



Advancing a Sustainable Global Timber Trade through the EU FLEGT Action Plan

**Malaysia – 3rd FLEGT VPA
Stakeholder Consultation in Sabah on
Sabah TLAS.**

27th February 2013



3rd Sabah FLEGT Stakeholder Consultation Meeting Report

February 27th, 2013

By

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Abbreviation

CoC	Chain of Custody
EFI	European Forest Institute
EU	European Union
EUTR	European Union Timber Regulation
FAO	Food and Agriculture Organization
FLEGT	Forest Law Enforcement Governance and Trade
IPS	Forestry Training Institute
JEM	Joint Evaluation Meeting
KDCA	Kadazandusun Cultural Association Sabah
LSD	Lands and Surveys Department
NIOSH	National Institute of Occupation Safety & Health
PMM	Proposal for Mitigation Measures
PROTEM	Pro Tempore
SFD	Sabah Forestry Department
SFMLA	Sustainable Forest Management License Agreement
STIA	Sabah Timber Industry Association
TOR	Terms of Reference
TLAS	Timber Legality Assurance System
VPA	Voluntary Partnership Agreement
WWF-MY	World Wide Fund for Nature Malaysia

1.0 Introduction

This is the report of 3rd Sabah FLEGT Stakeholder Consultation Meeting, hosted by Sabah Forestry Department and WWF-Malaysia on the 27th February 2013. There were a total of 73 participants who attended the stakeholder consultation meeting that was held at Ming Garden Hotel and Residences, Kota Kinabalu, Sabah. The participants comprised largely of representatives from the state government agencies including Land and Survey Department, Environment Protection Department, DID, the private sector, mainly from the Sabah upstream and downstream Timber Industry, Environmental and Social NGO as well as Indigenous People Group.

The meeting that was organised by SFD in collaboration with WWF-Malaysia aimed to:

1. Update the participant on the FLEGT-VPA status and the development of Sabah TLAS
2. Discuss the Sabah TLAS document that has been reviewed and commented by Joint Expert Meeting (JEM) members on the 22nd-25th January 2013.
3. Revisit the amendments and corrections made during the previous consultation meeting that was held on the 14th-15th January 2013 at Le Meridien Hotel, Kota Kinabalu, Sabah as well as the JEM meeting
4. To update and improve the Sabah TLAS from both meetings

It was noted that the participation from the timber industry have been very consistent ever since the Sabah FLEGT Project started in October 2012. The constant and big turn up by the timber industry members in the past sessions possibly suggests a concern about how the FLEGT VPA development will affect their business operations and wanting to move forward the implementation process for FLEGT and implement TLAS in Sabah. In addition, participation of the local NGOs have also increased as compared to the two (2) previous consultation meeting. The attendance list is as per Annex 1.

Prior to the consultation meeting, the 2nd draft of Sabah TLAS was circulated to the participants. The 3rd Sabah FLEGT Consultation Meeting was

conducted using similar approach as per the previous meeting, with SFD facilitating the meeting. SFD started off the consultation meeting by highlighting to the participants of the major and minor changes made after consultation with the EU expert during the 4th JEM. The consultation meeting was considered successful for the quality of discussion and also good suggestions that were obtained as the Sabah TLAS is peaking towards being finalised. As the majority of the gaps and key concerns in the procedural matters to verify legality to have been raised, documented and addressed in the TLAS tables.

2.0 Workshop Agenda



PROGRAMME
SABAH's FLEGT TLAS 2ND CONSULTATION MEETING
27TH FEBRUARY 2013, MING GARDEN HOTEL & RESIDENCES, KOTA
KINABALU, SABAH

SUPPORTED BY:



Time	Programme
8.30 am - 9.00 am	Arrival of participants/ Registration
9.00 am – 9.10 am	Opening Remarks by the Deputy Director of Forestry Department, SFD
9.10 am -10.00 am	Presentation on the revised Sabah's FLEGT TLAS Document by SFD (Mr. Andurus Abi & Mr. Roslan Junaidi)
10.00-10.30 am	Coffee Break
10.00 am – 12.00 pm	Discussion continues
12.00 – 1.00 pm	Lunch
1.00-3.00 pm	Discussion continues
3.00- 3.30 pm	Coffee Break
3.30 pm – 4.30 pm	Discussion continues
4.30 pm – 5.00 pm	Conclusion and Closing Remarks
END OF PROGRAMME	

3.0 Session Summaries

The welcoming remarks was delivered by Mr. Frederick Kugan, the Deputy Director of Sabah Forestry Department (SFD). Mr. Frederick provided an overview of both the objective and progress made with regards to the Sabah TLAS. The TLAS document was discussed between SFD, EU representative, and officials from the Federal Government of Malaysia during the Joint Expert Meeting (JEM) held on the 22nd - 24th January 2013 in Sandakan. The JEM has thus far served to create the space for governments of the two (2) countries to discuss and update each other on the progress of Sabah TLAS as well as Peninsular TLAS.

He informed the stakeholders that SFD will pursue the compliance audit in April 2013 to implement and test the system that has been developed although not finalised as yet. The audit will cover the state of Sabah in various categories of land such as Permanent Forest Estate, Alienated Land, State Land, tree plantation and also rubberwood from smallholdings. Other than that, the compliance audit will also check against the various types of mill from sawmill to downstream processing categories. Therefore, all players which include timber operator and also the industries will be consulted prior to the audit process. The series of stakeholder consultation are anticipated in early March to April this year.

Mr. Frederick further elaborated that the Sabah State Cabinet have agreed with Sabah being involved in the FLEGT-VPA process and was briefed that it is ongoing and currently still undergoing formal negotiation. In addition, Sabah has managed to regain back its timber licensing authority/powers from the Federal Government and is in the process to formalise this arrangement between the Sabah Forestry Department and Malaysian Timber Industry Board. In addition, the documentation of MYTLAS for Sabah is at a very advanced stage and it is hoped that the MYTLAS license for Sabah will be issued in the interim, while waiting for the FLEGT VPA to be concluded. Although the TLAS document is still being revised in consultation with a wide range of stakeholders, the MYTLAS license will serve as an interim measure

for the actual VPA in support of the due diligence and EUTR which will be enforced on March 2013.

Mr. Frederick reiterated that the Sabah State Government remains committed to moving forward with the system and highlighted that the existing document will be reviewed regularly and updated based on feedbacks from the stakeholders. He also informed that the handing over of power with regards to licensing (import and export) has been agreed between the government agencies in May 2013.

4.0 Presentation on Sabah TLAS

The first presentation was given by Mr. Roslan Junaidi of the Sabah Forestry Department (SFD) and provided the latest updates on the current status of the Sabah TLAS document. Since the last revision during the 2nd workshop, the TLAS was once again presented during the EU Malaysia JEM. The head of the EU delegation Dr. Alexander Hinrichs and Dato' Dr. Freezailah Che Yom, as head of Malaysia's delegation co-chaired the meeting. Datuk Sam Mannan the Director of Sabah Forestry Department was present throughout the discussion.

Mr. Roslan Junaidi began the session with a presentation on the summaries of changes made from the previous stakeholder consultation meeting at Le Meridien and also 4thJEM. The revised document was circulated on the 20th February 2013 for the stakeholders to review and give feedback during the consultation meeting. In addition, copies of the TLAS document were also made available for public access at the Sabah FLEGT website <http://forest.sabah.gov.my/index.php/en/epublication/flegt-documents>.

Following the revisions made after the stakeholder consultation and JEM, the amendments were categorized into major and minor changes to distinguish between tables that have been modified to a greater extent and minor for which little comment were received. There are 23 criterions formed into 6 principles as follows:

Principle	Details	Criterion
1	Right to Harvest	8
2	Forest Operation	6
3	Statutory Charges	1
4	Other Users' Rights	2
5	Mill Operations	2
6	Trade and Customs	4
	Total	23

Mr. Roslan Junaidi further informed the participants that based on the recent 4th JEM, the EU experts raised quite a number of aspects that is pertinent to the TLAS tables. The comments are, among others, with regards to institutional arrangement on the checking and verification procedures, additional information on the criterion, shifting of proposed criterion to verification procedures and also improve the consistency of the outputs in the tables.

Questions & Answer

Table 1

There were questions from the floor related to inclusion of rubberwood in the TLAS and who determines the eligibility of applicants. The representative from SFD responded that rubberwood is included as part of the TLAS and the Natural Resources Office (NRO) who determines the eligibility of applicants based on the principle of harvesting right. The stakeholders were further informed that it is the prerogative of NRO to do so. Another important question was from the auditor perspective on the possible issues for the industry to recognize if it is a requirement for the Comprehensive Harvesting Plan (CHP) to be complied with as the final CHP approval is sometimes done retrospectively. There will be quite a lot of timber which would fall outside the trade supply chain because of such a criterion. The representative from SFD responded that there is existing audit on CHP compliance and therefore, this will be the means to verify that.

Table 2

There was a comment from the audience on the need to have a comprehensive glossary for the TLAS document to assist the potential auditors and also all stakeholders. The representative from SFD responded that the department will provide the glossary for ease of reference.

Table 7

There were comments from the audience on the need to have a clear indication of the rubberwood. Question from the floor as to what form of evidence in terms of proving the ownership of a particular land. The representative from SFD responded that land title would be the proof of ownership. In Peninsular Malaysia, smallholders may not have land title but they have the right to use the land. Therefore, the word 'evidence' is used to reflect that.

The second presentation was given by Mr. Andurus Abi of SFD. The presentation was basically a continuation as the TLAS 23 tables.

There was a question from the audience with regards to whether the number of logs can be used as a means of measurement instead of volume for those that will not go to the weighbridge. The representative from SFD responded that should there be no weighbridge available on-site; the count of number of logs will be undertaken. On a different note, a member of the industry shares his concern about whether the speedy issuance of the required permit is possible. The concern was specific to rubberwood as it needs to be transported immediately to the mill for processing after harvesting. This has something to do with the quality of the timber should the transportation be delayed. The representative from the SFD responded that the department welcomes the proposal from the party concern and assured that this procedural requirement could be simplified.

There was a question on whether SAFODA¹ is the only agency that is operating on state land². The representative from Lands and Surveys Department (LSD) responded yes to that question. The representative from SFD further commented that no royalty on timber harvested from state land is collected. In addition, there was also question on the frequency of monitoring of the quarterly report and compliance report by the EPD. The representative responded that, the department will look into this matter to ascertain the frequency.

Table 9

There were queries on the distinction between RIL and non-RIL practices and whether the criterion applies to wood residue. The representative from SFD responded that the criterion applies to wood residue and shall have a serial number on it. There was also comment from the industry of their disagreement on the idea of all logging contractors should be certified and further added the training should be for those who are directly involved in harvesting activities. In addition, the industry is experiencing high turnover which could be a burden to them to send their new workers for training. The representative from SFD responded that the department through its forest institute provides training in the harvesting technique. Further question from the floor related to the previous discussion was on whether it is specified who need and who doesn't require the certification. The representative from SFD responded that it is stated in the RIL guideline.

There was a view from the audience that most workers are trained on the job while working at the field. The implication would be a lot of timber not complied with the TLAS which obviously will not carry a certificate. The

¹ SAFODA is the government agency who encourage, promote, stimulate, improve, coordinate and control the production of forest products and production activities, including the use of forest products more effectively and efficiently; improve the methods to exploit the issue of forest, planting, care and harvesting of forest plantations; grading wood and quality control operations and marketing methods

² State land is land areas which are owned by the government and not develop for any specific purposes, managed by Lands and Surveys Department and Natural Resource Office.

representative from SFD responded that all workers must be trained and the safety measures must be taken and thus it is important that this criterion be complied. Thereafter, a representative of a forest auditing team stressed that the onus is on the operator to get their workers internally registered and suggested at least 80% are trained. The harvesting without RIL license should be removed from the supply chain. The implication would be if timbers which were identified as being harvested by somebody without the RIL license it would be deemed illegal. The question as to whether it will be kept out from the trade supply chain or treated exactly as timber from illegal sources, the representative from SFD reiterated that RIL is a requirement and therefore it must be met. SFD has been going around to operators to send for training. In addition, the verification should be prior to commencement and during the harvesting operation.

The representative from EPD recommended that the particular sections that make reference to the Environment Protection Enactment 2002 that are no longer relevant should be removed. He further clarified that EPD does not issue certificate of compliance and that it should be reflected as so in the Table. On the proposal to include the traditional genetic resources, it was suggested that it should be removed as it was deemed inappropriate. There must be an additional legislative reference such as Sabah Biodiversity Enactment 2000. On top of that the table focuses on timber resources. The traditional knowledge should be covered at different fora/forum. This warrants further research on the aforementioned enactment prior to include that as part of the criterion.

Another interesting note was that the Environmental Protection Department (EPD) proposed that the new environmental order be included as part of the criterion and legislative reference. There will be additional prescribed activities which was not in the existing one while the Environmental Protection (Environmental Impact Assessment) Order 2012 is due to be gazetted soon. The new prescribed activities which require an EIA to be submitted and approved by the EPD prior to any commencement of any forestry operation are with regards to licensee or landowner must have an

approved EIA or Proposal for Mitigation Measures (PMM) from the Director of EPD for forest related activities involving the removal of timber in an area of 100 or 50 ha or more bordering any protected areas respectively.

Table 16

There was a request to add a community consultation under the criterion as it is an important element as face to face consultation was not there. The representative from SFD responded that records of such consultation could be added under that criterion. There was a question from stakeholders on who approves the social baseline assessment or impact assessment. The representative from SFD responded that the department can conduct and approve the assessment. In addition, the department will provide more clarity on the procedure. A representative from the industry further commented that they work closely with Social NGO such as PACOS to undertake the social baseline survey. The Sabah Forestry Department is responsible to undertake the baseline survey and the impact assessment is only being done upon request by EPD based on the likely impact of the forest operation. However, the impact assessment is commonly done by external consultants. The representative from SFD responded that the principle already covers the above. On top of that, the usage of an area for livelihood or economics by the community, as far as impact is concerned, the social baseline survey is sufficient unless the EPD requested for Social Impact Assessment.

Table 17

There was a suggestion from the audience to add traditional genetic resources, traditional medicine and material for domestic purposes be included as this is important due to the fact that it is being practiced. The representative from SFD responded that this will be considered. There was a question whether the word native or community is the correct term to be used. One of the stakeholder commented that this is important as Sabah's law recognizes specific native rights. Therefore, the correct term to use is native. Further comment from the floor suggested that the *Interpretation (definition of native) Ordinance Cap. 64* should be included as the legislative reference for

that table. The representative from SFD responded that the department will look up in the enactment to cross reference of the term used in the enactment.

The summaries of the discussion can be found in **Annex 2** and the Sabah TLAS document in **Annex 4**.

5.0 Concluding Remarks

As concluding remarks, Mr. Frederick Kugan stated the document will be further revised to reflect the changes made during this consultation meeting prior to tabling it on the 5th JEM on 12th-15th March 2013. The compliance audit is expected to be conducted in April this year and the discussion on the Principle 5-6 shall be continued. Mr. Frederick Kugan thanked everyone for their attendance, cooperation and active participation in the workshop. Having no other matters to be discussed, the meeting ended at 4.45 p.m.

Annex 1: Participant List



**SABAH'S FLEGT CONSULTATION MEETING
27th FEBRUARY 2013, MING GARDEN HOTEL & RESIDENCE
KOTA KINABALU, SABAH.**

NO.	NAMES	POSITION	ORGANIZATION	SIGNATURE
1.	Frederick Kugan	Deputy Director (Forest Sector Planning)	Sabah Forestry Department	
2.	Albert M. Radin	Deputy Director (Forest Management Enterprise)	Sabah Forestry Department	
3.	Jefus S. Sinajin	Head of Division (Sustainable Forest Management)(SFM)	Sabah Forestry Department	
4.	Mashor HJ. Mohd. Jams	Head of Division (Forest Resource Management)(FRM)	Sabah Forestry Department	
5.	Andurus Abi	Head of Division (Economy, Industry & Statistic)(EIS)	Sabah Forestry Department	
6.	Welfred Jilimin	Head of Division (Enforcement & Investigation)	Sabah Forestry Department	
7.	Peter Maurice Liladun	Forest Officer (Enforcement & Investigation Division)	Sabah Forestry Department	
8.	Lister Daungkil	Head of Division (Law)	Sabah Forestry Department	

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NO.	NAMES	POSITION	ORGANIZATION	SIGNATURE
9.	Roslan Junaidi	Head of FLEGT Unit, SFM	Sabah Forestry Department	
10.	Tn. HJ. Fadzi b. Yahya	District Forestry Officer, SANDAKAN	Sabah Forestry Department	
11.	Mohamad b. HJ. Abu Bakar NEC GUS NAYIR	District Forestry Officer, SIPITANG	Sabah Forestry Department	
12.	Desmond Foo Kim See	Assistant District Forestry Officer, KALABAKAN	Sabah Forestry Department	
13.	Adrian Rawlenes	Assistant District Forestry Officer, KALABAKAN	Sabah Forestry Department	
14.	Paul Leo Lohuji	Head of Mapping & Harvesting Section, FRM	Sabah Forestry Department	
15.	Raubin Gampelok	Senior Officer, Forest Resource Management (FRM)	Sabah Forestry Department	
16.	Alexander Phen	Mapping & Harvesting Officer, Forest Resource Management (FRM)	Sabah Forestry Department	
17.	Tn. HJ. Mohd. Salleh HJ. Abbas	Senior Officer, Forest Sector Planning Office	Sabah Forestry Department	
18.	Osman Bangkok	Planning Officer, Forest Sector Planning Office	Sabah Forestry Department	
19.	Narbert Nasly	FLEGT Officer, FLEGT Unit	Sabah Forestry Department	
20.	Ag. Ismail Ag. Tush	FLEGT Officer, FLEGT Unit	Sabah Forestry Department	

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NO.	NAMES	POSITION	ORGANIZATION	SIGNATURE
21.	Suben Suparlan	FLEGT Officer, FLEGT Unit	Sabah Forestry Department	
22.	Hamidah Bujing	FLEGT Officer, FLEGT Unit	Sabah Forestry Department	
23.	Amelia Cynthia Bosi	Planning Officer, Forest Sector Planning Office	Sabah Forestry Department	
24.	Mata Dew	PPD F. Mandiri	SFD	

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SPMLA USE

SABAH'S FLEGT-TLAS 2ND CONSULTATION MEETING
27TH JANUARY 2013
MING GARDEN HOTEL & RESIDENCES KOTA KINABALU SABAH

NO.	NAME	POSITION	ORGANIZATION	EMAIL ADDRESS	SIGNATURE
1.	Mr. Philip Ho	Operation Manager	Bornion Timber Sdn Bhd	btasabuh@streamyx.com	
2.	Ms. Tan Mei Yun	Forester	Bornion Timber Sdn Bhd	mytan12@gmail.com btasabuh@streamyx.com	
3.	Mr. Abdul Malek Abd. Rajin	Act. Regional Manager	Rakyat Berjaya Sdn Bhd	Malek @ Malek@rakyatberjaya.com	
4.	Mr. Khanneth Gann	Forest Officer	Rakyat Berjaya Sdn Bhd	kgaron@yahoo.com	
5.	Mr. K.L. Ho	Head (Raw Material)	Sabah Forest Industries S/B	huki@sflsb.com.my	
6.	Mr. Wong Yao Chun	Manager	Lebihasil Sdn Bhd	yc.wong@live.com	

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NO.	NAME	POSITION	ORGANIZATION	EMAIL ADDRESS	SIGNATURE
7.	Mr. David Chiang Lee Kie	Senior Manager	KTS Plantation Sdn Bhd	ktplantation@gmail.com	
8.	Mr. Melvin Ku Kin	Forestry Executive	Anika Desirua Sdn Bhd	melvinku@gmail.com	
9.	Mr. Shein Fook Voh	Manager	Eco Plantation Sdn Bhd		
10.	Mr. Badger Majingin	Regional Manager Sandakan	Rakyat Berjaya Sdn Bhd (Yayasan Sabah Group)	rialemyayen@pbm.com	
11.	Mr. Salim Hj. Mat Rahim	Regional Manager Keningau	Innaprise Corporation Sdn Bhd	wg_mtr@yahoo.com	
12.	Mr. William Joseph Jomius	FMU Manager	Timberwell Sdn Bhd	enjuicy@timwell.com.my	

13 THAISUDIN JEMAN Regional Manager Rakyat Berjaya Sdn Bhd. (Yayasan Sabah Group) So Tawau



SABAH'S FLEGT TLAS 2ND CONSULTATION MEETING
27TH FEBRUARY 2013
MING GARDEN HOTEL & RESIDENCES KOTA KINABALU SABAH

NO.	NAME	POSITION	ORGANIZATION	EMAIL ADDRESS	SIGNATURE
1.	Mdm Loke Sim Wah	Coordinator	PROTEM Secretariat Malaysia – EU FLEGT VPA	loke@mtib.gov.my	
2.	Hj Nazir Khan bin Nizam Khan	Executive	PROTEM Secretariat Malaysia – EU FLEGT VPA	Nazirkhan.nizamkhan@gmail.com	
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4.	Mr. Stephen Chaw	Secretary General	Sabah Timber Industries Association (STIA)	stiakk@stia.com.my/stia@stia.com.my	
5.	Ms. Brenda Woeng	Administrative Secretary	Sabah Timber Industries Association (STIA)	stiakk@stia.com.my/stia@stia.com.my	
6.	Ms. Eaxie Madius	Asst. Administrative Secretary	Sabah Timber Industries Association (STIA)	stiakk@stia.com.my/stia@stia.com.my	

NO.	NAME	POSITION	ORGANIZATION	EMAIL ADDRESS	SIGNATURE
7.	Mr. Fong Ming San	Committee Member	Sabah Timber Industries Association (STIA)	stia@stia.com.my/stia@stia.com.my	
8.	Mdm Linda Hui Kim Ling	Member	Sabah Timber Industries Association (STIA)	stia@stia.com.my/stia@stia.com.my	
9.	Mr. Tan Peng Juan	Planning & Development Executive	Superwood Industries Sdn Bhd	ppj@superwood.com	
10.	Mr. Irwan Syah Mohd Razak	Director	Borneo Binar Sdn Bhd		
11.	Mr. Lau Swee Cheong	Manager	Borneo Build & Supply Sdn Bhd		
12.	Mr. Alfred Yong	Director	Bidasari Sdn Bhd	export@komill.com.my	
13.	Mr. Lau Ngee Huat	Director	Mao Seng Timber S/B	mausengkk@gmail.com	
14.	Mr. Ng Chung Hoo	President	Sabah Furniture Association	wt@nsf.org.my	
15.	Mr. Fung Chee Keong	General Manager	Anzeka Sdn Bhd	anzeka@tm.net.my	

Stakeholders List

NO.	NAME	POSITION	ORGANIZATION	EMAIL ADDRESS	SIGNATURE
16.	Mr. Amran Ardy bin Anuar	Administrative Executive	Vanace Sdn Bhd	vanace@tm.net.my	
17.	Mr. Bernard Tai	Head of Conservation, Sabah	WWF-Malaysia	btai@wwf.org.my	
18.	Mdm. Ivy Wong	Senior Manager, Forest Conservation Programme	WWF-Malaysia	iwong@wwf.org.my	
19.	Ms. Sheelaheena Damian	Policy Analyst	WWF-Malaysia	sdamian@wwf.org.my	
20.	Mr. Nicholas Fong	FLEGT Coordinator	WWF-Malaysia	nfong@wwf.org.my	
21.	Dr. Rahimatush Amat	-	Sabah Environmental Trust (SET)	rshimatush@gmail.com	
22.	Mdm. Beverly Tjosman	Manager	Environmental Action Centre (EAC) Sabah	beverly@eacsabah.org	
23.	Ms. Lanash Thanda				

NO.	NAME	POSITION	ORGANIZATION	EMAIL ADDRESS	SIGNATURE
24.	Mr. Wong Tack	President	Sabah Environmental Protection Association (SEPA)		
25.	Mr. Dick Anning	Environmental Manager	Carl Ronnow Sdn Bhd	tja@carlronnow.com.my	
26.	Mr. Jamlin Kayatah	Custom Superintants	Royal Malaysia Custom Sandukam	jamlink@yahoo.com	
27.	Mr. Mohd.Hussin Bin Abd Salam	Manager	NIOSH Sabah Regional Office (Kota Kinabalu)	mohd.hussin@niosh.com.my	
28.	Ms. Nancy Chia Tau Kin	Committee Member	Sabah Timber Industries Association (STIA)	stiakk@stia.com.my/stia@stia.com.my	
29.	Mr. Raymond Alfred	Head of Conservation & Research Division	Borneo Conservation Trust	raymond_alfred@yahoo.com	
30.	Mr. Moon Soo Il	Managing Director	Right Way Furniture S/B	simoonkk@gmail.com	

NO.	NAME	POSITION	ORGANIZATION	EMAIL ADDRESS	SIGNATURE
31.	Mr. Ag.Ahmad Mohd Yusuf	Senior Lecturer	University Malaysia Sabah	agahmad@ums.edu.my	
32.	Mr. Abdul Razak bin Mohd Said		Great Sight Sdn Bhd	gsstimber@streamyx.com	
33.	Dr. Anna Wong	Deputy Chairman	Malaysian Nature Society (MNS)	ahadwong88@gmail.com	
34.	Mr. Kelvin Pang	Manager	Perusahaan Kosinar Sdn Bhd	kelvinclaw@kosinar.com.my	
35.	Mr. Low Yew Eng		Ministry Plantation Industries and Commodities		
36.	Mr. Canon Ling	Company Director	Seratin S/B		
37.	Mr. Michael Tuen	Member	Sabah Timber Industries Association (STIA)		
38.	Mr. Yang Sen	Committee Member	Sabah Timber Industries Association (STIA)	yeonjen.forestimber@gmail.com	

NO.	NAME	POSITION	ORGANIZATION	EMAIL ADDRESS	SIGNATURE
39.	Mr. Bernard Tiong Chuang Shik	Member	Sabah Timber Industries Association (STIA)		
40.	Mr. Ling Sing Hui	Member	Sabah Timber Industries Association (STIA)		
41.	Mr. Richard Yong Swee Lin	Committee Member	Sabah Timber Industries Association (STIA)		
42.	Mr. Sia Mee Kuong	Member	Sabah Timber Industries Association (STIA)	stia@stia.com.my	
43.	Mr. Robert Wong	Member	Sabah Timber Industries Association (STIA)	rmservicew@comcast.com	
44.	Mr. Gordon John Thomas		PACOS Trust	GordonJohnThomas	
45.	Mr. Joseph Lim	KPP	Land and Survey Department	joseph.lim@sabah.gov.my	



SABAH'S FLEGT-TLAS 2ND CONSULTATION MEETING
27TH JANUARY 2013
MING GARDEN HOTEL & RESIDENCES KOTA KINABALU SABAH

NO.	NAME	POSITION	ORGANIZATION	EMAIL ADDRESS	SIGNATURE
46	Gabe Jock		WWF		
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49	Dr. Rene Dubé	KDUA		bovis@asia.com	
50	Michel Azzelieri	Project Manager Pangarab	Jabatan Pengu Kijang	michel.azzelieri@mtid.gov.my	
51	Rizly Lim	- Timber Assoc Sabah Council member - STIA	~	elite elite54@hotmail.com	

NO.	NAME	POSITION	ORGANIZATION	EMAIL ADDRESS	SIGNATURE
S2	Buchanans	GPS Director	GPS	b.leg@eac.biz	
S3	RAT MARLIN THOM	GENERAL SECRETARY ALAN SECRETARY	JAGATON OBSERVATION ALAN SECRETARY	mybaw@sch.my	

Annex 2: Question and Answer

a) Table 1

No.	Question/Comment/Suggestion	Answer
1.	Enquiry on whether rubberwood is included	Yes.
2.	In terms of eligibility, who determine it?	The SUHB determine the eligibility. It is a prerogative of theirs.
3.	Based on the document, this is a reference to the 2009 RIL Guidelines. There is a need of clear process for updating this document because it is possible that the current edition of RIL Guidelines may be outdated.	Noted.
4.	From an auditor perspective, the final CHP approval is sometimes done retrospectively. It would be a problem to the industry to recognize if it is a requirement for the CHP to be fully complied. There will be a lot of timber which would be outside the trade chain and no timber inside the trade chain while the CHP isn't finally approved when harvesting start.	On CHP compliance, there is an existing auditing. We will take note on the comment and there is various level of readiness.

b) Table 2

- Table 2 is a new table as required by the EU.
- The table is specific to area involving SFMLA or Long-Term License Agreement (LTLA).

No.	Question/Comment/Suggestion	Answer
1.	Shouldn't the SFMLA be reflected in verification procedure in the column?	Table 2 is specific for the particular sources of timber .

c) Table 7

- It was stressed that RSP Survey must be done within 6 months. If exceed, extension must be applied.

No.	Question/Comment/Suggestion	Answer
1.	Does the form 2B AL cover rubberwood timbers?	No. Only natural timbers. It is covered under Table 13.
2.	Acacia needs to be captured as it will also enter the supply chain.	We will have to make the description clearer.
3.	Any form of evidence in terms of proving the ownership?	Land title.
4.	In Peninsular Malaysia, smallholders may not have land title but have the right to use the land. So to cater some of these cases, 'evidence' is used. The evidence part should be erased from the Output listed as 'Evidence of ownership (Land title & other documents)'	Noted.

d) Table 9

- A new table presents a clear distinction on RIL and non-RIL.

No.	Question/Comment/Suggestion	Answer
1.	As mentioned in the verification procedures, it would not be practical for the industry to have all logging contractors to be certified, only those who are directly involve with the harvesting activity due to the cost of training for certification and high turnover.	The contractors have to make sure that their workers are trained. Any areas that fall under the RIL must show some form of certification. RIL is a requirement, therefore it must be met. The Forestry Training Institute (IPS) conducts special training for harvesting and has been training workers since 2000.
2.	The proposal to include the traditional genetic resources (traditional medicine for domestic purposes) is	Noted and will be considered.

	not appropriate for this table. There must be an additional legislative reference like Sabah Biodiversity Enactment 2000. This table is focused on timber resources and traditional knowledge should be covered at different column. This matter will be kept under provision.	
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e) Table 12

No.	Question/Comment/Suggestion	Answer
1.	There are cases such as the no. of logs were use as means of measurement instead of volume for which do not go to weighbridge.	Count of number of logs should be undertaken if there is no weighbridge. It has to be volume based for those with weighbridge and number of logs for those without it.

f) Table 16

No.	Question/Comment/Suggestion	Answer
1.	Dr. Benedict Topin proposed to add a community consultation in item (iv). A face to face consultation for the community.	Noted.

g) Table 17

No.	Question/Comment/Suggestion	Answer
1.	Dr. Benedict Topin proposed under criterion to include traditional genetic resources, traditional medicine and material medical for domestic purposes.	The meeting took note on this proposal.

2.	Dr. Benedict Topin proposed under the verification procedure to consider records of consultation from the native perspective.	The proposal will be taken into consideration.
3.	The user's right the word used to address the user must be addressed as natives in pertinence to Sabah, not communities.	Noted and shall be considered.

h) Table 20

No.	Question/Comment/Suggestion	Answer
1.	Suggestion under the verification procedure, part 2 section A (iv) to include '10% random physical measurement'.	Noted and shall be considered.

i) Table 21

- It was stated regarding the timbers from Sarawak, it is currently on phased approach.

No.	Question/Comment/Suggestion	Answer
1.	Is CD3 form is required for transportation of timbers from Sarawak to Sabah?	Yes. The movement of goods within states and ports, CD3 has to be declared. It is the same for transportation of goods within Sabah. Only goods from Labuan are considered an import.

Annex 3: Plates



Mr. Roslan Junaidi of the SFD briefed the participant of the changes made on the Sabah TLAS document.



Mdm. Loke Sim Wah of PROTEM clarified on matters pertaining rubberwood and shared her opinion on Peninsular TLAS.



Dr. Benedict Topin of the KDCA enquire regarding the other users'right principle.



Mr. Andurus Abi of SFD briefed the participant of the changes made on the Sabah TLAS document.



Mr. Bill Maynard of the GFS explaining to other participant the situation on the ground from auditor perspective.



Mr. Frederick Kugan clarified on matters concerning Sabah TLAS.



Mr. Ray Marvin of EPD clarified and explained on the new order with regards to EIA prescribed activities.



Participant listening to the presentation as well as question and answer session.

Annex 4: Sabah TLAS Document

PART 2 - SABAH

Table 1

Region	SABAH	Sources of timber	PF , SL & AL (Short term licence)
Principle 1	Right To Harvest		
Criterion	<p>Approval of harvesting area</p> <p>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 Natural Resources Office (NRO) under the Chief Minister's Department or the Director of Forestry (DoF) for Alienated Land (AL).</p> <p>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.</p>		
Legislative Reference	<p>Forest Enactment 1968 [Sections 15 & 24]</p> <p>Land Ordinance (Sabah Cap. 68) [Section 18]</p>		
Responsibility	<p>Natural Resources Office (NRO)</p> <p>Sabah Forestry Department (FDS)</p> <p>Lands and Surveys Department (LSD)</p>		
Verification Procedure	<p>PF</p> <p>The NRO verifies the application for harvesting right. Eligible application [registered company, company with trading licence, or qualified individual (Sabahan)] will be forwarded to the FDS to ascertain availability of area.</p> <p>FRM Division of FDS, in accordance with existing procedures, determines the availability of the area and submits comments and recommendations to NRO.</p> <p>NRO 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.</p> <p>Once approval is received from NRO, FDS informs successful applicant, stating conditions of approval [including the need for Environmental Impact Assessment (EIA) or Proposal for Mitigation Measures (PMM), if necessary].</p> <p>Successful applicant needs to notify FDS to confirm acceptance to the offer of harvesting right.</p> <p>SL</p> <p>The NRO verifies the application for harvesting right. Eligible</p>		

	<p>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>LSD, in accordance with existing procedures, determines the availability of the area and submits comments and recommendations to NRO.</p> <p>NRO decides on the application based on LSD recommendation such as availability of area, and any designated water catchment and kampong reserve are excluded from the area applied.</p> <p>Once approval is received from NRO, LSD issues Temporary Occupation License (TOL) to applicant.</p> <p>AL</p> <p>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>The DoF issues letter of approval to the DFO for removal of forest produce.</p> <p>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>Note: Short Term Licence is a licence issued under Section 24 of Forest Enactment 1968 to take forest produce from PF, SL & AL and shall be in the form of Form 1 as set out in Schedule III, Forest Rules 1969 for a period not exceeding one (1) year.</p> <p>Frequency: The verification procedure applies for all applications for approval.</p>
Output	Letters of Approval
ISO References	

Table 2

Region	SABAH	Sources of timber	PF& SL (SFMLA/LTL)
Principle 1	Right To Harvest		
Criterion	<p>Approval of harvesting area</p> <p>The licensee is required to obtain approval for Annual Work Plan (AWP) based on the 10-year Forest Management Plan (FMP) and/or 10-year Plantation Development Plan (PDP).</p>		
Legislative Reference	<p>Forest Enactment, 1968 [Section 15 & 28A]</p> <p>Sustainable Forest Management Licence Agreement (SFMLA)</p>		

	Long Term License (LTL) conditions
Responsibility	Sabah Forestry Department (FDS)
Verification Procedure	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) and/or Plantation Development Plan (PDP). DoF approves AWP and issues letter of approval. Frequency: The verification procedure applies annually.
Output	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 areas The District Forestry Officer (DFO) is required to obtain approval for Annual Work Plan (AWP) based on the 10-year Forest Management Plan (FMP).		
Legislative Reference	Forest Enactment 1968 [Section 28A]		
Responsibility	Sabah Forestry Department (FDS)		
Verification Procedure	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. DoF issues letter of AWP approval to the DFO. Frequency: The verification procedure applies annually.		
Output	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	Issuance of harvesting license and/or coupe permit		

	<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> <p>Approval of forest harvesting area (refer Tables 1, 2, 3).</p> <p>Letter of approval for issuance of licence from NRO (PF & SL – short term licence).</p> <p>Approved EIA study / PMM where applicable (refer Table 5).</p> <p>Demarcation of harvesting area (refer Table 7).</p> <p>Approved Inventory Report (refer Table 8).</p> <p>Payment of licence fees and other charges imposed (refer Table 15).</p> <p>Letter of approval for issuance of harvesting licence in AL from DoF (refer Table 1).</p>
Legislative Reference	<p>Forest Enactment 1968 [Section 15 & 24]</p> <p>Forest Rules, 1969 (Rule 12(3))</p> <p>Director of Forestry Circular: FD26/2009</p>
Responsibility	Sabah Forestry Department (FDS)
Verification Procedure	<p>FRM Division of FDS checks that the applicant or the forest area has met all the necessary requirements described under the criterion. If (i -vii) the conditions are met, FDS issues the harvesting licence/coupe permit.</p> <p>Frequency: The verification procedure applies each time when a harvesting licence/coupe permit is issued.</p>
Output	<p>Letter of approval from NRO for issuance of harvesting licence</p> <p>Approved harvesting licence/coupe permit</p>
ISO References	

Table 5

Region	SABAH	Sources of timber	PF,SL & AL(including ITP)
Principle 1	Right To Harvest		
Criterion	<p>EIA requirement</p> <p>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 in an area of 500 ha and above.</p> <p>The Licensee/Land Owner has an approved PMM from the Director of EPD for forest related activities involving removal of timber in an area between 100 ha and 500 ha.</p> <p>The Licensee / Land Owner has an approved EIA from the Director of EPD for forest related activities involving removal of timber in an area of 100 ha or more bordering any protected areas.</p> <p>The Licensee/Land Owner has an approved PMM from the Director of EPD for forest related activities involving removal of timber in an</p>		

	area between 50 ha and 100 ha bordering any protected areas.
Legislative Reference	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	Environment Protection Department (EPD) Sabah Forestry Department (FDS)
Verification Procedure	FRM Division of FDS determines if the harvesting area to be licensed is subject to an EIA/PMM requirement. Evaluation Division of EPD evaluates the EIA/PMM report submitted by a registered environmental consultant for consideration and upon approval requires Licensee/Land Owner to sign an Agreement of Environmental Condition (AEC)/Mitigation Declaration (MD). FRM Division of FDS verifies that EIA/PMM report has been approved by EPD prior to the issuance of harvesting licence. Frequency: The verification procedure applies to all EIA applications.
Output	Approved EIA Report or Approved PMM The Agreement of Environmental Conditions/ 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	<p>Harvesting Plan</p> <p>The licensee (SFMLA/LTLA) must have an approved Annual Work Plan (AWP) consisting of harvesting components.</p> <p>The licensee must have an approved Comprehensive Harvest Plan (CHP) consisting of harvesting components (except area zoned for ITP development)</p> <p>CHP must comply with Reduced Impact Logging (RIL) Operation Guide Book such as roads, skid trails and log landings density and location, harvestable tree marking and stream buffer zones identification.</p> <p>The licensee must employ registered CHP contractor.</p>		
Legislative Reference	<p>Forest Enactment 1968 [Section 28A]</p> <p>RIL Operation Guide Book – Code of Practice for Forest Harvesting</p>		

	in Sabah, Malaysia. Third Edition 2009. (Chapter 2) Sustainable Forest Management Licence Agreement (SFMLA) Long Term Licence (LTL) conditions
Responsibility	Sabah Forestry Department (FDS)
Verification Procedure	DFO checks and verifies the licensee employed a registered CHP contractor. DFO verifies that the submitted plan for harvesting areas for that year is listed in the approved AWP (refer Table 2 and 3). DFO verifies on the ground the accuracy of information in the preparation of CHP in compliance with the RIL Operation Guide Book. FRM division of FDS checks and verifies that the CHP complies with Reduced Impact Logging (RIL) Operation Guide Book such as roads and skid trails density and alignment, log landings and stream buffer zones. DoF issues approval of CHP. Frequency: The verification procedure applies each time CHP submitted for approval.
Output	Borang SPKP RIL01 (field verification report) 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 licence area</p> <p>SL: Licensee to appoint a licensed surveyor to demarcate the area upon receiving Registered Survey Paper (RSP) from LSD.</p> <p>AL: The land owner and/or authorized contractor has to maintain boundary stones for field verification.</p> <p>PF: Licensee to appoint a licensed surveyor upon receiving Letter of Offer and survey permit from the DoF to demarcate the area based on Second Class accuracy standard.</p> <p>PF / SL: The licensee (via appointed licensed surveyor) surveys, marks with picket (PF)/boundary stones (SL) and under-brushes licence boundary on the ground.</p>		
Legislative Reference	<p>Land Ordinance (Sabah Cap. 68) (Part VIII- Demarcation and Survey)</p> <p>Sustainable Forest Management Licence Agreement</p> <p>Long Term Licence conditions</p> <p>The Surveyors (Conduct of Title Surveys) Regulations, 1962</p>		
Responsibility	Sabah Forestry Department (FDS)		

	Lands & Surveys Department (LSD)
Verification Procedure	<p>Forest Ranger/Forester inspects and verifies the demarcation of the boundary, the marked/painted boundary trees and under-brushing work.</p> <p>Forest Ranger/Forester marks selected trees along the boundary with FDS hammer mark and Geographic Positioning System (GPS) coordinates are recorded.</p> <p>DFO submits report to the DoF.</p> <p>Monitoring, Control, Enforcement and Evaluation (MCEE) Officer inspects boundaries on the ground and submits the report to DoF.</p> <p>FRM Division of FDS verifies the survey details' plan with ground inspection and submits report to DoF for approval.</p> <p>DoF approves the survey plan (PF) for issuance of harvesting licence based on FRM Division's recommendation.</p> <p>LSD verifies the survey plan submitted by licensee (SL) and approved the survey plan if all survey details are in order.</p> <p>Frequency: The verification procedure is applied before the issuance of each harvesting licence.</p>
Output	<p>Approved survey plan.</p> <p>Boundary marked on the ground.</p>
ISO Reference	

Table 8

Region	SABAH	Sources of timber	PF, SL & AL
Principle 1	Right To Harvest		
Criterion	<p>Forest Inventory</p> <p>The licensee conducts systematic plot sampling forest inventory in accordance with the Director's Circular: FDS 26/2009 as follows:</p> <p>Area below 600 ha – Timber cruise</p> <p>Area above 600 ha – L-shape</p> <p>Note: Not applicable under Form IIB application after trees are felled (scenario 2, Table 10).</p>		
Legislative Reference	Director of Forestry Circular : FD26/2009		
Responsibility	Sabah Forestry Department (FDS)		
Verification Procedure	<p>DFO verifies on the ground 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.</p> <p>SFM Division of FDS assesses the inventory report which may include additional ground verification and reports to the DoF for approval.</p> <p>Frequency: The verification procedure is applied for every inventory</p>		

	application from the licensee.
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 The licensee must adhere to the harvesting licence condition/coupe permit.</p> <p>RIL (PF) approved CHP, including meeting operational elements of RIL (such as road alignment and construction, directional felling, log extraction, etc.) registered RIL contractors Trained RIL workers Daily Felling Records Quarterly Logging Progress Report & Closing Inspection Report</p> <p>Non-RIL (SL & AL) Registered logging contractor Quarterly Logging Progress Report & Closing Inspection Report</p> <p>The licensee must register Property hammer mark. The licensee must incise each extracted log with a serial number. The licensee must obtain an occupation permit for stumping area inside PF or TOL for area inside SL. The licensee transports marked logs to approved stumping area. The licensee and/or appointed contractors must comply with the AEC and MD.(refer Table 5) The licensee must notify the Director of Wildlife Department one month before commencing harvesting operation for any area to be harvested.</p>		
Legislative reference	<p>Licence conditions Coupe permit conditions Forest Rules 1969 (Rules 20A) RIL Operation Guide Book – Code of Practice for Forest Harvesting in Sabah, Malaysia. Third Edition 2009 (Chapter 2 & 3) Environment Protection Enactment 2002 [Sections 12, 13, 14 & 20] Wildlife Conservation Enactment [Section 38]</p>		
Responsibility	<p>Sabah Forestry Department (FDS) Environment Protection Department (EPD)</p>		
Verification Procedure	<p>RIL (PF) DFO verifies that the harvesting operations are carried out in accordance with the CHP and RIL guidelines (such as road</p>		

	<p>alignment and construction, directional felling, log extraction, etc.) and in compliance with the licence conditions and other written directives issued by the DoF.</p> <p>DFO verifies that all relevant key forest workers are properly trained with minimum competency standard as specified in Table 1.2 within the RIL Operation Guide Book prior and/or during the harvesting operation.</p> <p>DFO verifies logging contractors are registered with FDS as certified RIL Logging Contractor once, before the harvesting operation commences.</p> <p>Forest Ranger/Forester verifies that Daily Felling Record is maintained and updated daily during harvesting operation.</p> <p>DFO prepares and submits Quarterly Logging Progress Report to the DoF quarterly.</p> <p>DFO prepares and submits Closing Inspection Report to the DoF within six months after harvesting operation is completed.</p> <p>2. Non-RIL</p> <p>DFO verifies that all logging contractors are registered with FDS once before the harvesting operation commences.</p> <p>DFO prepares and submits Quarterly Logging Progress Report to the DoF quarterly.</p> <p>DFO prepares and submits Closing Inspection Report to the DoF after completion of harvesting operation.</p> <p>DFO records the licensee's registered Property Hammer Mark before harvesting operation commences.</p> <p>Forest Ranger/Forester verifies the serial numbers incised on each logs when applying for scaling order.</p> <p>DFO verifies that the area occupied for stumping within PF has valid occupation permit or TOL for stumping inside SL before harvesting operation commences.</p> <p>EPD monitors the implementation of mitigation measures as stated under the AEC or MD.</p> <p>EPD monitors the submission of ECR by a registered environmental consultant based on the specified period stated in the AEC/MD, and conducts ground inspection immediately once a complaint is received.</p> <p>DFO checks notification letter to Wildlife Department.</p> <p>Frequency:</p> <p>Verification procedure (1) (i) applies throughout the harvesting operation.</p> <p>Verification procedures (1) (ii) and (5) before and throughout the harvesting operation.</p> <p>Verification procedure (1) (iii), (2) (i), (3) and (8) before the commencement of the harvesting operation.</p> <p>Verification procedure (1) (iv) applies every two weeks.</p> <p>Verification procedures (1) (v) and (2) (ii) applies every quarterly.</p>
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	<p>Verification procedures (1) (vi) and (2) (iii) applies once after harvesting operation is completed.</p> <p>Verification procedure (4) applies when licensee applying for scaling order.</p> <p>Verification procedure (6) and (7) applies every four months.</p>
Output	<p>Quarterly Logging Progress Report</p> <p>Daily Felling Report</p> <p>Closing Inspection Report</p> <p>Occupation Permit</p> <p>Registered Hammer Mark Record</p> <p>TOL</p> <p>RIL logging contractor certificate</p> <p>Logging contractor certificate</p> <p>Workers RIL training certificate</p> <p>Log list</p> <p>Letter of Compliance to the AEC/MD issued by EPD</p> <p>Notification letter to Wildlife Department</p>
ISO reference	

Table 10

Region	SABAH	Sources of timber	AL (Form IIB)
Principle 2	Forest operation		
Criterion	<p>Control of timber production</p> <p>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>The land owner has a letter/agreement/contract/[Power of Attorney (PA)] with the contractor to remove logs and wood residues.</p> <p>Note: Form IIB is a licence to take forest produce on prepayment of royalty.</p>		
Legislative Reference	<p>Land Ordinance (Sabah Cap. 68)</p> <p>Forest Rules, 1969 (Rule 3)</p> <p>Forest Enactment, 1968 [Section 24(5)]</p>		
Responsibility	<p>Sabah Forestry Department (FDS)</p> <p>Lands and Surveys Department (LSD)</p>		
Verification Procedure	<p>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>Form IIB application before felling of timber (scenario 1):</p> <p>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>Form IIB application after trees are felled (scenario 2):</p> <p>DFO inspects the area, measure logs volume for royalty assessment and submit report to the DoF for approval, taking into account that the volume recorded commensurate with the area felled.</p>		

	<p>FRM division of FDS verifies the volume against area and submits recommendation to DoF.</p> <p>DoF issues approval to DFO for issuance of Form IIB.</p> <p>DFO issues Timber Disposal Permit (TDP) and Form IIB.</p> <p>Forest Ranger/Forester issues Removal Pass (RP).</p> <p>Frequency: The verification procedure applies for each application to remove logs and/or wood residues.</p>
Output	<p>Evidence of ownership (land title and other documents)</p> <p>Payment Receipt of land premium</p> <p>Letter/agreement/contract between the land owner and contractor</p> <p>Letter of confirmation of land ownership or status from the ACLR</p> <p>Form IIB</p> <p>Timber Disposal Permit</p> <p>Removal Pass</p>
ISO Reference	

Table 11

Region	SABAH	Sources of timber	PF, SL & AL(ITP – including rubber wood from small holders)
Principle 2	Forest Operations		
Criterion	<p>Control of timber production</p> <p>ITP (PF)</p> <p>Licensee only allowed to extract planted trees from compartments approved in the AWP.</p> <p>Licensee records all productions of plantation logs based on volume or weight and submits records to DFO for the issuance of Transit Pass and submits monthly production reports to the DFO.</p> <p>The licensee must adhere to the harvesting license condition/coupe permit.</p> <p>Licensee ensures that their logging contractor is registered with FDS.</p> <p>The Licensee submits the Quarterly Logging Progress Report to DFO.</p> <p>The licensee must register Property Hammer Mark for sawmill/plymill processing.</p> <p>Licensee must incise a serial number on all logs for sawmill processing.</p> <p>The licensee must obtain an occupation permit for their stumping area inside forest reserve.</p> <p>The licensee must stamp all logs transported for sawmill/plymill processing to an approved stumping area with Property Hammer Mark.</p> <p>The licensee and/or appointed contractors must comply with EIA</p>		

	<p>mitigation measures. (refer Table 5)</p> <p>ITP (SL/AL)</p> <p>Land owner and developer must get all harvested trees inspected by the DFO prior to removal.</p> <p>Plantation logs to be removed are covered by Removal Pass.</p> <p>DFO records all productions of plantation logs based on the number of logs or volume as in the Removal Pass.</p> <p>The land owner must comply with EIA/PMM. (refer Table 5)</p>
Legislative Reference	<p>Annual Work Plan -PF/SL</p> <p>License conditions- PF/SL</p> <p>Forest Rules, 1969 (Rule 15(1))</p> <p>Director of Forestry Circular FD: 21/2010 (Removal Pass for Plantation Logs) - SL/AL.</p> <p>Environment Protection Enactment 2002 [Sections 12, 13, 14 & 20]</p>
Responsibility	<p>Sabah Forestry Department</p> <p>Environment Protection Department</p>
Verification Procedures	<p>ITP (PF)</p> <p>DFO verifies that all plantations logs are extracted from an area as approved in the AWP.</p> <p>Forest Ranger/Forester checks harvested logs prior to issuance of Transit Pass.</p> <p>Forest Ranger/Forester verifies monthly production records for all plantation logs based on volume or weight as stated in the Transit Pass.</p> <p>DFO verifies that the licensee/logging contractors adhered to the harvesting licence /coupe permit conditions throughout the harvesting operations.</p> <p>DFO verifies that Quarterly Logging Progress Report is prepared and submitted to the DoF quarterly.</p> <p>DFO verifies that logging contractor has a valid annual registration certificate.</p> <p>Forest Ranger/Forester verifies that all plantation logs incised with serial numbers and are hammer marked with registered Property Hammer Mark prior to transportation.</p> <p>DFO verifies that areas occupied for stumping within forest reserve have a valid occupation permit.</p> <p>ITP (SL/AL)</p> <p>DFO verifies that all plantations logs are hammer marked (randomly) with registered Property hammer Mark.</p> <p>DFO verifies that all plantation logs for sawmill processing are incised with serial numbers.</p> <p>Forest Ranger/Forester issues Removal Pass with the word “Royalty Exempted” stamped on it and records the approximate volume of</p>

	<p>timber removed.</p> <p>EPD monitors the implementation of mitigation measures as stated under the AEC or MD.</p> <p>EPD monitors the submission of ECR by a registered environmental consultant based on the specified period stated in the AEC/MD, and conducts ground inspection immediately once a complaint is received.</p> <p>Frequency: Verification procedure (1) (i), (iv) and (viii) apply throughout the harvesting operation. Verification procedures (1) (ii) applies before the issuance of Transit Pass. Verification procedure (1) (iii) applies monthly. Verification procedures (1) (v) applies quarterly. Verification procedures (1) (vi) applies annually. Verification procedure (1) (vii) applies for every logs for sawmill/plymill processing. Verification procedure (2) (i) – (iii) apply when the land owner applies for log inspection and Removal Pass. Verification procedures (3) and (4) apply every four months.</p>
Output	<p>Quarterly Logging Progress Report</p> <p>Occupation Permit</p> <p>Registered Hammer Mark Record</p> <p>Logging Contractor Registration Certificate</p> <p>Log list for sawmill processing</p> <p>Transit Pass</p> <p>Removal Pass</p> <p>Letter of Compliance to the AEC/MD issued by EPD</p>
ISO Reference	

Table 12

Region	SABAH	Sources of timber	PF, SL & AL (excluding ITP)
Principle 2	Forest Operations		
Criterion	<p>Log transportation</p> <p>For logs where royalty is assessed at the Pangkalan or Weigh Bridge at the Mill Gate:</p> <p>Licensee transports all logs from the Stumping Point to the Pangkalan, or weigh bridge at the mill gate bearing Property Hammer Mark and FDS Inspection Hammer Mark. Logs must be accompanied with a Transit Pass and/or CS Form.</p> <p>Licensee transports all logs from the Pangkalan to the Port of loading/to the mill bearing FDS Royalty Hammer Mark. Logs must be accompanied with Removal Passes upon payment of royalty.</p> <p>For logs where royalty is assessed at the Stumping Point/licensed area:</p> <p>The licensee transports all logs from the Stumping Point/licensed area to the mill or port of loading bearing Property Hammer Mark, FDS Inspection Hammer Mark, FDS Royalty Hammer Mark. Logs must be accompanied with Removal Passes upon payment of royalty.</p> <p>Logs transported between mills must be accompanied with Removal Passes.</p> <p>Logs transported from a designated area to another destination only allowed from 07:00a.m. to 07:00p.m., unless with the DoF's approval outside the stipulated time period.</p> <p>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.</p>		
Legislative Reference	Forest Rules, 1969 (Rule 15(1))		
Responsibility	Sabah Forestry Department (FDS)		
Verification Procedure	<p>At the Pangkalan /Weigh Bridge:</p> <p>Forest Ranger/Forester checks 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.</p> <p>Forest Ranger/Forester checks 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> <p>Note: Logs to be weighed are randomly marked with the Inspection</p>		

	<p>Hammer Mark.</p> <p>At the Stumping Point/licensed area :</p> <p>Forest Ranger/Forester checks that all logs bear Property Hammer Mark, and FDS Inspection Hammer Mark.</p> <p>Forest Ranger/Forester checks that relevant statutory charges for all logs transported from the stumping point 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> <p>At the mill</p> <p>Forest Ranger/Forester inspects logs upon arrival and “stamps” Removal Pass as “Used Removal Pass” upon verification of the consignment.</p> <p>Forest Ranger/Forester checks that logs arrival have been recorded in Log Arrival Book.</p> <p>At the Port of Loading:</p> <p>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.</p> <p>Forest Ranger/Forester stamps Removal Pass as “used Removal Pass” upon verification of each consignment.</p> <p>Frequency: The verification procedure applies for every load of logs transported.</p> <p>Note: Weighed logs are small diameter and irregularly shaped logs.</p>
Output	<p>Log Arrival Book</p> <p>Revenue Hammer Mark Removal Pass</p> <p>Timber Disposal Permit</p> <p>Letter of approval to transport beyond 7:00 p.m. – 7:00 a.m.</p> <p>Transit Pass</p> <p>Removal Pass</p> <p>Removal Pass Payment receipt</p>
ISO Reference	

Table 13

Region	SABAH	Sources of timber	ITP (PF, SL & AL) (Including rubber wood from small holders)
Principle 2	Forest operations		
Criterion	<p>Log transportation</p> <p>For ITP Logs With Royalty (PF)</p> <p>The licensee transports all plantation logs from the harvesting area to an approved weigh bridge/weigh bridge at the mill gate for royalty assessment bearing Property Hammer mark and FDS inspection Hammer Mark (Marked randomly). All plantation logs</p>		

	<p>must be accompanied with a Transit Pass.</p> <p>The licensee transports all plantation logs from the weigh bridge to the Port of loading/to the mill bearing FDS inspection Hammer Mark (marked randomly).All plantation logs must be accompanied with Removal Passes upon payment of royalty.</p> <p>For ITP Logs With No Royalty (SL/AL, Including rubber wood from small holders)</p> <p>The land owner has a letter/agreement/contract/[Power of Attorney (PA)] with the contractor to remove logs.</p> <p>Land owner/authorized contractor obtains approval to transport plantation logs to an approved weigh bridge from the DoF (SL) or the District Forestry Officer (AL).Logs must bear Property Hammer Mark and FDS Inspection Hammer Mark (marked randomly).</p> <p>Land owner/authorized contractor transports all logs from the weigh bridge to the Port of loading/to the mill must be accompanied with Removal Passes upon recording of volume (weighed volume).</p> <p>Logs transported between mills must be accompanied with Removal Passes.</p> <p>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.</p> <p>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.</p>
Legislative Reference	<p>Forest Rules 1969 (Rule 15(1))</p> <p>Director of Forestry Circular FD: 21/2010 Issuance of Removal Pass for Plantation Logs</p>
Responsibility	Sabah Forestry Department (FDS)
Verification Procedure	<p>Prior to removal (SL & AL, Including rubber wood from small holders)</p> <p>DFO verifies copies of land title(s) on the land status and agreement to extract timber.</p> <p>At the Weigh Bridge:</p> <p>Forest Ranger/Forester inspects logs upon arrival and records logs arrival and weighed volume.</p> <p>DFO issues Receipt of royalty payment (PF).</p> <p>DFO issues Removal Pass for logs transported to the final destination (unless exempted: Example; weigh bridge is at the mill gate).</p> <p>At the Mill</p> <p>Forest Ranger/Forester inspects logs upon arrival and "stamps"</p>

	<p>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>Forest Ranger/Forester ensures that logs arrival have been recorded in Log Arrival Book.</p> <p>At the Port of Loading:</p> <p>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>Forest Ranger/Forester stamps Removal Pass as “used Removal Pass” upon verification of each consignment</p> <p>Frequency: The verification procedure applies for every load of logs transported.</p>
Output	<p>Log Arrival Book</p> <p>Revenue Hammer Mark</p> <p>Removal Pass</p> <p>Timber Disposal Permit</p> <p>Transit Pass</p> <p>Land title/letter of consent/contract/PA</p> <p>Letter of approval to transport beyond 7:00 p.m. – 7:00 a.m.</p>
ISO Reference	

Table 14

Region	SABAH	Sources of timber	PF, SL & AL
Principle 2	Forest operations		
Criterion	<p>Worker safety and health</p> <p>Employer</p> <p>Pays insurance premium/contribution for all workers.</p> <p>Provides adequate training on safety measures/personnel protective equipment.</p> <p>Undertakes remedial measures as directed by relevant authorities (DOSH and FDS) following their inspection.</p> <p>Submits appropriate report to DOSH / Department of Labour (DoL) in a timely manner as required.</p> <p>Reports to:</p> <p style="padding-left: 20px;">SOC SO</p> <p style="padding-left: 20px;">DOSH and</p> <p style="padding-left: 20px;">Department of Labour</p> <p>on accidents related to employment immediately.</p> <p>Maintains monthly records of contribution to SOC SO.</p> <p>Maintains records of worker’s training on safety and health showing what training was conducted, who attended and any certificates were awarded.</p> <p>Provide protective clothing and safety equipment requirement in</p>		

	<p>accordance to the RIL Operation Guide Book.</p> <p>Directional felling technique to be complied.</p> <p>Ensure adequate precaution for worker's safety in the event of fire or other accidents.</p>
Legislative Reference	<p>Occupational Safety and Health Act 1994 [Section 15]</p> <p>Labour Ordinance (Sabah Cap 67)</p> <p>Workmen's Compensation Act 1952 (Act 273)</p> <p>Employee's Social Security Act 1969</p> <p>RIL Operation Guide Book, Third Edition, 2009 (Chapter 2 & 4)</p>
Responsibility	<p>Department of Occupational Safety and Health (DOSH)</p> <p>Department of Labor (DoL)</p> <p>Social Security Organization (SOCSO)</p> <p>Sabah Forestry Department (FDS)</p>
Verification Procedure	<p>DOSH</p> <p>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> <p>Letter of Warning</p> <p>Notice of Improvement</p> <p>Notice of Prohibition</p> <p>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>Take necessary actions on accident reports received from employer.</p> <p>Frequency: Inspection on safety and health aspects at logging operations is undertaken randomly and follow-up inspection is also carried out depending on circumstances.</p> <p>SOC SO</p> <p>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.</p> <p>Conducts investigation on reported accidents if necessary based on the nature of the accident and the investigation takes place immediately.</p> <p>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>Received reports submitted by employers on all accidents and occupational diseases related to employment.</p> <p>Undertakes investigation as necessary and determines the necessary compensation within the Framework of ESSA 1969.</p> <p>Provides coverage under the Invalidity Pension Scheme for employees suffering from invalidity due to any cause, illness or</p>

	<p>death (to beneficiary) not related to employment.</p> <p>Frequency: Inspection is made periodically. Department of Labour (DoL) Ensures employer insures every foreign worker employed in accordance with the provisions under Workmen's Compensation Act 1952. 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> <p>Frequency: Inspections are done at least once a year or based on complaints received. FDS: 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. Forest Ranger/Forester inspects tree felling activity in compliance with RIL directional felling technique.</p> <p>Frequency: Inspections conducted randomly.</p>
Output	<p>Records of work instructions, training, insurance and accidents</p> <p>Audit report from DOSH</p> <p>SOCISO inspection report</p> <p>Inspection report by DOL</p> <p>Inspection report by FDS</p>
ISO Reference	

Table 15

Region	SABAH	Sources of timber	PF, SL& AL [excluding ITP from AL & SL (SAFODA)]
Principle 3	Statutory charges		
Criterion	<p>Royalty and fees</p> <p>Licensee pays license fees upon issuance of a license and other charges prior to issuance of harvesting licence.</p> <p>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.</p> <p>Licensee pays Removal Pass fees before removal of timbers.</p>		
Legislative Reference	<p>Forest Enactment 1968 [Sections 24C & 42(d), (e)]</p> <p>Forest Rules 1969 (Rule 12(1))</p> <p>CF Circular 1/81 Measurement of Timber For Royalty Assessment- CF No 1/81 2006 Version, 1st Revision</p>		

Responsibility	Sabah Forestry Department (FDS)
Verification Procedure	<p>DFO verifies receipt of payment of licence fee and other charges including registered logging machineries.</p> <p>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>FDS collects payment and issues receipts, TDP and Removal Pass.</p> <p>Frequency: The verification procedure applies to each harvesting licence issued and to all timbers removed from the licensed area.</p>
Output	<p>Removal Pass, Revenue Hammer Mark, Timber Disposal Permit.</p> <p>Copies of receipts for payment of royalty, premium, Forest Rehabilitation Fee, Community Forestry Cess and other charges.</p> <p>Monthly Revenue Collection Report</p> <p>Licence receipt payment</p> <p>List of registered logging machineries</p>
ISO Reference	

Table 16

Region	SABAH	Sources of timber	PF
Principle 4	Other users’ rights		
Criterion	<p>Community benefits and rights to occupy and use SFMLA/LTL holder or its appointed consultant conducts Social Baseline Survey of the licensed area during the preparation of a 10-year FMP.</p> <p>SFMLA /LTL holder identifies and set aside Community Forestry Areas in their licensed area (where relevant) in the Forest Management Plan (FMP).</p>		
Legislative reference	Sustainable Forest Management License Agreement Long Term Licence conditions.		
Responsibility	Sabah Forestry Department(FDS)		
Verification Procedure	<p>Land-use:</p> <p>FDS (SFM) verifies Social Baseline Survey (SBS) results are incorporated in the FMP.</p> <p>FDS verifies and approved area proposed for Community Zone in the Forest Management Plan (FMP).</p> <p>FDS verifies area zoned as Community Area mapped in the FMP and excluded from harvesting activity.</p> <p>Frequency: The verification procedure is applied to determine the</p>		

	user's rights of community in SFMLA/LTL area.
Output	Community Area Zoned in FMP Social Baseline Survey (SBS) report Record of consultation with the community
ISO Reference	

Table 17

Region	SABAH	Sources of timber	SL & AL
Principle 4	Other users' rights		
Criterion	<p>Users' Right by Natives</p> <p>Area with Native Customary Right (NCR) claim described under the Land Ordinance is excised from Temporary Occupation Licence (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.</p> <p>On application, the DoF may exempt Natives from payment of royalty through the issuance of Form IIA licence for any of the following forest produce taken from SL and AL:</p> <p>The construction or repair of a dwelling – house for the abode of himself and his family;</p> <p>The construction of fences and temporary huts on any land lawfully occupied by him;</p> <p>The construction or repair of native boats;</p> <p>The upkeep of his fishing stakes and landing places;</p> <p>Fire-wood to be consumed for his domestic purposes; or</p> <p>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 inhabitants of his kampong.</p>		
Legislative Reference	<p>Forest Enactment 1968 [Section 41] - (SL, AL)</p> <p>Forest Rules 1969 (Rule 8) - (SL, AL)</p> <p>Land Ordinance (Sabah Cap. 68) [Section 13, 14, 15, 16, 64, 65, 69 and 82] - (SL)</p> <p>Interpretation (definition of native) Ordinance (Sabah Cap. 64)</p>		
Responsibility	<p>Sabah Forestry Department(FDS)</p> <p>Lands and Surveys Department (LSD)</p>		
Verification Procedure	<p>Land-use (SL):</p> <p>Lands & Surveys Department (LSD) verifies on the ground claims for NCR</p> <p>LSD excises the NCR based on the land enquiry before issuance of TOL.</p>		

	<p>Extraction of Forest Produce (SL & AL): DFO verifies on the ground the basis of application for Form IIA. DFO issues Form IIA Licence upon approval by the DoF.</p> <p>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.</p>
Output	<p>Land inquiry report</p> <p>Form IIA Licence</p>

Table 18

Region	SABAH	Sources of timber	PF, SL, AL & Imp
Principle 5	Mill operations		
Criterion	<p>Issuance /renewal / upgrading of mill licence and conditions of operation</p> <p>All wood processing mills are required to be licensed with the Sabah Forestry Department.</p> <p>Applicant applies for mill licence 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.</p> <p>Licensed mill must comply with mill licence conditions including submission of monthly Mill Production Returns and maintenance of Log Arrival Book (for mills processing logs).</p> <p>Annual renewal of mill licence is to be submitted to the DoF</p>		
Legislative Reference	<p>Forest Enactment 1968 [Section 42]</p> <p>Forest Rules 1969 (Rule 19(1))</p> <p>Licensing Guidelines for Wood-Based Industry in Sabah-Version 2, 2012</p>		
Responsibility	Sabah Forestry Department (FDS)		
Verification Procedures	<p>Establishment and upgrading of mill</p> <p>The District Forestry Officer inspects the site and ensures compliance of mill licence application procedures and submits findings and recommendation to DoF.</p> <p>The DoF evaluates application of mill licence compliance and comments from the District Forestry Officer.</p> <p>Approval issued to the District Forestry Officer with stipulated fees and licence 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).</p> <p>The District Forestry Officer issues mill licence upon payment of mill licence annual fee and other charges.</p> <p>The DFO conducts monthly inspection to monitor mill operations</p>		

	<p>including Log Arrival Book. The mill submits Monthly Production Returns to the DFO and the DoF.</p> <p>Renewal of mill licence The District Forestry Officer inspects the mill and submits recommendations to the DoF. Issuance of mill licence is done by the District Forestry Officer upon approval by the DoF and payment of annual mill licence fee and other charges.</p> <p>Frequency: This verification procedure applies to all applications for new mill licences, annual renewals as well as upgrading of licensed mill.</p>
Output	<p>Valid Mill licence Log Arrival Book (primary processing mills) Monthly Mill Production Returns</p>
ISO Reference	

Table 19

Region	SABAH	Sources of timber	PF, SL, AL, & Imp
Principle 5	Mill operations		
Criterion	<p>Worker safety and health Employer 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: 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.</p>		
Legislative Reference	<p>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</p>		

Responsibility	<p>Department of Occupational Safety and Health (DOSH)</p> <p>Department of Labour (DoL)</p> <p>Social Security Organization (SOCSO)</p>
Verification Procedure	<p>DOSH</p> <p>Undertakes inspection at intervals of 15 months and submits inspection report to mill operator.</p> <p>Depending on the severity of non-compliances, may issue the following:</p> <p>Letter of Warning</p> <p>Notice of Improvement</p> <p>Notice of Prohibition</p> <p>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> <p>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.</p> <p>SOCSCO</p> <p>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>Conducts investigation on reported accidents if necessary based on the nature of the accident and the investigation takes place immediately.</p> <p>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>Receives reports from employers on all accidents and occupational diseases related to employment.</p> <p>Investigates the accident reports from employers as necessary and determines the necessary compensation within the Framework of ESSA 1969.</p> <p>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>Frequency: Inspection is made periodically.</p> <p>Department of Labour (DoL)</p> <p>Ensures employers insure every foreign worker employed in accordance with the provisions under Workmen's Compensation Act 1952.</p> <p>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>

	Frequency: Inspections are done at least once a year or based on complaints received.
Output	Records of work instructions, training, insurance and accidents. Audit report from DOSH. SOCISO 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> <p>A company intending to export timber and timber products must possess an Annual Export Licence from the FDS.</p> <p>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).</p>		
Legislative Reference	<p>Customs Act 1967, Customs Order (Prohibition of Export) 2008</p> <p>Forest Enactment 1968 [Section 42(b), 42(c) (i)]</p> <p>Forest Rules 1969 (Rule 17(1) & 17(A) (1))</p>		
Responsibility	<p>Sabah Forestry Department (FDS)</p> <p>Royal Malaysian Customs (RMC)</p>		
Verification Procedure	<p>Issuance of an annual export licence:</p> <p>DFO verifies that the applicant is registered with the Registrar of Companies (ROC) and/or possesses a valid trading licence from the Municipal Council. Note: ROC registration is not applicable to sole proprietors/enterprise/individual and only a trading licence is required.</p> <p>DoF issues export licence upon payment of annual fees.</p> <p>Approval of export consignment:</p> <p>DFO checks the following:</p> <p>Verifies the validity of annual export licence.</p> <p>Logs to be exported are obtained from a licensed timber concession area or legal tree plantation source.</p> <p>Supporting documents, export declaration Form (CD2) and royalty payment receipt/Letter of Undertaking.</p> <p>Forest Ranger/Forester verifies each consignment and conducts</p>		

	<p>10% random physical measurement and submits inspection report to the DFO.</p> <p>Upon satisfaction of the field inspection report approves application and endorses Customs Document (CD2) and stamp CD2Formwith “approved shipment with details of product and royalty payment”. [Additional FLEGT Licence will be issued for shipment to the EU]. Records export data in the Sistem Jualan Hasil Hutan (SJHP).</p> <p>Royal Malaysian Customs (RMC) The RMC clears consignment for export.</p> <p>Frequency: The above procedures apply to each consignment for export.</p>
Output	<p>Annual Export Licence</p> <p>Inspection reports</p> <p>Supporting documents as listed in the criterion</p> <p>Endorsed/Export Approval Stamped on CD2 Form</p> <p>Export data (output of SJHP)</p> <p>Company ROC certificate and trading licence</p>
ISO Reference	

Table 21

Region	SABAH	Sources of timber	Imp
Principle 6	Trade and Customs		
Criterion	<p>Import Regulations</p> <p>A company intending to import timber and timber products needs to register with the Registrar of Companies (ROC), FDS and poses a trading licence. Note: ROC registration is not applicable to sole proprietors/enterprise/individual and only a trading licence is required.</p> <p>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).</p> <p>Company intending to import timber products is required to obtain Customs’ clearance (using CD1 Form) by Royal Malaysian Customs (RMC).</p> <p>Company requests for inspection of imported timbers and pay the inspection fees to the FDS.</p>		
Legislative Reference	<p>Customs Act 1967, Customs Order (Prohibition of Imports) 2008</p> <p>Plant Quarantine Act 1976</p> <p>Letter / circular on phytosanitary requirements from DoA (TP.KPTK207207/KIE/379/B (98) dated May, 08 2012)</p> <p>The Fees Enactment, 1981 {The Fees (Forestry Department) Service of Inspection and Certification Order, 1999}</p> <p>Director of Forestry Circular: FD: 05/2010.</p>		

Responsibility	Royal Malaysian Customs (RMC) Sabah Forestry Department (FDS) Department of Agriculture (DoA)
Verification Procedure	FDS (DFO) checks compliance of company's application for Importer's Certificate and issues Importer's Import Certificate. FDS (DFO) checks that the applicant for the import licence is registered with ROC and/or with trading licence and has a valid sales contract. FDS (DFO) checks the CD1 Form for every consignment of imported timber. 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. DoA inspects consignment for compliance to phytosanitary requirements. Frequency: The above procedures apply to every consignment of imported timber.
Output	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 Company ROC certificate and trading licence
ISO Reference	

Table 22

Region	SABAH	Sources of timber	Imp
Principle 6	Trade and Customs		
Criterion	Transportation of imported logs, sawn timber and veneer. 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	FDS (DFO) inspects and verifies the consignment against log/ sawn timber/veneer import documents (CD1). FDS (DFO) inspects and marks Inspection Hammer Mark on imported timber.		

	<p>FDS (DFO) issues receipt of payment for inspection of imported timber.</p> <p>FDS (DFO) records imported timber.</p> <p>FDS (DFO) marks the imported timber with Revenue Hammer Mark and issues Removal Pass after payment of inspection fee.</p> <p>Frequency: The verification procedure applies to all consignments of imported logs, sawn timber and veneer.</p>
Output	<p>Importer's Copy of Removal Pass</p> <p>Copies of Removal Pass (at the Mill and DFO's Office)</p> <p>Receipt of payment of Inspection Fees on Imported Timber</p> <p>Monthly records of imported timber by FDS</p>
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> <p>Company submits Customs Declaration form (CD3) to FDS and requests for physical inspection upon arrival of timber.</p> <p>Company maintains records of buyers, sales and distribution of timber from Sarawak and timber products manufactured using such timber.</p> <p>Timber exporter to EU must declare that the products exported to EU do not contain or include any timber sourced from Sarawak.</p>		
Legislative Reference	<p>Customs Act 1967.</p> <p>The Fees Enactment, 1981 {The Fees (Forestry Department) Service of Inspection and Certification Order, 1999}</p> <p>Director of Forestry Circular, FD05/2010.</p> <p>Plant Quarantine Act 1976</p> <p>Letter / circular on phytosanitary requirements from DoA (TP.KPTK207207/KIE/379/B (98) dated May, 08 2012)</p>		
Responsibility	<p>Sabah Forestry Department (FDS)</p> <p>Royal Malaysian Customs (RMC)</p> <p>Department of Agriculture (DoA)</p>		
Verification Procedure	<p>FDS</p> <p>Inspects consignment (refer Table 21).</p> <p>Collects Inspection Fees and makes an endorsement on Custom Declaration Form (CD3).</p> <p>Records "import" data and name of mill utilizing Sarawak timber.</p> <p>Conducts random checks to ensure that companies buying timber</p>		

	<p>from Sarawak maintain records of buyers, sales and distribution of timber sourced from Sarawak as well as timber products manufactured using such timbers.</p> <p>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.</p> <p>DoA Inspects logs upon arrival for compliance with phytosanitary requirements (TP.KPTK207207/KIE/379/B (98) dated May, 08 2012).</p> <p>RMC Release of consignments for free circulation in Sabah upon endorsement of CD3 by Sabah Forestry Department.</p> <p>Frequency: The above procedures applies to all timber brought in from Sarawak into Sabah.</p>
Output	<p>List of companies bringing in timber from Sarawak.</p> <p>CD3 Forms endorsed by Sabah Forestry Department</p> <p>Records of buyers, sales and distribution of Sarawak timber</p> <p>Records of Sabah Forestry Department's approvals, inspections and random checks</p> <p>Declaration by timber exporter on Sarawak timber</p>
ISO Reference	

[*]This control procedure is a temporary measure pending implementation of FLEGT-VPA TLAS in Sarawak

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