

## Annex II: Overview of legally required documents

### Domestic material

Documents to Indicate Legality for timber from Forest Management Units in Forest Reserves Class II: Production forest).

#### a) Legal right to harvest and other key forest level legality documents

- Sustainable Forest Management License Agreement (Figure 1)
- Assignment Agreement (Figure 2)
- Forest Management Agreement (Figure 3)
- Forest Management Plan (Figure 4)
- Approved Comprehensive Harvesting Plan (Figure 5)

#### b) Transport from Forest to primary processing

- Removal Pass Form IV (Figure 6)
- Disposal Permit for Round logs Form V (Figure 7)

#### c) Processing

- Trading license issued by municipal / town council (Figure 8)
- Sawmill license issued from Sabah Forestry Department (Figure 9)
- Registration as Sawmill contractor (Figure 10)
- Manufacturing License issued by MITI (Figure 11)

#### d) Further transport and processing (if relevant)

- Removal Pass for Forest Produce Form IV (Figure 12)

#### e) Export

- Export License issued by Sabah Forestry Department (Figure 13)
- Registration with Malaysian Timber Industries Board (MTIB) (Figure 14)
- Bill of Lading (Figure 15)
- Certificate of Origin (Figure 16)
- Phytosanitary certificate (Figure 17) – Optional if required by Import Country
- Fumigation Certificate (Figure 18) – Optional if required by import Country

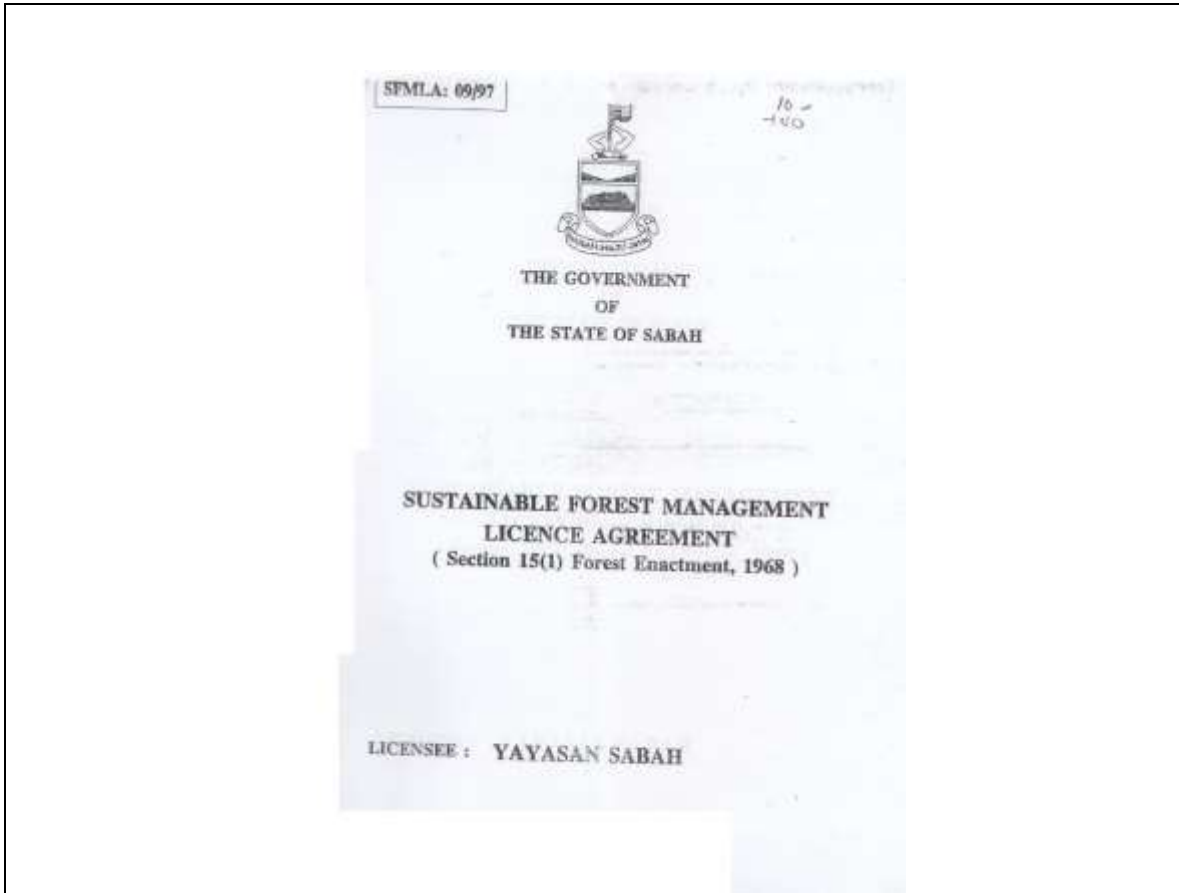


Figure 1: Sustainable Forest Management License Agreement



Figure 2: Assignment Agreement

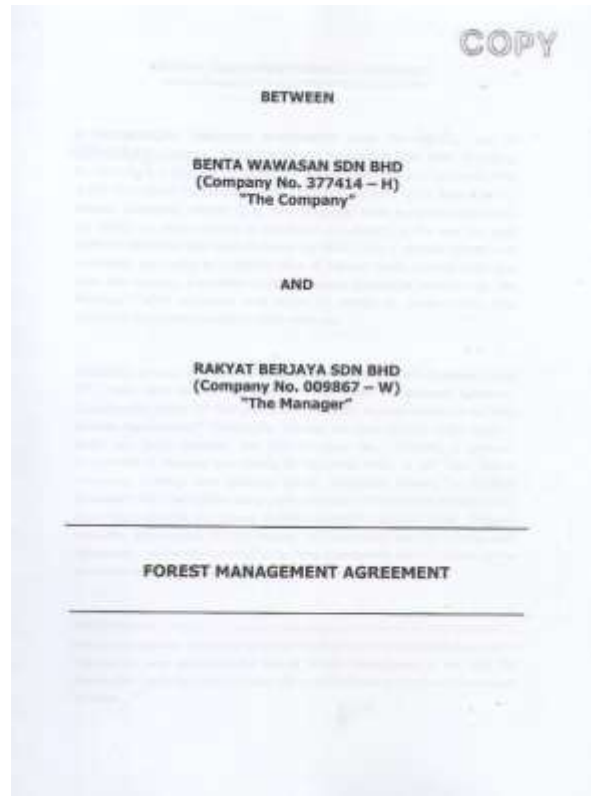


Figure 3: Forest Management Agreement





Figure 7: Disposal Permit for Round Logs (Form V)



NEGERI SABAH, MALAYSIA ASAL

ORDINAN PELESENAN PERDAGANGAN, 1948  
(Ordinan No. 16 tahun 1948) DBKK : 300750

Borang B

No. Permohonan: 1/R02849/2013  
No Raj : AHF-4023/0069  
Raj HAS : 02021518D  
No Geran : 015601671

**LESEN BERNIAGA**

Dewan Bandaraya Kota Kinabalu  
-ke-  
No Akuan DBKK : 0000005986 T  
Lesen Lama : 268582

Lesen adalah dengan ini diberi kepada orang atau orang-orang yang namanya tersebut di bawah yang berniaga sebagai  
**CARL RONNOV (MALAYSIA) SDN. BHD.**  
untuk menjalankan perniagaan

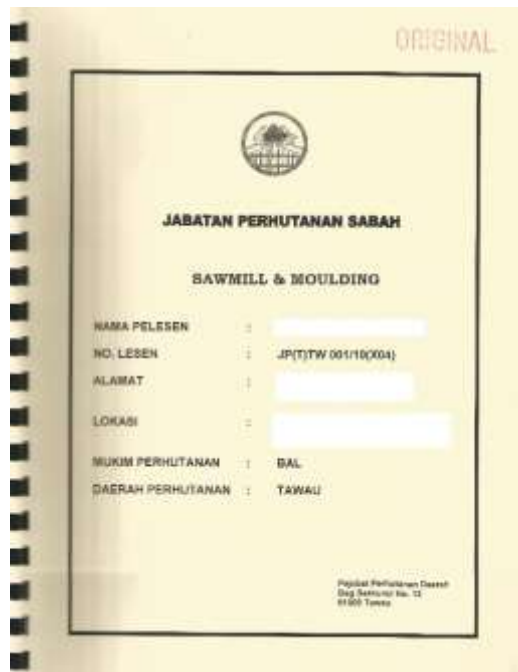
di Premis yang terletak di

Lesen ini tamat pada 31 Disember, 20 13  
Bayaran Lesen RM DUA PULUH LIMA RINGGIT SAHAJA  
RM 25.00 Tarikh dikeluarkan 03/12/2012

Pemilik atau Pekongsi Pengurus atau Agen Pengusaha Orang-orang lain yang mempunyai kepentingan kewangan

*[Signature]*  
**MAYOR**  
Dewan Bandaraya Kota Kinabalu  
Pihak Berkuasa Pelesenan

Figure 8: Trading license



ORIGINAL

**JABATAN PERHUTANAN SABAH**

**SAWMILL & MOULDING**

NAMA PELESEN :

NO. LESEN : JP(T)TW 001/16(004)

ALAMAT :

LOKASI :

MUKIM PERHUTANAN : BAL

DAERAH PERHUTANAN : TAWAU

Pihak Perhutanan Daerah  
Dag. Seremban No. 12  
81500 Tawau

Figure 9: Sawmill license



Figure 10: Registration as Sawmill contractor



Figure 11: Manufacturing License

**REMOVAL PASS BI TIDAK SAH DILAKUKAN PADA HILJING BINGGUL, CUTI USKUN DAN BARI JAM 1.00 PM HINGGA 7.00AM SELAMAT MALAYSIA**

ASAL

FORM IV  
FOREST RULES, 1969 No. A 497153  
(Rule 15)

DISPOSAL PERMIT FOR FOREST PRODUCT  
(PERMIT MENGIKULARKAN KELUARAN HUTAN)

Chua Wei Bo is hereby authorised to export 23.26 cu m of the following forest produce taken under Licence No. 989/10000 29/11/2013 in the name of ... issued at ... on 29/11/2013

Quantity	Species	Dimensions	Class	Volume	Rate per m <sup>3</sup>	Roadly
Kuantiti	Spesies	Ukuran	Kelas	Isipadu	tarif	Roadly
<u>18</u>	<u>Pala</u>			<u>23.26 cu m</u>		

PEJABAT PERHUTANAN (AWAS) Date: 27/11/2013

Place: ... Tarikh: 27/11/2013

Tempat: ... Tarikh: 27/11/2013

LESEN NO. AM 843084  
TARIKH: 27/11/2013

ALEXIS TUNJ

Figure 12: Removal Pass for Processed Timber

FOREST FORM XII

Forest Rules, 1969  
Rule 12 (3)

License To Export Processed Timber:

This license authorizes ... of ... to export the following PROCESSED TIMBER & SAW TIMBER to whatever markets, for the period or periods specified in Appendix A terms, subject to the following conditions:

- This license may not be transferred or assigned.

(Such special conditions as may be added by the Director of Forestry)

SANDAKAN  
PENGARAH PERHUTANAN SABAH  
(15.8.2011)

Figure 13: Export License

**JADUAL PERTAMA**  
(Formulir 1)

No. Pendaftaran: 3281/281

**LEMBAGA PERINDUSTRIAN KAYU MALAYSIA**  
**PERAKUAN PENDAFTARAN**

(DI ADALAH UNTUK BERSEKUTU BAWAH)      **CAR. KIRWAN (R) Sdn. Bhd.**

No. Pendaftaran: **10003 SAG 20**

**KARYA KITA KEMAMU, SABAH**

NO. 14, Jalan Karamiah

No. Pendaftaran	Alamat Pendaftaran	Alamat Bilik-bilik Pagar Pendaftaran
Perdagangan: 112 - 389/32/2903		(/)
Perikanan: 120 - 421/32/2906		(/)
Perdagangan:		

Di bawah arahan 14 Akta Lembaga Perindustrian Kayu Malaysia (Perindustrian Kayu) 1975 dan Peraturan Karamiah Pendaftaran Kayu (Pendaftaran) 1981 yang bertitik: **SABAH**

untuk membolehkan Karamiah Pendaftaran Kayu (Pendaftaran) yang bertitik ini dengan cara bertitik ini membolehkan pendaftaran ini dan Karamiah Pendaftaran Kayu (Pendaftaran) 1981.

Bayaran pendaftaran: **RM200.00**

Tempoh valid: **01/04/2019**

Tempoh sah: **SEBELAH**      **NOVEMBER**      **2020**


  
 Nama Pendaftar: **KARYA KITA KEMAMU**  
 Alamat Bilik-bilik Pagar Pendaftaran: **NO. 14, JALAN KARAMIAH**  
**KEMAMU**  
 80000 KEMAMU  
 Sabah

Figure 14: Registration with Malaysian Timber Industry Board

**EVERGREEN LINE** & Services Corporation      **BILL OF LADING**  
ORIGINAL

1. Shipper/Consignor Name and address: **CARD MURNI OMBRENTAL SDN BHD**  
**SAVINGS BUILDING - 12 1009**  
**JALAN SEWANGS BAY**  
**8120 NEGONGGANG**  
**ECTA KEMAMU, SABAH, MALAYSIA.**

2. Consignee Name and address: **NO ORDER**

3. Description of Goods: **NO ORDER**

4. Date of Issue: **NO ORDER**

5. Place of Issue: **NO ORDER**

6. Place of Destination: **NO ORDER**

7. Name of Vessel: **TAMU**

8. Name of Carrier: **TAMU**

9. Gross Weight: **19,730 CMT**

10. Net Weight: **19,466.250 CMT**

11. Description of Goods: **1 X 40' HIGH CUBE WITH TOLLER**

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100. Description of Goods: **1 X 40' HIGH CUBE WITH TOLLER**

Figure 15: Bill of Lading



1. Goods Consigned From (Company Name, Address & Country) CAG, RONWIS SALLEHU BIN HAZI KAMPUNG MELAWA, 14 000 JALAN BERAMANG RAY, 84000 BENDUJAL, KOTA KINABALLU, SABAH, MALAYSIA		Reference No: <b>KK/2013 P-001072</b>	
2. Goods Consigned To (Company Name, Address & Country) No entry		CERTIFICATE OF ORIGIN Issued in: <b>MALAYSIA</b> (Country)	
3. Name, Trade Name & Address		<b>MICCI</b> Incorporated in 1981 Member of International Chamber of Commerce (ICC), Paris	
4. Means of Transport and Route to be followed Description Code: 00110013 Place of Origin: <b>MY RPT KINABALLU DIVISION</b> ICL Number: <b>ESLW0000000714</b>		MALAYSIAN INTERNATIONAL CHAMBER OF COMMERCE & INDUSTRY (MIACCI) 812, Block 19021, 80100 Kuala Lumpur, Malaysia & Offices in Japan, Fuzhou, Xiamen, Shenyang, Medan, and Kota Kinabalu.	
5. Part No.	6. Mark and Number on Packages	7. Name and Type of Package, Description of Goods (including Quantity Where Appropriate and HS Code of Importing Country)	8. Gross Weight or Other Quantity and Value
		<b>BLUE AND WHITE YELLOW ORANGE YOOD</b>  <b>MSD MERANTI KD - STANDARD AND BETTER</b> 15 BILLS S.T.C. NO PRICE	16 000 KGS MY0002 DATED 09/11/2013
10. Issued by the Signatory The undersigned hereby declares that the above-stated goods are in conformity with the provisions of the Customs Act 1959 and the Customs Regulations 1963.		(FOR CHAMBER USE ONLY) 11. Certificate This certificate is valid only if the goods are covered under the appropriate tariff.	
12. Signature of the Signatory Name: <b>DR. ROSHAN HAZI, BSC, BHE</b> Designation: <b>MANAGING DIRECTOR</b> Address: <b>10000 Kota Kinabalu, Sabah</b>		 	

Figure 16: Certificate of Origin

		<b>GOVERNMENT OF MALAYSIA</b>		<b>ORIGINAL</b>	
<b>PHYTOSANITARY CERTIFICATE</b>		GNC International Plant Protection Commission		SH 58 045205	
1. Name of the Plant Producer (Company Name)		2. Name of the Plant		3. Date of Issue	
KOTA KINABALLU, SABAH, MALAYSIA		KOTA KINABALLU, SABAH, MALAYSIA		12 NOV 2013	
4. Description of Consignment		5. Name and Address of Exporter		6. Name and Address of Consignee	
CAG, RONWIS SALLEHU BIN HAZI KAMPUNG MELAWA, 14 000 JALAN BERAMANG RAY, 84000 BENDUJAL, KOTA KINABALLU, SABAH, MALAYSIA		CAG, RONWIS SALLEHU BIN HAZI KAMPUNG MELAWA, 14 000 JALAN BERAMANG RAY, 84000 BENDUJAL, KOTA KINABALLU, SABAH, MALAYSIA		KOTA KINABALLU, SABAH, MALAYSIA	
7. Mark and description of Packages		8. Origin of Goods		9. Date of Issue	
15 BILLS S.T.C. NO PRICE		MALAYSIA		12 NOV 2013	
10. Name of the Plant Producer (Company Name)		11. Name of the Plant		12. Date of Issue	
KOTA KINABALLU, SABAH, MALAYSIA		KOTA KINABALLU, SABAH, MALAYSIA		12 NOV 2013	
13. Name and Address of Exporter		14. Name and Address of Consignee		15. Date of Issue	
CAG, RONWIS SALLEHU BIN HAZI KAMPUNG MELAWA, 14 000 JALAN BERAMANG RAY, 84000 BENDUJAL, KOTA KINABALLU, SABAH, MALAYSIA		CAG, RONWIS SALLEHU BIN HAZI KAMPUNG MELAWA, 14 000 JALAN BERAMANG RAY, 84000 BENDUJAL, KOTA KINABALLU, SABAH, MALAYSIA		12 NOV 2013	
16. Name of the Plant Producer (Company Name)		17. Name of the Plant		18. Date of Issue	
KOTA KINABALLU, SABAH, MALAYSIA		KOTA KINABALLU, SABAH, MALAYSIA		12 NOV 2013	

Figure 17: Phytosanitary Certificate



**PEST LINK SDN. BHD.**  
101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

**FUMIGATION CERTIFICATE**

Cert No.: PL/PMG/17255      Date: 08<sup>TH</sup> NOV. 2013

CONSIGNEE'S ADDRESS:	CALLAWAY (MALAYSI) BERHAD 600001 SEREMBAN, 11000 (KUALA SEREMBAN) 70100 70100 SEREMBAN, NEGERI SEMBILAN, MALAYSIA.
DESTINATION'S ADDRESS:	TO: USA
BUYER'S NAME & ADDRESS:	

**COMMODITY DESCRIPTION:**

BERSEKUTAN/440/EMERSON/201/	18 BUNDLES	381-430K1	39.7318 CBM
1 x 8 BBL			10.866199 BBL
BLAU BLOK WITH YELLOW	882 BUNDLES	88 - STANDARD AND NETS	
CRUMEN LOGS	18 BUNDLES	448 PILES	39.731 CBM
	18.866 BBL		

**FUMIGATION SPECIFICATION:**

METHOD:	24 HOURS	34 DEG C	40 CM/HR	08 <sup>TH</sup> NOV 2013
FUMIGATION SITE:	FUMIGATION AREA			
WE - (GROSS) (KG)				
LOADING PORT:				
TRAIN:				
TRAIN DESTINATION:				
REMARKS:				
BY: KEMALU/1308099				

ISSUANCE OF COPY:  
 THIS CERTIFICATE IS VALID ONLY IF THE GOODS DESCRIBED ABOVE ARE SHIPPED WITHIN 30 DAYS FROM THE DATE OF FUMIGATION.  
 No.      An amount of fumigant shall be obtained by the certified fumigator, the quantity of fumigant used is recorded in column      Declaration of fumigator      Declaration of consignee




**THAN KON BION - LICENSED FUMIGATOR SK-425/163/2012 (B)**

Figure 18: Fumigation Certificate

## Annex III: Laws and regulations

P	C	Principle	Legal Requirements (from TLAS May 2013) and explanation of requirements	Applicable legislation
1		<b>Principle 1: Right to harvest</b>		
1	1	Approval of harvesting area	<p>i. Any registered company, company with trading license or qualified individual (Sabahan) who intends to harvest forest produce from permanent forest (PF) and State Land (SL) shall 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>ii. 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>	<ul style="list-style-type: none"> <li>Land Ordinance (Sabah Cap. 68)</li> <li>Sabah Forest Enactment, 1968 [Section 24(5)]</li> </ul>
1	2	Land title	<p>i. Land owner shall have a valid land title/or letter of confirmation of land applicant from Assistant Collector of Land Revenue on the land status and receipt of payment of land premium.</p> <ul style="list-style-type: none"> <li>Evidence of ownership (land title and other documents)</li> <li>Payment Receipt of land premium</li> <li>Letter/agreement/contract between the land owner and contractor</li> <li>Letter of confirmation of land ownership or status from the ACLR</li> </ul> <p>Timber Licences are also issued in Alienated lands on Form 2B basis. The issuance of Form 2B Licences is important as logs produced from this type of licence supplements the needs for the raw material supply for the wood-based industries in Sabah, in order to sustain their operations. Similarly, it also helps to promote the economy of the 'small-scale' timber operators in Sabah. Form IIB licences are issued for the purpose of removing felled logs from alienated lands during land clearing activities and, they are assessed for royalty and other charges by Sabah Forestry Department staff before they can be removed from the respective land. Essentially, royalty and other charges collected from logs under Form 2B licences, add to the coffer of the State government.</p>	<ul style="list-style-type: none"> <li>Land Ordinance (Sabah Cap. 68)</li> <li>Forest Rules, 1969 (Rule 3)</li> <li>Sabah Forest Enactment, 1968 [Section 24(5)]</li> </ul>
1	3	Harvesting license and/or coupe permit	<p>Any company or person/licensee who intends to harvest forest produce from a forest area shall have a valid harvesting licence. The issuance of a harvesting licence is subject to:</p> <ul style="list-style-type: none"> <li>Approval of forest harvesting area (refer Tables 1, 2, 3).</li> <li>Letter of approval for issuance of licence from NRO (PF &amp; SL – short term licence).</li> <li>Approved EIA study / PMM where applicable (refer Table 5).</li> <li>Demarcation of harvesting area (refer Table 7).</li> <li>Approved Inventory Report (refer Table 8).</li> <li>Payment of licence fees and other charges imposed (refer Table 15).</li> <li>Letter of approval for issuance of harvesting licence in AL from DoF (refer Table 1).</li> </ul> <p>Forest licences are issued under Section 24 of the Forest Enactment 1968. As a requirement of the licence conditions, coupe permits are issued to licensees subscribing to Sustainable Forest Management (SFM) under the Sustainable Forest Management Licence Agreement (SFMLA).</p> <p>The coupe permits are issued to the SFMLA holders for allowing them to carry out various activities such as:</p> <ul style="list-style-type: none"> <li>Harvesting and Silvicultural Tending Treatments.</li> <li>-Industrial Tree Plantations.</li> <li>-Forest Restoration and Enrichment Planting.</li> <li>-Agro-Forestry establishment.</li> <li>-Nursery Development.</li> <li>-Helicopter Logging / Eco-logging.</li> <li>-Animal Husbandry.</li> </ul> <p>The coupe permits issued are in compliance with the licence agreement meant for systematic harvesting with Reduced Impact Logging (RIL) techniques, silvicultural treatment, industrial timber plantation development, and forest restoration/enrichment planting. These management activities are monitored and administered by the District Forestry Officers.</p>	<ul style="list-style-type: none"> <li>Forest Rules, 1969 (Rule 3)</li> <li>Sabah Forest Enactment, 1968 [Section 15 and 24]</li> <li>Director of Forestry Circular: FD26/2009</li> </ul>
1	4	EIA requirement	<p>i. The Licensee/Land Owner has an approved EIA Report from the Director of Environment Protection Department (EPD) for forest related activities involving removal of timber in an area of 500 ha and above.</p> <p>ii. 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>iii. 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>iv. 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.</p> <p>v. The licensee shall implement relevant mitigation measures as required.</p>	<ul style="list-style-type: none"> <li>Environment Protection Enactment 2002 [Sections 12, 13, 14 &amp; 20]</li> <li>Environment Protection (Environmental Impact Assessment) Order 2012</li> <li>Environment Protection (Registration of Environmental Consultant) Rules 2005</li> <li>Environmental Quality Act, 1974</li> </ul>

1	5	Forest Management Plan	<p>i. The licensee shall develop a 10-year Forest Management Plan (FMP) and/or 10-year Plantation Development Plan (PDP).</p> <p>ii. The FMP or PDP shall be approved by FDS</p> <p>iii. The FMP clearly describes the policy, management systems, forest resources, environmental and social elements associated the SFMLA to be revised every 5 years as defined in the agreement.</p> <p>iv: the licensee shall implement operations according to the FMP</p>	<ul style="list-style-type: none"> <li>• Forest Enactment, 1968 [Section 15 &amp; 28A]</li> <li>• Sustainable Forest Management Licence Agreement (SFMLA)</li> <li>• Sabah Forest Management Licence Agreement</li> <li>• Director of Forestry Circular : FD26/2009</li> <li>- Guidelines for Logging and Forest Clearance Activities, 2002</li> <li>• RIL Operation Guide Book – Code of Practice for Forest Harvesting in Sabah, Malaysia. Third Edition 2009. (Chapter 2)</li> <li>• Long Term Licence (LTL) conditions</li> </ul>
1	6	Annual Work Plan and Comprehensive Harvest Plan	<p>i. The licensee (SFMLA/LTLA) shall have an approved Annual Work Plan (AWP) consisting of harvesting components.</p> <p>ii. The licensee shall have an approved Comprehensive Harvest Plan (CHP) consisting of harvesting components</p> <p>iii. CHP shall 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>iv. The licensee shall employ registered CHP contractor.</p> <p>NOTE: in FDS own managed area The District Forestry Officer (DFO) is required to obtain approval for Annual Work Plan (AWP) based on the 10-year Forest Management Plan (FMP).</p>	<ul style="list-style-type: none"> <li>• Forest Enactment, 1968 [Section 15 &amp; 28A]</li> <li>• Sustainable Forest Management Licence Agreement (SFMLA)</li> <li>• Long Term Licence (LTL) conditions</li> <li>• Forest Enactment 1968 [Section 28A]</li> </ul>
1	7	Plantation development plan	<p>The licensee shall develop a 10-year Plantation Development Plan (PDP).</p> <p>The PDP shall be approved by FDS</p>	<ul style="list-style-type: none"> <li>• Forest Enactment, 1968 [Section 15 &amp; 28A]</li> <li>• Director of Forestry Circular : FD26/2009</li> <li>- Guidelines for Logging and Forest Clearance Activities, 2002</li> <li>• Long Term Licence (LTL) conditions</li> </ul>
1	8	Annual Work Plan	<p>The licensee (LTLA) shall have an approved Annual Work Plan (AWP) consisting of harvesting components.</p> <p>The licensee is required to obtain approval for Annual Work Plan (AWP) based on the 10-year Plantation Development Plan (PDP).</p> <p>Annual Work Plan containing maps and description of areas and types of operations to be carried out during the year is available and approved by FDS</p>	<ul style="list-style-type: none"> <li>• Forest Enactment, 1968 [Section 15 &amp; 28A]</li> <li>• Director of Forestry Circular : FD26/2009</li> <li>- Guidelines for Logging and Forest Clearance Activities, 2002</li> </ul>
1	9	Area demarcation and mapping	<p>i. SL: Licensee to appoint a licensed surveyor to demarcate the area upon receiving Registered Survey Paper (RSP) from LSD.</p> <p>ii. AL: The land owner and/or authorized contractor has to maintain boundary stones for field verification.</p> <p>iii. 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>iv. 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>	<ul style="list-style-type: none"> <li>• Land Ordinance (Sabah Cap. 68) (Part VIII- Demarcation and Survey)</li> <li>• Sustainable Forest Management Licence Agreement</li> <li>• Long Term Licence conditions</li> <li>• The Surveyors (Conduct of Title Surveys) Regulations, 1962</li> <li>• Surveyor Ordinance 1960</li> </ul>
1	10	Forest Inventory	<p>i. The licensee conducts systematic plot sampling forest inventory in accordance with the Director’s Circular: FDS 26/2009 as follows:</p> <p>a) Area below 600 ha – Timber cruise</p> <p>b) Area above 600 ha – L-shape</p> <p>Note: Not applicable under Form IIB application after trees are felled.</p>	<p>Director of Forestry Circular : FD26/2009</p>
2		<b>Principle 2 Forest operation</b>		

2	1	Harvesting operations	<p>i. The licensee shall adhere to the harvesting licence condition/coupe permit.</p> <p>a) RIL (PF)</p> <ul style="list-style-type: none"> <li>- meeting operational elements of RIL (such as road alignment and construction, directional felling, log extraction, etc.)</li> <li>- registered RIL contractors</li> <li>- Trained RIL workers</li> <li>- Daily Felling Records</li> <li>- Quarterly Logging Progress Report &amp; Closing Inspection Report</li> <li>- Harvest practices shall be in accordance with the RIL Code of Practice</li> </ul> <p>b) Non-RIL (SL &amp; AL)</p> <ul style="list-style-type: none"> <li>- Registered logging contractor</li> <li>- Quarterly Logging Progress Report &amp; Closing Inspection Report</li> </ul> <p>ii. The licensee and/or appointed contractors shall comply with the AEC and MD.(refer Table 5)</p> <p>iii. The licensee shall notify the Director of Wildlife Department one month before commencing harvesting operation for any area to be harvested.</p> <p>iv. The licensee shall not commence operations before receiving notification or approval from the Wildlife Department</p> <p>v. The licensee and/or appointed contractors shall comply with EIA mitigation measures.</p> <p>vii. Areas prohibited from harvesting such as steep slopes and buffer zones are protected</p> <p>ix. The licensee shall Maintain records of all trees felled and extracted that include species, diameters &amp; volume traceable to the tree -(Compartment felling records)</p> <p>ix. The organisation shall demonstrate implementation of elements listed in the Annual Work Plan</p> <p>x. Organization shall demonstrate compliance to tree marking regulations on diameter limits, species, slope limits etc..</p>	<p>License conditions Coupe Permit Conditions Forest Rules RIL Operation Guide Book – Code of Practice for Forest Harvesting in Sabah, Malaysia. Third Edition 2009 (Chapter 2 &amp; 3) Environment Protection Enactment 2002 [Sections 12, 13, 14 &amp; 20] Wildlife Conservation Enactment 1997 (38)</p>
2	2	Control of timber production	<p>1. ITP (PF)</p> <p>i. Licensee only allowed to extract planted trees from compartments approved in the AWP.</p> <p>ii. 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>iii. The licensee shall adhere to the harvesting license condition/coupe permit.</p> <p>iv. Licensee ensures that their logging contractor is registered with FDS.</p> <p>v. The Licensee submits the Quarterly Logging Progress Report to DFO.</p> <p>vi. The licensee shall register Property Hammer Mark for sawmill/plymill processing.</p> <p>vii. Licensee shall incise a serial number on all logs for sawmill processing.</p> <p>viii. The licensee shall obtain an occupation permit for their stumping area inside forest reserve.</p> <p>ix. The licensee shall stamp all logs transported for sawmill/plymill processing to an approved stumping area with Property Hammer Mark.</p> <p>x. The licensee and/or appointed contractors shall comply with EIA mitigation measures. (refer Table 5)</p> <p>2. ITP (SL/AL)</p> <p>i. Land owner and developer shall get all harvested trees inspected by the DFO prior to removal.</p> <p>ii. Plantation logs to be removed are covered by Removal Pass.</p> <p>iii. DFO records all productions of plantation logs based on the number of logs or volume as in the Removal Pass.</p> <p>iv. The land owner shall comply with EIA/PMM. (refer Table 5)</p>	<ul style="list-style-type: none"> <li>• Annual Work Plan -PF/SL</li> <li>• License conditions- PF/SL</li> <li>• Forest Rules, 1969 (Rule 15(1))</li> <li>• Director of Forestry Circular FD: 21/2010 (Removal Pass for Plantation Logs) - SL/AL.</li> <li>• Environment Protection Enactment 2002 [Sections 12, 13, 14 &amp; 20]</li> </ul>
2	3	Log transportation	<p>ii. The licensee shall register Property hammer mark.</p> <p>iii. The licensee shall incise each extracted log with a serial number.</p> <p>iv. The licensee shall obtain an occupation permit for stumping area inside PF or TOL for area inside SL.</p> <p>v. The licensee transports marked logs to approved stumping area.</p> <p>1. For logs where royalty is assessed at the Pangkalan or Weigh Bridge at the Mill Gate:</p> <p>i. 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 shall be accompanied with a Transit Pass and/or CS Form.</p> <p>ii. Licensee transports all logs from the Pangkalan to the Port of loading/to the mill bearing FDS Royalty Hammer Mark. Logs shall be accompanied with Removal Passes upon payment of royalty.</p> <p>2. For logs where royalty is assessed at the Stumping Point/licensed area: 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 shall be accompanied with Removal Passes upon payment of royalty.</p> <p>3. Logs transported between mills shall be accompanied with Removal Passes.</p> <p>4. 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>5. 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>	<p>Forest Rules, 1969 (Rule 15(1))</p>
2	4	Log transportation	<p>The land owner has a letter/agreement/contract/[Power of Attorney] with the contractor to remove logs and wood residues.</p> <ul style="list-style-type: none"> <li>• Form IIB</li> <li>• Timber Disposal Permit</li> <li>• Removal Pass</li> </ul>	<ul style="list-style-type: none"> <li>• Land Ordinance (Sabah Cap. 68)</li> <li>• Forest Rules, 1969 (Rule 3)</li> <li>• Sabah Forest Enactment, 1968 [Section 24(5)]</li> </ul>

2	5	Log transportation	<p>1. For ITP Logs With Royalty (PF)</p> <p>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 shall be accompanied with a Transit Pass.</p> <p>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 shall be accompanied with Removal Passes upon payment of royalty.</p> <p>2. For ITP Logs With No Royalty (SL/AL, Including rubber wood from small holders)</p> <p>i. The land owner has a letter/agreement/contract/[Power of Attorney (PA)] with the contractor to remove logs.</p> <p>ii. 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 shall bear Property Hammer Mark and FDS Inspection Hammer Mark (marked randomly).</p> <p>iii. Land owner/authorized contractor transports all logs from the weigh bridge to the Port of loading/to the mill shall be accompanied with Removal Passes upon recording of volume (weighed volume).</p> <p>3. Logs transported between mills shall be accompanied with Removal Passes.</p> <p>4. 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>5. 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>	<p>Forest Rules, 1969 (Rule 15(1))</p> <ul style="list-style-type: none"> <li>- Customs (Prohibition of Imports) (Amendment) (No. 4) Order, 2006 – 1st Schedule Item 15 &amp; 4th Schedule Items 50, 51, 52 and 53.</li> <li>- Malaysian Timber Industry Board (Incorporation) Act 1973 – Section 14</li> <li>-Companies Act 1965 – Section 16</li> <li>- Ministry of Transport legislation</li> <li>• Forest Rules 1969 (Rule 15(1))</li> <li>• Director of Forestry Circular FD: 21/2010 Issuance of Removal Pass for Plantation Logs</li> <li>Director of Forestry Circular: FD: 05/2010.</li> </ul>
2	6	Worker safety and health	<p>Employer</p> <p>i. Pays insurance premium/contribution for all workers.</p> <p>ii. Provides adequate training on safety measures/personnel protective equipment.</p> <p>iii. Undertakes remedial measures as directed by relevant authorities (DOSH and FDS) following their inspection.</p> <p>iv. Submits appropriate report to DOSH / Department of Labour (DoL) in a timely manner as required.</p> <p>v. Reports to:</p> <ul style="list-style-type: none"> <li>- SOCSO</li> <li>- DOSH and</li> <li>- Department of Labour</li> </ul> <p>on accidents related to employment immediately.</p> <p>vi. Maintains monthly records of contribution to SOCSO.</p> <p>vii. Maintains records of worker’s training on safety and health showing what training was conducted, who attended and any certificates were awarded.</p> <p>viii. Provide protective clothing and safety equipment requirement in accordance to the RIL Operation Guide Book.</p> <p>ix. Directional felling technique to be complied.</p> <p>x. Ensure adequate precaution for worker’s safety in the event of fire or other accidents</p>	<ul style="list-style-type: none"> <li>• Occupational Safety and Health Act 1994 [Section 15]</li> <li>• Labour Ordinance (Sabah Cap 67)</li> <li>• Workmen’s Compensation Act 1952 (Act 273)</li> <li>• Employee’s Social Security Act 1969</li> <li>• RIL Operation Guide Book, Third Edition, 2009 (Chapter 2 &amp; 4)</li> </ul>
2	7	Legal Employment	<p>Minimum wages rules shall be adhered to</p> <p>All workers shall have valid work permit</p>	<p>Workmen’s Compensation Act 1952</p> <p>Minimum wages order 2012</p> <p>Guidelines on the implementation of the minimums wage order 2012</p>
3		<b>Principle 3 Statutory charges</b>		
3	1	Royalty and fees	<p>i. Licensee pays license fees upon issuance of a license and other charges prior to issuance of harvesting licence.</p> <p>ii. Licensee pays all royalty based on volume and species, premium (unless exempted), Community Forestry Cess, Forest Rehabilitation Fees (unless exempted) before the licensee can remove the timber from the licensed area.</p> <p>iii. Licensee pays Removal Pass fees before removal of timbers.</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> <ul style="list-style-type: none"> <li>• The construction or repair of a dwelling – house for the abode of himself and his family;</li> <li>• The construction of fences and temporary huts on any land lawfully occupied by him;</li> <li>• The construction or repair of native boats;</li> <li>• The upkeep of his fishing stakes and landing places;</li> <li>• Fire-wood to be consumed for his domestic purposes; or</li> <li>• 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</li> </ul>	<ul style="list-style-type: none"> <li>• Forest Enactment 1968 [Sections 24C &amp; 42(d), (e)]</li> <li>• Forest Rules 1969 (Rule 12(1))</li> <li>• CF Circular 1/81 Measurement of Timber For Royalty Assessment-CF No 1/81 2006 Version, 1st Revision</li> <li>- Sabah Forest Enactment 1968 (amended 1992) – sections 24 &amp; 27</li> <li>- Forest Rules 1969 – Rule 4</li> </ul>
4		<b>Principle 4 Other users’ rights</b>		
4	1	Community benefits and rights to occupy and use	<p>i. 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>ii. SFMLA /LTL holder identifies and set aside Community Forestry Areas in their licensed area (where relevant) in the Forest Management Plan (FMP).</p>	<ul style="list-style-type: none"> <li>• Sustainable Forest Management License Agreement</li> <li>• Long Term Licence conditions.</li> </ul>

4	2	Users' Right by Natives	<p>1. 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 State land (outside forest reserves), several types of "native" forest rights are recognized. Those "whose ancestors have been, and who themselves are dependent on shifting cultivation in Sabah for subsistence" may clear secondary growth for cultivation on land which is not under licence or closed to shifting cultivation (Rule 9). A native may also take forest produce from State land for the specified purposes of his own use or that of his village (Section 41, Rule 9).</p> <p>The Land Ordinance provides a degree of protection for indigenous or native customary rights through the codification of aspects of the adat laws. This provides indigenous peoples with legal ground to fight for their rights to their traditional land. However, adat is inherently complex and adat land use is changeable over time and according to circumstances – factors that a codified law such as that for indigenous customary rights cannot capture. In the LO, native customary rights (NCR) are defined as follows: Native Customary Rights shall be held to be-</p> <ul style="list-style-type: none"> <li>(a) land that is possessed by customary tenure;</li> <li>(b) land planted with fruit trees, when the number of fruit trees amount to fifty and upwards to each hectare;</li> <li>(c) isolated fruit trees, and sago, rattan and other plants of economic value, that the claimant can prove to the satisfaction of the Collector were planted or up kept and regularly enjoyed by him as his personal property;</li> <li>(d) grazing land that the claimant agrees to keep stocked with a sufficient number of cattle or horses to keep down the [vegetation?];</li> <li>(e) land that has been cultivated or built on within three years;</li> <li>(f) burial grounds and shrines;</li> <li>(g) usual rights of way for men and animals from rivers, roads, or houses to any or all of the above.</li> </ul> <p>(LO, 1968, Section 15)</p>	<ul style="list-style-type: none"> <li>• Forest Enactment 1968 [Section 41] - (SL, AL)</li> <li>- Land Ordinance (Cap. 68)</li> <li>- State Cultural Heritage (Conservation) Enactment 1997</li> <li>• Forest Rules 1969 (Rule 8) - (SL, AL)</li> <li>• Land Ordinance (Sabah Cap. 68) [Section 13, 14, 15, 16, 64, 65, 69 and 82] - (SL)</li> <li>• Interpretation (definition of native) Ordinance (Sabah Cap. 64)</li> <li>- Native Court Ordinance, 1952 (Cap 86)</li> <li>- Native Court Enactment 1992</li> <li>- Interpretation of the Native Ordinance, 1952</li> </ul>
4	3	Users' Right by Natives	<p>Forest Enactment provides for traditional uses. The rights and privileges of traditional uses are specified when a forest reserve is declared. These rights and privileges may not be granted, other than by succession, without the Minister's consent. They are subject to cancellation if they are not exercised for three years, and the Yang Di Pertua Negeri (Governor) may at any time "rescind, modify or add" to them (Section 14). The holder of a right or privilege may be required to obtain a free permit in order to remove products from a reserve (Rule 10).</p> <p>The Land Ordinance provides a degree of protection for indigenous or native customary rights through the codification of aspects of the adat laws. This provides indigenous peoples with legal ground to fight for their rights to their traditional land. However, adat is inherently complex and adat land use is changeable over time and according to circumstances – factors that a codified law such as that for indigenous customary rights cannot capture. In the LO, native customary rights (NCR) are defined as follows: Native Customary Rights shall be held to be-</p> <ul style="list-style-type: none"> <li>(a) land that is possessed by customary tenure;</li> <li>(b) land planted with fruit trees, when the number of fruit trees amount to fifty and upwards to each hectare;</li> <li>(c) isolated fruit trees, and sago, rattan and other plants of economic value, that the claimant can prove to the satisfaction of the Collector were planted or up kept and regularly enjoyed by him as his personal property;</li> <li>(d) grazing land that the claimant agrees to keep stocked with a sufficient number of cattle or horses to keep down the [vegetation?];</li> <li>(e) land that has been cultivated or built on within three years;</li> <li>(f) burial grounds and shrines;</li> <li>(g) usual rights of way for men and animals from rivers, roads, or houses to any or all of the above.</li> </ul> <p>(LO, 1968, Section 15)</p>	<ul style="list-style-type: none"> <li>• Forest Enactment 1968 (section 41) Land Ordinance Cap. 68.</li> </ul>
4	4	Free Prior Informed Consent	Any surrender of land title by Natives shall have been done with free prior and informed consent	Land Ordinance Cap. 68. Section 17 (2)
5		<b>Principle 5 Mill operations</b>		
5	1	Issuance /renewal / upgrading of mill licence and conditions of operation	<ul style="list-style-type: none"> <li>i. All wood processing mills are required to be licensed with the Sabah Forestry Department.</li> <li>ii. 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.</li> <li>iii. Licensed mill shall comply with mill licence conditions including submission of monthly Mill Production Returns and maintenance of Log Arrival Book (for mills processing logs).</li> <li>iv. Annual renewal of mill licence is to be submitted to the DoF</li> </ul>	<ul style="list-style-type: none"> <li>• Forest Enactment 1968 [Section 42]</li> <li>• Forest Rules 1969 (Rule 19(1))</li> <li>• Licensing Guidelines for Wood-Based Industry in Sabah-Version 2, 2012</li> </ul>

5	2	Log input and output	<p>Logs transported between mills shall be accompanied with Removal Passes.</p> <p>All wood processing mills receiving log consignments are required to maintain a log input book containing information on the number of removal passes, date of entry into the mill, log number and species. The original copy of removal pass which is kept by the mill will be stamped "cancelled" by relevant authorities after verifying that the logs have been received through physical inspection at the mill and/or recorded in the mill's log input book.</p> <p>The information on volume input into the mills, volume input into the processing machinery, and output of final products, is forwarded to the relevant authorities through the monthly returns to be checked and verified. Physical checks on the information contained in the monthly return are carried out by the respective authorities on a random basis or upon information received</p>	
5	3	Worker safety and health	<p>Employer</p> <ol style="list-style-type: none"> <li>Pays insurance premium/contribution for all workers.</li> <li>Provides adequate training on safety measures/personnel protective equipment.</li> <li>Undertakes remedial measures as directed by relevant authorities (DOSH and FDS) following their inspection.</li> <li>Submits appropriate report to DOSH / Department of Labour in a timely manner as required.</li> <li>Reports to: <ul style="list-style-type: none"> <li>- SOCSO</li> <li>- DOSH and</li> <li>- Department of Labour</li> </ul> on accidents related to employment immediately</li> <li>Maintains monthly records of contribution to SOCSO</li> <li>Maintains records of worker's training on safety and health showing what training was conducted, who attended and any certificates were awarded.</li> <li>Ensure adequate precaution for worker's safety in the event of fire or other accidents.'</li> </ol>	<ul style="list-style-type: none"> <li>• Occupational Safety and Health Act 1994 [Section 15]</li> <li>• Labour Ordinance (Sabah Cap 67)</li> <li>• Workmen's Compensation Act 1952 (Act 273)</li> <li>• Employee's Social Security Act 1969</li> </ul>
5	4	Legal Employment	See Workmen's Compensation Act 1952	Workmen's Compensation Act 1952
6		<b>Principle 6 Trade and Custom'</b>		
6	1	Export Regulations	<ol style="list-style-type: none"> <li>A company intending to export timber and timber products shall possess an Annual Export Licence from the FDS.</li> <li>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).</li> </ol>	<ul style="list-style-type: none"> <li>• Customs Act 1967, Customs Order (Prohibition of Export) 2008</li> <li>• Forest Enactment 1968 [Section 42(b), 42(c) (i)]</li> <li>• Forest Rules 1969 (Rule 17(1) &amp; 17(A) (1))</li> </ul>
6	2	Import Regulations	<ol style="list-style-type: none"> <li>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.</li> <li>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).</li> <li>Company intending to import timber products is required to obtain Customs' clearance (using CD1 Form) by Royal Malaysian Customs (RMC).</li> <li>Company requests for inspection of imported timbers and pay the inspection fees to the FDS.</li> </ol>	<ul style="list-style-type: none"> <li>• Customs Act 1967, Customs Order (Prohibition of Imports) 2008</li> <li>• Plant Quarantine Act 1976</li> <li>• Letter / circular on phytosanitary requirements from DoA (TP.KPTK207207/KIE/379/B (98) dated May, 08 2012)</li> <li>• The Fees Enactment, 1981 {The Fees (Forestry Department) Service of Inspection and Certification Order, 1999}</li> <li>• Director of Forestry Circular: FD: 05/2010.</li> </ul>
6	3	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.	Director of Forestry Circular: FD: 05/2010
6	4	Transfer pricing	NA	Income Tax (Transfer Pricing) Rules 2012 Income Tax (Advance Pricing Arrangement) Rules 2012



6	5	Timber from Sarawak	<ul style="list-style-type: none"><li>i. Company operating in Sabah ensures that no timbers brought in from Sarawak are included in export consignments to be shipped to the EU.</li><li>ii. Company submits Customs Declaration form (CD3) to FDS and requests for physical inspection upon arrival of timber.</li><li>iii. Company maintains records of buyers, sales and distribution of timber from Sarawak and timber products manufactured using such timber.</li><li>iv. Timber exporter to EU must declare that the products exported to EU do not contain or include any timber sourced from Sarawak.</li></ul>	
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