

SABAH TLAS DOCUMENT

(REVISED AS AT 06 March 2013)

PART 3 – SABAH

Table 1

Region	SABAH	Sources of timber	PF , SL & AL (Short term license)
Principle 1	Right To Harvest		
Criterion	<p>Approval of harvesting area</p> <ol style="list-style-type: none"> i. Any registered company, company with trading license or qualified individual (Sabahan) who intends to harvest forest produce from permanent forest (PF) and State Land (SL) must obtain an approval from the Secretary of Natural Resources (SUHB) under the Chief Minister’s Department or the Director of Forestry (DoF) for Alienated Land (AL). ii. Forest Resource Management Division (FRM) of Sabah Forestry Department (FDS) ensures that areas gazetted for specific purposes, including Native Customary Right (NCR) land are excluded from the area to be approved for harvesting in PF and SL. iii. FRM Division of FDS ensures that there is approval to enter and occupy SL. 		
Legislative Reference	<ul style="list-style-type: none"> ▪ Forest Enactment, 1968 (Sections 15 & 24) ▪ Land Ordinance (Sabah Cap. 68) Section 18 		
Responsibility	<ul style="list-style-type: none"> ▪ Secretary of Natural Resources (SUHB) ▪ Sabah Forestry Department (FDS) ▪ Lands and Surveys Department (LSD) 		
Verification Procedure	<ol style="list-style-type: none"> 1. <u>Short term license (PF)</u> <ol style="list-style-type: none"> i. The SUHB verifies the application for harvesting right. Eligible application [registered company, company with trading license, or qualified individual (Sabahan)] will be forwarded to the FDS to ascertain availability of area. ii. FRM Division of FDS determines the availability of the area and submits comments and recommendations to SUHB. 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 designated water catchment are excluded from the area applied and issues approval to take forest produce. iv. Once approval is received from SUHB, FDS informs successful applicant, stating conditions of approval [including the need for Environmental Impact Assessment (EIA) or Proposal for Mitigation Measures (PMM), if necessary]. v. Successful applicant needs to notify FDS to confirm acceptance to the offer of harvesting right. 2. <u>Short term license (SL)</u> <ol style="list-style-type: none"> i. The SUHB verifies the application for harvesting right. Eligible application [registered company, company with trading license, or qualified individual (Sabahan)] will be forwarded together with map showing the area applied to the LSD to ascertain availability of the applied area. ii. LSD determines the availability of the area and submits comments and recommendations to SUHB. iii. SUHB decides on the application based on LSD recommendation such as 		

	<p>availability of area, and any designated 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>3. <u>Short term license (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 license, the District Forestry Officer (DFO) verifies the status of the land and its ownership and if found to be in order then will submits the application to the DoF for approval.</p> <p>ii. The DoF 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	Letters 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 Annual Work Plan (AWP).		
Legislative Reference	<ul style="list-style-type: none"> ▪ Forest Enactment, 1968 (Section 15 & 28A) ▪ Sustainable Forest Management License Agreement (SFMLA) or Long Term License Agreement (LTLA) conditions. 		
Responsibility	Sabah Forestry Department (FDS)		
Verification Procedure	<ol style="list-style-type: none"> i. Sustainable Forest Management Division (SFM) of FDS verifies that harvesting area listed in the AWP is within the licensed area with an approved Forest Management Plan (FMP). ii. DoF approves AWP and issues letter of approval. <p><i>Frequency: The verification procedure applies annually.</i></p>		
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 (FDS)		
Verification Procedure	i. Deputy Director (Forest Management Enterprise) of FDS 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 from DoF. 		
ISO References			

Table 4

Region	SABAH	Sources of timber	PF, SL & AL
Principle 1	Right To Harvest		
Criterion	<p>Issuance of harvesting license 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 license. The issuance of a harvesting license is subject to:</p> <ul style="list-style-type: none"> i) Approval of forest harvesting area (refer Tables 1, 2, 3). ii) Letter of approval for issuance of license from SUHB. iii) Approved EIA study / PMM where applicable (refer Table 5). iv) Demarcation of harvesting area (refer Table 7). v) Approved Inventory Report (refer Table 8). vi) Payment of license fees and other charges imposed (refer Table 15). vii) Issuance of Temporary Occupation License (TOL). viii) Letter of approval for issuance of harvesting license in AL from DoF (refer 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 (FDS)		
Verification Procedure	<ul style="list-style-type: none"> i. FRM Division of FDS 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 license/coupe permit		
ISO References			

Table 5

Region	SABAH	Sources of timber	PF, SL & AL (including ITP timbers)
Principle 1	Right To Harvest		
Criterion	<p>EIA requirement</p> <ul style="list-style-type: none"> i. The Licensee/Land owner has an approved EIA Report from the Director of Environment Protection Department (EPD) for forest related activities involving removal of timber involving an area of 500 ha and above. ii. The licensee/Land owner has an approved PMM from the Director of EPD for forest related activities involving removal of timber involving an area between 100 ha and 500 ha. iii. The licensee / land owner has an approved EIA from the Director of EPD for forest related activities involving removal of timber involving an area of 50 ha and above adjacent to any protected areas. 		
Legislative Reference	<ul style="list-style-type: none"> ▪ Environment Protection Enactment 2002 (Sections 12, 13, 14 & 20) ▪ Environment Protection (Environmental Impact Assessment) Order 2012 ▪ 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	<ul style="list-style-type: none"> i. FRM Division of FDS determines if the harvesting area to be licensed is subject to an EIA/PMM requirement. ii. EPD (Evaluation of EIA Report Division) evaluates EIA/PMM report submitted by a registered environmental consultant for consideration and upon approval requires Licensee/Land Owner to sign the Agreement of Environmental Condition (AEC)/Mitigation Declaration (MD). iii. FRM Division of FDS verifies that EIA/PMM report has been approved by EPD prior to the issuance of harvesting license. iv. EPD monitors the implementation of mitigation measures on the specified area under the AEC/MD. <p><i>Frequency: EPD monitors the submission of quarterly Environmental Compliance Report (ECR) by a registered environmental consultant and conduct inspection on any area upon receipt of complaint for serious non-compliance verified from the ECR.</i></p>		
Output	<ul style="list-style-type: none"> ▪ Approved EIA report or Approved (PMM) ▪ Signed Agreement of Environmental Conditions/ Mitigation Declaration ▪ Letter of Compliance to the Environmental Conditions/ Mitigation Declaration ▪ Letter of Compliance issued by EPD 		
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 <ol style="list-style-type: none"> i. The licensee (SFMLA/LTLA) must have an approved Annual Work Plan (AWP) consisting of harvesting components. ii. The licensee must have an approved Comprehensive Harvest Plan (CHP) consisting of harvesting components (except area zoned for ITP development) iii. CHP must comply with Reduced Impact Logging (RIL) Operation Guide Book. 		
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 ▪ Sustainable Forest Management License Agreement (SFMLA) or Long Term License Agreement (LTLA) conditions. 		
Responsibility	Sabah Forestry Department (FDS)		
Verification procedure	<ol style="list-style-type: none"> i. DFO verifies that the submitted plan for harvesting area based on a particular year is listed in the approved AWP. ii. DFO verifies that CHP is in compliance to the RIL Operation Guide Book. iii. DoF issues approval. <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			

Table 7

Region	SABAH	Sources of timber	PF, SL & AL
Principle 1	Right to harvest		
Criterion	<p>Area demarcation for outer boundary of harvesting license area</p> <ol style="list-style-type: none"> i. Licensee to appoint a licensed surveyor to demarcate the area (SL) upon receiving Registered Survey Paper (RSP) from LSD. ii. DoF issues a survey permit to the licensee (approved applicant) for area in PF. iii. Licensee to appoint a licensed surveyor to demarcate the area (PF) based on Second Class accuracy standard upon receiving survey permit from FDS. iv. 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"> ▪ Land Ordinance (Sabah Cap. 68) [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	<ol style="list-style-type: none"> i. Forest Ranger/Forester inspects and verifies the demarcation of the boundary, the marked/painted boundary trees and under-brushing work. ii. Forest Ranger/Forester marks selected trees along the boundary with FDS hammer mark and Geographic Positioning System (GPS) coordinates are recorded. iii. DFO submits report to the DoF. iv. Monitoring, Control, Enforcement and Evaluation (MCEE) Officer inspects boundaries on the ground and submits the report to DoF. v. FRM Division of FDS verifies the survey details' plan with ground inspection and submits report to DoF for approval. vi. DoF approves the survey plan (PF) for issuance of harvesting license based on FRM Division's recommendation. vii. LSD verifies the survey plan submitted by licensee (SL) and approved the survey plan if all survey details are in order. <p><i>Frequency: The verification procedure is applied before the issuance of each harvesting license.</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 <ol style="list-style-type: none"> i. 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. ii. The forest inventory is to be conducted by the licensee before a 10-year FMP or Plantation Development Plan (PDP) preparation and issuance of coupe permit/short-term license. 		
Legislative reference	<ul style="list-style-type: none"> ▪ Field Manual for Medium Forest Management Planning Inventory 1991 (SFMLA / LTL) ▪ Director’s Circular : FD26/2009 		
Responsibility	Sabah Forestry Department (FDS)		
Verification procedure	<ol style="list-style-type: none"> 1. PF (SFMLA/LTL): SFM Division of FDS 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 DoF. 2. PF/SL/AL (SHORT TERM LICENSE): <ol style="list-style-type: none"> 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 DoF. ii. FRM Division of FDS verifies the inventory report on the ground, if necessary and submits to DoF for approval. <p><i>Frequency: The verification procedure is applied for FMP or PDP preparation (every 10-year) and the issuance of the harvesting license (short term 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> <p>i. The licensee must adhere to the harvesting license condition/coupe permit.</p> <p>a) RIL</p> <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 <p>b) Non-RIL</p> <ul style="list-style-type: none"> - Registered logging contractor - Quarterly Progress Report & Closing Inspection Report <p>ii. The licensee must register Property hammer mark.</p> <p>iii. All extracted logs must have serial number.</p> <p>iv. The licensee must obtain an occupation permit for stumping area inside PF or TOL for area inside SL.</p> <p>v. The licensee transports marked logs to approved stumping area.</p> <p>vi. The licensee and/or appointed contractors must demonstrate the compliance to the agreement AEC and MD mitigation measures (refer Table 5).</p>		
Legislative reference	<ul style="list-style-type: none"> ▪ License conditions ▪ Coupe permit conditions ▪ Forest Enactment, 1968 ▪ Forest Rules, 1969 (Rules 20A) ▪ RIL Operation Guide Book – Code of Practice for Forest Harvesting in Sabah, Malaysia. Third Edition 2009 ▪ Environment Protection Enactment 2002 (Sections 12, 13, 14 & 20) 		
Responsibility	<ul style="list-style-type: none"> ▪ Sabah Forestry Department (FDS) ▪ Environment Protection Department (EPD) 		
Verification procedure	<p>1. RIL</p> <p>i. DFO verifies that all CHP conditions are met throughout harvesting operation.</p> <p>ii. DFO verifies that the key forest workers are properly trained with minimum competency standard as specified in Table 1.2 within the RIL Operation Guide Book prior and during the harvesting operation.</p> <p>iii. Forest Ranger/Forester verifies that Daily Felling Record is maintained and updated daily during harvesting operation.</p> <p>iv. DFO ensures that Quarterly Logging Progress Report is submitted to the DoF quarterly.</p> <p>v. DFO ensures that Closing Inspection Report is submitted to the DoF within six months after harvesting operation is completed.</p> <p>2. Non-RIL</p> <p>i. DFO verifies that all logging contractors are registered with FDS once before the harvesting operation commences.</p> <p>ii. DFO ensures that Quarterly Logging Progress Report is submitted to the DoF quarterly.</p> <p>iii. DFO ensures that Closing Inspection Report is submitted to the DoF after completion of harvesting operation.</p>		

	<p>iv. DFO ensures that Property Hammer Mark is registered with FDS once before harvesting operation commences.</p> <p>v. Forest Ranger/Forester ensures that all extracted logs are inscribed with serial numbers when applying for scaling order.</p> <p>vi. DFO ensures that area occupied for stumping within PF has valid occupation permit or TOL for area inside SL before harvesting operation commences.</p> <p>vii. EPD monitors the implementation of mitigation measures on the specified area under the Agreement, through the submission of quarterly ECR by a registered environmental consultant and conduct inspection on any area, upon receipt of complaint for serious non-compliance verified from the ECR.</p> <p><i>Frequency: The verification procedure applies for all of the above procedures.</i></p>
Output	<ul style="list-style-type: none"> ▪ Quarterly Logging 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 ▪ Letter of Compliance issued by EPD

Table 10

Region	SABAH	Sources of timber	AL (Form IIB)
Principle 2	Forest operation		
Criterion	<p>Control of timber production</p> <p>i. 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.</p> <p>ii. The land owner has a letter/agreement/contract/[Power of Attorney (PA)]with the contractor to remove logs and wood residues.</p> <p><i>Note: Form IIB is a license to take forest produce on prepayment of royalty.</i></p>		
Legislative Reference	<ul style="list-style-type: none"> ▪ Land Ordinance (Sabah Cap. 68) ▪ Forest Rules, 1969 (Rule 3) ▪ Forest Enactment, 1968 [Section 24(5)] 		
Responsibility	<ul style="list-style-type: none"> ▪ Sabah Forestry Department (FDS) ▪ Lands and Surveys Department (LSD) 		
Verification Procedure	<p>i. 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 DoF 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 DoF for approval.</p> <p>iv. DoF issues approval to DFO for issuance of Form IIB.</p> <p>v. DFO issues Timber Disposal Permit (TDP) and Form IIB.</p> <p>vi. Forest Ranger/Forester issues Removal Pass (RP).</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 ownership (land title and other documents) ▪ 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 ▪ Timber Disposal Permit ▪ Removal Pass 		
ISO Reference			

Table 11

Region	SABAH	Sources of timber	PF, SL & AL (ITP)
Principle 2	Forest Operations		
Criterion	<p>Control of timber production</p> <p>1. ITP (PF)</p> <ul style="list-style-type: none"> i. Licensee ensures that only planted trees are allowed to be extracted from an area as approved in the AWP with coupe permit issued. ii. All productions of plantation logs are recorded based on volume or weigh as in the Transit Pass. iii. The licensee must adhere to the harvesting license condition/coupe permit. iv. Logging contractor must be registered with FDS. v. The Licensee must submit the Quarterly Logging Progress Report to DFO. vi. The licensee must register Property Hammer Mark for sawmill/plymill processing. vii. All extracted logs must have serial number for sawmill processing. viii. The licensee must obtain an occupation permit for stumping area inside forest reserve. ix. The licensee must ensure that all logs transported for sawmill/plymill processing to an approved stumping are Property Hammer marked. x. The licensee and/or appointed contractors must demonstrate the compliance to EIA mitigation measures. (refer Table 5) <p>2. ITP (SL/AL)</p> <ul style="list-style-type: none"> i. Land owner and developer ensure that all harvested trees are inspected by the DFO prior to removal. ii. Plantation logs to be removed are covered by Removal Pass. iii. All productions of plantation logs are recorded based on the number of logs or volume as in the Removal Pass. iv. The land owner must demonstrate compliance to EIA/PMM (refer Table 5) 		
Legislative Reference	<ul style="list-style-type: none"> ▪ Annual Work Plan - PF/SL ▪ License 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) 		
Responsibility	<ul style="list-style-type: none"> ▪ Sabah Forestry Department ▪ Environment Protection Department 		
Verification Procedures	<p>1. ITP (PF)</p> <ul style="list-style-type: none"> i. DFO ensures that all plantations logs are extracted from an area as approved in the AWP with coupe permit issued upon commencement of harvesting operation. ii. Forest Ranger/Forester verifies monthly production records for all plantation logs based on volume or weight as stated in the Transit Pass. iii. DFO ensures that the licensee/logging contractors adhered to the harvesting license /coupe permit conditions throughout the harvesting operations. iv. DFO ensures that Quarterly Logging Progress Report is prepared and submitted to the DoF quarterly. v. DFO ensures that logging contractor has a valid annual registration certificate. vi. Forest Ranger/Forester verifies that all plantation logs incised with serial numbers, transported for sawmill processing are hammer marked with registered Property Hammer Mark. 		

	<p>vii. DFO verifies that areas occupied for stumping within forest reserve have a valid occupation permit.</p> <p>viii. EPD monitors the implementation of mitigation measures on the specified area under the Agreement. 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</p> <p>2. <u>ITP (SL/AL)</u></p> <p>i. DFO ensures that all plantations logs incised with serial numbers, transported for sawmill processing are hammer marked with registered Property hammer Mark.</p> <p>ii. Forest Ranger/Forester issues Removal Pass with the word “Royalty Exempted” stamped on it and records the approximate volume of timber removed.</p> <p>3. EPD monitors the implementation of mitigation measures on the specified area under the Agreement. EPD monitors the submission of quarterly Environmental Compliance Report (ECR) by a registered environmental consultant and conduct inspection every four months based on the consultant’s recommendation.</p> <p><i>Frequency: The verification procedure is applied for all of the above procedures.</i></p>
Output	<ul style="list-style-type: none"> ▪ Quarterly Logging Progress Report ▪ Occupation Permit ▪ Registered Hammer Mark Record ▪ Logging Contractor Registration Certificate ▪ Log list for sawmill processing ▪ Transit Pass ▪ Removal Pass ▪ Letter of Compliance issued by EPD
ISO Reference	

Table 12

Region	SABAH	Sources of timber	PF, SL & AL (excluding ITP)
Principle 2	Forest Operations		
Criterion	<p>Log transportation</p> <ol style="list-style-type: none"> 1. <u>For logs where royalty is assessed at the Pangkalan or Weigh Bridge at the Mill Gate:</u> <ol style="list-style-type: none"> i. 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. ii. 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. iii. Logs transported between mills must be accompanied with Removal Passes. 2. <u>For logs where royalty is assessed at the Stumping Point/licensed area:</u> <ol style="list-style-type: none"> i. All logs transported from the Stumping Point/licensed 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. ii. Logs transported between mills must be accompanied with Removal Passes 3. Logs transported from a designated area to another destination only allowed from 07:00 a.m. to 07:00 p.m., unless with the DoF's approval outside the stipulated time period. 4. 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 DoF. 		
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. 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 at the Pangkalan/Weigh Bridge at the mill gate. 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> <ol style="list-style-type: none"> i. Forest Ranger/Forester inspects logs upon arrival and “stamps” Removal Pass as “Used Removal Pass” upon verification of the consignment. ii. Forest Ranger/Forester ensures that logs arrival have been recorded in Log Arrival Book. 		

	<p><u>At the Port of Loading:</u></p> <ul style="list-style-type: none"> i. Forest Ranger/Forester inspects logs and verifies that the logs’ details records tally with the Removal Pass as stated in the Export Declaration/export supporting documents. ii. Forest Ranger/Forester stamps Removal Pass as “used Removal Pass” upon verification of each consignment. <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 ▪ Letter of approval to transport beyond 7:00 p.m. – 7:00 a.m. ▪ 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> <ol style="list-style-type: none"> 1. <u>For ITP Logs With Royalty (FR)</u> <ol style="list-style-type: none"> i. 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. ii. 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. iii. 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. 2. <u>For ITP Logs With No Royalty (SL/AL)</u> <ol style="list-style-type: none"> i. The land owner has a contract with the contractor to remove logs and wood residues. ii. Licensee ensures that an approval to transport plantation logs to an approved weigh bridge has been obtained from the DoF (SL) or the District Forestry Officer (AL) and all logs bear Property Hammer Mark and FDS Inspection Hammer Mark (marked randomly). iii. 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). iv. 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. 3. Licensee transport logs from a designated area to another destination only from 7.00am to 7.00pm, unless with the DoF's approval for transportation outside the stipulated time period. 4. 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 DoF. 		
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 (FDS)		
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> <ol style="list-style-type: none"> i. Forest Ranger/Forester inspects logs upon arrival and records logs arrival and weighed volume. ii. DFO issues Receipt of royalty payment. iii. DFO issues Removal Pass for logs transported to the final destination (unless 		

	<p>exempted: Example; weigh bridge is at the mill gate).</p> <p><u>At the Mill</u></p> <ul style="list-style-type: none"> 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. ii. Forest Ranger/Forester ensures that logs arrival have been recorded in Log Arrival Book. <p><u>At the Port of Loading:</u></p> <ul style="list-style-type: none"> 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. ii. Forest Ranger/Forester stamps Removal Pass as “used Removal Pass” upon verification of each consignment <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 ▪ 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> <ol style="list-style-type: none"> i. Pays insurance premium/contribution for all workers. ii. Provides adequate training on safety measures/personnel protective equipment. iii. Undertakes remedial measures as directed by relevant authorities (DOSH and FDS) following their inspection. iv. Submits appropriate report to DOSH / Department of Labour (DoL) in a timely manner as required. v. Reports to: <ul style="list-style-type: none"> ➤ SOCSO ➤ DOSH and ➤ Department of Labour on accidents related to employment immediately. vi. Maintains monthly records of contribution to SOCSO. vii. Maintains records of worker’s training on safety and health showing what training was conducted, who attended and any certificates were awarded. viii. Provide protective clothing and safety equipment requirement in accordance to the RIL Operation Guide Book. ix. Directional felling technique to be complied. x. 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> <ol style="list-style-type: none"> 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: <ul style="list-style-type: none"> ➤ Letter of Warning ➤ Notice of Improvement ➤ Notice of Prohibition 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. iii. Take necessary actions on accident reports received from employer. <p><i>Frequency: Inspection on safety and health aspects at logging operations is undertaken randomly and follow-up inspection is also carried out depending on circumstances.</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 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> <ol 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 at least once a year or based on complaints received.</i></p> <p><u>FDS:</u></p> <ol 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	<u>Royalty and fees</u> <ol style="list-style-type: none"> i. Licensee pays license fees upon issuance of a license and other charges prior to issuance of harvesting license. ii. 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. iii. 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	<ol style="list-style-type: none"> i. DFO verifies receipt of payment of license fee and other charges including registered logging machineries. 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]. iii. FDS collects payment and issues receipts, TDP and Removal Pass. <p><i>Frequency: The verification procedure applies to each harvesting license 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 ▪ License 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 <ol style="list-style-type: none"> i. SFMLA/LTL holder conducts Social Baseline Survey of the licensed area. ii. 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 License Agreement Conditions 		
Responsibility	Sabah Forestry Department(FDS)		
Verification Procedure	<p><u>Land-use:</u></p> <ol 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 community in SFMLA/LTL area.</i></p>		
Output	<ul style="list-style-type: none"> ▪ Community Area Zoned in FMP ▪ Social Baseline Survey (SBS) report ▪ Record of consultation with the community 		

Table 17

Region	SABAH	Sources of timber	SL & AL
Principle 4	Other users' rights		
Criterion	<p>Users' Right by Natives</p> <ol style="list-style-type: none"> 1. 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 License (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 license. 2. The DoF may exempts Natives from payment of royalty on any forest produce taken from SL and AL for: <ol 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 (including for traditional medicine purposes) 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) ▪ Land Ordinance (Sabah Cap. 68) - (SL) ▪ Interpretation (definition of native) Ordinance Cap. 64 		
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> <ol style="list-style-type: none"> i. Lands & Surveys Department (LSD) verifies claims for NCR ii. LSD excises the NCR based on the land enquiry and issues Temporary Occupation License (TOL) for logging. <p><u>Extraction of Forest Produce (SL & AL):</u></p> <ol style="list-style-type: none"> i. DFO verifies application for Form IIA. ii. DFO issues Form IIA License upon approval by the DoF. <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 License.</i></p>		
Output	<ul style="list-style-type: none"> ▪ Form IIA License ▪ Temporary Occupation License (SL) 		

Table 18

Region	SABAH	Sources of timber	PF, SL, AL & Imp
Principle 5	Mill operations		
Criterion	<p>Issuance of mill license and conditions for operation.</p> <ol style="list-style-type: none"> i. All wood processing mills are required to be licensed with the Sabah Forestry Department. ii. 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. iii. 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). iv. Annual renewal of mill license is to be submitted to the DoF. 		
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 DoF. ii. The DoF 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 license 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 DoF. <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 DoF. ii. Issuance of mill license is done by the District Forestry Officer upon approval by the DoF 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</p> <p><u>Employer</u></p> <ol style="list-style-type: none"> i. Pays insurance premium/contribution for all workers. ii. Provides adequate training on safety measures/personnel protective equipment. iii. Undertakes remedial measures as directed by relevant authorities (DOSHS and FDS) following their inspection. iv. Submits appropriate report to DOSHS / Department of Labour in a timely manner as required. v. Reports to: <ul style="list-style-type: none"> ➤ SOCSO ➤ DOSHS and ➤ Department of Labour on accidents related to employment immediately vi. Maintains monthly records of contribution to SOCSO vii. Maintains records of worker’s training on safety and health showing what training was conducted, who attended and any certificates were awarded. viii. 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	<ul style="list-style-type: none"> ▪ Department of Occupational Safety and Health (DOSHS) ▪ Department of Labour (DoL) ▪ Social Security Organization (SOCSO) 		
Verification Procedure	<p><u>DOSHS</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>		

	<p>i. Makes periodical inspections to all registered employers to ensure their compliance as required under the Employee's security Act 1969 which include 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 worker 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 at least once a year or based on complaints received.</i></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> <ol style="list-style-type: none"> i. A company intending to export timber and timber products needs to be registered with the Registrar of Companies (ROC) and poses a trading license. Note: ROC registration is not applicable to sole proprietors/enterprise/individual and only a trading license is required. ii. 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 license 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 Order (Prohibition of Export) 2008 ▪ 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	<ol style="list-style-type: none"> 1. <u>Issuance of export license:</u> <ol style="list-style-type: none"> i. DFO ensures that the applicant for the export license is registered with the ROC and/or with a valid trading license and has timber supply from licensed timber manufacturer to be exported. ii. DoF Issues export license. 2. <u>Approval of export/Issuance of FLEGT License:</u> <ol style="list-style-type: none"> a) DFO checks the following: <ol style="list-style-type: none"> i. Verifies the validity of permit or annual license. ii. Logs to be exported are obtained from a licensed 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/Forester verifies each consignment and conduct 10% random 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 License will be issued for shipment to the EU]. vi. DFO records export data in the Sistem Jualan Hasil Hutan (SJHP). b) Royal Malaysian Customs (RMC) The RMC clears consignment for export. <p><i>Frequency: The above procedures apply to each consignment for export.</i></p>		

Output	<ul style="list-style-type: none">▪ Export License▪ Inspection reports▪ Endorsed/Export Approval Stamped on CD2 Form▪ Export data (output of SJHP)▪ Company ROC certificate and trading license
ISO Reference	

Table 21

Region	SABAH	Sources of timber	Imp
Principle 6	Trade and Customs		
Criterion	Import Regulations <ol style="list-style-type: none"> i. A company intending to import timber and timber products needs to register with the Registrar of Companies (ROC), FDS and poses a trading license. Note: ROC registration is not applicable to sole proprietors/enterprise/individual and only a trading license is required. ii. Company intending to import timber products (logs/veneer/sawn timber) is subject to phytosanitary requirements and obtains an import permit from the Department of Agriculture (DoA). iii. Company intending to import timber products is required to obtain Customs' clearance (using CD1 Form) by Royal Malaysian Customs (RMC). iv. 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 Order (Prohibition of Imports) 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] . ▪ DoF 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	<ol style="list-style-type: none"> i. FDS (DFO) checks compliance of company's application for Importer's Certificate and issues Importer's Import Certificate. ii. FDS (DFO) ensures that the applicant for the import license is registered with ROC and/or with trading license and have a valid sales contract. iii. FDS (DFO) checks the CD1Form for every consignment of imported timber. iv. FDS (DFO) conducts random 10 % physical inspection each consignment against import declaration and other supporting documents, collects Inspection fees and records volume of imported timber. v. 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 license/permit ▪ Company ROC certificate and trading license 		
ISO Reference			

Table 22

Region	SABAH	Sources of timber	Imp
Principle 6	Trade and Customs		
Criterion	<p>Transportation of imported logs, sawn timber and veneer.</p> <p>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.</p>		
Legislative Reference	DoF Circular: FD: 05/2010.		
Responsibility	Sabah Forestry Department (FDS)		
Verification Procedure	<ol style="list-style-type: none"> 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. <p><i>Frequency: The verification procedure applies to all consignments of imported logs, sawn timber and veneer.</i></p>		
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> <ol style="list-style-type: none"> i. Company operating in Sabah ensures that no timbers brought in from Sarawak are included in export consignments to be shipped to the EU. ii. Company submits Customs Declaration form (CD3) to FDS and requests for physical inspection upon arrival of timber. iii. Company maintains records of buyers, sales and distribution of timber from Sarawak and timber products manufactured using such timber. iv. 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]. ▪ DoF 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>FDS</u></p> <p>Inspects consignment (refer Table 21)</p> <ol style="list-style-type: none"> i. Collects Inspection Fees and makes an endorsement on Custom Declaration Form (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 License. <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	