



SABAH FORESTRY DEPARTMENT

Sabah Timber Legality Assurance System (Sabah TLAS)

Sabah TLAS Document (Revised as at 1st January 2015)

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Approved by:

Chief Conservator of Forests

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PART 2 – SABAH

The 23 TLAS Tables described below cover the entire timber supply chain from the forest to the processing mills and finally to the export point. The linkages between the various TLAS Tables along the timber supply chain and the compliance of the Tables ensure the robustness of the TLAS.

Legal timber is defined in Section 2 of the TLAS and described in specific terms by a full listing of the laws and procedures which must be complied with in the forest and timber industries, governing the entire supply chain from the forest, the processing mills and finally, the export point as listed in Annex B of the TLAS. These laws are clustered under six Principles as follows:

1. Right to harvest
2. Forest operations
3. Statutory charges
4. Other users' rights
5. Mill operations
6. Trade and customs

Each Principle is further divided into Criteria resulting in the 23 Tables of the TLAS to facilitate verification. Each Table, apart from indicating the Principle and Criterion, also indicates the laws that need to be complied with, the responsible implementing agencies, the verification procedures and evidence/outputs for verification by the TPM.

The procedures begin with the Principle on Right to Harvest for which there nine Tables are dealing with Criteria on:

- Approval of harvesting area (Table 1, Table 2 and Table 3);
- Issuance of harvesting licence and/or coupe permit (Table 4);
- EIA requirements (Table 5)
- Harvesting Plan (Table 6);
- Area demarcation and mapping for outer boundary of harvesting licence area (Table 7)
- Forest Inventory (Table 8)
- Control of harvesting operation (Table 9)

On meeting the requirements of the Principle on Right to Harvest, the various Criteria under the Principle of Forest Operations, including commencement of timber harvesting are specified. Under this Principle, there are six Criteria dealing with:

- Control of harvesting operation (Table 9)
- Control of timber production (Table 10 & 11)
- Log Transportation (Table 12 & 13)

- Worker Safety Health (Table 14)

Control procedures on payment of statutory charges are mentioned in Table 15, which covers domestic log production from PF, SL and AL. These procedures will ensure that all statutory charges related to harvesting and log removal from the licensed area are paid by the licensee to the Sabah Forestry Department prior to removal of the logs.

Table 16 and Table 17 of the TLAS specify the various control procedures implemented by the Sabah Forestry Department to ensure the Community benefits and rights to occupy and use (Table 16) and Users' Right by Natives (Table 17) in Sabah are respected through implementation of sustainable forest management practices such as the zoning of Community Area in Forest Management Plan where the community forestry development program will be carried out by the Licensee. The Community Area is excluded from harvesting activity. Presently, 32 tree species are protected and not allowed to be harvested in licensed area of PF as some of these tree species yield wild fruits and other forest produce useful to local community. In SL and AL, royalty payment is exempted for forest produce collected by Natives for their own use for various purposes.

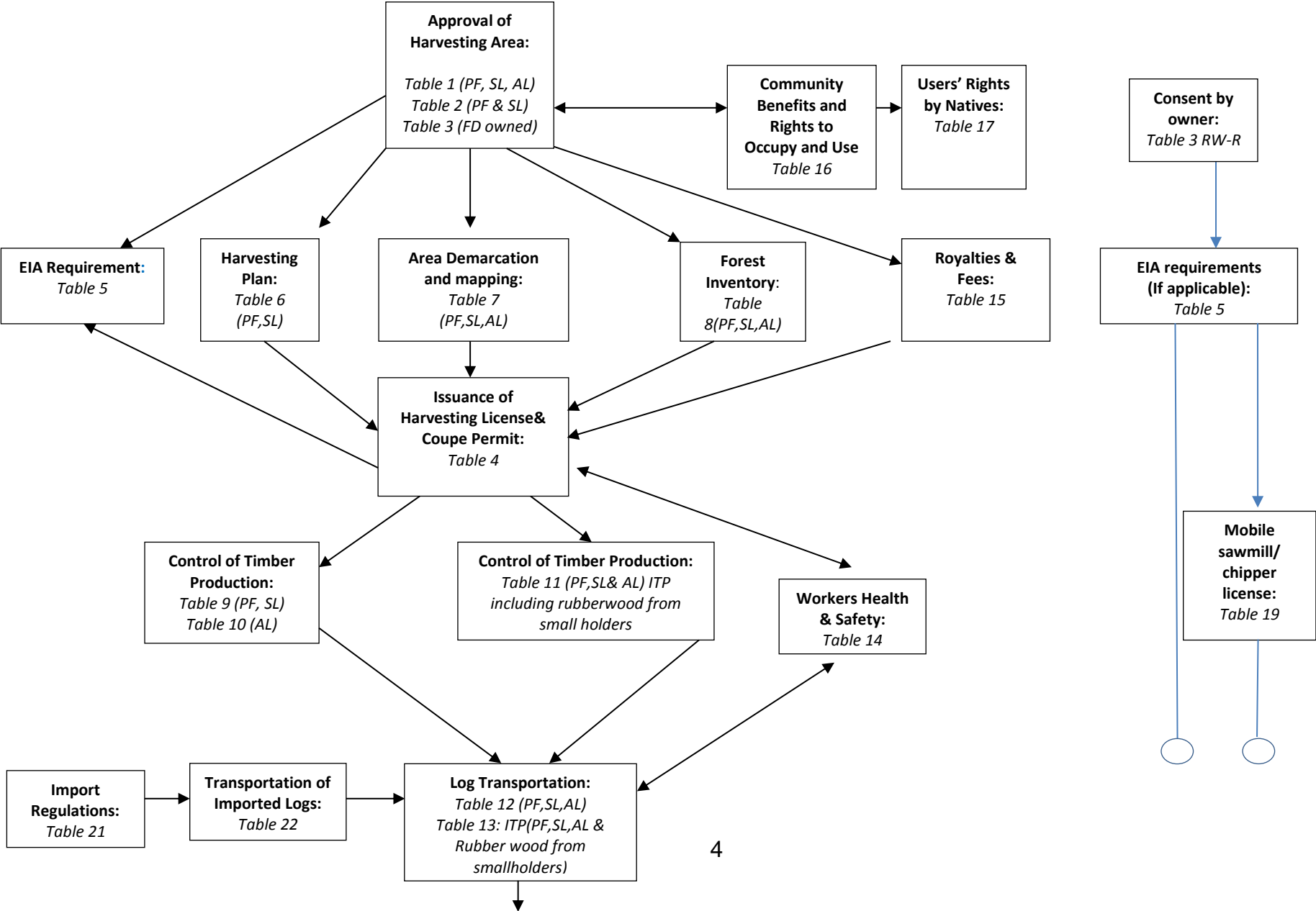
The control procedures under the Principle of Mill Operations are dealt with in Tables 18 with regards to Issuance/renewal/upgrading of mill licence and conditions for operation, and in Table 19 which covers Worker Safety and Health as required under relevant legislation. Wood processing mills are licensed by the Sabah Forestry Department for which the applicant must meet various requirements specified in Tables 18. Table 19 specifies the requirements that mill operators must comply with regards to Worker Safety and Health for their workers similar to Table 14 for workers in forest operations.

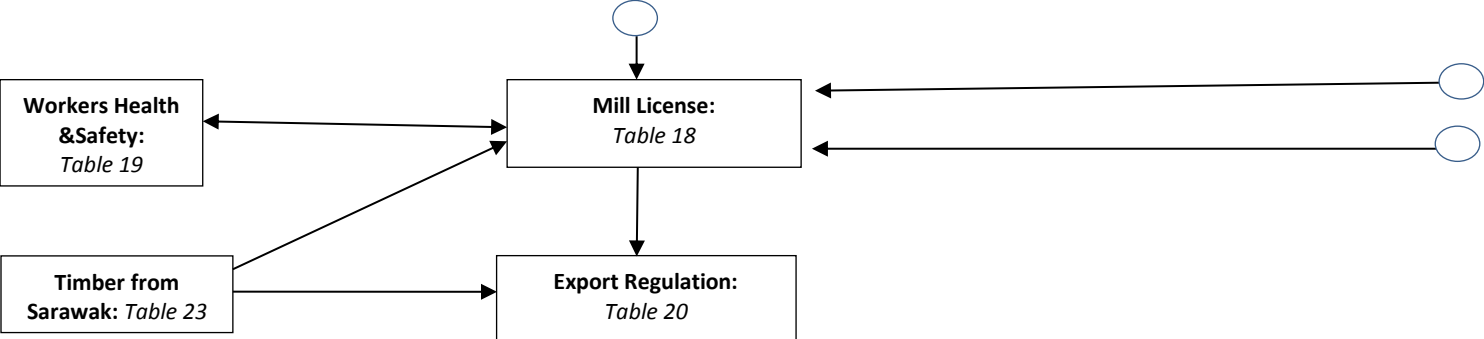
The four Tables under the Principle of Trade and Customs deal with the Criteria on:

- Export Regulations (Table 20);
- Import Regulations (Table 21);
- Transportation of imported logs, sawn timber and veneer (Table 22)
- Timber from Sarawak (Table 23).

In line with the phased approach currently adopted, Table 23 deals with timber from Sarawak to ensure that such timber would not be issued with a FLEGT Licence. Table 20 deals with procedures for companies to export timber whilst Table 21 deals with import of logs and timber. FDS and the Royal Malaysian Customs are the responsible agencies in enforcing the control procedures for timber exports and imports. The control procedures outlined in the TLAS Tables demonstrate compliance with the relevant laws and procedures for the Licensing Authority to issue FLEGT Licence under the VPA. **Figure 1** provides an overall illustration of the linkages and process flow between these Tables.

Figure 1: Linkages and Process Flow between the TLAS Tables for Sabah





PART 2 - SABAH

01 JANUARY 2017

Table 1

Region	SABAH	Sources of timber	PF , SL & AL (Short term licence)
Principle 1	Right To Harvest		
Criterion	Approval of harvesting area <ul style="list-style-type: none"> • Any registered company, company with trading licence 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 Chief Conservator of Forests (CCF) for Alienated Land (AL). • 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. 		
Legislative Reference	<ul style="list-style-type: none"> • Forest Enactment, 1968 [Sections 15 & 24] • Land Ordinance (Sabah Cap. 68) [Section 18] 		
Responsibility	<ul style="list-style-type: none"> • Natural Resources Office (NRO) • Sabah Forestry Department (FDS) • Lands and Surveys Department (LSD) 		
Verification Procedure	<p>1. <u>PF</u></p> <ol style="list-style-type: none"> i. 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. ii. FRM Division of FDS, in accordance with existing procedures, determines the availability of the area and submits comments and recommendations to NRO. iii. 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. iv. 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]. v. Successful applicant needs to notify FDS to confirm acceptance to the offer of harvesting right. <p>2. <u>SL</u></p> <ol style="list-style-type: none"> i. The NRO verifies the application for harvesting right. Eligible application [registered company, company with trading licence, or qualified individual (Sabahan)] will be forwarded together with map showing the area applied to the LSD to ascertain availability of the applied area. ii. LSD, in accordance with existing procedures, determines the availability of the area and submits comments and recommendations to NRO. iii. 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. iv. Once approval is received from NRO, LSD issues Temporary Occupation Licence (TOL) to applicant. 		

	<p>3. AL</p> <ol style="list-style-type: none"> i. Upon receipt of application from the owner of the AL, or a company authorized by the owner, for permission to remove forest produce under licence, the District Forestry Officer (DFO) verifies the status of the land and its ownership and if found to be in order then will submit the application to the Chief Conservator of Forests (CCF) for approval. ii. The Chief Conservator of Forests (CCF) issues letter of approval to the DFO for removal of forest produce. iii. The DFO informs the owner or the authorized company on the approval and the conditions of the approval (including the need for an EIA or PMM, if required). <p><i>Note: Short Term License is a license 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.</i></p> <p><i>Frequency: The verification procedure applies for all applications for approval.</i></p>
Output	Letters of Approval
ISO References	

Table 2

Region	SABAH	Sources of timber	PF& SL (SFMLA/LTL)
Principle 1	Right To Harvest		
Criterion	Approval of harvesting areas <ul style="list-style-type: none"> • The Licensee is required to develop a Forest Management Plan (FMP) or/and Plantation Development Plan (PDP) and obtain approval by the Chief Conservator of Forests (CCF) (PF). • 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). 		
Legislative Reference	<ul style="list-style-type: none"> • Forest Enactment, 1968 [Section 15 (1) & 28A] • Sustainable Forest Management Licence Agreement (SFMLA) or Long Term Licence (LTL) conditions. 		
Responsibility	Sabah Forestry Department (FDS)		
Verification Procedure	<ol style="list-style-type: none"> i. Sustainable Forest Management Division (SFM) of FDS verifies that harvesting area is listed in the submitted FMP or/and PDP before submitted to the Chief Conservator of Forests (CCF) for approval. ii. 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). iii. Chief Conservator of Forests (CCF) approves AWP and issues letter of approval. <p><i>Frequency: The verification procedure applies annually.</i></p>		
Output	<ul style="list-style-type: none"> • Approved FMP/PDP consisting of area to be harvested. • 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 <ul style="list-style-type: none"> • Forest Management Plan (FMP) prepared by the appointed Project Manager of FDS and approved by the Chief Conservator of Forests (CCF). • 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 15 (1) 28A]		
Responsibility	Sabah Forestry Department (FDS)		
Verification Procedure	<ul style="list-style-type: none"> i. Sustainable Forest Management Division (SFM) of FDS verifies the submitted FMP before submitted to the Chief Conservator of Forests (CCF) for approval. ii. Deputy Chief Conservator of Forests (DCCF) (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 Chief Conservator of Forests (CCF) for approval. iii. Chief Conservator of Forests (CCF) issues letter of AWP approval to the DFO. iv. <i>Frequency: The verification procedure applies annually.</i> 		
Output	<ul style="list-style-type: none"> • Approved FMP consisting of area to be harvested. • Approved AWP consisting of area to be harvested • Letter of approval from Chief Conservator of Forests (CCF). 		
ISO References			

Table 4

Region	SABAH	Sources of timber	PF, SL & AL
Principle 1	Right To Harvest		
Criterion	Issuance of harvesting licence and/or coupe permit <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> i. Approval of forest harvesting area (refer Tables 1, 2, 3). ii. Letter of approval for issuance of licence from NRO (PF & SL – short term licence). iii. Approved EIA study / PMM where applicable (refer Table 5). iv. Demarcation of harvesting area (refer Table 7). v. Approved Inventory Report (refer Table 8). vi. Payment of licence fees and other charges imposed (refer Table 15). vii. Letter of approval for issuance of harvesting licence in AL from Director of Forestry (refer Table 1). 		
Legislative Reference	<ul style="list-style-type: none"> • Forest Enactment, 1968[Section 15 & 24] • Forest Rules, 1969 (Rule 12(3)) • Director of Forestry Circular : FD26/2009 		
Responsibility	Sabah Forestry Department (FDS)		

Verification Procedure	<p>i. FRM Division of FDS checks that the applicant or the forest area has met all the necessary requirements described under the criterion.</p> <p>ii. If (i -vii) the conditions are met, FDS issues the harvesting licence/coupe permit.</p> <p><i>Frequency: The verification procedure applies each time when a harvesting licence/coupe permit is issued.</i></p>
Output	<ul style="list-style-type: none"> • Letter of approval from NRO for issuance of harvesting licence • Approved harvesting licence/coupe permit
ISO References	

Table 5

Region	SABAH	Sources of timber	PF,SL & AL(including ITP)
Principle 1	Right To Harvest		
Criterion	<p>EIA requirement</p> <ul style="list-style-type: none"> • 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. • 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. • 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. • 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 50 ha and 100 ha bordering any protected areas. 		
Legislative Reference	<ul style="list-style-type: none"> • Environment Protection Enactment 2002 [Sections 12, 13, 14 & 20] • Environment Protection (Environmental Impact Assessment) Order) 2012 • Environment Protection (Registration of Environmental Consultant) Rules 2005 		
Responsibility	<ul style="list-style-type: none"> • Environment Protection Department (EPD) • Sabah Forestry Department (FDS) 		
Verification Procedure	<p>i. FRM Division of FDS determines if the harvesting area to be licensed is subject to an EIA/PMM requirement.</p> <p>ii. 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).</p> <p>iii. FRM Division of FDS verifies that EIA/PMM report has been approved by EPD prior to the issuance of harvesting licence.</p> <p><i>Frequency: The verification procedure applies to all EIA applications.</i></p>		
Output	<ul style="list-style-type: none"> • 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	Harvesting Plan <ul style="list-style-type: none"> • The licensee (SFMLA/LTLA) must have an approved Annual Work Plan (AWP) consisting of harvesting components. • The licensee must have an approved Comprehensive Harvest Plan (CHP) consisting of harvesting components (except area zoned for ITP development) • 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. • The licensee must employ registered CHP contractor. 		
Legislative Reference	<ul style="list-style-type: none"> • Forest Enactment, 1968 [Section 28A] • RIL Operation Guide Book – Code of Practice for Forest Harvesting in Sabah, Malaysia. Third Edition 2009. (Chapter 2) • Sustainable Forest Management Licence Agreement (SFMLA) or Long Term Licence (LTL) conditions. 		
Responsibility	Sabah Forestry Department (FDS)		
Verification Procedure	<ol style="list-style-type: none"> i. DFO checks and verifies the licensee employed a registered CHP contractor. ii. DFO verifies that the submitted plan for harvesting areas for that year is listed in the approved AWP (refer Table 2 and 3). iii. DFO verifies on the ground the accuracy of information in the preparation of CHP in compliance with the RIL Operation Guide Book. iv. 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. v. Chief Conservator of Forests (CCF) issues approval of CHP. <p><i>Frequency: The verification procedure applies each time CHP submitted for approval.</i></p>		
Output	<ul style="list-style-type: none"> • 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 and mapping for outer boundary of harvesting licence area</p> <ul style="list-style-type: none"> • SL: Licensee to appoint a licensed surveyor to demarcate and mapping of the the area upon receiving Registered Survey Paper (RSP) from LSD. • AL: The land owner and/or authorized contractor has to maintain boundary stones for field verification. • PF: Licensee to appoint a licensed surveyor upon receiving Letter of Offer and survey permit from the Chief Conservator of Forests (CCF) to demarcate and mapping of the area based on Second Class accuracy standard. • PF / SL: The licensee (via appointed licensed surveyor) surveys, marks with picket (PF)/boundary stones (SL) and under-brushes licence boundary on the ground. 		
Legislative Reference	<ul style="list-style-type: none"> • Land Ordinance (Sabah Cap. 68) (Part VIII- Demarcation and Survey) • Sustainable Forest Management Licence Agreement/Long Term Licence conditions. • The Surveyors (Conduct of Title Surveys) Regulations, 1962 • Surveyor Ordinance 1960 [Sections 10 & 12] 		
Responsibility	<ul style="list-style-type: none"> • Sabah Forestry Department (FDS) • Lands & Surveys Department (LSD) 		
Verification Procedure	<ol style="list-style-type: none"> i. Forest Ranger/Forester inspects and verifies the demarcation of the boundary, the marked/painted boundary trees and under-brushing work. ii. Forest Ranger/Forester verifies demarcation of the boundary based on the survey map. iii. Forest Ranger/Forester marks selected trees along the boundary with FDS hammer mark and Geographic Positioning System (GPS) coordinates are recorded. iv. DFO submits report to the Chief Conservator of Forests (CCF). v. Monitoring, Control, Enforcement and Evaluation (MCEE) Officer inspects boundaries on the ground and submits the report to Chief Conservator of Forests (CCF). vi. FRM Division of FDS verifies the survey details' plan with ground inspection and submits report to Chief Conservator of Forests (CCF) for approval. vii. Chief Conservator of Forests (CCF) approves the survey plan (PF) for issuance of harvesting licence based on FRM Division's recommendation. viii. LSD verifies the survey plan submitted by licensee (SL) and approved the survey plan if all survey details are in order. <p><i>Frequency: The verification procedure is applied before the issuance of each harvesting licence.</i></p>		
Output	<ul style="list-style-type: none"> • Approved survey plan (mapping). • Boundary marked on the ground. 		
ISO Reference			

Table 8

Region	SABAH	Sources of timber	PF, SL & AL
Principle 1	Right To Harvest		
Criterion	Forest Inventory <ul style="list-style-type: none"> • The licensee conducts systematic plot sampling forest inventory in accordance with the Director of Forestry Circular: FD 26/2009 as follows: <ul style="list-style-type: none"> a) Area below 600 ha – Timber cruise b) Area above 600 ha – L-shape Note: Not applicable under Form IIB application after trees are felled (scenario 2, Table 10).		
Legislative Reference	Director of Forestry Circular : FD26/2009		
Responsibility	Sabah Forestry Department (FDS)		
Verification Procedure	i. 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 Chief Conservator of Forests (CCF). ii. SFM Division of FDS assesses the inventory report which may include additional ground verification and reports to the Chief Conservator of Forests (CCF) for approval. <i>Frequency: The verification procedure is applied for every inventory application from the licensee.</i>		
Output	Approved inventory report.		
ISO Reference			

Table 9

Region	SABAH	Sources of timber	PF, SL & AL (excluding ITP)
Principle 2	Forest operation		
Criterion	<p>Control of harvesting operation</p> <ul style="list-style-type: none"> • The licensee must adhere to the harvesting licence condition/coupe permit. <ul style="list-style-type: none"> a) RIL (PF) <ul style="list-style-type: none"> - Approved CHP, including meeting operational elements of RIL (such as road alignment and construction, directional felling, log extraction, etc.) - Area prohibited from harvesting such as steep slope, riparian reserve and buffer zone must be clearly marked on the ground and protected. - registered RIL contractors - Trained RIL workers - Daily Felling Records - Quarterly Logging Progress Report & Closing Inspection Report b) Non-RIL (SL & AL) <ul style="list-style-type: none"> - Registered logging contractor - Quarterly Logging Progress Report & Closing Inspection Report • 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. 		
Legislative reference	<ul style="list-style-type: none"> • 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] 		
Responsibility	<ul style="list-style-type: none"> • Sabah Forestry Department (FDS) • Environment Protection Department (EPD) 		
Verification Procedure	<ol style="list-style-type: none"> 1. RIL (PF) <ol style="list-style-type: none"> i. DFO verifies that the harvesting operations are carried out in accordance with the CHP and RIL guidelines (such as road alignment and construction, directional felling, log extraction, etc.) and in compliance with the licence conditions and other written directives issued by the Chief Conservator of Forests (CCF). ii. DFO verifies that area prohibited from harvesting such as steep slopes, riparian reserve and buffer zone are clearly marked on the ground and protected. iii. 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. iv. DFO verifies logging contractors are registered with FDS as certified RIL Logging Contractor once, before the harvesting operation commences. v. Forest Ranger/Forester verifies that Daily Felling Record is maintained and updated daily during harvesting operation. vi. DFO prepares and submits Quarterly Logging Progress Report to the Chief Conservator of Forests (CCF) quarterly. vii. DFO prepares and submits Closing Inspection Report to the Chief Conservator of Forests (CCF) within six months after harvesting operation is completed. 2. Non-RIL <ol style="list-style-type: none"> i. DFO verifies that all logging contractors are registered with FDS once before the harvesting operation commences. 		

	<ul style="list-style-type: none"> ii. DFO prepares and submits Quarterly Logging Progress Report to the Chief Conservator of Forests (CCF) quarterly. iii. DFO prepares and submits Closing Inspection Report to the Chief Conservator of Forests (CCF) after completion of harvesting operation. <ul style="list-style-type: none"> 3. DFO records the licensee’s registered Property Hammer Mark before harvesting operation commences. 4. Forest Ranger/Forester verifies the serial numbers incised on each logs when applying for scaling order. 5. DFO verifies that the area occupied for stumping within PF has valid occupation permit or TOL for stumping inside SL before harvesting operation commences. 6. EPD monitors the implementation of mitigation measures as stated under the AEC or MD. 7. 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. 8. DFO checks notification letter to Wildlife Department. <p><i>Frequency:</i></p> <ul style="list-style-type: none"> a. Verification procedure (1) (i) applies throughout the harvesting operation. b. Verification procedures (1) (ii)& (iii) and (5) before and throughout the harvesting operation. c. Verification procedure (1) (iv), (2) (i), (3) and (8) before the commencement of the harvesting operation. d. Verification procedure (1) (v) applies every two weeks. e. Verification procedures (1) (vi) and (2) (ii) applies every quarterly. f. Verification procedures (1) (vii) and (2) (iii) applies once after harvesting operation is completed. g. Verification procedure (4) applies when licensee applying for scaling order. h. Verification procedure (6) and (7) applies every four months.
<p>Output</p>	<ul style="list-style-type: none"> • Quarterly Logging Progress Report • Steep slope, riparian reserve and buffer zone are marked on the ground and protected • Daily Felling Report • Closing Inspection Report • Occupation Permit • Registered Hammer Mark Record • TOL • RIL logging contractor certificate • Logging contractor certificate • Workers RIL training certificate • Log list • Letter of Compliance to the AEC/MD issued by EPD • Notification letter to Wildlife Department
<p>ISO reference</p>	

Table 10

Region	SABAH	Sources of timber	AL (Form IIB)
Principle 2	Forest operation		
Criterion	Control of timber production <ul style="list-style-type: none"> • Land owner has a valid land title/or letter of confirmation of land applicant from Assistant Collector of Land Revenue (ACLR) on the land status and receipt of payment of land premium. • The land owner has a letter/agreement/contract/[Power of Attorney (PA)] with the contractor to remove logs and wood residues. <p><i>Note: Form IIB is a licence to take forest produce on prepayment of royalty.</i></p>		
Legislative Reference	<ul style="list-style-type: none"> • Land Ordinance (Sabah Cap. 68) [Sections 22 & 23] • Forest Rules, 1969 (Rule 3) • Forest Enactment, 1968 [Section 24(5)] 		
Responsibility	<ul style="list-style-type: none"> • Sabah Forestry Department (FDS) • Lands and Surveys Department (LSD) 		
Verification Procedure	<ol style="list-style-type: none"> i. DFO verifies copies of land titles, or letter of confirmation of land applicant from Assistant Collector of Land Revenue (ACLR) on the land status and agreement to extract timber. ii. <u>Form IIB application before felling of timber (scenario 1):</u> DFO carries out an ocular estimation on the timber stock and verifies boundary stones on the ground and submits the report to the Chief Conservator of Forests (CCF) for approval. iii. <u>Form IIB application after trees are felled (scenario 2):</u> DFO inspects the area, measure logs volume for royalty assessment and submit report to the Chief Conservator of Forests (CCF) for approval, taking into account that the volume recorded commensurate with the area felled. iv. FRM division of FDS verifies the volume against area and submits recommendation to Chief Conservator of Forests (CCF). v. Chief Conservator of Forests (CCF) issues approval to DFO for issuance of Form IIB. vi. DFO issues Timber Disposal Permit (TDP) and Form IIB. vii. Forest Ranger/Forester issues Removal Pass (RP). <p><i>Frequency: The verification procedure applies for each application to remove logs and/or wood residues.</i></p>		
Output	<ul style="list-style-type: none"> • Evidence of ownership (land title and other documents) • Payment Receipt of land premium • Letter/agreement/contract between the land owner and contractor • Letter of confirmation of land ownership or status from the ACLR • Form IIB • Timber Disposal Permit • Removal Pass 		
ISO Reference			

Table 11

Region	SABAH	Sources of timber	PF, SL & AL(ITP – including rubber wood from small holders)
Principle 2	Forest Operations		
Criterion	<p>Control of timber production</p> <ul style="list-style-type: none"> • ITP (PF) <ul style="list-style-type: none"> ○ Licensee only allowed to extract planted trees from compartments approved in the AWP. ○ 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. ○ The licensee must adhere to the harvesting license condition/coupe permit. ○ Licensee ensures that their logging contractor is registered with FDS. ○ The Licensee submits the Quarterly Logging Progress Report to DFO. ○ The licensee must register Property Hammer Mark for sawmill/plymill processing. ○ Licensee must incise a serial number on all logs for sawmill processing. ○ The licensee must obtain an occupation permit for their stumping area inside forest reserve. ○ The licensee must stamp all logs transported for sawmill/plymill processing to an approved stumping area with Property Hammer Mark. ○ The licensee and/or appointed contractors must comply with EIA mitigation measures. (refer Table 5) • ITP (SL/AL) <ul style="list-style-type: none"> ○ Land owner and developer must get all harvested trees inspected by the DFO prior to removal. ○ Plantation logs to be removed are covered by Removal Pass. ○ DFO records all productions of plantation logs based on the number of logs or volume as in the Removal Pass. ○ The land owner must comply with EIA/PMM. (refer Table 5) 		
Legislative Reference	<ul style="list-style-type: none"> • Annual Work Plan -PF/SL • License conditions- PF/SL • Forest Rules, 1969 (Rule 15(1)) • Director or Forestry Circular FD: 21/2010 (Removal Pass for Plantation Logs) - SL/AL. • Environment Protection Enactment 2002 [Sections 12, 13, 14 & 20] • Director of Forestry Circular FD: 31/2013 (Handling of rubber wood (log) from Alienated Land) 		
Responsibility	<ul style="list-style-type: none"> • Sabah Forestry Department • Environment Protection Department 		
Verification Procedures	<p>1. ITP (PF)</p> <ol style="list-style-type: none"> i. DFO verifies that all plantations logs are extracted from an area as approved in the AWP. ii. Forest Ranger/Forester checks harvested logs prior to issuance of Transit Pass. iii. Forest Ranger/Forester verifies monthly production records for all plantation logs based on volume or weight as stated in the Transit Pass. iv. DFO verifies that the licensee/logging contractors adhered to the harvesting licence /coupe permit conditions throughout the harvesting operations. v. DFO verifies that Quarterly Logging Progress Report is prepared and submitted to the Chief Conservator of Forests (CCF) quarterly. vi. DFO verifies that logging contractor has a valid annual registration certificate. 		

	<p>vii. 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>viii. DFO verifies that areas occupied for stumping within forest reserve have a valid occupation permit.</p> <p>2. <u>ITP (SL/AL)</u></p> <p>i. DFO verifies that all plantations logs are hammer marked (randomly) with registered Property hammer Mark.</p> <p>ii. DFO verifies that all plantation logs for sawmill processing are incised with serial numbers.</p> <p>iii. Forest Ranger/Forester issues Removal Pass with the word "Royalty Exempted" stamped on it and records the approximate volume of timber removed.</p> <p>3. EPD monitors the implementation of mitigation measures as stated under the AEC or MD.</p> <p>4. 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><i>Frequency:</i></p> <p>a. <i>Verification procedure (1) (i), (iv) and (viii) apply throughout the harvesting operation.</i></p> <p>b. <i>Verification procedures (1) (ii) applies before the issuance of Transit Pass.</i></p> <p>c. <i>Verification procedure (1) (iii) applies monthly.</i></p> <p>d. <i>Verification procedures (1) (v) applies quarterly.</i></p> <p>e. <i>Verification procedures (1) (vi) applies annually.</i></p> <p>f. <i>Verification procedure (1) (vii) applies for every logs for sawmill/plymill processing.</i></p> <p>g. <i>Verification procedure (2) (i) – (iii) apply when the land owner applies for log inspection and Removal Pass.</i></p> <p>h. <i>Verification procedures (3) and (4) apply every four months.</i></p>
Output	<ul style="list-style-type: none"> • Quarterly Logging Progress Report • Occupation Permit • Registered Hammer Mark Record • Logging Contractor Registration Certificate • Log list for sawmill processing • Transit Pass • Removal Pass • Letter of Compliance to the AEC/MD issued by EPD
ISO Reference	

Table 12

Region	SABAH	Sources of timber	PF, SL & AL (excluding ITP)
Principle 2	Forest Operations		
Criterion	<p>Log transportation</p> <ul style="list-style-type: none"> • <u>For logs where royalty is assessed at the Pangkalan or Weigh Bridge at the Mill Gate:</u> <ul style="list-style-type: none"> ○ Licensee 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. ○ 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. • <u>For logs where royalty is assessed at the Stumping Point/licensed area:</u> 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. • Logs transported between mills must be accompanied with Removal Passes. • Logs transported from a designated area to another destination only allowed from 07:00a.m. to 07:00p.m., unless with the Chief Conservator of Forests (CCF) approval outside the stipulated time period. • The validity of Removal Pass is determined by the distance and mode of log transportation and may range from 1 to 3 days for land transportation or maximum 1 week for river/sea transportation subject to extension with a new removal pass by the Chief Conservator of Forests (CCF). 		
Legislative Reference	Forest Rules, 1969 (Rule 15(1))		
Responsibility	Sabah Forestry Department (FDS)		
Verification Procedure	<p><u>At the Pangkalan /Weigh Bridge:</u></p> <ol style="list-style-type: none"> i. Forest Ranger/Forester 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. ii. 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><i>Note: Logs to be weighed are randomly marked with the Inspection Hammer Mark.</i></p> <p><u>At the Stumping Point/licensed area :</u></p> <ol style="list-style-type: none"> i. Forest Ranger/Forester checks that all logs bear Property Hammer Mark, and FDS Inspection Hammer Mark. ii. 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><u>At the mill</u></p> <ul style="list-style-type: none"> i. Forest Ranger/Forester inspects logs upon arrival and “stamps” Removal Pass as “Used Removal Pass” upon verification of the consignment. ii. Forest Ranger/Forester checks that logs arrival have been recorded in Log Arrival Book. <p><u>At the Port of Loading:</u></p> <ul style="list-style-type: none"> i. Forest Ranger/Forester inspects logs and verifies that the logs’ details records tally with the Removal Pass as stated in the Export Declaration/export supporting documents. ii. Forest Ranger/Forester stamps Removal Pass as “used Removal Pass” upon verification of each consignment. <p><i>Frequency: The verification procedure applies for every load of logs transported.</i> <i>Note: Weighed logs are small diameter and irregularly shaped logs.</i></p>
<p>Output</p>	<ul style="list-style-type: none"> • Log Arrival Book • Revenue Hammer Mark Removal Pass • Timber Disposal Permit • Letter of approval to transport beyond 7:00 p.m. – 7:00 a.m. • Transit Pass • Removal Pass • Removal Pass Payment receipt
<p>ISO Reference</p>	

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> <ul style="list-style-type: none"> • <u>For ITP Logs With Royalty (PF)</u> <ul style="list-style-type: none"> i. 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 must be accompanied with a Transit Pass. ii. 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. • <u>For ITP Logs With No Royalty (SL/AL, Including rubber wood from small holders)</u> <ul style="list-style-type: none"> ○ The land owner has a letter/agreement/contract/[Power of Attorney (PA)] with the contractor to remove logs. ○ Land owner/authorized contractor obtains approval to transport plantation logs to an approved weigh bridge from the Chief Conservator of Forests (CCF) (SL) or the District Forestry Officer (AL). Logs must bear Property Hammer Mark and FDS Inspection Hammer Mark (marked randomly). ○ 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). • Logs transported between mills must be accompanied with Removal Passes. • Licensee transport logs from a designated area to another destination only from 7.00am to 7.00pm, unless with the Chief Conservator of Forests (CCF) approval for transportation outside the stipulated time period. • The validity of Removal Pass is determined by the distance and mode of log transportation and may range from 1 to 3 days for land transportation or maximum 1 week for river/sea transportation subject to extension with a new removal pass by the Chief Conservator of Forests (CCF). 		
Legislative Reference	<ul style="list-style-type: none"> • Forest Rules 1969 (Rule 15(1)) • Director of Forestry Circular FD: 21/2010 Issuance of Removal Pass for Plantation Logs • Director of Forestry Circular FD: 31/2013 (Handling of rubber wood (log) from Alienated Land) 		
Responsibility	Sabah Forestry Department (FDS)		

<p>Verification Procedure</p>	<p><u>Prior to removal (SL & AL, Including rubber wood from small holders)</u></p> <p>DFO verifies copies of land title(s) on the land status and agreement to extract timber.</p> <p><u>At the Weigh Bridge:</u></p> <ol style="list-style-type: none"> i. Forest Ranger/Forester inspects logs upon arrival and records logs arrival and weighed volume. ii. DFO issues Receipt of royalty payment (PF). iii. DFO issues Removal Pass for logs transported to the final destination (unless exempted: Example; weigh bridge is at the mill gate). <p><u>At the Mill</u></p> <ol style="list-style-type: none"> i. Forest Ranger/Forester inspects logs upon arrival and “stamps” Removal Pass as “Used Removal Pass” upon verification of the consignment. No Removal Pass is required for logs weighed at the mill gate. ii. Forest Ranger/Forester ensures that logs arrival have been recorded in Log Arrival Book. <p><u>At the Port of Loading:</u></p> <ol style="list-style-type: none"> i. Forest Ranger/Forester inspects logs and verifies that the log details as recorded in the Removal Pass tallies with the details as in the Export Declaration/export supporting documents. ii. Forest Ranger/Forester stamps Removal Pass as “used Removal Pass” upon verification of each consignment <p><i>Frequency: The verification procedure applies for every load of logs transported.</i></p>
<p>Output</p>	<ul style="list-style-type: none"> • Log Arrival Book • Revenue Hammer Mark • Removal Pass • Timber Disposal Permit • Transit Pass • Land title/letter of consent/contract/PA • Letter of approval to transport beyond 7:00 p.m. – 7:00 a.m.
<p>ISO Reference</p>	

Table 14

Region	SABAH	Sources of timber	PF, SL & AL
Principle 2	Forest operations		
Criterion	<p>Worker safety and health</p> <p><u>Employer</u></p> <ol style="list-style-type: none"> i. Pays insurance premium/contribution for all workers. ii. Provides adequate training on safety measures/personnel protective equipment. iii. Undertakes remedial measures as directed by relevant authorities (DOSH and FDS) following their inspection. iv. Submits appropriate report to DOSH / Department of Labour (DoL) in a timely manner as required. v. Reports to: <ol style="list-style-type: none"> ➤ SOCSO ➤ DOSH and ➤ Department of Labour on accidents related to employment immediately. vi. Maintains monthly records of contribution to SOCSO. vii. Maintains records of worker's training on safety and health showing what training was conducted, who attended and any certificates were awarded. viii. Provide protective clothing and safety equipment requirement in accordance to the RIL Operation Guide Book. ix. Directional felling technique to be complied. x. Ensure adequate precaution for worker's safety in the event of fire or other accidents. 		
Legislative Reference	<ul style="list-style-type: none"> • Occupational Safety and Health Act 1994 [Section 15] • Labour Ordinance (Sabah Cap 67) [Section 118] • Workmen's Compensation Act 1952 (Act 273) • Employee's Social Security Act 1969 • RIL Operation Guide Book, Third Edition, 2009 (Chapter 2 & 4) 		
Responsibility	<ul style="list-style-type: none"> • Department of Occupational Safety and Health (DOSH) • Department of Labor (DoL) • Social Security Organization (SOCSO) • Sabah Forestry Department (FDS) 		

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

Table 15

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

Table 16

Region	SABAH	Sources of timber	PF
Principle 4	Other users' rights		
Criterion	<p>Community benefits and rights to occupy and use</p> <ul style="list-style-type: none"> SFMLA/LTL holder or its appointed consultant conducts Social Baseline Survey of the licensed area during the preparation of a 10-year FMP to identify or get details on the population and area of existing villages within the Licensed Area and within 2 kilometers from the licence boundaries. SFMLA /LTL holder identifies and set aside Community Areas in their licensed area (where relevant) in the Forest Management Plan (FMP). 		
Legislative reference	<ul style="list-style-type: none"> Sustainable Forest Management Licence Agreement & Long Term Licence conditions. 		
Responsibility	Sabah Forestry Department(FDS)		
Verification Procedure	<p><u>Land-use:</u></p> <ol style="list-style-type: none"> FDS (SFM) verifies Social Baseline Survey (SBS) results are incorporated in the FMP. FDS verifies and approved area proposed for Community Area in the Forest Management Plan (FMP). FDS verifies area zoned as Community Area mapped in the FMP and excluded from harvesting activity. <p><i>Frequency: The verification procedure is applied to determine the user's rights of community in SFMLA/LTL area.</i></p>		
Output	<ul style="list-style-type: none"> Community Area Zoned in FMP Social Baseline Survey (SBS) report Record of consultation with the community 		

Table 17

Region	SABAH	Sources of timber	SL & AL
Principle 4	Other users' rights		
Criterion	<p>Users' Right by Natives</p> <ul style="list-style-type: none"> • 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. • On application, the Chief Conservator of Forests (CCF) 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: <ul style="list-style-type: none"> ○ The construction or repair of a dwelling –house for the abode of himself and his family; ○ The construction of fences and temporary huts on any land lawfully occupied by him; ○ The construction or repair of native boats; ○ The upkeep of his fishing stakes and landing places; ○ Fire-wood to be consumed for his domestic purposes; or ○ The construction and upkeep of clinics, schools, community halls, places of worship, bridge and any work for the common benefit (including for traditional medicine purposes) of the native in-habitants of his kampong. 		
Legislative Reference	<ul style="list-style-type: none"> • Forest Enactment 1968, [Section 41] - (SL, AL) • Forest Rules 1969 (Rule 8) - (SL, AL) • Land Ordinance (Sabah Cap. 68) [Section 13, 14, 15, 16, 64, 65, 69 and 82] - (SL) • Interpretation (definition of native) Ordinance (Sabah Cap. 64) 		
Responsibility	<ul style="list-style-type: none"> • Sabah Forestry Department(FDS) • Lands and Surveys Department (LSD) 		
Verification Procedure	<p><u>Land-use (SL):</u></p> <ol style="list-style-type: none"> i. Lands & Surveys Department (LSD) verifies on the ground claims for NCR ii. LSD excises the NCR based on the land enquiry before issuance of TOL. <p><u>Extraction of Forest Produce (SL & AL):</u></p> <ol style="list-style-type: none"> i. DFO verifies on the ground the basis of application for Form IIA. ii. DFO issues Form IIA Licence upon approval by the Chief Conservator of Forests (CCF). <p><i>Frequency: The verification procedure is applied to determine user's rights of Natives in the application of timber harvesting involving SL and application for Form IIA License.</i></p>		
Output	<ul style="list-style-type: none"> • Land inquiry report • Form IIA License 		

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 for operation.</p> <ul style="list-style-type: none"> • All wood processing mills are required to be licensed with the Sabah Forestry Department. • Applicant applies for mill 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. • 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). • Annual renewal of mill licence is to be submitted to the Chief Conservator of Forests (CCF). 		
Legislative Reference	<ul style="list-style-type: none"> • Forest Enactment 1968 [Section 42] • Forest Rules 1969 (Rule 19(1)) • Licensing Guidelines for Wood-Based Industry in Sabah-Version 2, 2012 		
Responsibility	Sabah Forestry Department (FDS)		
Verification Procedure	<p><u>Establishment and upgrading of mill</u></p> <ol style="list-style-type: none"> i. The District Forestry Officer inspects the site and ensures compliance of mill licence application procedures and submits findings and recommendation to Chief Conservator of Forests (CCF). ii. The Chief Conservator of Forests (CCF) evaluates application of mill licence compliance and comments from the District Forestry Officer. iii. 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). iv. The District Forestry Officer issues mill licence upon payment of mill licence annual fee and other charges. v. The DFO conducts monthly inspection to monitor mill operations including Log Arrival Book. vi. The mill submits Monthly Production Returns to the DFO and the Chief Conservator of Forests (CCF). <p><u>Renewal of mill licence</u></p> <ol style="list-style-type: none"> i. The District Forestry Officer inspects the mill and submits recommendations to the Chief Conservator of Forests (CCF). ii. Issuance of mill licence is done by the District Forestry Officer upon approval by the Chief Conservator of Forests (CCF) and payment of annual mill licence fee and other charges. <p><i>Frequency: This verification procedure applies to all applications for new mill licences, annual renewals as well as upgrading of licensed mill.</i></p>		
Output	<ul style="list-style-type: none"> • Valid Mill licence • Log Arrival Book (primary processing mills) • Monthly Mill Production Returns 		
ISO Reference			

Table 19

Region	SABAH	Sources of timber	PF, SL, AL, & Imp
Principle 5	Mill operations		
Criterion	<p>Worker safety and health</p> <p><u>Employer</u></p> <ol style="list-style-type: none"> i. Pays insurance premium/contribution for all workers. ii. Provides adequate training on safety measures/personnel protective equipment. iii. Undertakes remedial measures as directed by relevant authorities (DOSH and FDS) following their inspection. iv. Submits appropriate report to DOSH / Department of Labour in a timely manner as required. v. Reports to: <ol style="list-style-type: none"> ➤ SOCSO ➤ DOSH and ➤ Department of Labour on accidents related to employment immediately vi. Maintains monthly records of contribution to SOCSO vii. Maintains records of worker's training on safety and health showing what training was conducted, who attended and any certificates were awarded. viii. Ensure adequate precaution for worker's safety in the event of fire or other accidents. 		
Legislative Reference	<ul style="list-style-type: none"> • Occupational Safety and Health Act 1994 [Section 15] • Labour Ordinance (Sabah Cap 67) [Section 118] • Workmen's Compensation Act 1952 (Act 273) • Employee's Social Security Act 1969 		
Responsibility	<ul style="list-style-type: none"> • Department of Occupational Safety and Health (DOSH) • Department of Labour (DoL) • Social Security Organization (SOCSO) 		
Verification Procedure	<p><u>DOSH</u></p> <ol style="list-style-type: none"> i. Undertakes inspection at intervals of 15 months and submits inspection report to mill operator. ii. Depending on the severity of non-compliances, may issue the following: <ol style="list-style-type: none"> ○ Letter of Warning ○ Notice of Improvement ○ Notice of Prohibition iii. Conducts additional inspection to determine remedial actions taken by the employer and may revoke the notice issued if the remedial actions undertaken are found to be satisfactory. <p><i>Frequency: Inspection is carried out once in 15 months for all mills. Follow-up inspection is made after the issuance of the Letter of Warning/Notice. In addition, random inspection will also be carried out as and when necessary.</i></p> <p><u>SOCSO</u></p> <ol style="list-style-type: none"> i. Makes periodical inspections to all registered employers to ensure their compliance as required under the Employee's security Act 1969 which include insurance contributions for all employees have been paid. There is a report for each inspection together with follow-up action. ii. Conducts investigation on reported accidents if necessary based on the nature of the accident and the investigation takes place immediately. iii. Ensures social security coverage for all local workers (Malaysian citizens and permanent residents) 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>iv. Receives reports from employers on all accidents and occupational diseases related to employment.</p> <p>v. Investigates the accident reports from employers as necessary and determines the necessary compensation within the Framework of ESSA 1969.</p> <p>vi. Provides coverage under the Invalidity Pension Scheme for employees suffering from invalidity due to any cause, illness or death (to beneficiary) not related to employment.</p> <p><i>Frequency: Inspection is made periodically.</i></p> <p><u>Department of Labour (DoL)</u></p> <p>i. Ensures employers insure every foreign worker employed in accordance with the provisions under Workmen’s Compensation Act 1952.</p> <p>ii. Holds inquiry on accidents and whether any workman has been injured and whether any compensation payable under Workmen’s Compensation Act 1952 is being paid.</p> <p><i>Frequency: Inspections are done at least once a year or based on complaints received.</i></p>
Output	<ul style="list-style-type: none"> • Records of work instructions, training, insurance and accidents. • Audit report from DOSH. • SOCSO investigation accident and inspection reports. • Inspection report by DoL.
ISO Reference	

Table 20

Region	SABAH	Sources of timber	PF, SL, AL & Imp
Principle 6	Trade and Custom		
Criterion	<p>Export Regulations</p> <ul style="list-style-type: none"> • A company intending to export timber and timber products must possess an Annual Export Licence from the FDS. • Company/sole proprietor (Enterprise) declares timber and timber products to be exported to the District Forestry Officer with a valid export permit or annual export licence with supporting documents such as Log summary, Sales Contract, Invoice, Packing List, Borang EIS 1/2000 (declaration on the source of processed timber to be exported), CITES Permit, where applicable, receipt of royalty payment and other fees where applicable (for logs, sawn timber, veneer, plywood and moulding) (not applicable to planted timber from SL and AL and other products not mentioned herein). 		
Legislative Reference	<ul style="list-style-type: none"> • Customs Act 1967 • Customs Order (Prohibition of Export) 2008-2014 • Forest Enactment 1968 [Section 42(b), 42(c) (i)] • Forest Rules 1969 (Rule 17(1) & 17(A) (1)) 		
Responsibility	<ul style="list-style-type: none"> • Sabah Forestry Department (FDS) • Royal Malaysian Customs (RMC) 		
Verification Procedure	<p>1. Issuance of an annual export licence:</p> <p>i. 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>ii. Chief Conservator of Forests (CCF) issues export licence upon payment of annual fees.</p> <p>2. Approval of export consignment:</p> <p>a) DFO checks the following:</p> <p>i. Verifies the validity of annual export licence.</p>		

	<p>ii. Logs to be exported are obtained from a licensed timber concession area or legal tree plantation source.</p> <p>iii. Supporting documents, export declaration Form (CD2) and royalty payment receipt/Letter of Undertaking.</p> <p>iv. Forest Ranger/Forester verifies each consignment and conducts 10% random physical measurement and submits inspection report to the DFO.</p> <p>v. 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].</p> <p>vi. Records export data in the Sistem Jualan Hasil Hutan (SJHP).</p> <p>b) Royal Malaysian Customs (RMC) The RMC clears consignment for export.</p> <p><i>Frequency: The above procedures apply to each consignment for export.</i></p>
Output	<ul style="list-style-type: none"> • Annual Export Licence • Inspection reports • Supporting documents as listed in the criterion • Endorsed/Export Approval Stamped on CD2 Form • Export data (output of SJHP) • Company ROC certificate and trading license
ISO Reference	

Table 21

Region	SABAH	Sources of timber	Imp
Principle 6	Trade and Customs		
Criterion	<p>Import Regulations</p> <ul style="list-style-type: none"> • 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. • 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). • Company intending to import timber products is required to obtain Customs' clearance (using CD1 Form) by Royal Malaysian Customs (RMC). • Company requests for inspection of imported timbers and pay the inspection fees to the FDS. 		
Legislative Reference	<ul style="list-style-type: none"> • Customs Act 1967 • Customs Order (Prohibition of Imports) 2008 2014 • Plant Quarantine Act 1976 • Letter / circular on phytosanitary requirements from DoA. (TP.KPTK207207/KIE/379/B (98) dated May, 08 2012). • The Fees Enactment, 1981(The Fees (Forestry Department) Service of Inspection and Certification Order, 1999). • Director of Forestry Circular: FD: 05/2010. 		
Responsibility	<ul style="list-style-type: none"> • Royal Malaysian Customs (RMC) • Sabah Forestry Department (FDS) • Department of Agriculture (DoA) 		
Verification Procedure	<p>i. FDS (DFO) checks compliance of company's application for Importer's Certificate and issues Importer's Import Certificate.</p> <p>ii. FDS (DFO) checks that the applicant for the import licence is registered with ROC and/or with trading licence and has a valid purchase contract.</p> <p>iii. FDS (DFO) checks the CD1Form for every consignment of imported timber.</p>		

	<p>iv. FDS (DFO) conducts random 10 % physical inspection each consignment against import declaration and other supporting documents, collects inspection fees and records volume of imported timber.</p> <p>v. DoA inspects consignment for compliance to phytosanitary requirements.</p> <p><i>Frequency: The above procedures apply to every consignment of imported timber.</i></p>
Output	<ul style="list-style-type: none"> • Company Import Certificate-FDS • Import clearance (CD1 Form)-RMC • Phytosanitary Certificates (DoA) • Physical Inspection report by FDS. • Records of Import data (FDS) • Import licence/permit • Company ROC certificate and trading licence
ISO Reference	

Table 22

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

Table 23*

Region	Sabah	Sources of timber	PF, SL , AL & Imp
Principle 6	Trade and Customs		
Criterion	<p>Timber from Sarawak</p> <ul style="list-style-type: none"> • Company operating in Sabah ensure that timbers brought in from Sarawak are evaluated as Low Risk prior to use in the export consignments to be shipped to the EU. • Company submits Customs Declaration form (CD3) to FDS and requests for physical inspection upon arrival of timber. • Company maintains records of buyers, sales, and distribution of timber from Sarawak and timber products manufactured using such timber. • Timber exporter to EU declare that products exported to EU that include material from Sarawak have been evaluated as Low Risk in accordance to the Sabah TLAS requirements. 		
Legislative Reference	<ul style="list-style-type: none"> • Customs Act 1967. • The Fees Enactment, 1981 (The Fees (Forestry Department) Service of Inspection and Certification Order, 1999). • Director of Forestry Circular, FD05/2010. • Plant Quarantine Act 1976 • Letter / circular on phytosanitary requirements from DoA (TP.KPTK207207/KIE/379/B (98) dated May, 08 2012). 		
Responsibility	<ul style="list-style-type: none"> • Sabah Forestry Department (FDS) • Royal Malaysian Customs (RMC) • Department of Agriculture (DoA) 		
Verification Procedure	<p>FDS</p> <ol style="list-style-type: none"> Inspects consignment (refer Table 21). Collects Inspection Fees and makes an endorsement on Custom Declaration Form (CD3). Records "import" data and name of mill utilizing Sarawak timber. Conducts random checks to ensure that companies buying timber from Sarawak maintain records of buyers, sales and distribution of timber sourced from Sarawak as well as timber products manufactured using such timbers. 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>DoA</p> <p>Inspects logs upon arrival for compliance with phytosanitary requirements (TP.KPTK207207/KIE/379/B (98) dated May, 08 2012).</p> <p>RMC</p> <p>Release of consignments for free circulation in Sabah upon endorsement of CD3 by Sabah Forestry Department.</p> <p><i>Frequency: The above procedures applies to all timber brought in from Sarawak into Sabah.</i></p>		
Output	<ul style="list-style-type: none"> • List of companies bringing in timber from Sarawak. • CD3 Forms endorsed by Sabah Forestry Department • Records of buyers, sales and distribution of Sarawak timber • Records of Sabah Forestry Department's approvals, inspections and random checks • Declaration by timber exporter on Sarawak timber • Phytosanitary Certificate 		
ISO Reference			

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