

**“The Every-Three-Year Review”  
of the Act on the Protection of Personal Information  
Outline of the System Reform (Main Points)**

**I. Perspectives on individual rights regarding personal data**

**1. Easing requirements regarding demands to cease utilization, delete, and cease provision to a third party**

Extending the scope of individual rights by easing requirements regarding demands for the cease of utilization, deletion, and cease of provision to a third party, from the perspective of strengthening individuals' involvement with retained personal data.

**2. Promoting digitalization of disclosure of retained personal data**

Ensuring awareness and proper implementation of the current system regarding demand for disclosure of retained personal data.

Enabling a principal to direct the way of disclosure, including provision of electronic or magnetic record, from the perspective of enhancing convenience of the principal's utilization etc. of retained personal data obtained through demand for disclosure.

**3. Extending the scope of retained personal data to be subject to demand for disclosure etc.**

Including short-term retained data to be deleted within no longer than six months, which is currently excluded from retained personal data, as retained personal data to be subject to demand for disclosure etc., by removing the distinction according to retaining period, based on the changes of risks associated with developments of information society.

**4. Strengthening the opt-out regulation**

Limiting the scope of the opt-out provision for provision of personal data to a third party, based on the recent fact that circulation of name lists makes it difficult for a principal to involve with such name-list data.

Enhancing the effectiveness of a principal's involvement, including by enabling the principal to demand for disclosure of the record that the current Act on the Protection of Personal Information (APPI) requires personal information handling business operators (PIHBOs) to keep when providing personal data to a third party and when receiving personal data from a third party.

## **II. Perspectives on obligations that business operators should abide by**

### **1. Making it mandatory to report an incident including a leakage of personal data to the PPC and to notify a principal of such incident**

Making it mandatory for PIHBOs to promptly report an incident including a leakage of their personal data to the Personal Information Protection Commission (PPC) and to notify a principal of such incident in case that such incident falls within a certain category, such as a massive data leakage, which aims to allow the PPC to be informed of such incident at an early stage as well as to enable a principal to take necessary measures, from the perspective of protection of an individual's rights and interests as well as fairness between PIHBOs.

### **2. Clarifying the obligation for proper utilization of personal information**

Clarifying that PIHBOs should not utilize personal information in improper way, based on the changes of risks associated with developments of information society.

## **III. Perspectives on frameworks to encourage autonomous activities of business operators**

### **1. Diversifying the system of accredited personal information protection organization**

In light of the diversification of operations by PIHBOs using personal information and changes in needs of necessary regulations, expanding the accredited personal information protection organization system so that an organization that engages in activities limited to specific businesses can be accredited as an accredited personal information protection organization, in addition to the current system where an accredited personal information protection organization should respond to complaints regarding the overall handling of personal information by its covered business operators and provide guidance to them.

### **2. Enriching the contents of public disclosure regarding retained personal data**

Adding items that should be explained to the principal including structures in handling personal information, the content of measures taken, and how retained personal data is processed as legally required public disclosure items (may be prescribed in the Cabinet Order), in order to enable a principal's appropriate understanding and involvement and to promote proper handling by a PIHBO by enhancing the PIHBO's explanations to the principal on retained personal data.

#### **IV. Perspectives on policies regarding data utilization**

##### **1. Introducing “pseudonymised information”**

Introducing “pseudonymised information” as a category of personal information that is processed so as not to be able to identify a specific individual unless it is collated with other information, from the perspective of promoting innovation.

For “pseudonymised information”, on the premises of certain new conduct regulations to limit the utilization to internal analysis without identifying a principal as well as specification of a utilization purpose of “pseudonymised information” and disclosure of it to the public, partly deregulating the restrictions regarding the obligations imposed when handling personal information including dealing with demands from individuals (demand for disclosure, correction etc., and utilization cease etc.) and other obligations.

##### **2. Regulating third-party provision of non-personal data that falls within personal data when it is handled at recipient**

Applying a discipline to restrict third-party provision of data that does not fall within personal data by definition when it is handled at provider, but apparently does so when it is handled at recipient, from the perspective of maintaining the balance between protection of personal information and proper and effective utilization of it, in light of diversification of the way of utilization of data related to individuals.

##### **3. Clarification of exception provisions regarding the handling of personal information for public interests purposes**

Adding examples in the Guidelines and Q&A regarding handling of personal information for the purpose of public interests which may constitute exception to the restriction due to a utilization purpose and the restriction on third-party provision, and thereby promoting data utilization that benefits the whole nation.

##### **4. Enhancing consultations on utilization taking into account its protection and utility**

Extending and strengthening the PPC’s structure of holding consultation to properly deal with demand from PIHBOs who want an environment easy to consult on handling personal information including utilization of it. Ensuring public awareness through revising the Guidelines and Q&A if the contents of such consultation could be widely applicable.

#### **V. Perspectives on penalty**

Reviewing as necessary the current statutory penalties, including introduction of a system to impose severe punishments on legal entities.

## **VI. Perspectives on extraterritorial application of the APPI and cross-border transfer**

### **1. Extending the scope of extraterritorial application of the APPI**

Making a foreign business operator that handles personal information or anonymously processed information related to a person in Japan subject to request of submitting necessary information and order by the PPC, based on globalization of economic and social activities as well as diversification of cross-border transfer.

In case the business operator does not follow the order, authorizing the PPC to make public such fact.

### **2. Reinforcing restriction of provision of personal data to a third party in a foreign country**

Requiring a PIHBO as a cross-border provider of personal data to provide a principal with basic information concerning how a receiver handles the provided personal data such as the name and the legal environment of personal information protection of a country where the receiver is located, from the perspective of enabling the principal's proper understanding and involvement as well as encouraging PIHBOs' proper handling of personal information due to diversification of cross-border transfer of personal information.

Requiring the information provision when transferring personal data based on a principal's consent as well as when a principal requests information where personal data is transferred without the principal's consent on the condition that the system of the receiver of personal data is established to ensure continuous proper handling of personal data.

## **VII. Handling of personal information by the public and private sectors**

### **1. Consolidating legal systems relating to the administrative organs/incorporated administrative agencies and legal systems relating to the private sector**

Working proactively and swiftly engage under the concrete discussion as the government in gathering and consolidating regulations regarding personal information protection relating to the private sector, administrative organs, and incorporated administrative agencies and toward having the PPC centrally govern the consolidated systems, based on the indication that troubles are arising due to the differences in regulations and jurisdictions.

### **2. Personal information protection system of local public bodies**

Advancing discussion with local public bodies etc., regarding handling of personal information held by local public bodies, which is regulated by each local ordinance, on practical issues regarding the perspective of integrating the regulations by law as well as the allocation of roles between central and local bodies concerning personal information protection of local public bodies.

**[Tentative translation]**

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※ This paper is a provisional translation and may be subject to change. Please refer to the original version in Japanese for nuance.