



FSC® Annual Administration Fee Policy version 3.1

FREQUENTLY ASKED QUESTIONS

The FSC annual administration fee (AAF) is a fee charged by FSC and is calculated for chain of custody certification based on the value of the Certificate Holder's forest products turnover. Certification Bodies collect this from Certificate Holders and pass the fees onto FSC. The majority of FSC's income comes from the AAF and is used to fund FSC's activities. For more information on what the FSC uses these fees for, and why they are changing, please look [here](#).

FSC has changed their [AAF Policy](#) and rates for COC Certificate Holders will change starting with effect from 1st July 2022.

A new FSC FAQ on the AAF Policy has been published and will be updated from time to time – many of your questions may be answered in this so please also read. You can find it [here](#).

Q: What is my AAF fee based on?

A: Previously the AAF was based on a band system for forest products turnover. The fee is now based on your exact forest products turnover. For the next year this will be a split calculation, the old rates applying from now until 1st July 2022 and the new rates applying after that. The calculation of the amount to be invoiced will continue on a quarterly basis as under the previous policy. We may need to issue supplementary invoices next year if a CH has already been invoiced for the forthcoming year based on the old rates.

Q: What is considered a "forest product" under the new AAF Policy?

A: This has not changed: the full definition is in the Policy itself, but in short this includes all forest products (including non-timber forest products), and products containing wood or fibre components (even if the wood/fibre component is only a small part of the product). Importantly the turnover figure is based on ALL forest products, whether certified or uncertified.

Q: How much will my AAF be under this new policy?

You can use Table 3 of Annex 2 in the AAF Policy to calculate what the fees will be from 1 July 2022, or alternatively [download the Excel calculator spreadsheet here](#).

Note that this will change every year based on the turnover for most recent fiscal year.

Q: What type of evidence will be sufficient to support our declared figures?

A: Examples given in the Policy are: Tax records and filings, accounting records, financial statements, a declaration from an accountancy firm and management accounts showing financial general ledger coding.

Q: Why do we need to give you total revenue and fiscal year dates?

A: This is required information according to the policy.

Q: A Company which is selling both products containing wood, and purely metal products does not separate the turnover from each in their published annual accounts. How should they demonstrate their Forest Products Turnover?

A: For CHs where the Revenue consists of a mix of products (i.e., forest and non-forest products), the amount declared by the CH should be analysed by referring to the management accounts showing financial general ledger coding. They could also refer to tax records and filings, accounting records, financial statements, a declaration from an accountancy firm as supporting information. (see paras 2.12 and 2.19 of FSC AAF Policy). FSC have said that if the CH refuses to provide forest products turnover, they will be charged on the basis of total Revenue (see FSC FAQ).

Q: In my country there are official tax declarations which include overall turnover and tax amounts. Can these be used as supporting documentation?

A: Where a CH total turnover is the same as the Forest Products Turnover (ie. they only handle forest products) then these tax declarations can be used and the amount the AAF is based on is the total minus taxes. Where a CH Forest Products Turnover is only part of the Total Turnover, then additional supporting documentation will be needed to demonstrate how much the Forest Products turnover is, otherwise the CH will be charged on the basis of the total Revenue.

Q: For a single processor, anything up to US\$146000 has a fee of US\$80, do we therefore need an exact turnover (and Revenue) figure for those CHs below this amount?

A: FSC have confirmed by email that -Yes, you need an exact turnover (and revenue) figure for those CHs below this amount (see also FSC FAQ where they refer to band 1 collection of figures).

Q: Why do we need to know whether group members are Processors or Traders, and the number of group members? Is this relevant only for Group Certificates or does this apply for Multi-sites as well?

These details are only required for group certificates, since group certificates could contain some members who are Processors and some who are Traders (these are charged at different rates), and are charged a small extra fee for each group member. This is not required for Multi-sites, since these will all either be Trader Multi-sites OR Processor Multi-sites, and AAF is charged on the aggregate turnover of the sites.

Q: What if I have more questions which are not answered here?

A: Please contact us in the first instance if you have any questions, and if you would like to submit a comment on the FSC policy itself directly to FSC, the address to send them to is: assurance.quality@fsc.org