

2009 Annual Report

MALAYSIAN TIMBER CERTIFICATION COUNCIL



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Vision

To be recognised as the leading timber certification organisation for tropical forests

Mission

To establish and operate a credible and internationally recognised national timber certification scheme towards promoting sustainable forest management in Malaysia

Corporate Profile

The Malaysian Timber Certification Council (MTCC) is an independent organisation established in October 1998 to develop and operate the voluntary Malaysian Timber Certification Scheme (MTCS). Incorporated under the Companies Act 1965 as a company limited by guarantee, MTCC is governed by a Board of Trustees and started its operation in January 1999.

MTCC's main activities are to:

- Be the national governing body (NGB) which has overall responsibility for the MTCS.
- Support the standard-setting process by serving as the secretariat to the appropriate standard setting body in formulating standards related to timber certification and keeping them under review periodically.
- Process applications for MTCS notification of Certification Bodies (CBs) operating forest management system and/or chain of custody certification and issuance of logo usage licenses to Certificate Holders.
- Implement a procedure for the investigation and resolution of disputes, complaints and appeals related to its role as the NGB.
- Liaise closely with the national accreditation body and other certification organisations in matters related to timber certification.
- Coordinate with national, regional and international bodies related to timber certification to facilitate cooperation and mutual recognition arrangements.
- Conduct programmes to promote and publicise the MTCS, both locally and internationally.

Board of Trustees

The Board of Trustees, comprising the Chairman and ten other members, is the governing body which decides the overall policy and direction in carrying out MTCC's activities. In addition to the Chairman, the members comprise of two representatives each from academic and research institutions, the timber industry, social and environmental non-governmental organisations (NGOs) and government agencies.

The Board of Trustees in 2009 comprised:

Chairman

Dato' Dr. Freezailah Che Yeom

Trustees

- Nurmala Abd. Rahim
Ministry of Plantation Industries and Commodities
- Azhar Noraini
Ministry of Natural Resources and Environment
(up to 12 May 2009)
- Abdul Wahid Abu Salim
Ministry of Natural Resources and Environment
(w.e.f. 13 May 2009)
- Dato' Dr. Abdul Latif Mohmod
Forest Research Institute Malaysia
- Jayl Langub
Universiti Malaysia Sarawak
(up to 30 July 2009)
- Emeritus Prof. Dato' Dr. Abdul Latif Mohamad
Universiti Kebangsaan Malaysia
(w.e.f. 31 July 2009)
- Tan Chin Tong
Malaysian Nature Society
- Dr. Henry Chok
Sabah Environmental Protection Association
- Ding Seling
Orang Ulu National Association
(up to 30 July 2009)
- Elbson Marajan
Sarawak Dayak National Union
(w.e.f. 31 July 2009)
- Dr. Banabas Tapin
Kadazandusun Cultural Association
- Ir. Hj. Wahid Jaafar
Persatuan Pengusaha-Pengusaha Kayu-Kayan dan Perabot Bumiputera Malaysia
(up to 30 July 2009)
- Low Ching Cheong
Timber Exporters' Association of Malaysia
(w.e.f. 31 July 2009)
- Datuk James Hwong
Sabah Timber Industries Association



Dato' Dr. Abdul Latif Mohmod



Nurmala Abd. Rahim



Dato' Dr. Freezailah Che Yeom



Abdul Wahid Abu Salim



Emeritus Prof. Dato' Dr. Abdul Latif Mohamad



Tan Chin Tong



Dr. Henry Chok



Dr. Banabas Tapin



Datuk James Hwong



Elbson Marajan



Low Ching Cheong

The Board of Trustees met four times in 2009 as follows:

Thirty-Ninth Meeting – 17 February in Kuala Lumpur

Fortieth Meeting – 19 May in Kuala Lumpur

Forty-First Meeting – 3 September in Kuala Lumpur

Forty-Second Meeting – 14 December in Kota Kinabalu



Thirty-Ninth Meeting of Board of Trustees



Forty-First Meeting of Board of Trustees

Investment Committee

The Investment Committee oversees the overall implementation of MTCC's investment policy, particularly in the management of the Endowment Fund. The Committee is also responsible for the formulation of policies and procedures on matters related to the objectives of the establishment of the Fund.

The members of the Investment Committee in 2009 were:

Dato' Dr. Freezailah Che Yeom (Chairman)

Nurmala Abd. Rahim - Ministry of Plantation Industries and Commodities

Mustafar Taib - Ministry of Finance

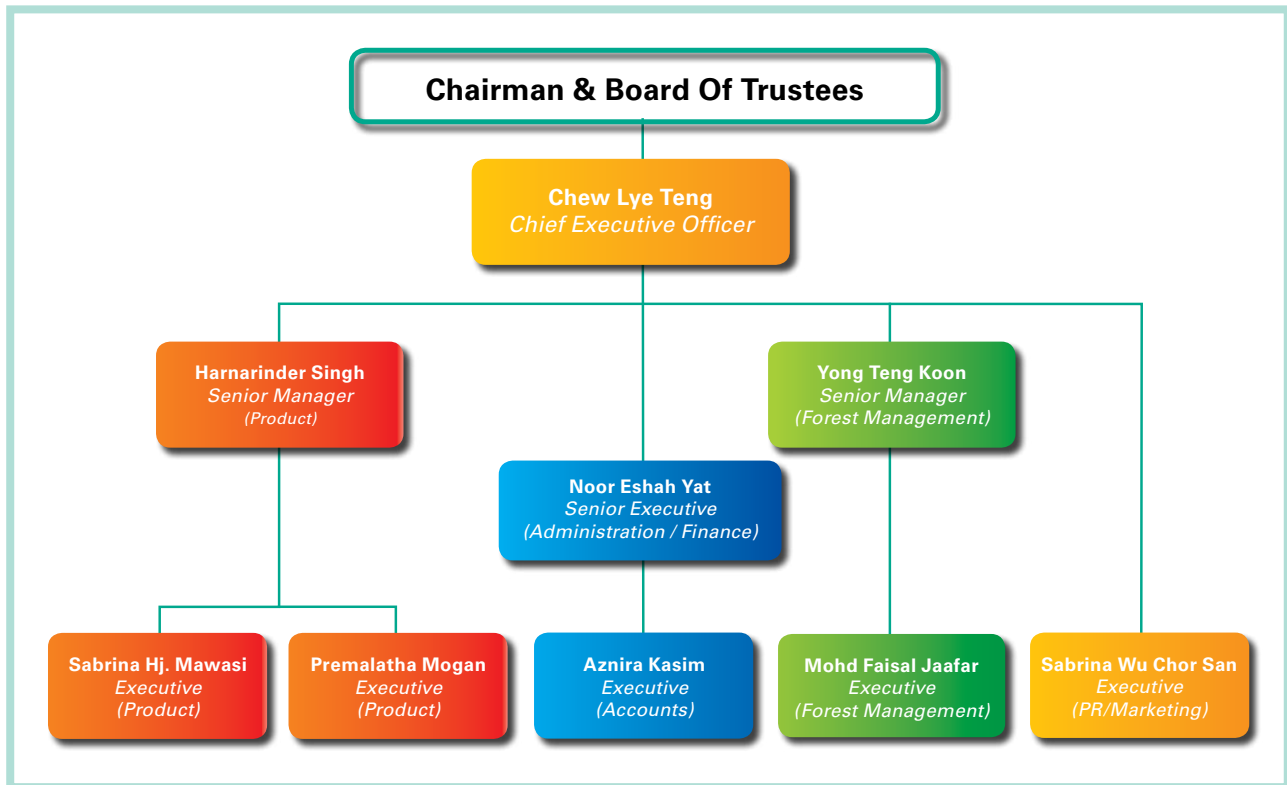
Chew Lye Teng - CEO

Annual General Meeting

The Tenth Annual General Meeting was held on 9 June during which the Audited Accounts for the financial year ended 31 December 2008, Reports of the Trustees and Auditors and the Annual Report for the year 2008, were tabled and adopted by the Members.

Organisation Structure

Management Team



Sitting left to right: Yong Teng Koon, Chew Lye Teng, Harnarinder Singh, Noor Eshah Yat
Standing left to right: Premalatha Mogan, Sabrina Hj. Mawasi, Mohd. Faisal Jaafar, Sabrina Wu, Aznira Kasim

Notification Committee

The MTCC management continued to carry out the functions of the Notification Committee, which is responsible for the notification of CBs and the issuance of Logo Usage Licences.

The Notification Committee met 12 times in 2009 as follows:

Fifth Meeting – 12 January	Eleventh Meeting – 2 September
Sixth Meeting – 5 February	Twelfth Meeting – 10 September
Seventh Meeting – 10 March	Thirteenth Meeting – 23 October
Eighth Meeting – 21 April	Fourteenth Meeting – 5 November
Ninth Meeting – 8 July	Fifteenth Meeting – 22 December
Tenth Meeting – 25 August	Sixteenth Meeting – 24 December

The members of the Notification Committee in 2009 were:

Chew Lye Teng (Chairman)

Harnarinder Singh

Yong Teng Koon

In-House Investment Committee

The In-House Investment Committee monitors the implementation of the decisions of the Investment Committee, as well as formulates investment recommendations for the consideration of the Investment Committee.

The members of the In-House Investment Committee in 2009 were:

Chew Lye Teng (Chairman)

Harnarinder Singh

Yong Teng Koon

Noor Eshah Yat (Secretary)

Company Secretary	Company Auditors
<p>Zainal Abidin Pit (MAICSA 7014057)</p> <p>ZAP Management Services Sdn. Bhd.</p> <p>15B, 2nd Floor, Jalan Tengku Ampuan Zabedah F9/F</p> <p>40100 Shah Alam, Selangor</p>	<p>Mazars (No. AF: 1954)</p> <p>Wisma Selangor Dredging</p> <p>7th Floor, South Block, 142-A, Jalan Ampang</p> <p>50450 Kuala Lumpur</p>

Chairman's Statement



“We can be proud that to date, some 4.5 million hectares of Malaysia’s Permanent Reserved Forests, out of a total area of 13.4 million hectares, have been certified mainly under the Malaysian Timber Certification Scheme (MTCS).”

Confucius, the great Chinese thinker and philosopher, said that the journey of a thousand miles begins with the first step. The long journey to sustainably manage Malaysia’s mega-biodiversity forests began more than a century ago with the appointment of A.M Burn-Murdoch, as the first Forest Officer in 1901. On this journey, the establishment of MTCC in 1999 was indeed a defining milestone. It clearly demonstrated the professionalism and confidence of our forest managers to subject the nation’s Permanent Reserved Forests, under sustainable management, to third party independent auditing in accordance with international norms and principles. We can be proud that to date, some 4.5 million hectares of Malaysia’s Permanent Reserved Forests, out of a total area of 13.4 million hectares, have been certified mainly under the Malaysian Timber Certification Scheme (MTCS). This is a substantial area of certified tropical forests in the world. And serious efforts are being undertaken to expand certification to other areas.

The year 2009 was eventful, significant and even historic in the growth and development of MTCC since its small beginnings. The year 2009 marked MTCC’s tenth anniversary. The event was made even more significant with the endorsement of the MTCS by the Programme for the Endorsement of Forest Certification schemes (PEFC), one of the

Chairman's Statement

two leading international initiatives on forest certification, on 1 May 2009. The certificate of endorsement from PEFC, jointly signed by its Chairman, Michael Clark and Secretary-General, Ben Gunneberg, simply states PEFC's endorsement of the MTCS. But behind this tersely worded certificate, lies ten years of hard and often frustrating work by the small dedicated MTCC Secretariat led by its Chief Executive Officer, Chew Lye Teng, ably assisted by his senior managers, Harnarinder Singh and Yong Teng Koon. To them, and all the members of the MTCC Secretariat, I must pay special tribute.

For the first time in its ten year history, MTCC celebrated its anniversary which also coincided with the endorsement of the MTCS by PEFC. YB Tan Sri Bernard Dompok, Minister of Plantation Industries and Commodities, YABhg. Tun Dr. Lim Keng Yaik, who was instrumental for the creation of MTCC, and other dignitaries, attended the grand dinner hosted by MTCC on 4 December. Board members and many former Board Members also joined the dinner. The special anniversary dinner was also to show appreciation to stakeholders and all those who have contributed to the development of MTCC into a respected body of international stature in the certification of tropical forests. To mark the special occasion, a special commemorative book chronicling MTCC's First Ten Years, was published and widely distributed.

Although MTCC has made substantial progress, and learnt a great deal in the last ten years, it must nevertheless not rest on its laurels. Just like Sustainable Forest Management, certification is an evolving process striving for ever higher standards. MTCC must therefore respond positively to the needs of society and stakeholder comments. To this end work to review the *MC&I(2002)* commenced during the year. With the support of the authorities, forest managers and all stakeholder groups, working cooperatively together, MTCC now looks to the future with added confidence as it continues on its journey to contribute to the sustainability of Malaysia's forest heritage so that present and future generations in Malaysia may continue to enjoy its environmental, social and economic benefits, and achieve its vision to be recognized as a leading timber certification organization for tropical forests.



Dato' Dr Freezailah b. Che Yeom

Chairman

8 March 2010

Review of Operations



“The PEFC endorsement of the MTCS gave added impetus to the implementation of the new institutional arrangement for the MTCS.”

The year 2009 marks ten years of the operation of the MTCC. It was therefore appropriate for this important point in MTCC's journey to record a key achievement and milestone of the Malaysian Timber Certification Scheme (MTCS) thus far, i.e. the endorsement of the MTCS by the PEFC Council on 1 May. This is a significant achievement as the MTCS is the first operational scheme for tropical forests to be endorsed by the PEFC, the world's largest forest certification scheme.

The PEFC endorsement of the MTCS gave added impetus to the implementation of the new institutional arrangement for the MTCS, and by December two of the FMUs were issued with certificates which qualify their logs to be described as PEFC-certified. In addition, 32 timber companies were issued with certificates which make them eligible to manufacture and/or export PEFC-certified timber products and use the PEFC Logo.

Another important achievement of the MTCS was the announcement by the Hamburg authority to grant full recognition to the MTCS in December, which resulted in MTCS-certified timber products being accepted for use in public procurement activities and in building projects that are subsidized by the Hamburg authority.

Work on the review of the *MC&I*(2002) proceeded smoothly, with the formation of the multi-stakeholder Standards Review Committee (SRC) and the convening of its first meeting on 29-30 October which was continued on 15-16 December. To facilitate the deliberations of the SRC, the first meeting of the Panel of Experts (PoE) was also convened in June.

MTCC's promotional activities included its participation in the Working Visit to Berlin, The Hague and Brussels which was led by YB Tan Sri Bernard Dompok, Minister of Plantation Industries and Commodities, as well as participation in international and local fairs, publication of four issues of the *MTCC News*, advertisements, articles, press releases, presentations and briefing sessions.

Another significant event was the joint organisation of the *Seminar on the Application of ILO Core Conventions in*

Review of Operations

Forestry and Timber Industry by MTCC together with the Timber Employees Union Peninsular Malaysia and Building and Woodworkers International. The Seminar discussed the requirements for the implementation of the ILO core conventions and how they have been incorporated into the *MC&I*(2002). I hope that the presentation of the different perspectives of the PEFC Council, government, workers' unions, timber industry, MTCC and CBs on the subject have helped to bring about a better understanding, on this subject.

As part of its efforts to encourage dialogue among the various stakeholder groups in dealing with issues related to sustainable forest management, MTCC as a member of the Steering Committee for the Malaysian Forest Dialogue (MFD) helped to jointly organize a Forum on *Forest, Land & People: An Opportunity for Understanding* with the Centre for Legal Pluralism and Indigenous Law, Faculty of Law, Universiti Malaya. The discussions during the Forum have further clarified some of the issues on the legal and customary rights of indigenous peoples to their lands and resources. Lessons were also learnt from the case studies on key success factors for meaningful community/industry/government cooperation, such as mutual respect, a clearly defined relationship between stakeholders, an unambiguous procedure for communication and an underlying genuine desire for responsible development. The group discussions identified the need for alternative dispute resolution mechanisms apart from the courts, such as arbitration, negotiation and mediation.

The Working Group on a Pan ASEAN Timber Certification Initiative continued to make good progress in developing the documents to assist the ASEAN Member States in implementing their respective national legality verification and sustainable forest management (SFM) certification schemes. The Eighth Meeting in April managed to finalise the *ASEAN Criteria and Indicators for Legality of Timber* and the *ASEAN Guideline on Phased Approach to Forest Certification*. In addition, further discussions were held on the draft *Chain of Custody Guidelines for Legal Timber and Sustainable Timber*.

The year 2009 was made more memorable with the holding of a dinner in December to commemorate the tenth anniversary of the MTCC, which was attended by YB Tan Sri Dompok as the guest of honour, Y.A. Bhg. Tun Dr. Lim Keng Yaik, the former Minister of Primary Industries, and more than 200 guests, including past and present Trustees, Members, MTCS certificate holders, representatives of stakeholder groups, certification bodies, former ambassadors, media and representatives from foreign embassies and high commissions. The dinner saw the launching of the MTCC 10th anniversary commemorative book entitled *The First Ten Years*, which chronicles the establishment of the MTCC, its growth and efforts in developing and operating the MTCS in the face of many challenges.

The implementation of all these activities and their progress have been made possible through the continued cooperation and support from the forest managers, timber companies, certification bodies, accreditation body, forestry and timber-related agencies and representatives of the environmental, social and economic stakeholder groups in Sabah, Sarawak and Peninsular Malaysia, for which I am most grateful.

To the Chairman and Board of Trustees, as well as the Members of MTCC, I would like to express my gratitude for their continued guidance and support to the MTCC management. To my team - the MTCC senior managers, executives and supporting staff - a big thank you for the diligence, commitment and good teamwork that they have shown to make 2009 a memorable year for the MTCC and the MTCS.



Chew Lye Teng

Chief Executive Officer
8 March 2010

Tenth Anniversary Celebration

MTCC held a dinner function to celebrate its ten years of operation on 4 December at the Palace of the Golden Horses in Kuala Lumpur. The dinner was held to express MTCC's appreciation and gratitude to all the organisations and individuals who had contributed to the growth and development of timber certification in Malaysia through MTCC and the MTCS.

More than 200 guests, including past and present Trustees, Members, MTCS certificate holders, representatives of stakeholder groups, certification bodies, former ambassadors, media and representatives from foreign embassies and high commissions, attended the dinner.



YB Tan Sri Bernard Dompok, the Minister of Plantation Industries and Commodities, was the guest of honour at the dinner. Y.A. Bhg. Tun Dr. Lim Keng Yaik, the former Minister of Primary Industries who was instrumental in the establishment of MTCC, also attended the dinner.

The dinner started with a welcoming address by the MTCC Chairman Dato' Dr. Freezailah Che Yeom and a speech by YB Tan Sri Dompok. In his welcoming address, Dato' Dr. Freezailah highlighted the many challenges faced by MTCC, particularly the multi-stakeholder consultation processes, and the milestones achieved. He thanked the various stakeholder groups, Trustees and Members, for their contributions towards MTCC's activities and the operation of the MTCS.



In his speech, YB Tan Sri Dompok stated that *'MTCC's achievements over the past ten years are highly commendable, given the difficult situation in the market when it started its operation. I am happy to note that currently 4.43 million hectares or 33% of the permanent reserved forests in Malaysia are certified under the MTCS. Having become the first certification scheme in the Asia Pacific region to be endorsed under the Programme for the Endorsement of Forest Certification schemes (PEFC), MTCC to a large extent has achieved its vision to be recognised as the leading timber certification organisation for tropical forests'*.



He also called upon the stakeholder groups to continue to provide feedback to MTCC and to support and participate in the various consultations organised to review the standards. The dinner saw the launching of the MTCC 10th anniversary commemorative book entitled *The First Ten Years* by YB Tan Sri Dompok, followed by a multimedia presentation which provided a brief overview of MTCC's growth, development and achievements over the ten years.

As a token of appreciation, MTCC presented a souvenir to YB Tan Sri Dompok in the form of a wood carving depicting components of SFM practices produced using MTCS-certified Jelutong wood.

From top to bottom: Launching of the MTCC 10th anniversary commemorative book by YB Minister, presentation of souvenir to YB Minister and VVIP guests seated at the main table

Tenth Anniversary Celebration

Receiving Guests



VIP Holding Room



Grand Entrance



Speeches



Tenth Anniversary Celebration

Networking



Tenth Anniversary Celebration

Networking



Chairman and Management Team



PEFC Endorsement of MTCS



Since being accepted as a member of the PEFC Council on 22 November 2002, MTCC had made preparations to submit the MTCS for endorsement. After more than five years of work to streamline the MTCS standards, documentation, procedures and institutional arrangement with the requirements of the PEFC, MTCC officially submitted its application for the endorsement of the MTCS by the PEFC Council on 28 March 2008.

To carry out the conformity assessment of the MTCS, in June 2008, the PEFC Council appointed a consultant firm, Indufor Oy based in Helsinki, Finland. Through a press release posted on its website on 23 July 2008, the PEFC Council officially announced the start of the 60-day public consultation of the MTCS. MTCC also invited the stakeholder groups in Malaysia to submit their inputs and comments on the assessment process directly to the consultant. The consultant for Indufor Oy, Hanna Nikinmaa, visited Malaysia in September 2008 and held discussions with the MTCC management and representatives of the different stakeholder groups. The report prepared by the consultant was finalised on 8 December 2008 and submitted to the PEFC Board of Directors for a decision.

The decision to endorse the MTCS was announced by the PEFC Council in a press release on 5 May 2009, following the outcome of the General Assembly postal vote among the PEFC members on the recommendation of the Board of Directors.

The MTCS therefore became the first tropical timber certification scheme in the Asia Pacific region, and the second in the world after the Gabonese Forest Certification Scheme, to be endorsed by the PEFC Council. With the endorsement, the MTCS became mutually recognised with endorsed schemes from all parts of the world including Europe, Canada, USA, Australia, Chile and Brazil under the PEFC framework for mutual recognition.

Operations

Forest Management Certification

In line with the implementation of the new institutional arrangement for the MTCS, all FMUs were required to apply to MTCS-notified CBs for audit against the requirements of the MC&I(2002). Under the new arrangement, all FMUs are required to undergo Stage 1 (pre-assessment) and Stage 2 (main assessment) audits.

In this connection, a total of ten FMUs, namely Anap-Muput (in Sarawak), Johor, Kedah, Kelantan, Negeri Sembilan, Pahang, Perak, Selangor, Segaliud-Lokan (in Sabah) and Terengganu FMUs were subjected to the Stage 1 audit. Of these FMUs, nine of them, i.e. Segaliud-Lokan, Johor, Negeri Sembilan, Kelantan, Kedah, Perak, Terengganu, Pahang and Selangor FMUs, were also subjected to the Stage 2 audit. The details of the Stage 1 and Stage 2 audits of these FMUs are as shown in **Table 1**.

Table 1: Details of Stage 1 and Stage 2 Audits of FMUs

Name of FMU	Certification Body	Stage 1 Audit	Stage 2 Audit
Segaliud-Lokan, Sabah	SIRIM QAS International Sdn. Bhd.	12 - 15 January	24 - 28 August
Johor	SGS (Malaysia) Sdn. Bhd.	13 - 16 April	22 - 26 June
Negeri Sembilan	SIRIM QAS International Sdn. Bhd.	19 - 21 May	27 - 31 July
Kelantan	SIRIM QAS International Sdn. Bhd.	10 - 13 August	30 November - 7 December
Kedah	SIRIM QAS International Sdn. Bhd.	16 - 19 August	17 - 22 December
Perak	SIRIM QAS International Sdn. Bhd.	24 - 27 August	26 October - 2 November
Terengganu	SGS (Malaysia) Sdn. Bhd.	24 - 26 August	1 - 6 November
Pahang	SGS (Malaysia) Sdn. Bhd.	2 - 4 September	9 - 12 & 16 - 19 November
Selangor	SGS (Malaysia) Sdn. Bhd.	14 - 16 September	14 - 17 & 21 December
Anap-Muput, Sarawak	SIRIM QAS International Sdn. Bhd.	23 - 25 September	–

Of the nine FMUs that had undergone the Stage 2 audit, two of them, i.e. Segaliud-Lokan and Negeri Sembilan FMUs, were found to have complied with the requirements of the MC&I(2002), and hence were the first two FMUs to be certified and awarded with an accredited *Certificate for Forest Management (Natural Forest)* on 10 December and 29 December respectively.

With the issuance of the accredited certificates, the Segaliud-Lokan and Negeri Sembilan FMUs also became the first two FMUs to become PEFC-certified in Malaysia, thereby making the MTCS-certified logs from these two FMUs eligible to use the PEFC Logo.

In terms of area, as of December, a total of 211,432 ha of Permanent Reserved Forests (PRFs) in Malaysia have become PEFC-certified, with another 4,266,001 ha of PRFs being MTCS-certified, as shown in **Tables 2** and **3**, respectively.

Operations

Table 2: PEFC-Certified FMUs

No.	Name of FMU	Certificate Number	Issuance Date	Area (ha)
1.	Segaliud-Lokan	FMC 001	3 December 2009	57,247
2.	Negeri Sembilan	FMC 002	29 December 2009	154,185
Total Area Certified				211,432

Table 3: MTCS-Certified FMUs

No.	Name of FMU	Certificate Number	Issuance Date	Area (ha)
1.	Pahang	FMC 001	13 November 2007	1,519,107
2.	Kelantan	FMC 008	18 January 2008	629,687
3.	Anap-Muput	FMC 010	19 February 2008	106,820
4.	Perak	FMC 006	19 February 2008	880,388
5.	Kedah	FMC 005	4 June 2008	342,613
6.	Selangor	FMC 002	30 June 2008	241,568
7.	Terengganu	FMC 003	30 June 2008	545,818
Total Area Certified				4,266,001

Interpretation of Criterion 6.10 of the *MC&I(2002)*

A meeting was convened on 16 September among representatives of the various stakeholder groups in Peninsular Malaysia to address the concern raised by the media and the environmental NGOs relating to the conversion of the PRF to forest plantations and other land uses, particularly the planting of "Timber Latex Clone (TLC)" rubber trees in the PRF, and the implications of such conversions on the implementation of sustainable forest management and the MTCS. The meeting which was attended by 50 participants aimed to obtain feedback from the relevant stakeholder groups on the formulation of proposed guidelines for the interpretation of Criterion 6.10, in particular para (a) with regard to the allowable threshold for such conversions entailing "*a very limited portion of the FMU*" as such a threshold is currently not specified in the *MC&I(2002)*. Such guidelines are also needed to ensure consistency in the interpretation of this Criterion by the different CBs when conducting audits of the FMUs.

The outcome of the meeting indicated that more in-depth studies and consultations need to be conducted before any threshold can be specified for Criterion 6.10(a). There was overall consensus that the allowable threshold should be determined during the on-going review of the *MC&I(2002)* which has started since April.

As an interim measure while awaiting the outcome of the review, the meeting agreed that guidance to the CBs with regard to the interpretation of Criterion 6.10 would be that the scope of certification against the requirements of the *MC&I(2002)* is confined to the natural forests located in the PRFs, and regardless of the extent, forest plantations in the FMU shall be audited against the requirements of the *MC&I(Forest Plantations)*. Additionally, timber arising from such conversions shall not be considered as certified timber under the MTCS. All CBs were subsequently informed of these requirements on 26 October.

Chain of Custody Certification

Under the new institutional arrangement for the MTCS, all applicants had opted to apply to the MTCS-notified Certification Bodies (CBs) for chain of custody (CoC) certification against the requirements of the PEFC Technical Document Annex 4: *Chain of Custody of Forest Based Products - Requirements*.

Operations

A total of 109 *Certificates for Chain of Custody* against the PEFC Annex 4 were issued by the MTCS-notified CBs. Of this total, 78 certificates were issued to the existing holders of the MTCC *Certificate for Chain of Custody* and 31 were issued to new applicants, with 74 of these certificates issued by SGS (Malaysia) Sdn. Bhd., 31 by SIRIM QAS International Sdn. Bhd. and the remaining four by Moody International Certification (M) Sdn. Bhd. With this increase, the number of *Certificate for Chain of Custody* issued as at December totalled 128 certificates.

The full list of the holders of the *Certificate for Chain of Custody* against the PEFC Annex 4 issued by MTCS-notified CBs is as shown in **Appendix I**.

SIRIM QAS became a PEFC-notified CB on 2 September and was issued with the PEFC Logo usage licence with registration number PEFC/34-44-01 on 23 October, which allows SIRIM QAS to use the PEFC Logo on the accredited CoC certificates awarded under the MTCS. As a PEFC-notified CB, SIRIM QAS issued the accredited *Certificate for Chain of Custody* to 32 companies by the end of 2009.

The full list of the holders of the *Certificate for Chain of Custody* against the PEFC Annex 4 issued by PEFC-notified CBs is as shown in **Appendix II**.

Issuance of MTCC Logo Usage Licence

Out of the 109 *Certificate for Chain of Custody* holders, 68 of them entered into a *Logo Usage Licence Agreement* with MTCC and were issued with the MTCC Logo usage licence number in 2009, as follows:

Table 4: Logo Usage Licences issued by MTCC

No.	Company	Certificate Number	MTCC Logo Usage Licence Number
1.	Straits Timber Products (Pahang) Sdn. Bhd.	SGS-MTCS/COC-0012	MTCC/31-006
2.	Straits Timber Products Sdn. Bhd.	SGS-MTCS/COC-0013	MTCC/31-007
3.	Costraco Sdn. Bhd.	SGS-MTCS/COC-0010	MTCC/31-008
4.	Euro-CGA Sdn. Bhd.	SGS-MTCS/COC-0011	MTCC/31-009
5.	Maran Road Sawmill Sdn. Bhd.	SGS-MTCS/COC-0019	MTCC/31-010
6.	Pekan Sawmill Sdn. Bhd.	SGS-MTCS/COC-0016	MTCC/31-011
7.	Hian Yoon Timber Industries Sdn. Bhd.	SGS-MTCS/COC-0009	MTCC/31-012
8.	Taiko Resources Sdn. Bhd.	SGS-MTCS/COC-0018	MTCC/31-013
9.	Jasa harapan Sdn. Bhd.	SGS-MTCS/COC-0004	MTCC/31-014
10.	Perkayuan Semhing Sdn. Bhd.	SGS-MTCS/COC-0005	MTCC/31-015
11.	Poh Huat Furniture Industries (M) Sdn. Bhd.	SGS-MTCS/COC-0015	MTCC/31-016
12.	Suria Dayapi Timber Products Sdn. Bhd.	SGS-MTCS/COC-0027	MTCC/31-017
13.	Yee Poh Timber Sdn. Bhd.	FCOC 005	MTCC/31-018
14.	Besgrade Products Sdn. Bhd.	FCOC 004	MTCC/31-019
15.	Victory Enterprise Sdn. Bhd.	SGS-MTCS/COC-0029	MTCC/31-020
16.	Perak Industrial Corporation Sdn. Bhd.	SGS-MTCS/COC-0017	MTCC/31-021
17.	Lionex (M) Sdn. Bhd.	SGS-MTCS/COC-0021	MTCC/31-022

No.	Company	Certificate Number	MTCC Logo Usage Licence Number
18.	Southern Asia Timber Sdn. Bhd.	SGS-MTCS/COC-0030	MTCC/31-023
19.	Arif Jasa Industries Sdn. Bhd.	SGS-MTCS/COC-0031	MTCC/31-024
20.	Lengkap Arif Sdn. Bhd.	FCOC 003	MTCC/31-025
21.	Euro Asia Timber Export Sdn. Bhd.	FCOC 007	MTCC/31-026
22.	Standard Wood Products Sdn. Bhd.	SGS-MTCS/COC/0026	MTCC/31-027
23.	Magna-Foremost Sdn. Bhd.	FCOC 002	MTCC/31-028
24.	Mentakab Sawmill Sdn. Bhd.	SGS-MTCS/COC-0040	MTCC/31-029
25.	Pio Hardwoods (M) Sdn. Bhd.	SGS-MTCS/COC-0032	MTCC/31-030
26.	Kilang Papan Datuk Wan Ahmad (Raub) Sdn. Bhd.	FCOC 009	MTCC/31-031
27.	Blue Star Sawmill Sdn. Bhd.	SGS-MTCS/COC-0036	MTCC/31-032
28.	World Parade Sdn. Bhd.	SGS-MTCS/COC-0034	MTCC/31-033
29.	Mahawangsa Timber Industries Sdn. Bhd.	SGS-MTCS/COC-0024	MTCC/31-034
30.	Kilang Papan Seong Eng Sdn. Bhd.	SGS-MTCS/COC-0049	MTCC/31-035
31.	Asrama Raya Sdn. Bhd.	SGS-MTCS/COC-0035	MTCC/31-036
32.	Medan Agresif Sdn. Bhd.	SGS-MTCS/COC-0006	MTCC/31-037
33.	Samling Plywood (Baramas) Sdn. Bhd.	FCOC 008	MTCC/31-038
34.	Kim Ban Huat Sdn. Bhd.	SGS-MTCS/COC-0020	MTCC/31-039
35.	Supreme Fame Sdn. Bhd.	SGS-MTCS/COC-0053	MTCC/31-040
36.	Eco Lumber Sdn. Bhd.	SGS-MTCS/COC-0028	MTCC/31-041
37.	Carl Ronnow (M) Sdn. Bhd.	SGS-MTCS/COC-0048	MTCC/31-042
38.	Evergreen Industries Products Sdn. Bhd.	SGS-MTCS/COC-0033	MTCC/31-043
39.	Mieco Manufacturing Sdn. Bhd.	SGS-MTCS/COC-0042	MTCC/32-001
40.	Maju Weko Timber Industries Sdn. Bhd.	FCOC 010	MTCC/31-044
41.	Wood Village Industries Sdn. Bhd.	SGS-MTCS/COC-0041	MTCC/31-045
42.	Syarikat Kayu-Kayan Baoli Sdn. Bhd.	SGS-MTCS/COC-0039	MTCC/31-046
43.	United Trading & Sawmill Sdn. Bhd.	SGS-MTCS/COC-0037	MTCC/31-047
44.	Exsell Corporation Sdn. Bhd.	SGS-MTCS/COC-0051	MTCC/31-048
45.	P.I.F. Sdn. Bhd.	SGS-MTCS/COC-0056	MTCC/31-049
46.	Asia Plywood Company Sdn. Bhd.	FCOC 014	MTCC/31-050
47.	Mentakab Veneer & Plywood Sdn. Bhd.	SGS-MTCS/COC-0058	MTCC/31-051
48.	Perfect KL Timber Trading Sdn. Bhd.	SGS-MTCS/COC-0066	MTCC/31-052
49.	Komill Corporation Sdn. Bhd.	FCOC 013	MTCC/31-053
50.	TSL Timber Sdn. Bhd.	SGS-MTCS/COC-0062	MTCC/31-054
51.	Hok Lai Timber (M) Sdn. Bhd.	SGS-MTCS/COC-0068	MTCC/31-055
52.	True Acclaim Sdn. Bhd.	SGS-MTCS/COC-0065	MTCC/31-056
53.	Golden Latitude Sdn. Bhd.	FCOC 011	MTCC/31-057

No.	Company	Certificate Number	MTCC Logo Usage Licence Number
54.	Hills Wood Processing Plants Sdn. Bhd.	SGS-MTCS/COC-0055	MTCC/31-058
55.	Golden Pharos Doors Sdn. Bhd.	SGS-MTCS/COC-0069	MTCC/31-059
56.	Indah Wood Products Sdn. Bhd.	SGS-MTCS/COC-0071	MTCC/31-060
57.	Shen Foong Trading Sdn. Bhd.	SGS-MTCS/COC-0038	MTCC/31-061
58.	Papanjaya Sdn. Bhd.	SGS-MTCS/COC-0067	MTCC/31-062
59.	Ah Hai Industries Sdn. Bhd.	T842088	MTCC/31-063
60.	Shua Lym Woodworks Sdn. Bhd.	SGS-MTCS/COC-0077	MTCC/31-064
61.	Bortim Sdn. Bhd.	SGS-MTCS/COC-0060	MTCC/31-065
62.	PTC Timber Sdn. Bhd.	T910488	MTCC/31-066
63.	Jejaka Timber Industries Sdn. Bhd.	SGS-MTCS/COC-0070	MTCC/31-067
64.	Keow Seng Sawmill Sdn. Bhd.	SGS-MTCS/COC-0076	MTCC/31-068
65.	Timbertech Wood Industries Sdn. Bhd.	SGS-MTCS/COC-0083	MTCC/31-069
66.	E.P.W. Sdn. Bhd.	SGS-MTCS/COC-0064	MTCC/31-070
67.	Taichen Enterprise Sdn. Bhd.	SGS-MTCS/COC-0081	MTCC/31-071
68.	Gunung Seraya Wood Products Sdn. Bhd.	FCOC 016	MTCC/31-072

Accreditation and Notification of Certification Bodies

Two of the MTCS-notified CBs, i.e. SIRIM QAS International Sdn. Bhd. and SGS (Malaysia) Sdn. Bhd., have been granted accreditation by the Department of Standards Malaysia (STANDARDS MALAYSIA) for forest management and CoC certification under the MTCS.

SIRIM QAS became the first CB to be accredited when its application for an extension of scope of its existing accreditation against MS ISO/IEC Guide 65 for product certification to include CoC certification of forest - based products using the standard, PEFC Technical Document Annex 4, was approved by STANDARDS MALAYSIA on 27 July.

Following its accreditation, SIRIM QAS became a PEFC-notified CB for CoC certification and obtained the PEFC Logo usage licence with registration number PEFC/34-44-01 from MTCC on 2 September.

STANDARDS MALAYSIA granted SIRIM QAS the accreditation for forest management certification (FMC) on 10 December, following which it became a PEFC-notified CB for FMC on 22 December.

SGS Malaysia was granted the accreditation for FMC on 8 December and for CoC certification on 16 December. It became a PEFC-notified CB for both FMC and CoC on 24 December.

As PEFC-notified CBs, SIRIM QAS and SGS Malaysia became eligible to issue accredited certificates for both FMC and CoC, which are recognised as PEFC certificates.

With regard to the specific accreditation programme for CoC certification, in 2009, the PEFC Council continued its collaboration with the International Accreditation Forum (IAF) to develop the document entitled *Requirements for certification bodies operating chain of custody certification against the PEFC Council international chain of custody standard*, which stipulates the accreditation requirements for CBs. At the invitation of STANDARDS MALAYSIA as a member of the IAF Technical Committee, MTCC attended the IAF-PEFC Working Group meeting that was held in Mumbai, India on 5 March, where the draft IAF-PEFC document (Rev. 8) was deliberated. However, by year end, the IAF-PEFC document had yet to be finalised. This is now expected to take place in 2010.

Operations

In 2009, MTCC continued to participate in the Technical Working Group (TWG) formed in 2005 by STANDARDS MALAYSIA, to further develop the accreditation programme for CBs operating CoC certification using the draft PEFC-IAF document, as well as further strengthen the accreditation programme for the forest management system certification that was finalised and launched in October 2007 by STANDARDS MALAYSIA. This included the development of new documents to expand the accreditation programme to include the forest plantation management system certification.

Dispute Resolution Committee

In its efforts to strengthen the dispute resolution procedures in the MTCS, MTCC had reviewed the existing procedures contained in the scheme document entitled *Procedures for the Investigation and Resolution of Complaints and Appeals* (GL 1/2008) and issued a new document entitled *Dispute Resolution Procedures* (DRP 1/2009) upon its approval by the MTCC Board on 17 February.

The document DRP 1/2009 provides a comprehensive set of procedures to handle disputes, including complaints and appeals, which may arise in connection with the operation of the MTCS, other than disputes relating to the decisions and activities of a certified entity, an accredited CB or an accreditation body (AB), which shall be dealt with by the dispute resolution procedures of the relevant accredited CB, AB or by the IAF, respectively.

The procedures in the document DRP 1/2009 deal with the scope, independent Dispute Resolution Committee (DRC), submission of disputes, timeliness, notification to the DRC, responding party, consideration of dispute by the DRC, costs and conflicts of interest. The details of the document DRP 1/2009 are available at <http://www.mtcc.com.my>

The DRC is an independent committee and under the MTCS, its decision in any dispute is final. The three-member DRC comprises of Tan Sri Dr. Salleh Mohd. Nor as the Chairman, with the two members being Datu Dr. Michael Lunjew and Datuk Eric Juin.

Tan Sri Dr. Salleh Mohd Nor was the founding Director General of the Forest Research Institute Malaysia (FRIM) and is currently actively involved in various activities related to the environment, wildlife conservation and forest management. Among others, he was the President of the Malaysian Nature Society (MNS) from 1978 to 2006, and was recently re-elected as its President. He was awarded the Inaugural Langkawi Award for Environment as well as other awards, such as the ASEAN Award for Environmental Conservation.

Datu Dr. Michael Lunjew retired as the Secretary General of the Ministry of Plantation Industries and Commodities (MPIC) where he had extensive experience in dealing with industry and trade-related issues connected with the various commodities, among which are timber and palm oil. Prior to joining MPIC, Datu Dr. Lunjew had served for many years in both the Malaysian External Trade Corporation (MATRADE) as well as in the Ministry of International Trade and Industry (MITI).

Datuk Eric Juin retired as the Director of the Environment Protection Department in Sabah, where he was involved with the administration and management of the Department, and in the enforcement of the *State Environment Protection Enactment 2002*. Prior to this, Datuk Juin had served for many years in the Sabah Forestry Department where he was actively involved in research and in the planning and management of forest operations, both at district level and at the headquarters.

Export of MTCS-Certified Timber Products

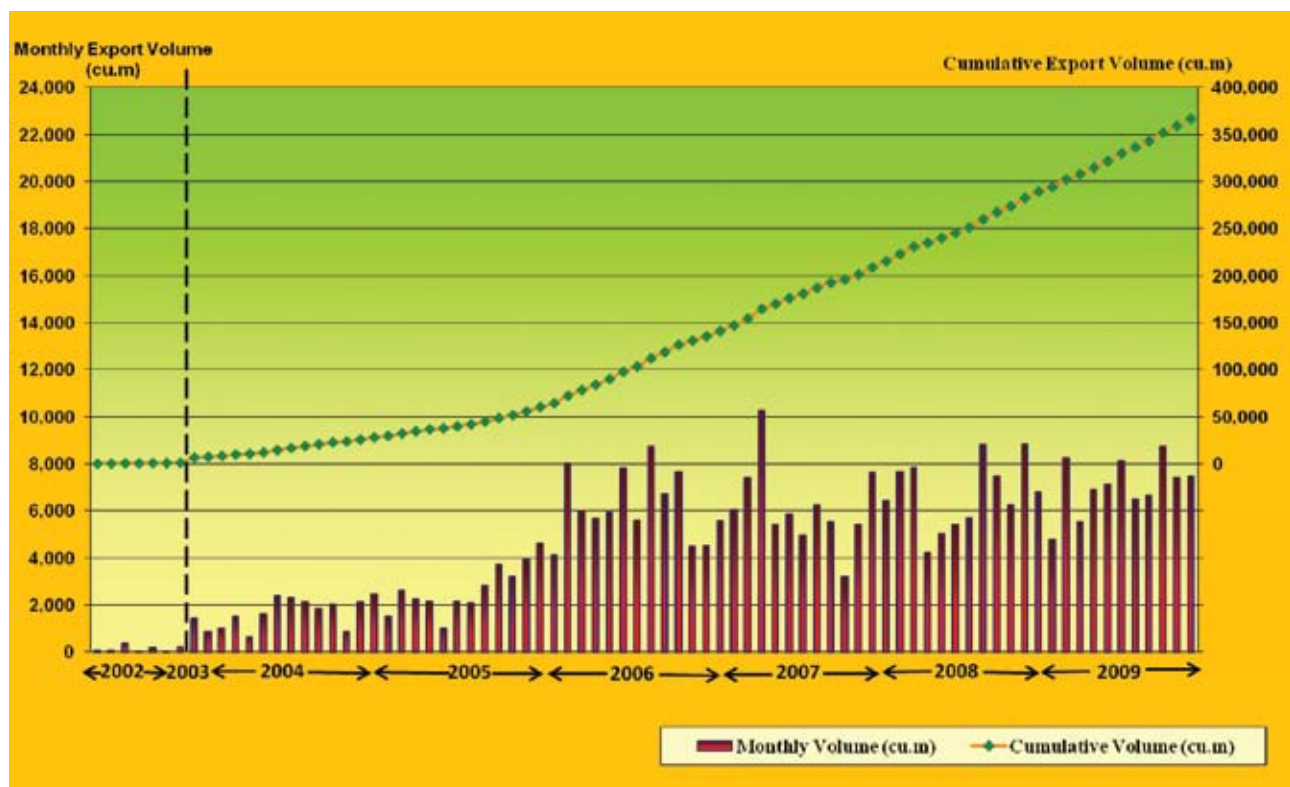
The export of MTCS-certified timber products continued to increase in 2009, reaching a total of 84,209 m³. One new destination, the Philippines, was added to the list of 22 destinations for MTCS-certified products. The other countries include The Netherlands, Belgium, Germany, the United Kingdom, France, Australia, Greece, Denmark, Poland, Italy, Norway, Indonesia, South Africa, South Korea, United States of America, Japan, Mauritius, New Zealand, Albania, Ireland and Singapore.

A total of 44,772 m³ or 53.2% of the 84,209 m³ exported was to The Netherlands, making it once again the largest market for MTCS-certified products in 2009. Records showed that the highest volume of MTCS-certified products exported was in the month of October, totalling 8,751 m³.

Hence, by the end of 2009, a total cumulative of 366,813 m³ of MTCS-certified timber products had been exported, with The Netherlands remaining the biggest market, importing 180,588 m³ (or 49.23%) of the total quantity exported since July 2002. The range of MTCS-certified timber products include sawn timber, plywood, mouldings, veneer, laminated finger-jointed timber, finger-jointed dressed timber (S4S), furniture and furniture components, door and window components, picture frames and parquet flooring.

Figure 1 shows the export of MTCS-certified timber products by month as well as the cumulative total since July 2002. **Figures 2 and 3** provide the percentage breakdown of the MTCS-certified products exported in 2009 by product type and by destination, respectively.

Figure 1: Export of MTCS-Certified Timber Products, July 2002 - 2009



Source: MTIB & MTCC

Export of MTCS-Certified Timber Products

Figure 2: Export of MTCS-Certified Timber Products by Product Type, 2009

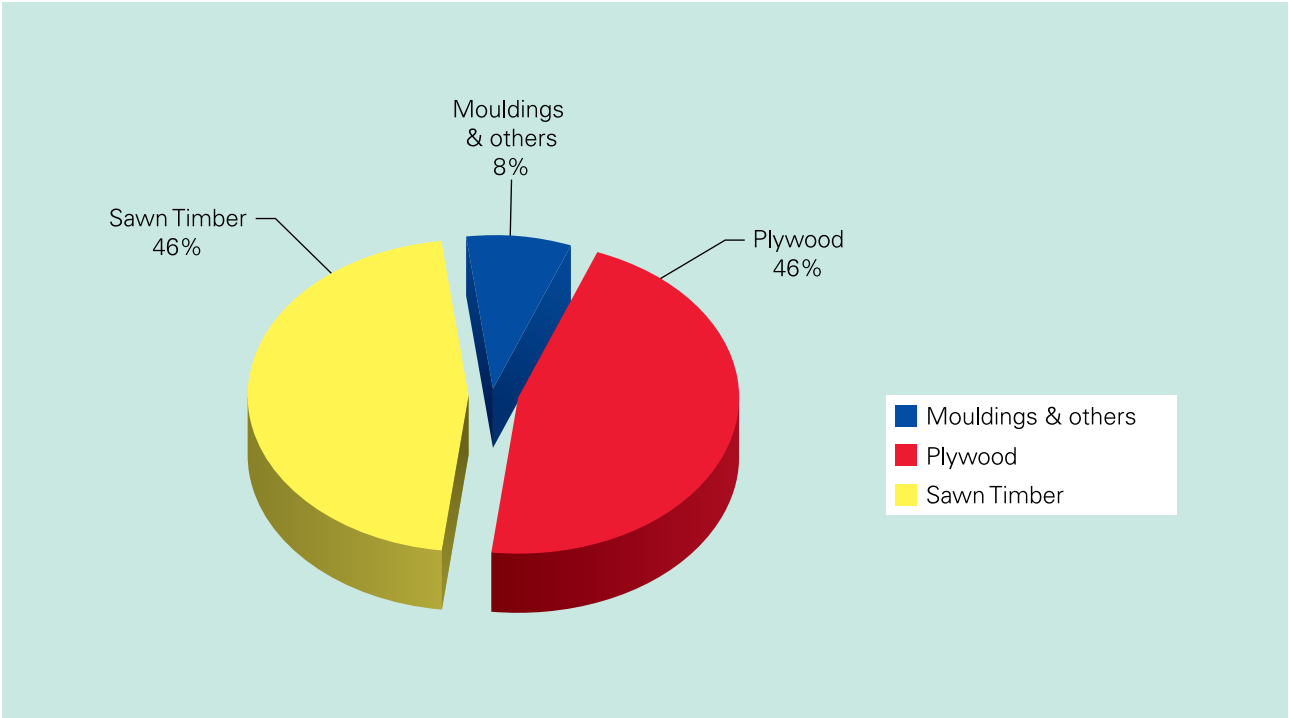
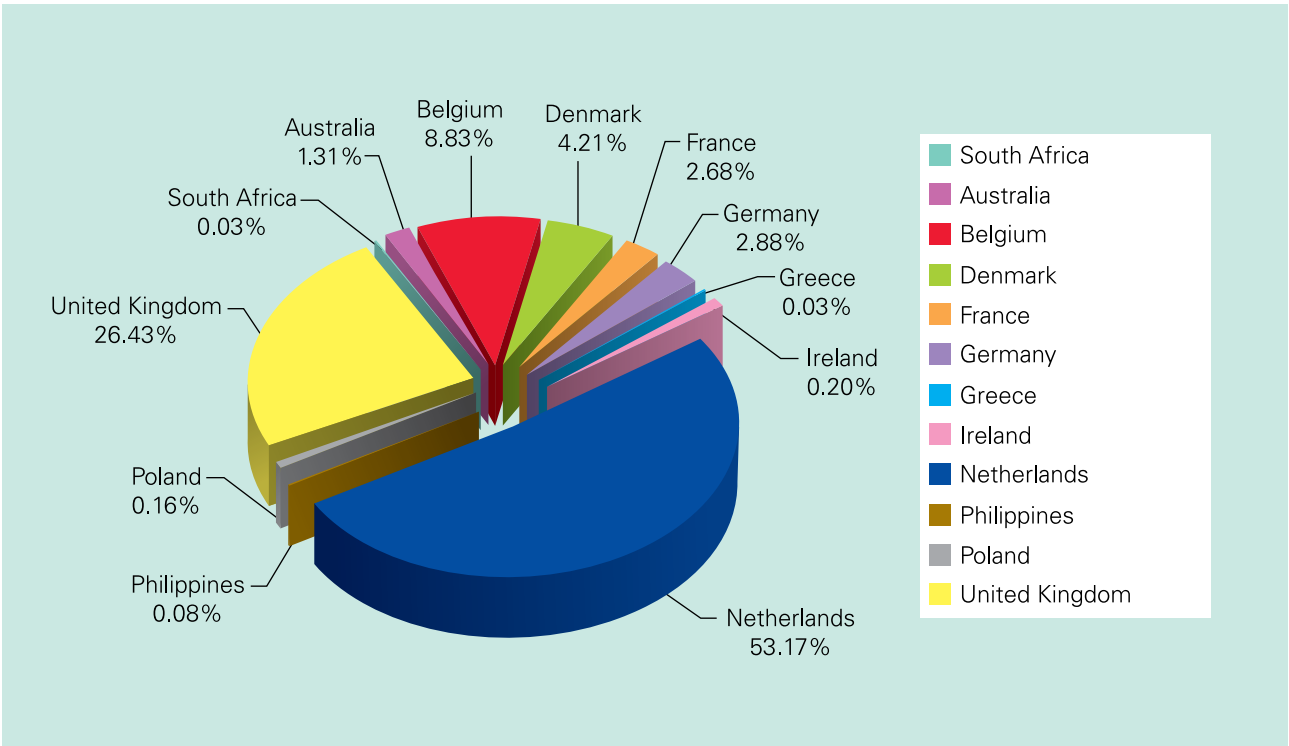


Figure 3: Export of MTCS-Certified Timber Products by Destination, 2009



Certification Standards

Review of Malaysian Criteria and Indicators for Forest Management Certification MC&I(2002)

In accordance with the international norm that certification standards are usually reviewed once every five years, the MC&I(2002) which has been used for forest management certification under the MTCS since October 2005, was subjected to its first review in 2009. The review is conducted in line with the requirements of the MTCS document SSP 1/2009: *Rules on Standard Setting Process for Development of Timber Certification Standards*.

Information on the review process including the proposed timelines for the various activities to be conducted was communicated to all the relevant stakeholder groups via letter, email as well as announcement on the MTCC website. All the relevant stakeholder groups were given prior information of the review of the MC&I(2002) via a letter dated 17 February issued by MTCC as the Secretariat. A follow-up letter relating to the First Public Comment on the MC&I(2002) was issued on 24 March where the following two documents were enclosed:

- (i) Announcement on the *Review of the Malaysian Criteria and Indicators for Forest Management Certification [MC&I(2002)] – First Public Comment* (in both Bahasa Malaysia and English); and
- (ii) A hard copy of the MC&I(2002) standard.

The announcement on the review of the MC&I(2002) was also concurrently communicated via email for those stakeholders with email contacts, as well as posted on the MTCC website.

First Public Comment on the MC&I(2002)

The *First Public Comment on the MC&I(2002)* to obtain comments and feedback from all the relevant stakeholders as part of the review process was successfully conducted from 1 April – 31 May.

As a result of the First Public Comment, feedback was received from the Sarawak Forestry Corporation, Forestry Department Peninsular Malaysia, Malaysian Nature Society (Kuching Branch), World Conservation Society (WCS) Malaysia, and Sarawak Timber Association (STA). All the comments received were posted on the MTCC website on 16 July.

Panel of Experts

To assist the Secretariat in its work, a Panel of Experts (PoE) was formed in May, comprising five experts in the field of economic, environmental and social aspects of forest management who can provide advice on how comments and proposals received from the stakeholder groups related to the *Principles, Criteria, Indicators* and *Verifiers* in the MC&I(2002) could be considered and incorporated into the draft revised standard. Members of the PoE are experts from the academic and research institutions, and individuals who are not directly involved in representing any stakeholder group in the multi-stakeholder consultations related to the review of the MC&I(2002). The members of the PoE are as shown in **Table 5**.

Certification Standards

Table 5: Members of the Panel of Experts

Name of Expert	Organisation	Field of Expertise
Dato' Shaharuddin Mohd Ismail	Institute for Environment and Development, Universiti Kebangsaan Malaysia; former Deputy Director General of Forestry, Forestry Department Peninsular Malaysia	Forestry
Dr. Sanath Kumaran	Independent consultant with ENVIROLOGIC Consulting.	Environment
Balan Nair	Independent consultant. Recently retired from Building and Woodworkers International (BWI)	Social (workers' unions)
Associate Prof Dr. Roszehan Mohd Idrus	School of International Tropical Forestry, Universiti Malaysia Sabah	Economic
Prof Datu Dr. Abdul Rashid Abdullah	Institute of East Asian Studies, Universiti Malaysia Sarawak	Social (indigenous peoples)

The PoE held its first meeting on 23 July. Taking into account the comments received from the First Public Comment and first meeting of the PoE, as well as from other sources, i.e. PEFC endorsement process of the MTCS, MTCC-Hamburg Project, and considerations of the ILO Core Conventions adopted by the PEFC Council, the Secretariat prepared a *Working Draft on the review of the MC&I(2002)* for the consideration of the Standards Review Committee (SRC).

Standards Review Committee

The 15-member SRC is the main body responsible for the review the standard. The SRC comprises members who are representatives nominated by their respective stakeholder groups, i.e. social, environmental and economic interest groups, and relevant government agencies, from the three regions, i.e. Sabah, Sarawak and Peninsular Malaysia. The MTCC management serves as the Secretariat for the SRC.

All the relevant stakeholder groups in Malaysia were contacted and requested to inform the Secretariat with regard to their preferred option for the nomination and election process of one Member and one Alternate Member from their respective stakeholder group to form the SRC, through a letter issued by MTCC on 26 March (which was followed by communication via email). The two options offered were:

- (i) Option 1: The stakeholder group appoints a coordinator from amongst their members to facilitate the nomination and election process;
- (ii) Option 2: The stakeholder group requests the Secretariat to facilitate the nomination and election process.

Based on these options, the stakeholder groups conducted their respective nomination and election process, and the Members of the SRC are as shown in **Table 6**.

Certification Standards

Table 6: Members of the Standards Review Committee

Stakeholder group	Member/ Alternate Member	Region		
		Sabah	Sarawak	Peninsular Malaysia
Environmental	Member	Omar Abd. Kadir <i>Malaysian Nature Society (MNS) – Sabah</i>	Dr. Melvin Gumal <i>Wildlife Conservation Society (Malaysia)</i>	Kanitha Krishnasamy <i>MNS</i>
	Alternate Member	Gary Yap <i>Sabah Environmental Protection Association (SEPA)</i>	Rebecca D Cruz <i>MNS-Kuching</i>	Jayashree Kanniah <i>WWF Malaysia</i>
Economic	Member	Raymund Tan <i>Timber Association of Sabah (TAS)</i>	Dato' Henry Lau <i>Sarawak Timber Association (STA)</i>	Siti Syaliza Mustapha <i>Malaysian Timber Council (MTC)</i>
	Alternate Member	Stephen Chaw <i>Sabah Timber Industries Association (STIA)</i>	Henry Kong <i>STA</i>	Goh Chee Yew <i>Bakti Malaysia Sdn. Bhd.</i>
Social (Indigenous peoples)	Member	Dr. Banabas Tapin <i>Kadazandusun Cultural Association (KDCA)</i>	Assoc. Prof. Dr. Ramy Bulan <i>Rurum Kelabit Sarawak</i>	Suki Mee <i>Persatuan Kebudayaan dan Kesenian Orang Asli Perak (PKOAP)</i>
	Alternate Member	Native Chief Saniban Amphila <i>United Sabah Dusun Association (USDA)</i>	Elbson Marajan <i>Sarawak Dayak National Union (SDNU)</i>	–
Social (Workers Union)	Member	Jevry Anggah <i>Sabah Timber Industry Employees Union (STIEU)</i>	Mohd Ali Yaacob <i>Sarawak Forest Department Employees Union (UFES)</i>	Mohd Khalid Atan <i>Timber Employees Union Peninsular Malaysia (TEUPM)</i>
	Alternate Member	Apolinar Z. Tolentino Jr. <i>Building and Wood Workers International (BWI)-Asia Pacific</i>	Mohd Jefrie Abdullah <i>Timber Industry Employees Union Sarawak (TIEUS)</i>	Hj. Jamaluddin Mat Isa <i>Malay Forest Officers Union Peninsular Malaysia (MFOUPM)</i>
Relevant Government Agency	Member	Pilis Malim <i>Sabah Forestry Department (Sabah FD)</i>	Hamden Mohamad <i>Sarawak Forest Department</i>	Lim Kee Leng <i>Forest Department Peninsular Malaysia</i>
	Alternate Member	Linda Giyung <i>Sabah FD</i>	Hj Zolkipli Aton <i>Sarawak Forestry Corporation (SFC)</i>	Dr. Ismail Harun <i>Forest Research Institute Malaysia (FRIM)</i>

Certification Standards



SRC meetings held in Kuala Lumpur (left) and Kota Kinabalu (right)

The SRC held its first meeting in Kuala Lumpur on 29-30 October and continued in Kota Kinabalu on 15-16 December to deliberate on the *Working Draft* prepared by the Secretariat.

As a result of the first meeting, the SRC prepared the First Draft of the revised standard [re-named as the *MC&I*(Natural Forest)] which shall be subjected to a 30-day *Second Public Comment* in early 2010.

Malaysian Criteria and Indicators for Forest Management Certification (Forest Plantations) **MC&I(Forest Plantations)**

Following the adoption of the *MC&I*(Forest Plantations) by the National Steering Committee (NSC) on 25 November 2008, the MTCC Board of Trustees during its Thirty-Ninth Meeting agreed to adopt the document as the standard for forest plantation management certification under the MTCS.

To brief interested parties on the requirements of the *MC&I*(Forest Plantations), MTCC conducted two briefing sessions, one to the staff of Forest Plantation Development Sdn. Bhd. (FPDSB) in Kuala Lumpur on 15 April and the other to FPDSB's loan recipients/applicants in Bintulu on 27 April.



Yong Teng Koon giving briefing the staff of FPDSB on the requirements of *MC&I*(Forest Plantations)

Training

A four-day auditor training course on the *MC&I(2002)* was organised by MTCC from 30 March to 2 April in Kuala Lipis, Pahang. A total of 14 auditors from the two MTCS-notified CBs operating forest management certification, i.e. SGS (Malaysia) and SIRIM QAS attended the training course. The course introduced the MTCS and *MC&I(2002)*, and focused mainly on the assessment procedures to provide the auditors with the necessary skills to conduct audits using the certification standard for natural forest under the MTCS.



Auditor training course on the MC&I(2002) Clockwise from top right: Visit to Orang Asli village at Pos Betau, participants carrying out field audit in Satak Forest Reserve, group discussion to prepare audit findings and checking Removal Passes at Forest Checking Station

A similar three-day training course on the use of the *MC&I(Forest Plantations)* was held from 3 - 5 August in Temerloh, Pahang and was attended by a total of 13 auditors from SGS (Malaysia) and SIRIM QAS. The training focused on the means of assessing compliance to the requirements stipulated in the plantation standard.

Both the training courses were conducted to enable the CBs involved to comply with the requirements of ISO/IEC 17021 for accreditation with STANDARDS MALAYSIA.



Auditor training course on the use of the MC&I(Forest Plantations): Participants holding discussion during the trial audit (left) and a visit to an Orang Asli village (right)

Promotion



Briefing to delegation at Van de Vin Window and Window Frames in Heeze, The Netherlands



YB Minister and Delegates viewing MTCS-certified timber at Van de Vin Window and Window Frames



Sheam Satkuru-Granzella, Director of MTC London, speaking at Timber Lunch in Wolfsburg, Germany



MTCC exhibit during MICCOS 2009

Working Visit to Berlin, The Hague and Brussels

A Working Visit to Berlin, The Hague and Brussels, led by YB Tan Sri Bernard Dompok, the Minister for Plantation Industries and Commodities (MPIC) and involving two commodities i.e. palm oil and timber, took place from 11 - 20 November.

The main objectives of the Visit for timber were to hold discussions with the relevant Ministers and EU Commissioners on matters of interest to both countries, such as the timber trade, the ongoing negotiations on the EU Forest Law Enforcement Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA), the latest developments on the EU Due Diligence Regulation (DDR), and the latest developments in the MTCS.

A Timber Lunch was held in Wolfsburg with the German Timber Trade Federation (GTTF) during which the delegation was informed of the initiative by the GTTF aimed at assisting its members to obtain CoC certification under both the PEFC and FSC schemes, while keeping costs as low as possible. GTTF is also in the process of developing a Code of Conduct for its members which would also include imports of FLEGT-licensed timber.

In The Hague, a Roundtable Meeting with the Dutch timber trade was organised. The Royal Netherlands Timber Trade Association (NTTA) informed that it was targeting for sustainable timber to account for 50% of the market by the year 2015. In this connection, timber certified under the PEFC (including MTCS timber) and FSC would be accepted as sustainable timber. The Netherlands Joinery Association (NBvT), together with the Royal NTTA, had formulated an Action Plan which called for the use of sustainable timber.

The Belgian Timber Importers' Federation (BTIF) informed that it has discussed with the Belgian government to come up with a clear policy requiring timber imports to be restricted to sustainable timber, which can be PEFC or FSC-certified timber.

The MTCC CEO participated in the Visit and presented information on the latest developments in the MTCS at all the meetings mentioned. The timber importers showed keen interest in wanting to know when the first consignment of MTCS-certified timber bearing the PEFC Logo would be available in the countries concerned.

Publicity

Publicity brochures as well as information on the developments related to the MTCS were distributed during the fairs and exhibitions in which MTCC participated, such as:

- Malaysia International Commodity Conference and Showcase 2009 (MICCOS 2009), Serdang, Selangor (August)
- Spoga 2009, Cologne, Germany - jointly with PEFC Germany (September)
- German Timber Day, Cologne, Germany - jointly with MTC (November)

Promotion



Y.B. Tan Sri Bernard Dompok visiting the MTCC booth during MICCOS 2009 accompanied by Y.B. Dato' Hamzah Zainudin, Deputy Minister of MPIC (right), Dato' Dr. Freezailah b Che Yeom and Chew Lye Teng (left)



Philipp Bahnmüller, PEFC Germany (left), and Siah Yew Lay of Lam Yang Furniture Manufacturer Sdn. Bhd. with exhibits of MTCS-certified garden furniture at MTCC-PEFC Germany joint exhibition stand during SPOGA 2009



Faisal Jaafar (middle) and Florian Boenigk of Kaiser Communication (right) attending to a visitor to the MTCC booth during German Timber Day 2009

At the international level, MTC continued to distribute the MTCC brochures at a number of fairs and exhibitions such as:

- DELHI WOOD, New Delhi, India (February)
- Legno & Edilizia (Use of Wood in Building Sector), Verona, Italy (February)
- Khung Hyang Housing Fair, Seoul, South Korea (February)
- Domotex Asia Fair, Shanghai, China (March)
- The 5th Build Asia 2009, Karachi, Pakistan (August)
- Kazbuild, Almaty, Kazakhstan (September)
- BATIMAT, Paris, France (November)
- Japan Home and Building Show, Tokyo, Japan (November)

In 2009, MTCC published four issues of the *MTCC News* to keep certificate holders and local stakeholder groups updated on the latest developments in the MTCS and matters related to timber certification and sustainable forest management in Malaysia.



Publication

The following press releases/articles/information updates were issued by MTCC and also posted on the MTCC website:

- *Expiry of Johor FMU Certificate for Forest Management (January)*
- *Review of the Malaysian Criteria and Indicators for Forest Management Certification [MC&I(2002)] (March)*
- *MTCS Dispute Resolution Procedures (March)*
- *MC&I(Forest Plantations) adopted as the Standard for Certification of Forest Plantations under the MTCS (March)*
- *Announcement: Review of the MC&I(2002) - First Public Comment (April)*
- *Second Announcement: Review of the MC&I(2002) - First Public Comment (May)*
- *PEFC Endorsement of the Malaysian Timber Certification Scheme (MTCS) (May)*
- *Public Comments on Review of MC&I(2002) (July)*
- *Seminar on Forest Management and Timber Certification in Malaysia (August)*
- *Expiry of Certificate for Forest Management for Sela'an-Linau FMU (October)*
- *Update on Review of MC&I(2002) (November)*
- *First PEFC-notified CB for Chain of Custody Certification (December)*

Promotion

The following press releases were issued by MTCC's public relations agencies, Kaiser Communication and Weber Shandwick in Germany and The Netherlands, respectively:

- *New options for the garden: tropical furniture with PEFC certificate* – issued by Kaiser Communication
- *Malaysian timber receives international recognition* – issued by Weber Shandwick

The following editorials and special feature reports on MTCC were published by the following print / online publications (e.g. professional newspaper & online platform, timber and architecture magazines, and online newsletter):

- | | |
|--------------------------------|--------------------------------|
| • holz.net (Germany) | • Parkett Magazin (Germany) |
| • timberscout.com (Germany) | • Cobouw (The Netherlands) |
| • Boden Wand Decke (Germany) | • HoutWereld (The Netherlands) |
| • Euwid (Germany) | • Epipleon (Greece) |
| • HolzDesign (Germany) | • Inwestor (Poland) |
| • Raumausstattung.de (Germany) | • Italian Il Legno (Italy) |
| • Treffpunkt Fenster (Germany) | |

Participation in Conferences/Seminars/Workshops/Courses/Meetings

MTCC also participated in a number of international and local conferences, seminars, workshops, courses and meetings during which presentations on the MTCS and other activities were made. These included the following:

- Forest Trend's Potomac Forum, 24 March, Washington D.C., U.S.A.
- Eighth Meeting of Working Group on a Pan ASEAN Timber Certification Initiative, 8 - 9 April, Bandar Seri Begawan, Brunei Darussalam
- 10th Seminar on *Current International Issues Affecting Forestry and Forest Products*, 24 June, Nay Pyi Taw, Myanmar
- 12th Meeting of the ASEAN Senior Officials on Forestry (ASOF), 25 - 28 June, Nay Pyi Taw, Myanmar
- Briefing to National Forest Certification Committee, 3 July, New Delhi, India
- FAO Workshop on *Strengthening Implementation of Codes of Practice for Forest Harvesting through Effective Systems of Monitoring and Evaluation*, 22 - 25 July, Beijing, China
- Timber Lunch with the German Timber Trade Federation (GTTF), 13 November, Berlin
- Roundtable meeting with the Royal Netherlands Timber Trade Association (RNTTA), 17 November, The Hague, The Netherlands
- Roundtable meeting with Belgian Timber Importers Federation (BTIF), 19 November, Brussels, Belgium



From left to right: Yong Teng Koon giving presentation during the FAO Workshop on Strengthening Implementation of Codes of Practice for Forest Harvesting through Effective Systems of Monitoring and Evaluation, participants during the Workshop, field trip to Yanji, China

Promotion

Briefing Sessions on Implications of the PEFC Endorsement of MTCS

MTCC organised briefing sessions in 2009 pertaining to the implementation of the new institutional arrangement and PEFC endorsement of the MTCS. The first briefing session was held on 21 May in Kuala Lumpur following the announcement by the PEFC Council on the endorsement of the MTCS. The briefing was held to provide a better understanding on this important development and the actions that needed to be taken by all the certificate holders and notified CBs under the MTCS. It was attended by 115 participants, including representatives of timber industry associations and relevant government agencies.

The presentations made during the briefing provided an update on the implementation of the new institutional arrangement for the MTCS, notification of CBs for forest management certification and CoC certification by MTCC, accreditation of CBs by STANDARDS MALAYSIA, progress of auditing by MTCS-notified CBs, latest development on the accreditation programme for CoC certification, current status of certificates issued by MTCC under the previous institutional arrangement, notification of PEFC-accredited CBs, issuance of accredited certificates and the use of the MTCC and PEFC Logos by certificate holders who have been granted the *PEFC Logo usage license* by MTCC.

MTCC also held discussions with the Forestry Department Peninsular Malaysia (FDPM) at its headquarters in Kuala Lumpur on 24 August on issues related to the implementation of the new arrangement and use of the *MC&I(2002)* as the standard for forest management certification for the MTCS.

The following seminars and briefing sessions were also conducted by MTCC in 2009:

- Briefing to Malaysian Institute of Architects (PAM), 13 February, Kuala Lumpur
- Briefing to Forest Plantation Development Sdn. Bhd. on *MC&I(2002)* (Forest Plantations), 15 April, Kuala Lumpur
- Briefing to FPDSB's loan recipients/applicants on *MC&I(2002)* (Forest Plantations), 27 April, Bintulu
- Briefing to STA on review of *MC&I(2002)*, 18 May, Kuching
- Briefing session on requirements of *MC&I(2002)* to officers of FDPM, 27 - 29 May, Kuantan
- Briefing to UPM undergraduates on MTCS, 10 June, Kuala Lumpur
- Briefing to TPAC representative on MTCS, 17 July, Kuala Lumpur
- Seminar on Forest Management and Timber Certification in Malaysia in conjunction with MICCOS 2009, 14 August, MAEPS, Serdang
- Seminar on Application of ILO Core Convention in Forestry and Timber Industry, 20 August, Kuala Lumpur
- Briefing to Rabobank, 21 August, Singapore



Briefing session on Implications of PEFC Endorsement of MTCS



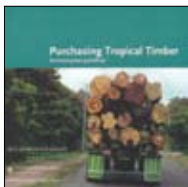
Briefing session on requirements of MC&I(2002) to officers of FDPM



Seminar on Forest Management and Timber Certification in Malaysia in conjunction with MICCOS 2009: Chew Lye Teng (middle) chairing the Q&A session [from left: Haji Zolkipli Aton (Sarawak Forestry Corporation), Musa Salleh (Sabah FD), Dr. Hj. Abd. Rahman bin Hj. Abd. Rahim (FD Peninsular Malaysia) and Harnarinder Singh].

Recognition Of MTCS

As a result of MTCC's continuous efforts to promote and seek recognition of the MTCS, authorities in the following countries have recognised the scheme:



The Danish Ministry of the Environment has included the MTCS as one of the accepted certification schemes in its document entitled *Purchasing Tropical Timber - Environmental Guidelines*, describing the MTCC certificate as providing a good guarantee of legal forest management, on its way towards becoming sustainable.

The Ministry of Agriculture and Forestry, New Zealand has recognised the MTCS in its *Timber and Wood Products Procurement Policy*.



The report commissioned by the United Kingdom's Central Point of Expertise on Timber (CPET), an expert group appointed by the Department for Environment, Food and Rural Affairs (DEFRA) has concluded that the MTCS certificate provides the assurance of legally harvested timber.

The second review by the CPET in 2008 has acknowledged that since the MTCS is in the process of introducing revised requirements, it will be able to provide evidence of sustainability once these revisions are fully in place.

The Royal Horticultural Society of UK has listed the MTCS as one of the seven recognised certification schemes in its *Conservation and Environment Guidelines*.



The French Ministry of Environment and Sustainable Development and the Ministry of Agriculture, Food and Rural Affairs have listed the MTCS as one of the acceptable certification schemes in the French policy on public procurement of timber and wood products entitled *French National Timber Procurement Policy*.

The MTCS has been listed as one of the accepted certification schemes in the *Guideline for Verification on Legality and Sustainability of Wood and Wood Products* issued by the Forestry Agency, Ministry of Agriculture, Forestry and Fisheries, Japan.



In March, the Keurhout System of The Netherlands admitted the whole of the MTCS under the *Keurhout Legal Origin (KH-LET)*. As at December, six FMUs, i.e. Negeri Sembilan, Pahang, Perak, Kelantan, Kedah and Anap-Muput FMUs and 11 holders of the MTCS *Certificate for Chain of Custody* have been accepted under the *Keurhout for Sustainable Forest Management (KH-SFM)*.

The Dutch Ministry of Housing, Spatial Planning and Environment (VROM) has accepted the MTCS certificate as meeting the requirements for legality of timber.



The Free and Hanseatic City of Hamburg, Germany has granted full acceptance of the MTCS in its procurement policy.

MTCS has been accepted under the German Federal public procurement policy for timber following the endorsement of the MTCS by the PEFC Council.

Recognition of MTCS

Evaluation of MTCS by the Timber Procurement Assessment Committee

In June 2008, the Dutch government adopted the *Dutch Procurement Criteria for Timber* as the document by which all timber certification systems would be assessed for compliance, to provide assurance to governmental parties, both national and local, that procured timber to The Netherlands comes from sustainable sources. In this connection, the Dutch Minister of Environment established the *Timber Procurement Assessment Committee* (TPAC) which is given the responsibility to assess whether certification systems meet the said requirements. It has been announced that starting 2010, only timber that meets the *Dutch Procurement Criteria for Timber* shall be procured by the Dutch government. The TPAC conducts its evaluation using the *Timber Procurement Assessment System* (TPAS).

MTCC received a letter from the Chairman of TPAC on 21 January informing that the Dutch Minister of Environment had requested the TPAC to assess the MTCS, which is the most important source of certified tropical timber to The Netherlands. MTCC was offered the option to apply to be assessed by TPAC, since this alternative allows MTCC, as the system manager, to conduct its own preliminary assessment and it has the option to withdraw the system from assessment during the procedure, without the assessment results being made public.

MTCC decided to take over the request of the Minister and submitted its application to TPAC on 24 February. Following the application, MTCC proceeded with the conduct of the preliminary assessment of the MTCS and submitted the preliminary assessment to TPAC on 15 May, according to the timeline set by TPAC.

The TPAC assessment incorporates an online stakeholder forum where stakeholders are invited to comment online on the assessed scheme, for a period of four weeks. The online stakeholder forum on the MTCS was originally scheduled to be conducted from 29 April to 28 May, but was later extended to 4 June.

As a result of the stakeholder forum, a total of eight comments were received with seven of them coming from Greenpeace and the remaining one from an anonymous party. Further comments in the form of six case studies were also received from Greenpeace on 9 June. Two additional comments were received, one from Greenpeace on 5 October and the other one from Jaringan Orang Asal SeMalaysia (JOAS) on 19 October.

In addition, Bernd Slesazek from the TPAC secretariat, who participated in the MTC's Familiarisation Programme, took the opportunity of his presence in Malaysia to hold discussions with representatives from the environmental, social and economic stakeholder groups on 17 - 24 July.

Following some correspondence between the TPAC and MTCC related to the procedures, MTCC received the *TPAC Assessment of MTCS* on 4 September. MTCC submitted the *First Review* on the TPAC assessment, including providing feedback to comments received from the stakeholder forum, as well as comments on the six case studies received by the TPAC.

The *Preliminary Judgement on the MTCS* by the TPAC received by MTCC on 23 October was considered to be incomplete and subsequently a second *Preliminary Judgement* was received on 12 November.

In line with the agreement made earlier, MTCC held a discussion with the TPAC in The Hague on 16 November. The discussion focussed on the two Principles of TPAS relating to ecological aspects (particularly forest conversion) and social aspects (particularly tenure and use rights and interest of stakeholders). With the clarifications and further inputs provided by MTCC at the meeting, TPAC agreed to provide a revised *Preliminary Judgement on the MTCS* by January 2010.

Certified Forests Under Various Certification Schemes

The total area of certified forests worldwide saw a slight increase to 349.58 million ha by the end of 2009, an increase of 3.5% over the 2008 figure.

The 349.58 million ha of certified forests represent nearly 10% of the total global commercial forest area. Of this total, more than 223.54 million ha (63.9%) are certified under the PEFC, 120.02 million ha (34.3%) under the FSC scheme, 4.48 million ha (1.3%) under the MTCS, and the remaining 1.54 million ha (0.4%) under the Indonesian Ecolabelling Institute (LEI) (**Figure 4**).

The forests certified under the PEFC include 72.75 million ha under the Canadian Standards Association (CSA), 83.61 million ha under the Sustainable Forestry Initiative (SFI) and American Tree Farm System (ATFS) of USA, 7.37 million ha under the Australian Forestry Standard (AFS), 1.91 million ha under the Chilean Standard for Sustainable Forest Management (CERTFOR) and 1.18 million ha under the Brazilian Programme of Forest Certification (CERFLOR).

In terms of geographical distribution (**Figure 5**), still more than half (57%) of the world's certified forests are located in North America, with around one-third (32%) in the EU/EFTA region. The certified forest area that lies outside these two regions still only accounts for 10% of the global total, of which 3% is in the Asia-Pacific region.

Figure 4: Certified Forests under Various Certification Schemes

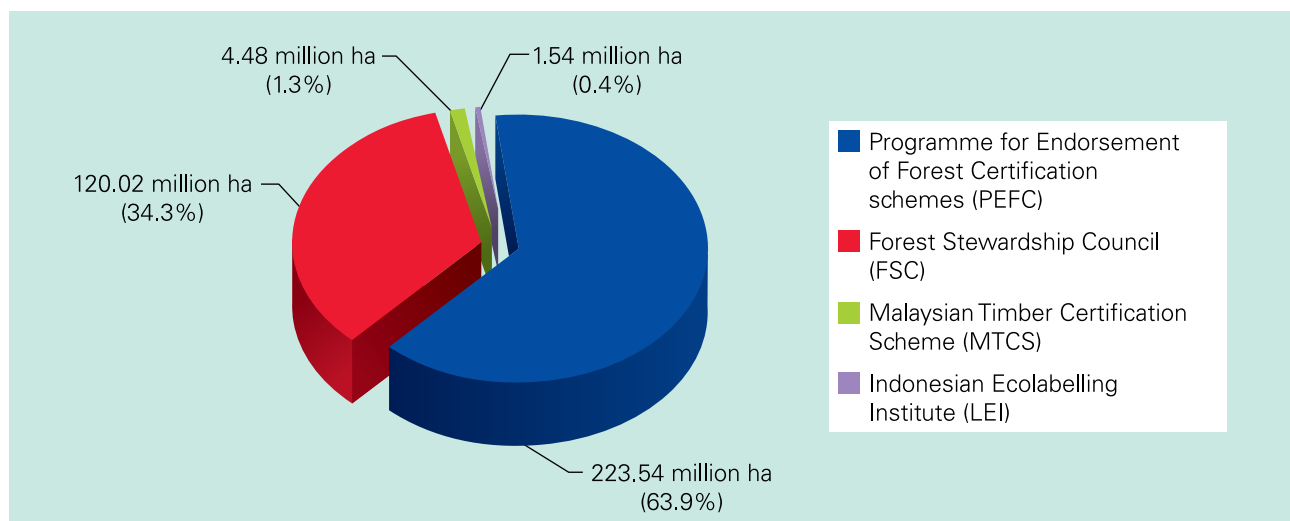
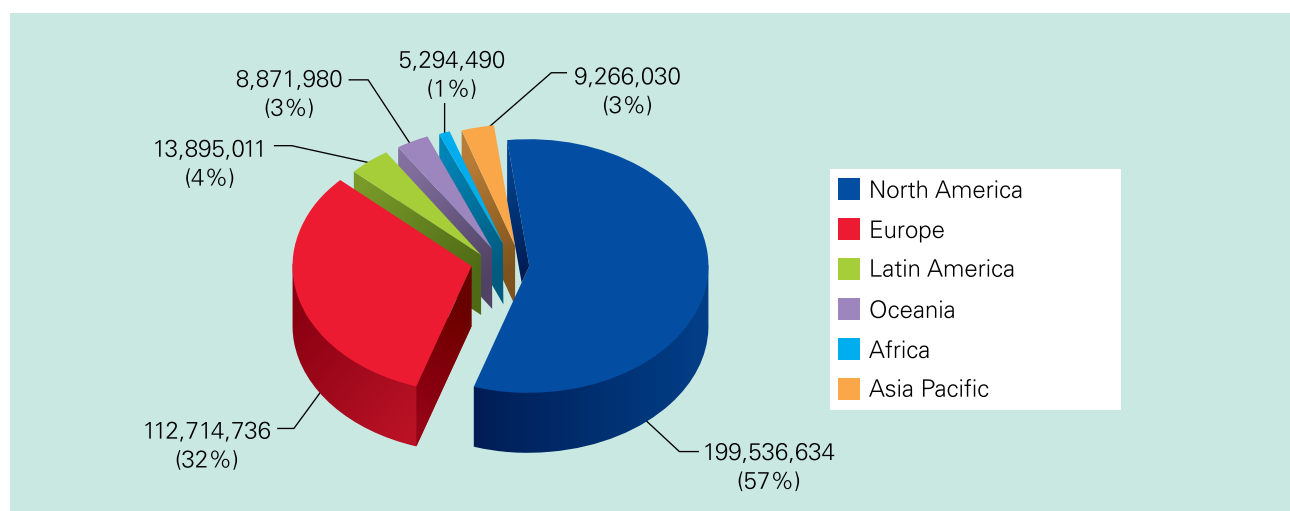


Figure 5: Certified Forests by Region



Source: Website of respective certification schemes (as at December 2009)

Cooperation

Seminar on Application of ILO Core Conventions in Forestry and Timber Industry

MTCC, the Timber Employees Union Peninsular Malaysia (TEUPM) and Building and Woodworkers International (BWI), jointly organised a Seminar entitled *Application of International Labour Organisation (ILO) Core Conventions in Forestry and Timber Industry* on 20 August in Kuala Lumpur. The primary objective of the seminar was to raise the awareness of the forestry and timber Industry in Malaysia on the application of the ILO core or fundamental conventions in the context of the MTCS.



Seminar on ILO Convention (left to right): Presentation by Ambet Yuson, Bill Street, Participants paying full attention

The seminar received overwhelming response and was attended by a total of 111 participants representing the MTCS certificate holders, timber trade associations, MTCS-notified CBs and the workers' unions, including Ambet Yuson, the Asia-Pacific Regional Representative of the BWI, and William Street, a Board Member of the PEFC Council as well as the International Representative of the International Woodworkers of America.

The seven presentations made during the Seminar addressed the application of ILO core conventions in the MTCS from the viewpoints of the PEFC Council, the government, the workers' union, the timber industry, MTCC and the CBs.

The Seminar provided the participants with much useful information on the application of ILO Core Conventions as well as the opportunity for closer interaction and understanding between representatives of the workers' unions and the timber industry. It was generally agreed that similar events should continue to be organised in future as part of the effort to encourage closer cooperation between the workers' unions and the industry.



Panel discussions chaired by Chew Lye Teng (top) and Khalid Atan (bottom)

PEFC Council 13th General Assembly

The PEFC Council 13th General Assembly (GA) hosted by PEFC France was held on 13 November in Paris. The GA was attended by member countries, extraordinary members, invited guests and members of the Board of Directors of the PEFC Council. MTCC was represented by its Senior Manager (Product), Harnarinder Singh. A day before the GA saw PEFC celebrating its first ten years.

In his report, PEFC International Secretary General, Ben Gunneberg, highlighted that the PEFC certified forest area saw an additional increase of 16 million ha which represented a 7.5% growth in 2009. As for CoC certification, there was an increase of 36% in the number of CoC certificates and the total certificates awarded stood at more than 5,700. Two tropical timber certification schemes were endorsed in 2009, namely from Gabon and Malaysia. The third endorsed scheme was from Russia, while the schemes from Australia and Chile were re-endorsed.

Cooperation

On maintenance and enhancement of product quality, it was reported that the revision of the PEFC International CoC Standard (Annex 4) which started in the spring of 2008 is scheduled for final approval in 2010. The development of a joint PEFC-IAF document on the requirements for certification bodies carrying out CoC certification had moved into the final stage and is expected to be approved by the IAF in 2010. PEFC also has initiated its Standards Revision process dealing with its sustainable forest management requirements and criteria for standard setting at national level. Other areas highlighted were on capacity building and training, advocacy and stakeholder engagement, and promoting the value of PEFC certification.



During the GA, other important agenda items discussed were pertaining to changes to the PEFC Council Statutes, and changes in Annex 3 of the PEFC Council Technical Document (*Basis for Certification Schemes and their Implementation*).

The GA also agreed to the modifications to two of its criteria on public availability of forest management plans, and indigenous peoples' rights, to further strengthen the transparency of the PEFC certification criteria and its requirements related to social issues.

The GA also witnessed the election of William Street, who is from the International Woodworkers of America, as the new Chairman of the PEFC Board for the period 2009-2012. In addition, two new members of the Board were elected, namely Sheam Satkuru, director of the MTC office in London, and Michael Proschek Hauptmann, managing director of Umweltdachverband, the umbrella organisation for environmental NGOs in Austria.

Malaysian Forest Dialogue

On 14-15 October, the Malaysian Forest Dialogue (MFD) Steering Committee, in which the MTCC is a member, co-organised a Forum with the Centre For Legal Pluralism and Indigenous Law, Faculty of Law, University of Malaya with the theme *Land, Forests and Peoples: An Opportunity For Understanding*. The Forum was a follow up on previous forest dialogues that were held in 2006 to 2008 which had examined various issues including the challenges in implementing and financing sustainable forest management, and in the interpretations of laws governing native customary rights. It was felt that there was a need for sustained engagement for better understanding among all stakeholders within the Malaysian forestry and financial sectors, with a view to reaching practical solutions to the concerns of the indigenous peoples. The stated objectives of the Forum were to explore (a) practical ideas for managing claims and disputes, and (b) proposals for land claims and conflict resolution.

Cooperation

For a better understanding of the complex issues involved, comparative approaches from other common law jurisdictions were considered, and case studies on engagement between the industry and the local and indigenous communities.

The response to the Forum was very encouraging, with 140 participants from the timber industry, banking sector, academia, forestry departments, non-governmental organisations, lawyers and representatives of indigenous communities.

The two local case studies presented were of special interest to the MTCC. The paper on *Bridging CSR and Community Needs: The Bario Experience* shared the experience of the Kelabit community's negotiation with Samling, the timber licensee in the highlands around Bario in Sarawak. Capitalising on economic opportunities associated with logging and matching community needs with the company's CSR, the community secured a written agreement upfront for protection of key heritage areas, provision of road access, creation of communal forest reserves and payment of commission based on tonnage. Key success factors depended on an agreed communication structure, willingness of both parties to negotiate through dialogue and consultation, and engagement with the community as a whole instead of at individual level, as well as the involvement of government agencies, (e.g. Sarawak Forest Department) for critical matters.

The paper on *Community/Industry Cooperation in Sarawak: The Anap-Muput Experience* put up a case that it is possible to have a true sustainable forest management in a natural tropical rainforest and have the FMU certified. The presenter proffered that logging operations can co-exist with disparate community needs and concerns, provided the basic rights and livelihoods are safeguarded. Using the case of the Anap-Muput Forest Management Unit, the first private company certified against the MC&I(2002), the presenter pointed out how critical it is to build trust, goodwill and a working relationship between the forest management company and the local people, and how the government has a critical bridging role in any stakeholder consultation mechanism.



The discussions during the Forum have clarified some of the issues surrounding the legal and customary rights of indigenous peoples to their lands and resources, particularly with regard to common law rights in forest reserves. The Forum concluded that there is a clear fiduciary duty on the part of the States to safeguard the interests of the affected indigenous communities, which has implications for governance and decision making, including the need for meaningful consultation.

From the group discussions, the Forum recognized the need for an alternative dispute resolution, apart from the courts. The concepts of arbitration, negotiation and mediation came out clearly through the discussions. In this regard, there is a need for capacity building of the local communities to deal with the new challenges facing them, including negotiations with third parties. The Forum concluded that there is a need for a kind of land tribunal or land commission to be set up to manage and address numerous land claims and potential conflicts.

Cooperation



Technical Discussion Session of Working Group



8th Meeting of the Working Group on Pan ASEAN Timber Certification Initiative



Presentation of Malaysia's Country Report by Mohd Faisal Jaafar

Eighth Meeting of the Working Group on a Pan ASEAN Timber Certification Initiative

The Eighth Meeting of the Working Group (WG) on a Pan ASEAN Timber Certification Initiative was held on 8-9 April in Bandar Seri Begawan, Brunei Darussalam. The Meeting was attended by 42 delegates from Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar and Thailand. Also present were representatives/resource persons from the ASEAN Secretariat, ASEAN German Regional Forestry Programme (ReFOP), Responsible Asia Forestry and Trade Programme – The Nature Conservancy (RAFT-TNC), Institute for Global Environmental Strategies (IGES-Japan) and European Union (EU).

The main objective of the Meeting was to discuss and finalise two documents i.e. the draft *ASEAN Criteria and Indicators for Legality of Timber* as well as the draft *Chain of Custody Guidelines for Legal Timber and Sustainable Timber*. Prior to the Eighth Meeting, a Technical Discussion Session was held on 7 April to discuss these two documents.

The Technical Discussion Session generally agreed on the draft *ASEAN Criteria and Indicators for Legality of Timber*, with two Indicators requiring further discussion by the WG. With regard to the draft *Chain of Custody Guidelines for Legal Timber and Sustainable Timber*, the Session agreed that Member States should provide comments on the draft guidelines to the consultant.

The Meeting confirmed the result of the Technical Discussion Session and finalised the two remaining *Indicators* in the *ASEAN Criteria and Indicators for Legality of Timber*. The WG agreed that the said document should be submitted by the lead country (Malaysia) for the endorsement by the 12th ASEAN Senior Officials on Forestry (ASOF) meeting. On the draft *Chain of Custody Guidelines*, the Meeting agreed that the amended draft be circulated for the Member States to provide their comments to the consultant.



Significant Events

MTCC organised/coordinated the following local events in 2009:

Local Events	Date	Venue
Briefing to Malaysian Institute of Architects (PAM)	13 February	Kuala Lumpur
Auditor training course on the <i>MC&I</i> (2002)	30 March - 2 April	Kuala Lipis
Briefing to Forest Plantation Development Sdn. Bhd. (FPDSB) on <i>MC&I</i> (Forest Plantations)	15 April	Kuala Lumpur
Briefing to FPDSB's loan recipients/applicants on <i>MC&I</i> (Forest Plantations)	27 April	Bintulu
Briefing to STA on review of <i>MC&I</i> (2002)	18 May	Kuching
Briefing session on the implications of PEFC endorsement of MTCS	21 May	Kuala Lumpur
Briefing session on requirement of <i>MC&I</i> (2002) to officers of FDPM	27 - 29 May	Kuantan
Briefing to UPM undergraduates on MTCS	10 June	Kuala Lumpur
Formation of Standards Review Committee - Regional Group Meeting for Peninsular Malaysia	11 June	Kuala Lumpur
Formation of Standards Review Committee - Regional Group Meeting for Sarawak	15 June	Kuching
Formation of Standards Review Committee - Regional Group Meeting for Sabah	6 July	Kota Kinabalu
Briefing on MTCS and follow-up discussion with Bernd Slesazek, TPAC secretariat	17 July	Kuala Lumpur
Consultation between TPAC Secretariat and environmental NGOs and indigenous communities on the TPAC assessment of MTCS	20 July	Kuala Lumpur
Consultation between TPAC Secretariat and economic stakeholder groups on the TPAC assessment of MTCS	21 July	Kuala Lumpur
Consultation between TPAC Secretariat and workers' unions on the TPAC assessment of MTCS	22 July	Kuala Lumpur
First meeting of the Panel of Experts (PoE)	23 July	Kuala Lumpur
Auditor training course on <i>MC&I</i> (Forest Plantations)	3 - 5 August	Temerloh
Seminar on Forest Management and Timber Certification in Malaysia in conjunction with MICCOS 2009	14 August	MAEPS, Serdang
Seminar on Application of ILO Core Convention in Forestry and Timber Industry	20 August	Kuala Lumpur
Briefing to Rabobank	21 August	Singapore
Meeting on <i>Guidelines for the Interpretation of the MC&I(2002) - Criterion 6.10</i>	16 September	Kuala Lumpur
Malaysian Forest Dialogue Forum - <i>Land, Forests and Peoples: An Opportunity For Understanding</i> , jointly organised by MFD Steering Committee and Faculty of Law, Universiti Malaya	14 - 15 October	Kuala Lumpur
First Meeting of Standards Review Committee (SRC)	29 - 30 October	Kuala Lumpur
MTCC Tenth Anniversary Dinner	4 December	Kuala Lumpur
Continuation of First Meeting of SRC	15 - 16 December	Kota Kinabalu

Significant Events

MTCC organised/participated in the following international events in 2009:

Overseas Missions/Visits/Discussions	Date	Venue
Working Visit (led by YB Minister of Plantation Industries and Commodities)	11-20 November	Berlin, The Hague and Brussels
Timber Lunch with German Timber Trade Federation*	13 November	Berlin, Germany
Discussion with Timber Procurement Assessment Committee (TPAC)	16 November	The Hague, The Netherlands
Roundtable Meeting with Dutch Timber Importers*	17 November	The Hague, The Netherlands
Roundtable Meeting with Belgian Timber Importers*	19 November	Brussels, Belgium

* MTCC made presentation on MTCS and related activities at the event

MTCC held discussions with the following visitors in 2009:

Visitors	Date
Harvey Hui, JES Panels Pte. Ltd., Singapore Steve Tan KY, JES Panels Pte. Ltd., Singapore K. K. Choong, Malaysian Panel-Products Manufacturers' Association (MPMA)	15 January
Nigel Cory, Australian High Commission	2 March
Robin A. Lewis, Ph.D. candidate from University of Arizona, USA	2 March
Yap Hui Leng, Weng Meng Industries Sdn. Bhd., Kuala Langat, Selangor	25 March
Rod Greaves, Goodman Imports Australia Pty. Ltd., Western Australia	25 March
Ben Gunneberg, PEFC International	26 March
Zaini Ithnin b Hj. Abd. Rajak, CEO, Forest Plantation Development Sdn. Bhd. and staff	26 March
Leroy Wong, JAVA Incorporated Bhd., Kuala Lumpur	5 June
Mamoru Yanagisawa, Japan Gas Appliances Inspection Association	16 June
Gilbert Leow, SM Wood Industries Pte. Ltd., Singapore	6 August
Dirk-Uwe Klass, Germany Furniture Industry Association	6 April
Dato' Seri Dr. Salleh Mohd. Nor and Victor Soosai, Transparency International-Malaysia	28 April
Neil Judd and Perpetua George, Proforest, UK	11 May
John E. Pizzey, Porta Group Pty Ltd, Australia	18 May
H.E. Vincent Piket, EU Ambassador Vincent van den Berk, Delegation of the European Commission	22 May

Significant Events

Visitors	Date
Professor Hamami b Sahri and Dr. Ady Sulaimi, Universiti Putra Malaysia (UPM)	15 June
Bernd Slesazeck, Timber Procurement Assessment Committee, The Netherlands	17 July
Delegation from Institutions of Chittagong Hill Tracts (CHT) Bangladesh (briefing held at MTC): <ul style="list-style-type: none"> • Dipankar Talukder, State Minister of Ministry of the Chittagong Hill Tracts Affairs (MoCHTA) • Bir Bahadur U Shwe Sing, Chairman CHT Development Board • Jatindra Lai Tripura, Chairman Task Force on Repatriated Refugees and IDPS • Justice Khademul Islam, Chairman, CHT Land Dispute Commission • K.M. Khalid, MP, Member Parliamentary Steering Committee on MoCHTA • Ghyas Uddin Ahmed, MP, Member Parliamentary Steering Committee on MoCHTA • Sadhuram Tripura, Counsellor, CHT, Regional Council • Nikhil Kumar Chakma, Chairman, CHT Hill District Council, Rangamati • Kya Shwe Hla, Chairman, CHT Hill District Council, Bandarban • Ruithi Karbari, Chairman, CHT Hill District Council, Khagrachari • Saching Prue Chowdhury, Mong Circle Chief, CHT traditional institutions • Sudatta Chakma, Deputy Secretary, Private Secretary to State Minister, MoCHTA • Hosain Shahid, Cluster Leader, Policy and Confidence Building Cluster, CHTDF-UNDP 	11 December



Meeting with John E. Pizzey
of Porta Group Pty Ltd, Australia



Meeting with Ben Gunneberg,
Secretary General of the PEFC Council



Meeting with Neil Judd and
Perpetua George, Proforest



Meeting with FPDSB CEO,
Zaini Ithnin b Hj. Abd. Rajak and staff



Meeting with Dato' Seri Dr. Salleh Mohd Nor
and Victor Soosai of Transparency
International-Malaysia



Briefing to delegation from Institutions of
Chittagong Hill Tracts, Bangladesh (at MTC)

Significant Events

MTCC participated in the following events in 2009:

Fairs/Exhibitions	Date	Venue
Malaysia International Commodity Conference and Showcase 2009 (MICCOS 2009)	13 - 16 August	MAEPS, Serdang
SPOGA 2009	6 - 8 September	Cologne, Germany
German Timber Day	10 - 11 November	Cologne, Germany

International Conferences/Seminars/ Workshops/Meetings	Date	Venue
International Accreditation Forum (IAF) Technical Committee meeting	5 March	Mumbai, India
Forest Trend's Potomac Forum*	24 March	Washington D.C., USA
ASEAN Wildlife Enforcement Network (ASEAN-WEN) meeting hosted by Ministry of Natural Resources and Environment (NRE)	6 - 7 April	Kuala Lumpur
Meeting of ASEAN Expert Group on International Forest Policy Processes (AEG-IFPA)	8 - 9 April	Kuala Lumpur
Technical Discussion Session on <i>ASEAN Criteria and Indicators for Legality of Timber and Chain of Custody Guidelines for Legal Timber and Sustainable Timber</i>	7 April	Bandar Seri Begawan, Brunei Darussalam
Eighth Meeting of Working Group on a Pan ASEAN Timber Certification Initiative*	8 - 9 April	Bandar Seri Begawan, Brunei Darussalam
PEFC National Secretaries meeting	27 - 30 May	Geneva, Switzerland
10 th Seminar on <i>Current International Issues Affecting Forestry and Forest Products</i>	24 June	Nay Pyi Taw, Myanmar
12 th Meeting of the ASEAN Senior Officials on Forestry (ASOF)*	25 - 28 June	Nay Pyi Taw, Myanmar
FAO Workshop on <i>Strengthening Implementation of Codes of Practices for Forest Harvesting through Effective Systems of Monitoring and Evaluation</i> *	25 - 27 June	Beijing, China
International Workshop on HCVF Toolkit organised by WWF Malaysia	29 June	Kuala Lumpur
Briefing to National Forest Certification Committee, India*	3 July	New Delhi, India
Forty-Fifth Session of International Tropical Timber Council (ITTC) and Associated Sessions of the Committees	9 - 14 November	Yokohama, Japan
PEFC Stakeholder Dialogue	11 November	Paris, France
PEFC Council 13 th General Assembly	13 November	Paris, France
Second Meeting of the Expert Group on SFM and Trade in legally obtained Timber in relation to the Japan -Malaysia Economic Partnership Agreement (JMPA)*	16 November	Tokyo, Japan

* MTCC made presentation on MTCS and related activities at the event

Significant Events



12th Meeting of the ASEAN Senior Official on Forestry



PEFC Council 13th General Assembly, Paris



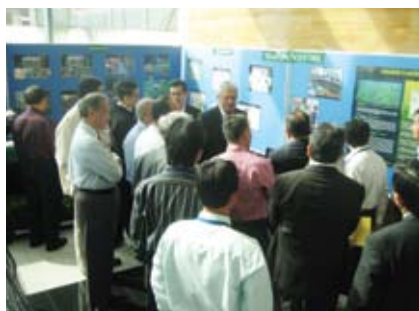
PEFC Stakeholder Dialogue, Paris

Local Conferences/Seminars/Workshops/Meetings	Date	Venue
Wildlife Assessment and Monitoring for Sustainable Forest Management (WAMSFM) Working Group meeting by WWF, PERHILITAN, FDPM and MTCC	13 February	Kuala Lumpur
Technical Working Group meeting on Accreditation Programmes for Forest Management Certification and Chain of Custody Certification (STANDARDS MALAYSIA)	24 February	Kulala Lumpur
National Workshop on Reduced Emission from Deforestation and Forest Degradation (REDD), jointly organised by MNRE, FDPM, FRIM and Lestari, UKM	12 March	Kuala Lumpur
Briefing session on National Timber Industry Policy (NATIP) by MTIB	22 April	Kuala Lumpur
Brainstorming session on development programme for forest plantations (FPDSB)	23 - 25 April	Sibu
Third consultation with Industry on market benefits - EU-FLEGT VPA	11 May	Kuala Lumpur
Stakeholder Meeting on National Tiger Conservation Action Plan 2008-2020 by MNRE	22 May	Putrajaya
Conservation of Biodiversity Project (CBIOD) Mid Term Review	11 June	Kuala Lumpur
MTC Familiarisation Programme *	6 - 7 July	Sungai Tekala

Significant Events

Local Conferences/Seminars/Workshops/Meetings	Date	Venue
Final workshop on conflict resolution guidelines for sustainable forest management	21 July	Kuching
Workshop on 'Development of a Framework for Effective Mechanisms in Integrating Local Community Involvement in Forestry Activities' organised by Sarawak Forestry Corporation	22 July	Kuching
National Workshop on <i>The improved tools and methods to integrate biodiversity into forest planning</i> (FRIM)	11 August	Kepong
MTIB Seminar on Industrialised Building System (IBS)	7 December	Kuala Lumpur

* MTCC made presentation on MTCS and related activities at the event



Brainstorming session on development programme for forest plantations by FPDSB, Sibul



Harnarinder Singh discussing with participants of MTC Familiarisation Programme



Financial Statements

BALANCE SHEET AS AT 31 DECEMBER 2009

	2009 RM	2008 RM
ENDOWMENT FUND	84,000,000	84,000,000
ACCUMULATED FUND	3,333,314	2,334,700
GOVERNMENT GRANT	-	-
	87,333,314	86,334,700
<i>Represented by:</i>		
PROPERTY, PLANT & EQUIPMENT	53,484	78,778
CURRENT ASSETS		
Trade receivables	25,501	193,800
Sundry receivables and deposits	5,288,774	2,825,690
Short term investments	16,727,951	16,161,833
Fixed deposits with licensed banks	65,124,369	67,070,718
Cash and bank balances	493,785	200,134
	87,660,380	86,452,175
<i>Less :</i>		
CURRENT LIABILITIES		
Sundry payables and accruals	367,985	186,917
Current tax liability	12,565	9,336
NET CURRENT ASSETS	87,279,830	86,255,922
	87,333,314	86,334,700

Financial Statements

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 RM	2008 RM
Revenue	44,525	402,236
Direct costs	(118,312)	(384,935)
Gross (loss) / profit	(73,787)	17,391
Other operating income	8,111	80,500
Administrative and general expenses	(2,753,165)	(2,618,306)
Deficit from operations	(2,818,841)	(2,520,415)
Interest income	3,820,684	2,515,121
Surplus (Deficit before taxation)	1,001,843	(5,294)
Tax expense	(3,229)	(6,810)
NET SURPLUS FOR THE YEAR	998,614	(12,104)

Appendix I

Holders of *Certificate for Chain of Custody* against PEFC Annex 4 issued by MTCS-notified CBs

No.	Name of Company	Certificate Number	Issuance Certificate	Scope
1.	Global Wood Products Sdn. Bhd.	SGS-MTCS/ COC-0001	24 September 2008	Purchase of MTCS certified sawn timber, processing and sales of MTCS moulding products and customized timber profiles and garden furniture using physical separation method
2.	Pan Resources Sdn. Bhd.	SGS-MTCS/ COC-0002	24 September 2008	Trading of MTCS certified sawn timber sourced from MTCS certified suppliers using physical separation method
3.	Jimwood Sdn. Bhd.	SGS-MTCS/ COC-0003	24 September 2008	Trading of MTCS certified sawn timber sourced from MTCS certified suppliers using physical separation method
4.	Jasa Harapan Sdn. Bhd.	SGS-MTCS/ COC-0004	24 September 2008	Purchase of MTCS certified sawn timber, manufacturing and sales of MTCS certified S4S timber and moulding products using physical separation method
5.	Perkayuan Semhing Sdn. Bhd.	SGS-MTCS/ COC-0005	24 September 2008	Purchase of MTCS certified logs, sawmilling and sales of MTCS certified sawn timber using physical separation method
6.	Medan Agresif Sdn. Bhd.	SGS-MTCS/ COC-0006	24 September 2008	Purchase of MTCS certified logs, sawmilling and sales of MTCS certified sawn timber using physical separation method
7.	Finewood Export Associates Sdn. Bhd.	SGS-MTCS/ COC-0007	13 October 2008	Trading of MTCS certified sawn timber, sourced from MTCS certified suppliers using physical separation method
8.	M-Forest Sdn. Bhd.	SGS-MTCS/ COC-0008	13 October 2008	Purchase of MTCS certified sawn timber, mouldings and laminated lumber board, outsourced kiln drying and sales of MTCS sawn timber, mouldings and laminated lumber board using physical separation method
9.	Hian Yoon Timber Industries Sdn. Bhd.	SGS-MTCS/ COC-0009	16 October 2008	Purchase of MTCS certified logs, process and sales of MTCS certified sawn timber using physical separation method
10.	Costraco Sdn. Bhd.	SGS-MTCS/ COC-0010	17 October 2008	Purchase and sales of MTCS certified sawn timber, solid finger-jointed and laminated finger-jointed beam using physical separation method
11.	Euro-CGA Sdn. Bhd.	SGS-MTCS/ COC-0011	17 October 2008	Purchase of MTCS certified sawn timber, process and sales of MTCS certified solid and laminated finger-jointed beams using physical separation method

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No.	Name of Company	Certificate Number	Issuance Certificate	Scope
12.	Straits Timber Products (Pahang) Sdn. Bhd.	SGS-MTCS/ COC-0012	17 October 2008	Purchase of MTCS certified sawn timber, manufacture (using physical separation method) and sales of MTCS certified moulding products
13.	Straits Timber Products Sdn. Bhd.	SGS-MTCS/ COC-0013	17 October 2008	Purchase of MTCS certified sawn timber, manufacture (using physical separation system) and sales of MTCS solid wood moulding products
14.	Everdure Timber (M) Sdn. Bhd.	SGS-MTCS/ COC-0014	2 December 2008	Trading of MTCS certified sawn timber sourced from MTCS certified suppliers (using physical separation method)
15.	Poh Huat Furniture Industries (M) Sdn. Bhd.	SGS-MTCS/ COC-0015	2 December 2008	Purchase of MTCS certified particleboard, fabricate (using physical separation method) and sales of MTCS certified office furniture products
16.	Pekan Sawmill Sdn. Bhd.	SGS-MTCS/ COC-0016	2 December 2008	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
17.	Perak Industrial Corporation Sdn. Bhd.	SGS-MTCS/ COC-0017	30 December 2008	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
18.	Taiko Resources Sdn. Bhd.	SGS-MTCS/ COC-0018	30 December 2008 (<i>Certificate withdrawn w.e.f. 10 October 2009 at company request</i>)	Trading of MTCS certified sawn timber sourced from MTCS certified suppliers, using physical separation method
19.	Maran Road Sawmill Sdn. Bhd.	SGS-MTCS/ COC-0019	6 January 2009	Purchase of certified logs and sawn timber, sawmilling, manufacturing using physical separation system and sales of certified logs, sawn timber, moulded timber and laminated finger joint products
20.	Kim Ban Huat Sdn. Bhd.	SGS-MTCS/ COC-0020	6 January 2009	Purchase of certified logs, processing using physical separation method and sales of MTCS certified sawn timber
21.	Lionex (M) Sdn. Bhd.	SGS-MTCS/ COC-0021	13 January 2009	Trading of MTCS certified sawn timber and moulding products (using physical separation method) sourced from MTCS certified suppliers
22.	Kilang Papan Wakaf Tapai Sdn. Bhd.	SGS-MTCS/ COC-0022	19 January 2009	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber

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No.	Name of Company	Certificate Number	Issuance Certificate	Scope
23.	Mascotwood Sdn. Bhd.	SGS-MTCS/ COC-0023	3 February 2009	Purchase of MTCS certified sawn timber, manufacture (using physical separation method) and sales of MTCS certified moulding and finger jointed laminated products
24.	Mahawangsa Timber Industries Sdn. Bhd.	SGS-MTCS/ COC-0024	3 February 2009	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
25.	Lionvest Timber Industries Sdn. Bhd.	SGS-MTCS/ COC-0025	3 February 2009	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
26.	Standard Wood Products Sdn. Bhd.	SGS-MTCS/ COC-0026	3 February 2009	Purchase of certified sawn timber, manufacture and sales of moulding products and furniture components using physical separation system
27.	Suria Dayapi Timber Products Sdn. Bhd.	SGS-MTCS/ COC-0027	6 February 2009	Trading of MTCS certified sawn timber sourced from MTCS certified suppliers using physical separation method
28.	Eco Lumber Sdn. Bhd.	SGS-MTCS/ COC-0028	6 February 2009	Trading of MTCS certified sawn timber sourced from MTCS certified suppliers (using physical separation method)
29.	Victory Enterprise Sdn. Bhd.	SGS-MTCS/ COC-0029	6 February 2009	Purchase of MTCS certified sawn timber, manufacturing (using transfer system) and sales of MTCS certified sawn timber, finger jointed laminated core lumber, S4S (solid wood) and moulding products
30.	Southern Asia Timber Sdn. Bhd.	SGS-MTCS/ COC-0030	10 February 2009	Purchase and sales of MTCS certified sawn timber using physical separation method.
31.	Arif Jasa Industries Sdn. Bhd.	SGS-MTCS/ COC-0031	15 February 2009	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
32.	Pio Hardwood (M) Sdn. Bhd.	SGS-MTCS/ COC-0032	21 February 2009	Trading of MTCS certified sawn timber sourced from MTCS certified suppliers (using physical separation method)
33.	Evergreen Industries Products Sdn. Bhd.	SGS-MTCS/ COC-0033	28 February 2009	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber

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No.	Name of Company	Certificate Number	Issuance Certificate	Scope
34.	World Parade Sdn. Bhd.	SGS-MTCS/ COC-0034	20 February 2009	Purchase of certified logs, processing using physical separation method and sales of MTCS certified sawn timber
35.	Asrama Raya Sdn. Bhd.	SGS-MTCS/ COC-0035	20 February 2009	Purchase of certified logs, processing using physical separation method and sales of MTCS certified sawn timber and sawmill waste
36.	Blue Star Sawmill Sdn. Bhd.	SGS-MTCS/ COC-0036	26 February 2009	Purchase of certified logs, processing using physical separation method and sales of MTCS certified sawn timber and moulded timber
37.	Unsur Juta Sdn. Bhd.	FCOC 001	24 Dec 2008	Trading of plywood, veneer and blockboard
38.	Magna-Foremost Sdn. Bhd.	FCOC 002	23 January 2009	Manufacture and export of moulded fibreboard door skin
39.	Lengkap Arif Sdn. Bhd.	FCOC 003	23 January 2009	Manufacture of sawn timber
40.	Besgrade Products Sdn. Bhd.	FCOC 004	23 January 2009	Manufacture of plywood
41.	Yee Poh Timber Sdn. Bhd.	FCOC 005	23 January 2009	Trading of sawn timber
42.	Tandem Holdings Sdn. Bhd.	FCOC 006	20 February 2009	Manufacture and export of solid wood joinery and moulding and housing components
43.	Euro Asia Timber Export Sdn. Bhd.	FCOC 007	27 February 2009	Trading of sawn timber
44.	Samling Plywood (Baramas) Sdn. Bhd.	FCOC 008	27 March 2009	Manufacture and export of plywood
45.	Kilang Papan Datuk Wan Ahmad (Raub) Sdn. Bhd.	FCOC 009	27 March 2009	Manufacture and export of sawn timber and solid wood mouldings
46.	Leung Huat Timber Industries (M) Sdn. Bhd.	T868288	24 January 2009	Production of sawn timber and moulding processes

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No.	Name of Company	Certificate Number	Issuance Certificate	Scope
47.	United Trading & Sawmill Sdn. Bhd.	SGS-MTCS/ COC-0037	9 March 2009	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
48.	Shen Foong Trading Sdn. Bhd.	SGS-MTCS/ COC-0038	10 April 2009	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
49.	Syarikat Kayu-Kayan Baoli Sdn. Bhd.	SGS-MTCS/ COC-0039	10 March 2009	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
50.	Mentakab Sawmill Sdn. Bhd.	SGS-MTCS/ COC-0040	18 March 2009	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
51.	Wood Village Industries Sdn. Bhd.	SGS-MTCS/ COC-0041	18 March 2009	Purchase of certified sawn timber, manufacturing using physical separation method system and sales of MTCS certified finger jointed, laminated finger jointed timber, furniture components, moulding products and indoor and outdoor furniture products
52.	MIECO Manufacturing Sdn. Bhd.	SGS-MTCS/ COC-0042	6 April 2009	Purchase of MTCS certified logs, slabs, off cuts, woodchips, shaving and sawdust, manufacturing (using volume credit method), lamination (using percentage method) and sales of MTCS certified particle board, laminated board & furniture parts
53.	Promptcon Enterprise Sdn. Bhd.	SGS-MTCS/ COC-0043	13 April 2009	Purchase of MTCS certified sawn timber, particle board, MDF, plywood, veneer and gatoply paper, processing (using physical separation method) and sales of MTCS certified moulding products customized timber profiles and garden furniture
54.	Jerteh Timber Enterprise Sdn. Bhd.	SGS-MTCS/ COC-0044	13 April 2009	Purchase of certified logs, processing using physical separation method and sales of MTCS certified sawn timber and sawmill waste
55.	Legend Wood Sdn. Bhd.	SGS-MTCS/ COC-0045	15 April 2009	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
56.	GMI Enterprise Sdn. Bhd.	SGS-MTCS/ COC-0046	13 April 2009	Purchase of MTCS logs, manufacturing and sales of MTCS sawn timber and using physical separation method
57.	Permata Upaya Sdn. Bhd.	SGS-MTCS/ COC-0047	13 April 2009	Purchase of MTCS certified logs and sawn timber, manufacturing using physical separation system and sales of sawn timber, moulding, finger jointed and laminated board
58.	Carl Ronnow (M) Sdn. Bhd.	SGS-MTCS/ COC-0048	27 April 2009	Trading of MTCS certified sawn timber and moulding products sourced from MTCS certified suppliers (using physical separation method)

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No.	Name of Company	Certificate Number	Issuance Certificate	Scope
59.	Maju Weko Timber Industries Sdn. Bhd.	FCOC 010	29 April 2009	Manufacture of sawn timber, solid wood mouldings, laminated and finger-jointed timber
60.	Kilang Papan Seong Eng Sdn. Bhd.	SGS-MTCS/ COC-0049	4 May 2009	Purchase of MTCS certified logs, processing (using physical separation method) and sales of MTCS certified sawn timber
61.	Leong Seng Sawmill Sdn. Bhd.	SGS-MTCS/ COC-0050	21 May 2009	Purchase of certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
62.	Exsell Corporation Sdn. Bhd.	SGS-MTCS/ COC-0051	5 June 2009	Trading of MTCS certified sawn timber, sourced from MTCS certified suppliers using physical separation method
63.	Chye Hin Sawmill Sdn. Bhd.	SGS-MTCS/ COC-0052	5 June 2009	Purchase of certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
64.	Supreme Fame Sdn. Bhd.	SGS-MTCS/ COC-0053	8 June 2009	Trading of MTCS certified sawn timber, sourced from MTCS certified suppliers using physical separation method
65.	Seng Chap Wah Timber Merchant Sdn. Bhd.	SGS-MTCS/ COC-0054	16 June 2009	Purchase of certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
66.	Hills Wood Processing Plants Sdn. Bhd.	SGS-MTCS/ COC-0055	28 May 2009	Purchase of MTCS certified sawn timber, manufacture (using physical separation method) and sales of MTCS certified sawn timber and moulding products
67.	P.I.F Sdn. Bhd.	SGS-MTCS/ COC-0056	22 June 2009	Trading of MTCS certified sawn timber and moulding, sourced from MTCS certified suppliers using physical separation method
68.	Golden Latitude Sdn. Bhd.	FCOC 011	17 July 2009	Trading of sawn timber and manufacture and export of solid wood mouldings
69.	Firmwood Sdn. Bhd.	FCOC 012	17 July 2009	Trading of sawn timber
70.	Komill Corporation Sdn. Bhd.	FCOC 013	17 July 2009	Trading of sawn timber, dressed timber, solid wood mouldings and finger-jointed and laminated mouldings
71.	Hang Tuah Sawmills Berhad	SGS-MTCS/ COC-0057	29 June 2009	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber

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No.	Name of Company	Certificate Number	Issuance Certificate	Scope
72.	Mentakab Veneer & Plywood Sdn. Bhd.	SGS-MTCS/ COC-0058	20 July 2009	Purchase of MTCS certified logs, manufacturer (using physical separation method) and sales of MTCS certified plywood
73.	Seng Peng Sawmills Sdn. Bhd.	SGS-MTCS/ COC-0059	20 July 2009	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
74.	Bortim Sdn. Bhd.	SGS-MTCS/ COC-0060	20 July 2009	Trading of MTCS certified sawn timber sourced from MTCS certified suppliers using physical separation method
75.	Tan Chin Huat @ Brothers Sdn. Bhd.	SGS-MTCS/ COC-0061	21 July 2009	Purchase of MTCS logs, manufacturing and sales of MTCS certified sawn timber, finger-jointed and moulding products using physical separation method
76.	TSL Timber Sdn. Bhd.	SGS-MTCS/ COC-0062	21 July 2009	Purchase of MTCS logs, sawmilling and sales of MTCS certified sawn timber using physical separation method
77.	Hang Tuah Furniture Sdn. Bhd.	SGS-MTCS/ COC-0063	21 July 2009	Purchase of MTCS certified sawn timber, manufacturer (using physical separation method) and sale of MTCS certified garden furniture and moulding products
78.	E.P.W. Sdn. Bhd.	SGS-MTCS/ COC-0064	24 July 2009	Trading of MTCS certified sawn timber, sourced from MTCS certified suppliers using physical separation method
79.	True Acclaim Sdn. Bhd.	SGS-MTCS/ COC-0065	29 July 2009	Trading of MTCS certified sawn timber sourced from MTCS certified suppliers (using physical separation method)
80.	Perfect KL Timber Trading Sdn. Bhd.	SGS-MTCS/ COC-0066	22 July 2009	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
81.	Papanjaya Sdn. Bhd.	SGS-MTCS/ COC-0067	27 July 2009	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
82.	Hok Lai Timber (M) Sdn. Bhd.	SGS-MTCS/ COC-0068	28 July 2009	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
83.	Golden Pharos Doors Sdn. Bhd.	SGS-MTCS/ COC-0069	27 July 2009	Purchase of MTCS certified sawn timber, finger jointed timber, manufacturer (using physical separation method) and sales of MTCS certified doors and doors frames

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No.	Name of Company	Certificate Number	Issuance Certificate	Scope
84.	Jejaka Timber Industries Sdn. Bhd.	SGS-MTCS/ COC-0070	6 August 2009	Purchase of MTCS logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
85.	Indah Wood Products Sdn. Bhd.	SGS-MTCS/ COC-0071	6 August 2009	Purchase and sales of MTCS certified sawn timber and moulding products using physical separation method
86.	Asia Plywood Company Sdn. Bhd.	FCOC 014	6 August 2009	Manufacture and export of plywood
87.	Pesama Timber Corporation Sdn. Bhd.	FCOC 015	7 August 2009	Manufacture and export of sawn timber, solid wood mouldings (including finger-jointed mouldings) and furniture
88.	Gunung Seraya Wood Products Sdn. Bhd.	FCOC 016	7 August 2009	Trading of sawn timber, manufacture and export of solid wood mouldings, finger-jointed timber and laminated timber
89.	Vin-forest Industries Sdn. Bhd.	FCOC 017	14 August 2009	Manufacture and export of S4S and solid wood moulding
90.	Guan Hin Sawmill & Hardware Sdn. Bhd.	FCOC 018	14 August 2009	Manufacture and sales of sawn timber
91.	Kim Teck Lee Timber and Flooring Sdn. Bhd.	FCOC 019	20 August 2009	Manufacture and export of pre finished solid wood flooring
92.	Zedtee Plywood Sdn. Bhd.	FCOC 020	27 August 2009	Manufacture and export of plywood
93.	Linshanhao Plywood (Sarawak) Sdn. Bhd.	FCOC 021	27 August 2009	Manufacture and export of plywood
94.	Kilang Papan Low Fat Sdn. Bhd.	FCOC 022	27 August 2009	Manufacture and export of sawn timber
95.	Low Fatt Wood Industries Sdn. Bhd.	FCOC 023	27 August 2009	Export of sawn timber and manufacture and export of timber moulding and furniture

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No.	Name of Company	Certificate Number	Issuance Certificate	Scope
96.	Shin Yang Plywood Sdn. Bhd.	FCOC 024	27 August 2009	Manufacture and export of plywood and laminated veneer lumber (LVL)
97.	Forescom Plywood Sdn. Bhd.	FCOC 025	27 August 2009	Manufacture and export of plywood and veneer
98.	Salak Soon Lee Sawmill Sdn. Bhd.	SGS-MTCS/ COC-0072	7 August 2009	Purchase of MTCS certified logs, manufacture and sales of MTCS certified sawn timber using physical separation method
99.	MSK Timber Sdn. Bhd.	SGS-MTCS/ COC-0073	7 August 2009	Purchase of MTCS certified logs, manufacture and sales of MTCS certified sawn timber using physical separation method
100.	Strategi Mutiara (M) Sdn. Bhd.	SGS-MTCS/ COC-0074	7 August 2009	Purchase of MTCS certified logs and sawn timber, sawmilling, production (using physical separation method) and sales of sawn timber, moulding products, garden furniture and furniture components
101.	Sun Sheng Ni Sdn. Bhd.	SGS-MTCS/ COC-0075	14 August 2009	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
102.	Keow Seng Sawmill Sdn. Bhd.	SGS-MTCS/ COC-0076	19 August 2009	Purchase of MTCS logs, sawmilling and sales of MTCS certified sawn timber using physical separation method
103.	Shua Lym Woodworks Sdn. Bhd.	SGS-MTCS/ COC-0077	19 August 2009	Purchase of MTCS logs, sawmilling and sales of MTCS certified sawn timber using physical separation method
104.	Vanace Sdn. Bhd.	SGS-MTCS/ COC-0078	26 August 2009	Purchase of MTCS certified sawn timber, plywood and veneer sheets, manufacture (using physical separation method) and sales of MTCS certified S4S, doors and garden gates
105.	Solid Lumber Sdn. Bhd.	SGS-MTCS/ COC-0079	28 August 2009	Trading of MTCS certified sawn timber, sourced from MTCS certified suppliers using physical separation method
106.	Kilang Papan Bukit Emas Sdn. Bhd.	SGS-MTCS/ COC-0080	8 September 2009	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
107.	Ah Hai Industries Sdn. Bhd.	T842088	18 July 2009	Sawn timber, mouldings, finger-jointed & laminated products, door and window frames and interior wood profile
108.	PTC Timber Sdn. Bhd.	T910488	4 September 2009	Production of sawn timber

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No.	Name of Company	Certificate Number	Issuance Certificate	Scope
109.	Bormill Wood (TRG) Sdn. Bhd.	T890988	1 October 2009	Production of sawn timber & moulding products
110.	Taichen Enterprise Sdn. Bhd.	SGS-MTCS/ COC-0081	5 October 2009	Trading of MTCS certified sawn timber sourced from MTCS certified suppliers, using physical separation method
111.	Kelang Papan Eng Hong Guan Sdn. Bhd.	SGS-MTCS/ COC-0082	5 October 2009	Purchase of MTCS logs, sawmilling and sales of MTCS certified sawn timber using physical separation method
112.	Timbertech Wood Industries Sdn. Bhd.	SGS-MTCS/ COC-0083	5 October 2009	Purchase of MTCS sawn timber, manufacture and sales of MTCS sawn timber and moulding products using physical separation method
113.	Kilang Papan Matang Makmur Sdn. Bhd.	SGS-MTCS/ COC-0084	13 October 2009	Purchase of MTCS logs, sawmilling and sales of MTCS certified sawn timber using physical separation method
114.	B.K.B Hevea Products Sdn. Bhd.	SGS-MTCS/ COC-0085	12 October 2009	Purchase of MTCS certified sawn timber, veneer sheets and plywood, manufacture (using percentage based method) and sales of MTCS certified three-layered engineered wood parquet
115.	Sim Seng Huat Timber Industries Sdn. Bhd.	FCOC 026	11 September 2009	Trading of sawn timber. Manufacture and export of solid wood, finger-jointed and laminated wood moulding
116.	Arah Asia Sdn. Bhd.	FCOC 027	23 October 2009	Manufacture and domestic sales of certified sawn timber
117.	Dyera Tim Sdn. Bhd.	FCOC 028	23 October 2009	Export of sawn timber and solid wood mouldings
118.	Shin Yang Plywood (Bintulu) Sdn. Bhd.	FCOC 029	30 October 2009	Manufacture and export of veneer and plywood
119.	MTME Point Sdn. Bhd.	FCOC 030	6 November 2009	Manufacture and export of sawn timber
120.	CHG Plywood Sdn. Bhd.	FCOC 031	13 November 2009	Manufacture and sales of plywood, laminated veneer and veneer
121.	Perkayuan Fong Shum Sdn. Bhd.	SGS-MTCS/ COC-0086	20 October 2009	Purchase of MTCS logs, sawmilling and sales of MTCS certified sawn timber using physical separation method

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No.	Name of Company	Certificate Number	Issuance Certificate	Scope
122.	Kwong Yuen Sang Sawmill Sdn. Bhd.	SGS-MTCS/ COC-0087	20 October 2009	Purchase of MTCS certified logs, sawmilling (using physical separation method) and sales of MTCS certified sawn timber
123.	Lee Wah Sawmill Sdn. Bhd.	SGS-MTCS/ COC-0088	13 November 2009	Purchase of MTCS certified logs, sawn timber, sawmilling and manufacture (using physical separation method) and sales of MTCS certified sawn timber and mouldings products
124.	Rosewood Corporation Sdn. Bhd.	SGS-MTCS/ COC-0089	13 November 2009	Trading of MTCS certified sawn timber sourced from MTCS certified supplier using physical separation method
125.	Kompleks PerKayuan Kelantan Sdn. Bhd.	FCOC 032	25 November 2009	Manufacture and sales of sawn timber, solid wood mouldings and finger-jointed timber
126.	Pesaka Terengganu Berhad	SGS-MTCS/ COC-0090	4 December 2009	Purchase of MTCS certified logs, sawmilling using transfer system and sales of MTCS certified sawn timber and sawmill waste
127.	Chin Ho Sawmill (M) Sdn. Bhd.	SGS-MTCS/ COC-0091	24 December 2009	Purchase of MTCS logs, sawmilling and sales of MTCS certified sawn timber using physical separation method
128.	Evershine Timber Trading Sdn. Bhd.	SGS-MTCS/ COC-0092	30 December 2009	Purchase of MTCS certified sawn timber, processing and sales of MTCS certified sawn timber and moulding products using physical separation method

Appendix II

Holders of *Certificate for Chain of Custody* against PEFC Annex 4 issued by PEFC-notified CBs

No.	Name of Company	Certificate Number	Issuance Date	Scope
1.	Unsur Juta Sdn. Bhd.	FCOC 001	24 Dec 2008	Trading of plywood, veneer and blockboard
2.	Magna-Foremost Sdn. Bhd.	FCOC 002	23 January 2009	Manufacture and export of moulded fibreboard door skin
3.	Lengkap Arif Sdn. Bhd.	FCOC 003	23 January 2009	Manufacture of sawn timber
4.	Besgrade Products Sdn. Bhd.	FCOC 004	23 January 2009	Manufacture of plywood
5.	Yee Poh Timber Sdn. Bhd.	FCOC 005	23 January 2009	Trading of sawn timber
6.	Tandem Holdings Sdn. Bhd.	FCOC 006	20 February 2009	Manufacture and export of solid wood joinery and moulding and housing components
7.	Euro Asia Timber Export Sdn. Bhd.	FCOC 007	27 February 2009	Trading of sawn timber
8.	Samling Plywood (Baramas) Sdn. Bhd.	FCOC 008	27 March 2009	Manufacturer and export of plywood
9.	Kilang Papan Datuk Wan Ahmad (Raub) Sdn. Bhd.	FCOC 009	27 March 2009	Manufacture and export of sawn timber and solid wood mouldings
10.	Maju Weko Timber Industries Sdn. Bhd.	FCOC 010	29 April 2009	Manufacture of sawn timber, solid wood mouldings, laminated and finger-jointed timber
11.	Golden Latitude Sdn. Bhd.	FCOC 011	17 July 2009	Trading of sawn timber and manufacture and export of solid wood mouldings
12.	Firmwood Sdn. Bhd.	FCOC 012	17 July 2009	Trading of sawn timber
13.	Komill Corporation Sdn. Bhd.	FCOC 013	17 July 2009	Trading of sawn timber, dressed timber, solid wood mouldings and finger-jointed and laminated mouldings
14.	Asia Plywood Company Sdn. Bhd.	FCOC 014	6 August 2009	Manufacture and export of plywood
15.	Pesama Timber Corporation Sdn. Bhd.	FCOC 015	7 August 2009	Manufacture and export of sawn timber, solid wood mouldings (including finger-jointed mouldings) and furniture
16.	Gunung Seraya Wood Products Sdn. Bhd.	FCOC 016	7 August 2009	Trading of sawn timber, manufacture and export of solid wood mouldings, finger-jointed timber and laminated timber

Appendix II

No.	Name of Company	Certificate Number	Issuance Date	Scope
17.	Vin-forest Industries Sdn. Bhd.	FCOC 017	14 August 2009	Manufacture and export of S4S and solid wood moulding
18.	Guan Hin Sawmill & Hardware Sdn. Bhd.	FCOC 018	14 August 2009	Manufacture and sales of sawn timber
19.	Kim Teck Lee Timber and Flooring Sdn. Bhd.	FCOC 019	20 August 2009	Manufacture and export of prefinished solid wood flooring
20.	Zedtee Plywood Sdn. Bhd.	FCOC 020	27 August 2009	Manufacture and export of plywood
21.	Linshanhao Plywood (Sarawak) Sdn. Bhd.	FCOC 021	27 August 2009	Manufacture and export of plywood
22.	Kilang Papan Low Fat Sdn. Bhd.	FCOC 022	27 August 2009	Manufacture and export of sawn timber
23.	Low Fatt Wood Industries Sdn. Bhd.	FCOC 023	27 August 2009	Export of sawn timber and manufacture and export of timber moulding and furniture
24.	Shin Yang Plywood Sdn. Bhd.	FCOC 024	27 August 2009	Manufacture and export of plywood and laminated veneer lumber (LVL)
25.	Forescom Plywood Sdn. Bhd.	FCOC 025	27 August 2009	Manufacture and export of plywood and veneer
26.	Sim Seng Huat Timber Industries Sdn. Bhd.	FCOC 026	11 September 2009	Trading of sawn timber. Manufacture and export of solid wood, finger-jointed and laminated wood moulding
27.	Arah Asia Sdn. Bhd.	FCOC 027	23 October 2009	Manufacture and domestic sales of certified sawn timber
28.	Dyera Tim Sdn. Bhd.	FCOC 028	23 October 2009	Export of sawn timber and solid wood mouldings
29.	Shin Yang Plywood (Bintulu) Sdn. Bhd.	FCOC 029	30 October 2009	Manufacture and export of veneer and plywood
30.	MTME Point Sdn. Bhd.	FCOC 030	6 November 2009	Manufacture and export of sawn timber
31.	CHG Plywood Sdn. Bhd.	FCOC 031	13 November 2009	Manufacture and sales of plywood, laminated veneer and veneer
32.	Kompleks Perakayuan Kelantan Sdn. Bhd.	FCOC 032	25 November 2009	Manufacture and sales of sawn timber, solid wood mouldings and finger-jointed timber

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