

Public Notice of the Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, and Ministry of Land, Infrastructure, Transport and Tourism No. 1
(Provisional Translation)

As Basic Policies for Promoting the Use and Distribution of Legally-harvested Wood and Wood Products have been established pursuant to the provision of Article 3, paragraph (1) of the Act on Promotion of Use and Distribution of Legally-harvested Wood and Wood Products (Act No. 48 of 2016), they are publicized as follows pursuant to the provision of paragraph (4) of the same Article.

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Basic Policies for Promoting the Use and Distribution of Legally-harvested Wood and Wood Products

As illegal logging of forests in Japan and foreign countries (hereinafter referred to as “Illegal Logging”) and the distribution of wood derived from Illegal Logging may have adverse effects on various functions of forests including prevention of global warming, conservation of natural environments and supply of forest products, and may harm fair transactions in wood markets, Japan has been working to tackle Illegal Logging.

At the G8 Gleneagles Summit held in the United Kingdom in July 2005, the Leaders stated that efforts to tackle Illegal Logging require actions from both wood producing and wood consuming countries. In response to this, Japan has included wood and wood products for which sustainability has been taken into consideration and whose legality has been verified in the targets of government procurement by revising the “Basic Policy for the Promotion of Procurement of Eco-Friendly Goods and Services” (Public Notice No.11 of the Ministry of the Environment on March 9, 2001; hereinafter referred to as the “Green Purchasing Act Basic Policy”) under the “Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities” (Act No. 100 of 2000) in 2006, and developing the “Guideline for Verification on Legality and Sustainability of Wood and Wood Products” (hereinafter referred to as the “Guideline”) to enable suppliers of wood and wood products to appropriately verify the legality and sustainability of wood and wood products.

From here on, it is necessary to make Japan’s efforts against Illegal Logging lead to sustainable and sound development of the wood products industry considerate of conserving the natural environment,

and thereby contribute to conserving the regional and global environment, by ensuring that not only business entities who handle the targeted goods of government procurement but also the Wood-related Business Entities (meaning the Wood-related Business Entities prescribed in Article 2, paragraph (3) of the Act on Promotion of Use and Distribution of Legally-harvested Wood and Wood Products (hereinafter referred to as the “Act”); hereinafter the same applies) use the Legally-harvested Wood and Wood Products (meaning the Legally-harvested Wood and Wood Products prescribed in Article 2, paragraph (2) of the Act; hereinafter the same applies).

For this reason, necessary matters as the basic policies for comprehensive and systematic promotion of the use and distribution of Legally-harvested Wood and Wood Products are provided as follows.

I. Basic Direction for Promoting the Use and Distribution of Legally-harvested Wood and Wood Products

To promote the use and distribution of Legally-harvested Wood and Wood Products, the Wood-related Business Entities shall endeavor to confirm that trees used as raw materials for the Wood and Wood Products (meaning the Wood and Wood Products prescribed in Article 2, paragraph (1) of the Act; hereinafter the same applies) that they handle are harvested in compliance with the laws and regulations of Japan or the countries of origin (for the laws and regulations of Japan, including prefectural and municipal ordinances; hereinafter the same applies) (hereinafter referred to as “Confirmation of Legality”) and to take other measures to ensure the use of Legally-harvested Wood and Wood Products.

The State shall establish systems including an information provision system necessary for the Confirmation of Legality and, for promoting registration of many Wood-related Business Entities who take appropriate and reliable measures to ensure the use of Legally-harvested Wood and Wood Products by Registering Organizations (meaning Registering Organizations prescribed in Article 8 of the Act; hereinafter the same applies), endeavor to cultivate a better understanding among citizens of the meaning of promoting the use and distribution of Legally-harvested Wood and Wood Products.

II. Matters Concerning Measures for Promoting the Use and Distribution of Legally-harvested Wood and Wood Products

A. The Wood and Wood Products Subject to Measures to Ensure the Use of Legally-harvested Wood and Wood Products

The Wood and Wood Products subject to measures to ensure the use of Legally-harvested Wood and

Wood Products are defined as wood (excluding wood collected or disposed of after being used once or unused and wood made of these excluded wood; hereinafter the same applies), and goods such as furniture and paper manufactured by processing wood or using wood as the major raw material.

The following are categorized as wood:

- (1) Logs;
- (2) Sawn boards and square timber;
- (3) Veneer;
- (4) Plywood, laminated veneer lumber and laminated wood; and
- (5) Wood pellets, woodchips and wood particles.

Considering the Designated Procurement Items under the Green Purchasing Act Basic Policy (limited to items for which a procurement requirement is to adhere to the Guideline) and taking into account actual situations in supply chains for such items, implementation status of the measures to ensure the use of Legally-harvested Wood and Wood Products and others, goods subject to the Act such as furniture and paper are as prescribed in Article 2, paragraph (1) of the Ordinance for Enforcement of the Act on Promotion of Use and Distribution of Legally-harvested Wood and Wood Products (Ordinance of the Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, and Ministry of Land, Infrastructure, Transport and Tourism No. 1 of 2017; hereinafter referred to as the “Ordinance for Enforcement”).

The scope of the Wood and Wood Products subject to the Act shall be reviewed in the future based on implementation status of the Act and others.

B. Scope of Wood-related Business Entities

The Wood-related Business Entities are categorized into those engaged in Type I Wood-related Businesses (meaning Type I Wood-related Businesses prescribed in Article 1, item (i) of the Ordinance for Enforcement; hereinafter the same applies) and those engaged in Type II Wood-related Businesses (meaning Type II Wood-related Businesses prescribed in Article 1, item (ii) of the Ordinance for Enforcement; hereinafter the same applies). Even a single Wood-related Business Entity may be divided into sections or operations engaged in Type I and Type II Wood-related Businesses. In this case, each section or operation is required to take measures to ensure the use of Legally-harvested Wood and Wood Products as a person engaged in a Type I or Type II Wood-related Business.

Although owners of trees and business entities who harvest trees are not the Wood-related Business Entities, they are persons essential for promoting the use and distribution of Legally-harvested Wood

and Wood Products since they have necessary information for Confirmation of Legality. As these persons have taken actions based on the Guideline to date, the Wood-related Business Entities need to make use of these efforts in collecting necessary information for measures to ensure the use of Legally-harvested Wood and Wood Products.

C. Confirmation of Legality by the Wood-related Business Entities

As the Confirmation of Legality is first conducted by Type I Wood-related Businesses, from the viewpoint of promoting the use and distribution of Legally-harvested Wood and Wood Products, the Confirmation of Legality by Type I Wood-related Businesses is especially important. On the other hand, Type II Wood-related Businesses should reconfirm the Wood and Wood Products for which the Confirmation of Legality was conducted by Type I Wood-related Businesses. Therefore, the methods for the Confirmation of Legality by both types of businesses are different.

In order to prevent the Confirmation of Legality being an excessive burden on the Wood-related Business Entities, it is important to uphold reliability and simplicity in Confirmation of Legality and establish supply systems that make the Legally-harvested Wood and Wood Products easily available at appropriate costs.

As a way to uphold reliability and simplicity in the Confirmation of Legality, the Wood-related Business Entities may, when they check the legality, utilize the “forest certification and chain of custody systems,” “verification methods by companies under the authorization of industry associations” and “verification methods by original measures of individual companies” pursuant to the Guideline, as well as certification systems for forests and wood and wood products by prefectures and others.

Confirmation of Legality by Type I Wood-related Businesses shall be conducted through the following process.

- (1) Confirming the contents of documents stating matters such as the species of trees used as raw materials for the handled Wood and Wood Products and the countries or regions where the said trees were harvested, and documents certifying that the said trees were harvested in compliance with the laws and regulations of Japan or the countries of origin, considering information set forth in Article 4, paragraph (2) of the Act (hereinafter, the “Information on Laws, Regulations and Others”) and others.
- (2) When the legality of the handled Wood and Wood Products can be confirmed by (1) above, the Wood and Wood Products should be treated as Legally-harvested Wood and Wood Products, and when the legality cannot be confirmed, either of the following measures should be taken:
 - (a) Collecting additional information pertaining to that the trees used as raw materials for the Wood and Wood Products for which legality has not been confirmed were harvested in compliance with the

laws and regulations of Japan and/or the countries of origin, and confirming the contents of such information based on the Information on Laws, Regulations and Others as well as other information;
or

(b) Not handling the Wood and Wood Products for which Legality has not been confirmed.

When the Wood-related Business Entities can confirm the Legality of the Wood and Wood Products they are handling, they shall provide documents stating or recording thereof for relevant persons including those to whom the said Wood and Wood Products are to be transferred. Confirmation of Legality by Type II Wood-related Businesses shall be conducted by confirming the contents of the said documents and others.

D. Measures Taken by the State for Promoting the Use and Distribution of Legally-harvested Wood and Wood Products

In order to promote implementation of measures to ensure the use of Legally-harvested Wood and Wood Products by the Wood-related Business Entities, the State shall undertake the following.

(1) Promotion of the Registration of the Wood-related Business Entities

The State shall designate Registering Organizations and issue orders and/or take other necessary measures against them. Also, in order to encourage the Wood-related Business Entities to register with Registering Organizations, the State shall raise awareness of the registration system, collect and publish information on successful efforts made by the Registered Wood-related Business Entities (meaning the Registered Wood-related Business Entities prescribed in Article 13 of the Act; hereinafter the same applies), and broadly provide and disseminate information to the Wood-related Business Entities and even to consumers.

As it is important that persons engaged in Type I Wood-related Businesses, who conduct Confirmation of Legality at first in the chain of distribution of the Wood and Wood Products in Japan, obtain registration and appropriately and reliably take measures to ensure the use of Legally-harvested Wood and Wood Products, the State and relevant groups shall make focused efforts to promote registration of persons engaged in Type I Wood-related Businesses. When a person engaged in a Type I Wood-related Business intends to obtain registration, he/she shall take measures to ensure the use of Legally-harvested Wood and Wood Products in all operational sections, offices, plants and work places involved, and for all types of the Wood and Wood Products handled in his/her Type I Wood-related Business.

Given the complexity of supply chains for the Wood and Wood Products in and outside of Japan, it is desirable for as many Wood-related Business Entities as possible to obtain registration. For this reason,

when a person engaged in a Type II Wood-related Business, who often purchases the Wood and Wood Products from various sources, intends to obtain registration, he/she is encouraged to obtain registration by being allowed to take measures to ensure the use of Legally-harvested Wood and Wood Products for each involved section, office, plant or work place, or each type of Wood and Wood Product handled in his/her Type II Wood-related Business.

Pursuant to what is provided by the State, a Registering Organization shall require a Registered Wood-related Business Entity on its register to submit a report at least once a year and also make arrangements with the Registered Wood-related Business Entity so that the Registering Organization will conduct investigation on the Registered Wood-related Business Entity by making inquiries or using other methods when the Registering Organization finds it necessary to confirm facts including that the Registered Wood-related Business Entity is taking appropriate and reliable measures to ensure the use of Legally-harvested Wood and Wood Products in the scope of business pertaining to its registration. If the Registering Organization finds it necessary as the results of the said report or investigation, the Registering Organization may demand the Registered Wood-related Business Entity to take necessary measures, and if the Registering Organization does not recognize the Registered Wood-related Business Entity as a person who takes appropriate and reliable measures to ensure the use of Legally-harvested Wood and Wood Products even after the said demand was made, the Registering Organization may rescind the registration of the Registered Wood-related Business Entity.

(2) Provision of Information and others

The State shall broadly collect the Information on Laws, Regulations and Others necessary for Confirmation of Legality conducted by the Wood-related Business Entities and provide such information through various media including the Internet. By continuously collecting and providing the Information on Laws, Regulations and Others, the State shall lead measures to ensure the use of Legally-harvested Wood and Wood Products taken by the Wood-related Business Entities to be more developed and efficient, and increase the volume of Legally-harvested Wood and Wood Products.

The State, when she finds it necessary for promoting the use and distribution of Legally-harvested Wood and Wood Products, shall provide the Wood-related Business Entities with necessary guidance and advice and, within the limit necessary for the enforcement of the Act, shall collect reports from them and conduct on-site inspections.

III. Matters Pertaining to Dissemination of Knowledge on the Meaning of Promoting the Use and Distribution of Legally-harvested Wood and Wood Products

Promoting the use and distribution of Legally-harvested Wood and Wood Products means to enable forests to sustainably fulfill their various functions including conservation of national land, water resources and natural environments, contribution to public health, prevention of global warming and supply of forest products, and therefore contribute to conservation of the environment of the region and the Earth.

The State shall broadly disseminate the above meaning and raise awareness among citizens in coordination and cooperation with relevant persons, including the Wood-related Business Entities, related groups and others. Specifically, the State shall undertake educational, publicity and other activities by organizing seminars, distributing brochures and providing information using various media such as the Internet.

IV. Other Important Matters for Promoting the Use and Distribution of Legally-harvested Wood and Wood Products

A. Appropriate Coordination

In promoting the use and distribution of Legally-harvested Wood and Wood Products, the State shall gather diverse interested persons including the Wood-related Business Entities as well as business entities, private groups and consumers whose activities contribute to a shift in demand for the Legally-harvested Wood and Wood Products, and conduct awareness raising for promoting the use of Legally-harvested Wood and Wood Products, assessment of the supply and demand for Legally-harvested Wood and Wood Products and opinion exchanges on issues of Illegal Logging.

The State shall also contribute to capacity improvement for enforcement of the laws and regulations on forests in wood producing countries in coordination with the International Tropical Timber Organization and other international organizations and ensure international coordination to curtail Illegal Logging in the countries of origin and other kinds of international cooperation with activities such as information and opinion exchanges on issues of Illegal Logging with major wood producing countries. Furthermore, even for the private sector the State shall promote information exchanges on the use and distribution of Legally-harvested Wood and Wood Products among relevant organizations in and outside of Japan.

B. Review of These Basic Policies

The State is to review the status of enforcement of the Act and take necessary measures based on the review results approximately five years after the Act comes into effect, thus these Basic Policies shall then be reviewed based on those results if necessary.