



**公正取引委員会**

Japan Fair Trade Commission

# **Mobile Software Competition Act (MSCA)**

## **— Ex-Ante Interventions in Japan —**

**Japan Fair Trade Commission (JFTC)**

October 30, 2025

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Disclaimer: The views and opinions expressed in this presentation are those of the speaker and do not necessarily represent official policy or position of the Japan Fair Trade Commission.

The digital market is vital for economic growth.  
Smartphones underpin daily life and economic activity.

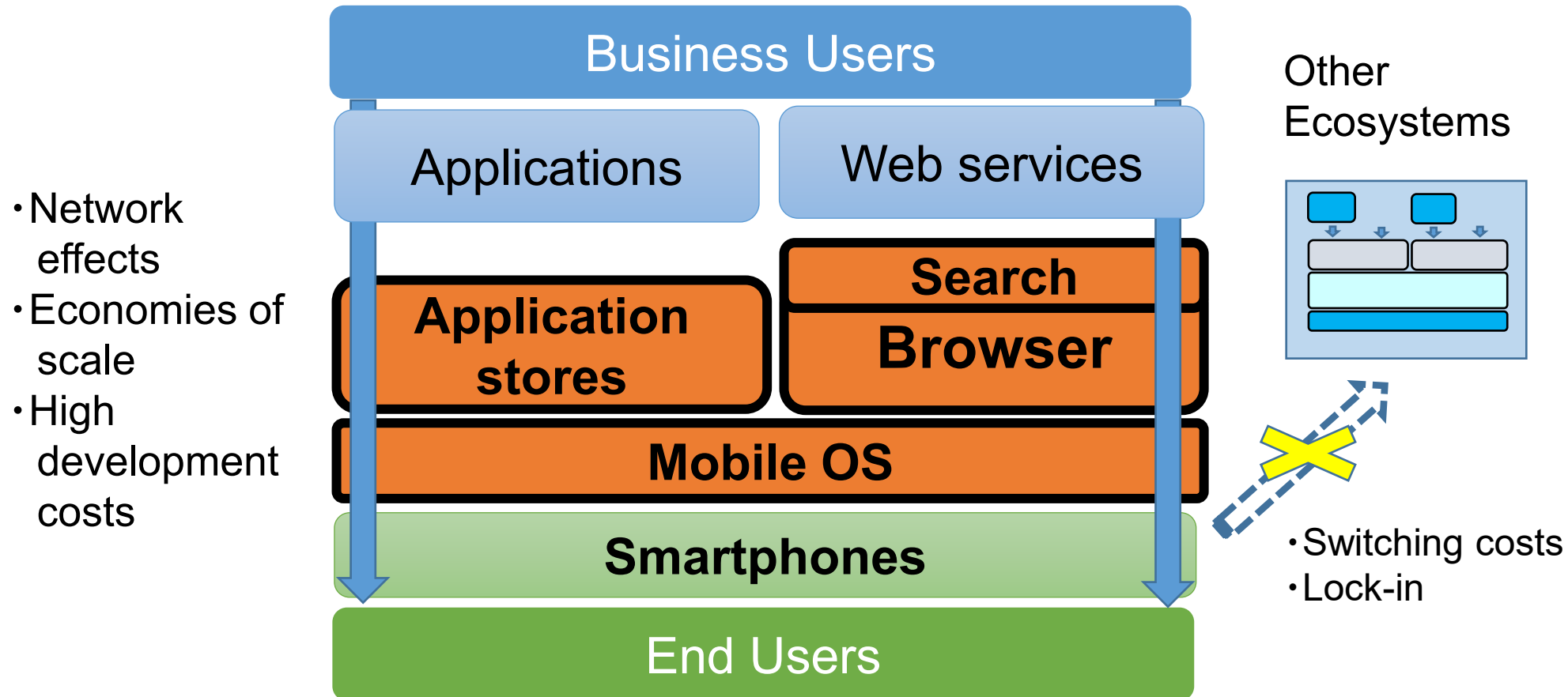
Ensuring a fair and open competitive environment in the digital markets faces major hurdles:

- Case-by-case enforcement under the Antimonopoly Act (AMA) takes too long to prove violations.
- Spontaneous improvements through market mechanisms are hard to achieve.

JFTC's Solution:

- June 2024: Enactment of the MSCA
- July 2025: Finalization of subordinate regulations and guidelines
- December 2025: Full implementation of the MSCA

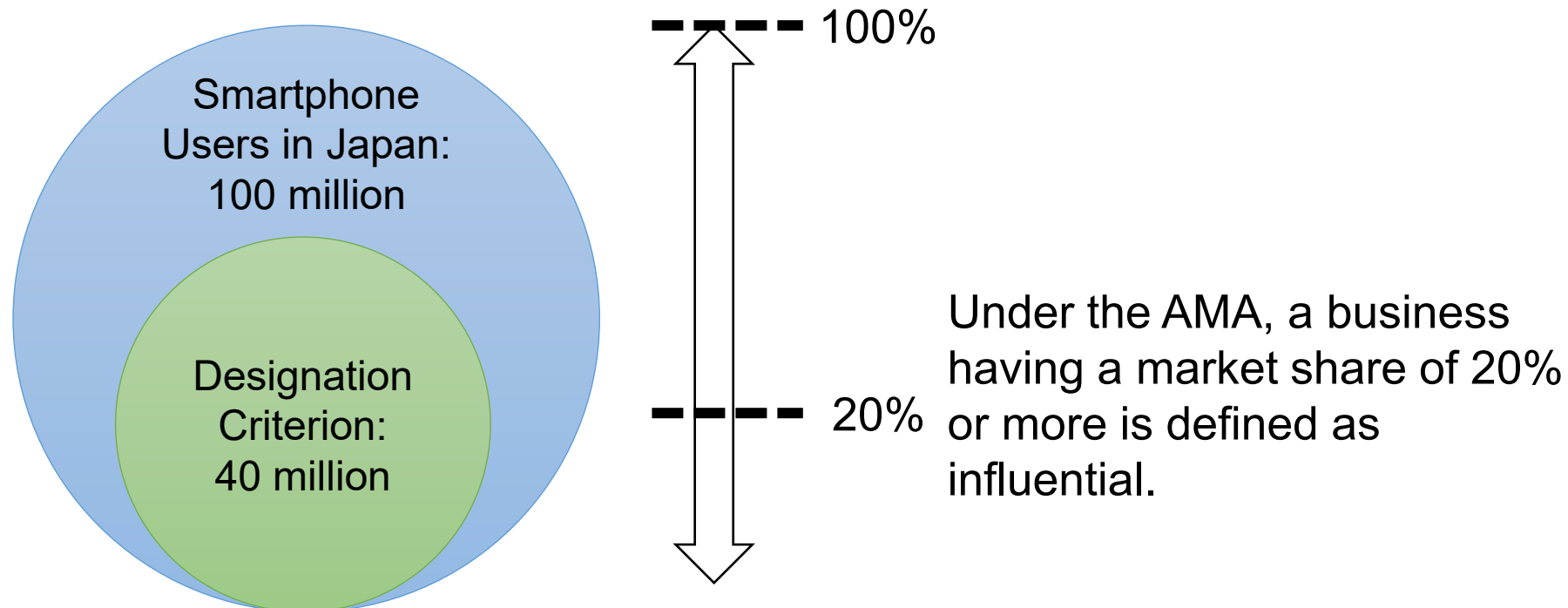
Focus on the smartphone ecosystem



Targets the four essential software for smartphone use:

Mobile OS / Application Stores / Web Browsers / Search Engines (Search Services)

- The MSCA targets those highly likely to violate the Antimonopoly Act if engaging in prohibited practices.
- The law designates “those able to exclude or dominate other businesses” as subject to regulations.



- In March 2025, the JFTC designated Apple Inc, (and iTunes KK) and Google LLC.

MSCA contents are based on past cases and market studies.

## Key Prohibited Practices:

- Preventing use of alternative app stores or payment systems
- Preventing link-outs (steering) or showing web store prices within apps
- Denying other app providers access to OS functions the designated undertaking uses

## Key Compliance Requirements:

- Displaying choice screens (ex. web browsers and search engines used in OS & browsers)

## Pros

- The designation system enables tailored rules for very large Digital Platforms.
- Specific prohibited practices are clearly mandated.
- No need for lengthy market definition or competition effect analyses.

... which in turn:

- Enables swift correction of competition issues.
- Facilitates close communication with regulated businesses.

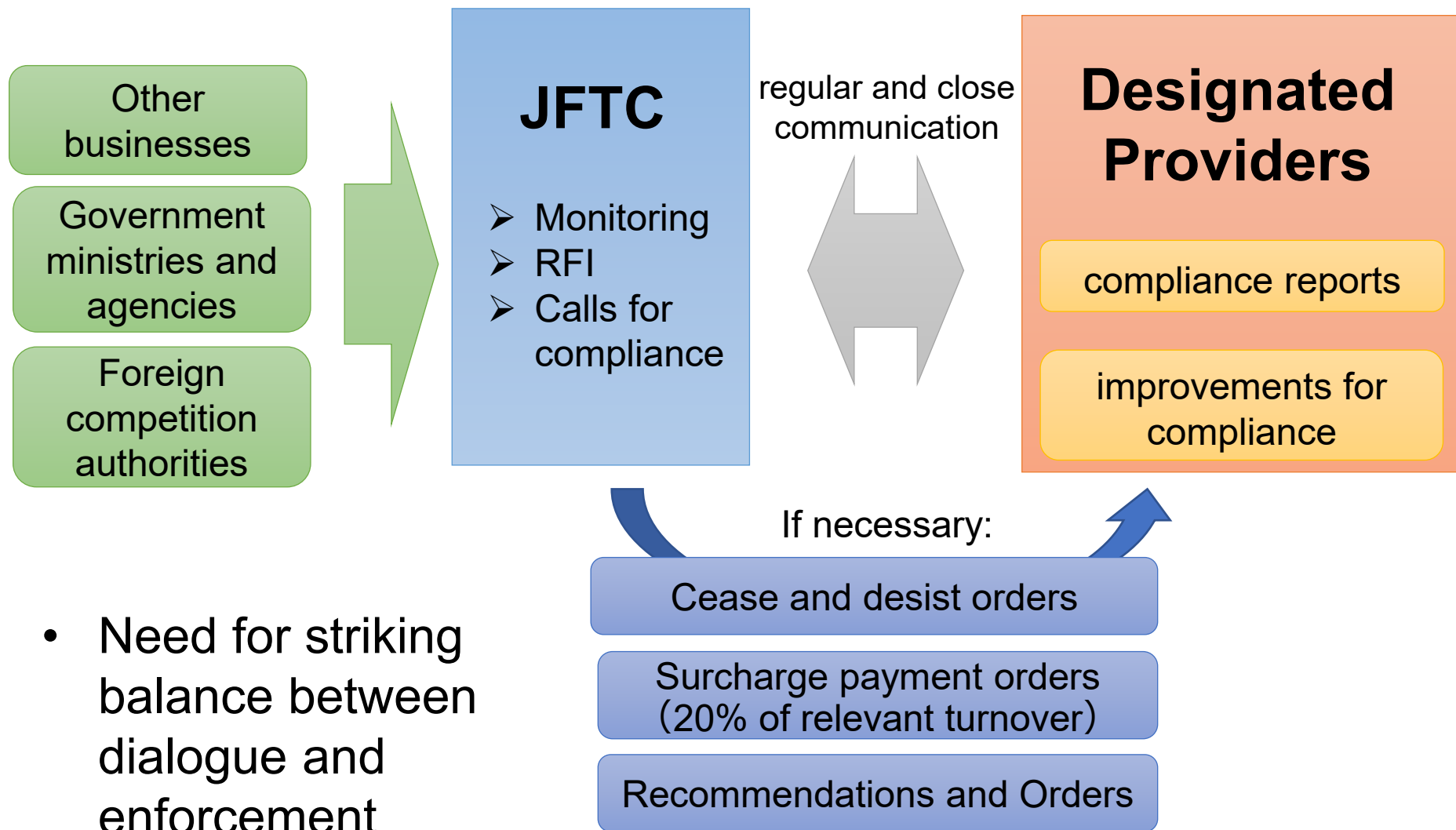
## Cons

- Risk of formalism
- Requirement of careful consideration on the scope of justifications (exemptions for compliance)

### Key points for success:

- Communication and dialogue-based regulation
- Importance of defining justifications aligned with societal context in the law's jurisdiction

Regulation is meaningless without effective enforcement.



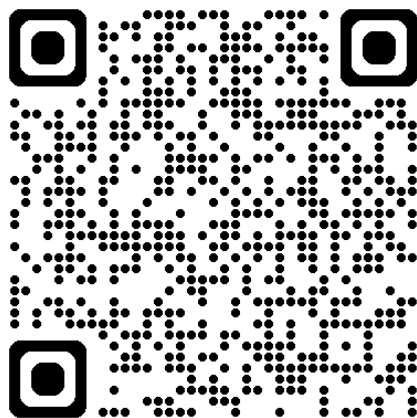
- By law, regulations must be reviewed three years after full enforcement in Japan.
- Recommendations from external experts that indicate new considerations:
  - Competition issues beyond smartphone ecosystems, including other devices
  - Competition issues involving digital services beyond specified software (e.g., generative AI)

Government needs to assess whether regulations are appropriate — are they effective and not outdated?

Thank you for your attention.



Dokkin  
(JFTC's official mascot character)



Our approaches in the digital  
market (JFTC website)

On our website,

- JFTC updates the last latest information regarding the MSCA's enforcement
- We will announce further details regarding the 2nd Global Forum on Digital Competition to be held on January 30<sup>th</sup>, 2026.
  - ◆ Expected speakers from competition authorities, businesses, and leading academics & experts
  - ◆ To be held in English and Japanese (simultaneous interpretation)