CLOSE UP: Technologies

Japan's AI Governance: An Overview of Current Policies and Future Possible Regulations

── Key Takeaways ──

- Japan has been proactive in establishing non-binding guidelines for AI development and has actively promoted international collaboration through various initiatives, such as the Hiroshima AI Process.

- Although Japan appeared to be a driver of AI policies and guidelines, it took a more tepid approach to binding domestic regulations, preferring to observe the outcomes of the AI Act in the EU. However, efforts are underway to draft new AI-specific laws. Japan's approach is expected to balance risk management and innovation, with plans to introduce a bill outlining a framework for AI regulations during the next Diet session.

Introduction

Currently, Japan does not have a comprehensive regulatory framework specifically regulating AI, as Japanese policymakers are concerned that it may stifle innovation and investment. Instead, the government has established several non-binding guidelines. Nevertheless, Japan has proactively promoted international collaborations and initiatives to develop global standards and frameworks for AI. However, recently, new AI legislation has become a priority on the political agenda. This article analyzes AI policies related to Japan from four perspectives:

Japan approaches to AI focusing on Focus on Dignity, Diversity, and Sustainability.

1. Existing Non-binding Guidelines

2. International Frameworks

3. National Strategies Related to AI

4. Potential New Regulations for AI

Existing Non-binding Guidelines

The Japanese government defined its fundamental principles related to AI in the "Human-centric AI Principles", a document released in 2019. These principles are built on three core philosophies: dignity, diversity and inclusion, and sustainability. To achieve these objectives, the Social Principles outline seven key areas related to AI: (1) human-centricity; (2) education and literacy; (3) privacy protection; (4) security assurance; (5) fair competition; (6) fairness, accountability, and transparency; and (7) innovation.

Based on these principles, the Ministry of Internal Affairs and Communications (MIC) and the Ministry of Economy, Trade and Industry (METI) have released several guidelines, including the AI Utilization Guidelines (August 2019) and the Governance Guidelines for Implementing AI Principles Ver. 1.1 (July 2021).

In April 2024, MIC and METI jointly released the "AI Business Operator Guidelines." This new set of guidelines integrates and updates previous versions, reflecting the latest advancements in AI technologies and discussions on AI implementation.

For example, one notable aspect is the adoption of a risk-based approach, which focuses on identifying and mitigating potential risks associated with AI deployment, particularly in high-impact areas. Additionally, these guidelines demonstrate Japan's commitment to aligning with international standards and frameworks, such as the G7's "Hiroshima AI Process (Mentioned later)" and the OECD AI Principles, thereby promoting global cooperation in AI governance. This initiative aims to enhance transparency, accountability, and ethical considerations in the societal deployment of AI.

International Frameworks

At the G7 Hiroshima Summit, which was hosted by Japan in May 2023, Japan alongside other G7 leaders announced aims to establish shared principles and guidelines for the development and responsible use of AI technologies among the G7 nations, known as Hiroshima AI process. Key focal points of the Hiroshima AI Process include promoting transparency, ensuring data privacy, preventing the misuse of AI in harmful applications, and fostering global partnerships for research and development. The first policy document associated with the Hiroshima AI Process was adopted in April 2024 by all G7 countries: the Hiroshima AI Process Comprehensive Policy Framework, which includes guiding principles and a code of conduct for AI developers. Through this initiative, Japan aimed to establish a comprehensive and harmonized AI governance framework in collaboration with the G7 countries.

National Strategies Related to AI

Japan has long recognized that the development of AI is directly linked to national competitiveness, and in 2019, the Cabinet Office announced Japan's first AI strategy. After two revisions, the latest version is now the "AI Strategy 2022," which emphasizes initiatives for sustainable development and the broader application of AI technologies. The strategy outlines five strategic objectives:

1. Human Resources: Establishing a sustainable framework to develop and attract talent suitable for the AI era.

2. Industrial Competitiveness: Promoting AI adoption across industries to secure a leading global position.

3. Technological Systems: Creating and operating comprehensive technological systems to support AI development and deployment.

4. International Cooperation: Establishing international networks for AI research, education, and social infrastructure.

5. Dealing with Imminent Crises: Enhancing resilience against pandemics and large-scale disasters through AI applications.

Potential New Regulations for AI

Japan unveils comprehensive AI legislation at a high-level government meeting, highlighting new frameworks for AI governance and safety.

The Japanese government is now in the process of drafting comprehensive AI-specific legislation to address the ethical and societal implications of AI deployment. These efforts align with the objectives of the G7 "Hiroshima AI Process" and the OECD AI Principles, focusing on establishing laws that ensure transparency, risk management, and accountability. As one example, the Information-technology Promotion Agency (IPA) established the AI Safety Institute on February 14, 2024, to develop evaluation methodologies and ensure AI safety in Japan.

On the political side, the Liberal Democratic Party (LDP) has established a dedicated Project Team on AI Evolution and Implementation (AI PT) under its Digital Society Promotion Headquarters. The AI PT is chaired by Masaaki Taira, the new Minister for Digital Transformation in the Ishiba administration, who has actively led discussions on AI governance and digital transformation. At a meeting held on February 16, 2024, the AI PT announced a draft proposal based on the "Basic Act on Responsible AI Promotion." This proposal focuses on large-scale, high-impact frontier AI models, with companies developing such models required to meet seven regulatory requirements, including third-party vulnerability assessments and basic model specification disclosures. Developers must report their adherence to these measures to the government or the AI Safety Institute.

In response the AI PT's proposal, the Japanese government began developing a legislative proposal to accommodate the PT's requests and establish a comprehensive framework on AI governance.

On August 2, 2024, the "AI System Study Group" under the AI Strategy Council held its first meeting at the Prime Minister's Office, where then Prime Minister Kishida emphasized the importance of ensuring AI safety. The group outlined principles such as balancing risk response with innovation promotion, flexible system design, and international interoperability. The study group plans to release an interim report in the fall, and the government aims to submit a bill during the ordinary Diet session as early as next year. Following the positions presented in the AI PT's proposal, the upcoming legislation in Japan is expected to include provisions for balancing AI safety and innovation and avoiding excessive regulation while monitoring global developments and AI misuse cases. For example, the AI System Study Group is considering legal rules that would require major domestic and international AI developers to share risk information with the government, and the government would also have the authority to impose fines for violations.

The extent of current Prime Minister Shigeru Ishiba's expertise in AI is unclear, but he appears to be continuing the policies of his predecessor, the Kishida administration, including in the area of AI policy. In his policy speech on October 4, 2024, he emphasized fostering a conducive environment for AI research, development, and implementation, as well as strengthening the government's leadership role in AI policy. Minister for Digital Transformation, Masaaki Taira, also explained in a speech in October that Japan's approach to AI policy aligns with the existing government strategy of using current laws and guidelines as the main framework, while introducing legal regulations only for high-risk areas.

Conclusion

Japan's approach to AI governance continues to evolve as it seeks to strike a balance between innovation and regulation, transparency, and ethical considerations. The ongoing development of comprehensive legislation reflects the government's commitment to aligning domestic policies with international standards and adapting to new technological advancements. However, AI policy is a rapidly changing area, influenced by global trends and the evolving nature of AI technologies. Given recent shifts in political power dynamics and potential changes in policy priorities, closely monitoring these developments is essential to understand their implications for both domestic and international stakeholders.

CONTACT

For inquiries, please contact us from here.

GR Japan – Tokyo

Juzen Bldg. 101, 2-9-6 Nagatacho
Chiyoda-ku, Tokyo, 100-0014

T +81-3-6205-4205
F +81-3-6205-4206

GR Korea – Seoul

Level 22, 83 Uisadang-daero
Yeongdeungpo-gu, Seoul, 07325

T +82-2-556-4205

GR Taiwan – Taipei

Level 57, Taipei 101 Tower, No. 7, Section 5, Xinyi Road, Xinyi District, Taipei, 110

T +886-2-8758-2888

The GR Company – Washington D.C.

1300 I Street, NW,
Washington D.C., 20005

T +1-202-813-6125

The GR Company – London

25 Wilton Road Victoria,
London, SW1V 1LW

T +44-77-3066-6918

The GR Company – Singapore

Level 35, The Gateway West,
150 Beach Road, Singapore, 189720

T +65-6727-4640