

Act on Promotion of Global Warming Countermeasures

(Act No. 117 of October 9, 1998)

Table of Contents

Chapter 1 General Provisions (Articles 1-7)

Chapter 2 Kyoto Protocol Target Achievement Plan (Articles 8-9)

Chapter 3 Global Warming Prevention Headquarters (Articles 10-19)

Chapter 4 Programs for Control of Greenhouse Gases (Articles 20-27)

Chapter 5 Maintaining Greenhouse Gas Absorption by Forests and Plants
(Article 28)

Chapter 6 Quota Account Inventory (Articles 29-41)

Chapter 7 Miscellaneous Provisions (Articles 42-47)

Chapter 8 Punitive Provisions (Articles 48-50)

Chapter 1 General Provisions

(Purpose)

Article 1 In recognition of the serious impact of global warming on the environment of the entire planet, and the importance of efforts on the part of all humankind to actively and voluntarily address the universal issue of stabilizing greenhouse gas concentrations in the atmosphere at levels where human interference does not pose a danger to climate systems, the purpose of this Law is to promote global warming countermeasures by formulating a plan for attaining targets under the Kyoto Protocol and taking measures to promote the control of greenhouse gas emissions due to social, economic, and other activities, thereby contributing to the health and cultural life of the Japanese people, both now and in the future, as well as contributing to the wellbeing of all humankind.

(Definitions)

Article 2 (1) The term "global warming" as used in this Law shall mean the phenomenon in which the temperature of the earth's surface and atmosphere rises incrementally, affecting the planet as a whole, as the concentration of greenhouse gases in the atmosphere is increased by greenhouse gases generated as a result of human activity.

(2) The term "global warming countermeasures" as used in this Law shall mean

measures to control greenhouse gas emissions and to maintain and improve the absorption of greenhouse gases (hereinafter referred to as "control of greenhouse gases") and other measures taken in international cooperation for the prevention of global warming.

- (3) The term "greenhouse gases" as used in this Law shall mean the following substances.
- (i) Carbon dioxide (CO₂)
 - (ii) Methane (CH₄)
 - (iii) Nitrous oxide (N₂O)
 - (iv) Those hydrofluorocarbons specified by Cabinet Order
 - (v) Those perfluorocarbons specified by Cabinet Order
 - (vi) Sulfur hexafluoride (SF₆)
- (4) The term "greenhouse gas emissions" as used in this Law shall mean the discharge, release, or leakage into the atmosphere of greenhouse gases generated in conjunction with anthropogenic activities, or the use of electric power or heat (limited to heat derived from fuel or electricity) that is supplied by others.
- (5) The term "total greenhouse gas emissions" as used in this Law shall mean the sum of all values obtained by multiplying the global warming potential of each substance constituting a greenhouse gas by the emissions of that substance as calculated by methods specified in a Cabinet Order. (In this article and hereinafter, global warming potential [GWP] indicates a coefficient for each substance constituting a greenhouse gas which indicate that substance's effect on global warming as a ratio to that of carbon dioxide, specified by a Cabinet Order on the basis of internationally recognized knowledge.)
- (6) The term "carbon dioxide equivalent quota" as used in this Law shall mean the following quantities, expressed in units corresponding to one ton of carbon dioxide.
- (i) Quotas prescribed under Article 3, No. 7 of the Kyoto Protocol of the United Nations Framework Convention on Climate Change (hereinafter referred to as "Kyoto Protocol").
 - (ii) Quotas of net change as prescribed in Article 3, No. 3 of the Kyoto Protocol.
 - (iii) Emissions reduction units as prescribed in Article 6, No. 1 of the Kyoto Protocol.
 - (iv) Certified emissions reductions as prescribed in Article 12, No. 3(b) of the Kyoto Protocol.
 - (v) Other quantities besides those listed above, if recognized as quotas calculated under Article 3, No. 1 of the Kyoto Protocol in the case of fulfilling a commitment pursuant to that article.

(Responsibilities of the national government)

- Article 3 (1) The national government shall conduct monitoring and observation to determine changes in the concentrations of greenhouse gases in the atmosphere and related climate changes and ecological matters, and shall formulate and implement comprehensive, plan-based global warming countermeasures.
- (2) The national government shall implement programs for the control of greenhouse gases and take care to ensure that its programs related to the control of greenhouse gases will contribute to the control of greenhouse gases in a manner that is consistent with attaining the goals of those programs.
- (3) The national government shall take measures to reduce greenhouse gas emissions and to maintain and improve greenhouse gas absorption with regard to its own administration and undertakings, support the programs of local government bodies for the control of greenhouse gases, and endeavor to provide technical advice and other measures to promote activities by businesses, citizens, and private groups organized by businesses or citizens (hereinafter referred to as "private entities") with regard to the control of greenhouse gases.
- (4) The national government shall take the measures needed to fulfill its commitment pursuant to Article 3 of the Kyoto Protocol, including acquisition of the quantities stated in Paragraph (6), Items (iii) and (iv) of the preceding article, and participation in emissions trading as prescribed in Article 17 of the Kyoto Protocol.
- (5) The national government shall conduct surveys regarding global warming and the prediction of its effects, surveys regarding technologies for the control of greenhouse gases, and other surveys needed to formulate global warming countermeasures.
- (6) The national government shall endeavor to take the necessary measures to ensure international collaboration for the effective implementation of the monitoring and observation prescribed in Paragraph (1), international cooperation for implementation of the surveys prescribed in the preceding paragraph, and other international cooperation related to global warming; and shall endeavor to provide information and take other necessary measures to promote activities by local governments or private entities for international cooperation regarding the control of greenhouse gases.

(Responsibilities of local governments)

- Article 4 (1) Local governments shall implement programs for the control of greenhouse gases in accordance with the natural and social conditions of their local areas.
- (2) Local governments shall take measures to reduce greenhouse gas emissions and to maintain and improve greenhouse gas absorption with regard to their own administration and undertakings, and shall endeavor to provide information and

take other measures with regard to the steps prescribed in the preceding paragraph, in order to promote activities by businesses and residents in their local areas concerning the control of greenhouse gases.

(Responsibilities of business operators)

Article 5 Business operators shall strive to develop measures for the control of greenhouse gases regarding their business activities (including measures to contribute to the control of greenhouse gases by others), and shall cooperate with programs of the national government and local governments for the control of greenhouse gases.

(Responsibilities of the general public)

Article 6 Members of the general public shall strive to develop measures for the control of greenhouse gases with regard to activities of their daily lives, and shall cooperate with programs of the national government and local governments for the control of greenhouse gases.

(Calculating greenhouse gas emissions and sinks)

Article 7 In order to prepare the inventory prescribed in Article 4, Item 1 (a) of the United Nations Framework Convention on Climate Change and the annual inventory prescribed in Article 7, Item 1 of the Kyoto Protocol, the national government shall calculate greenhouse gas emissions and sinks in Japan each year, and the results shall be published as prescribed by an Ordinance of the Ministry of the Environment.

Chapter 2 Kyoto Protocol Target Achievement Plan

(Kyoto Protocol Target Achievement Plan)

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

(2) The Kyoto Protocol Target Achievement Plan shall prescribe the following matters.

- (i) Basic orientation regarding the promotion of global warming countermeasures
- (ii) Basic matters regarding the control of greenhouse gases which should be taken by the national government, local governments, businesses, and citizens, respectively.
- (iii) Targets regarding greenhouse gas emissions and sinks for each class and category of greenhouse gases.

- (iv) Targets regarding implementation of measures which are necessary in order to achieve the targets of the preceding item.
 - (v) Matters regarding programs of the national government and local governments which are necessary in order to achieve the targets of the preceding item.
 - (vi) Basic matters regarding the National Government Action Plan as prescribed in Article 20-2, Paragraph (1) and the action plans of local governments as prescribed in Article 21, Paragraph (1).
 - (vii) Basic matters regarding plans that should be formulated and announced concerning measures for the control of greenhouse gases related to businesses with considerably high total greenhouse gas emissions (including measures to contribute to the control of greenhouse gas emissions by other parties).
 - (viii) Basic matters regarding measures prescribed in Article 3, Paragraph (4).
 - (ix) Other important matters regarding global warming countermeasures, in addition to those indicated in the items above.
- (3) The Prime Minister shall seek a Cabinet decision concerning the proposed Kyoto Protocol Target Achievement Plan.
- (4) Upon the Cabinet decision prescribed by the preceding paragraph, the Prime Minister shall announce the Kyoto Protocol Target Achievement Plan without delay.

(Changes in the Kyoto Protocol Target Achievement Plan)

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

Chapter 3 Global Warming Prevention Headquarters

(Establishment of the Global Warming Prevention Headquarters)

- Article 10 The Global Warming Prevention Headquarters (hereinafter referred to as "Headquarters") shall be established under the Cabinet for the comprehensive, plan-based implementation of global warming countermeasures.

(Scope of authority)

Article 11 Headquarters shall have authority over the following operations.

- (i) Matters related to preparation and execution of the Kyoto Protocol Target Achievement Plan.
- (ii) Matters related to general coordination regarding the implementation of global warming countermeasures from a long-term standpoint.

(Organization)

Article 12 Headquarters shall consist of a Headquarters Chairman, Headquarters Vice Chairmen, and Headquarters Members.

(Headquarters Chairman)

Article 13 (1) Headquarters shall be headed by a Headquarters Chairman (hereinafter referred to as "Chairman"); and the Prime Minister shall serve in this capacity.

- (2) The Chairmen shall command department staff of Headquarters and administrate the operations regarding to under the authority of Headquarters.

(Headquarters Vice Chairmen)

Article 14 (1) Headquarters shall include Headquarters Vice Chairmen (hereinafter referred to as "Vice Chairmen"); and the chief Cabinet secretary, the Minister of the Environment, and the Minister of Economy, Trade and Industry shall serve in this capacity.

- (2) The Vice Chairmen shall assist with the duties of the Chairman.

(Headquarters Members)

Article 15 (1) Headquarters shall include Headquarters Members (hereinafter referred to as "Members").

- (2) All of the state ministers other than the Chairman and the Vice Chairmen shall serve in the capacity of Members.

(Director)

Article 16 (1) Headquarters shall include a Director.

- (2) The Prime Minister shall appoint an official of a related administrative body as Director.
- (3) The Director shall assist the Chairman, Vice Chairmen, and Members with regard to operations under the authority of Headquarters.

(Operations)

Article 17 Operations regarding Headquarters shall be handled by the Cabinet Secretariat and administered by the assistant to the deputy chief cabinet secretary as instructed.

(Chief minister)

Article 18 The Prime Minister shall be the chief minister as indicated in the Cabinet Law (Law No. 5 of 1947) for matters pertaining to Headquarters.

(Other matters concerning Headquarters)

Article 19 Other necessary matters regarding Headquarters, in addition to what is provided in this Law, shall be prescribed by Cabinet Order.

Chapter 4 Programs for Control of Greenhouse Gases

(Programs by the national government and local governments)

Article 20 (1) Using knowledge concerning technologies for the control of greenhouse gases, information regarding the levels of greenhouse gas emissions which is reported as prescribed by this Law, and other information, the national government shall endeavor to comprehensively and effectively implement the programs needed for the control of greenhouse gases, in collaboration with local governments.

(2) In view of the Kyoto Protocol Target Achievement Plan, prefectural and municipal governments shall endeavor to formulate and implement comprehensive, plan-based programs for the control of greenhouse gases, in accordance with the natural and social conditions of their local areas.

(National Government Action Plan)

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

(2) The National Government Action Plan shall prescribe the following matters.

(i) Plan period

(ii) Goals of the National Government Action Plan

(iii) Content of measures to be implemented

(iv) Other matters needed for implementation of the National Government Action Plan

(3) The Minister of the Environment shall prepare a draft of the National

Government Action Plan and seek a Cabinet decision.

- (4) Before preparing a draft of the National Government Action Plan, the Minister of the Environment shall consult in advance with the heads of related administrative bodies.
- (5) Upon the Cabinet decision prescribed by Paragraph (3), the Minister of the Environment shall announce the National Government Action Plan without delay.
- (6) The provisions of Article 3 shall apply mutatis mutandis regarding changes in the National Government Action Plan.
- (7) Once each year, the national government shall announce the situation of implementation of measures based on the National Government Action Plan, including total greenhouse gas emissions.

(Action plans of local governments)

Article 21 (1) Prefectural and municipal governments shall formulate plans (referred to hereinafter in this article as "action plans of local governments") for measures to reduce greenhouse gas emissions and to maintain and improve greenhouse gas absorption with regard to their own administration and undertakings, in line with the Kyoto Protocol Target Achievement Plan.

- (2) The action plans of local governments shall prescribe the following matters.
 - (i) Plan period
 - (ii) Goals of the action plans of local governments
 - (iii) Content of measures to be implemented
 - (iv) Other matters needed for implementation of the action plans of local governments
- (3) Upon formulating or changing action plans of local governments, the respective prefectural and municipal governments shall announce those plans without delay.
- (4) Once each year, the respective prefectural and municipal governments shall announce the situation of implementation of measures based on the action plans of local governments, including total greenhouse gas emissions.

(Reporting of carbon dioxide equivalent greenhouse gas emissions)

Article 21-2 (1) Parties specified by Cabinet Order as producing considerably high greenhouse gas emissions in conjunction with their business activities (including undertakings of the national government and local governments; the same shall apply hereinafter in this article) shall be hereinafter referred to as "specified emitters." For each place of business (or for each division specified by Competent Ministerial Order, in the case of a party designated by Competent Ministerial Order as a specified emitter who should report according to divisions other than

places of business in view of the type of business activities; the same shall apply hereinafter in this paragraph, as well as in Article 21-3, Paragraph (1), in Article 21-4, Paragraph (2), Item (ii), and in Article 21-6, Paragraph (2), Item (ii)), specified emitters shall report every fiscal year, as prescribed by Competent Ministerial Order, to the minister who has jurisdiction over the area of business pertaining to the place of business in question (hereinafter referred to as "minister having jurisdiction over the business in question") on the matters specified by Competent Ministerial Order concerning the carbon dioxide equivalent greenhouse gas emissions produced during a period specified by Competent Ministerial Order.

- (2) The term "carbon dioxide equivalent greenhouse gas emissions" as used in this chapter shall mean the value obtained by multiplying the GWP of each substance constituting a greenhouse gas by the emissions of that substance produced in conjunction with the business activities of specified emitters, as calculated by methods specified in a Cabinet Order.

(Requests pertaining to protection of rights and interests)

Article 21-3 (1) If there is believed to be a risk that the rights, competitive standing, or other legitimate interests (hereinafter referred to as "rights and interests") of a specified emitter could be injured by the publication of information on carbon dioxide equivalent greenhouse gas emissions pertaining to a report prescribed in Paragraph (1) of the preceding article, then that specified emitter may submit a request to the minister having jurisdiction over the business in question, asking that the notification prescribed in Article 21-4, Paragraph (1) be conducted using the total value of carbon dioxide equivalent greenhouse gas emissions related to that specified emitter for each place of business (or the carbon dioxide equivalent greenhouse gas emissions pertaining to that specified emitter, totaled as specified by Competent Ministerial Order, if there are found to be special circumstances making it difficult to use that value; the same shall apply in Article 21-4, Paragraph (2), Item (ii)) instead of the carbon dioxide equivalent greenhouse gas emissions in question.

- (2) When submitting a request pursuant to the preceding paragraph, specified emitters shall submit the reasons for the request, as prescribed by Competent Ministerial Order, along with a report as prescribed by Paragraph (1) of the preceding article.
- (3) If the minister having jurisdiction over the business in question approves of a request pursuant to Paragraph (1), that minister shall issue a decision to that effect and notify the specified emitter who submitted the request.
- (4) If the minister having jurisdiction over the business in question does not approve of a request pursuant to Paragraph (1), that minister shall issue a

decision to that effect and, immediately after this decision is issued, shall notify the specified emitter who submitted the request and inform that specified emitter of the reasons why the request was not approved.

- (5) The decisions of the two preceding paragraphs shall be made within 30 days from the date of the request pursuant to Paragraph (1).
- (6) Notwithstanding the provisions of the preceding paragraph, the minister having jurisdiction over the business in question may extend the period of the preceding paragraph for up to 30 days in the case of difficulty regarding administrative processing or other justifiable grounds.

(Notification of reported matters)

Article 21-4 (1) Upon receiving a report as prescribed in Article 21-2, Paragraph (1), the minister having jurisdiction over the business in question shall notify the Minister of the Environment and the Minister of Economy, Trade and Industry concerning the matters pertaining to that report.

- (2) Notification pursuant to the preceding paragraph shall be conducted as follows.
 - (i) If no request has been made pursuant to Paragraph (1) of the preceding article, notification shall be made without delay concerning the matters pertaining to the report.
 - (ii) If a request has been made pursuant to Paragraph (1) of the preceding article, and a decision has been issued pursuant to Paragraph (3) of that article, then notification shall be made without delay concerning the matters pertaining to the report. (Among those matters, instead of the carbon dioxide equivalent greenhouse gas emissions pertaining to that decision, the total value of carbon dioxide equivalent greenhouse gas emissions pertaining to that specified emitter for each place of business shall be indicated.)
 - (iii) If a request has been made pursuant to Paragraph (1) of the preceding article, and a decision has been issued pursuant to Paragraph (4) of that article, then notification concerning the matters pertaining to the report shall be made promptly after two weeks have elapsed from the date of notification to the specified emitter as prescribed in that paragraph.
- (3) Upon receiving a report as prescribed in Article 21-2, Paragraph (1), the minister having jurisdiction over the business in question shall total up the carbon dioxide equivalent greenhouse gas emissions pertaining to that report without delay, as prescribed by Competent Ministerial Order.
- (4) The minister having jurisdiction over the business in question shall notify the Minister of the Environment and the Minister of Economy, Trade and Industry without delay concerning the totals obtained as prescribed in the preceding paragraph. However, if there is a risk that the rights and interests of a specified emitter pertaining to a decision pursuant to Paragraph (3) of the preceding article

could be injured by notification of those totals, then instead of the carbon dioxide equivalent greenhouse gas emissions pertaining to those totals, notification shall be made of the total values obtained as prescribed by Competent Ministerial Order.

(Records of reported matters)

- Article 21-5 (1) The Minister of the Environment and the Minister of Economy, Trade and Industry shall prepare records of the matters notified pursuant to Paragraph (1) of the preceding article in computer files as specified by Ordinance of the Ministry of the Environment and by Ordinance of the Ministry of Economy, Trade and Industry.
- (2) After preparing records as prescribed in the preceding paragraph, the Minister of the Environment and the Minister of Economy, Trade and Industry shall notify the minister having jurisdiction over the business in question concerning the matters recorded in the files indicated in that paragraph (hereinafter referred to as "matters in record files") pertaining to the specified emitters conducting a business which comes under the authority of that minister having jurisdiction over the business in question, without delay and as specified by Ordinance of the Ministry of the Environment and by Ordinance of the Ministry of Economy, Trade and Industry.
- (3) The Minister of the Environment and the Minister of Economy, Trade and Industry shall total up the matters notified pursuant to Paragraph (4) of the preceding article, without delay and as specified by Ordinance of the Ministry of the Environment and by Ordinance of the Ministry of Economy, Trade and Industry. In this case, after confirming that there is no impediment to protecting the rights and interests of the specified emitter pertaining to a decision pursuant to Article 21-3, Paragraph (3), the Minister of the Environment and the Minister of Economy, Trade and Industry may request that the minister having jurisdiction over the business in question provide notification of the total values of carbon dioxide equivalent greenhouse gas emissions obtained pursuant to Paragraph (3) of the preceding article for use in preparing those totals, as specified by Competent Ministerial Order.
- (4) The Minister of the Environment and the Minister of Economy, Trade and Industry shall notify the minister having jurisdiction over the business in question without delay concerning the total values obtained pursuant to the preceding paragraph and announce that information.

(Right to request disclosure)

- Article 21-6 (1) If an announcement has been made as prescribed in Paragraph (4) of the preceding article, then any person may request that the competent minister

disclose the matters in record files kept by that minister, on or after the date of that announcement.

- (2) Any request under the preceding paragraph (referred to hereinafter as "disclosure request") shall include the following information.
- (i) Name and address of the person or entity submitting the disclosure request, and name of the representative in the case of a disclosure request submitted by a corporation or other organization.
 - (ii) Name and address of the place of business or specified emitter pertaining to the disclosure request, and any other information sufficient to identify that place of business or specified emitter.

(Obligation for disclosure)

Article 21-7 Upon receiving a disclosure request, the competent minister shall promptly disclose to the requester those matters in record files which pertain to that disclosure request.

(Providing information)

- Article 21-8 (1) Specified emitters may provide additional information to the minister having jurisdiction over the business in question along with a report submitted pursuant to Article 21-2, Paragraph (1), including information on changes in carbon dioxide equivalent greenhouse gas emissions pertaining to that report, as specified by Competent Ministerial Order, in order to contribute to further understanding of the information announced pursuant to Article 21-5, Paragraph (4) or disclosed pursuant to the preceding article.
- (2) The minister having jurisdiction over the business in question shall notify the Minister of the Environment and the Minister of Economy, Trade and Industry of the information provided as prescribed by the preceding paragraph.
 - (3) The Minister of the Environment and the Minister of Economy, Trade and Industry shall prepare records of the information notified pursuant to the preceding paragraph in computer files as specified by Ordinance of the Ministry of the Environment and by Ordinance of the Ministry of Economy, Trade and Industry.
 - (4) After preparing records as prescribed in the preceding paragraph, the Minister of the Environment and the Minister of Economy, Trade and Industry shall notify the minister having jurisdiction over the business in question concerning the matters in record files pertaining to specified emitters conducting a business which comes under the authority of that minister having jurisdiction over the business in question, without delay and as specified by Ordinance of the Ministry of the Environment and by Ordinance of the Ministry of Economy, Trade and Industry.

- (5) The Minister of the Environment and the Minister of Economy, Trade and Industry shall notify the minister having jurisdiction over the business in question concerning the information notified pursuant to Paragraph (2) and announce that information, without delay and as specified by Ordinance of the Ministry of the Environment and by Ordinance of the Ministry of Economy, Trade and Industry.
- (6) The provisions of the two preceding articles shall apply mutatis mutandis in the case of an announcement as prescribed in the preceding paragraph.

(Technical advice)

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

(Relationship to laws regarding rationalization of energy use)

Article 21-10 If a report has been submitted by a specified emitter as prescribed in Article 15, Paragraph 1 of the Act on Rationalization of Energy Use (Act No. 49 of 1979) (including the cases in which it is applied mutatis mutandis pursuant to Article 18, Paragraph 1 of that law), or in Article 20, Paragraph 3; Article 56, Paragraph 1 (including the cases in which it is applied mutatis mutandis pursuant to Article 69 or Article 71, Paragraph 6 of that law); or Article 63, Paragraph 1 of that law, then with regard to application of the provisions of Articles 21-2 through 21-9, Article 45, and Article 47, the portions of that report regarding matters pertaining to carbon dioxide emissions shall be deemed as reports pursuant to Article 21-2, Paragraph (1) regarding carbon dioxide emissions produced in conjunction with the use of energy (referring to energy as prescribed in Article 2, Paragraph (1) of that law). In this case, the words "minister who has jurisdiction over the area of business pertaining to the place of business in question (hereinafter referred to as 'minister having jurisdiction over the business in question')" in Article 21-2, Paragraph (1), the words "minister having jurisdiction over the business in question" in Article 21-3, Paragraphs (1), (3), (4), and (6), Article 21-4, Paragraphs (1), (3) and (4), Article 21-5, Paragraph (4), Article 21-8, Paragraphs (1), (2) and (5), Article 45, Paragraphs (1) and (2), and Article 47, Paragraph (1), the words "that minister having jurisdiction over the business in question" in Article 21-5, Paragraph (2) and Article 21-8, Paragraph (4), and the words "that minister having jurisdiction over relevant businesses" in Article 21-5, Paragraph (3) shall be deemed to be replaced with the words "competent minister" as prescribed in Article 11, Paragraph (1) of the Act on Rationalization of Energy Use (including the cases in which it is applied

mutatis mutandis pursuant to Article 12-3, Paragraph (1) of that law) with regard to reporting under Article 15, Paragraph 1 of that law (including the cases in which it is applied mutatis mutandis pursuant to Article 18, Paragraph 1 of that law); with the words "competent minister" as prescribed in Article 20, Paragraph 3 of the Act on Rationalization of Energy Use with regard to reporting under Article 20, Paragraph 3 of that law; with the words "Minister of Land, Infrastructure, Transport and Tourism" with regard to reporting under Article 56, Paragraph 1 of that law (including the cases in which it is applied mutatis mutandis pursuant to Article 69 and Article 71, Paragraph 6 of that law); or with the words "competent minister" as prescribed in Article 63, Paragraph 1 of the Act on Rationalization of Energy Use with regard to reporting under Article 63, Paragraph 1 of that law; and other necessary technical matters with regard to application of the provisions of Articles 21-2 through 21-9, Article 45, and Article 47 shall be specified by Cabinet Order.

(Plan regarding business activities of business operators)

- Article 22 (1) Business operators, either independently or collectively, shall endeavor to prepare and announce plans concerning measures for the control of greenhouse gases regarding their business activities (including measures to contribute to the control of greenhouse gases by others), by giving due consideration to the provisions of the Kyoto Protocol Target Achievement Plan.
- (2) Business operators who have prepared and announced plans as prescribed in the preceding paragraph shall endeavor to announce the situation of implementation of measures pertaining to plans under the preceding paragraph, either independently or collectively, keeping the provisions of the Kyoto Protocol Target Achievement Plan in mind.

(Climate change action officers)

- Article 23 (1) Prefectural governors may delegate persons to serve as climate change action officers who are enthusiastic and knowledgeable concerning the promotion of activities for the regional dissemination of knowledge regarding the current situation of global warming and related countermeasures and for the promotion of global warming countermeasures.
- (2) Climate change action officers shall perform the following activities.
- (i) Deepening the understanding of the general public concerning the current situation of global warming and the importance of global warming countermeasures.
 - (ii) Investigating measures for the control of greenhouse gases with regard to activities of daily life and providing guidance and advice based on such investigation to member of the general public in response to their requests.

- (iii) Supporting members of the general public who conduct activities to promote global warming countermeasures by providing relevant information and other types of cooperation.
- (iv) Providing the necessary cooperation for programs conducted by the national government or local governments for the control of greenhouse gases.

(Prefectural promotion centers for climate change action)

Article 24 (1) Prefectural governors may designate no more than one organization per prefecture as a prefectural promotion center for climate change action (hereinafter referred to as "Prefectural Centers for Climate Change Action") upon application by that organization, providing that the organization was established for the purpose of promoting activities to contribute to the prevention of global warming by means such as education concerning global warming countermeasures, that the organization is recognized as capable of appropriately and reliably performing the operations prescribed in Paragraph (2) below, and that it is either a corporation under Article 34 of the Civil Code (Law No. 89 of 1896) or a specified nonprofit corporation under Article 2, Paragraph (2) of the Law to Promote Specified Nonprofit Activities (Law No. 7 of 1998).

- (2) Prefectural centers for climate change action shall perform the following operations within their respective prefectures.
 - (i) Conducting education and public information activities concerning the current situation of global warming and the importance of global warming countermeasures, and supporting the activities of climate change action officers and private organizations engaged in activities to promote global warming countermeasures.
 - (ii) Responding to inquiries, providing consultation, and offering advice as needed with regard to measures for the control of greenhouse gases in relation to daily life.
 - (iii) Investigating the actual status of greenhouse gas emissions in relation to daily life, in line with actual inquiries and requests for consultation under the preceding item, and analyzing information and materials pertaining to such investigation.
 - (iv) Providing the results of analysis as prescribed in the preceding item on a regular basis or at appropriate times, in order to promote activities by members of the general public for the sake of global warming countermeasures.
 - (v) Other operations incidental to the above items.
- (3) If the prefectural governor finds that improvement is needed in the administration of the operations or financial situation of a prefectural center for climate change action, then the prefectural governor may order that prefectural center for climate change action to take the necessary measures for such

improvement.

- (4) The prefectural governor may cancel the designation of a prefectural center for climate change action under Paragraph (1) if it has violated an order as prescribed in the preceding paragraph.
- (5) The executive officers, employees, and former executive officers and employees of a prefectural center for climate change action shall not divulge any confidential information learned with regard to the operations indicated in Paragraph (1), Items (ii) or (iii), or operations indicated in Paragraph (1), Item (v) (limited to those matters incidental to operations under Items (ii) or (iii) of that paragraph).
- (6) The necessary matters regarding prefectural centers for climate change action, including the procedures for designation under Paragraph (1), shall be specified by an Ordinance of the Ministry of the Environment.

(Japan Center for Climate Change Action)

Article 25 (1) The Minister of the Environment may designate no more than one organization in Japan as the Japan Center for Climate Change Action (hereinafter referred to as "Japan Center for Climate Change Action" upon application by that organization, providing that the organization was established for the purpose of promoting activities to contribute to the prevention of global warming through such means as education concerning global warming countermeasures, that the organization is recognized as capable of appropriately and reliably performing the operations prescribed in Paragraph (2) below, and that it is a corporation under Article 34 of the Civil Code (Law No. 89 of 1896).

- (2) The Japan Center for Climate Change Action shall perform the following operations.
 - (i) Conducting education and public information activities concerning the current situation of global warming and the importance of global warming countermeasures in at least two prefectures, and supporting the activities of private organizations engaged in activities to promote global warming countermeasures in at least two prefectures.
 - (ii) Investigation and research on ways to promote measures for the control of greenhouse gases in relation to daily life, in line with practical examples of greenhouse gas emissions in relation to daily life.
 - (iii) In addition to investigation and research indicated in the preceding item, other investigation and research related to global warming and global warming countermeasures, and the collection, analysis, and provision of related information and materials.
 - (iv) Collection and provision of information regarding the amounts of greenhouse gas emissions from products that result in greenhouse gas emissions when used in daily life.

- (v) Conducting liaison and coordination regarding the operations of prefectural centers for climate change action, providing training for persons engaged therein, and providing guidance and other assistance to prefectural centers for climate change action.
 - (vi) Other operations incidental to the above items.
- (3) The Minister of the Environment shall consult with the heads of related administrative agencies in advance before making a designation under Paragraph (1) above.
- (4) The provisions of Paragraphs (3), (4), and (6) of the preceding article shall apply mutatis mutandis to the Japan Center for Climate Change Action. In this case, the words "prefectural governor" in Paragraphs (3) and (4) of that article shall be deemed to be replaced with "Minister of the Environment;" and the words "Paragraph (1)" in Paragraphs (4) and (6) of that article shall be deemed to be replaced with "Article 25, Paragraph (1)."

(Regional councils on global warming countermeasures)

Article 26 (1) Local governments, prefectural centers for climate change action, climate change action officers, business operators, members of the general public, and other entities engaged in activities to promote global warming countermeasures may organize regional councils on global warming countermeasures (referred to hereinafter as "regional councils") for the sake of discussion concerning measures needed regarding the control of greenhouse gases in relation to daily life.

- (2) The members of regional councils shall respect the results of discussion concerning matters agreed upon at a meeting for discussion under the preceding paragraph.
- (3) The regional councils shall determine the matters needed for their administration, other than as provided in the two preceding paragraphs.

(Promotion of climate change action by the Minister of the Environment)

Article 27 The Minister of the Environment shall endeavor to promote activities for the dissemination of knowledge concerning the current situation of global warming and related countermeasures and for the promotion of global warming countermeasures, in collaboration with the Japan Center for Climate Change Action, local governments, regional councils, and other related organizations.

Chapter 5 Maintaining Greenhouse Gas Absorption by Forests and

Plants

(Evaluating implementation of measures)

Article 28 In order to contribute to the determination and evaluation by local governments and private entities of their own measures for the control of greenhouse gases (including measures to contribute to the control of greenhouse gases by others), the national government shall endeavor to develop methods for determination and evaluation and to disseminate the results of such measures.

Chapter 6 Quota Account Inventory

(Preparation of quota account inventory)

Article 29 (1) The Minister of the Environment and the Minister of Economy, Trade and Industry shall open accounts (hereinafter referred to as "Management Accounts") for the acquisition, holding, and transferal of carbon dioxide equivalent quotas (hereinafter referred to as "Carbon Dioxide Equivalent Quota Management") and shall prepare a quota account inventory in accordance with international decisions regarding the calculation of quotas pursuant to Article 7, No. 4 of the Kyoto Protocol (hereinafter referred to as "International Decisions").
(2) The quota account inventory shall be prepared in its entirety using magnetic disks (including other means of reliably recording certain matters by equivalent methods; the same shall apply hereinafter).

(Attribution of carbon dioxide equivalent)

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

(Matters recorded in quota account inventory)

Article 31 (1) The quota account inventory shall have the following divisions.
(i) Management Account of the national government
(ii) Management Account of a corporation having its headquarters or principal office (hereinafter referred to as "Head Office") located in Japan (hereinafter referred to as a "Japanese Corporation").
(2) Management Accounts of Item (ii) of the preceding paragraph shall be classified according to the holder of each Management Account (party in whose name the Management Account was opened; hereinafter referred to as "Account Holder").
(3) The following matters shall be recorded in each Management Account of Paragraph (1), Item (ii).
(i) Name of Account Holder, name of representative, location of Head Office, and

any other matters specified by an Ordinance of the Ministry of the Environment or the Ministry of Economy, Trade and Industry.

- (ii) Quantities and identification codes for each type of carbon dioxide equivalent quota held (referring to the types given in each item under Article 2, Paragraph (6); the same shall apply hereinafter). (Here, "identification codes" means the letters and numbers assigned by the signatory parties of the Kyoto Protocol or the Secretariat of the United Nations Framework Convention on Climate Change, hereinafter referred to as "Secretariat," for per-unit identification of carbon dioxide equivalent quotas; the same shall apply hereinafter).
- (iii) If all or a portion of the carbon dioxide equivalent quotas of the preceding item are trust assets, a statement to that effect.
- (iv) Other matters specified by Cabinet Order.

(Establishment of management accounts)

- Article 32 (1) A Japanese Corporation which wishes to conduct Carbon Dioxide Equivalent Quota Management must have a Management Account opened by the Minister of the Environment and the Minister of Economy, Trade and Industry.
- (2) Only one Management Account may be opened for each Japanese Corporation.
 - (3) To have a Management Account opened, a Japanese Corporation shall submit an application to the Minister of the Environment and the Minister of Economy, Trade and Industry, stating its name, the name of its representative, the location of its Head Office, and any other matters specified by an Ordinance of the Ministry of the Environment or the Ministry of Economy, Trade and Industry.
 - (4) The corporation's articles of incorporation, certificate of registered matters, and any other documents specified by an Ordinance of the Ministry of the Environment or the Ministry of Economy, Trade and Industry shall be appended to the application of the preceding paragraph.
 - (5) Upon receiving an application for establishment of a Management Account as prescribed in Paragraph (3), the Minister of the Environment and the Minister of Economy, Trade and Industry shall establish a Management Account without delay, unless false statements have been made in important matters of the application or appended documents.
 - (6) After establishing a Management Account as prescribed in the preceding paragraph, the Minister of the Environment and the Minister of Economy, Trade and Industry shall promptly notify the Account Holder of the matters needed in order to conduct Carbon Dioxide Equivalent Quota Management in that Management Account.

(Notification of changes)

- Article 33 (1) If any changes occur in the name of the Account Holder, the name of

its representative, the location of its Head Office, or any other matters specified by an Ordinance of the Ministry of the Environment or the Ministry of Economy, Trade and Industry, then the Account Holder shall notify the Minister of the Environment and the Minister of Economy, Trade and Industry to this effect without delay.

- (2) After receiving notification under the preceding paragraph, the Minister of the Environment and the Minister of Economy, Trade and Industry shall change the relevant records without delay.
- (3) The provisions of Article 32, Paragraph (6) shall apply mutatis mutandis to changes in the records of the preceding paragraph.

(Transfer procedures)

Article 34 (1) The Minister of the Environment and the Minister of Economy, Trade and Industry shall handle the acquisition and transferal of carbon dioxide equivalent quotas (hereinafter referred to as "transfer") by recording increases and decreases to and from the carbon dioxide equivalent quotas in the quota account inventory, as prescribed in this article.

- (2) To conduct a transfer of carbon dioxide equivalent quotas, the Account Holder in whose Management Account a decrease will be recorded due to the transfer shall apply to the Minister of the Environment and the Minister of Economy, Trade and Industry.
- (3) In the application of the preceding paragraph, the Account Holder submitting the application (hereinafter referred to as "Applicant") shall indicate the matters listed below.
 - (i) The quantities and code numbers for each type of carbon dioxide equivalent quota to be recorded as increased or decreased due to the transfer.
 - (ii) The Management Account in which an increase will be recorded due to the transfer (hereinafter referred to as "Transferee Account"), except as provided in the following item.
 - (iii) If applying for a transfer of carbon dioxide equivalent quotas to an account which exists in another signatory country to the Kyoto Protocol (hereinafter referred to as "Other Signatory Party"), the name of the Other Signatory Party, and the account in which an increase will be recorded due to the transfer.
- (4) Upon receiving an application under Paragraph (2), the Minister of the Environment and the Minister of Economy, Trade and Industry shall take the steps listed below without delay, except for a case that comes under Item (iii) of the preceding paragraph or another case specified by Ordinance of the Ministry of the Environment or the Ministry of Economy, Trade and Industry.
 - (i) Record a decrease in the carbon dioxide equivalent quotas of Item (i) of the preceding paragraph in the Management Account of the Applicant.

- (ii) Record an increase in the carbon dioxide equivalent quotas of Item (i) of the preceding paragraph in the Transferee Account.
- (5) If the Applicant has submitted an application indicating the matters listed in Paragraph (3), Item (iii), then the Minister of the Environment and the Minister of Economy, Trade and Industry shall issue notification of the transfer to the Other Signatory Party and the Secretariat, based on International Decisions, unless otherwise specified by Ordinance of the Ministry of the Environment or the Ministry of Economy, Trade and Industry; and after receiving notification from the Other Signatory Party and the Secretariat concerning completion of the transfer, the Minister of the Environment and the Minister of Economy, Trade and Industry shall record a decrease in the carbon dioxide equivalent quotas of Paragraph (3), Item (i) in the Management Account of the Applicant.
- (6) Upon receiving notification from the Other Signatory Party or the Secretariat concerning a transfer of carbon dioxide equivalent quotas to a Management Account in the quota account inventory, the Minister of the Environment and the Minister of Economy, Trade and Industry shall record an increase in the carbon dioxide equivalent quotas of that Management Account.
- (7) In addition to the provisions of Paragraphs (2)-(6), carbon dioxide equivalent quotas may also be transferred under commission by government offices or other public offices to the Minister of the Environment and the Minister of Economy, Trade and Industry, as specified by an Ordinance of the Ministry of the Environment or the Ministry of Economy, Trade and Industry.

(Conditions for effectuation of assignment of carbon dioxide equivalent quotas)

Article 35 (1) An assignment of carbon dioxide equivalent quotas shall not take effect unless the assignee has had an increase in carbon dioxide equivalent quotas, as per a transfer pursuant to the preceding article, recorded in its Management Account as a result of that assignment.

- (2) Concerning application of the provisions of the preceding paragraph to the transfer of carbon dioxide equivalent quotas to an account that exists in another signatory country, the recording of an increase pursuant to that paragraph shall be considered to have been completed upon receipt of notification from the Other Signatory Party and the Secretariat concerning the completion of that transfer.

(Prohibition on pledges)

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

(Perfection in trusts of carbon dioxide equivalent quotas)

Article 37 Unless the trustee of a trust regarding carbon dioxide equivalent quotas

has obtained the recording in the Management Account as prescribed in Article 31, Paragraph (3), Item (iii) as specified by Cabinet Order, the trustee may not set up against a third party.

(Presumption of legal possession)

Article 38 It shall be presumed that the national government and Account Holders are in legal possession of the carbon dioxide equivalent quotas recorded in their Management Accounts.

(Bona fide acquisition)

Article 39 If the national government or an Account Holder has obtained the recording of an increase in carbon dioxide equivalent quotas in its Management Account due to a transfer pursuant to Article 34 (excluding Paragraph (6)), then it shall obtain those carbon dioxide equivalent quotas. However, this shall not apply in the case of bad faith or gross negligence on the part of the national government or Account Holder.

(Requesting certification of matters recorded in the quota account inventory)

Article 40 An Account Holder may ask the Minister of the Environment and the Minister of Economy, Trade and Industry to issue written certification of the matters recorded in its Management Account in the quota account inventory.

(Reliance on Ordinances of the Ministry of the Environment or the Ministry of Economy, Trade and Industry)

Article 41 The matters needed for implementation of the provisions in this chapter, including the establishment of Management Accounts in the quota account inventory and Carbon Dioxide Equivalent Quota Management, shall be determined by Ordinances of the Ministry of the Environment or the Ministry of Economy, Trade and Industry, except for the matters specified in this chapter.

Chapter 7 Miscellaneous Provisions

(Evaluating implementation of measures)

Article 42 In order to attain the targets prescribed in the Kyoto Protocol Target Achievement Plan regarding the amount of absorption of greenhouse gases, the national government and local governments shall take steps to maintain and improve greenhouse gas sinks, based on the basic plan for forests and forestry as prescribed in Article 11, Paragraph (1) of the Basic Law on Forests and Forestry (Law No. 161 of 1964) and other plans regarding afforestation, greening, and the

preservation of forests and other green spaces.

(Cooperation with related administrative agencies)

Article 43 (1) The Minister of the Environment may ask the heads of related administrative agencies to provide needed cooperation in the implementation of global warming countermeasures with regard to programs to contribute to the control of greenhouse gases, if he finds this necessary in order to attain the goals of this Law.

(2) The Minister of the Environment may ask relevant prefectural governors to provide needed materials or explanations if he finds this necessary in order to attain the goals of this Law.

(Fees)

Article 44 Persons who come under any of the following shall pay fees in an amount specified by Cabinet Order in view of actual costs, in the manner specified by Cabinet Order.

(i) Persons who obtain disclosure of matters in record files under Article 21-6, Paragraph (1).

(ii) Persons applying for establishment of a Management Account under Article 32, Paragraph (3).

(iii) Persons applying for a transfer under Article 34, Paragraph (2).

(iv) Persons requesting issuance of documentation under Article 40.

(Use of magnetic disks)

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

(2) The minister having jurisdiction over the business in question may use magnetic disks, as specified by Cabinet Order, for notifications as prescribed in Article 21-3, Paragraphs (3) and (4).

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

(Transitional measures)

Article 46 When an order is enacted, changed, or abolished based on the provisions

of this Law, that order may establish transitional measures within the scope judged to be reasonably necessary in conjunction with its enactment, change or abolition.

(Competent ministers)

Article 47 (1) The competent ministers in this Law shall be the Minister of the Environment, the Minister of Economy, Trade and Industry, and the minister having jurisdiction over the business in question.

(2) Competent Ministerial Orders in this Law shall be orders issued by the Minister of the Environment, the Minister of Economy, Trade and Industry, or the minister having jurisdiction over the business in question.

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

Chapter 8 Punitive Provisions

Article 48 (1) Persons who have made false statements in applications as prescribed in Article 32, Paragraph (3) shall be punished by a fine of up to 500,000 yen.

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

Article 49 Persons who violate the provisions of Article 24, Paragraph (5) shall be punished by a fine of up to 300,000 yen.

Article 50 Any person who falls under any of the following items shall be punished by an administrative fine of up to 200,000 yen.

(i) Persons who submit a falsified report or fail to submit a report as prescribed by Article 21-2, Paragraph (1).

(ii) Persons who submit falsified notification or fail to submit notification as prescribed by Article 33, Paragraph (1).

Supplementary Provisions (excerpt)

Article 3 The national government shall conduct study concerning the situation of enforcement of this Law until 2008 and take any necessary measures based on the results of such study.