

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES
OF WILD FAUNA AND FLORA



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Geneva (Switzerland), 27 November -1 December 2017

FOLLOW-UP REPORT
OF THE PUBLIC-PRIVATE COUNCIL FOR THE PROMOTION OF
APPROPRIATE IVORY TRADE MEASURES

This information document has been submitted by Japan in relation to agenda items 29.3 on *National ivory action plans process: Report of the Secretariat*, and 51.2 on *Implementing aspects of Resolution Conf. 10.10 (Rev. CoP17) on the closure of domestic ivory markets*.*

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Follow-up Report of the Public-Private Council for the Promotion of Appropriate Ivory Trade Measures (Abstract)

1. Background of This Report

In September 2016, a report (hereinafter referred to as “previous report”) was prepared to compile the current state of ivory trade inside and outside Japan and further measures to be taken by the stakeholders participating in this Council (hereinafter referred to as “Member(s)”) to ensure that ivory trade would be appropriately conducted in Japan, and was released. This report contains the outcomes of the measures conducted by the Council during the past year.

2. Recent International Trend in Regard to Ivory Trade

The Seventeenth meeting of the Conference of the Parties to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (hereinafter referred to as “CITES”) was held from September 24 to October 4, 2016. In regards to a draft resolution requesting the closure of domestic ivory trading markets, Japan participated in discussions constructively, based on its position for sustainable use while sharing the common view that eradication of poaching of African elephants and illegal trade are urgent issues to be addressed by the CITES Parties.

3. Progress on Efforts Made by the Stakeholders

In light of international trend as described above, measures taken by each Member of the Council after the previous report and their results are shown below.

(1) Amendments to the LCES [MOE, METI]

In terms of ivory products, the Law for the Conservation of Endangered Species of Wild Fauna and Flora (hereinafter referred to as “LCES”) obligates those who intend to engage in a business that involves trade in ivory to report their business as a “Specific International Species Business Operator”. The Law was amended considering the circumstances in which a tightening of the control over the domestic market was needed, and the following duties will be newly added or changed (it is scheduled to take effect before June 1, 2018, at the latest).

- Business operator’s registration system (Renew registration every five years)
- Obligation for registering whole ivory tusks possessed by business operators
- Obligation to keep records on inventory of cut pieces (divided ivory)
- Obligation to post the business operator’s registration number when displaying or advertising products

- Strengthened penalty and administrative punishment

(2) Control on Domestic Ivory Trade

- 1) Severe Sanctions Against Illegal Actions by Business Operators [MOE, METI, NPA]

MOE and METI have conducted on-site inspections at 50 offices in fiscal year 2016. Administrative punishments based on the provision of the LCES (instructions to take corrective measures) were applied to three operators whose violations against that Law were found, and those cases were made public.

- 2) Proactive Communications to Secondhand Dealers [MOE, METI, NPA]

All the prefectural police were requested to conduct information dissemination of the control system on domestic ivory trade to secondhand dealers and pawnshops within their jurisdiction, which have the possibility of handling ivory products.

- 3) Workshop by Industry Associations [Japan Federation of Ivory Arts and Crafts Associations]

In January, 2017, a workshop on the control system on domestic ivory trade for manufacturers was held in cooperation with relevant Ministries and an NGO.

- 4) Publicity Efforts on Certified Ivory Product Labels [MOE, METI]

The Japanese Seal Engravers Association and the Association for Seal and Stamp Products Companies of Japan, both participating in the Council, sent their respective members a request to cooperate on further use of the labelling system.

- 5) Eliminating Illegal E-Commerce [Private companies, MOE, METI]

Given the strengthened voluntary regulation and intensified online patrols conducted by the providers of online marketplaces, it is conceivable that unreported business operators on major internet shopping malls have almost disappeared.

(3) Import and Export Control

- 1) Publicity Efforts Towards Industry and Travelers [METI, Ministry of Finance (MOF)]

Along with broader awareness raising by sending out a notification letter regarding the ban on ivory import/export to relevant organizations, dissemination to travelers was conducted through display of posters and digital signage at major airports and harbors.

- 2) Sharing Information and Strengthening Control in Collaboration with Customs and Import/Export Authorities of Other Countries [METI, MOF]

In April 2017, a discussion was held with China Customs authorities on customs cooperation between Japan and China. In May 2017, Japan-China CITES Management Authorities' meeting was held and the state of each

country's efforts on ivory trade was exchanged. The two countries reaffirmed that both sides would continue to enhance their cooperation.

3) Tighter Control on Import/Export Under the Amended Foreign Exchange and Foreign Trade Act [METI, MOF]

The amended Foreign Exchange and Foreign Trade Act came into effect in October, 2017. A fine has been raised considerably for which case ivory is imported/exported without approval of the Minister of Economy, Trade and Industry.

(4) Official Information Provision

➤ Dissemination of Information on Position of the Council and Trading System, etc. [MOE, METI, Ministry of Foreign Affairs (MOFA)]

The previous report was widely informed including through the CITES website as information documents. As to the activities of the Council, their results will continue to be released promptly after each meeting of the Council through website.

(5) Support to Counter Poaching in African Elephant Range States

1) Support to the Namibian Government to Counter Poaching [Yahoo Japan Corporation]

Yahoo Japan Corporation contributed 5,000,000 Japanese yen (approximately USD 44,000) to the United Nations Development Programme (UNDP) in Namibia for the construction of a counter-poaching patrol camp in a national park in March 2017.

2) MIKE Programme Project for Counter-Poaching Under CITES [MOFA]

In October 2016, the Government of Japan contributed USD 60,000 (approximately 6,800,000 Japanese yen) via the CITES Secretariat for the establishment of a strategic counter-poaching operation center in Zimbabwe.

(6) Identification of Domestic Stocks of Ivory

Efforts to identify whole ivory tusk stocks inside Japan started from August 2017. While making it known widely that the efforts to identify stocks are underway, private owners are invited to register whole ivory tusks pursuant to the LCES.

4. Challenges to be Addressed

With a view to taking all possible measures to place the market under more strict control, the following will continue to be further considered.

➤ Promotion of Understanding on the Relevant Laws and Regulations and Its Thorough Compliance by Business Operators

In addition to the thorough dissemination of information on the amendments of the LCES to relevant business operators, further

strengthening of awareness raising activities and law enforcement are needed to achieve thorough compliance.

➤ **Effectiveness of Border Control at Customs**

As there are cases of seizures of ivory exported from Japan seized in China, it is necessary to reinforce border control over export.

➤ **Sales to Foreigners**

To prevent foreign buyers from taking ivory products out of Japan without following due procedures, awareness raising for both sellers and buyers through educational activities are necessary.

➤ **Effectiveness of Illegal Trade Surveillance on E-Commerce**

It is necessary for the Government to strengthen law enforcement, and for the providers of online marketplaces to voluntarily strengthen regulations including implementation of additional steps toward eliminating illegal trade.

The Council will continue to carefully examine the actual state of ivory trade and facilitate the complete exit of business operators who cannot control their trade appropriately from the market. Furthermore, for those forms of problematic transactions, the Council will consider necessary measures including banning of its trade, so that a sound trade in ivory can be secured.

Constituent stakeholders

*: Joint secretariat of the Council.

Japanese Government

- Ministry of the Environment (MOE)*
- Ministry of Economy, Trade and Industry (METI)*
- National Police Agency (NPA)
- Ministry of Foreign Affairs (MOFA)
- Ministry of Finance (MOF)
- Agency for Cultural Affairs

Industry

- Liaison Group for Tackling Illegal Transactions
Telecommunications Carriers Association (TCA), Telecom Services Association (TELESA), Japan Internet Providers Association (JAIPA), Japan Cable and Telecommunications Association (JCTA)
- DeNA Co., Ltd.
- KDDI Commerce Forward CORPORATION
- The Japanese Seal Engravers Association
- Association for Seal and Stamp Products Companies of Japan
- Nationwide Pawnshop Union Alliance Society
- National Federation of Commerce and Industry Associations for Japanese Traditional Musical Instrument
- Antique Dealers Crime Prevention Associations Federation of Tokyo
- Japan Federation of Ivory Arts and Crafts Associations*
- Yahoo Japan Corporation*

NGO

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Follow-up Report
of the Public-Private Council for the Promotion of
Appropriate Ivory Trade Measures

November, 2017

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1. Background of This Report

Smuggling and illegal trade in wildlife have increased and become organized in recent years, threatening not only the conservation of species but also the human society. Crimes related to wildlife are unforgivable and all possible efforts should be exerted by the entire world towards their eradication. Poaching of African elephants and illegal trade in ivory¹ are typical examples of crimes related to wildlife, drawing global attention. Countries and organizations have clearly expressed their “zero-tolerance” attitude to achieve eradication of these illegal acts, and are taking a wide array of measures to this end. Japan imported ivory twice in the past through international commercial trade which was specially allowed in accordance with procedures set out at the Conference of the Parties (CoP) to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (hereinafter referred to as “CITES”) (one-off sales). Public-Private Council for the Promotion of Appropriate Ivory Trade Measures (hereinafter referred to as “Council”) is of the view that poaching of African elephants and illegal trade in ivory are absolutely unforgivable in any way, and are needed to be addressed with resolution continuously, being aware of Japan’s responsibility as a country which has a domestic ivory market.

Under the above circumstances, recognizing that it is essential to share the present state and issues regarding domestic trade in ivory¹ and to consider measures to promote appropriate implementation of control, the Council was established in May 2016. This was aimed at further ensuring thorough and appropriate implementation of the system on trade in ivory, and promoting other additional measures from various viewpoints, including information dissemination to inside and outside Japan, under the collaboration among not only relevant Ministries and Agencies but also relevant private companies, industry groups, an NGO and academic experts, in order to gather the expertise of stakeholders of both public and private sectors.

As outcomes of these efforts, in September 2016, a report (hereinafter referred to as “previous report”) was prepared to compile the current state of ivory trade inside and outside Japan and further measures to be taken by the stakeholders participating in the Council (hereinafter referred to as “Member(s)”) to ensure that ivory trade would be appropriately conducted in Japan, and was made available both in Japan and overseas through websites of the relevant Ministries². It is important that respective Members conduct their

¹ Ivory: A whole ivory tusk (a tusk that holds its whole form), cut pieces (divided ivory) and processed goods which no longer maintain the whole form shall be hereinafter collectively referred to as “ivory” in this report.

² Report of the Public-Private Council for the Promotion of Appropriate Ivory Trade Measures “Current State and Further Efforts Regarding Ivory Trade in Japan” (September 2016)
http://www.meti.go.jp/english/press/2016/0916_01.html

measures responsibly and that their outcomes be reflected in the future measures. The Council therefore prepared this report in order to follow up on the measures conducted during the past year and compiled their outcomes with a view to increasing effectiveness of future measures to be taken.

2. Recent International Trend in Regard to Ivory Trade

(1) Trend in Multilateral Forum

The Seventeenth meeting of the Conference of the Parties to CITES (hereinafter referred to as “CoP17”) was held in Johannesburg, South Africa from September 24 to October 4, 2016. Among the Council Members, the Ministry of Foreign Affairs (MOFA), the Ministry of the Environment (MOE), and the Ministry of Economy, Trade and Industry (METI) participated in this Conference, together with Japan Federation of Ivory Arts and Crafts Associations from the private sector.

At CoP17, draft resolutions requesting the closure of domestic ivory trade markets were submitted respectively by the United States and by 10 African countries including countries such as Kenya under agenda items related to ivory trade. In regards to these two draft resolutions, Japan participated in discussions constructively, based on the position that commercial trade that is not detrimental to the survival of the species may be beneficial to the conservation of species and ecosystems and to the development of local communities (so-called sustainable use), while sharing the common view that eradication of poaching of African elephants and illegal trade are urgent issues to be addressed by the CITES Parties.

Above-mentioned two draft resolutions were ultimately discussed together, and consequently, a revised single draft resolution, reflecting opinions of Parties (including not only Japan but also the United States), stating that domestic markets that are recommended to be closed are those contributing to poaching or illegal trade, was unanimously adopted³ (in a form of a partial amendment to the existing resolution).

(2) Other Countries’ Trend

In September 2015, the leaders of the United States and China reached an agreement toward a nearly complete ban on ivory import/export and a halt of the domestic commercial trade of ivory. In the United States, the amended Endangered Species Act took effect in July 2016, which limits interstate trade in ivory to antiques and manufactured products that contain a minimum volume of

³ Adopted revised Resolution: “Trade in elephant specimens”
<https://cites.org/sites/default/files/document/E-Res-10-10-R17.pdf>

ivory. In China, domestic trade was banned on some business operators at the end of March 2017, with a view to closing down its domestic trade market in ivory by the end of that year. Under such circumstances, international community's attention has been continuously given to the status of ivory trade and efforts toward elimination of illegal trade in Japan, which still has a domestic market although the scale of that market is declining.

3. Recent State of Ivory Trade in Japan

The size of the ivory market in Japan is estimated to be continuously shrinking, driven by the complete ban on international commercial trade in ivory in 1989, among other factors⁴. In July 2017, one of the major Japanese providers of online marketplaces ceased its handling of ivory on its internet shopping site. A major retail mall chain also decided to phase out its service related to ivory by March 2020. Such a decrease in the number of marketplaces where ivory can be traded may further accelerate the shrink in the Japanese domestic market.

(1) Number of Registered Whole Ivory Tusks and Returned Registration Cards

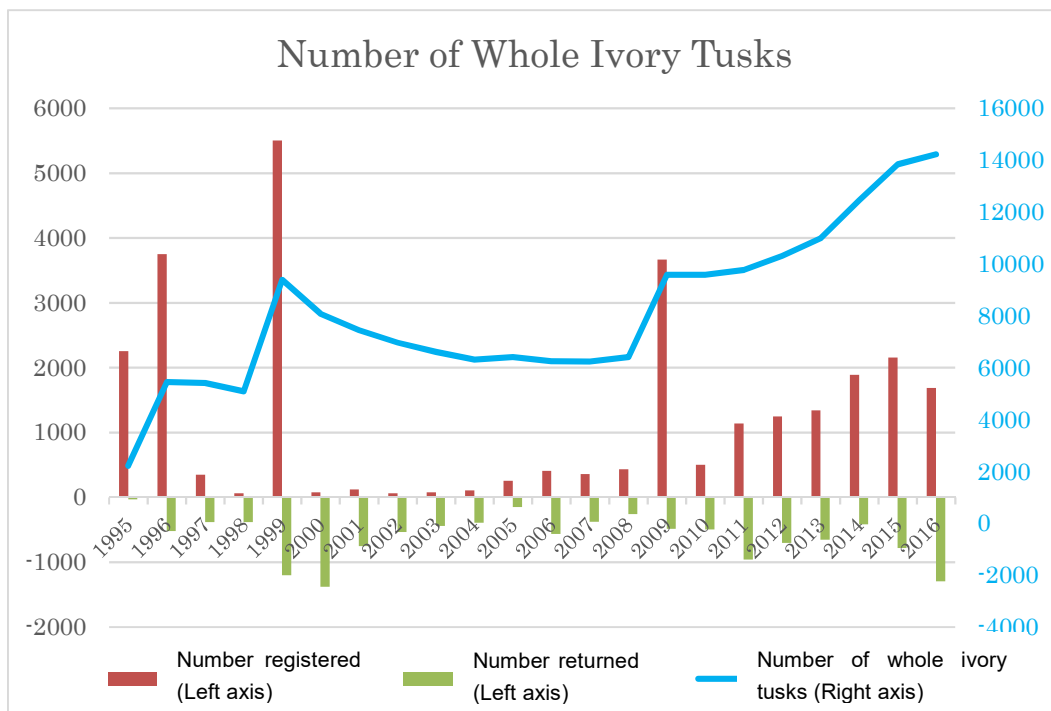
Under the "Law for the Conservation of Endangered Species of Wild Fauna and Flora (hereinafter referred to as "LCES")," trade in whole ivory tusks is prohibited in principle. Only those whole ivory tusks that had been acquired before the regulations by CITES were introduced are allowed to be traded with a registration card issued after registration to the Minister of the Environment. (Registration is not required if ivory tusks are only possessed.) Once a whole ivory tusk is cut into pieces and no longer retains the form of a whole tusk, you will be obligated to return the registration card.

2,006 tons of whole ivory tusks were imported during the period between the year after Japan joined CITES and the year when international commercial trade in ivory was banned (1981-1989). Thereafter, total of 89 tons of ivories were imported when international commercial trade were exceptionally allowed twice in 1999 and 2009 (one-off sales), following the due procedures of CITES, and imported ivories were all registered without delay. Meanwhile, the cumulative weight of whole ivory tusks registered between the beginning of the registration system of whole ivory tusks in Japan and the end of 2016 (1995-2016) was about 321 tons, which is relatively small compared to the imported amount. Based on this situation, it can be assumed that a certain amount of whole ivory tusks that are not registered still exist in Japan.

⁴ TRAFFIC (2016) "Setting Suns: The Historical Decline of Ivory and Rhino Horn Markets in Japan" http://www.trafficj.org/publication/16_Setting_Suns.pdf

Registrations of whole ivory tusks continue as of today, as these whole ivory tusks brought into Japan before the ban on international trade are gradually being registered. The volume of the registered whole ivory tusks is increasing in recent years. Since there is no evidence that a large amount of whole ivory tusks are illegally brought into Japan, it is conceivable that this solely reflects the increase in the registration of whole ivory tusks brought into Japan legally in the past. The main reasons for the increase in the registration can be attributed to the efforts in making the registration system widely known, the growing of public attention through news reports (on cases such as exposure of illegal trade in unregistered ivory), and the disposition of properties due to aging of ivory possessors or whole ivory tusks being traded following inheritance, etc.⁵

The number of returned registration cards has increased after the import of ivory through the two one-off sales in the past mentioned above. This could be attributed to processing of ivory by business operators. It can be inferred that the increase in returned registration cards in 2016 was a result of rising media coverage in relation with CoP17 held in the same year, the strengthened on-site inspections by the authorities and the efforts to publicize the procedures of the registration system.



*Counted at the end of each year

⁵ Information document submitted by Japan to the 66th meeting of the Standing Committee of CITES, "View of Japan Regarding the Conservation of African Elephants and Trade in Ivory" <https://cites.org/sites/default/files/eng/com/sc/66/Inf/E-SC66-Inf-24.pdf>

(2) Number of “Specific International Species Business Operators” Handling Ivory Products⁶ Under the Reporting System for Business Operations

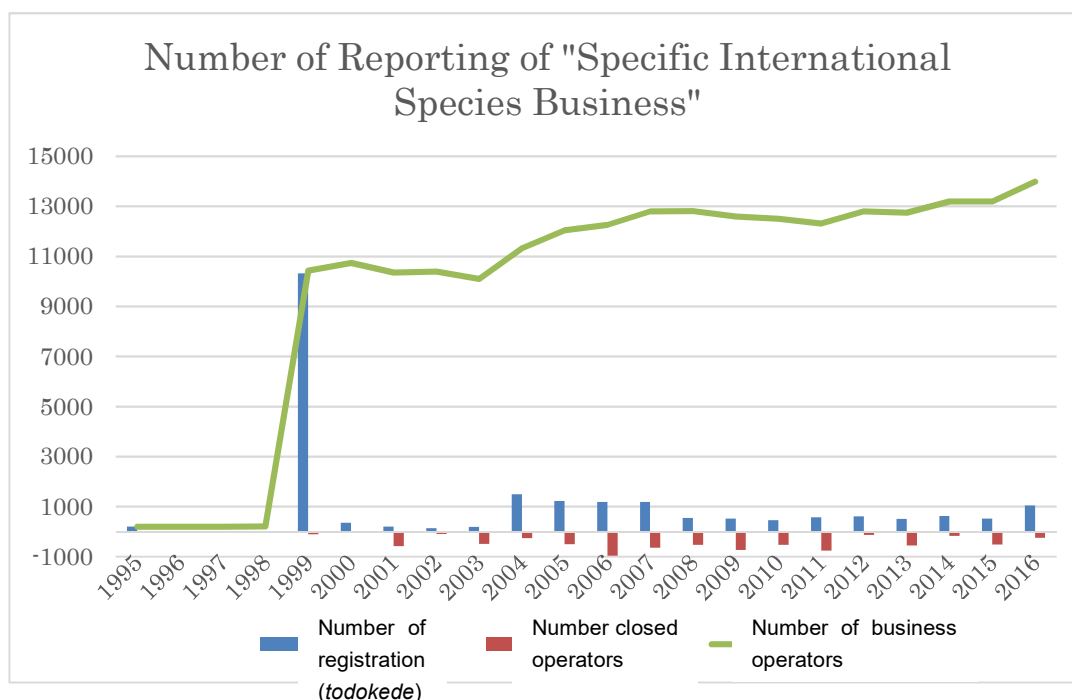
Current LCES obligates those who intend to engage in a business that involves trading service in items including ivory products to report their business to the Minister of the Environment and the Minister of Economy, Trade and Industry, to become a “Specific International Species Business Operator”. The Law also requires business operators who handle products with ivory components such as musical instruments to report likewise. Not all “Specific International Species Business Operators” handle solely ivory products, and some of the operators handle a very small amount of ivory products.

The reporting system for business operations under the LCES was first introduced in 1995 and applied to those who trade cut pieces exceeding a certain size⁷, and in 1999, the requirement for the size of cut pieces subject to the reporting system was abolished with a view to expanding the subject of the system to those who trade name seals and other products using ivory as raw materials, including semi-products in the process of name seal production. As a result of this, the number of reporting increased. Moreover, in 2004, the subject of reporting was broadened to include all those who intend to engage in a business that involves transfer of any ivory products, and the number of reporting has been on the increase until now. However, it should be noted that there exist many operators who have not reported the closure of their businesses, although they have actually done so. (This kind of operators will be deleted from the registry once the new business registration system under the amended LCES (as explained later) comes into force).

The increased number of reporting can be thought to be caused by an aftereffect of CoP17 that brought about heightened attention of the business operators, and also by the efforts to make the ivory trade system better known to secondhand dealers.

⁶ Ivory products: Processed products which no longer maintain the whole form and cut pieces (divided ivory) shall be hereinafter referred to as “ivory products” in this report. (i.e., those fall under “designated body part, etc.” set forth in Article 12, paragraph (1), item (iii) of the LCES.)

⁷ Cut pieces exceeding a certain size: Unprocessed ivory over 1kg in weight and over 20cm in length (Article 5-3 of the Cabinet Order of the LCES before 1999)



*Counted at the end of each year

(3) Number of Arrests Pertaining to Ivory Trade in Violation of the LCES

The increasing number of arrests pertaining to ivory trade in violation of the LCES in recent years is regarded as a result of the increase in offers of clue information for investigation, reflecting the growing concern on ivory trade both in Japan and abroad.

None of those cases was recognized as illegal import or export.

	2013	2014	2015	2016
Number of arrests	1	1	3	6

Source: National Police Agency (The statistics started in 2013)

(4) State of Suspension on Ivory at Customs

In recent years, only a few cases of suspension on import/ export of ivory and ivory products have been witnessed by the Japan Customs each year, and the number of suspended cases in 2016 was eight for import (totaling to 383 semi-worked ivories and 182 worked ivories) and zero for export. Since the items that have been seized are international postal items and personal belongings of air-flight passengers, they are mainly small-sized ivory products, and no large-scale smuggling of ivory and ivory products has been confirmed in Japan.

In addition, as described in 4. below, a tighter control on the domestic

market and a stricter border control have been enforced. Under these circumstances, it is difficult to conceive that criminal organizations would risk detection and bear the transportation cost of smuggling ivory derived from poaching into Japan. In fact, no case has been found where a criminal organization smuggled ivory into Japan and exported it to third countries by disguising it as legal ivory (so-called “laundering” of ivory derived from poaching).

4. Progress on Efforts Made by the Stakeholders

During the past year, in light of the international trend as described in 2. above, the Members of the Council have been tackling with their common targets since the previous report was published, making efforts such as amendments to the LCES and steady implementations of the further measures stated in the previous report. Measures taken by each Member after the previous report and the results of such measures are shown below.

(1) Amendments to the LCES [MOE, METI]

In terms of ivory products, instead of regulating individual trade, the LCES obligates those who intend to engage in a business that involves trade in ivory to report their business to become a “Specific International Species Business Operator.” Some cases of violation by operators who have or have not registered their businesses are confirmed, but under the current system, operators who acted against the Law and its regulations could continue their business, if they paid a fine according to the penal provisions under the Law. However, in view of the above-described situation and the results of CoP17, a bill to amend the LCES was approved by the Cabinet at the end of February 2017, in consideration of the circumstances in which a tightening of the control over the domestic market was needed. The deliberation of that bill in the Diet was held during April to May 2017.

The Diet had sessions including representatives of NGOs and academic experts from the perspective of thoroughly understanding the actual situation of the domestic market. Having been deliberated by the Diet members who shared the actual situation and current status of the domestic market through the above-mentioned sessions, the amendment bill was approved and enacted unanimously. The law to amend the LCES was promulgated on June 2, 2017. Since the law to amend the LCES stipulates the date of the amended LCES to take effect be specified by a Cabinet Order issued within a year after the promulgation of the law to amend the LCES, the amended LCES is scheduled to take effect before June 1, 2018, at the latest.

All “Specific International Species Business Operators” who engage in the transfer of ivory products will newly become “Special International Species Business Operators” under the amended LCES. Like under the current Law, those operators are obligated to keep trading records and inventory in which their stock of ivory are described, while the following duties will be newly added or changed.

➤ Business Operators Registration System (registration renewal every five years)

The current reporting system for business operations will be changed to a business registration system, under which a person who wishes to conduct a business involving transfer of ivory or ivory products shall apply for a registration, in advance, to the competent authorities and have the registration application screened. The duration of the registration shall be five years, and screening will be required for renewal every five years. In case a business operator’s registration is revoked due to violation of the Law and its regulations, re-registration shall not be granted for the next five years.

➤ Obligation for Registration of Whole Ivory Tusks Possessed by Business Operators

Under the current Law, individual registration of a whole tusk is not required when it is simply possessed. Under the amended LCES, at the time of business registration application mentioned above, all whole ivory tusks that are actually in possession of business operators will be subject to individual tusk registration.

➤ Obligation to Keep Records on Inventory of Cut Pieces (Divided Ivory)

Under the current Law, records on inventory which list registration numbers of original whole ivory tusks and other details are kept voluntarily by each business operator. The preparation and saving of records on inventory for cut pieces that exceed a certain size will become mandatory after the amended LCES comes into effect.

➤ Obligation to Post the Business Operator’s Registration Number when Displaying or Advertising Ivory Products

To prevent illegal trading by non-registered business operators and in order for business operators themselves to show that they have gone through due procedures, the amended LCES obligates registered business operators to post their registration numbers at the time of display or advertisement of ivory products. In addition, MOE and METI will publicize the register which contains business operators’ names and registration numbers.

➤ Strengthened Penalty and Administrative Punishment

Under the current Law, a fine for an individual engaged in the “Specific International Species Business” without reporting is up to 500,000 Japanese yen (approximately USD5,000), while the amended LCES raised the penalty to either or both imprisonment up to five years or a fine of up to 5,000,000 Japanese yen (approximately USD50,000). Furthermore, a fine under the current Law for a corporation engaged in the “Specific International Species Business” without reporting is up to 500,000 Japanese yen, but it will be raised up to 100,000,000 Japanese yen (approximately USD1 million) (possibly subject to dual liability as both corporation and representative of the corporation).

Moreover, in terms of administrative punishment, it will become possible to revoke the registration of a business operator as a “Special International Species Business Operator” in case of violations against the Law. The period of a business-suspension order in case of violations against the Law which does not exceed three months under the current Law will be extended to six months at maximum.

(The details of the above-stated provisions in the amended LCES will be provided later by a Cabinet Order and a Ministerial Ordinance concerning the amended LCES.)

The Members will hereafter do their best from their respective positions to completely eliminate business operators that are unable to manage ivory trade properly from the domestic market, including through efforts by the Government’s strict enforcement of the Law and by enhancing the business operators’ voluntary measures.

(2) Control on Domestic Ivory Trade

1) Severe Sanctions to Actions Against Illegal Business Operators [MOE, METI, NPA]

In order to ensure further compliance to the Law and its regulations by the “Specific International Species Business Operators” under the current LCES, MOE and METI have conducted on-site inspections at 50 offices in fiscal year 2016 (44 offices in fiscal year 2015). Administrative punishments based on the provision of the LCES (instructions to take corrective measures) were applied to three operators whose violations against the Law were found, and those cases were made public. Among those cases, the following case (a) was the first administrative punishment carried out under the current Law.

- (a) Punishment date: September 2, 2016
Punished operator: Ivory product manufacturer (Shizuoka)
- (b) Punishment date: March 17, 2017
Punished operator: Ivory product manufacturer (Tokyo)
- (c) Punishment date: August 25, 2017
Punished operator: Ivory product retailer (Tokyo)

For the case (a) above, a purchase of a non-registered whole ivory tusk was detected through on-site inspections and was reported to the police. Later, a prosecution was made following the investigation and a fine was imposed. None of the above-mentioned three cases were related to smuggling.

2) Proactive Communications to Secondhand Dealers [MOE, METI, NPA]

As it was deemed necessary to make secondhand dealers aware of the provisions of the LCES, as of November 14, 2016, MOE and METI have further disseminated information of the control system on domestic ivory trade and distributed leaflets and other materials through NPA to relevant departments, such as prefectural police and business associations of secondhand dealers and pawnshops, which have the possibility of handling whole ivory tusks and/or ivory products.

NPA has notified the National Antique Dealers Crime Prevention Associations Federation of the trade control system and requested all the prefectural police to conduct information dissemination of the system to secondhand dealers and pawnshops within their jurisdiction, which have the possibility of handling ivory products.

In March 2017, the Antique Dealers Crime Prevention Associations Federation of Tokyo and the National Pawnshop Union Alliance Society which agree with the Council's objective newly joined the Council.

3) Workshop by Industry Associations [Japan Federation of Ivory Arts and Crafts Associations]

On January 27, 2017, a workshop on the control system on domestic ivory trade for manufacturers, including non-members of the Associations, was held in cooperation with relevant Ministries and an NGO, in order to deepen awareness on international discussions held in recent years in connection with the global situation surrounding ivory, and to ensure further appropriate trade in ivory. The representatives of 41 business operators, 54 participants in total, attended the session from all over Japan. Such a

private-sector-led workshop has never been held before, and similar efforts will be continued in the future.

4) Publicity Efforts on Certified Ivory Product Labels [MOE, METI]

Manufacturers of ivory products which no longer hold the form of a whole tusk can apply to the certification body (Japan Wildlife Research Center) certified by the LCES and can receive certification and labels indicating that the product is manufactured from legally acquired ivory.

With the labels, manufacturers can indicate to consumers the legality of their products. Bearing this in mind, the Japanese Seal Engravers Association (approximately 1,200 members) and Association for Seal and Stamp Products Companies of Japan (approximately 80 members), both participating in the Council, requested their respective members to cooperate on further use of this labelling system.

5) Eliminating Illegal E-Commerce [Private companies, MOE, METI]

Given awareness raising of sellers, the strengthened voluntary regulation such as introduction of stricter exhibition rules and intensified online patrols conducted by providers of online marketplaces, it is conceivable that unreported business operators on major online shopping malls have almost disappeared.

MOE and METI also have been monitoring websites operated by major online marketplace providers every month. If a business operator without reporting selling ivory products or displaying unregistered whole ivory tusks was found, instructions such as deletion of said items will be given directly by the authorities. Such a case has been hardly confirmed these days.

(3) Import and Export Control

1) Publicity Efforts Towards Industry and Travelers [METI, Ministry of Finance (MOF)]

Along with broader awareness raising by sending out a notification letter regarding the ban on ivory import/export to international post offices, a customs clearance industry group, an international logistics industry group, major airport operating companies, major harbor managers and a retail business industry group, dissemination to travelers was conducted through display of posters and digital signage at major airports and harbors.

2) Sharing Information and Strengthening Control in Collaboration with Customs and Import/Export Authorities of Other Countries [METI, MOF]

In April 2017, a discussion was held with China Customs authorities on customs cooperation between Japan and China in regard to controlling illegal import/export of ivory. Both sides acknowledged the importance of the cooperation between the two countries and agreed on strengthening cooperation and collaboration between the two Customs authorities.

On May 9, 2017, Japan-China CITES Management Authorities' meeting was held and the state of each country's efforts on ivory trade was exchanged. In order to implement the provisions of CITES effectively by two key players in the Asian region, the two countries reaffirmed that both sides would continue to enhance their cooperation.

3) Tighter Control on Import/Export Under the Amended Foreign Exchange and Foreign Trade Act [METI, MOF]

Aiming to ensure the effectiveness of import/export control, the Foreign Exchange and Foreign Trade Act was amended in the 2017 ordinary Diet session. In case ivory is imported/exported without approval of the Minister of Economy, Trade and Industry, a fine for an individual which used to be 5,000,000 Japanese yen (approximately USD 50,000) at maximum under the previous Act has been raised to 10,000,000 Japanese yen (approximately USD 100,000) at maximum under the amended Act. Similarly, fine for corporation which was not exceeding 5,000,000 Japanese yen under the previous Act has been raised to not exceeding 500,000,000 Japanese yen (approximately USD 5,000,000) under the amended Act (possibly subject to dual liability of both as corporation and representative of the corporation). The amended Act was promulgated on May 24, 2017 and came into effect on October 1, 2017.

(4) Official Information Provision

➤ Dissemination of Information on Position of the Council and Trading System, etc. [MOE, METI, Ministry of Foreign Affairs (MOFA)]

In publication of the previous report, a press release was issued by the joint secretariat of the Council and the report was distributed to foreign media outlets based in Tokyo. Thus, we believe that the position of the Council and our efforts to promote appropriate ivory trade were widely disseminated.

In addition, at the time of CoP17, the English version of the

previous report⁸ and the outline of domestic trade system on ivory in Japan⁹ were registered as information documents and were posted on the CITES website. The contents of these documents were proactively explained to foreign governments, media and other parties concerned at the venue of CoP17 to seek understanding of Japan's view.

The information on the amended LCES has been disseminated not only in Japanese¹⁰ but also in English¹¹. As to the activities of the Council, their results will continue to be released promptly after each meeting of the Council through its website in both Japanese and English.

The following efforts not listed in the previous report have been carried out as well.

(5) Support to Counter Poaching in African Elephant Range States

1) Support to the Namibian Government to Counter Poaching [Yahoo Japan Corporation]

Yahoo Japan Corporation and the United Nations Development Programme (UNDP) in Namibia signed a Memorandum of Understanding on March 9, 2017, to enhance wild animal protection and conduct counter-poaching activities in Etosha National Park, one of the country's largest and the most famous tourist attractions. Yahoo Japan Corporation contributed 5,000,000 Japanese yen (approximately USD 44,000) for the construction of a counter-poaching patrol camp in this park¹³.

2) MIKE Programme Project for Counter-Poaching under CITES [MOFA]

To support measures against poaching of African elephants and illegal trade in ivory, in October 2016, the Government of Japan contributed USD 60,000 via the CITES Secretariat for the establishment of a strategic anti-poaching operation center in Zimbabwe, under CITES' Monitoring the Illegal Killing of Elephants (MIKE) Programme. This center is scheduled to be handed over to Zimbabwean authorities in due course.

(6) Identification of Domestic Stocks of Ivory [MOE]

In order to strengthen control on the domestic market, efforts to identify whole ivory tusk stocks inside Japan started from August 2017. While making it known widely that the efforts to identify stocks are underway, private owners are invited to register their whole ivory tusks pursuant to the LCES.

⁸ <https://cites.org/sites/default/files/eng/cop/17/InfDocs/E-CoP17-Inf-57.pdf>

⁹ <https://cites.org/sites/default/files/eng/cop/17/InfDocs/E-CoP17-Inf-58.pdf>

¹⁰ http://www.meti.go.jp/committee/kenkyukai/seizou/zouge_torihiki/pdf/004_01_00.pdf

¹¹ <https://www.env.go.jp/en/nature/biodiv/zougetorihiki.html>

5. Challenges to be Addressed

The Council has been actively making the above-mentioned efforts to further promote appropriate ivory trade in the domestic market and import/export. However, with a view to taking all possible measures to place the market under more strict control, the following will continue to be further considered.

➤ Promotion of Understanding on the Relevant Laws and Regulations and Thorough Compliance by Business Operators

According to the amendment of the LCES, the existing business reporting system is changed to a business operator registration system. That registration shall proceed upon screening, and in the event that a registration is revoked due to violation of the Law and regulations, restrictions are imposed on re-registration, and penalties are severely strengthened. In addition to the thorough dissemination of information on the amendments of the Law to relevant business operators, further strengthening of awareness raising activities and law enforcement are needed to achieve thorough compliance, especially given that an NGO participating in the Council pointed out multiple examples in which secondhand dealers did not comply with the Law and its regulations.

➤ Effectiveness of Border Control at Customs

Only a few cases of suspension on the import/export of ivory have been made by the Japan Customs each year recently and no large-scale smuggling has been confirmed at Japan Customs. Meanwhile, according to Elephant Trade Information System (ETIS) reports submitted by Parties to the CITES Secretariat, there are more than 100 confirmed cases of ivory exported from Japan and seized in China between 2011 and 2016, and further enhancing of the effectiveness in border control is important. To this end, it is necessary to reinforce border control over export, including further cooperation and collaboration between Japan Customs and China Customs as mentioned earlier.

➤ Sales to Foreigners

Although it is lawful for a “Specific International Species Business Operator” to sell an ivory product to a foreigner in Japan, it is pointed out from an NGO participating in the Council that there exist cases of purchase, especially by Chinese speaking foreigners, in the light of the underlying forces such as the presence of business operators who sell ivory products mostly to foreigners, and the China’s movement toward closing down its domestic market for ivory trading. To prevent foreign buyers who are not familiar with the Japanese import/export control system from taking ivory

products out of Japan without following due procedures, awareness raising for both sellers and buyers through educational activities and strengthening of law enforcement at border control among others are necessary.

➤ **Effectiveness of Illegal Trade Surveillance on E-Commerce**

Given awareness raising of sellers, the strengthened voluntary regulation such as introduction of stricter exhibition rules and intensified online patrols conducted by providers of online marketplaces, instances of illegal activities such as advertising ivory by unreported business operators are regarded to have decreased drastically on major internet shopping malls.

However, it is pointed out by an NGO participating in the Council that in recent years, that there exist individuals who advertise ivory products multiple times on inter-personal electronic commerce while announcing themselves as personal (non-business) sellers, and that there are cases of advertisements of small sized ivory products (such as accessories) claimed to have been purchased abroad, which raises concerns over the current situation in which proof of the legality of trade is not required vis-à-vis personal transactions between individuals. To tackle these problems, it is necessary for the Government to strengthen law enforcement, and for the providers of online marketplaces to voluntarily strengthen regulations, including implementation of additional steps toward eliminating illegal trade and consideration for suspending electronic commerce of ivory itself as well.

6. Conclusion

(1) Strengthening Collaboration with Relevant Organizations and Others

Ivory has been used as one of the product materials to make or use in parts of a wide range of items such as accessories, furnishing goods, name seals and musical instruments. As such, many business sectors, including all stages of manufacture, processing and distribution, electronic commerce business operators and online marketplace providers, are more or less involved in ivory trade.

The Council will provide accurate information regarding recent international discussions and trend concerning ivory trade to those business sectors, and will strengthen collaborations with those sectors to share the necessity and importance of controlled ivory trade in the domestic market, aiming to bringing about concrete actions to be taken mutually hereafter. One of the outcomes of those efforts is the participation of the Agency for Cultural Affairs and National Federation of Commerce and Industry Associations for

Japanese Traditional Musical Instrument in the Council (from September 2017).

Given that the Council is a forum where consideration is given from the perspective of promoting appropriate ivory trade in the market, naturally industry groups account for the majority of its Members from the private sector. In this regard, it is important to implement measures in the light of species conservation based on experts or other Members' opinions, in order to prevent the activities of the Council from leaning too far towards business operators as well as to secure the effectiveness and transparency of those activities.

(2) Responsibilities of the Public-Private Council

According to the latest ETIS report (2016) of the CITES Secretariat, Japan is assessed not to be the destination of poached and illegally traded ivory, and also large-scale illegal imports of ivory have not been detected thereafter.

In addition, as described above, the trade control of the domestic market has been strengthened with the penalty increased significantly under the recent LCES amendment. Private business operators participating in the Council have also been taking spontaneous and positive actions to further make their trade appropriate beyond their complying with laws and regulations which is naturally required.

However, taking into account the aforementioned resolution adopted at CoP17 and the issues requiring earnest and prompt responses as described in 5. above, it is necessary for the Council to take thorough measures to address such issues, as well as to continue reviewing sincerely whether there exist any additional issues on controlling ivory trade in Japan, and in case there are any, immediately consider and implement measures towards eradicating illegal trade.

For this purpose, the Council will continue to carefully examine the actual state of ivory trade and facilitate complete exit of business operators who cannot control their trade appropriately from the market. Furthermore, for those forms of transactions in which problems are detected, the Council will consider necessary measures including banning of its trade, so that a sound trade in ivory can be secured. In this way, Japan, as a country having a legal domestic ivory market, will make its utmost contribution through joint efforts of both the Government and the private sector, towards a better achievement of the objectives of the CITES which aims to conserve endangered species including elephants.

Public-Private Council for the Promotion of
Appropriate Ivory Trade Measures
Constituent Stakeholders

* Joint secretariat

Government of Japan

- National Police Agency (NPA)
- Ministry of Foreign Affairs (MOFA)
- Ministry of Finance (MOF)
- Agency for Cultural Affairs
- Ministry of Economy, Trade and Industry (METI)*
- Ministry of the Environment (MOE)*

Industry¹⁾

- Liaison group for tackling illegal transactions:
Telecommunications Carriers Association (TCA), Telecom Services Association (TELESA), Japan Internet Providers Association (JAIPA), Japan Cable and Telecommunications Association (JCTA)
- DeNA Co., Ltd.
- KDDI Commerce Forward CORPORATION
- The Japanese Seal Engravers Association
- Association for Seal and Stamp Products Companies of Japan
- Nationwide Pawnshop Union Alliance Society
- National Federation of Commerce and Industry Associations for Japanese Traditional Musical Instrument
- Antique Dealers Crime Prevention Associations Federation of Tokyo
- Japan Federation of Ivory Arts and Crafts Associations*
- Yahoo Japan Corporation*

NGO

- TRAFFIC²⁾

Academia

- Professor Yoshio Kaneko, Iwate Prefectural University
- Professor Nobuo Ishii, Tokyo Woman's Christian University

¹⁾ Rakuten, Inc. has banned all sales of ivory on July 2017 and has left the Council in August 2017.

²⁾ TRAFFIC participates in the Council from a position to call for a ban of domestic trade with narrow exemptions that are strictly controlled.