REGULATION OF THE MINISTER OF FORESTRY OF THE REPUBLIC OF INDONESIA

Number: P.45/Menhut-II/2012

REGARDING THE SECOND AMENDMENT ON THE REGULATION OF THE MINISTER OF FORESTRY NUMBER P.38/MENHUT-II/2009 REGARDING THE STANDARD AND GUIDELINE FOR PERFORMANCE ASSESSMENT OF SUSTAINABLE PRODUCTION FOREST MANAGEMENT & TIMBER LEGALITY VERIFICATION ON PERMIT HOLDERS OR SMALLHOLDING FORESTS

WITH THE BLESSINGS OF THE GOD ALMIGHTY

THE MINISTER OF FORESTRY OF THE REPUBLIC OF INDONESIA,

Considering:

a. that pursuant to the Regulation of the Minister of Forestry Number P.38/Menhut-II/2009 as already amended by Regulation of the Minister of Forestry Number P.68/Menhut-II/2011 a Standard and Guideline for Performance Assessment of Sustainable Production Forest Management & Timber Legality Verification on Permit Holders or Smallholding Forests has been made;

b. that the Regulation of the Minister of Trade Number 64/MDAG/PER/10/2012 on Provisions on Export of Forestry Industry Products has been issued;

c. that with the issuance of the said Regulation of the Minister of Trade letter b above, an adjustment needs to be done on the existing Regulation of the Minister of Forestry as specified in letter a;

d. that pursuant to considerations as specified in letter a to letter c above, it is considered necessary to stipulate Regulation of the Minister of Forestry regarding the Second Amendment on the Regulation of the Minister of Forestry Number P.38/Menhut-II/2009 regarding the Standard & Guideline for Performance Assessment of Sustainable Production Forest Management & Timber Legality Verification on Permit Holders or Smallholding Forests;

In View of:

1. Law Number 5 of 1960 regarding Regulation on Basic Principles of Land Management (State Gazette of the Republic of Indonesia of 1960 Number 104, Addendum to State Gazette of the Republic of Indonesia Number 2043);
2. Law Number 5 of 1990 regarding Conservation of Biodiversity Resources and the Ecosystem (State Gazette of the Republic of Indonesia of 1990 Number 49, Addendum to State Gazette of the Republic of Indonesia Number 3419);

3. Law Number 41 of 1999 regarding Forestry (State Gazette of the Republic of Indonesia of 1999 Number 167, Addendum to State Gazette of the Republic of Indonesia Number 3888) as already amended by Law Number 19 of 2004 regarding Stipulation of the Government Regulation As Replacement to Law Number 1 of 2004 regarding Amendment on Law Number 41 of 1999 regarding Forestry into a Law (State Gazette of the Republic of Indonesia Indonesia of 2004 Number 86, Addendum to State Gazette of the Republic of Indonesia Number 4412);

4. Law Number 32 of 2004 regarding the Local Government (State Gazette of the Republic of Indonesia of 2004 Number 125, Addendum to State Gazette of the Republic of Indonesia Number 4437) as already amended several times, lastly with Law Number 12 of 2008 regarding the second amendment on the Law Number 32 of 2004 regarding the Local Government (State Gazette of the Republic of Indonesia of 2008 Number 59, Addendum to State Gazette of the Republic of Indonesia Number 4844);

5. Government Regulation Number 102 of 2000 regarding the National Standardization (State Gazette of the Republic of Indonesia of 2000 Number 1999, Addendum to State Gazette of the Republic of Indonesia Number 4020);

6. Government Regulation Number 6 of 2007 regarding the Forestry Governance & Making of Plan for Forestry Management as well as Forestry Utilization (State Gazette of the Republic of Indonesia of 2007 Number 22, Addendum to State Gazette of the Republic of Indonesia Number 4696) as already amended by Government Regulation Number 3 of 2008 (State Gazette of the Republic of Indonesia of 2008 Number 16, Addendum to State Gazette of the Republic of Indonesia Number 4814);

7. Government Regulation Number 38 of 2007 regarding the Distribution of Governance Affairs between Central, Provincial, and District/City Government (State Gazette of the Republic of Indonesia of 2007 Number 82, Addendum to State Gazette of the Republic of Indonesia Number 4737);

8. Government Regulation Number 72 of 2010 regarding the Forestry State Company (Perum) (State Gazette of the Republic of Indonesia of 2010 Number 124);
9. Presidential Regulation Number 47 of 2009 regarding Establishment of State Ministry Organization as already amended by Presidential Regulation Number 91 of 2011;

10. Presidential Regulation Number 24 of 2010 regarding Position, Duty & Function of State Ministry and Organizational Structure, Duty and Function of Echelon I of State Ministry as already amended several times, lastly with Presidential Regulation Number 92 of 2011;

11. Presidential Decree Number 84/P of 2009 regarding the Establishment of Kabinet Indonesia Bersatu II as already amended by Presidential Decree Number 59/P of 2011;

12. Regulation of the Minister of Forestry Number P.55/Menhut-II/2006 regarding Administration of Forest Products Coming From State Forests as already amended several times, lastly with Regulation of the Minister of Forestry Number P.45/Menhut-II/2009;

13. Regulation of the Minister of Forestry Number P.38/Menhut-II/2009 regarding the Standard and Guideline for Performance Assessment of Sustainable Production Forest Management & Timber Legality Verification on Permit Holders or Smallholding Forests (State Gazette of the Republic of Indonesia of 2009 Number 141) as already amended by Regulation of the Minister of Forestry Number P.68/Menhut-II/2011 (State Gazette of the Republic of Indonesia of 2011 Number 870);

14. Regulation of the Minister of Forestry Number P.40/Menhut-II/2010 regarding Organization & Procedure of the Ministry of Forestry as already amended by Regulation of the Minister of Forestry Number P.33/Menhut-II/2012 (State Gazette of the Republic of Indonesia of 2012 Number 779);

15. Regulation of the Minister of Forestry Number P.30/Menhut-II/2012 regarding Administration of Forest Products Coming from Smallholding Forests (State Gazette of the Republic of Indonesia of 2012 Number 737);

16. Regulation of the Minister of Trade No. 64/M-DAG/PER/10/2012 regarding the Provisions on Export of Forestry Industry Products;

HAS DECIDED:

To Stipulate:

PRODUCTION FOREST MANAGEMENT & TIMBER LEGALITY
VERIFICATION ON PERMIT HOLDERS OR SMALLHOLDING FORESTS.

ARTICLE I

Some provisions in the Regulation of the Minister of Forestry Number P.38/Menhut- II/2009 regarding the Standard and Guideline for Performance Assessment of Sustainable Production Forest Management & Timber Legality Verification on Permit Holders or Smallholding Forests (State Gazette of the Republic of Indonesia of 2009 Number 141) as already amended by Regulation of the Minister of Forestry Number P.68/Menhut-II/2011 (State Gazette of the Republic of Indonesia of 2011 Number 870) have been revised and amended which now shall read as follows:

1. **Provisions in Article 1 number 1 have been amended, & whereas 1 new number has been inserted in between number 1 & number 2 namely 1A, which now shall read as follows:**

   **Article 1**

   1. Permit holders are holders of IUPHHK-HA, IUPHHK-HT, IUPHHK-HTR, IUPHHK-RE, IUPHHK-HKM, IUPHHK-HD, IUPHHK-HTHR, IPK, IUHHPHK, IUI or TDI, exporters as well as Registered Logyard (TPT).

   1A. Registered Logyard or hereinafter shall be referred to as TPT is a place to stock round timber and/or processed wood coming from one or several sources, belonging to a legal entity or individual, and certified as a TPT by authorized officer according to applicable laws.

2. **Provisions in Article 4 paragraph (3) & paragraph (4) have been amended, whereas 2 new paragraphs have been inserted namely paragraph (5) & paragraph (6) which now shall read as follows:**

   **Article 4**

   (3) Holders of IUPHHK-HKm, IUPHHK-HTR, IUPHHK-HD, IUPHHK-HTHR, IPK, & TPT are obliged to obtain S-LK.

   (4) Holders of IUHHPHK, IUI & TDI as well as wood-based home industry/artisan & exporters are obliged to obtain S-LK.

   (5) Holders of IUHHPHK whose raw material comes from Smallholding Forests are obliged to facilitate the owners of the smallholding forest to obtain S-LK.

   (6) S-LK as specified in paragraph (5) shall be valid for 10 (ten) years after the issuance date whereas surveillance shall be conducted at least once in 24 months.
3. Provisions in Article 7 have been amended by revising paragraph (5) & 1 new paragraphs has been inserted namely paragraph (6), which now shall read as follows:

Article 7

(5) Holders of IUPHHK-HTR, IUPHHK-HKm, IUPHHK-HD, and IUIPHHK with production capacity up to 2,000 M3 per annum, and TDI, IUI having investment capital to Rp.500,000,000.- (five hundred million rupiah) not including land and building, including wood-based home industry/artisan & exporters, may submit application for LK verification in group (group certification).

(6) The assistance and verification of the timber legality during the first period shall be carried out by LP&VI whereas the funding comes from the Ministry of Forestry, while owners of smallholding forest, holders of IUPHHK-HTR, IUPHHK-HKm, IUPHHK-HD, IUIPHHK with production capacity up to 2,000 M3 per annum, and TDI, IUI having investment capital to Rp.500,000,000.- (five hundred million rupiah) not including land and building, including wood-based home industry/artisan, may submit application for LK verification in group (group certification).

4. Provisions in Article 10 have been amended, which now shall read as follows:

Article 10

(1) Based on assessment or verification output as specified in Article 2 paragraph (2), Article 2 paragraph (3), Article 3 and result of improvements as specified in Article 9 paragraph (4), LP&VI shall issue the Certificate of PHPL and/or Certificate of LK to the permit holders & report this to the Director General.

(2) The Certificate as specified in paragraph (1) shall be used as basis for supervision and/or extension of IUPHHK by the Director General.

(3) Certificate of PHPL for the holders of IUPHHK-HA/HT/RE and holders of concession right shall be valid for 5 (five) years after the issuance date whereas surveillance shall be conducted at least 1 once a year.

(4) Certificate of LK for the holders of IUPHHK-HA/HT/RE and holders of concession right, IUPHHK-HTR/HKM/HD/HTHR/IPK, IUIPHHK, IUI having investment capital valued more than Rp.500,000,000.- (five hundred million rupiah) not including land and building, and those for exporters, owners of smallholding forest & TPT shall be valid for 3 (three) years after the issuance date whereas surveillance shall be conducted at least once in 12 months.
(5) deleted.

(6) Certificate of LK for IUI with investment value up to Rp.500,000,000.- (five hundred million rupiah) not including land and building, TDI & wood-based home industry/artisan shall be valid for 6 (six) years after the issuance date whereas surveillance shall be conducted at least once in 24 months.

(7) Surveillance as specified in paragraph (3), paragraph (4), & paragraph (6), can be conducted at the same time or separate time at the cost paid by the permit holders.

(8) Certificate of PHPL as specified in paragraph (3), should at least contain the company or the permit holders or the holders of concession right, area size, location, serial number of the permit/ownership certificate, LP&VI company name, date of issuance, validity period and identification number.

(9) Certificate of LK as specified in paragraph (4), should at least contain the company or the permit holders or the holders of concession right, area size, location, serial number of the permit/ownership certificate, LP&VI company name, date of issuance, validity period and identification number, as well as reference for standard legality.

(10) Permit holders, holders of concession right & owners of smallholding forest already obtaining the Certificate of PHPL or Certificate of LK, is entitled to put V-Legal Mark as to be specified in Separate Ministerial Decision.

(11) Guideline for the use of V-Legal Mark shall be further stipulated in the Regulation of the Director General.

5. Provisions in Article 12 A paragraph (3) have been amended, which now shall read as follows:

Article 12 A

(3) The information management about the Timber Legality Verification shall be carried out by the Licensing Information Unit (LIU) as part of the Timber Legality Information System (SILK) in the Directorate General.

6. Provisions in Article 18 have been amended, which now shall read as follows:

Article 18

(1) S-PHPL or S-LK already issued before this regulation is effective and still valid shall be adjusted for their validity period after surveillance.
(2) Holders of IUPHHK-HA/HT/RE and holders of concession right are obliged to have S-PHPL at the latest by 30 June 2013 and for S-LK at the latest by 31 March 2013.

(3) The obligation to have S-PHPL as specified in paragraph (2) shall be applicable for IUPHHK-HA/HT/RE whose permits have been extended longer than 5 (five) years after such IUPHHK-HA/HT/RE permits are issued.

(4) Holders of IUIPHHK shall be obliged to have S-LK at the latest by 31 December 2012.

(5) Holders of IUI & TDI, including wood-based home industry/artisan & exporters, holders of IUPHHHKm/HTR/HD/HTHR, owners of smallholding forest as well as TPT shall be obliged to have S-LK at the latest by 31 December 2013.

7. In between Article 19 & article 20, one new article has been inserted, namely Article 19 A, which now shall read as follows:

Article 19 A

Any other regulation pertaining to performance assessment of sustainable production forest management & timber legality verification on smallholding forests shall be declared as no longer in force.

ARTICLE II

This Regulation of the Ministry of Forestry shall be effective on the date it is stipulated. In order that everyone becomes aware of it, it has been ordered that this Regulation of the Minister of Forestry will be published in a State Gazette of the Republic of Indonesia.

Stipulated in Jakarta on 14 December 2012

MINISTER OF FORESTRY OF THE REPUBLIC OF INDONESIA,

signed

ZULKIFLI HASAN

Enacted in Jakarta on 18 December 2012

MINISTER OF LAW AND HUMAN RIGHTS OF THE REPUBLIC OF INDONESIA,

signed

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2012 NUMBER 1272
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