

Japanese FTC Tackles Airbnb for Suspected Antitrust Practices

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The Japanese Fair Trade Commission (JFTC) launched an [investigation](#) on Airbnb last month for violating antitrust laws. Regulators have obtained documents from Airbnb in Tokyo on suspicion that it asked users not to list properties on rival sites.

Upon reading an Airbnb contract, one property manager shared that he reluctantly signed an [“exclusivity clause”](#) that prohibited agents and owners from posting their listings on other websites. In exchange, Airbnb provided him with access to availability and other vital data.

Airbnb, however, [denies](#) the claims, saying it does not make property postings conditional on exclusivity. “All hosts and partners in Japan who list properties on Airbnb are able to list them on other platforms,” a Singapore-based Airbnb spokesman said.

Airbnb is Japan’s [top home-sharing website](#), with over 50,000 rooms. It competes with hotels and other traditional forms of lodging by letting people rent out their homes or apartments to visitors. The hotel industry views Airbnb and other services as providing unfair competition, since the home-sharing companies provide similar services as the hotel industry without as stringent of licensing requirements and market regulation.

News about Airbnb’s suspected antitrust violations come amid a time of heightened competition in Japan’s vacation rentals market.

Until recently, peer-to-peer lodging (or *minpaku*) was [illegal](#) in Japan. However, this past June, the government passed a [new law](#) that allows private citizens to take in fee-paying lodgers for up to 180 days a year without a hotel operator license. A roster of new players have announced their entry to the market following the new *minpaku* rules, creating a time of intensified competition in the home-sharing market.

Furthermore, Japan is currently facing a [tourism boom](#). As of October, the total number of foreign visitors entering the country reached 23.8 million, making it almost certain to surpass last year’s record of 24 million by the end of the year. This surge in travelers has increased the demand for short-term home rentals.

With increased supply and demand for short-term travel stay in the nation, the JFTC may face suspected antitrust violations with heightened scrutiny. If the investigation finds that Airbnb violated antitrust practices by partaking in actions to diminish business opportunities of rival companies or discourage new businesses to enter the market, the company could be subjected to [disciplinary action](#).