

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 5/26/2017

GAIN Report Number: JA7080

Japan

Post: Tokyo

Japan Implements Clean Wood Act

Report Categories:

Agricultural Situation

Wood Products

Approved By:

Jess K. Paulson

Prepared By:

Tomohiro Kurai

Report Highlights:

On May 20, 2017, the government of Japan (GOJ) implemented the Clean Wood Act. The Act is meant to ensure that domestic and imported wood are harvested legally. Attached are unofficial translations of the Act and two Ministerial Ordinances for Standards, and Enforcement. The GOJ hopes to begin registering companies that procure domestic or import foreign forestry products in October 2017.

Keywords: JA7080

General Information:

On May 20, 2017, the GOJ implemented the Act. The purpose of the Act is to provide assurance that the wood available in Japan was harvested legally. It recognizes legality based on the policies of the government of the country that is the source of the wood, rather than on a standard set by the GOJ. The Ministry of Agriculture, Forestry and Fisheries (MAFF) Forestry Agency (FA) reviewed the legislation of other markets, such as the U.S. Lacey Act, and held public hearings to collect the views of industry and non-governmental organizations in preparation of drafting the Act. The Act requires registered operators to maintain verification documentation for 5 years. However, compliance is voluntary except for government-funded construction projects.

Attached are unofficial translations of the Act and two Ministerial Ordinances related to Standards and Enforcement.

Beginning in late May 2017, MAFF/FA will begin accepting applications from organizations that will register companies that procure, import, or handle forestry products (referred to as registration organizations, and operators, respectively). MAFF/FA expects private entities to undertake registration of Types 1 and Type 2 operators as outlined in the Act, and set their own fees for the service. MAFF/FA intends to develop registration guidelines by October 2017.

Registration is voluntary, applies to domestic operators, and does not apply to foreign suppliers. Type 1 operators (those that procure forest products from domestic producers or import them from foreign suppliers) determine their own requirements to demonstrate legality. As liability for compliance with the Act is held by Type 1 operators, they will consult with foreign suppliers and their registration organization to determine what is required to ensure compliance. MAFF/FA has created pages for Japan, Indonesia, Malaysia, Papua New Guinea, the Solomon Islands, Vietnam, Russia, the United States, Canada, the EU, China and Chile that outlines those country's policies on legal forest harvest. The website for the United States can be found online at <http://www.rinya.maff.go.jp/j/riyou/goho/usa/info.html>.

Type 2 operators are those that handle lumber and forestry products already available in the market. Each operator that handles wood between Type 1 operators and the final consumer are Type 2 operators. They are required to confirm that the Type 1 operators that made the products available in the market have done their due diligence, and maintain records of that confirmation. Registration is not required to conduct business, but is required to advertise final products as legally harvested.

The GOJ is promoting the value of legally harvested wood through advertisements, such as the placement of logos on the final consumer products. The GOJ does not intend to enforce the Act through inspections or audits. However, should a Type 1 operator be found to have deliberately made illegally harvested wood available in the market, its registration will be revoked for one year. MAFF/FA and the Ministry of Land, Infrastructure and Transportation (MLIT) are developing logos and materials to promote the legality of wood supplied to would-be customers, such as new home owners. Most forest products are subject to the law, such as logs, lumber, furniture and wood pellets. However, particle board and products made from recycled wood have been excluded. MAFF/FA will consult the Ministry of Economy, Trade and Industry (METI) standards for composition of furniture to determine how the

Act applies.

FAS/Tokyo will continue to engage the GOJ to clarify the guidelines MAFF/FA is preparing for registration organizations, and how those guidelines will direct Type 1 operators to develop methods for foreign suppliers to demonstrate compliance with the Act.