



March 11, 2025

### **Flash Report: Cabinet Decision on the Bill Aiming to Promote the Development of Artificial Intelligence (AI) and Ensure Transparency**

***On February 28, 2025, the Bill on the Promotion of Research and Development of Artificial Intelligence-Related Technologies and their Utilization (hereinafter referred to as the "AI Bill") was approved by the Cabinet and submitted to the ordinary session of the Diet<sup>1</sup>. The AI Bill aims to strike a balance between promoting the development of AI and ensuring its safety, and it stipulates the establishment of an AI Strategy Headquarters, the formulation of an AI Basic Plan, and basic measures. In this newsletter, we will provide a quick overview of the AI Bill.***

#### **I. Introduction to the new AI Bill.**

While international discussions on regulations and rulemaking surrounding AI are progressing, in Japan, the government has been continuing to hold debates on the ideal form of AI systems under the AI Strategy Council, which has established the AI Institutional Research Group with the aim of determining the ideal form of AI systems. As we explained in a previous [newsletter](#), the "Draft Interim Report" released at the end of December 2024 indicated that, from the perspective of striking a balance between promoting innovation and addressing risks, while the basic approach should be to respond through soft law such as existing guidelines, etc., the response should be limited to those cases where it is not possible to expect a response through the voluntary efforts of business operators, and the response should be through legal systems<sup>2</sup>. The AI Bill, based on this direction, sets out the basic principles of promoting the development of AI and ensuring its safety, and is designed as a system that will make Japan the world's model for the most AI-friendly country, by setting out the AI Strategy Headquarters, the Basic Plan for AI, basic measures, responsibilities, and supplementary provisions.

#### **II. Outline of the AI Bill.**

## 1. Basic Principles.

The AI Bill is based on the following two basic principles.

① Promotion of R&D and utilization of AI-related technologies:

In light of the fact that AI technology is important from the perspective of both economic and social development and national security, the government will maintain its ability to undertake R&D, improve the international competitiveness of industry, and comprehensively and systematically promote initiatives from basic research to application.<sup>3</sup>

② Securing transparency in the R&D and application of AI technology:

Considering the risk of promoting situations where the rights and interests of citizens are harmed, transparency must be ensured in R&D and utilization in order to ensure proper implementation.<sup>4</sup>

## 2. Establishment of the AI Strategy Headquarters.

To comprehensively and systematically promote measures related to the R&D and utilization of AI-related technologies, it was decided that an AI Strategy Headquarters would be established within the Cabinet<sup>5</sup>. The Prime Minister will serve as the head of the Headquarters, the Chief Cabinet Secretary and the Minister of State for AI Strategy will serve as deputy heads, and all State Ministers will serve as members. It was also agreed that the AI Strategy Headquarters would be able to request related administrative agencies, local governments, independent administrative agencies, etc. to submit materials, express opinions, provide explanations, and provide other necessary cooperation.

## 3. AI Basic Plan.

In accordance with the basic principles, the government has decided to establish a basic plan for promoting R&D and utilization of AI-related technologies, based on the basic measures.<sup>6</sup>

## 4. Basic policy measures.

### 4.1 *Development and promotion of collaboration for the promotion of R&D, etc.*

It was decided that measures would be taken to promote R&D, develop systems for transferring the results of R&D at development institutions, provide information on the results of R&D, and implement other measures<sup>7</sup>. It was also stated that measures would be taken to promote the development and shared use of facilities, equipment, and intellectual infrastructure, secure a diverse range of human resources, and promote education and learning.

### 4.2 *Ensuring adequacy.*

It was decided that the government would analyze cases where the rights and interests of citizens were infringed upon as a result of the R&D and application of technology for improper purposes or by improper means, and consider measures based on the analysis<sup>8</sup>. It was also clearly stated that the government would conduct surveys and research that would contribute to the promotion of the R&D and application of other related technologies, and that it would provide guidance,

advice, information and other necessary measures to R&D institutions, application businesses, etc. based on the results of this research.

## 5. Responsibilities.

The new AI Bill sets out the responsibilities of the national government, local governments, R&D institutions, businesses and citizens in Articles 4 to 7. In particular, Article 7 states that businesses that utilize AI<sup>9</sup> must comply with the policies of the national and local governments, and it is possible that the details of what kind of policies they will be required to comply with will become a point of contention<sup>10</sup>.

## 6. Supplementary Provisions.

The supplementary provisions state that the government will consider the status of implementation of this bill while taking into account international trends and other changes in socioeconomic conditions, and when it is deemed necessary, it will take the necessary measures based on the results of this consideration<sup>11</sup>. It is planned that the provisions of the new AI Bill will be reviewed as necessary.

## III. Summary.

As explained above, the key point of the AI Bill, which was recently submitted to the Diet following a Cabinet decision, is that, as a risk control measure, when there is a violation of the rights of citizens due to the R&D or use of AI-related technology for improper purposes or by inappropriate methods, the government will analyze the situation and consider countermeasures, and based on the results of this, “guidance, advice, provision of information, and other necessary measures will be taken”. While the proposal to impose penalties on businesses, similar to the EU AI Act, has been abandoned, it is expected that if there is a significant violation of human rights due to the use of AI, or if it is expected that it will be possible to release the names of the developers and users of AI in cases where there is a significant violation of human rights by AI, or where there is no improvement despite guidance. The investigation of whether or not a case is malicious will be carried out by the ministry in charge of each field, and the criteria for judgment will be decided after the new bill comes into force.

In this AI newsletter series, we will continue to report on developments regarding the AI Bill.

### [AIL AI Newsletter Series.]

- [Japan] “[Publication of the “Draft Interim Report” of the AI Strategy Council and the AI Institutional Research Group: The future direction of the legal system surrounding AI](#)”, January, 9, 2025;
- [Japan] “[Policy Trends and Discussion on Regulating AI Technologies in Japan](#)”, October 31, 2024;
- [EU] “[The EU AI Act explained: the major effects produced by the new Regulation](#)”, September 6, 2024 (last updated on 27, February 2025).

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<sup>1</sup> Cabinet Office, "217th Ordinary Diet Session", <https://www.cao.go.jp/houan/217/index.html> (last accessed on March 5, 2025)

<sup>2</sup> AI Strategy Council and AI System Research Group "Draft Interim Report", [https://www8.cao.go.jp/cstp/ai/ai\\_kenkyu/5kai/shiryoku1.pdf](https://www8.cao.go.jp/cstp/ai/ai_kenkyu/5kai/shiryoku1.pdf) (last accessed on March 5, 2025)

<sup>3</sup> Cabinet Office, "Bill on the Promotion of Research and Development of Artificial Intelligence-Related Technologies and Their Utilization" [https://www.cao.go.jp/houan/pdf/217/217anbun\\_2.pdf](https://www.cao.go.jp/houan/pdf/217/217anbun_2.pdf) (last accessed on March 5)

<sup>4</sup> Ibid., Pages 2-3

<sup>5</sup> Ibid., Pages 10-13

<sup>6</sup> Ibid., P. 9

<sup>7</sup> Ibid., P. 7

<sup>8</sup> Ibid., P. 8

<sup>9</sup> Defined as a person who uses the development or provision of products or services that utilize AI-related technology, or a person who intends to utilize other AI-related technology in business activities.

<sup>10</sup> Ibid., P. 5

<sup>11</sup> Ibid., P. 14

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