

GENERAL GUIDANCE FOR ESTABLISHING LEGALITY

This table provides an overview to the typical areas that need to be covered when assessing the legality of forest products. The following tables provide more detail for a number of specific countries. **In the absence of guidance for a specific country the following general principles should be observed.**

Stage in Supply Chain	Lacey Act Component	Applicable Laws	Documents to Check	Notes to Remember
Forest	Legal Right to Harvest	Forest managers	Evidence that the company has a valid agreement that confers on the company the right to manage and harvest the forest Synonyms include: <ul style="list-style-type: none"> • Forest Authority Certificate • Forest Management License Agreement • Forest Timber License • Forest Management Permit • A license to operate in the logging sector • Approved management plan • Harvesting license 	All forest management enterprises, whether public, private or community owned must be able to demonstrate that they have the right to manage the forest and the right to harvest the forest.
Forest	Legal Right to Harvest	Forest managers and timber harvesting companies	Evidence that the company is legally registered and has the required permissions to operate in the forest management and logging sectors.	In many countries both forest management companies and harvesting companies are required to be legally registered to operate in this sector. Registration may require a number of other processes to be observed.
Forest	Legality of Harvest	Forest managers and timber harvesting companies	Evidence that the company undertaking the actual harvesting needs to demonstrate it has permission to harvest . Synonyms include: <ul style="list-style-type: none"> • Timber Harvesting License • Harvesting license • Harvesting plan 	In many countries the harvesting of timber is undertaken by third parties who are employed by the forest manager to undertake harvesting.
Forest	Payment of Taxes and Royalties	Forest managers and timber harvesting companies	Evidence that the company has paid any fees or taxes that must be paid to the state or local government in connection with obtaining the permission to manage or harvest ; and any fees or taxes associated with the volume of timber actually harvested . Synonyms: <ul style="list-style-type: none"> • Reforestation fee • Valid business license • Tax registration documents • Forest Resource Royalties • Tax returns 	Companies are liable to pay taxes or fees to national or local government (or both) to authorize their management and harvesting.
Transport	Legality of Possession and Transport	Transporters of logs and timber products	Evidence that the company has used the required documents when transporting logs or timber. Synonyms: <ul style="list-style-type: none"> • Timber transportation certificate • Conveyance certificate • License to carry logs or timber • Timber consignment documents • Removal pass • Removal permit 	Most countries require those transporting timber to be correctly licensed for this purpose and for them to carry required documentation that identifies both the origin of any logs or timber and the final destinations of the material being transported.

Stage in Supply Chain	Lacey Act Component	Applicable Laws	Documents to Check	Notes to Remember
Transport	Legality of Possession and Transport	Transporters of logs and timber products	Evidence that the company has used the required stamps or marks when transporting logs or timber. Synonyms: <ul style="list-style-type: none"> • Log tags • Log identification marks • Hammer marks • Paint marking 	Some countries have highly regulated systems that require all logs or sawn wood that is being transported outside of the forest to carry markings that identify the wood with the original stump from which it was harvested.
Processing	Legality of Processing	Processors of logs or manufacturers using timber	Evidence that the company has acquired any required license to process logs or timber . Synonyms: <ul style="list-style-type: none"> • Operating license • Timber processing certificate 	Most countries require all sawmills, plywood mills, secondary manufacturers or pulp mills to be licensed to carry out these activities.
Processing	Payment of Fees and Royalties	Processors of logs or manufacturers using timber	Evidence that the company has paid any fees or taxes that must be paid to the state or local government in connection with timber processing . Synonyms: <ul style="list-style-type: none"> • Valid business license • Tax registration documents • Tax returns 	
Export	Legality of Sale and Export	Exporters of forest products	Evidence that the company has the required permission to export forest products and that it complies with all the requirements for legal export of the product. Synonyms: <ul style="list-style-type: none"> • The company holds an export licence. • Packing list • Invoice • Bill of lading • Customs declaration form • Appropriate tariffs are paid and receipted • Sales contract • Shipping order • Delivery order • Correct CITES documentation (where required) 	Export companies are required to be licensed to perform this function and should routinely provide sufficient documentation to allow the state authorities in the country of export and the country of import to monitor the transaction. Some countries ban the export of certain species or types of material (for example logs or sawn wood) or highly regulate the volume of these materials that can be exported.
Export	Payment of Fees and Royalties	Exporters of forest products	Evidence that the company has paid the appropriate tariffs associated with the products being exported . Synonyms: <ul style="list-style-type: none"> • Appropriate tariffs are paid and receipted • Export tax receipts • Customs Duties receipts • Value Added Tax receipts 	Export companies are required to pay all appropriate taxes and duties when exporting forest products. This may include payment of Value Added Tax in some countries.

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