

Outline of the Act Partially Amending the Act on Promotion of Distribution and Use of Legally Harvested Wood and Wood Products

1. Background

- Illegal logging of forests and distribution of wood produced by illegal logging **may have adverse effects on multiple functions of forests, and may harm fair transactions in the wood market.**
- The current system promotes the distribution and use of legally harvested wood and wood products by: 1) imposing a **duty to make efforts to use legally harvested wood and wood products**; 2) encouraging **the wood-related business entities to confirm the legality of wood and wood products**; and 3) having **third party organizations register wood-related business entities that reliably conduct confirmation of legality.**
- Efforts toward the elimination of illegal logging are issues discussed in G7 Meetings and APEC Meeting of Ministries Responsible for Forestry. **Further strengthening of Japan's efforts** is required.

2. Outline of the Act

1) Require Confirmation of Legality and Other Activities by Upstream Wood-related Business Entities/Wood-related Importers

- As the measures taken at the initial stages of wood distribution in the domestic market are important, when **upstream wood-related business entities/wood-related importers** receive wood and wood products from business entities producing and selling logs or from foreign business entities exporting wood, **the following activities are required: 1) Collection of information on raw materials, and confirmation of legality; 2) Creation/Storage of records; 3) Communication of information** (Article 6 through Article 8).

2) Require Provision of Information by Business Entities Producing and Selling Logs

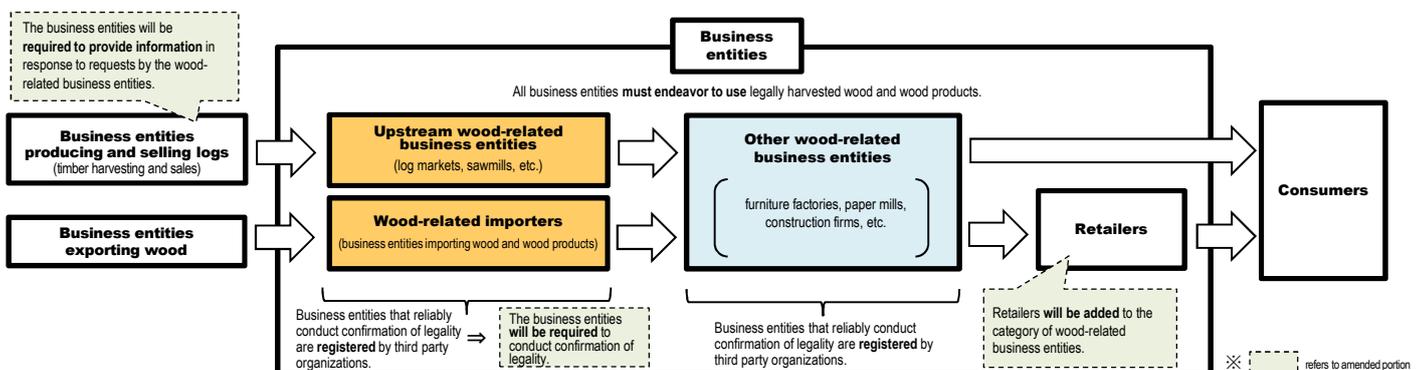
- To ensure that the confirmation of legality that is required in 1) is conducted smoothly, in response to requests by the wood-related business entities, **business entities producing and selling logs are required to provide information including notification of logging** (Article 9).

3) Addition of Retailers to Wood-related Business Entities

- **Retailers will be added to the category of wood-related business entities** and registration of retailers made possible so that the legality confirmation and other information is communicated to consumers (Article 2, paragraph (4)).

4) Other Measures

- Regarding 1) and 2), the following actions may be taken by the competent ministers: **guidance, advice, recommendation, publication, and order.** And, **penal provisions for violations of the order** are provided (Article 10, Article 11, Article 45, etc.).
- As measures that wood-related business entities should take in addition to 1) in order to realize the use of legally harvested wood and wood products, **measures to prevent the use of wood and wood products produced by illegal logging** and other actions will be provided for in a clear manner (Article 13).
- Upstream wood-related business entities/wood-related importers above a certain size will be **required to make yearly reports, and requests for cooperation may be made to the heads of relevant administrative organs and others as appropriate** (Article 12, Article 41).



3. Effective Date

The day specified by Cabinet Order within a period not exceeding 2 years since the date of promulgation.