

Guidelines for the Implementation of the Joint Crediting Mechanism (JCM) in Japan

Chapter 1 General Principles

Article 1

(Purpose)

The Guidelines are aimed at facilitating the efficient implementation of the Joint Crediting Mechanism (hereinafter referred to as "JCM") in Japan by specifying the necessary matters for the preparation and operation of the JCM registry of Japan, the issuance of the JCM credits in the JCM registry of Japan, and the management of the issued JCM credits, as well as procedures and forms related thereto, in line with the Paris Agreement and its relevant decisions, bilateral document of the JCM (hereinafter referred to as "bilateral document") and the rules and guidelines adopted by the Joint Committee established on the basis of the bilateral document (hereinafter referred to as "rules and guidelines").

Article 2

(Terms and definitions)

Terms as used in the Guidelines are defined as follows.

Term	Definition
Transfer	The act that an account holding entity or the Government of Japan moves all or a part of the JCM credits in a holding account opened in the JCM registry of Japan to other accounts in the said registry.
Acquiring account	The account in which increase of JCM credits are to be recorded as a consequence of transaction.
Carbon offsetting	Offsetting all or a part of entity's greenhouse gas (hereinafter referred to as "GHG") emissions that are difficult to reduce, through retirement or cancelation of credits, while recognizing its own GHG emissions and proactively making efforts to reduce such emissions.
Foreign entities	Legal entities other than Japanese entities.
Rules and guidelines	Documents adopted by the Joint Committee between Japan and the partner country that specify standards, requirements and procedures for the implementation of the JCM.
Mandatory cancellation	A transaction by which the JCM registry management authorities transfer JCM credits to the mandatory cancellation account so that the JCM credits are not further transferred.

Provisional Translation

Mandatory cancellation account	An account in the JCM registry of Japan used for the mandatory cancellation of JCM credits.
Nationally determined contribution (hereinafter referred to as "NDC")	Contribution which a Party to the Paris Agreement prepares, communicates to the Secretariat of the United Nations Framework Convention on Climate Change, and maintains in accordance with Article 4, paragraph 2 of the Paris Agreement. It corresponds to an emission reduction target of GHGs.
Credit block	A unit for handling the credits of a minimum 1 tCO ₂ as a block which is defined by a serial number from the starting number of the credits to the ending number of the credits within the unit in the identification number.
Suspension of use of an account	To make it impossible for the account holding entity to make changes in the entity holding account information and to have transaction or issuance of JCM credits in the JCM registry of Japan.
Account holding entity	An entity that has had an entity holding account opened in the JCM registry of Japan.
Joint Committee	A committee that is established on the basis of bilateral document of the JCM, and consists of representatives of Japan and of the partner country which adopts rules and guidelines of the JCM. It approves methodologies, registers projects and notifies Japan and the partner country of the amount of JCM credits to be issued.
Other international mitigation purposes	International purposes to mitigate GHG emissions other than achievement of NDCs, which use internationally transferred mitigation outcomes.
Identification number	A number that is recorded on each one of JCM credits when it is issued in the JCM registry of Japan. It comprises alphabetical letters, symbols, and numerical figures, and indicates the scheme identifier, partner country identifier, JCM credit issuing country identifier, starting number of JCM credit block unit, ending number of JCM credit block unit, JCM project number, number of issuances of JCM credit, year of issuance of JCM credit, and year of emission reductions and removals.
Acquisition	The act that an account holding entity or the Government of Japan receives in its account opened in the JCM registry of Japan JCM credits that have been transferred from other holding accounts in

	the registry.
Government holding account	An account in the JCM registry of Japan used for the Government of Japan to hold JCM credits in the JCM registry of Japan.
Corresponding adjustments	To adjust GHG emissions covered by NDCs, by adding the quantity of internationally transferred mitigation outcomes first-transferred for use towards NDCs of other countries or for other international mitigation purposes on the amount of GHG emissions covered by a NDC of the transferring country, and by subtracting the quantity of internationally transferred mitigation outcomes acquired and used towards a NDC of the acquiring country from the amount of GHG emissions covered by a NDC of the acquiring country, in accordance with Article 6 of the Paris Agreement and its relevant decisions to avoid double counting.
Cancellation	The act that an account holding entity or the Government of Japan transfers JCM credits to the cancellation account so that the JCM credits are not further transferred.
Cancellation account	A type of account in the JCM registry of Japan used for the cancellation of JCM credits.
Japanese entity	A legal entity that has a head office or main office in Japan.
Bilateral document	A document developed and/or signed by Japan and the partner country for establishing the JCM.
JCM registry of Japan	An electromagnetic registry prepared and operated by the JCM registry management authorities for the purpose of managing JCM credits in line with the bilateral document and the rules and guidelines.
Government of the partner country	The government of a country that developed and/or signed a bilateral document of the JCM with the Government of Japan and establishes the JCM with the Government of Japan.
Issuance	The act that the JCM registry management authorities record an increase in the amount of JCM credits as indicated in a notification from the Joint Committee in a holding account opened in the JCM registry of Japan.
Transaction	The act that the JCM registry management authorities conduct operations for the transfer and acquisition of JCM credits in an account opened in the JCM registry of Japan.
Entity holding account	An account in the JCM registry of Japan used by a legal entity to

	manage its JCM credits in the JCM registry of Japan.
Retirement	The act that an account holding entity or the Government of Japan transfers JCM credits to the retirement account for the purpose of evaluating its own measures on GHG emission reductions while making the JCM credits not to be further transferred.
Retirement account	An account in the JCM registry of Japan used for the retirement of JCM credits.
Unit number	A number assigned to each single tCO ₂ of emissions, the minimum basic unit for handling JCM credits in the JCM registry of Japan, which formulates a part of the identification number for JCM credits.
JCM credits	It indicates the amount of GHGs as issued in the JCM registry of Japan (GHGs other than carbon dioxide are converted into the amount of carbon dioxide based on their effect on global warming), which indicates verified emission reduction overseas, as described in Article 1, Item 6 of the Order on Reporting of Carbon Dioxide Equivalent Greenhouse Gas Emissions etc.
Restriction of the transfer of JCM credits	The act that the JCM registry management authorities temporarily block the transfer of all or a part of JCM credits in the JCM registry of Japan.
JCM implementing authorities	Relevant Japanese ministries closely related to the implementation of the JCM (Ministry of the Environment, Ministry of Economic, Trade and Industry, Ministry of Foreign Affairs, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Land, Infrastructure, Transport and Tourism).
JCM registry management authorities	Relevant Japanese ministries in charge of the development and operation of the JCM registry (Ministry of the Environment and Ministry of Economic, Trade and Industry).
JCM project	A project that is registered by the Joint Committee in line with the bilateral document and the rules and guidelines.

Article 3

(Document for the implementation of the JCM in Japan)

- 1 The JCM in Japan is implemented as per the Guidelines and other documents that are developed as specified in the following paragraphs in line with the bilateral document developed and/or signed by Japan and the partner country and the rules and guidelines.

- 2 In line with the Guidelines, the JCM registry management authorities develop the Terms and Conditions for the Use of the JCM in Japan (hereinafter referred to as "Terms and Conditions") in order to establish rules to be observed by the JCM implementing authorities and account holding entity.
- 3 Following the formulation of the Guidelines and the Terms and Conditions, the JCM implementing authorities may establish other documents to specify additionally required matters.
- 4 The JCM implementing authorities may revise or abolish the Guidelines, Terms and Conditions, and other documents established in line with the preceding paragraph (hereinafter referred to as "document changes").

Article 4

(Purposes of the JCM)

The JCM is implemented for the purposes specified in the sub-paragraphs below.

- 1) To quantitatively evaluate contributions of Japan to GHG emission reductions and removals which are achieved through the diffusion of, among others, by leading decarbonizing technologies, products, systems, services, and infrastructure as well as through implementation of measures in developing countries and others, using such contributions to achieve Japan's NDC and for other purposes;
- 2) To contribute to the ultimate objective of the United Nations Framework Convention on Climate Change and the objective of the Paris Agreement by facilitating global actions for GHG emission reductions and removals;

Article 5

(Purposes of use of JCM credits)

- 1 The Government of Japan may use retired JCM credits, which are issued for emission reductions and removals that are realized on or after 1 January 2021 in the JCM registry of Japan, and retired for the purposes specified in paragraph 2, sub-paragraphs 1) and 2) of this Article, to achieve Japan's NDC.
- 2 The account holding entity that hold JCM credits may use its JCM credits for the purposes specified in the sub-paragraphs below.
 - 1) Adjustment on GHG emissions through retirement as stated in Article 1, Item 4 of the Order on Reporting of Carbon Dioxide Equivalent Greenhouse Gas Emissions etc. (the Ordinance of the Cabinet Office, the Ministry of International Affairs and Communications, the Ministry of Justice, the Ministry of Foreign Affairs, the Ministry of Finance, the Ministry of Education, Culture, Sports, Science and Technology, the

Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Trade, Economy and Industry, the Ministry of Land, Infrastructure and Transport, and the Ministry of the Environment No.2 of 2006);

- 2) Utilization for carbon offsetting and other purposes through retirement, other than the purpose specified in the preceding sub-paragraph;
- 3) Utilization for other international mitigation purposes through cancellation, limited to the JCM credits whose use is approved by the relevant implementing authority. The Government of Japan makes publicly available on the JCM website (<https://www.jcm.go.jp/>), the name of those purposes and the approved JCM credits;
- 4) Utilization for carbon offsetting and other purposes through cancellation, other than the purpose specified in the preceding sub-paragraph;

Chapter 2 Authorization and the Corresponding Adjustment in accordance with the Paris Agreement

Article 6

(Authorization as a Party to the Paris Agreement)

- 1 The Government of Japan, as a Party to the Paris Agreement, authorizes through separately specified procedures, the use of the JCM credits issued from emission reductions and removals that are realized on or after 1st January 2021 for the purpose specified in Article 5, paragraph 1, as well as the use of the JCM credits whose use is approved for other international mitigation purposes specified in Article 5, paragraph 2, sub-paragraph 3), in accordance with the Paris Agreement and its relevant decisions.
- 2 The Government of Japan requests the partner country to authorize, as a Party to the Paris Agreement, JCM credits issued from emission reductions and removals that are realized on or after 1st January 2021, in accordance with the Paris Agreement and its relevant decisions.

Article 7

(Corresponding adjustments)

- 1 The Government of Japan, as a Party to the Paris Agreement, applies a corresponding adjustment by deducting the quantity of the JCM credits authorized in line with Article 6, paragraph 1, from the amount of GHG emissions covered by Japan's NDC, when those JCM credits are used for the purpose of Article 5, paragraph 1 by following separately specified procedures, in accordance with the Paris Agreement and its relevant decisions.
- 2 The Government of Japan requests the partner country to apply a corresponding adjustment by adding the quantity of JCM credits authorized in line with Article 6, paragraph 1 on the

amount of GHG emissions covered by its NDC, in accordance with the Paris Agreement and its relevant decisions.

Chapter 3 JCM Registry of Japan

Article 8

(Preparation and operation of the JCM registry of Japan)

- 1 The JCM registry management authorities develop and operate the JCM registry of Japan in line with the standardized rules, guidelines and security provisions established by the Government of Japan.
- 2 The entire JCM registry of Japan is prepared in magnetic disk (including other equivalent media capable of securely recording certain matters).
- 3 The JCM registry management authorities record accounts and matters concerning management of JCM credits in the JCM registry of Japan.
- 4 Records in the JCM registry of Japan and notices to account holding entities are to be made in English.
- 5 Notices to an account holding entity from the JCM registry management authorities are sent to the individuals in charge of the acquisition, holding, and transfer of JCM credits as recorded in the account of the account holding entity.
- 6 The JCM registry management authorities may specify the following matters.
 - 1) Working hours for accepting applications concerning the JCM registry of Japan.
 - 2) Operating hours of the JCM registry of Japan.
- 7 When the JCM registry management authorities specify matters as indicated in paragraph 6, sub-paragraph 1) and 2) of this Article, they publish them without delay.
- 8 The JCM registry management authorities suspend the operation of the JCM registry of Japan when there are specific reasons, including the maintenance and inspection of operating equipments of system change in, measures to prevent unauthorized accesses to the JCM registry of Japan, and any other unavoidable reasons.

Article 9

(Recorded information in the JCM registry of Japan)

- 1 The JCM registry management authorities open accounts as listed below for the purpose of the acquisition, holding, and transfer of JCM credits;
 - 1) Entity holding accounts;
 - 2) Government holding account;
 - 3) Retirement account;

- 4) Mandatory cancellation account;
- 5) Cancellation account;
- 2 Entity holding accounts specified in paragraph 1, sub-paragraph 1) of this Article are divided by the account holding entity.
- 3 In each account as specified in paragraph 1, sub-paragraph 1) through 5) of this Article, the following matters are recorded.
 - 1) Account number;
 - 2) The identification number and amount of JCM credits held in the account;

Article 10

(Abolition of the JCM registry of Japan)

- 1 The JCM registry management authorities may abolish the JCM registry of Japan when the JCM implementing authorities have changed its policy or when there are other unavoidable reasons.
- 2 When the JCM registry of Japan is to be abolished in line with the preceding paragraph, the JCM registry management authorities notify account holding entities of the following matters in advance.
 - 1) That the JCM registry of Japan is to be abolished;
 - 2) Reasons for the preceding sub-paragraph;
 - 3) Other necessary information;
- 3 The JCM registry management authorities make reasonable efforts to provide account holding entities with an adequate grace period from the notification specified in the preceding paragraph to the abolition of the JCM registry of Japan.

Article 11

(Correction of errors)

When the JCM registry management authorities find an error in records in the JCM registry of Japan, they may take measures to correct the error after notifying the relevant account holding entity of the correction to be made and the reasons therefor.

Article 12

(Information disclosure)

- 1 The JCM registry management authorities make publicly accessible names of the account holding entities and the locations of the head offices for all entity holding accounts opened in the JCM registry of Japan, for the purpose of ensuring transparency in the implementation of the JCM in Japan.

- 2 The JCM registry management authorities periodically provide publicly accessible information on the amount of JCM credits recorded in each type of accounts specified in Article 9, paragraph 1.
- 3 The JCM registry management authorities make publicly available the following information on the JCM website (<http://www.jcm.go.jp/>), as to the JCM credits which have been approved for the use specified in Article 5, paragraph 2, sub-paragraph 3):
 - 1) Name of the purpose;
 - 2) Total quantity and the identification number of the JCM credits that have been approved for the use for the purpose;
 - 3) Quantity and identification number of the JCM credits that have been cancelled for the purpose;
 - 4) Date of cancellation of the JCM credits mentioned in the preceding sub-paragraph;
 - 5) Name of the legal entity which cancels JCM credits mentioned in the sub-paragraph 3) of this paragraph as the account holding entity, in case the accounting holding entity which cancels and that which requests to carry out such a cancellation for the purpose differ, the name of the requesting entity;

Chapter 4 Entity Holding Accounts

Article 13

(Opening of an entity holding account)

- 1 A legal entity that seeks to acquire, hold, and transfer JCM credits issued has an entity holding account opened in the JCM registry of Japan by the JCM registry management authorities.
- 2 Only one entity holding account may be opened for each legal entity.
- 3 The legal entity that seeks to have an entity holding account opened in the JCM registry of Japan attaches materials as listed in the right column of Attached Table 1, based on the type of legal entity indicated in the left column of said table, to Form No. 1 in which the following matters shall be written, and submit them to the contact address indicated in the JCM registry of Japan.
 - 1) The name of the legal entity that seeks to have an entity holding account opened, the name of its representative, and the location of its head office indicated in English;
 - 2) In the case of a Japanese entity, the same items as in the preceding sub-paragraph indicated in Japanese;
 - 3) The name of the individual in charge of the acquisition, holding, and transfer of JCM credits, and the name and location of the department indicated in English;

- 4) In the case of a Japanese entity, the same items as in the preceding sub-paragraph indicated in Japanese;
- 5) The main telephone number of the legal entity that seeks to have an entity holding account opened, and e-mail address and telephone number of the individual in charge of the acquisition, holding, and transfer of JCM credits;
- 4 When an application for the opening of an entity holding account is received as specified in the preceding paragraph, the JCM registry management authorities open an entity holding account, except when there is an inadequacy in the application form or attached materials.
- 5 When there is an inadequacy in the application form or attached materials, the JCM registry management authorities request, without delay, the applicant to correct such an inadequacy within a reasonable specified period, or decline to open the requested entity holding account.
- 6 Once the JCM registry management authorities open an entity holding account in line with paragraph 4 of this Article, they notify, without delay, the account holding entity of necessary matters for the acquisition, holding, and transfer of JCM credits in the entity holding account.

Article 14

(Changes in the recorded information)

- 1 When there is a change in the information specified below, the account holding entity reports the change, without delay, by attaching materials as listed in the right column of Attached Table 2, based on the type of legal entity indicated in the left column of said table, to Form No. 2 and by submitting them to the contact address indicated in the JCM registry of Japan.
 - 1) The name of the account holding entity, the name of its representative, and the location of its head office indicated in English;
 - 2) In the case of a Japanese entity, the same items as in the preceding sub-paragraph indicated in Japanese;
 - 3) The main telephone number of the account holding entity;
- 2 When an application as specified in the preceding paragraph is received, the JCM registry management authorities change the records without delay.
- 3 The provision in Article 13, paragraph 6 applies mutatis mutandis to changes in records in line with the preceding paragraph.

Article 15

(Application for a certificate of recorded information)

- 1 The account holding entity may request the JCM registry management authorities to issue a written certificate of matters recorded in its entity holding account.
- 2 To submit an application in line with the preceding paragraph, the account holding entity

attaches materials as listed in the right column of Attached Table 2, based on the type of legal entity indicated in the left column of said table, to Form No. 3 and send them to the contact address indicated in the JCM registry of Japan.

- 3 When an application as specified in paragraph 1 of this Article is received, the JCM registry management authorities issue, without delay, a requested written certificate of matters recorded in the said entity holding account.

Article 16

(Voluntary closure of an account)

- 1 When the account holding entity has transferred all JCM credits recorded in its entity holding account, the account holding entity may request the closure of its entity holding account.
- 2 To submit an application in line with the preceding paragraph, the account holding entity shall attach materials as listed in the right column of Attached Table 2, based on the type of legal entity indicated in the left column of said table, to Form No. 4 and send them to the contact address indicated in the JCM registry of Japan.
- 3 When an application as specified in paragraph 1 of this Article is received, the JCM registry management authorities close the requested entity holding account.

Article 17

(Suspension of use of an account)

- 1 When any of the following conditions applies to the account holding entity, the JCM registry management authorities may suspend the use of an account in the JCM registry of Japan by the relevant account holding entity.
 - 1) The account holding entity has submitted an untrue application;
 - 2) The account holding entity has failed to submit a necessary application;
 - 3) The account holding entity has otherwise seriously violated the Guidelines or other applicable regulations;
- 2 Once the JCM registry management authorities have suspended the use of an account in line with the preceding paragraph, they notify, without delay, the relevant account holding entity of the suspension.

Article 18

(Mandatory closure of an account)

- 1 When any of the following conditions applies to the account holding entity, the JCM registry management authorities may close the account of the account holding entity.
 - 1) The JCM registry management authorities are to abolish the JCM registry of Japan in line

with Article 10, paragraph 1;

- 2) The account holding entity has failed to correct the violation that led to the suspension of use of its entity holding account in line with Article 17 within 30 days from the date when the notification of the suspension is issued;
- 2) When the JCM registry management authorities are to close an entity holding account in line with the preceding paragraph, they notify the relevant account holding entity thereof.
- 3) When paragraph 1, sub-paragraph 2) of this Article applies, the notified account holding entity takes procedures as specified in Article 23 for transaction of JCM credits recorded in the account to be closed, within 30 days from the date when the notice as specified in the preceding paragraph is issued. When the transaction of JCM credits is not made within the said period, the JCM registry management authorities take measures including transaction of the relevant JCM credits for retirement.

Article 19

(Procedures before the mandatory closure of an account)

When the JCM registry management authorities seek to close an entity holding account as per Article 18, paragraph 1, sub-paragraph 2), they take procedures to hold an interview with the account holding entity in interest except in cases specified in the following sub-paragraphs.

- 1) It is urgently required, for public interest, to close the entity holding account in question;
- 2) The account holding entity cannot be contacted despite substantial efforts;

Chapter 5 JCM Credits

Article 20

(Issuance of JCM credits)

- 1) To issue JCM credits, the JCM registry management authorities record an increase in the amount of JCM credits, as indicated in a notification from the Joint Committee, in an entity holding account or the government holding account which is designated for the issuance of JCM credits.
- 2) For the issuance of JCM credits in line with the preceding paragraph, the JCM registry management authorities record identification numbers as specified below for JCM credits to be recorded in the account.
 - 1) Scheme identifier;
 - 2) Partner country identifier;
 - 3) JCM credit issuing country identifier;

- 4) Starting number of JCM credit block unit;
 - 5) Ending number of JCM credit block unit;
 - 6) JCM project number;
 - 7) Number of issuances of JCM credit;
 - 8) Year of issuance of JCM credit;
 - 9) Year of emission reductions and removals;
- 3 As to the JCM credits which have been approved for the use for other international purposes by the relevant implementing authority, the JCM registry management authorities record the information enabling to identify those JCM credits.

Article 21

(Applicable Period for issuance of JCM credits)

- 1 Until the determination as described in the subsequent paragraph is made, the applicable period for issuance of the JCM credits covers the emission reductions and removals realized by 31st December, 2030.
- 2 The JCM implementing authorities examine and determine on the extension of the period covered for the issuance of JCM credits, prior to the end date specified in the preceding paragraph.

Article 22

(Transfer, retirement, cancellation and mandatory cancellation of JCM credits)

- 1 The account holding entity or the Government of Japan may transfer JCM credits recorded in its holding account by conducting transaction to another holding account designated as the acquiring account.
- 2 The account holding entity or the Government of Japan may retire JCM credits recorded in its holding account by conducting transaction to a retirement account designated as the acquiring account.
- 3 The account holding entity or the Government of Japan may cancel JCM credits recorded in its holding account by conducting transaction to a cancellation account designated as the acquiring account.
- 4 The JCM registry management authorities may mandatorily cancel JCM credits by conducting transaction to a mandatory cancellation account designated as the acquiring account, for the purpose of correcting an error.

Article 23

(Transaction of JCM credits)

- 1 To make transaction of JCM credits, the JCM registry management authorities record decrease and increase of the JCM credits in the relevant accounts opened in the JCM registry of Japan.
- 2 The transaction as described in the preceding paragraph is to be applied by the account holding entity that seeks to transfer JCM credits recorded in its holding account to the JCM registry management authorities.
- 3 The account holding entity may retire or cancel its JCM credits on behalf of another entity.
- 4 The account holding entity that seeks to submit an application in line with paragraph 2 of this Article indicates the following information in an electronic means on the JCM registry of Japan.
 - 1) The type of transaction, and acquiring account;
 - 2) The JCM credit block and the amount of JCM credits therein, to be recorded as decrease and increase by the requested transaction;
 - 3) When the transaction is applied for the purpose of retirement or cancellation, the purpose of that transaction selected from those specified in Article 5, paragraph 2;
 - 4) When the transaction is applied for the purpose of retirement or cancellation on behalf of another entity, as specified in paragraph 3 of this Article, the indication to that fact, and the name of the entity and the location of its head office;
- 5 When an application as specified in paragraph 2 of this Article is received, the JCM registry management authorities take the following procedures without delay.
 - 1) Record decrease of the JCM credits, as specified in paragraph 4, sub-paragraph 2) of this Article, in the holding account of the account holding entity;
 - 2) Record increase of the JCM credits, as specified in paragraph 4, sub-paragraph 2) of this Article, in the acquiring account;
 - 3) Record when matters specified in paragraph 4, sub-paragraph 3) or sub-paragraph 4) of this Article are indicated;

Article 24

(Attribution of JCM credits)

The attribution of JCM credits is determined based on records in the JCM registry of Japan.

Article 25

(Conditions for effectuation of the alienation of JCM credits)

The alienation of JCM credits does not take effect unless an increase of JCM credits is recorded in the account that has been opened for the entity which acquires the JCM credits, as the result of the transaction specified in Article 23, paragraph 1.

Article 26

(Presumption of possession)

- 1 It is presumed that the account holding entity is in legal possession of JCM credits recorded in its entity holding account.
- 2 It is presumed that the Government of Japan is in legal possession of JCM credits recorded in accounts listed in Article 9, paragraph 1, sub-paragraph 2) through 5) .

Article 27

(Prohibition on pledges)

No pledges may be established on JCM credits.

Article 28

(Bona fide acquisition)

When an increase in JCM credits is recorded in an account listed in Article 9, paragraph 1 as a result of transaction specified in Article 23, paragraph 1, the Government of Japan or the account holding entity thereof acquires the said JCM credits. This does not apply when the Government of Japan or the account holding entity has been in bad faith or with gross negligence.

Article 29

(Restriction of the transfer of JCM credits)

- 1 The JCM registry management authorities may decline to process the requested transaction of JCM credits in line with Article 23, when any of the following conditions applies.
 - 1) The court has issued an order to seize or otherwise restrict the transfer of JCM credits of the account holding entity;
 - 2) There has been a serious defect in the issuance of the JCM credits;
 - 3) Serious violation of the Guidelines or other applicable regulations has been uncovered concerning the transfer or acquisition of JCM credits;
- 2 When the JCM registry management authorities have restricted the transfer of JCM credits in an entity holding account in line with the preceding paragraph, they notify, without delay, the relevant account holding entity of the restriction.

Article 30

(Procedures before the restriction of transfer of JCM credits)

When the JCM registry management authorities seek to restrict the transfer of JCM credits

as per Article 29, paragraph 1, sub-paragraph 3), they take procedures to hold an interview with the account holding entity in interest, except in cases specified in the following sub-paragraphs.

- 1) It is urgently required, in the public interest, to restrict the transfer of JCM credits;
- 2) The account holding entity cannot be contacted despite substantial efforts;

Chapter 6 Publication of Documents

Article 31

(Publication)

- 1 When the JCM implementing authorities seek to develop documents in line with Article 3, paragraph 3, they publish the documents without delay.
- 2 When the JCM implementing authorities seek to undertake document changes and other changes in line with Article 3, paragraph 4, they publish the planned change with adequate time for preparation.
- 3 When the JCM implementing authorities have undertaken document changes in line with Article 3, paragraph 4, they publish the post-change documents without delay.

Article 32

(Retrospective application)

Document changes in line with Article 3, paragraph 4 are not applied retrospectively unless otherwise specified in the said changes.

Supplementary Provisions

The Guidelines take effect on November 13th, 2015.

Supplementary Provisions (January 17th, 2022)

These Guidelines take effect on January 17th, 2022.

Attached Table 1 (related to Article 13)

Japanese entity	The certificate of registered matters, the certificate of seal impression, and the articles of incorporation of the legal entity, indicated in Japanese.
Foreign entity	A document that indicates, either in English or in Japanese, the name, the name of the representative, and address of the legal entity and that the legal entity is legitimately established and present in the country where its head office is located (hereinafter referred to as "home country"), which is certified by the authority of the home country; a notarized or certified true copy of the passport

Provisional Translation

	or other certificates of signature issued by a public agency, of the representative of the legal entity either in English or in Japanese; and the articles of incorporation or equivalent documents that indicate, either in English or in Japanese, the purpose of establishment and businesses of the legal entity; When documents not in English or in Japanese are to be attached, also attach English or Japanese translation thereof, and a written oath for the translation certified by a notary public
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Attached Table 2 (related to Articles 14, 15 and 16)

Japanese entity	The certificate of registered matters and the certificate of seal impression of the account holding entity, indicated in Japanese
Foreign entity	A document that indicates, either in English or in Japanese, the name, the name of the representative, and address of the account holding entity and that the account holding entity is legitimately established and present in the home country, which is certified by the authority of the home country; and a notarized or certified true copy of the passport or other certificates of signature issued by a public agency, of the representative of the account holding entity either in English or in Japanese; When documents not in English or in Japanese are to be attached, also attach English or Japanese translation thereof, and a written oath for the translation certified by a notary public

Forms

- No. 1 Application form for opening an entity holding account
- No. 2 Application form for changing entity account information
- No. 3 Application form for issuing a certificate of entity account information
- No. 4 Application form for closing an entity holding account

Terms and Conditions concerning the Use of the Joint Crediting Mechanism (JCM) in Japan

Article 1

General principles

- 1 The JCM implementing authorities and the JCM registry management authorities (herein after referred to as the “JCM authorities”), and the account holding entity comply with laws and regulations of Japan and observe the Guidelines for the Implementation of the Joint Crediting Mechanism (JCM) in Japan (hereinafter referred to as the “Guidelines”) and these Terms and Conditions, and other documents that are established in line with Article 3, paragraph 3, of the Guidelines (hereinafter collectively referred to as the "Guidelines and other documents"), as well as with matters specified in documents revised in line with Article 3, paragraph 4 of the Guidelines.
- 2 Unless otherwise specified in the Guidelines and other documents, the account holding entity observes the instructions from the JCM authorities.

Article 2

Avoidance of double counting and double use of JCM credits

- 1 The account holding entity, where it transferred JCM credits to an account of other entity, does not count the transferred JCM credits as its own emission reductions and removals.
- 2 The account holding entity, where it utilized JCM credits for any of the purposes specified in Article 5, paragraph 2 of the Guidelines, does not use those JCM credits for any other use.

Article 3

Alienation of the position as account holding entity and offering as collateral

The account holding entity may not alienate, transfer, offer as collateral or otherwise dispose of its position as account holding entity or its rights and duties to a third party or lend its name as the account holding entity.

Article 4

Information provision

- 1 When the account holding entity is required by the JCM authorities to provide information, it promptly observes instructions from the JCM authorities as far as the instructions are required for the implementation of the JCM in Japan.
- 2 When the account holding entity finds an error in records related to its entity holding account in the JCM registry of Japan, it reports, without delay, the error and the contents to be

corrected to the JCM registry management authorities.

- 3 In the case of non-delivery or delayed delivery, of a notification from the JCM registry management authorities based on the Guidelines, caused by the negligence of information provision by the account holding entity, the notification that ended in non-delivery or delayed delivery is deemed to be delivered at the time when it should have been normally delivered.

Article 5

Personal information

- 1 The JCM authorities comply with the Act on the Protection of Personal Information and refer to the guidelines of the related governmental organizations.
- 2 The account holding entity accepts in advance that the JCM registry management authorities provide the information of the account holding entity to stakeholders as far as it is required for the implementation of the JCM in Japan.

Article 6

Indemnity

- 1 When a problem arises with relation to the implementation of the JCM in Japan by the account holding entity, it is handled on the sole responsibility of the account holding entity. Even if damages are incurred to the account holding entity through the implementation of the JCM in Japan, the account holding entity may not claim the sharing of responsibility by the JCM authorities unless there has been gross negligence with the JCM authorities.
- 2 The JCM registry management authorities do not take any responsibility even if the abolition of the JCM registry of Japan in line with Article 10 of the Guidelines causes damage to the account holding entity.
- 3 The JCM authorities do not take any responsibility even if document changes in line with Article 3, paragraph 4 of the Guidelines cause damage to the account holding entity.
- 4 When the JCM registry management authorities receive a court order to seize the JCM credits of the account holding entity and take action accordingly, they do not take any responsibility for damage caused to the account holding entity or other third parties.
- 5 The JCM authorities do not take any responsibility for damage incurred to the account holding entity due to the delayed or disabled recording or related improper operation caused by or associated to a natural disaster or other force majeure, failure of communication equipment (temporary or permanent), failure in a communication line with the account holding entity (wired or wireless), failure in the provision of service by an Internet service provider, interference by a computer virus, illegitimate use of the account by an unauthorized third party, or application failure in the Internet browser, unless there has been gross

negligence by the JCM authorities.

- 6 The JCM authorities do not take any responsibility for damage caused by acts related to the implementation of the JCM in Japan in cases other than specified in paragraphs 1 through 5 of this Article, unless there has been gross negligence with the JCM implementing authorities.

Article 7

Exclusion of organized crime group

When any of the following conditions applies to an account holding entity, the JCM registry management authorities may close the holding account of the account holding entity, restrict the transaction of JCM credits involving the account holding entity, and publish the measures implemented.

- 1) The account holding entity is an organized crime group (as defined in Article 2, Item 2 of the Act on Prevention of Unjust Acts by Organized Crime Group Members (Law No. 77 of 1991); the same applies hereinafter), or an executive officer of the legal entity (referring to an executive officer, the representative of a branch or sales office, or other individuals who are substantially related to business administration; the same applies hereinafter) is a member of an organized crime group (as specified in Article 2, Item 6 of the Act; the same applies hereinafter);
- 2) An executive officer utilizes an organized crime group or a member thereof for the purpose of making illicit profit to him/herself, to his/her company, or to any other third party or for the purpose of causing damage to a third party;
- 3) An executive officer directly or proactively cooperates in, or is related to, the maintenance and operation of an organized crime group, by funding them or by providing facilities thereto;
- 4) An executive officer knowingly has a socially condemnable relation with an organized crime group or a member thereof;

Article 8

Governing law and the court with jurisdiction

- 1 These Terms and Conditions are governed by the laws of Japan.
- 2 The JCM authorities and the account holding entity endeavor to dissolve any doubt or dispute arising with relation to these Terms and Conditions, or to matters that are not specified herein, through reasonable consultation between the two entities.
- 3 The Tokyo District Court has the exclusive jurisdiction of the first instance over matters that cannot be dissolved through consultation as specified in the preceding paragraph with respect to rights and duties based on these Terms and Conditions and related special agreements.

Provisional Translation

Supplementary provisions

These terms and conditions take effect on November 13th, 2015.

Supplementary Provisions (January 17th, 2022)

These terms and conditions take effect on January 17th, 2022.