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Title	<i>Ruling bloc to submit bill to regulate prepaid phones</i>

The ruling coalition decided Friday to submit a bill to tighten identification requirements for the purchase of prepaid mobile phones in a bid to curb fraud crimes, softening its initial plan to completely ban their use, party sources said.

The proposed legislation, compiled by a team set up by the Liberal Democratic Party and the New Komeito party, would prohibit the transfer of prepaid phones to third parties. Violators will face prison terms of up to two years or a maximum fine of 3 million yen.

The coalition plans to submit the bill to parliament possibly during the current Diet session, according to the sources.

The bill will also require thorough checks on the identification of the purchaser, ban multiple service contracts by the same individual and require services be terminated for phones used in crimes.

Advertising, including on the Internet, of such sales, purchases and transfers of mobile phones will also be illegal.

The bill will require identity certification not only when signing a subscription contract, but also when purchasing prepaid cards for recharging, the sources said.

Unlike registration procedures for ordinary mobile phones, some shops selling prepaid mobile phones have been lax in checking the identity of purchasers, making it difficult for law enforcement authorities to track criminals who use such phones.

The National Police Agency has strongly called for legislation to regulate prepaid phones. The coalition's initial plan to slap a blanket ban on the use of prepaid phones faced opposition from service providers.

Criticism also came from the European Business Community in Japan, which called the complete ban a "disproportionate response" and said other countries where similar problems have emerged have responded by strengthening ID checks.

In the first half of this year, prepaid mobile phones were used in 93 percent of phone frauds where criminals posed as relatives in urgent need of money, and in 66 percent of cases where fraudsters charged victims for services they did not receive, according to the National Police Agency.

Prepaid phones are also often used in drug trafficking, murder and robbery cases, the police said.

About 2.7 million prepaid mobile phones are currently in use. NTT DoCoMo Inc., Japan's largest mobile phone carrier, has said it intends to stop offering prepaid mobile phone services.

Vodafone K.K., the Japanese unit of Vodafone Group, took a more cautious stance toward regulation, saying demand for prepaid phones remains high and that it was tightening measures to verify identification.