Recommendations to Promote Alignment and Interoperability Across Data Frameworks Related to Cross-border Payments: Consultation report

Response to Consultation

Personal Information Protection Commission Japan

General

1. **Is the proposed scope of the recommendations appropriate for addressing frictions arising from data frameworks in cross-border payments?**

   -

2. **What, if any, additional issues related to data frameworks in cross-border payments, beyond those identified in the consultative report, should be addressed to help achieve the G20 Roadmap objectives for faster, cheaper, more accessible and more transparent cross-border payments?**

   -

3. **Is the proposed role of the Forum (i.e. coordinating implementation work for the final recommendations and addressing existing and newly emerging issues) appropriate?**

   -

Section 1: Addressing uncertainty about how to balance regulatory and supervisory obligations

4. **Discussions with industry stakeholders highlighted some uncertainties about how to balance AML/CFT data requirements and data privacy and protection rules. Do you experience similar difficulties with other types of "data frameworks" that could be addressed by the Forum? If so, please specify.**

   -

5. **What are your suggestions about how the Forum, if established, should address uncertainties about how to balance regulatory and supervisory obligations?**

   -

6. **Are the recommendations sufficiently flexible to accommodate different approaches to implementation while achieving the stated objectives?**

   -

Section 2: Promoting the alignment and interoperability of regulatory and data requirements related to cross-border payments

7. **The FSB and CPMI have looked to increase adoption of standardised legal entity identifiers and harmonised ISO 20022 requirements for enhancing cross-border payments. Are there any additional recommendation/policy incentives that should be considered to encourage increased adoption of standardised legal entity identifiers and the CPMI's harmonised ISO 20022 data requirements?**

   -

8. **Recommendation 4 calls for the consistent implementation of AML/CFT data requirements, on the basis of the FATF standards (FATF Recommendation 16 in particular) and related guidance. It also calls for the use of global data standards if and when national authorities are requiring additional information. Do you have any additional suggestions on AML/CFT data-related issues? If so, please specify.**

   -

9. **Industry feedback highlights that uneven regulatory expectations for sanctions compliance create significant frictions in cross-border payments affecting the Roadmap objectives. What actions should be considered to address this issue?**

   -

10. **Do the recommendations sufficiently balance policy objectives related to the protection of individuals' data privacy and the safety and efficiency of cross-border payments?**

    -

Section 3: Mitigating restrictions on the flow of data related to payments across borders

11. **The FSB understands that fraud is an increasing challenge in cross-border payments. Do the recommendations sufficiently support the development of data transfer tools that specifically address fraud?**

    -

12. **Is there any specific sectoral- or jurisdiction-specific example that you would suggest the FSB to consider with respect to regulation of cross-border data flows?**

    -

Section 4: Reducing barriers to innovation

13. How can the public sector best promote innovation in data-sharing technologies to facilitate the reduction of related frictions and contribute to meeting the targets on cross-border payments in 2027?

-

14. Do you have any further feedback not captured by the questions above?

[Comments for Recommendation1]

"Wish to clarify the position of which the national DPAs are expected to engage in this forum. Should we be expected to participate on a regular basis, there is a need to secure adequate resource to fulfill our duties."

"How do you distinguish this forum from the cross-border payment subgroup of the DFFT Expert Community (provisional name) currently being set up at the OECD?"

[Comments for Recommendation 8]

"In Recommendation 8, it is stated that “relevant authorities should adopt and enforce consistent standards in domestic privacy and data protection regimes applicable to payment processing and identify appropriate cross-border data transfer mechanisms”, but what issues have led to this policy? We would like to confirm this in anticipation of possible future enquiries to DPAs."

"Wish to make the following amendment: P.13（PDF20/25）『cross-border privacy rules (CBPR) framework』→『Cross-Border Privacy Rules (CBPR) System』"

[Comment for Recommendation 10]

The OECD Declaration on Government Access to Personal Data Held by Private Sector Entities is a rule that should be actively referred to in this section, which encourages national authorities to establish mechanisms for government access to cross-border payment market participants. Therefore, we request that the last sentence in the explanatory text of Recommendation 10 be changed to the following text.

“When considering their domestic policies, authorities should refer to the OECD Declaration on Government Access to Personal Data Held by Private Sector Entities.”

(PPC Japan's proposal that new risks surrounding the protection of personal data, such as unrestricted government access and data localisation, should be discussed in the review process of the OECD Privacy Guidelines, led to the adoption in December 2022 of the ‘OECD Declaration on Government Access to Personal Data Held by Private Entities’. Based on this history, PPC Japan's position is that the Declaration should be disseminated to non-OECD countries in the future.)