

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
(Provisional Translation)

Pursuant to the provisions of Article 2, Article 6, paragraph (1), item 4, Article 8, Article 9, paragraph (1), item (ii) and paragraph (2), and Article 10, paragraph (2) (including the cases where these provisions are applied mutatis mutandis to Article 12, paragraph (2)), Article 13, paragraph (1), Article 18, paragraph (1) (including the cases where the provision is applied mutatis mutandis to Article 19, paragraph (2)), Article 20, paragraph (2), Article 22, paragraph (2), Article 23, Article 24, paragraph (2), item (iii) and (iv), Article 28, and Article 35 of the Act on Promotion of Use and Distribution of Legally-harvested Wood and Wood Products (Act No. 48 of 2016), and for the purpose of implementation of the same Act, the Ordinance for Enforcement of the Act on Promotion of Use and Distribution of Legally-harvested Wood and Wood Products is established as follows.

May 1, 2017

Yuji Yamamoto, Minister of Agriculture, Forestry and Fisheries

Hiroshige Seko, Minister of Economy, Trade and Industry

Keiichi Ishii, Minister of Land, Infrastructure, Transport and Tourism

Ordinance for Enforcement of the Act on Promotion of Use and Distribution of Legally-harvested Wood and Wood Products

(Definitions)

Article 1 The terms used in this Ministerial Ordinance have the same meanings as the terms used in the Act on Promotion of Use and Distribution of Legally-harvested Wood and Wood Products (hereinafter referred to as the “Act”) and the meanings of the terms listed in the following items are as prescribed in the respective items:

(i) The term “Type I Wood-related Business” means the business listed in the following (a) through (d):

(a) Business of processing, exporting or selling (excluding sale to consumers; hereinafter the same applies) logs conducted by a person to whom logs produced from trees are transferred from the owners of the trees (including business of entrusting such processing, exporting or selling to a third party);

(b) Business of processing or exporting logs conducted by the owners of trees from which the logs are produced (including business of entrusting such processing or exporting to a third party);

(c) Business of selling logs at markets opened for wood trading conducted by a person to whom logs are consigned for sale by the owners of trees from which the logs are produced (including a person to

whom such logs are reconsigned for sale by the consignee); and

(d) Business of importing the Wood and Wood Products.

(ii) The term “Type II Wood-related Business” means the business conducted by the Wood-related Business Entities prescribed in Article 2, paragraph (3) of the Act, excluding Type I Wood-related Business.

(Goods Such as Furniture and Paper)

Article 2 Goods to be specified by an Ordinance of the competent ministries as referred to in Article 2, paragraphs (1) and (2) of the Act are as follows:

(i) Chairs, desks/tables, shelves, storage furniture, low partitions, coat hangers, umbrella stands, bulletin boards, blackboards, whiteboards and bed frames that contain wood as their main component material;

(ii) Wood pulp

(iii) Copier paper, forms, coated paper for inkjet color printers, uncoated printing paper, coated printing paper, tissue paper and toilet paper that use wood pulp;

(iv) Flooring that uses wood as its base materials;

(v) Wood cement boards;

(vi) Siding boards that use wood;

(vii) Intermediate goods that are produced using wood or wood pulp during the process of manufacturing or processing the goods listed in the previous items and eventually made into such goods through subsequent manufacturing or processing processes.

(Businesses Using Wood and Wood Products)

Article 3 A business to be specified by an Ordinance of the competent ministries as referred to in Article 2, paragraph (3) of the Act is a business conducted by a certified business entity pursuant to the provision of Article 2, paragraph (5) of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (Act No. 108 of 2011) that supply Electricity Utilities (meaning Electricity Utilities as prescribed in Article 2, paragraph (1) of the same Act; hereinafter the same applies) with electricity obtained by burning woody biomass (which means, from among organic substances derived from animals and plants that can be used as a source of energy [excluding crude oil, petroleum gas, combustible natural gas, coal, and products manufactured therefrom], those derived from wood; hereinafter the same applies).

(Standards of Judgment for the Wood-related Business Entities)

Article 4 Matters to be specified by an Ordinance of the competent ministries as referred to in Article 6, paragraph (1), item (iv) of the Act are those concerning establishment of systems by the Wood-

related Business Entities.

(Application for Registration as a Wood-related Business Entity)

Article 5 A Wood-related Business Entity who intends to obtain a registration as a Wood-related Business Entity as set forth in Article 8 of the Act (including renewal of registration set forth in Article 12, paragraph (1) of the Act; simply referred to as “Registration” in Article 8) must apply to a Registering Organization whose Registration Operations cover the scope of businesses pertaining to such registration.

(Matters to be Stated in an Application Forms, etc.)

Article 6 (1) The matters to be specified by an Ordinance of the competent ministries as referred to in Article 9, paragraph (1), item (ii) of the Act (including cases where these provisions are applied mutatis mutandis to Article 12, paragraph (2) of the Act) are as follows:

- (i) Distinction whether the application is made for Type I Wood-related Business and/or Type II Wood-related Business;
 - (ii) Distinction of the type of business of the applicant between a business that manufactures, processes, imports, exports or sells the Wood and Wood Products, a business that constructs buildings and other structures using wood and a business that supplies Electricity Utilities with electricity obtained by burning woody biomass;
 - (iii) Sections, offices, plants or work places where measures to ensure the use of Legally-harvested Wood and Wood Products are taken;
 - (iv) Types of the Wood and Wood Products for which measures to ensure the use of Legally-harvested Wood and Wood Products are taken;
 - (v) Expected annual weight, area, volume or quantity of the Wood and Wood Products mentioned in the preceding item; and
 - (vi) In the case of a person engaged in a Type I Wood-related Business, the species of trees used as raw materials (for goods listed in item (i) of Article 2, limited to raw materials used for their component materials, and for goods listed in item (iv) of the same Article, limited to raw materials used for their base materials) for the Wood and Wood Products set forth in item (iv) pertaining to the said Type I Wood-related Business, and the names of the countries or regions where the said trees were harvested.
- (2) In stating the matters listed in item (iii) and (iv) of the preceding paragraph, a person engaged in a Type I Wood-related Business must state all sections, offices, plants and work places as well as all types of the Wood and Wood Products pertaining to the said Type I Wood-related Business.

(Documents to be Attached to an Application)

Article 7 (1) The matters to be specified by an Ordinance of the competent ministries as referred to in Article 9, paragraph (2) of the Act (including cases where the provision is applied mutatis mutandis to Article 12, paragraph (2) of the Act) are as follows:

(i) Matters concerning methods to appropriately and reliably take measures to ensure the use of Legally-harvested Wood and Wood Products;

(ii) Matters concerning separate management of the Legally-harvested Wood and Wood Products from other Wood and Wood Products, assignment of supervisors to ensure the use of Legally-harvested Wood and Wood Products and establishment of other necessary systems.

(2) In addition to the documents prescribed in Article 9, paragraph (2) of the Act, the following documents must be attached to the application set forth in paragraph (1) of the same Article.

(i) In the case of an individual, a copy of their certificate of residence;

(ii) In the case of a juridical person, the articles of incorporation or endowment, a certificate of registered information and a list of executive officers; and

(iii) Documents to prove that the applicant does not fall under Article 11, paragraph (1), item (ii) through (iv) of the Act.

(Matters to be Publicly Notified Upon Registration)

Article 8 (1) Matters to be specified by an Ordinance of the competent ministries as referred to in Article 10, paragraph (2) of the Act (including cases where the provision is applied mutatis mutandis to Article 12, paragraph (2) of the Act) are as follows:

(i) The personal name or entity name and address of the person who obtained the Registration, and, in the case of a juridical person, the name of its representative;

(ii) Matters listed in Article 6, paragraph (1), item (i) through (iv); and

(iii) The date of Registration and registration number.

(2) Upon Registration, without delay, the Registering Organization must make the matters listed in the items of the preceding paragraph publicly available at its office for inspection and also publicly notify the matters using the Internet or any other appropriate means up to the day on which the Registration is deleted.

(Change to Registered Matters of the Wood-related Business Entities)

Article 9 (1) When there is a change in the matters listed in the items of paragraph (1) of Article 9 of the Act, the Registered Wood-related Business Entity must apply for registration of that change to the relevant Registering Organization.

(2) When the Registered Wood-related Business Entity intends to apply pursuant to the provision of the preceding paragraph, the Registered Wood-related Business Entity must submit documents stating the matters set forth in the same paragraph that have changed, together with documents which proves

the said change among those prescribed in Article 9, paragraph (2) and Article 7, paragraph (2) to the Registering Organization.

(3) Upon application pursuant to the provisions of paragraph (1), the Registering Organization must register the change by entering such change mentioned in paragraph (1) in the register of the Wood-related Business Entities, except the case of a rescission of the registration pursuant to Article 14, paragraph (1) of the Act.

(4) Upon registration of the change set forth in the preceding paragraph, the Registering Organization must notify the Registered Wood-related Business Entity who has applied pursuant to the provision of paragraph (1) thereof and publicly notify thereof, without delay.

(5) The provision of paragraph (2) of the preceding Article shall apply mutatis mutandis to the public notice pursuant to the provision of the preceding paragraph.

(Use of Title)

Article 10 (1) Titles which Registered Wood-related Business Entities may use pursuant to the provision of Article 13, paragraph (1) of the Act are set forth respectively in the following items according to the categories of persons listed in the said items:

(i) A person engaged in a Type I Wood-related Business: Type I Registered Wood-related Business Entity; or

(ii) A person engaged in a Type II Wood-related Business: Type II Registered Wood-related Business Entity.

(2) The Registered Wood-related Business Entities who use the title set forth in item (ii) of the preceding paragraph must take appropriate measures not to display their titles in a way that may cause misunderstanding with regard to the scope of their business pertaining to such registration.

(Matters to be Publicly Notified Upon Deletion of Registration)

Article 11 (1) Upon deletion of a registration pursuant to the provision of Article 15 of the Act, the Registering Organization must publicly notify the following matters:

(i) The personal name or entity name and address of the person whose registration was deleted, and, in the case of a juridical person, the name of its representative;

(ii) Matters listed in Article 6, paragraph (1), item (i) through (iv);

(iii) The date on which the registration was deleted; and

(iv) The registration number of the person whose registration was deleted.

(2) Upon deletion of a registration, without delay, the Registering Organization must make the matters listed in the items of the preceding paragraph publicly available at its office for inspection and also publicly notify the matters using the Internet or any other appropriate means up to the day on which one year has passed from the date of the deletion.

(Application for Designation as a Registering Organization)

Article 12 (1) A person who intends to obtain designation as a Registering Organization as set forth in Article 16 of the Act (including a renewal of designation as set forth in Article 19, paragraph (1) of the Act; simply referred to as “Designation” in Article 21) must submit an application stating the following matters to the competent ministers:

- (i) The personal name or entity name and address of the applicant, and, in the case of a juridical person, the name of its representative;
- (ii) The location of the office where the applicant intends to conduct his/her Registration Operations;
- (iii) The date on which the applicant intends to commence his/her Registration Operations; and
- (iv) The scope of its Registration Operations.

(2) The following documents must be attached to the application set forth in the preceding paragraph; provided, however, that when the applicant publicizes the matters stated in the said documents using the Internet or any other appropriate means and submits a paper describing necessary information to confirm the publicized matters together with the application set forth in the preceding paragraph, the applicant may omit to attach the documents:

(i) In the case of an individual, the following documents:

- (a) a copy of the certificate of residence; and
- (b) a record of his/her property;

(ii) In the case of a juridical person, the following documents:

- (a) the articles of incorporation or endowment;
- (b) a certificate of registered information;
- (c) a document stating its executive officers’ names and profiles; and

(d) the balance sheet for the business year immediately preceding the business year that includes the date of application and the inventory of property at the end of the said business year or any inventory equivalent to the above (in the case of a corporation that was established during the business year that includes the date of application, the inventory of property at the time of establishment);

(iii) A document proving that the applicant does not fall under any of the items of Article 17 of the Act; and

(iv) A document proving that the applicant conforms to all of the items in paragraph (1) of Article 18 of the Act.

(Change to Designation Matters of a Registering Organization)

Article 13 (1) When there is a change to matters listed in Article 18, paragraph (2), item (ii) of the Act or in item 4 of paragraph (1) of the preceding Article, a Registering Organization must notify the competent ministers thereof without delay.

(2) When a Registering Organization intends to make notification pursuant to Article 21 of the Act or the preceding paragraph, it must submit documents stating the changed matters pursuant to the said Article or the said paragraph to the competent ministers.

(3) Upon receiving notification pursuant to Article 21 of the Act or paragraph (1) of this Article (limited to those pertaining to changes in matters listed in Article 18, paragraph (2), items (ii) or (iii) of the Act), the competent ministers must change the designation by entering the changed matters in the designation book of Registering Organizations.

(4) Upon a change of registration as set forth in the preceding paragraph, the competent ministers must give a public notice thereof in the Official Gazette.

(Renewal of Designation)

Article 14 (1) A Registering Organization intending to renew its designation set forth in Article 19, paragraph (1) of the Act must apply for the renewal to the competent ministers no later than six months prior to the expiration date of the effective period of its current designation.

(2) When an application set forth in the preceding paragraph has been filed, and if no disposition for the application has been made by the expiration date of the effective period of the designation, the designation shall remain in force even after the expiration of the effective period thereof until the said disposition is made.

(3) In the case of the preceding paragraph, if the designation is renewed, the effective period of the renewed designation shall be calculated from the day following the expiration date of the effective period of the previous designation.

(Criteria for Conducting Registration Operations)

Article 15 The criteria to be specified by an Ordinance of the competent ministries as referred to in Article 20, paragraph (2) of the Act are as follows.

(i) When intending to conduct registration of a Wood-related Business Entity as set forth in Article 8 of the Act (including registration of a change as set forth in Article 9, paragraph (3) and renewal of registration as set forth in Article 12, paragraph (1) of the Act; hereinafter simply referred to as “Registration” in this Article and Article 20), the Registering Organization shall confirm that the applicant does not fall under any of the items in paragraph (1) of Article 11 of the Act by examining the documents pertaining to the application and making inquiries to the applicant or employing other examinations as necessary.

(ii) When intending to conduct Registration, the Registering Organization shall arrange the following matters with the applicant in advance:

(a) If the applicant has been registered, he/she shall report to the Registering Organization at least once a year on the situation regarding his/her implementation status of measures to ensure the use of

Legally-harvested Wood and Wood Products; and

(b) If the applicant has been registered, he/she shall cooperate with the Registering Organization in its conducting an investigation by making inquiries or employing other means when the Registering Organization finds it necessary to confirm that the applicant is appropriately and reliably taking measures to ensure the use of Legally-harvested Wood and Wood Products within the scope of business pertaining to the Registration and complying with the provisions of Article 10.

(iii) If the Registering Organization recognizes, as a result of the report set forth in (a) of the preceding item and/or the investigation set forth in (b) of the same item, that the Registered Wood-related Business Entity falls under Article 11, paragraph (1), item (i) or Article 14, paragraph (1), item (ii) of the Act, it shall require such Registered Wood-related Business Entity to appropriately and reliably take measures to ensure the use of Legally-harvested Wood and Wood Products within the scope of business pertaining to the Registration and/or comply with the provisions of Article 10.

(iv) The Registering Organization shall maintain the confidentiality of any facts that may be learned in connection with its Registration Operations.

(Granting the Opportunity for an Explanation)

Article 16 When a Registering Organization intends to rescind the registration of a Registered Wood-related Business Entity pursuant to Article 14, paragraph (1) of the Act, it must notify the said Registered Wood-related Business Entity thereof and grant it an opportunity for an explanation no later than one week prior to the rescission.

(Rules of Registering Operations)

Article 17 Matters to be specified by an Ordinance of the competent ministries as referred to in Article 22, paragraph (2) of the Act are as follows.

(i) Matters concerning the scope of Registering Operations;

(ii) Matters concerning the hours of conducting Registering Operations and holidays;

(iii) Matters concerning offices where Registering Operations are conducted;

(iv) Matters concerning collection of fees for Registering Operations;

(v) Matters concerning the process of Registering Operations;

(vi) Matters concerning maintenance of confidentiality of any facts that may be learned in connection with Registering Operations;

(vii) Matters concerning management of books and documents, etc. relevant to Registering Operations;

(viii) Matters concerning ensuring fairness in connection with Registering Operations;

(ix) Matters concerning the organization that conducts Registering Operations;

(x) Matters concerning duties of persons who conduct Registering Operations; and

(xi) Other necessary matters in connection with Registering Operations.

(Notification of Suspension or Discontinuation of Registering Operations)

Article 18 When a Registering Organization intends to make notification pursuant to the provision of Article 23 of the Act, it must submit a written notice stating the following matters to the competent ministers no later than six months prior to the date planned for suspension or discontinuation of its Registering Operations:

- (i) The personal name or entity name and address of the Registering Organization, and, in the case of a juridical person, the name of its representative;
- (ii) The location of the office where Registering Operations that are to be suspended or discontinued are conducted;
- (iii) The scope of Registering Operations to be suspended or discontinued;
- (iv) The date on which suspension or discontinuation is planned; and
- (v) In the case of suspension, the period thereof.

(Displaying Contents Recorded in Electromagnetic Records)

Article 19 (1) The method to be specified by an Ordinance of the competent ministries as referred to in Article 24, paragraph (2), item (iii) of the Act shall be to show the recorded contents in electromagnetic form on paper or screen of an output device.

(2) An electromagnetic method to be specified by an Ordinance of the competent ministries as referred to in Article 24, paragraph (2), item (iv) of the Act shall be specified by Registering Organizations as either of the followings:

- (i) Use of an electronic data processing system connecting the computer used by the sender and the computer used by the receiver over telecommunications lines, by which information is sent over the said telecommunications lines and recorded in a file stored on the computer used by the receiver; or
- (ii) Delivery of a file that stores the information, prepared using a magnetic disk or any other equivalent media thereto on which certain information can be securely stored.

(Books)

Article 20 (1) Books set forth in Article 28 of the Act must be prepared and kept by respective offices where Registering Operations are conducted, and they must be maintained until the Registering Operations are discontinued.

(2) Matters to be specified by an Ordinance of the competent ministries as referred to in Article 28 of the Act are as follows:

- (i) Matters listed in the items of paragraph (1) of Article 9 of the Act;
- (ii) The date on which application for Registration was filed;

- (iii) Distinction between Registration and refusal of Registration;
 - (iv) In the case of refusal of Registration, the reason thereof;
 - (v) In the case of Registration, the date of registration and registration number; and
 - (vi) Other necessary matters for conducting Registering Operations.
- (3) Upon Registration or refusal of Registration, the Registering Organization must enter the matters listed in the items of the preceding paragraph into its books without delay.

(Public Notice of Registering Organizations)

Article 21 Upon Designation, the competent ministers must publicly notify the following matters:

- (i) Matters listed in the items of paragraph (2) of Article 18 of the Act; and
- (ii) The scope of the Registering Operations of the designated Registering Organization

(Form of Identification Card)

Article 22 The form of identification card to be carried by a ministerial official who conducts an on-site inspection pursuant to the provisions of Article 33, paragraph (1) and (2) of the Act shall be as shown on the appended form.

Supplementary Provision

This Ministerial Ordinance shall come into effect as of the date the Act becomes effective (May 20, 2017).

Form (Re: Article 22) (Japanese Industrial Standards "A" Series size 7)

(Face)

No. XX delivered on MM dd, yyyy (Effective for one year only)

Job Title	Name	Date of Birth

Certificate of On-Site Inspection

Pursuant to the provisions of Article 33, paragraph (1) and (2) of the Act on Promotion of Use and Distribution of Legally-harvested Wood and Wood Products

Competent Minister (SEAL)

(Back side)

Extracts from the Act on Promotion of Use and Distribution of Legally-harvested Wood and Wood

Products

- Article 33 (1) Within the limit necessary for the enforcement of this Act, the competent ministers may have a Wood-related Business Entity report on how it is ensuring the use of Legally-harvested Wood and Wood Products or have their ministerial officials enter the offices, plants, workplaces or warehouses of the Wood-related Business Entity to inspect its books, documents and other properties.
- (2) Within the limit necessary for the enforcement of this Act, the competent ministers may have a Registering Organization report on its operations or have their ministerial officials to enter the offices of a Registering Organization to inspect its operations or books, documents and other properties.
- (3) A ministerial official who conducts an on-site inspection pursuant to the provisions of the preceding two paragraphs must carry an identification card and present it to relevant persons.
- (4) The authority to conduct on-site inspections pursuant to the provisions of paragraph (1) and (2) must not be construed as permission for criminal investigations.

Article 37 Any person who falls under any of the following items shall be punished by a fine of not more than 300,000 yen:

(i) to (iii) (Omitted)

(iv) A person who has failed to report or made a false report pursuant to the provision of Article 33, paragraph (2), or refused, interfered with or evaded an inspection pursuant to the same paragraph.

Article 38 Any person who has failed to report or made a false report pursuant to the provision of Article 33, paragraph (1), or refused, interfered with or evaded an inspection pursuant to the same paragraph shall be punished by a fine of not more than 200,000 yen.