regulation draft⁴ was approved by the European Parliament's plenary session in March 2014 and is further being discussed; and more around the world. With such circumstances in mind, in part to work on a business environment where data is accumulated in Japan from all over the world, it is necessary to consider the effort to ensure both the use and transfer of data and the protection of privacy in foreign countries and to harmonize the system globally.

2. Issues

Various issues arising from background described above can be categorized as follows:

(1) To remove the barrier to the utilization of personal data

² OECD, The Recommendation of the OECD Council concerning Guidelines governing the Protection of Privacy and Transborder Flows of Personal Data (2013)

³ White House, Consumer Data Privacy in a Networked World: A Framework for Protecting Privacy and Promoting Innovation in the Global Digital Economy (2012)

⁴ European Parliament, European Parliament legislative resolution of 12 March 2014 on the proposal for a regulation of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) (2014)

a. Action for the gray area

The elements of the gray area from which *the barrier to the utilization of personal data* arises with the background of the diversification of data, the development of information and communications technology, and others are as follows:

- Ambiguity in the legal interpretation of the scope of *personal information*
- Ambiguity in the regulations with which businesses must comply in relation to the scope of protection and handling of personal data with no certain individuals identified that may cause personal rights and interests to be violated depending on how it is handled, such as high probability of leading to the identification of specific individuals.

These ambiguities need to be resolved considering circumstances of businesses' data-retaining status and issues arisen from utilization of personal data.

Also, as a catalyst to remove *the barrier to the utilization of personal data*, a system is essential that makes it possible to effectively utilize the personal data possessed by businesses.

b. To prevent the violation of personal rights and interests

In order to promote the utilization of personal data, it is important to resolve concerns, such as personal data being used for purposes other than the person's intent, and develop an environment where the proper handling of personal data allows consumers to provide their data with security. For this reason, it is essential to prevent the acts of businesses that would lead to the violation of personal rights and interests.

(2) To make swift action possible

With changes in the types of data and the way of data utilization as well as people's awareness of personal privacy over time, there is a limit to resolving the gray area arising therefrom and possible violation of personal rights and interests solely with the provision of laws that require austere procedures for establishment, amendment, and such. Accordingly, in order to work on such changes properly and timely, systems is necessary that could assist and promote useful voluntary efforts in the private sector in allowing for swift action, as well as appropriately divide the scope to be prescribed by law and the scope which should be dealt with by governmental and ministerial ordinance, regulations, guidelines, and others.

(3) Ensuring the system enforcement

Enforcement of an appropriate system is necessary to gain trust from consumers, and to ensure that businesses comply with the regulations, and it is also required that the executive entity should be in an independent and impartial position. Also, to make the foregoing non-governmental voluntary efforts effective, a public agency involved in its certification and others is necessary. Furthermore, the development of the system of such a public agency is expected to raise public awareness by presenting a legal interpretation of the laws in the guidelines, as well as establishing an organic collaborative relationship with the complaint departments.

(4) For international harmonization of the system

With the globalization of corporate activities, the need has arisen for Japanese companies to share or mutually transfer their personal data with foreign companies.

To make such sharing and transfer of personal data possible, it is necessary to develop an internationally harmonized, reliable system considering the discussion on the protection of personal information and privacy in foreign countries and legislation progress among others.

II. Basic framework of the institutional review

This institutional review is to take legal action to resolve the foregoing issues towards the promotion of the utilization of personal data, and the basic framework is as follows:

1. Implementation of a framework that enables personal data to be utilized without consent of the persons

The utilization of personal data is expected to create innovations with the multidisciplinary utilization of diverse and vast amounts of data and thereby create new businesses and others. The system of the Current Law that requires consent from the persons⁵ in using their personal data for purposes other than those specified and providing personal data to third parties is cumbersome for businesses, ending up as one of the *barriers to the utilization of personal data*. Accordingly, taking into consideration that consent of the persons is required for the purpose of preventing the violation of personal

⁵ The term "person" as to personal information shall mean a specific individual identified by personal information, as used in Current Law.

rights and interests, we will implement a framework that enables personal data to be provided to third parties without consent of the persons under certain regulations, in addition to the regulations in the Current Law that otherwise basically requires consent of the persons, to promote the utilization of personal data. Specifically, regulations will be laid down pertaining to the processing of personal data into *data with the reduced identifiability of individuals* and the handling of the data in place of consent of the persons.

Also, we will promote the appropriate protection and utilization of personal data so that no chilling effects occur, as vast amounts of data are expected to be further utilized to contribute to the benefits of the persons and the public interest such as medical data while requiring proper handling.

2. Basic framework of the system and the utilization of voluntary efforts in the private sector that supplements the framework

Since details of the gray area and the possibility and degree of the violation of personal rights and interests vary with time due to multiple factors, such as the development of information and communications technology and the individual's subjective view, a general framework will be laid down for law and work on its specific details according to the Cabinet Orders, Ministerial Ordinance, Rules, and guidelines with socially accepted ideas and others in mind to make it possible to work on these swiftly. Also, we make sure to utilize self-regulatory rules in the private sector in conjunction with this.

The amendments to the system shall primarily be the following:

- We will clarify the scope of *personal information* so that businesses do not hesitate to utilize it, and lay down regulations pertaining to its handling so that personal rights and interests are not violated.
- This shall be the framework for a system that allows for prompt action for the development of technology.
- To both promote the utilization of personal data and protect personal information and privacy, we will establish a framework in which an independent data protection authority (hereinafter "third-party authority") is engaged to ensure effectiveness in certifying concrete operating rules based on the characteristics of industries (e.g. how to process personal data into data with the reduced identifiability of individuals) and industry-specific rules pertaining to matters not prescribed by law (e.g. action for damages that may arise from data analysis) laid down by non-governmental

organizations if any, utilizing the concept of a multi-stakeholder process⁶ in which consumers and others are participating parties.

3. Ensuring the enforcement of an effective system by developing an independent third-party authority system

We will develop an independent structure for a third-party authority to operate ordinance and self-regulations in the private sector as effective towards the promotion of the utilization of personal data.

The amendments to the system shall primarily be the following:

- We will develop the structure of the third-party authority ensuring international consistency so that legal requirements and self-regulations in the private sector are effectively enforced.
- Regarding the third-party authority, we will restructure the “Specific Personal Information Protection Commission” prescribed in “The Number Use Act”⁷ to set up a commission with the objective of promoting the protection and utilization of personal data in balance.
- The third-party authority shall have the functions and powers of onsite inspection, in addition to the functions and powers that the competent ministers currently have over businesses handling personal information, and shall certify non-governmental self-regulations and certify or supervise the non-governmental organization that conduct conformity assessment in accordance with the privacy protection standards adopted by the country concerned regarding international transfer of personal data.
- We will lay down regulations pertaining to the right to claim disclosure of one’s own personal information and others according to the Current Law.

In addition, we will apply domestic laws to foreign businesses considering action to protect personal data while being transferred to foreign countries and the actual state of

⁶ A way of laying down regulations and such in an open process in which relevant parties participate, such as the Government, business entities, consumers, and experts.

⁷ Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure (Act No. 27 of 2013)

data distribution beyond borders, as well as aim to make the system optimal for Japan with international harmonization taking into account of the systems of foreign countries and the status quo of the international community so that the amendments to the system do not hinder data transfer beyond borders.

III. Future Schedule

We will refer to the following for the date of enforcement of the amended law, noting that it can be changed in the future depending on the system design and date of enactment:

- (1) Submit the relevant bills to the Diet as early as possible in or after January 2015.
- (2) Set up a third-party authority and commence business as early as possible, as well as enforce the amended law early after enactment, except the part that requires notification and preparations.
- (3) Subsequently enforce the remaining part as soon as possible.

It is essential to strive to develop the structure of the third-party authority and notify people of the new system and work on the enforcement of the amended law utilizing the non-governmental efforts and others in the current system so that the switch over to the new system can be smoothly done.

Part 3. System Design

I. Purpose and Fundamental Principles

While further promotion of the utilization of personal data is expected for an increase in the benefits of the whole society as well as benefits of the persons, the proper handling of personal data is still expected as in the past in terms of privacy protection. As such, we review the system with the objective of laying down the proper handling of personal data that has a good balance of protection and utilization of personal data, in accordance with the modern age, where information and communications technology is developed.

II. Implementation of a framework for promoting the utilization of personal data

1. Handling of data with reduced possibility of certain individuals being identified

The Current Law requires consent from the persons if their personal data is provided to third parties or used for purposes other than those specified, except for certain exception reasons. We take note of the possibility of certain individuals being identified and personal rights and interests being violated depending on the handling of personal data that is processed into data with a reduced possibility of certain individuals being identified, in addition to cases based on consent of the persons, and take the necessary action to utilize data smoothly, such as making it possible to provide personal data to third parties and use it for purposes other than those specified without obtaining consent from the persons by defining proper handling by prohibiting identifying certain individuals and such.

Measures to process personal data into data with a reduced possibility of individuals being identified shall be able to process personal data appropriately according to the characteristics of businesses without being decided upon flatly, considering the usefulness and diversity of data. Furthermore, non-governmental organizations shall lay down self-regulations with regard to the applicable processing method, and the third-party authority (see section IV below) shall be able to certify the applicable regulations or non-governmental organizations and others. In addition, we share the best practice of appropriate processing methods and others.

2. Handling of personal data owned by administrative bodies, incorporated administrative agencies, and others

As to personal data owned by administrative agencies, incorporated administrative agencies, and others, we investigate and consider the scope, categorization, and handling of data that can be utilized with the characteristics of the personal data in mind by consulting the ministries and agencies of which the applicable data is under the jurisdiction with hearing of a wide range of opinions about the relevant parties and others.

We consider the Government's providing required data to local public bodies in accordance with the amendment to the system.

III. Basic framework of the system and the utilization of voluntary efforts in the private sector supplementing the system

1. Regulations pertaining to the basic framework of the system

(1) Clarification of the data to be protected and its handling

It is pointed out that some personal data are difficult to utilize due to the *barriers to the utilization of personal data* as it is currently not clear to businesses whether or not they are among those protected as personal data.

As such, we clarify personal data to be protected among those pertinent to the physical characteristics of individuals, such as fingerprint recognition data and face recognition data, and we lay down regulations as necessary, considering the protection of personal rights and interests and the actual state of business activities.

Also, we take action so that the personal data to be protected can be reviewed swiftly in accordance with technological development and new needs for the utilization of personal data as well as note so that flexible decisions can be made in accordance with the actual state of society, such as the organizations and activities of businesses and the development of information and communications technology. In addition, the third-party authority shall strive to take action swiftly by providing prior consultation services for individual cases as well as to clarify the interpretation of the applicability of the definitions of *personal information* and others to be protected.

(2) Sensitive Information

We will define information of the race, creed, social status, criminal record, past record, and others that may cause social discrimination as Sensitive Information. We will consider careful handling of Sensitive Information, such as prohibiting such data from being handled, if included in personal information.

However, in view of the actual use of personal information including Sensitive Information and the purpose of the Current Law, we lay down regulations that pertain to the handling of personal information, such as providing exceptions where required according to laws and ordinances and for the protection of human lives or health or assets, as well as enabling personal information to be obtained and handled with consent of the persons.

(3) Review of the handling of personal information

- a. To take the necessary action for the procedures that businesses handling personal information should go through if certain individuals are identified without their knowledge by data being accumulated, compared, analyzed, and others.
- b. To develop an environment in which the multi-faceted values of personal data can be utilized flexibly and timely, we review the process to change the purpose of the use of personal data while considering so that data is not used for purposes that are against the will of the persons.

For instance, it is conceivable when changing the purpose of the use of personal data that the new purpose of the use of personal data is applied only to the personal data of those who do not refuse changes in the purpose of the use of their personal data by notifying the persons with a system that enables them to request that their personal data should not be utilized for a new purpose, while devising a procedure that enables them to acknowledge the changes fully, we will consider concrete measures further, taking note of the nature of data and others. In addition, we will implement effective regulations so that the purpose of the use of personal data is not changed substantially, in a way that does not allow the persons to acknowledge the changes fully from the purpose of the use that was specified in obtaining the personal data.

c. As to the opt-out⁸ regulations pertaining to the provision of personal data by third parties, we will make sure that the operation is in accordance with the purpose of the Current Law as operational problems are pointed out.

Also, in order to develop an environment in which individuals that can be identified with personal data can easily check businesses providing personal data using the foregoing opt-out regulations, if businesses handling personal data are planning to provide personal data to third parties using opt-out regulations, they shall submit the matters of which they notified the persons⁹ as prescribed by law to the third-party authority, in addition to the requirements of the Current Law, the third-party authority shall take the necessary action, such as publishing the items. We will define the scope of application and the minimum procedures required and such, taking note of their impact on businesses that are currently handling personal data properly.

d. As to the joint use of personal data¹⁰, it is pointed out that there is confusion in the interpretation of the Current Law among businesses handling personal data, and therefore, we make sure that the operation is based on the purpose of the Current Law that the joint use of personal data is permitted only if the persons can perceive that all the joint users of their personal data belong to one business entity handling personal data.

e. In keeping with the current state in which various data is utilized in various forms, we will make an improvement in how to obtain consent from the persons and others in a way that is easy for them to understand by utilizing self-regulations and such that make use of the concept of a multi-stakeholder process in which consumers and others are participants.

⁸A business operator handling personal information agrees to discontinue, at the request of a person, the provision of such personal data as will lead to the identification of the person (See Section 2, Article 23 of the Current Law.)

⁹ Item provided in Section 2, Article 23 of the Current Law.

¹⁰ Cases in which personal data is used jointly between specific individuals or entities and in which this fact, the items of the personal data used jointly, the scope of the joint users, the purpose for which the personal data is used by them and others, in advance, notified to the person or put in a readily accessible condition for the person, data sharing among joint users shall be outside of the regulations. (See Item 3, Section 4, Article 23 of the Current Law.)

f. Instead of deciding upon a uniform retention period, we will consider how the retention period of the applicable data should be made public in terms of keeping transparent the handling of personal data by the businesses that own it.

2. Creation of a framework for the establishment of and compliance with the self-regulations led by the private sector

To balance with both the promotion of the utilization of personal data and the protection of personal information and privacy, we establish a framework for private sector-led self-regulations that make use of the concept of a multi-stakeholder process.

Non-governmental organizations that lay down self-regulations shall be able to lay down regulations pertaining to issues that require swift action for the protection of personal information and privacy whether or not prescribed in the laws and ordinances, based on the nature of the data, the characteristics of market structures of each industry and field, and the opinions of interested parties, according to the development of information and communications technology and take the necessary action for the businesses to which the applicable regulations apply. Also, the third-party authority shall be able to certify the applicable regulations, non-governmental organizations or others.

In addition, we consider the involvement of ministers by organizing the relationships between the third-party authority and ministers.

3. Framework for the private sector-led cross-border transfer of personal data

To realize the smooth transfer of personal data across borders, private bodies certified by the third-party authority shall establish a framework for certifying businesses that are planning to distribute data beyond borders by examining their compliance with the privacy protection standards acknowledged by the countries concerned.

Private bodies that engage in certification shall be subject to supervision of the third-party authority.

In addition, consider the involvement of ministers by organizing the relationships between the third-party authority and ministers.

IV. Ensure to enforce an effective system by developing a third-party authority system

1. Development of a third-party authority system

(1) Establishment

We set up an independent third-party authority and develop its structure in order to promote the protection and utilization of personal data proportionally by centralizing expertise and ensuring multidisciplinary, prompt and appropriate law enforcement.

We add clerical work related to the handling of personal data to the matters under the jurisdiction of the Specific Personal Information Protection Commission prescribed by "The Number Use Act" and set up a committee under the Prime Minister with the objective of promoting the protection and utilization of personal data proportionally.

This third-party authority shall engage in monitoring, supervision, prior consultation, and complaint processing related to the handling of personal data, the establishment and promotion of the basic principles,¹¹ the monitoring and supervision of certified personal data protection groups, international cooperation, and other work in addition to the work prescribed by "The Number Use Act".

We will increase the number of commission members and assign expert committee members as well as define the requirements that allows well-balanced member recruitment so that the use and distribution of personal data are promoted while considering the protection of them and assign committee members. Also, we build a structure necessary for the operation of the secretariat.

(2) Powers and functions

The third-party authority shall be able to give instructions, perform onsite inspections, make public announcements, in addition to the powers and functions (advise, report collection, warning, and order) on businesses handling personal data which the competent minister currently has, and shall have powers and functions (certification, cancellation of certification, report collection, and order) over authorized personal information protection organization that the competent minister currently has.

¹¹ A basic policy on the protection of personal information prescribed in Article 7 of the Current Law.

Also, the third-party authority shall certify self-regulations and others in the establishment of a framework for the protection of personal information and privacy led by the private sector. Furthermore, third-party authority will certify and supervise non-governmental organizations engaged in certification work when establishing a framework that allows for data distribution beyond borders.

In addition, we consider the relationships between the powers, functions, and others of the Minister of Internal Affairs and Communications¹² and the third-party authority in keeping with the investigations and discussions on personal data owned by administrative agencies, incorporated administrative agencies, and others.

(3) Relationships with each minister

To grant the foregoing powers and others to the third-party authority due to its establishment, we will organize its relationships with ministers so that effective enforcement, supervision, and other work based on a third-party authority are possible. To organize the relationships, we will carry out work in intimate collaboration in order to avoid overlapped enforcement and carry out efficient operations, as well as clarify the roles of the third-party authority and ministers in view of the purpose of setting up an independent third-party authority.

When we organize the relationship between third-party authority and each minister, consideration will be based on the opinion¹³ that; the Government should put special interim measure in place for the third-party authority to collaborate with each minister, by clarifying the role and authority, primarily in the areas where the utilization of advanced expertise is expected that was accumulated by the competent minister when each minister carried out the matters under its jurisdiction from the perspective of administrative execution. This is to ensure the effective enforcement and efficient operation in consideration of the enforcement structure and the accumulated knowledge of the third-party authority (such as staff and budget). We will organize them so that

¹² The powers of the Minister for Internal Affairs and Communications and others are prescribed in Act on the Protection of Personal Information Held by Administrative Organs (Act No. 58 of 2003) and Act on the Protection of Personal Information Held by Incorporated Administrative Agencies, etc. (Act No. 59 of 2003)

¹³ Opinion in Committee on Personal Data held under the Strategic Headquarters for the Promotion of an Advanced Information and Telecommunications Network Society.

cooperation can be obtained from each minister and local branch offices in enforcement so that the third-party authority can fulfil its function and role appropriately.

(4) Others

The third-party authority shall perform the following duties in addition to the above:

- Publish the necessary points when notified of the provision of personal data to third parties using the opt-out regulations by businesses handling personal data.
- Provide to foreign executive authorities data that is considered to contribute to the performing of duties in order to secure appropriate handling of personal data by foreign businesses, as well as act as an international contact point.
- State an opinion to the Prime Minister on important matters in regard to the measures to promote the utilization and protection of personal data and others.
- Report to the Diet the status of the processing of matters under the jurisdiction and make the gist of it public.
- Request that the head of the relevant administrative agencies report on the enforcement, summarize the reports and make the summaries public.
- Enact committee regulations pertaining to the scope of authority.
- Advertise and educate people on the promotion of the utilization and protection of personal data.

(5) Penal regulations

We will lay down disciplines according to the contents and nature of duties so that penal regulations are necessary and appropriate for compliance of carrying out the newly assigned duties by securing the effectiveness of the execution of the authority of the third-party authority.

The need for the implementation of the surcharge system, the purpose of the system, and others shall be further discussed.

2. Consistency of the regulations between businesses and local public bodies, administrative agencies, incorporated administrative agencies, and others

As to personal data owned by administrative agencies, incorporated administrative agencies, and others, we will investigate and consider clarifying the scope of protection and how the handling of personal data should be, with the characteristics of the personal data in mind, by consulting the ministries and agencies of which the applicable data is under the jurisdiction with hearing of a wide range of opinions about the relevant parties and others.

Also, we will consider that the Government providing necessary data to local public bodies in accordance with the amendment to the system.

3. Disclosures

We will lay down disciplines pertaining to the right to claim disclosure and such in order to clarify that judicial exercise is possible with regard to disclosure, amendment, and termination of the use of personal data (hereinafter referred to as “disclosure”) claimed by the persons as prescribed by Current Law. When we organize disciplines for the requirements for disclosure requests to be permitted based on the regulations in the Current Law, we will consider the balance between the protection of the rights and interests of the persons and the burden of businesses with the request to prevent excessive lawsuits in mind.

V. Actions for globalization

1. Extraterritorial application

We will make amendments to the applicable requirements for businesses handling personal data as it is not clear whether the Current Law can be applied to businesses that are using databases of personal data located outside of Japan for business purposes (hereinafter referred to as “overseas businesses”).

2. Cooperation for enforcement

To ensure the proper handling of personal data by overseas businesses, the third-party authority shall be able to provide information for foreign enforcement authorities about enforcing laws and ordinances equivalent to the personal data protection-related laws abroad with data considered to contribute to their performing duties.

In addition, we will participate in the framework related to international enforcement cooperation and utilize it effectively.

3. Cross-border transfer of personal data

Businesses handling personal data shall have to take action, such as concluding a contract so that overseas businesses to which personal data will be provided take the necessary and appropriate actions that are compatible with technological development for the safe management of personal data and such, if they are planning to provide personal data (including personal data provided by overseas businesses and others) to overseas businesses. In addition, we will consider the details of actions based on the types of data transfer and a framework for ensuring their effectiveness.

Also, we will establish a framework for non-governmental organizations certified by the third-party authority to certify for businesses that is planning to distribute data across borders examining their compliance with the privacy protection standards acknowledged by the countries concerned. (Provided in the foregoing III. 3.)

VI. Other amendments to the system

1. Handling of businesses that handle personal data on a small scale

(1) Exemption of application by reason of the nature of data handled and its manner of handling

We take the necessary action, such as exercising non-application to businesses handling personal data based on the nature of personal data and the manner of the handling of personal data when using a database related to items created by others, such as CD-ROMs, phone books, and car navigation systems, and when creating and sharing a contact network among the members of residents associations, alumni associations, and others.

(2) Consideration for the size and contents of data to be handled, as well as its manner of handling

We will abolish the exemption regulation prescribed by the Current Law pertaining to businesses handling personal data, which is applied where the number of certain individuals identified by the personal data handled is 5,000 or less, and will take the necessary action for those that meet the certain requirements for being considered to have little possibility of violating personal rights and interests so that it is possible to

exempt them from receiving warnings and orders if there are no circumstances, such as the breach of duty is caused by an intentional act or act of gross negligence.

2. Handling of personal information for academic research purposes

We will consider the action that should be taken, with academic freedom in mind, so that there are no circumstances where businesses hesitate to provide personal data to third parties for purposes of academic research by considering of violating the rights and interests of the persons or others by providing personal data to third parties.

VII. Issues to be further discussed

1. New dispute resolution structure

The development of a dispute **resolution** structure specialized in cases related to the protection of personal data shall be issues to be discussed further, comparing the history of the numbers of complaints and consultations and the numbers of warnings and orders given, in accordance with the actual state of disputes that will occur in the future.

2. Profiling

While there are expectations for innovations arisen from the multidisciplinary utilization of diverse and vast amounts of data and new businesses created thereby, the scope of profiling, the actions necessary to prevent the violation of personal rights and interests, and others shall be issues to be discussed further, taking into consideration the current victimization, the effectiveness of private sector-led voluntary efforts, and the trends in foreign countries.

3. Privacy Impact Assessment (PIA)

In keeping with the implementation of the special personal data protection assessment according to "The Number Use Act", how to implement an effective privacy influence assessment to ensure the proper handling of personal data without exposing businesses to excessive burden shall be issues to be further discussed.

4. So-called list brokers

It is pointed out as social problems that personal data sold by businesses (such as so-called list brokers) whose business is to sell personal data is used for criminal activities ,such as

frauds, is encouraging the victimization of consumers by indecent solicitation and others, and can lead to the violation of privacy.

Actions that can be taken to prevent such criminal acts and the victimization of consumers from occurring and the victimization from increasing shall be issues to be further discussed.