

Annex I – List of applicable legislation

Criteria and sub criteria	Applicable laws and regulations	Legal Authority	
1. Legal rights to harvest			
1.1 Land tenure and management rights	Sabah Land Ordinance, 1930 (Sabah Cap.68)	http://sabah.gov.my/phb/wp-content/uploads/2011/05/LandOrdinance.pdf	District Office
	Sabah, Native Court Enactment 1992	http://www.sabah.gov.my/mlgh/nativecourtsenactment1992.pdf	Sabah Forestry Department
	Sabah Forest Enactment, 1968 (Part IV Section 41)	http://faolex.fao.org/docs/pdf/mal10907.pdf	
	Forest Rules 1962		Lands and Surveys Department
	UN Declaration on Rights of Indigenous Peoples 2007		
	Land Acquisition Ordinance, 1950	http://sabah.gov.my/phb/wp-content/uploads/2011/05/LandAcquisitionOrdinance.pdf	
	Local Government Ordinance, 1961	http://www.sabah.gov.my/mlgh/LocalGovernmentOrdinance1961.pdf	
1.2 Concession licenses			
1.3 Management and harvesting planning	Sabah Forest Enactment 1968, Part IIIA-Section 28A and 28B	http://faolex.fao.org/docs/pdf/mal10907.pdf	Sabah Forestry Department
1.4 Harvesting permits	Forest Enactment 1968, Section 5, 5A, 15, 24 and 28(A)	http://faolex.fao.org/docs/pdf/mal10907.pdf	Sabah Forestry Department
	Forest Rules 1969, Rule 12(3)		
	RIL Operation Guidebook - Code of Practice for Harvesting in Sabah	http://www.fao.org/fileadmin/templates/rap/files/meetings/2012/120503_reduced_impact.pdf	
	Environment Protection Enactment 2002 - Section 38	http://www.sabah.gov.my/ipas/laws/EPE/EPE02.pdf	
	Director of Forestry Circular:FD26/2009		
	Land Ordinance (Cap 68) Part IV	http://sabah.gov.my/phb/wp-content/uploads/2011/05/LandOrdinance.pdf	
	Parks Enactment 1984 Part II	http://sabah.gov.my/phb/wp-content/uploads/2011/05/ParksEnactment1984.pdf	
Water Resources Enactment 1998	http://sabah.gov.my/phb/wp-content/uploads/2011/05/SabahWaterResourcesEnactment1998.pdf		
2. Taxes and fees			
2.1 Payment of royalties and harvesting fees	Forest Enactment 1968 - Part IA, Part III-Section 24, 24C, 27 & 42(d), (e).	http://faolex.fao.org/docs/pdf/mal10907.pdf	Sabah Forestry Department
	Forest Rules 1969 (Rule 4 and 12(1))		
	CF Circular 1/81 Measurement of Timber For Royalty Assessment-CF No 1/81 2006 Version, 1st Revision		

Criteria and sub criteria	Applicable laws and regulations	Legal Authority	
	<ul style="list-style-type: none"> -Performance bond for Forest Management License Agreement -Gazetted royalty structure and rates -Premium for forest reserve -Community forestry cess fund -Royalty based on species group 		
2.2 Value added taxes and other sales taxes	<p>Sabah Forest Enactment 1968: Part IA, Part III-Section 24C, & 27</p> <p>Goods And Service Tax Act 2014 (GST). Part I, Section 3 (Meaning of business), Section 4 (Meaning of supply); Part III, Section 9 (Imposition and scope of goods and services tax); Part V, Section 33 (Issuance of tax invoice)</p>	<p>http://faolex.fao.org/docs/pdf/mal10907.pdf</p> <p>http://www.federalgazette.agc.gov.my/outputaktap/20140619_762_BI_ACT%20762.pdf</p>	<p>Sabah Forestry Department</p> <p>Royal Malaysian Customs Department</p>
2.3 Income and profit taxes	<p>Income Tax Act 1967: Part II-Imposition and General Characteristic of the Tax, Section 3 (Charge of income tax), Section 4 (Classes of income).</p>	<p>http://www.kpmg.com.my/kpmg/publications/tax/22/a0053.htm</p>	<p>Inland Revenue Board of Malaysia</p>
3. Timber harvesting activities			
3.1 Timber harvesting regulations	<p>Forest Enactment 1968 - Section 28A and 28B</p> <p>RIL Operation Guide Book: Code of Practice for Forest Harvesting in Sabah, Malaysia 2009</p> <p>RIL Operation Guide 2001.</p> <p>Reference Manual for Timber Harvesting Operations in Commercial Class II Forest Reserves in Sabah 1996</p> <p>Operations in Commercial Class II Forest Reserves in Sabah 1996</p> <p>Environment Protection Enactment - Section 38</p>	<p>http://faolex.fao.org/docs/pdf/mal10907.pdf</p> <p>http://www.fao.org/fileadmin/templates/rap/files/meetings/2012/120503_reduced_impact.pdf</p>	<p>Sabah Forestry Department</p>
3.2 Protected sites and species	<p>Wildlife Conservation Enactment 1997-Section 9-24, 25-39, 40-53 and 54-63</p> <p>Biodiversity Enactment 2000 - Section 9, 15, 16 and 17</p> <p>Forest Enactment 1968 – sections 28A & 28B</p> <p>Rhino Species Action Plan 2012-2016</p>	<p>http://www.lawnet.sabah.gov.my/Lawnet/SubsidiaryLegislation/WildlifeConservation1997%28Regulations1998%29.pdf</p> <p>http://www.wipo.int/edocs/lexdocs/laws/en/my/my055en.pdf</p> <p>http://faolex.fao.org/docs/pdf/mal10907.pdf</p> <p>http://www.rhinosourcecenter.com/index.php?s=1&act=refs&CODE=note_detail&id=1367738814</p>	<p>Sabah Cultural Board</p> <p>Sabah Forestry Department</p> <p>Sabah Wildlife Department</p> <p>Environment Protection Department State Forestry Department</p>

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	EIA Guidelines for Logging and Forest Clearance Activities 2002	Department of Wildlife and National Parks	
	State Cultural Heritage (Conservation) Enactment 1997	http://www.lawnet.sabah.gov.my/Lawnet/SabahLaws/StateLaws/CulturalHeritage%28Conservation%29Enactment1997.pdf	Department of Environment, Peninsular
	Orang Utan Action Plan 2012-2016	http://archive.mpoc.org.my/Summary_of_the_Orang_Utan_State_Action_Plan_%28Sabah_Wildlife_Department,_2012_%E2%80%93_2016%29.aspx	Town and Country Planning
	Elephant Action Plan 2012 - 2016	http://www.mpoc.org.my/Review_of_Sabah_Elephant_Action_Plan_2012.aspx	
3.3 Environmental requirements	Forest Rules 1969 – Rule 15	Environment Protection Department (EPD)	
	Environmental Impact Assessment (EIA) Guidelines for Logging and Forest Clearance Activities, 2002	Sabah Forestry Department (SFD)	
	Environment Protection Enactment 2002-Sec.12,13,14,20 and 37		
	Environment Protection Order 2005 (Prescribed activities)	http://www.lawnet.sabah.gov.my/Lawnet/SubsidiaryLegislation/EnvironmentProtection2002%28PrescribedActivities%28EnvironmentallImpactAssessment2005%29%29.pdf	
	Environment Protection (Environmental Impact Assessment) Order 2012	http://www.lawnet.sabah.gov.my/Lawnet/SubsidiaryLegislation/EnvironmentProtection2002%28PrescribedActivities%28EnvironmentallImpactAssessment2005%29%29.pdf	
	Environment Protection (Registration of Environmental Consultant) Rules 2005	http://www.lawnet.sabah.gov.my/Lawnet/SubsidiaryLegislation/EnvironmentProtection2002%28RegistrationOfEnvironmentalConsultants2005%29.pdf	
	Forest Enactment 1968, Section 15 & 24 and 28(A)	http://faolex.fao.org/docs/pdf/mal10907.pdf	
	Environmental Quality Act, 1974	http://faolex.fao.org/docs/pdf/mal13278.pdf	
3.4 Health and safety	Occupational Safety and Health Act 1994	http://www.ilo.org/dyn/travail/docs/1628/Occupational%20Safety%20and%20Health%20Act%201994%20-%20www.agc.gov.my.pdf	Department of Occupational Safety and Health Malaysia
	Employees' Social Security Act 1969	http://www.ilo.org/dyn/travail/docs/1626/Employees%27%20Social%20Security%20Act%201969%20-%20www.agc.gov.my.pdf	Labour Department
	Workmen's Compensation Act 1952	http://www.agc.gov.my/Akta/Vol.%206/Act%20273.pdf	Sabah Forestry Department
	Industrial Relations Act, 1967	http://www.agc.gov.my/Akta/Vol.%204/Act%20177.pdf	Social Security Department (SOCSCO)
	Employees Provident Fund Act, 1991	http://www.agc.gov.my/Akta/Vol.%2010/Act%20452.pdf	

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	Pesticides Act 1974-Section 28-30	http://www.ecolex.org/ecolex/ledge/view/RecordDetails.jsessionid=F6843ED0274B1BA2FD007560EE5296D3?id=LEX-FAOC013354&index=documents
	Factories and Machineries Act 1967	http://www.agc.gov.my/Akta/Vol.%203/Act%20139.pdf
	Labour Ordinance (Sabah Cap 67)-Section 118	http://www.sabahlaw.com/Labour_Ordinance.htm
	Guidelines on occupational safety and health in logging operations	
3.5 Legal employment	ILO Conventions: - No.98 - The Right to Organise and Collective Bargaining Convention 1949 - Articles 1 and 2 - No.100 - Equal Remuneration Convention 1951 - Articles 1-4 - No.111 - Discrimination (Employment and Occupation) Convention 1958 - Articles 1-5	Malaysia's State Labour Department KWSP (Employment Provident Fund - EPF) PERKESO (Social Security Organization - SOCSO) Ministry of Human Resources
	Industrial Relations Act 1967- Sec.4 and 13	Department of Labour Sabah
	Employment Act 1955- Sec.8	KWSP (EPF)
	Trade Unions Act 1959 (Act 262)	
	Employees Provident Fund Act - Part V, Section 42, 45	
	Employee's Social Security Act 1969 - Section 3,	
	National Wage Consultative Council Act 2011 (section 23, 24)	
	Minimum Wage Order 2012	
	Workmen's Compensation Act 1952	
	Industrial Relations Act, 1967	
3.6 Conversion	Environment Protection Enactment 2002-Sec.12, 20 and 37	Environment Protection Department

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	Environment Protection (Prescribes Activities) (Environmental Impact Assessment) Order 2005	http://www.lawnet.sabah.gov.my/Lawnet/SubsidiaryLegislation/EnvironmentProtection2002%28PrescribedActivities%28EnvironmentallImpactAssessment2005%29%29.pdf	Sabah Forestry Department
4. Third parties' rights			
4.1 Customary rights	Land Ordinance, 1930 (Sabah Cap.68)	http://sabah.gov.my/phb/wp-content/uploads/2011/05/LandOrdinance.pdf	Native court
	Native Court Enactment 1992	http://www.sabah.gov.my/mlgh/nativecourtsenactment1992.pdf	Sabah Forestry Department
	Forest Enactment, 1968 (Part IV Section 41)	http://faolex.fao.org/docs/pdf/mal10907.pdf	Lands and Surveys Department
	UN Declaration on Rights of Indigenous Peoples 2007		
	State Cultural Heritage (Conservation) Enactment 1997	http://www.lawnet.sabah.gov.my/Lawnet/SabahLaws/StateLaws/CulturalHeritage%28Conservation%29Enactment1997.pdf	
	Native Court (Native Customary Laws) Rules 1995	http://www.lawnet.sabah.gov.my/Lawnet/SubsidiaryLegislation/NativeCourts1992%28NativeCustomaryLaws1995%29.pdf	
	Sustainable Forest Management Licence Agreement – Clause 23		
4.2 Free prior and informed consent	Land Ordinance, 1930 (Sabah Cap.68)	http://sabah.gov.my/phb/wp-content/uploads/2011/05/LandOrdinance.pdf	Native court
	Native Court Enactment 1992	http://www.sabah.gov.my/mlgh/nativecourtsenactment1992.pdf	Sabah Forestry Department
	Forest Enactment, 1968 (Part IV Section 41)	http://faolex.fao.org/docs/pdf/mal10907.pdf	Lands and Surveys Department
	UN Declaration on Rights of Indigenous Peoples 2007		
	State Cultural Heritage (Conservation) Enactment 1997	http://www.lawnet.sabah.gov.my/Lawnet/SabahLaws/StateLaws/CulturalHeritage%28Conservation%29Enactment1997.pdf	
	Native Court (Native Customary Laws) Rules 1995	http://www.lawnet.sabah.gov.my/Lawnet/SubsidiaryLegislation/NativeCourts1992%28NativeCustomaryLaws1995%29.pdf	
	Sustainable Forest Management Licence Agreement – Clause 23		
4.3 Indigenous/traditional peoples rights	Land Ordinance, 1930 (Sabah Cap.68)	http://sabah.gov.my/phb/wp-content/uploads/2011/05/LandOrdinance.pdf	Native court

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	Native Court Enactment 1992 http://www.sabah.gov.my/mlgh/nativecourtsenactment1992.pdf	Sabah Forestry Department
	Forest Enactment, 1968 (Part IV Section 41) http://faolex.fao.org/docs/pdf/mal10907.pdf	Lands and Surveys Department
	UN Declaration on Rights of Indigenous Peoples 2007	
	State Cultural Heritage (Conservation) Enactment 1997 http://www.lawnet.sabah.gov.my/Lawnet/SabahLaws/StateLaws/CulturalHeritage%28Conservation%29Enactment1997.pdf	
	Native Court (Native Customary Laws) Rules 1995 http://www.lawnet.sabah.gov.my/Lawnet/SubsidiaryLegislation/NativeCourts1992%28NativeCustomaryLaws1995%29.pdf	
	Sustainable Forest Management Licence Agreement – Clause 23	
5. Trade and transport		
5.1 Classification of species, quantities, qualities	Forest Enactment 1968: Part IA, Part III-Section 24C, & 27 Forest Rules, 1969 (Rule 3) Director or Forestry Circular FD: 21/2010 (Removal Pass for Plantation Logs) - SL/AL. http://faolex.fao.org/docs/pdf/mal10907.pdf	Sabah Forestry Department
5.2 Trade and transport	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)	Sabah Forestry Department
5.3 Offshore trading and transfer pricing	Malaysia Income Tax Act, 1967-Sec.140A http://www.kpmg.com.my/kpmg/publications/tax/22/a0053.htm Income Tax (Transfer Pricing) Rules 2012 http://www.hasil.gov.my/pdf/pdfam/MalaysianTransferPricingGuidelines2012.pdf Income Tax (Advance Pricing Arrangement) Rules 2012 http://www.hasil.gov.my/pdf/pdfam/MalaysianAPAGuidelines2012.pdf	Inland Revenue Board Malaysia Malaysian Investment Development Authority (MIDA)
5.4 Custom regulations	Customs Act 1967 [Act 235] http://www.agc.gov.my/Akta/Vol.%205/Act%20235.pdf Customs (Prohibition of Export) Order 2012 http://www.vertic.org/media/National%20Legislation/Malaysia/MY Customs Prohibition Exports Order Schedule3.pdf Customs (Prohibition of Imports) Order 2012 http://www.env.go.jp/recycle/yugai/reg/pua_20121231_P.U.%28A%29490-LaranganImportFinal[Warta311212].pdf Forest Enactment 1968 http://faolex.fao.org/docs/pdf/mal10907.pdf	Malaysian Timber Industry Board (MTIB) Malaysian Timber Industry Board (MTIB)

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5.5 CITES	Forest Rules 1969 International Trade in Endangered Species Act 2008 (Act 686) - Sec.10, 12 and 13 Customs Act 1967 [Act 235] Customs (Prohibition of Exports) Order 2012	 Note: State Forestry Department SFD will soon become the Licencee for CITES in Sabah, date has yet to be announced.
6. Diligence/due care procedures		
6.1 Legislation requiring due diligence/due care procedures	 	