Country specific guideline for Malaysia (Sabah)

This guideline has been prepared by the Australian Government and the Government of Malaysia. It is intended to assist businesses importing regulated timber products from Malaysia into Australia in understanding the regulatory framework in Malaysia in order for them to carry out their due diligence obligations under the Illegal Logging Prohibition Regulation 2012, which supports the Illegal Logging Prohibition Act 2012.

Revision 1.1 – this guideline was co-endorsed by the Australian and Malaysian governments in March 2017.

Disclaimer

This guideline indicates that the Sabah Forestry Department is the Licensing Authority (Export & Import) for timber products in Sabah. However it has yet to undertake this task. The Malaysian Timber Industry Board will act as the interim Licensing Authority (Export & Import) for timber products in Sabah until further notice.
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I. What is required under the new law?

Australia’s *Illegal Logging Prohibition Act 2012* (the Act) restricts the movement of illegally logged timber into Australia at the border, for imported timber and timber products, and at timber processing mills, for domestically grown raw logs.

The Act defines ‘illegally logged’ as:

‘in relation to timber, means harvested in contravention of laws in force in the place (whether or not in Australia) where the timber was harvested.’

The *Illegal Logging Prohibition Regulation 2012* (the Regulation) prescribes due diligence for the regulated community, that is, businesses importing regulated timber and timber products (for the purposes of the Act a regulated timber product is a product listed in Schedule 1 to the Regulation) and Australian processors of domestic raw logs. Under the Regulation the regulated community has to undertake a due diligence process to minimise the risk of sourcing illegal logged timber.

Due diligence requirements for importers include the following steps:

**Step 1:** Information gathering

**Step 2:** Assessing and identifying risk against a timber legality framework (optional) or a country specific guideline (optional)

**Step 3:** Risk assessment (if required)

**Step 4:** Risk mitigation (if required)

Further information about the Act and the Regulation is available at the Australian Government Department of Agriculture and Water Resources website (agriculture.gov.au/illegallogging).

This guideline is intended to assist an importer of regulated timber products from Malaysia into Australia to comply with the due diligence requirements of the Regulation.
II. Introduction

Overview of Forest Management in Malaysia

Malaysia is a tropical country that covers an area of about 33 million hectares, consisting of Peninsular, the states of Sabah and Sarawak. Malaysia regards its natural forest resources as an important and valuable resource that contributes significantly towards the country’s economy and environmental well-being. To date, the forest cover for Malaysia is 61.04% which amounts to 20.31 million hectares of the total land area. Malaysia is committed to the implementation of Sustainable Forest Management (SFM). In addition, Malaysia encourages SFM through forest certifications which among others include the Malaysian Timber Certification Scheme (MTCS), Programme for the Endorsement of Forest Certification (PEFC) and other internationally recognised timber certification schemes. These schemes continuously support the trade in timber and timber products that use wood originating from legal and sustainable sources that take into account the environmental, social and economic aspects of SFM. The management of the forestry sector is governed under the National Forest Policy and laws which have stringent forest laws and regulation to monitor, enforce and enact the activities of illegal deforestation.

Management of forests are divided into 3 categories; Permanent Reserved Forest (PRF)/Permanent Forest Estates (PFE), Stateland Forest and Alienated land.

The Forestry Department of Peninsular Malaysia (FDPM) and the State Forestry Departments in Peninsular Malaysia are responsible for the management of its forests. This is regulated by the National Forestry Act 1984 and guided by the National Forestry Policy 1978 (revised 1992).

The Sabah Forestry Department (SFD) is responsible for forest management, control of harvesting operations, and royalty payment requirements in line with the Forest Enactment 1968 and Forest Rules 1969.

The Forest Department Sarawak (FDS) and the Sarawak Forestry Corporation (SFC) are responsible for forest management. This is regulated by the Forests Ordinance, 1958(Cap. 126).

The Malaysian Timber Industry Board (MTIB), SFD and Sarawak Timber Industry Development Corporation (STIDC) are the licensing authorities respectively for Peninsular, Sabah and Sarawak for issuing export and import licences for timber and timber products, as provided for under Schedule 2 of the Customs (Prohibition of Export) Order 2012 and Customs (Prohibition of Import) Order 2012.
III. Features of MCSG

The Malaysia Country Specific Guideline (MCSG) is intended to assist an importer in Australia of regulated timber products from Malaysia to comply with the due diligence requirements of the Illegal Logging Prohibition Regulation 2012 (the Regulation). It provides detailed information on the control of timber harvesting and export in Malaysia and informs Australian importers of what constitutes legal timber.

The development of the MCSG was undertaken by a working group which comprised members from:

Ministries:

(i) Ministry of Plantation Industries and Commodities (MPIC);
(ii) Ministry of Natural Resources and Environment (NRE);
(iii) Ministry of International Trade and Industry (MITI); and
(iv) Ministry of Resource Planning and Environment (MRPE), Sarawak.

Departments, Agencies and Councils:

(v) Forestry Department of Peninsular Malaysia (FDPM);
(vi) Malaysian Investment Development Authority (MIDA);
(vii) Malaysian Timber Industry Board (MTIB);
(viii) Sarawak Timber Industry Development Corporation (STIDC);
(ix) Sabah Forestry Department (SFD);
(x) Forest Department Sarawak (FDS);
(xi) Malaysian Timber Council (MTC);
(xii) Malaysian Timber Certification Council (MTCC);
(xiii) Malaysian Furniture Promotion Council (MFPC); and
(xiv) Sarawak Forestry Corporation (SFC).

Trade Associations:

(xv) The Malaysian Panel-Products Manufacturers’ Association (MPMA);
(xvi) Malaysian Wood Industries Association (MWIA);
(xvii) Malaysian Furniture Industry Council (MFIC);
(xviii) The Association of Malaysian Bumiputera Timber and Furniture Entrepreneurs (PEKA);
(xix) The Timber Exporters’ Association of Malaysia (TEAM);
(xx) Malaysian Wood Moulding and Joinery Council (MWMJC);
(xxii) Malaysia Pulp and Paper Manufacturers Association (MPPMA);
(xxiii) Sarawak Timber Association (STA);
(xxiv) Sabah Timber Industries Association (STIA); and
(xxv) Timber Association of Sabah (TAS).
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The MCSG has been subjected to several consultations with relevant stakeholders groups in Malaysia at national and regional levels.

Malaysia and Australia have agreed in bilateral discussions that the MCSG forms the basis for compliance with the due diligence requirements as set out in the Regulation.

The forestry and timber industry in Malaysia is governed by laws, regulations and institutional arrangements in the three regions; Peninsular, Sabah and Sarawak. Hence, the MCSG is divided into three parts:

Part 1: Peninsular

Part 2: Sabah

Part 3: Sarawak
IV. Timber products exported to Australia

Australia is one of Malaysia’s most important markets for timber and timber products.

Malaysia’s exports of regulated timber products are at Table 1. The list spans across four Customs HS codes: namely 44, 47, 48 and 94.

**Table 1: List of Regulated Timber Products exported to Australia (by HS Codes)**

<table>
<thead>
<tr>
<th>Chapters</th>
<th>Headings</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>44 – Wood and articles of wood</td>
<td>4407</td>
<td>Wood sawn or chipped lengthwise</td>
</tr>
<tr>
<td></td>
<td>4408</td>
<td>Sheets for veneering</td>
</tr>
<tr>
<td></td>
<td>4409</td>
<td>Wood, continuously shaped, not assembled</td>
</tr>
<tr>
<td></td>
<td>4410</td>
<td>Particleboard</td>
</tr>
<tr>
<td></td>
<td>4411</td>
<td>Fibreboard</td>
</tr>
<tr>
<td></td>
<td>4412</td>
<td>Plywood, veneered panels and laminated wood</td>
</tr>
<tr>
<td></td>
<td>4413</td>
<td>Densified wood</td>
</tr>
<tr>
<td></td>
<td>4414</td>
<td>Wooden frames</td>
</tr>
<tr>
<td></td>
<td>4418</td>
<td>Builders’ joinery and carpentry, assembled wood panel</td>
</tr>
<tr>
<td>47 – Pulp of wood or of other fibrous cellulosic material</td>
<td>4701</td>
<td>Mechanical wood pulp</td>
</tr>
<tr>
<td></td>
<td>4702</td>
<td>Chemical wood pulp, dissolving grades</td>
</tr>
<tr>
<td></td>
<td>4703</td>
<td>Chemical pulp, soda or sulphate</td>
</tr>
<tr>
<td></td>
<td>4704</td>
<td>Chemical wood pulp, sulphite</td>
</tr>
<tr>
<td>48 – Paper and paperboard; articles of paper pulp, of paper or of paperboard</td>
<td>4801</td>
<td>Newsprint, in rolls or sheets</td>
</tr>
<tr>
<td></td>
<td>4802</td>
<td>Uncoated paper and paperboard</td>
</tr>
<tr>
<td></td>
<td>4809</td>
<td>Carbon paper, self copy paper</td>
</tr>
<tr>
<td></td>
<td>4811</td>
<td>Paper, paperboard</td>
</tr>
<tr>
<td></td>
<td>4813</td>
<td>Cigarette paper</td>
</tr>
<tr>
<td></td>
<td>4817</td>
<td>Envelopes, letter cards, plain postcards and correspondence cards</td>
</tr>
</tbody>
</table>
### Chapters

<table>
<thead>
<tr>
<th>48 – Paper and paperboard; articles of paper pulp, of paper or of paperboard</th>
</tr>
</thead>
<tbody>
<tr>
<td>4818</td>
</tr>
<tr>
<td>4819</td>
</tr>
<tr>
<td>4820</td>
</tr>
<tr>
<td>4823</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>94 – Furniture &amp; prefabricated buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>9401</td>
</tr>
<tr>
<td>9403</td>
</tr>
<tr>
<td>9406</td>
</tr>
</tbody>
</table>

Malaysia’s major exports of timber and timber products (top 10) to Australia ranked in terms of value are as follows:

**Table 1.1: List of major timber and timber products exported to Australia ranked by value**

<table>
<thead>
<tr>
<th>Products</th>
<th>HS Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wooden furniture</td>
<td>9401 + 9403</td>
</tr>
<tr>
<td>Paper</td>
<td>4811</td>
</tr>
<tr>
<td>Builders joinery &amp; carpentry</td>
<td>4418</td>
</tr>
<tr>
<td>Mouldings</td>
<td>4409</td>
</tr>
<tr>
<td>Plywood</td>
<td>4412</td>
</tr>
<tr>
<td>Sawntimber</td>
<td>4407</td>
</tr>
<tr>
<td>Fibreboard</td>
<td>4411</td>
</tr>
<tr>
<td>Wooden frame</td>
<td>4414</td>
</tr>
<tr>
<td>Veneer</td>
<td>4408</td>
</tr>
<tr>
<td>Fuel wood</td>
<td>4401</td>
</tr>
</tbody>
</table>

**Source:** Department of Statistics, Malaysia (DOSM)


1.0 Harvesting regulations

1.1 Legal Requirements for Timber Harvesting

Timber harvesting in PFE, Stateland and Alienated land is regulated by the following regulations:

(i) Forest Enactment, 1968; and
(ii) Forest Rules, 1969.

1.2 Approval of harvesting area

In order for an organisation or company to obtain the right to harvest, it must fulfill the following requirements:

(i) An organisation or company shall obtain an approval of harvesting rights for the specified area.
(ii) The area under the license for harvesting shall not include areas with Native Customary Rights.

1.3 Alienated land

For Alienated land, an organisation or company must fulfill the following requirements:

(i) The organisation or company shall have a valid land title or a letter of confirmation on the status of the land application from the Assistant Collector of Land Revenue.
(ii) The organisation or company shall have receipt of payment of land premium.

1.4 Harvesting licence

Prior to issuing a harvesting licence, the following requirements must be fulfilled:

(i) The organisation or company shall obtain a letter of approval from the Natural Resources Office (NRO) for issuing a harvesting licence.
(ii) The organisation or company shall have a valid harvesting licence or coupe permit.

Harvesting licence can be in a form of Sustainable Forest Management Licence Agreement (SFMLA) or Long Term Licence Agreement (LTL) (see Attachment 2.1), Form I Licence (see Attachment 2.2), or Form IIB in the case of timber from alienated land (see Attachment 2.3).
1.5 Annual Work Plan and Comprehensive Harvest Plan (CHP)

PFE are subject to the following requirements:

(i) The licensee (SFMLA/LTL) shall have an approved Annual Work Plan (AWP) containing maps and description of the areas and types of operations to be carried out during the year and approved by SFD.

(ii) The licensee shall have a Comprehensive Harvesting Plan (CHP) containing the total and net production areas; harvesting volumes, diameter, limits, species and protected areas approved by SFD.

(iii) CHP shall comply with the Reduced Impact Logging (RIL) Operation Guide Book requirements for harvesting and operations (roads, skid trails and log landings density and location, harvestable tree marking and stream buffer zones identification).

(iv) The CHP shall be developed by a registered CHP contractor.

1.6 Control of harvesting operations

There are various controls over timber harvesting operations in Sabah depending on the land status. For timber extracted from a licence involving PFE, Stateland and alienated land, all licensees must adhere to the following conditions as stipulated in the licence conditions:

(i) A licensee must register a Property Hammer Mark (PHM), with the PHM stamped at the end of each log produced.

(ii) A licensee must incise each extracted log with a serial number.

(iii) A logging contractor must be registered with the SFD prior to commencing operations.

For an area involving PFE and Stateland, only a licenced area is allowed for timber harvesting. For alienated land, timber can be felled for land clearance for agricultural purposes as the land is alienated land, but no timber can be removed without royalty payment and with proper markings and thereafter issuance of Form IIB licence.

For timber extracted from Forest Reserves, additional harvesting control is imposed on the employment of Reduced Impact Logging (RIL). The operation will be guided by the approved Comprehensive Harvesting Plan (CHP) which guide on meeting road alignment and construction, directional felling and the mapping of trees to be harvested.

Other harvesting operation controls include:

(i) The requirement to prepare daily harvesting records.


(iii) Prohibition of timber harvesting in steep slopes (25° and above) and buffer zones as stipulated in the licence conditions.
1.7 Prohibition and restrictions of harvesting of certain species

The **conditions of harvesting licence** stipulate several protected species of timber that are prohibited from being harvested in PFE or Natural Forest Management Areas (see Attachment 2.4).

1.8 Statutory charges

1.8.1 Harvesting charges

(i) Royalty payment

The requirement of royalty payment for all harvested timber is covered under Section 24C of the Forest Enactment 1968, and Rule 12 (1) of the Forest Rules 1969, that all logs to be transported to the final destination must be royalty paid first prior to leaving the licenced area or approved royalty assessment area.

The licensee must apply for royalty assessment for their logs to the District Forestry Officer (DFO) and shall include supporting documents such as a Log Summary and Log List showing the timber species, log dimension and volume. The DFO will conduct field inspections and will verify the company’s log list based on the Guideline for Measurement of Timber for Royalty Assessment and assess royalty payment based on the applicable royalty rates of timber.

Prior to the royalty assessment the following are checked:

a. Logs bear a Property Hammer Mark.

b. Logs bear a Forestry Department Inspection Mark.

c. All logs have a species symbol and serial number incised at both ends of the logs, and the logs’ details and volume correspond to the company’s log list and log summary volume.

Upon satisfaction of these procedural requirements, the company will pay royalty based on the assessment made by the DFO and a receipt of royalty payment will be issued.

Royalty paid logs will have the following documents or markings:

a. Logs bear a Property Hammer Mark.

b. Logs bear a Forestry Department Inspection Mark.

c. Logs bear a Forestry Department Revenue Hammer Mark.

d. All logs have a species symbol and serial number incised at both ends of the logs.
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e. Timber Disposal Permit (TDP) (see Attachment 2.5) which provide all the details of logs including: the license where the logs were extracted from; the serial number; log specifications by species; diameter and length; date of scaling; and reference of the royalty payment receipt.

(ii) Movement of Logs

Movement of timber is regulated by Rule 15(1) of the Forest Rules 1969, whereby all timber to be transported out must be accompanied by a Removal Pass (RP) (see Attachment 2.6) upon payment of royalty to the Government, or a Transit Pass for the transportation of logs from the extraction area to the royalty assessment area. In addition, all logging trucks must also be registered with the SFD.

Prior to the transportation of logs to the final destination, the following are checked by the SFD:

a. Logs bear a Property Hammer Mark.

b. Logs bear a Forestry Department Inspection Mark.

c. Logs bear a Forestry Department Revenue Hammer Mark.

d. All logs have a species symbol and serial number incised at both ends of the logs.

e. All royalty paid logs are supported by TDP, which provide all the details of logs including the license where the logs were extracted from, the serial number, the logs’ dimensions, and reference of the royalty payment receipt.

A RP (one per truck) will be issued upon satisfaction of all the above. The RP will indicate TDP numbers covered by the RP and the name of the receiving mill in the final destination.

Upon reaching the mill, logs and truck records and the/RP are recorded in the log Arrival Book kept at the mill by the SFD, and the used RP is stamped as “Used Removal Pass”.

1.8.2 Export royalty

An exporter of round logs, timber and timber products, listed in Table 2.1 must pay the relevant export royalty as provided for in the Forest Rules, 1969.
Table 2.1: List of royalty payable timber and timber products

<table>
<thead>
<tr>
<th>No.</th>
<th>Wood Items</th>
<th>Customs HS Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Logs (including baulks and roughly squared) except those planted from alienated lands.</td>
<td>4403</td>
</tr>
<tr>
<td>2</td>
<td>Railways or tramway sleepers</td>
<td>4406</td>
</tr>
<tr>
<td>3</td>
<td>Sawn timber</td>
<td>4407</td>
</tr>
<tr>
<td>4</td>
<td>Veneer sheets</td>
<td>4408</td>
</tr>
<tr>
<td>5</td>
<td>Moulding</td>
<td>4409</td>
</tr>
<tr>
<td>6</td>
<td>Particleboard, Chipboard</td>
<td>4410</td>
</tr>
<tr>
<td>7</td>
<td>Plywood, veneered panel and similar laminated wood, blockboard</td>
<td>4412</td>
</tr>
</tbody>
</table>

1.9 Special provisions for indigenous people

Community benefits and rights to occupy land and native users’ right to forest resources are recognised, subject to the following requirements:

(i) Meeting legislative requirements covering customary rights relevant to forest harvesting activities including requirements covering the sharing of benefits and tenure rights.

(ii) Meeting legislative requirements covering “free, prior and informed consent” in connection with the transfer of forest management rights and customary rights to the organisation in charge of the harvesting operation.

(iii) Meeting legislative requirements that regulate the rights of indigenous people in relation to forestry activities. Other aspects that may need to be considered are land tenure, the right to use certain forest related resources or practice traditional activities on forest lands.

1.10 Production and manufacture of rubberwood products

Rubberwood (*Hevea brasiliensis*) is produced from logs harvested from rubber plantations [Stateland and Alienated land] and PFE (Industrial Tree Plantation Zone of the SFMLA). Rubber trees are planted for latex production, in the case of Stateland and Alienated land, and for both latex and timber production in the case of SFMLA. The trees are usually felled when their life span for the production of latex (approximately 15 to 20 years) is no longer economical and replanting is necessary.

The harvesting of rubberwood logs from Alienated land only requires the consent of the rubber smallholding or estate owner. SFMLA production of rubberwood logs however, is subject to the same requirements as those imposed on any other timber products from PFE.
Irrespective of the source of rubberwood logs, all logs are subject to the issuing of RP from the SFD to ascertain their legality. Rubberwood logs produced from Alienated land in Sabah are royalty exempted, while rubberwood logs produced from PFE (Industrial Tree Plantation Zone of SFMLA) are subject to royalty payment.
2.0 Relevant laws relating to legal timber

Apart from the Forest Enactment, 1968 and the Forest Rules, 1969, other relevant laws in Sabah that govern or are applicable to timber legality are:

i. Land Ordinance (Sabah Cap. 68);
ii. Wildlife Conservation Enactment 1977 (Section 38);
iii. Environment Protection Enactment 2002;
v. Industrial Co-ordination Act 1975;
vi. Custom Act 1967;
vii. The Customs Order (Prohibition of Export) 2008;
viii. International Trade In Endangered Species Act 2008 (Act 686);
ix. Fees Enactment 1981 [The Fees (Forestry Department) Service of Inspection and Certification Order, 1999].

Legal timber is also produced or harvested from either Stateland or Alienated land, which are also governed by the Land Ordinance (Sabah Cap. 68). Before an organisation or company can proceed with timber harvesting in the SL, an organisation or company should obtain a letter of approval from Natural Resources Office (NRO) which issues approval prior to the issuance of harvesting licence and Lands and Surveys Department for a Temporary Occupation Lease (TOL). For Alienated land, an organisation or company must have a letter confirming the status of land and a valid land title issued by the Registrar of Titles. A harvesting licence is issued by the SFD upon satisfaction of all requirements.

Under the Wildlife Conservation Enactment 1977 (Section 38), it is a requirement that the licensee of any area must first notify the Director of Wildlife Department one month prior to harvesting.

For wood manufacturing mills, mills shall not operate without a manufacturing licence issued by the Ministry of Trade and Industry (MITI), unless otherwise exempted under Section II of the Industrial Co-ordination Act 1975.

Timber exports are regulated by the Customs Act 1967, the Customs Order (Prohibition of Export) 2012.

Under the International Trade In Endangered Species Act 2008 (Act 686), all forest produce listed under Appendix I and II of CITES which are to be exported outside the country must obtain a CITES export permit from the Management Authority (MA) prior to export.

The Fees Enactment 1981 [The Fees (Forestry Department) Service of Inspection and Certification Order, 1999] requires that imports of logs, veneer and sawn timber be inspected by the SFD upon arrival, and are subject to payment of an inspection fee prior to sending to domestic mills for further processing.
2.1 Timber harvesting

Relevant laws relating to timber harvesting include:

i. Forest Enactment 1968 (Section 15, 24,28(A);
ii. Forest Rules 1969, Rule 12 (3);
iii. RIL Operation Guide Book-Code of Practice For Harvesting in Sabah;
iv. Environment Protection Enactment 2002; and
v. Wildlife Protection Enactment 1997 (Section 38).

2.2 Timber processing

Timber and timber products (including furniture, pulp and paper products)

Relevant laws relating to timber and timber products include:

i. Forest Enactment 1968, Section 42 (e);
ii. Forest Rules 1969, Rule 19(1);
iii. Industrial Co-ordination Act 1975 [Act 156]; and

2.3 Export of timber and timber products

2.3.1 Timber and timber products under Customs HS code 44 and 94

Any company or person engaged in the export of timber and timber products falling under these codes must be registered and licenced by SFD. Registered and licenced companies or persons are issued with a registration and export licence (see Attachment 2.7). Registered and licenced companies or persons are allowed to export timber and timber products with an export permit (see Attachment 2.8) issued by SFD, upon satisfaction of all timber and timber products export requirements.

Laws related to the export of these products include:

i. Customs Act 1967 [Act 235], Customs (Prohibition of Exports) Order 2012;
ii. Forest Enactment, 1968; and
iii. Forest Rules, 1969.

The Second Schedule of the Customs (Prohibition of Exports) Order 2012 lists timber and timber products that require an export licence/permit from SFD prior to export. The list of products that require an export license/permit is as shown in Table 2.2.
## Table 2.2: List of products that require export licence

<table>
<thead>
<tr>
<th>No.</th>
<th>Wood Items</th>
<th>Customs HS Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wood in chip or particle</td>
<td>4401.21 000, 4401.22 000</td>
</tr>
<tr>
<td>2</td>
<td>Wood charcoal</td>
<td>4402.90 000</td>
</tr>
<tr>
<td>3</td>
<td>Logs (including baulks and roughly squared)</td>
<td>4403</td>
</tr>
<tr>
<td>4</td>
<td>Hoopwood</td>
<td>4404</td>
</tr>
<tr>
<td>5</td>
<td>Wood wool ; Wood flour</td>
<td>4405.00</td>
</tr>
<tr>
<td>6</td>
<td>Railways or tramway sleepers</td>
<td>4406</td>
</tr>
<tr>
<td>7</td>
<td>Sawn timber</td>
<td>4407</td>
</tr>
<tr>
<td>8</td>
<td>Veneer sheets</td>
<td>4408</td>
</tr>
<tr>
<td>9</td>
<td>Moulding</td>
<td>4409</td>
</tr>
<tr>
<td>10</td>
<td>Particleboard</td>
<td>4410</td>
</tr>
<tr>
<td>11</td>
<td>Fibreboard</td>
<td>4411</td>
</tr>
<tr>
<td>12</td>
<td>Plywood, veneered panel and similar laminated wood</td>
<td>4412</td>
</tr>
<tr>
<td>13</td>
<td>Densified wood</td>
<td>4413.00 000</td>
</tr>
<tr>
<td>14</td>
<td>Wooden frames</td>
<td>4414.00 000</td>
</tr>
<tr>
<td>15</td>
<td>Cask, barrels, vats, tub and other coopers products, of wood, including staves</td>
<td>4416.00 000</td>
</tr>
<tr>
<td>16</td>
<td>Tool, broom and brush bodies and handles, of wood</td>
<td>4417.00 000</td>
</tr>
<tr>
<td>17</td>
<td>Builders joinery and carpentry, of wood</td>
<td>4418</td>
</tr>
<tr>
<td>18</td>
<td>Tableware and kitchenware, of wood</td>
<td>4419.00 000</td>
</tr>
<tr>
<td>19</td>
<td>Articles of wooden furniture</td>
<td>4420.90.200</td>
</tr>
<tr>
<td>20</td>
<td>Other articles of wood</td>
<td>4421</td>
</tr>
<tr>
<td>21</td>
<td>Seats of bamboo or rattan and other seats, with wooden frames</td>
<td>9401.51 000, 9401.61 000, 9401.69 000</td>
</tr>
<tr>
<td>22</td>
<td>Wooden furniture</td>
<td>9403.30 000, 9403.40 000, 9403.50 000, 9403.60 100</td>
</tr>
<tr>
<td>No.</td>
<td>Wood Items</td>
<td>Customs HS Code</td>
</tr>
<tr>
<td>-----</td>
<td>------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>23</td>
<td>Prefabricated buildings, of wood</td>
<td>9403.60 200, 9403.60 900</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9406.00 200</td>
</tr>
</tbody>
</table>

### 2.3.2 Timber and timber products under Customs HS code 47 and 48 (pulp and paper products)

Exporters of products under HS Codes 47 and 48 must make an appropriate declaration using **Customs Form K2** (see Attachment 2.9) and submit it to the Customs Department for final export clearance.

Laws related to the export of these products include:

1. **Customs Act 1967** [Act 235], Customs (Prohibition of Exports) Order 2012;
2. Forest Enactment, 1968; and

### 2.4 Import of timber and timber products

All products listed in the Customs (Prohibition of Imports) Order 2012 require an **Import Licence** (see Attachment 2.10) and **Import Permit (JK 69)** (see Attachment 2.11) from SFD prior to their importation into Sabah. For the import of logs, it is a requirement that prior written approval from the Director of Forestry Sabah be obtained before an import licence may be issued.

For other timber products, an importer is required to make appropriate declaration in **import document (K1)** (see Attachment 2.12) and seek clearance from the Customs Department prior to importation.

### 2.5 Trade in CITES-listed timber species

Currently, MTIB as the Management Authority of the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES) for timber products in Sabah, is responsible for issuing **export, import and re-export permits** (see Attachment 2.13) for any timber species listed under CITES.

Laws related to trade in CITES listed timber species include:

1. **Customs Act 1967** [Act 235], Customs (Prohibition of Exports) Order 2012; and
2. **International Trade in Endangered Species Act 2008** [Act 686].
3.0 Identifying legal products

The export of all forest products must be covered by an export permit issued by the SFD and issued with a Custom Form K2.

As a procedural requirement, all exports must be inspected and verified that the exported timber is legal and has fulfilled the various legal requirements in the supply chain including royalty payment. Upon satisfying all requirements, the SFD export approval stamp (permit) indicating the export licence number and licence validity, export approval reference number for each batch of export, type of product, volume, royalty payment and payment receipt number is stamped on the second page of the Customs Form K2. Where no export royalty is imposed for the exported timber, a remark will be stated in the Forestry Department’s stamp. The final export endorsement will be made by the Customs Department.

For CITES-listed products, a CITES export or re-export permit issued by MTIB may be considered as having fulfilled the applicable national and CITES requirements.
4.0 Legality of manufactured timber products

4.1 Traceability of domestic sources

Compliance with legal requirements at critical points in the supply chain are checked by the SFD and supported by documents as evidence of compliance. It is also mandatory that all timber to be manufactured domestically irrespective of their source can only be processed in a mill licensed by the SFD. All wood manufacturers are required to obtain a sawmill license (see Attachment 2.14) under Rule 19 (1), of the Forest Rules 1969.

Any timber arriving at the mill gate (including royalty exempted timber, such as rubberwood and planted timber from alienated lands) must also be accompanied by a RP and timber details are recorded in a Log/Timber Arrival Book.

4.2 Traceability of import sources

Customs Order (Prohibition of Import) 2012 provides the authority to SFD to exercise control over the list of products as given in Table 2.3 below. Importers of these products must obtain an import licence, as described in Section 2.4.

Table 2.3: List of products that require import licence

<table>
<thead>
<tr>
<th>No.</th>
<th>Wood Items</th>
<th>Customs HSCode</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Logs; wood in the rough, whether or not stripped of its bark or merely roughed down; wood roughly squared or half-squared but not further manufactured; and baulks</td>
<td>4403</td>
</tr>
<tr>
<td>2</td>
<td>Poles and piles of Mangroves (<em>Rhizophora spp</em>)</td>
<td>4403.99 515</td>
</tr>
<tr>
<td>3</td>
<td>Plywood, veneered panel and similar laminated wood</td>
<td>4412</td>
</tr>
</tbody>
</table>

It is mandatory that all importers of timber and timber products be registered and licenced as importers with the SFD, so that traceability is assured. All imports of logs, veneer and sawn timber must also be inspected by the SFD under the Fees Enactment, 1981 [The Fees (Forestry Department) Service of Inspection and Certification Order, 1999]. As with other timber sourced domestically, all imported timbers movement from the Port of Discharge must also be covered by Removal Pass to mills licenced by the SFD. Details of imported timber are recorded in a Log/Timber Arrival Book.
5.0 Who should I contact for further information?

Australian Government
Department of Agriculture and Water Resources
GPO Box 858
Canberra ACT 2601
Phone: +61 (0) 2 6272 3933
agriculture.gov.au/illegallogging
illegallogging@agriculture.gov.au

Malaysian Government
Sabah Forestry Department
Locked Bag 68
90009 Sandakan
Sabah, Malaysia
Phone: +6089-660811/242500
Fax: +6089-671303/672579
forest.sabah.gov.my
mcsg.sabah@sabah.gov.my

Disclaimer

While reasonable efforts have been made to ensure that the contents of this guideline and the associated quick reference guide are factually correct, the Commonwealth of Australia does not accept responsibility for the accuracy or completeness of the contents and expressly disclaims liability for any loss or damage, however caused, that may be occasioned directly or indirectly through the use of, or reliance on, the contents of this guideline or associated quick reference guide.

This guideline and its associated quick reference guide is made available on the understanding that the Commonwealth of Australia is not providing professional advice. Before relying on this guideline or its associated quick reference guide, readers should obtain appropriate professional advice suitable to their particular circumstances.

Readers should also confirm that this is the most up-to-date available guideline by referring to the Department of Agriculture and Water Resources website.
## 6.0 List of sample documents and attachments

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of Sample Document</th>
<th>Attachment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Sustainable Forest Management Licence (SFMLA)/Long Term Licence Agreement (LTL) issued by SFD.</td>
<td>2.1</td>
</tr>
<tr>
<td>2.</td>
<td>Form I Licence issued by SFD.</td>
<td>2.2</td>
</tr>
<tr>
<td>3.</td>
<td>Form IIB Licence issued by SFD.</td>
<td>2.3</td>
</tr>
<tr>
<td>4.</td>
<td>List of Prohibited Species in PFE or Natural Forest Management Area</td>
<td>2.4</td>
</tr>
<tr>
<td>5.</td>
<td>Timber Disposal Permit issued by SFD</td>
<td>2.5</td>
</tr>
<tr>
<td>6.</td>
<td>Removal Pass issued by SFD</td>
<td>2.6</td>
</tr>
<tr>
<td>7.</td>
<td>Registration and Export Licence issued by SFD</td>
<td>2.7</td>
</tr>
<tr>
<td>8.</td>
<td>Export Endorsement /Permit of Forest Produce by SFD</td>
<td>2.8</td>
</tr>
<tr>
<td>9.</td>
<td>Customs Form K2</td>
<td>2.9</td>
</tr>
<tr>
<td>10.</td>
<td>Import Licence issued by SFD</td>
<td>2.10</td>
</tr>
<tr>
<td>11.</td>
<td>Import Permit (JK69) issued by SFD</td>
<td>2.11</td>
</tr>
<tr>
<td>12.</td>
<td>Customs Form K1</td>
<td>2.12</td>
</tr>
<tr>
<td>13.</td>
<td>CITES Export Permit issued by MTIB</td>
<td>2.13</td>
</tr>
<tr>
<td>14.</td>
<td>Sawmill licence issued by SFD</td>
<td>2.14</td>
</tr>
</tbody>
</table>

**Note:** Attachments 2.7, 2.8, 2.10 and 2.13 are subject to change as new formats are in the final stage of being approved for use by the higher authority.
Attachment 2.1: Sustainable Forest Management Licence (SFMLA)/Long Term Licence Agreement (LTL) issued by SFD
Attachment 2.2: Form I Licence issued by SFD

This licence authorises

[redacted]

of: LOCKED BAG NO. 29
21009 TAWAU
SABAH

to take, within the area specified below, and subject to the conditions and annexed hereto and the Forest Enactment 1968 and Forest Rules 1969, the following forest produce: ___ ROUND LOGS ONLY

Boundaries of area: As delineated by a red outline on the plan in Schedule A and registered vide FD No.: [redacted]

Company No.: 772, [redacted]

Size of area: Approximately 1768.20 hectares

Type of land: FOREST RESERVE CLASS II

Locality: SUNGAI AGISAN & SUNGAI EBBUDA (SAPULUT FOREST RESERVE)

Forest Region/District: TAWAU/TIBOW

Effective Date: 06/10/1998

Date of Expiry: 31/12/1999

Issued this 6 day of October, 1998.

[Signature]

ACTING DIRECTOR OF FORESTRY/ AUTHORISED OFFICER
(06/10/1998)
Attachment 2.3: Form IIB Licence issued by SFD
## Attachment 2.4: Prohibited Species in Natural Forest Management (NFM) Area in PFE (Unless Specified)

<table>
<thead>
<tr>
<th>Scientific Name</th>
<th>Local Name</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Shorea macrophylla, Shorea gysbertinana, Shorea pinangah</em></td>
<td>All Tengkawang/Kawang species</td>
<td>Fruit</td>
</tr>
<tr>
<td>All <em>Mangifera</em> species</td>
<td>All Asam family-Mangga or Macang Hutan</td>
<td>Fruit</td>
</tr>
<tr>
<td>All <em>Durio</em> species</td>
<td>Durian</td>
<td>Fruit</td>
</tr>
<tr>
<td><em>Triomma</em> spp., <em>Daryodes</em> spp. and <em>Santiria</em> spp., except <em>Canarium</em> spp.*</td>
<td>All Kedondong species</td>
<td>Fruit</td>
</tr>
<tr>
<td>All <em>Drancontomelon</em> spp.</td>
<td>Langsat</td>
<td>Fruit</td>
</tr>
<tr>
<td>All <em>Bacaurea</em> spp.</td>
<td>Tampoi, Rambai and Belimbing Hutan</td>
<td>Fruit</td>
</tr>
<tr>
<td>All <em>Artocarpus</em> spp.</td>
<td>Terap, Buruni, Pulutan/Cempedak</td>
<td>Fruit</td>
</tr>
<tr>
<td>All <em>Nephelium</em> spp.</td>
<td>Meritam and Rambutan</td>
<td>Fruit</td>
</tr>
<tr>
<td>All <em>Paranephelium</em> spp.</td>
<td>Mata Kuching</td>
<td>Fruit</td>
</tr>
<tr>
<td>All <em>Aquilaria</em> spp.</td>
<td>Gaharu</td>
<td>Conservation (prohibited in Stateland)</td>
</tr>
<tr>
<td>All <em>Koompassia</em> spp.</td>
<td>Mengaris/Tualang</td>
<td>Depository of wild honey</td>
</tr>
<tr>
<td><em>Eusideroxylon zwageri</em></td>
<td>Belian</td>
<td>Conservation</td>
</tr>
<tr>
<td><em>Protoxyylon malagangai</em></td>
<td>Belian Malagangai</td>
<td>Conservation</td>
</tr>
<tr>
<td><em>Intsia</em> palembanica and <em>Sympetalandra</em> borneensis</td>
<td>All Merbau species including Merbau Lalat</td>
<td>Conservation</td>
</tr>
<tr>
<td>All mangrove species</td>
<td>All mangrove species</td>
<td>Conservation-unless for use by Natives and Charcoal factories</td>
</tr>
<tr>
<td>Any trees marked by the Director for retention</td>
<td>Any trees marked by the Director for retention</td>
<td>Conservation and seeds (mother trees)</td>
</tr>
<tr>
<td>Any trees from the general stipulated in Schedule I - Forest Rules 1969, if the diameter is less than the specified limit except if marked by the Director for felling.</td>
<td>Any trees from the general stipulated in Schedule I - Forest Rules 1969, if the diameter is less than the specified limit except if marked by the Director for felling.</td>
<td>Conservation</td>
</tr>
</tbody>
</table>
Attachment 2.5: Timber Disposal Permit issued by SFD

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Log No.</th>
<th>Species Symbol</th>
<th>Length (M)</th>
<th>Diameters D1 CM</th>
<th>Diameters D2 CM</th>
<th>Diameters Mean CM</th>
<th>Symbol</th>
<th>Diameters Length</th>
<th>Diameters Dia.</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>115/115</td>
<td></td>
<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>115/115</td>
<td></td>
<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>3</td>
<td>115/115</td>
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<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>115/115</td>
<td></td>
<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
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<td></td>
<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
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<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>115/115</td>
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<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>115/115</td>
<td></td>
<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>115/115</td>
<td></td>
<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>115/115</td>
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<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>11</td>
<td>115/115</td>
<td></td>
<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>12</td>
<td>115/115</td>
<td></td>
<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>115/115</td>
<td></td>
<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>14</td>
<td>115/115</td>
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<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>15</td>
<td>115/115</td>
<td></td>
<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
<td></td>
<td></td>
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<tr>
<td>16</td>
<td>115/115</td>
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<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>17</td>
<td>115/115</td>
<td></td>
<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>115/115</td>
<td></td>
<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>115/115</td>
<td></td>
<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>115/115</td>
<td></td>
<td>3.18</td>
<td>1.51</td>
<td>1.38</td>
<td>1.45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Attachment 2.6: Removal Pass issued by SFD

![Sample Removal Pass](image)

Key features include:
- **Focal ID**: 366527
- **Key**: 56, 28, 34
- **Dimensions**: 193, 14, 347, 9
- **Weight**: 103, 40, 445
- **Volume**: 732.74, 41
- **Permit Issued By**: PEJABAT PERHUTANAN DAERAH, KALABAKAN
- **Authorised Officer**: SURHANSA KADIR (BSK)

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Species</th>
<th>Dimensions</th>
<th>Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>56</td>
<td>W.D</td>
<td>193, 14</td>
<td>347, 9</td>
</tr>
<tr>
<td>28</td>
<td>T.T</td>
<td>103, 40</td>
<td>445</td>
</tr>
</tbody>
</table>

The permit expiries on 27-12-2012.
Attachment 2.7: Registration and Export Licence issued by SFD

FOREST FORM XII

Forest Rules, 1969
Rule 12 (3)

Licence No: JP(PT)008/05(M)

Licence To Export Processed Timber.

This licence authorises the following-

1. This licence may not be transferred or assigned.

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

PENGARAH PERHUTANAN
SABAH
(12/12/05)
# Attachment 2.8: Export Endorsement /Permit of Forest Produce by SFD

## Part A: Export Information

<table>
<thead>
<tr>
<th>Key ID Feature</th>
<th>Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export Permit Approval No.</td>
<td>SKN000579/2016</td>
</tr>
<tr>
<td>Date of Export</td>
<td>31-Jul-2016</td>
</tr>
<tr>
<td>Port of Loading</td>
<td>SANDAKAN</td>
</tr>
<tr>
<td>Exporter</td>
<td></td>
</tr>
<tr>
<td>Validity of FD License</td>
<td>01-Jan-2016 to 31-Dec-2016</td>
</tr>
<tr>
<td>Product</td>
<td>PLAIN/PLYWOOD</td>
</tr>
<tr>
<td>Trade Code</td>
<td>SJHP</td>
</tr>
<tr>
<td>No. of Pieces/Pieces</td>
<td>2 CRA</td>
</tr>
<tr>
<td>FOB Value (RM)</td>
<td>154951.0400</td>
</tr>
<tr>
<td>Export Royalty (RM)</td>
<td>771.5900</td>
</tr>
<tr>
<td>Export Royalty Payment Receipt</td>
<td>AM305043</td>
</tr>
<tr>
<td>Conditions:</td>
<td></td>
</tr>
</tbody>
</table>
1) No loading is allowed between 7:00 pm - 7:00 am unless allowed or within the approved bonded area.
2) Short shipped / shut out cargo / change of vessel must be declared within 24 hours.
3) All timber product to be exported must be accompanied with a Removal Pass.

**Date of Approval:** 27-Jul-2016

---

Name of Data Entry Officer: 
Name of Verifier: 

for Director Of Forestry

[This document is computer generated, no signature required]
Attachment 2.9: Customs form K2

<table>
<thead>
<tr>
<th>Key ID</th>
<th>Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Sample</td>
</tr>
</tbody>
</table>

SAMPLE
FORM XIII

Forest Rules, 1969
Rule 23 (a)

SABAH FORESTRY DEPARTMENT
REGISTRATION AND LICENCE TO IMPORT FOREST PRODUCE

Registration and Import Licence No:______________________

This is to certify that:________________________________________________ of (address)
has been registered as an importer of forest produce as below:

<table>
<thead>
<tr>
<th>Country of Origin</th>
<th>Port of Entry</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

for the period or periods specified in Appendix A hereto; subject to the following conditions:

1) This registration and licence may not be transferred or assigned.

2) Each consignment of import is subject to inspection by an Authorized Officer of the Sabah Forestry Department. Where required, Removal Passes must be obtained from the Sabah Forestry Department prior to removal of imported forest produce. (Such special conditions that may be added by the Director of Forestry)

___________________________
Director of Forestry
SABAH

Date:

SPECIAL CONDITIONS
Country specific guideline for Malaysia (Sabah)

Attachment 2.11: Import Permit (JK69) issued by SFD

---

**Key ID Features**

**1. Nama (Nama atau Alamat) (Name (Name only or Address))**

**2. No. Permohonan/Permohonan Cod (Application No.)**

**3. Nama (Nama atau Alamat) (Name (Name only or Address))**

**4. Nama Penumpang (Name of Passenger)**

**5. Nama Penumpang (Name of Passenger)**

**6. Nama Pelaku/Nama Penumpang (Name of Applicant)**

**7. No. Kod Permohonan/Peran (Application Code) No.**

**8. Nama Penumpang (Name of Passenger)**

**9. Nama Penumpang (Name of Passenger)**

---

**14. Bilangan (No.)**

**15. Bilangan (No.)**

**16. No. Kod Permohonan/Peran (Application Code) No.**

---

**18. Kuantiti (Quantity)**

**19. Harga Keseluruhan (Total) (Total Value)**

---

**21. Adunan Permohonan (Application Notes)**

**22. Nama/Alamat (Name/Address)**

---

**26. Tarikh Diterima (Received Date)**

**27. No. Lencana/No. Zon (Stamp Number/Zone Number)**

---

**28. Bilangan (No.)**

**29. Nama (Nama atau Alamat) (Name (Name only or Address))**

**30. Tarikh Import (Date of Import)**

---

**33. Nama Penumpang (Name of Passenger)**

**34. Bilangan (No.)**

**35. Nama Penumpang (Name of Passenger)**

---

**Note:** This declaration is required under the Order and in accordance with Customs Act 1967.
Attachment 2.12: Customs Form K1

Key ID Feature

SAMPLE
Attachment 2.13: CITES Export Permit issued by MTIB

Key ID Features - CITES number will be on the CITES Stamp

Key ID Features - CITES number will be on the CITES Stamp

Key ID Features - CITES number will be on the CITES Stamp
Attachment 2.14: Sawmill licence issued by SFD

SABAH MALAYSIA
FORM VIII
FOREST RULES, 1969
RULE 19

LICENSE TO ERECT AND/OR OPERATE SAWMILL / PLYWOOD / VENEER / BLOCKBOARD / MOULDING AND FURNITURE MILL

This licence authorises the person named above to erect and operate a Sawmill / Plywood / Veneer / Blockboard / Moulding and Furniture Mill at the location specified above, subject to the conditions specified below and to the following conditions:

1. This licence may not be transferred or assigned.

2. The Sawmill / Plywood / Veneer / Blockboard / Moulding and Furniture Mill shall comprise the buildings and machinery detailed in Appendices B and C hereto, and no building or machinery shall be added to or removed from the Sawmill / Plywood / Veneer / Blockboard / Moulding and Furniture Mill without the written permission of the Director.

3. Unhindered access to all parts of the Sawmill / Plywood / Veneer / Blockboard / Moulding and Furniture Mill building grounds shall be allowed to any forest officer at any time for the purpose of inspection.

4. Sawing and conversion shall be maintained to such standards as may be considered reasonable by Director, and the licensee shall comply with such instructions as may be issued by the Director regarding the proper adjustment of the machinery and the method of operation thereof.

5. (Such special conditions may be added by the Director).
SPECIAL CONDITIONS ATTACHED TO THE SAWMILL / PLYWOOD / VENEER / BLOCKBOARD / MOULDING AND FURNITURE MILL LICENCE

LICENSEE: SAMAWANG SAWMILL SDN BHD
LICENSE NO: JP(S)001/00(X24)/R
AUTHORITY REFERENCE NO: JPHTN(EIS)100-24/3/1/2/29 DATED 16.8.2000

a) The installation of this Sawmill / Plywood / Veneer / Blockboard / Moulding and Furniture Mill is entirely at the licensee’s own risk.

b) The Government does not in any way guarantee issuance of a timber licence or otherwise supply logs for the Sawmill / Plywood / Veneer / Blockboard / Moulding and Furniture Mill

c) No Logs shall be brought into the Sawmill / Plywood / Veneer / Blockboard / Moulding and Furniture Mill or Sawmill yard unless they bear a Government hammer mark indicating that they have been assessed for royalty.

Transportation of any logs in the Sawmill / Plywood / Veneer / Blockboard / Moulding and Furniture Mill yard must be accompanied by a Removal Pass and Timber Propo Permit.

e) The licensee shall keep a full and accurate record of daily logs, which shall be made available to the Director of Forestry Officer or any of his authorized officer as he may require.

f) The licensee shall keep a record of all the original measurements and the TDP serial number of logs sawn as well as the corresponding out turn and shall report the number and volume of the logs sawn and the corresponding out turn to the District Forestry Officer not later than 15th of each month.

g) Sawmill / Plywood / Veneer / Blockboard / Moulding and Furniture Mill production statistics according to Appendix One, Three, Seven is to be submitted monthly, by the 15th of the following month for the proceeding month’s production, direct to the Director of Forestry with a copy each to the District Forestry Officer.

h) Delays in the submission of production returns shall result in the payment of a late submission fee of RM500.00 per monthly report effective from the date when the returns are supposed to have been submitted.

i) Logs brought to the mill must have log serial number and the supplier’s property mark. Log number must be incised on both ends of each log. If a log is
subsequently cross-cut, the same serial number must be incised on both cross cut logs. Failure to do so will result in an imposition of a fine of RM20/log.

j) The transportation of logs to the mill without payment of royalty is an offence and the penalty shall be:
   i. A fine of RM500.00 per log
   ii. Royalty payment based on the export rate
   iii. Cancellation of the Export Licence
   iv. Cancellation of the Sawmill / Plywood / Veneer / Blockboard / Moulding and Furniture Mill Licence

k) This Sawmill / Plywood / Veneer / Blockboard / Moulding and Furniture Mill shall not be operating without a manufacturing licensee issued by the Ministry of Trade & Industry Malaysia (Malaysian Industrial Development Authority - MIDA) unless otherwise exempted under section II of the Industrial Co-ordination Act, 1975.

l) All belt drives shall be provided with safety devices guard.

m) All workers must be registered with the Forestry Department for the issuance of a Certificate of Identity.

n) The surrounding area of the Sawmill / Plywood / Veneer / Blockboard / Moulding and Furniture Mill shall be beautified by planting trees of fast growing species.

o) Cleanliness is to be preserved at all times in both inside and outside of the Sawmill / Plywood / Veneer / Blockboard / Moulding and Furniture Mill compound including labourers quarters.

p) Office as well as quarters for Forestry Department staff overseeing the mill are to be provided for.

q) The usage of an incinerator is compulsory for the disposal of logs waste/sawn timber waste. No open burning is allowed. The licensee shall not dispose any waste, including sawdust, wood off-cuts, fuel or lubricants into any water causes (river, creeks, drainage, etc).

r) Vehicles such as pay-loaders used in the Sawmill / Plywood / Veneer / Blockboard / Moulding and Furniture Mill compound are to be registered with the Forestry Department.
CERTIFICATION:-

I/We certify that the special terms and conditions of this licence have been fully explained to me by the District Forestry Officer and I/We fully agree to abide by them.

Date of issue 26 AUG 2008

[Signatures]

Fadz Hj. Yuya
(DIRECTOR OF FORESTRY)

ASRAN ASA
WITNESS

26 AUG 2008

DATE

LICENSEE

26 AUG 2008

DATE