

SABAH TLAS DOCUMENT
(REVISED AS AT 20 FEBRUARY 2013)

PART 3 – SABAH

Table 1

Region	SABAH	Sources of timber	PF , SL & AL
Principle 1	Right To Harvest		
Criterion	<p>Approval of harvesting area</p> <ul style="list-style-type: none"> ▪ Any registered company, company with trading licence or qualified individual (Sabahan) who intends to harvest forest produce must obtain an approval from the Secretary of Natural Resources under the Chief Minister’s Department (PF & SL) or the Director of Forestry (AL). ▪ FDS (FRM) ensures that areas gazetted for specific purposes (including NCR land) are excluded from the area to be approved for harvesting in PF & SL. ▪ FDS (FRM) ensures that there is approval to enter and occupy State Land (SL) 		
Legislative Reference	<ul style="list-style-type: none"> ▪ Forest Enactment 1968 [Sections 15 & 24] ▪ Sabah Land Ordinance [Cap 68] Section 18 		
Responsibility	<ul style="list-style-type: none"> ▪ Secretary of Natural Resources (Approval – PF & SL) ▪ Sabah Forestry Department(Approval - AL) ▪ Lands and Surveys Department (Approval – SL) 		
Verification Procedure	<p>a) <u>Short term licence (PF)</u></p> <p>i) The Secretary of Natural Resources (SUHB) verifies the application for harvesting right. Eligible application [(registered company, company with trading licence, or qualified individual (Sabahan)] will be forwarded to the Director of Forestry to ascertain availability of area.</p> <p>ii) Sabah Forestry Department(FRM) determines the availability of the area and submits comments and recommendations to SUHB.</p> <p>iii) SUHB decides on the application for harvesting right based on FDS recommendation such as availability of area of Class II PF, acceptable harvestable timber stand based on aerial photo or satellite image and any gazetted water catchment are excluded from the area applied and issues approval to take forest produce.</p> <p>iv) Once approval is received from SUHB, FDS informs successful applicant, stating conditions of approval (including the need for EIA or PMM, if necessary).</p> <p>v) Successful applicant needs to notify FDS to confirm acceptance to the offer of harvesting right.</p> <p>b) <u>Short term licence (SL)</u></p> <p>i) The Secretary of Natural Resources (SUHB) verifies the application for harvesting right. Eligible application [(registered company, company with trading licence, or qualified individual (Sabahan)] will be forwarded together with map showing the area applied to the LSD to ascertain availability of the applied area.</p> <p>ii) Lands & Surveys Department (LSD) determines the availability of the area and</p>		

	<p>submits comments and recommendations to SUHB.</p> <p>iii) SUHB decides on the application based on LSD recommendation such as availability of area, and any gazzeted water catchment and kampong reserve are excluded from the area applied.</p> <p>iv) Once approval is received from SUHB, LSD issues TOL to applicant.</p> <p>c) <u>Short term licence (AL)</u></p> <p>i) Upon receipt of application from the owner of the AL, or a company authorized by the owner , for permission to remove forest produce under licence, the District Forestry Officer verifies the status of the land and its ownership and if found to be in order then will submits the application to the Director of Forestry for approval.</p> <p>ii) The Director of Forestry issues letter of approval to the DFO for removal of forest produce.</p> <p>iii) The DFO informs the owner or the authorized company on the approval and the conditions of the approval (including the need for an EIA or PMM, if required).</p> <p><i>Frequency: The verification procedure applies for all applications for approval.</i></p>
Output	Letter of Approval
ISO References	

Table 2

Region	SABAH	Sources of timber	PF & SL (SFMLA/LTLA)
Principle 1	Right To Harvest		
Criterion	Approval of harvesting area Area to be harvested in a particular year must be prescribed in the approved AWP		
Legislative Reference	<ul style="list-style-type: none"> ▪ Forest Enactment 1968 (Section 15 & 28A) ▪ SFMLA/LTLA Licence conditions. 		
Responsibility	Sabah Forestry Department		
Verification Procedure	i) FDS (SFM) verifies that harvesting area listed in the AWP is within the licensed area with an approved FMP. ii) DoF approves AWP and issues letter of approval. <i>Frequency: The verification procedure applies annually.</i>		
Output	<ul style="list-style-type: none"> ▪ Approved AWP consisting of area to be harvested ▪ Letter of approval 		
ISO References			

Table 3

Region	SABAH	Sources of timber	PF (FDS own managed area)
Principle 1	Right To Harvest		
Criterion	Approval of harvesting area Area to be harvested in a particular year must be prescribed in the approved AWP.		
Legislative Reference	Forest Enactment 1968 (Section 28A)		
Responsibility	Sabah Forestry Department		
Verification Procedure	i) FDS [TP (FME)] verifies that the harvesting area in the AWP prepared by the DFO is within the approved FMP and submits the AWP to DoF for approval. ii) DoF issues letter of AWP approval to the DFO. <i>Frequency: The verification procedure applies annually.</i>		
Output	<ul style="list-style-type: none"> ▪ Approved AWP consisting of area to be harvested ▪ Letter of approval 		
ISO References			

Table 4

Region	SABAH	Sources of timber	PF, SL & AL
Principle 1	Right To Harvest		
Criterion	<p>Issuance of harvesting licence and/or coupe permit</p> <p>Any company or person/licensee who intends to harvest forest produce from a forest area needs to have a valid harvesting licence. The issuance of a harvesting licence is subject to:</p> <ul style="list-style-type: none"> i) Approval of forest harvesting area (Tables 1,2,3). ii) Letter of approval for issuance of licence from SUHB. iii) Approved EIA study / Proposal for Mitigation Measures (PMM) where applicable (Table 5). iv) Demarcation of harvesting area (Table 7). v) Approved Inventory Report (FD26/2009) (Table 8). vi) Payment of licence fees and other charges imposed (Table 15). vii) Issuance of Temporary Occupation Licence (TOL). viii) Letter of approval for issuance of harvesting licence from Director of Forestry (AL) (Table 1). 		
Legislative Reference	<ul style="list-style-type: none"> ▪ Forest Enactment 1968, Section 15 & 24 ▪ Forest Rules 1969 ▪ Field Manual for the Medium Forest Management Planning Inventory 1991 ▪ Director's Circular : FD26/2009 		
Responsibility	Sabah Forestry Department		
Verification Procedure	<ul style="list-style-type: none"> i) FDS (FRM) checks that the applicant or the forest area has met all the necessary requirements described under the Criterion. ii) If (I -VII) the conditions are met, FDS issues the harvesting license/coupe permit. <p><i>Frequency: The verification procedure applies each time when a harvesting license/coupe permit is issued.</i></p>		
Output	Approved harvesting licence/coupe permit		
ISO References			

Table 5

Region	SABAH	Sources of timber	PF,SL & AL
Principle 1	Right To Harvest		
Criterion	<p>EIA requirement</p> <ul style="list-style-type: none"> ▪ The Licensee/Land owner has an approved Environmental Impact Assessment (EIA) Report from the Director of EPD for forest related activities involving removal of timber involving an area of 500 ha and above. ▪ The licensee/Land owner has an approved Proposal for Mitigation Measures (PMM) from the Director of EPD for forest related activities involving removal of timber involving an area between 100 ha and 500 ha. ▪ The licensee has an approved special EIA for sensitive areas 		
Legislative Reference	<ul style="list-style-type: none"> ▪ Environment Protection Enactment 2002 [Sections 12, 13, 14, 20 & 37] ▪ Environment Protection (Prescribed Activities) (Environmental Impact Assessment) Order 2005 ▪ Environment Protection (Registration of Environmental Consultant) Rules 2005 		
Responsibility	<ul style="list-style-type: none"> ▪ Environment Protection Department (EPD) ▪ Sabah Forestry Department (FDS) 		
Verification Procedure	<ol style="list-style-type: none"> i. FDS (FRM) determines if the harvesting in the area to be licensed is subject to an EIA/PMM and Licensee/Land Owner is advised accordingly. ii. EPD (Evaluation of EIA report division) evaluates EIA report/PMM proposed by a registered consultant for consideration and upon approval requires Licensee/Land Owner to sign the Agreement of Environmental Condition/Mitigation Declaration. (Evaluation criteria to be discussed with EPD). iii. FDS verify that EIA/PMM report has been approved by EPD prior to the issuance of harvesting licence. iv. EPD monitors the implementation of mitigation measures on the specified area under the Agreement. <p><i>Frequency: EPD monitors the submission of quarterly environmental compliance report by a registered environmental consultant and conduct inspection every four months based on the consultant's recommendation.</i></p>		
Output	<ul style="list-style-type: none"> ▪ Approved EIA report (EIA) or Approved Proposal Mitigation Measures (PMM) ▪ Signed Agreement of Environmental Condition/ Mitigation Declaration ▪ Letter of Compliance towards Environmental Condition/ Mitigation Declaration 		
ISO References	MS ISO 9001:2008 (Determination of Terms-Of-Reference for Environmental Impact Assessment (EIA) Studies and the Assessment of the EIA Reports)		

Table 6

Region	SABAH	Sources of timber	PF& SL
Principle 1	Right to harvest		
Criterion	Harvesting Plan <ul style="list-style-type: none"> ▪ The licensee (SFMLA/LTLA) must have an approved Annual Work Plan (AWP) consisting of harvesting components. ▪ The licensee must have an approved CHP consisting of harvesting components (except area zoned for ITP development) ▪ CHP must comply with RIL guidelines. 		
Legislative reference	<ul style="list-style-type: none"> ▪ Forest Enactment 1968 [Section 28A] ▪ RIL Operation Guide Book – Code of Practice for Forest Harvesting in Sabah, Malaysia. Third Edition 2009 ▪ SFMLA Clause 46,47,48, 51 & 81 ▪ LTLA conditions (to check KTS/Benta/SFI) 		
Responsibility	Sabah Forestry Department (FDS)		
Verification procedure	<ul style="list-style-type: none"> ▪ DFO verifies that the submitted plan for harvesting area based on a particular year is listed in the approved AWP. ▪ DFO verifies that CHP is in compliance to the RIL guideline requirements. <p><i>Frequency: The verification procedure applies each time CHP submitted for approval.</i></p>		
Output	<ul style="list-style-type: none"> ▪ Approved CHP ▪ Letter of approval 		
ISO reference	ISO 9001:2008 JPHTN-PKT01:08:01 (RIL).		

Table 7

Region	SABAH	Sources of timber	PF, SL & AL
Principle 1	Right to harvest		
Criterion	<p>Area demarcation for outer boundary of harvesting licence area.</p> <ul style="list-style-type: none"> ▪ Licensee to appoint a Licensed Surveyor to demarcate the area upon receiving RSP from LSD (SL). ▪ Sabah Forestry Department (FDS) issues a survey permit to the licensee (approved applicant) for area in PF. ▪ Licensee to appoint a Licensed Surveyor to demarcate the area based on second class accuracy standard upon receiving survey permit from FDS (PF). ▪ The licensee (via appointed licensed surveyor) surveys, marks with picket (PF)/boundary stones (SL) and under-brushes license boundary on the ground. 		
Legislative reference	<ul style="list-style-type: none"> ▪ Sabah Land Ordinance (Cap 68) 1958 [Part viii- Demarcation and Survey] ▪ Forest Enactment 1968 ▪ The Surveyors (Conduct of Title Surveys) Regulations, 1962 		
Responsibility	<ul style="list-style-type: none"> ▪ Sabah Forestry Department (FDS) ▪ Lands & Surveys Department (LSD) 		
Verification procedure	<p>i) Forest Ranger/Forester inspects and verifies the demarcation of the boundary, the marked/painted boundary trees and under-brushing work.</p> <p>ii) Forest Ranger/Forester marks boundary trees with FDS hammer mark and GPS coordinates reading are recorded.</p> <p>iii) District Forest Officer submits report to the Director of Forestry.</p> <p>iv) Monitoring, Control, Enforcement and Evaluation (MCEE) Officer inspects boundaries on the ground and submits the report to Director of Forestry.</p> <p>v) FDS (FRM) verifies the survey details' plan with ground inspection and submits report to DoF for approval.</p> <p>vi) Director of Forestry approves the survey plan (PF) for issuance of harvesting licence based on FRM recommendation.</p> <p>vii) LSD verifies the survey plan submitted by licensee (SL) and approved the survey plan if all survey details are in order.</p> <p><i>Frequency: The verification procedure is applied before the issuance of each harvesting licence.</i></p>		
Output	<ul style="list-style-type: none"> ▪ Approved survey plan ▪ Boundary marked on the ground 		
ISO reference			

Table 8

Region	SABAH	Sources of timber	PF, SL & AL
Principle 1	Right To Harvest		
Criterion	Forest Inventory <ul style="list-style-type: none"> ▪ The licensee conducts forest inventory in accordance to the prescribed methodology as in the Director’s Circular :FDS 26/2009 and Field Manual for Medium Forest management Planning Inventory 1991. ▪ The forest inventory is to be conducted by the licensee before a 10-year FMP or PDP preparation and issuance of coupe permit/short-term licence. 		
Legislative reference	<ul style="list-style-type: none"> ▪ Field Manual for Medium Forest Management Planning Inventory 1991 (<i>SFMLA / LTL</i>) ▪ Director’s Circular : FD26/2009 		
Responsibility	Sabah Forestry Department (FDS)		
Verification procedure	<p><u>PF (SFMLA/LTL):</u></p> <p>FDS (SFM) verifies on the ground if necessary the detail description of the inventory reports such as number of plots established, sampling plots intensity, species, potential crop trees, standing timber stock, tree density, and diameter class for the entire area and submits report to the Director of Forestry.</p> <p><u>PF/SL/AL (SHORT TERM LICENCE):</u></p> <p>i) DFO verifies on the ground if necessary the detail description of the inventory report such as number of plots established, sampling plots intensity, species, potential crop trees, standing timber stock, tree density, and diameter class for the entire area and submits report to the Director of Forestry.</p> <p>ii) FDS (FRM) verifies the inventory report on the ground, if necessary and submits to DoF for approval.</p> <p><i>Frequency: The verification procedure is applied for FMP or PDP preparation (every 10-year) and the issuance of the harvesting licence (Short Term Licence) and coupe permit.</i></p>		
Output	Approved inventory report		
ISO reference			

Table 9

Region	SABAH	Sources of timber	PF, SL & AL (excluding ITP)
Principle 2	Forest operation		
Criterion	<p>Control of harvesting operation</p> <ul style="list-style-type: none"> ▪ The licensee must adhere to the harvesting licence condition/coupe permit. <ul style="list-style-type: none"> a) RIL <ul style="list-style-type: none"> - approved CHP - registered RIL contractors/CHP contractors - Trained RIL workers - Daily Felling Records - Quarterly Progress Report & Closing Inspection Report b) Non-RIL <ul style="list-style-type: none"> - Registered logging contractor - Quarterly Progress Report & Closing Inspection Report ▪ The licensee must register Property hammer mark. ▪ All extracted logs must have serial number. ▪ The licensee must obtain an occupation permit for stumping area inside forest reserve or TOL (SL). ▪ The licensee transports marked logs to approved stumping area. ▪ The licensee and/or appointed contractors must demonstrate the compliance to EIA mitigation measures (refer table 5). 		
Legislative reference	<ul style="list-style-type: none"> ▪ Licence conditions ▪ Coupe permit conditions ▪ Forest Enactment 1968 ▪ Forest Rules 1969 (Rules 20A) ▪ RIL guideline ▪ Environment Protection Enactment 2002 [Sections 12, 13, 14, 20 & 37] 		
Responsibility	<ul style="list-style-type: none"> ▪ Sabah Forestry Department (FDS) ▪ Environment Protection Department 		
Verification procedure	<p>a) RIL</p> <p>i) DFO verifies that all CHP conditions are met during harvesting operation. <i>Frequency: - this verification procedure applies throughout the harvesting operation.</i></p> <p>ii) DFO verifies that all RIL logging contractors and workers are RIL certified. <i>Frequency:- this verification procedure applies once before the harvesting operation commences.</i></p> <p>iii) Forest Ranger/Forester verifies that Daily Felling Record is maintained and updated. <i>Frequency:- this verification procedure applies every two weeks.</i></p> <p>iv) DFO ensures that Quarterly Progress Report (AWP and system & work procedures for monitoring RIL) is maintained and submitted to the DoF quarterly. <i>Frequency:- this verification procedure applies every quarterly</i></p> <p>v) DFO ensures that Closing Inspection Report is submitted to the DoF within six months after harvesting operation is completed. <i>Frequency:- this verification procedure applies once after harvesting operation is completed.</i></p>		

	<p>b) Non-RIL</p> <p>i) DFO verifies that all logging contractors are registered with FDS. <i>Frequency:- this verification procedure applies once before the harvesting operation commences.</i></p> <p>ii) DFO ensures that Quarterly Progress Report is maintained and submitted to the DoF quarterly. <i>Frequency:- this verification procedure applies every quarterly.</i></p> <p>iii) DFO ensures that Closing Inspection Report is submitted to the DoF after completion of harvesting operation. <i>Frequency:- this verification procedure applies once after harvesting operation is completed.</i></p> <p>c) DFO ensures that Property Hammer Mark is registered with FDS. <i>Frequency:- this verification procedure applies once before harvesting operation commences.</i></p> <p>d) Forest Ranger/Forester ensures that all extracted logs are with serial numbers. <i>Frequency:- this verification procedure applies when licensee applying for scaling order.</i></p> <p>e) DFO ensure that area occupied for stumping within forest reserve have an occupation permit /TOL for SL. <i>Frequency:- this verification procedure applies once before harvesting operation commences.</i></p> <p>c) EPD monitors the implementation of mitigation measures on the specified area under the Agreement <i>Frequency: EPD monitors the submission of quarterly environmental compliance report by a registered environmental consultant and conduct inspection every four months based on the consultant's recommendation.</i></p>
Output	<ul style="list-style-type: none"> ▪ Quarterly Progress Report ▪ Daily Felling Report ▪ Closing Inspection Report ▪ Occupation Permit ▪ Registered Hammer Mark Record ▪ TOL ▪ RIL logging contractor certificate ▪ Logging contractor certificate ▪ Workers RIL training certificate ▪ Log list ▪ CS Form ▪ EIA compliance certificate

Table 10

Region	SABAH	Sources of timber	AL (Form IIB)
Principle 2	Forest operation		
Criterion	<p>Control of timber production</p> <ul style="list-style-type: none"> ▪ Land owner has a valid land title/or letter of confirmation of land applicant from Assistant Collector of Land Revenue (ACLR) on the land status and receipt of payment of land premium. ▪ The land owner has a contract (Power of Attorney-PA) with the contractor to remove logs and wood residues. <p><i>Note: FormIIB is a licence to take forest produce on prepayment of royalty</i></p>		
Legislative Reference	<ul style="list-style-type: none"> ▪ Land Ordinance (Cap 68) (to clarify specific) ▪ Forest Rules 1969 (Rule 3) ▪ Forest Enactment 1968 [Section 24(5)] 		
Responsibility	<ul style="list-style-type: none"> ▪ Sabah Forestry Department ▪ Lands and Surveys Department 		
	<p>i) District Forestry Office (DFO) verifies copies of land titles, or letter of confirmation of land applicant from Assistant Collector of Land Revenue (ACLR) on the land status and agreement to extract timber.</p> <p>ii) <u>FormIIB application before felling of timber</u> DFO carries out an ocular estimation on the timber stock and verifies boundary stones on the ground and submits the report to the Director of Forestry for approval.</p> <p>iii) <u>FormIIB application of timber felled</u> DFO carries out boundary stones inspection on the ground and measures logs volume for royalty assessment and submits report to Director of Forestry for approval.</p> <p>iv) DoF issues approval to DFO for issuance of Form IIB.</p> <p>v) DFO issues TDP and Form IIB.</p> <p>vi) Forest Ranger/Forester issues Removal Pass.</p> <p><i>Frequency: The verification procedure applies for each application to remove logs and/or wood residues.</i></p>		
Output	<ul style="list-style-type: none"> ▪ Evidence of land title (Ownership and example) ▪ Payment Receipt of land premium ▪ Letter/agreement/contract between the land owner and contractor ▪ Letter of confirmation of land ownership or status from the ACLR ▪ Form IIB ▪ TDP ▪ RP 		
ISO reference			

Table 11

Region	SABAH	Sources of timber	ITP (PF, SL & AL)
Principle 2	Forest Operations		
Criterion	<p>Control of timber production</p> <p><u>ITP (PF - SFI)</u></p> <ul style="list-style-type: none"> ▪ Licensee ensures that only planted trees are allowed to be extracted from an area as approved in the AWP with coupe permit issued. ▪ All productions of plantation logs are recorded based on volume or weigh as in the Transit Pass. ▪ The licensee must adhere to the harvesting licence condition/coupe permit. ▪ Registered logging contractor. ▪ Quarterly Progress Report. ▪ The licensee must register Property hammer mark for sawmill processing. ▪ All extracted logs must have serial number for sawmill processing. ▪ The licensee must obtain an occupation permit for stumping area inside forest reserve. ▪ The licensee must ensure that all logs transported for sawmill processing to an approved stumping area are Property Hammer marked. ▪ The licensee and/or appointed contractors must demonstrate the compliance to EIA mitigation measures. (refer table 5) <p><u>ITP (SL/AL)</u></p> <ul style="list-style-type: none"> ▪ Land owner ensures that all harvested trees are inspected by the DFO prior to removal. ▪ Plantation logs to be removed are covered by Removal Pass. ▪ All productions of plantation logs are recorded based on the number of logs as in the Removal Pass. ▪ The land owner must demonstrate compliance to EIA mitigation measures. (refer table 5) 		
Legislative reference	<ul style="list-style-type: none"> ▪ Annual Work Plan (AWP)- PF/SL ▪ Licence conditions- PF/SL ▪ Forest Rules 1969 -Rule 15(1) ▪ Director’s Circular FD: 21/2010 (Removal Pass for Plantation Logs) - SL/AL. ▪ Environment Protection Enactment 2002 [Sections 12, 13, 14, 20 & 37] 		
Responsibility	<ul style="list-style-type: none"> ▪ Sabah Forestry Department ▪ Environment Protection Department 		
Verification Procedures	<p><u>ITP (PF-SFI)</u></p> <p>i) DFO ensures that all plantations logs are extracted from an area as approved in the</p>		

AWP with coupe permit issued.

Frequency: - this verification procedure applies throughout the harvesting operations.

ii) Forest Ranger/Forester verifies production records for all plantation logs are recorded based on volume or weight as in the Transit Pass.

Frequency: -this verification procedure applies every month.

iii) DFO ensures that the licensee adhered to the harvesting licence /coupe permit conditions.

Frequency-this verification procedure applies throughout the harvesting operations.

iv) DFO ensures that Quarterly Progress Report is prepared and submitted to the DoF quarterly.

Frequency: - this verification procedure applies every quarterly.

v) DFO verifies that logging contractor has a valid logging contractor certificate.

Frequency: - this verification procedure applies annually.

vi) Forest Ranger/Forester verifies that all plantation logs for sawmill processing are marked with registered Property Hammer Mark.

Frequency: - this verification procedure applies for every logs for sawmill processing.

vii) Forest Ranger/Forester verifies that all extracted logs are incised with serial numbers for sawmill processing only.

Frequency:- this verification procedure applies when licensee applying for scaling order.

viii) DFO verifies that areas occupied for stumping within forest reserve have a valid occupation permit.

Frequency: - this verification procedure applies throughout the operations.

ix) EPD monitors the implementation of mitigation measures on the specified area under the Agreement

Frequency: EPD monitors the submission of quarterly environmental compliance report by a registered environmental consultant and conduct inspection every four months based on the consultant's recommendation.

ITP (SL/AL)

▪ DFO ensures that all plantations logs are extracted from the titled land (AL) or gazetted land (SL-SAFODA) are with serial numbers (for sawmill processing only), marked with registered Property Hammer Mark.

▪ Forest Ranger/Forester issues Removal Pass with the word "Royalty Exempted" stamped on it and the approximate volume of timber removed recorded.

Frequency: - this verification procedure applies when the land owner applies for log inspection and Removal Pass.

• EPD monitors the implementation of mitigation measures on the specified area under the Agreement

Frequency: EPD monitors the submission of quarterly environmental compliance report by a registered environmental consultant and conduct inspection every four months based on the consultant's recommendation.

Output	<ul style="list-style-type: none">▪ Quarterly Progress Report▪ Occupation Permit▪ Registered Hammer Mark Record▪ Logging contractor certificate▪ Log list for sawmill processing▪ Transit Pass▪ Removal Pass▪ EIA compliance certificate
ISO Reference	

Table 12

Region	SABAH	Sources of timber	PF, SL & AL (excluding ITP)
Principle 2	Forest Operations		
Criterion	<p>Log transportation</p> <ul style="list-style-type: none"> ▪ <u>For logs where royalty is assessed at the Pangkalan or Weigh Bridge at the Mill Gate:</u> <ul style="list-style-type: none"> ➤ Licensee ensures that all logs transported from the Stumping Point to the Pangkalan, or weigh bridge at the mill gate bear Property Hammer Mark, FDS Inspection Hammer Mark and are accompanied by a Transit Pass and/or CS Form. ➤ The licensee ensures that all logs transported from the Pangkalan to the Port of loading/to the mill bear FDS Royalty Hammer Mark and are issued with Removal Passes upon payment of royalty. ➤ Removal pass to be issued when transporting logs between mills ▪ <u>For logs where royalty is assessed at the Stumping Point/licenced area:</u> <ul style="list-style-type: none"> ➤ Licensee ensures that all logs transported from the Stumping Point/licenced area to the mill or port of loading bear Property Hammer Mark, FDS Inspection Hammer Mark, FDS Royalty Hammer Mark and are issued with Removal Passes upon payment of royalty. ➤ Removal pass to be issued when transporting logs between mills ▪ Licensee transport logs from a designated area to another destination only from 7.00am to 7.00pm, unless with the Director of Forestry's approval for transportation outside the stipulated time period ▪ The validity of Removal Pass is determined by the distance and mode of log transportation and may range from 1 to 3 days for land transportation or maximum 1 week for river/sea transportation subject to extension with a new removal pass by the Director of Forestry. 		
Legislative Reference	Forest Rules 1969, Rule 15(1)		
Responsibility	Sabah Forestry Department (FDS)		
Verification Procedure	<p><u>At the Pangkalan /Weigh Bridge:</u></p> <ol style="list-style-type: none"> i) Upon arrival at the Pangkalan/Weigh Bridge at the mill gate, the Forest Ranger/Forester ensures that all logs bear Property Hammer Mark, and FDS Inspection Hammer Mark and are accompanied by a Transit Pass and records log arrival. ii) Forest Ranger/Forester ensures that relevant statutory charges for all logs transported from the Pangkalan to the mill/port of loading have been collected and all logs bear FDS Revenue Mark, except for weighed logs which are randomly marked, and logs are accompanied by a Removal Pass. <p><i>Note: Logs to be weighed are randomly marked with the Inspection Hammer Mark.</i></p>		

	<p><u>At the mill</u></p> <p>i) Forest Ranger/Forester inspects logs upon arrival and “stamps” Removal Pass as “Used Removal Pass” upon verification of the consignment</p> <p>ii) Forest Ranger/Forester ensures that logs arrival have been recorded in Log Arrival Book.</p> <p><u>At the Port of Loading:</u></p> <p>i) Forest Ranger/Forester inspects logs and verifies that the log details as recorded in the Removal Pass tallies with the details as in the Export Declaration/export supporting documents.</p> <p>ii) Forest Ranger/Forester stamps Removal Pass as “used Removal Pass” upon verification of each consignment</p> <p><i>Frequency: The verification procedure applies for every load of logs transported.</i> <i>Note: Weighed logs are small diameter and irregularly shaped logs.</i></p>
Output	<ul style="list-style-type: none"> ▪ Log Arrival Book ▪ Revenue Hammer Mark Removal Pass ▪ Timber Disposal Permit (TDP) ▪ Letter of approval to transport beyond 7.00 pm – 7.00 am ▪ Transit Pass ▪ Removal Pass ▪ Removal Pass Payment receipt
ISO Reference	

Table 13

Region	SABAH	Sources of timber	ITP (PF, SL & AL)
Principle 2	Forest operations		
Criterion	<p>Log transportation</p> <ul style="list-style-type: none"> ▪ <u>For ITP Logs With Royalty (FR)</u> <ul style="list-style-type: none"> ➤ Licensee ensures that all plantation logs transported from the harvesting area to an approved weigh bridge/ weigh bridge at the mill gate for royalty assessment bear Property Hammer mark, FDS Hammer Mark (Marked randomly) and are accompanied by Transit Pass. ➤ The licensee ensures that all logs transported from the weigh bridge to the Port of loading/to the mill bear FDS Property Hammer Mark (marked randomly) and are issued with Removal Passes upon payment of royalty. ➤ In the event that logs are transported to another mill, the mill must apply for another Removal Pass to be issued by a Forestry Officer. ▪ <u>For ITP Logs With No Royalty (SL/AL)</u> <ul style="list-style-type: none"> ➤ The land owner has a contract with the contractor to remove logs and wood residues ➤ Licensee ensures that an approval to transport plantation logs to an approved weigh bridge has been obtained from the Director of Forestry (SL) or the District Forestry Officer (AL) and all logs bear Property Hammer Mark and FDS Inspection Hammer Mark (marked randomly). ➤ The licensee ensures that all logs transported from the weigh bridge to the Port of loading/to the mill are issued with Removal Passes upon recording of volume(weighed volume). ➤ In the event that logs are transported to another mill, the mill must apply for another Removal Pass to be issued by a Forestry Officer. ▪ Licensee transport logs from a designated area to another destination only from 7.00am to 7.00pm, unless with the Director of Forestry’s approval for transportation outside the stipulated time period. ▪ The validity of Removal Pass is determined by the distance and mode of log transportation and may range from 1 to 3 days for land transportation or maximum 1 week for river/sea transportation subject to extension with a new removal pass by the Director of Forestry. 		
Legislative Reference	<ul style="list-style-type: none"> ▪ Forest Rules 1969 Rule 15(1) ▪ Director’s Circular FD: 21/2010 Issuance of Removal Pass for Plantation Logs 		
Responsibility	Sabah Forestry Department		
Verification Procedure	<p><u>Prior to removal (SL & AL)</u> Forest Ranger/Forester verifies land title and/or letter of consent/contract/Power of Attorney to extract planted timber.</p> <p><u>At the Weigh Bridge:</u></p>		

	<p>i) Forest Ranger/Forester inspects logs upon arrival and records logs arrival and weighed volume.</p> <p>ii) DFO issues Receipt of royalty payment.</p> <p>iii) DFO issues Removal Pass for logs transported to the final destination (unless exempted: Example; weigh bridge is at the mill gate).</p> <p><u>At the Mill</u></p> <p>i) Forest Ranger/Forester inspects logs upon arrival and “stamps” Removal Pass as “Used Removal Pass” upon verification of the consignment. No Removal Pass is required for logs weighed at the mill gate.</p> <p>ii) Forest Ranger/Forester ensures that logs arrival have been recorded in Log Arrival Book.</p> <p><u>At the Port of Loading:</u></p> <p>i) Forest Ranger/Forester inspects logs and verifies that the log details as recorded in the Removal Pass tallies with the details as in the Export Declaration/export supporting documents.</p> <p>ii) Forest Ranger/Forester stamps Removal Pass as “used Removal Pass” upon verification of each consignment</p> <p><i>Frequency: The verification procedure applies for every load of logs transported.</i></p>
Output	<ul style="list-style-type: none"> ▪ Log Arrival Book ▪ Revenue Hammer Mark ▪ Removal Pass ▪ Timber Disposal Permit (TDP) ▪ Transit Pass ▪ Land title/letter of consent/contract/PA
ISO Reference	-

Table 14

Region	SABAH	Sources of timber	PF, SL & AL
Principle 2	Forest operations		
Criterion	<p>Worker safety and health</p> <p><u>Employer</u></p> <ul style="list-style-type: none"> ▪ Pays insurance premium/contribution for all workers. ▪ Provides adequate training on safety measures/personnel protective equipment. ▪ Undertakes remedial measures as directed by relevant authorities (DOSH and FDS) following their inspection. ▪ Submits appropriate report to DOSH / Department of Labour (DoL) in a timely manner as required. ▪ Reports to: <ul style="list-style-type: none"> ➢ SOCSO ➢ DOSH and ➢ Department of Labour on accidents related to employment immediately. ▪ Maintains monthly records of contribution to SOCSO. ▪ Maintains records of worker’s training on safety and health showing what training was conducted, who attended and any certificates were awarded. ▪ Provide protective clothing and safety equipment requirement in accordance to the RIL Operation Guide Book. ▪ Directional felling technique to be complied. ▪ Ensure adequate precaution for worker’s safety in the event of fire or other accidents. 		
Legislative Reference	<ul style="list-style-type: none"> ▪ Occupational Safety and Health Act 1994 [Section 15] ▪ Labour Ordinance [Sabah Cap 67] ▪ Workmen’s Compensation Act 1952 (Act 273) ▪ Employee’s Social Security Act 1969 ▪ RIL Operation Guide Book, Third Edition, 2009 (Chapter 2 & 4) 		
Responsibility	<ul style="list-style-type: none"> ▪ Department of Occupational Safety and Health (DOSH) ▪ Department of Labor (DoL) ▪ Social Security Organization (SOCSO) ▪ Sabah Forestry Department (FDS) 		
Verification Procedure	<p><u>DOSH</u></p> <p>i) Conducts random inspections on safety and health aspects in harvesting operations as specified in the Criterion together with FDS and issues the following depending on the severity of the non-compliances:</p> <ul style="list-style-type: none"> ➢ Letter of Warning ➢ Notice of Improvement ➢ Notice of Prohibition <p>ii) Conducts additional inspection with FDS to determine remedial actions taken by employers and may revoke the notice issued if the remedial actions undertaken are found to be satisfactory.</p> <p>iii) Take necessary actions on accident reports received from employer.</p> <p><i>Frequency: Inspection on safety and health aspects at logging operations is undertaken</i></p>		

	<p><i>randomly and follow-up inspection is also carried out depending on circumstances.</i></p> <p><u>SOCSO</u></p> <ul style="list-style-type: none"> i) Makes periodical inspections to all registered employers to ensure their compliance as required under the Employee’s Social Security Act 1969 which include insurance contribution for all employees have been paid. There is a report for each inspection together with follow-up action. ii) Conducts investigation on reported accidents if necessary based on the nature of the accident and the investigation takes place immediately. iii) Ensures social security coverage for all local workers who are employed under Contract of Service, for contingencies such as employment injury and invalidity. The Employment Injury Insurance Scheme provides coverage for all accidents and occupational diseases related to employment. iv) Received reports submitted by employers on all accidents and occupational diseases related to employment. v) Undertakes investigation as necessary and determines the necessary compensation within the Framework of ESSA 1969. vi) Provides coverage under the Invalidity Pension Scheme for employees suffering from invalidity due to any cause, illness or death (to beneficiary) not related to employment. <p><i>Frequency: Inspection is made periodically.</i></p> <p><u>Department of Labour (DoL)</u></p> <ul style="list-style-type: none"> i) Ensures employer insures every foreign worker employed in accordance with the provisions under Workmen’s Compensation Act 1952. ii) Holds inquiry to ascertain on the accident and whether any workman has been injured and whether any compensation payable under Workmen’s Compensation Act 1952 is being paid. <p><i>Frequency: Inspections are done based on regular basis or based on complaints received.</i></p> <p><u>FDS:</u></p> <ul style="list-style-type: none"> i) FDS (Safety Officer) verifies that employer (licensee) provide adequate Protective Clothing and safety equipment in accordance to RIL Operation Guide Book, Chapter 4, Table 4.1. ii) Forest Ranger/Forester inspects tree felling activity in compliance with RIL directional felling technique. <p><i>Frequency: Inspections conducted randomly.</i></p>
Output	<ul style="list-style-type: none"> ▪ Records of work instructions, training, insurance and accidents ▪ Audit report from DOSH ▪ SOCSO inspection report ▪ Inspection report by DOL ▪ Inspection report by FDS
ISO Reference	-

Table 15

Region	SABAH	Sources of timber	PF, SL& AL [excluding ITP from AL & SL (SAFODA)]
Principle 3	Statutory charges		
Criterion	<p><u>Royalty and fees</u></p> <ul style="list-style-type: none"> ▪ Licensee pays licence fees upon issuance of a licence and other charges prior to issuance of harvesting licence. ▪ Licensee pays all royalty based on volume and species, premium (unless exempted), Community Forestry Cess, Forest Rehabilitation Fees (unless exempted) before the licensee can remove the timber from the licensed area. ▪ Licensee pays Removal Pass fees before removal of timbers. 		
Legislative Reference	<ul style="list-style-type: none"> ▪ Forest Enactment 1968 [Sections 24C & 42(d), (e)] ▪ Forest Rules 1969, Rule 12(1) ▪ CF Circular 1/81 Measurement of Timber For Royalty Assessment-CF No 1/81 2006 Version, 1st Revision 		
Responsibility	Sabah Forestry Department (FDS)		
Verification Procedure	<p>i) DFO verifies receipt of payment of licence fee and other charges including registered logging machineries.</p> <p>ii) FDS determines the quantum and other statutory charges to be paid.[based on the royalty assessment guideline “Measurement of Timber For Royalty Assessment-CF No 1/81 2006 Version, 1st Revision and the current applicable royalty/premium/Forest Rehabilitation Fee/Community Forestry Fees].</p> <p>iii) FDS collects payment and issues receipts, TDP and Removal Pass.</p> <p><i>Frequency: The verification procedure applies to each harvesting licence issued and to all timbers removed from the licensed area.</i></p>		
Output	<ul style="list-style-type: none"> ▪ Removal Pass, Revenue Hammer Mark, Timber Disposal Permit. ▪ Copies of receipts for payment of royalty, premium, Forest Rehabilitation Fee, Community Forestry Cess and other charges. ▪ Monthly Revenue Collection Report ▪ Licence receipt payment ▪ List of registered logging machineries 		
ISO Reference	-		

Table 16

Region	SABAH	Sources of timber	PF
Principle 4	Other users' rights		
Criterion	Community benefits and rights to occupy and use <ul style="list-style-type: none"> ▪ SFMLA/LTL holder conducts Social Baseline Survey and Impact Assessment of the licensed area. ▪ Area in SFMLA with local community is zoned as Community Forestry Area in the Forest Management Plan (FMP). 		
Legislative reference	<ul style="list-style-type: none"> ▪ Sustainable Forest Management Licence Agreement Conditions 		
Responsibility	Sabah Forestry Department(FDS)		
Verification Procedure	<p>Land-use:</p> <ul style="list-style-type: none"> i) FDS (SFM) verifies Social Baseline Survey (SBS) report. ii) FDS verifies and approved area proposed for Community Zone in the Forest Management Plan (FMP). iii) FDS verifies area zoned as Community Area mapped in the FMP and excluded from harvesting activity. <p><i>Frequency: The verification procedure is applied to determine the user's rights of Natives in SFMLA/LTL area.</i></p>		
Output	Community Area Zoned in FMP		

Table 17

Region	SABAH	Sources of timber	SL & AL
Principle 4	Other users' rights		
Criterion	<p>Users' Right by Natives</p> <ul style="list-style-type: none"> ▪ Area with Native Customary Right (NCR) claim described under Sections 13, 14, 15, 16, 64, 65, 69 and 82 of the Land Ordinance is excised from Temporary Occupation Lease (TOL) area after a land inquiry is conducted to verify the claim and found to be justifiable by the Lands and Surveys Department prior to the issuance of TOL and the timber harvesting licence. ▪ The Director of Forestry may exempts Natives from payment of royalty on any forest produce taken from SL and AL for: <ul style="list-style-type: none"> i. The construction or repair of a dwelling –house for the abode of himself and his family; ii. The construction of fences and temporary huts on any land lawfully occupied by him; iii. The construction or repair of native boats; iv. The upkeep of his fishing stakes and landing places; v. Fire-wood to be consumed for his domestic purposes; or vi. The construction and upkeep of clinics, schools, community halls, places of worship, bridge and any work for the common benefit of the native in-habitants of his kampong. 		
Legislative reference	<ul style="list-style-type: none"> ▪ Forest Enactment 1968, Section 41 (SL, AL) ▪ Forest Rules 1969, Rule 8 (SL, AL) ▪ Sabah Land Ordinance (Cap 68) - (SL) 		
Responsibility	<ul style="list-style-type: none"> ▪ Sabah Forestry Department(FDS) ▪ Lands and Surveys Department (LSD) 		
Verification Procedure	<p><u>Land-use (SL):</u></p> <p>i) Lands & Surveys Department (LSD) verifies claims for NCR</p> <p>ii) LSD excises the NCR based on the land enquiry and issues Temporary Occupation Lease (TOL) for logging.</p> <p><u>Extraction of Forest Produce (SL & AL):</u></p> <p>i) DFO verifies application for Form IIA.</p> <p>ii) DFO issues Form IIA Licence upon approval by the Director of Forestry.</p> <p><i>Frequency: The verification procedure is applied to determine user's rights of Natives in the application of timber harvesting involving SL and application for FORM IIA Licence.</i></p>		
Output	<ul style="list-style-type: none"> ▪ Form IIA Licence ▪ Temporary Occupation Lease (TOL) (SL) 		

Table 18

Region	SABAH	Sources of timber	PF, SL, AL & Imp
Principle 5	Mill operations		
Criterion	<p>Issuance of mill licence and conditions for operation.</p> <ul style="list-style-type: none"> ▪ All wood processing mills are required to be licensed with the Sabah Forestry Department. ▪ Applicant applies for mill license to the District Forestry Officer together with the application form and other supporting documents as stipulated in the Licensing Guidelines For Wood-Based Industry in Sabah-(Version 2), 2012. ▪ Licensed mill must comply with mill license conditions including submission of monthly Mill Production Returns and maintenance of Log Arrival Book (for mills processing logs) ▪ Annual renewal of mill license is to be submitted to the Director of Forestry. 		
Legislative Reference	<ul style="list-style-type: none"> ▪ Forest Enactment 1968 [Section 42] ▪ Forest Rules 1969, Rule 19(1) ▪ Licensing Guidelines for Wood-Based Industry in Sabah-Version 2, 2012 		
Responsibility	Sabah Forestry Department (FDS)		
Verification Procedure	<p><u>Establishment and upgrading of mill</u></p> <ol style="list-style-type: none"> i) The District Forestry Officer inspects the site and ensures compliance of mill license application procedures and submits findings and recommendation to Director of Forestry. ii) The Director of Forestry evaluates application of mill license compliance and comments from the District Forestry Officer. iii) Approval issued to the District Forestry Officer with stipulated fees and license conditions (Maintenance of daily logs arrival and processed timber removal, submission of monthly mill production report and list of fines for infractions of mill licence conditions). iv) The District Forestry Officer issues mill license upon payment of mill license annual fee and other charges. v) The DFO conducts monthly inspection to monitor mill operations including Log Arrival Book. vi) The mill submits Monthly Production Returns to the DFO and the Director of Forestry. <p><u>Renewal of mill license</u></p> <ol style="list-style-type: none"> i) The District Forestry Officer inspects the mill and submits recommendations to the Director of Forestry. ii) Issuance of mill license is done by the District Forestry Officer upon approval by the Director of Forestry and payment of annual mill license fee and other charges. <p><i>Frequency: This verification procedure applies to all applications for new mill licenses, annual renewals as well as upgrading of licensed mill.</i></p>		
Output	<ul style="list-style-type: none"> ▪ Valid Mill license ▪ Log Arrival Book (primary processing mills) ▪ Monthly Mill Production Returns 		
ISO Reference	-		

Table 19

Region	SABAH	Sources of timber	PF, SL, AL, & Imp
Principle 5	Mill operations		
Criterion	<p>Worker safety and health (Workers’ rights – minimum wages, working hours, living conditions scopes?).</p> <p><u>Employer</u></p> <ul style="list-style-type: none"> ▪ Pays insurance premium/contribution for all workers. ▪ Provides adequate training on safety measures/personnel protective equipment. ▪ Undertakes remedial measures as directed by relevant authorities (DOSH and FDS) following their inspection. ▪ Submits appropriate report to DOSH / Department of Labour in a timely manner as required. ▪ Reports to: <ul style="list-style-type: none"> ➢ SOCSO ➢ DOSH and ➢ Department of Labour on accidents related to employment immediately ▪ Maintains monthly records of contribution to SOCSO ▪ Maintains records of worker’s training on safety and health showing what training was conducted, who attended and any certificates were awarded. ▪ Ensure adequate precaution for worker’s safety in the event of fire or other accidents. 		
Legislative Reference	<ul style="list-style-type: none"> ▪ Occupational Safety and Health Act 1994 [Section 15] ▪ Labour Ordinance [Sabah Cap 67] ▪ Workmen’s Compensation Act 1952 (Act 273) ▪ Employee’s Social Security Act 1969 		
Responsibility	Department of Occupational Safety and Health (DOSH) Department of Labour (DoL) Social Security Organization (SOCSO)		
Verification Procedure	<p><u>DOSH</u></p> <ol style="list-style-type: none"> i) Undertakes inspection at intervals of 15 months and submits inspection report to mill operator ii) Depending on the severity of non-compliances, may issue the following: <ul style="list-style-type: none"> • Letter of Warning • Notice of Improvement • Notice of Prohibition iii) Conducts additional inspection to determine remedial actions taken by the employer and may revoke the notice issued if the remedial actions undertaken are found to be satisfactory. <p><i>Frequency: Inspection is carried out once in 15 months for all mills. Follow-up inspection is made after the issuance of the Letter of Warning/Notice. In addition, random inspection will also be carried out as and when necessary.</i></p> <p><u>SOCSO</u></p> <ol style="list-style-type: none"> i) Makes periodical inspections to all registered employers to ensure their compliance as required under the Employee’s security Act 1969 which include 		

	<p>insurance contributions for all employees have been paid. There is a report for each inspection together with follow-up action.</p> <p>ii) Conducts investigation on reported accidents if necessary based on the nature of the accident and the investigation takes place immediately.</p> <p>iii) Ensures social security coverage for all local workers who are employed under Contract of Service, for contingencies such as employment injury and invalidity. The Employment Injury Insurance Scheme provides coverage for all accidents and occupational diseases related to employment.</p> <p>iv) Receives reports from employers on all accidents and occupational diseases related to employment.</p> <p>v) Investigates the accident reports from employers as necessary and determines the necessary compensation within the Framework of ESSA 1969.</p> <p>vi) Provides coverage under the Invalidity Pension Scheme for employees suffering from invalidity due to any cause, illness or death (to beneficiary) not related to employment.</p> <p><i>Frequency: Inspection is made periodically. (Must be qualified – based on the legislation?).</i></p> <p><u>Department of Labour (DoL)</u></p> <p>i) Ensures employers insure every foreign workers employed in accordance with the provisions under Workmen’s Compensation Act 1952.</p> <p>ii) Holds inquiry on accidents and whether any workman has been injured and whether any compensation payable under Workmen’s Compensation Act 1952 is being paid.</p> <p><i>Frequency: Inspections are done based on regular basis or based on complaints received.</i> (Must be qualified– based on the legislation?) .</p>
Output	<ul style="list-style-type: none"> ▪ Records of work instructions, training, insurance and accidents ▪ Audit report from DOSH ▪ SOCSO investigation accident and inspection reports ▪ Inspection report by DoL
ISO Reference	-

Table 20

Region	SABAH	Sources of timber	PF, SL, AL & Imp
Principle 6	Trade and Custom		
Criterion	<p>Export Regulations</p> <ul style="list-style-type: none"> ▪ A company intending to export timber and timber products needs to be registered with the Registrar of Companies (ROC) and poses a trading licence. Note: ROC registration is not applicable to sole proprietors/enterprise/individual and only a trading licence is required. ▪ Company/sole proprietor (Enterprise) declares timber and timber products to be exported to the District Forestry Officer with a valid export permit or annual export licence with supporting documents such as Log summary, Sales Contract, Invoice, Packing List, Borang EIS 1/2000 (declaration on the source of processed timber to be exported), CITES Permit, where applicable, receipt of royalty payment and other fees where applicable (for logs , sawn timber, veneer, plywood and moulding (not applicable to planted timber from SL and AL and other products not mentioned herein). 		
Legislative Reference	<ul style="list-style-type: none"> ▪ Customs Act 1967, Customs (Prohibition of Export) Order2008 ▪ Forest Enactment 1968 [Section 42(b), 42(c)(i)] ▪ Forest Rules 1969, Rule 17(1) & 17(A) (1) 		
Responsibility	<ul style="list-style-type: none"> ▪ Sabah Forestry Department(FDS) ▪ Royal Malaysian Customs(RMC) 		
Verification Procedure	<p>1) <u>Issuance of export licence:</u></p> <ul style="list-style-type: none"> i) DFO ensures that the applicant for the export licence is registered with the ROC and/or with a valid trading licence and has timber supply from licensed timber manufacturer to be exported. ii) DoF Issues export licence. <p>2) <u>Approval of export/Issuance of FLEGT Licence:</u></p> <ul style="list-style-type: none"> a) DFO checks the following: <ul style="list-style-type: none"> i) Verifies the validity of permit or annual licence. ii) Logs to be exported is obtained from a licenced timber concession area or legal tree plantation source in the case of planted timber or a licensed wood manufacturing mill. iii) DS checks supporting documents, export declaration Form (CD2) and royalty payment receipt/Letter of Undertaking. iv) Forest Ranger/Foresters verifies each consignments and conduct 10% physical measurement and submits inspection report to the DFO. v) District Forestry Officer upon satisfaction of the field inspection report approves application and endorses Customs Document (CD2) and stamp CD2 Form with “approved shipment with details of product and royalty payment”. [Additional FLEGT Licence will be issued for shipment to the EU]. vi) DFO records export data in the Sistem Jualan Hasil Hutan (SJHP). b) RMC <p>The Royal Malaysian Customs clears consignment for export.</p> <p><i>Frequency: The above procedures apply to each consignment for export.</i></p>		

Output	<ul style="list-style-type: none">▪ Export Licence▪ Inspection reports▪ Endorsed/Export Approval Stamped on CD2 Form▪ Export data (output of SJHP)
ISO Reference	

Table 21

Region	SABAH	Sources of timber	Imp
Principle 6	Trade and Customs		
Criterion	<p>Import Regulations</p> <ul style="list-style-type: none"> ▪ A company intending to export timber and timber products needs to register with the Registrar of Companies (ROC) and poses a trading licence. Note: ROC registration is not applicable to sole proprietors/enterprise/individual and only a trading licence is required. ▪ Company intending to import timber products (logs/veneer/sawn timber) is subject to phytosanitary requirements and obtain an import permit from the Department of Agriculture (DoA). ▪ Company intending to import timber products is required to obtain Customs' clearance (using CD1 Form) by Royal Malaysian Customs. ▪ Company intending to import timber must be registered with FDS as an importer. ▪ Imported timber is subject to inspection by FDS and payment of inspection fees to FDS. 		
Legislative Reference	<ul style="list-style-type: none"> ▪ Customs Act 1967, Customs (Prohibition of Imports) Order 2008 ▪ Plant Quarantine Act 1976 ▪ Letter / circular on phytosanitary requirements from DoA. [TP.KPTK207207/KIE/379/B(98) dated May, 08 2012]. ▪ The Fees Enactment,1981[The Fees(Forestry Department)Service of Inspection and Certification Order, 1999] . ▪ Director of Forestry Circular: FD:05/2010. 		
Responsibility	<ul style="list-style-type: none"> ▪ Royal Malaysian Customs (RMC) ▪ Sabah Forestry Department (FDS) ▪ Department of Agriculture (DoA) 		
Verification Procedure	<ul style="list-style-type: none"> ▪ FDS (DFO) checks compliance of company's application for Importer's Certificate and issues Importer's Import Certificate. ▪ FDS (DFO) ensures that the applicant for the import licence is registered with ROC and/or with trading licence and have a valid sales contract. ▪ FDS (DFO) checks the CD1Form for every consignment of imported timber. ▪ FDS (DFO Officer) conducts physical inspection each consignment against import declaration and other supporting documents, collects Inspection fees and records volume of imported timber. ▪ DoA inspects consignment for compliance to phytosanitary requirements. <p><i>Frequency: The above procedures apply to every consignment of imported timber.</i></p>		
Output	<ul style="list-style-type: none"> ▪ Company Import Certificate-FDS ▪ Import clearance (CD1 Form)-RMC ▪ Phytosanitary certificates (DoA) ▪ Physical Inspection report by FDS. ▪ Records of Import data (FDS) ▪ Import licence/permit 		
ISO Reference			

Table 22

Region	SABAH	Sources of timber	Imp
Principle 6	Trade and Customs		
Criterion	Transportation of imported logs, sawn timber and veneer. <ul style="list-style-type: none"> ▪ Importer of logs/sawn timber/veneer applies to the nearest DFO to inspect the consignment of imported logs/sawn timber/veneer and pays inspection fees. 		
Legislative Reference	Director of Forestry Circular: FD: 05/2010.		
Responsibility	Sabah Forestry Department (FDS)		
Verification Procedure	i) FDS (DFO) inspects and verifies the consignment against log/ sawn timber/veneer import documents (CD1). ii) FDS (DFO) inspects and marks Inspection Hammer Mark on imported timber. iii) FDS (DFO) issues receipt of payment for inspection of imported timber. iv) FDS (DFO) records imported timber. v) FDS (DFO) marks the imported timber with Revenue Hammer Mark and issues Removal Pass after payment of inspection fee. <i>Frequency: The verification procedure applies to all consignments of imported logs, sawn timber and veneer.</i>		
Output	<ul style="list-style-type: none"> ▪ Importer's Copy of Removal Pass ▪ Copies of Removal Pass (at the Mill and DFO's Office) ▪ Receipt of payment of Inspection Fees on Imported Timber ▪ Monthly records of imported timber by FDS 		
ISO Reference	-		

Table 23

Region	Sabah	Sources of timber	PF, SL , AL & Imp
Principle 6	Trade and Customs		
Criterion	<p>Timber from Sarawak</p> <p>Company operating in Sabah ensures that no timbers brought in from Sarawak are included in export consignments to be shipped to the EU.</p> <ul style="list-style-type: none"> ▪ Company submits Customs Declaration form (CD3) to Sabah Forestry Department and requests for physical inspection upon arrival of timber ▪ Company maintains records of buyers, sales and distribution of timber from Sarawak and timber products manufactured using such timber ▪ Timber exporter to EU must declare that the products exported to EU do not contain or include any timber sourced from Sarawak. 		
Legislative Reference	<ul style="list-style-type: none"> ▪ Customs Act 1967. ▪ The Fees Enactment, 1981 [The Fees (Forestry Department) Service of Inspection and Certification Order, 1999]. ▪ Director of Forestry Circular, FD05/2010. ▪ Plant Quarantine Act 1976 ▪ Letter / circular on phytosanitary requirements from DoA [TP.KPTK207207/KIE/379/B(98) dated May, 08 2012). 		
Responsibility	<ul style="list-style-type: none"> ▪ Sabah Forestry Department (FDS) ▪ Royal Malaysian Customs (RMC) ▪ Department of Agriculture (DoA) 		
Verification Procedure	<p><u>Forestry Department Sabah</u></p> <p>Inspects consignment (See Table 21)</p> <ol style="list-style-type: none"> i) Collects Inspection Fees and makes an endorsement on CD3. (Retain as in P.M. FDS does not issue CD3). ii) Records “import” data and name of mill utilizing Sarawak timber. iii) Conducts random checks to ensure that companies buying timber from Sarawak maintain records of buyers, sales and distribution of timber sourced from Sarawak as well as timber products manufactured using such timbers. iv) Conducts random checks on companies to ensure that timber sourced from Sarawak as well as timber products manufactured using such timbers will not be issued with a FLEGT Licence. (Retain as in PM). <p><u>DoA</u></p> <ol style="list-style-type: none"> i) Inspects logs upon arrival for compliance with phytosanitary requirements (TP.KPTK207207/KIE/379/B(98) dated May, 08 2012). <p><u>RMC</u></p> <ol style="list-style-type: none"> i) Release of consignments for free circulation in Sabah upon endorsement of CD3 by Sabah Forestry Department. 		

	<i>Frequency: The above procedures applies to all timber brought in from Sarawak into Sabah.</i>
Output	<ul style="list-style-type: none"> ▪ List of companies bringing in timber from Sarawak. ▪ CD3 Forms endorsed by Sabah Forestry Department ▪ Records of buyers, sales and distribution of Sarawak timber ▪ Records of Sabah Forestry Department's approvals, inspections and random checks ▪ Declaration by timber exporter on Sarawak timber
ISO Reference	