



July 10, 2026

BSA RECOMMENDATIONS ON THE DRAFT AI BASIC PLAN

The Business Software Alliance (**BSA**)¹ appreciates the continued efforts of the Government of Japan to make Japan the “the most AI-friendly country in the world,” and engage with relevant stakeholders to implement the initiatives set out in the AI Basic Plan² (**Plan**) to achieve this goal.

BSA is the leading advocate for the global software industry, and our members are enterprise software companies that lead in AI, cloud storage services, cybersecurity solutions, quantum computing, and other breakthrough technologies. These companies support businesses in every sector of the economy, providing trusted tools that help other businesses innovate and grow. As leaders in the development of enterprise AI capabilities, BSA members have unique insights into technology’s tremendous potential to spur digital transformation and the policies that can best support the responsible use of AI.

We have long supported policies that foster innovation, trust, and international interoperability and support the Plan’s emphasis on advancing AI Transformation (**AX**) across society anchored in “Trustworthy AI.” We respectfully offer the following recommendations to further strengthen the initiatives in the Plan and ensure Japan remains globally competitive.

Recommendations

Preserve Openness and International Collaboration in the AI Ecosystem

<Relevant Sections: Chapter 1 Basic Concept (Japan’s Winning Strategy: “AX” Through the Implementation of “Vertical AI” and “Physical AI”), Chapter 3, Section 2: Strategically Strengthening AI Development Capabilities>

¹ The Business Software Alliance (www.bsa.org) is the global trade association of the enterprise software industry, representing companies that are leaders in artificial intelligence, cybersecurity, cloud computing, quantum, and other breakthrough technologies. We work in over 20 markets in the US, Europe, and Asia, advocating for policies that build trust in technology so that every industry sector and the public can benefit from innovation.

BSA’s members include: Adobe, Alteryx, Amadeus, Amazon Web Services, Asana, Atlassian, Autodesk, Avalara, Bentley Systems, Box, Cisco, Cloudflare, Cohere, Cohesity, Dassault Systemes, Databricks, Datadog, Docusign, Dropbox, Elastic, EY, Graphisoft, HubSpot, IBM, Kyndryl, MathWorks, Microsoft, Notion, Okta, OpenAI, Oracle, PagerDuty, Palo Alto Networks, PTC, Rubrik, Salesforce, SAP, ServiceNow, Shopify Inc., Siemens Industry Software Inc., TrendAI, TriNet, Veeam, Workday, Zendesk, and Zoom Communications Inc.

² https://www8.cao.go.jp/cstp/stmain/20260619ai/aiplan_2601_draft_en.pdf

We support the Plan’s recognition of international cooperation and interoperability as key principles. However, we recommend references to “AI Sovereignty” and efforts to reduce dependence on any particular country or company to be implemented in a manner that preserves openness in the AI eco system and avoids unintended fragmentation. In this regard, we encourage pursuing “AI Sovereignty” through diversification, interoperability, and trusted global partnerships, rather than adopting measures based on geographic location or local ownership as these are neither necessary nor sufficient to ensure sovereignty.

Sovereignty is not achieved by restricting global cooperation or limiting technology choices; rather, it is built on internationally-recognized standards, transparent governance, and the ability to operate confidently within an open and interconnected digital ecosystem. What matters for Japan’s sovereignty is the ability to govern AI as it is developed and deployed, including identifying and mitigating risk — not the geographic origin of individual technologies. In order to strengthen Japan’s competitiveness, we recommend recognizing technical, contractual, and organizational safeguards as effective mechanisms to manage foreign dependencies, while continuing to support and encourage the participation of global AI developers and providers in Japan’s AI ecosystem.

Advance Feasible Agile Governance

<Relevant Sections: Chapter 1 Basic Concept/ (Addressing Increasingly Complex and Serious Risks Through “Responsible Agile Governance”)>

We support the concept of “responsible agile governance” and the Plan’s emphasis on combining institutional, technical, and organizational responses. To ensure effectiveness, however, these frameworks should remain risk-based and proportionate. In particular, achieving effective AI governance requires a role-based approach to accountability, under which responsibilities are aligned with each actor’s position and function in the AI value chain — e.g., developers, integrators, and deployers — rather than applying uniform obligations. This approach ensures that requirements are feasible, as each entity is only held accountable for risks it can reasonably understand and control, while also improving overall consumer protection by assigning responsibilities to those best positioned to manage them.

In practice, developers have insight into model design and training, integrators into system-level modifications, and deployers into real-world uses and user impacts. As risk visibility differs across these roles, the Government should adopt differentiated obligations, drawing on role-based frameworks used in privacy and cybersecurity regimes. Such an approach will support both innovation and trust by creating a more practical and effective accountability framework for AI systems.

Promote Migration to Cloud-based Architectures

<Relevant Section: Chapter 3, Section 1 Accelerating AI Deployment>

The Plan emphasizes enabling society as a whole to proactively deploy AI. To support AI-driven innovation, it is critical that businesses — including critical infrastructure operators — transition from on-premises systems to cloud environments, digital workflows and common data environments to

create the integrated, data-rich foundation needed to unlock AI-driven insights, automation, and more efficient decision-making from enterprise AI capabilities. As the Plan recognizes, the increasing risks posed by AI-enabled cyberattacks underscore the importance of strengthening cyber response capabilities. The successful implementation of AI-enabled defense depends on cloud-based architectures that provide centralized visibility and scalability, while enabling automated responses to enable organizations to discover vulnerabilities and respond at machine speed. Integration across systems — including network, endpoint, identity, and data layers — is also essential to fully realize the benefits of AI. Further, as AI changes the speed of cyber defense, organizations will need systems that support faster detection, response and patching. Cloud-based architecture can help provide the visibility and scale needed to respond quickly across government and critical infrastructure systems.

Greater international harmonization of cloud security policies will also be important. In the context of government procurement, cloud security assessment programs should be better aligned with internationally recognized standards. As many global cloud service providers already maintain widely recognized certifications (e.g., ISMS-JISQ/ISO 27000 series and SOC 2), avoiding duplicative ISMAP requirements where these overlap would reduce redundant audits and administrative burdens, encourage broader cloud service registration, and enable government agencies to procure the most secure and suitable solutions — thereby accelerating the adoption of AI-enabled operations.

Elevate AI-enabled Cybersecurity as a Core AX Enabler

<Relevant Section: Chapter 3, Section 1 Accelerating AI Deployment, Section 3 Leading AI Governance >

The Plan also highlights the importance of strategically advancing AI deployment in cybersecurity. To realize AX across society, cybersecurity that evolves in parallel with advances in high-performance AI must be established as core social infrastructure. Without such adaptation, increasing cyber risks may undermine public trust in AI and hinder its adoption, creating a “governance gap.” BSA therefore recommends: 1) advancing AI-enabled, autonomous cyber defense capabilities and integrated “defense-in-depth” architectures at a societal level; 2) promoting “Secure AI by Design” to address emerging AI-specific threats — such as prompt injection, data poisoning, and excessive agency — through comprehensive, end-to-end security requirements; and 3) positioning cybersecurity as a central pillar of international AI governance. 4) updating vulnerability management practices so they reflect the speed and scale of AI-enabled cybersecurity; and 5) ensuring that vulnerability patching mechanisms can support faster prioritization, clearer information sharing and more timely remediation.

Japan should also address risks from outdated or unsupported technology. Government agencies and critical infrastructure operators should identify, replace or modernize legacy systems, especially where they are difficult to patch. Where replacement is not immediately feasible, practical safeguards should be encouraged, such as segmentation, stronger monitoring, zero trust approaches and AI-enabled defensive tools.

Promote Trust through Standards, Certification, and International Alignment

<Relevant Section: Chapter 3, Section 2: Lead AI Governance>

We support efforts to strengthen evaluation frameworks and institutions such as the AI Safety Institute (AISI). To maximize their impact, these efforts should be aligned with international approaches. We therefore recommend prioritizing the development and adoption of internationally recognized standards and mutual recognition frameworks for AI assurance and cybersecurity — as we recommend for cloud services (e.g., ISO and other internationally recognized certification schemes). In particular, we recommend the Government to avoid developing or adopting duplicative or Japan-specific requirements where globally recognized standards already exist and instead promote interoperability between Japan’s frameworks and those of key partners, including the United State and the European Union.

Japan may wish to convene government, industry, academia, cybersecurity experts and civil society to develop shared expectations on advanced AI systems with cybersecurity capabilities. These discussions could support common approaches to testing, responsible release, secure deployment and appropriate access for trusted defenders. Such efforts should be aligned with international partners to avoid fragmentation and support trusted cross-border cooperation.

Ensure Balanced and Practical Approaches to Intellectual Property and Transparency

<Relevant Section: Chapter 3, Section 4: Sustainable Transformation Toward an AI Society [Specific Initiatives] (2) Examination and Demonstration of Institutions and Frameworks in an AI Society>

The Plan states that compensation return to content holders will be promoted while ensuring transparency leading to appropriate protection and utilization of intellectual property. It remains unclear which content holders should be compensated, by whom, and for what purposes. Under Japan’s existing Copyright Act, training on publicly available data is explicitly not a copyright infringement.³ The Government should promote flexible and proportionate approaches to

³ Copyright Act, Article 30-4: https://www.japaneselawtranslation.go.jp/ja/laws/view/4207#je_ch2sc3sb5at4

(Exploitation without the Purpose of Enjoying the Thoughts or Sentiments Expressed in a Work)

It is permissible to exploit a work, in any way and to the extent considered necessary, in any of the following cases, or in any other case in which it is not a person’s purpose to personally enjoy or cause another person to enjoy the thoughts or sentiments expressed in that work; provided, however, that this does not apply if the action would unreasonably prejudice the interests of the copyright owner in light of the nature or purpose of the work or the circumstances of its exploitation:

(i) if it is done for use in testing to develop or put into practical use technology that is connected with the recording of sounds or visuals of a work or other such exploitation;

(ii) if it is done for use in data analysis (meaning the extraction, comparison, classification, or other statistical analysis of the constituent language, sounds, images, or other elemental data from a large number of works or a large volume of other such data; the same applies in Article 47-5, paragraph (1), item (ii));

(iii) if it is exploited in the course of computer data processing or otherwise exploited in a way that does not involve what is expressed in the work being perceived by the human senses (for works of computer programming, such exploitation excludes the execution of the work on a computer), beyond as set forth in the preceding two items.

transparency, intellectual property protection, and voluntary commercial relationships while recognizing the technical realities of generative AI systems and clearly distinguishing between input, which is not subject to copyright claims, and output, which may impact the rights and interests of copyright holders. Transparency measures should be tailored to ensure they are meaningful and implementable, while avoiding prescriptive requirements that could inadvertently expose sensitive information or undermine innovation. Similarly, efforts to protect intellectual property should also support continued AI development, including AI models trained on Japanese language and culturally relevant data.

Strengthen Procurement and Adoption Frameworks for Government AI Use

<Relevant Section: Chapter 3/ Section 1: Accelerating AI Deployment [Specific Initiatives] (1) Thorough utilization of AI in central and local governments>

The Plan states that Government-developed AI, “GENAI,” will be deployed as an embodiment of “AI Sovereignty,” enabling safe and secure selection and operation without excessive dependence on any particular business operator or foundation model, with the intention of broadly promoting creative and autonomous AI deployment by government employees, including expansion to regional branch offices. It also highlights that GENAI will be promoted, including the introduction of agentic AI and the active use of AI models developed in Japan.

We welcome the Government’s “leading by example” approach and deployment of AI in the public sector. We recommend adopting procurement and deployment frameworks that are technology-neutral, performance-based, and open to both domestic and global providers. This will enable public sector entities to select the most secure, innovative, and fit-for-purpose AI solutions for specific use cases. Leveraging best-in-class AI technologies — whether developed domestically or internationally — will enhance the quality, efficiency, and resilience of public services, while supporting interoperability and continuous innovation.

Accordingly, BSA recommends that the Government complement the development of GENAI with policies that: 1) promote multi-vendor and multi-model environments to avoid lock-in and strengthen operational resilience; 2) enable flexible integration of external AI solutions alongside government-developed systems; and 3) define AI sovereignty in terms of control, security, and accountability outcomes, rather than limiting choices based on provider origin. Such an approach will better advance Japan’s objective of building “Trustworthy AI” while maximizing the public value of AI deployment. Government AI procurement should also consider cybersecurity readiness. Procurement criteria should recognize vendors’ ability to identify, disclose and fix security issues quickly. For government systems such as GENAI, Japan should establish clear processes for vulnerability reporting, security patches, access control, and coordination across agencies. This would help ensure that AI sovereignty is defined by resilience, security and accountability, not dependence on any single model or provider.

Accelerating Infrastructure Modernization Through AI-Enabled Digital Project Delivery

<Relevant Section: Chapter 3/ Section 1: Accelerating AI Deployment [Specific Initiatives] (2) Solving social issues and creating new businesses through promotion of AI deployment >

The Plan states promoting the development, demonstration, introduction, and social implementation of AI centered on vertical AI and physical AI, including the active introduction of agentic AI in various fields, including infrastructure construction and management. In alignment with the goal, the Government should use its central role in funding civil infrastructure projects to drive adoption of AI across a broad range of industries, including the building and construction sectors. This can help accelerate and improve development of variety of needed infrastructure projects, including roads, rail, airports, and water systems, leading to cost savings and better outcomes for taxpayers. Such policies could include requirements for publicly funded projects to be developed using Building Information Modeling (BIM) or other digital project delivery processes that are increasingly enabled and enhanced with AI capabilities.

Advance International Alignment on AI Governance Frameworks

<Relevant Section: Chapter 3, Section 3 Leading AI Governance>

We welcome the Government of Japan's strong commitment to pursue international coordination in building AI governance, including through the expansion of the Hiroshima AI Process and promoting multilateral cooperation, to lead rule-making and international standardization. Consistent with this goal of taking international leadership, BSA encourages the Government to advance interoperability and convergence in approaches to transparency, intellectual property, and accountability. Furthermore, international discussions on AI governance should address foundational cybersecurity issues necessary to safely maintain and operate an AI-permeated society. Japan can continue to foster international capacity-building and best-practices sharing to support measurement and evaluation of frontier model risks and developing policy frameworks, ensuring that security measures evolve in parallel with advanced cyber capabilities. Doing so will help reduce regulatory fragmentation, support cross-border innovation, and strengthen trust in AI systems globally.

Drive Workforce Development and Re-Skilling in Vertical AI Industries

<Relevant Section: Chapter 3, Section 4 Continuous Transformation Toward an AI Society [Specific Initiatives] (1) ③、(3) ④ >

We welcome the Government of Japan's strong commitment to promote workforce development and reskilling initiatives for individual employees and workers with respect to AI-related skills, in light of AI's impact on work styles and employment. Consistent with this goal, BSA encourages the Government to advance AI and other digital skills training as a core element of government-supported workforce

development programs in a range of prioritized “vertical AI” sectors, including construction, manufacturing, cybersecurity, and healthcare.

Support Data Sharing to Solve Critical Public Challenges

<Relevant Section: Chapter 1, Basic Concepts and Chapter 3, Measures the Government Should Implement Comprehensively and Systematically to Promote R&D and Utilization of AI-Related Technologies>

We welcome the Government of Japan’s focus on creating a data strategy for further AI utilization, including preparing various types of data held by government in a machine-readable format and in a data environment. Consistent with this goal, BSA encourages the Government to advance this type of data sharing, particularly toward developing AI systems to solve critical public challenges like improving disaster resilience, healthcare and aging, and construction site health and safety. To do so, they should convene industry stakeholders to assess data needs, identify relevant government data sets, and create policies and frameworks to support voluntary, industry-wide data sharing that can be used for AI training and development while protecting privacy and proprietary information.

BSA also encourages the Government of Japan to continue leading international efforts to advance Data Free Flow with Trust (DFFT), enabling data from geographically dispersed sources to be used responsibly and effectively in AI systems while maintaining appropriate safeguards.

Conclusion

BSA strongly supports Japan’s vision of becoming a global leader in AI through the promotion of Trustworthy AI and AI Transformation (**AX**). By ensuring that policies remain open, risk-based, internationally aligned, and innovation-friendly, Japan can strengthen its role as a hub for global AI development and deployment while delivering meaningful societal benefits. We look forward to working with the Government to achieve these goals, and, in future updates to the AI Basic Plan, would welcome sufficient consultation periods to enable meaningful engagement from relevant stakeholders. This current version was issued on 19 June 2026 with comments due by 23 June, which is not an adequate period of time for interested stakeholders such as BSA to review the material, consult with our member companies and provide thoughtful and constructive feedback. A minimum of 30 days from publication to the close of a public consultation is necessary for meaningful stakeholder feedback.