GUIDE ON APPLICATION FOR CHAIN-OF-CUSTODY CERTIFICATION

1. INTRODUCTION

This guideline provides guidance to applicants (organizations/companies) interested in obtaining chain-of-custody (CoC) certification under the Malaysian Timber Certification Scheme (MTCS) from SIRIM QAS International Sdn Bhd (SIRIM QAS International) to the requirements of **PEFC ST 2002:2020 Chain of Custody of Forest and Tree Based Products- Requirements**

This guideline is prepared in accordance to SIRIM QAS International documented procedures on CoC certification, ISO/IEC Guide 17065:Conformity assessment – Requirements *for bodies certifying products, processes and services*, **PEFC ST 2003: 2020** , *Requirements for Certification Bodies operating Certification against the PEFC International Chain of Custody Standard* developed by the PEFC Council and other related normative documents issued by the Department of Standards Malaysia (Standards Malaysia).

Please contact the Sales and Business Development section of SIRIM QAS International if further clarification is needed with regard to the contents of this document.

2. CERTIFICATION PROCESS

The CoC certification is carried out in accordance to the policies and procedures established by SIRIM QAS International based on the requirements of ISO/IEC Guide 17065:Conformity assessment – Requirements *for bodies certifying products, processes and services*, and a*gainst the PEFC Council International Chain of Custody Standard* developed by the PEFC Council as well as **PEFC ST 2003: 2020** *Requirements for Certification Bodies operating Certification against the PEFC International Chain of Custody Standard.* The detailed step by step processes are described as follows:



2.1 Submission of Request for Information (RFI) Form

The applicant completes and submits the RFI Form (SQAS/MSC/FOR/31-01) in the Application Package to SIRIM QAS International.

2.2 Application Review and Preparation of Quotation

SIRIM QAS International will review the information given in the RFI Form by the applicant and based on the information obtained prepare a costing sheet on the total cost ofcertification. Overall certification costs are calculated based on the number of auditor days required to conduct and prepare a report on the audit. The determination of auditor days to conduct an audit is guided by the document *'Recommended Number of Professional Man-Days for Assessment and Surveillance Visit for Chain-of-Custody Certification* issued by the Malaysian Timber Certification Council (MTCC).

A costing sheet is submitted to the Sales and Business Development Section for preparation of a quotation, which will be sent to the applicant for consideration. The quotation provides an estimate of the total cost for certification which includes the professional fees for the conduct of an audit, report writing and other related incidental costs.

2.3 Application to SIRIM QAS International

Upon accepting and agreeing to the quotation, the applicant is required to submit an Application Form (SQAS/MSC/FOR/31-03) together with an application fee to SIRIM QAS International.

Upon receiving the application form, SIRIM QAS International will conduct and maintain records of a review of the application to ensure that (i) the requirements for certification are clearly defined, documented and understood; (ii) any differences in understanding with the applicant is resolved; and (iii) SIRIM QAS International has the capability to perform the certification service with respect to the scope of the certification sought, the location of the applicant's operations and other special requirements such as the language used by the applicant.

2.4 Documentation Review

The Applicant is required to provide to the appointed Audit Team Leader within two weeks (14 working days) prior to the audit, documented procedures on the CoC system and other relevant documents related to the CoC system requirements as prescribed in PEFC ST 2002:2020 of PEFC International Standard. The Audit Team Leader will communicate to the applicant and provide comments on the documented procedures.

2.5 Conduct Audit

The Applicant is required to inform the Audit Team Leader on its readiness to be audited. The audit team will evaluate the implementation including the effectiveness of the applicant's CoC system against the requirements of PEFC ST 2002:2020 of PEFC International Standard.

2.6 Prepare Audit Report for Submission to Client

The Audit Team Leader will prepare a report on the findings of the audit within 21 working days from the last date of the audit.

2.7 Closure of All Non-Conformity Reports (NCRs)

Audit Team Leader closes out and verifies all non-conformities raised during the audit.

2.8 Multi site Chain of custody certification

2.8.1 Eligibility criteria:

2.8.1.1 The eligibility criteria of a multisite Chain of custody organization are as follows:

a) centrally administered and be subject to central review. All the relevant sites (including the central administration function) shall be subject to the organization's internal audit programme and shall have been audited in accordance with that programme prior to the certification body starting its assessment..

b) the central office of the organisation has established a chain of custody in accordance with PEFC ST 2002:2020 standard and ensures that the whole organisation (including all the sites) meets the requirements of this standard.

c) Central Office shall collect and analyse data from all sites and has the ability to initiate changes in the chain of custody operating in the sites if required.

2.8.2 Function and responsibilities of the central office

2.8.2.1 The central office shall:

a) represent the multisite organisation in the certification process, including communication and relationship with the certification body,
b) submit an application for the certification and its scope, including a list of participating sites,
c) ensure contractual relationship with the certification body,
d) submit to the certification body a request for extension or reduction of the certification scope, including coverage of participating sites,
e) provide a commitment on behalf of the whole organisation to establish and maintain achain of custody in accordance with the requirements of PEFC ST 2002:2020
f) provide all the sites with information and guidance needed for effective implementation and maintenance of the chain of custody in accordance with PEFC ST 2002:2020 (Second Edition)

2.8.2.2 The central office shall provide the sites with the following information or access to the following information: - a copy of this standard and any guidance relating to the implementation of the requirements of PEFC ST 2002:2020

a) PEFC Trademarks Rules and any guidance relating to their implementation.
b) a central office's procedures for the management of the multisite organisation,
c) conditions of the contract with the certification body relating to the rights of the certification body or accreditation body to access the sites' documentation and installations for the purposes of evaluation and surveillance, and disclosure of information about the sites to a third party,
d) explanation of the principle of the mutual responsibility of sites in the multisite certification.
e) results of the internal audit programme and the certification body's evaluation and surveillance and relating corrective and preventive measures applicable to individual sites,
f) the multisite certificate and any of its parts relating to the scope of the certification and coverage of sites.

Note: The term "mutual responsibility" means that non-conformities found in one site or the central office may result in corrective actions to be performed at all sites; an increase in internal audits or withdrawal of the multisite certificate

a) provide organisational or contractual connection with all the sites, which shall include commitments by the sites to implement and maintain the chain of custody in accordance with this standard. The central office shall have a written contract or other written agreement with all the sites which covers the right of the central office to implement and enforce any corrective or preventive measures and to initiate the exclusion of any site from the scope of certification in case of nonconformities with this standard,
b) establish written procedures for the management of the multisite organisation,
c) keep records relating to the central office and sites compliance with the requirements of this standard,
d) operate an internal audit programme. The internal audit programme shall provide for:
- on- site audit of all the sites (including its own central administration function) prior to certification body starting its evaluation,
  - on-site / remote (where the remote audit is considered feasible) annual audits of all the sites covered by the certification scope (including its own central administration function),
  - on-site audit of any new site prior the certification body starting the process of the certification scope extension,

e) operate a review of the central office and sites conformity, including review of results of the internal audits programme and certification body's evaluations and surveillance; shall establish corrective and preventive measures if required; and shall evaluate the effectiveness of corrective actions taken.

2.8.3 Function and responsibilities of sites

2.8.3.1 Sites connected to the multisite organisation shall be responsible for:

a) implementation and maintenance of the chain of custody requirements in accordance with this standard,
b) entering into contractual relationship with the central office, including commitment on the compliance with the chain of custody requirements and other applicable certification requirements,
c) responding effectively to all requests from the central office or certification body for relevant data, documentation or other information whether in connection with formal audits or reviews or otherwise,
d) providing full co-operation and assistance in respect of the satisfactory completion of internal audits performed by the central office and audits performed by the certification body, including access to the sites installations,
e) implementation of relevant corrective and preventive actions established by the central office.

2.8.4 Audit on multisite Chain of custody organisation

2.8.4.1 The Chain of Custody audit shall be carried out on sampling basis based on the calculation specified in PEFC ST 2003:2020 standard

2.8.5 Nonconformities

2.8.5.1 When nonconformities are found at any individual site, an investigation shall take place to determine whether the other sites may be affected to review the nonconformities to determine whetherthey indicate an overall chain of custody deficiency applicable to all sites or not. If they are found to do so, corrective action should be performed both at the central office and at the individual sites. If they are found not to do so, the client organisation shall be able to demonstrate to the certification body the justification for limiting its follow-up action.

2.8.5.2 Evidence of these actions shall be submitted and the sampling frequency shall be increaseduntil control is re-established.

2.8.5.3 At the time of the decision making process, if any site has a nonconformity, certification shall be denied to the whole multi-site client organisation pending satisfactory corrective action.

2.8.5.4 To prevent 2.8.5.3 from happening, the client organisation is not allowed to seek to exclude from the scope the "problematic" site during the certification process.

2.9 Recommendation to the Section Head for Certification upon Closure of NCRs

On satisfactory closure and verification of all NCRs, the Audit Team Leader prepares a recommendation report to the Section Head for approval.

2.10 Approval by Section Head

Section Head reviews and approves the recommendation for certification.

2.11 Issuance of Certificate

A certificate will be issued upon payment of all fees due and signing of the Certification Agreement. The Certificate is valid for 5 years from the date the certification is approved.

2.12 Surveillance Audit/Recertification

All certified companies will be subjected to one annual surveillance audit. In exceptional cases, two surveillance audits will be carried out annually. The surveillance audit will be conducted within 12 (twelve) months from the certification or recertification date with a +/- of 3 months. Recertification is carried out once every five years.

2.13 Multisite Chain of Custody Certificates

2.13.1 One single certificate shall be issued with the name and address of the central office of the client organisation. A list of all the sites to that the certificate relates shall be issued, either on the certificate itself or in an appendix or as otherwise referred to in the certificate. The scope or other reference on the certificate shall make clear that the certified activities are performed by the networkof sites in the list.
If the individual sites are applying different chain of custody methods or definitions of the raw material origin, the application of the chain of custody standard shall be clearly stated in the certificate and anyappendix for the individual sites.

2.13.2 The certificate will be withdrawn in its entirety, if the central office or any of the sites does not/donot fulfill the necessary criteria for the maintaining of the certificate

3. PREPARATION FOR CHAIN OF CUSTODY CERTIFICATION

3.1 The potential applicant is required to establish Standard Operating Procedures addressing the requirements of PEFC ST 2002:2020) Standard. The potential applicant is also required to conduct internal audit and management review on Chain of Custody system in their organization.

4. SCHEDULE OF FEES

SIRIM QAS International will prepare and issue a quotation based on the RFI submitted by the applicant. The breakdown of the quotation shall be provided upon requestby the client.

5. FEE PAYMENT SCHEDULE

The schedule for payment of fees over the five-year certification cycle is as follows:

No	Stage	Fee Due
1.	**Upon acceptance of quotation and submission of application form**	Application fee
2.	**Upon completion of audit**	Audit fee
3.	**Upon approval of certification but prior to issuance of Certificate**	Annual fee
4.	**Upon completion of surveillance audit (year 1)**	Surveillance audit fee
5.	**Start of second year certification**	Annual fee
6.	**Upon completion of surveillance audit (year 2)**	Surveillance audit fee
7.	**Start of third year certification**	Annual fee
8.	**Upon completion of surveillance (year 3)**	Surveillance audit fee
9.	**Start of fourth year certification**	Annual fee
10.	**Upon completion of surveillance audit (year 4)**	Surveillance audit fee
11.	**Start of fifth year certification**	Annual fee
12.	**Upon completion of recertification (year 5)**	Re-certification fee
13.	**Start of new certification cycle**	Annual fee

6 CERTIFICATION REQUIREMENTS

6.1 Site of Audit

The applicant shall identify the name, address and legal status of the company to be covered under the scope of certification. The applicant shall also identify any temporary sites at which activities related to the CoC system are carried out such as kiln-drying, treatment plants or warehouse.

6.2 Scope of certification

The applicant shall clearly define and ensure that it does not omit elements of its operation from the scope of certification. The scope of certification should clearly specify the sites, type of activities and descriptive identification of the products.

6.3 Audit Criteria

In order to be certified, the applicant has to demonstrate that the CoC system is properly and effectively implemented to fulfill PEFC ST 2002:2020 of PEFC International Standard, the applicant's documented procedures and other normative CoC certification documents. Inpractice, this means that the CoC system has been operational and able to demonstrate adequately its effective implementation and that an internal audit and management review havebeen conducted before an audit is conducted.

7. APPEALS PROCEDURE

The applicant's may file an appeal to the Appeal Committee when the applicant does not agree with the decision of the Section Head. The appeal shall be made in writing to the Senior General Manager of the Management System Department within 2 (two) weeks of notification of the decision.

The letter of appeal shall be forwarded to the Appeals Panel appointed by the Certification Advisory Committee. The appellant shall be notified of the composition of the panel and the date of its proposed meeting. The appellant shall have the right to object to the composition of the panel and the date of its proposed hearing and shall have the right to appear before the panel to present his/her case.

The decisions made by the Appeals Panel including the grounds of their decision shall be recorded and the appellant be notified in writing.

8. COMPLAINT PROCEDURE

Any complaint on SIRIM QAS International's certification services or on certified organizations/companies shall be directed to the Manager of Market Surveillance, Quality and OSHE (MSQOSHE) Section.

Complaints may be made verbally or in writing. All complaints received will be verified and validated by the MSQOSHE Manager. The complainant shall be informed of the receipt of the complaint and will be provided progress report on the outcome of the investigation.

The certification body shall notify the PEFC Council, within 30 days, of any substantiated claims of noncompliance with certification requirements by client organisations, or complaints against client organisations it receives or about which it becomes aware.

The certification body shall provide the PEFC Council and the corresponding PEFC National Governing Body with summary reports for resolved complaints and appeals against the PEFC certified client organisations received by the certification body, including at minimum: a) identification of the appellant/complainant (subject to disclosure) b) identification of the client organisation c) subject of the complaint d) summary of the complaint handling process e) outcome/resolution of the complaint

9. WITHDRAWAL/SUSPENSION/REVOCATION/TERMINATION

(i) Withdrawal

Certified organization/company that wishes to withdraw from the CoC certification scheme is required to:

(a) write to the Head of the FAF Section informing of its attention

(b) ensure within a reasonable time frame that all advertising matters that contain any reference to the Certificate are discontinued; and

(c) return the Certificate to the Head of the FAF Section.

(ii) Suspension/Revocation/Termination

SIRIM QAS International has the right to suspend/revoke/terminate the certification of an organization/company under the following circumstances:

(a) the certified organisation's/ company's CoC system has persistently or seriously failed to meet the certification requirements;

(b) the certified organisation/company does not allow surveillance or re-certification audits to be conducted at the required frequencies;

(c) the certified organisation/company has voluntarily requested suspension of its certification;

(d) the certified organization/company failed to take corrective actions on non-conformity (ies) raised within the specified timeframe;

(e) the certified organization/company has incorrectly making reference to its certification status or misleading use of Certificate, marks or audit reports; and

(f) the certified organization/company infringed the requirements of the certification contract.

The certified organization/company under suspension is required to take the necessary corrective actions within the suspension period. Failure to take corrective actions may result in the withdrawal of the Certificate.

The information related to the certification status of organization/company will be made publicly accessible. An organization/company dissatisfied with the decision on suspension /revocation/ termination has the right to file a written appeal with the Appeal Committee.

10. CHANGES TO THE INFORMATION IN THE CERTIFICATE

A certified organization/company is required to inform SIRIM QAS International of any changes on the name, address, scope of certification or other details on the Certificate. Any request for such changes shall be made in writing.