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TOPIC

MIC Promotes JPQR, a Unified QR Code and Barcode Standard for Payments

1. What is JPQR?

QR code and barcode cashless payment systems are being introduced in various places, such as stores and restaurants. The required processing fees* for such systems are lower than those of other payment systems, including credit cards and electronic money. QR code and barcode payments are expected to be an effective cashless means for small and medium-sized regional stores. Many business operators already started offering QR code and barcode payment services, such as PayPay, Rakuten Pay, and LINE Pay, in Japan. However, each of the business operators' technical specifications differed. Therefore, if stores had introduced multiple payment services, it would have been necessary to apply different QR codes or barcodes for the respective services, which would have hindered smooth cashier accounting. To solve this problem, the Payments Japan Association established guidelines in March 2019 for the unified QR code and barcodes (JPQR). Since then, the Ministry of Internal Affairs and Communications (MIC) and the Ministry of Economy, Trade and Industry (METI) have been promoting the spread and development of JPQR.

There are two types of unified QR codes and barcodes. One of them is a Consumer-Presented Mode (CPM) type, in which a user displays a QR code or barcode on the smartphone and asks the store to read it for payment. The other one is a Merchant-Presented Mode (MPM) type, in which the user's smartphone reads a QR code indicated by the store, and the user enters the amount of payment. The former is suitable for large stores and convenience stores because the investment cost for introducing payment terminals is high. The latter is a method suitable for small and medium-sized stores because it does not require the introduction of terminals, and the investment cost is low. With the introduction of JPQR, when reading a CPM-type QR code or barcode that a user presents, the store can automatically determine the user's payment service without entering it in the POS** cash register. On the other hand, the MPM type has the advantage that a store can indicate only one type of QR code at the shopfront.

* Generally, credit cards, electronic money, etc. require a commission rate of 3% to 6%, and QR code payments require a commission rate of 0% to 3%.

** Point of Sale (POS): POS refers to where customers execute payments for goods or services. POS systems aggregate the sales of goods or services on a single item basis.

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2. MIC's Efforts

MIC has been implementing a JPQR dissemination project. In fiscal 2019, MIC started introducing JPQR in five prefectures, i.e., Iwate, Tochigi, Nagano, Wakayama, and Fukuoka. In fiscal 2020, MIC has expanded the project nationwide, built an online application form, and made it possible to apply for JPQR from stores nationwide. MIC is holding JPQR seminars for stores at local government and commercial and industrial organizations' offices. Besides, MIC is working to increase public awareness by broadcasting TV commercials nationwide, placing web advertisements, and holding PR events.

Participating business operators (as of September 30, 2020)



*1 Only for the Bank of Fukuoka, Ltd. *2 Rakuten Pay (app payment)

A store may apply for multiple MPM-type JPQR cashless payment services. In that case, the store can apply them in a batch by selecting the payment services from the JPQR online application form and entering information on the store and other necessary data. As soon as each payment settlement company's examination is completed, JPQR stickers and manuals will be sent together to the store. A store may utilize MPM-type JPQR cashless payment services without a POS cash register. In that case, even if payments are made with a single QR code, payment management must be performed individually for each QR code operator that has introduced it. Each store is provided with a sales management screen for free to solve this problem. This screen allows the store to check the payment history of each service at once.

3. Future Initiatives

Major retailers (convenience stores, drug stores, etc.) are making progress in introducing CMP-type JPQR cashless payment services. Meanwhile, as of September 2020, about 15,000 stores introduced MPM-type JPQR cashless payment services.

There are some areas where the introduction of JPQR has not progressed. Therefore, MIC will continue holding briefing sessions nationwide to promote the introduction of JPQR to stores.

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Simultaneously, MIC will improve the application system. MIC will also improve the sales management screen*** functions to make it easier to use because the current screen is not very satisfying to stores that use it. From the above, JPQR will promote the migration of all stores, including regional small and medium-sized stores, throughout Japan, to cashless stores.

*** A screen that allows store attendants to check the payment history of the JPQR payment services all at once. However, there are issues, including the fact that some payment services are not supported and that mistaken payments cannot be canceled on the sales management screen.

