

# Prospectus for the Establishment of Elite Telecom Operator Certification Body

In 2014, the total financial damage from special frauds, including "It's me!" scams, reached a record high of approximately 56.6 billion yen. After that year, the number of cases temporarily decreased due to countermeasures, such as strengthened police crackdowns, preventive activities taken with the cooperation of the public and private sectors, and restrictions on the use of telephones employed in crimes. Unfortunately, recent trends indicate a troubling resurgence. In 2023, nearly 19,000 cases of special fraud were reported, leading to a financial loss totaling around 45.3 billion yen, underscoring the ongoing severity of this issue.

Based on the "It's me! Scam Countermeasure Plan" adopted at the June 2019 Cabinet Meeting Concerning Crime Control (presided over by the Prime Minister), the public and private sectors are cooperating to terminate the use of phone numbers employed in special frauds. Although various measures have been taken since then, they have not been sufficient to prevent this particular crime because malicious operators or operators who sell telephone services to malicious groups have continued to operate. The promotion of digitalization in society as a whole and the increase in telework are rapidly increasing the need for telephone use and also has the effect of advancing technological innovations and their widespread adoption. However, malicious groups are abusing such leading-edge technologies in order to carry out special frauds. It has been pointed out that the reason for failure to comprehensively prevent special frauds is that it is difficult not only for general users (companies and consumers) of the telephone service, but also for honest telecom operators to easily and reliably detect malicious fraudsters.

In response to this situation, in FY2023, the Ministry of Internal Affairs and Communications (MIC) conducted a study on how to objectively assess the quality of telecom operators, taking expert opinions into account. Specifically, it was concluded that having an external organization evaluate the eligibility of telecom operators and using this evaluation as a credibility check during transactions between telecom operators would be an effective measure to prevent transactions involving phone numbers and phone lines with telecom operators intent on committing fraud. Starting in FY2024, the MIC has been advancing discussions in its advisory council regarding measures to prevent the criminal use of telecommunications numbers. The council's report emphasizes the necessity of strengthening cooperation with the autonomous initiatives being taken by the industry.

In response to these developments, we, the five telecommunications industry associations, have today established the Elite Telecom Operator Certification Body to promote the visibility of reputable telecom operators through the evaluation and certification of telecom operators that conduct transactions involving telephone numbers in Japan and the sound development of the Japanese telecommunications market through activities such as awareness-raising for telecom operators and users.

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Founders of the Elite Telecom Operator Certification Body (ETOC)

Telecom Services Association of Japan (TELESA)

Telecommunications Carriers Association (TCA)

Japan Internet Providers Association (JAIPA)

Japan Cable and Telecommunications Association (JCTA)

Japan Unified Communications Service Provider Association (JUSA)