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This brochure is a revision of the 2013 version entitled
"MALAYSIAN TIMBER LEGALITY ASSURANCE SYSTEM **MYTLAS**
YOUR ASSURANCE OF LEGAL TIMBER FROM MALAYSIA".

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MYTLAS (PENINSULAR MALAYSIA)

Peninsular Malaysia Timber Legality Assurance System

Your Assurance of Legal Timber from Peninsular Malaysia

Produced by:



MALAYSIAN TIMBER INDUSTRY BOARD
(Ministry of Plantation Industries and Commodities)

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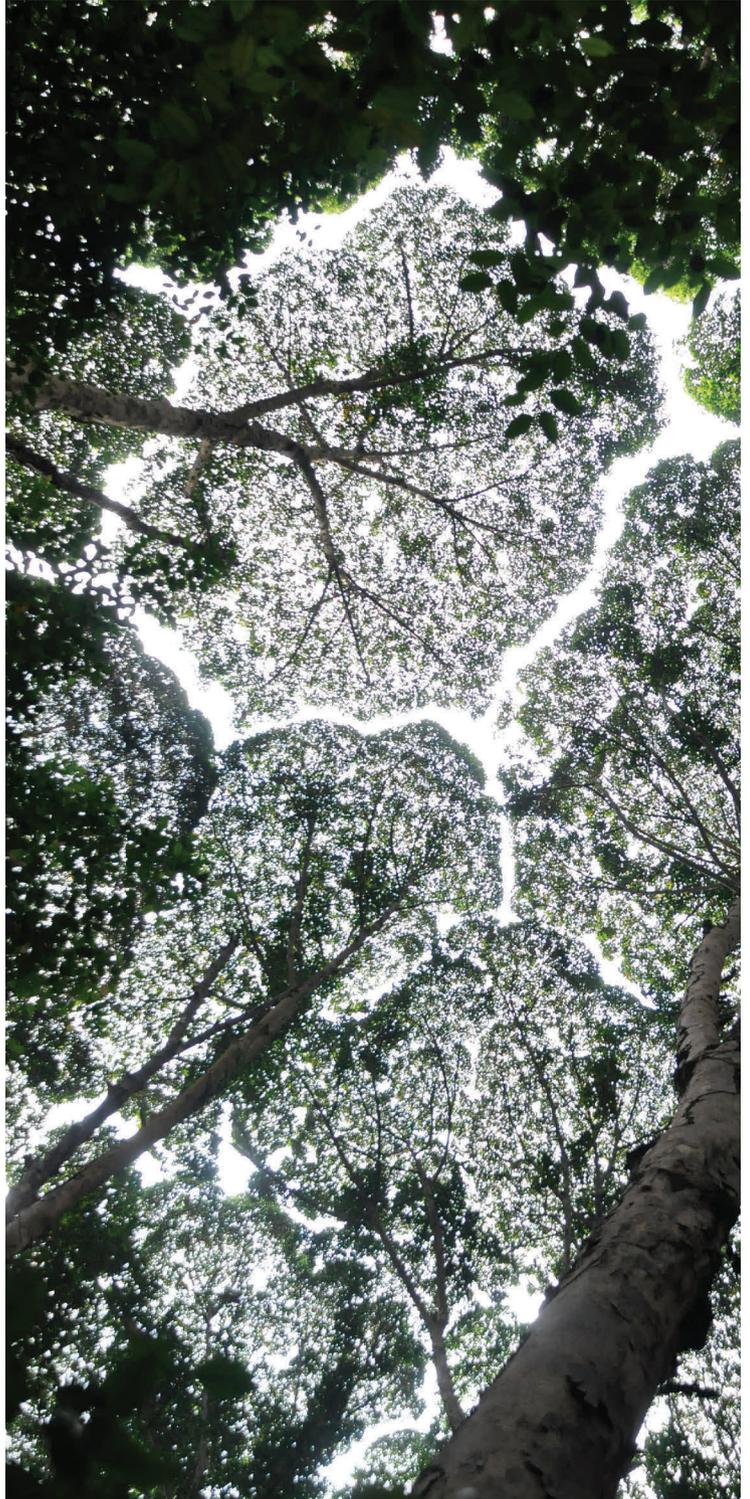
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INTRODUCTION

The European Union (EU) Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement (FLEGT VPA), has emerged as a potentially important and effective mechanism to combat illegal logging and trade in illegal timber in the world. Malaysia is supportive of this EU initiative and is in the final stages of negotiation to conclude a FLEGT VPA. Central to the VPA is the Timber Legality Assurance System (TLAS) to assure the legality of all timber and timber products exported from Malaysia. FLEGT- licensed timber will be able to enter EU markets through a “green lane” under the EU Timber Regulation (EUTR) which came into force on 3 March 2013. The TLAS covers all applications of all existing relevant legislation in the forestry and timber sectors in Malaysia.

In support of EUTR, and pending conclusion of negotiations for a FLEGT VPA with the EU, Peninsular Malaysia commenced implementation of TLAS designated as MYTLAS (Peninsular), purely as Malaysia's own initiative since 1 February 2013, to assure the legality of its timber and timber products exported to the EU. Peninsular Malaysia TLAS has also in place comprehensive control procedures to ensure the exclusion of unverified timber. Peninsular Malaysia is confident that the MYTLAS (Peninsular) meets the requirements of Due Diligence under the EUTR.

As implementation of MYTLAS (Peninsular) is on a **regional basis**, this booklet contains information on the scope of Peninsular TLAS, its Control Procedures, Institutional Arrangements and its Implementation in Peninsular Malaysia.

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PRODUCT SCOPE

A total of eleven (11) timber and timber products are covered in the scope of MYTLAS (Peninsular) namely:

No.	Products	HS Code
1	Logs	4403
2	Sawntimber	4407
3	Plywood	4412
4	Veneer	4408
5	Mouldings	4409
6	Joinery products	4418
7	Wooden frames	4414
8	Fibreboard	4411
9	Particleboard	4410
10	Wooden furniture	9403/30,40,50,60,90
11	Railway sleepers	4406

MYTLAS (Peninsular) covers timber and timber products derived from logs harvested from natural forests and plantation forests whether in Permanent Reserved Forests, State Land and Alienated Land. It also includes Rubberwood from replanting operations and imported timber which complies with Peninsular Malaysia's import regulations.



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MYTLAS (PENINSULAR) CONTROL PROCEDURES

Legal timber is defined in specific terms by the compliance with all the relevant laws and procedures governing the entire supply chain from the forest, the processing mills and finally to the export point. The applicable laws and procedures are listed in MYTLAS (Peninsular). The laws are clustered under six (6) Principles (P) as follows:

- P1** - Right To Harvest
- P2** - Forest Operations
- P3** - Statutory Charges
- P4** - Other Users' Rights
- P5** - Mill Operations
- P6** - Trade and Customs

The Control Procedures under MYTLAS (Peninsular) are guided by these six Principles and each of these Principles is supported by a number of Criteria. Each Criterion is elaborated in the Table which indicates:

- the exact legislative reference relevant to the respective Criterion, which must be complied with;
- the verification procedures to demonstrate compliance;
- the responsible implementing agencies; and
- the outputs of the verification procedures.

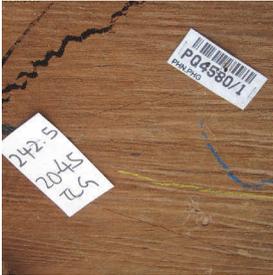
SUMMARY OF PRINCIPLES AND CRITERIA OF MYTLAS (PENINSULAR)

All these details specified in the MYTLAS (Peninsular) facilitate auditing by the Third Party Monitor. A summary of the Principles (P), Criteria (C) and Responsible Authorities of the MYTLAS (Peninsular) is shown below:

Principle		Criterion	Responsible Authorities
P1	Right to harvest	C1: Approval of harvesting area by State Authority	State Authority/ State Forestry Dept. (SFD)
		C2: Issuance of harvesting licence	SFD
		C3: Consent by owner to remove logs and wood residues from rubber smallholding/estate	
		C4: EIA requirements	Department of Environment (DoE)
		C5: EIA requirements (rubber estate)	DoE
		C6: Plan preparation and registration of classification mark	SFD
P2	Forest operations	C7: Area demarcation	
		C8: Pre-F inventory	
		C9: Pre-removal assessment	
		C10: Tree marking	
		C11: Control of timber production	
		C12: Control of timber production (ITP)	
		C13: Log transportation	
	C14: Worker safety and health	Department of Occupational Safety and Health (DOSH) / Department of Labour (DoL) / Social Security Organization (SOCSO)	
P3	Statutory charges	C15: Royalty and fees	SFD
P4	Other users' rights	C16: User rights by Aborigines	
		C17: Community benefits	
P5	Mill operations	C18: Issuance of mill licence and conditions for operation	
		C19: Issuance of mill licence/approvals and conditions for operation (secondary processing mills)	
		C20: Issuance of mobile sawmill/chipper licence	
		C21: Worker safety and health	DOSH/ DoL/ SOCSO
P6	Trade and customs	C22: Registration of company/person for export	Malaysian Timber Industry Board (MTIB)
		C23: Export regulations	MTIB/ Royal Malaysian Customs (RMC)
		C24: Import regulations	MTIB/ RMC/ Department of Agriculture (DoA)
		C25: Timber from Sarawak	
		C26: Transportation of imported logs	SFD



INSTITUTIONAL ARRANGEMENTS



The Malaysian Timber Industry Board (MTIB) is the Licensing Authority to issue MYTLAS (Peninsular) licences for timber to be exported to the EU in accordance with the requirements of the Peninsular TLAS.



PHOTO CREDIT: MTCC

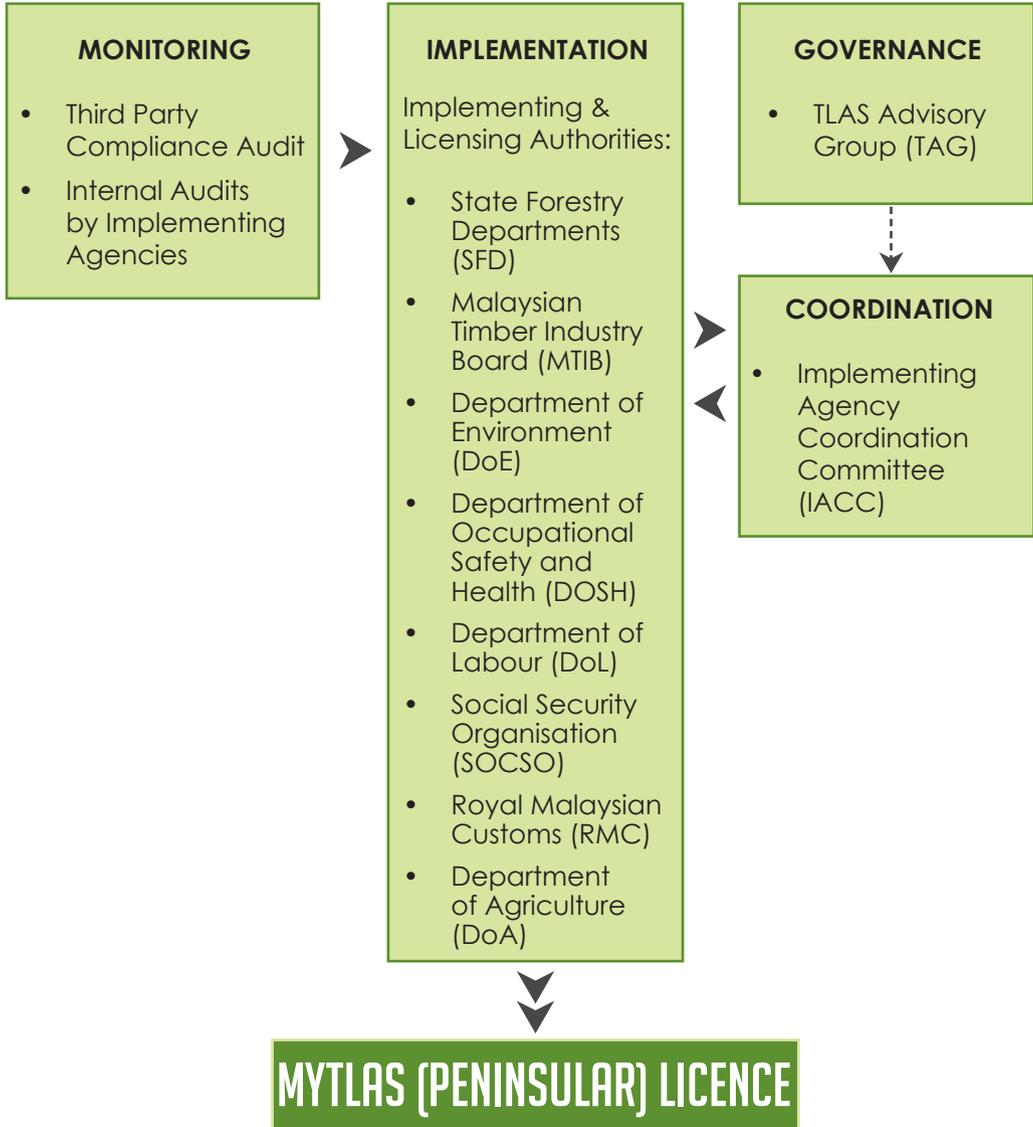
Implementation of MYTLAS (Peninsular) involves close coordination between the Licensing Authority and the Implementing Agencies (see **Diagram 1**). To facilitate coordination, information flow and enforcement activities of the Implementing Agencies to the Licensing Authority, an Implementing Agency Coordination Committee (IACC) have been established comprising all the relevant implementing agencies.

The IACC meets regularly to coordinate, monitor and consider reports on the enforcement activities of the Implementing Agencies. The IACC will also recommend remedial actions on non-compliances and other necessary measures to effectively implement MYTLAS (Peninsular).

In order to ensure transparency and good governance, TLAS Advisory Group (TAG), has been established comprising members from civil society, industry, technical experts and representatives from key Implementing Agencies. The TAG meets regularly to discuss reports submitted by the IACC on the overall implementation of MYTLAS (Peninsular) including non-compliances, the need for remedial actions, addressing concerns and feedback from stakeholders, annual reports by the third party auditor and reports on the enforcement activities of the Implementing Agencies.

In brief, the TAG is a watchful guardian to ensure efficiency, effectiveness and robustness of the respective TLAS to ensure the credibility of the system, ensuring the legality of timber and timber products exported from Peninsular Malaysia.

DIAGRAM 1 - IMPLEMENTATION OF MYTLAS (PENINSULAR)



DEVELOPMENT OF TLAS

Consultation with the stakeholder is an integral part in the Malaysia-EU FLEGT VPA process. The Malaysian TLAS has been developed through extensive consultations with stakeholders both formally and informally. Intensive stakeholder consultations had been convened to discuss and receive inputs from stakeholders comprising, environmental and social groups, the industry, workers unions, academia and research organisations amongst others.

It is accepted that the development of Malaysian TLAS is an evolving process which will be reviewed and strengthened from time to time based on capacity, experience, skills and use of new systems and technologies. In addition, the Ministry of Plantation Industries and Commodities also held regular dialogues with the NGOs to seek their views and comments.



PHOTO CREDIT: MTC



MYTLAS (PENINSULAR) IMPLEMENTATION



PHOTO CREDIT: MTC

An independent consultant was commissioned to develop Guidelines and Checklist to facilitate auditing the implementation and operation of MYTLAS (Peninsular). These Guidelines and Checklist were subsequently used to undertake an annual compliance audit of MYTLAS (Peninsular) by a third party auditor. The first compliance audit was undertaken in March of 2013. The compliance audit report was reviewed by the IACC and remedial measures for non-compliances have been taken up by the respective implementing agencies. The IACC regularly keeps the TAG informed on the implementation of MYTLAS (Peninsular) focusing on non-compliances and remedial actions and feedback from stakeholders. This arrangement enhances the TAG's governance role to ensure the robustness of the MYTLAS (Peninsular).

Apart from annual third party compliance audit, the IACC will also receive reports from the various Implementing Agencies on their enforcement activities with regard to the operations of MYTLAS (Peninsular). These internal audits by the Implementing Agencies also contribute to the robustness of the MYTLAS (Peninsular). Thus, the annual compliance audits by the third party auditor together with the internal auditing undertaken by the various implementing agencies coupled with governance roles of the TAG, give the necessary level of confidence to MTIB to issue MYTLAS (Peninsular) licenses as in **FIGURE 1** (page 11).



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CONCLUSION

MYTLAS (Peninsular) incorporates all relevant legislation throughout the supply chain from the forest to the export point to assure the legality of timber exports from Peninsular Malaysia to the EU. The robustness of MYTLAS (Peninsular) is subjected to the annual third party compliance auditing, internal control mechanisms by the Implementing Agencies and supported by an effective governance structure. The MYTLAS (Peninsular) licence fully meets the requirements for due diligence under the EUTR for exports of timber products to the EU.



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FIGURE 1



MTIB

No:MTIB **43610**
ORIGINAL

MYTLAS LICENCE

MALYSIAN TIMBER LEGALITY ASSURANCE SYSTEM (PENINSULAR MALAYSIA)

1. Issuing Authority (name and address) MALYSIAN TIMBER INDUSTRY BOARD LEVEL 13-17, MENARA PGRM NO 8 JLN. PUDU ULU CHERAS 56100 KUALA LUMPUR MALAYSIA TEL: 603-92822235 FAX: 603-92003769		2. For the Purposes of the Issuing Country K2 No (where applicable): NIL Destination : GERMANY Importer (Name and Address):	
3. MYTLAS Licence Number MT1141209006122016		4. Date of Expiry 20 December 2016	
5. Country of Export MALAYSIA (PENINSULAR MALAYSIA)		7. Means of Transport BY SEA	
6. ISO Code MY			
8. Licensee (Name and Address)			
9. Commercial Description of the Timber Products WOODEN FURNITURE - BEDROOM WOODEN FURNITURE - RUBBERWOOD		10. HS Heading 940350000	
11. Common or Scientific Names RUBBERWOOD	12. Countries of Harvest MALAYSIA	13. ISO Code MY	
14. Volume (m3) 30.635	15. Gross Weight (kg) 5084	16. Number of Units 230 PACKAGE	
17. Distinguishing Marks Invoice No : 2970			
18. Signature and Stamp of Issuing Authority			
Signed by : AHMAD RIDDUWAN DARUS	Designation: LICENSING OFFICER		Date Of Issue: 21/09/2016
		Authority Stamp : (Place of issuance)	

This Licence attests that this consignment is produced in accordance with the relevant laws and legislations of Malaysia
 Licensing Authority : Malaysian Timber Industry Board (MTIB) Tel: 603-92822235 Email : mytlas@mtib.gov.my
 Dicitak oleh/ Printed by : RIDDUWAN

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