



2025/SOM1/EGILAT/008

Agenda Item: II.F

Update on New Zealand's Legal Harvest Assurance Regulations

Purpose: Information

Submitted by: New Zealand



**27th Experts Group on Illegal Logging
and Associated Trade Meeting
Gyeongju, Korea
26-27 February 2025**

Update on New Zealand's legal harvest assurance regulations

EGILAT, February 2025

New Zealand is committed to preventing the global trade in illegally harvested timber

The **purpose** of the legal harvest assurance system is to:

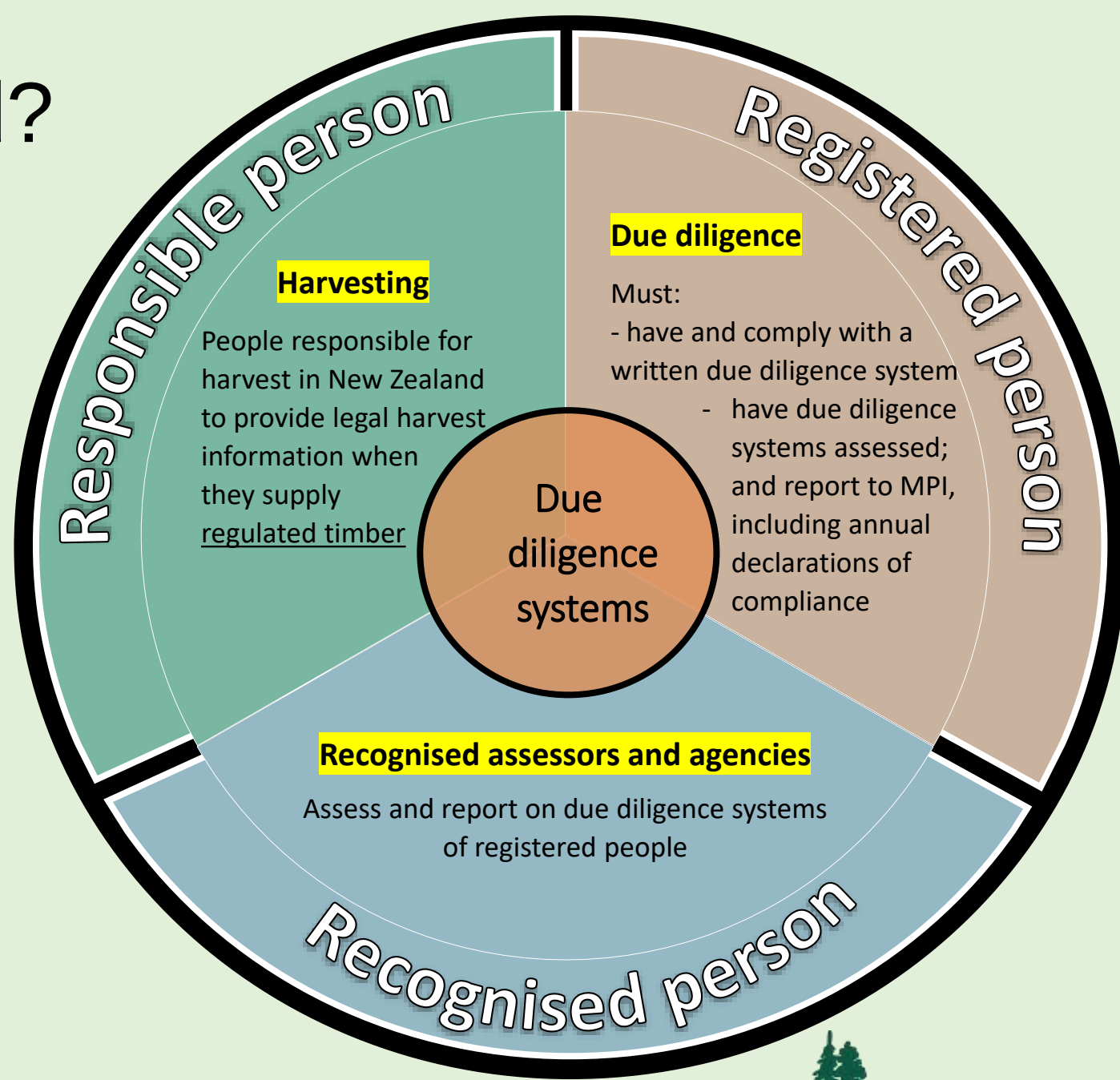
- reduce the risk of importing timber that is not legally harvested;
- help reduce international trade in timber that is not legally harvested;
- strengthen the international reputation of the forestry sector; and
- safeguard and enhance market access for the forestry sector



Who will be regulated?

The legislation covers **three groups** of people:

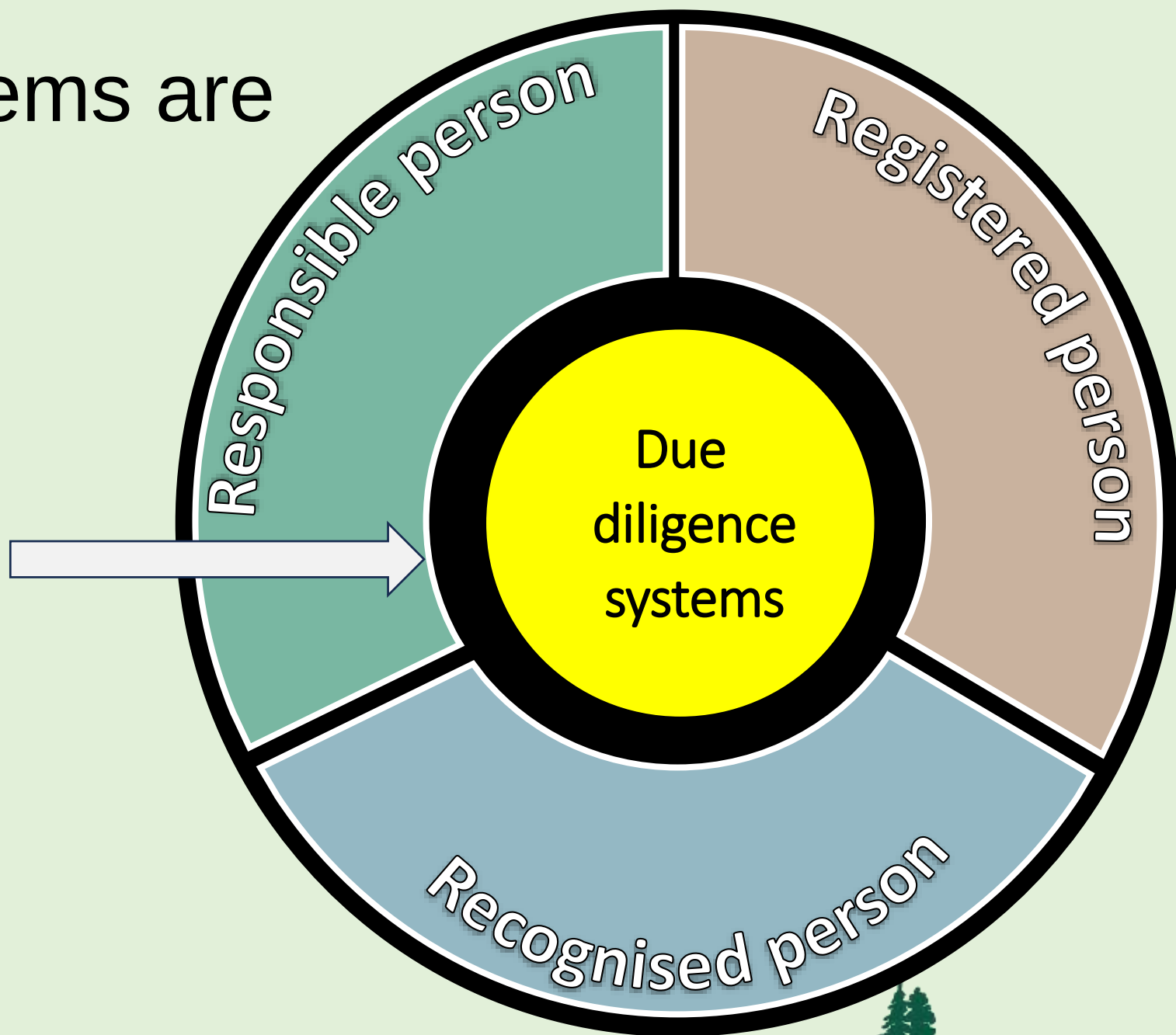
- People responsible for harvest in New Zealand;
- People who must register for legal harvest assurance and maintain a due diligence system;
- Recognised assessors and agencies.



Due diligence systems are the core tool

Due diligence systems **must:**

- effectively eliminate or minimise the risk of trading in illegally harvested timber.



How will the system work?

For specified timber products imported into New Zealand:

- Registered person conducts due diligence for “specified timber products”
- Specified timber products will be identified by Tariff Codes
- Due diligence systems are assessed by recognised assessor

For forests and regulated timber in New Zealand and exports:

- Responsible person must provide legal harvest information when supplying “regulated timber”
- Registered persons conducts due diligence
- Due diligence systems are assessed by recognised assessor
- Registered person may need to meet exporter requirements and can request an Exporter Statement

Regulating people and not the goods

- The system regulates the conduct of people trading in specified timber and timber products, not the goods themselves
- *Ensures there is a person accountable for due diligence to minimise the risk of illegally harvested timber entering the supply chain*
- It does not provide assurance that any specific timber item or consignment has been legally harvested
- It does not provide traceability



Timeline so far

19 May 2023: Forests (Legal Harvest Assurance) Amendment Act enacted

4 April – 6 June 2024: Issues Paper One for public feedback

19 July – 28 August 2024: Issues Paper Two for public feedback

28 November 2024 - 26 February 2025: Formal consultation on proposals for regulations and notices

August 2027: latest date the legal harvest assurance system can come into effect

What consultation covers

- Relevant NZ laws for the definition of “legally harvested”
- Scope of timber and timber products
- Obligations and requirements for regulated businesses, including exemptions and exceptions, registration, and information and record keeping requirements
- Due diligence system requirements
- Exporter statements
- Information displayed on public registers



Relevant laws for defining “legally harvested”

Definition: When the person who harvests the trees or woody plants:

- has the right to harvest them;
- has all necessary legal authority to exercise that right; and
- does not contravene the harvest laws of the *place or economy of harvest when carrying out the harvest*.

Proposal: Specify in a notice the land-use laws considered relevant to harvest in New Zealand, such as:

- Resource Management Act 1991; Forests Act 1949; Biosecurity Act 1993; Heritage New Zealand Pouhere Taonga Act 2014

The scope of regulated timber (domestic)

Regulated timber means:

the roots, stump, logs, branches, and leaves from—

- exotic species of New Zealand timber *unless ... excluded* by regulations; or
- indigenous species of *New Zealand timber ... included by regulations.*”

Timber means:

- trees (excluding cuttings, suckers, and shoots); and
- woody plants able to be milled; and
- includes branches, roots, and stumps of trees and other woody plants able to be milled, logs, woodchips, wood products, veneer, tree ferns, and tree fern fibre”

Proposal: Exclude leaves from exotic species in New Zealand.

The scope of specified timber products

Importers and exporters of specified timber products need to register for legal harvest assurance. Specified timber products must be identified by Tariff Codes.

Proposal:

- Tariff codes representing 99% of total export value and 98% of total import value from goods made from, or primarily made from, timber
- Most are HS Code chapters 44, 48; some from 46, 47, 49, 89, 94, and 95

Legal harvest information requirements

A legal harvest information (**statement**) is required from the person responsible for the harvest when they supply regulated timber in New Zealand as part of a business (are in trade).

Proposal:

- Timber species (genus and species in full) e.g. *Pinus radiata* following international code of nomenclature
- For each timber species:
 - an indicative start and end time period for the harvesting
 - the indicative quantity of timber harvested in cubic meters
- Exemptions for responsible persons for cultural use, use on the same property, and threshold quantity to be set

Legal harvest information requirements

Proposal (continued):

- GPS coordinates (and reference system used e.g., WGS84) and physical address of the property where the regulated timber was harvested
- name, contact details, and NZ business identifier
- a written and signed declaration that they have:
 - the right to harvest the trees or woody plants from which the timber derives;
 - all necessary legal authority to exercise the right to harvest; and
 - outlining the relevant harvest laws of a place or economy the regulated timber has been harvest in and that they have complied with these laws.

Record keeping by responsible persons

Proposal:

Record keeping requirements for responsible people include:

- legal harvest information they have supplied (including updates);
- who the legal harvest information was supplied to and when;
- in writing, either electronic, paper, or both;
- current and accurate;
- retained in a retrievable form for seven years after the record is created.

Businesses that need to register

Proposal: Businesses must register before they carry out any of the activities:

- buying logs grown in New Zealand
- exporting logs grown in New Zealand
- the first processing of regulated timber
- processing logs they have grown themselves
- importing or exporting a specified timber product
- acting as an agent for another business doing any of these activities

Registration requirements

When people apply to be registered, government must consider:

- whether the applicant is fit and proper to be registered
- their due diligence systems
- any other criteria set in regulations.

Proposal: matters to take into account for being fit and proper:

- the legal status of the applicant including that the person is legally permitted to operate in New Zealand
- whether the applicant has been in receivership or liquidation or subject to any other insolvency proceeding or process.

For the business and decision makers: any criminal convictions or civil penalties

For decision makers: disqualified from holding office as a company director or trustee.

Registration information requirements

When people apply to be registered, they need to provide information. Information is to be displayed on a public register.

Proposal:

- the person's name or trading name and contact details
- the person responsible for day-to-day management of the business
- information about their due diligence system
- information for the fit and proper person test
- other information to be shown on the public register:
 - any website; geographic regions of operation; and activities they are registered for, or have exemptions for.

Due diligence requirements

Registered persons must have a due diligence system that defines in writing the steps they will take to minimise or eliminate the risk of trading in illegally harvested timber or products containing timber.

Proposal: Information required as part of a due diligence system, for regulated timber or specified timber products:

- the legal harvest information
- the tariff code and description of the product; the common name, genus or scientific name for the timber/s in the product
- the place of economy of harvest
- contact details of any business or person that supplied the regulated timber / specified timber products; or any operator to whom the registered person supplies the regulated timber or specified timber product.

Businesses that do not need to register

Proposal:

Activities that are for cultural purposes only, such as carving:

- preparing timber for carving or other cultural practice
- undertaking the cultural practice
- importing, exporting, or otherwise buying a finished cultural piece.
- Activities / products regulated under the other acts (food, therapeutic products, medicines or beauty /cosmetic products)
- Activity exception thresholds:
 - NZD10,000 (USD5,500) excl GST per annum
 - Wood in the rough (logs, HS 4403) at 2,000m³ per annum

Recognising certification schemes

The Secretary may recognise a certification scheme to be used as part of a due diligence system where they are satisfied:

- the scheme has requirements that eliminate or minimise the risk of dealing in timber that is not legally harvested; and
- the scheme satisfies any other criteria set in regulations.

Proposal: Additional criteria certification schemes must meet:

- has standards and processes that are transparent;
- due diligence requirements of the certification scheme meet or exceed the any requirements for a due diligence system set in regulations;
- auditing process (including how the certification scheme deals with non-compliance) meets or exceeds the regulatory due diligence requirements.

Registered persons: record keeping

Proposal:

Once registered, registered persons must keep records of:

- the relevant legal harvest activities
- how due diligence system is applied, including records of information collected and risk assessments undertaken
- legal harvest information they receive, including updates, and who provided the legal harvest information
- if relevant, how they have complied with any exporter requirements.

Keep records that are:

- in writing, either electronic, on paper, or both
- current and accurate, and maintain previous versions of the records
- retain records in a retrievable form for at least 7 years

Registered persons: compliance declarations

Proposal:

A registered person must declare that:

- they are complying with their obligations as a registered person
- if any non-compliance has occurred, which obligations have not been complied with and how they are remedying the non-compliance
- for their most recent assessment of their due diligence system, the date and recognised assessor.

Export requirements

Export requirements can be created, but they:

- must directly relate to ensuring that a specified timber product is, or is made of, timber that is legally harvested;
- may include requirements set by NZ Government, and/or an overseas market;
- may relate to specified timber products and/or to classes of person

Proposal: None are proposed at this time

Exporter statements

Exporter statements:

- Government assurance given by Ministry for Primary Industries that a person is registered for legal harvest assurance and is complying with their obligations and any export requirements.

Proposal: Information required from applicants (registered persons):

- name and contact details for the person who is authorised to act on behalf of the business for its exporter statement application, and registration identifier
- compliance declarations that they are:
 - complying with the obligations of registration or an explanation of how any non-compliance has been remedied;
 - complying with any relevant export requirements or an explanation of how any non-compliance has been remedied.



Thank you for your attention

For more information:

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