



## **FREQUENTLY ASKED QUESTIONS**

**FSC-certified companies bought by a  
disassociated corporate group**



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## GENERAL IMPLICATIONS

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**1. Can FSC certified companies bought by a disassociated corporate group remain certified?**

No. If an FSC certificate holder is acquired/bought by any company that belongs to a disassociated corporate group, then the FSC certification of the acquired company is terminated. This is because after the purchase/acquisition, the company becomes a part of the disassociated corporate group. According to FSC's [Policy for Association](#), no company belonging to a disassociated corporate group can obtain or retain its FSC certification.

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**2. What happens to the certification status of a company acquired/bought by a disassociated corporate group?**

The certificate of a company acquired/bought by a disassociated corporate group will have to be terminated by its certification body and FSC will terminate the Trademark License Agreement with this company.

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**3. What happens if a certificate holder who was acquired by a disassociated group applies for certification?**

Any company belonging to a disassociated corporate group is not eligible for FSC certification. Hence, even if the company was FSC-certified in the past, due to its acquisition by a disassociated corporate group, they will not be eligible for FSC certification. They will be included in the FSC Check database. Therefore, their application for certification would be flagged, and their certification application will be denied.

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**4. When and how is it possible for this type of a company to become eligible for certification again?**

If the disassociated corporate group successfully undergoes a remedy process based on the [FSC Remedy Framework](#), its subsidiaries may eventually be eligible for FSC certification again.

## TIMELINES

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### **5. When will the certificate of be terminated?**

Usually, in cases where a disassociated entity acquires a certificate holder, FSC will implement an ordinary termination of the Trademark License agreement of that certificate holder, sending a letter with a notice period of 3 months. The notice period starts when the certificate holder receives the letter.

A certificate holder also has a certification contract with its certification body. In such a situation, the certification body will also terminate the certification contract.

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### **6. When does the acquired certificate holder have to stop producing FSC-certified products?**

Generally, it is possible for the certificate holder acquired by a disassociated company to produce and sell FSC certified products for as long as the certification and licence are valid. The certificate holder will have to stop producing certified products when the FSC certificate or the TLA are terminated. Once FSC and the certification body terminate their respective contracts with the acquired company, and the termination becomes effective (after the completion of the 3 month notice period), the company must cease manufacturing products carrying FSC trademarks and any public claims about their FSC certification.

**7. How long can a certificate holder acquired by a disassociated company sell FSC-certified products?**

Timelines need to be established to ensure that the certificate holder cannot continue selling labelled products with or without FSC claims on invoices from a certain point in time. The Trademark License Agreement signed by the certificate holder will usually set the applicable timelines for liquidation, which usually is 6 months from the notification date of the termination. This timeline may vary depending on Trademark License Agreement version signed by the certificate holder. For example, FSC's older versions of the Trademark License Agreement do not explicitly define a liquidation period.

After the liquidation period is over, the certificate holder will have to cover FSC trademarks on products or dispose the products/packaging displaying FSC trademarks.

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## **CONSIDERATIONS FOR CERTIFICATION BODIES**

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**8. What happens with certification agreements between a certificate holder and its certification body if FSC terminates the Trademark License Agreement?**

A certification agreement is only valid if there is a valid Trademark License Agreement signed between the certificate holder and FSC. Hence, FSC will align with the respective certification body who would parallelly terminate the certification agreement.

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## **MARKET IMPLICATIONS**

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**9. Can customers of the terminated certificate holder continue to sell the products and FSC certified?**

FSC-certified products bought until the liquidation period is over, can be claimed as FSC-certified by the customers also beyond the end of the liquidation period. Therefore, customers can sell their stock of FSC-certified products with FSC claims without any time limitations.



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