Forest Stewardship Council®



ADVICE-20-005- Reinstating the Annual Administration Fee for all 01_V3-0 types of certifications in Ukraine

Normative reference

FSC-POL-20-005 V3-4, Clause 1.4, Section 4, Section 5 and Clause

Scope This advice note applies to all certification bodies

Approval date V1-0: 18 March 2022

V2-0: 25 May 2022 (changes applied retroactively)

V3-0: 05 September 2024

Effective date V1-0/V2-0: 01 April 2022

V3-0: upon approval (valid until revised or withdrawn)

Background FSC had decided to waive the Annual Administration Fee (AAF) for all types of certifications in Ukraine from Q2/2022 until the end of Q4/2024, regardless of their certification status.

> In August 2024, FSC decided to reinstate the AAF for certifications in Ukraine starting 01 January 2025 in a phased approach.

This Advice Note serves to implement this decision.

ADVICE

1. From Q2/2022 to Q4/2024, FSC does not charge AAF from certification bodies for all types of certifications in Ukraine.

Phased Approach

- 2. From 01 January 2025, FSC charges the AAF from a certification body for all types of certifications in Ukraine as follows:
 - a) within the first year after reinstatement (Q1/2025 -Q4/2025): 1/3 of the standard calculated AAF;
 - b) within the second year after reinstatement (Q1/2026 -Q4/2026): 2/3 of the standard calculated AAF;
 - c) Third year after reinstatement onward (from Q1/2027): full standard calculated AAF.
- 3. FSC will continue to waive the AAF for a certification that is fully suspended in accordance with <<u>INT-ADV-20-001_02</u>>, due to being in conflict zones in Ukraine. The AAF for such a certification will be charged again, in the following quarter when the suspension is lifted (the determination date marks the deadline). Depending on the time the suspension has been lifted, the AAF will be charged according to the phase specified in Clause 2 a), b), and c), see examples below.
- 4. For a certification that is partially suspended (specific site or management unit) or has its scope reduced due to being in a conflict zone, the AAF will only be charged for the sites/MUs

outside of the conflict zone which are not subject to the partial suspension or reduced scope.

Requirements for certification bodies

- For all valid certifications, the certification body shall update the Forest Products Turnover (FPT) and/or area in hectare in the FSC Certification Database (before the determination date of Q1/2025 (01 January 2025).
- For a fully suspended certification as per < INT-ADV-20-001_02 > the certification body shall select the following as the reason for suspension in the FSC Certification Database: "Other Located in conflict zone".
- For a valid certification that is partially suspended or has its scope reduced as per <<u>INT-ADV-20-001_02</u>> the certification body shall exclude the FPT/area in hectare from the suspended sites/management units (MUs).

NOTE: The certification body is responsible for calculating and entering the adjusted figures (FPT/area in hectare) in accordance with Clause 2.4 of the AAF Policy.

Example Examples for the implementation of phased approach in case of suspension (see Clause 3 above)

If a certification is suspended due to entering a conflict zone and later the situation improves, leading to the lifting of suspension, the process for reinstating the AAF is implemented as follows:

- Suspension is lifted in Q4/2025 before the next determination date:
 AAF will be charged from Q1/2026 with 2/3 of the standard calculated AAF;
- Suspension is lifted in Q2/ 2026 before the next determination date:
 AAF will be charged from Q3/2026 with 2/3 of the standard calculated AAF;
- Suspension is lifted in Q4/2026 before the next determination date: AAF will be charged from Q1/2027 with the full the standard calculated AAF.

NOTE: This process also applies in the case of repeated suspensions of a site/MU.

