



Australian Government

Department of Agriculture



Finland

Country specific guideline for Finland

This guideline has been prepared by the Australian Government and the Government of Finland. It is intended to assist businesses importing regulated timber products from Finland into Australia in understanding the regulatory framework in Finland in order for them to carry out their due diligence obligations under the *Illegal Logging Prohibition Amendment Regulation 2013*, which supports the *Illegal Logging Prohibition Act 2012*.

This guideline was co-endorsed by the Australian and Finnish governments on 29 August 2014.

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What is required under the new law?

Australia's *Illegal Logging Prohibition Act 2012* (the Act) restricts the movement of illegally logged timber into Australia at the border, for imported timber and timber products, and at timber processing mills, for domestically grown raw logs.

The Act seeks to address the harmful environmental, social and economic impacts of illegal logging, including forest degradation, habitat loss and threats to sustainable livelihoods.

The Act defines 'illegally logged' as:

'in relation to timber, means harvested in contravention of laws in force in the place (whether or not in Australia) where the timber was harvested.'

The *Illegal Logging Prohibition Amendment Regulation 2013* (the Regulation) prescribes due diligence for the regulated community, that is, businesses importing regulated timber and timber products and Australian processors of domestic raw logs. Under the Regulation the regulated community has to undertake a due diligence process to minimise the risk of sourcing illegal logged timber.

Due diligence requirements for importers include the following steps:

Step 1: Information gathering

Step 2: Assessing and identifying risk against a timber legality framework (optional) or a country specific guideline (optional)

Step 3: Risk assessment (if required)

Step 4: Risk mitigation (if required)

Further information about the Act and the Regulation is available at the Australian Government Department of Agriculture's website (daff.gov.au/illegallogging).

This guideline is intended to assist an importer of regulated timber products from Finland into Australia to comply with the due diligence requirements of the Regulation.

Information or evidence listed in this guideline is not an exhaustive list of evidence or documentation required to satisfy due diligence requirements under the Regulation. The Regulation should be referred to for the information required to be gathered to satisfy due diligence requirements.

Information gathered by applying this guideline, along with any other information gathered in accordance with the Regulation, needs to be assessed in accordance with the processes outlined in the Regulation to identify the risk that a regulated timber product is, is made from, or contains illegally logged timber.

What timber and timber products are imported into Australia from Finland?

Finland is Australia's third most valuable supplier of paper products and seventh most valuable supplier of regulated timber products overall.

According to Australian and Finnish export statistics, the ten most valuable regulated timber products imported into Australia from Finland in 2012 were, by 4-digit Harmonized System (HS) tariff code:

Rank	HS code	Description
1	4810	Paper and paperboard, coated on one or both sides with kaolin (China clay) or other inorganic substances.
2	4802	Uncoated paper and paperboard, of a kind used for writing, printing or other graphic purposes.
3	4811	Paper, paperboard, cellulose wadding and webs of cellulose fibres, coated, impregnated, covered, surface-coloured, surface-decorated or printed.
4	4804	Uncoated kraft paper and paperboard, in rolls or sheets, other than that of 4802 or 4803.
5	4407	Wood sawn or chipped lengthwise.
6	4806 ¹	Vegetable parchment, greaseproof papers, tracing papers and glassine and other glazed transparent or translucent papers.
7	4412	Plywood, veneered panels and similar laminated wood.
8	4823	Other paper, paperboard, cellulose wadding and webs of cellulose fibres, cut to size or shape.
9	4409 ¹	Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped.
10	4805	Other uncoated paper and paperboard, in rolls or sheets, not further worked or processed.

¹Note that not all products falling within the 4409 and 4806 4-digit tariff codes are regulated timber products under the Regulation. Specifically, the following are regulated:

- 4409.10 – As 4409 above (coniferous)
- 4409.29 – As 4409 above (non-coniferous)
- 4806.20 – As 4806 above (greaseproof papers)
- 4806.30 – As 4806 above (tracing papers)
- 4806.40 – As 4806 above (glassine and other glazed transparent or translucent papers)

How is timber harvesting regulated in Finland?

Forest Act (1093/1996)

In Finland, timber harvesting is predominantly regulated by the Finnish *Forest Act* (1093/1996) (available at finlex.fi/fi/laki/ajantasa/1996/19961093), amended as (1085/2013) on 1 January 2014. The purpose of this Act is to promote the economically, ecologically and socially sustainable management and utilisation of forests so that the forests produce a good and sustainable output while their biological diversity is maintained.

This Act applies to the management and commercial utilisation of forests in areas classified as forestry land. It defines the minimum obligations required of forest owners in caring for their forests and the minimum restrictions on forest use. This Act is not, however, applicable in areas listed in Section 2(1).

According to this Act, the landowner or holder of the right of possession or other special right must make a Forest Use Declaration concerning their intention to carry out felling. A sample declaration, valid in both paper and electronic forms, is at [Attachment A](#) and is also available at metsakeskus.fi/sites/default/files/metsankayttoilmoitus_0.pdf.

Among the key elements of this Act is defining certain habitats of special importance and providing guidelines as to how these habitats may and should be managed. It lists a total of seven habitat groups where demanding and endangered species may occur. These so-called key biotopes may be considered as small conservation areas within commercial forests.

Nature Conservation Act (1096/1996)

In Finland, forest use is also restricted by the *Nature Conservation Act* (1096/1996) (available at finlex.fi/fi/laki/ajantasa/1996/19961096). The aim of this Act is to preserve the diversity of nature in Finland by ensuring that the favourable conservation status of different natural habitat types and native species is maintained or restored. Areas protected include, for example, national parks, strict nature reserves, strictly protected zones in wilderness areas, mires, old-growth and herb-rich forests, eskers, shores and waterfowl habitats.

EU Timber Regulation (EUTR) (995/2010) – Finnish timber

The *EU Timber Regulation (EUTR)* (995/2010) (available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:295:0023:0034:EN:PDF>) applies to operators who place timber or timber products on the EU market for the first time. In Finnish timber harvesting, forest owners are the 'operators'. The legality of Finnish timber is proven by the current control systems laid down in the Forest Act. The EUTR has applied to every EU country, including Finland, since 3 March 2013. The competent authority of the EUTR in Finland is the Rural Agency, Maaseutuvirasto.

The core of the control systems is the **Forest Use Declaration**. The declaration, together with a **Certificate of Measurement on Delivery**, constitutes the operator's due diligence system. These documents must be stored for at least five years.

The certificate of measurement on delivery, which has no standard format, is usually a form provided by the purchasing company. Certificates are confidential between the parties,

though Finnish competent authorities are able to obtain access to the documents if necessary. The law requires some standard information including: the parties (the seller and buyer); tree species and timber assortment (logs, pulp, energy wood, damaged trees); volume (by cubic metre); unit price per assortment; and the price and approval of the parties.

EU Timber Regulation (EUTR) (995/2010) - Imported timber

According to the EUTR, timber and wood product importers, or operators, shall exercise due diligence when placing timber or timber products from outside the EU on the EU market. The placing on the market of illegally harvested timber or timber products derived from such timber is prohibited. Therefore, operators must use a due diligence system when supplying timber or timber products to the EU market.

The due diligence system provides measures and procedures that enable the traceability of timber and timber products by the operators and access to information on compliance with the applicable legislation. Based on the information they have compiled, operators must assess the risks of any illegal activity in the entire preceding supply chain.

Specific legislation in relation to timber and timber product transport, possession or processing does not exist, but these activities are conducted in compliance with general rules and regulations. Imports and exports of timber and timber products are also regulated by the European Community customs law.

Other relevant legislation

Land Use and Building Act (132/1999)

According to Section 128(1) of the *Land Use and Building Act (132/1999)*, earthworks, tree felling or other similar actions altering the landscape may not be carried out in specified areas without a permit (restriction on action).

Timber Measurement Act (414/2013)

The *Timber Measurement Act (414/2013)* regulates the measurement of timber harvested in Finland. The purpose of this Act is to specify the measurement methods for unprocessed timber and ensure equipment performance and reliability of the measurement results. This Act also provides for a certificate of timber measurement.

A forest owner who sells standing trees receives the certificate of measurement from the buyer after the timber has been measured. The certificate shows the measured volumes of timber, the unit price by timber assortment, and the final sale price. The certificate is signed by both the seller and buyer.

Act on the Prevention of Insect and Fungi Damages in Forests (263/1991)

The aim of the *Act on the Prevention of Insect and Fungi Damages in Forests (263/1991)* is to ensure the good health of commercial forests. This Act is currently being amended.

Other

Specific timber trade legislation does not exist, but takes place in compliance with the general contractual and proprietary rights and tax laws and regulations.

No timber products are prohibited for export from Finland.

Indigenous people in Finland

The Sámi are the only recognised indigenous people within Finland and the EU.

Forestry principles in the Sámi region have been agreed in negotiations between Metsähallitus (a state enterprise which administers state-owned land and water areas), the Sámi Parliament and the Skolt Council. Specific agreements have been concluded with the reindeer herding cooperatives of the Sámi region on the use of forestry areas and on the exclusion of the most important pasturelands from forestry operations.

Metsähallitus and the Association of Reindeer Herding Cooperatives have signed a cooperation agreement which defines ways of reconciling forestry and reindeer husbandry.

Reindeer Husbandry Act (848/1990)

According to the Finnish *Reindeer Husbandry Act (848/1990)*, state lands situated north of the line marked on the map appended to this Act form an area specifically intended for reindeer herding. The land in this area may not be used in a manner that may significantly hinder reindeer herding.

Act on Metsähallitus (1378/2004)

According to Section 4(2) of the *Act on Metsähallitus (1378/2004)*, the management, use and protection of natural resources governed by Metsähallitus in the Sámi Homeland referred to in the *Act on the Sámi Parliament (974/1995)* shall be adjusted to ensure the conditions of the Sámi people to practice their culture, and the reindeer herding area referred to in the *Reindeer Husbandry Act (848/1990)* shall be adjusted to fulfilling its obligations.

Who should I contact for further information?



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Readers should also confirm that this is the most up-to-date available guideline by referring to the Department of Agriculture website.

