

Client Alert

16 December 2019

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Japan Data Protection Law amendments to align more with GDPR

On November 29, the Personal Information Protection Commission ("PPC") announced the framework of a bill to amend Japan's privacy law, the Act on Protection of Personal Information ("APPI"). The PPC has stated that it is aiming to introduce the Bill to the Japanese Diet next year.

If introduced, the **anticipated amendments** ("Amendments") will increase the rights of individuals, and increase the burden upon companies that process personal data, making the APPI increasingly aligned with the GDPR.

Rights of individuals

The Amendments makes clear the PPC's intention to strengthening the rights of individuals. For example, the Amendments intend to make it easier for individuals to have companies stop using their personal information or request that their personal information not be transferred to third parties.

Restriction on third party transfer

The Amendments introduce new restrictions on third party transfers of information where such transfers may enable the recipients of the data to identify specific individuals by collating the transferred data with other information already in possession by the recipients. This new restriction may apply even if a transferor company cannot identify the specific individuals by the information itself.

Data security breaches

The Amendments require any company that handles personal information (referred to as "business operators" under the APPI) to promptly report certain data security breaches to the PPC as well as to affected individuals. The circumstances under which the PPC wants a breach to be reported have yet to be announced.

Expansion of extra-territorial application

The Amendments empower the PPC with extra-territorial authority against certain foreign companies. The PPC will be able to collect





reports or issue administrative orders against foreign companies that handle personal information or anonymized information pertaining to individuals in Japan. If a company fails to comply with an order, the PPC may publicize the foreign company's non-compliance.

Other changes

The framework has a number of other changes including additional notice obligations, increased penalties, new restrictions on the opt-out framework, an obligation to disclose records concerning third party transfers and new rules on the handling of pseudonymized data.

The Amendments are likely to require companies that handle personal data of Japanese data subjects to review their current personal information processing arrangements including privacy policies.

More detailed information is to be announced by the PPC over the coming months.