

MARD

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SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Hanoi 10/01/1998

Circular

directing the implementation of the Prime Minister Decision 1124/1997/QĐ-TTg dated 25/12/1997 on export of wood products, forestry products and import of material timber.

Implementing clause 2 of article 6 of the Decision 1124/1997 QĐ-TTg dated 25/12/1997 of the Prime Minister and having consensus with the Ministry of Commerce and General Custom, the Ministry of Agriculture and Rural Development issues the following guidelines:

I. Document proving origin of material timber to perform custom declaration for export wood products:

A. For the timber from the domestic natural forests.

1. The use of timber from groups 3 to 8 according to the Temporary Timber Classification issued together with the Decision 2198 dated 26/11/1977 of the former Ministry of Forestry (now Ministry of Agriculture and Rural Development) should have proving document of the host provincial Forestry Protection Sub-department on the legal origin of the timber which are permitted for producing items for export and purchase contract as well as Invoice issued by the Ministry of Finance.
2. The use of timber of group II.A rightly as regulated in the Decree 18 HDBT dated 17 /01/1992 of the Council of Ministers (now the Government) or group 1 group 2 as regulated in the Temporary Timber Classification issued together with the Decision 2198/CNR, in addition to the proving documents for timber of groups 3 to 8 as mentioned in the A.1 above, should have origin of the timber of the Forestry Protection Sub-department where timber is exploited as well as special transport licence.
3. The purchase of timber residue or timber processed waste, beside Purchase Contract and Invoice of the Ministry of Finance, should have document certifying origin of the timber residue or timber processed waste of the Forest Protection Sub-Department *where* timber is bought or *where* the enterprise is located or *where* the timber is used for production.
4. The use wood boards produced from domestic natural forest timber should have Contract for purchase of wood boards with the enterprise

producing boards together with invoice of the Ministry of Finance and certifying document of the Forest Protection Sub-department (where the enterprise producing is located) on the legal origin of the boards. In case boards are purchased from other enterprise, the seller should be responsible for profiles of legal timber origin and the buyer should hand in the purchase contract, the invoice of the Ministry of Finance to the Custom.

B. Timber from the planted forests, gardens, scatteredly planted trees.

1. Only timber from the planted forests, gardens, scatteredly planted trees regulated in item b, clause 2, article 5 of the Decision 1124/1997/ QD-TTg dated 25/12/1997 of the Primer Minister are permitted to use.
2. The use of the timber of the planted forests of state enterprises should have purchase contract and invoice of the Ministry of Finance. In the purchase contract, the location where timber is taken from should be mentioned. based on which the Custom shall compare with regulations mentioned in the above B.1 item.
3. The use of timber of planted forest of households, collectives or scatteredly planted trees should have proof of the local communal people's committee where timber exist or of the nearest Forest Protection Agency and bills of land use tax based on which the Custom shall compare with regulations mentioned in the above B.1 item.

The use of timber of gardens should have proof of the local people's committee where timber exist or the nearest Forest Protection Agency and bills of land use tax based on which the Custom shall compare with regulations mentioned in the above B.1 item.

4. List of the timber from the planted forests, gardens, scatteredly planted trees includes: rubber, eucalyptus, acacia of all kinds. pine, *mo, bo de*, teak, melia. mango, jack fruit, longan, *xa cu, bong gon, tram, duoc, phi lao*. When necessary, list of other additional timber species for producing export items will be issued by the MARD.

C. Imported material timber.

1. Only material timber and wood boards imported in Vietnam after 01/01/1996 are permitted to use for producing and processing export items.
2. The use of imported material timber or wood boards which are imported by the enterprise, the following documents should be handed in to the border Custom to perform the procedures for export wood products:
 - 2.1 for the enterprise importing timber for directly producing items for export (not to sell for others), the export profiles include:

- + Custom declaration sheet on the volume of material timber imported, custom procedures for which have been completed.

- + Document certifying volume of timber already delivered in for producing export products (with legal origin of imported timber in line with the custom declaration sheet) of the Forest Protection Sub-Department where timber is used for production.

2.2 In case of purchase of imported material timber or wood boards, the seller should be responsible for the profiles of origin of legal timber. The buyer should have:

- + Purchase contract in which volume of purchased timber according to the import custom declaration sheet is mentioned. (No., date)

- + Document certifying the products made from legally imported material timber or wood boards of the Forest Protection Sub-Department where timber is used for production.

3. The use of wood from imported pack (box) should submit the original minute of making use of pack (box) which has been certified by the nearest or host Forest Protection Sub-Department that the pack or box wood have been legally imported. In case of selling, purchase contract and invoice of Ministry of Finance are needed.

D. Procedures handling violations of origin of material timber:

Cases of intentionally lying, telling the lie of origin of material timber and actions assisting the lie shall be seriously handled according to the law.

II. Allocation of norm of timber of domestic natural forest for producing wooden art items for export:

Following is the guideline of the Ministry of Agriculture and Rural Development directing the implementation of item b, clause 1, article 5 of the above Decision on the allocation of norm of timber of domestic natural forest for producing wooden art items for export:

The Government regulates:

“Annually, based on the target for exploitation of natural timber set by the Primer Minister, after balancing the domestic demand of production and consumption, capacity of processing art wooden items, the Ministry of Agriculture and Rural Development shall submit to the Primer Minister for approval the norm of domestic natural timber for producing art wooden items for export

Based on the norm of approved natural timber for producing art wooden items for export, the Ministry of Agriculture and Rural Development shall allocate norm of natural timber for the related ministries, branches and provincial people's committees which have wooden art items for export. Based on that,

the Minister, chairman of PPC shall allocate specific timber norm to the enterprises, units directly producing and trading wooden art products which are under their branch or locality management, including enterprise with foreign investment. "

Based on the above mentioned regulation, the Ministry of Agriculture and Rural Development provides the guidelines for allocating norm for timber export as follows:

1. Annually, the ministries, branches and provincial people's committees shall inform the demand of using natural timber for producing wooden art items for export and submit it to the Ministry of Agriculture and Rural Development before 30 September so that the Ministry of Agriculture and Rural Development can submit to the Government for approval.
2. Since the norm of natural timber for producing wooden art items for export is approved by the Government, the Ministry of Agriculture and Rural Development shall allocate it to the demanded ministries, branches and provincial people's committees, relevant to the capacities and capabilities of producing wooden art items for export each branch, province and city.
3. Based on the norm allocated by the Ministry of Agriculture and Rural Development, the relevant minister, chairman of provincial people's committee shall allocate specific timber norm to enterprises under their management according to the following principles:
 - . Timber norm is allocated only to the enterprises producing or exporting wooden art items which have legal import-export license or license of wood processing.
 - . The norm should be in within the limit of that allocated by the Ministry of Agriculture and Rural Development.
 - . Norm is allocated just once to the enterprises.
 - . Document allocating timber norm to enterprises is made according to the united form nationally used. (annex 1 attached)
 - . List of the enterprises to which norm is allocated shall be handed in to the Ministry of Agriculture and Rural Development for monitoring and management.

Based on the timber norm allocated by the minister or chairman of the provincial people's committee and the list of items mentioned in the clause 1, article 2 of the Decision 1124/1997/QĐ-TTg dated 25/12/1997 of the Prime Minister, the import-export license or the processing license or investment license and document proving origin of the timber, the Custom shall perform export procedures for the enterprises.

4. Mandate of export.

Enterprises having wooden art items for export are enabled to export or mandate to export.

The mandate of export is realised according to the current provisions.

5. Management of timber norm for export.

Principle for management of timber norm for export:

+ Purchase of timber norm for producing items for export is seriously prohibited.

+ Enterprise to which timber norm is allocated for producing export items shall be responsible for utilisation of timber target according to the allocated norm before the law.

Based on the above mentioned principle, for close and nationally unite management, the Ministry of Agriculture and Rural Development regulates:

- . For the central ministry or branch: a functional department should be appointed to be responsible for long term monitoring and directing.
- . For the provincial people's committee: Department of Agriculture and Rural Department is appointed to exercise its full function of state management to consult the relevant province in management of timber norm for producing items for export.
- . Correct and full reporting shall be implemented.

Specifically:

+ Enterprise shall exercise monthly report to the provincial people's committee or relevant ministry /branch.

+ Relevant provincial people's committee, ministry /branch shall exercise quarterly report to the Ministry of Agriculture and Rural Development.

+ The General Custom shall provide quarterly information on imported timber of all kinds to the Ministry of Agriculture and Rural Development for co-management.

Those regular reports shall be served as basis for adjusting or adding timber norm for producing items for export to the relevant ministries, branches and provincial people's committees.

6. Checking of export of wooden products

Exercising the regulation of clause 1, Article 6 of the Decision 1124/1997/QĐ-TTg of 25/12/1997 of the Prime Minister, the Ministry of Agriculture and Rural

Development shall implement its regular and sudden check according to the current provisions.

III. Norm for material spend.

Equivalent of M3 round timber is used for monitoring for identifying of volume of timber material imported and exported

A sheet of norms for material spend is used as basis for defining equivalent which is implemented as follows: A Norm Council of the enterprise establishes and sets its norms for material spend. The director of the enterprise shall be responsible for the reality and accuracy of the norms setting of his/her enterprise to the law.

Directors of the relevant provincial departments of Agriculture and Rural Development shall exercise regular checking the setting of norms of material spend of the enterprises to timely discover and handle the misgivings during the course of completing procedures for import-export.

Based on the sheet of norms of material spend established by the Norm Council of the enterprise, the custom of harbour mouth shall identify the volume of wood exported, timber imported which have been established and declared by the enterprise.

IV. Items for export from timber originally imported from Cambodia.

As regulated in item d, clause 3- Decision 1124 / 1997 /QD-TTg of 25/12/1997, the import of timber from the Cambodia is realised according to the specific guidelines of the primer Minister.

Material timber imported into Vietnam shall have full profiles proving that it is legal and the enterprise is enabled to use legal timber for producing items for export as regulated in article 2 of the Decision 1124/1997/QD TTg of 25/12/1997.

V. Implementation provisions.

This circular takes together with the effect of the Decision 1124/TTg dated 25/12/1997 of the prime Minister.

Explanation of any misgiving during the course of implementation, the locality, unit, enterprise shall be sent in written form to the Ministry of Agriculture and Rural Development, Ministry of Commerce, General Custom, relevant ministries and branches and provincial people's committees for timely settlement.

Signed for the Minister of Ministry of
Agriculture and Rural Development
Vice-Minister

Nguyen Van Dang

To:

- . Official gazette
- . Government Office
- . Provincial people's committees (city)
- . Ministries, ministerial agencies.
- . General custom
- . Departments of Agriculture and Rural Department
- . Sub-Departments of Forest Protection
- . Import-export sections of the Ministry of Commerce
- . Local custom departments
- . File in: Department of Forest Development, Import- export Department,
Department of (GSQL?)
- . File in the office of Ministry of Agriculture and Rural Development.