



Outcome of Meeting of Dispute Resolution Committee on Complaints Relating to the MTCS-PEFC Certification of Gerenai and Ravenscourt FMUs

With reference to the complaints submitted by two non-governmental organisations (NGOs) on behalf of some native communities against the award of the Malaysian Timber Certification Scheme (MTCS)-PEFC forest management certificates to the Gerenai Forest Management Unit (FMU) and the Ravenscourt FMU in Sarawak, the Malaysian Timber Certification Council (MTCC) wishes to inform that the complaints had been duly deliberated by its independent Dispute Resolution Committee (DRC) in accordance with the Dispute Resolution Procedure (DRP) of the MTCS.

The complaints by KERUAN and the Gerenai Community Rights Action Committee (GCRAC) on the certification of the two FMUs were submitted in two separate letters in May 2021 to the DRC Chairman, Tan Sri Dato' Seri Dr Salleh Mohd Nor. The DRC Chairman, who, as a former member of the Human Rights Commission of Malaysia (SUHAKAM), is familiar with the issues faced by the native communities concerned, was of the view that the complaints had serious ramifications for the reputation of the MTCS and thus warranted consideration by the DRC. In accordance with the [MTCS Dispute Resolution](#)

Procedure (Document DRP 4/2019), Samling Group of Companies (Samling) representing the FMUs, and SIRIM QAS International Sdn. Bhd. (SIRIM QAS) were identified as the responding parties in the dispute and requested to submit their respective response briefs by 15 July 2021.

The DRC received a response brief from SIRIM QAS. However, due to a lawsuit that had been instituted by Samling in June 2021 which pertains to similar subject matters to that of the complaints received by MTCC, Samling requested for a deferment of the consideration by the DRC. In response to the reply by DRC, whose work is guided by the DRP, Samling subsequently informed MTCC of its position that it could not be a party to this DRC process.

Based on the response brief from SIRIM QAS and the feedback from Samling, the five-member DRC met via a virtual meeting on 28 July 2021 to deliberate on the complaints. The DRC noted the similarity in the subject matters raised in the complaints and the lawsuit, and therefore recognized its limitation in deliberating the matters raised as it could be deemed to interfere with the lawsuit. In view of this, the DRC focused its deliberations on the general aspects of the MTCS processes such as transparency and the complaint mechanism.

The DRC recognised that the gist of the complaints submitted were against the award of the MTCS-PEFC certificates by SIRIM QAS. It noted the institutional arrangement of the MTCS which comprises four entities, each with its own independent responsibilities and processes including complaint/conflict resolution procedures. The four entities are as follows:

1. MTCC as the National Governing Body that oversees the overall implementation of the MTCS and assumes the role as facilitator in the development of certification

- standards,
2. Certification Bodies (CBs) such as SIRIM QAS that conducts audits and makes decisions on the granting of certification under the MTCS;
 3. STANDARDS MALAYSIA which is the Accreditation Body that monitors the work of CBs; and
 4. Certification applicants such as the FMUs that implement the requirements of the certification standard.

In its response brief, SIRIM QAS elaborated on the procedure and activities conducted in the assessment of the FMUs concerned that had resulted in the award of the MTCS-PEFC certificates. The DRC noted that the complaints have rightly been submitted to SIRIM QAS, which would undertake subsequent action to verify whether the FMUs continue to fulfill the requirements for certification. In the case of Gerenai FMU, the DRC also noted that a major non-conformity had been raised by the auditors in the previous audit concerning the efficacy of the Community Representative Committee (CRC) of the FMU. The CRC which comprised representatives from all affected native communities was formed to facilitate engagement and ensure the flow of information between the FMUs and the communities. The adequacy and effectiveness of the CRC as a stakeholder consultation mechanism used by the FMUs would be assessed in the next audit.

The DRC acknowledged the inputs provided through the complaints and made some recommendations for further improvements in the operation of the MTCS. The outcome of the DRC deliberations was conveyed to the complainants and other relevant stakeholders through a letter dated 7 August 2021. In the letter, the DRC Chairman highlighted that *“certification is an on-going process that seeks to bring about*

continuous improvement in the implementation of sustainable forest management, which is a challenging but an important endeavour that requires the participation of all concerned parties.” He sought patience and participation of all stakeholders to allow the due process and improvements to take place as required under the scope of certification. Taking into consideration the views expressed by the complainants as well as the DRC’s recommendations, MTCC has updated its [website](#) to provide clearer guidance on the submission of complaints by stakeholders. MTCC encourages any concerned or affected party to make use of the mechanisms in place or contact MTCC for any additional information or clarification.

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