

Japan SCA Mandates: METI



Challenge

The regulator (METI) in Japan is requiring that online merchants implement 3DS by March 2025. Implementation urgency based on current volume/value fraud exposure, but strong recommendation to implement on all ecommerce volume.



Advocacy Approach

MRC worked with its merchants to gather perspectives and evidence to demonstrate that SCA on all ecommerce transaction volume is unnecessary and ultimately harmful to consumers who will face conversion friction.



Insights

True ecommerce fraud (excluding first party misuse) is very low and mandatory SCA is a blunt instrument that won't serve to significantly lower fraud thresholds.



Outcomes

MRC has engaged numerous times with the regulator and its merchant members to ensure the 'voice of the merchant' is at the table. METI has been vocal in its appreciation of the MRC's consultation, and we await next steps.