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## Japanese Proposed Legislation to Protect Personal Data

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On March 27, 2001, the Japanese Cabinet approved proposed legislation entitled "Act for Protection of Personal Data." This legislation is expected to fully come into force by April 2003. While a right to privacy is recognized as a constitutional right in Japan, existing Japanese legislation only addresses the use of personal data by governmental agencies. There is no comprehensive privacy legislation regulating the use of personal data in the private sector. This proposed legislation will affect the ways U.S. companies collect and handle personal information of Japanese nationals, as well as the ability of Japanese companies to transfer such information to U.S. companies.

The proposed legislation would be applicable to anyone who handles personal data, in both the public and private sectors. It would adopt the following principles:

- The purpose for which personal data will be used should be specified, and the use should not go beyond that specified purpose.
- Collection should be made legally and properly.
- The data should be kept accurate and updated.
- Security safeguards should be provided.
- Proper access to personal information should be given the individual who is the subject of such information.

The Japanese Cabinet's approval of this proposed legislation reflects an emerging view in Japan that national legislation is needed to protect individuals from the misuse of their personal information. Various cases of unauthorized disclosure of personal information in Japan in the private sector have highlighted the need to extend protections beyond the public sector. There is also a desire to make Japanese privacy law consistent with emerging international privacy standards. It has not yet been determined, however, whether the proposed Japanese legislation would be deemed adequate for the purposes of the European Union's Data Protection Directive, thus permitting continued transfers of personal information from the European Union to Japan.

Takemi Hiramatsu of Asahi Law Offices, a Japanese law firm, has prepared a PowerPoint presentation on the proposed Japanese legislation, which can be viewed by clicking [here](#). For further information, Mr. Hiramatsu can be contacted by phone at 81-3-3505-1364 or by e-mail [th@alo.gr.jp](mailto:th@alo.gr.jp). Mr. Hiramatsu's presentation was given to the Intellectual Property and Licensing

Practice Group of the [Pacific Rim Advisory Council](#) ("PRAC"), a network of 30 law firms (including Hale and Dorr) based in 23 countries throughout North and South America, South and East Asia and Australasia. PRAC meets semi-annually to discuss emerging trends in international business, law and the practice of law.

For further information about the European Union Data Protection Directive and its restrictions on transfers of personal information from the European Union, see our Internet Alerts of [June 24, 1999](#), [April 18, 2000](#) and [February 14, 2001](#) Internet Alerts. For a summary of recent privacy developments in other jurisdictions, please see a summary of Latin American developments in our [December 11, 2000](#) Internet Alert and a summary of the new Canadian legislation in our [February 5, 2000](#) Internet Alert.

For further information about international privacy standards generally, please contact the author listed above.

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