

Timber Legality Risk Assessment Switzerland

Version 1.3 | November 2017



COUNTRY RISK
ASSESSMENTS



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The original document of FSC can be accessed here <https://ic.fsc.org/en/document-center>.

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Overview of legality risks

Timber Risk Score: 100 / 100 in 2017

This report contains an evaluation of the risk of illegality in Switzerland for five categories and 21 sub-categories of law. We found:

- **Specified risk for 0 sub-categories.**
- **Low risk for 16 sub-categories.**
- **No legal requirements for 5 sub-categories.**

The Timber Risk Score for Switzerland is 100 out of 100, and no legality risks have been identified in this report.

Timber source types and risks

There are three timber source types found in Switzerland. Knowing the “source type” that timber originates from is useful because different source types can be subject to different applicable legislation and have attributes that affect the risk of non-compliance with the legislation. We have analysed the risks for all source types and found that the risk is the same.

Production forest	Forest Management plan and/or sustainable harvest plan (at least) is required. Main source of timber.
Production forest with protection function	Forest Management plan and/or sustainable harvest plan (at least) is required
Reserves	Protected areas with maintenance. In complex protection areas, cuts are allowed for protection aims (e.g.: biodiversity): Forest Management plan and/or sustainable harvest plan is required. Limited source of timber.

This matrix summarises the findings of the timber legality risk assessment set out in this report.

Legal Category	Sub-Category	Risk conclusion
		All forest
Legal rights to harvest	1.1 Land tenure and management rights	Low
	1.2 Concession licenses	NA
	1.3 Management and harvesting planning	Low
	1.4 Harvesting permits	Low
Taxes and fees	1.5 Payment of royalties and harvesting fees	NA
	1.6 Value added taxes and other sales taxes	Low
	1.7 Income and profit taxes	Low
Timber harvesting activities	1.8 Timber harvesting regulations	Low
	1.9 Protected sites and species	Low
	1.10 Environmental requirements	Low
	1.11 Health and safety	Low
	1.12 Legal employment	Low
Third parties' rights	1.13 Customary rights	Low
	1.14 Free prior and informed consent	NA
	1.15 Indigenous/traditional peoples rights	NA
Trade and transport	1.16 Classification of species, quantities, qualities	Low
	1.17 Trade and transport	Low
	1.18 Offshore trading and transfer pricing	Low
	1.19 Custom regulations	Low
	1.20 CITES	Low
	1.21 Legislation requiring due diligence/due care procedures	NA

B. Overview of the forest sector in Switzerland

Thirty-two percent of Switzerland's land base (i.e. 1'308'000 ha) is covered by forests. Of the forests in Switzerland, 51% are production forests, 51% are protective forests against natural hazards, 17% are nature protection forests and 7% are drinking water protection forest (NFI, forest area by forest function divided by forest area). Notice that the forest can have more than one function at a time. Of the total area, 67.8% of forests are public owned and 32.2% are in private ownership (Annual yield, NFI, 2015). Conversion of forest land is prohibited, with some exceptions for infrastructure regulated by National Forest Act (Waldgesetz, WaG) and National Forest Ordinance (Waldverordnung, WaV).

Switzerland is a Federation of 26 States or Cantons. Forest management – guided by WaG and WaV – is controlled through 26 State forest offices supervised by the national forest department. The legislation does not permit clear-cutting. Timber harvesting is possible only with specific permission for selective cutting (WaG Art. 21) and normally in the presence, in the specific forest, of a certified forester involved in decisions as to which trees to cut; as well as determining the volume of wood. After cutting, the forest stand is monitored and the wood measured by a local forester. The law stipulates a fine for non-compliance (WaG Art. 43).

In about 50% of the private forests, the wood is sold without the assistance of the local forester, which means that, for about 86% of the total forest area, forest officers are involved in harvest and sale of timber.

As mentioned above, an approval is required to conduct harvesting. The harvesting permit is monitored and a new permit is not issued before the old one is correctly finished.

In 2016 Switzerland had a CPI of 86 (above the threshold of 50) and, according to the World Bank Worldwide Governance Indicators, – on a scale of -2,5 to 2,5 in 2015 – received a score of 2,01 for Government Effectiveness, 1,97 on Rule of Law and 2,17 on Control of Corruption, indicating the country has low corruption levels and a high degree of legal compliance.

C. Legality Risk Assessment

LEGAL RIGHTS TO HARVEST

1.1. Land tenure and management rights

Legislation covering land tenure rights, including customary rights as well as management rights that includes the use of legal methods to obtain tenure rights and management rights. It also covers legal business registration and tax registration, including relevant legal required licenses. Risk may be encountered where land rights have not been issued according to prevailing regulations and where corruption has been involved in the process of issuing land tenure and management rights. The intent of this indicator is to ensure that any land tenure and management rights have been issued according to the legislation.

1.1.1. Applicable laws and regulations

- The Portal of the Swiss Government (2016): Swiss civil code of December 10, 1907 'Grundbesitz', ZGB 210. Available at: <https://www.admin.ch/opc/de/classified-compilation/19070042/index.html> [Accessed on: 20 February 2017].
- Art. 942 ff (land tenure rights)

1.1.2. Legal authority

- Federal Office for the Environment (BAFU)
- 26 State forest offices (six French language offices; one Italian; two French/German; one Romansh/German; 16 German)
- No local authorities; some of the local foresters are part of the relevant State forest office

1.1.3. Legally required documents or records

- Land title document can be retrieved from the land register.
- Tax registration document (Mehrvirtssteuer)

1.1.4. Sources of information

Non-Government sources

- Expert consultation conducted by NEPCon, 2016 (Adrian Meyer – Deputy Chief Forester, Bern)
- Transparency International (2016): Transparency International's Corruption Perceptions. Available at: <https://www.transparency.org/country/CHE> [Accessed on 21 April 2017].
- World Bank (2015): Worldwide Governance Indicators. Available at: <http://info.worldbank.org/governance/wgi/#reports> [Accessed on 19 May 2016].

1.1.5. Risk determination

Overview of legal requirements

Swiss forests can be privately owned or publicly owned at communal, cantonal or State level. All 26 States (Cantons) have laws concerning legalisation of land register offices. Land sales

are routine and registered in the land registry; with every community having a register of plots and plot plans in a regional land register office.

Forest owners shall be registered for tax.

Description of risk

Land rights in Switzerland are well-established, with ownership information publicly available by request at the department of land registration.

- Even though it is legally possible, the State as a rule does not sell forest land and thus there is no transfer of forest land rights from State to private. Private owners do sell forest land, but this occurs rarely. A potential land transfer will be registered with the land registry.
- In 2016 Switzerland had a CPI of 86 (above the threshold of 50) and, according to the World Bank Worldwide Governance Indicators, – on a scale of -2,5 to 2,5 in 2015 – received a score of 2,01 for Government Effectiveness, 1,97 on Rule of Law and 2,17 on Control of Corruption, indicating the country has low corruption levels and a high degree of legal compliance.
- Switzerland is densely populated, with land often held in in the same family for generations; and as a result land boundaries are clearly established. Boundaries are marked on the ground with stones, with a clear view to the next stone. Close to the boundaries are trees that have been coloured on the boundary side as well as coloured posts. There is no major reporting of logging beyond formal boundaries (Expert consultation conducted by NEPCon, 2016).

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where laws/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.1.6. Risk designation and specification

Low risk

1.1.7. Control measures and verifiers

N.A.

1.2. Concession licenses

Legislation regulating procedures for the issuing of forest concession licenses, including use of legal methods to obtain concession license. Especially bribery, corruption and nepotism are well-known issues in connection with concession licenses. The intent of this indicator is to avoid risk related to situations where organizations are obtaining concession licenses via illegal means such as bribery, or where organizations or entities that are not eligible to hold such rights do so via illegal means. Risk in this indicator relates to situations where due process has not been followed and the concession rights can therefore be considered to be illegally issued. The level of corruption in the country or sub-national region is considered to play an important role and corruption indicators (e.g., Corruption Perception Index, CPI) should therefore be considered when evaluating risks.

1.2.1. Applicable laws and regulations

Not applicable – there are no concession licenses in Switzerland.

1.2.2. Legal authority

N.A.

1.2.3. Legally required documents or records

N.A.

1.2.4. Sources of information

N.A.

1.2.5. Risk determination

N.A.

1.2.6. Risk designation and specification

N.A.

1.2.7. Control measures and verifiers

N.A.

1.3. Management and harvesting planning

Any legal requirements for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring, as well as approval of these by competent authorities. Cases where required management planning documents are not in place or are not approved by competent authorities should be considered. Low quality of the management plan resulting in illegal activities may be a risk factor for this indicator as well.

1.3.1. Applicable laws and regulations

- Federal Swiss Confederation (1991): Waldgesetz 921.0 (WaG 1876, forest law). Available at: <https://www.admin.ch/opc/de/classified-compilation/19910255/201307010000/921.0.pdf> [Accessed on 20 February 2017].
Art. 20.2 (management planning by the States)
- National Forest Enactment (2016): (WaV 921.01) since 1891, version from 1991, Available: <https://www.admin.ch/opc/de/classified-compilation/19920310/201503010000/921.01.pdf> [Accessed on 21 February 2017].
Art. 18 (detail of planning for every forest owner)
- 26 State forest laws and 26 State forest enactments

1.3.2. Legal authority

- Federal Office for the Environment (BAFU)
- State forest offices (six French language offices, one Italian; two French/German; one Romansh/German; 16 German)
- No local authorities; some of the local foresters are part of the relevant State forest office.

1.3.3. Legally required documents or records

For every State/Canton: authorised management plan

1.3.4. Sources of information

Government sources

- Volkswirtschaftsdirektion des Kantons Bern (2016). Available at: <http://www.vol.be.ch/vol/de/index/wald/wald/waldbewirtschaftung/holzanzeichnung.html> [Accessed on 19 May 2016].
- Kanton, A (2016): Betriebsplanung. Available at: https://www.ag.ch/de/bvu/wald/waldbewirtschaftung/betriebsplanung/betriebsplanung_1.jsp [Accessed on 26 May 2016].
- BAFU (2015): Jahrbuch Wald und Holz. Bundesamt für Umwelt, Bern. Umwelt-Zustand Nr. 1520: 162 S. Available at: <http://www.bafu.admin.ch/publikationen/publikation/01833/index.html?lang+I18>. [Accessed on 20 February 2017].

Non-Government sources

- Expert consultation conducted by NEPCon, 2016 (Karl Büchel, Ingenieurbüro für naturgemässe Umgebungsentwicklung (natentwi))

1.3.5. Risk determination

Overview of Legal Requirements

The National Forest Law states that the Swiss Cantons must set the requirements of forest management planning, and the planning requirements thus differ from State to State. Generally, there are requirements to specify the planning content, the objectives of the planning, the nature of the procurement and planning principles, the planning and control process, as well as the periodic review of the management plans. Furthermore, the site conditions and the forest functions (as a minimum) shall be recorded in the forest management plan. The community shall be informed of the objectives and procedures and may review the plan and participate in an appropriate manner in its development. The spatial impact of forest planning shall also be included.

Description of Risk

The requirements relating to management and harvesting planning are the same in publicly owned and privately owned forests. Privately owned forests are generally small (1–10 ha), but bigger forest entities also exist. In some Cantons, part of the planning is supported financially. It is common for smaller forest owners to form a collective and contract a forester to do the planning for the group of forests. The planning requirements are the same for both collectives and single forests.

Planning is carried out by the forest owner/ manager and reviewed; and shall be accepted by the State forest office. A survey of the forest area is conducted both prior to and following harvesting. Almost all of the trees to be cut are marked by trained foresters with a university degree (FH or Fachhochschule) and the trees are counted and measured at the same time, with volumes therefore precisely known in advance of the cut.

The Federation and States /Cantons control the entire forest area and have adequate resources for such control in the forest offices/ services. The offices employ qualified

foresters and certified forest engineers to care for the forest management units (Art. 51 WaG Forest Law). External foresters are contracted if capacity is low within the forest department. The system is considered well implemented and harvesting planning is well implemented (Expert consultation conducted by NEPCon, 2016).

Risk Conclusion

This indicator has been evaluated as low risk. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.3.6. Risk designation and specification

Low risk

1.3.7. Control measures and verifiers

N.A.

1.4. Harvesting permits

Legislation regulating the issuing of harvesting permits, licenses or other legal document required for specific harvesting operations. It includes the use of legal methods to obtain the permit. Corruption is a well-known issue in connection with the issuing of harvesting permits. Risk relates to situations where required harvesting is carried out without valid permits or where these are obtained via illegal means such as bribery. In some areas, bribery may be commonly used to obtain harvesting permits for areas and species that cannot be harvested legally (e.g., protected areas, areas that do not fulfil requirements of minimum age or diameter, tree species that cannot be harvested, etc.). In cases where harvesting permits classify species and qualities to estimate fees, corruption and bribery can be used to classify products that will result in a lower fee. The level of corruption in a country or sub-national region is considered to play an important role and corruption indicators should therefore be considered when evaluating risks. In cases of illegal logging, harvesting permits from sites other than the actual harvesting site may be provided as a false proof of legality with the harvested material.

1.4.1. Applicable laws and regulations

- Federal Swiss Confederation (1991): Waldgesetz 921.0, 1876. Available at: <https://www.admin.ch/opc/de/classified-compilation/19910255/201307010000/921.0.pdf> [Accessed on 20 February 2017].

Art. 21 and 43

- 26 State forest laws and 26 State forest enactments

1.4.2. Legal authority

- Enactments Federal Office for the Environment (BAFU)
- 26 State forest offices (six French language offices; one Italian; two French/German; one Romansh/German; 16 German)
- No local authorities; some of the local foresters are part of the relevant State forest office.

1.4.3. Legally required documents or records

Harvesting permits are issued at State level and requirements can vary.

1.4.4. Sources of information

Government sources

Kanton, A (2016): Bewilligung für das Fällen von Bäumen im Wald beantragen. Retrieved from:

https://www.ag.ch/de/bvu/wald/waldbewirtschaftung/holznutzung/bewilligung_fuer_das_faellen_von_baeumen_beantragen_1.jsp [Accessed on 20 February 2017].

- Basel Landschaft (2016): Holzschlagsbewilligung. Available at: https://www.baselland.ch/fileadmin/baselland/files/docs/vsd/forstamt/waldrecht/merkblatt/holzschlaggesuch_privatwald_bl.pdf [Accessed on 20 February 2017].
- BAFU (2015): Jahrbuch Wald und Holz. Bundesamt für Umwelt, Bern. Umwelt-Zustand Nr. 1520: 162 S. Available at: <http://www.bafu.admin.ch/publikationen/publikation/01833/index.html?lang+I18> [Accessed on 20 February 2017].

Non-Government sources

- Expert consultation conducted by NEPCon, 2016 (Adrian L. Meyer, State Forest Office Bern) (Karl Büchel, Ingenieurbüro für naturgemässe Umgebungsentwicklung (natentwi))
- Transparency International (2016): Transparency International's Corruption Perceptions. Available at: <https://www.transparency.org/country/CHE> [Accessed on 21 April 2017].
- World Bank (2015): Worldwide Governance Indicators. Available at: <http://info.worldbank.org/governance/wgi/#reports> [Accessed on 19 May 2016].

1.4.5. Risk determination

Overview of Legal Requirements

Whoever wishes to cut trees must have permission from the forest offices (Art. 21 WaG Forest Law). Such permission requires that the rights of the owner are respected and that there is a basic right of objection by the owner or forest manager. The permit type – called 'Holzschlagbewilligung' – is the same for all forests and harvest types. According to Swiss forest law, however, the form of written permission is not fixed nationally and varies between Cantons.

In smaller Cantons, all volumes shall be covered by a harvesting permit (this applies also to harvesting for personal use), while in (for example) Bern, harvesting under 25 m³ per owner and year for personal use is exempt from permit requirements.

Private forests: The permit is issued only to the owners or someone contracted by the owner (forester or company). The forest owner will request approval by the forest office to cut trees. The forest official will inspect the forest with the forest owner and mark the trees to be cut and included in the permit. The forest owner can request harvest of specific trees if agreed with the forest official. Only selective cutting is allowed to take place.

Public forests: The forest agency can carry out their own harvesting, but it is common to contract companies to do the cutting. All trees to be cut will be marked by the forest agency.

Within the forest agency, special forest officers control harvest approvals, always ensuring that the approvals are reviewed by a forest official.

For both private and public forests, the lowest level of the hierarchy is the forester, who agrees with the owner what shall be cut. This is approved by the forest engineer (one level up), who must check against the planning document to ensure that volumes are correct, etc.

There are no fees associated with obtaining a harvesting permit.

Description of Risk

Harvesting wood without the required permits or felling license is not known to be an issue in Switzerland.

In 2016 Switzerland received as a Corruption Perceptions Index score 86 out of 100: well above the threshold of 50. This is supported by the OECD Anti-Bribery Convention (2011) with a rank of 8.8. out of 10, as well as the World Bank Worldwide Governance Indicators, which – on a scale of -2,5 to 2,5 in 2015 – received a score of 2,01 for Government Effectiveness, 1,97 on Rule of Law and 2,17 on Control of Corruption, indicating the country has low corruption levels and a high degree of legal compliance and low levels of corruption associated with issuing permits. There are no reports of corruption in connection with issuing forest sector permits, and governance and enforcement are considered reliable with on-site, follow-up control.

Forest officials regularly monitor the forest and thus, there is high awareness and control of the forests by both the public and the authorities. The forest sector in Switzerland is well networked among hunters, NGOs and the police; and it is therefore unlikely that illegal harvesting would occur without its being detected (Expert consultation conducted by NEPCon, 2016).

In the State/ Canton of Bern in the past ten years (2005–2015), only two cases of illegal forest activity have been raised by the forest authorities: In one case a fine was accepted and paid for over-harvesting, while the other (also over-harvesting) was brought to court and decided to the benefit of the accused as the cut was exclusively for personal use as firewood and thus considered legal. Thus, for Bern, the second biggest State in Switzerland with 190'000 ha forest and about 35'000 forest owners, there has been only one incident of cutting without a permit in a ten-year period (Expert consultation conducted by NEPCon, 2016). This reflects the general picture of very low-scale harvesting in contravention of the requirement for permits in Switzerland.

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where laws/ regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.4.6. Risk designation and specification

Low risk

1.4.7. Control measures and verifiers

N.A.

TAXES AND FEES

1.5. Payment of royalties and harvesting fees

Legislation covering payment of all legally required forest harvesting specific fees such as royalties, stumpage fees and other volume based fees. It also includes payments of the fees based on correct classification of quantities, qualities and species. Incorrect classification of forest products is a well-known issue often combined with bribery of officials in charge of controlling the classification.

1.5.1. Applicable laws and regulations

Not applicable. There are no forest harvesting-specific fees in Switzerland.

1.5.2. Legal authority

N.A.

1.5.3. Legally required documents or records

N.A.

1.5.4. Sources of information

N.A.

1.5.5. Risk determination

N.A.

1.5.6. Risk designation and specification

N.A.

1.5.7. Control measures and verifiers

N.A.

1.6. Value added taxes and other sales taxes

Legislation covering different types of sales taxes, which apply to the material being sold, including selling material as growing forest (standing stock sales). Risk relates to situations where products are sold without legal sales documents or far below market price resulting in illegal avoidance of taxes.

1.6.1. Applicable laws and regulations

- Swiss Federal Council (2016): Value Added Tax Act/VAT Act 2009 - 641.20 Federal Act of 12 June 2009 on Value Added Tax. Available at: <https://www.admin.ch/opc/de/classified-compilation/20081110/index.html> [Accessed on 20 February 2017].
- Swiss Federal Council (2016): Value Added Tax Ordinance/VAT Ordinance 2009 - 641.201 Ordinance of 27 November 2009 on Value Added Tax. Available at: <https://www.admin.ch/opc/de/classified-compilation/20091866/index.html> [Accessed on 20 February 2017].

1.6.2. Legal authority

- Federal tax administration (Eidgenössische Steuerverwaltung (ESTV))
- Municipalities (2500 villages and towns) have a fiscal administration (tax office)

1.6.3. Legally required documents or records

Disposition from tax offices.

1.6.4. Sources of information

Government sources

- Swiss Federal Council (2016): Steuerpflicht, massgebender Umsatz, Beginn der Steuerpflicht, Anmeldung. Eidgenössische Steuerverwaltung. Available at: <https://www.estv.admin.ch/estv/de/home/mehrwertsteuer/themen/steuerpflicht/allgemeine-informationen.html> [Accessed on 28 June 2016].

Non-Government sources

- Transparency International (2017): Transparency International's Corruption Perceptions. Available at: <https://www.transparency.org/country/CHE> [Accessed on 21 April 2017].
- World Bank (2015): Worldwide Governance Indicators. Available at: <http://info.worldbank.org/governance/wgi/#reports> [Accessed on 19 May 2016].
- Expert consultation conducted by NEPCon, 2016 (Christian Binggeli, SGS forestry)

1.6.5. Risk determination

Overview of Legal Requirements

Only companies with a total turnover of CHF 100'000 are required to pay tax. More-or-less every wood seller has a turnover above CHF 100'000, where timber sometimes only constitutes part of the income, and is registered and required by the fee administration to pay 8% VAT. There are no other sales taxes to be paid.

Companies who become liable for domestic tax must register voluntarily within 30 days at the Federal Tax Administration in Bern (Art. 66 para. 1 Value Added Tax Act). A company will receive its own business identification number (UID) and be registered as a taxpayer.

Annual taxes are included in the budget and yearly bill, which is approved by the Committee/ Meeting of owners and auditors. During tax audits, every bill and tax payment will be accounted for. For private forest owners without a formal business, the accounting requirements are not as strict. All enterprise benefits are regularly monitored, at least annually.

Description of Risk

Clear sales documents – with volume, species, origin and final prices paid – are required by the tax authorities and specific fiscal controls minimise the risk of abuse. Tax control is carried out regularly, based on a random sample. Tax and VAT administration are rigorously

managed by two separate authorities (Federal and Cantonal/ communal) (Expert consultation conducted by NEPCon, 2016).

In 2016 Switzerland had a CPI of 86 (above the threshold of 50) and, according to the World Bank Worldwide Governance Indicators, – on a scale of -2,5 to 2,5 in 2015 – received a score of 2,01 for Government Effectiveness, 1,97 on Rule of Law and 2,17 on Control of Corruption, indicating the country has low corruption levels and a high degree of legal compliance.

VAT and sales taxes are considered to be effectively monitored and enforced (Expert consultation conducted by NEPCon, 2016).

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where laws/ regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.6.6. Risk designation and specification

Low risk

1.6.7. Control measures and verifiers

N.A.

1.7. Income and profit taxes

Legislation covering income and profit taxes related to the profit derived from sale of forest products and harvesting activities. This category is also related to income from the sale of timber and does not include other taxes generally applicable for companies or related to salary payments.

1.7.1. Applicable laws and regulations

- Swiss Federal Council (2016): Federal law on direct federal tax - 642.11 Federal Act on Direct Federal Tax (DBG) of 14 December 1990. Available at: <https://www.admin.ch/opc/de/classified-compilation/19900329/index.html>. [Accessed on 20 February 2017].
- 26 forest tax laws

1.7.2. Legal authority

- Federal tax administration (Eidgenössische Steuerverwaltung (ESTV))
- Municipalities (2500 villages and towns) have a fiscal administration (tax office)

1.7.3. Legally required documents or records

Disposition from tax offices

1.7.4. Sources of information

Government sources

- Swiss Federal, State and Communal administration (2016): Steuern zahlen. Available at: <https://www.ch.ch/de/steuern-zahlen/#ancre2> [Accessed on 7 June 2016].

- Steuerstandort Schweiz (2010–2016). Einleitung zum Steuerstandort Schweiz. Available at: <http://www.steuerstandort.ch/> [Accessed on 28 June 2016].

Non-Government sources

- Transparency International (2017): Transparency International's Corruption Perceptions. Available at: <https://www.transparency.org/country/CHE> [Accessed on 21 April 2017].
- World Bank (2015): Worldwide Governance Indicators. Available at: <http://info.worldbank.org/governance/wgi/#reports> [Accessed on 19 May 2016].
- Expert consultation conducted by NEPCon, 2016 (Christian Binggeli, SGS forestry)

1.7.5. Risk determination

Overview of Legal Requirements

Companies shall be tax registered. All wood sellers have to pay income taxes in Switzerland, with this requirement rigorously controlled by the fee administration. The rate of income tax differs, ranging between 8% and 16% depending on personal circumstances. Tax transactions are completed online.

Since 1 January 1993, the Tax Harmonisation Act has been in place. The purpose of the legislation is to develop formal harmonisation for the tax laws of the 26 Cantons and 2500 municipalities. However, tax rates and tax allowances are still not harmonised: each Canton has its own tax legislation, charging income, asset, profit, capital, source and capital gains taxes. The municipalities have tax jurisdiction in those cases where Cantonal law allows. The municipalities receive an income tax as a percentage of the Cantonal income tax rate.

Description of Risk

Clear sales documents – with volume, species, places and final prices paid – are required by the tax authorities and specific fiscal controls minimise the risk of abuse. Tax control is carried out regularly, based on a random sample. Tax and VAT administration are rigorously managed by two separate authorities (Federal and Cantonal/communal) (Expert consultation conducted by NEPCon, 2016).

In 2015 Switzerland had a CPI of 86 (above the threshold of 50) and, according to the World Bank Worldwide Governance Indicators – on a scale of -2,5 to 2,5 in 2014 – received a score of 2,13 for Government Effectiveness, 2,02 on Rule of Law and 2,19 on Control of Corruption, indicating the country has low corruption levels and a high degree of legal compliance.

VAT and sales taxes are considered to be effectively monitored and enforced (Expert consultation conducted by NEPCon, 2016).

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where laws/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.7.6. Risk designation and specification

Low risk

1.7.7. Control measures and verifiers

N.A.

TIMBER HARVESTING ACTIVITIES

1.8. Timber harvesting regulations

Any legal requirements for harvesting techniques and technology including selective cutting, shelter wood regenerations, clear felling, transport of timber from felling site and seasonal limitations etc. Typically this includes regulations on the size of felling areas, minimum age and/or diameter for felling activities and elements that shall be preserved during felling etc. Establishment of skidding or hauling trails, road construction, drainage systems and bridges etc. shall also be considered as well as planning and monitoring of harvesting activities. Any legally binding codes for harvesting practices shall be considered.

1.8.1. Applicable laws and regulations

- Federal Swiss Confederation (1991): Waldgesetz 921.0, 1876. Available at: <https://www.admin.ch/opc/de/classified-compilation/19910255/201307010000/921.0.pdf> [Accessed on 20 February 2017].
Art. 21 (Tree cutting)
Art. 22 (Clear-felling Prohibited)
Art. 43 (Violations)
- National Forest Enactment (2008): Waldverordnung 921.01, 1891. Version from 1991. Available at: <https://www.admin.ch/opc/de/classified-compilation/19920310/201503010000/921.01.pdf> [Accessed on 20 February 2017].
Art. 13 (Forest Roding only Permitted Following Planning Permission)
Art. 18, 19 (Forest Planning and Authorised Activities in the Forest)
Art. 20 (Clear felling Definition)

1.8.2. Legal authority

- Federal Office for the Environment (BAFU)
- 26 State forest offices (six French language offices; one Italian; two French/German; one Romansh/German; 16 German)

1.8.3. Legally required documents or records

- Harvesting permits are issued at State level and requirements can vary.
- Rodungsbewilligung – Authorisation for conversion of forest
- Authorisation for construction (Baubewilligung) and EIA (UVP) (For conversion and constructions of roads, bridges, etc.)

1.8.4. Sources of Information

Government sources

- BAFU (2005): Nachhaltigkeit und Erfolgskontrolle im Schutzwald. [online] Available at: <http://www.schutzwald->

[schweiz.ch/tl_files/gebirgswald/de/02_NaiS/00_Hauptteil/00_Gesamt/NaiS_D_A_Hauptteil.pdf](https://www.transparency.org/country/CHE)

Non-Government sources

- Transparency International (2017): Transparency International's Corruption Perceptions. Available at: <https://www.transparency.org/country/CHE> [Accessed on 21 April 2017].
- Expert consultation conducted by NEPCon, 2016 (Adrian L. Meyer, State Forest Office Bern) Karl Büchel, Ingenieurbüro für naturgemässe Umgebungsentwicklung (natentwi))

1.8.5. Risk determination

Overview of Legal Requirements

Clear-cutting is prohibited in Switzerland, with only selective cutting allowed. Harvesting in winter is carried out mostly at altitudes lower than 800 m, and at altitudes of 800–2000 m above sea level in summer. The cutting technique is not regulated, but machinery is permitted only on skidding lines, cable cranes or forest roads. The maximum permissible cut over a ten-year period is the incremental increase in stock in a period calculated in advance as allowable cut and controlled by the authorities. The average stock in Switzerland, 351 m³ per hectare, is partially reduced to compensate for the risk of economic losses from (e.g.) snowfall and storms.

Harvesting on slopes and harvesting in protected forest is clearly regulated in Switzerland by NaiS ("Nachhaltigkeit und Erfolgskontrolle im Schutzwald"; BAFU (ed.) 2005).

Description of Risk

Harvesting is strictly regulated, with forest officials controlling the harvest site before and after harvest. The results from forest control activities are not made publicly available.

Forest officials regularly monitor the forest and there is high awareness and control of the forests by both the public and the authorities. The forest sector in Switzerland is well networked among hunters, NGOs and the police; and it is therefore unlikely that illegal harvesting would occur without its being detected (Expert consultation conducted by NEPCon, 2016).

In the State/ Canton of Bern in the past ten years (2005–2015), only two cases of illegal forest activity have been raised by the forest authorities: In one case a fine was accepted and paid for over-harvesting, while the other (also over-harvesting) was brought to court and decided to the benefit of the accused as the cut was exclusively for personal use as firewood and thus considered legal. Thus, for Bern, the second biggest State in Switzerland with 190'000 ha forest and about 35'000 forest owners, there has been only one incident of cutting without a permit in a ten-year period (Expert consultation conducted by NEPCon, 2016). This reflects the general picture of very low-scale harvesting in contravention of the requirement for permits in Switzerland (Expert consultation conducted by NEPCon, 2016).

No control measures are required when the harvested volume is less than 25 m³ in total per forest owner. This timber is for own consumption and does not enter the commercial timber chain. Furthermore, due to the low volumes and general lack of evidence that harvesting regulations are being systematically violated, the lack of control does not raise concern.

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.8.6. Risk designation and specification

Low risk

1.8.7. Control measures and verifiers

N.A.

1.9. Protected sites and species

International, national, and sub national treaties, laws, and regulations related to protected areas allowable forest uses and activities, and/or, rare, threatened, or endangered species, including their habitats and potential habitats. Risk relates to illegal harvesting within protected sites, as well as illegal harvest of protected species. Note that protected areas may include protected cultural sites, including sites with historical monuments.

1.9.1. Applicable laws and regulations

- Federal Swiss Confederation (1999): CC 101 of 18 April 1999. Available at: <https://www.admin.ch/opc/en/classified-compilation/19995395/index.html> [Accessed on 20 February 2017].

Federal Swiss Confederation (2016): Articles of the Federal Constitution of the Swiss Confederation. Available at: <https://www.admin.ch/opc/en/classified-compilation/19995395/index.html> [Accessed on 20 February 2017].

Art. 77 (Forests)
Art. 78 (Protection of peatlands and wetlands of national importance)
Art. 79 (Protection of Fauna)
- Federal Swiss Confederation (1991): Waldgesetz 921.0, 1876. Available at: <https://www.admin.ch/opc/de/classified-compilation/19910255/201307010000/921.0.pdf> [Accessed on 20 February 2017].

Art. 20, 38 Reserves
- National Forest Enactment (1991): WaV 921.01, 1891. Version from 1991. Available at: <https://www.admin.ch/opc/de/classified-compilation/19920310/201503010000/921.01.pdf> [Accessed on 20 February 2017].

Art. 21, 41 Financing of Reserves
- 26 States have forest laws to protect and to support/promote protected areas.

1.9.2. Legal authority

- Swiss Federal Council (Bundesrat)
- Federal Office for the Environment (BAFU)

1.9.3. Legally required documents or records

- Decree of the State or Federal Government for protection
- Authorized, management plan for protected sites
- Project document (how to protect species and how to operate; can be attached to the management plan)
- Harvesting license

1.9.4. Sources of Information

Government sources

- Federal Office for the Environment, Bern (2014): Switzerland's Fifth National Report under the Convention on Biological Diversity. 132 pp. Available at: http://www.sib.admin.ch/fileadmin/chm-dateien/dokumentation/Publikationen_2014/Switzerland_5th_National_Report.pdf [Accessed on 20 February 2018].

Non-Government sources

- Expert consultation conducted by NEPCon, 2016 (Christa Glauser, Schweizer Vogelschutz SVS/BirdLife Schweiz) and 8 (Jörg Rüetschi, WWF Bern)

1.9.5. Risk determination

Overview of Legal Requirements

No harvesting is allowed in protected areas, and special approval is required for harvesting within forest reserves where limited harvesting is allowed for maintenance.

In regular production forests, High Conservation Values (HCV) shall be preserved. HCV areas are mapped by the forest service at Canton level. The HCV maps are publicly available. To avoid public attention and potential disturbance of, for example, nesting sites, the locations of some key HCV are known only to the relevant forester. An HCV evaluation includes independent specialists and the State offices for nature protection. The key biotopes and HCVs are mapped; with the requirement to protect as well as (in most cases) publicise them.

Description of Risk

Foresters visit all forests before and after harvesting. Special approval is required for harvesting within forest reserves, with such approval permitted only for management purposes. In some instances, information on HCV is not made public, as there is a risk of disturbance by the public (e.g. nesting sites, etc.). The HCV that are not located in formal forest protected areas are mapped and protected within the forest management unit (FMU) in the same way as in the protected areas.

The first inventory of HCV in Swiss forests has been finalised, but an update is in progress. Protected biotopes in the forest are generally well-known by forest owners, forest officials, hunters and NGOs.

Biodiversity status reports are regularly being published by the Federal Office for the Environment under the Convention on Biological Diversity. While the trends recorded for different indicators of the ecological quality of forests ecosystems (such as structural

diversity, volume of standing and lying deadwood, natural regeneration) are considered satisfactory, a decline is still observed for many species (insects, mushrooms, lichens). While the report concludes a need for further conservation measures, there are no indications of the current legislation being violated (BAFU (ed.), 2014). Also, according to NGOs, there are no major cases of destruction of protected areas/ species (Expert consultation conducted by NEPCon, 2016).

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where laws/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.9.6. Risk designation and specification

Low risk

1.9.7. Control measures and verifiers

N.A.

1.10. Environmental requirements

National and sub-national laws and regulations related to the identification and/or protection of environmental values including but not limited to those relating to or affected by harvesting, acceptable level for soil damage, establishment of buffer zones (e.g. along water courses, open areas, breeding sites), maintenance of retention trees on felling site, seasonal limitation of harvesting time, environmental requirements for forest machineries, use of pesticides and other chemicals, biodiversity conservation, air quality, protection and restoration of water quality, operation of recreational equipment, development of non-forestry infrastructure, mineral exploration and extraction, etc... Risk relates to systematic and/or large-scale non-compliance with legally required environmental protection measures that are evident to an extent that threatens the forest resources or other environmental values.

1.10.1. Applicable laws and regulations

- Federal Constitution of the Swiss Confederation (2016): CC 101 of 18 April 1999. Available at: <https://www.admin.ch/opc/en/classified-compilation/19995395/index.html>. [Accessed on 20 February 2017].
Art. 73 (Sustainable Development)
Art. 74 (Environmental Protection)
Art. 77 (Forests)
Art. 78 (Protection of Peatlands and Wetlands of National Importance)
Art. 79 (Protection of Fauna)
Art. 120 and 197(7): GMO
- Federal Swiss Confederation (1991): Waldgesetz 921.0, 1876. Version from 1991. Available at: <https://www.admin.ch/opc/de/classified-compilation/19910255/201307010000/921.0.pdf> [Accessed on 20 February 2017].

Art. 4–7 (Clearing Ban)

- National Forest Enactment (1991): WaV 921.01, 1891. Version from 1991. Available at: <https://www.admin.ch/opc/de/classified-compilation/19920310/201503010000/921.01.pdf> [Accessed on 20 February 2017].

Art. 4–11 (Clearing Procedure)

- Federal Constitution of the Swiss Confederation (2016): Regulation on Plant Protection (916.20) of 27 October 2010, interdict pesticide in the forest. Available at: <https://www.admin.ch/opc/de/classified-compilation/20101847/index.html> [Accessed on 20 February 2017].

1.10.2. Legal authority

- Federal Department of Environment, Transport, Energy and Communications
- Federal Office for the Environment (BAFU)
- Federal Commission for the Protection of Nature and Cultural Heritage (ENHK)

1.10.3. Legally required documents or records

- Authorized management plan
- Document on protection project confirmed by the owner, the community, and (possibly) the State and the Federal Government (for subsidies).
- Harvesting license

1.10.4. Sources of information

Government sources

- Federal Office for the Environment, Bern. (2014): Switzerland's Fifth National Report under the Convention on Biological Diversity. 132 pp. Available at: http://www.sib.admin.ch/fileadmin/chm-dateien/dokumentation/Publikationen_2014/Switzerland_5th_National_Report.pdf [Accessed on 20 February 2017].
- ENHK (2014), Bundesamt für Umwelt (2016), Eidgenössische Natur- und Heimatschutzkommission, 3003, Bern. (2014): Jahresbericht 2014. Available at: http://www.enhk.admin.ch/fileadmin/enhk-dateien/Jahresberichte/Jahresbericht_ENHK_2014.pdf [Accessed on: 20 February 2017].
- ENHK (2013), Bundesamt für Umwelt (2016), Eidgenössische Natur- und Heimatschutzkommission, 3003, Bern. (2014): Available at: http://www.enhk.admin.ch/fileadmin/enhk-dateien/Jahresberichte/Jahresbericht_ENHK_2013.pdf [Accessed on: 20 February 2017].
- ENHK (2012), Bundesamt für Umwelt (2016), Eidgenössische Natur- und Heimatschutzkommission, 3003, Bern. (2014): Jahresbericht 2014. Available at: http://www.enhk.admin.ch/fileadmin/enhk-dateien/Jahresberichte/Jahresbericht_ENHK_2012_d.pdf [Accessed on: 20 February 2017].

- ENHK (2011), Bundesamt für Umwelt (2016), Eidgenössische Natur- und Heimatschutzkommission, 3003, Bern. (2014): Jahresbericht 2011. Available at: http://www.enhk.admin.ch/fileadmin/enhk-dateien/Jahresberichte/Jahresbericht_ENHK_2011.pdf [Accessed on: 20 February 2017].
- ENHK (2010), Bundesamt für Umwelt (2016), Eidgenössische Natur- und Heimatschutzkommission, 3003, Bern. (2014): Jahresbericht 2010. Available at: http://www.enhk.admin.ch/fileadmin/enhk-dateien/Jahresberichte/Jahresbericht_ENHK_2010.pdf [Accessed on: 20 February 2017].

Non-Government sources

- Expert consultation conducted by NEPCon, 2016

1.10.5. Risk determination

Overview of Legal Requirements

The relevant laws and regulations provide protection for environmental values, soils, buffer zones, biodiversity, and water in all forms; and require seasonal limitations on harvesting as well as environmental restrictions on forest machinery. Pesticides and fertilisers are forbidden in the forest. Forest machinery is allowed only on special tracks (skidding lines, cable cranes and forest roads).

Description of Risk

In every forest, the forester provides instructions and controls forestry activities such that damage to the environment is minimised. If damage is identified as occurring during such control activities, the forest manager shall clarify how this has occurred and ensure restoration if possible; e.g. in the case of damaged soils. Consultation with NGOs (Birdlife Schweiz, WWF, Pro Natura) and annual reports by the Federal Office for Environment reveals no risks relating to systematic and/or large-scale non-compliance with legally required environmental protection measures – evident to an extent that threatens forest resources or other environmental values (Expert consultation conducted by NEPCon, 2016). Damage to soil and standing trees is non-systematic.

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.10.6. Risk designation and specification

Low risk

1.10.7. Control measures and verifiers

N.A.

1.11. Health and safety

Legally required personnel protection equipment for persons involved in harvesting activities, use of safe felling and transport practice, establishment of protection zones around harvesting sites, and safety requirements to machinery used. Legally required safety requirements in relation to chemical usage.

The health and safety requirements that shall be considered relate to operations in the forest (not office work, or other activities less related to actual forest operations). Risk relates to situations/areas where health and safety regulations are consistently violated to such a degree that puts the health and safety of forest workers at significant risk throughout forest operations.

1.11.1. Applicable laws and regulations

Federal Swiss Confederation (1991): Waldgesetz 921.0, 1876. Version from 1991. Available at: <https://www.admin.ch/opc/de/classified-compilation/19910255/201307010000/921.0.pdf> [Accessed on 20 February 2017].

Art. 29, 30, 39

- National Forest Enactment (1991): WaV 921.01, 1891. Version from 1991. Available at: <https://www.admin.ch/opc/de/classified-compilation/19920310/201503010000/921.01.pdf> [Accessed on 20 February 2017].

Art. 34 (Apprenticeships for Casual Work)

- Federal Swiss Confederation (2016): Regulation on the prevention of accidents, VUV 1983, 832.30. Regulation on the Prevention of Accidents and Occupational Diseases of 19 December 1983. Available at: https://www.admin.ch/ch/d/sr/c832_30.html [Accessed 20 February 2017].
- Federal Swiss Confederation (2016): Labour Code 1993, 822.113. Regulation 3 to the Labour Code, ArGV 3, health of 18 August 1993. Available at: https://www.admin.ch/ch/d/sr/c822_113.html [Accessed 20 February 2017].

1.11.2. Legal authority

- Federal Office for the Environment (BAFU)
- 26 State forest offices (six French language offices; one Italian; two French/German; one Romansh/German; 16 German)

1.11.3. Legally required documents or records

- Eidgenössische Koordinationskommission für Arbeitssicherheit EKAS (2005): Richtlinie Nr.2134 Waldarbeiten. Ausgabe 1.91. Available at: http://www.aln.zh.ch/internet/audirektion/aln/de/wald/schnellzugang/gemeinden/sicherheit/jcr_content/contentPar/downloadlist/downloaditems/ekas_richtlinie_2134.spooler.download.1301905918918.pdf/EKAS_Waldarbeiten.pdf [Accessed on 21 February 2017].
- Branchenlösung Forst (Solutions Forestry– Handbook)

1.11.4. Sources of information

Government sources

- Bundesamt für Umwelt BAFU (2006): Referat Werner Schärer, Chef Abteilung Wald, anlässlich der Auszeichnung vorbildlicher Forstbetrieb in Seon, vom 28 June 2006 (Referenz/Aktenzeichen: F221-1149). Available at: <http://www.suva.ch/forst-referat-schaerer-20060628.pdf> [Accessed on 21 February 2016].
- EKAS (2005): Richtlinie Nr. 2134 Waldarbeiten. Ausgabe 1.91. Available at: http://www.aln.zh.ch/internet/audirektion/aln/de/wald/schnellzugang/gemeinden/sicherheit/jcr_content/contentPar/downloadlist/downloaditems/ekas_richtlinie_2134.spooler.download.1301905918918.pdf/EKAS_Waldarbeiten.pdf

http://www.ekas.admin.ch/content/contentPar/downloadlist/downloaditems/ekas_richtlinie_2134.spooler.download.1301905918918.pdf/EKAS_Waldarbeiten.pdf [Accessed on 21 February 2017].

- Federal Department of Home Affairs (2016): Industry Solutions, EKAS Guideline 6508, 02 Forstwirtschaft. Available at: <http://www.ekas.admin.ch/index-de.php?frameset=22> [Accessed on 21 February 2017].

BAFU (2015): Indicator Accidents in the forestry sector. Zuletzt aktualisiert am: 26.01.2015. Available at: <http://www.bafu.admin.ch/umwelt/indikatoren/08606/08629/index.html?lang=en> [Accessed on 12 July 2016].

Non-Government sources

SUVA (2005): General website resources. Available at: <http://www.suva.ch/startseite-suva/die-suva-suva/medien-suva/medienmitteilungen-suva/2005/suva-zeichnet-forstbetriebe-aus/medienmitteilung-detail-suva.htm> [Accessed on 6 May 2016].

- SUVAPro (2008): Development of accident rates in the forest, 1975–2007. Available at: http://www.suva.ch/forst_unfallentwicklung_2008.pdf [Accessed on 21 February 2017].
- SuvaPro (2014): Ausbildungskonzept für Waldarbeiterinnen und Waldarbeiter Empfehlung der Arbeitsgruppe, Arbeitssicherheit. Available at: http://www.codoc.ch/fileadmin/files/Dokumente/Holzerkurse/140128_Mitteilung_d_AGAS_Empfehlung_Waldarbeiter.pdf [Accessed on 21 February 2017]
- SuvaPro (2015): Zeitreihen zum Unfallgeschehen nach Klasse. Version: 1.06.03 / 27.04.2015. Available at: http://www.unfallstatistik.ch/d/neuza/Suva_KI_d/WirtKI_BUV_42B.pdf [Accessed on 21 February 2017].
- Expert consultation conducted by NEPCon, 2016 (Adrian L. Meyer, Deputy Chief Forester, BE, Karl Büchel, Ingenieurbüro für naturgemässe Umgebungsentwicklung (natentwi) and Thomas Müller, SUVA)

1.11.5. Risk determination

Overview of Legal Requirements

The National Accident Insurance Institute (SUVA*) provides an occupational health and safety code (EKAS Richtlinie Nr. 2134 'Waldarbeiten'). This code is binding for organisations with forestry personnel. The Swiss Association of Forest Owners (Waldwirtschaft Schweiz) offers – with its forestry sector-specific program 'Solution Forestry' (Branchenlösung Forst) – a certification system ensuring the implementation of EKAS guidelines. Harvesting companies are contracted only if they are part of Branchenlösung Forst and thus in compliance with health and safety regulations. Thus, every team of forest workers, including private ones, has to fulfil the 'Branchenlösung forestry' (Industry solution). (Branchenlösung (Solutions for the Swiss Forest Industry) is a handbook of over 100 pages including forms for prevention, for accidents and to ensure correct procedures at work.) Every forest worker has to repeat the emergency rules for accidents in special classes and has to work with protective equipment. Every forest entity adapts the handbook and implements it with their own safety procedures; for example, to save injured persons in the forest and carrying out health and safety exercises with the hospital emergency team.

Description of Risk

Between 1970 and 1990, many accidents occurred in Swiss forests and a major campaign was initiated by SUVA and the forest offices. After 1990, the rate of forest accidents in Switzerland fell. In professional interactions, the focus on protection and awareness was and is still very high. However, in rural areas with traditional work conducted by farmers and private foresters, the safety regulations have at times been violated leading to significant risks for the workers as well as higher accident rates. However, the Federal government has been aware of this risk and a campaign ('Work Safety in Private Forests') was launched in 2006–2008 to lower the accident rate and to publicise the risks of having untrained personnel working in the forest.

Every State forest office has a register of accidents; and for every forest unit the safety risk factor is known and multiplied by the premium for the insurance (Expert consultation conducted by NEPCon, 2016).

In 2014 there were 311 accidents per 1000 forest workers. This number includes also minor accidents. One third of these accident victims were unfit for work for periods exceeding three working days. In 2015 there were 302 accidents out of 1000 forest workers (incl. minor accidents). Of these 104 accidents resulted in more than 3 days' absence. Invalidity as a result of accidents was 0,87 out of 1000 and 0,60 deaths out of 1000 forest workers (Expert consultation conducted by NEPCon, 2016). This accident rate is not considered to be low by the BAFU (BAFU 2015), and further campaigns showing the high level of focus on avoiding accidents (Forest Risk Behavior) especially target apprentices and private forests. Despite accidents taking place in the forest, the risk for illegalities within both public and private forests are considered low as the accidents is not a consequence of a lack of following legalisation.

* SUVA (Schweizerische Unfallversicherungsanstalt) is an independent, non-profit company under public law, providing obligatory insurance for forestry workers. In 1918, Suva opened its doors as the Swiss Accident Insurance Fund. As an insurer, SUVA is carrying out preventative work, training, and controlling legality.

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.11.6. Risk designation and specification

Low risk

1.11.7. Control measures and verifiers

N.A.

1.12. Legal employment

Legal requirements for employment of personnel involved in harvesting activities including requirement for contracts and working permits, requirements for obligatory insurances, requirements for competence certificates and other training requirements, and payment of social and income taxes withhold by employer. Furthermore, the points cover observance of minimum working age and minimum age for

personnel involved in hazardous work, legislation against forced and compulsory labour, and discrimination and freedom of association. Risk relates to situations/areas where systematic or large scale noncompliance with labour and/or employment laws. The objective is to identify where serious violations of the legal rights of workers take place, such as forced, underage or illegal labour.

1.12.1. Applicable laws and regulations

- Federal Swiss Confederation (1991): Waldgesetz 921.0, 1876. Version from 1991. Available at: <https://www.admin.ch/opc/de/classified-compilation/19910255/201307010000/921.0.pdf> [Accessed on 21 February 2017].
Art. 29, 30, 39.
- National Forest Enactment (1991): WaV 921.01, 1891. Version from 1991. Available at: <https://www.admin.ch/opc/de/classified-compilation/19920310/201503010000/921.01.pdf> [Accessed on 21 February 2017].
Art. 34 (Apprenticeships for Casual Work)
- Federal Swiss Confederation (2016): National Working law and Five Enactments, ArG 821 und 822 inkl. Verordnungen 1–5. Available at: <https://www.admin.ch/opc/de/classified-compilation/82.html> [Accessed on 21 February 2017].
- Federal Swiss Confederation (1993): Labour Code 822.113 Regulation 3 to the Labour Code ArGV 3, health, of 18 August 1993. Available at: https://www.admin.ch/ch/d/sr/c822_113.html [Accessed on 21 February 2017].
- ZGBOR Schweizerisches Zivilgesetzbuch und Obligationenrecht (2009): OR 322 Lohn und Sozialleistungen. Available at: <http://www.zgbor.ch/> [Accessed on 21 February 2017].
- Federal Swiss Confederation (1983): Regulation on the prevention of accidents, 832.30 Regulation on the Prevention of Accidents and Occupational Diseases of 19 December 1983. Available at: https://www.admin.ch/ch/d/sr/c832_30.html [Accessed on 21 February 2017].
- Federal Swiss Confederation (1995): GIG-Gleichstellungsgesetz. Available at: <https://www.admin.ch/opc/de/classified-compilation/19950082/index.html> [Accessed on 21 February 2017].

1.12.2. Legal authority

- SECO Staatssekretariat für Wirtschaft (2016): General webpage. Available at: <https://www.seco.admin.ch/> [Accessed on 21 February 2017].
- Federal Office for the Environment (BAFU)
- 26 State forest offices (six French language offices; one Italian; two French/German; one Romansh/German; 16 German)

1.12.3. Legally required documents or records

- Personal dossier with professional education and further training of every worker.
- Branchenlösung (Solutions for Forestry in Switzerland – Handbook):
 - Arbeitsvertrag und Stellenbeschreibung

- Branchenlösung II (03, Ausbildung)
- Branchenlösung II (08, Mitwirkung)
- Branchenlösung II (09_02, Gleichstellung)
- Branchenlösung II (09_03, Jugendschutz)

1.12.4. Sources of information

Non-Government sources

- **Expert consultation conducted by NEPCon, 2016** (Karl Büchel, Ingenieurbüro für naturgemässe Umgebungsentwicklung (natentwi))
- SuvaPro (2014): Ausbildungskonzept für Waldarbeiterinnen und Waldarbeiter Empfehlung der Arbeitsgruppe, Arbeitssicherheit, February 2014. Available at: http://www.codoc.ch/fileadmin/files/Dokumente/Holzerkurse/140128_Mitteilung_d_AGAS_Empfehlung_Waldarbeiter.pdf. [Accessed on 21 February 2017].

1.12.5. Risk determination

Overview of Legal Requirements

To work in Swiss forestry, a professional forest qualification is required. Private forest owners have to receive training relating to harvesting of timber. Every team of forest workers (including private teams) has to fulfil the Solutions for the Swiss Forest Industry 'Solution forestry' (Branchenlösung Forst) in detail. (Solution Forestry for the Swiss Forest Industry is a handbook of over 100 pages including forms for prevention, for accidents and to ensure correct procedures at work.)

The team leader (normally a certified forester) is responsible for legal requirements relating to employment of personnel involved in harvesting activities – including requirements for contracts and working permits, requirements for obligatory insurances, requirements for competency certificates and other training requirements. Legal requirements also include observance of minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour, discrimination, and freedom of association.

Description of Risk

Based on field experience, it is the experience that leading foresters are aware that forestry work is dangerous, and can be particularly so for non-professionals (Expert consultation conducted by NEPCon, 2016). Thus there are no major issues with non-professionals carrying out forest work (Expert consultation conducted by NEPCon, 2016). The Association of Forest Workers (VSF) is active and available for forest workers. The number of workers and entrepreneurs in the forest sector is limited and most are well-known to the foresters in charge.

There are no major known issues of forced, under-age or illegal labour, nor workers being mistreated (Expert consultation conducted by NEPCon, 2016). This includes issues with contracts and working permits, requirements for obligatory insurance, payment of social and income taxes.

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.12.6. Risk designation and specification

Low risk

1.12.7. Control measures and verifiers

N.A.

THIRD PARTIES' RIGHTS

1.13 Customary rights

Legislation covering customary rights relevant to forest harvesting activities including requirements covering sharing of benefits and indigenous rights.

1.13.1. Applicable laws and regulations

- Swiss Federal Council (1907): Swiss Civil Code of 10 December 1907, ZGB 210. Available at: <https://www.admin.ch/opc/de/classified-compilation/19070042/index.html> [Accessed on 21 February 2017].
- Federal Swiss Confederation (1991): Waldgesetz 921.0, 1876. Art. 699, free access to forest (including private forests). Available at: <https://www.admin.ch/opc/de/classified-compilation/19910255/201307010000/921.0.pdf> [Accessed on 21 February 2017].

Art. 15

Federal Swiss Confederation (1991): Ordinance on the Protection of Nature and Cultural Heritage (NHV 451.1) of 16 January 1991. Available at:

<https://www.admin.ch/opc/de/classified-compilation/19910005/index.html> [Accessed on 21 February 2017].

Art. 20, paragraph 1 (protection of mushrooms in Switzerland)

- Legislation of 26 States

1.13.2. Legal authority

Forest offices (at State, city or communal level)

1.13.3. Legally required documents or records

N.A.

1.13.4. Sources of information

Non-Government sources

- VAPKO (2014): Regulations on mushroom gathering in Switzerland. Available at: http://www.vapko.ch/phocadownload/public/DE/Oekologie/2014-08-26%20pilzsammelbestimmungen_in_der_schweiz.pdf [Accessed on 21 February 2017].
 - Expert consultation conducted by NEPCon, 2016 (Christian Binggeli, SGS forestry).

1.13.5. Risk determination

Overview of Legal Requirements

Access to the forest and the collection of wild berries, mushrooms, etc. is generally permitted, except under certain circumstances where the collection might be prohibited by the competent authority.

In general, the collection of mushrooms is permitted. It is generally forbidden to pick, dig, uproot, carry away, offer to sell, buy or destroy protected mushroom species.

Berries are not threatened in the forest, but the mushrooms are surveyed by private and State organizations and State decrees are made based on these surveys. Mushrooms cannot be collected in protected areas; and in the forest can only be gathered for personal use (sometimes a maximum of 2 kg applies).

Forest and forest roads can be used only for forestry vehicles. The Federal Council regulates the exceptions that exist for military and other public functions. The Cantons may allow forest roads to be used for other purposes if there are no conflicts with forest conservation or other public interests. The Cantons shall ensure the appropriate signage, barriers and the necessary checks.

Description of Risk

There are no indications that requirement of open access to the forests and the collection of mushroom and berries, etc. is being violated. The Swiss population respects the regulations relating to the collection of berries and mushrooms (Expert consultation conducted by NEPCon, 2016).

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.13.6. Risk designation and specification

Low risk

1.13.7. Control measures and verifiers

N.A.

1.14. Free prior and informed consent

Legislation covering "free prior and informed consent" in connection with transfer of forest management rights and customary rights to the organisation in charge of the harvesting operation.

1.14.1. Applicable laws and regulations

Not applicable. There are no applicable laws or regulations.

1.14.2. Legal authority

N.A.

1.14.3. Legally required documents or records

N.A.

1.14.4. Sources of information

N.A.

1.14.5. Risk determination

N.A.

1.14.6. Risk designation and specification

N.A.

1.14.7. Control measures and verifiers

N.A.

1.15. Indigenous/traditional peoples' rights

Legislation that regulates the rights of indigenous/traditional people as far as it's related to forestry activities. Possible aspects to consider are land tenure, right to use certain forest related resources or practice traditional activities, which may involve forest lands.

1.15.1. Applicable laws and regulations

Not applicable. According to the OECD definition, no Indigenous people are living in Switzerland. No Indigenous people are recognised by Swiss legislation.

1.15.2. Legal authority

N.A.

1.15.3. Legally required documents or records

N.A.

1.15.4. Sources of information

N.A.

1.15.5. Risk determination

N.A.

1.15.6. Risk designation and specification

N.A.

1.15.7. Control measures and verifiers

N.A.

TRADE AND TRANSPORT

1.16. Classification of species, quantities, qualities

Legislation regulating how harvested material is classified in terms of species, volumes and qualities in connection with trade and transport. Incorrect classification of harvested material is a well-known method to reduce/avoid payment of legality prescribed taxes and fees. Risk relates to material traded under illegal false statements of species, quantities or qualities. This could cover cases where this type of false classification is done to avoid payment of royalties or taxes or where trade bans on product types or species are implemented locally, nationally or internationally. This is mainly an issue in countries with high levels of corruption (CPI<50).

1.16.1. Applicable laws and regulations

- Federal Swiss Confederation (2010): Regulation on the declaration of wood and wood products 944.021 of 4 June 2010. Available at: <https://www.admin.ch/opc/de/classified-compilation/20092250/201301010000/944.021.pdf> [Accessed on 21 February 2017].
- Federal Swiss Confederation (2010): Ordinance on the Declaration for Timber and Timber Products 944.021.1 of 7 June 2010. Available at: <https://www.admin.ch/opc/de/classified-compilation/20092251/index.html> [Accessed on 21 February 2017].

1.16.2. Legal authority

- Federal Department of Economic Affairs, Education and Research
- Federal Office of Consumer Affairs (BKF)

1.16.3. Legally required documents or records

- Declaration on applicable information on species, origin and volume/ quality (invoice/ waybill)
- Log list (Rundholzliste) with species information

1.16.4. Sources of information

Government sources

- KMU-Portal für kleine and mittlere Unternehmen (2015): Formelle Anforderungen zur Rechnungsstellung. Schweizerische Eidgenossenschaft. Available at: <https://www.kmu.admin.ch/kmu/de/home/praktisches-wissen/finanzielles/steuern/mwst/formelle-anforderungen-zur-rechnungsstellung.html> [Accessed on 28 June 2016].
- Eidgenössisches Büro für Konsumentenfragen BFK (2016): Holzdeklaration. Available at: <https://www.konsum.admin.ch/bfk/de/home/themen/holzdeklaration.html> [Accessed on 11 June 2016].

Non-Government sources

- Redaktion waldwissen WSL (2013): Schweizer Handelsgebräuche für Rohholz. Available at:

http://www.waldwissen.net/waldwirtschaft/holz/sortierung/wsl_holzhandelsgebraeuche_schweiz/index_DE [Accessed on 28 June 2016].

- Transparency International (2017): Transparency International's Corruption Perceptions. Available at: <https://www.transparency.org/country/CHE> [Accessed on 21 April 2017].
- World Bank (2015): Worldwide Governance Indicators. Available at: <http://info.worldbank.org/governance/wgi/#reports> [Accessed on 19 May 2016].
- OECD anti-bribery convention (2011): Phase 3 Report on Implementing the OECD Anti-Bribery Convention in Switzerland. Available at: <http://www.news.admin.ch/NSBSubscriber/message/attachments/25368.pdf> [Accessed on 21 February 2017].
- Expert consultation conducted by NEPCon, 2016 (Karl Büchel, Ingenieurbüro für naturgemässe Umgebungsentwicklung (natentwi)).

1.16.5. Risk determination

Overview of Legal Requirements

Information on the species and the origin shall be provided. Volume/ quality are usually also clearly provided in invoice/transport documents, although not specified as a legal requirement in the legislation (see Holzhandelsgebräuche, correct invoice). In Switzerland, a standard also exists to define a correct invoice (Formelle Anforderungen zur Rechnungsstellung). There are no legislative requirements as to how this should be written, other than that it shall be clear. However, a manual exists to describe the company standard declaration for wood.

As of 1 October 2010, there is a Federation rule that clarifies the declaration. The species and origin of raw wood, semi-finished products and finished products made fully of wood or containing significant amounts of massive wood, are to be declared. The species declaration has to be made at the point in time that the product is handed over to the consumer. The information is added to the invoice/ waybill as a log list (Rundholzliste) provided by the local forester. Industry wood is classified in the same way and measured by weight when transported. This is also applicable to firewood and chips.

There are no taxes to be paid based on species and quality.

Description of Risk

There is no indication of a systematic lack of proper declaration of species, volume and quality. The information provided by the seller is checked by the buyers. Monitoring by forest officials will occur only if there is suspicion of fraud (Expert consultation conducted by NEPCon, 2016).

An important tool for correct classification is the wood database (Holtzdatenbank). Here the scientific name and the trade name can be identified (the database can be found at: <https://www.konsum.admin.ch/bfk/de/home/themen/holzdeklaration.html>)

In 2016 Switzerland had a CPI of 86 (above the threshold of 50). This is supported by the OECD Anti-Bribery Convention (2011) with a rank of 8.8. out of 10, as well as the World Bank Worldwide Governance Indicators, – on a scale of -2,5 to 2,5 in 2015 – Switzerland received a score of 2,01 for Government Effectiveness, 1,97 on Rule of Law and 2,17 on Control of Corruption, indicating the country has low corruption levels and a high degree of legal compliance.

As there are no taxes to be paid based on species and quality, there is considered to be little incentive to provide incorrect information. Together with the generally high level of law implementation in the country and lack of reports that incorrect classification is an issue, this risk is considered low.

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.16.6. Risk designation and specification

Low risk

1.16.7. Control measures and verifiers

N.A.

1.17. Trade and transport

All required trading permits shall exist as well as legally required transport document which accompany transport of wood from forest operation. Risk relates to the issuing of documents permitting the removal of timber from the harvesting site (e.g., legally required removal passes, waybills, timber tags, etc.). In countries with high levels of corruption, these documents are often falsified or obtained by using bribery. In cases of illegal logging, transport documents from sites other than the actual harvesting site are often provided as a fake proof of legality with the harvested material.

1.17.1. Applicable laws and regulations

- Federal Swiss Confederation (2010): Regulation on the declaration of wood and wood products 944.021 of 4 June 2010. Available at: <https://www.admin.ch/opc/de/classified-compilation/20092250/201301010000/944.021.pdf> [Accessed on 21 February 2017].
- Federal Swiss Confederation (2010): Ordinance on the Declaration for Timber and Timber Products 944.021.1 of 7 June 2010. Available at: <https://www.admin.ch/opc/de/classified-compilation/20092251/index.html> [Accessed on 21 February 2017].

1.17.2. Legal authority

Federal Office of Consumer Affairs (BKF)

1.17.3. Legally required documents or records

- Declaration on applicable information on species, origin and volume/ quality/ weight (invoice/ delivery docket and waybill)
- Log list (Rundholzliste) with species information
- Transport order

1.17.4. Sources of information

Government sources

- BFK (2016): Holzdeclaration. Available at: <https://www.konsum.admin.ch/bfk/de/home/themen/holzdeklaration.html> [Accessed on 21 February 2017].
- KMU-Portal für kleine and mittlere Unternehmen (2015): Formelle Anforderungen zur Rechnungsstellung. Schweizerische Eidgenossenschaft. Available at: <https://www.kmu.admin.ch/kmu/de/home/praktisches-wissen/finanzielles/steuern/mwst/formelle-anforderungen-zur-rechnungsstellung.html> [Accessed on 28 June 2016].

Non-Government sources

- Transparency International (2017): Transparency International's Corruption Perceptions. Available at: <https://www.transparency.org/country/CHE> [Accessed on 21 April 2017].
- World Bank (2015): Worldwide Governance Indicators. Available at: <http://info.worldbank.org/governance/wgi/#reports> [Accessed on 19 May 2016].
- Expert consultation conducted by NEPCon, 2016 (Karl Büchel, Ingenieurbüro für naturgemässe Umgebungsentwicklung (natentwi))

1.17.5. Risk determination

Overview of Legal Requirements

Trading requires correct invoices. The requirements of the species, origin and volume/ quality are clearly required on transport documents which shall be issued by the seller. A log list for roundwood (Rundholzliste) and transport order (Transportaufträge) for transport and trade shall be issued by the forest officials so that wood may be transported out of the forest. There is no right to access the forest without a transport order.

Description of Risk

The transport documents are controlled by the buyer. There is no intervention by the authorities, unless there is suspicion of fraud.

In 2016 Switzerland had a CPI of 86 (above the threshold of 50). This is supported by the OECD Anti-Bribery Convention (2011) with a rank of 8.8. out of 10, as well as the World Bank Worldwide Governance Indicators, – on a scale of -2,5 to 2,5 in 2015 – Switzerland received a score of 2,01 for Government Effectiveness, 1,97 on Rule of Law and 2,17 on Control of Corruption, indicating the country has low corruption levels and a high degree of legal compliance.

There is no indication of systematic issues associated with illegal removal of timber or lack of requisite transport documents (Expert consultation conducted by NEPCon, 2016).

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.17.6. Risk designation and specification

Low risk

1.17.7. Control measures and verifiers

N.A.

1.18. Offshore trading and transfer pricing

Legislation regulating offshore trading. Offshore trading with related companies placed in tax havens combined with artificial transfer prices is a well-known way to avoid payment of legally prescribed taxes and fees to the country of harvest and considered as an important generator of funds that can be used for payment of bribery and black money to the forest operation and personnel involved in the harvesting operation. Many countries have established legislation covering transfer pricing and offshore trading. It should be noted that only transfer pricing and offshore trading as far as it is legally prohibited in the country, can be included here. Risk relates to situations when products are sold out of the country for prices that are significantly lower than market value and then sold to the next link in the supply chain for market prices, which is often a clear indicator of tax laundry. Commonly, the products are not physically transferred to the trading company.

1.18.1. Applicable laws and regulations

- Federal Swiss Confederation (1990): Federal law on direct federal tax 642.11, Federal Act on Direct Federal Tax DBG of 14 December 1990. Available at: <https://www.admin.ch/opc/de/classified-compilation/19900329/index.html> [Accessed on 21 February 2017].

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- Federal Swiss Confederation (1990): Federal tax harmonization law 642.14, Federal Act on the Harmonization of Direct Taxes of Cantons and Municipalities (THA) of 14 December 1990. Available at: <https://www.admin.ch/opc/de/classified-compilation/19900333/index.html> [Accessed on 21 February 2017].

Art. 24

1.18.2. Legal authority

- Federal Tax Administration (FTA)
- Cantonal and Communal Tax Authorities (CTA)

1.18.3. Legally required documents or records

N.A.

1.18.4. Sources of information

Non-Government sources

- PwC (2015): International transfer pricing 2015/16. Available at: <http://www.pwc.com/gx/en/services/tax/transfer-pricing/itp-download.html> [Accessed on 21 February 2017].
- Expert consultation conducted by NEPCon, 2016

1.18.5. Risk determination

Overview of Legal Requirements

There are no special tax laws or statutory transfer pricing rules in Switzerland. The principle of an 'arm's length' is covered by the Federal Act on Direct Federal Tax and the Federal Tax Harmonization Law, and costs must be commercially justifiable.

Switzerland is a member of the OECD and has accepted the OECD Guidelines on transfer pricing. The Cantonal tax authorities are to observe the OECD guidelines when adjusting profits or when assessing multinational enterprises in the Canton.

Description of Risk

Swiss tax authorities employ tax officers who are experienced and educated with regard to transfer pricing issues and the use of options for tax adjustments granted under existing Swiss tax legislation (PWC 2015).

There have been several cases of transfer pricing brought before the Swiss courts. This has especially concerned the interpretation of costs that are not commercially justifiable (e.g. non-arm's length transactions of management services or license fees), the privileged use of company assets by the shareholder, and the restructuring of sister companies by means of non-arm's length transactions (PWC 2015).

According to Expert consultation conducted by NEPCon (2016), the problems identified with multinational enterprises and transfer pricing are not associated with the wood and forest industries. Switzerland is in line with all OECD instructions and has also introduced the new stricter documentation rules relating to transfer pricing. Among the 26 Cantons/ States, internal prices are well-known – as the issue of transfer pricing is a prioritised area. In addition, the State authorities are aware of this issue.

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.18.6. Risk designation and specification

Low risk

1.18.7. Control measures and verifiers

N.A.

1.19. Custom regulations

Custom legislation covering areas such as export/import licenses, product classification (codes, quantities, qualities and species).

1.19.1. Applicable laws and regulations

- Federal Swiss Confederation (2005): Customs Act 2005 631.0 Customs Act (ZG) of 18 March 2005. Available at: <https://www.admin.ch/opc/de/classified-compilation/20030370/index.html> [Accessed on 21 February 2017].
- Federal Swiss Confederation (2010): Plant Protection Ordinance (PSV) 916.20 Ordinance on Plant Protection of 27 October 2010. Available at:

<https://www.admin.ch/opc/de/classified-compilation/20101847/index.html#app5>
[Accessed on 21 February 2017].

- Federal Swiss Confederation (2015): Regulation of BLW on temporary phytosanitary measures 916.202.1 of 13 March 2015. Available at: <https://www.admin.ch/opc/de/classified-compilation/20150343/index.html> [Accessed on 21 February 2017].
- Federal Swiss Confederation (2002): Regulation of the WBF on prohibited plants 916.205.1 of 15 April 2002. Available at: http://www.admin.ch/ch/d/sr/c916_205_1.html [Accessed on 21 February 2017].
- Federal Swiss Confederation (1999): Agreement between the Swiss Confederation and the European Community on trade in agricultural products 0.916.026.81 of 21 June 1999. Available at: http://www.admin.ch/ch/d/sr/c0_916_026_81.html [Accessed on 21 February 2017].
Art. 1.2: (Definition)
Art. 4: Requirement of origin
Art. 13.1: Future development
- Annex 1: Definition of categories of wood and plants, in the same way as the Swiss legislation is made.
- Federal Swiss Confederation (1951): International Plant Protection Convention 0916.20 of 6 December 1951. Available at: http://www.admin.ch/ch/d/sr/c0_916_20.html [Accessed on 21 February 2017].

1.19.2. Legal authority

- Directorate General of Customs
- Federal Office for Agriculture (BLW)
- Federal Office for the Environment (BAFU)

1.19.3. Legally required documents or records

- Plant passport/ phytosanitary certificate for timber
(information on origin and species are included in the plant passport)
- log list for tax and statistics
- invoice for tax

1.19.4. Sources of information

Government sources

- Federal Office for Agriculture (FOAG) (2016): Import of plants and plant products. Available at: <http://www.blw.admin.ch/themen/00012/01153/01155/index.html?lang=de> [Accessed on 19 May 2016].

- Bundesamt für Landwirtschaft, BLW (2016): Export von Pflanzen. Available at: <http://www.blw.admin.ch/themen/00012/01153/01157/index.html?lang=de> [Accessed on 8 June 2016].
- Bundesamt für Umwelt, Bern BAFU (2015): Jahrbuch Wald und Holz. Umwelt-Zustand Nr. 1520: 162. Available at: <http://www.bafu.admin.ch/publikationen/publikation/01833/index.html?lang+I18> [Accessed on 21 February 2017].
- Eidgenössische Zollverwaltung EZV (2016): Vorschriften. Available at: <http://www.ezv.admin.ch/dokumentation/04032/index.html?lang=de> [Accessed on 11 June 2016].

Non-Government sources

- Transparency International (2017): Transparency International's Corruption Perceptions. Available at: <https://www.transparency.org/country/CHE> [Accessed on 21 April 2017].
- World Bank (2015): Worldwide Governance Indicators. Available at: <http://info.worldbank.org/governance/wgi/#reports> [Accessed on 19 May 2016].

1.19.5. Risk determination

Overview of Legal Requirements

Export has to be registered by Customs department and is specified with identification papers indicating species and volume (plant passport and log list). No export taxes on wood shall be paid, but obtaining exemption from payment of Swiss VAT export has to be registered.

Phytosanitary certificates for wood and wood products for export are issued by BAFU and some Cantonal forestry services.

Description of Risk

Customs controls are conducted randomly. The customs officials in Switzerland know the species and, for uncommon species, they have wood specialists who are able to communicate in the four official languages of Switzerland, as well as English (English, German, French, Italian, Romansh). The registration for export is organised, and Swiss timber is followed by a declaration of origin and species (EZV ()).

The export/ import statistics are published every year in the BAFU 'Jahrbuch Wald und Holz'. (see list of sources).

In 2016 Switzerland had a CPI of 86 (above the threshold of 50) and, according to the World Bank Worldwide Governance Indicators, – on a scale of -2,5 to 2,5 in 2015 – received a score of 2,01 for Government Effectiveness, 1,97 on Rule of Law and 2,17 on Control of Corruption, indicating the country has low corruption levels and a high degree of legal compliance.

As there is no ban on timber export and no export tax to be paid it is evaluated that there is low incentive not to follow export requirements of registration goods for export. Together with the generally high level of law implementation in the country and lack of reports of export registration being an issue, this risk is considered low.

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.19.6. Risk designation and specification

Low risk

1.19.7. Control measures and verifiers

N.A.

1.20. CITES

CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention). Note that the indicator relates to legislation existing for the area under assessment (and not e.g., the area from which CITES species are imported).

1.20.1. Applicable laws and regulations

- Federal Assembly (1975): Convention on International Trade in Endangered Species of Wild Fauna and Flora 0.453. Available at: <https://www.admin.ch/opc/de/classified-compilation/19730069/index.html#a%C3%BCbereinkommen> [Accessed on 21 February 2017].
- BGCITES (2012): 453 Federal Law on the marketing of animal and plant protected species of 16 March 2012. Available at: <https://www.admin.ch/opc/de/classified-compilation/20092733/index.html> [Accessed on 21 February 2017].
- VCITES (2013): 453.0 Regulation on the marketing of animal and plant protected species of 4 September 2013. Available at: <https://www.admin.ch/opc/de/classified-compilation/20121348/index.html> [Accessed on 21 February 2017].
- CITES Regulation (2013): 453.1 Ordinance on the Control of Trade in animal and plant protected species of 4 September 2013. Available at: <https://www.admin.ch/opc/de/classified-compilation/20121349/index.html> [Accessed on 21 February 2017].

1.20.2. Legal authority

- Federal Food Safety and Veterinary Office (FSVO)
- Federal Department of Home Affairs (BLV)

1.20.3. Legally required documents or records

- Document of physical identification
- Document of proof of the trade (such as invoice, payment, etc.)
- CITES permit

1.20.4. Sources of information

Non-Government sources

- Schweizer Holzhandelszentrale SHHZ (2015): Hölzer, die den Bestimmungen des Washingtoner Artenschutz-Übereinkommens (WA / CITES) unterstehen und regelmässig angeboten werden. Available at: www.holzhandelszentrale.ch/pdf/cites_liste.pdf [Accessed on 26 May 2016].
- CITES (2016): Checklist of CITES Species. Available at: http://checklist.cites.org/#/en/search/country_ids%5B%5D=238&output_layout=alphabetical&level_of_listing=0&show_synonyms=1&show_author=1&show_english=1&show_spanish=1&show_french=1&scientific_name=Plantae&page=1&per_page=20 [Accessed on 19 May 2016].

1.20.5. Risk determination

Overview of Legal Requirements

Switzerland has ratified the CITES Convention through national law. The Management Authority in charge of implementing the Convention is the Federal Department of Home Affairs (FDHA) while the Federal Food Safety and Veterinary Office (BLV) issues import/export permits.

Description of Risk

There are no wooden species on the CITES list for Switzerland (CITES checklist 2015), and there is therefore no risk of violating CITES in relation to timber harvested in Switzerland.

Risk Conclusion

This indicator has been evaluated as low risk. Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.

1.20.6. Risk designation and specification

Low risk

1.20.7. Control measures and verifiers

N.A.

1.21. Legislation requiring due diligence/due care procedures

Legislation covering due diligence/due care procedures, including e.g. due diligence/due care systems, declaration obligations, and /or the keeping of trade related documents, legislation establishing procedures to prevent trade in illegally harvested timber and products derived from such timber, etc.

1.21.1. Applicable laws and regulations

Not Applicable.

There are currently no due diligence requirements in place for timber or wood products in Switzerland, and this indicator is therefore considered not applicable.

1.21.2. Legal authority

Not yet in place.

(The authority that will be responsible in the future: BAFU, Department for Environment)

1.21.3. Legally required documents or records

N.A.

1.21.4. Sources of information

Non-Government sources

- Expert consultation conducted by NEPCon, 2016 (Achim Schafer – BAFU)
- IHB, the Timber Network (2013): Exclusions and problems for Switzerland. Available at: http://www.ihb.de/wood/news/schweiz_holzhandelsverordnung_eutr_33358.html [Accessed on 19 May 2016].

1.21.5. Risk determination

Overview of Legal Requirements

There are currently no due diligence requirements in place for timber or wood products in Switzerland, and this indicator is therefore, at current stage, considered not applicable.

Switzerland will implement legislation similar to the European Union Timber Regulation. It is expected that it will be introduced within a few years of 2016, but a date of implementation has not been provided (Expert consultation conducted by NEPCon, 2016).

1.21.6. Risk designation and specification

N.A.

1.21.7. Control measures and verifiers

N.A.

Annex I. Timber source types

The table **Timber Source Types in Switzerland** identifies the different types of sources of timber it is possible to find in the country of origin.

'Timber Source Type' is a term used to describe the different legal sources of timber in a country, in order to allow a more detailed specification of risk. The Timber Source Type is used to clarify:

- which forest types timber can be sourced from legally;
- what the legal requirements are for each source type, and
- if there are risks related to certain source types and not others.

Timber Source Type can be defined by several different characteristics. It may be based on the actual type of forest (e.g. plantation or natural), or other attributes of forests such as ownership, management regime or legal land classification. In this context Timber Source Types are defined and discerned using the following characteristics:

- Forest type** - refers to the type of forest such as plantation or natural tropical forest, or mixed temperate forest. Often the clearest differentiation is between natural forest and plantations.
- Spatial scale (Region/Area)** - relating to meaningful divisions of a nation. However, in some cases the assessment may be carried out at national level where that allows the risk assessment to establish risk at a meaningful level. E.g. a small country with uniform legislation and a uniform level of risk in all areas of the country, as national level assessment may be enough. In case there are significant differences in the legal framework or legality risks between different types of ownership (e.g. public forest, private forest, industrial forest), between different type of forest (e.g. natural forest and plantations) and/or between different geographical regions the conformance risk evaluation shall specify these differences when specifying the risk and apply the appropriate control measures.
- Legal land/forest classification** - refers to the legal classification of land. Focus is on land from where timber can be sourced, and this could entail a number of different legal categories such as e.g. permanent production forest, farm land, protected areas, etc.
- Ownership** - Ownership of land may differ in a country and could be state, private, communal etc. Ownership of land obviously have impacts on how land can be managed and controlled.
- Management regime** - Independently of the ownership of the land, the management of forest resources may differ between areas. Management may also be differentiated as private, state, communal or other relevant type.
- License type** - Licenses may be issues to different entities with a range of underlying requirements for the licensee. A license might be issued on a limited area, limited period of time and have other restrictions and obligations. Examples could be a concession license, harvest permit, community forestry permit etc.

Timber source types in Switzerland

Forest type	Region/Area	Legal Land Classification	Ownership	Management regime	License / Permit Type	Description of source type		
Natural Forest	National	Protected Forest Reserve	Public – Cantons	<i>Cantons</i>		Protected areas – No harvesting allowed		
			Public – State	Cantons				
			Public- Communal	Cantons				
			Private	Cantons				
Semi-natural Forest	National	Forest reserves	Public – Cantons	Cantons		Protected areas with maintenance. Projects for national conservation are allowed. Timber can be sold and enter the timber supply chain. Limited source of timber.		
			Public – State	Cantons				
			Public – Communal	Cantons				
			Private	Private				
		Production forest	National	Production forest	Public – Cantons	Cantons		Production Forest
					Public – State	Cantons		
					Public – Communal	Cantons		
					Private	Private		
		Protection forest	National	Protection forest	Public – Cantons	Cantons		Production Forest with protection function
					Public – State	Cantons		
					Public – Communal	Cantons		
					Private	Private		
Plantations	National	Plantation forest	Public – Cantons	Cantons		Production (Plantation) Forest		
			Public – State	Cantons				
			Public – Communal	Cantons				
			Private	Private				
		Protection forest	National	Protection forest	Public – Cantons	Cantons		Production Forest with protection function
					Public – State	Cantons		
					Public – Communal	Cantons		
					Private	Private		



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About

Supporting Legal Timber Trade

Supporting Legal Timber Trade is a joint project 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 project is funded by the LIFE programme of the European Union and UK aid from the UK government.



NEPCon (Nature Economy and People Connected) is an international, non-profit organisation that builds commitment and capacity for mainstreaming sustainability. Together with our partners, we foster solutions for safeguarding our natural resources and protecting our climate.

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