



Overviews of Japanese Recycling Regulations – What do you need to know if your business in Japan uses containers and packaging?

In Japan, recycling-related regulations have been tightened in recent years, including the introduction of a system of charging for shopping bags. Companies doing business in Japan need to understand Japan's recycling-related laws and regulations and properly fulfill their obligations when applicable. This article provides the overviews of Japan's recycling-related laws and regulations regarding the containers and packaging under the Law for Promotion of Sorted Collection and Recycling of Containers (the "Recycling Act") and the Law on Promotion of Effective Utilization of Resources (the "Resources Utilization Act") that companies should particularly keep in mind.

I. Subject Matter: Specified Containers and Packaging

Certain business operators must fulfill obligations such as recycling, promotion of waste containers and packaging, and labeling obligations with respect to the "specified containers and packaging" under the Recycling Act and Resources Utilization Act. Thus, first question to comply with these obligations is what are "specified containers and packaging". In general, "specified containers and packaging" mean containers and packaging of goods which become unnecessary when the relevant goods have been consumed or when the relevant containers and packaging have been removed from the goods.¹ It is sometimes not straightforward to apply this definition. Here are some examples:

- Labels, stickers, seals and tapes, etc. that are not considered to "contain" or "wrap" materials generally do not fall under the "specified containers and packaging"; whereas stickers on bottles fall under such definition, if they cannot be separated

¹ Article 2, Paragraph (1), Recycling Act

from the bottles

- Packaging for samples generally do not fall under the “specified containers and packaging” because samples are not “merchandise”; whereas bags for product instructions fall under such definition, because the product instructions are part of the merchandise
- Storage cases for jewelry generally do not fall under the “specified containers and packaging”; whereas cartridges of disposal camera films fall under such definition, because the cartridges in the latter example will be unnecessary when the product is consumed, but storage cases in the former example will not be unnecessary even when they are separated from the products.

II. Recycling Obligation under the Recycling Act

A. Scope

1. Target Businesses: Designated Manufacturer/Users²

Certain business operators called “designated manufactures/users” doing specific acts with respect to the specified containers and packaging described above, which are made of certain materials, must fulfill the recycling obligations. Specifically, designated manufacture/users include three categories of businesses that are (i) specified container users,³ (ii) specified container manufactures,⁴ and (iii) specified packaging users⁵.

Specified container/packaging users ((i) and (ii) above) include businesses that (a) use specified containers/packaging for products to be sold, (b) import products put into specified containers or wrapped by specified packaging, or (c) entrust a third party these acts.⁶ Specified container manufactures include businesses that (a) manufacture specified containers, (b) import specified containers, and (c) entrust a third party these acts.⁷ Please keep in mind that some importing activities are included in the scope of the regulations.

As above, although a broad range of businesses are subject to the recycling obligation, there is an important exemption – the small businesses that fall within the

² Article 11, Paragraph (3), Recycling Act.

³ Article 2, Paragraph (11), Recycling Act.

⁴ Article 2, Paragraph (12), Recycling Act.

⁵ Article 2, Paragraph (13), Recycling Act.

⁶ Article 2, Paragraph (9) of Recycling Act.

⁷ Article 2, paragraph (10) of Recycling Act.

requirements (both requirements of annual sales and number of employees) as described in the table below are exempted from the recycling obligation.⁸

	Total annual sales	Number of employees
In the case of Manufacturing	240 million JPY or less, and	20 or fewer employees
In the case of Retail/Wholesale, Services	70 million JPY or less, and	5 or fewer employees

2. Materials of Specified Containers and Packaging

Only containers and packaging made of certain materials are subject to the recycling obligation:⁹

- Specified containers and packaging made of plastic
- Specified containers and packaging made of paper (excluding paper cartons for beverages and alcoholic beverages (non-aluminum) and containers and packaging made of corrugated cardboard)
- PET bottles for beverages, alcoholic beverages and specific seasonings
- Glass containers

B. Obligations

1. Recycling Obligation

If a business operator falls within the target businesses that are “designated manufactures/users” described above, it must fulfill the recycling and record keeping obligations under the Recycling Act.¹⁰ Designated manufacturers/users must recycle certain amounts of specified containers and/or packaging every fiscal year pursuant to the ordinance of the competent ministry. Businesses may fulfill the recycling obligation through either of the following three routes.

- Self-collection route
 - Collect waste containers and/or packaging by themselves based on the approval from the competent minister
- Designated organization route
 - Contract with a Designated Organization and fulfill obligations under such contract including payment of recycling fee
- Own recycling route

⁸ Article 2, Paragraph (11), Recycling Act; Article 2 and Article 4, Enforcement Order of Recycling Act.

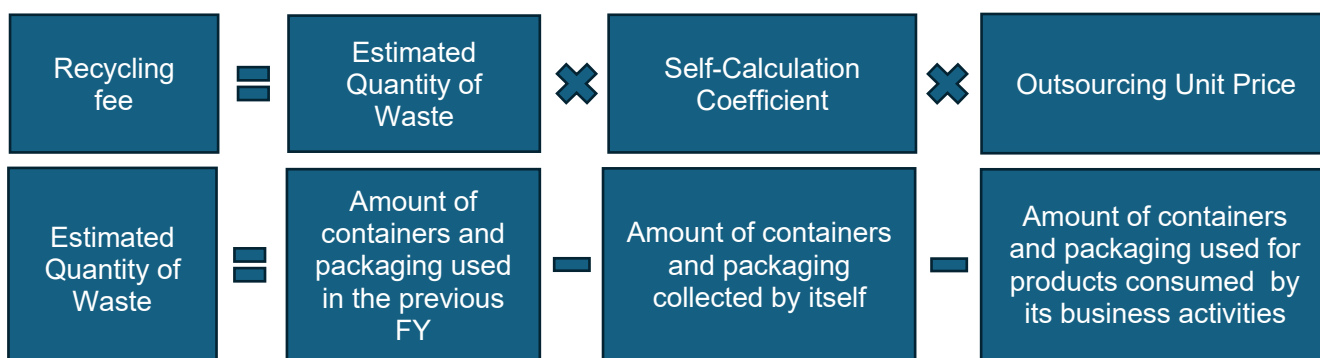
⁹ Article 4, Enforcement Regulations of the Recycling Act.

¹⁰ Article 38, Recycling Act.

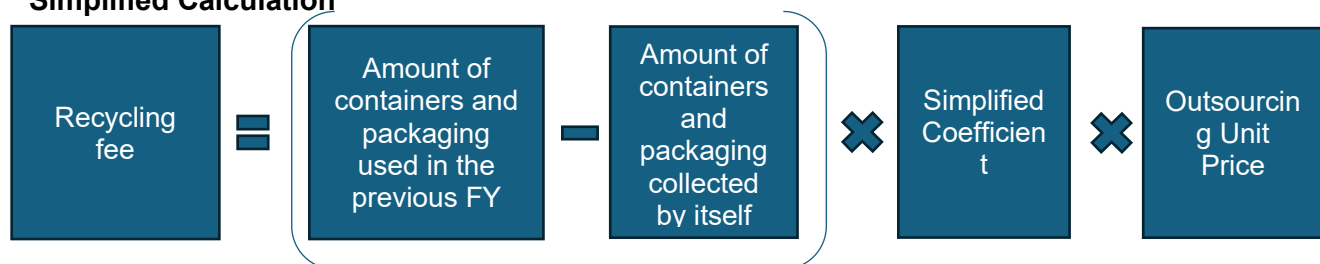
Entrust recycling to a third-party recycling business operator, either on its own or by entrusting it to another party

The second “designated organization route” is often used, where the recycling fee will be calculated as below:

Self Calculation



Simplified Calculation



2. Record keeping obligation

Designated manufactures/users also need to fulfill the record keeping obligation under the Recycling Act.¹¹ They must keep books, describing matters specified by the order of the competent ministry with regard to the sale of goods using specified containers, manufacture, etc. of specified containers, or sale of goods using specified packaging, and recycling of waste containers and packaging that conform to the sorting standards. Further, they must preserve those books for 5 years.

III. Obligations to Promote Reduction of Waste Containers and Packaging under the Recycling Act

A. Obligations of Designated Container/Packaging Users

In addition to the recycling obligation above, if a business falls within the certain

¹¹ Article 38, Recycling Act.

categories of businesses called “designated container/packaging users”, it must fulfill obligations to promote reduction of waste containers and packaging discharged through rationalization of use of containers and packaging.

“Designated container/packaging users” mean business operators, which use containers and packaging in their business and conduct various retailing business specified by Cabinet Order as a business type for which reduction of excessive use of containers and packaging and other rationalization of use of containers and packaging are particularly necessary: such as retailing of merchandise, textile/clothes, beverage, automobile components/accessory, furniture/fixture/machinery and appliances, pharmaceuticals/cosmetics, books/stationary, sports goods/leisure, items/instruments, and tobacco/cigarette.¹²

Designated container/packaging users must set targets for reducing the basic unit of use of containers and packaging, and systematically implement measures to achieve these targets.¹³ Importantly, in 2020, the new system of charging for shopping bags was introduced, where the designated container/packaging users must charge a fee for the use of plastic shopping bags with handles to be used for carrying purchased goods, with the exceptions of shopping bags with a thickness of 50 micrometers or more, those containing 100% marine biodegradable plastic, or those containing at least 25% of biomass plastic that meet requirements specified by the ordinance.

Also, the designated container/packaging users shall promote reduction of emissions of containers and packaging through other activities such as:

- Promote the reduction of container and/or packaging emissions by charging a fee for the use of non-plastic shopping bags
- Offer premiums for consumers declining the use of containers and packaging
- Promote the use of bags that are reusable, etc.

Other requirements designated container/packaging users fulfill include the following:

- Provide information (e.g., presenting information that contributes to the promotion of reduction of waste containers and packaging discharged at stores.)
- Establish an internal system (e.g., appointing a person in charge, and providing

¹² Article 7-4(1), Recycling Act; Article 5, Enforcement Order of Recycling Act.

¹³ Ministerial Ordinance to Provide for Standards of Judgment Concerning Promotion of Reduction of Container and Packaging Waste Discharge through Rational Use of Containers and Packaging by Business Operators in the Retail Business

training for employees.)

- Consider safety and functionality of containers and packaging
- Grasp the status of implementation of rationalization of use of containers and packaging, etc.
- Cooperate with related parties in order to effectively implement measures

B. Additional Reporting Obligation of Large Container/Packaging Users

Further, the designated container/packaging users (limited to specified container users or specified packaging users) that use at least 50 tons of containers and packaging in the previous fiscal year of the relevant fiscal year (the “large container/packaging users”), such large container/packaging users must report to the competent minister every fiscal year the matters specified by the order of the competent ministry, for instance, the amount of containers and packaging used and the state of implementation of measures they have worked on to promote reduction of waste containers and packaging discharged through rationalization of use of containers and packaging.¹⁴

C. Enforcement

If designated manufactures/users subject to the recycling obligation fail to fulfil such obligation, they are subject to the guidance and advice, recommendations by the competent minister, public announcement of non-compliance, and order by the competent minister to take measures pertaining to the recommendations.¹⁵ A designated manufacturers/user that has violated such order is punished by a fine of not more than 1,000,000 yen.¹⁶

IV. Obligation under the Law on Promotion of Effective Utilization of Resources (“Resources Utilization Act”)

A. Identification Mark Requirement

In addition to the obligations under the Recycling Act, specified containers and packaging made of certain materials as listed below are subject to the obligation of identification mark under the Resources Utilization Act:¹⁷

¹⁴ Article 7-6, Recycling Act; Article 6, Enforcement Order of the Recycling Act.

¹⁵ Article 20, Recycling Act.

¹⁶ Article 46, Recycling Act.

¹⁷ Article 2, Paragraph (11), Resources Utilization Act, Article 5, Table 5, Order of Enforcement of Resources Utilization Act.

- Containers and packaging made of plastic
- Containers and packaging made of paper (exclude paper cartons for beverages and alcoholic beverages (non-aluminum) and containers and packaging made of corrugated cardboard)
- PET bottles for beverages, alcoholic beverages and specific seasonings
- Steel cans for beverages and alcoholic beverages
- Aluminum cans for beverages and alcoholic beverages

Please note that the materials of containers and packaging subject to the identification mark obligation under the Resource Utilization Act are different from those subject to the recycling obligation under the Recycling Act, and it is important to understand correctly what the subject matters of each obligation are.

Further, specified containers and packaging listed below are subject to the voluntary identification labeling, although that is not a legal obligation.

- Paper cartons for beverages and alcoholic beverages (non-aluminum)
- Containers and packaging made of corrugated cardboard

Target businesses such as manufacturers to produce containers, business entities who instruct the manufactures of containers and packaging or to import and sell containers and packaging, shall display the identification marks on the target containers and packaging pursuant to the relevant laws and ordinance. The format requirements of such marks are specified in the relevant ordinance of Ministry, but the marks generally used are as follows:¹⁸



Plastic containers
and packaging



Paper containers
and packaging

¹⁸ Website of Ministry of Economy, Trade and Industry pamphlet_mark_gimu.pdf (meti.go.jp), last visited on February 7, 2024.



PET bottles for
beverages, alcoholic
beverages
and specific seasonings



Steel cans for
beverages
and alcoholic
beverages



Aluminum cans
for beverages
and alcoholic
beverages

In the case of business operators that import and sell goods put into specified containers or wrapped by specified packaging, the importer shall display the identification marks in either of the following case:¹⁹

- a. When such business operators manufacture or order such containers or packaging outside Japan by themselves, or when it is possible for them to directly or indirectly instruct the material, structure, use of its own trademark, etc., of the containers or packaging; or
- b. When Japanese language is indicated on the containers and packaging by means of seals, labels, etc.

B. Enforcement

If a business operator subject to the identification mark obligation fails to fulfil such obligation, it is subject to the recommendations by the competent minister, publication of non-compliance, and order to take measures pertaining to the recommendations.²⁰ A business operator that has violated such order is punished by a fine of not more than 500,000 yen.²¹

¹⁹ Article 2, Table 1, Ministerial Ordinance to Provide Standards for Labeling of Specified Containers and Packaging; Article 2, Ministerial Ordinance Concerning Specified Containers and Packaging Prescribed in the Upper Column of Column 6 of Appended Table 5 of the Order for Enforcement of the Act on the Promotion of Effective Utilization of Resources.

²⁰ Article 25, Resource Utilization Act.

²¹ Article 42, Resource Utilization Act.

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