



Memorandum of Cooperation

on Digital Identities and Trust services to implement Data Free Flow with Trust

between the European Commission on behalf of the European Union and the Digital Agency of Japan

Introduction

The European strategy for data sets out the vision to create a genuine internal market for data, where data flows freely across sectors and countries, in line with European rules and values, and data-driven innovation is embraced by society.

Moreover, Japan's Priority Policy Programme for Realising Digital Society calls to implement the vision of Society 5.0 and work on materialising the concept of "Data Free Flow with Trust" (DFFT) in line with the G7 Hiroshima Leaders' Communiqué and the G7 Digital and Tech Ministers' Declaration adopted in Takasaki, Gunma in 2023 for maximising the benefit of data flows.

Both sides recognise that the ability to ensure transnational data flows with trust is essential for economic growth and innovation. In this regard, both sides share the view that trust should be built and realised through collaborative actions supported by various tools such as international agreements, legal frameworks, guidelines, standards, technologies and other means that are transparent and preserve the regulatory autonomy of both sides, in particular in the area of data protection and privacy.

As regards technologies enhancing trust, both sides share the view that secure and reliable digital identification means are crucial for trusted digital interactions among citizens, businesses and public authorities.

On the occasion of the first meeting of the EU-Japan Digital Partnership Council on 3 July 2023, both sides concurred "to promote bilateral best practices in international fora such as the G7, G20 and the Organisation of Economic Cooperation and Development (OECD) enabling Data Free Flow with Trust through the use of eID, the Trusted Web, Digital Identity Wallet and Trust Services".

The **EU Digital Identity Wallet** as a harmonised electronic identification tool across the European Union will offer a seamless, fully mobile, secure and user-convenient way to EU citizens, residents and businesses to identify themselves or provide confirmation of certain personal information for both online and offline public and private services across the EU. It provides a platform for innovative Trust Services.

The Japan Trusted Web is an initiative to build a new trust framework that provides mechanisms without excessively relying on certain services, for enabling users (individuals and organisations) to keep control of the data related to themselves and to verify the exchanged data and the participants with whom it is exchanged.

Scope

This Memorandum of Cooperation describes how the Digital Agency of Japan and the European Commission, hereinafter referred to as "Participants", in line with the laws and regulations that govern each Participant and to the availability of resources, intend to take collaborative actions on digital identity in order to facilitate Data Free Flow with Trust.

Collaborative actions

The Memorandum should be implemented through a number of collaborative actions that will build shared commitment on digital identity initiatives and complement the benefits deriving from trust services. The objective is to yield positive impacts not only for international trade and electronic commerce, but also for improved delivery of essential services and opportunities for trusted research collaborations by cutting red tape and boosting efficiency.

Both sides intend to explore use cases on business activities and student exchanges in cooperation with the European Commission and Ministry of Education, Culture, Sports, Science and Technology, Japan. This work would be initiated in the course of 2024.

Both sides intend to continue to explore additional use cases by sharing each side's initiatives and identifying commonalities between the EU and Japan through analysing the output of a mapping exercise between the EU and Japan taking into account the mapping of digital identity use cases carried out in the context of G7.

Mutual recognition

The collaborative actions on technical use cases would assess the impact, establish conditions and pave the way for possible mutual recognition of identity management systems via international agreements, or other appropriate legal instruments, between the EU and Japan in the future.

International Cooperation

Both sides continue to cooperate on further strengthening the Institutional Arrangement for Partnership including as follows.

Both sides may cooperate by promoting their experience and best practices on technical use cases related to identity management and trust services at international level including in multilateral fora. On the occasion of the OECD Ministerial Council Meeting under Japan's Chairmanship in 2-3 May 2024, this Memorandum of Cooperation may be presented as a joint best practice with a view to feed in the future work of the OECD Expert Community dedicated to advance Data Free Flow with Trust.

Both sides continue to cooperate in particular in view of the OECD Ministerial Council Meeting 2024, in order to initiate discussions on enhancing visibility of data governance and privacy and further explore options to strengthen the OECD's work in this field, including the possibility of establishing a committee with appropriate mandate over data governance.

Other matters

This Memorandum of Cooperation does not create legal or financial obligations or rights on either side under international or domestic law.

It aims to implement and leverage existing cooperation mechanisms, not to replace them, and it does not have any financial implications on either side. Nothing in this Memorandum requires compulsory use of identity management services or trust services or to use a particular identity management service or trust service without prior consent.

The Memorandum of Cooperation may continue until both sides confirm that the objectives of this instrument have been achieved or until one side discontinues its participation in this instrument.

Signed at Brussels, on 30 April 2024, in two original copies in the English language.

FOR THE EUROPEAN UNION

FOR DIGITAL AGENCY, JAPAN

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