

System Error, Reboot Required: Review of Online Ivory Trade in Japan

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KEY POINTS:

- In June and July 2018, TRAFFIC conducted an extended survey of online elephant ivory trade in Japan to track changes in trade and compliance patterns since 2017, particularly in response to: 1) voluntary ivory bans on major platforms, Rakuten-Ichiba, Rakuma and Mercari in 2017; and 2) new domestic regulations introduced in June 2018.
- Yahoo Japan now remains the single most important provider of online platforms for both BtoC (Business to Customer) sales (Yahoo Shopping) and auction trade (Yahoo Auction), which includes CtoC (Customer to Customer) trade. The scale of ivory sales on Yahoo Shopping appeared to be similar to that found in 2017. The total estimated value of ivory transactions on Yahoo Auction over a four-week period was JPY37.8 million (USD340,626), 16% less than estimated in 2017 over a similar time period.
- Shops selling ivory were no longer identified on Rakuten-Ichiba. The ivory ban on Mecari and Rakuma has also significantly reduced the number of easily identifiable CtoC advertisements (e.g. 98% reduction on Mercari). However, cryptic advertisements, use of code words, and rapid turnover in ivory products were detected, indicating persistent trade amongst anonymous CtoC users.
- A small number of shops/users selling ivory products were also identified on other online shopping malls, an auction site, and public spaces of major social networking sites (SNS) (Facebook, Twitter, and Instagram where advertising ivory is supposed to be prohibited internationally).
- Compliance with the new domestic regulations by ivory businesses varied across platforms and independent websites. The proportion of unregistered businesses ranged from 0% on independent *hanko* shop websites and Yahoo Shopping to 26% for businesses advertising to purchase ivory online. Non-compliance with the requirement to display business registration was relatively high overall, ranging from 22% to 52%. Furthermore, discerning whether the legal requirement applies to the many anonymous sellers on auction, CtoC and SNS platforms presented a serious challenge.
- The widespread lack of proof of legal origin persists due to the absence of regulations for products except whole tusks (e.g. on Yahoo Auction just 35 tusks were traded over four weeks as opposed to 4,414 worked products), and illegal trade in tusks without registration cards was still observed on Yahoo Auction (2 out of 35 tusks, 6%). Use of voluntary product certification was sparse amongst online retailers and nearly non-existent on other platforms.
- TRAFFIC recommends the government urgently introduce measures that effectively ban unregulated CtoC trade online; that e-commerce companies, especially those hosting unregulated CtoC trade such as Yahoo Auction, introduce a voluntary ban on ivory products and collaborate with industry and NGO partners in the Global Coalition to End Wildlife Trafficking Online.

BACKGROUND

The alarming levels of poaching of African Elephants over the past decade, combined with the heightened illegal ivory trade globally, has led some of the world's governments with major domestic ivory markets to introduce strict regulations to prevent commercial ivory trade at the national level. As the primary demand centre for illegal ivory, China's market closure at the end of 2017 has provided the impetus for eradicating illegal ivory trade¹. In East Asia, where traditional ivory carving has existed for centuries, mainland China's policy shift was soon followed by policies in Hong Kong and Taiwan to end both manufacturing and internal trade by 2021 and 2020, respectively².

In contrast, Japan remains a stronghold for the ivory industry and markets. While the government strengthened regulations governing ivory businesses under the Law for the Conservation of Endangered Species of Wild Fauna and Flora (LCES) that entered into effect on 1st June 2018³, it has no intention to consider reviewing its policy or regulations further. The current state of Japan's domestic ivory market, however, has been depicted as of concern in recent years: firstly, because of the substantial illegal export of ivory to China identified in ETIS⁴ and TRAFFIC's market survey conducted between May and September in 2017⁵; and secondly, due to persisting regulatory loopholes that remain unaddressed despite the aforementioned regulatory reform, including the lack of compulsory proof of legality requirements for trade in anything other than whole tusks. Considering the urgent call by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) to take every measure to ensure domestic ivory markets do not contribute to poaching or illegal trade⁶, Japan is in need of policy reform to eliminate unregulated ivory trade effectively from its domestic market.

Online trade of ivory in Japan has been surveyed by TRAFFIC in 2014⁷ and 2017⁸. It essentially mirrors the overall state of Japan's domestic market, characterised by ongoing production and sales of newly manufactured ivory items represented by ivory *hanko* as well as active antiques and secondhand markets for the vast number of ivory items either manufactured in or imported to Japan in the past. The antiques and secondhand markets appeared to be revitalised by the advent of e-commerce platforms, first with auction sites and more recently with dedicated CtoC (Customer to Customer) market sites. However, TRAFFIC flagged the lack of effective regulation over such trade as a serious loophole in 2017, especially since evidence of "legal" domestic sales in what appeared to be illegally imported items from places such as Thailand and Central Africa was encountered. Rakuten, Inc. (Rakuten, hereafter) and Mercari, Inc (Mercari, hereafter) subsequently banned ivory sales from their platforms in July and November 2017, respectively. Ivory trade, however, still continues on many Japanese platforms including Yahoo Auction, while their footprint on international illegal trade was substantiated by recent seizure incidents in China where Japanese e-commerce sites were found to be repeatedly used by organised crime to procure large quantities of ivory items to smuggle to China. One such seizure made in August 2016 by the Shijiazhuang Customs involved some 1,639 items weighing 101.4 kg⁹. A covert interview of an antiques seller in July 2018 suggested exploitation of Japanese online auction sites for illegal export was ongoing (R. Nishino, *pers. comm.* July 2018).

1. State Council Office (2016). http://www.gov.cn/zhengce/content/2016-12/30/content_5155017.htm. 30th December 2016.
2. TRAFFIC (2018). <https://www.traffic.org/news/taiwan-announces-move-to-close-its-domestic-ivory-market-by-2020/>. 4th April 2018.
3. TRAFFIC (2018). <https://www.traffic.org/news/hong-kong-votes-to-impose-domestic-ivory-ban-by-2021/>. 31st January 2018.
4. CITES No.2018/61 "Japan: tightened regulations on ivory transactions" issued on 13th June 2018.
5. Elephant Trade Information System, a database of global ivory seizure data under CITES.
6. Kitade, T. and Nishino, R. (2017). *Ivory Towers: An Assessment of Japan's Ivory Trade and Domestic Market*. TRAFFIC, Tokyo, Japan. <https://www.traffic.org/publications/reports/ivory-towers-japans-ivory-trade/>.
7. CITES Resolution Conf. 10.10 (Rev. CoP17).
8. Matsumoto, T. (2015). *A Review of Online Ivory Trade in Japan*. TRAFFIC, Tokyo Japan. <https://www.traffic.org/publications/reports/a-review-of-online-ivory-trade-in-japan/>.
9. Kitade, T. (2017). *An Updated Review of Online Ivory Trade in Japan*. TRAFFIC, Tokyo, Japan. <https://www.traffic.org/publications/reports/traffic-surveys-find-thousands-of-ivory-items-sold-weekly-online-in-japan/>.
9. Changcheng Web (2016). <http://report.hebei.com.cn/system/2016/08/15/017192677.shtml>. Changcheng Web, 15th August 2016.

The present study reviewed the dynamics of online ivory trade in Japan by extending the survey conducted in 2017. The two specific reference points looked at were: 1) the impact of the new ivory ban on major platforms, namely Rakuten-Ichiba, Rakuma, and Mercari; and 2) the new LCES regulations for ivory businesses that entered into force on 1st June 2018. Under the new regulations, all businesses dealing in ivory are required to register with the government (previously only required to “notify” the government) whereby stricter obligations and penalties are applied¹⁰. A list of all registered businesses is now disclosed online¹¹, and businesses are required to display the registration details to operate legally, even online. As with previous surveys, this study carefully evaluated ongoing and emerging issues beyond mere compliance with existing regulations to underscore the risks of continued trade in the absence of sufficient regulatory safeguards. Recommendations were made for regulatory improvements and best practices for voluntary measures by e-commerce companies.



Ivory items illegally exported from Japan seized by Shijiazhuang Customs in August 2016. The items were allegedly purchased from Japanese e-commerce sites.

10. Kitade, T. and Nishino, R. (2017). *Ivory Towers: An Assessment of Japan's Ivory Trade and Domestic Market*. TRAFFIC, Tokyo, Japan. <https://www.traffic.org/publications/reports/ivory-towers-japans-ivory-trade/>.
11. http://www.meti.go.jp/policy/mono_info_service/mono/seikatsuseihin/zougebekkou/downloadfiles/tourokubo.pdf.

METHODOLOGY

Target platforms and websites

The methodology used in TRAFFIC’s 2017 online survey¹² was adopted with extended coverage of online platforms and websites as shown in Table 1. Major social networking sites (SNS) were surveyed for the first time, although access was restricted to open public posts due to methodological and resource limitations. Samples of independent business websites, specifically those of: 1) *hanko* sellers and 2) dealers advertising ivory purchasing, were also surveyed to check compliance level with LCES. Posting of ivory advertisements was prohibited on all of the surveyed CtoC markets and SNS as well as Rakuten-Ichiba, one of the major online shopping malls (Table 1). Depending on the category of sites, either snapshot and monitoring data or both were collected following the 2017 methodology (Table 1).

Table 1. Online platforms and websites surveyed

Category	Platforms/websites	Ivory items prohibited	Data collection methods	
			Snapshot	Monitoring
Shopping malls	Yahoo Shopping* (https://shopping.yahoo.co.jp/)		○	
	Rakuten-Ichiba* (https://www.rakuten.co.jp/)	○		
	Pompare Mall (https://www.ponparemall.com/)			
	Wowma (https://wowma.jp/)			
	Qoo10 (https://www.qoo10.jp/)			
	BASE (https://thebase.in/)			
	minne (https://minne.com/)			
Auction sites	Yahoo Auction* (https://auctions.yahoo.co.jp/)		○	○
	Mobaoku (https://www.mbok.jp/)			
CtoC markets	Mercari* (https://www.mercari.com/jp/)	○	○	○
	Rakuma* (https://fril.jp/)	○		
SNS	Facebook (https://ja-jp.facebook.com/) in Japanese	○		○
	Twitter (https://twitter.com/?lang=ja) in Japanese	○		
	Instagram (https://www.instagram.com/?hl=ja) in Japanese	○		
Independent websites	50 <i>hanko</i> retailers 50 businesses advertising ivory purchasing		○	

*platforms also surveyed in 2017

Snapshot analyses

A snapshot analysis was conducted for each of the targetted online shopping malls, auction sites and CtoC market sites in June 2018 to collect and analyse information about types of products offered for sale, price, sellers’ identities and compliance with LCES provisions such as display of ivory business registration numbers and use of product certification. A keyword “hon-zouge 本象牙 (genuine ivory)” was used for Yahoo Shopping and Yahoo Auction to sample real ivory items efficiently from a large number of hits (only the top 100 auction advertisements were sampled in Yahoo Auction). A simple keyword of “zouge 象牙 (ivory)” was adopted for all other sites where ivory advertisements were sufficiently scarce for exhaustive sampling. Snapshot analyses of independent websites were also conducted to assess the LCES compliance levels. The top 50 websites identified by Google search using the following keywords respectively were sampled: “zouge inkan 象牙印鑑 (ivory *hanko*)” and “zouge kaitori 象牙買取 (ivory purchase)”. Only the compliance related information was sought from these websites.

Monitoring survey

Four-week monitoring was conducted to check for new ivory advertisements on auction sites, CtoC sites and SNS platforms. Monitoring was either done using a smartphone alert app¹³ or by checking the sites with the keyword “zouge (ivory)” every day for the period between 11th June and 8th July 2018. An exception was Yahoo Auction where its search engine allows retrieval of actual transaction records for the previous 120 days. Here, Yahoo Auction’s actual transaction records during a four-week period between 3rd and 30th June 2018 were compiled in detail. As per the methodology used in the 2017 survey, the number of ivory items by type were recorded for each site. In the case of Yahoo Auction, the total value of the ivory trade was calculated using final bidding price records for items comprising almost exclusively of ivory (90% by appearance, excluding wrappings, containers or pedestals). The new advertisements were searched more stringently on Mercari and Rakuma where the ban was in place and were further tracked to see if they were being removed by each company’s monitoring efforts. Monitoring of public SNS posts was difficult, but any post which was considered functionally an advertisement was recorded. The currency rate of JPY1 = USD0.0090 (at 2nd July 2018) was used. Information obtained through the survey which pertained to potential non-compliance or illegal activities was shared with the respective authorities and companies operating the respective platforms.

RESULTS

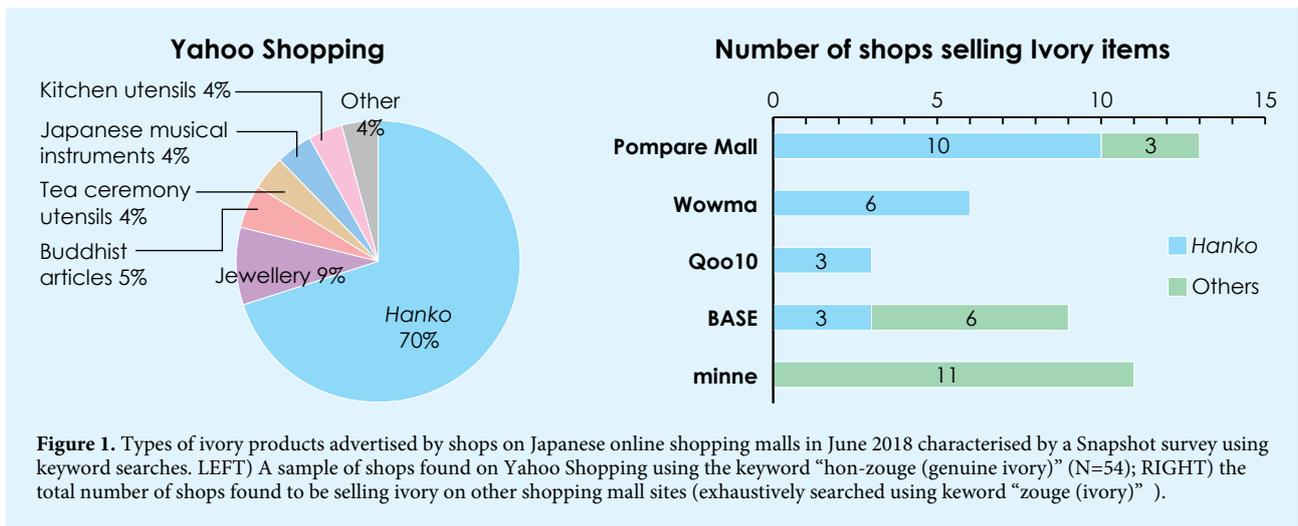
Overall result across platforms

Online shopping malls

The total disappearance of shops from Rakuten-Ichiba, compared to 55 shops observed in June 2017, represented a major shift in the pattern of sales across online shopping malls. Yahoo Shopping subsequently became the single largest platform for ivory sold online, where the number of shops identified by the keyword “hon-zouge (genuine ivory)” was 54, roughly the same as the 58 shops observed in 2017. The category of ivory items sold by shops on Yahoo Shopping also remained nearly unchanged with shops selling *hanko* dominating (70%) (**Fig. 1 left**). However, eight out of the 54 sampled shops (15%) were different shops from those found in 2017. Whether this is due to a sampling error or an indication of new stores opening on Yahoo Shopping is unknown.

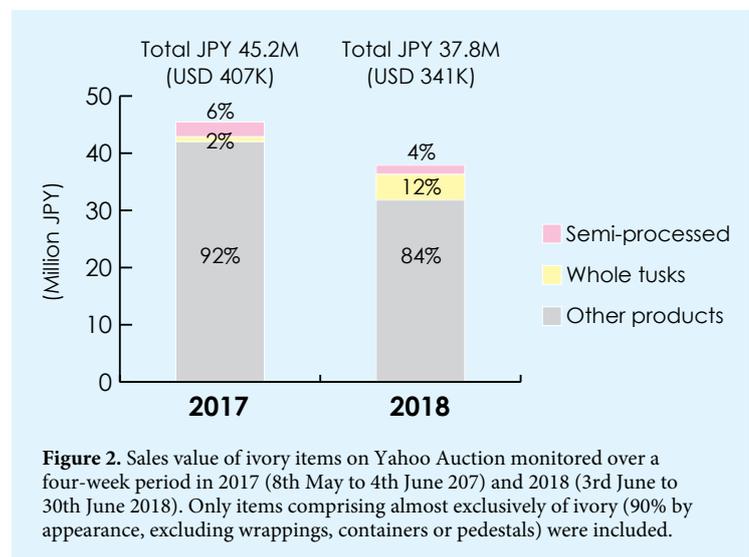
The five other newly surveyed online shopping malls only housed a limited number of shops selling ivory, ranging from three to 13 (**Fig. 1 right**). Here, shops selling ivory *hanko* were again the most common, except for Minne, which is a market place for handcraft artists, representing sellers of hand-made ivory jewellery and *netsuke* straps. Other types of products advertised on Pompare Mall and mobile-based BASE included jewellery, Buddhist articles, tea ceremony utensils, and daily goods (parts for bags). There was one shop specialising in ivory on BASE, selling semi-processed ivory materials (offcuts of raw ivory) in addition to finished products. At least 11 shops selling ivory were found to be present on more than two platforms.

13. <http://furimaalert.webcrow.jp/>.



Auctions

Yahoo Auction remains the largest and most vibrant platform for ivory trade (Fig. 2). There were, however, a few differences compared with the 2017 results. Firstly, the total value of ivory items sold on Yahoo Auction during the monitoring period was estimated to have declined by 16% compared to 2017, from JPY45.2 million (USD407,000) to JPY37.8 million (USD340,626) in 2018 (Fig. 2). The total count of ivory-containing products sold declined further by 55% from 9,788 to 4,414 items, which was largely accounted for by the decline in the observed number of ivory jewellery items sold in bulk (Table 2). On the other hand, there



was an increase in the number of whole ivory tusks sold from 22 to 35 tusks, which translated into more than a five-fold increase in the combined value of the tusks from JPY871,000 (USD7,840) to JPY4.45 million (USD40,066) (the exchange rates were the same at JPY1 = USD0.0090). Active sales of semi-processed materials including over 1 kg of cut pieces were also observed, sometimes by anonymous sellers who were not registered businesses. Search results of “zouge (ivory)” on Mobaoku, the other auction site surveyed for the first time, revealed only four items, rendering it negligible in comparison to Yahoo Auction.

Table 2. Count of ivory containing items sold on Yahoo Auction over a four-week period in 2017 (8th May to 4th June 2017) and 2018 (3rd June to 30th June 2018). Multiple items sold in the same lot were counted individually.

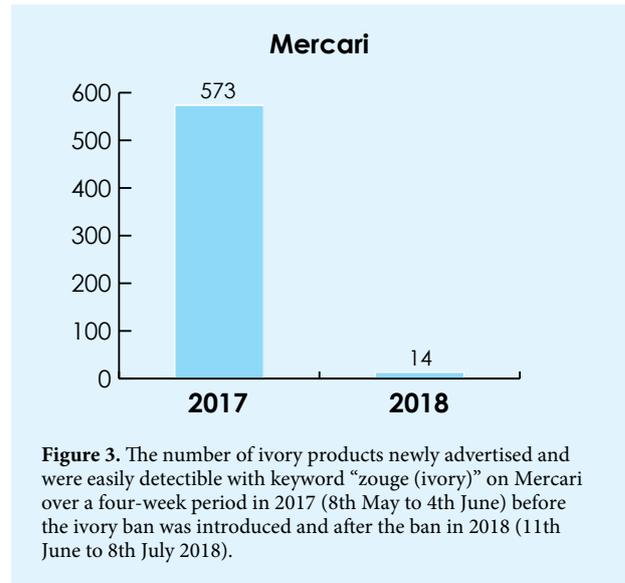
Category of ivory containing items		2017	2018
Whole tusk		22 tusks	35 tusks
Semi-processed pieces	Weight known	59.5 kg small pieces	82.2 kg (including cut pieces)
	Weight unknown	5,262 small pieces	3 small pieces
Jewellery : necklaces, earrings, brooches, string ties, ornamental clasps for holding obi		5,410	1,368
Hanko : new <i>hanko</i> , carved/used <i>hanko</i>		1,000	823
Carvings & furnishings : <i>netsukes</i> , ornamental objects, incense burners		974	892
Stationary : pens, paper knives		8	48
Smoking goods : pipes, cigarette holders		329	160
Buddhist articles : Buddhist prayer beads		18	7
Japanese musical instruments : <i>bachis</i> , <i>shamisen</i> , <i>koto</i> , tuning pegs for <i>shamisen</i> , bridges and plectra of <i>koto</i>		387	296
Other musical instruments : guitar saddles		26	27
Kitchen utensils : chopsticks, chopstick rests, toothpicks		325	91
Tea ceremony utensils : lids, teaspoons, tea canisters		394	307
Indoor amusement goods : Mahjong tiles, pool balls, dice		50	46
Daily goods : parts for hanging scrolls, shoehorns, fans, ear picks		845	329
Other : parts for Japanese swords		22	20
Total (excluding whole tusks and semi-processed ivory)		9,788	4,414



Screenshots of ivory cut pieces sold on Yahoo Auction (left: 1,221 g; right: 706.5 g). At least 13 such items weighing from 500 g to over 1 kg were sold over a four-week period by four sellers, three of which were registered businesses. Proof of legality is not compulsory under the Japanese law for trade in raw ivory unless it is retaining the shape of a whole tusk.

CtoC sites

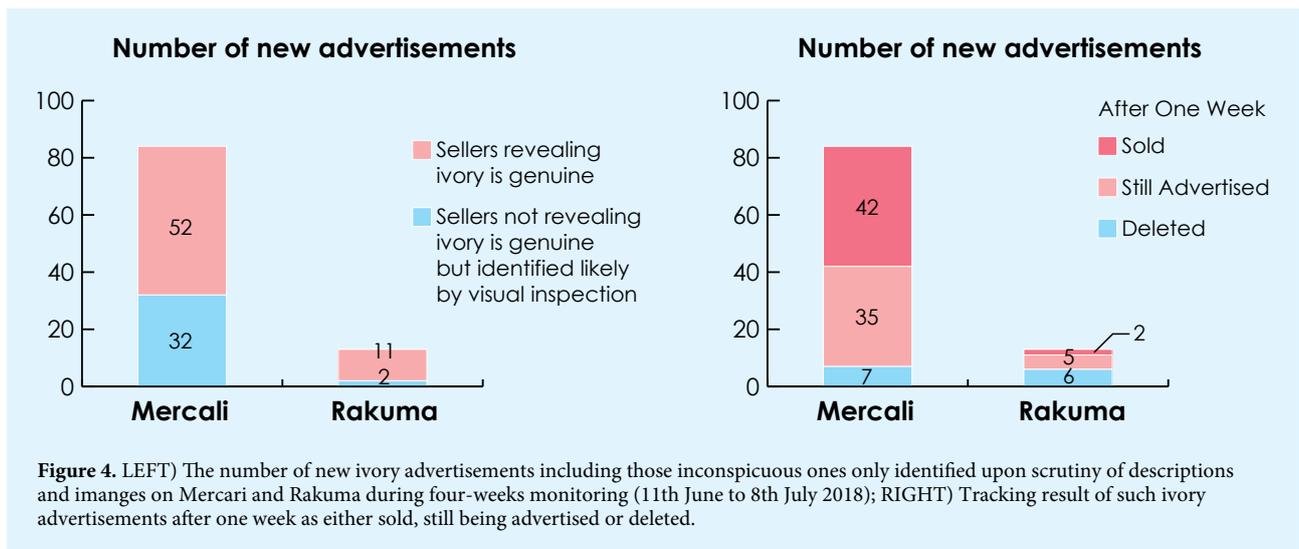
Snapshot sampling using the keyword “hon-zouge (genuine ivory)” on Mercari and Rakuma returned few relevant advertisements, which signifies a drastic reduction in ivory sales compared to before the ban when well over 100 and 45 advertisements, respectively, were encountered using the same method in June 2017. Similarly, a four-week monitoring of Mercari marked a significant reduction in the number of new advertisements easily detectable with the keyword “zouge (ivory)”, going from some 573 products along with a polished tusk and various semi-processed pieces counted in 2017 to only about 14 products with no tusk or semi-processed pieces, representing a nearly 98% reduction in the number of products (Fig. 3). These results presumably reflect the effect of the companies’ policies banning ivory trade. However, close inspection of relevant advertisements flagged certain items that still appeared to be ivory but were not easily detectable. These advertisements were usually not directly titled “ivory” but instead labelled with a code word “zouge-hu 象牙風 (ivory-like/ivory-style)”, likely in attempts to evade monitoring. Scrutinising product descriptions also showed that in many advertisements sellers revealed they were made of authentic ivory.



Screenshots of ivory items advertised with cryptic titles on CtoC sites where companies introduced a ban on ivory in 2017. LEFT) an example from Mercari where the title states “zouge-hu (Ivory-like)” but a tag shown in the image clearly says “hon-zouge (genuine ivory)”. RIGHT) an example from Rakuma where the title includes the equivalent of the term “ivory-colour” as well as “zouge-hu (ivory-like)” but visual inspection of the image as well as the price (JPY20,000 or USD180) indicate the product is likely to be ivory.

Given such observations, more stringent monitoring of Mercari and Rakuma were conducted in the present survey by casting a wide net for relevant advertisements and scrutinising the contents to identify cryptic advertisements. This led to detection of at least 52 and 11 advertisements on Mercari and Rakuma, respectively, posted over a four-week period where the sellers either stated or indicated products were indeed made of ivory (**Fig. 4 left**). These included sellers overtly referring to the platform’s policy banning ivory trade as the reason why they had to use the code word “zouge-hu (ivory-like/ivory-style)”. Another code word encountered on Mercari, especially on open messaging boards for interested buyers to ask questions or negotiate price with sellers was “zou-san ゾウさん(elephant/Mr. Elephant)”. Furthermore, at least 32 and two additional advertisements, respectively on Mercari and Rakuma, were identified as having high likelihoods of being ivory based on visual inspection and price (**Fig.4 left**), while there were many more that appeared possibly ivory but this could not be ascertained.

Tracking of these new advertisements encountered during monitoring showed that some were being detected and deleted by the companies’ monitoring diligence (**Fig.4 right**). However, a large proportion was either already sold or still available for purchase after one week (**Fig. 4 right**). These are likely manifestations of challenges posed by cryptic descriptions as well as sales taking place so rapidly, especially on Mercari where 50% (42 out of 84 items) were sold within one week (**Fig. 4 right**). The rapid sales likely indicate that there is still demand for ivory items despite the ban, possibly from buyers who search amongst cryptic advertisements for genuine ivory. These fast-selling ivory items were mostly ivory jewellery such as necklaces, bracelets and bangles.



SNS

Quantitative characterisation of ivory trade over SNS was not possible due to methodological and resource limitations (i.e. searching and viewing public posts). However, four-week monitoring using the Japanese keyword “zouge (ivory)” revealed some advertisements for ivory items being posted on Twitter and Instagram, as well as Facebook to a lesser extent (**Table 3**) which appeared to be against these platforms’ policies regarding products from endangered animal, including ivory. These public posts were largely posted by Japanese businesses advertising new products such as jewellery, with a handful of such sellers identified on both Twitter and Instagram (**Table 3**). While some invited interested buyers to contact them directly over SNS, most sellers provided links to separate product pages under companies’ homepages or other online shopping sites such as BASE and minne. There are likely more public sellers than encountered during this monitoring since further inspection of previous Instagram posts (going back to February 2018), for example, revealed 11 more unique sellers.

Table 3. Public posts on SNS observed during the four-week monitoring survey (11th June to 8th July 2018).

	No. of public posts advertising ivory items	Total no. of products advertised	Types of products	Total no. of sellers	No. of sellers that are businesses
Facebook	2	3	Jewellery	2	2
Twitter	26	27	Jewellery, Japanese musical instruments, parts for handbag	5	5
Instagram	7	9	Jewellery, netsukes	7	7

It was clear from the scarcity of open advertisements by non-business sellers that SNS are unlikely to be serving as active open platforms for CtoC trade of ivory in Japan. However, several of the sellers were found to have posted 10 or more ivory items in the recent past, indicating that SNS are being used by some BtoC sellers for advertising ivory items openly. Importantly, however, such observations from public posts could be just one aspect of trade on major SNS in Japan (or in the Japanese language), and the situation in closed groups and private posts remain unknown.

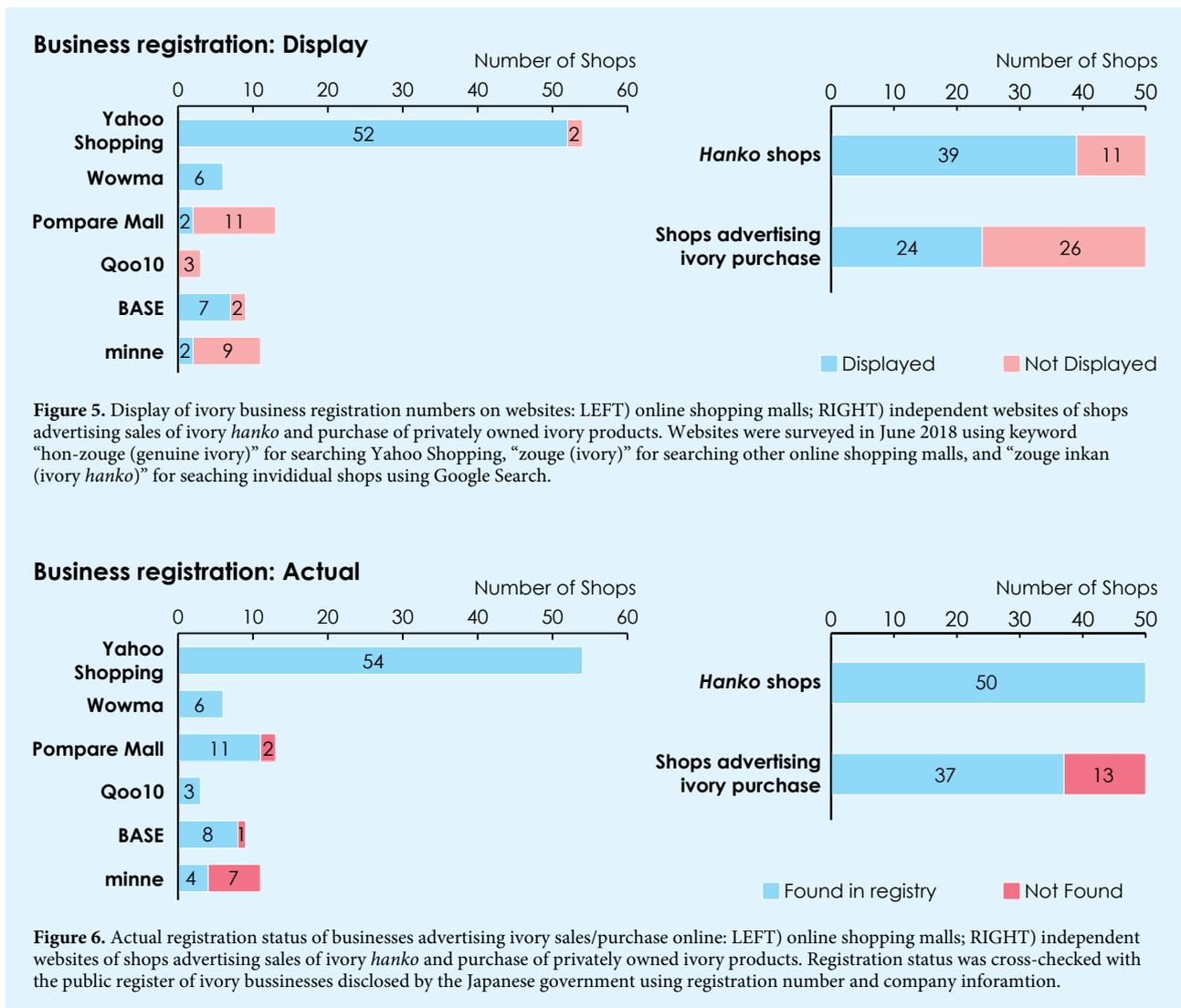


Screenshots of ivory advertisements by Japanese antiques business dealers identified on Instagram.

Compliance with LCES regulations

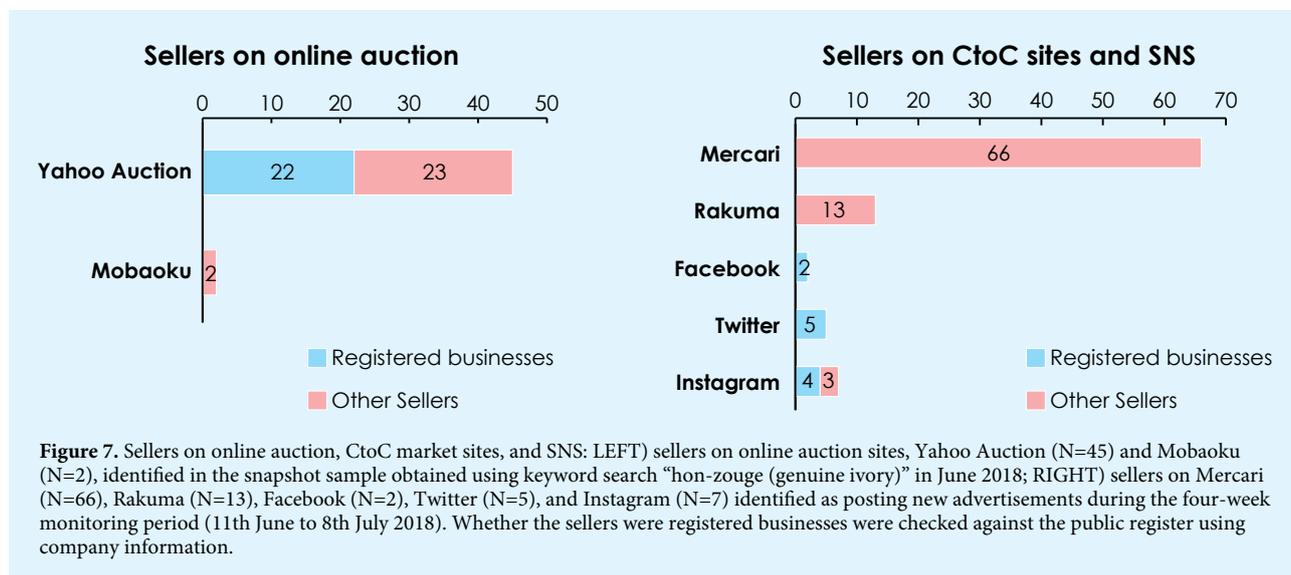
Business registration

The visibility of a business registration number, a new legal requirement from 1st June 2018, varied across shopping malls with an overall rate of non-display at 28% (27 out of 96, including shop duplications on multiple platforms¹⁴) (**Fig. 5 left**). Notably, Pompare Mall, Qoo10, and minne had many shops without the required display, while the non-display level on Yahoo Shopping was low considering the number of shops it housed (4% or two out of 54). Only Wowma had every shop displaying the registration number as legally required. The non-display level across independent websites was 22% (11 out of 50) for the sample of *hanko*-selling shops and reached 52% (26 out of 50) for the sample of shops advertising ivory purchase (**Fig. 5 right**). Checking of the actual business registration status with the register showed that unregistered businesses were found on 12% of online shopping malls (10 out of 82, excluding shop duplications on multiple platforms), while none were found on Yahoo Shopping, Wowma, or Qoo10 (**Fig. 6 left**). Similarly all of the independent *hanko* shops sampled were registered. In contrast, the proportion of unregistered businesses reached 26% (13 out of 50) across sampled websites advertising to purchase ivory products (**Fig. 6 right**).



14. Including duplication of 14 shops present on multiple online shopping malls (representing 11 independent businesses) as their display status sometimes varied on different platforms.

Delineation of business sellers from non-business sellers on online auction (mixed BtoC/CtoC), CtoC and SNS platforms presented a challenge. In the snapshot sample of Yahoo Auction, the top 100 advertisements were found to be put up by 45 unique sellers, of which 22 were registered businesses (**Fig. 7 left**). A number of registered businesses were also identified amongst the sellers found on Facebook (2 sellers), Twitter (5 sellers) and Instagram (4 sellers) (**Fig. 7 right**), of which only one seller on Instagram displayed its registration number on its accounts page. The biggest issue is the identity and legality of other sellers found on these platforms which is unclear despite their significant presence (e.g. accounting for over half the sellers on Yahoo Auction and all sellers on Mercari and Rakuma) (**Fig. 7**). For example, at least one seller on Mercari and three on Instagram were definitively businesses, based on descriptions such as company information and/or an antiques dealer's licence number found on their webpages, but were found to be unregistered. Furthermore, two sellers on Yahoo Auction displayed registration numbers that did not match any entries in the register. There were other anonymous sellers who could reasonably be assumed to be using online sites for business purposes based on the types and number of products they were advertising. However, ascertaining the legal obligation of each of these sellers (i.e. whether or not they were subject to LCES regulations as businesses dealing in ivory) was deemed practically impossible.



Whole tusk registration

Trade or advertisements for whole tusks were observed only on Yahoo Auction where 35 tusks were sold over the four-week monitoring period. All but two tusks (94%) were traded legally with their registration cards displayed and/or numbers indicated (Fig. 8). Those auctioned illegally without displaying their registration cards were a pair of African style carvings (right photo). This evidence of illegal trade in such items with their unproven legal-origin is a particular concern, notwithstanding the high level of compliance overall. The information was conveyed to the Ministry of the Environment (MOE), the Police and Yahoo Japan for appropriate enforcement actions.

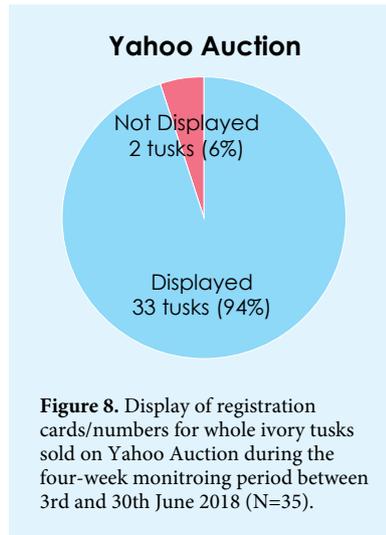


Figure 8. Display of registration cards/numbers for whole ivory tusks sold on Yahoo Auction during the four-week monitoring period between 3rd and 30th June 2018 (N=35).



A screenshot of African style ivory tusks sold without indication of government registrations on Yahoo Auction in June 2018.

Product certification

The use of voluntary product certification to indicate legality of newly manufactured products was low at 20% (26 out of 132) across all online shopping malls and independent websites advertising ivory *hanko* (Fig. 9). Only ten shops (19%) on Yahoo Shopping indicated the use of product certification whereas none were found on other online shopping malls. Nine out of the ten shops on Yahoo Shopping used certification for ivory *hanko* whereas the remaining shop offered it with ivory chopsticks. The visible usage amongst independent websites selling ivory *hanko* was 32%, while an additional 12% incorrectly displayed the product certification as though it was a certificate of business operation (Fig. 9 right). Product certification was never encountered on online auction, CtoC or SNS platforms, except for a single instance on Mercari where a seller of *hanko* mentioned it.

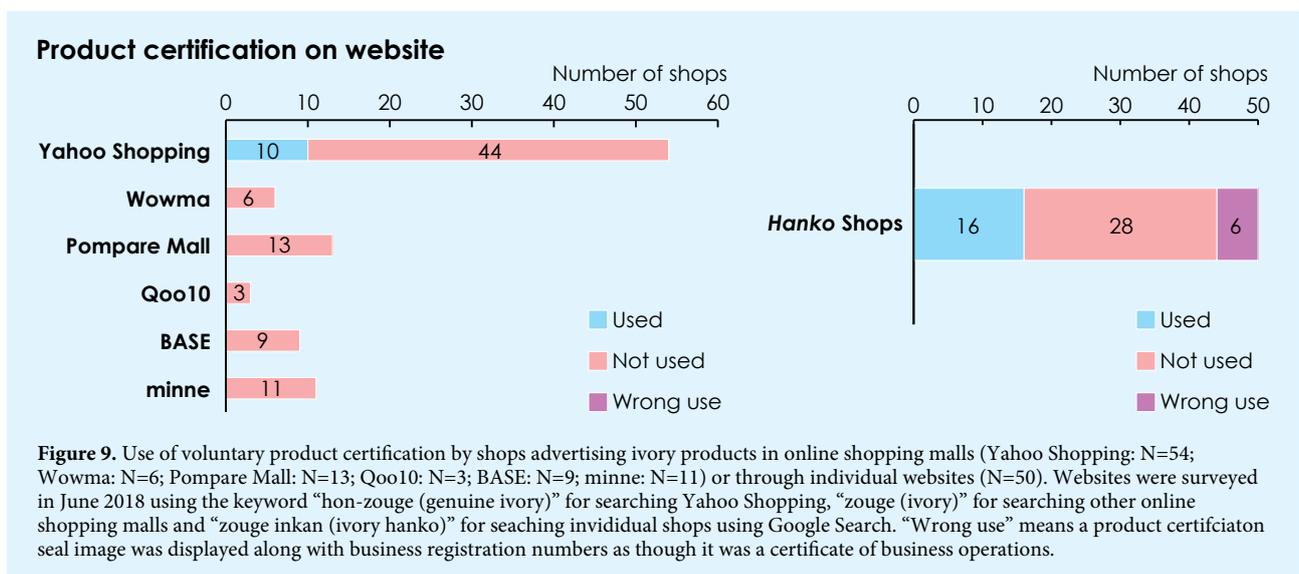


Figure 9. Use of voluntary product certification by shops advertising ivory products in online shopping malls (Yahoo Shopping: N=54; Wowma: N=6; Pompare Mall: N=13; Qoo10: N=3; BASE: N=9; minne: N=11) or through individual websites (N=50). Websites were surveyed in June 2018 using the keyword “hon-zouge (genuine ivory)” for searching Yahoo Shopping, “zouge (ivory)” for searching other online shopping malls and “zouge inkan (ivory hanko)” for searching individual shops using Google Search. “Wrong use” means a product certification seal image was displayed along with business registration numbers as though it was a certificate of business operations.

DISCUSSION

Persisting issues of regulatory loopholes

The strengthened regulations introduced in June 2018 for ivory businesses has had very limited impact in terms of verifying the legality and traceability of online ivory trade in Japan. Most importantly, the regulations contained no provisions to address the lack of proof of legality for products traded in the market. This undoubtedly continues to be the biggest loophole especially for online trade where active CtoC trade occurs completely outside the existing government oversight. In this sense, the voluntary moves by Rakuten, Inc. and Mercari, Inc. to ban ivory sales on their CtoC sites were considered to be of paramount importance as a step toward curtailing substantial parts of such unregulated online trade. In contrast, Yahoo Auction continues to allow this type of trade in a significant volume. For example, the proportion of trade in which the proof of legality at the product level were not established (i.e. anything but whole tusks) accounted for 88% of the JPY37.8 million (USD340,626) worth of ivory products sold on Yahoo Auction over the four-week monitoring period. Furthermore, the new regulations did not include any provisions to ameliorate the voluntary certification scheme for newly manufactured products despite its effectiveness repeatedly being questioned since its establishment in 1995. The level of usage observed online was just as low as in 2017, visibly used in 19% of shops on Yahoo Shopping and 32% of independent websites of *hanko* retailers, indicating the scheme continues to be ineffective in ensuring the legality of new products in the market.

The new LCES regulations for ivory businesses also apply only to some sellers online, and with the exception of online shopping malls, which by design host only BtoC sellers, it was found difficult to distinguish anonymous one-off sellers from those who were regularly trading ivory products commercially. This issue was evident on platforms where CtoC trade occurs. For example, the situation on Yahoo Auction was virtually unchanged from 2017 where only about half of sampled sellers were obvious business sellers. Although the company's efforts to encourage sellers to comply with the law seemed to have resulted in nearly all sellers that appeared clearly as business operations to register and display their registration information as legally required, uncertainties in the trading practices of the rest of the anonymous sellers remain unresolved, and the existing regulations provide no instrument to address this matter further.

In summary, ivory trade in Japan's online space consists of largely unregulated CtoC and BtoC trade that is mostly lacking in proof-of-legality checks at the product level. This loophole remains regardless of key advancements made in the LCES regulations concerning stricter oversight of ivory businesses, and urgently needs to be addressed through further legal and regulatory improvements.

Best practices of e-commerce companies

The present survey evaluated the change in the status of online ivory trade in Japan under different voluntary policies imposed by online platforms. In fact, many platforms worldwide have taken stricter policies than the minimum required by their respective domestic regulations. This in part stems from companies' recognition of the international nature of illegal wildlife trade as well as that of their roles and responsibilities therein. eBay, Google, and Amazon are such examples and had already banned ivory sales in Japan before TRAFFIC conducted its first survey in 2014. Rakuten and Mercari, two Japanese companies, followed suit in July and November 2017, respectively. These moves were welcomed as TRAFFIC's 2017 survey warned against the risk of unregulated CtoC trade, recommending a voluntary ban as best corporate practice. The present study showed that new policies have effectively reduced the amount of such trade, for example by some 98% estimated reduction on Mercari. Challenges in enforcing the ban, however, were identified; certain cryptic advertisements and code words were detected along with rapid sales in such products, indicating persistent demand for ivory products through CtoC trade. Mercari is further investing in more stringent monitoring to prevent such trade.

The present study did not detect any obvious spillover of CtoC trade from Mercari and Rakuma to other platforms. One exception might be the apparent increase in the trade of whole tusks on Yahoo Auction compared to 2017 as Mercari was previously used for trading whole tusks, although to a much lesser degree than Yahoo Auction. Nevertheless, causality in such an observation cannot be inferred. It should also be noted that private SNS platforms could not be surveyed in the present study, limiting the insights into the potential significance and dynamics of such trade. Notwithstanding this incomplete knowledge, the scale of ongoing trade on Yahoo Auction continues to dwarf that observed on any other platforms including the residual CtoC trade remaining on Mercari and Rakuma. At the moment, it appears unlikely that there would be much new incentive for sellers of ivory products, including those with ivory with potentially dubious origins, to shy away from the remaining open platforms, as long as the trade in Japan remains legal and largely unregulated as it is now. However, diligence is needed to better monitor SNS and other emerging platforms such as international e-commerce sites that may facilitate more direct international connections and trade.

Yahoo Japan Corporation¹⁵ (hereafter, Yahoo Japan) is still considered to be of central importance given its sheer scale in Japan's online ivory trade, and therefore its policies have implications beyond Japan's borders. At present, the company does invest in maximising the compliance of its users with existing regulations as evidenced by its public commitments to ensuring appropriate trade practices and participation as a core member in the government-led "Public Private Council for the Promotion of Appropriate Ivory Trade Measures"¹⁶. The present survey also showed a relatively high level of compliance with business registration requirements as well as legal trade in whole tusks. However, even within the narrow frame of existing regulations, there were incidents of illegal trade in whole tusks, highlighting enforcement challenges when the volume of trade is so high. Despite all of these efforts, the biggest shortfall in Yahoo Japan's voluntary policy is in not going beyond what is minimally required by domestic regulations, thereby allowing a large volume of unregulated trade without proof of legality. The actual footprint of such practices on international illegal trade remains unknown for incoming trade (illegal imports) due to a lack of seizures, but has been established for outgoing trade (illegal exports) as implicated by significant seizures made in China where large quantities of products were allegedly sourced from e-commerce sites in Japan¹⁷. In one instance, a Chinese Court revealed that criminals convicted for smuggling a total of over 3.2 tonnes of raw and worked ivory from Japan between November 2010 and April 2012 confessed to using Yahoo Auction for procuring the ivory¹⁸.

In March 2018, 21 of the world's leading e-commerce, social media and technology companies with operations in North America, Europe, Asia, and Africa came together with TRAFFIC, WWF, and IFAW to launch the Global Coalition to End Wildlife Trafficking Online¹⁹. One Japanese company has joined the Coalition (Rakuten in August 2018). But others are encouraged to engage with the Coalition and continue to build on their own ongoing efforts in collaboration with industry and NGO partners globally. In so doing, companies can play a wider role for civil society that goes much beyond simply enforcing regulations within platforms' boundaries to deterring illegal trade globally and educating users in wildlife protection.

15. Yahoo Japan Corporation is a separate legal entity from all other Yahoo operations globally, including Yahoo! in the United States. Its policies and procedures are unique to the Japanese company.

16. Ministry of the Economy, Trade and Industry (2016). http://www.meti.go.jp/english/press/2016/0916_01.html. 16th September 2016.

17. Kitade, T. and Nishino, R. (2017). *Ivory Towers: An Assessment of Japan's Ivory Trade and Domestic Market*. TRAFFIC, Tokyo, Japan. <https://www.traffic.org/publications/reports/ivory-towers-japans-ivory-trade/>.

18. People's Court Daily (2013). http://rmfyb.chinacourt.org/paper/html/2013-10/24/content_71951.htm. 24th October 2013.

19. TRAFFIC (2018). <http://www.traffic.org/home/2018/3/7/leading-tech-companies-unite-to-stop-wildlife-traffickers.html>.

RECOMMENDATIONS

The online ivory trade in Japan has been identified as a source of international illegal ivory trade, particularly as illegal exports to China, and is still insufficiently regulated with a critical loophole that essentially allows unregulated trade of ivory products without proof of legality. This state of affairs falls short of the emphatic measures called for countries with legal domestic markets by CITES Resolution Conf. 10.10 (Rev. CoP17) to ensure their domestic markets do not contribute to poaching or illegal trade. Japan appears to be out of step with the other key ivory markets in Asia that are taking significant strides to resolve their domestic ivory markets. TRAFFIC recommends the following to address the persisting issues of online ivory trade in Japan as a matter of urgency:

- The Ministry of the Environment (MOE) and the Ministry of Economy, Trade and Industry (METI) should urgently consider introducing enforceable proof-of-legality requirements for trade in all worked ivory products and also substantially narrow the range of items that can be traded legally in Japan (e.g. bona fide antiques with certain cut-off dates or products with legality guaranteed by the government).
- The MOE and METI should, until the abovementioned regulatory framework for a narrow line of legal domestic trade is established, introduce measures that effectively ban unregulated CtoC trade online, and for new products at least upgrade the existing voluntary product certification scheme to a mandatory and effective mechanism for ensuring legality and traceability.
- E-commerce platforms such as Yahoo Auction that are characterised by a high proportion of unregulated trade (CtoC) as well as a high risk of serving as an intermediary for international illegal trade should urgently introduce a voluntary ban on ivory trade, until at least sufficient regulatory and enforcement safeguards are in place.
- Providers of online shopping malls (BtoC sites) should enforce business registration requirements and, along with online retailers, should work to ensure the legality of all new products by mandating the usage of product certification.
- E-commerce and other online companies are further encouraged to work with industry partners and NGOs at both national and international levels, especially as part of the Global Coalition to End Wildlife Trafficking Online, by adopting global best practices, and collectively fortifying their monitoring and enforcement efforts and conducting effective awareness-raising amongst users.

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TRAFFIC, the wildlife trade monitoring network, is a leading non-governmental organization working globally on trade in wild animals and plants in the context of both biodiversity conservation and sustainable development.

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