

# **Act on Promoting the Distribution and Use of Legally Harvested Wood and Wood Products**

(Act No. 48 of May 20, 2016)

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## **Chapter I General Provisions**

### **(Purpose)**

Article 1 The purpose of this Act is to promote sustainable and sound development of the wood industry with consideration for the conservation of the natural environment by specifying basic matters for promoting the distribution and use of legally harvested wood and wood products and taking measures, etc., to ensure the use of legally harvested wood and wood products by wood-related business entities, thereby contributing to the conservation of the local and global environment, given that illegal harvesting of forests (referred to below as "illegal logging") in Japan or foreign nations and the distribution of wood pertaining to illegal logging may affect prevention of global warming, conservation of the natural environment, and supply of forest products and other diverse functions of forests, and that illegal logging may also impede fair transactions in the wood market.

### **(Definitions)**

Article 2 (1) The term "wood and wood products" as used in this Act means wood (including logs, and excluding those that have been used or those that have been collected or disposed of without being used, and any products made of those; hereinafter the same applies in this Article) and furniture, paper, and

other goods manufactured by processing wood or using wood as a main raw material, which are specified by order of the competent ministries (excluding those that have been used, or those that have been collected or disposed of without being used).

- (2) The term "legally harvested wood and wood products" as used in this Act means wood made from trees logged in accordance with the laws and regulations of Japan or the country of harvest (including prefectural or municipal ordinances for Japanese laws and regulations; the same applies in Article 6, paragraph (1), item (i)) and furniture, paper, and other goods manufactured by processing the wood or using the wood as a main raw material, which are specified by order of the competent ministries (excluding those that have been used or those that have been collected or disposed of without being used).
- (3) The term "business entity producing and selling logs" as used in this Act means a person that is engaged in the business of selling logs made from own trees or made from trees logged by the person based on the entrustment of the owner of the trees, or is engaged in the business of consigning the sales.
- (4) The term "wood-related business entity" as used in this Act means a person that is engaged in the following businesses:
  - (i) manufacturing, processing, import, export, or sale of wood and wood products (excluding the sale of logs made from trees the person owns or from trees logged by the person based on the entrustment of the owner of the trees);
  - (ii) sale of logs consigned by a business entity producing and selling logs;
  - (iii) building or constructing buildings and other structures using wood; and
  - (iv) beyond what is stated in the preceding three items, businesses using wood and wood products, which are specified by order of the competent ministries.

## **Chapter II Basic Policy**

(Basic Policy)

- Article 3 (1) In order to promote the distribution and use of legally harvested wood and wood products comprehensively and systematically, the competent ministers are to specify the Basic Policy for Promoting the Distribution and Use of Legally Harvested Wood and Wood Products referred to below simply as "Basic Policy" in this Article and Article 13, paragraph (2)).
- (2) The following matters are to be specified in the Basic Policy:
    - (i) basic directions for promoting the distribution and use of legally harvested wood and wood products;
    - (ii) matters concerning measures to promote the distribution and use of legality-confirmed wood and wood products specified in Article 7, paragraph

- (2);
  - (iii) beyond what is stated in the preceding item, matters concerning measures to promote the distribution and use of legally harvested wood and wood products;
  - (iv) matters pertaining to dissemination of knowledge on the significance of promoting the distribution and use of legally harvested wood and wood products; and
  - (v) other important matters concerning promotion of the distribution and use of legally harvested wood and wood products.
- (3) The competent ministers must consult with the Minister of the Environment and the heads of relevant administrative organs when intending to specify or revise the Basic Policy.
- (4) The competent ministers must publicly announce this without delay when having specified or revised the Basic Policy.

(Responsibilities of the State)

Article 4 (1) The State must endeavor to take measures such as securing funds necessary to promote the distribution and use of legally harvested wood and wood products.

(2) In order to contribute to promoting the distribution and use of legally harvested wood and wood products, the State is to collect and provide information on the situation of domestic and international production and distribution of wood and wood products, laws and regulations concerning the sustainable use of forests in Japan and other nations, laws and regulations concerning trading, etc., and other laws and regulations concerning the ensuring of appropriate distribution of wood and wood products, announce excellent initiatives by wood-related business entities, and take other necessary measures as well as publicizing the system for the registration and take other necessary measures to promote the registration of wood-related business entities stated in Article 15.

(3) Through educational and publicity activities, etc., the State is to take necessary measures to enhance business entities' and citizens' understanding on the significance of promoting the distribution and use of legally harvested wood and wood products.

(Responsibilities of Business Entities)

Article 5 A business entity must endeavor to use legally harvested wood and wood products when using wood and wood products.

### **Chapter III Confirmation of Legality by Wood-Related Business Entities**

(Confirmation of Legality by Wood-Related Business Entities)

Article 6 (1) When taking any of the acts stated in the following items, a wood-related business entity must collect and organize raw material information of wood and wood products stated in the items, and based on the raw material information, confirm whether or not it is highly probable that the wood and wood products do not fall under wood and wood products pertaining to illegal logging (referred to below as "confirmation of legality") pursuant to order of the competent ministries:

- (i) acquisition of or acceptance of entrustment of transfer of logs (excluding logs for which it is obvious that confirmation of legality has been made based on information communicated pursuant to the provisions of Article 8 or Article 13, paragraph (1), item (v); the same applies in Article 9) from a business entity producing and selling logs;
- (ii) acquisition of or acceptance of entrustment of transfer of wood and wood products from a person that is engaged in business in foreign countries to transfer wood and wood products to be exported to Japan; and
- (iii) processing of logs made from trees the wood-related business entity owns or from trees logged by it based on the entrustment of the owner of the trees.

(2) The "raw material information" referred to in the preceding paragraph means the following information on trees which are raw materials of wood and wood products as specified in each item of the paragraph:

- (i) the species of the trees and the area where the trees are logged; and
- (ii) a copy of a written notification specified in Article 10-8, paragraph (1) of the Forest Act (Act No. 249 of 1951) or a copy of a certificate issued by the government organization of the country of origin certifying that the tree has been logged in accordance with laws and regulations of the country of origin on tree logging, or information that replaces these copies and is specified by Cabinet Order as information that proves it is highly probable that the wood and wood products do not fall under wood and wood products pertaining to illegal logging (limited to information made in writing or through electronic or magnetic record (meaning a record made in an electronic form, a magnetic form, or any other form not recognizable to human perception, which is used in information processing by computers); the same applies in Article 31).

(Creation and Preservation of Records by Wood-Related Business Entities)

Article 7 (1) A wood-related business entity that has collected or organized raw material information pursuant to the provisions of paragraph (1) of the preceding Article (meaning raw material information provided in paragraph (2) of the Article; the same applies hereinafter) must create records on the raw material information and keep the records from the date the records are created for a period specified by order of the competent ministries, pursuant to

the provisions of order of the competent ministries.

- (2) A wood-related business entity that has made confirmation of legality pursuant to the provisions of paragraph (1) of the preceding Article must create records on whether wood and wood products of which the entity has made confirmation of legality are wood and wood products of which the entity has confirmed it is highly probable that they do not fall under wood and wood products pertaining to illegal logging (referred to below as "legality-confirmed wood and wood products") and its reasons, and keep the records from the date the records are created for a period specified by order of the competent ministries, pursuant to the provisions of order of the competent ministries.

(Information Communication by Wood-Related Business Entities)

Article 8 When transferring wood and wood products subject to the collection or organization of the raw material information to other wood-related business entities, a wood-related business entity that has collected and organized raw material information pursuant to the provisions of Article 6, paragraph (1) must communicate information specified by order of the competent ministries as information on records prescribed in paragraph (1) of the preceding Article, and information on whether the wood and wood products are legality-confirmed wood and wood products to the other wood-related business entities, pursuant to the provisions of order of the competent ministries.

(Information Provision by Business Entities Producing and Selling Logs)

Article 9 A business entity producing and selling logs must provide information contributing to confirmation of legality to be made by the wood-related business entity when transferring or entrusting the transfer of logs to a wood-related business entity in response to the request of the wood-related business entity.

(Guidance and Advice)

- Article 10 (1) The competent ministers may provide wood-related business entities with necessary guidance and advice, when finding it necessary for the implementation of the collection or organization of raw material information under the provisions of Article 6, paragraph (1), the creation and preservation of records under the provisions of Article 7, paragraph (1), or information communication under the provisions of Article 8 (referred to as "collection, etc. of raw material information" in Article 13, paragraph (1)).
- (2) ,When finding it necessary for the implementation of information provision under the provisions of the preceding Article, the competent ministers may provide business entities producing and selling logs with necessary guidance and advice.

(Recommendation and Order)

- Article 11 (1) When the competent ministers have provided a wood-related business entity that has violated the provisions of Article 6, paragraph (1) (limited to the part for the collection or organization of raw material information; hereinafter the same applies in this paragraph), Article 7, paragraph (1), or Article 8 with guidance or advice pursuant to the provisions of paragraph (1) of the preceding Article, and find that the wood-related business entity continues or may continue to violate the provisions of Article 6, paragraph (1), Article 7, paragraph (1), or Article 8, the competent ministers may provide the wood-related business entity with recommendations to take necessary measures for correcting or preventing the violation of these provisions.
- (2) When the competent ministers have provided a business entity producing and selling logs that has violated the provisions of Article 9 with guidance or advice under the provisions of paragraph (2) of the preceding Article, and the business entity producing and selling logs continues or may continue to violate the provisions of Article 9, the competent ministers may provide the business entity producing and selling logs with recommendations to take necessary measures for correcting or preventing the violation of the provisions of the Article.
- (3) When the wood-related business entity or the business entity producing and selling logs that has received recommendations under the provisions of the preceding two paragraphs did not follow the recommendations, the competent ministers may publicly announce to that effect.
- (4) When the wood-related business entity or the business entity producing and selling logs that has received recommendations under the provisions of paragraph (1) or (2) did not take measures pertaining to the recommendations without any justifiable grounds even after being publicly announced that it did not follow the recommendations under the provisions of the preceding paragraph, the competent ministers may order the wood-related business entity or the business entity producing and selling logs to take measures for the recommendations.

(Report of the Quantity of Legality-Confirmed Wood and Wood Products)

Article 12 A wood-related business entity (limited to wood-related business entity of which the total quantity or total amount of wood and wood products pertaining to the acts stated in each item of Article 6, paragraph (1) taken as its businesses is more than the standards specified by order of the competent ministries) must report the total quantity of the relevant wood and wood products and the total quantity of legality-confirmed wood and wood products

out of them to the competent ministries once a year pursuant to order of the competent ministries.

## **Chapter IV Standards of Judgment for Wood-Related Business Entities**

(Standards of Judgment for Wood-Related Business Entities)

- Article 13 (1) In order to promote the distribution and use of legally harvested wood and wood products, the competent ministers are to specify the following matters that would serve as the standards of judgment for wood-related business entities, with regard to measures that wood-related business entities take to ensure the use of legally harvested wood and wood products by order of the competent ministries (excluding the collection, etc. of raw material information, confirmation of legality, and creation and preservation of records under the provisions of Article 7, paragraph (2) (referred to as "legality confirmation, etc." in Article 40, paragraph (1)); the same applies hereinafter):
- (i) matters concerning the development of a system to ensure the use of legally harvested wood and wood products;
  - (ii) matters concerning measures to increase the quantity of legality-confirmed wood and wood products out of the wood and wood products to be handled;
  - (iii) beyond what is stated in the preceding item, matters concerning measures to ensure the use of legally harvested wood and wood products and not to use wood and wood products pertaining to illegal logging;
  - (iv) matters concerning the preservation of information prescribed in Article 8 that has been communicated by the counterparty when acquiring wood and wood products;
  - (v) matters concerning the communication of the information to the counterparty when transferring wood and wood products (excluding communication of information prescribed in Article 8 pursuant to the provisions of the Article); and
  - (vi) other matters specified by order of the competent ministries necessary for ensuring the use of legally harvested wood and wood products.
- (2) Matters that would serve as the standards of judgment for wood-related business entities stated in the preceding paragraph are to be specified in line with the Basic Policy and by taking into consideration the situation of domestic and international production and distribution of wood and wood products and the enforcement of laws and regulations concerning the sustainable use of forests in Japan and other nations, laws and regulations concerning trading, etc., and other laws and regulations concerning the ensuring of appropriate distribution of wood and wood products, as well as the types of business engaged in by wood-related business entities and other circumstances, and necessary revision is to be made in accordance with the changes in the

circumstances.

(Guidance and Advice)

Article 14 The competent ministers may provide wood-related business entities with necessary guidance and advice with regard to the measures that should be taken to ensure the use of legally harvested wood and wood products by considering the matters that should be the standards of judgment for wood-related business entities stated in paragraph (1) of the preceding Article, when finding it necessary to promote the distribution and use of legally harvested wood and wood products.

## **Chapter V Registration of Wood-Related Business Entities**

(Registration of Wood-Related Business Entities)

Article 15 A wood-related business entity that takes measures which should be taken to ensure the use of legally harvested wood and wood products, with regard to the wood and wood products to be handled, will be entitled to obtain registration, pursuant to the provisions of order of the competent ministries, from a person that has been registered by the competent ministers (referred to below as "registering organization") pursuant to the provisions of Articles 23 through 25.

(Application for Registration)

Article 16 (1) A person that intends to be registered as a wood-related business entity stated in the preceding Article must submit a written application stating the following matters to a registering organization.

(i) name and address of the applicant, and for a corporation, the name of the representative person; and

(ii) matters specified by order of the competent ministries as matters for the scope of business they take those measures that should be taken to ensure the use of legally harvested wood and wood products.

(2) A document stating matters specified by order of the competent ministries with regard to the details of measures that should be taken to ensure the use of legally harvested wood and wood products must be attached to the written application stated in the preceding paragraph.

(Implementation of Registration)

Article 17 (1) Upon application for registration under the provisions of the preceding Article, except when refusing the registration pursuant to the provisions of paragraph (1) of the following Article, a registering organization must register the following matters in the wood-related business entity



register:

- (i) matters listed in each item of paragraph (1) of the preceding Article; and
  - (ii) date of registration and registration number.
- (2) A registering organization must notify the registration applicant and publicly notify the matters specified by the competent ministries without delay upon having made a registration under the provisions of the preceding paragraph.

#### (Refusal of Registration)

Article 18 (1) A registering organization must refuse registration when an application for registration under the provisions of Article 16 falls under any of the following items:

- (i) when the applicant is found not to properly and reliably take measures that should be taken for ensuring the use of legally harvested wood and wood products, with regard to the wood and wood products to be handled, by taking into consideration the matters that would serve as the standards of judgment for wood-related business entities stated in Article 13, paragraph (1);
  - (ii) when the applicant has been sentenced to a fine or a severer punishment pursuant to the provisions of this Act, and for whom one year has not yet elapsed after being finished serving the sentence or ceased to be subject to the sentence;
  - (iii) when the applicant whose registration was revoked pursuant to the provisions of Article 21, paragraph (1), for whom one year has not yet lapsed since the date of the revocation; or
  - (iv) when the applicant is a corporation that has any officer who falls under any of the preceding two items.
- (2) Upon refusal of the registration due to the provisions of the preceding paragraph, the registering organization must notify the applicant of the refusal, indicating the reason without delay.

#### (Renewal of Registration)

Article 19 (1) The registration as a wood-related business entity stated in Article 15 will cease to be effective upon the expiration of that period unless it is renewed every five years.

- (2) The provisions of the preceding three Articles apply mutatis mutandis to a renewal stated in the preceding paragraph.

#### (Use of Name)

Article 20 (1) A person that was registered as a wood-related business entity stated in Article 15 (referred to below as "registered wood-related business entity") may use the name of registered wood-related business entity within

the scope of business for which measures are taken that should be taken to ensure the use of legally harvested wood and wood products concerning the relevant registration, pursuant to the provisions of order of the competent ministries.

- (2) A registered wood-related business entity must not use the name of registered wood-related business entity or any name that may cause confusion to this, except for the cases specified in the preceding paragraph.
- (3) A person that is not a registered wood-related business entity must not use the name of registered wood-related business entity or any name that may cause confusion to this.

#### (Revocation of Registration)

Article 21 (1) When a registered wood-related business entity falls under any of the following items, the registering organization may revoke the registration of the relevant registered wood-related business entity:

- (i) when the registered wood-related business entity falls under any of the items of Article 18, paragraph (1);
  - (ii) when having used the name of registered wood-related business entity or any similar name that may cause confusion, in violation of the provisions of paragraph (2) of the preceding Article; or
  - (iii) when the registered wood-related business entity has been registered as a registered wood-related business entity stated in Article 15 or the registration has been renewed by wrongful means.
- (2) The provisions of Article 18, paragraph (2) apply mutatis mutandis to the case stated in the preceding paragraph.

#### (Deletion of Registration)

Article 22 A registering organization that has deleted a registration under the provisions of paragraph (1) of the preceding Article or received an application for the deletion of a registration must delete the registration of the relevant registered wood-related business entity and make a public notice to that effect.

## **Chapter VI Registering Organizations**

#### (Registration of Registering Organizations)

Article 23 The registration from the competent ministers stated in Article 15 (referred to below as "registration of registering organization") is carried out based on an application made by a person that intends to conduct the affairs concerning the implementation of registration of a wood-related business entity stated in the Article (referred to below as "registering procedures").

(Disqualification Clause)

Article 24 A person that falls under any of the following items may not be registered as a registering organization.

- (i) a person that has been sentenced to a penalty consisting of a fine or severer punishment for violating the provisions of this Act or an order pursuant to this Act, and for whom two years have not yet lapsed after the penalty was executed or suspended;
- (ii) a person of which registration was revoked pursuant to the provisions of Article 34, for whom two years have not yet lapsed since the date of the revocation; or
- (iii) a corporation that has any officer conducting its business activities which fall under any of the preceding two items.

(Requirements for Registration as a Registering Organization)

Article 25 (1) The competent ministers must register a person that has applied for registration of registering organization pursuant to the provisions of Article 23 (excluding those who fall under any item of the preceding Article; referred to below as "applicant for registration" in this paragraph) if that person conforms to all of the following requirements. In this case, the necessary procedures concerning registration are specified by an order of the competent ministries.

- (i) a person that conforms to the standards specified by the International Organization for Standardization and the International Electrotechnical Commission for bodies that certify products, procedures, and services, and any other person that is deemed to be capable of properly conducting the registering procedures.
- (ii) the applicant for registration is not controlled by a wood-related business entity falling under any of the following conditions:
  - (a) when an applicant for registration is a stock company, a wood-related business entity is its parent corporation (referring to a parent corporation of Article 879, paragraph (1) of the Companies Act (Act No. 86 of 2005));
  - (b) the proportion of officers or employees of wood-related business entities (including those who have been officers or employees of wood-related business entities within the past two years) to the total officers of the applicant for registration is over one-half; or
  - (c) an applicant for registration (for a corporation, an officer who is the representative) is an officer or an employee of a wood-related business entity (including one that has been an officer or employee of the relevant wood-related business entity for the past two years).
- (2) Registration of a registering organization is to be made, with the following matters stated in the registering organization registry:

- (i) date of registration and registration number of the registering organization;
- (ii) the name and address of the person that was registered as a registering organization (for a corporation, its name, the name of its representative person, and the location of its principal office); and
- (iii) the location of the office where a person that was registered as a registering organization conducts registering procedures.

#### (Renewal of Registration of Registering Organization)

Article 26 (1) registration of a registering organization will cease to be effective as a result of the expiration of the registration period unless it is renewed every five years.

- (2) The provisions of the preceding three Articles apply mutatis mutandis to the renewal of the registration of a registering organization.

#### (Obligation to Conduct Registration)

Article 27 (1) When requested to conduct registering procedures, a registering organization must do so without delay, except when there are justifiable grounds not to do so.

- (2) A registering organization must conduct registering procedures fairly using the method that conforms to the criteria specified by an order of the competent ministries.

#### (Notification of the Change of Office)

Article 28 When intending to change the address of its office where it conducts registering procedures, a registering organization must notify the competent ministers of the change two weeks prior to the date on which the change is scheduled to be made.

#### (Rules for Registering Procedures)

Article 29 (1) A registering organization must establish the rules concerning registering procedures (referred to as "rules for registering procedures" in the next paragraph) and notify the competent ministers thereof before the commencement of the registering procedures. The same applies in the event of any change.

- (2) The rules for registering procedures must specify the implementation method of the registering procedures, the charge of the registering procedures, and matters specified by an order of the competent ministries.

#### (Suspension or Abolition of Registering Procedures)

Article 30 When intending to suspend or abolish all or part of registering procedures, a registering organization must notify the competent ministers of

the intentions in advance pursuant to the provisions of order of the competent ministries.

(Maintenance and Inspection of Financial Statements)

- Article 31 (1) Within three months from the end of every fiscal year, a registering organization must prepare an inventory of property, balance sheet, profit and loss statement, or income and expenditure statement, and business report of that business year (including an electronic or magnetic record when the relevant electronic or magnetic record is prepared instead of those documents; referred to below as "financial statements, etc.") and maintain them in its office for five years.
- (2) A wood-related business entity or any other interested party may make the following requests at any time during the business hours of a registering organization; provided, however, that they must pay the expenses specified by the registering organization when making a request as mentioned in item (ii) or (iv) of this paragraph:
- (i) when financial statements, etc. are written documents, a request for inspection of the relevant documents or their copy;
  - (ii) a request for transcripts of or extracts from the documents in the preceding item;
  - (iii) when financial statements, etc. have been prepared in the form of electronic or magnetic records, a request for inspection or copy of the matters recorded in the relevant electronic or magnetic records displayed using a method specified by the order of the competent ministries; and
  - (iv) a request for provision of what is recorded in electronic or magnetic records of the preceding item by an electronic or magnetic method as specified by order of the competent ministries or request for delivery of a document containing the relevant matters.

(Order for Conformity)

Article 32 The competent ministers may order a registering organization to take necessary measures for conformity to the provisions when finding that the registering organization ceases to conform to any of the items of Article 25, paragraph (1).

(Order for Improvement)

Article 33 The competent ministers may order the Registering Organization to conduct registering procedures or take necessary measures to improve the means of registering a wood-related business entity or other operational procedures when finding that a registering organization has violated the provisions of Article 27.

(Revocation of the Registration of a Registering Organization)

Article 34 The competent ministers may revoke the registration of a registering organization or order it to suspend all or part of its registering procedures for a fixed period when the organization falls under any of the following items:

- (i) when falling under Article 24, item (i) or (iii) of the Act;
- (ii) when having violated Articles 28 through 30, Article 31, paragraph (1), or the following Article;
- (iii) when having refused a request made under the provisions of Article 31, paragraph (2), without any justifiable grounds;
- (iv) when having violated an order under the provisions of the preceding two Articles; or
- (v) when having obtained registration or renewal of a registering organization by wrongful means.

(Bookkeeping)

Article 35 Pursuant to the provisions of order of the competent ministries, a registering organization must prepare and keep books where it must enter the matters as specified by order of the competent ministries concerning registering procedures.

(Public Notice)

Article 36 The competent ministers must give public notice to that effect in an official gazette in the following cases:

- (i) when having made a registration of a registering organization;
- (ii) when having received a notification under the provisions of Article 28 or 30; and
- (iii) when having revoked a registration of a registering organization pursuant to the provisions of Article 34 or ordered the suspension of all or part of registering procedures.

(Special Measures of Hearing)

Article 37 The proceedings on the date of the hearing pertaining to the dispositions under the provisions of Article 34 must be made public.

## **Chapter VII Miscellaneous Provisions**

(Appropriate Coordination)

Article 38 When promoting the distribution and use of legally harvested wood and wood products, the State is to appropriately coordinate with business entities, private organizations, and other entities carrying out business

activities that contribute to a shift of demand to legality-confirmed wood and wood products.

(Promotion of International Cooperation)

Article 39 Given the fact that it is important to ensure harvesting of forests in the country of harvest in accordance with the laws and regulations of the country in order to promote the distribution and use of legally harvested wood and wood products in Japan that is dependent on imports for a major portion of the wood resources, the State is to take necessary measures to ensure international coordination for prevention of illegal logging in foreign nations and promote other international cooperation concerning the distribution and use of legally harvested wood and wood products.

(Reporting and On-Site Inspection)

Article 40 (1) To the extent necessary for the enforcement of this Act, the competent ministers may order a wood-related business entity to report the implementation status of legality confirmation, etc. or the implementation status of measures that should be taken for ensuring the use of legally harvested wood and wood products, or have their employees enter the business office, factory, workplace, or warehouse of the wood-related business entity and inspect account books, documents, and other articles.

(2) To the extent necessary for the enforcement of this Act, the competent ministers may order a business entity producing and selling logs to report the implementation status of the provision of information under the provisions of Article 9, or have their employees enter the business office, workplace, or place to store logs of the business entity producing and selling logs and inspect account books, documents, and other articles.

(3) To the extent necessary for the enforcement of this Act, the competent ministers may order a registering organization to report its business activities, or have their employees enter the business office and inspect the status of its business activities or account books, documents, and other items.

(4) An employee who conducts an inspection pursuant to the provisions of the preceding three paragraphs must carry their identification card and present it to the persons concerned.

(5) The authority for the on-site inspection under the provisions of paragraphs (1) through (3) is not to be construed as approval for a criminal investigation.

(Cooperation of Relevant Administrative Organs)

Article 41 When finding it necessary to achieve the purpose of this Act, the competent ministers may ask the heads of relevant administrative organs or the heads of local governments for the provision of necessary documents or

information, the expression of opinions, and other cooperation.

(Competent Ministers)

- Article 42 (1) The competent ministers in this Act are the Minister of Agriculture, Forestry and Fisheries, the Minister of Economy, Trade and Industry, and the Minister of Land, Infrastructure and Transportation; provided, however, that with regard to the matters stated in the following items, ministries specified in the items are the competent ministers:
- (i) guidance and advice under the provisions of Article 10, paragraph (1), recommendations under the provisions of Article 11, paragraph (1), public announcement of wood-related business entities under the provisions of paragraph (3) of the Article, order to wood-related business entities under the provisions of paragraph (4) of the Article, acceptance of reports under the provisions of Article 12, specification of matters that would serve as the standards of judgment under the provisions of Article 13, paragraph (1), revision of the matters under the provisions of paragraph (2) of the Article, guidance and advice under the provisions of Article 14, and matters concerning the collection of reports and on-site inspections under the provisions of Article 40, paragraph (1): the Minister of Agriculture, Forestry and Fisheries and the minister having jurisdiction over the business activities of the wood-related business entities; and
  - (ii) guidance and advice under the provisions of Article 10, paragraph (2), recommendations under the provisions of Article 11, paragraph (2), public announcement of business entities producing and selling logs under the provisions of paragraph (3) of the Article, order to business entities producing and selling logs under the provisions of paragraph (4) of the Article, and matters concerning the collection of reports and on-site inspections under the provisions of Article 40, paragraph (2): the Minister of Agriculture, Forestry and Fisheries.
- (2) Order of the competent ministries in this Act is order issued by the Minister of Agriculture, Forestry and Fisheries, the Minister of Economy, Trade and Industry, and the Minister of Land, Infrastructure and Transportation; provided, however, that order of the competent ministries referred to in Article 6, paragraph (1), Article 7, Article 8, Article 12, and Article 13, paragraph (1) is to be order issued by the Minister of Agriculture, Forestry and Fisheries and the minister having jurisdiction over the business activities of the wood-related business entities.
- (3) The authority of the competent ministers stated in this Act may be delegated in part to the head of a local branch office as specified by order of the competent ministries.



(Delegation to Ministerial Order)

Article 43 Beyond what is stated in this Act, necessary matters for the enforcement of this Act are specified by order of the competent ministries.

## **Chapter VIII Penal Provisions**

Article 44 When a person has violated an order to suspend registering procedures under the provisions of Article 34, the person is punished by imprisonment of not more than one year or a fine of not more than five hundred thousand yen.

Article 45 When a person has violated an order under the provisions of Article 11, paragraph (4), the person is punished by a fine of not more than one million yen.

Article 46 When a person falls under any of the following items, the person is punished by a fine of not more than three hundred thousand yen:

- (i) when a person has violated the provisions of Article 20, paragraph (3);
- (ii) when a person has suspended or discontinued all or part of registering procedures without making the notification under Article 30 or made false notification;
- (iii) when a person has failed to prepare the books, failed to make entries in the books, made false statements in the books, or failed to maintain the books in violation of the provisions of Article 35; or
- (iv) when a person has failed to make a report pursuant to the provisions of Article 40, paragraph (3) or has made a false report or refused, interfered with, or evaded the inspection under the provisions of the same paragraph.

Article 47 When a person has failed to make a report pursuant to the provisions of Article 40, paragraph (1) or (2) or has made a false report or refused, interfered with, or evaded the inspection under these provisions, the person is punished by a fine of not more than two hundred thousand yen.

Article 48 When the representative of a corporation or an agent, employee, or other worker of a corporation or an individual has committed the violations stated in the Article 44 through the preceding Article with regard to the business of the corporation or individual, not only the offender but also the corporation or individual is punished by the fine stated in the respective Articles.

Article 49 A person that has failed to prepare or maintain financial statements,

etc., failed to enter necessary matters in them, or has stated false matters violating the provisions of Article 31, paragraph (1), or has rejected requests under each item of paragraph (2) of the Article without any justifiable grounds is subject to a civil fine of not more than two hundred thousand yen.

#### **Supplementary Provisions [Extract]**

(Effective Date)

- (1) This Act comes into effect one year from the date of promulgation.

(Transitional Measures)

- (2) The provisions of Article 13, paragraph (3) do not apply to any person actually using the name "registered wood-related business entity" or any name similar to it that may cause confusion at the time this Act comes into effect for six months after this Act comes into effect.

(Reviews)

- (3) Approximately five years after this Act comes into effect, the government is to examine the state of enforcement of this Act and take necessary measures based upon those results.

#### **Supplementary Provisions [Act No. 68 of June 17, 2022] [Extract]**

(Effective Date)

- (1) This Act comes into effect as of the effective date of the Act on the Partial Amendment of the Penal Code; provided, however, that the provisions stated in the following items come into effect from the date provided in the items:
- (i) the provisions of Article 509: the date of promulgation

#### **Supplementary Provisions [Act No. 22 of May 8, 2023] [Extract]**

(Effective Date)

Article 1 This Act comes into effect from the date specified by Cabinet Order within two years from the date of promulgation.

(Transitional Measures)

Article 2 With regard to the application of the provisions of Article 21, paragraph (1) of the Act on Promoting the Distribution and Use of Legally Harvested Wood and Wood Products after the amendment by this Act (referred to below as the "new Act") on the registration already made at the time this Act comes into effect pursuant to the provisions of Article 8 of the Act on

Promoting the Distribution and Use of Legally Harvested Wood and Wood Products prior to the amendment by this Act, the term "Article 18, paragraph (1), item (i), item (ii), or item (iv)" in Article 21, paragraph (1), item (i) of the new Act is replaced with "Article 18, paragraph (1), item (ii) or item (iv); or Article 11, paragraph (1), item (i) prior to the amendment by the Act Partially Amending the Act on Promoting the Distribution and Use of Legally Harvested Wood and Wood Products (Act No. of 2023)" during the period from the date on which the Act comes into effect to the day on which the registration is renewed under Article 19, paragraph (1) of the new Act.

(Adjustment Provisions)

Article 3 When the effective date of this Act precedes the effective date of the Act on Arrangement of Relevant Acts Incidental to Enforcement of the Act Partially Amending the Penal Code (Act No. 68 of 2022), the term "Article 36" in Article 275, item (xxxiv) of the Act is replaced with "Article 44".

(Reviews)

Article 4 Approximately three years after this Act comes into effect, the government is to examine the state of enforcement of the provisions of the new Act and take necessary measures based upon the results.

(Partial Amendment of the Registration and License Tax Act)

Article 5 The Registration and License Tax Act (Act No. 35 of 1967) is partially amended as follows:

The term "Article 8" in item xci-2 of Appended Table 1 is changed to "Article 15".