

(Translation)



日本デジタル空間
経済連盟

Executive Summary of Report for Economic Development in Digital Space

November 16, 2022
Japan Digital Space Economy Federation

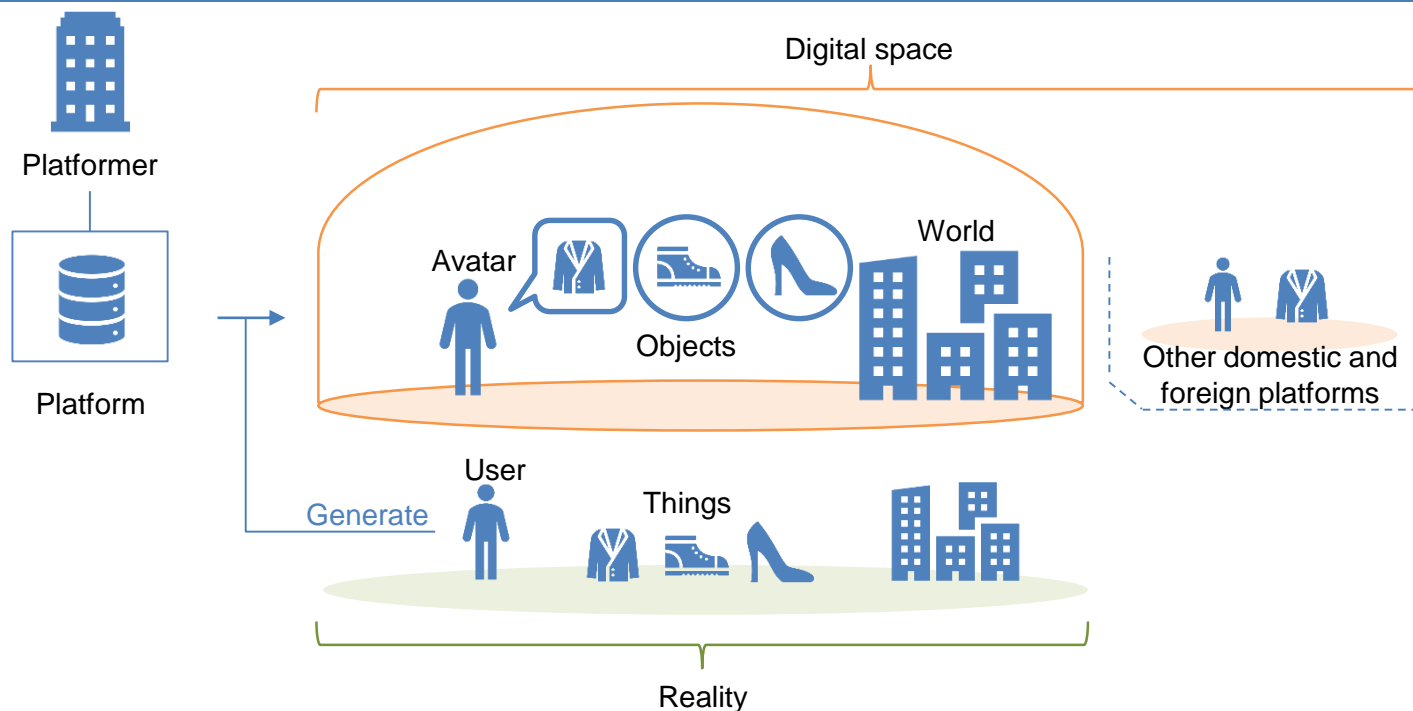
Background

- **Business activities in digital space are drawing attention.** Nonetheless, since they remain an unknown realm with the scarcity of actual examples, we do not know which business model is effective or have a full picture of risks. This forces Japanese companies to be cautious to enter the market.
- Major companies, in particular, operate their businesses focusing primarily on **“economic activities in safe and secure digital space,”** which **prevents them from going into a legally gray zone.**

Purpose

- Toward business development in digital space, **identify valuable information and issues to be dealt with**
- Based on this Report, **improve business environment** in digital space **through consultation with relevant ministries and organizations**

Big picture of digital space



- Following **identification of challenges** faced by member companies of the Federation and **those** that may emerge in the future and discussion on them with lawyers, certified public accountants, university professors and other experts, this Report was prepared to **formulate the policy**.

How to proceed; Future actions

Preparation and publication of the report

1 Identification of challenges in both legal and business contexts

By reference to **dialogue with member companies, business examples, questionnaires and lawyers opinions, challenges occurring in an actual business setting** were identified.

2 Detailed examination from a legal perspective

Based on specific business cases, **legal responses were discussed with experts. The report was prepared** following discussion on whether issues can be dealt with under the current laws or need to be addressed using guidelines, etc.

Utilization of the report

3 Actions towards improvement of business environment

We will **dialogue with relevant ministries and organizations, and work to realize social implementation of the business*** together with member companies.

* Initiatives to actually establish and operate business models discussed in the report together with member companies, thereby identifying further challenges and establishing the policy.

Structure

- This Report discusses challenges towards business development in digital space which are divided into the following themes:

I Intellectual property

Challenges regarding content in and outside of the digital space and rights thereto

II Digital finance

Challenges regarding financial regulations and accounting treatment

III Platform

Challenges regarding platform operation such as treatment of personal information

- The structure of this Report is as described below. Chapter 3, in particular, identifies “issues and challenges” based on specific business cases, and develops the “direction of discussion.”

Ch. 1	Big picture of challenges	Give definitions relating to the digital space and the categorization of relevant issues and challenges covered by I. Intellectual Property
Ch. 2	Clarification of issues	Discuss potential issues in each of the categories specified in Chapter 1, and provide background of those issues
Ch. 3	Issues and challenges and direction of discussion	Clarify “issues and challenges” using business cases for each category listed in Chapter 2, and offer a tailored “direction of discussion”

Summary of issues

(1) Issues relating to content in the digital space and rights thereto	(i) How to protect intellectual property rights and how to prevent violations of the Unfair Competition Prevention Act
	(ii) Making rules for content data transactions
	(iii) How to deal with misconduct / violations of relevant terms or policy in the digital space
	(iv) Treatment of the rights to secondary and tertiary works
	(v) Improving efficiency in processing the rights to intellectual properties used in the digital space
(2) Issues relating to content in the real space	(i) Protection of the rights to data in the digital space and real-life items
	(ii) Consideration on the rights to any building created as a replica of a real-life building in the digital space
	(iii) Consideration on the rights to any avatar created as a replica of a real-life portrait in the digital space
(3) Issues arising between one digital space and another	(i) Measures to be taken when any intellectual property in one digital space is illegally emulated in another digital space

Ch. 4	Future policy	Identify “issues and challenges” that arise in business settings and mention the necessity to take measures depending on the urgency and importance
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- Set out below is an executive summary, and full details are described in the report.

(1) Issues regarding content in the digital space		(2) Issues regarding content in the real space	(3) Issues arising between one digital space and another
No.	Issues and challenges	Direction of discussion	
How to protect intellectual property rights and how to prevent violations of the Unfair Competition Prevention Act			
(i)	There is a possibility that content generated by a user (UGC) in the digital space will be emulated by another user without permission, and that emulated material/work will be manufactured and sold in the digital and real spaces.	It is useful to clearly explain the rights protection against counterfeiting under the current laws, using examples, in the form of guidelines for users, etc. In the meanwhile, it could be helpful for platformers to consider having in place a system and mechanism for addressing the aforementioned counterfeiting in the digital space (such as establishment of terms of service which specify measures against infringements, establishment of the point of contact for reporting infringements, and establishment of procedure for application for removal, and announcement thereof) as necessary.	
Making rules for content data transactions			
(ii)	If any NFT linked to certain content is sold in the digital space, a user may purchase the NFT without clear understanding of the right(s) the user will acquire through the purchase of the NFT.	Businesses involved in the sale of NFTs such as NFT marketplace operators need to accurately and clearly explain to users the rights they will acquire through the purchase of NFTs. In addition, it could be important for the businesses in the industry to provide a uniform explanation to ensure users' understanding. It could be useful to expressly specify what they should explain to users in the form of guidelines.	
How to deal with misconduct / violations of relevant terms or policy in the digital space			
(iii)	A third party may use the UGC generated by a user as NFT content without permission to issue and distribute NFTs.	There are few examples where an NFT issuer establishes a mechanism for assessing whether the use of copyrighted work as NFT content is appropriate (such as YouTube Copyright Match Tool). Therefore, if it turns out the copyrighted work has been converted into NFT without permission of the right holder, it could be appropriate for a person or business authorized to remove the NFT content to take ex-post measures such as removal and suspension of transactions in an efficient manner upon request by or on behalf of the right holder of such NFT content. When taking measures, it is necessary to refer to the Guidelines published by Provider Liability Limitation Act Guidelines Review Council. In addition, if removal of the NFT is difficult, as a second best way, there could be room for considering seeking a statutory amendment to prohibit the sale/purchase of such NFT from the perspective of stopping the aforementioned transaction fees from being paid back to the issuer of the NFT.	

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(1) Issues regarding content in the digital space		(2) Issues regarding content in the real space	(3) Issues arising between one digital space and another
No.	Issues and challenges	Direction of discussion	
Treatment of the rights to secondary and tertiary works			
(iv)	If, in the digital space, users generates new content by adding their own alterations to the content which can be adopted or otherwise used by a holder of a license granted by the copyright owner, clarification is required as to the rules governing who owns the copyright of such altered content and whether or not such secondary copyrighted work can be used.	It could be useful to clearly explain the current statutory rules with respect to the rights to the content newly generated with users’ alterations in the form of guidelines, etc. In the meanwhile, it is possible for platformers and service providers to adjust the rights on a case-by-case basis according to their intention and nature of the content , in which case they should establish the terms of service, etc. which specify such adjustment to the rights.	
Improving efficiency in processing the rights to intellectual properties used in the digital space			
(v)	If users who generate content of their own creativity using third party copyright material in the digital space must process the rights to such copyrightable work, clarification is required as to how the users’ burden to process the rights can possibly be reduced.	Users’ burden to process the rights could be reduced by entering into an umbrella agreement with copyright management organizations such as JASRAC in addition to operators of platforms such as YouTube and TikTok where UGC is posted. Also, since the users need to process the rights to a copyrightable work other than music, the similar tool could be adopted for other types of copyrightable works. In connection with the above, at the 2022 meeting of Legal Sub-committee, Copyright Working Group, Cultural Committee, they discussed initiatives to “institutionalize the system for simple and centralized rights processing and return of compensation” in light of the government’s policy described in “Intellectual Property Promotion Plan 2022.” We will watch how the initiatives evolve.	

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(1) Issues regarding content in the digital space		(2) Issues regarding content in the real space	(3) Issues arising between one digital space and another
No.	Issues and challenges	Direction of discussion	
Protection of the rights to data in the digital space and real-life items			
(i)	It is necessary to develop measures to address cases where a user emulates real-life content in the digital space.	<p>It is useful to clearly explain the rights protection against counterfeiting under the current laws, using examples, in the form of guidelines, etc.</p> <p>In the meanwhile, it could be important that platformers establish the terms of service, etc. which expressly specify the acceptable scope of UGC, what activities are prohibited, and measures against prohibited actions, and have in place a mechanism to find and detect prohibited actions.</p>	
Consideration on the rights to any building created as a replica of a real-life building in the digital space			
(ii)	If a replica of a real-life building is created or an object is created by altering the real-life building in the digital space, clarification is required as to whether it is necessary to obtain a permission from the owner of the real-life building.	<p>When a replica of a real-life building is created (sometimes by making some alterations), consideration is required as to whether or not to obtain a permission on a case-by-case basis according to business lines and risk tolerance. To help consideration, it could be useful to prepare guidelines in light of how the current laws operate in practice and identify what information should be used in determining whether or not to obtain a permission. Also, since a building in the digital space could be reproduced in the real world, it is important to prohibit in advance any illegal conduct in the terms of service, etc. and it could be useful to clarify the key points for preparing the terms of service in guidelines, etc.</p>	
	If a replica of a real-life building is created in the digital space to which an advertisement is added, clarification is required as to whether it is necessary to obtain a permission from the owner/right holder of the real-life building and advertisement.	<p>Adding an advertisement requires considering whether or not to obtain a permission on a case-by-case basis according to business lines and risk tolerance. To help consideration, it could be useful to clearly explain how the current laws operate in practice in guidelines, etc.</p> <p>Also, since an advertisement could be added to a replica building created independently by a user, it is important to prohibit in advance any illegal conduct in the terms of service, etc. and it could be useful to clarify the key points for preparing the terms of service in guidelines, etc.</p>	

- Set out below is an executive summary, and full details are described in the report.

(1) Issues regarding content in the digital space		(2) Issues regarding content in the real space	(3) Issues arising between one digital space and another
No.	Issues and challenges	Direction of discussion	
Consideration on the rights to any avatar created as a replica of a real-life portrait in the digital space			
(iii)	An avatar could be created based on a portrait or voice of an individual (ordinary person or celebrity). Clarification is required as to what measures could be taken against unauthorized use of his/her portrait or voice.	To help businesses and users understand and make decisions, it could be useful to clarify the current statutory framework including court cases involving portrait rights and publicity rights while explaining the manners of use of an avatar created (such as the use of a celebrity’s portrait as “parody”), and provide model cases based on use cases in and outside of Japan in guidelines, etc. In addition, it could be helpful for businesses (operators of digital spaces) to prepare the terms of service taking into consideration how the current laws operate in practice as well as characteristics of the relevant digital space and their own business model to avoid disputes.	
	In the digital space, avatar “impersonation” has become a concern. Clarification is required as to what measures can be taken against this.	To help businesses and users understand and make decisions, it could be useful to clarify the legal issues which may arise in connection with avatar “impersonation” and legal responsibilities of those who “impersonate” others and their accessories (such as those who provide facial and other information to create an impersonating avatar) in guidelines, etc. In addition, it could also be useful to provide information about technical measures such as “digital watermarking” and NFT-based identity verification methods. Also, businesses could prepare the terms of service which prohibit “impersonation” or introduce technical solutions to prevent “impersonation.”	

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(1) Issues regarding content in the digital space		(2) Issues regarding content in the real space	(3) Issues arising between one digital space and another
No.	Issues and challenges	Direction of discussion	
Measures to be taken when any intellectual property in the digital space is illegally emulated in another digital space			
(i)	Clarification is required as to whether there are measures to prevent an object used in the digital space in Japan from being stolen by a foreign user and flowing to a digital space operated by a foreign company.	<p>It could be useful to clarify the policy on how to deal with cross-border infringements across digital spaces under the current laws and the status of those infringement issues in guidelines, etc.</p> <p>In addition, in order for digital space providers to address issues in a collaborative manner, it is ideal that discussions will take place in and outside of Japan, to reach a common concept of a dispute resolution, on the development of uniform terms of service and the establishment of uniform measures against violations of terms of service, an information sharing system among digital spaces and a dispute resolution organization used in common among digital spaces.</p>	

- The structure of this Report is as described below. Chapter 3, in particular, identifies “issues and challenges” based on specific business cases, and develops the “direction of discussion.”

Ch. 1	Big picture of challenges	Present themes covered by II. Digital Finance together with simple prediction of the future to clarify the big picture
Ch. 2	Clarification of issues	Discuss potential issues in each of the categories specified in Chapter 1, and provide background of those issues
Ch. 3	Issues and challenges and direction of discussion	Clarify “issues and challenges” using business cases for each category listed in Chapter 2, and offer a tailored “direction of discussion”

Summary of issues

(1) Issues relating to financial regulations	(i) Financial regulations on financial transactions in the digital space
	(ii) Financial regulations on the use of crypto-asset payments in the digital space
	(iii) Financial regulations on the issuance of NFTs in the digital space
(2) Issues relating to accounting	(i) Accounting treatment when tokens falling within the scope of crypto assets are issued in the digital space
	(ii) Accounting treatment when NFTs are issued in the digital space
	(iii) Accounting treatment when a business involves the use of land in the digital space

Ch. 4	Future policy	<ul style="list-style-type: none"> Realize social implementation of business models discussed in the report and explore suitable rules based on real-life cases Promote the formulation of guidelines in collaboration with relevant ministries and self-regulatory organizations
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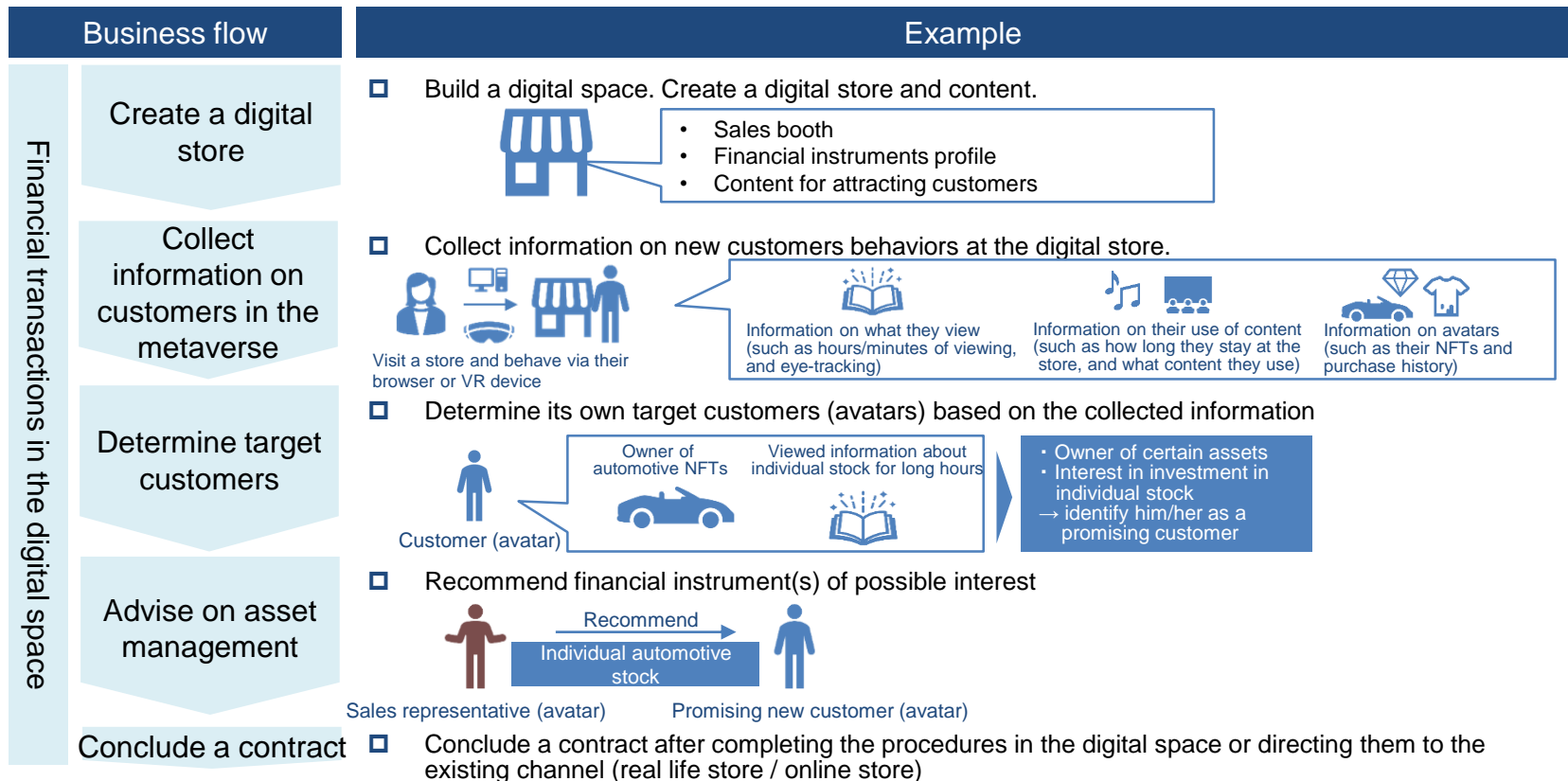
(1) Issues relating to financial regulations

(2) Issues relating to accounting

Financial regulations on financial transactions in the digital space

- To deepen discussion on these issues, we assumed a specific business case and identified challenges.
- The assumed scenario (illustrated below) is that a financial institution establishes a digital store in the digital space, where sales representatives (avatars) sell financial instruments to new customers (avatars) who visit the store. Customers can obtain information about financial instruments and enjoy digital content such as games at the digital store, while sales representatives can conduct marketing activities using the information obtained from the digital space.

Assumed business case



- Set out below is an executive summary, and full details are described in the report.

(1) Issues relating to financial regulations

(2) Issues relating to accounting

No.	Issues and challenges	Direction of discussion
Financial regulations on financial transactions in the digital space		
(i)	Financial institutions are required to solicit investments after obtaining the information about a customer's investment profile at the right time under the suitability rule. It is not clear when they should conduct KYC (such as at the time when a customer participates in the platform, visits at the store, receives a recommendation or concludes a contract).	Although there is a concept plan for a business similar to the business case illustrated above, no financial institutions have realized the plan yet. The Federation will conduct experimentation on the illustrated business case, and analyze in more detail and categorize issues to come up with specific solutions.
	In the current eKYC scheme, customers' identity is checked using the required information photographed with a camera. This does not work well with devices such as VR goggles and AR lenses, and requires customers to wear and take off those devices, causing UX-related issues.	Discussions will be made on eKYC with the assumption that the business in the digital space will develop. Once eKYC becomes technically more simple and effective, we will suggest amendments to rules as necessary by using experimentation in regulatory sandboxes.
	In relation to conduct control for investor protection under the Financial Instruments and Exchange Act, the current regulations may not be able to address unwanted solicitation activities unique to the digital space. (ex. spoofing, persistent solicitation such as sending a chat message at every log-in, and stalking)	Efforts will be made to establish guidelines on solicitation activities unique to the digital space and cases where sales representatives solicit, through avatars, investments from customers.
	It is possible to obtain various types of information in the digital space. While businesses can make an effective use of the information for operating activities, customers may feel an aversion to the collection or use of their personal information.	The Federation will conduct experimentation on the illustrated business case , and based on the findings and opinions collected from member companies, clarify what types of information being collected in the digital space can lead to the ideal future of the digital space. Then, discussions will be made on how it should be from a customer perspective, aiming to establish guidelines, etc.
	Assuming that a financial institution builds a platform and establishes and operates a digital store, it is not yet clear what standards for security measures must be met by the system the financial institution uses.	It will be explored whether or not there is any unique feature relating to the system in the digital space (unlike system risk management in general online transactions and system subcontractor management) and what such unique feature is . Then, to address discovered security issues, we will encourage relevant organizations to establish guidelines to set any necessary standards and amend the existing safety standards and guidelines to make any necessary supplementation.

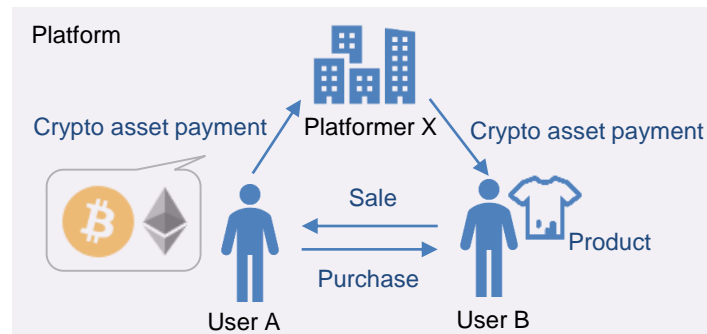
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(1) Issues relating to financial regulations

(2) Issues relating to accounting

No.	Issues and challenges	Direction of discussion
Financial regulations on the use of crypto-asset payments in the digital space		
(ii)	<p>If a platformer who receives crypto assets and temporarily manages them until delivery as an escrow agent on behalf of and under entrustment by a selling user is interpreted as providing crypto-assets exchange services, then no one other than a person who is registered as a crypto-asset exchange service provider can provide escrow services.</p>	<p>In the current situation where escrow services for money are permitted and become popular, permitting only crypto-asset exchange service providers to provide escrow services for crypto assets may pose major problems for platform businesses. Therefore, the Federation will submit the opinion to the Financial Services Agency, requesting interpretation that if management of crypto assets as part of escrow services meets certain requirements which take into account the balance between user protection and user convenience, it does not fall within the scope of crypto-asset exchange service under the Payment Services Act.</p>

Image diagram of the assumed escrow service



Financial regulations on the issuance of NFTs in the digital space		
(iii)	<p>Although there are some clarifications on the applicability of financial regulations to NFTs, clear and unambiguous standards like “this interpretation applies to this case” are not yet established. Also there are a certain number of companies which have not enough knowledge of the financial regulations applicable to the business of issuing NFTs and feel vaguely insecure.</p>	<p>The Federation will identify accurate information on NFTs and financial regulations, and hold study sessions, etc. to educate people. For NFT-related businesses to which the financial regulations do not apply, it is necessary to consider how to ensure consumer protection.</p>

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(1) Issues relating to financial regulations		(2) Issues relating to accounting
No.	Issues and challenges	Direction of discussion
Accounting treatment when tokens falling within the scope of crypto assets are issued in the digital space		
(i)	<p>There are no uniform accounting standards for initial coin offering (“ICO”) of tokens which fall within the scope of crypto assets, and it is not easy for issuers to have their accounts audited whether in or outside of Japan. There are not many ICOs taking place in Japan, and it is uncertain whether there is enough demand to develop accounting standards. In addition, if Japan were ahead of other countries in developing accounting standards, it is not necessarily guaranteed that such standards will be global standards and it involves a risk of giving rise to deviations from the standards to be developed later by other countries.</p>	<p>Survey on demand for ICOs in Japan will be conducted, and the survey findings will be shared with relevant organizations which work on this issue (such as Accounting Standards Board of Japan (ASBJ)) to support in developing accounting standards.</p>
Accounting treatment when NFTs are issued in the digital space		
(ii)	<p>Some companies issuing tokens which do not fall within the scope of crypto assets may be able to account for the issuance based on existing accounting standards and practices if they carefully examine the nature of tokens and the rights represented by them on a case-by-case basis. Therefore, if the relations between NFT and accounting standards are to be better understood, the business may expand. The challenge is that accounting for NFT issuance causes a significant practical burden due to the scarcity of actual cases and a lack of practices.</p>	<p>The Federation will identify accurate information on NFTs and accounting, and hold study sessions, etc. to educate people. The Federation will realize social implementation, and discuss contributing to building business cases to establish practices.</p>
Accounting treatment when a business involves the use of land in the digital space		
(iii)	<p>There are a wide variety of revenue generating models for a business involving the use of “land” in the digital space, and it is expected that social implementation will progress. Although the difficulty in accounting varies depending on product design, some companies may be able to account for their business based on existing accounting standards and practices. If the relations between “land” in the digital space and accounting standards are to be better understood, the business may expand. The challenge is that accounting for a business involving the use of “land” in the digital space causes a significant practical burden due to the scarcity of actual cases and a lack of practices.</p>	<p>The Federation will identify accurate information on “land” in the digital space and accounting treatment, and hold study sessions, etc. to educate people. The Federation will realize social implementation, and discuss contributing to building business cases to establish practices.</p>

- The structure of this Report is as described below. Chapter 3, in particular, identifies “issues and challenges” based on specific business cases, and develops the “direction of discussion.”

Ch. 1	Big picture of challenges	Present the types of platforms for consumers / industry as an assumption to clarify the big picture
Ch. 2	Clarification of issues	Present our approach to clarification of issues and identify four major categories of challenges
Ch. 3	Issues and challenges and direction of discussion	Clarify “issues and challenges” for the identified categories, and describe a tailored “direction of discussion”

Summary of issues

(1)	Personal information related / information security related	<ul style="list-style-type: none"> (i) Treatment of personal information in the digital space (ii) Any difference / disparity in terms of information security from a business which does not assume the digital space
(2)	Issues with private transactions	(i) Activities that can fall within the scope of “working” in the digital space, and whether or not the labor law applies to the activities and whether they fall within the scope of contracted services
(3)	Administrative regulations / public laws	<ul style="list-style-type: none"> (i) Determination on what activity in the digital space constitutes a violation of the Act on Control and Improvement of Amusement Business (ii) Determination on what activity in the digital space constitutes a gambling offense (iii) Other (Meeting requirements under the Act against Unjustifiable Premiums and Misleading Representations / the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade)
(4)	Human rights / moral rights	(i) Use / utilization by the government

Ch. 4	Future policy	Identify “issues and challenges” that arise in business settings and mention the necessity to take measures depending on the urgency and importance
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(1) Personal information related / information security related		(2) Issues with personal transactions	(3) Administrative regulations / public laws	(4) Human rights / moral rights	Other
No.	Issues and challenges	Direction of discussion			
Treatment of personal information in the digital space					
(i)	Under the current Act on the Protection of Personal Information, “avatar” information in the digital space that cannot identify individuals does not fall within the scope of personal information and is not subject to protection. There may be cases where leakage of “avatar information” can cause prejudice to “individuals in the digital space.”	For any avatar information to which the Act on Protection of Personal Information does not apply, it is necessary to consider the development of guidelines, etc. In addition, as in the case of “smartphone privacy” currently under discussion by the Ministry of Internal Affairs and Communication, it is highly possible there is information in the digital space that requires treatment beyond personal information protection rules. Therefore, it is desirable to develop guidelines on treatment of “non-personal information” as well. In doing so, it is necessary to consult the “Amended Telecommunications Business Act” because this challenge also relates to the rules concerning “specified user information” under the same Act.			
Any difference / disparity in terms of information security from a business which does not assume the digital space (the “existing business”)					
(ii)	Security incident scenarios that can cause disparities between businesses in the digital space and the existing businesses may include “leakage,” “takeover,” “attack,” and “falsification.” It is necessary to clarify what measures can be taken for each scenario.	Differences between business in the digital space and the existing businesses could be found in the following areas: “method of protecting account information,” “method of obtaining information of an attacker,” “consideration of the method of protecting biological information,” “method of detecting fake accounts,” “method of obtaining information of fake account holders,” “method of protecting 3D data,” “consideration of anti-virus measures,” “virus infection and other incident response scheme,” “method of protecting corporate technical information and other confidential information.” In connection with the above, there is a need to discuss in the future whether or not guidelines on information security for the business in the digital space should be prepared.			

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(1) Personal information related / information security related		(2) Issues with personal transactions	(3) Administrative regulations / public laws	(4) Human rights / moral rights	Other
No.	Issues and challenges	Direction of discussion			
Activities that can fall within the scope of “working” in the digital space, and whether or not the labor law applies to the activities and whether they fall within the scope of contracted services					
(i)	<p>The digital space has its unique activities, similar to “working,” such as earning tokens in games or services in the digital space on behalf of others to exchange the tokens so earned for currencies such as JPY. Whether or not the labor law applies to the aforementioned activities or whether they fall within the scope of contracted services depends on: “does a person conducting the activity have worker status?” and “if not, is the activity considered as service?” Therefore, clarification is needed here.</p>	<p>In order to help stimulate business activities in the digital space, it could be important to develop guidelines with a focus on what criteria should be used for determining the worker status. Therefore, it is necessary to consider in the future whether the activities fall within the scope of contracted service for each use-case. As for digital salary payment, which is under discussion by the Working Condition Subcommittee, Labor Policy Council, it is necessary to consider whether or not appropriate guidelines will be required, with reference to the Subcommittee's discussions.</p>			

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(1) Personal information related / information security related		(2) Issues with personal transactions	(3) Administrative regulations / public laws	(4) Human rights / moral rights	Other
No.	Issues and challenges	Direction of discussion			
Determination on what activity in the digital space constitutes a violation of the Act on Control and Improvement of Amusement Business					
(i)	For some activities in the digital space that “may violate the Act on Control and Improvement of Amusement Business or the Criminal Code,” we can use “JeSU Guidelines on Entry Fee Charging Tournaments” to determine whether they constitute a violation. However, there are many cases where a determination cannot be made based on the aforementioned Guidelines, in which case a case-by-case judgment will be required.	<p>There is a need to prepare guidelines for those to whom the absence of guidelines serves as a bottleneck, preventing them from undertaking economic activities in the digital space.</p> <p>There are only a limited number of activities which may fall under the scope of the Act on Control and Improvement of Amusement Business. Therefore, the preparation of guidelines requires clarifying what activities may pose an issue “directly” under the Act on Control and Improvement of Amusement and taking into account the applicability of the same Act.</p>			
Determination on what activity in the digital space constitutes a gambling offense					
(ii)	It is necessary to clarify whether an act of risking something of value for a chance, such as “ <i>gacha</i> (random sale),” which give rise to differences in terms of the value among users in certain market may constitute a gambling offense or any other related criminal offense.	<p>Given the prospect that many services will appear that fall within the scope of random sale of NFTs, it could not be practicable to determine whether each one of them satisfies the elements of a gambling offense.</p> <p>Therefore, it could be useful to prepare guidelines which clarify the criteria for “what constitutes a gambling offense” based on actual cases.</p>			
Other					
(iii)	It is necessary to meet the requirements under the Act against Unjustifiable Premiums and Misleading Representations	For the calculation of the value of a premium, a key issue will be “to what extent the secondary market for NFTs needs to be taken into account, and it could be useful to prepare guidelines specifying the criteria therefor.			
	It is necessary to meet the requirements under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade	For the calculation of the value of a premium, a key issue will be “to what extent the secondary market for NFTs needs to be taken into account, and it could be useful to prepare guidelines specifying the criteria therefor.			

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		(1) Personal information related / information security related	(2) Issues with personal transactions	(3) Administrative regulations / public laws	(4) Human rights / moral rights	Other
No.	Issues and challenges	Direction of discussion				
		Use / utilization by the government				
(i)	It is expected that the government will use the digital space for information sharing (including information sharing by government officials), events and political elections. It is necessary to clarify what they should keep in mind when doing so.	<p>It is desirable to establish guidelines on each of two large categories: public use by political parties and local governments and private use by government officials.</p> <p>For public use, it is necessary to ensure guidelines clarify what political parties and local governments keep in mind when handling personal information and sharing information with general public.</p> <p>For private use by government officials, it is necessary to clarify what they should keep in mind and what they must comply with when using the digital space for personal purposes.</p> <p>It could also be desirable to discuss in the future the political use (consequences on democracy), religious use, and constitutional and human rights issues including surveillance by the government.</p>				

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		(1) Personal information related / information security related	(2) Issues with personal transactions	(3) Administrative regulations / public laws	(4) Human rights / moral rights	Other
No.	Issues and challenges	Direction of discussion				
Other important issues						
(i)	It is necessary to deal with problems arising between users.	<p>Among various types of problems expected to arise between users, dealing with violence, groping or other harassment by users is a pressing priority. It is primarily left to each platformer’s discretion to specify in the policy (such as Terms of Service) what measures against those acts are taken. Since some businesses say “certain guidelines on the policy will help us deal with the problems,” it could be essential to develop such guidelines (e.g., “Ethical Guidelines for Digital Space (tentative title)”).</p>				