



Voluntary Report – Voluntary - Public Distribution **Date:** October 18, 2023

Report Number: JA2023-0113

Report Name: Forestry Agency Proposal to Prove Legal Harvest under the Revised Clean Wood Act

Country: Japan

Post: Tokyo

Report Category: Wood Products

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Report Highlights:

On May 8, 2023, the Forestry Agency revised the Clean Wood Act. On October 11, 2023, the Forestry Agency proposed what types of information can be considered as equivalent to legal harvest certification. The Forestry Agency has opened the public comment period until November 9, 2023. The revised Clean Wood Act will be fully enacted in two years and the Forestry Agency will propose more details in the next two years.

General Information:

On May 20, 2017, the Government of Japan (GOJ) implemented the Act on the Promotion of Use and Distribution of Legally-Harvested Wood and Wood Products (the original Clean Wood Act, see JA8002). The Clean Wood Act was a voluntary program. Unlike the U.S. Lacey Act, the Clean Wood Act did not penalize the purchase, possession, transportation, or sale of illegally sourced wood products. Rather, the GOJ intended to create an operating environment that rewarded companies for making an effort to distribute legally harvested wood.

A requirement is that the GOJ must review the Clean Wood Act around the five year mark, thus the Forestry Agency within MAFF established the working group on distribution and utilization of legally harvested wood. They had eight consecutive meetings from September 2021 to March 2022 and published the interim report, "Five-Year Review of the Clean Wood Act" on April 2022. The working group had another meeting on January 2023 and concluded the series of the meetings. The Forestry Agency revised the Clean Wood Act based on the report and sent it to Japan's legislative body known as the Diet.

On May 8, 2023, the <u>revised Clean Wood Act</u> passed the Diet and was officially promulgated just before Japan hosted the G7 Summit in Hiroshima. In the original Clean Wood Act due diligence to confirm the legality of wood products by Japanese businesses was voluntary; however, it will become mandatory under the revised Clean Wood Act following a two-year grace period (i.e., year 2025).

Business operators who initially place wood products in the domestic supply chain (e.g., wood products importers, domestic log wholesalers) need to collect the raw material information and check the legality of harvest (i.e., due diligence)¹. The business operators who collected the raw material information need to record and maintain the information. They also need to record and maintain their reasoning why they believed the wood products were legally harvested². They are also required to pass the information to their buyers³.

The raw material information must include the species name and harvested area. Also, the raw material information needs to include 1) the copies of submitted documents according to the Forest Act Article 10-8-1 for domestically harvested wood (i.e., logging permit requests), 2) legal harvest certification of imported wood products by foreign federal governments, or 3) something equivalent.

On October 11, 2023, the <u>Forestry Agency proposed</u> what types of information can be considered as "equivalent." For imported wood products, the Forestry Agency allows five different methods to prove the legality of the raw material, as follows:

- 1) Information proving that the wood products were legally harvested by a government agency equivalent (e.g., State government, etc.) in compliance with the laws and regulations of the country of origin (e.g., a copy of the harvest permit)
- 2) Information issued by the exporting country's government proving that the wood products are made from legally harvested wood in compliance with the laws and regulations of the country of origin (e.g., a

¹ Revised Clean Wood Act Article 6

² Revised Clean Wood Act Article 7

³ Revised Clean Wood Act Article 8

copy of permit) (Note: When wood products are imported to Japan via a third country, for example through processing facility in a third country.)

- 3) Information provided to the government agency or equivalents of the country of origin to prove that wood products have been harvested in compliance with the laws and regulations of the country of origin (e.g., a copy of logging permit requests)
- 4) For wood which has not been regulated by the laws of country of origin, information which proves that the harvesters of wood products own the property rights of the logging area or the right to harvest (e.g., contracts of standing tree sales, etc.)
- 5) Certified information showing the wood products are highly likely not from illegal harvests. Programs qualified for the Revised Clean Wood Act are designated by a MAFF Minister or local governments. These are not decided yet and will be announced later. Forest certification and industry programs will likely fall into this category.

The proposed MAFF Ordinance in Japanese can be found <u>here</u>. The Forestry Agency will continue to announce more details under the revised Clean Wood Act over next two years.

Comment Submission:

<u>Comments</u> should be submitted <u>in Japanese</u> by November 9, 2023 (Japanese standard time) by mail or electronically:

- *Electronic submission*: Go to <u>e-Gov</u>. After agreeing to the conditions, click "意見入力へ" to submit comments.

Attachments:

No Attachments.