

Protecting consumers from scams

What is the Specified Commercial Transactions Act?

The Specified Commercial Transactions Act (formerly "Door-to-Door Sales Act (Act on Door-to-Door Sales, etc.)") is an Act for with the purpose of preventing business operators' illegal or malicious solicitation while protecting consumer benefits. Specifically, rules that business operators should obey and rules for protecting consumers such as the cooling-off system are specified for types of transactions which tend to cause consumer problems, such as Door-to-Door Sales or Mail Order Sales.

Types of transactions subject to the Specified Commercial Transactions Act

Door-to-Door Sales



Door-to-Door Sales are transactions such as the sale of goods or rights or the provision of services for which a business operator visits a consumer's domicile and concludes a contract, unscrupulous sales on the street, or appointment sales.

Mail Order Sales



Mail Order Sales are transactions in which a business operator distributes advertisements via newspapers, magazines, websites, or other media, and receives an offer by communication means such as postal mail or telephone. It excludes those that fall under "Telemarketing Sales."

Telemarketing Sales



Telemarketing Sales are transactions in which a business operator solicits a consumer and receives an offer by telephone. It is applicable to cases in which a consumer makes an offer via postal mail or by telephone after hanging up the phone.

Multilevel Marketing Transactions



Multilevel Marketing Transactions are transactions of goods (rights) or services by a sales organization sequentially expanded by soliciting a person to be a salesperson, and having the salesperson solicit another person to be a salesperson.

Provision of Specified Continuous Services



Provisions of Specified Continuous Services are transactions in which the provision of long-term and continuous services is promised in exchange for the payment of expensive fees. Currently, seven services are included such as aesthetic salons and language schools.

Business Opportunity Sales Transactions



Business Opportunity Sales Transactions are transactions in which a consumer is solicited on the grounds that "income will be gained through the job that will be offered," and made to buy and bear the cost of goods, etc., said to be necessary for the job.

Door-to-Door Purchase



Door-to-Door Purchase means a transaction in which a business operator visits a consumer's house, etc., and purchases articles.

▶ [Transaction Measures \(Consumer Affairs Agency website\)](#)



▶ [Act on Specified Commercial Transactions Guide](#)



Outline of the Specified Commercial Transactions Act

Administrative controls

The Specified Commercial Transactions Act imposes the following regulations on business operators according to the characteristics of each type of transaction in terms of the provision of appropriate information to consumers. Violations of the Act may result in administrative measures such as instructions for business improvement or orders to suspend or prohibit business operations, and some violations are also subject to penalties.

- **Obligation of clear indication of names**

The Specified Commercial Transactions Act obliges a business operator to inform consumers of its name, or the fact that its purpose is to solicit the consumers, prior to solicitation.

- **Prohibition of unjust solicitation**

The Specified Commercial Transactions Act prohibits the misrepresentation of prices or payment conditions, or intentional failure to disclose them, and prohibits solicitation by using intimidation to overwhelm a consumer.

- **Advertising control**

The Specified Commercial Transactions Act obliges business operators to display important matters when placing an advertisement, and prohibits false or misleading advertisements.

- **Obligation of document delivery**

The Specified Commercial Transactions Act obliges business operators to deliver a document that contains important matters upon conclusion of a contract.

Civil rules

In order to enhance its functions as a law to prevent problems between consumers and business operators or to facilitate the provision of remedies, the Specified Commercial Transactions Act allows the cancellation or rescission of a contract by a consumer (cooling-off), and specifies rules that limit unreasonable claims for damages by business operators.

- **Cooling-off**

The Specified Commercial Transactions Act allows "cooling-off." Cooling-off means the unconditional cancellation of a contract after making an offer for a contract or concluding a contract, within a certain period(*) after receiving documents specified in laws.

(*) 8 days for Door-to-Door Sales, Telemarketing Sales, Provision of Specified Continuous Services and Door-to-Door Purchase; 20 days for Multilevel Marketing Transactions and Business Opportunity Sales Transactions. There are no provisions of cooling-off for Mail Order Sales.

- **Rescission of the manifested intention**

The Act on Specified Commercial Transactions provides that when a consumer, as a result of a business operator's misrepresentation or intentional failure to disclose material facts, is misled into making an offer to contract or expressing acceptance of such an offer, the consumer may rescind that manifestation of intent.

- **Limitation to the amount of damages**

The Specified Commercial Transactions Act sets an upper limit to the amount of damages which business operators may claim in cases such as when consumers cancel a contract midterm.

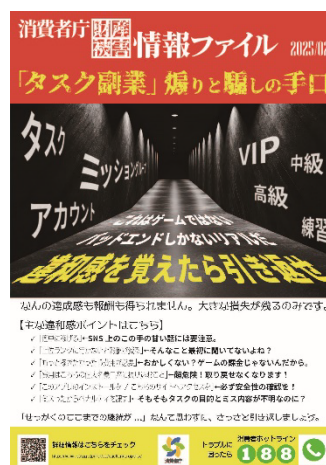
Measures pursuant to the Consumer Safety Act to address financial consumer detriment

In accordance with the Consumer Safety Act, the Consumer Affairs Agency gathers information in a centralized way from administrative organs and local governments to analyze it.

Based on the analyzed information, the Consumer Affairs Agency takes prompt action to raise consumers awareness of improper conducts. In the event of any serious damage on a consumer's property that cannot be addressed by any other law (a so-called niche area case), the Consumer Affairs Agency also ensures that no consumer damage should occur or spread by making recourse to an administrative action including a recommendation against the business operator.



(Flyer alerting the public about fake rice-sales websites)



(Flyer alerting the public about side-job scams)

Other flyers available here
▶ https://www.caa.go.jp/policies/policy/consumer_policy/caution

Operation of the Act on the Protection of Consumers Who Use Digital Platforms for Shopping

To ensure the cooperation of businesses that operate digital platforms for shopping such as online malls, the Act on the Protection of Consumers Who Use Digital Platforms for Shopping provides for:

- Obligations for digital platform providers to make efforts, such as verifying the identity of sellers
- Requests for disclosure of seller's information from consumers

By operating this Act in coordination with the Act on Specified Commercial Transactions (regulations on mail order sales transactions), the Consumer Affairs Agency works to optimize mail order sales transactions using digital platforms for shopping.



Leaflet
▶ https://www.caa.go.jp/policies/policy/consumer_transaction/digital_platform/#leaflet

Act on Preventing Unjust Solicitation of Donations by Corporations

This Act protects those who are solicited for donations from a corporation, etc. by prohibiting unjust solicitation of donations by a corporation, etc., and providing for administrative measures, etc. against a corporation, etc. that make the solicitations.

Regulations on corporations soliciting donations

Obligations of consideration



When soliciting a donation, a corporation, etc. must give due consideration to the following particulars:

1. Ensuring that the solicitation of donations does not suppress the free will of individuals, and that individuals do not find it difficult to make appropriate decisions as to whether or not to make a donation
2. Ensuring that making a donation does not make it difficult for the individual, their spouse, or relatives to maintain their standard of living (see the left illustration)
3. Providing sufficient information to identify the corporation, etc. engaging in the solicitation, and ensuring that there is no risk of misunderstanding about the usage of the donated property

Prohibited acts



When soliciting donations, a corporation, etc. **must not mislead the individual who is being solicited to donate by engaging in any of the following six unjust solicitation acts:**

1. Refusing to leave when asked to do so
2. Preventing the individual from leaving
3. Accompanying the individual to a place where it is difficult to leave without informing the individual that the individual will be solicited
4. Preventing the individual from contacting a person other than the corporation, etc. by using intimidating words or deeds
5. Exploiting romantic or other favorable feelings and telling that the relationship will end if the individual does not make a donation
6. Exploiting psychic abilities or other special powers that are difficult to rationally demonstrate and telling that it is necessary to make a donation to avoid serious disadvantages (see the left illustration)



In addition, when soliciting donations, a corporation, etc. must not request the individual to procure funds by borrowing or by disposing of assets such as a building or its premises that are presently used for residential purposes by the individual, their spouse, or their relatives or that are actually used for a business and are indispensable for the continuation of the business. (see the left illustration)

Administrative measures and penalties for violations

Violations of the above regulations on the solicitation of donations may result in administrative measures or penalties.

For those who suspect unjust solicitation of donations

A dedicated contact point is available 24 hours a day, 365 days a year to receive information about acts that may constitute unjust solicitation of donations by corporations. If you become aware of any acts that may constitute unjust solicitation of donations, please report them via the information-submission page on the Consumer Affairs Agency website.

Information Submission for Acts Suspected Unjust Solicitation of Donations by Corporations
▶ https://www.caa.go.jp/policies/policy/consumer_policy/donation_solicitation/inquiry/

Protection of donors affected by unjust solicitation and their families

If an individual manifested an intention to donate as a result of **being misled by any of the unjust solicitation practices** (1 to 6) listed on the previous page, the donation can be **rescinded**.

In addition, family members who have a claim for periodic payments relating to support obligations (such as marital expenses or child support) may exercise an obligee's right of subrogation under Article 423 of the Civil Code (in relation to rights such as the right to rescind the donation) to preserve the portion of the claim for periodic payments for which the fixed due date has not yet arrived.

Support for donors and their families

In order to enable donors affected by unjust solicitation and their families to effectively recover damages or conduct the similar actions through the appropriate exercise of above rights, the national government endeavors to strengthen coordination between the Japan Legal Support Center and relevant organizations to develop a user-friendly consultation system.

Act on Preventing Unjust Solicitation of Donations by Corporations
▶ https://www.caa.go.jp/policies/policy/consumer_policy/donation_solicitation/