

Japan's Regulatory Sandbox

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Yo Okada

Counsellor

Secretariat of New Form of Capitalism Realization Headquarters
Cabinet Secretariat, Government of Japan

What is Regulatory Sandbox?

- Japan's regulatory sandbox was temporarily established under the Act on Special Measures for Productivity Improvement **in June 2018**, and made permanent under the revised Act on Strengthening Industrial Competitiveness in June 2021.
- It enables you to expeditiously demonstrate your cutting-edge technologies and business models **in any sector within the limited conditions conforming to the existing regulations.**
- Information and data obtained from the demonstrations are utilized to promote smooth commercialization and **regulatory reform.**
- Since the law went into effect, **29 projects** have been approved in a wide range of sectors such as **fintech, mobility, AI/IoT, and healthcare.**
- Japan's Cabinet Secretariat serves as **a single point of contact** for applicants to find information and seek a prior consultation.

Process

Submission of Application

Committee for Evaluating the Effectiveness

Notice of Approval

Demonstration

Deliberation for regulatory reform

Examples of Projects

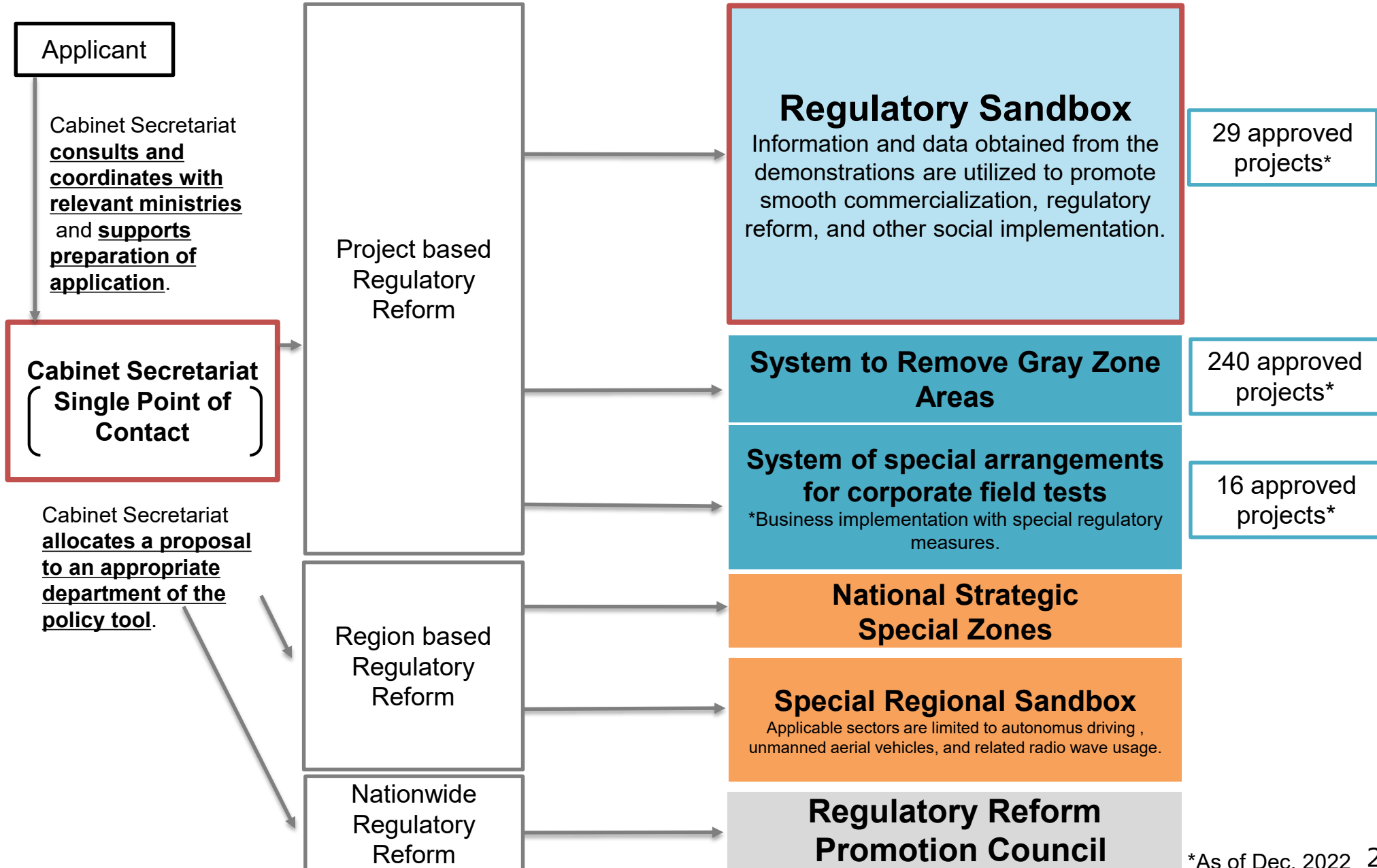
Ex 1. Electric scooter sharing

Road Traffic Act was revised after a sandbox demonstration, where participants rode on electric scooters without driver's licenses on university campuses (private roads), which is similar to public roads.

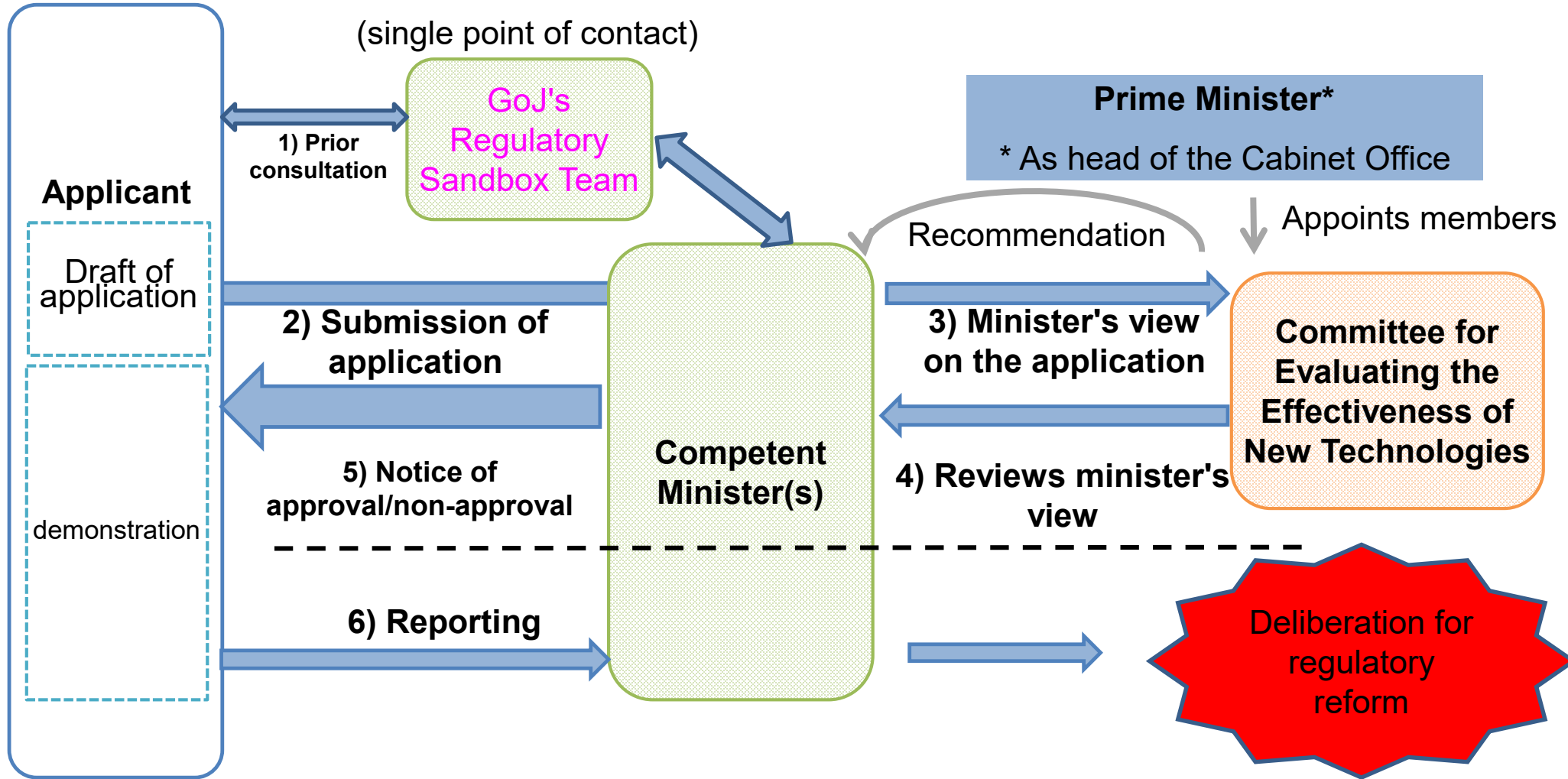
Ex 2. Blockchain technology

Based on the special provisions for notification of assignment of claims developed through the sandbox demonstration, financial institutions and fintech companies are able to conduct demonstrations using blockchain technology.

Regulatory Sandbox and Related Regulatory Reform Policy Tools



Process under Regulatory Sandbox



Criteria for Approval

- If a demonstration plan conforms to all of the following items, the plan will be approved, after the review of the New Technologies Evaluation Committee.
 - 1 . the plan is **appropriate in light of the review policy of the government;**
 - 2 . the demonstration is expected to be **implemented smoothly and reliably;**
 - 3 . the contents of the plan are **not in violation of the relevant laws and regulations.**

Approved Projects

- Since 2018, **29 projects** have been approved in a wide range of fields such as **fintech, mobility, blockchain, healthcare and AI/IoT/DX.**

Fintech

- Fintech x Privacy Protection
- Insurtech (P2P Insurance)
- Small short term loan (P2P Insurance)



Mobility

- Electric Shooter Sharing
- Switchable Electric Micro Bike
- Space Sharing of Camper Bus



Blockchain

- Blockchain x Crypto Exchanges
- Blockchain x Clinical Development
- Blockchain x Notice of Transfer of Claims



Healthcare

- Online Medical Advices with Diagnostic Kit
- Digital Living Will with Biometric Identity Authentication
- Real-time Blood Collection Test for Sports
- Pharmacy x Medical Supplies Vending Machines
- Manual of POP Display about Vegetables
- Pharmacy x Disaster Countermeasure Medical Supply Vehicles



AI/IoT/DX

- IoT x Home Appliances
- IoT x Recycling
- DX x Real Estate Transactions
- DX x Notice of Transfer of Claims
- DX x Employment of People with Disabilities
- DX x Real Estate Transactions
- AI x Coffee Vending Machines
- DX x Prepaid Payment Instruments

