Version 1.0 | April 2017

China Document Guide

This publication has been developed with support from the LIFE programme of the European Union and UK aid from the UK government.
NEPCon has adopted an “open source” policy to share what we develop to advance sustainability. This work is published under the Creative Commons Attribution Share-Alike 3.0 license. Permission is hereby granted, free of charge, to any person obtaining a copy of this document, to deal in the document without restriction, including without limitation the rights to use, copy, modify, merge, publish, and/or distribute copies of the document, subject to the following conditions: The above copyright notice and this permission notice shall be included in all copies or substantial portions of the document. We would appreciate receiving a copy of any modified version.

The European Commission support for the production of this publication does not constitute endorsement of the contents which reflect the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained herein.

This material has been funded by the UK aid from the UK government; however the views expressed do not necessarily reflect the UK government’s official policies.
China Document Guide

This is a list of the documents that can help to indicate legal harvest, transport and trade, as required in China. The list is useful to any company wishing to gain assurance that the timber being purchased is legal. This document consists of:

1. A list of legally required documents; the list being divided up into sections on legal rights to harvest; taxes and fees; timber harvesting activities (including health and safety and legal employment); third parties’ rights; and trade and transport.

2. Copies of key documents, and a guide to their content and key considerations when checking their authenticity.

Navigate this document through Timber Source Types

To use this document guide, you will first need to determine the origin of your timber. You have to identify not only the country, but also the type of forest the timber comes from in terms of ownership, management, classification and permits – this is called the Timber Source Type. This information is very important in order to find out what documents you should use to indicate legal harvest, transport and trade of your timber products. Here is a description of the different kinds of Timber Source Types that you will find in China.

- **Natural forest:** Natural State forests are not a source of timber, except for timber from thinning. Natural forests managed by collectives, individuals or corporations can be a source, although this is being impacted by a logging ban that is increasingly being implemented though contracts with forest owners.
- **Protected forest:** Limited source of timber. State or collectively owned
- **Timber plantation – planted forest:** Collectively, individually or corporately owned. Provide main source of timber in China.
- **Trees/bamboo planted around farm house and households:** Trees or bamboo planted close to farm houses and households in China.
- **Bamboo forest:** Bamboo forest refers to the community composed of advantageous bamboo species, generally including timber bamboo forest, shoot bamboo forest and timber-shoot bamboo forest.
- **Economic forests plantation – Cash tree:** End of lifecycle trees, initially planted for other purposes

Please select your Timber Source Type on the next page
Click your Timber Source Type

- Natural forest
- Protected forest
- Timber plantation – planted forest
- Trees/bamboo planted around farm house and households
- Bamboo forest
- Economic forest plantation – cash tree
## Legal Rights to Harvest

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Natural forest</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.1 Land tenure and management rights</strong></td>
<td></td>
</tr>
<tr>
<td>Ownership: Collective, private or corporation</td>
<td></td>
</tr>
<tr>
<td>▪ Forest Tenure Certificate (<a href="#">Example 1</a>)</td>
<td></td>
</tr>
<tr>
<td><strong>1.2 Concession Licenses</strong></td>
<td></td>
</tr>
<tr>
<td>▪ There are no concessions in China.</td>
<td></td>
</tr>
<tr>
<td><strong>1.3 Management and harvesting planning</strong></td>
<td></td>
</tr>
<tr>
<td>▪ Approved forest management plan (<a href="#">Example 2</a>)</td>
<td></td>
</tr>
<tr>
<td>▪ Forest harvesting plan approved by local Forestry Bureau</td>
<td></td>
</tr>
<tr>
<td>▪ Annual allowable logging quota approved by local Forestry Bureau</td>
<td></td>
</tr>
<tr>
<td><strong>1.4 Harvesting permits</strong></td>
<td></td>
</tr>
<tr>
<td>Ownership: Collective, private or corporations:</td>
<td></td>
</tr>
<tr>
<td>▪ Harvesting permit (<a href="#">Example 3</a>)</td>
<td></td>
</tr>
</tbody>
</table>
### Ownership: State forest:
- Harvesting permit *(Example 3)*
- Logging operation design
- Inspection and acceptance of certificate of last year’s forest regeneration

### Taxes and Fees

#### Legal category

#### Natural forest

<table>
<thead>
<tr>
<th>1.5 Payment of royalties and harvesting fees</th>
<th>No forestry taxes are to be paid, and thus no documents are required.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.6 Value added taxes and other sales taxes</td>
<td>VAT invoice <em>(Fapiao)</em> <em>(Example 4)</em> Exemptions:</td>
</tr>
<tr>
<td></td>
<td>Companies using residues to produce products</td>
</tr>
<tr>
<td></td>
<td>Forest management companies or individuals who sell their own products; for example, sales of roundwood are exempt from VAT where the forest management unit sells the logs it produces</td>
</tr>
<tr>
<td></td>
<td>Individuals who do not register as a legal entity but are allowed to sell individual trees that are scattered or distributed on their land are not required to issue invoices. They are also not required to pay VAT according to the interim VAT regulation</td>
</tr>
<tr>
<td>1.7 Income and profit taxes</td>
<td>Ownership: Collective, private or corporations:</td>
</tr>
<tr>
<td></td>
<td>Annual income tax declaration form</td>
</tr>
<tr>
<td></td>
<td>Invoice <em>(Example 4)</em></td>
</tr>
</tbody>
</table>
# Timber Harvesting Activities

## 1.8 Timber harvesting regulations

**Ownership: State forest:**
- Logging records and harvest volume records (consistent with logging operation design and Harvesting permit)
- Inspection and acceptance of certificate for State or locally owned forest farms

## 1.9 Protected sites and species

**Ownership: Collective, private or corporations:**
- Harvesting permit issued by the relevant forestry authority at or above county level (with description of species, location, logging method and logging prohibition area) ([Example 3](#))
- Records of harvesting activities in protected sites as allowed by authorities
- Procedure describing how to protect and avoid impact on these sites and species
- List of local rare and endangered species – provided by State-owned forest farms
- Ecological forest distribution map – provided by local Forestry Bureau or State-owned forest farms

## 1.10 Environmental requirements

**Ownership: Collective, private or corporations:**
- Approved forest management plan ([Example 2](#))

**Ownership: State forest:**
- Approved forest management plan ([Example 2](#))
- Logging operation design

## 1.11 Health and safety

**Ownership: Collective, private or corporations:**
- Training records for safe operation
- Outsourcing agreement
- Accident insurance
- Accident records and related administrative procedures and measures ([Example 5](#)).
### 1.12 Legal employment

- Work permit for special occupations, e.g. chainsaw operator ([Example 6](#))

Ownership: Collective, private or corporations:
- Lists identifying staff and contractors
- Salary payment records ([Example 7](#))
- Employment contracts for permanent and temporary staff ([Example 8](#))
- Social security card for each worker providing evidence of social security and other insurances paid ([Example 9](#))

### Third Parties’ Rights

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Natural forest</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.13 Customary rights</td>
<td>Not applicable</td>
</tr>
<tr>
<td>1.14 Free prior and informed consent</td>
<td>Not applicable</td>
</tr>
<tr>
<td>1.15 Indigenous/traditional peoples’ rights</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>
# Trade and Transport

## Legal category

<table>
<thead>
<tr>
<th>Natural forest</th>
</tr>
</thead>
</table>

### 1.16 Classification of species, quantities, qualities
- Phytosanitary certificate ([Example 12](#))
- Transportation permit ([Example 13](#))

### 1.17 Trade and transport
- Business registration certificate ([Example 10](#))
- Tax registration certificate ([Example 11](#))
- Phytosanitary certificate ([Example 12](#))
- Transportation permit ([Example 13](#))
- Delivery list
- Invoice
- Processing certificate

### 1.18 Offshore trading and transfer pricing
- Contract between parent companies and their subsidiaries with the service content and payment for services indicated clearly
- Declaration form for import or export

### 1.19 Customs regulations
- Customs declaration registration approval certificate for customs declaration company ([Example 14](#))
- Customs declaration registration approval certificate for consigner and consignee of import/ export goods
- Phytosanitary certificate
- Species of origin certificate (for importing)
- Packaging list (for exporting)
- Bill of lading (for importing)

### 1.20 CITES
- Collection permit for national or local key protected plants
- CITES import/ export permission certificate
Legal Rights to Harvest

**Legal category**

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Protected forest</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Land tenure and management rights</td>
<td>Forest Tenure Certificate, <em>Example 1</em></td>
</tr>
<tr>
<td>1.2 Concessions</td>
<td>There are no concessions in China.</td>
</tr>
<tr>
<td>1.3 Management and harvesting planning</td>
<td>Forest management plan approved by State Forestry Bureau (<em>Example 2</em>), Harvesting plan approved by State Forestry Bureau, Allowable logging quota only for thinning and intermittent felling, and regeneration felling</td>
</tr>
<tr>
<td>1.4 Harvesting permits</td>
<td>Thinning and intermittent felling, regeneration harvesting permit (<em>Example 3</em>)</td>
</tr>
</tbody>
</table>
## Taxes and Fees

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Protected forest</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5 Payment of harvesting royalties and fees</td>
<td>▪ No forestry taxes are to be paid, and thus no documents are required.</td>
</tr>
<tr>
<td>1.6 Value-added taxes and other sales taxes</td>
<td>▪ VAT invoice (<em>Fapiao</em>) (<a href="#">Example 4</a>)</td>
</tr>
<tr>
<td></td>
<td>Exemptions:</td>
</tr>
<tr>
<td></td>
<td>▪ Companies using residues to produce products</td>
</tr>
<tr>
<td></td>
<td>▪ Forest management companies or individuals who sell their own products; for example, sales of roundwood are exempt from VAT where the forest management unit sells the logs it produces</td>
</tr>
<tr>
<td></td>
<td>▪ Individuals who do not register as a legal entity but are allowed to sell individual trees that are scattered or distributed on their land are not required to issue invoices. They are also not required to pay VAT according to the interim VAT regulation</td>
</tr>
<tr>
<td>1.7 Income and profit taxes</td>
<td>▪ Annual income tax declaration form</td>
</tr>
<tr>
<td></td>
<td>▪ Invoice</td>
</tr>
</tbody>
</table>
# Timber Harvesting Activities

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Protected forest</th>
</tr>
</thead>
<tbody>
<tr>
<td>**1.8 Timber harvesting</td>
<td>▪ Logging records and harvest volume records (consistent with logging operation design and Harvesting permit)</td>
</tr>
<tr>
<td>regulations</td>
<td>▪ Inspection and acceptance of certificate for State or locally owned forest farms</td>
</tr>
<tr>
<td>**1.9 Protected sites and</td>
<td>▪ Harvesting permit issued by the relevant forestry authority at or above county level (with description of species, location, logging method and logging prohibition area) [Example 3]</td>
</tr>
<tr>
<td>species</td>
<td>▪ Records of harvesting activities in protected sites as allowed by authorities</td>
</tr>
<tr>
<td></td>
<td>▪ Procedure describing how to protect and avoid impact on these sites and species</td>
</tr>
<tr>
<td></td>
<td>▪ List of local rare and endangered species – provided by State-owned forest farms</td>
</tr>
<tr>
<td></td>
<td>▪ Ecological forest distribution map – provided by local Forestry Bureau or State-owned forest farms</td>
</tr>
<tr>
<td>**1.10 Environmental</td>
<td>Ownership: Collective, private or corporations:</td>
</tr>
<tr>
<td>requirements</td>
<td>▪ Approved forest management plan [Example 2]</td>
</tr>
<tr>
<td></td>
<td>Ownership: State forest:</td>
</tr>
<tr>
<td></td>
<td>▪ Approved forest management plan [Example 2]</td>
</tr>
<tr>
<td></td>
<td>▪ Logging operation design</td>
</tr>
<tr>
<td>**1.11 Health and safety</td>
<td>▪ Training records for safe operation</td>
</tr>
<tr>
<td></td>
<td>▪ Outsourcing agreement</td>
</tr>
<tr>
<td></td>
<td>▪ Accident insurance</td>
</tr>
<tr>
<td></td>
<td>▪ Accident records and related administrative procedures and measures [Example 5]</td>
</tr>
<tr>
<td></td>
<td>▪ Work permit for special occupations, e.g. chainsaw operator [Example 6]</td>
</tr>
<tr>
<td>**1.12 Legal employment</td>
<td>▪ Lists identifying staff and contractors</td>
</tr>
</tbody>
</table>
### Third Parties’ Rights

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Protected forest</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.13 Customary rights</td>
<td>Not applicable</td>
</tr>
<tr>
<td>1.14 Free, prior and informed consent</td>
<td>Not applicable</td>
</tr>
<tr>
<td>1.15 Indigenous peoples’ rights</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>
### Trade and Transport

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Protected forest</th>
</tr>
</thead>
</table>
| **1.16 Classification of species, quantities, qualities** | ▪ Phytosanitary certificate ([Example 12](#))  
▪ Transportation permit ([Example 13](#)) |
| **1.17 Trade and transport** | ▪ Business registration certificate ([Example 10](#))  
▪ Tax registration certificate ([Example 11](#))  
▪ Phytosanitary certificate ([Example 12](#))  
▪ Transportation permit ([Example 13](#))  
▪ Delivery list  
▪ Invoice  
▪ Processing certificate |
| **1.18 Offshore trading and transfer pricing** | ▪ Contract between parent companies and their subsidiaries with the service content and payment for services indicated clearly  
▪ Declaration form for import or export |
| **1.19 Customs regulations Import/ export (import/ export)** | ▪ Customs declaration registration approval certificate for customs declaration company ([Example 14](#))  
▪ Customs declaration registration approval certificate for consignor and consignee of import/ export goods  
▪ Phytosanitary certificate  
▪ Species of origin certificate (for importing)  
▪ Packaging list (for exporting)  
▪ Bill of lading (for importing) |
| **1.20 CITES** | ▪ Collection permit for national or local key protected plants  
▪ CITES import/ export permission certificate |
### Legal Rights to Harvest

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Timber plantation - Planted forest</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.1 Land tenure and management rights</strong></td>
<td></td>
</tr>
<tr>
<td>▪ Forest Tenure Certificate (<a href="#">Example 1</a>)</td>
<td></td>
</tr>
<tr>
<td><strong>1.2 Concessions</strong></td>
<td></td>
</tr>
<tr>
<td>▪ There are no concessions in China.</td>
<td></td>
</tr>
<tr>
<td><strong>1.3 Management and harvesting planning</strong></td>
<td></td>
</tr>
<tr>
<td>Ownership: Collective, private or corporations:</td>
<td></td>
</tr>
<tr>
<td>▪ Forest management plan approved by local Forestry Bureau (<a href="#">Example 2</a>)</td>
<td></td>
</tr>
<tr>
<td>▪ Harvesting plan approved by local Forestry Bureau</td>
<td></td>
</tr>
<tr>
<td>▪ Annual allowable logging quota by local Forestry Bureau</td>
<td></td>
</tr>
</tbody>
</table>
Ownership: State forest:
- Forest management plan approved by State Forestry Bureau (Example 2)
- Harvesting plan approved by State Forestry Bureau
- Annual allowable logging quota by State Forestry Bureau

Ownership: Collective, private or corporations:
- Harvesting permit (Example 3)

Ownership: State forest:
- Harvesting permit (Example 3)
- Logging operation design
- Inspection and acceptance of certificate of last year’s forest regeneration

---

**Taxes and Fees**

| Legal category | |  |
|----------------|-----------------|
| **1.5 Payment of harvesting royalties and fees** | |  |
| ▪ No forestry taxes are to be paid, and thus no documents are required. |
| **1.6 Value-added taxes and other sales taxes** | |  |
| ▪ VAT invoice (*Fapiao*) (Example 4) |

**Exemptions:**
- Companies using residues to produce products;
Forest management companies or individuals who sell their own products; for example, sales of roundwood are exempt from VAT where the forest management unit sells the logs it produces;
Indivduals who do not register as a legal entity but are allowed to sell individual trees that are scattered or distributed on their land are not required to issue invoices. They are also not required to pay VAT according to the interim VAT regulation.

1.7 Income and profit taxes
- Annual income tax declaration form
- Invoice

Timber Harvesting Activities

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Timber plantation - Planted forest</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.8 Timber harvesting regulations</td>
<td></td>
</tr>
</tbody>
</table>
| - Logging records and harvest volume records (same or lower than harvest quota which approved by local forest authority above county level);
| - Inspection and acceptance Certificate |
| 1.9 Protected sites and species |
| - Harvesting permit issued by the relevant forestry authority at or above county level (with description of species, location, logging method and logging prohibition area) [Example 3]
| - Records of harvesting activities in protected sites which had been allowed by authorities
| - Procedure describing how to protect and avoid impact on these sites and species
| - List of local rare and endangered species - provided by State-owned forest farms
| - Ecological forest distribution map - provided by local Forestry Bureau or State-owned forest farms |
| 1.10 Environmental requirements |
| Ownership: Collective, private or corporations:
| - Approved forest management plan [Example 2] |
Ownership: State forest:
- Approved forest management plan (Example 2)
- Logging operation design

1.11 Health and safety
- Training records for safe operation
- Outsourcing agreement
- Accident insurance
- Accident records and related administrative procedures and measures (Example 5)
- Work permit for special occupations, e.g. chainsaw operator (Example 6)

1.12 Legal employment
- Lists identifying staff and contractors
- Salary payment records (Example 7)
- Employment contracts for permanent and temporary staff (Example 8)
- Social security card of each worker providing evidence of social security and other insurances paid (Example 9)

Third Parties’ Rights

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Timber plantation - Planted forest</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.13 Customary rights</td>
<td>Not applicable</td>
</tr>
<tr>
<td>1.14 Free, prior and informed consent</td>
<td>Not applicable</td>
</tr>
<tr>
<td>1.15 Indigenous peoples’ rights</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>
# Trade and Transport

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Timber plantation - Planted forest</th>
</tr>
</thead>
</table>
| 1.16 Classification of species, quantities, qualities | ▪ Phytosanitary certificate ([Example 12](#))  
▪ Transportation permit ([Example 13](#)) |
| 1.17 Trade and transport | ▪ Business license  
▪ Tax registration certificate ([Example 11](#))  
▪ Phytosanitary certificate ([Example 12](#))  
▪ Transportation permit ([Example 13](#))  
▪ Delivery list  
▪ Invoice  
▪ Processing certificate |
| 1.18 Offshore trading and transfer pricing | ▪ Contract between parent companies and their subsidiaries with the service content and payment for services indicated clearly  
▪ Declaration form for import or export |
| 1.19 Customs regulations (import/ export) | ▪ Customs declaration registration approval certificate for customs declaration company ([Example 14](#))  
▪ Customs declaration registration approval certificate for consigner and consignee of import/ export goods  
▪ Phytosanitary certificate  
▪ Species of origin certificate (for importing)  
▪ Packaging list (for exporting)  
▪ Bill of lading (for importing) |
| 1.20 CITES | ▪ Collection permit for national or local key protected plants |
### Legal Rights to Harvest

- **1.1 Land tenure and management rights**
  - No documents required.

- **1.2 Concessions**
  - There are no concessions in China.

- **1.3 Management and harvesting planning**
  - No requirement for management and harvesting plan

- **1.4 Harvesting permits**
  - The harvesting permit for trees/bamboo in plots depends on local regulations and the area of farm for tree planting.
## Taxes and Fees

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Trees/bamboo planted around farm house and households</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.5 Payment of harvesting royalties and fees</strong></td>
<td>▪ No forestry taxes are to be paid, and thus no documents are required.</td>
</tr>
</tbody>
</table>
| **1.6 Value-added taxes and other sales taxes** | ▪ VAT invoice *(Fapiao)* [(Example 4)](Example 4)  
Exemptions:  
▪ Companies using residues to produce products  
▪ Forest management companies or individuals who sell their own products, for example, sales of roundwood are exempt from VAT where the forest management unit sells the logs it produces  
▪ Individuals who do not register as a legal entity but are allowed to sell individual trees that are scattered or distributed on their land are not required to issue invoices. They are also not required to pay VAT according to the interim VAT regulation |
| **1.7 Income and profit taxes** | ▪ Not applicable |
# Timber Harvesting Activities

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Trees/bamboo planted around farm house and households</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.8 Timber harvesting regulations</td>
<td>▪ No documents required</td>
</tr>
<tr>
<td>1.9 Protected sites and species</td>
<td>▪ No documents required</td>
</tr>
<tr>
<td>1.10 Environmental requirements</td>
<td>▪ No documents required</td>
</tr>
<tr>
<td>1.11 Health and safety</td>
<td>▪ No documents required</td>
</tr>
<tr>
<td>1.12 Legal employment</td>
<td>▪ No documents required</td>
</tr>
</tbody>
</table>

# Third Parties’ Rights

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Trees/bamboo planted around farm house and households</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.13 Customary rights</td>
<td>▪ Not applicable</td>
</tr>
</tbody>
</table>
1.14 Free, prior and informed consent
- Not applicable

1.15 Indigenous peoples’ rights
- Not applicable

# Trade and Transport

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Trees/bamboo planted around farm house and households</th>
</tr>
</thead>
</table>
| 1.16 Classification of species, quantities, qualities | ▪ Phytosanitary certificate [(Example 12)]
▪ Transportation permit [(Example 13)]               |
| 1.17 Trade and transport                           | ▪ No documents required                               |
| 1.18 Offshore trading and transfer pricing          | ▪ Contract between parent companies and their subsidiaries with the service content and payment for services indicated clearly
▪ Declaration form for import or export              |
| 1.19 Customs regulations Import/ export(Import/Export) | ▪ Customs declaration registration approval certificate for customs declaration company [(Example 14)]
▪ Customs declaration registration approval certificate for consignor and consignee of import/ export goods
▪ Phytosanitary certificate
▪ Species of origin certificate (for importing)
▪ Packaging list (for exporting)
▪ Bill of lading (for importing)                      |
| 1.20 CITES                                         | ▪ Collection permit for national or local key protected plants
▪ CITES import/ export permission certificate         |
### Legal Rights to Harvest

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Bamboo forest</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.1 Land tenure and management rights</strong></td>
<td></td>
</tr>
<tr>
<td>• Forest Tenure Certificate (<a href="#">Example 1</a>)</td>
<td></td>
</tr>
<tr>
<td><strong>1.2 Concessions</strong></td>
<td></td>
</tr>
<tr>
<td>• There are no concessions in China.</td>
<td></td>
</tr>
<tr>
<td><strong>1.3 Management and harvesting planning</strong></td>
<td></td>
</tr>
<tr>
<td>• Forest management plan approved by local Forestry Bureau (<a href="#">Example 2</a>)</td>
<td></td>
</tr>
<tr>
<td><strong>1.4 Harvesting permits</strong></td>
<td></td>
</tr>
<tr>
<td>Ownership: Collective, private or corporations, for bamboo timber:</td>
<td></td>
</tr>
<tr>
<td>• Harvesting permit</td>
<td></td>
</tr>
</tbody>
</table>
## Ownership: State forest:
- Harvesting permit
- Logging operation design
- Inspection and acceptance of certificate of last year’s forest regeneration

## Taxes and Fees

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Bamboo forest</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.5 Payment of harvesting royalties and fees</strong></td>
<td>No forestry taxes are to be paid, and thus no documents are required.</td>
</tr>
<tr>
<td><strong>1.6 Value-added taxes and other sales taxes</strong></td>
<td>VAT invoice (Fapiao) [Example 4]</td>
</tr>
<tr>
<td>Exemptions:</td>
<td>Companies using residues to produce products</td>
</tr>
<tr>
<td></td>
<td>Forest management companies or individuals who sell their own products, for example, sales of roundwood are exempt from VAT where the forest management unit sells the logs it produces</td>
</tr>
<tr>
<td></td>
<td>Individuals who do not register as a legal entity but are allowed to sell individual trees that are scattered or distributed on their land are not required to issue invoices. They are also not required to pay VAT according to the interim VAT regulation</td>
</tr>
<tr>
<td><strong>1.7 Income and profit taxes</strong></td>
<td>Annual income tax declaration form</td>
</tr>
<tr>
<td></td>
<td>Invoice</td>
</tr>
</tbody>
</table>
## Timber Harvesting Activities

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Bamboo forest</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.8 Timber harvesting regulations</strong></td>
<td></td>
</tr>
<tr>
<td>▪ Logging records and harvest volume records (same or lower than harvest quota approved by local forest authority above county level);</td>
<td></td>
</tr>
<tr>
<td>▪ Inspection and acceptance of certificate of last year’s forest regeneration</td>
<td></td>
</tr>
<tr>
<td><strong>1.9 Protected sites and species</strong></td>
<td></td>
</tr>
<tr>
<td>▪ Harvesting permit issued by the relevant forestry authority at or above county level (with description of species, location, logging method and logging prohibition area)</td>
<td></td>
</tr>
<tr>
<td>▪ Records of harvesting activities in protected sites which had been allowed by authorities</td>
<td></td>
</tr>
<tr>
<td>▪ Procedure describing how to protect and avoid impact on these sites and species</td>
<td></td>
</tr>
<tr>
<td>▪ List of local rare and endangered species - provided by State-owned forest farms</td>
<td></td>
</tr>
<tr>
<td>▪ Ecological forest distribution map - provided by local Forestry Bureau or State-owned forest farms</td>
<td></td>
</tr>
<tr>
<td><strong>1.10 Environmental requirements</strong></td>
<td></td>
</tr>
<tr>
<td>Ownership: Collective, private or corporations:</td>
<td></td>
</tr>
<tr>
<td>▪ Approved forest management plan</td>
<td>Example 2</td>
</tr>
<tr>
<td>Ownership: State forest:</td>
<td></td>
</tr>
<tr>
<td>▪ Approved forest management plan</td>
<td>Example 2</td>
</tr>
<tr>
<td>▪ Logging operation design (State-owned only)</td>
<td></td>
</tr>
<tr>
<td><strong>1.11 Health and safety</strong></td>
<td></td>
</tr>
<tr>
<td>▪ Training records for safe operation</td>
<td></td>
</tr>
<tr>
<td>▪ Outsourcing agreement</td>
<td></td>
</tr>
<tr>
<td>▪ Accident insurance</td>
<td></td>
</tr>
<tr>
<td>▪ Accident records and related administrative procedures and measures</td>
<td>Example 5</td>
</tr>
<tr>
<td>▪ Work permit for special occupations, e.g. chainsaw operator</td>
<td>Example 6</td>
</tr>
<tr>
<td><strong>1.12 Legal employment</strong></td>
<td></td>
</tr>
<tr>
<td>▪ Lists identifying staff and contractors</td>
<td></td>
</tr>
</tbody>
</table>
Salary payment records (Example 7)
Employment contracts for permanent and temporary staff (Example 8)
Social security card of each worker providing evidence of social security and other insurances paid (Example 9)

Third Parties’ Rights

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Bamboo forest</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.13 Customary rights</td>
<td>Not applicable</td>
</tr>
<tr>
<td>1.14 Free, prior and informed consent</td>
<td>Not applicable</td>
</tr>
<tr>
<td>1.15 Indigenous peoples’ rights</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>
## Trade and Transport

### Legal category

#### 1.16 Classification of species, quantities, qualities
- Phytosanitary certificate ([Example 12](#))
- Transportation permit ([Example 13](#))

#### 1.17 Trade and transport
- Business registration certificate
- Tax registration certificate ([Example 11](#))
- Phytosanitary certificate ([Example 12](#))
- Transportation permit ([Example 13](#))
- Delivery list
- Invoice
- Processing certificate

#### 1.18 Offshore trading and transfer pricing
- Contract between parent companies and their subsidiaries with the service content and payment for services indicated clearly
- Declaration form for import or export

#### 1.19 Customs regulations
- Customs declaration registration approval certificate for customs declaration company ([Example 14](#))
- Customs declaration registration approval certificate for consigner and consignee of import/ export goods
- Phytosanitary certificate
- Species of origin certificate (for importing)
- Packaging list (for exporting)
- Bill of lading (for importing)

#### 1.20 CITES
- Collection permit for national or local key protected plants
- CITES import/ export permission certificate
### Legal Rights to Harvest

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Economic forest plantation – Cash tree</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.1 Land tenure and management rights</strong></td>
<td>Ownership: Collective, private or corporations: Forest Tenure Certificate [Example 1]</td>
</tr>
<tr>
<td><strong>1.2 Concessions</strong></td>
<td>- There are no concessions in China.</td>
</tr>
<tr>
<td><strong>1.3 Management and harvesting planning</strong></td>
<td>- Forest management plan approved by local Forestry Bureau [Example 2]</td>
</tr>
<tr>
<td></td>
<td>- Harvesting plan approved by local Forestry Bureau</td>
</tr>
<tr>
<td><strong>1.4 Harvesting permits</strong></td>
<td>Ownership: Collective, private or corporations: Harvesting permit [Example 3]</td>
</tr>
<tr>
<td></td>
<td>Ownership: State forest:</td>
</tr>
</tbody>
</table>

**Third Parties’ Rights** N/A

**Trade and Transport** 33

**Traceability** N/A
### Taxes and Fees

#### Legal category

<table>
<thead>
<tr>
<th>1.5 Payment of harvesting royalties and fees</th>
<th>No forestry taxes are to be paid, and thus no documents are required.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.6 Value-added taxes and other sales taxes</td>
<td>VAT invoice (<em>Fapiao</em>) (<a href="#">Example 4</a>)</td>
</tr>
</tbody>
</table>

**Exemptions:**
- Companies using residues to produce products
- Forest management companies or individuals who sell their own products, for example, sales of roundwood are exempt from VAT where the forest management unit sells the logs it produces
- Individuals who do not register as a legal entity but are allowed to sell individual trees that are scattered or distributed on their land are not required to issue invoices. They are also not required to pay VAT according to the interim VAT regulation

<table>
<thead>
<tr>
<th>1.7 Income and profit taxes</th>
<th>Ownership: Collective, private or corporations:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Annual income tax declaration form</td>
</tr>
<tr>
<td></td>
<td>- Invoice</td>
</tr>
</tbody>
</table>
## Timber Harvesting Activities

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Economic forest plantation – Cash tree</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.8 Timber harvesting regulations</strong></td>
<td></td>
</tr>
</tbody>
</table>
- Logging records and harvest volume records (same or lower than harvest quota approved by local forest authority above county level)  
- Inspection and acceptance of certificate of last year’s forest regeneration |
| **1.9 Protected sites and species** |  
- Harvesting permit issued by the relevant forestry authority at or above county level (with description of species, location, logging method and logging prohibition area)  
- Records of harvesting activities in protected sites which had been allowed by authorities  
- Procedure describing how to protect and avoid impact on these sites and species  
- List of local rare and endangered species – provided by State-owned forest farms  
- Ecological forest distribution map – provided by local Forestry Bureau or State-owned forest farms |
| **1.10 Environmental requirements** | Ownership: Collective, private or corporations:  
- Approved forest management plan  
Ownership: State forest:  
- Approved forest management plan  
- Logging operation design |
| **1.11 Health and safety** |  
- Training records for safe operation  
- Outsourcing agreement  
- Accident insurance  
- Accident records and related administrative procedures and measures  
- Work permit for special occupations, e.g. chainsaw operator |
1.12 Legal employment
- Lists identifying staff and contractors;
- Salary payment records (Example 7)
- Employment contracts for permanent and temporary staff (Example 8)
- Social security card of each worker providing evidence of social security and other insurances paid (Example 9)

Third Parties’ Rights

<table>
<thead>
<tr>
<th>Legal category</th>
<th>Economic forest plantation – Cash tree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.13 Customary rights</td>
<td>Not applicable</td>
</tr>
<tr>
<td>1.14 Free, prior and informed consent</td>
<td>Not applicable</td>
</tr>
<tr>
<td>1.15 Indigenous peoples’ rights</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>
## Trade and Transport

### Legal category

#### 1.16 Classification of species, quantities, qualities
- Phytosanitary certificate ([Example 12](#))
- Transportation permit ([Example 13](#))

#### 1.17 Trade and transport
- Business registration certificate
- Tax registration certificate ([Example 11](#))
- Phytosanitary certificate ([Example 12](#))
- Transportation permit ([Example 13](#))
- Delivery list
- Invoice
- Processing certificate

#### 1.18 Offshore trading and transfer pricing
- Contract between parent companies and their subsidiaries with the service content and payment for services indicated clearly
- Declaration form for import or export

#### 1.19 Customs regulations Import/ export(import/ export)
- Customs declaration registration approval certificate for customs declaration company ([Example 14](#))
- Customs declaration registration approval certificate for consigner and consignee of import/ export goods
- Phytosanitary certificate ([Example 12](#))
- Species of origin certificate (for importing)
- Packaging list (for exporting)
- Bill of lading (for importing)

#### 1.20 CITES
- Collection permit for national or local key protected plants
- CITES import/ export permission certificate
Below are listed some examples of key documents that can be used to mitigate legality risks for timber in China as identified in the Timber Risk Assessment and the Risk Mitigation Guide.

The image of each of the documents is followed by a description of the purpose and content of the document, to whom the document is applicable, who issues and signs the document – as well as key considerations when checking the validity of the document and using it when doing due diligence on one’s timber supply chain. Lastly, an example of the document is presented with translation of the main focus areas.

Example 1: Forest tenure certificate
Example 2: Forest management plan
Example 3: Harvesting permit
Example 4: VAT invoice
Example 5: Accident records and related administrative procedures and measures
Example 6: Work permit for special occupations
Example 7: Salary payment records
Example 8: Employment contracts
Example 9: Records of social insurance and social security card
Example 10: Business registration certificate (issued after 1 October 2015)
Example 10a: Business registration certificate (issued prior to 1 October 2015)
Example 11: Tax registration certificate
Example 12: Phytosanitary certificate (for export)
Example 13: Transportation permit
Example 14: Customs declaration registration approval certificate for customs declaration company (Registration form of external trade proprietor)
Example 1: Forest tenure certificate

Applicable to: All forest entities and forest farmers who manage forest in hilly areas or lease large areas for timber forest.

Exemption: Farmers are not required to obtain a forest tenure certificate when harvesting trees scattered around houses and planted on their family farmland. For information on how to verify the origin of timber from farmers, see Note 1, p. 40.

Purpose and content of document: A forest tenure certificate is evidence of use right and ownership of forest and forest land, and is also an important document for applying for a harvesting permit. Without a forest tenure certificate, the harvesting permit also cannot be issued. The contents of a forest tenure certificate includes: name of owner of forest or forest land, location of forest, species, area of forest, forest type, period of time managing the forest etc.

Holder of document: Forest entity and forest farmers

Document issued by: Local forest authority at county level or above

Signature/Seal required by: Local forest authority at county level or above

Key considerations when checking the document:
- Is the certificate still valid?
- Is the name of the owner the same as that on the harvesting permit?
- Is the name of the owner the same as that on the invoice/VAT invoice issued by the owner?
- Is the location the same as shown on the transportation permit (Example 13), i.e. the harvesting area from which the timbers are transported?
- Is the name the same as that shown in the business registration certificate?
- Is the species the same as shown in the harvesting permit?
- Is harvesting permitted within the forest type?
- Is the authority at or above county level?
Example of forest tenure certificate
Example 2: Approved forest management plan

Applicable to: All forest entities and forest farmers who manage forest in hilly/mountainous areas or lease large areas for timber forest.

Exemption: Farmers and small collective forest organisations are not required to compile a forest management plan; the local forest authority (normally at county level) will compile one forest management plan which covers all the forest in its administrative jurisdiction.

Purpose and content of document: The forest management plan is an important basis for forest management, harvesting, monitoring, production and other management activities. Compilation and implementation of the approved plan is a legal requirement for all forest management organisations. Forest management plans are recognised at three levels:

- Level 1 is for State-owned forest entities, nature reserves or forest parks of key national importance, or other forests with ecological importance;
- Level 2 is for large-scale forest entities or collective forests; level 2 could be compiled with the help of the local forest authority and is a simpler document than Level 1;
- Level 3 is for other small collectives and entities. For Level 3, the local forest authority compiles one forest management plan which covers all the small collective forests and small forest entities (smallholders). The small entities or collective forest organisations are not required to compile the plan nor apply for approval because the local forestry authority does this on their behalf.

Holder of document: Forest management entities or local forest authority at county level

Document issued by:
- Level 1
  - State-owned forestry bureaus, forest farms, forest entities, protected natural forest, etc.
- Level 2
  - Large-scale collective forest and forest entities
- Level 3
  - Small-scale collective forest and entities including individuals who lease land for timber plantations

Signature/Seal required by: Local forest authority at county level or above

Key considerations when checking the document:
- Is the plan approved?
- Is the plan valid?
- Is the allowable harvesting volume indicated?
- Based on the calculation in the plan, is the harvest volume lower than the growth rate?
- Is harvesting permitted within the forest type?
- Is there any natural protected area?
- If applicable, is there any measure of protecting the above area?
Example of forest management plan
Example 3: Harvesting permit

Applicable to: All forest entities and some individual farmers (depending on province) who lease large areas to establish timber plantations or who have hilly forests (that is, not small areas of trees planted on farmland or around houses).

Exemption: Farmers are not required to obtain a harvesting permit when harvesting trees scattered around their houses or farmland. For information on how to verify the origin of timber from farmers, see Note 1, p. 40.

Purpose and content of document: The harvesting permit is required prior to harvesting and provides evidence of legal harvesting. Permits according to source type and scale of forest area are issued by different authorities. While harvesting trees, holders must act according to the required time, area, species, and measures of the permit to harvest forest. Contents of the harvesting permit include permit code, harvesting location, species, forest tenure certificate code, harvesting area and stock volume, time period of harvesting and authorised organisation etc. For information on verification of an unlawful harvesting permit, see Note 2 below.

Harvesting permits tend to be valid for only three to six months and several are needed to cover one year of harvesting. However, the validity may vary according to harvesting volume: where the harvesting volume is larger, the permit may have longer validity.

Felled volume is defined as the total volume including branches and twigs; while mill run volume is only the volume of logs. Mu is a Chinese unit for area and not for volume.

Holder of document: Forest entity and farmers who lease large areas for timber plantations or manage hilly forest areas.

Document issued by: Documents are issued by different entities depending on the source of the timber:

- County Forestry Bureau:
  - County-owned forest farms
  - Collective forest
  - Forest farms

- Provincial Forest Department:
  - Provicially owned forest farms
  - Prefecture-owned forest farms or enterprises
  - Provisionally managed nature reserves or forest parks
  - Non-forestry units

- State Forestry Administration:
  - State-owned forest farms on forest management bureaus
  - Nature reserves or forest parks of key national importance, or other forests with ecological importance

Signature/seal required by: The document shall be issued and signed by the applicable authority (See “Document issued by” section above).

Key considerations when checking the document:
- Is the date on the document prior to the date of transport (verify with transportation permit, Example 13)?
- Has the signature been provided by the applicable authority?
What area and forest type (natural/plantation) is included in the harvesting permit?
Is the name of the holder the same as the seller’s name in the VAT invoice?
Is the harvesting volume equal to or greater than that in the invoice, transportation permit and phytosanitary certificate? See Example 13 (transportation permit)
Is the species the same as that in the invoice, transportation permit and quarantine certificate?
Is the date of harvesting earlier than the transportation date?
Is the harvesting location the same as or near to the starting place for transporting?

**Note 1: How to verify timber comes from farmers?**
Timber may come from farmers, and the verification of the origin in these cases depends on different provinces.

In some provinces such as Yunnan, Anhui and Sichuan, farmers are also required to apply for a harvesting permit as forest protection measures are more stringent than in other provinces. But in Shandong and Guangxi province, farmers are not required to apply for harvesting permits; however, they can voluntarily apply for an approval letter from the village leader. In some areas, farmers are encouraged to use the tax system to issue sales invoices as individuals; or alternatively companies that purchase timber from farmers can issue purchase invoices. In cases where no harvesting permit or approval letter exists, an invoice/sales receipt can be used to determine the origin of timber and may contain, for example, minimum information such as: name and location/address of seller, species, volume/number of logs, buyer details and date. Normally timber from farmers is low risk species, such as poplar, willow, eucalyptus, common miscellaneous tree species or cash trees such as fruit trees.

You can also visit [http://frps.eflora.cn/](http://frps.eflora.cn/) to check whether the species are in the province as claimed, as farmers normally plant local trees or cash trees around houses or in small plots as an additional income source.

**Note 2: How to verify an unlawful harvesting permit?**
Organisations may on occasion abuse harvesting permits (for example in situations where timber is illegally harvested or the origin is unknown), to attempt to state that timber is coming from a timber source from areas covered by a valid, legally issued harvesting permit. If the permit is legally issued, on the bottom of the permit is the issuing authority’s name and seal. There is currently no online or web system that can be used to verify whether the permit is issued legally or illegally; one has to check with the authority named on the seal to ask whether it is legal or not.

The applicable authority’s contact information can usually be found through an online search. Lower-level authorities can at times, however, be difficult to identify through an internet search. In such cases, higher-level authorities in the relevant province can be contacted to identify the applicable authority.

Additionally, cross checking the information on the harvesting permit, transportation permit (Example 13) and VAT invoice (Example 4) is also helpful – as all this information should match.
Example of harvesting permit

Forest harvesting permit

<table>
<thead>
<tr>
<th>Holder of permit</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Species</th>
<th>Harvest Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>356.8 立方米</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time of harvesting</th>
<th>Seal of issuing authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 年 1月 0日至 2015 年 1月 31日</td>
<td>省林业厅</td>
</tr>
</tbody>
</table>

Issuing time: 2015 年 1月 0日
Example 4: VAT invoice

**Applicable to:** All forest entities and some farmers (depending on province)

**Exemption:** Individuals who do not register as legal entities but are allowed to sell individual trees that are scattered or distributed on their land are not required to issue invoices. Forest management companies or individuals who sell their own products (for example, sales of roundwood to their own processing factory) are exempt from VAT, as the sellers sell the logs internally. Companies using residues to produce products are also not required to issue invoices.

**Purpose and content of document:** An invoice provides evidence of a goods transaction. A VAT invoice (Fapiao) can be evidence of a company paying the tax and tax reimbursement. A VAT invoice can be used to refund tax when exporting and in deducting output tax.

**Holder of document:** Forest entity

**Document issued by:** Normally the seller is the organisation to issue the invoice to a buyer. In China, VAT invoices have a uniform format and requirements, being printed and sold by designated tax authorities who monitor and supervise tax collection. Companies will purchase the blank template from their tax authorities. Following any transactions, companies fill in the necessary information such as price, total amount, name of product etc. on the blank template and issue it with the company seal. VAT invoices are printed by taxation authorities operating under the state council, while a normal invoice is printed by provincial tax authorities. Contents of the invoice include: invoice code, tax registration code (for both buyer and seller), invoice serial number, name and address of buyer and seller, product description, volume/quantity, and the seals of both buyer or seller.

**Signature required by:** The document shall be issued and signed by the seller.

**Key considerations when checking the document:**
- Does the document have the correct date?
- Does the volume or quantity match the transportation permit?
- Does the product description match the harvesting permit?
- Is the date of the document after the date of timber harvest?
- Are the names of the buyer or seller the same as on the transportation permit and business contract (if applicable)?
Example of VAT invoice

Note: Placement of the name and address of the buyer might change. For some invoices both the names of the seller and the buyer are on the top, while in others the seller can be at the top and buyer at the bottom (or the other way around). The key is to ensure that the information within the document corresponds to related documents.
Example 5: Accident records and related administrative procedures and measures

Applicable to: All forest entities

Exemption: Individual farmers asking relatives or neighbours to work in the forest are not required to provide accident records.

Purpose and content of document: Based on Chinese law, a company should record details of accidents including who was wounded, time, the seriousness of the accident, the reason, how the accident was dealt with and the result. The company responsible person is required to sign his or name name as the authority in the context of treatment of the injured person.

Holder of document: Forest entities

Document issued by: Forest entities

Signature required by: Forest entities

Key considerations when checking the document:
- Is the name of the wounded person recorded?
- Is it the time of the accident recorded?
- Is the reason for the accident described?
- Has the responsible person signed his or her name?
- What measures were taken to help?
Example of accident records

<table>
<thead>
<tr>
<th>Name of wounded</th>
<th>Time of accident</th>
<th>事故类别</th>
</tr>
</thead>
<tbody>
<tr>
<td>受伤者姓名</td>
<td>性别</td>
<td>年龄</td>
</tr>
<tr>
<td>健康状况</td>
<td>安全教育情况</td>
<td>伤害程度</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>事故经过</th>
<th>事故报告人:</th>
<th>年 月 日</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>事故主要原因</th>
<th>Reason of accident</th>
<th>Signature of responsible person</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>事故部门责任人签字:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>事故责任及处理意见</th>
<th>Signature of accident company Responsible person and time</th>
<th>事故调查结论</th>
<th>调查组代表签字:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>单位负责人签字:</td>
<td>年 月 日</td>
<td>年 月 日</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>安委会处理意见</th>
<th>年 月 日</th>
</tr>
</thead>
</table>
Example 6: Work permit for special occupations

Applicable to: All forest entities

Exemption: Individual farmers asking relatives or neighbours to work in the forest are not required to provide work permits for special occupations.

Purpose and content of document: In order to protect workers with special occupations, State Administration of Quality and Technical Supervision issues a work permit/card for these kinds of workers, to show that the person with the permit has been trained regarding the relevant techniques and legal requirements, and is qualified to carry out the work as required.

Holder of document: Workers with special occupations

Document issued by: State Administration of Quality and Technical Supervision

Signature/seal required by: State Administration of Quality and Technical Supervision

Key considerations when checking the document:
- Is the worker’s name on the card?
- Is the card valid?
- Is there a date for renewing qualification skills?
- Is the special work scope described?
Example of work permit for special occupations

Name of holder

Special work scope

Validity

Date for re-check of qualifications
Example 7: Salary payment records

**Applicable to:** All forest entities

**Exemption:** Individual farmers asking relatives or neighbours to work in the forest are not required to provide salary payment records.

**Purpose and content of document:** In order to make sure payment is not lower than local legal minimum, and staff received payment on time. Records of payment must therefore be kept. The contents of the payment records normally include: staff name, details of payments and total number of payments. If the company has not requested that a bank provides payroll services, the company will have its own list of records of payment, with the signature of each worker after each payment occurred.

**Holder of document:** Forest entities

**Document issued by:** Forest entities

**Signature required by:** Forest entities and paid staff.

**Key considerations when checking the document:**
- Is the correct date on the document?
- Are all the workers’ names on the list?
- Is the payment lower than local minimum wage?

NB Applicable minimum wage for a province can be found by contacting a local social insurance organisation.
Example of salary payment record

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Workers' Names</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The table contains information on salaries paid to various workers, with columns for their names and payment details.
Example 8: Employment contracts

Applicable to: All forest entities

Exemption: Individual farmers asking relatives or neighbours to work in the forest are not required to provide employment contracts.

Purpose and content of document: Based on China’s labour law, all entities need to sign an employment contract with workers (for both permanent and temporary staff). Content of the contract should include (at a minimum): name and address of both the employer and the employee/ worker, period of working, rate of payment, working conditions and occupational health protection, working scope, working time and vacation time, social insurance etc.

Holder of document: Forest entities and workers

Document Signed by: Forest entities and workers

Signature required by: Forest entities and workers

Key considerations when checking the document:
- Is the correct date on the document?
- Are payment details clear?
- Are the social benefits listed?
- Are the working time and vacation time appropriate?
- Are there any protection items for women and special occupations?
Example of employment contract

Labor Contract

Company name

甲方向(甲方单位)名称：
法定代表人(主要负责人)：
注册地址：
经营地址：

Worker’s name

乙方(劳动者)姓名：
性别：
出生年月：

居民身份证号码：
联系电话：

现居住地址：
邮编：

户口所在地：
邮编：

根据《中华人民共和国劳动合同法》以及有关法律、法规的规定，经甲乙双方平等自愿、协商一致，共同签订并履行本合同所列条文。

Working period

一、劳动合同期限（选择下列其中一项）

□本合同为固定期限劳动合同，合同期从 年 月 日起至 年 月 日止；其中试用期从 年 月 日起至 年 月 日止。

□本合同为无固定期限劳动合同，合同期从 年 月 日起；其中试用期从 年 月 日起至 年 月 日止。
Example 9: Records of social insurance and social security card

Applicable to: All forest entities

Exemption: Individual farmers asking relatives or neighbours to work in the forest are not required to provide records of social insurance.

Purpose and content of document: Entities are required to pay workers’ social insurance. Social insurance is paid by both company and worker. Normally workers pay about 10% of their wage, companies pay about 32%. The payment includes pension, unemployment, medical, working injury, and maternity benefits. Each worker will have a unique social insurance code and card as evidence of social insurance.

Holder of document: Forest entities hold the social insurance payment records and workers hold the card

Document signed by: Local Social Security Administration Department

Signature/seal required by: Local Social Security Administration Department

Key considerations when checking the document:
- Are all workers’ names on the payment list?
- Are all workers’ ID numbers on the payment list?
- Is the payment time correct (reflecting the requirement that, each month, both the company and workers need to pay)?
- Is each worker’s unique social insurance code listed on the payment list?
**Example of records of social insurance paid**

<table>
<thead>
<tr>
<th>Name</th>
<th>ID Code</th>
<th>SI code</th>
<th>Time</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01</td>
<td>男 510602200108</td>
<td>2200</td>
<td>7-8</td>
<td>1244.37</td>
</tr>
<tr>
<td>02</td>
<td>男 510602192501</td>
<td>2200</td>
<td>7-8</td>
<td>1244.37</td>
</tr>
<tr>
<td>03</td>
<td>男 513101193203</td>
<td>2200</td>
<td>7-8</td>
<td>1244.37</td>
</tr>
<tr>
<td>04</td>
<td>男 513101192912</td>
<td>2200</td>
<td>7-8</td>
<td>744.37</td>
</tr>
<tr>
<td>05</td>
<td>男 510602199912</td>
<td>2200</td>
<td>7-8</td>
<td>741.37</td>
</tr>
<tr>
<td>06</td>
<td>男 510181200001</td>
<td>2200</td>
<td>7-8</td>
<td>741.37</td>
</tr>
<tr>
<td>07</td>
<td>男 510181192912</td>
<td>2200</td>
<td>7-8</td>
<td>741.37</td>
</tr>
<tr>
<td>08</td>
<td>男 510181196504</td>
<td>2200</td>
<td>7-8</td>
<td>741.37</td>
</tr>
<tr>
<td>09</td>
<td>男 612301194002</td>
<td>2200</td>
<td>7-8</td>
<td>741.37</td>
</tr>
<tr>
<td>10</td>
<td>女 612301194405</td>
<td>2200</td>
<td>7-8</td>
<td>741.37</td>
</tr>
<tr>
<td>11</td>
<td>女 500383191506</td>
<td>2200</td>
<td>7-8</td>
<td>741.37</td>
</tr>
<tr>
<td>12</td>
<td>女 610383197004</td>
<td>2200</td>
<td>7-8</td>
<td>675.27</td>
</tr>
<tr>
<td>13</td>
<td>男 612301195003</td>
<td>2200</td>
<td>7-8</td>
<td>675.27</td>
</tr>
<tr>
<td>14</td>
<td>男 500383200001</td>
<td>2200</td>
<td>7-8</td>
<td>675.27</td>
</tr>
<tr>
<td>15</td>
<td>男 460201200209</td>
<td>2200</td>
<td>7-8</td>
<td>642.35</td>
</tr>
<tr>
<td>16</td>
<td>女 612421195401</td>
<td>2200</td>
<td>7-8</td>
<td>946.56</td>
</tr>
<tr>
<td>17</td>
<td>女 612421195101</td>
<td>2200</td>
<td>7-8</td>
<td>946.56</td>
</tr>
</tbody>
</table>

**Example of social security card**

![Social Security Card Example](image)
Example 10: Business registration certificate
(Issued after 1 October 2015)

Applicable to: All business entities

As of 1 October 2015, the business registration certificate, tax registration certificate and organisation code certificate have been combined into one certificate, which means that for a company established after 1 October 2015 there will be only one certificate. The new certificate will be referred to as a business registration certificate.

Transition period: From 1 October 2015 to 1 December 2017, registered companies established before 1 October 2015, should arrange for the three old certificates to be combined into one new certificate at the local authorities.

Purpose and content of document: The contents of the business registration certificate include: name and address of the company, type of the certificate, legal representative, amount of investment, valid period, issuing date, business scope etc. With the new certificate, there will be a unique social credit code which takes the place of the business registration number, tax registration number and organisation code (Example 11).

Holder of document: Forest entity

Document issued by: Local industry and commerce bureau at county level or above

Signature/Seal required by: Local industry and commerce bureau at county level or above

Key considerations when checking the document:

☐ Is the company name correct on the certificate?
☐ Is the name the same as that shown on the harvesting permit and VAT invoice?
☐ Is the product type correct for the business?
☐ Is the certificate valid?
☐ Is the unique social credit code the same as shown on the invoice?
☐ Is the business scope the same as on the business registration certificate?
Example of business registration certificate

Business registration certificate

Unique social credit code

Name and Address

Valid period

Seal of issuing authority
Example 10a: Business registration certificate

(Issued prior to 1 October 2015 and valid until 31 December 2017)

Applicable to: All business entities

Purpose and content of document: Based on Chinese company law, industry and commerce bureau of county or above level issued a business registration certificate to each established company in its administrative region. Contents of business registration license include: name and address of the company, type of the certificate, investor, issuing date, business scope, business registration number, registration organization etc.

Holder of document: Forest entity

Document issued by: Local industry and commerce bureau

Signature/Seal required by: Local industry and commerce bureau

Key considerations when checking the document:
- Is the name correct on the certificate?
- Is the name the same as shown in the harvesting permit and VAT invoice?
- Is the product type correct for the business?
- Is the certificate valid?
- Note: After December 2017, the old business registration certificate is no longer valid. All business registration certificates shall be issued in accordance with the requirements for the new business registration certificate (Example 10)
Example of business registration certificate

Company name and address

Validity of certificate

Seal of issuing authority
Example 11: Tax registration certificate

(Issued prior to 1 October 2015 and valid until 31 December 2017)

Applicable to: All business entities

Purpose and content of document: According to tax collection administration law of China, tax registration certificates are legally required as evidence of a company’s tax registration and bank account opening. Contents of the tax registration certificate are tax registration code, approval authority, name and address of taxpayer, business scope.

Holder of document: Forestry entities

Document issued by: National taxation authorities

Signature/Seal required by: Local taxation authorities at county level and national tax authorities

Key considerations when checking the document:
- Is the name the same as that shown on the business registration certificate?
- Is the tax registration code the same as that shown on the invoice issued by the tax registration certificate holder?
- Is the certificate valid?
- Is the business scope the same as it is on the business registration certificate?
Example of tax registration certificate

Tax registration certificate

Company name

Address

Scope of business

Seal of issuing authority
Example 12: Phytosanitary certificate (Export)

**Applicable to:** Forest entities who exporting timber to other countries.

**Purpose and content of document:** In order to prevent insect and disease associated with plant imports or exports, the local entry inspection and quarantine entities in China will carry out quarantine inspection and issue the phytosanitary certificate. The contents of this certificate include: name of consigner, address, product name, package information, origin of product, species of product and port of departure and destination.

Note: Phytosanitary certificates are also issued for transport within China and are issued together with the transportation permit. The phytosanitary certificates used within China are different to the phytosanitary certificates used for export.

**Holder of document:** Forest entities who exporting timber to other countries

**Document issued by:** Local entry inspection and quarantine of China

**Signature/Seal required by:** Local entry inspection and quarantine of China

**Key considerations when checking the document:**
- Is the name the same as that shown on the business registration certificate?
- Is the certificate still valid?
- Is the product name and the botanical/scientific name of the product (species name) correct?
Example of phytosanitary certificate (for export)
Example 13: Transportation permit

Applicable to: All forest entities

Exemption: Based on State Forestry Administration’s circular regarding strengthening the checks on timber transportation, only primary forest products including logs, sawn timber, bamboo timber and chips are subject to transportation permit requirements before transportation. Most secondary forest products are exempt from this kind of permit.

Purpose and content of document: Based on China’s forestry law, timber transported from one forest region to another forest region (county) requires a transportation permit. This document should ensure no mixing of legal with illegal timber during transportation. The contents of the permit include: series number of the license, authority issuing the license, supplier name and address, type of shipping, start and end points of transportation process, species, product type and specification, volume/quantity, valid period of transportation.

Holder of document: Transportation entities responsible for the transport of the timber

Document issued by: Transportation permits are issued by different levels of the forestry authority hierarchy, ranging from State Forestry Administration to county-level forestry bureaus, depending on the forest and importance of the region.

The Central Government determines the importance of each region.

Signature required by: Local forestry bureaus

Key considerations when checking the document:
- Is it the correct date on the document?
- Is the holder the same as that given in the harvesting permit?
- Is the volume equal to or lower than the harvesting permit volume?
- Is the time later than the harvesting time?
- Is the species the same as described on the harvesting permit?
- Is the starting location for transport in the same region as the harvesting location?
- Is the end point the same as the buyer claimed?
Example of transportation permit
Example 14: Customs declaration registration approval certificate for customs declaration company

(Registration form of external trade proprietor)

**Applicable to:** Forest entities who export timber to other countries

**Purpose and content of document:** All entities that have import and export business should register at Ministry of Commerce of China to obtain the right to import and export. The registration form shows that the holder has the right to legally import and export. The contents of the registration certificate are: name of the entity (both English and Chinese names), address, organisation code, contact information, business registration code etc.

**Holder of document:** Forest entities exporting timber to other countries

**Document issued by:** Ministry of Commerce

**Signature/Seal required by:** Local branches of Ministry of Commerce

**Key considerations when checking the document:**
- Is the name the same as on the business registration certificate?
- Is the business registration code the same as that appearing on the business registration certificate?
- Is the information in the custom registration system?
Example of Customs declaration registration approval certificate for customs declaration company
Supporting Legal Timber Trade is a joint initiative run by NEPCon with the aim of supporting timber-related companies in Europe with knowledge, tools and training in the requirements of the EU Timber Regulation. Knowing your timber’s origin is not only good for the forests, but good for business. The joint initiative is funded by the LIFE programme of the European Union and UK aid from the UK government.