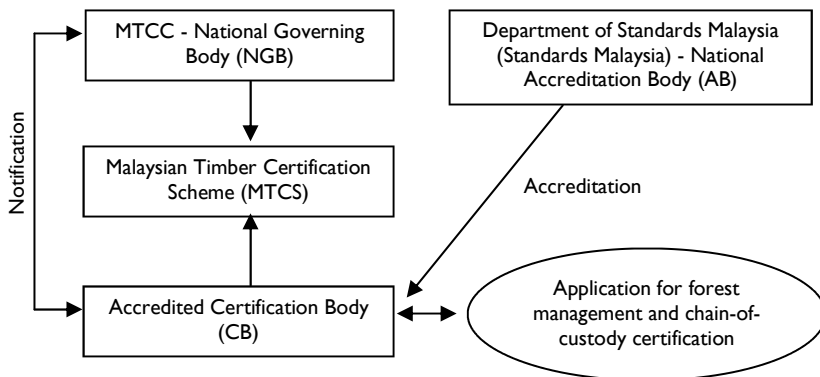




New Institutional Arrangement for MTCS takes effect

MTCC has implemented the new institutional arrangement for the Malaysian Timber Certification Scheme (MTCS) with effect from 1 July 2008. Following the implementation of this new institutional arrangement (see Figure 1), MTCC continues to play the role of the National Governing Body (NGB) for the scheme, while the independent assessors become the Certification Bodies (CBs) which have to be accredited to the Department of Standards Malaysia (Standards Malaysia), the national Accreditation Body.

Figure 1: New Institutional Arrangement for MTCS



Hence, from 1 July 2008 onwards, all applications for certification will have to be made to the CBs. The CB appointed by the applicant (FMU or timber company) will conduct the assessment and make the decision to issue a certificate if the requirements of the certification standard have been complied with.

The action towards establishing a new institutional arrangement for the MTCS was initiated as an important measure to further enhance the acceptance of the scheme in the international market, as well as to meet the requirements for endorsement by the PEFC Council (Programme for the Endorsement of Forest Certification Schemes) and the requirements of the timber procurement policies of key importing countries.

As part of its preparations for the implementation of the new institutional arrangement, MTCC has branded its scheme as the Malaysian Timber Certification Scheme (MTCS) in order to distinguish clearly between the scheme (MTCS) and the organisation (MTCC) which operates it.

Please contact MTCC for further information regarding the new institutional arrangement for MTCS.

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Contact Information:

Malaysian Timber Certification Council
 19F, Level 19, Menara PGRM,
 No. 8, Jalan Pudu Ulu, Cheras,
 56100 Kuala Lumpur, Malaysia
 Tel : 603-9200 5008
 Fax : 603-9200 6008
 E-Mail : info@mtcc.com.my
 Website: www.mtcc.com.my

Use of MTCC Logo and related claims under New Institutional Arrangement for MTCS

In conjunction with the implementation of the new institutional arrangement for the MTCS, MTCC has formulated a *Logo Use Rules Manual* to be used under the new institutional arrangement.

The *Manual* deals with various aspects pertaining to the use of the MTCC logo and related claims by certificate holders and other user groups, such as those which are interested in promoting the MTCS for educational purposes. Parties interested in using the MTCC logo, whether on-product or off-product, are required to sign a *Logo Usage Licence Agreement* with MTCC.

The *Manual* specifies that for companies which have been awarded a new certificate by the CB and have signed the *Logo Usage Licence Agreement*, the MTCC logo (incorporating a logo licence registration number) can be used on-product together with additional voluntary information in the form of an appropriate MTCC claim which depends on whether the product contains 100% certified wood, as illustrated in Figures 2 and 3.

However, in the case of companies which still hold the certificate issued by MTCC, the use of the MTCC logo and related claims by these companies will continue to be governed by the *MTCC Logo Guide for Certificate Holders*, until the companies are awarded a new certificate by the CB. An example of the on-product use of the MTCC logo under the *MTCC Logo Guide* is shown in Figure 4.



Figure 2



Figure 3

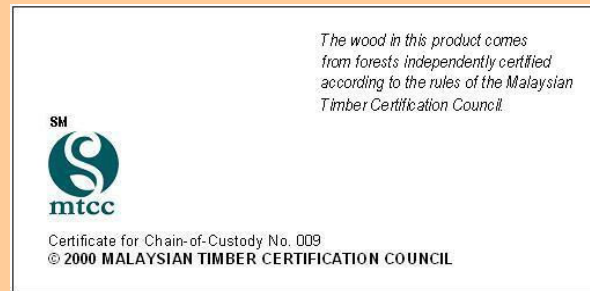


Figure 4

Importers of MTCS-certified timber products are therefore requested to take note of the existence of the two different formats on the use of the MTCC logo and related claims during the transitional phase in the operation of the MTCS, as the certificates issued by MTCC are gradually replaced by certificates issued by the CBs under the new institutional arrangement.

Three more FMUs certified against MC&I(2002)

The Kedah, Selangor and Terengganu FMUs have recently been awarded the new *Certificate for Forest Management* against the requirements of the *Malaysian Criteria and Indicators for Forest Management Certification [MC&I(2002)]*.

The decisions to award the new *Certificates* to these three FMUs were in line with the recommendations of the respective independent assessors based on the outcomes of the verification visits conducted to assess the corrective actions taken by the said FMUs to address the Major and Minor Corrective Action Requests (CARs) raised during the earlier assessments.

The new *Certificates* were presented to the three FMUs during the opening ceremony of the 28th Conference of the State Forestry Directors, Peninsular Malaysia which was held in Ipoh on 17 August 2008. Two other FMUs, i.e. Kelantan and Perak, which had complied earlier with the requirements of the MC&I(2002) (see MTCC News, Volume 2, Issue 2, February 2008), also received their certificates during the same ceremony. MTCC was represented by its CEO, Mr. Chew Lye Teng.

The public summaries of the three FMUs can be accessed at the MTCC website.



The MTCC Certificates were presented by **Y. Bhg. Dato' Suboh b. Mohd Yassin**, Secretary General, Ministry of Natural Resources and Environment (fourth from left). Also in the picture are (from left) **Mr. Wan Yusoff b. Wan Ahmad**, Director, Kelantan Forestry Dept., **Mr. Masran bin Md Salleh**, Director, Perak Forestry Dept., **Y. Bhg. Dato' Seri Azahar bin Muda**, Director General FDPM, **Mr. Chew Lye Teng**, CEO, MTCC, **Mr. Kasim bin Osman**, Director, Kedah Forestry Dept., **Tuan Haji Na'aman bin Jaafar**, Director, Terengganu Forestry Dept., and **Tuan Hj. Nor Akhrrudin bin Mahmud**, Director, Selangor Forestry Dept.

Photo courtesy of FDPM

Field - testing of Draft MC&I(Forest Plantations)

The draft *Malaysian Criteria and Indicators for Forest Management Certification (Forest Plantations)* or in short the *MC&I(Forest Plantations)* was subjected to field testing by independent assessors in the three regions of Malaysia in June-July 2008.

During the field test, a thorough evaluation of the draft *MC&I (Forest Plantations)* in respect to the practical field auditing for each Indicator and its associated Verifiers was conducted based on consultation, documentation review and site visits in the respective region.

Representatives from the four stakeholder groups i.e. economic, environment, social and relevant government agencies, of each region were invited to participate as observers in the field tests of the draft standard. MTCC, as the Secretariat of the National Steering Committee (NSC), participated in all the three field tests, playing the role of a coordinator and facilitator.

In addition, the field tests also benefited from the participation of representatives from the state forestry agencies of each region, as well as the companies which provided the test sites, particularly during the discussion sessions with the assessors where useful technical inputs on the draft standard were provided.

The details of the field tests, including the participation of the various stakeholder groups, in the three regions of Malaysia can be obtained from the MTCC website.

The outcomes of the various field tests will be compiled and consolidated by the Technical Working Group (TWG) for the consideration of the next meeting of the NSC scheduled in October 2008, for adoption as the standard for certification of forest plantations under the MTCS.

Please access the MTCC website with regard to the milestones in the development of the *MC&I(Forest Plantations)*.



Field test in Peninsular Malaysia conducted in forest plantations located in the Kemasul Forest Reserve, Mentakab, Pahang



Field test in Sarawak conducted in forest plantations of Sarawak Planted Forest Sdn. Bhd., Bintulu



Field test in Sabah conducted in forest plantations of Sabah Forests Industries (SFI) Sdn. Bhd., Sipitang

Programme to provide rebate for exports of MTCS-Certified timber products

Beginning 1 September 2008, holders of the MTCC *Certificate for Chain-of-Custody* are entitled to obtain a rebate from the cost of surveillance audits conducted under the MTCS, under a special programme implemented by MTCC.

The rebate quantum will be calculated based on the total volume of MTCS-certified timber products produced or exported over a period of 12 months. The volume will be based on the monthly reports submitted by the certificate holder to MTCC.

For existing valid holders of the *Certificate for Chain-of-Custody* (as at 1 September 2008), the volume of MTCS-certified timber products that will be considered in the calculation of the rebate will be the volume produced or exported from 1 September 2008 to 31 August 2009, provided that the certificate holder has undergone a re-assessment or surveillance audit within the said period.

For timber companies awarded the *Certificate* after 1 September 2008, the rebate will be based on the volume of MTCS-certified timber products manufacturer or exported over a period of 12 months prior to the first surveillance audit.

The rebate quantum will be calculated as follows:

- (i) for every cubic metre of MTCS-certified timber products produced over the 12-month period for the export market, a rebate of RM2.00 will be given to the manufacturer from the professional fee paid for carrying out the surveillance audit, subject to a maximum amount of RM2,500; and
- (ii) for every cubic metre of MTCS-certified timber product exported over the 12-month period, a rebate of RM1.00 will be given to the exporter from the professional fee paid for carrying out the surveillance audit, subject to a maximum amount of RM2,500.

Companies which are manufacturer-exporters are entitled to the rebate under item (i) above. During the period mentioned, the rebate is given only once to each holder of a valid *Certificate for Chain-of-Custody*.

MTCC hopes that this programme will encourage holders of the CoC certificate to increase their manufacture and export of MTCS-certified timber products.



Announcement : MTCS notified CBs

In line with the implementation of the new institutional arrangement for the MTCS which has taken effect from 1 July 2008, MTCC has notified three CBs to conduct assessment for certification under the MTCS.

The three notified CBs are as follows:

SGS (Malaysia) Sdn. Bhd.

(for Forest Management and Chain-of-Custody Certification)
 No. 10-1, 10th Floor, Bangunan Malaysian Re
 No. 17, Lorong Dungun, Damansara Heights
 50590 Kuala Lumpur
 Tel: 03-2095 9200
 Fax: 03-2093 8202 (Contact person: Mr. Amargit Singh)

SIRIM QAS International Sdn. Bhd.

(for Forest Management and Chain-of-Custody Certification)
 Building 4, SIRIM Complex
 1, Persiaran Dato' menteri, Section2,
 P.O.Box 7035
 40911 Shah Alam, Selangor
 Tel: 03-5544 6408
 Fax: 03-5544 6763 (Contact person: Puan Radziah Mohd Daud)

Moody International Certification (Malaysia) Sdn. Bhd.

(for Chain-of-Custody Certification)
 75, Jalan Jejaka Dua, Taman Maluri, Cheras
 55100 Kuala Lumpur
 Tel: 03-9283 9881
 Fax: 03-9284 7426 (Contact person: Mr. Chin Miew Lim)

Potential applicants for forest management and/or chain-of-custody certification under the MTCS are kindly advised to contact any of the listed MTCC-notified CBs.



MTCC Certified Forest Management Units

FMU	Certificate No.	Issuance Date	Area of FMU (ha)
Holders of Certificate for Forest Management against MC&I(2002)			
Pahang	FMC 001	13 November 2007	1,519,107
Negeri Sembilan	FMC 007	30 August 2007	160,151
Kelantan	FMC 008	18 January 2008	629,687
Anap Muput	FMC 010	19 February 2008	106,820
Perak	FMC 006	19 February 2008	880,388
Kedah	FMC 005	4 June 2008	342,613
Selangor	FMC 002	30 June 2008	241,568
Terengganu	FMC 003	30 June 2008	545,818
		Total	4,426,152
Holders of Certificate for Forest Management against MC&I(2001)			
Johor	FMC 004	6 October 2003	356,922
Sela'an Linau	FMC 009	18 October 2004	55,949
		Total	412,871

Eight FMUs in Peninsular Malaysia (i.e. Pahang, Selangor, Terengganu, Johor, Kedah, Perak, Negeri Sembilan and Kelantan) and two FMUs in Sarawak (Sela'an-Linau and Anap Muput) covering a total of 4.84 million hectares of Permanent Reserved Forests (PRFs) are currently certified under the MTCS. The area represents about 34% of the total PRFs in Malaysia.



Export of MTCS-Certified Timber Products By Destination & Product

May 2008

Destination	Volume (m ³)
The Netherlands	2,867.44
Denmark	643.78
United Kingdom	488.62
Germany	63.67
Belgium	53.24
Australia	47.14
France	33.40
Greece	31.34
Total	4,228.63

Product	Volume (m ³)
Sawn Timber	2005.57
Plywood	1664.38
Moulding	558.68
Total	4,228.63

June 2008

Destination	Volume (m ³)
The Netherlands	1989.91
Belgium	812.63
United Kingdom	1720.22
France	115.06
Germany	79.59
Denmark	593.87
Australia	99.14
Total	5,410.42

Product	Volume (m ³)
Plywood	2743.71
Sawn Timber	2193.38
Moulding	473.33
Total	5,410.42

July 2008

Destination	Volume (m ³)
The Netherlands	3,381.87
Belgium	1,644.62
United Kingdom	1,581.99
France	489.32
Germany	278.19
Denmark	256.77
Japan	118.00
Poland	36.04
Greece	35.60
Total	7,822.40

Product	Volume (m ³)
Plywood	3,830.02
Sawn Timber	3,501.32
Moulding	491.06
Total	7,822.40

Cumulative volume exported since July 2002: 245,470 m³

Holders of Certificate for Forest Management [MC&I(2002)]: 8 Forest Management Units

Holders of Certificate for Forest Management [MC&I(2001)]: 2 Forest Management Units

Holders of Certificate for Chain-of-Custody: 125 Timber Companies (115 Certificates valid)

Further details on the validity, size and location of the Forest Management Units and contact information on the MTCC certificate holders can be obtained at: www.mtcc.com.my