

Act on Promotion of Global Warming Countermeasures

(Act No. 117 of October 9, 1998)

Table of Contents

- Chapter I General Provisions (Articles 1 through 7)
- Chapter II Kyoto Protocol Target Achievement Plan (Articles 8 and 9)
- Chapter III Global Warming Prevention Headquarters (Articles 10 through 19)
- Chapter IV Measures to Control Greenhouse Gas Emissions (Articles 20-27)
- Chapter V Maintaining Greenhouse Gas Absorption by Forests and Plants (Article 28)
- Chapter VI Quota Account Inventory (Articles 29 through 41)
- Chapter VII Miscellaneous Provisions (Articles 42 through 47)
- Chapter VIII Penal Provisions (Articles 48 through 50)

Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is to promote global warming countermeasures by formulating a plan for achieve targets under the Kyoto Protocol and taking measures to promote the control of greenhouse gas emissions due to social, economic, and other activities, thereby contributing to ensure healthy and civilized way of living for the Japanese people at present and in the future, as well as contributing to the welfare of all humankind, taking account of the facts that global warming has a serious impact on the environment of the entire planet, that to stabilize greenhouse gas concentrations in the atmosphere at levels where human interference does not pose a danger to climate systems to prevent global warming is a universal issue, and that it is important for all human beings to actively and voluntarily address this issue.

(Definitions)

- Article 2 (1) The term "global warming" as used in this Act means the phenomenon in which the temperature of the earth's surface and atmosphere rises incrementally, affecting the planet as a whole, as a result of the concentration of greenhouse gas in the atmosphere being increased by greenhouse gases generated from human activities.
- (2) The term "global warming countermeasures" as used in this Act means measures to control greenhouse gas emissions and to maintain and intensify the absorption of greenhouse gases (hereinafter referred to as "control of

greenhouse gas emissions") and other measures taken in international cooperation for the prevention of global warming.

- (3) The term "greenhouse gas" as used in this Act means the following substances:
- (i) carbon dioxide (CO₂);
 - (ii) methane (CH₄);
 - (iii) nitrous oxide (N₂O);
 - (iv) hydrofluorocarbons specified in Cabinet Order;
 - (v) perfluorocarbons specified in Cabinet Order; and
 - (vi) sulfur hexafluoride (SF₆).
- (4) The term "greenhouse gas emissions" as used in this Act means the discharge, release, or leakage into the atmosphere of greenhouse gas generated in conjunction with human activities, or the use of electric power or heat (limited to heat derived from fuel or electricity) that is supplied by others.
- (5) The term "total greenhouse gas emissions" as used in this Act means the sum of all values obtained by multiplying the global warming potential of each substance constituting a greenhouse gas by the emissions of that substance as calculated by methods specified in Cabinet Order (global warming potential means a coefficient for each substance constituting a greenhouse gas which indicate that substance's effect on global warming as a ratio to that of carbon dioxide, specified by Cabinet Order on the basis of internationally recognized knowledge; the same applies hereinafter).
- (6) The term "carbon dioxide equivalent quota" as used in this Act means the following quantities, expressed in units corresponding to one ton of carbon dioxide:
- (i) quotas prescribed under Article 3.7 of the Kyoto Protocol of the United Nations Framework Convention on Climate Change (hereinafter referred to as "Kyoto Protocol");
 - (ii) quotas of net change as prescribed in Article 3.3 of the Kyoto Protocol;
 - (iii) emission reduction unit as prescribed in Article 6.1 of the Kyoto Protocol; and
 - (iv) certified emission reduction amount as prescribed in Article 12.3 (b) of the Kyoto Protocol.
 - (v) beyond what is set forth in the preceding items, the amount recognized as quotas calculated under Article 3.1 of the Kyoto Protocol in the case of performing the commitment pursuant to Article 3.1.

(Responsibilities of the National Government)

Article 3 (1) The national government is to conduct monitoring and observation to understand the changes in the concentration of greenhouse gas in the atmosphere and related climate changes and in ecosystems, as well as

formulate and implement comprehensive and systematic global warming countermeasures.

- (2) The national government is to promote measures for the control of greenhouse gas emissions and take into consideration that its measures related to the control of greenhouse gas emissions will control the greenhouse gas emission in line with the achievement of the goals of those measures.
- (3) The national government is to take measures to reduce greenhouse gas emissions and to maintain and intensify greenhouse gas absorption with regard to its own administrative affairs and undertakings, support the measures of local government bodies for the control of greenhouse gases, and endeavor to provide technical advice and other measures to promote activities by businesses, citizens, and private bodies organized by businesses or citizens (hereinafter referred to as "private bodies") with regard to the control of greenhouse gases.
- (4) The national government is to take necessary measures for performing the commitment pursuant to Article 3 of the Kyoto Protocol, including acquisition of the quantities stated in paragraph (6), items (iii) and (iv) of the preceding Article, and participation in carbon emission trading as prescribed in Article 17 of the Kyoto Protocol.
- (5) The national government is to conduct surveys regarding global warming and the prediction of its effects, surveys regarding technologies for the control of greenhouse gas emissions, and other surveys needed to formulate global warming countermeasures.
- (6) The national government is to endeavor to take the necessary measures to ensure international coordination for promoting the effective implementation of the monitoring and observation prescribed in paragraph (1), international cooperation for promoting implementation of the surveys prescribed in the preceding paragraph, and other international cooperation related to global warming; and is to endeavor to provide information and take other necessary measures to promote activities by local governments or private bodies for international cooperation regarding the control of greenhouse gas emissions.

(Obligations of Local Governments)

Article 4 (1) Local governments are to advance measures for the control of greenhouse gas emissions in accordance with the natural and social conditions of their areas.

- (2) Local governments are to take measures to reduce greenhouse gas emissions and to maintain and intensify greenhouse gas absorption with regard to their own functions and undertakings, and endeavor to provide information and take other measures with regard to the measures prescribed in the preceding paragraph, in order to promote activities by businesses and residents in their

areas concerning the control of greenhouse gas emissions.

(Obligations of Businesses)

Article 5 Businesses must strive to take measures for the control of greenhouse gas emissions regarding their business activities (including measures to contribute to the control of greenhouse gas emissions by others), and cooperate with the measures implemented by the national government and local governments for the control of greenhouse gas emissions.

(Obligations of Citizens)

Article 6 Citizens must strive to take measures for the control of greenhouse gas emissions with regard to their daily life activities, and cooperate with the measures implemented by the national government and local governments for the control of greenhouse gas emissions.

(Calculation of the Amount of Greenhouse Gas Emissions)

Article 7 In order to prepare the inventory prescribed in Article 4.1 (a) of the United Nations Framework Convention on Climate Change and the annual inventory prescribed in Article 7.1 of the Kyoto Protocol, the national government is to calculate the amount of greenhouse gas emissions and absorption in Japan each year, and publicize the results as prescribed by Order of the Ministry of the Environment.

Chapter II Kyoto Protocol Target Achievement Plan

(Kyoto Protocol Target Achievement Plan)

Article 8 (1) The national government must establish a plan for achieving the targets prescribed in Article 3 of the Kyoto Protocol (hereinafter referred to as the "Kyoto Protocol Target Achievement Plan").

(2) The Kyoto Protocol Target Achievement Plan is to prescribe the following matters:

- (i) basic direction regarding the promotion of global warming countermeasures;
- (ii) basic matters on the measures regarding the control of greenhouse gas emissions which should be taken by the national government, local governments, businesses, and citizens, respectively;
- (iii) targets regarding the amount of greenhouse gas emissions and absorptions for each class and category of greenhouse gases;
- (iv) targets regarding implementation of necessary measures for achieving the targets of the preceding item;
- (v) matters regarding measures by the national government and local governments which are necessary in order to achieve the targets of the

- preceding item.
- (vi) basic matters regarding the National Government Action Plan as prescribed in Article 20-2, paragraph (1) and the action plans of local governments as prescribed in Article 21, paragraph (1);
 - (vii) basic matters regarding plans that should be formulated and publicized concerning measures for the control of greenhouse gas emissions related to businesses with considerably high total greenhouse gas emissions (including measures to contribute to the control of greenhouse gas emissions by other parties);
 - (viii) basic matters regarding measures prescribed in Article 3, paragraph (4);
 - (ix) beyond what is set forth in the preceding items, other important matters regarding global warming countermeasures.
- (3) The Prime Minister must request a Cabinet Decision concerning the proposed Kyoto Protocol Target Achievement Plan.
- (4) Upon the Cabinet Decision prescribed by the preceding paragraph, the Prime Minister must publicize the Kyoto Protocol Target Achievement Plan without delay.

(Changes in the Kyoto Protocol Target Achievement Plan)

- Article 9 (1) The national government is to conduct a study concerning the targets and measures prescribed in the Kyoto Protocol Target Achievement Plan in 2007, in view of the situation in Japan including the level of greenhouse gas emissions and absorptions.
- (2) The national government must promptly change the Kyoto Protocol Target Achievement Plan if it finds this to be necessary based on the results of the study prescribed in the preceding paragraph.
- (3) The provisions of Articles 3 and 4 of the preceding article apply mutatis mutandis to the changes in the Kyoto Protocol Target Achievement Plan.

Chapter III Global Warming Prevention Headquarters

(Establishment of the Global Warming Prevention Headquarters)

- Article 10 The Global Warming Prevention Headquarters (hereinafter referred to as "headquarters") is to be established under the Cabinet for the comprehensive and systemized promotion of global warming countermeasures.

(Functions under Jurisdiction)

- Article 11 The headquarters is to take charge of the following functions:
- (i) matters related to formulation and implementation of the Kyoto Protocol Target Achievement Plan; and
 - (ii) matters related to general coordination regarding the promotion of

implementation of global warming countermeasures from a long-term standpoint.

(Organization)

Article 12 The headquarters is to consist of a headquarters chairman, headquarters vice chairmen, and headquarters members.

(Headquarters Chairman)

Article 13 (1) The headquarters is headed by a headquarters chairman (hereinafter referred to as "chairman"); and the Prime Minister is to serve as the chairman.

(2) The chairman manages the functions of the headquarters, and directs and supervises the staff members of the headquarters.

(Headquarters Vice Chairman)

Article 14 (1) The headquarters is to have headquarters vice chairmen (hereinafter referred to as "vice chairmen"); and the Chief Cabinet Secretary, the Minister of the Environment, and the Minister of Economy, Trade and Industry are to serve as vice chairmen.

(2) The vice chairmen are to assist with the duties of the chairman.

(Headquarters Members)

Article 15 (1) The headquarters is to have headquarters members (hereinafter referred to as "members").

(2) All of the state ministers other than the chairman and the vice chairmen are to serve as members.

(Executive Secretary)

Article 16 (1) The headquarters is to have an executive secretary.

(2) The Prime Minister appoints an official of a relevant administrative organ as the executive secretary.

(3) The executive secretary assists the chairman, vice chairmen, and members with regard to functions under the jurisdiction of the headquarters.

(Functions)

Article 17 Functions regarding the headquarters are handled by the Cabinet Secretariat and administered by the Assistant Chief Cabinet Secretary under orders.

(Competent Minister)

Article 18 The Prime Minister is to be the competent minister as prescribed in

the Cabinet Law (Act No. 5 of 1947) for matters pertaining to the headquarters.

(Delegation to Cabinet Order)

Article 19 Beyond what is provided for in this Act, other necessary matters regarding the headquarters are prescribed by Cabinet Order.

Chapter IV Measures for Control of Greenhouse Gas Emissions

(Measures by the National Government and Local Governments)

Article 20 (1) The national government, using knowledge concerning technologies for the control of greenhouse gas emissions, information regarding the amount of greenhouse gas emissions which is reported as prescribed by this Act, and other information, is to endeavor to comprehensively and effectively promote the necessary measures for the control of greenhouse gas emissions, in coordination with local governments.

(2) Prefectures and municipalities are to take account of the Kyoto Protocol Target Achievement Plan, endeavor to formulate and implement comprehensive, systematic measures for the control of greenhouse gas emissions, in accordance with the natural and social conditions of their areas.

(National Government Action Plan)

Article 20-2 (1) The national government is to formulate a plan (hereinafter referred to as the "National Government Action Plan" in this Article) for measures to reduce greenhouse gas emissions and to maintain and intensify greenhouse gas absorption with regard to its functions and undertakings, in line with the Kyoto Protocol Target Achievement Plan.

(2) The National Government Action Plan is to prescribe the following matters:

(i) plan period;

(ii) target of the National Government Action Plan;

(iii) details of the measures to be implemented; and

(iv) other necessary matters for implementing the National Government Action Plan.

(3) The Minister of the Environment must prepare a draft of the National Government Action Plan and request a Cabinet Decision on the draft.

(4) In preparing a draft of the National Government Action Plan, the Minister of the Environment must consult with the heads of the relevant administrative organs in advance.

(5) Upon the Cabinet Decision pursuant to the provisions of paragraph (3), the Minister of the Environment must publicize the National Government Action Plan without delay.

(6) The provisions of the preceding three paragraphs apply mutatis mutandis to

the changes in the National Government Action Plan.

- (7) The national government must publicize the implementation status of measures based on the National Government Action Plan (including total greenhouse gas emissions) once every year.

(Action Plans of Local Governments)

Article 21 (1) Prefectures and municipalities are to formulate plans (hereinafter referred to as "action plans of local governments" in this Article) for measures to reduce greenhouse gas emissions and to maintain and intensify greenhouse gas absorption with regard to their functions and undertakings, in line with the Kyoto Protocol Target Achievement Plan.

- (2) The action plans of local governments are to prescribe the following matters:
- (i) plan period;
 - (ii) targets of the action plans of local governments;
 - (iii) details of measures to be implemented; and
 - (iv) other necessary matters for implementing the action plans of local governments.
- (3) In formulating or changing action plans of local governments, the respective prefectures and municipalities must publicize those plans without delay.
- (4) The prefectures and municipalities must publicize the implementation status of measures based on the action plans of local governments, including total greenhouse gas emissions, once every year.

(Reporting of Greenhouse Gas Emissions Calculated)

Article 21-2 (1) The parties specified by Cabinet Order as producing considerably high greenhouse gas emissions in conjunction with their business activities (including functions and undertakings of the national government and local governments; hereinafter the same applies in this Article) (hereinafter referred to as "specified emitters"), each fiscal year, must report the greenhouse gas emissions calculated for each place of business (or, for each division specified by Competent Ministerial Order, in the case of a party designated by Competent Ministerial Order as a specified emitter for whom it is found inappropriate to report for each places of business in view of the type of business activities; hereinafter the same applies in this paragraph, paragraph (1) of the following Article, Article 21-4, paragraph (2), item (ii), and Article 21-6, paragraph (2), item (ii)), to the Minister who has jurisdiction over the area of business pertaining to the place of business in question (hereinafter referred to as "competent minister for the business ") on the matters specified by Competent Ministerial Order concerning the greenhouse gas emissions calculated for emissions generated during the period specified by Competent Ministerial Order.

- (2) The term "greenhouse gas emissions calculated" as used in this Chapter means the value obtained by multiplying the global warming potential of each substance constituting a greenhouse gas by the emissions of that substance produced in conjunction with the business activities of specified emitters, as calculated by methods specified in Cabinet Order.

(Requests pertaining to Protection of Rights and Interests)

- Article 21-3 (1) When it is considered that there is a risk that the rights, competitive position, or other legitimate interests (hereinafter referred to as "rights and interests") of a specified emitter could be harmed by publicizing the information on greenhouse gas emissions calculated pertaining to the report prescribed in paragraph (1) of the preceding Article, the specified emitter may submit a request to the competent minister for the business, asking that the notice prescribed in Article 21-4, paragraph (1) be made using the total value of carbon dioxide equivalent greenhouse gas emissions related to that specified emitter for each place of business (or the total amount of greenhouse gas emissions calculated pertaining to that specified emitter as specified by Competent Ministerial Order, if special circumstances making it difficult to use that value are found; the same applies in paragraph (2), item (ii) of the following Article) in lieu of the greenhouse gas emissions calculated.
- (2) When submitting a request pursuant to the preceding paragraph, a specified emitter must submit the reasons for the request, as prescribed by Competent Ministerial Order, along with the report prescribed in paragraph (1) of the preceding Article.
- (3) If the competent minister for the business approves of the request under paragraph (1), the minister is to render a decision to that effect and notify the fact to the specified emitter who submitted the request.
- (4) If the competent minister for the business does not approve of the request under paragraph (1), the minister is to render a decision to that effect and, immediately after the decision is rendered, notify the fact and the reason thereof to the specified emitter who submitted the request.
- (5) The decisions under the two preceding paragraphs are to be made within 30 days from the date of the request pursuant to paragraph (1).
- (6) Notwithstanding the provisions of the preceding paragraph, the competent minister for the business may extend the period under the preceding paragraph for up to 30 days if there are legitimate grounds such as difficulty in processing the functions.

(Notice of Reporting Matters)

- Article 21-4 (1) Upon receiving a report as prescribed in Article 21-2, paragraph (1), the competent minister for the business is to notify the Minister of the

Environment and the Minister of Economy, Trade and Industry concerning the matters pertaining to that report.

- (2) Notice pursuant to the preceding paragraph is to be made as follows:
 - (i) if no request has been made pursuant to paragraph (1) of the preceding Article, a notice is to be made concerning the matters pertaining to the report without delay;
 - (ii) if a request has been made pursuant to paragraph (1) of the preceding Article, and a decision has been made pursuant to the provisions of paragraph (3) of that Article, a notice is to be made concerning the matters pertaining to the report without delay (for greenhouse gas emissions calculated pertaining to that decision among those matters, the total amount of greenhouse gas emissions calculated for each place of business of the specified emitter);
 - (iii) if a request has been made pursuant to paragraph (1) of the preceding Article, and a decision has been rendered pursuant to paragraph (4) of that Article, a notice concerning the matters pertaining to the report is to be made promptly after two weeks have elapsed from the date of notice to the specified emitter as prescribed in that paragraph.
- (3) Upon receiving a report as prescribed in Article 21-2, paragraph (1), the competent minister for the business is to aggregate the greenhouse gas emissions calculated pertaining to that report without delay, as prescribed by Competent Ministerial Order.
- (4) The competent minister for the business is to notify the Minister of the Environment and the Minister of Economy, Trade and Industry the aggregated results pursuant to the provisions of the preceding paragraph without delay; provided, however, that if there is a risk that the rights and interests of the specified emitter pertaining to the decision under paragraph (3) of the preceding Article may be harmed by notifying the aggregated results, then in lieu of the greenhouse gas emissions calculated pertaining to the aggregated results, the sum of the amount obtained as prescribed by Competent Ministerial Order is to be notified.

(Records of Reported Matters)

- Article 21-5 (1) The Minister of the Environment and the Minister of Economy, Trade and Industry are to record the matters notified pursuant to paragraph (1) of the preceding article in computer files as specified by Order of the Ministry of the Environment and Order of the Ministry of Economy, Trade and Industry.
- (2) After recording the matters as prescribed in the preceding paragraph, the Minister of the Environment and the Minister of Economy, Trade and Industry are to notify the competent minister for the business the matters recorded in

the file referred to in that paragraph (hereinafter referred to as "matters recorded in the file") pertaining to the specified emitters conducting a business under the jurisdiction of the competent minister for the business, without delay and as specified by Order of the Ministry of the Environment and Order of the Ministry of Economy, Trade and Industry.

- (3) The Minister of the Environment and the Minister of Economy, Trade and Industry are to aggregate the matters notified pursuant to paragraph (4) of the preceding article, without delay and as specified by Order of the Ministry of the Environment and Order of the Ministry of Economy, Trade and Industry. In this case, after confirming that there is no impediment to protecting the rights and interests of the specified emitter pertaining to the decision pursuant to Article 21-3, paragraph (3), the Minister of the Environment and the Minister of Economy, Trade and Industry may request that the competent minister for the business provide notice of the total greenhouse gas emissions calculated pursuant to paragraph (3) of the preceding Article used in preparing the aggregated results, as specified by Competent Ministerial Order.
- (4) The Minister of the Environment and the Minister of Economy, Trade and Industry are to notify the competent minister for the business the aggregated results obtained pursuant to the provisions of the preceding paragraph and publicize that information, without delay

(Right to Request Disclosure)

Article 21-6 (1) If publication has been made as prescribed in paragraph (4) of the preceding article, any person may request the competent minister to disclose the matters recorded in the file kept by that minister, on or after the date of the publication.

- (2) A request under the preceding paragraph (hereinafter referred to as "disclosure request") must include the following information:
- (i) name and domicile or residence of the person or entity submitting the disclosure request, and name of the representative in the case of a disclosure request made by a corporation or other organizations; and
 - (ii) name and location of the place of business or specified emitter pertaining to the disclosure request, and any other information sufficient to identify these information.

(Duty of Disclosure)

Article 21-7 Upon receiving a disclosure request, the competent minister must promptly disclose to the requester the matters recorded in the file which pertain to the disclosure request.

(Providing Information)

- Article 21-8 (1) A specified emitter may provide information to the competent minister for the business along with the report submitted pursuant to Article 21-2, paragraph (1), information on changes in increase or decrease of greenhouse gas emissions calculated pertaining to that report and other information, as specified by Competent Ministerial Order, in order to contribute to further understanding of the information publicized pursuant to Article 21-5, paragraph (4) or to be disclosed pursuant to the preceding Article.
- (2) The competent minister for the business is to notify the Minister of the Environment and the Minister of Economy, Trade and Industry of the information provided pursuant to the provisions of the preceding paragraph.
- (3) The Minister of the Environment and the Minister of Economy, Trade and Industry are to record the information notified pursuant to the provisions of the preceding paragraph in computer files as specified by Order of the Ministry of the Environment and Order of the Ministry of Economy, Trade and Industry.
- (4) After recording the information as prescribed in the preceding paragraph, the Minister of the Environment and the Minister of Economy, Trade and Industry are to notify the competent minister for the business the matters recorded in the file pertaining to the specified emitter conducting a business under the jurisdiction of that competent minister for the business, without delay and as specified by Order of the Ministry of the Environment and Order of the Ministry of Economy, Trade and Industry.
- (5) The Minister of the Environment and the Minister of Economy, Trade and Industry are to notify the competent minister for the business the information notified pursuant to paragraph (2) and publicize that information, without delay and as specified by Order of the Ministry of the Environment and Order of the Ministry of Economy, Trade and Industry.
- (6) The provisions of the two preceding articles apply mutatis mutandis in the case of publication made as prescribed in the preceding paragraph.

(Technical Advice)

Article 21-9 The competent minister is to provide the necessary technical advice, information, and other assistance to specified emitters, in order to help ensure appropriate calculation of greenhouse gas emissions and promote voluntary control of greenhouse gas emissions.

(Relationship to Laws regarding Rationalization of Energy Use)

Article 21-10 If a report has been submitted by a specified emitter as prescribed in Article 15, paragraph (1) (including as applied mutatis mutandis pursuant to Article 18, paragraph (1)), Article 20, paragraph (3), Article 56, paragraph (1) (including as applied mutatis mutandis pursuant to Article 69 or Article 71, paragraph (6)), or Article 63, paragraph (1) of the Act on Rationalization of

Energy Use (Act No. 49 of 1979), with regard to application of the provisions of Articles 21-2 through 21-9, Article 45, and Article 47, the parts regarding matters pertaining to carbon dioxide emissions are deemed as reports pursuant to Article 21-2, paragraph (1) regarding carbon dioxide emissions produced in conjunction with the use of energy (meaning energy as prescribed in Article 2, paragraph (1) of that Act). In this case, the phrase "minister who has jurisdiction over the area of business pertaining to the place of business (hereinafter referred to as 'competent minister for the business')" in Article 21-2, paragraph (1), the phrase "minister having jurisdiction over the business" in Article 21-3, paragraphs (1), (3), (4), and (6), Article 21-4, paragraphs (1), (3) and (4), Article 21-5, paragraph (4), Article 21-8, paragraphs (1), (2) and (5), Article 45, paragraphs (1) and (2), and Article 47, paragraph (1), the phrase "that minister having jurisdiction over the business" in Article 21-5, paragraph (2) and Article 21-8, paragraph (4), and the phrase "that minister having jurisdiction over relevant businesses" in Article 21-5, paragraph (3) are deemed to be replaced with the term "competent minister" as prescribed in Article 11, paragraph (1) of the Act on Rationalization of Energy Use (including as applied mutatis mutandis pursuant to Article 12-3, paragraph (1) of that Act) with regard to reporting under Article 15, paragraph (1) of that Act (including as applied mutatis mutandis pursuant to Article 18, paragraph (1) of that Act); with the term "competent minister" as prescribed in Article 20, paragraph (3) of the Act on Rationalization of Energy Use with regard to reporting under Article 20, paragraph (3) of that Act; with the term "Minister of Land, Infrastructure, Transport and Tourism" with regard to reporting under Article 56, paragraph (1) of that Act (including as applied mutatis mutandis pursuant to Article 69 and Article 71, paragraph (6) of that Act); or with the term "competent minister" as prescribed in Article 63, paragraph (1) of the Act on Rationalization of Energy Use with regard to reporting under Article 63, paragraph (1) of that Act; and other necessary technical matters with regard to application of the provisions of Articles 21-2 through 21-9, Article 45, and Article 47 are specified by Cabinet Order.

(Plan regarding Business Activities of Businesses)

- Article 22 (1) Businesses, either independently or collectively, must endeavor to prepare and publicize plans concerning measures for the control of greenhouse gas emissions regarding their business activities (including measures to contribute to the control of greenhouse gas emissions by others), by giving due consideration to the provisions of the Kyoto Protocol Target Achievement Plan.
- (2) Businesses who have prepared and publicized plans as prescribed in the preceding paragraph must endeavor to publicize the implementation status of measures pertaining to plans under the preceding paragraph, either

independently or collectively, by giving due consideration to the provisions of the Kyoto Protocol Target Achievement Plan.

(Climate Change Action Officers)

Article 23 (1) Prefectural governors may commission persons to serve as climate change action officers who are enthusiastic and knowledgeable concerning the promotion of activities for the dissemination of the current situation of global warming and of the knowledge on global warming countermeasures in the region.

(2) Climate change action officers perform the following activities:

- (i) deepening the understanding of the residents concerning the current situation of global warming and the importance of global warming countermeasures;
- (ii) investigating measures for the control of greenhouse gas emissions with regard to daily life activities and providing guidance and advice based on such investigation to the residents, in response to their requests;
- (iii) supporting residents who conduct activities to promote global warming countermeasures by providing relevant information and other types of cooperation; and
- (iv) providing the necessary cooperation for measures implemented by the national government or local governments for the control of greenhouse gas emissions.

(Prefectural Promotion Centers for Climate Change Action)

Article 24 (1) Prefectural governors may designate no more than one organization per prefecture as a prefectural promotion center for climate change action (hereinafter referred to as "prefectural centers for climate change action") upon application by that organization, providing that the organization is either a corporation established under Article 34 of the Civil Code (Act No. 89 of 1896) or a specified nonprofit corporation established under Article 2, paragraph (2) of the Act on Promotion of Specified Non-profit Activities (Act No. 7 of 1998) for the purpose of promoting activities to contribute to the prevention of global warming by means such as disseminating and raising awareness of global warming countermeasures and found to be capable of appropriately and reliably performing the operations prescribed in the following paragraph.

(2) Prefectural centers for climate change action perform the following operations within the area of respective prefectures:

- (i) conducting raising awareness activities and public relation activities concerning the current situation of global warming and the importance of global warming countermeasures, and supporting the activities of climate

- change action officers and private bodies engaged in activities to promote global warming countermeasures;
- (ii) responding to inquiries, providing consultation, and offering necessary advice on measures for the control of greenhouse gas emissions in relation to daily life activities;
 - (iii) investigating the actual status of greenhouse gas emissions in relation to daily life activities, in line with actual inquiries and requests for consultation under the preceding item, and analyzing information and materials pertaining to such investigation;
 - (iv) providing the results of analysis as prescribed in the preceding item on a regular basis or at appropriate times, in order to promote activities for promoting global warming countermeasures by residents; and
 - (v) other operations incidental to the preceding items.
- (3) If the prefectural governor finds that improvement is needed in the administration of the operations or assets of a prefectural center for climate change action, the prefectural governor may order the prefectural center for climate change action to take the necessary improvement measures.
- (4) The prefectural governor may revoke the designation of a prefectural center for climate change action under paragraph (1) if it has violated an order as prescribed in the preceding paragraph.
- (5) The executive officers, employees, and former executive officers and employees of a prefectural center for climate change action must not divulge any confidential information learned with regard to the operations indicated in paragraph (2), items (ii) or (iii), or operations indicated in paragraph (2), item (v) (limited to those matters incidental to operations under item (ii) or (iii) of that paragraph).
- (6) The necessary matters regarding prefectural centers for climate change action, including the procedures for designation under paragraph (1), are specified by Order of the Ministry of the Environment.

(Japan Center for Climate Change Action)

- Article 25 (1) The Minister of the Environment may designate no more than one organization in Japan as the Japan Center for Climate Change Action (hereinafter referred to as "Japan Center" upon application by that organization, providing that the organization is a corporation established under Article 34 of the Civil Code (Act No. 89 of 1896) for the purpose of promoting activities to contribute to the prevention of global warming through such means as disseminating and raising awareness of global warming countermeasures, and found to be capable of appropriately and reliably performing the operations prescribed in the following paragraph.
- (2) The Japan Center is to perform the following operations:

- (i) conducting raising awareness activities and public relation activities concerning the current situation of global warming and the importance of global warming countermeasures in areas of at least two prefectures, and supporting the activities of private bodies engaged in activities to promote global warming countermeasures in areas of at least two prefectures;
 - (ii) conducting research and study on ways to promote measures for the control of greenhouse gas emissions in relation to daily life activities, in line with practical examples of greenhouse gas emissions in relation to daily life activities;
 - (iii) beyond what is set forth in the preceding item, conducting research and study related to global warming and global warming countermeasures, and collecting, analyzing, and providing related information and materials;
 - (iv) collecting and providing information regarding the amounts of greenhouse gas emissions from products that result in greenhouse gas emissions when used for daily life activities;
 - (v) conducting liaison and coordination regarding the operations of prefectural centers for climate change action, providing training for persons engaged therein, and providing guidance and other assistance to prefectural centers for climate change action; and
 - (vi) other operations incidental to the preceding items.
- (3) The Minister of the Environment must consult with the heads of relevant administrative organs in advance before making a designation under paragraph (1).
- (4) The provisions of paragraphs (3), (4), and (6) of the preceding Article apply mutatis mutandis to the Japan Center. In this case, the term "prefectural governor" in paragraph (3) of that Article is deemed to be replaced with the "Minister of the Environment;" the term "prefectural governor" and the term "paragraph (1)" in paragraphs (4) of that Article are deemed to be replaced with the "Minister of Environment" and "paragraph (1) of the following Article," respectively, and the term "paragraph (1)" in paragraph (6) is deemed to be replaced with "paragraph (1) of the following paragraph."

(Regional Councils on Global Warming Countermeasures)

Article 26 (1) Local governments, prefectural centers for climate change action, climate change action officers, businesses, residents, and other entities engaged in activities to promote global warming countermeasures may organize regional councils on global warming countermeasures (hereinafter referred to as "regional councils") to deliberate the measures that will be necessary for the control of greenhouse gas emissions in relation to daily life activities.

- (2) The members of regional councils must respect the results of deliberation

concerning matters agreed upon at the meeting to deliberate the matter under the preceding paragraph.

(3) beyond what is provided for in the preceding two paragraphs, the regional council determines the necessary matters for administering the regional council.

(Promotion of Climate Change Action by the Minister of the Environment)

Article 27 The Minister of the Environment is to endeavor to promote activities for the dissemination of the current situation of global warming and knowledge on global warming countermeasures, and for the promotion of global warming countermeasures, in coordination with the Japan Center, local governments, regional councils, and other related organizations.

Chapter V Maintaining Greenhouse Gas Absorption by Forests and Plants

(Evaluating Implementation Status of Measures)

Article 28 In order to contribute to its understanding and evaluation of the implementation status of measures local governments and public bodies are taking for the control of greenhouse gas emissions (including measures to contribute to the control of greenhouse gas emissions by others), the national government is to endeavor to develop methods for understanding and evaluating the measures and disseminate their results.

Chapter VI Quota Account Inventory

(Preparation of Quota Account Inventory)

Article 29 (1) The Minister of the Environment and the Minister of Economy, Trade and Industry are to prepare quota account inventory in accordance with international decisions regarding the calculation of quotas pursuant to Article 7.4 of the Kyoto Protocol (hereinafter referred to as "international decisions" and open accounts (hereinafter referred to as "management accounts") for the acquisition, holding, and transfer of carbon dioxide equivalent quotas (hereinafter referred to as "management of carbon dioxide equivalent quota").

(2) The quota account inventory is to be prepared in its entirety using magnetic disks (including other means of reliably recording certain matters by equivalent methods; the same applies hereinafter).

(Attribution of Carbon Dioxide Equivalent Quota)

Article 30 The attribution of carbon dioxide equivalent quotas is to be determined according to the records of the quota account inventory pursuant to the provisions of this Chapter.

(Matters Recorded in Quota Account Inventory)

Article 31 (1) The quota account inventory is to be divided into the following accounts;

- (i) management account of the national government; and
 - (ii) management account of a corporation having its headquarters or principal office (hereinafter referred to as "head office, etc.") located in Japan (hereinafter referred to as a "domestic corporation").
- (2) The management accounts under item (ii) of the preceding paragraph is to be sorted for each holder of the management account (meaning the person for whom the management account was opened; hereinafter referred to as "Account Holder").
- (3) The following matters are to be recorded in each management account under paragraph (1), item (ii):
- (i) name of the account holder, name of the representative, location of the head office, etc., and any other matters specified by Order of the Ministry of the Environment or Order of the Ministry of Economy, Trade and Industry;
 - (ii) quantities and identification codes for each type of carbon dioxide equivalent quota held (meaning the types given in each item of Article 2, paragraph (6); the same applies hereinafter) ("identification codes" means the letters and numbers assigned by the contracting parties of the Kyoto Protocol or the Secretariat of the United Nations Framework Convention on Climate Change, hereinafter referred to as "Secretariat," for per-unit identification of carbon dioxide equivalent quotas; the same applies hereinafter);
 - (iii) if all or a portion of the carbon dioxide equivalent quotas of the preceding item are trust assets, a statement to that effect; and
 - (iv) other matters specified by Cabinet Order.

(Opening of Management Accounts)

Article 32 (1) A domestic corporation which seeks to manage the carbon dioxide equivalent quota must have a management account opened by the Minister of the Environment and the Minister of Economy, Trade and Industry.

- (2) Only one management account may be opened for each domestic corporation.
- (3) To have a management account opened, a domestic corporation must submit a written application to the Minister of the Environment and the Minister of Economy, Trade and Industry, stating its name, the name of its representative, the location of its head office, etc., and any other matters specified by Order of the Ministry of the Environment or Order of the Ministry of Economy, Trade and Industry.
- (4) The corporation's articles of incorporation, certificate of registered

information, and any other documents specified by Order of the Ministry of the Environment or Order of the Ministry of Economy, Trade and Industry must be appended to the written application under the preceding paragraph.

- (5) Upon receiving an application for opening a management account as prescribed in paragraph (3), the Minister of the Environment and the Minister of Economy, Trade and Industry must open the management account without delay, unless there are false statements for important matters in the written application or appended documents.
- (6) After opening a management account pursuant to the provisions of the preceding paragraph, the Minister of the Environment and the Minister of Economy, Trade and Industry must notify the account holder of the necessary matters for management of the carbon dioxide equivalent quota using the management account without delay.

(Notification of Changes)

- Article 33 (1) If there are any changes in the name of the account holder, the name of its representative, the location of its head office, etc., or any other matters specified by Order of the Ministry of the Environment or Order of the Ministry of Economy, Trade and Industry, the account holder must notify the Minister of the Environment and the Minister of Economy, Trade and Industry to that effect without delay.
- (2) After receiving notification under the preceding paragraph, the Minister of the Environment and the Minister of Economy, Trade and Industry are to change the relevant records without delay.
 - (3) The provisions of Article 32, paragraph (6) apply mutatis mutandis to changes in the records under the preceding paragraph.

(Transfer Procedures)

- Article 34 (1) The Minister of the Environment and the Minister of Economy, Trade and Industry are to handle the acquisition and transfer of carbon dioxide equivalent quotas (hereinafter referred to as "transfer") by recording the increase or decrease in the carbon dioxide equivalent quotas in the quota account inventory pursuant to the provisions of this Article.
- (2) Application for transfer of carbon dioxide equivalent quotas is to be made by the account holder of the management account in which a decrease is recorded due to the transfer to the Minister of the Environment and the Minister of Economy, Trade and Industry.
 - (3) In the application under the preceding paragraph, the account holder submitting the application (hereinafter referred to as "applicant") must indicate the following matters:
 - (i) the quantities and code numbers for each type of carbon dioxide equivalent

- quota for which increase or decrease is to be recorded due to the transfer;
- (ii) the management account in which an increase is to be recorded due to the transfer (except as provided in the following item; hereinafter referred to as "transferee account");
 - (iii) in applying for a transfer of carbon dioxide equivalent quotas to an account which exists in other contracting parties to the Kyoto Protocol (hereinafter referred to as "other contracting party"), the name of the other contracting party, and the account in which an increase is to be recorded due to the transfer.
- (4) Upon receiving an application under paragraph (2), the Minister of the Environment and the Minister of Economy, Trade and Industry must take the following measures without delay, except for a case that comes under item (iii) of the preceding paragraph or as specified by Order of the Ministry of the Environment or Order of the Ministry of Economy, Trade and Industry.
- (i) record of a decrease in the carbon dioxide equivalent quotas under item (i) of the preceding paragraph in the management account of the applicant.
 - (ii) record of an increase in the carbon dioxide equivalent quotas under item (i) of the preceding paragraph in the transferee account.
- (5) If an applicant has submitted an application indicating the matters listed in paragraph (3), item (iii), the Minister of the Environment and the Minister of Economy, Trade and Industry are to issue notification of the transfer to the other contracting party and the Secretariat, based on international decisions, unless otherwise specified by Order of the Ministry of the Environment or Order of the Ministry of Economy, Trade and Industry; and after receiving notification completion of the transfer from the other contracting party and the Secretariat, the Minister of the Environment and the Minister of Economy, Trade and Industry are to record a decrease in the carbon dioxide equivalent quotas under paragraph (3), item (i) in the management account of the applicant.
- (6) Upon receiving notification from other contracting party or the Secretariat concerning a transfer of carbon dioxide equivalent quotas to the management account in the quota account inventory, the Minister of the Environment and the Minister of Economy, Trade and Industry are to record an increase in the carbon dioxide equivalent quotas of that management account.
- (7) beyond what is provided for in paragraph (2) to the preceding paragraph, carbon dioxide equivalent quotas may be transferred under commission by government offices or other public offices to the Minister of the Environment and the Minister of Economy, Trade and Industry, as specified by Order of the Ministry of the Environment or Order of the Ministry of Economy, Trade and Industry.

(Requirements for Effectuation of Assignment of Carbon Dioxide Equivalent Quotas)

Article 35 (1) An assignment of carbon dioxide equivalent quotas does not take effect unless the assignee has had an increase in carbon dioxide equivalent quotas due to the transfer pursuant to the preceding Article recorded in its management account as a result of that assignment.

(2) Concerning application of the provisions of the preceding paragraph to the transfer of carbon dioxide equivalent quotas to an account that exists in other contracting parties, the recording of an increase pursuant to that paragraph is deemed to have been completed upon receipt of notification from the other contracting party and the Secretariat concerning the completion of that transfer.

(Prohibition on Pledges)

Article 36 No pledges may be established on carbon dioxide equivalent quotas.

(Requirement for Perfection of Trusts of Carbon Dioxide Equivalent Quotas)

Article 37 Unless the trustee of a trust regarding carbon dioxide equivalent quotas has obtained the recording in the management account as prescribed in Article 31, paragraph (3), item (iii) as specified by Cabinet Order, the trustee may not duly assert against a third party.

(Presumption of Legal Possession)

Article 38 It is to be presumed that the national government or an account holder is in legal possession of the carbon dioxide equivalent quotas recorded in their management accounts.

(Good Faith Acquisition)

Article 39 The national government or an account holder that has obtained the recording of an increase in carbon dioxide equivalent quotas in its management account due to a transfer pursuant to Article 34 (excluding paragraph (6)) obtains those carbon dioxide equivalent quotas; provided, however, that this does not apply in the case the national government or account holder acted in bad faith or with gross negligence.

(Requesting Certification of Information Recorded in the Quota Account Inventory)

Article 40 An account holder may request the Minister of the Environment and the Minister of Economy, Trade and Industry to issue written certification of the information recorded in their own management account in the quota account inventory.

(Delegation to Order of the Ministry of the Environment and Order of the Ministry of Economy, Trade and Industry)

Article 41 The necessary matters for implementation of the provisions in this Chapter, including the opening of management accounts in the quota account inventory and management of carbon dioxide equivalent quota, are prescribed by Order of the Ministry of the Environment and Order of the Ministry of Economy, Trade and Industry, except for the matters specified in this Chapter.

Chapter VII Miscellaneous Provisions

(Evaluating Implementation Status of Measures)

Article 42 In order to achieve the targets prescribed in the Kyoto Protocol Target Achievement Plan regarding the amount of absorption of greenhouse gases, the national government and local governments are to take steps to maintain and intensify the absorption of greenhouse gases, based on the basic plan for forests and forestry as prescribed in Article 11, paragraph (1) of the Forest and Forestry Basic Act (Act No. 161 of 1964) and other plans regarding development and preservation of forests or conservation of green space and promotion of afforestation.

(Cooperation of Relevant Administrative Organs)

Article 43 (1) The Minister of the Environment may ask the heads of relevant administrative organs to provide necessary cooperation for promoting global warming countermeasures in implementing measures that contribute to the control of greenhouse gas emissions, when the Minister finds this necessary in order to achieve the targets of this Act.

(2) The Minister of the Environment may ask relevant prefectural governors to submit necessary materials or provide explanations if the Minister finds this necessary in order to achieve the targets of this Act.

(Fees)

Article 44 A person who falls under any of the following items must pay fees in an amount specified by Cabinet Order in consideration of actual costs, as specified by Cabinet Order.

- (i) a person who obtains disclosure of matters recorded in the file under Article 21-6, paragraph (1);
- (ii) a persons who applies for opening a management account under Article 32, paragraph (3);
- (iii) a person who applies for a transfer under Article 34, Paragraph (2); or
- (iv) a person who requests issuance of documentation under Article 40.

(Reporting by Using Magnetic Disks)

Article 45 (1) The competent minister for the business may require the use of magnetic disks, as specified by Cabinet Order, for reports prescribed in Article 21-2, paragraph (1), requests under Article 21-3, paragraph (1), and provision of information prescribed in Article 21-8, paragraph (1).

(2) The competent minister for the business may use magnetic disks, as specified by Cabinet Order, for notices prescribed in Article 21-3, paragraph (3) or (4).

(3) The competent ministers may use or require the use of magnetic disks, as specified by Cabinet Order, for requests under Article 21-6, paragraph (1) (including as applied mutatis mutandis pursuant to Article 21-8, paragraph (6)), and for disclosure as prescribed in Article 21-7 (including as applied mutatis mutandis pursuant to Article 21-8, paragraph (6)).

(Transitional Measures)

Article 46 When an order is enacted, changed, or repealed based on the provisions of this Act, transitional measures within the scope determined to be reasonably necessary in conjunction with its enactment, change or repeal may be established by the order.

(Competent Ministers)

Article 47 (1) The competent ministers in this Act are the Minister of the Environment, the Minister of Economy, Trade and Industry, and the competent minister for the business.

(2) Competent Ministerial Orders in this Act are the orders issued by the Minister of the Environment, the Minister of Economy, Trade and Industry, or the competent minister for the business.

(3) The authority of competent ministers under this Act may be delegated to the heads of Regional Bureaus as specified by Competent Ministerial Order.

Chapter VIII Penal Provisions

Article 48 (1) A persons who has made a false statements in applications as prescribed in Article 32, paragraph (3) is punished by a fine not exceeding 500,000 yen.

(2) If a representative, agent, employee, or other workers of a corporation has committed a violation specified in the preceding paragraph with regard to the business of that corporation, in addition to punishing the person who committed the violation, the corporation itself is also subject to the punishment prescribed in that paragraph.

Article 49 A persons who violates the provisions of Article 24, paragraph (5) is punished by a fine not exceeding 300,000 yen.

Article 50 A person who falls under any of the following items is punished by a civil fine not exceeding 200,000 yen:

- (i) a person who fails to submit a report as prescribed by Article 21-2, paragraph (1) or submits a false report;
- (ii) a person who fails to submit a notification as prescribed by Article 33, paragraph (1) or submits a false notification.

Supplementary Provisions [Extract]

Article 3 The national government is to conduct a study on the implementation status of this Act until 2008 and take any necessary measures based on the results of the study.