

# **TIMBER INDUSTRY LICENCE TERMS AND CONDITIONS**

**Pursuant to section 5A(1) of the STIDC Ordinance, 1973**

## **1. GENERAL REQUIREMENT**

- a) The Timber Industry Licence shall be displayed in a conspicuous part of the premises.
- b) The Licensee shall submit to Sarawak Timber Industry Development Corporation (STIDC) any statistics and information on industrial returns, manpower, export and import of logs and other timber products as may be required by STIDC.
- c) The Licensee shall strictly confine its operations to the specific activities and manufacturing processes expressly endorsed in the Licence under:
  - i. Sale, Distribution or Marketing of Timber and,
  - ii. Manufacture of Timber and Timber Product.
- d) The employment of illegal workers is strictly prohibited.
- e) Any breach of laws, regulations, terms, conditions, or restrictions regulating timber industry activities would render the licence to be suspended or cancelled.

## **2. TIMBER MILL OPERATIONS**

- a) Any amendment to timber mill layout must obtain prior written approval from STIDC.
- b) All logs and timber used by Licensee must be from legal sources as stipulated under the Forests Ordinance, 2015.
- c) Mill residues and wastes shall not be disposed of indiscriminately but may be disposed off by burning in an

## **TIMBER INDUSTRY LICENCE TERMS AND CONDITIONS**

### **Pursuant to section 5A(1) of the STIDC Ordinance, 1973**

efficient burner/incinerator or by any other method approved in writing by the relevant authorities.

- d) The operation of the mill and all its ancillary equipment must comply in accordance with the requirements under the Factory and Machinery Act 1967, Employment Act 1955, Environmental Quality Act 1974, and Local Authorities Ordinance 1996 and its regulations thereunder and any other relevant laws being in force.
- e) The timber mill can only produce approved product(s).
- f) The Licensee and the appointed Operator shall comply with any Laws, Regulations, Terms, Conditions, and Restrictions regulating timber industry activities.
- g) The Licensee and the appointed Operator shall be held equally responsible for any offences and actions in contravention to any Laws, Regulations, Terms, Conditions, and Restrictions regulating timber industry activities.
- h) The Licensee shall ensure the appointed Operator(s):
  - i. Shall not assign and/or sublease the mill operation.
  - ii. Shall notify and obtain prior approval from STIDC for any changes of operator.

## **TIMBER INDUSTRY LICENCE TERMS AND CONDITIONS**

**Pursuant to section 5A(1) of the STIDC Ordinance, 1973**

### **3. EXPORT AND IMPORT ACTIVITIES**

- a) Export and Import From/Into Sarawak by Land, Sea or Air.
  - i. Applicant shall obtain export/import licence from STIDC for consignment of timber and timber products exported from / imported into Sarawak.
- b) Inter Federation Movement (Peninsular Malaysia and Sabah).

For Inter Federation Movement the applicant shall:

  - i. Submit a copy of Customs Declaration Form 3 (CDF3) to STIDC for movement of goods within the Federation by sea or air for each consignment of timber and timber products.
  - ii. Obtain Timber Movement Pass from STIDC prior to exporting / importing timber and timber products (Movement of goods between Sabah and Sarawak) through Immigration Quarantine Security (IQS), Merapok, Lawas, Sarawak.
- c) Export and Import of Logs, Restricted Timber Products and Species.

Prior to issuance of export and import licence for Logs, Restricted Timber Products and Species the applicant shall:

- i. Obtain written approval from STIDC for exportation of wood residues, wood wastes, scrap, woodchips (HS Code 4401) and pulp (HS Code 4705).
- ii. Obtain written approval from the Ministry of Natural Resources and Urban Development for importation of

## **TIMBER INDUSTRY LICENCE TERMS AND CONDITIONS**

### **Pursuant to section 5A(1) of the STIDC Ordinance, 1973**

logs (HS Code 4403), hewn timber (HS Code 4403), baulks (HS Code 4403) and flitches (HS Code 4407)

- iii. Obtain approval from Director of Forests, Sarawak for export of restricted timber species as stipulated in the Forest Ordinance 2015 and The Forest Rules 1973.
- iv. Obtain CITES Certificate and any other necessary documents for export of any species listed under CITES.
- v. Obtain permit from the Controller of Wildlife, Sarawak for exporting and importing of totally protected plants in accordance to The Wild Life Protection Ordinance, 1998.

#### **d) Timber and Timber Products Inspection**

- i. All export of Timber and Timber Products using containers shall be inspected by STIDC prior to shipment.
- ii. Export of finger joints (HS Code 4407), dowels (HS Code 4409) and mouldings (HS Code 4409) shall be inspected by STIDC prior to shipment.
- iii. STIDC shall inspect all imported Timber and Timber Products. Imported logs (HS Code 4403), hewn timber (HS Code 4403), baulks (HS Code 4403) and flitches (HS Code 4407) shall be tagged and accompanied with STIDC Removal Pass before being transported to the mill.

#### **e) Importation of Plywood (HS Code 4412)**

- i. Any licensed Importer is allowed to import any type of plywood for value-added processing and local sale.

## **TIMBER INDUSTRY LICENCE TERMS AND CONDITIONS**

### **Pursuant to section 5A(1) of the STIDC Ordinance, 1973**

Imported plywood shall not be exported in its original form (must be value-added).

#### **4. GRADING CERTIFICATE**

- a) A Grading Certificate must be obtained from STIDC for export of sawn timber in accordance with the Timber Grading Regulations, 2008.
- b) A Grading Exemption Certificate must be obtained from STIDC for the exportation of species exempted from grading.

#### **5. PENALTY FOR BREACH OF TERMS AND CONDITIONS OF LICENCE**

- a) Any person who contravenes any of the terms and conditions imposed under the Licence shall be guilty of an offence and shall, upon conviction, be punished with a fine of not less than ten thousand ringgit and not exceeding one hundred thousand ringgit, and in the case of continuing offence, a further fine of not exceeding five thousand ringgit for each day during which the offence continues after conviction.
- b) Breach of any laws, regulation, terms, conditions and restrictions regulating timber industry activity shall render the licence to be suspended or cancelled.
- c) If the Corporation reasonably believes or suspects that the Licensee has committed any offence or is acting in contravention of the STIDC Ordinance 1973, its

## **TIMBER INDUSTRY LICENCE TERMS AND CONDITIONS**

**Pursuant to section 5A(1) of the STIDC Ordinance, 1973**

regulations, or any breach of the conditions or restrictions of the Permit, the Corporation may issue a Stop Work Order to the Licence Holder.

### **6. REVISION OF TERMS AND CONDITIONS OF LICENCE**

- a) The General Manager reserves the rights to revise the Terms and Conditions from time to time as it deems fit.

**Issued by:**

  
**GENERAL MANAGER**

**Sarawak Timber Industry Development Corporation**

**Date: 21<sup>st</sup> May 2026**