

# Basic Act on the Formation of a Digital Society (Tentative translation)

(Act No. 35 of May 19, 2021)

## Table of Contents

- Chapter I General Provisions (Articles 1 and 2)
- Chapter II Basic Principles (Articles 3 through 12)
- Chapter III Responsibilities of the National Government, Local Governments and Business Operators (Articles 13 through 19)
- Chapter IV Basic Policy on Developing Strategies (Articles 20 through 36)
- Chapter V The Digital Agency (Article 37)
- Chapter VI Priority Policy Program on the Formation of a Digital Society (Articles 38 and 39)
- Supplementary Provisions

## Chapter I General Provisions

### (Purpose)

Article 1 Given that formation of a digital society contributes to the reinforcement of the international competitiveness of Japan and improvement of the convenience of its citizens, and is extremely important for the response to the rapid declining birth rate and aging population and the solution of other problems faced by Japan, the purpose of this Act is to swiftly and thoroughly pursue strategies for the formation of a digital society by way of providing basic principles and basic policies for developing strategies, determining the responsibilities of the national government, local governments, and business operators, establishing the Digital Agency, and providing for developing a priority policy program on the formation of a digital society, and in this way contribute to realizing the sustainable and sound development of the Japanese economy and happy lives for its citizens.

### (Definitions)

Article 2 The term "digital society" as used in this Act means a society in which creative and vigorous development is enabled in all fields by obtaining, sharing or transmitting globally a wide variety of information or knowledge in a free and safe manner via the Internet and other advanced information and communications networks and by using information and communications technologies, including the artificial intelligence-related technology provided for in Article 2, paragraph (2) of the Basic Act on the Advancement of Public

and Private Sector Data Utilization (Act No. 103 of 2016), the technology related to utilization of the Internet of things provided for in paragraph (3) of the same Article, the technology related to cloud computing service provided for in paragraph (4) of the same Article, and other advanced technologies that enable higher data processing throughput as compared to the conventional throughput (hereinafter referred to as "information and communications technologies"), to appropriately and effectively utilize the varied and massive amount of information recorded as an electronic or magnetic record (meaning a record created in electronic form, magnetic form, or any other form that cannot be perceived by the human senses; the same applies to Article 30) (hereinafter referred to as the "utilization of information using information and communications technologies").

## **Chapter II Basic Principles**

(Realization of a Society that Allows Every Citizen to Enjoy the Benefits of Information and Communications Technologies)

Article 3 The formation of a digital society must be carried out for the purpose of achieving a society where all citizens easily and independently use advanced information and communications networks and make the most of data using information and communications technologies, in order to participate in all activities in a digital society, enabling them to fully and creatively use their individual abilities, with the aim of facilitating the broad enjoyment of the benefits of information and communications technologies.

(Promotion of Economic Structural Reforms and Reinforcement of International Industrial Competitiveness)

Article 4 The formation of a digital society must bring about the promotion of economic activity, improvement in the management efficiency of small and medium enterprise operators and other business operators, the upgrading of businesses and improvements in their productivity, the creation of diverse businesses, and increased diverse employment opportunities and other opportunities for workers to effectively exercise their abilities through using advanced information and communications networks and making the most of data using information and communications technologies, and in this way contribute to pursuing economic structural reforms and reinforcing international industrial competitiveness.

(Realizing Lifestyles that Citizens Experience as Comfortable and Affluent)

Article 5 The formation of a digital society must improve the convenience of everyday life, promote the diversification of lifestyles and expand opportunities

for consumers to make choices that are independent and rational from citizens' perspectives by increasing the value of diverse services across all aspects of citizens' lives and generating that new value from citizen's perspectives by using advanced information and communications networks and making the most of data using information and communications technologies, and in this way contribute to realizing lifestyles that citizens experience as comfortable and affluent.

(Realizing the Vitality of Local Communities)

Article 6 The formation of a digital society must contribute to creating unique and vital local communities, ensuring the sustainability of local communities, and improving the welfare of local residents by enriching residents' lifestyles and enhancing convenience by stimulating local economies, creating attractive and diverse local employment opportunities, and increasing the various opportunities for exchange within and between communities by using advanced information and communications networks and making the most of data using information and communications technologies.

(Realizing a Society that Enables Citizens to Live Safely and Free of Anxiety)

Article 7 The formation of a digital society must prevent the occurrence of damage or alleviate damage by responding swiftly and appropriately to the occurrence of a large-scale disaster, the spread of an infectious disease, or any other situation in which serious harm to citizens' lives, bodies or property has occurred or is likely to occur, in this way contributing to the realization of a society that enables citizens to live safely and free of anxiety by using advanced information and communications networks and making the most of data using information and communications technologies.

(Reduction of Disparity in Opportunities for Use)

Article 8 In the formation of a digital society, actions must be taken steadily to reduce disparities in the opportunities and abilities needed to use advanced information and communications networks and make the most of data using information and communications technologies, which are due to factors including geographical constraints; age; physical condition, including the presence or absence of disability; and economic status in light of the possibility that these disparities may severely hamper the smooth and integrated formation of a digital society.

(Division of Roles among the Government of Japan, Local Governments and the Private Sector)

Article 9 In the formation of a digital society, the private sector is to play the

leading role in principle, and the national and local governments are to actively utilize private sector knowledge to eliminate factors impeding the formation of the digital society, by taking steps such as including encouraging fair competition or amending regulations, while also implementing other strategies centered on creating an environment more conducive to enabling the private sector to exert its full vitality and creating an environment to improve convenience for citizens, in order to improve the simplicity, efficiency and transparency of administrative operations; and secure fair benefits and burdens in public services (meaning the public services provided for in Article 2 of the Basic Act on Public Services (Act No. 40 of 2009); the same applies to Article 29).

(Protection of the Rights and Interests of Individuals and Corporations)

Article 10 In the formation of a digital society, matters including the rights and interests of individuals and corporations and national security must be kept from harm by using advanced information and communications networks and making the most of data using information and communications technologies, and the free and safe circulation of reliable information must be ensured through using advanced information and communications networks and making the most of data using information and communications technologies.

(Dealing with the Progress of Information and Communications Technologies)

Article 11 In the formation of a digital society, actions must be taken appropriately and actively regarding the progress of information and communications technologies.

(Dealing with New Problems Arising from Changes in Socio-Economic Structures)

Article 12 In the formation of a digital society, actions must be taken appropriately and actively to address new issues in employment or other fields arising from changes in socio-economic structures as a result of using advanced information and communications networks and making the most of data using information and communications technologies.

### **Chapter III Responsibilities of the National Government, Local Governments and Business Operators**

(Responsibilities of the National Government and Local Governments)

Article 13 The national government is responsible for developing and executing strategies for the formation of a digital society in accordance with the basic principles on the formation of a digital society prescribed in the preceding

chapter (hereinafter referred to as the "basic principles").

Article 14 Local governments are responsible for developing and executing autonomous strategies for the formation of a digital society that reflect the distinctive features of their own areas in accordance with the basic principles and on the basis of an appropriate division of roles with the national government.

Article 15 The national government and local governments must cooperate with each other to ensure that the strategies for the formation of a digital society are executed swiftly and thoroughly.

(Responsibilities of Business Operators)

Article 16 In accordance with the basic principles, business operators are to voluntarily and actively endeavor to advance the formation of a digital society in relation to their own business activity and cooperate with measures for the formation of a digital society implemented by the national or local governments.

(Legislative Measures)

Article 17 The government must implement legislative, financial and other measures necessary to execute strategies to form a digital society.

(Preparation and Release of Statistical and Other Materials)

Article 18 The government must prepare statistics on a digital society and other materials helpful to the formation of a digital society and release them by using the Internet or other appropriate means as needed.

(Measures for Deepening the Citizens' Understanding)

Article 19 The government must implement necessary measures to deepen citizens' understanding concerning the formation of a digital society including through public relations and must ensure that a wide range of citizens' opinions are reflected in the development and execution of strategies concerning the formation of a digital society.

## **Chapter IV Basic Policy on Developing Strategies**

(Integrated Promotion of Strategies)

Article 20 In developing strategies to form a digital society, given that it is essential to further expand advanced information and communications networks; ensure the smooth circulation of information by diverse actors; enrich the information that can be used by diverse actors; secure opportunities

for using advanced information and communications networks and making the most of data using information and communications technologies; and promote the acquisition of necessary skills; and given that the above objectives are closely interrelated, they must be pursued in an integrated manner.

(Formation of World-Class Advanced Information and Communications Networks)

Article 21 In developing strategies to form a digital society, necessary measures such as the measures to promote fair competition among business operators must be taken to promote the formation of world-class, advanced information and communications networks, to ensure that a wide range of citizens can use diverse services at low prices.

(Ensuring the Smooth Circulation of Information by Diverse Actors)

Article 22 In developing strategies to form a digital society, necessary measures for securing the smooth circulation of information by diverse actors must be taken, including developing information exchange systems (meaning information systems for ensuring that diverse actors can swiftly and safely send, receive, and share information using mutual linking of the information systems those diverse actors have established); standardizing data (meaning the data standardization provided for in Article 4, paragraph (2), item (v), (a) of the Act on the Advancement of Government Administration Processes That Uses Information and Communications Technology (Act No. 151 of 2002)); developing external coordination functions (meaning the external coordination functions provided for in (b) of the same item); and providing information concerning the specifications for the relevant external coordination functions.

(Securing Opportunities for Using Advanced Information and Communications Networks and Making the Most of Data Using Information and Communications Technologies)

Article 23 In developing strategies to form a digital society, necessary measures for securing opportunities for all citizens must be taken, including driving research and development concerning, and promoting the introduction of, information and communications equipment, to secure opportunities to acquire and use information, to ensure that disparities do not arise in opportunities for using advanced information and communications networks and making the most of data using information and communications technologies.

(Promotion of Education and Learning)

Article 24 In developing strategies to form a digital society, necessary measures for promoting education and learning must be taken so that all citizens can

improve their abilities, to ensure that disparities do not occur in the abilities needed to use advanced information and communications networks and make the most of data using information and communications technologies.

(Human Resource Development)

Article 25 In developing strategies to form a digital society, necessary measures must be taken to develop the human resources responsible for education to improve the abilities that citizens need to use advanced information and communications networks and make the most of data using information and communications technologies; the human resources responsible for linking information systems established by diverse actors; the human resources responsible for gathering and analyzing the information needed to make the most of data using information and communications technologies; and other creative human resources with the technical knowledge or skills who will play leading roles in developing a digital society.

(Promotion of Economic Activity)

Article 26 In developing strategies to form a digital society, necessary measures must be taken to promote economic activity using advanced information and communications networks and making the most of data using information and communications technologies, including regulatory amendments taking into account the level of progress in information and communications technologies and the usefulness of personal information and the need to protect it; developing the environment needed to facilitate transactions concerning making the most of data in all fields using information and communications technologies; and the proper protection and use of intellectual property rights.

(Improvement in the Management Efficiency of Business Operators, the Upgrading of Businesses and Improvements in Their Productivity)

Article 27 In developing strategies to form a digital society, necessary measures must be taken to promote the sharing of information through the coordination of information systems established by diverse actors; develop guidelines concerning the operation and management of information systems; and otherwise improve the operational efficiency of business operators, upgrade businesses, and improve their productivity using advanced information and communications networks and making the most of data using information and communications technologies.

(Improving the Convenience of Everyday Life)

Article 28 In developing strategies to form a digital society, necessary measures must be taken to improve the convenience of everyday life; to promote the

diversification of lifestyles and expand opportunities for consumers to make independent and rational choices; to promote the development and provision of diverse services across all aspects of citizens' lives using advanced information and communications networks and making the most of data using information and communications technologies; to provide assistance concerning work outside the place of business carried out using information and communications technologies; and to develop the environment needed to protect and promote consumers' interests.

(Cooperation between National and Local Government Information Systems)

Article 29 In developing strategies to form a digital society, necessary measures must be taken, in order to improve convenience for citizens in the context of public services and contribute to improving the simplicity, efficiency and transparency of public administration, to promote cooperation between and the consolidation of national and local government information systems while actively promoting consolidating and utilizing knowledge from inside and outside the civil service (including the national government developing an environment that will enable all local governments to use services relating to the cloud computing service-related technology provided for in Article 2, paragraph (4) of the Basic Act on the Advancement of Public and Private Sector Data Utilization); to expand the scope of use of Individual Numbers; and to otherwise actively promote national and local government that uses advanced information and communications networks and makes the most of data using information and communications technologies.

(Citizens' Utilization of Information Held by the National and Local Governments)

Article 30 In developing strategies to form a digital society, necessary measures must be taken to ensure that the information held by the national and local governments that is useful for citizens' lives, which is provided for general use and stated in documents, etc. that have been recorded as electronic or magnetic records, or is recorded as electronic or magnetic records, is made public, and that citizens can easily utilize other information held by national and local governments.

(Developing a Public Basic Information Database)

Article 31 In developing strategies to form a digital society, necessary measures must be taken to develop and promote the use of a basic public information database (meaning a collection of the information held by the national government, local governments and other public institutions and business operators in the public sector which is the basis for processing the large



number of procedures regarded as necessary in social life and business activity, and which is systematically arranged in a manner enabling diverse actors to retrieve the relevant information by a computer under appropriate control; the same applies to Article 38, paragraph (2), item (xii)).

(Diversification and Quality Enhancement of Public Sector Services)

Article 32 In developing strategies to form a digital society, necessary measures must be taken to diversify and enhance the quality of public sector services, in order to improve convenience for citizens, using advanced information and communications networks and making the most of data using information and communications technologies.

(Ensuring Cybersecurity)

Article 33 In developing strategies to form a digital society, necessary measures must be taken to ensure that citizens are able to use advanced information and communications networks and make the most of data using information and communications technologies, free of anxiety, including ensuring cybersecurity (meaning the cybersecurity provided for in Article 2 of the Basic Act on Cybersecurity (Act No.104 of 2014); the same applies to Article 38, paragraph (2), item (xiv)); preventing crime using information and communications technologies; ensuring the reliability of identity verification using information and communications technologies; preventing the alteration of information; disaster management using advanced information and communications networks, and the protection of personal information.

(International Collaboration and Contribution)

Article 34 In developing strategies to form a digital society, given the importance of securing free and safe circulation of reliable information through advanced information and communications networks, necessary measures must be taken to engage actively in international cooperation, including independent participation in developing international standards and norms, etc.; international ties to promote investigations and research and development; and technical assistance for developing regions concerning socio-economic activity that uses advanced information and communications networks and makes the most of data using information and communications technologies.

(Promotion of Research and Development as well as Verification)

Article 35 In developing strategies to form a digital society, necessary measures must be taken to pursue creative research and development in information and communications technologies and verification of the effectiveness of the relevant information and communications technologies, in the context of close

mutual linking between the national government, local governments, national research and development agencies (meaning national research and development agencies provided for in Article 2, paragraph (3) of the Act on General Rules for Incorporated Administrative Agencies (Act No. 103 of 1999)), universities, business operators, and other parties, given that improvement of the level of information and communications technologies is the foundation of the sustainable development of a digital society in Japan and a source of reinforcement of Japan's international industrial competitiveness.

(Revision of Regulation for the Effective Use of Information and Communications Technologies)

Article 36 In developing strategies to form a digital society, from the perspective of improving convenience for citizens and administrative operations by utilization of the latest information and communications technologies, necessary measures must be taken to ensure that, with regard to the processes of operations by the national government, local governments and business operators, related regulations do not prevent information and communications technologies from being used effectively based on the status of advances in those technologies.

## **Chapter V The Digital Agency**

Article 37 The Digital Agency is to be established in the Cabinet, in accordance with basic principles and pursuant to separate legislative provisions, in order to assist the affairs of the Cabinet concerning the formation of a digital society, together with the Cabinet Secretariat, and swiftly and thoroughly carry out administrative matters concerning the formation of a digital society.

## **Chapter VI Priority Policy Program on the Formation of a Digital Society**

(Preparation of the Priority Policy Program on the Formation of a Digital Society)

Article 38 (1) The government must develop a priority policy program on the formation of a digital society (hereinafter referred to as the "priority policy program" in this chapter) as prescribed in this chapter.

(2) A priority policy program is to provide for the matters listed below:

- (i) basic policy on swift and thorough actions to be taken by the government to form a digital society;
- (ii) swift and thorough action to be taken by the government to promote the formation of world-class advanced information and communications networks;

- (iii) swift and thorough action to be taken by the government to ensure the smooth circulation of information by diverse actors;
  - (iv) swift and thorough action to be taken by the government to secure opportunities for using advanced information and communications networks and making the most of data using information and communications technologies;
  - (v) swift and thorough action to be taken by the government to promote education and learning;
  - (vi) swift and thorough action to be taken by the government to develop human resources;
  - (vii) swift and thorough action to be taken by the government to promote economic activity;
  - (viii) swift and thorough action to be taken by the government to increase the efficiency of the management of business operators, increase the sophistication of businesses and improve their productivity;
  - (ix) swift and thorough action to be taken by the government to improve the convenience of everyday life, etc.;
  - (x) swift and thorough action to be taken by the government to achieve cooperation, etc. between national and local governments information systems;
  - (xi) swift and thorough action to be taken by the government for citizens to make good use of information held by the national and local governments;
  - (xii) swift and thorough action to be taken by the government to develop, etc. a basic public information database;
  - (xiii) swift and thorough action to be taken by the government to diversify and enhance the quality of services in the specified public sectors (meaning the public sectors for which particularly thorough initiatives should be taken to diversify and enhance service quality);
  - (xiv) swift and thorough action to be taken by the government to ensure cybersecurity, etc.; and
  - (xv) swift and thorough action to be taken by the government to review regulations for the effective use of information and communications technologies
  - (xvi) beyond what is prescribed in the preceding items, any necessary actions to be taken by the government to swiftly and thoroughly pursue strategies to form a digital society.
- (3) In principle, specific targets of the actions described in the priority policy program as well as time limits for achievement of the targets are to be decided.
- (4) The Prime Minister must hear the opinions of the Cybersecurity Strategic Headquarters and the Personal Information Protection Commission before developing a draft priority policy program and asking for a cabinet decision.

- (5) If the Prime Minister attempts to prescribe in the draft priority policy program any strategies which are thought likely to have a material impact on local governments, the Prime Minister must hear the opinions of the nationwide associations of prefecture governors, chairpersons of prefectural assemblies, mayors, chairpersons of municipal assemblies, town mayors or village mayors, and chairpersons of town or village assemblies (meaning the nationwide associations provided for in Article 263-3, paragraph (1) of the Local Autonomy Act (Act No. 67 of 1947) which are notified under the provisions of the same paragraph) regarding these strategies.
- (6) When the government develops the priority policy program pursuant to the provisions of paragraph (1), the government must publish the relevant program, without delay, using the Internet or other appropriate means.
- (7) The government must investigate the extent to which the targets set pursuant to the provisions of paragraph (3) are achieved and make the results public in a timely way using the Internet or other appropriate means.
- (8) The provisions of paragraphs (4) through (6) apply mutatis mutandis to alterations to the priority policy program.

(Relationship between the Priority Policy Program and Other National Government Programs)

Article 39 The programs of the national government other than the priority policy program are to be based on the Priority Policy Program with regards to the formation of a digital society.

### **Supplementary Provisions**

(Effective Date)

Article 1 This Act comes into effect from September 1, 2021.