

Procedure for discrepancies between shipment/export documents and FLEGT licence as regards goods description:

The information on a FLEGT licence does not always correspond to the shipment in question. For example, goods may not be classified under the correct commodity code, the types of timber are reported incompletely or incorrectly and there may be discrepancies in terms of mass/volume/number of units.

According to Art.8(4) of Commission Implementing Regulation (EU 1024/2008) the licence must be in accordance with the shipment and according to Art. 10, a deviation of 10% on the volume and weight (due to natural factors (shrinkage/expansion) and measurement errors) is allowed. The information on the licence must therefore be consistent with the information on the accompanying export documents (invoice, packing list, bill of lading, etc.) and the declaration so that the competent authority can release the shipment for free circulation.

In addition, FLEGT licences are legal documents that cannot be amended by anyone other than the issuing authorities and only in accordance with Indonesian law.

Indonesia applies the following rules regarding discrepancies as described in the circular of April 2018 (number: SE./PPHH/NEIP/HPL.3/4/2018) and March 2020 (number: SE. No 2/PPHH/NEIP/HPL. 3/3/2020):

- If discrepancies are found between the export documentation and the information on the FLEGT licence before the shipment leaves Indonesia, the licence may be corrected/reviewed by the Issuing Authority.
For volume and weight a deviation of 10% is allowed. On the other hand, the number of units/goods code on the licence must correspond exactly to the number of units/goods code in the shipment/export documents.
- If the goods have already left Indonesia, 'Amendments' may be made, requested by the exporter in accordance with the provisions in force, up to 30 days after departure from the Indonesian customs territory (new since March 2020). The number of the FLEGT certificate is retained but in box 18 the amendments are marked "Duplicate".
- If necessary, additional explanations concerning a FLEGT certificate (or by extension V-legal) can be provided by the Indonesian Licensing Information Unit (LIU) to the competent authority of the country of destination.

Guidance issued by the competent authority (DG Environment of FPS Health) in the event of discrepancies:

- Make sure that discrepancies (quantities, commodity codes, timber species) are ascertained as much as possible before the shipment leaves Indonesia and, if necessary, request a revision of the licence.
- With regard to nomenclature: to avoid the commodity codes on the authorisation being different from those that have to be indicated on the declaration, it is advisable to agree with the exporter on the commodity codes to be used, to build in cross-checks and, if necessary, to request confirmation from the customs authorities. Moreover, in order to avoid errors, it is desirable to separate FLEGT and non-FLEGT goods in the export documents as much as possible. An Indonesian circular of May 2017 (Circular number: S.E. 5/PPHH/SPHH/HPL.3/5/2017) states (translation) "*Invoices and bills of lading of FLEGT goods should be separated from non-FLEGT goods, either by providing separate, stand-alone documents or by creating separate information sections on the same document. Products/goods that are not listed in Annex 1 of the Indonesia-EU FLEGT VPA may not be included in/mixed with FLEGT goods*".

- In case you do find discrepancies for a shipment that has already left Indonesia:
 - If the shipment left Indonesia less than 30 days ago, ensure that the exporter requests amendments to correct the discrepancies identified.
 - For discrepancies ascertained later than 30 days after departure from Indonesia or for which no amendments can be obtained, you should follow the following **discrepancy** procedure:
 - Please report all discrepancies at the latest together with your FLEGIT registration at flegt@health.fgov.be, providing the following documentation: an explanation of the discrepancies found, together with the relevant export documents (invoice, packing list, bill of lading) on which you indicate the discrepancies and, if necessary, a more detailed description of the goods if the discrepancies are not clear from the export documents.
 - When you sign in, enter in FLEGIT (TRACES) the quantity/goods codes to be indicated on the declaration for release for free circulation (i.e. not as indicated on the FLEGT). If this is not possible, indicate this when reporting the discrepancy (see previous point).
 - For these discrepancies, DG Environment must in principle request clarification from the LIU in Indonesia, which may delay the decision on whether or not to validate. However, this is not done systematically but is considered on a case-by-case basis depending on the history of the importer and the nature of the discrepancies. But take into account a considerable lead time (up to several weeks, the maximum response time of the LIU is 21 working days)!
 - If DG Environment decides to validate the licence, whether or not following advice from the LIU, a message is added for the customs authorities that the discrepancies have been examined and that the goods may be released. If you do not do this, the customs authorities will block the goods in the event of an inspection, to request clarification from DG Environment.
 - If your licence is validated, please provide a copy of the declaration to flegt@health.fgov.be after customs clearance.
 - Specific rules concerning differences in interpretation of the nomenclature between Indonesia and Belgium (EU): Although in principle the nomenclature is an internationally harmonised system, the interpretation in the EU does not always correspond to that in Indonesia. Moreover, harmonisation (Indonesia uses the Asian nomenclature) has only been carried out to 6 digits. If you go beyond the 6 digits, it is possible that there is no equivalent code for the European commodity code in the Asian nomenclature, or vice versa.

These differences in interpretation mean that it is not always possible for the commodity codes entered on the FLEGT in Indonesia to correspond to the commodity codes to be declared in the EU. In such cases, simply follow the discrepancy procedure as described above. However, for the validation,

confirmation from the LIU will not be waited for if it is one of the discrepancies from the table below:

CN code (HS-Heading) Flegt licence	Adjust by declaration CN code
HS 4407, 4418, 4409	HS 4407, 4418, 440929

This also applies to other discrepancies that have already been identified. The validation procedure will then in principle not take any longer than normal.

Bear in mind that DG Environment can always take measures retrospectively if a request for clarification from the LIU reveals irregularities concerning a different commodity code that cannot be explained by the differences in interpretation referred to above.

Such differences in interpretation may mean that goods for which Indonesia issues a FLEGT certificate have to be classified in the EU under a commodity code which is not subject to FLEGT. In such cases, the goods do not have to be declared in FLEGIT. If this only concerns part of the goods on the FLEGT licence, simply follow the discrepancy procedure above. If this applies to all goods on the FLEGT, you do not need to register the licence in FLEGIT. We do ask you to report this at flegt@health.fgov.be.