

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

(Act No. 32 of May 10, 2021)

(Purpose)

Article 1 In view of the fact that digital platforms for shopping constitute an important piece of infrastructure in the lives of consumers as information and communications technology develops, the purpose of this Act is to ensure the cooperation of digital platform providers in optimizing transactions and promoting dispute resolution in relation to mail order sales (meaning mail order sales prescribed in Article 2, paragraph (2) of the Act on Specified Commercial Transactions (Act No. 57 of 1976); the same applies hereinafter) using digital platforms for shopping, and thereby to protect consumers who use digital platforms for shopping, by providing for measures to promote voluntary efforts by digital platform providers to protect consumers, requests for suspension of the use of digital platforms for shopping from the Prime Minister, requests for the disclosure of seller's or equivalent person's information from consumers, and the establishment of a public-private council.

(Definitions)

Article 2 (1) The term "digital platform for shopping" as used in this Act means a digital platform prescribed in Article 2, paragraph (1) of the Act on Improving Transparency and Fairness of Specified Digital Platforms (Act No. 38 of 2020) which provides a place that has any of the functions described in the following items:

- (i) functions that allow a consumer who uses the digital platforms to manifest the intention of making an offer for a sales contract or contract under which a service is to be provided in exchange for payment (hereinafter referred to as "service contracts") for a mail order sale to a seller or equivalent person by transmission via computer, using the digital platform according to procedures displayed on the computer screen;
- (ii) functions that allow a consumer who uses the digital platform to participate in a process where a seller or equivalent person will determine the counterparty of a sales contract or service contract for a mail order sale by auction or any other means specified by Cabinet Order by transmission via computer, using the digital platform according to procedures displayed on the computer screen (excluding any functions that fall under the category referred to in the preceding item).

(2) The term "digital platform provider" as used in this Act means a person that

provides a digital platform for shopping as their business, either independently or jointly.

- (3) The term "consumer" as used in this Act means an individual (excluding any individual who conducts commercial, industrial, financial, or other business).
- (4) The term "seller or equivalent person" as used in this Act means a seller or a person engaging in the business of providing services (excluding any person that sells products or specified rights (meaning the specified right prescribed in Article 2, paragraph (4) of the Act on Specified Commercial Transactions; hereinafter the same applies in Article 3, paragraph (1), item (ii) and Article 4, paragraph (1)) or provides services by using the digital platform for shopping provided by that person).

(Obligation of Digital Platform Providers to Make Efforts)

Article 3 (1) Digital platform providers must endeavor to take the following measures to contribute to the optimization of transactions and the promotion of dispute resolution in relation to mail order sales using their digital platform for shopping:

- (i) taking measures that enable smooth communications between consumers and sellers or equivalent persons with respect to mail order sales transactions using the digital platforms for shopping;
 - (ii) taking measures found necessary to secure the appropriateness of representations, including the investigation of the circumstances surrounding any complaints that consumers who use the digital platforms for shopping have filed with the digital platform providers about a seller's or equivalent person's representation of the sales conditions for a product or specified right or conditions for providing services in a place provided by that digital platform;
 - (iii) if necessary, requesting that the seller or equivalent person using the digital platform for shopping provide information helpful for identifying them, including information on their whereabouts.
- (2) A digital platform provider is to disclose the particulars specified by Cabinet Office Order including outlines of the measures taken by the provider under the preceding paragraph and the implementation status of those measures, to consumers who use digital platforms for shopping, pursuant to the provisions of Cabinet Office Order.
 - (3) The Prime Minister is to set guidelines necessary to contribute to appropriate and effective implementation of the measures referred to in the preceding two paragraphs that are taken by digital platform providers.
 - (4) When establishing or changing the guidelines referred to in the preceding paragraph, the Prime Minister must make this public without delay.

(Requests for Suspension of Use of Digital Platforms for Shopping)

- Article 4 (1) If the representation of the sales conditions for a product or specified right or conditions to provide services in a place provided by a digital platform for shopping meets both of the requirements set forth in the following items and the Prime Minister finds that the representation is likely to harm the interests of consumers who use that digital platform, the Prime Minister may request that the digital platform provider suspend the seller's or equivalent person's use of that digital platform for selling the product or specified right or providing the services, or otherwise take necessary measures.
- (i) a representation is found to substantially differ from the truth or mislead consumers into believing that it is particularly better or more advantageous than it really is with respect to important particulars specified by Cabinet Office Order regarding the performance of a product or the content of a specified right or service including particulars helpful for judging the safety of the product;
 - (ii) the seller or equivalent person that made the representation referred to in the preceding item cannot be expected to correct the representation because they cannot be identified or their whereabouts are uncertain, or due to any other reason.
- (2) When making a request under the preceding paragraph, the Prime Minister may make this fact public.
- (3) When a digital platform provider receives a request under the provisions of paragraph (1) and takes the requested measures, the provider is not liable for any damage incurred by the seller or equivalent person due to the measures.

(Request for Disclosure of Seller's or Equivalent Person's Information)

- Article 5 (1) Only if a consumer who uses a digital platform for shopping needs to confirm information specified by Cabinet Office Order about a seller or equivalent person involved in a mail order sale using that digital platform, including their name and address (hereinafter referred to as "seller's or equivalent person's information" in this paragraph and the following paragraph) in order to exercise the consumer's own claim (limited to one for payment of money that exceeds the amount specified by Cabinet Office Order) relating to a sales contract or service contract with the seller or equivalent person, the consumer may make a request with the digital platform provider to disclose the seller's or equivalent person's information that the digital platform provider holds; provided, however, that this does not apply to the case in which the consumer makes the request for any wrongful purpose including the purpose of discrediting the seller or equivalent person by using their information.
- (2) A consumer making a request under the preceding paragraph must submit a

document including or provide an electronic or magnetic record (meaning a record used in computerized information processing which is created in electronic form, magnetic form, or any other form that cannot be perceived by the human senses) containing the following particulars to the digital platform provider pursuant to the provisions of Cabinet Office Order:

- (i) reason why the consumer needs to confirm the seller's or equivalent person's information subject to the request;
 - (ii) items of the seller's or equivalent person's information being requested;
 - (iii) statement that the consumer pledges not to use the disclosed seller's or equivalent person's information for any wrongful purpose as set forth in the proviso of the preceding paragraph.
- (3) If a digital platform provider considers that a request under paragraph (1) meets the requirements of the main clause of the paragraph and that the request is not made for any wrongful purpose as set forth in the proviso of the paragraph, the provider must hear the opinion of the seller or equivalent person subject to the request about whether they consent to the disclosure, except when the provider is unable to contact them.

(Public-Private Council)

- Article 6 (1) The Prime Minister is to organize a public-private council for digital platforms for shopping comprised of the Prime Minister, relevant national government agencies, groups consisting of digital platform providers, the National Consumer Affairs Center of Japan, local governments, and consumer groups (hereinafter referred to as "public-private council") to make effective and smooth efforts to protect consumers who use digital platforms for shopping.
- (2) If the public-private council finds it necessary to do so, it may add persons with relevant knowledge and expertise or any other persons found necessary by the council to its members.

(Affairs of the Public-Private Council)

- Article 7 (1) To achieve the purpose referred to in paragraph (1) of the preceding Article, the public-private council is to exchange necessary information, deliberate on the efforts to protect consumers who use digital platforms for shopping, and state its opinion to the Prime Minister with respect to measures for the optimization of transactions and promotion of dispute resolution in relation to mail order sales using digital platforms for shopping.
- (2) The members of the public-private council (hereinafter referred to simply as "members" in the following paragraph) are to make efforts necessary to protect consumers who use digital platforms for shopping based on the result of the deliberation referred to in the preceding paragraph.
- (3) If the public-private council finds it to be necessary for exchanging

information and deliberating pursuant to the provisions of paragraph (1) or stating its opinion referred to in that paragraph, or if the council finds it to be necessary in cases in which a member makes a request regarding the efforts that other members make to protect consumers who use digital platforms for shopping or in any other case specified by Cabinet Office Order, the council may request that its members provide information, state their opinions, and offer any other necessary cooperation in relation to mail order sales transactions using digital platforms for shopping.

(4) The general affairs of the public-private council are handled by the Consumer Affairs Agency.

(Duty of Confidentiality)

Article 8 A person who engages or engaged in the affairs of the public-private council must not divulge any secrets that the member may have learned in the course of engaging in those affairs.

(Particulars to be Prescribed by the Public-Private Council)

Article 9 Beyond what is provided for in the preceding three Articles, the public-private council determines any particulars necessary for the organization and operation of the council.

(Reporting to the Prime Minister)

Article 10 (1) If any person finds that the interests of consumers who use digital platforms for shopping are likely to be harmed, the person may report that to the Prime Minister and request that appropriate measures be taken.

(2) Upon receipt of a request under the preceding paragraph, the Prime Minister must conduct the necessary investigation and, if the content of the report is found to be true, take the measures under this Act and any other appropriate measures.

(Delegation of Authority)

Article 11 The Prime Minister delegates the authority under this Act (excluding the authority under Article 3, paragraphs (3) and (4); Article 6, paragraph (1); and Article 7, paragraph (1)) to the Commissioner of the Consumer Affairs Agency.

(Delegation to Cabinet Office Order)

Article 12 Beyond what is provided for in this Act, the procedures necessary for the implementation of this Act and the particulars necessary for the enforcement of this Act are prescribed by Cabinet Office Order.

(Penal Provisions)

Article 13 Any member that divulges a secret in violation of the provisions of Article 8 is subject to imprisonment of one year or less or a fine of five hundred thousand yen or less.

Supplementary Provisions

(Effective Date)

Article 1 This Act comes into effect as of the day specified by Cabinet Order within a period not exceeding one year from the date of promulgation.

(Transitional Measures)

Article 2 The provisions of Article 5 apply to any sales contracts or service contracts made on or after the date on which the Act comes into effect between consumers who use digital platforms for shopping and sellers or equivalent persons with respect to mail order sales using those digital platforms.

(Review)

Article 3 Approximately three years after the enforcement of this Act, the government is to review the provisions of this Act, taking into consideration the status of enforcement of the provisions of this Act and changes in the economy and social circumstances, and take any necessary measures based on its results.

(Partial Amendment to the Act for Establishment of the Consumer Affairs Agency and the Consumer Commission)

Article 4 The Act for Establishment of the Consumer Affairs Agency and the Consumer Commission (Act No. 48 of 2009) is partially amended as follows:
The following item is added after Article 4, paragraph (1), item (xiii-iii):
(xiii)-4 particulars related to protecting the interests of consumers (meaning the consumer prescribed in Article 2, paragraph (3) of the Act on the Protection of Consumers Who Use Digital Platforms for Shopping (Act No. 32 of 2021)) who use digital platforms for shopping under the provisions of that Act;