

'What Lies Beneath'

Exposing the loopholes
within Japan's control of internal ivory trade



Masayuki Sakamoto
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by
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Executive Summary

This report, ***'What Lies Beneath', Exposing the loopholes within Japan's control of internal ivory trade***, brings out the flaws within the Japanese Law for Conservation of Endangered Species of wild fauna and flora(LCES), its associated databases and, how smuggling syndicates have exploited it to get away from being penalized.

Through a case of illegally trading of Ivory by one renowned Ivory manufacturing dealer, the report captures the intrinsic danger that such a weak law will bring in at a time of rampant illegal trade of Ivory. This report was prepared through an extensive survey and data collection process from the various ministries in Japan and also through several court hearings on the Takaichi case.

Is Japan one of final destinations of illegal ivory?

By observing official seizure of ivory at the Customs of Japan, it cannot be concluded that the number of cases and the amount of ivory seizures are high at this moment.

However, on the other hand, "Takaichi Case" revealed that the biggest and most influential ivory dealer in Japan had bought up ivory tusks sourced from unknown origin. It means that Japan's ivory businesses have tried to obtain considerable amount of ivory tusks ignoring the law. This also proves that there could be several other unreported cases of internal illegal trading in Japan and some of which might have already been through since the last import of legal ivory into Japan in 2009.

Due to high market demand, high quantity of illegal ivory are destined to China. But, it is possible that certain part of those ivory may alter their course to Japan if some situation changes in China, like recession influencing market price.

Level of demand for ivory in Japan

Raw ivory

The official stock of registered whole tusks has been increasing after 1995 -1996 (81 tonnes) when the registration system launched, and it reached to 122 tonnes (total of (B)-(D) by the end of 2010. The official stock of cut pieces reached to 60.8 tonnes by the end of 2010.

Ivory hankos

The number of *hankos* or name seal stamp stocked by all dealers is around 750,000 or above from 2007 to 2010. The demand for ivory *hankos* is still remains substantial in Japan.

Takaichi Case

On May 11, 2011, KT, a former chairman of Takaichi, Inc. and a former chairman of the Japan Federation of Ivory Arts and Crafts Association was arrested on suspicion of buying unregistered ivory whole tusks. He is the biggest and the most influential Japanese ivory trader since 1970s and has affected the legislation process for control of internal ivory trade.

The police confiscated a total of 58 unregistered ivory tusks (509.45kg) amounting JPY 19,572,716 (US\$ 244,658) traded between Takaichi and five sources.

Furthermore, the investigation and the court trial revealed that Takaichi had purchased huge number of unregistered ivory whole tusks between 2005 and 2010.

Effect of Takaichi Case:

How large amount of ivory tusk sourced from unknown origin had been flown in Japanese market?

It is estimated that 572 -1,622 unregistered whole tusks weighed 5,580 -15,770kg which had been consumed for *hankos* production by Takaichi between 2005 and 2010 correspond to 31 -87% in number and 24 -68% in weight of the registered whole tusks as of 1,871 in number and 23,093kg in weight consumed in same period for the same purpose.

Does Japan's control of internal ivory trade comply with all the requirements on Resolution Conf.10.10 (Rev. COP15)?

Problems of Japan's legislation and controls are serious as follows and do not fulfill all the requirements of CITES Resolution Conf.10.10 (Rev.15).

- Individuals or companies engaged in business dealing ivory are only obliged to notify certain information concerning their ivory business, not "registered" or "licensed". Because of this, even though a dealer violated the law, the dealer's business cannot be cancelled by the authority unlike the case of "registration" or "license" found in other Japanese laws.
- Possessors of ivory whole tusks may not transfer them without registration while the registration is voluntary as long as they take possession of them. There is no compulsory system to record raw ivory stock possessed in Japan. Thereby, ivory stock with unknown sources has become the breeding ground for illegal trade.
- Volume of transaction both products' name wise and purchase-sales wise have not been entered into the database managing internal trade in ivory cut pieces and products. Additionally, any data on trade in ivory whole tusks has not been entered into the above database because those data are separately managed by different agencies. In consequence, the following matters are impossible to be monitored at all.
 - Use of unregistered whole tusk
 - Situation of trade in cut pieces and stocks of products

Recommendation

Thus, it shall be recommended that;

In order to eliminate smuggled ivory from Japanese ivory market completely, Japanese government shall improve the Law for Conservation of Endangered Species of Wild Fauna and Flora (LCES) and the relevant Orders and, management and law enforcement regarding internal trade control of ivory in accordance with all the requirements prescribed in "*Regarding control of internal ivory trade*" of Resolution Conf. 10.10 (Rev.CoP15)

Introduction

As of March 2009, around 10,383 *hankos* or name seal dealers in Japan notified certain information regarding their ivory dealing business to the authorities in Japan. According to Ministry of Economy, Trade and Industry (METI), there are 364,006 ivory *hankos* in stock (as of March 2009) (METI, 2012b). It is also very common to see ivory *hankos* for sale in *hankos* shops and office supply stores in Japan.

At present, international trade in ivory is banned. Then, who obtained raw ivory to use as a material for those ivory *hankos* being sold now? And when? And how?

There are only two kinds of ivory stock for legal distribution under the Japanese regulations; stock obtained in or imported to Japan prior to the ban on international commercial trade in Jan.18, 1990 (hereinafter “pre-Convention stock”) and stock imported as the populations listed in Appendix II after the ban. The latter refers to the ivory stock imported at the conditional one-off sale conducted in 1999 and 2009 (hereinafter “imported stock by conditional one-off sale.” Trade in any ivory without such origin as above is against law.

It should be examined if nonregistered ivory, that is, ivory with unknown origin is actually distributed, and if so, it should be investigated how big the illegal market would be. Then, it will disclose the origin of the ivory *hankos* on the Japanese market as well.

Concerning the conditional one-off sale adopted at the 12th meeting of the Conference of the Parties (CoP12), Japan was verified as one of the trading partners at the 54th Meeting of the CITES Standing Committee. Japan was recognized “to have sufficient national legislation and domestic trade controls to ensure that the imported ivory will not be re-exported and will be managed in accordance with all requirements of Resolution Conf.10.10 concerning domestic manufacturing and trade” (Annotations to CITES Appendices II *Loxodonta Africana ii*).

But what if Japan has a considerably large market of ivory of unknown origin? What’s worse, what if the situation above is caused by the deficiencies of the relevant legislation and the control of internal trade? Then, it is doubtful that Japan “has sufficient national legislation and domestic trade controls to ensure that the imported ivory will not be re-exported and will be managed in accordance with all requirements of Resolution conf.10.10”.

A fact to support this concern came out in 2011.

Chapter I Takaichi Case

I.1 Exposure of Takaichi's illegal ivory trades

On May 11, 2011, KT (then 79 years old), a former chairman of Takaichi, Inc., ivory manufacturer and dealer (Tennoji Ward, Osaka City) and a former chairman of the Japan Federation of Ivory Arts and Crafts Association, and his son MT (then 49 years old), a president of the company were arrested on suspicion of buying unregistered ivory whole tusks. Two antiquaries who sold them were also arrested.

The following investigation disclosed that Takaichi bought a total of 58 unregistered ivory tusks (509.45kg) amounting JPY19,572,716 (US\$ 244,658, JPY80=US\$1) from four antiquaries with a company managed by one of them and an ivory manufacturer.

All of them were put on criminal trial, and sentenced suspended imprisonment by the end of September 2011 (Table I-1).

Table I-1 Penalties imposed to the criminal defendants involved with TAKAICHI case

The defendant	Volume of confiscated ivory whole tusks, transferred to TAKAICHI without registration Number (weight)	Total of purchases	Sentences (Tokyo District Court)
KT, former president of TAKAICHI	58 (509.45kg)	JPY19,572,716 (US\$244,659) in total	• 1 year's imprisonment suspended for 3 years • Forfeiture of 58 ivory tusks
MT, CEO of TAKAICHI	↑	↑	10 month's imprisonment suspended for 2 years
TAKAICHI Inc.	↑	↑	1 million JPY (US\$12,500) fine
Antiquary 1 (A1)	25(258.00kg)	JPY10,466,976 (US\$130,837)	6 month's imprisonment suspended for 3 years
Gallery URA Inc. (a antiquary company controlled by A1)	↑	↑	500,000 JPY (US\$6,250) fine
Antiquary 2 (A2)	11 (68.92kg)	JPY2,316,280 (US\$28,953)	6 month's imprisonment suspended for 3 years
Antiquary 3 (A3)	8 (63.85kg)	JPY2,344,520 (US\$29,307)	6 month's imprisonment suspended for 3 years
Antiquary 4 (A4)	7 (48.76kg)	JPY1,736,660 (US\$21,708)	6 month's imprisonment suspended for 2 years
MK, an ivory manufacturer	7 (69.92kg)	JPY2,708,280 (US\$33,853)	6 month's imprisonment suspended for 2 years

JPY80=US\$1

Sakamoto M. (2011) a, Memo on court hearing on 16th and 26th Aug. in 2011 at Tokyo District Court regarding Case of violating Law for Conservation of Endangered Species of Wild Fauna and Flora (2011,WA, No.945) (in Japanese)

Sakamoto M. (2011) b, Memo on court hearing on 9th Aug. and 5th Sep. in 2011 at Tokyo District Court regarding Case of violating Law for Conservation of Endangered Species of Wild Fauna and Flora (2011,WA, No.1192) (in Japanese)

Sakamoto M. (2011) c, Memo on court hearing on 15th and 20th Jul. in 2011 at Tokyo District Court regarding Case of violating Law for Conservation of Endangered Species of Wild Fauna and Flora (2011,WA, No.947) (in Japanese)

Sakamoto M. (2011) d, Memo on court hearing on 11th Jul. and 8th Aug. in 2011 at Tokyo District Court regarding Case of violating Law for Conservation of Endangered Species of Wild Fauna and Flora (2011,WA, No.816) (in Japanese)

Sakamoto M. (2011) e, Memo on court hearing on 9th and 10th Aug. in 2011 at Tokyo District Court regarding Case of violating Law for Conservation of Endangered Species of Wild Fauna and Flora (2011,WA, No.1194) (in Japanese)

I-2 Takaichi Inc., the biggest manufacturer of ivory *hankos* in Japan

Takaichi Inc., an ivory *hankos* manufacturing and dealing company, was founded in 1967 by KT (changed to the present company name in 1997). In the beginning, they dealt mainly polished ivory and ivory pipes (Anon., 2007), but later shifted to ivory *hankos* as a main product. They also handle ivory craft goods and *hankos* made of bull horn and buffalo horn (<http://www.in-shop.co.jp/takaichi/>).

In the beginning, Takaichi imported ivory material from Hong Kong, but later extended to Europe, then to Africa (Anon., 2007). Their yearly turnover was JPY2.3 billion (US\$28.75 million, JPY80=US\$1) at their peak before 1989 when ivory trade was prohibited (ibid.).

KT is "Japan's biggest manufacturer of (ivory) *hanko*" (Chadwick, 1992), "Takaichi is the top company in Japanese ivory business. KT is the boss in the Japanese ivory market" (May 12,

2011 The Sankei Shimbun newspaper), “Takaichi is the biggest company in the ivory business, the leader” (Sakamoto, 2011 a). Moreover, the history of Takaichi “can be the same as the history of the Japanese ivory business itself” (Anon.2007).

As a matter of course, Takaichi participated in both conditional one-off import in 1999 and 2009 (Anon.2007, Anon.2009), and they imported 5 ton out of 39 ton that Japan secured at the one-off import in 2009 (Sakamoto, 20011 a).

KT held prominent positions such as the vice chairman, the chairman and special advisor of Japan Federation of Ivory Arts and Crafts Association (Sakamoto, 2011 a), the chairman of Japan General Merchandize Importer’s Association, Ivory Division, chairman of Osaka Ivory Arts and Crafts Cooperative Association, and the chairman of West Japan *Hankos* business Association (Chadwick, 1992, Anon. 1999 b, Anon. 2002).

KT has been attending CITES meetings since the fifth Meeting of the Conference of the Parties as a representative of Japanese ivory industry. His son, MT had attended the fifteenth Meeting of the Conference of the Parties (Takaichi, 1992, List of Participants of Fifteenth Meeting of the Conference of the Parties, CITES).

One crucial point to note is the fact about KT taking part in the governmental preparation for the system for control of internal ivory trade as a representative of the ivory industry.

The control of internal ivory trade is based on the Law for Conservation of Endangered Species of Wild Fauna and Flora (hereinafter “LCES”) (“9”, sc54 Doc.26.1 (Rev.1)). According to this law, government agencies involved in controlling the internal trade in ivory are the Environment Agency (EA. Now, the Ministry of the Environment (MoE).) and the Ministry of International trade and Industry (MITI. Now, METI.) (LCES Article 33-2, Paragraph 1, Cabinet Order to implement LCES (hereinafter “Cabinet Order”) Article 5-4). LCES and the Cabinet Order have been revised several times as shown in Table 1-2.

Table I-2 Change of internal trade control in ivory in Japan

Date of effect (Date of Amendment)	Point of the amendment	Legal basis	Background of the amendment
28th June 1995 (29th June 1994)	The possessors of ivory whole tusks may not transfer them without registration while the registration is voluntary as long as they take possession of them. Those engaged in the business dealing ivory cut pieces (1kg or more in weight and 20cm or more in maximum size) shall provide a notification of certain informations to the authorities. Then after, those notified dealers shall confirm the information on their trade partners and obtain the information of the source of the ivories, and enter them on and maintain the ledger.	Amendment of the original "Law for Conservation of Endangered Species of Wild Fauna and Flora" (LCES), 5th June 1992, Law No. 75 implemented in 1st April, 1993 Amendment of the original Cabinet Order to implement LCES, 10th February 1993, Cabinet Order No. 17	Ensuring consistency with CITES with regard to control subjects
18th March 1999 (28th April 1998)	The obligation to those engaged in business dealing with ivory is extended to the business dealing any size of ivory cut pieces and ivory <i>hankos</i> . Therefore, wholesalers and retailers are regulated as far as <i>hankos</i> is concerned.	Amendment of the Cabinet Order to implement LCES	Taking measure to rectify the deficiencies of the control of internal ivory trade in Japan identified by the CITES Panel of Experts on the African Elephant in Feb. 1997, which was one of the conditions CITES CoP10 had put on the decision to allow the one-off sales of ivory stockpile.
1st October 2004 (2nd July 2004)	The obligation to those engaged in business dealing with ivory is extended to the business dealing with any ivory products. Thus, all the manufacturers, wholesalers and retailers dealing on ivory get regulated.	↑	Taking measure to improve internal trade control before the verification by the mission of the CITES Secretariat in 2005 to comply with Res.Conf.10.10 (Rev.CoP12), which was one of the conditions CITES CoP12 had put on the decision to allow the one-off sales of ivory stockpile.

As explained in Table 1-2, major revisions to the law came into effect in 1995 which lead to the establishment of the current framework for control of internal ivory trade. KT participated in all the below mentioned committees and review meeting which shaped the content of the major revision, in establishing the control of internal ivory trade.

- 1992: "Review Committee for the Ivory Trade Control System"
Sponsored by MITI (Anon., 1992, Takaichi, 1992)
- 1993: "Review Meeting for the Internal Ivory Trade Control System"
Sponsored by Japan General Merchandize Importers' Association (Observers: the Ministry of Foreign Affairs, MITI, MA)(JGMIA, 1993).

Earlier studies have shown that Japan General Merchandize Importers' Association (JGMEA) had been closely associated with MITI since long. When the Ivory Division was established in JGMEA at the end of 1984, the government started to give strong influence to ivory importers (Milliken, 1989). KT was the chairman of this division at JGMEA (Chadwick, 1992).

Before the amendment of the control of internal ivory trade (where the range of ivory dealers who need to notify their business information to the authorities) took effect in April 1998) KT explained about the amendment and called the members to comply with the law at the General Meeting of All Japan *Hankos* Dealers Association as follows:

"I understand that the wholesaler members want to simplify the internal ivory trade control. However, too much simplification may not attain our original purpose of preventing any fraudulence, and may become difficult to receive recognition from the international monitoring organization. Under these circumstances, I strongly wish the system to become as simple as allowed. Recently, it is clear that unbelievably cheap raw ivory is on the market. I want to demand investigation into illegal ivory trade on the Japanese market, though I hesitated to disclose the shameful situation to international environmentalists. I heartily wish that the recent revision of the law will enable legally imported ivory to be distributed on the legal market at a proper and stable price." "Considering the international circumstances, we had no choice but accept this law in order to reopen the ivory import. I would like to ask you for your understanding and cooperation" (Anon., 1998).

Thus, even after the major revision to the law was implemented in 1995, KT continued to act as a medium between MITI (then) and the Environmental Agency (then) and the industry regarding amendment of LCES and the control of internal ivory trade based on the law, having considerable effect on the content of the law and control of internal trade, and the compliance of the law on the part of the industry.

I.3 Wide-spread illegal trade of unregistered ivory

Aside from Takaichi Case, other cases of illegally trade in unregistered ivory were exposed in 2011.

Case of trade in unregistered ivory (engraved ivory tusk)

Around March 24, 2010, HY, antiquaries of Tokyo sold an ivory tusk to an art dealer at JPY90,000 (US\$1,125, JPY 80/US\$1) at an antique market held in Tokyo. The ivory in question is about 1,112cm in length and 5.7kg in weight, a whole tusk with sculptures of Seven Deities of Good Fortune or something.

This case was exposed during the police investigation on antique markets while investigating the Takaichi Case. It seems that HY had no relation to Takaichi (The Too Nippo Daily Newspaper 12/10/2011). HY admitted to the charge, and the prosecutor's office issued a summary order to require paying a fine.

(12/16/2011 The Sankei News

<http://sankei.jp.msn.com/affairs/news/11216/arm11121621320025-n1.htm>).

Case of false registration of 2 ivory tusks

Last year, the case of registering ivory tusks by false means was also exposed.

NO antiquaries and his employee, KM of Kagawa Prefecture, bought two unregistered tusks (167cm in length, 27kg in weight and 85cm in length, 4kg in weight respectively) at a price of JPY1.2 million (US\$13,000, JPY 80=US\$1) from a person. They then made the registration by falsehood means or registering under their acquaintance's name, falsely claiming that "the tusks were accidentally found in their parent's warehouse." The application was accepted by Japan Wildlife Research Center (hereinafter "JWRC"), an organization registered to MoE based on LCES. According to Police, the registration procedure was completed in 2011 (Kagawa Prefecture Police, 2011).

In another case, (according to "the antiquary 4") one of the suppliers of unregistered tusks to Takaichi testified at the trial that, "ivory tusks we dealt were about half registered and half unregistered. At an auction in Osaka, unregistered tusks were openly traded. Which tusks were registered or not does not influence the bidding price at auctions" (Sakamoto, 2011 d).

It should be noted that the above two cases are just "a tip of an iceberg" within the large trading circuit of unregistered ivory. Though the efforts made by the Tokyo Metropolitan Police are praiseworthy, it cannot guarantee that the efforts by the law enforcement authority including the police alone will eliminate the current situation in which unregistered ivory is rampant in the Japanese market.

Chapter II Source of ivory *hankos* traded in Japanese market between 2005 and 2010

II.1 Volume of unregistered ivory whole tusks that Takaichi bought from five trade sources between 2005 and 2010

The detected trades in unregistered ivory (whole tusks) in the Takaichi case was found conducted through five routes between 2005 and 2010. (Figure II-1)

Figure II-1 Number of tusks traded to Takaihi

	Number of Seizure	Actual trade volume
Antiquary 1 (A1)	25 tusks	500-1,000 tusks
Antiquary 2 (A2)	11 tusks	?
Antiquary 3 (A3)	8 tusks	?
Antiquary 4 (A4)	7 tusks	100
Ivory manufacturer MK	7 tusks	?
TOTAL	58 tusks	?

Source::

Sakamoto M. (2011) a, Memo on court hearing on 16th and 26th Aug. in 2011 at Tokyo District Court regarding Case of violating Law for Conservation of Endangered Species of Wild Fauna and Flora (2011,WA, No.945) (in Japanese)

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Sakamoto M. (2011) e. Memo on court hearing on 9th and 10th Aug. in 2011 at Tokyo District Court regarding Case of violating Law for Conservation of Endangered Species of Wild Fauna and Flora (2011,WA, No.1194) (in Japanese)

The details of the trades are as follows (JPY80=US\$1).

- Antiquary 1 (A1)
- a) Antiquary 1 (A1) sold unregistered ivory whole tusks to Takaichi at a price of JPY17 million (US\$212,500) through a company controlled by A1 in July 3rd 2005.
 - b) The profit that A1 received is as twice as the ivory trades so far.
 - c) A1 continued to be a regular supplier of ivory tusks to Takaichi on a monthly basis.
 - d) . Within a span of 5 years (between July 2005 and June 2010) 500 -1,000 unregistered tusks in total had been sold to Takaichi (around 50 consignments). The total sales reached to JPY500 million (US\$6.25million).

- e) The 25 tusks weighed 258.00kg (10.32kg/no. in average), confiscated during the investigation conducted in 2011, had been traded between March and June 2010. The total purchase price of the confiscated tusks was JPY10,466,976 (US\$130,837).
- f) Apart from the 25 tusks, 3 tusks that were traded during the same period could not be confiscated. (Sakamoto, 2011 a, b)

Antiquary 2 (A2)

- a) Antiquary 2 (A2) started to sell unregistered ivory (whole tusks) to Takaichi around December 2009.
- b) The 11 tusks which weighed 68.92kg (6.27kg/no in average) was confiscated during the investigation conducted in 2011.
- c) The tusks were traded between March and June 2010.
- d) The total purchase price of the whole consignment was JPY2,316,280 (US\$28,954).
- e) Apart from the 11 tusks, one tusk that was traded during the period could not be confiscated. (Sakamoto, 2011 a, c)

Antiquary 3 (A3)

- a) Antiquary 3 (A3) purchased 8 unregistered ivory (whole tusks) exclusively for selling to Takaichi around 2005.
- b) The 8 tusks that weighed 63.85kg (7.98kg/no in average) was confiscated during the investigation conducted in 2011.
- c) The trade between A3 and Takaichi took place between March and June 2010.
- d) The total purchase price of the tusk was JPY2,344,520 (US\$29,307).
- e) Apart from the 8 tusks, three tusks was also traded during the period but could not be confiscated. (Sakamoto, 2011 a)

Antiquary 4 (A4)

- a) Antiquary 4 (A4) enquired to Takaichi in February 2007 whether he would accept unregistered tusks.
- b) MT who answered the phone said "registration is not necessary to accept a tusk", with that A4 started to make a sale of unregistered ivory whole tusks to Takaichi.
- c) Consequently, over 100 unregistered tusks in total had been sold to Takaichi. The sales reached to JPY55 million (US\$687,500) in total where A4 made a profit of around 10% of the sales.
- d) The 7 tusks that weighed 48.76kg (6.97kg/no in average), confiscated during the investigation conducted in 2011, had been traded between March and June 2010.
- e) The total purchase price of them was JPY1,736,660 (US\$21,708).
- f) Apart from the 7 tusks, two tusks were also traded during the period but could not be confiscated. (Sakamoto, 2011 a, d)

Ivory manufacturer MK

- a) Ivory manufacturer MK sold his stocks of 7 tusks, purchased around 2006, to Takaichi.
- b) The tusks weighed 69.92kg (9.99kg/no in average) and were confiscated during the investigation conducted in 2011.
- c) The trade took place between March and June 2010.
- d) The total purchase price during the whole period was JPY2,708,280 (US\$33,856).
- e) One tusk out of the 7 tusks was appraised as one from Asian elephant *elephas maximus*. (Sakamoto, 2011 a, e)

The number of unregistered ivory whole tusks traded by Takaichi between 2005 and 2010

The Takaichi case revealed that the incumbent traded unregistered ivory whole tusks through 5 routes between 2005 and 2010.

With that, the total number of unregistered tusks through the 5 routes during the period is estimated.

【Basic facts for estimation】

- The police limited the facts of the crime to the trades conducted between March and June 2010 (3 months).
- The suspects were prosecuted only for the trades in which the relevant unregistered tusks had been successfully confiscated.
- The whole trade period is different depending on the routes. The approximate total number of unregistered tusks traded in the period was found in some routes but not for the others.

【Methodology for estimation】

- Minimum number: Estimated assuming that all the trade had been conducted between March and June 2010 (3 months).
- Maximum number: Estimated assuming that the tusks had been traded through the whole trade period at the same rate as occurred between March and June 2010 (3 months).

This is a modest estimation because the tusks might have been traded at higher average rate during the whole period than the 3 months.

Based on the above condition, the result of estimation is shown in Table II-1.

Table II-1: Estimation on the volume of unregistered ivory whole tusks that Takaichi bought in from five trade routes between 2005 and 2010

	A	B	C	D	E	F
	The whole trade period for unregistered whole tusks	The trade period for confiscated whole tusks	Number of tusks assuming that had been traded through the whole period ("A") at the same rate as occurred in the period targeted by confiscation ("B")	Estimated total number of unregistered tusks traded during the whole trade period	The rest number of "D" substituted with the number of tusks confiscated by the police	Weight of the tusks estimated in "E": Number of tusks traded through each route× averaged weight of the tusks traded in each route
	Identified number of unregistered tusks traded in the period	Whole number of confiscated tusks in the period / Number of tusks unconfiscated	Calculating formula			Averaged weight of the tusk traded in each (kg)
Antiquary 1	July 2005 -June 2010(5 YR) 500- 1,000	Mar. 2010 -Jun. 2010 (3 mo.) 25/3	—	500 - 1,000	475-975	4,902-10,062 10.32
Antiquary 2	Dec. 2009 -Jun. 2010(6 mo.) Unknown	Mar. 2010 -Jun. 2010 (3 mo.) 11/1	24 (11+1)×6/3	12 - 24	1-13	6.27-81.51 6.27
Antiquary 3	July 2005 -June 2010(5 YR) Unknown	Mar. 2010 -Jun. 2010 (3 mo.) 8/3	220 (8+3)×12/3×5	11 - 220	3-212	23.94-1,691.76 7.98
Antiquary 4	Feb. 2007 -Jun. 2010 (3 YR and 4 mo.) 100	Mar. 2010 -Jun. 2010 (3 mo.) 7/2	—	100	93	648.21 6.97
Ivory manufacturer MK	2006 -Jun. 2010(App. 4 YR) Unknown	Mar. 2010 -Jun. 2010 (3 mo.) 7/0	336 7×12/1×4	7 - 336	0-329	0-3,286.71 9.99
Total				630 - 1,680	572 - 1,622	5,580.42 - 15,770.19

Source:;

Sakamoto M. (2011) a, Memo on court hearing on 16th and 26th Aug. in 2011 at Tokyo District Court regarding Case of violating Law for Conservation of Endangered Species of Wild Fauna and Flora (2011,WA, No.945) (in Japanese)
 Sakamoto M. (2011) b, Memo on court hearing on 9th Aug. and 5th Sep. in 2011 at Tokyo District Court regarding Case of violating Law for Conservation of Endangered Species of Wild Fauna and Flora (2011,WA, No.1192) (in Japanese)
 Sakamoto M. (2011) c, Memo on court hearing on 15th and 20th Jul. in 2011 at Tokyo District Court regarding Case of violating Law for Conservation of Endangered Species of Wild Fauna and Flora (2011,WA, No.947) (in Japanese)
 Sakamoto M. (2011) d, Memo on court hearing on 11th Jul. and 8th Aug. in 2011 at Tokyo District Court regarding Case of violating Law for Conservation of Endangered Species of Wild Fauna and Flora (2011,WA, No.816) (in Japanese)
 Sakamoto M. (2011) e, Memo on court hearing on 9th and 10th Aug. in 2011 at Tokyo District Court regarding Case of violating Law for Conservation of Endangered Species of Wild Fauna and Flora (2011,WA, No.1194) (in Japanese)

According to Table II-1, the total number of unregistered ivory whole tusks Takaichi had obtained through the 5 routes during the whole trade period can be estimated as 630 -1,680. (Table II-1, field "D")

When the number of confiscated tusks by the police is substituted from the above, the rest 572 -1,622 tusks weighed 5,580 -15,770kg shows the number of unregistered whole tusks had actually entered in the *hankos* market. (Table II-1, field "E, F")

II.2 Comparison in volume of traded unregistered whole tusks and officially consumed registered tusks for *hankos* production

The volume of unregistered whole tusks purchased by Takaichi through the 5 routes between 2005 and 2010 and consumed for *hankos* production is compared to the volume of the registered tusks officially consumed for that purpose.

Table II-2 shows the number of whole tusks registered in each year and the number of returned registration cards in each year since the whole tusk registration (see III.2.1) has been implemented.

Returning registration card (LCES Article 22, Paragraph 1) is mandated when the relevant tusk is cut (JWRC, 2007) or lost. The tusk which the relevant registration card is returned can be principally considered cut and consumed for manufacturing.

Table II-2: Number and weight of registered tusks, and ones for which "registration card" was returned

	(A) Number of tusk registered	(B) Weight of tusk (A) (Kg)	(C) Number of tusk for which "registration card" was returned	(D) Weight of tusk (C) (Kg)
1995	2,252	40,354.32	32	821.90
1996	3,749	51,568.70	522	10,834.10
1997	347	5,952.25	384	7,853.40
1998	63	1,011.85	384	7,384.45
1999	5,501	50,346.78	1,203	13,576.53
2000	75	1,377.29	1,382	13,663.97
2001	119	2,070.41	752	8,897.35
2002	63	1,094.10	538	6,081.87
2003	75	1,528.56	443	4,756.13
2004	107	1,638.83	394	4,551.91
2005	252	3,877.07	153	2,510.53
2006	408	6,606.62	567	5,777.04
2007	358	5,557.92	378	4,835.35
2008	431	7,044.72	257	3,485.59
2009	3,664	43,460.83	488	5,967.21
2010	499	5,675.15	496	6,290.26
		Sub total 2005-2010	2,339	28,865.98
Total	17,963	229,165.40	8,373	107,287.59

Source:

Ministry of Environment (2012)a, Response on Mar. 16th in 2012 to the letter from Japan Tiger and Elephant Fund, Wildlife Division Nature Conservation Bureau Ministry of Environment, Tokyo Japan (in Japanese)

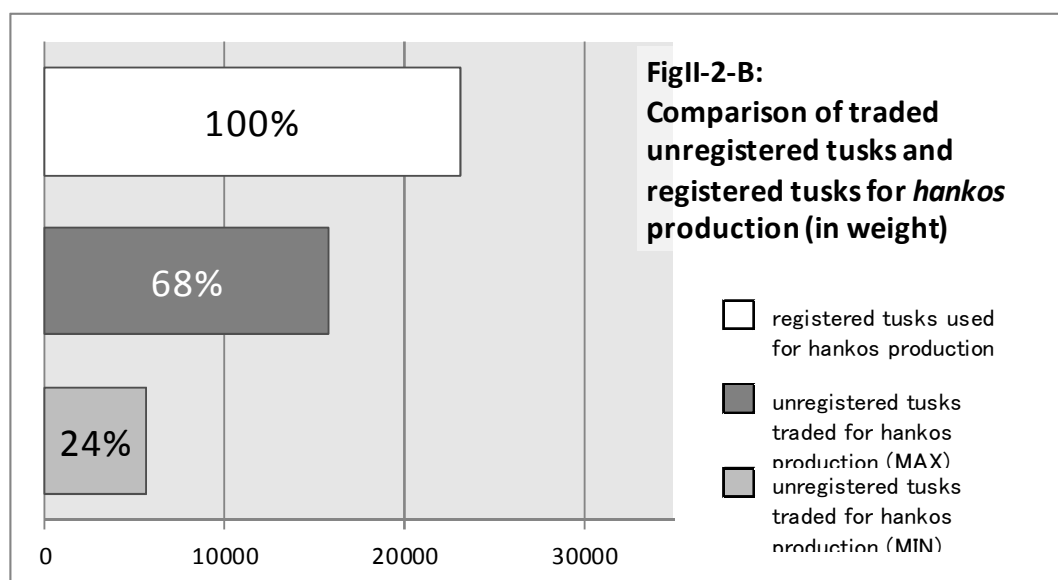
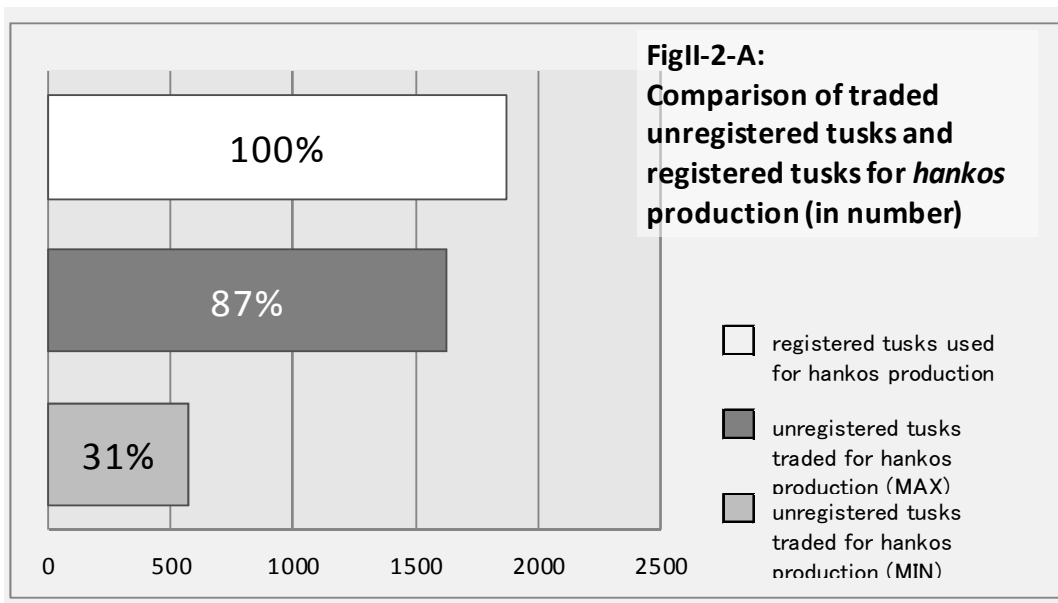
Table II-2 shows the number and weight of the whole tusks which the relevant registration cards have been returned are 2,339 and 28,866kg each.

It is believed that raw ivory processed for *hankos* out of various ivory products occupied 80% of the total. (Takaichi, 1992, Vigne & Martin, 2010). According to this rate, the registered whole tusks consumed for *hankos* production between 2005 and 2010 can be counted as 1,871 in number and 23,093kg in weight.

$$2,339\text{no.} \times 0.8 = 1,871\text{no.}$$

$$28,866\text{kg} \times 0.8 = 23,093\text{kg}$$

Consequently, 572 -1,622 unregistered whole tusks weighed 5,580 -15,770kg which had been consumed for *hankos* production by Takaichi between 2005 and 2010 correspond to 31 -87% in number and 24 -68% in weight of the registered whole tusks as of 1,871 in number and 23,093kg in weight consumed in same period for the same purpose. (Figure II-2 A, B)



II.3 Volume of ivory *hankos* produced from the unregistered whole tusks and put in the market by Takaichi

The volume of ivory *hankos* produced from the unregistered whole tusks and sold in by Takaichi is estimated as follows.

First, the average weight of ivory *hankos* is assumed as 20g. General size of ivory *hankos* traded in Japan is 45mm or 60mm in length, and 10mm, 12mm, 13.5mm, 15mm or 18mm in diameter. (Sakamoto, 2002) Out of these sizes of *hankos*, the vast portion is occupied by the *hankos* with the size of 15mm×60mm. (Sakamoto, 1999) The weight of the *hankos* with 15x60mm size is 19.5g. From this the weight of ivory *hankos* traded in Japan can be estimated as 20g in average.

Next, the weight ratio of produced *hankos* to the registered whole tusks used for production is estimated.

When ivory *hankos* is processed, certain volume of small cut pieces and scraps are produced. With that, JWRC used 60% yield ratio as a benchmark for “voluntary certification scheme”(CITES Inf. SC41.4, SC41.6.1 (Rev.)). It means that the total weight of produced *hankos* corresponds 60% of an average tusk used for that purpose.

By using 60% yield ratio, the number of *hankos* produced from 5,580 -15,770kg of unregistered whole tusks illegally traded between 2005 -2010 is estimated as of 167,400 -473,100 (33,480 -94,620 per annum).

$$5,580\text{kg} \times 0.6 \div 20\text{g} = 167,400$$

$$15,770\text{kg} \times 0.6 \div 20\text{g} = 473,100$$

Thus, It can be said that 473 thousands (94 thousands per annum) of ivory *hankos* at maximum had been produced from illegally traded tusks from unknown origin and traded in Japanese market.

Number of ivory *hankos* produced from officially registered whole tusks

According to an interview by Vigne & Martin with Japan Federation of Ivory Arts and Crafts Association in 2009, the number of annually produced ivory *hankos* is 20,000 -27,000. (Vigne & Martin, 2010)

This would appear as if the estimated number of *hankos* is produced from official stocks of ivory.

However, the total weight of registered whole tusks considered as consumed for *hankos* production between 2005 and 2010 is 23,093kg (see II-2). Therefore, the annual weight is 3,849kg in average. Using 60% of yield rate, the annual weight of produced *hankos* from the tusks is 2,309kg corresponding to 115,450 in number (@20g). If this is true, the number provided by the Federation to Vigne & Martin is clearly too small.

Chapter III Domestic Marketing Process of Japanese Ivory

III.1 Overview of ivory stock and marketing in Japan

Procedure for being an official ivory dealer in Japan

Individuals or companies to be engaged in business dealing ivory, or “business dealing with designated parts of international endangered species”, shall notify MoE and METI in advance on all matters including name, address, volume of stocks and etc. as according to LCES (LCES Article 33-2, Paragraph 1. See V2.1).

The number of notified dealers is shown in Table III-1.

Table III -1 Number of notified ivory dealers to the government

	Mar. 2001	Mar. 2004	Mar. 2007	Mar. 2009	Mar. 2010
Manufacturers (Dealing with hankos and others)	50	53	278	294	281
Manufacturers (Other than hankos)	173	173			
Wholesalers (Dealing with <i>hankos</i> and others)	352	330	320	600	-
Wholesalers(Other than <i>hankos</i>)	-	-	275		-
Retailers (Dealing with <i>hankos</i> and others)	10,263	9,738	9,509	10,383	-
Retailers(Other than <i>hankos</i>)	-	-	1,440		-

Note: The numbers shown in "Mar.2009" and "Mar.2010" include ones whose address are unknown.

Source:

Ministry of Economy, Trade and Industry (2002), Response on Sep. 13th in 2002 to the letter from Sakamoto M., Paper Industry, Consumer & Recreational Goods Division Ministry of Economy, Trade and Industry, Tokyo Japan (in Japanese)

Ministry of Economy, Trade and Industry (2004), Response on Nov. 30th in 2004 to the letter from Sakamoto M., Paper Industry, Consumer & Recreational Goods Division Ministry of Economy, Trade and Industry, Tokyo Japan (in Japanese)

Ministry of Economy, Trade and Industry (2007) c, Response on Apr. 3rd in 2007 to the letter from Sakamoto M., Paper Industry, Consumer & Recreational Goods Division Ministry of Economy, Trade and Industry, Tokyo Japan (in Japanese)

Ministry of Economy, Trade and Industry (2012) b, Response on Feb. 21st in 2012 to the letter from Japan Tiger and Elephant Fund, Paper Industry, Consumer & Recreational Goods Division Ministry of Economy, Trade and Industry, Tokyo Japan (in Japanese)

Ministry of Economy, Trade and Industry (2012) c, Response on May 18th in 2012 to the letter from Japan Tiger and Elephant Fund, Paper Industry, Consumer & Recreational Goods Division Ministry of Economy, Trade and Industry, Tokyo Japan (in Japanese)

In Japan, the some of the registered dealers form voluntary business associations. There are two main associations in Japan - Tokyo Ivory Arts and Crafts Cooperative Association and Osaka Ivory Arts and Crafts Cooperative Association. Together, they form the Japan Federation of Ivory Arts and Crafts Association ("the ivory associations" hereinafter). The numbers of the members in each association (according to 2009 figures) are as follows;

- a) 32 for Tokyo Ivory Arts and Crafts Cooperative Association
- b) 12 for Osaka Ivory Arts and Crafts Cooperative Association (Vigne & Martin, 2010).

Although the number is rather small compared to the number of notified dealers, these associations have had significant influence on ivory trades in Japan.

The associations hold auctions twice a year in Tokyo and once a year in Osaka to trade raw ivories within each association. In addition, they have been holding cooperative auctions twice a year (Vigne & Martin, 2010)

Many of the members of the ivory associations were not only manufacturers but also had been importers of the ivory until the ivory trade was banned by CITES. Among average annual imports of 300 tonnes from 1975 to 1979, two thirds of them were dealt by five largest dealers of the ivory association members (Martin, 1985).

In 1999, 14 companies comprising 15 dealers, who were allowed to participate in the ivory auction for the first one-off sale, were all members of the JIA (Anon. 1999 a). In the auction of 2008 for the second one-off sale, unlike the previous one, which was limited to the member of JIA, the bidding was opened to the public (METI, 2008). Approximately 20 Japanese dealers participated in the auction (Anon., 2009, Vigne & Martin, 2010). According to Vigne & Martin (2010), 19 companies comprising 19 members (14 from Tokyo and 5 from Osaka) participated in the auction, and 18 dealers made a successful bid.

Raw ivory

In the Japanese ivory market, raw ivory including whole tusks and cut pieces are traded among ivory manufacturers, and between manufacturers and private individuals or non-business people as follows:

- A significant quantity of whole tusks has been sold by private individuals to ivory manufacturers.
- Various sizes and types of cut pieces are intensively traded among the manufacturers.

METI classifies these cut pieces in 9 categories according to their forms (METI and MoE 2006).

Worked ivory

Raw ivory is manufactured as various products which are marketed as follows:

- Raw ivory manufactured into *hankos* accounts for 80% of the consumed stock (Takaichi, 1992, Vigne & Martin, 2010).
- Various types of ivory products are classified by METI in 12 upper and 38 lower categories, as shown in Table III-2 (METI and MoE. 2006).

Table III-2 Ivory products traded in Japan

<i>Hankos</i>	<i>hankos</i>
Ornament	necklaces, earrings and pendants, brooches, obi clips and bolo ties, beads, others
Furnishing goods	figurines, <i>Netsuke</i> , censers, others
Stationary	stationary
Smoking instruments	smoking instruments
Buddhism utencil	Buddhist beadroll, Buddhist beads, others
Musical instrument	plectrum for <i>shamisen</i> (<i>Bachi</i>), pegs for <i>shamisen</i> , bridges for <i>koto</i> (<i>kotoji</i>), <i>plectrum for Koto</i> (<i>koto tsume</i>), body panel of <i>shamisen</i> , bridgres for <i>shamisen</i> (<i>Koma</i>), others
Table ware	chopsticks, others
Tea ceremony item	<i>Natsume</i> , tea scoopes, tea caddy, top for caddy, others
Recreational accessories	dice, others
Daily goods	shoehorns, roller of <i>kakejiku</i> (hanging scroll) and weight put on the top of it, earpicks, braid <i>Netsuke</i> and key chain, others
Other products	other products

Source:

Ministry of Economy, Trade and Industry and Ministry of Environment (2006), "Form at No.3 Catalogue of serial numbers for products" of the ledger recorded by registered dealers with designated parts of international endangered species, dated March 2006, Tokyo (in Japanese)

The official sources of this ivory are either the stocks obtained in or imported to Japan prior to the ban of international commercial trade of the African elephants (January 18, 1990) (pre-Convention stock), or the ones produced from the raw ivories imported by the one-off sales in 1999 and 2009 (imported stock by conditional one –off sale).

III.2 Stock of ivory

III.2.1 Registering process of whole tusks

Individuals or companies to transfer a whole tusk of ivory shall register each of it in advance (LCES Article 12 Paragraph 1, Article 20 Paragraph 1. See V3.1). The transfer shall be conducted with the registration card (LCES Article 21 Paragraph 2). The registration card issued shall be returned when the whole tusk cease to be owned (LCES Article 22 Paragraph 1). When the registration card of a tusk is returned, the tusk is considered to be consumed for manufacturing ivory products (See II.2).

The numbers of registered whole tusks, tusks pertaining to the return of registration cards, and stocks by year from 1995 to 2010 are shown in Table III-3.

Table III-3 Stock of registered whole tusks

Year	(A) Number of tusk registered	(B) Weight of (A) (Kg)	(C) Number of tusk out of (A) for which "registration card" was returned as in Feb. 28, 2007	(D) Weight of (C) (Kg)	(E) Rate of consumption (weight, %)	(F) Stock in number	(G) Stock in weight (kg)
1995	2,252	40,354.32	1,318	24,608.92	60.98	934	15,745.40
1996	3,749	51,568.70	640	13,327.40	25.84	4,043	53,986.70
1997	347	5,952.25	135	2,455.75	41.26	4,255	57,483.20
1998	63	1,011.85	21	305.25	30.17	4,297	58,189.80
1999	5,501	50,346.78	4,387	40,949.53	81.33	5,411	67,587.05
2000	75	1,377.29	19	347.07	25.20	5,467	68,617.27
2001	119	2,070.41	74	1,205.56	58.23	5,512	69,482.12
2002	63	1,094.10	24	427.30	39.05	5,551	70,148.92
2003	75	1,528.56	36	666.47	43.60	5,590	71,011.01
2004	107	1,638.83	45	801.08	48.88	5,652	71,848.76
2005	252	3,877.07	82	1,239.81	31.98	5,822	74,486.02
2006	408	6,606.62	91	1,480.87	22.41	6,139	79,611.77
Sub Total	13,011	167,426.78	6,872	87,815.01	(average rate) 52.45	-	-
2007	358	5,557.92	-	-	-	-	-
2008	431	7,044.72	-	-	-	-	-
2009	3,664	43,460.83	-	-	-	-	-
2010	499	5,675.15	-	-	-	-	-
Total	17,963	229,165.40	-	-	-	-	-

Source:

1995-2006:

Japan Wildlife Research Center (2007), Report of the Working Group on Review and Improvement of Control of Internal Trade in Ivory 2006, Tokyo Japan (in Japanese)

2007-2010:

Ministry of Environment (2012) a, Response on Mar. 16th in 2012 to the letter from Japan Tiger and Elephant Fund, Wildlife Division Nature Conservation Bureau Ministry of Environment, Tokyo Japan (in Japanese)

In table III, the columns (C) and (D) should be carefully noted. These show the numbers of the tusks of which the registration cards were returned by February 28, 2007 out of the total tusks registered in the reference year. This means, among the tusks registered in a particular year, the number of whole tusks stocked as of February 28, 2007 can be obtained. (On the contrary, the columns (C) (D) of the table II-2 only show the number of tusks pertaining the returned registration cards in each year. This means that these numbers for each year include the tusks registered in different years.)

According to MOE, among the tusks registered each year, the registration organization does not tally after March 2007 the number of the tusks whose registration cards are returned (as of April, 2012).

Table III-3 shows that approximately 92 tonnes were registered in 1995 and 1996 when the registration system was applied to ivory whole tusks, and approximately 50 tons were registered in 1999 and 43 tons in 2009 when the one-off sales were conducted.

The return rate of the registration cards is 50% in the average between 1995 and 2006. However, except in 1995 and 1999, the rate does not exceed 50% in other years. Consequently, the stock of registered whole tusks has been increasing after 1995 and it reached to 80 tonnes by the end of 2006.

Observing the volume of registered tusks, as much as 1 to 2 tonnes from 2000 to 2004 and 4 to 7 tonnes from 2005 to 2010 of ivories were registered every year.

Since the whole tusks are obliged to be registered in accordance with LCES when they transfer them, the amount of registrations shows that there is a demand for ivory Japan.

However, it is impossible to ascertain officially how many whole tusks exists in Japan because possession itself of any form of ivory is not regulated by the current legislation. Merely those to transfer an ivory whole tusk are obliged to register it. (See V.3.1)

III.2.2 Notified cut pieces

Those engaged in business dealing ivory cut pieces must notify the initial weight of stock and record the change of the weight in a ledger (LCES Article 33-2 Paragraph 1, Ministry Order regarding Notification of Business Dealing with Designated Parts of International Endangered Species, Article 1). Table III-4 shows the change of stock of cut pieces by fiscal year when METI requested the dealers to submit the ledgers.

The change of stock shown in this table does not indicate the annual consumption. It means the difference between the increase due to the cutting of the registered whole tusks (from Table II-3) and the decrease due to the manufacturing process.

Table III-4 Changes in the stock of cut pieces held by notified dealers to the Government

	Jul-95	96	Jul-97	Jul-98	Jul-99	00	Mar-01	Mar. 02
Weight of stock (ton)	98.3	-	82.1	75.2	63.8	-	73.7	61.6
Change of stock (ton)	-	-	-16.2(2Y)	-6.9	-11.4	-	+9.9(2.5Y)	-12.1
	Mar-03	Mar-04	Mar-05	Mar-06	Mar-07	Mar-08	Mar-09	Mar-10
Weight of stock (ton)	60.4	56.6	55.7	55.2	54.3	54.1	53.8	60.8
Change of stock (ton)	-1.2	-3.8	-0.9	-0.5	-0.9	-0.2	-0.3	+7.0

Data is not available for 1996 and 2000 because the ledgers in which the data are recorded were not collected from the notified dealers by METI in those years.

Source:

Ministry of Economy, Trade and Industry (2002), Response on Sep. 13th in 2002 to the letter from Sakamoto M., Paper Industry, Consumer & Recreational Goods Division Ministry of Economy, Trade and Industry, Tokyo Japan (in Japanese)
 Ministry of Economy, Trade and Industry (2004), Response on Nov. 30th in 2004 to the letter from Sakamoto M., Paper Industry, Consumer & Recreational Goods Division Ministry of Economy, Trade and Industry, Tokyo Japan (in Japanese)
 Ministry of Economy, Trade and Industry (2007) a, Response on Jan. 31st in 2007 to the letter from Sakamoto M., Paper Industry, Consumer & Recreational Goods Division Ministry of Economy, Trade and Industry, Tokyo Japan (in Japanese)
 Ministry of Economy, Trade and Industry (2012) b, Response on Feb. 21st in 2012 to the letter from Japan Tiger and Elephant Fund, Paper Industry, Consumer & Recreational Goods Division Ministry of Economy, Trade and Industry, Tokyo Japan (in Japanese)
 Ministry of Economy, Trade and Industry (2012) c, Response on May 18th in 2012 to the letter from Japan Tiger and Elephant Fund, Paper Industry, Consumer & Recreational Goods Division Ministry of Economy, Trade and Industry, Tokyo Japan (in Japanese)

Table III-4 shows that the notified stock of cut pieces, recorded as approximately 98 tonnes as of July 1995, gradually decreased except for the increases just after the one-off sales were conducted (in March 2001 and in March 2010). The stock reached an approximate 61 tonnes as of the end of March 2010. The reductions of a decade between the two one-off sales were merely 0.2 to 0.9 tonnes.

III.2.3 Notified ivory hankos

Table III-5 shows the initial stock notified by the dealers and the change of stock of ivory *hankos* by fiscal year. This data does not show the quantity of ivory *hankos* sold in the retail market. However, we can see the trend of the change in scale of the ivory *hankos* market.

The number of the total amount stocked by all dealers was reduced from around 1,650,000 to about 800,000 between 2001 and 2002. After then, the amount of stock has been stable until 2005. In 2006, the total amount reduced to 700,000, however, the number of stocks recovered to 750,000 or above from 2007 to 2010.

Comparing the numbers of stocks in 2003 and stocks in 2010, the ivory *hankos* market seems to be shrinking, but it is not a major change. The demand for ivory *hankos* is still remains substantial in Japan.

The data of the ivory *hankos* stocked by dealers and retailers in 2010 has not been requested to submit by the authorities (as of January 2012), however, the amount of stocks may be increased because the ivory *hankos* made from the ivories imported from the one-off sale conducted in 2009 are added.

Table III -5 Stock of ivory *hankos* held by notified dealers to the Government (number)

	Jul-99	00	Mar-01	Mar-02	Mar-03	Mar-04	Mar-05
Total	2,195,453	-	1,652,092	828,988	842,381	828,990	868,747
Manufacturer	442,955	-	391,425	343,610	293,824	274,051	264,634
Wholesaler of <i>hankos</i>	848,838	-	548,753	236,822	223,531	201,626	186,114
Retailer of <i>hankos</i>	906,660	-	711,914	248,556	325,026	353,313	417,999

	Mar-06	Mar-07	Mar-08	Mar-09	Mar-10
Total	702,848	774,523	751,417	752,014	-
Manufacturer	223,924	209,275	271,685	280,799	276,826
Wholesaler of <i>hankos</i>	139,665	148,301	101,363	107,209	-
Retailer of <i>hankos</i>	339,259	416,947	378,369	364,006	-

Source:

Ministry of Economy, Trade and Industry (2002), Response on Sep. 13th in 2002 to the letter from Sakamoto M., Paper Industry, Consumer & Recreational Goods Division Ministry of Economy, Trade and Industry, Tokyo Japan (in Japanese)
 Ministry of Economy, Trade and Industry (2004), Response on Nov. 30th in 2004 to the letter from Sakamoto M., Paper Industry, Consumer & Recreational Goods Division Ministry of Economy, Trade and Industry, Tokyo Japan (in Japanese)
 Ministry of Economy, Trade and Industry (2007) b, Response on Mar. 23rd in 2007 to the letter from Sakamoto M., Paper Industry, Consumer & Recreational Goods Division Ministry of Economy, Trade and Industry, Tokyo Japan (in Japanese)
 Ministry of Economy, Trade and Industry (2012) b, Response on Feb. 21st in 2012 to the letter from Japan Tiger and Elephant Fund, Paper Industry, Consumer & Recreational Goods Division Ministry of Economy, Trade and Industry, Tokyo Japan (in Japanese)

III.3 Price of ivory

III.3.1 Raw ivory (Whole tusks and cut pieces)

Table III-6 shows the information on the raw ivory price.

Table III-6 Price of raw ivory (whole tusk)

Year	Price (JPY) Price (US\$)	Weight of traded tusk	Attribute of trading parties	Source
1989 (before the ban of international ivory trade)	JPY30,000 -70,000 US\$375 -875	Unknown		1
1989 (after the ban of international ivory trade)	JPY170,000 ~ 180,000 US\$2,125 -2,250	Unknown		1
1990	JPY160,000 US\$2,000	15kg	Sales price offered by Non JIA member to the other dealer	2
1990	JPY220,000 US\$2,750	20kg	Sales price offered by Non JIA member to the other dealer	2
1994	JPY50,000 US\$625	Unknown	Auction price among JIA members	3
1995	JPY30,000 -33,000 US\$375 -413	15kg (estimate)	Sales price offered by Non JIA member	2
1997	JPY70,000 -100,000 US\$875 -1,250	Unknown	Auction price among JIA members	3
1998	JPY60,000 US\$750	Unknown	Sales price offered by Non JIA member	2
1998	JPY55,000 US\$688	Unknown	Sales price offered by Non JIA member	2
1998	JPY60,000 US\$750	15kg (estimate)	Sales price offered by Non JIA member	2
2003	JPY80,000 -90,000 US\$1,000 -1,125	30kg	Sales price offered by JIA member to Non JIA memebr	2
2003	JPY70,000 US\$875	20kg	Sales price offered by JIA member to Non JIA memebr	2
2003	JPY60,000 US\$750	5 ~ 6kg	Sales price offered by JIA member to Non JIA memebr	2
2005	JPY40,000 -50,000 US\$500 -625	Unknown	Purchase price offered by JIA members to Non dealer	4
2005	JPY30,000 -40,000 US\$375 -500	more than 10kg	Purchase price offered by JIA members to Non dealer	4
2005	JPY25,000 -35,000 US\$313 -438	less than 10kg	Purchase price offered by JIA members to Non dealer	4
2008	JPY40,000 -50,000 US\$500 -625	10kg	Purchase price offered by JIA members to Non dealer	4
2008	JPY40,000 US\$500	10 ~ 15kg	Purchase price offered by JIA members to Non dealer	4
2008	JPY35,000 US\$438	8 ~ 10kg	Purchase price offered by JIA members to Non dealer	4
2008	JPY32,000 US\$400	5 ~ 8kg	Purchase price offered by JIA members to Non dealer	4
2008	JPY35,000 US\$438	8 ~ 10kg	Purchase price offered by JIA members to Non dealer	4
2010	JPY21,000 -30,000 US\$263 -375	less than 5kg	Sales price offered by Non JIA member	5
2010	JPY34,000 ~ 35,000 US\$425 -438	5 ~ 8kg	Sales price offered by Non JIA member	5
2010	JPY37,000 -38,000 US\$463 -475	8 ~ 10kg	Sales price offered by Non JIA member	5
2010	JPY39,000 -40,000 US\$488 -500	10 ~ 15kg	Sales price offered by Non JIA member	5
2010	JPY42,000 US\$525	15 ~ 20kg	Sales price offered by Non JIA member	5
2010	JPY44,000 US\$550	20 ~ 25kg	Sales price offered by Non JIA member	5
2010	JPY45,000 US\$563	25 ~ 35kg	Sales price offered by Non JIA member	5

JPY80=US\$1

Source

1. Website of MOTEGI INC <http://www.motegi-kk.com/inshin/index.php> (in Japanese)
2. Independent investigation by Elephant Conservation Fund / Japan Wildlife Conservation Society to the manufacturers of ivory products in 1998
3. Anon. (1997), Monthly magazine "Modern Hankos" Aug. 1997, Osaka Japan (in Japanese)
4. Independent investigation by Elephant Conservation Fund / Japan Wildlife Conservation Society to the manufacturers of ivory hankos, who were advertising purchase of ivory tusk in 2005 and 2008
5. Sakamoto M. (2011) a, Memo on court hearing on 16th and 26th Aug. in 2011 at Tokyo District Court regarding Case of violating Law for Conservation of Endangered Species of Wild Fauna and Flora (2011,WA, No.945) (in Japanese)
Sakamoto M. (2011) b, Memo on court hearing on 9th Aug. and 5th Sep. in 2011 at Tokyo District Court regarding Case of violating Law for Conservation of Endangered Species of Wild Fauna and Flora (2011,WA, No.1192) (in Japanese)
Sakamoto M. (2011) c, Memo on court hearing on 15th and 20th Jul. in 2011 at Tokyo District Court regarding Case of violating Law for Conservation of Endangered Species of Wild Fauna and Flora (2011,WA, No.947) (in Japanese)
Sakamoto M. (2011) d, Memo on court hearing on 11th Jul. and 8th Aug. in 2011 at Tokyo District Court regarding Case of violating Law for Conservation of Endangered Species of Wild Fauna and Flora (2011,WA, No.816) (in Japanese)
Sakamoto M. (2011) e, Memo on court hearing on 9th and 10th Aug. in 2011 at Tokyo District Court regarding Case of violating Law for Conservation of Endangered Species of Wild Fauna and Flora (2011,WA, No.1194) (in Japanese)

The price of raw ivory between the dealers skyrocketed after the international ivory trade was banned in 1990, however, it settled down to JPY 50,000 (US\$625) per kg in 1994. The price rose again to JPY 70,000-100,000 (US\$875- 1,250) per kg in 1997. The same soaring price was seen in the auctions of the JIA members, and the individual trades between JIA members and non JIA members.

Around 2003, the non JIA members had to pay approximately JPY 60,000-90,000 (US\$750\$- 1,125) per kg in order to buy ivories from the JIA members.

The data from 2005 to 2008 shows the purchase price that the manufacturers offered to private individuals (non-business). The manufacturers strengthened the advertisement for purchasing ivories from non-business people at that time (Chapter I, II). The prices are different according to the size of the ivory, however they vary between JPY 30,000-40,000 (US\$375- 500) per kg. Once the transfer is conducted among the dealers, those ivories must be sold at higher prices.

The data of 2010 is the purchase price that Takaichi bought from the antiquaries who deal antiques and an ivory manufacturer of non JIA member. The most traded price ranges are JPY 34,000-35,000 (US\$425- 438) (for 5-8 kg tusks), JPY 37,000-40,000 (US\$463- 475) (for 8-10kg tusks), and 39,000-40,000 (US\$488- 500) (10-15 kg tusks) per kg. Those sellers have been selling the ivory whole tusks according to the prices Takaichi decided (Sakamoto(2011) a-e)., The purchase price may be higher than that of direct purchase from private individuals, however it may be lower than the trade price among the JIA members having equal relationships.

Vigne & Martin (2010) indicated that the prices at the JIA auction in 2009 were JPY 40,000 (US\$500) per kg for 10kg tusks and JPY 25,000 (US\$313) per kg for 5kg tusks. These are almost the same prices as the purchase price that Takaichi offered to the retailers (the data of 2010 in Table III-6). The actual price might be much higher despite of a leeway in the stock of ivory due to the one-off sale in 2009.

III.3.2 Ivory *hankos* (wholesale price)

Table III-7 shows the wholesale price of ivory *hankos*, offered by manufacturers to wholesalers.

Table III-7 Wholesale price of ivory *hankos*

Size		1997		1998		2000		2002		2003		2006	
Diameter	Length	Price	No. of samples	Price	No. of samples	Price	No. of samples	Price	No. of samples	Price	No. of samples	Price	No. of samples
12.0mm	60mm	3,965yen~ 9,490yen (US\$50~119)	1	4,000yen~ 7,500yen (US\$50~94)	several	1,950yen~ 5,270yen (US\$24~66)	2	1,900yen~ 5,800yen (US\$24~73)	3	2,850yen~ 13,000yen (US\$36~163)	1	3,800yen~ 12,100yen (US\$48~151)	4
15.0mm	60mm	5,850yen~ 13,910yen (US\$73~174)	1	5,000yen~ 18,000yen (US\$63~225)	several	2,500yen~ 7,170yen (US\$31~90)	2	2,950yen~ 14,000yen (US\$37~175)	3	3,900yen~ 19,000yen (US\$49~238)	1	5,500yen~ 22,000yen (US\$69~276)	4

Size		2007		2008		2009*		2011**	
Diameter	Length	Price	No. of samples	Price	No. of samples	Price	No. of samples	Price	No. of samples
12.0mm	60mm	4,400yen~ 12,100yen (US\$55~151)	5	4,140yen~ 11,980yen (US\$52~150)	7	2,800yen~ 4,100yen (US\$35~51)	1	2,450yen~ 6,700yen (US\$31~84)	4
15.0mm	60mm	6,120yen~ 19,000yen (US\$77~238)	5	5,760yen~ 16,000yen (US\$72~200)	7	3,800yen~ 6,200yen (US\$48~78)	1	3,500yen~ 16,000yen (US\$44~200)	4

JPY 80 = US\$1

* The prices of high end *hankos* were not indicated for both 12.0mm×60mm and 15.0mm × 60mm in size.

** The prices of high end *hankos* were not indicated.

Source

Prices in 1997: Anon. (1997), Monthly magazine "*Modern hankos*", July 1997, Osaka Japan (in Japanese)

Prices in 1999: Sakamoto M.(1999), Analysis of the amended management system of domestic ivory trade in Japan, Japan Wildlife Conservation Society, Tokyo Japan

Prices in 2000 - 2011: Price tables and tags demonstrated by wholesalers of ivory *hankos* at "21st century *hankos* exhibition", a display with the exhibits of *hankos* on sale in Tokyo.

No significant change can be observed between 1997 and 1998, followed by a slight reduction in 2000. In 2002, the price of 15mm size *hankos* rose slightly while no significant change can be observed for the 12mm size. Prices of both sizes rose in 2003 and further in 2006.

The above data accords with the following information:

- The wholesale price of *hankos* rose at the end of 2002 (Anon. 2003).
- The price of standard grad ivory *hankos* offered by wholesalers to retailers rose by 1.5 times in October 2006 (Anon. 2006).

After that the price remained at high prices until 2007. However, price reduction trend appeared in 2008, and at least for low-priced *hankos*, the price has been decreasing until 2011.

The period between 2008 and 2011 is the time where the one-off sale was conducted in 2009. Since China determined to enter the auction, there was a spread of concern whether Japanese ivory dealers could obtain sufficient amount of stocks although Japan was given the permission to import at COP14 held in 2007(Anon, 2007). Actually the amount of imports was lower than that in 1999. Then why the wholesale price of ivory *hankos* shows a slight declining trend?

It is presumed that lowering of price is to prevent retailers from being reluctant in buying due to the economic recession from the late 2008. However, to realize price reduction, it is necessary for the ivory manufacturers to have the prospect of securing sufficient materials at low prices. Takaichi, who has a dominant share in production and sales of ivory *hankos* bought unregistered ivory tusks actively from 2005 to 2010 (Chapter I). The price reduction might become possible because the production of *hankos* from such ivory tusks were going well. The data from 2000 to 2011 of Table 6 reflects the wholesale price by Takaichi.

Chapter IV Unending ivory smuggling to Japan

IV.1 Number of import suspension

Table IV-1 shows the number of import suspensions of ivory in the last 13 years starting from 1998 to 2010. From a total number of 115 cases of raw and worked ivory, 25 cases were related to raw ivory (1 case related to both worked and raw ivory), and 90 cases were related to worked ivory smuggling (ditto). Yearly number of import suspensions is approximately 15 cases between 1998 and 2001 and, below 10 cases since 2002.

Table IV-1 Import suspensions of ivory by number of cases and quantity (1998-2010)

		1998	1999	2000	2001	2002	2003	2004
raw ivory	reported cases	5	3	0	2	2	2	1
	quantity(number)	155	4	-	120	2	30	1
worked ivory*	reported cases	11	12	12	11	5	5	4
	quantity(number)	182	1,236	331	116	10	30	14
		2005	2006	2007	2008	2009	2010	TOTAL
raw ivory	reported cases	1	6**	1	0	1	1	25**
	quantity(number)	10	616	13	-	1	2	954
worked ivory*	reported cases	5	4**	9	4	2	6	90**
	quantity(number)	1,766	17,951	12	5	5	15***	21,673***

Source: Ministry of Finance, "Number of import suspensions regarding goods regulated by CITES", Tokyo Japan (in Japanese)

*"Medicine" can be considered to include ivory powder, but excludes from the "worked-ivory" in this figure.

** 608 pieces of raw-ivory and 17928 pieces of worked ivory had been suspended its import in the same incident which occurred in 2006.

***Excludes the cases which ivory piece is presented in weight or 0.1KG in 2010.

Table IV-2 shows the cases where the import of ivories were not suspended but later detected by the police after the contrabands entered into Japan.

Table IV-2 Ivory smuggling cases detected in Japan after customs clearance (1998-2010)

Year	Date of detection	Date of import	Type of ivory	Export country	Number (weight)
2000	2000/04/14	2000/04/03	raw-ivory	Singapore	132 (492.375KG)
2006	2006/11/06	2006/10/17	worked-ivory	United states	4 (810GR)
2007	2007/10/12	2006/04/11	worked ivory	United states	(2,006GR)
2007	2007/10/12	2006/09/03	worked ivory	United states	(2,218GR)

Source:

Ministry of Finance, "Record of infraction cases violating CITES", Tokyo Japan (in Japanese)

Sakamoto M. (2000) Memo on court hearing on 11th Jul., 22nd Aug., 26th Sep., 17th Oct., 28th Nov. and 26th Dec in 2000 at Urawa District Court regarding Case of violating Customs Law (2000, RO, No.28) (in Japanese)

Sakamoto M. (2007) c, Memo on court hearing on 20th Sep. and 18th Oct. in 2007 at Osaka District Court regarding Case of violating Customs Law, Foreign Exchange and Foreign Trade Law and Law for Conservation of Endangered Species of Wild Fauna and Flora (2007,WA, No.3443) (in Japanese)

Sakamoto M. (2008), Memo on court hearing on 18th Jan. and 6th Feb. in 2008 at Maebashi District Court regarding Case of violating Customs Law, Foreign Exchange and Foreign Trade Law and Law for Conservation of Endangered Species of Wild Fauna and Flora (2007,WA, No.891) (in Japanese)

IV.2 Criminal cases related to ivory smuggling

Table IV-3 shows criminal cases related to ivory smuggling after 2000.

Table IV-3 Criminal cases related to ivory smuggling (2000-2011)	
Case1 : 500 kg of raw ivory smuggling (2000)	
Products and Quantity	132 cut pieces (492.375Kg)
Date of smuggling	April 14th 2000
Port of importation	Kobe Port (sea)
Country Port of exportation	Singapore
Identity of person involved	A) A broker residing Hong Kong (British National). Involved in business in close relationship with many Japanese ivory manufacturers including "B" since 1982. B) Japanese, a board member of "Tokyo Ivory Arts and Crafts Association" at that time, who had bid for the one-off sale of ivory from Botswana, Namibia and Zimbabwe in 1999.
penalty	A) One and half years in prison with a stay of execution for four years B) A fine of JPY 300,000 (US\$3,7500)
special instruction	The third largest case of ivory smuggling in Japanese history. The ivory is derived from forest elephants in West or Central Africa.
source	Sakamoto M. (2000) Memo on court hearing on 11th Jul., 22nd Aug., 26th Sep., 17th Oct., 28th Nov. and 26th Dec in 2000 at Urawa District Court regarding Case of violating Customs Law (2000, RO, No.28) (in Japanese)
Case2 : 1,700 pieces of ivory hanko (2005)	
Products and Quantity	1,738 pieces of ivory <i>hankos</i>
Date of smuggling	January 14th 2005
Port of importation	Naha airport (Okinawa)
Country Port of exportation	Taiwan
Identity of person involved	A:Taiwanese B:Taiwanese
penalty	A) One year in prison with a stay of execution for three years B) A fine under "infraction case" procedure by the Customs (the price is unknown.)
special instruction	An investigation by the police of "A" or the principal person's other crimes identified a case of ivory smuggling conducted in September 2004, with a Japanese national as the final destination for the ivory, but the case was not brought to a conclusion.
source	Okinawa Prefecture Police (2005), "Exposition of ivory smuggling related to Law for Conservation of Endangered Species of Wild Fauna and Flora" dated in 17th January 2005, Naha Japan (in Japanese)
Case3 : Smuggling of 2.8 ton of raw ivory and ivory for <i>hankos</i> : "Osaka seizure" (2006)	
Products and Quantity	608 pieces of ivory cut piece (2,409Kg) 17,928pieces of ivory <i>hankos</i> (385Kg)
Date of smuggling	August 21st 2006
Port of importation	Osaka Port (sea)
Country Port of exportation	Malaysia (via Korea)
Identity of person involved	A) A Japanese involved with Yakuza or Japanese mafia B) A Korean C) A Korean
penalty	A) Two years in prison with a stay of execution for three years and a fine of JPY 800,000 (\$ 10,000) B) and C) They were sought internationally by the police, through ICPO Interpol, in April 2007, but not arrested yet.
special instruction	The ivory was reached Osaka Port on 2006/8/21 from Pasir Gudang Port in Malaysia via Port Kelang port and Busan port in Korea. The ivory which was stowed in the crate along with artificial marble was cut pieces which were mainly cut into 40cm in length (608 pieces, weight 2,409kg) and <i>hankos</i> (17,928 pieces, weight 285kg). Some of cut pieces had Swahili markings (Swahiri is used in East Africa, and it is a national language in Kenya and official language in Tanzania). <i>Hankos</i> were 15mm cylindrical shape. A was asked by B as "there is a person who wants ivory, so I want to export ivory to Osaka. It can be cleared the custom without being X-rayed if they are mixed in crystal. I want you to find an import nominal person".
source	Sakamoto M. (2007)b, Memo on court hearing on 23rd Apr., 4th Jun., 25th Jun and 10th Jul. in 2007 at Osaka District Court regarding Case of violating Customs Law (2007,WA, No.1033) (in Japanese)

Case4 : Smuggling of ivory for cue sticks (Okayama) (2006)	
Products and Quantity	4 pieces of worked ivory (810GR) and 16 pieces of worked ivory (1,628GR)
Date of smuggling	September 14th 2006 and October 17th 2006
Port of importation	Kansai International Airport (Osaka)
Country Port of exportation	United states
Identity of person involved	A) A company making production and distribution of billiard goods in Okayama, not registered with METI its business dealing with ivory at that time. B) The de facto manager of the company C) The president of the company and the father of "B".
penalty	A) A fine of JPY 800,000 (\$ 10,000) B) Two years in prison with a stay of execution for three years and a fine of JPY 800,000 (US\$ 10,000) C) Two years in prison with a stay of execution for three years and a fine of JPY 800,000 (\$ 10,000)
special instruction	Continuously imported ivory as parts for cue sticks from Atlas Fiber in United states. The company was selling (exporting) 129 cases of worked ivory from African elephants, which exceeds US\$93,000 in total, without permission of CITES mainly for Japan and German from 2002/1 to 2006/11 for, but was sued in 2002 in United states and admitted guilty against justice of the peace, and fined for US\$150,000.
source	Sakamoto M. (2007) c, Memo on court hearing on 20th Sep. and 18th Oct. in 2007 at Osaka District Court regarding Case of violating Customs Law, Foreign Exchange and Foreign Trade Law and Law for Conservation of Endangered Species of Wild Fauna and Flora (2007,WA, No.3443) (in Japanese) Patrick J. Fitzgerald (2012), Skokie Company Fined \$150,000 For Illegally Exporting African Elephant Ivory And Other Protected Wildlife Parts Used In Making Billiard Cue Sticks, United States Attorney Northern District of Illinois, U.S. Department of Justice, Chicago, Illinois US
Case5 : Smuggling of ivory for cue sticks (Gunma) (2006)	
Products and Quantity	Worked ivory as of 2,006GR and 2,218GR
Date of smuggling	Spring 11th 2006 and September 3rd 2006
Port of importation	Narita Airport and Tokyo Port (sea)
Country Port of exportation	United states
Identity of person involved	A) A company making production and distribution of billiard goods in Gunma, not registered with METI its business dealing with ivory at that time. B) The president of the company
penalty	A) A fine of JPY 2,000,000 (US\$ 25,000) B) One and half years in prison with a stay of execution for three years and a fine of JPY 1,500,000 (US\$ 18,750)
special instruction	It was detected during the investigation for the smuggling of Okayama's trader. It became clear that little notifications have been submitted for ivory tradings in billiard field. Ivory was imported from Atlas Fiber in United states as the same as Okayama's trader. Refer to case 4.
source	Sakamoto M. (2008), Memo on court hearing on 18th Jan. and 6th Feb. in 2008 at Maebashi District Court regarding Case of violating Customs Law, Foreign Exchange and Foreign Trade Law and Law for Conservation of Endangered Species of Wild Fauna and Flora (2007,WA, No.891) (in Japanese) Patrick J. Fitzgerald (2012), Skokie Company Fined \$150,000 For Illegally Exporting African Elephant Ivory And Other Protected Wildlife Parts Used In Making Billiard Cue Sticks, United States Attorney Northern District of Illinois, U.S. Department of Justice, Chicago, Illinois US
*US\$1=JPY80	

These cases indicate important points.

500 kg of raw ivory smuggling (2000)

A board member of Japanese ivory association and a broker who had a strong connection with many association members long before the ban of ivory trade were arrested. This case revealed intimate relationship between Japanese ivory association and smuggling network.

1,700 ivory *hankos* smuggling (2005)

In this case it was clear that it was possible to hand-carry a great deal of *hankos* by doing it with more than one person. Also, it was revealed that ivory smuggling was repeatedly conducted on route from Taiwan to Okinawa.

Two smuggling cases of ivory as parts of cue sticks for billiard (2006)

It became clear that a specific American company was continuously smuggling out worked ivory as parts of cue sticks for billiard.

2.8 tons of raw and worked ivory smuggling: "Osaka seizure" (2006)

Smuggling of a large amount of raw ivory suggests that there is a Japanese ivory manufacturer which has the considerable manufacturing capacity at the background of the case. Also, because the *hankos* which were smuggled were cylindrical in shape and measure 15mm, which is the shape that is widely used in Japan (Sakamoto, 2002), it is considered that these smuggled *hankos* are produced for Japan, and they only require completion of the other side of carved side and polishing.

The incidence of Osaka seizure strongly suggested that there is still a massive demand within Japanese ivory market for smuggled ivory.

IV.3 Major ivory exporting countries which import were suspended

Table IV-4 shows major exporting countries of suspended ivory imports in the 13 years between 1998 and 2010.

Table IV-4 Major ivory exporting countries which import were suspended (1998-2010)

Country	Number	Quantity of raw ivory (number)	Quantity of worked ivory (number)
China	21	7	359
United States	17	136	25*
Thailand	12	37	28
Hong Kong	10	0	1,228
Republic of Korea	10	611	17,958**
Taiwan	7	1	1,750
Total (percentage in total)	78/116 (67%)	792/1,091 (73%)	21,352/21,677 (99%)

*Excludes 2 cases in 2007 which are recorded number in weight (2006GR, 2018GR) .

**Excludes one case in 2010 which is recorded number in weight (0.1KG) .

Source: Ministry of Finance, "Number of import suspensions regarding goods regulated by CITES", Tokyo Japan (in Japanese)

Exporting countries are Asian nations except USA. China is the highest in numbers with 21 cases, and USA follows with 18 cases. In 2006, there were many cases which smuggled ivory for cue sticks from US companies (table IV-2 cases 4, 5).

As for the quantity, Korea exceeds the others due to "Osaka seizure" in 2006.

But any countries which appear in the table are merely transit countries or re-exporting countries for raw ivory. Also it doesn't necessarily mean the worked ivory is produced in these countries.

IV-4 Smuggling out ivory from Japan to China

On 11th of November, 2011, Fukuoka Airport Branch Customs of Moji Customs imposed notification regarding "infraction case" in accordance with the Customs Law against a Chinese male and a Japanese female who exported their belongings without permission of the Customs (Customs Law Article 111).

The reason for the notification was that they attempted to export 63 ivories and ivory workmanship (worth JPY650,000 / US\$8,125, JPY80=US\$1) by hiding them in their belongings. (Source: Ministry of Finance, "Record of infraction cases violating CITES", Tokyo Japan (in Japanese))

Until now, there was little interest on an illicit export of Ivory from Japan. But from the standpoint that the re-export of ivory purchased from the one-off sale is prohibited, more attention should be paid in monitoring export to China.

Procedure for “Infraction case” based on the Customs Law

The Head of the Customs Authority pursues the offence as an “Infraction case”. The “Infraction” case procedure applied to seizure at “the water’s edge” and actions in relation to marketing contraband after customs clearance. Under this procedure the Head of Customs will notify the offender of the requirement to make a payment of an amount corresponding to the fine plus the goods themselves (or the value of them instead).

When an “Infraction case” is considered serious enough to justify imprisonment, the Head of Customs immediately charges the offender and the case is handed over to prosecutors (Customs Law Article 138 Paragraph 1). In such a case, the “Infraction case” will also be treated as a criminal case (Customs Law Article 140 Paragraph 1).

Chapter V Does Japan's control of internal ivory trade comply with all the requirements on Resolution Conf.10.10 (Rev. COP15)?

V.1 Process of verifying Japan's control of internal ivory trade by the CITES Secretariat and designating Japan as "trading partner" by the CITES Standing Committee

On October 2006, the 54th meeting of the CITES Standing Committee designated Japan as a "trading partner" for a one-off sale of ivory from Botswana, Namibia and South Africa, as conditionally agreed by CoP12.

That is, Japan has "been verified by the Secretariat, in consultation with the Standing Committee, to have sufficient national legislation and domestic trade controls to ensure that the imported ivory will not be re-exported and will be managed in accordance with all requirements of Resolution Conf. 10.10 (Rev. CoP14) concerning domestic manufacturing and trade". (CITES Appendices Annotation ii) at the time of 2006)

The relevant part of the text of Resolution Conf. 10.10 (Rev.CoP15) in effect at present is identical with the text of Resolution Conf. 10.10 (Rev.CoP12).

Resolution Conf. 10.10 (Rev. CoP15): Trade in elephant specimens Regarding control of internal ivory trade

RECOMMENDS to those Parties in whose jurisdiction there is an ivory carving industry that is not yet structured, organized or controlled and to those Parties designated as ivory importing countries, that comprehensive internal legislative, regulatory and enforcement measures be adopted to:

- a) register or license all importers, manufacturers, wholesalers and retailers dealing in raw, semi-worked or worked ivory products;*
- b) establish a nationwide procedure, particularly in retail outlets, informing tourists and other non-nationals that they should not purchase ivory in cases where it is illegal for them to import it into their own home countries; and*
- c) introduce recording and inspection procedures to enable the Management Authority and other appropriate government agencies to monitor the flow of ivory within the State, particularly by means of:
 - i) compulsory trade controls over raw ivory; and*
 - ii) a comprehensive and demonstrably effective reporting and enforcement system for worked ivory**

The process of verification by the CITES Secretariat was as follows.

On March 2005, the CITES Secretariat verification mission related to the control of internal trade in ivory ("the CITES verification mission") visited Japan and advised the Japanese government on improvements to its internal trade controls.

Responding to the advice of the verification mission, MoE, METI and the other competent authorities established a "Working Group for assessing and improving control of internal ivory trade" (hereinafter "Ivory WG") in June 2005. (WG for control of internal ivory trade, 2005 a)
The Ivory WG established an "Action plan strengthening the structure of control of internal trade in ivory for implementing Resolution Conf. 10.10 (Rev.CoP12)" (hereinafter "the action plan") to respond to the advised improvements and attempted to implement it. (WG for control of internal trade in ivory, 2005 b)

The Secretariat reported to the 53rd meeting of CITES Standing Committee that the verification process in relation to Japan has yet to be completed and it continues to work closely with the government of Japan on this matter. (SC53Doc.20.1)

Then, the Secretariat visited Japan again from late July to August 2006 and verified the

improvements that it had pointed out during its previous visit. This was then reported to the 54th meeting of the CITES Standing Committee. (SC54 Doc. 26.1 (Rev. 1))

Based on information provided in the Annex to document SC54 Doc. 26.1 (Rev. 1), the Committee designated Japan as a trading partner.

Nonetheless, during discussions at SC54 in relation to Japan's ivory trade control, a number of delegates expressed concern regarding certain elements of the system, namely the number of registered traders, ivory in personal ownership and the database that had been created to monitor the flow of ivory."(SC55 Doc. 10.1 (Rev. 1))

Then, the Standing Committee requested the Secretariat to provide an update on the situation at its 55th meeting. This update report, which should be comprehensive, should take account of any new information, including reference to ETIS, and should also address all the concerns expressed during the discussions at the SC 54 meeting, and bring to the attention of the Committee any reason for reviewing Japan as a designated trading partner at the Committee's 55th meeting. (SC54 Summary Record)

The Secretariat reported on the progress assessing Japan's ivory trade controls. The Secretariat stated that Japan's situation was satisfactory, as it had been at the time of SC54. (SC55 Doc.10.1 (Rev.1))

Six years have passed since the last verification conducted in 2005- 2006.

In this report we verifies Japan's controls of internal ivory trade for determining whether or not it meets all the requirements of the CITES Resolution Conf. 10.10 (Rev.CoP15) (hereinafter "Resolution Conf. 10.10").

The Ivory WG has not been held since December 2006. There= has also not been any change in the relevant legislation on the control of internal ivory trade. (MoE, 2012b)

Then, the verification in this chapter gives special emphasis on the concerns expressed during the discussion at SC54 by many Parties as follows.

- The number of registered traders
- Ivory in personal ownership
- The database that had been created to monitor the flow of ivory

The above issues should be again scrutinized as the Takaichi case proves with facts that the three issues mentioned above are the Achilles heel of Japan's control of internal ivory trade.

In addition to the above mentioned issues , the voluntary certification scheme should also be reviewed because it was revealed that this scheme may undermine the effectiveness of the whole control process.

V.2 "Registration or licensing" of the ivory dealers and "the number of registered traders"

V.2.1 Notification of matters concerning the ivory trade based on Japanese laws

The Japanese law does not "register or license" all those engaged in business dealing with ivory. Instead, it designates the ivory business as "business dealing with designated parts of international endangered species" and only requires them to notify the names, the facilities, the opening date and the amount of stock to be notified (LCES Article 33-2 Paragraph 1 and Ministerial Order regarding Notification of Business Dealing with Designated Parts of International Endangered Species, Article 1).

Those engaged in this business shall confirm the information on their business partners and obtain the information of the source of the ivories, and document and preserve them on a ledger (LCES Article 33-2 Paragraph 1, 2).

V.2.2 Results of Verification by CITES Secretariat from 2005 to 2006

The CITES Secretariat reported the results of verification of "the number of registered traders" as follows:

In a country with such a long history of trade in and use of ivory, it is a major task to register every single individual or company that might be in possession of ivory for a commercial purpose. However, the Secretariat is satisfied that the authorities have made every effort to do so and that this process continues. It is not surprised that the mission team found some ivory in unregistered premises, similar findings were made by the team in China. Importantly, the authorities in Japan respond appropriately when such observations are drawn to their attention. ("42", SC54 Doc.26.1 (Rev.1))

Efforts continue to promote new registrations, particularly among second-hand and antique dealers who might previously not have regarded themselves as being 'ivory traders'. Thus, by the end of March 2007, a further 910 dealers had been registered, bringing the total to 11,971.
("7", SC55 Doc.10.1 (Rev.1))

V.2.3 The ivory dealers need not be "registered" or "licensed" but only obliged to notify information concerning ivory business. Because of this, even though a dealer commits a violation, the dealer's business cannot be banned completely unlike the case of "registration" or "licensing", where such dealers' license would be cancelled by the authority.

Resolution conf.10.10 requires to "register or license all importers, manufacturers, wholesalers and retailers dealing in raw, semi-worked or worked ivory products." ("Regarding control of internal ivory trade", a))

Therefore, before considering "the number of registered traders", it is necessary to consider whether the mandatory notification of the business based on LCES can be regarded the same as "registration" or "licensing".

In Japan, it is common procedure where business operators are requested "registration" or "license" to regulate the business legally. For example, "Act on Welfare and Management of Animals" requires that the animal dealers should be "registered" (Article 10). On the contrary, LCES adopt the notification system of the business, which is not regulated strictly, as the "registration or licensing" system (V.2.1).

Generally the major difference between the "registration or licensing" and "notification" is whether they have a system of revocations or cancels. In the "registration or licensing" system, the registration or license may be canceled if a dealer acts against the law and the dealer's business will be prohibited afterwards. However, in the "notification" system, the authority cannot ban completely the faulty dealer's business. For example, in the "Act on Welfare and Management of Animals" which adopts registration system, the registration may be cancelled if a dealer is found to violate the law (Article 19). However, according to LCES rules, the authority cannot ban the ivory dealing completely even though the dealer violated LCES.

The CITES Secretariat describes the Japanese dealers as "registered" ("14", SC54 Doc.26.1 (Rev.1)), however, it is not correct. As described above, there is an essential difference between the "licensing and registration" and the "notification" systems.

V.2.4 Legal Constraints imposed on the administrative orders against the ivory dealers who violated the law

The administrative orders that the control authorities can issue against violation of LCES and the legal constraints imposed on the administrative orders are listed in Table V-1.

Table V-1 Legal Constraints imposed on the administrative orders against ivory dealers who violated the law

Administrative orders against ivory dealers who violated the law	Legal basis
<p>Instructions</p> <p>MoE and METI may issue instructions where the notified dealers have violated the obligations as follows to let them take necessary actions so that their adherence may be assured, when such instructions are deemed as necessary in order to place the businesses in proper conditions and to contribute towards the conservation of the species.</p> <ul style="list-style-type: none"> ● Obligation to confirm the information about the trade partners and obtain the information on sources of the ivory ● Obligation to enter the matters they have confirmed or obtained on ledgers and preserve them <p>* "Specific parts", Cabinet Order to implement LCES Article 2, Paragraph 5 The term "specific parts" is prescribed to be "not whole". In a case of ivory, raw ivory excluding whole tusks (i.e. cut pieces) and worked ivory are included in "specific parts".</p>	<p>LCES Article 33-4, Paragraph 1 Article 33-3, Paragraph 1 and 2</p>
<p>Business- Suspension Order</p> <p>MoE and METI may order the notified dealers to suspend the whole or a part of their transfer business of the designated parts (cut pieces or products) for a period not exceeding three months in the case where they have violated the instructions above and such violations are deemed as detrimental to proper operation of the businesses for the conservation of the species.</p>	<p>LCES Article 33-4, Paragraph 2</p>
<p>Legal Constraints imposed on the administrative orders</p>	
<ul style="list-style-type: none"> ● Business -suspension cannot be ordered against any violation regarding whole tusks, as transfer of unregistered tusks, false registration, transfer of registration cards separated from the registered objectives and etc., ● Enforced business- suspension order does not influence the trade in whole tusks conducted by the notified dealers in question. 	

As seen in the table, the scheme of instruction for ensuring adherence and business-suspension order based on LCES are largely constrained.

In the Takaichi case, a huge amount of unregistered whole tusks was bought in by the company, however, the authority could not suspend the company from carrying out ivory business.

After "Business dealing with designated parts of international endangered species" system based on LCES had been implemented, there is no case that the authority issue an instruction for ensuring adherence or business-suspension order against the notified ivory dealers.

(Oral reply by the relevant officer of the Wildlife Division, Natural Environment Bureau, Ministry of Environment to the petition submitted by the NGO Network on the Legal System Related to the Biological Diversity dated 22nd December)

JTEF made a proposal containing 11 actions that should be taken immediately to the authority on July 6th, 2011. Among them, the following 5 were about the administrative order against Takaichi's business:

- 1 Order of business- suspension
To order Takaichi to suspend all of their ivory business for three months.
- 2 Rejection of Registration of Ivory
To direct the registration organization or JWRC not to accept the application of registration of whole tusks from Takaichi for the future.
- 3 Rejection of Certification of Ivory Products
To direct the certification organization or JWRC not to accept the application of Takaichi for certifying that their ivory products are made of the ivory satisfying the requisitions to the registration (for whole tusks).
- 4 Return of Registration Cards relating all of Takaichi's 'Whole Tusks'.
To order Takaichi to return the registration cards for all of its 'whole tusks' in order to avoid those ivories dealt in the market.
- 5 Direction of Submission of Business Closing Form
To direct Takaichi to submit the business closing form based on the premise of incineration of their stocked ivories, and to monitor whether the incineration process are conducted appropriately.

The reply from the authority about the above proposal is that they cannot conduct any such detrimental order or direction because there is not such legal basis (MoE and METI, 2011).

There may be an opinion that compliance of the law or LCES is ensured by the penal sanction instead of administrative order. For selling and purchasing of unregistered ivories, imprisonment for a term not exceeding one year or fined for an amount not exceeding JPY one million (US\$ 12,500) shall be sentenced not only to the person but also to the companies (LCES Article 58 Section 1 and Article 65).

However, it is generally believed that the effectiveness of penalty for ensuring compliance in business operation is limited because they could gain a lot of economic profits for the future by continuing illegal operation. It is therefore important to strengthen the control by the administrative orders, especially orders of business- suspension (Kamiyama, 1996). It seems very difficult to ensure the compliance effectively unless administrative the controls by the authorities are strengthen for the ivory business based on LCES.

At this point, the CITES Secretariat only states that the administration, implementation and general supervision of Japan's internal ivory controls are a matter for METI and MOE, assisted by JWRC. ("20", SC54 Doc.26.1 (Rev.1)) It did not mention about the control by the authority against the registered ivory dealers, however there should be an overall review of the process. .

V.2.5 Stagnation of Promoting Notification by ivory dealers

Before SC55, the Japanese government promoted the notification by ivory dealers as follows.

METI first focused on the dealers trading *hankos* and tea ceremony items. It then cross-referenced commercial telephone directories and the list of notified dealers, resulting in identification of 4,692 dealers as not notified (WG, 2005 d). Since July 2005 METI had sent out direct mails advising them to notify their business. By the end of February 2006, 937 out of 4,692 dealers (20%) had newly notified their businesses, however, the number of notifications did not increase and any progress was not reported at the last meeting of the Ivory WG in November 2006 (WG, 2006 c). The remaining number of dealers without notification (3,775) was about 25 % compares with the number of retailers (10,949 + 3,775) that had been identified by METI. With regard to dealers trading in products other than *hankos* and tea ceremony items, any progress had not been reported (WG, 2006 c).

According to the CITES secretariat, the total number of "registered dealers" (author's note: It means notified dealers.) were 11,971 as of SC55 (June, 2007) ("7", SC55 Doc.10.1 (Rev.1)) while the number of notified dealers counted by METI was 11,822 as of the end of March, 2007(Table III-1). Because these numbers are very close, the change in numbers of notified dealers is considered based on Table III-1.

First, the number of manufacturers remains almost the same in 2007, 2009, and 2010. For the wholesalers, the numbers show little change in 2007 and 2009

The change of number of retailers is the most important item, because the CITES Secretariat reported that "Efforts continue to promote new registrations, particularly among second-hand and antique dealers". ("7", SC55 Doc.10.1 (Rev.1)) The number of 10,949 as of March 2007 decreased to 10,383 as of 2009, which should be noted carefully.

It gives little thought on the possibility that the number does not increase since the notification of existent dealers had almost completed as of SC55 (in June 2007). The Takaichi case has revealed that there is a large number of dealers without registration were involved with the ivory trade between 2005 and 2010. The antiquaries who gave the statement in the trial said he never realized that they were obliged to notify their business dealing on ivory (Sakamoto, 2011b, c, d). On May 31, 2007 and October 31, 2007, two companies, which were involved in selling billiard cues made of illegally obtained and processed ivories, did not notify their businesses (Sakamoto, 2007c, Sakamoto, 2008).

From these facts, the reason for decreased number of notified dealer as of March 2009 may be understood that the notification including of second-hand and antique dealers had not proceeded after 2007.

The fundamental reason why the obligation of notification is not complied sufficiently may be that this notification scheme is downgraded by the dealers since the ivory dealing business is not "registered" or "licensed" that can be cancelled but only obliged to notify the items concerning the business to the authorities.

V.2.6 Conclusion of V.2

Those engaged in business dealing with ivory are only obliged to notify certain information concerning their ivory business, not "registered" or "licensed". Because of this, even though a dealer commits a violation, the dealer's business cannot be banned completely by the authority unlike the case of "registration" or "license".

Since violation of the law regarding the whole tusk (i.e. transfer of unregistered tusks, false registration of the tusk or transfer of registration cards separated from the registered objectives) are out of the scope of suspension of business under LCES, the authorities are not able to suspend the businesses of dealers who were involved in illegal trade of even considerable amount of unregistered whole tusks, as in the Takaichi case.

Enforced business- suspension order does not influence the trade in whole tusks conducted by the notified dealers in question.

The number of registered dealers decreased in March 2009 compared with that of SC55 (2007), the reason of which may be fundamentally caused by the above systematical problem.

V.3 Ivory in personal ownership

V.3.1 Legislation concerning control of internal trade in raw ivory

Japanese legislation regulating transfers of individual ivory need to be examined, in order to understand why "ivory in personal ownership" is an issue in Japan.

Transfers of ivory is prohibited, excluding the following (LCES Article 12 Paragraph 1):

- Requirements for "designated parts" of ivory prescribed by a cabinet order (LCES Article 12, Paragraph 1, No, 3)

The term "specific parts" is prescribed to be "not whole" by the cabinet order (Cabinet Order Article 2, Paragraph 5).

In other words, all ivory parts that are "not whole," i.e. all ivory pieces excluding whole tusks are not subject to the regulation on transfers of individual ivory. Therefore, ivory in cut pieces defined as "raw ivory" by Resolution Cof.10.10 is exempt from the regulation.

Resolution Conf. 10.10 (Rev. CoP15)

Regarding definitions

a) The term 'raw ivory' shall include all whole elephant tusks, polished or unpolished and in any form whatsoever, and all elephant ivory in cut pieces, polished or unpolished and howsoever changed from its original form, except for 'worked ivory'

- Ivory registered under LCES Article 12 (LCES Article 12, Paragraph 1, No. 5)
Possessors (owners or trustees of owners) based on due title of the ivory (excluding the designated parts, then whole tusks only) which satisfy the "requisites for registration" stipulated by the Cabinet Order to implement LCES ("Cabinet Order") may seek registration by MoE (LCES Article 12, Paragraph 1).

The transfers of registered whole tusks shall be conducted with the registration cards (LCES Article 21, Paragraph 2).

Therefore, possessors of whole tusks may not transfer them without registration while the registration is voluntary as long as they take possession of them.

Considering the current legislation above concerning internal ivory trade, the following points have been subject to debate.

- Regarding ivory cut pieces, current legislation cannot regulate ownership or transfer.
This problem was pointed out at the verification by the Panel of Experts on the African elephant in 1996 as "The Japanese controls over ivory stock of whole tusks are good though it needs improvement regarding managing ivory in cut pieces."

However, this problem was not discussed by the CITES Secretariat verification mission in 1998 (Doc.SC.41.6.1 (Rev.) Annex 2) or in 2005 -2006 (SC54 Doc.26.1 (Rev.1)).

- Regarding the whole tusks possessed in Japan, the registration is compulsory only where transfers are to be conducted.

Therefore, the control authorities have no way of grasping the accurate situation of internally possessed stock of whole tusks.

This issue was discussed as the major verification point at the CITES Secretariat verification mission in 2005 -2006 (SC54 Doc.26.1 (Rev.1), SC55 Doc.10.1 (Rev.1)).

V.3.2 The result of the CITES Secretariat verification mission in 2005~2006

Regarding the ivory in private ownership, the CITES verification mission reported as follows;

The Law for the Conservation of Endangered Species of Wild Fauna and Flora regulates the transfer of ownership and/or the rights of possession of specimens of CITES Appendix-I species. The law regulates all transfers, even gifts. ("8", SC55 Doc.10.1 (Rev.1))

Every person who imports raw ivory or who possesses or acquires raw ivory for a commercial purpose must register that ivory with the government. A registration certificate is then issued for the ivory and its details are entered into a database. Proof of legal origin and acquisition must be provided at the time ivory is registered. A registration certificate is then issued for the ivory and its details are entered into a database. Proof of legal origin and acquisition must be provided at the time ivory is registered ("13", SC54 Doc.26.1 (Rev.1)).

"Efforts continue to be made to encourage the registration of tusks in 'private' or 'personal ownership', whether the holder intends to use the ivory for commercial purposes or not.

Between July 2006 and February 2007, a further 283 tusks were added to the tusk registration database. This figure includes 222 tusks owned by individuals. Consequently, by the end of February 2007, there were 6,200 tusks registered ("8", SC55 Doc.10.1 (Rev.1)).

V.3.3 In 4 years after the completion of verification by CITES Secretariat, the fact was revealed through the Takaichi case that "private ownership in ivory" is one of the biggest breeding ground for illegal internal trade

The Takaichi case revealed the smuggled raw ivory accounted for 31~87% of the legal raw ivory (in number) traded at least between 2005 and 2010 (Chapter II). In other words, it uncovered the fact that "private ownership in ivory" had been the huge breeding ground for illegal internal trade of ivory.

According to the report by the CITES Secretariat verification mission ("8", SC55 Doc.10.1 'Rev.1), the Secretariat seems to praise the continuous efforts by Japanese Government to encourage the voluntary registration of "tusks in personal ownership".

However, this recognition should be redefined considering the serious condition revealed by the Takaichi case as mentioned above.

V.3.4 Laundering illegally traded unregistered ivory

The problem not only lies in that underground flows of unregistered ivory coexists with official flows of registered ivory, but also in that underground flows and legal ones cross each other. It became evident that laundering of unregistered ivory had been rampant.

- Misuse of the registration card: laundering method in the Takaichi case

When KT and MT of Takaichi Inc. were arrested, a newspaper reported that they reused the registration cards for unregistered ivory tusks in trade (The Sankei Shimbun 6/9/2011).

During the trial, it became evident that, in fact, Takaichi wrote the registration numbers for registered ivory tusks on masking tape pieces and pasted them on to unregistered ivory tusks for a disguise (Sakamoto, 2011a.). They might fail to return the registration cards even after the registered ivory tusks were cut into pieces, and keep the cards to use for disguising unregistered tusks as registered.

- False registration

As mentioned above (I.3), it was also discovered that the dealers other than Takaichi had registered ivory tusks with false information. An antiquary NO and others easily succeeded in false registration by drawing up the false statement describing the process of obtaining the tusks in accordance with the requisites of LCES.

V.3.5 The scale of registration: official entry of "ivory in private ownership" into registered stock

The entry into the stock of registered whole tusk is compared with that of consumption during the recent years (Table II-2).

The period will be limited for 5 years during 2005~2010, except 2009 during which a large amount of ivory was imported in the conditional one-off sale.

The entry is checked according to the whole tusks registered, and the consumption is figured out according to the whole tusks for which registration cards had been returned (Table II.2). The results are:

- Entry in the stock (new registration of whole tusks): 1,948 tusks (28,761.48kg)
- Consumption of the stock (whole tusks for which the registration cards had been returned): 1,851 tusks (22,898.77kg)

Though the entry in the stock (new registration) seems to have been supplied mostly by "ivory in private ownership" (see "8", SC55 Doc.10.1 'Rev.1), the speed of the entry is faster than that of the consumption.

It is strange that ivory of such a volume has been supplied by individuals for 20 years after the ban of international ivory trade in 1990. Thus, more critical stance should be taken to respond to the question as "May ivory tusks that have been owned by non-dealer individuals for years have been a cover for smuggled ivory?"

V.3.6 Deficiencies in the registration procedure of raw ivory

"Ivory in private ownership" as the breeding ground for the black-market dealings and the laundering of unregistered tusk prove difficult to eliminate smuggling of ivory. It is urgently necessary to grasp the true picture of "ivory in private ownership". On the other hand, there is a risk that a hasty attempt to do so by putting them in the registered stock would encourage laundering of smuggled ivory.

Therefore, it is crucial, in order to solve the "ivory in private ownership" issue, to establish such a system that satisfies the following two conditions without causing any contradictions between them:

- The stock of "ivory in private ownership" should be comprehensively recorded by the control authorities or MoE and METI in order to reduce the amount of ivory put in black-market dealings as manufacturing material.
- Raw ivory that has been officially recorded as above should be carefully screened according to the registration requisites (pre-Convention internal acquisition or pre-Convention import) when transfers of them are officially allowed.

However, it will face several problems if these conditions are to be fulfilled under the current control of internal trade on LCES, Cabinet Order and Ministerial Orders. The major problems are as follows:

- a. There is no compulsory system to record raw ivory stock possessed in Japan.
Thereby, ivory stock with unknown sources has become the breeding ground for illegal trade.
- b. The current registration system for raw ivory is irrespective of the size or weight of ivory, not applied to any cut piece.
Thereby, it does not prevent such misconduct that whole ivory is intentionally cut to pieces to circumvent the compulsory registration.
- c. The application for registration does not require a mandatory official document prepared by public agencies to prove the registration requisites (pre-Convention internal acquisition or pre-Convention import).
This makes it difficult to prevent laundering of ivory that does not meet the requisites above.

- d. In the current registration, there is no marking procedure to identify each ivory.
Thereby, it makes it difficult to prevent the registration card or its number from being used for other ivory abusively.
- e. There is no effective period or a renewal procedure for the current registration.
Thereby, it makes it easy to use the registration card or its number for other ivory abusively after the original ivory is consumed for manufacture.

These problems will be discussed in detail as follows.

a. There is no compulsory system to record raw ivory stock possessed in Japan.

Thereby, ivory stock with unknown sources has become the breeding ground for illegal trade.

Possessors of whole tusks may not transfer them without registration while the registration is voluntary as long as they take possession of them.

Then, the current legislation requires applicants interested in registering whole tusks to go through the necessary formalities (LCES Article 29 Paragraph 1), and pay the fee (LCES Article 29 Paragraph 1). It is obvious that such a burdensome act tends to be avoided unless it is compulsory.

It is hence necessary to establish a new system to collect information other than the current registration system in order to cover the stock of raw ivory under possession exhaustively. Another way, as some people might insist to relax the registration procedure. It may serve the purpose of covering possessed stock. However, it is inappropriate because it will increase the risk of encouraging laundering of ivory with illegal source.

Regarding a specific measure to cover the stock of raw ivory under possession exhaustively

A new notification system may be considered of which outline can be drawn as follows.

- The notification shall be compulsory.
- The notification shall be subject to a time limit.
- The notified matter shall include minimum information (length, weight, the date of the first possession, etc.) to identify the ivory.
- The application for registration of the ivory (for transfer) shall be rejected if the notification has been failed or conducted out of the time limit set force.

b. The current registration system for raw ivory is irrespective of the size or weight of ivory, not applied to any cut piece.

Thereby, it does not prevent such misconduct that whole ivory is intentionally cut to pieces to circumvent the registration obligation.

As mentioned before, the regulation for transfer of individual ivory or registration system only applies to whole tusks. Therefore, any ivory other than whole tusks is transferable without registration. It will include cut pieces in all sizes and weight as well as worked ivory.

However, raw ivory does not always take the form of whole tusks when it is transferred as material between manufacturers. The middle part of the tusk that is not hollow is often transferred as material for *hankos*. Therefore, it needs to prevent such misconduct that unregistered whole tusks are cut to portions in order to circumvent the regulation. Moreover, in the large-scale smuggling cases of raw ivory into Japan (Table IV-2 Case 1, 3), every tusk was usually cut into pieces (Figure V-1, 2). Therefore, it is crucial to prevent such a smuggled cut piece from slipping into official flows.

In conclusion, the application of the regulation should not limit to whole tusks but include cut pieces that are larger than a certain size.

FigureV-1: Smuggled ivory in Case1 (2000), TabeIV-2



FigureV-2: Smuggled ivory in Case 3 (2006), TabeIV-2



Regarding size of cut pieces which shall be registered

The size of cut pieces can be referred to that as defined in the provisions of Conf.10.10 (section on "Regarding marking"), i.e. 20cm or more in length and 1 kg or more in weight.

Though registration of cut pieces is not compulsory under the current legislation, 10,072 pieces (weighing 91,809.4kg) were registered just once in 1995 (WG for control of internal ivory trade, 2006a). It is assumed that these cut pieces were voluntarily registered by the dealers on the advice of the governing authorities to register a portion of notified stock of cut pieces. This demonstrates that it is practically possible to register cut pieces.

c. The application for registration does not require a mandatory official document, which is prepared by public agencies to prove the registration requisites (pre-Convention internal acquisition or pre-Convention import).

This makes it difficult to prevent laundering of ivory that does not meet the requisites above.

Current legislation requires applicants for registration of whole tusks to submit "proof accounting for the acquisition or import process prior to the application of CITES (18th Jan.1990 with regard to *Loxodonra Africana*)".

The problem is such proof is assumed to be written by the applicants themselves who acquired or imported the whole tusks (LCES Article 20 Paragraph 2, Cabinet Order Article 4 Paragraph 2, Ministerial Order Article 11 Paragraph 2). Explanations by the applicants should be said to lack credibility regarding the acquisition and import process. As mentioned before (Chapter 1.3), antiquaries easily succeeded in false registration by making a false proof of acquisition under the friend's name in the case in March 2011.

Some may argue that the penalty provision regarding registration by a falsehood means (LCES Article 59 Paragraph 3) can ensure compliance. However, considering it is generally difficult to prove the falsity of the past acquisition and import by the law enforcement agency, It is also difficult to justify that false registration can be prevented by the power of penalty alone.

One of the major challenges with the current system is that, as explained by JWRC, the registration organization, "documents not made by public agencies" "can be easily drafted by the applicant alone or with a limited assistance and it is difficult to prove their falsehood once the documents have been accepted." (JWRC 2001) It is essential, therefore, that "proof accounting for the acquisition and import process prior to the application of CITES" must be limited to the documents issued only by a public agency.

Therefore, it should be required under law that an applicant must submit a specified document prepared by a public agency, providing the information regarding acquisition or import process.

Regarding the document for "proof accounting for the acquisition and import process prior to the application of CITES" by a public agency

- In case of ivory tusks acquired within Japan prior to the application of CITES:
Income tax return in which ivory tusks recognized as an asset or the statement of delivery or receipt of ivory tusks acquired (this shall apply only where the supplier can submit a copy of export permit pursuant to the provisions of CITES or a copy of import (duty) declaration)
- In case of import prior to the application of CITES:
A copy of CITES export permit (all specimens of *Loxodonta Africana* were included in Appendix II CITES from 1975 through 1989) or a copy of import (duty) declaration affixed with the Customs seal

d. In the current registration, there is no marking procedure to identify each ivory.

Thereby, it makes it difficult to prevent the registration card or its number from being used for other ivory abusively.

Under the current legislation, identification of raw ivory to be registered is carried out by the following description of the application for registration and the supporting document attached to the application;

- Description of "whole length," "weight," and "other features (not compulsory)" on the application
- One photo of whole shape of the tusk

In order to detect illicit trade in unregistered ivory tusks such as the Takaichi case, it is necessary to prove the ivory in question as unregistered. However, there are many ivory tusks similar in "whole length or" "weight," and the shape of tusks is relatively simple. Furthermore, 18,000 tusks have been registered during 1995 and 2011 (Table III-2). Therefore, it is considered not always possible to identify a particular ivory tusk from others by just the materials above. A clear identification marking on individual ivory tusk will not only prevent multiple registrations but also eliminate a tremendous burden on the law enforcement agency for investigating illicit ivory trade.

As a conclusion, in order to identify raw ivory to be registered, a marking procedure should be legislated and an authentication procedure to acknowledge the completion of the marking procedure should be established.

e. There is no effective period or a renewal procedure for the current registration.

Thereby, it makes it difficult to prevent such malpractice that the registration card is reused for other ivory after the original ivory is consumed for manufacture.

Most of raw ivory or semi-worked ivory, after they are registered, are used as materials to manufacture. If the registration cards have not been returned long after the ivory in question was registered, it is reasonably suspected that the obligation to return the registration card is neglected. This can be checked if there is an effective period for the registration card and there is a renewal procedure, however, neither of which exists under the current legislation.

V.3.7 Conclusion of V.3

In conclusion, in order to solve the "ivory in private ownership" issue, it is crucial to establish such a legal system that satisfies the following two conditions without causing any contradictions between them:

- The stock of "ivory in private ownership" should be comprehensively recorded by the control authorities or MoE and METI in order to reduce the amount of ivory put in black-market dealings as manufacturing material.
- Raw ivory that has been officially recorded as above should be carefully screened according to the registration requisites (pre-Convention internal acquisition or pre-Convention import) when transfers of them are officially allowed.

However, establishment of such system will be difficult due to the following problems in the current LCES:

- Possessors of ivory whole tusks may not transfer them without registration while the registration is voluntary as long as they take possession of them. There is no compulsory system to record raw ivory stock possessed in Japan.
- The current registration system for raw ivory is irrespective of the size or weight of ivory, not applied to any cut piece.
- The application for registration does not require an official documents a must, which is prepared by public agencies to prove the registration requisites (pre-Convention internal acquisition or pre-Convention import).
- In the current registration, there is no marking procedure to identify each ivory.
- There is no effective period or a renewal procedure for the current registration.

V.4 The database that had been created to monitor the flow of ivory

V.4.1 “The database that had been created to monitor the flow of ivory” in Japan

Two databases related to control of internal ivory trade have been created in Japan.

- Whole tusk database

JWRC keeps a computer database on registered whole tusks. It contains number of the registration card, number of the owner, date of issuance, length, weight and marks on the individual registered whole tusks. Thus, from the number of a registration card, it is possible to retrieve the specifications of each of the registered whole tusks. (Panel, 1997)

Additionally, the database includes information on cut pieces and finished products with regard to application to the voluntary certification scheme (Cf. V.5). New data entered in the database are compared automatically with existing records and a warning message is displayed if any incompatibility is detected (for example, if the number of carvings derived from a registered tusk exceeds what is considered reasonable). (Doc. SC.41.6.1 (Rev.) Annex 2, Inf.SC. 41.4)

- Ledger database

A database has been designed to record and review the information received from traders. (SC54 Doc.26.1 (Rev.1))

The supposed entry data is the information on the ledgers mandatorily recorded by the notified dealers of their business dealing with ivory, that is, the names and addresses of the transferees, sources of ivory, quantities and traits of transferred ivory, date of transfer, quantities in stock and etc. (LCES Article 33-3 Paragraph 1 and 2, Ministerial Order regarding Notification of Business Dealing with Designated Parts of International Endangered Species, Article 1).

This database did not exist during the verification by the CITES Secretariat in November 1998 (Doc. SC.41.6.1 (Rev.) Annex 2), but was established afterwards. (SC54 Doc.26.1 (Rev.1))

V.4.2 Results of the verification by the CITES Secretariat in 2005- 2006

The CITES Secretariat reported about Japan's database that had been created to monitor the flow of ivory as follows.

During discussions relating to an improved database that Japan had introduced to register traders and monitor the flow of ivory, a non-governmental organization questioned whether the database was operational, even though its working had been demonstrated to the Secretariat at the time of its 2006 mission. The Secretariat sought further information from the authorities in Japan on this matter and has been advised that, at the time of writing (April 2007), 83,000 items of data had been entered and the database was being used, as intended, to record details of stocks and trading. This information is collated from the periodic reports that dealers are required to submit. (“10” SC55 Doc.10.1 (Rev.1))

Based on the report, the Secretariat stated that Japan's situation was satisfactory, as it had been at the time of SC54. (SC55 Doc.10.1 (Rev.1))

By the way, the Secretariat pointed out the importance of clear linkage between the whole tusk database and the matters recorded on the ledger in addition to computerizing them during the verification in November 1998 when the ledger database had not existed.

It notes, however, that there is no clear link between the database and the mandatory ledger system, although MITI and EA inspectors use the database as a reference tool. The Secretariat believes that it would be preferable to computerize the information from the ledgers, the maintenance of which is mandatory, rather than the information relating to a voluntary system of recording, which is linked to the applications for certification seals. (Doc. SC.41.6.1 (Rev.) Annex 2)

However, merely computerizing the matters on the ledger was focused on during the verification in 2005 -2006 and there is no linkage between the computerized information and whole tusk database

V.4.3 Designing of database entering the matters on the ledger at the time of verification by the CITES Secretariat

METI has attempted to computerize the matters on the ledger received from traders responding to the advice of the CITES Secretariat in 1998. (Doc. SC.41.6.1 (Rev.) Annex 2) The ledger database mentioned in V.4.1 was the output. It aims to “monitor the trade in raw and worked ivory” (METI, 2006) and make it possible to search and browse the trade information from manufacturers to retailers”. (WG for control of internal ivory trade, 2005 c)

Regarding the ledger database, Table V-2 shows the details of monitored matters, function and information needed to enter in the ledger to realize the assumed function.

Table V-2: Details of monitored matters, function and information needed to enter in the ledger database

	Specific matters for monitoring	Function of database	Matters on the ledger, which are necessary to be entered in database	Matters outside the ledger, which are necessary to be entered in database
A	Use of unregistered tusk (author's note: whole tusks)	Reviewing consistency of weight of registered tusk (author's note: whole tusks)	① Date of transfer ② Name and address of transferor / transferee ③ Name of products ④ Purchase / Sales ⑤ Volume of transfer ⑥ Volume of stock 【Author's note】	【Source of information】Whole tusks database managed by Japan Wildlife Research Center ① Possessor of registered whole tusk ② Date of registration ③ Weight of tusk ④ Date of return of registration card
B	Existence of non-notified dealer	Verifying transferors / transferees	1) The unit of ⑤ and ⑥ is weight (kg) for cut pieces and number for products each. 2) Merely ② is necessary to be entered when the function of the database is limited to "B". 3) Merely ⑥ at the end of FY is necessary to be entered when the function of the database is limited to "D".	—
C	Situation of trade in ivory (author's note: cut pieces) and stocks of products	Reviewing trade in ivory (author's note: cut pieces) and stocks of products		—
D	Consistency between stocks of ivory (author's note: cut pieces)	Verifying stocks in volume at the end of last fiscal year		—

Source:

Ministry of Economy, Trade and Industry (2006), Application of a database in which the information included in the ledger collected from the registered dealers dealing with ivory, Paper Industry, Consumer & Recreational Goods Division Ministry of Economy, Trade and Industry, Tokyo Japan (in Japanese)

V.4.4 Current operation of the ledger database

Five and half years have passed since the CITES Secretariat provided an update on the situation of Japan's internal trade control including operation of the ledger database at SC 55 in 2007. Therefore, the current operation of the ledger should be reviewed.

The items actually entered in the database out of the matters recorded on the ledger are shown in Table V-3.

Table V-3: The items entered in the database out of the matters recorded on the ledger (at the time of January 2012)

Category of ledger	Matters* on the ledger to be entered in database	FY of ledgers already requested to submit to the authorities	FY of ledgers the matters on which have been entered in database
Manufacturer (cut pieces)	<ul style="list-style-type: none"> • Serial number of dealer • Name of dealer • Name of transferor / transferee • Stock at the end of FY 	FY2001 -2009	FY2001 -2009
Manufacturer (products)	<ul style="list-style-type: none"> • Name of products (category) • Name of dealer • Name of transferor / transferee • Stock at the end of the FY 	FY2001 -2009 **	FY2001 -2009 **
Wholesaler (products)	↑	FY2001 -2008 **	FY2001 -2008 **
Retailer (products)	↑	FY2001 -2008 **	FY2001 -2008 **

* Apart from the matters on the ledgers, the matters on application form for providing notification are entered in the database (address, telephone number, and name and address of place of business.

** "FY October 2004 - 2009" the other products than *hankos* because they got subject of the regulation since Oct. 2004.

Source:

Ministry of Economy, Trade and Industry (2012) a, "Regarding Database on the Business of Specified International Endangered Species on Jan. 17th in 2012, Paper Industry, Consumer & Recreational Goods Division Ministry of Economy, Trade and Industry, Tokyo Japan (in Japanese)

In addition, MoE and METI have requested the manufacturers to submit the ledgers for FY 2009 (April 2009- March 2010) and requested the wholesalers and retailers for FY2008 (April 2008- March 2009) as the latest (at the time of January 2012). (Table V-2)

It is reviewed what matters can be monitored by the ledger database under the current operation shown in table V-3.

Consequently, "B: Existence of non-notified dealer" by "Verifying transferor / transferee" and " D: Consistency between stocks of ivory (author's note: cut piece) and stocks of products" by "Verifying stocks in volume at the end of last fiscal year" are possible to be monitored. (Table V-1)

At the other extreme, "A: Use of unregistered whole tusk" and "C: Situation of trade in ivory (author's note: cut pieces) and stocks of products" by "Reviewing trade in ivory (author's note: cut pieces) and stocks of products" have not been functioned at all. This is because volume of transaction both products' name wise and purchase-sales wise as well as all the data on the whole tusk database have not been entered into the ledger database.

V.4.5 Lack of linkages between the whole tusk database and the ledger database

As mentioned above (V.4.2), the CITES Secretariat, based on the result of verification in 1998, requested Japanese government computerizing the matters recorded on the ledger and clear linkage between that computerized data and the whole tusk database as a set. (Doc. SC.41.6.1 (Rev.) Annex 2)

However, the linkage between the whole tusk database and the ledger database has never been realized. It is because the two databases have been established and managed by different agency separately, that is, JWRC supervised by MoE for whole tusk database and METI for ledger database. (V.4.1) Moreover, any data on the whole tusk database has not been entered into the ledger database. (V.4.4)

Consequently, linkage between the whole tusk database and the matters on the ledger is still lacking as so in 1998.

V.4.6 Harmful effect caused by limited function of the ledger database

Dysfunctional "Reviewing consistency of weight of registered whole tusk" leading the lack of monitoring on "A: Use of unregistered whole tusk" and "C: Situation of trade in cut pieces and stocks of products" (see V.4.4) has brought a harmful effect as revealed in the response of the authorities to the Takaichi case.

Considering the adverse effect of the illegal activities found in the Takaichi case, MoE and METI should have investigated whether the illegal trades by Takaichi had been done completely inside black market or had straddled both black market and white market by laundering.

Then, if some laundering was called in question by specific reason, the authorities should have accused Takaichi and the involved to the law enforcement agency or police as;

- Registration by a falsehood means (imprisoned for a term not exceeding 6 months or fined an amount not exceeding JPY 500,000 (US\$6,250: JPY80=US\$1), LCES Article 59, Number 3);
- Violation of mandatory return of registration card (fined an amount not exceeding JPY 300,000 (US\$3,750: JPY80=US\$1), LCES Article 63 Number 6 and Article 22, Paragraph1); and / or
- False statement to the enquiries at the on-the-spot-inspections (fined an amount not exceeding JPY 300,000 (US\$3,750: JPY80=US\$1), LCES Article 63 Number 7, Article 33-5 and Article 33 Paragraph1).

However, it was completely impossible to take that action for the authorities because of the aforementioned dysfunctional ledger database with no entry of volume of transaction both products' name wise and purchase-sales wise as well as any data on the whole tusk database.

V.4.7 Conclusion of V.4

Responding to the advice of the CITES Secretariat, Japanese government attempted to establish a database for the objective of monitoring the trade in raw and worked ivory from manufacturers to retailers. The key actions for achieving the objective was computerizing the matters recorded on the ledger and clear linkage between the ledger database entering the computerized data and the whole tusk database.

However, volume of transaction both products' name wise and purchase-sales wise have not been entered into the ledger database. Additionally, any data on the whole tusk database has not been entered into the ledger database because the two databases have been established and managed by different agency separately, that is, JWRC supervised by MoE for whole tusk database and METI for ledger database.

In consequence, the following matters are impossible to be monitored at all.

- Use of unregistered whole tusk
- Situation of trade in cut pieces and stocks of products

Facing the Takaichi case, the control authorities could not investigate if the illegal trades by Takaichi had straddled both black market and white market by laundering.

V.5 Voluntary 'certification scheme'

V.5.1 Outline of certification scheme

The notified dealers may make "management cards" pertaining to their business dealing with their ivory cut pieces in which necessary matters as for the processes of receiving the pieces are entered. (LCES Article 33-6, Paragraph 1)

MoE and METI may, based on applications of notified ivory manufactures who have been assigned or have received the ivory as materials of the products with the management cards or registration cards for the whole tusks, certify that their products are made of the ivory satisfying the requisitions to the registrations (acquisition within Japan prior to the application of CITES or import prior to the application of CITES). (LCES Article 33-7, Paragraph 1 and 2)

As above, the application for certification is voluntary.

The duties of MoE and METI regarding the certification are assigned to JWRC. When the certification is made, JWRC shall issue to the applicants the marks or certification seals indicating to that effect for each product item (LCES Article 33-7, Paragraph 3)

The certifying organization (JWRC), the serial number, date of certification, the official CITES logo and the name of MoE and METI are printed on the certification seals. (Ministerial Order regarding Notification of Business Dealing with Designated Parts of International Endangered Species Article 9) The seal itself is a round seal of 3cm diameter printed on a square of 4cm by 4cm of chequered paper. (Panel, 1997)

Figure V-3 Uniformed design of the mark or certification seal



V.5.2 Result of Verification by the CITES Secretariat from 2005 to 2006

The CITES Secretariat reported the results of verification of "voluntary certification scheme" as follows;

A voluntary system, present in 1999, continues to exist whereby manufacturers may apply to receive individually numbered stickers to supply to customers that clearly show that the object being purchased is from legally-imported ivory stocks and complies with the requirements of CITES. Traders participating in this scheme can display a sticker in their premises that describes the scheme. ("17", SC54 Doc.26.1 (Rev.1))

The element of a voluntary 'certification scheme' as part of Japan's controls is perhaps not ideal and it is not clear why this was not originally made mandatory. ("43", SC54 Doc.26.1 (Rev.1))

V.5.3 Voluntary certification scheme is not only "not ideal" but also likely encouraging trade in ivory products produced from raw ivory with unknown origin

The application for certification is voluntary. The sale of finished ivory products without seals is legal. (Panel, 1997) But the scheme is posing major questions which can't be swept aside simply by ignoring it as meaningless.

While LCES provisions outlining the scheme are as mentioned in V.5.1, prohibited acts and the penalty against them are as follows.

- Obtaining certification by falsehood (fined an amount not exceeding JPY 200,000 (US\$2,500 (JPY80=US\$1), LCES Article 63, Number 8)
- Violation of prohibition to attach the certification seals to anything other than the products certified (fined an amount not exceeding JPY 200,000 (US\$2,500 (JPY80=US\$1), LCES Article 63, Number 9, Article 33-7, Paragraph 4)

The problems of the provision regarding prohibition and penalty related to certification scheme are as follows;

a. Sale of the certification seals together with products without certification is not prohibited unless the seals are not attached to the products.

It means that a product without certification, even produced from illegally obtained unregistered ivory, can be legally sold with a certification seal issued for another product.

Further, certification seals are impossible to be “attached” on certified ivory *hankos* in reality.

Prohibition of “attachment” of certification seals to products not certified is nonsense right from the start in a case of *hankos* which occupies vast portion among ivory products traded in Japanese market. As mentioned above, the diameter of a certification seals are as long as 3 cm (see Figure V-4), therefore, “their use on *hankos* was rather impractical” (“19”, SC54 Doc.26.1 (Rev.1)) as the CITES Secretariat pointed out. As is obvious, there is no case which the penalty against violation of the prohibition has been applied for 17 years since its implementation in 1995.

b. It is not prohibited to trade certification seals separated from the relevant products certified.

It means that manufacturers conducting illegal activities can buy in certification seals separated from the relevant products for using them as a cover up of illegal activities.

That provision on certification seals is determined in evidently different way from the provisions prohibiting the trade of registration cards separated from the relevant whole tusks (LCES Article 21, Paragraph 3).

The Takaichi case revealed that 473 thousands (79 thousands per annum) of ivory *hankos* had been produced from illegally traded tusks from unknown origin and traded in Japanese market between 2005 and 2010. (II.2) It cannot be denied that some of those *hankos* might possibly be sold with certification seals.

It should be noted that the official CITES logo and the name of MoE and METI are printed on the certification seals. Voluntary certification scheme is likely encouraging trade in ivory products produced from illegally traded raw ivory with unknown origin.

V.5.4 Conclusion of V.5

Certification seals produced from “voluntary certification scheme” can be traded legally together with products without certification unless the seals are not “attached” to the products. Furthermore, it is not prohibited to trade certification seals separated from the relevant products certified.

The Takaichi case exposed the inherent risk of the scheme of which huge number of ivory *hankos* produced from unregistered tusks would be sold with certification seals. Voluntary certification scheme is likely encouraging trade in ivory products produced from raw ivory with unknown origin.

Certification scheme for ivory products is rather harmful unless the scheme is made compulsory and linked with the obligation to the dealers of mandatory confirmation, obtaining information, documentation and preserving the documents. (LCES Article 33-3, Paragraph 1 and 2)

V.6 Conclusion and Recommendation

“Does Japan’s legislation and internal trade control of ivory fulfill all the requirements of Resolution Conf.10.10 (Rev.15)?”

Problems of Japan’s legislation and controls discussed in chapter V are organized in Table V-4 with regard to each requirement of Resolution Conf.10.10 (Rev.15).

As shown in tableV-4, Japan’s legislation and internal trade control of ivory fulfill the requirements of Resolution Conf.10.10 (Rev.15) little.

Thus, it shall be recommended that;

In order to eliminate smuggled ivory from Japanese ivory market completely, Japanese government shall improve the Law for Conservation of Endangered Species of Wild Fauna and Flora (LCES) and the relevant Orders and, management and law enforcement regarding internal trade control of ivory in accordance with all the requirements prescribed in “*Regarding control of internal ivory trade*” of Resolution Conf. 10.10 (Rev.CoP15).

As mentioned in the *Wildlife and Forest Crime Analytic Toolkit* (UNODC, 2012), to prevent and combat wildlife and forest offences effectively, it is important to identify the various actors in the wildlife supply chain as well as the motivations that drive their activities. It is also crucial to analyse the motivation and reason on why Takaichi was requested to participate during the development of LCES and which officer in the relevant ministry was responsible for designating an individual who had corrupt intentions.

Table V-4 Problems of Japan's legislation and control of internal ivory trade in the context of requirements of Resolution Conf.10.10 (Rev.15)

<p>"Comprehensive internal legislative, regulatory and enforcement measures" recommended by Resolution Conf. 10.10 (Rev.CoP15)</p>	<p>Problems of Japan's legislation and internal trade control of ivory</p>
<p>a) register or license all importers, manufacturers, wholesalers and retailers dealing in raw, semi-worked or worked ivory products</p>	<ul style="list-style-type: none"> ● Those engaged in business dealing ivory are only obliged to notify certain information concerning their ivory business, not "registered" or "licensed". Because of this, even though a dealer violated the law, the dealer's business cannot be cancelled by the authority unlike the case of "registration" or "licence". ● Since violation of the law regarding the whole tusk (i.e. transfer of unregistered tusks, false registration of the tusk or transfer of registration cards separated from the registered objectives) are out of the scope of suspension of business under LCES, the authorities are not able to suspend the business of dealers who were involved in illegal trade of even considerable amount of unregistered whole tusks. ● Enforced business- suspension order does not influence the trade in whole tusks conducted by the notified dealers in question. ● The number of notified dealers decreased in March 2009 compared with that of SC55 (2007), the reason of which may be fundamentally caused by the above systematical problem.
<p>b) abbr.</p>	<p>No comment.</p>
<p>c) introduce recording and inspection procedures to enable the Management Authority and other appropriate government agencies to monitor the flow of ivory within the State</p>	
<p>i) compulsory trade controls over raw ivory</p>	<ul style="list-style-type: none"> ● Possessors of ivory whole tusks may not transfer them without registration while the registration is voluntary as long as they take possession of them. There is no compulsory system to record raw ivory stock possessed in Japan. Thereby, ivory stock with unknown sources has become the breeding ground for illegal trade. ● The current registration system for raw ivory is irrespective of the size or weight of ivory, not applied to any cut piece. Thereby, it does not prevent such misconduct that whole ivory is intentionally cut to pieces to circumvent the compulsory registration. ● The application for registration does not require an official documents a must, which is prepared by public agencies to prove the registration requisites (pre-Convention internal acquisition or pre-Convention import). Thereby, it became difficult to prevent laundering of ivory that does not meet the requisites above. ● In the current registration, there is no marking procedure to identify each ivory. Thereby, it makes it difficult to prevent the registration card or its number from being used for other ivory abusively. ● There is no effective period or a renewal procedure for the current registration. Thereby, it makes it easy to use the registration card or its number for other ivory abusively after the original ivory is consumed for manufacture.
<p>ii) a comprehensive and demonstrably effective reporting and enforcement system for worked ivory</p>	<ul style="list-style-type: none"> ● Volume of transaction both products' name wise and purchase-sales wise have not been entered into the ledger database. Additionally, any data on the whole tusk database has not been entered into the ledger database because the two databases have been established and managed by different agency separately, that is, JWRC supervised by MoE for whole tusk database and METI for ledger database. In consequence, the following matters are impossible to be monitored at all. <ul style="list-style-type: none"> · Use of unregistered whole tusk · Situation of trade in cut pieces and stocks of products ● Certification seals produced from "voluntary certification scheme" can be traded legally together with products without certification unless the seals are not "attached" to the products. Furthermore, it is not prohibited to trade certification seals separated from the relevant products certified. Thereby, the voluntary certification scheme is likely encouraging trade in ivory products produced from raw ivory with unknown origin.

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