

**MINISTER OF FORESTRY OF
THE REPUBLIC OF INDONESIA**

**REGULATION OF MINISTER OF FORESTRY
OF THE REPUBLIC OF INDONESIA**

Number: P.43 / Menhut-II / 2014

CONCERNING

**PERFORMANCE ASSESSMENT OF SUSTAINABLE PRODUCTION FOREST
MANAGEMENT AND TIMBER LEGALITY VERIFICATIONS TO PERMIT HOLDERS
OR PRIVATE FORESTS**

WITH THE BLESSING OF GOD ALMIGHTY

MINISTER OF FORESTRY OF THE REPUBLIC OF INDONESIA,

Considering: a. that in order to implement the provisions of Article 125 paragraph (3), Article 100 and Article 119 of Government Regulation No. 6 of 2007 on Forest System and Forest Management Planning Establishment and Forest Use, as amended by Government Regulation No. 3 of 2008, a Regulation of Minister of Forestry No. P.38 / Menhut-II / 2009 concerning Standards and Guidelines for Performance Assessment of Sustainable Production Forest Management and Timber Legality Verifications on Permit Holders or on Private forests has been established, it has amended

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several times, at the latest by the Regulation of Minister of Forestry No. P.42 / Menhut-II / 2013;

- b. that based on the results of the evaluation of the implementation and to consider the development of Production Forest management on sustainable Production Forest and timber legality verifications, it is necessary to re-arrange the performance evaluation on sustainable Production Forest management and timber legality verifications on Permit Holders or on private forests;
- c. that in respect of the consideration referred to in paragraphs a and b, it is necessary to stipulate Regulation of Minister of Forestry concerning Performance Assessment of Sustainable Production Forest Management and Timber Legality Verifications on Permit Holders or on Private Forests.

- In view of:
- 1. Law Number 5 of 1960 concerning Agrarian Basic Regulation (State Gazette of the Republic of Indonesia Number 104 of 1960, Supplement to State Gazette of the Republic of Indonesia Number 2043);
 - 2. Law Number 5 of 1990 on Conservation of Biological Natural Resources and the Ecosystems (State Gazette of the Republic of Indonesia Number 49 of 1990, Supplement to State Gazette of the Republic of Indonesia Number 3419);
 - 3. Law Number 41 of 1999 concerning Forestry (State Gazette of the Republic of Indonesia Number 167 of 1999, Supplement to State Gazette of the Republic of Indonesia Number 3888) as amended by Law Number 19 of 2004 concerning Stipulation of Government

- Regulation as substitute of Law Number 1 of 2004 on the Amendment of Law Number 41 of 1999 concerning Forestry into Law (State Gazette of the Republic of Indonesia Number 86 of 2004, Supplement of State Gazette Republic of Indonesia Number 4412);
4. Law Number 18 of 2001 concerning Special Autonomy for the Special Province of Aceh as Nanggroe Aceh Darussalam (State Gazette of the Republic of Indonesia Number 114 of 2001, Supplement to State Gazette of the Republic of Indonesia Number 4633);
 5. Law Number 21 of 2001 concerning Special Autonomy for Papua Province (State Gazette of the Republic of Indonesia Number 135 of 2001, Supplement to State Gazette of the Republic of Indonesia Number 4151);
 6. Law Number 32 of 2004 concerning Regional Government (State Gazette of the Republic of Indonesia Number 125 of 2004, Supplement to State Gazette of the Republic of Indonesia Number 4437) as amended by Law Number 12 of 2008 (State Gazette of the Republic of Indonesia Number 59 of 2008, Supplement to State Gazette of the Republic of Indonesia Number 4844);
 7. Law No. 7 of 2014 concerning Trade (State Gazette of the Republic of Indonesia of 2014, Supplement to State Gazette of Republic of Indonesia Number 5512);
 8. Government Regulation No. 102 of 2000 concerning the National Standardization (State Gazette of the Republic of Indonesia Number

1999 of 2000, Supplement to State Gazette of the Republic of Indonesia Number 4020);

9. Government Regulation Number 6 of 2007 concerning Forest System and Establishment of Forest Management Planning and Forest Use (State Gazette of the Republic of Indonesia Number 22 of 2007, Supplement to State Gazette of the Republic of Indonesia Number 4696) as amended by Government Regulation Number 3 of 2008 (State Gazette of the Republic Indonesia Number 16 of 2008, Supplement to State Gazette of the Republic of Indonesia Number 4814);
10. Government Regulation Number 38 of 2007 concerning Division of Government Affairs among the Government, Provincial Government, and the Government of Regency / City (State Gazette of the Republic of Indonesia Number 82 of 2007, Supplement to State Gazette of the Republic of Indonesia Number 4737);
11. Government Regulation No. 72 of 2010 concerning Public Company (Perum) of Forestry (State Gazette of the Republic of Indonesia Number 124 of 2010);
12. Presidential Regulation Number 47 of 2009 concerning Establishment and Organization of the State Ministries, as amended by Presidential Regulation Number 55 of 2013;
13. Presidential Decree No. 84 / P of 2009 concerning Establishment of the United Indonesia Cabinet II (Kabinet Indonesia Bersatu II), as amended by Presidential Decree No. 5 / P of 2013;

14. Presidential Regulation No. 24 of 2010 concerning Position, Duties, Functions and Organizational Structure of State Ministries; Duties and Functions of Echelon I of the of the State Ministries of the Republic of Indonesia as amended several times, at the latest by Presidential Regulation Number 56 of 2013;
15. Presidential Decree Number 84/P of 2009 concerning Establishment of the United Indonesia Cabinet II, as amended by Presidential Decree No. 59 / P of 2011;
16. Regulation of Minister of Forestry Number P.55/Menhut-II/2006 concerning the Administration of Forest Products Derived from State Forests as amended several times, at the latest by Regulation of Minister of Forestry Number P.45/ Menhut-II /2009;
17. Regulation of Minister of Forestry Number P.40/Menhut-II/2010 concerning the Organization and Administration of the Ministry of Forestry as amended by Minister of Forestry Regulation Number P.33/Menhut-II/2012 (Official Gazette of the Republic of Indonesia Number 779 of 2012);
18. Regulation of Minister of Forestry No. P.30 / Menhut-II / 2012 on the Administration of Forest Products Derived from Private Forests (Official Gazette of the Republic of Indonesia No. 737 of 2012);
19. Regulation of Minister of Forestry Number P.39 of 2013 concerning the Empowerment of the Local Communities through Forestry Partnership (Official Gazette of the Republic of Indonesia Number 958 of 2013);

20. Regulation of Minister of Trade Number 64/M-DAG/PER/10/2012 concerning the Stipulation on Export of Forestry Industrial Products as amended by Regulation of Minister of Trade Number 81/M-DAG/PER/12/2013.

HAS DECIDED:

To Enact: REGULATION OF MINISTER OF FORESTRY CONCERNING PERFORMANCE ASSESSMENT OF SUSTAINABLE PRODUCTION FOREST MANAGEMENT AND TIMBER LEGALITY VERIFICATIONs ON PERMIT HOLDERS OR ON PRIVATE FORESTS.

PART I

GENERAL PROVISIONS

Article 1

In this Regulation referred to as:

1. Permit holder is the holder of IUPHHK-HA, IUPHHK-HT, IUPHHK-HTR, IUPHHK-RE, IUPHHK-HKM, IUPHHK-HD, IUPHHK-HTHR, IPK, IUIPHHK, IUI or TDI, ETPIK Non-Producer and TPT.
2. Registered Timber Depot hereinafter referred to as TPT is the places for collecting logs and / or processed wood derived from one or several sources, owned by business entities or individuals designated by the authorized official in accordance with the regulations of legislation.
3. Business Permit for Primary Industry of Forest Products, hereinafter referred to as IUIPHHK is the permit to process logs or small logs into one or several types

of products at a particular location which is given to the a Permit Holder by the authorized official.

4. Industrial Permit hereinafter referred to as IUI is the Permit for advanced timber processing industry which has a total investment of over Rp 200,000,000, - (two hundred million rupiahs), excluding land and buildings.
5. Advanced Industrial Permit hereinafter referred to as Advanced IUI is the downstream timber processing company which products are among others furniture.
6. Industrial Registration Certificate hereinafter referred to as TDI is the Permit for advanced wood processing industry which has a total investment up to Rp 200,000,000, - (two hundred million rupiahs), excluding land and buildings.
7. Management Right Holder is the state-owned company for forestry sector who is delegated as organizer of forest management according to the regulations of legislation.
8. Private forest is a forest located on land that has been encumbered with land rights, which is outside the forest area and is evidenced by the title or land rights.
9. Home industry/craftsman are small industry of household scale with value of investment up to Rp 5,000,000, - (five million rupiahs), excluding land and buildings and / or has a workforce of 1 (one) up to 4 (four) people.
10. Registered Exporter of Forest Industry Products of Non-Producers hereinafter abbreviated as ETPIK Non-Producers is a trading companies that has gained recognition for doing export of Forestry Industrial products.

11. Accreditation Institution is an Institute that accredits Assessment Bodies and Verification Bodies hereinafter called LP & VI, namely Komite Akreditasi Nasional (National Accreditation Committee) (KAN).
12. Independent Observer hereinafter referred to as PI is a member of community either an individual or an institution incorporated in Indonesia, which runs the monitoring functions related to public services in the field of forestry such as the issuance of S-SFM or S-LK.
13. Standards and guidelines for sustainable forest management are requirements to meet sustainable forest management that include standards, criteria, assessment indicators, assessment methods, and assessment guidelines.
14. Standards and guidelines for timber legality verification are requirements to meet the legality of timber / products which are made by agreement of the forestry parties (stakeholders) that include standards, criteria, indicators, verifiers, verification methods, and assessment norms.
15. Timber Legality Verification System, hereinafter referred to SVLK is a system that ensures the sustainability of forest management and / or timber legality and traceability of wood through PHPL certification evaluation, LK certification and Supplier Conformity Declaration.
16. Certificate of Sustainable Production Forest Management, hereinafter referred to as S-PHPL is the certificate given to the Permit Holders or Holders of Management Right that explains the success of sustainable forests management.
17. Timber Legality Certificate hereinafter referred to as the S-LK is the certificate given to the Permit Holders, the Holder of Management right, or Private Forest Owners who are stating that the permit holders, the holders of management right, or private forests owners have met the standards of timber legality.

18. Supplier's Conformity Declaration is the statement of conformity carried out by the supplier which has been able to prove based on the fulfillment of requirements.
19. Random inspection is an examination on the legality of timber and timber products which are made randomly from time to time by the Government or a third party appointed by the Government in maintaining the credibility of the supplier's conformity declaration.
20. Special Inspection is the inspection activities for the legality of timber and timber products in case of worrying of inconsistency and or untruth of the declaration of conformity issued by the supplier.
21. Legal V-sign is the sign affixed to the timber, timber products or packaging, which states that timber and timber products have met the PHPL Standard or VLK Standard.
22. V-Legal Documents is the document that states the export timber products for export purposes meet the standard of timber legality verifications in accordance with the provisions of the Government of the Republic of Indonesia.
23. Independent Assessment Body and Verification Body hereinafter referred to as LP & VI is a company incorporated in Indonesia which is accredited to assess the Performance of Sustainable Production Forest Management (SFM) and / or timber legality verification.
24. Assessment Body of Sustainable Production Forest Management, hereinafter referred to as LPPHPL is LP & VI which carry out evaluation to the performance of sustainable Production Forest management (PHPL).
25. Verification Body of Timber Legality, hereinafter referred to as LVLK is LP & VI that verify the legality of timber (LK).

26. Minister is the Minister entrusted with the duty and responsibility in the field of forestry.
27. Director General is the Director General assigned with duties and responsibilities in the field of Forestry Business Development.

CHAPTER II

ASSESSMENT AND VERIFICATION

Part One

General

Article 2

- (1) Performance assessment of PHPL and verification of LK are conducted by LP&VI.
- (2) Performance assessment of IUPHHKHA/HT/RE holders or holders of Management Right are performed by LPPHPL, based on PHPL Performance Assessment Standards.
- (3) Verifications to Permit Holders, Management Right Holders, or the Owners of Forest Rights are performed by LVLK, based on the Timber Legality Verification Standards.

Article 3

Assessment and / or verification as referred to in Article 2, for Natural IUPHHK, Plants, Ecosystem Restoration and Management right may be conducted either jointly and / or separately by LP&VI to obtain PHPL or LK Certificate, either by order of the Minister or at the request of the Permit Holders.

Article 4

- (1) IUPHHK-HA / HT / RE and Management right holders are obliged to obtain the S-PHPL.

- (2) In terms of IUPHHKHA / HT / RE and Management Right Holders who have not obtained the S-PHPL as stated in paragraph (1) are obliged to obtain the S-LK.
- (3) Timber Legality Certificate as stated in paragraph (2) is valid for 1 (one) period and furthermore the holders of IUPHHKHA / HT / RE and Management right are obliged to obtain the S-PHPL.
- (4) IUPHHK-HKM, IUPHHK-HTR, IUPHHK-HD, IUPHHK- HTHR, GPA, IUIPHHK, IUI, TDI, and EPTIK Non-Producers holders are obliged to obtain the S-LK.
- (5) IUIPHHK holders who have connection of raw materials originating from private forests, are obliged to facilitate the private forest owners to obtain the S-LK.
- (6) IUPHHK-HA / HT / RE and Management right holders who already have S-PHPL are not necessary to obtain the S-LK.
- (7) The holder of IPK or IUPHHK- HTHR are obliged to have S-LK immediately after the issue of Work Chart approval.
- (8) Registered Timber Depot, Home Industry / Craftsman, and Private forest Owners are obliged to obtain the S-LK through certification by LVLK, or to issue a Supplier's Conformity Declaration.
- (9) Registered Timber Depot which conducting Supplier's Conformity Declaration, as referred to in paragraph (8) shall obtain raw materials of log from private forests that already has S-LK or equipped with Supplier's Conformity Declaration document and / or to obtain the processed woods from IUIPHHK who already have S -LK.
- (10) Timber and / or wood products importer are obliged to issue a Supplier's Conformity Declaration for each shipment of imported timber and / or wood products.

Article 5

- (1) Holders of IUIPHHK, IUI, TDI, TPT, home industry / craftsman, and ETPIK Non- Producers are obliged to use raw materials and / or products that have had S-PHPL or S-LK or Supplier's Conformity Declaration at the latest on 31 December 2014.
- (2) Supplier's Conformity Declaration as referred to in paragraph (1) is originated from the private forests, TPT, home industry / craftsman and imported timber and / or wood products.
- (3) In case of holders of IUIPHHK, IUI, TDI, TDI, home industry / craftsman, and EPTIK Non-producers use timber that uses Supplier's Conformity Declaration as referred to in paragraph (2) are obliged to ensure the legality of the raw materials used by checking to the issuer of the Supplier's Conformity Declaration.

Article 6

Standards and guidelines of assessment on PHPL performance as referred to in Article 2 paragraph (2), Timber Legality referred to in Article 2 paragraph (3) and the Supplier's Conformity Declaration referred to in Article 4 paragraph (8) shall be regulated further by the Director General Regulation.

Section 2

Accreditation and Designation of LP & VI

Article 7

- (1) LP & VI as referred to in Article 2 accredited by KAN.
- (2) For obtaining accreditation as referred to in paragraph (1), LP&VI shall submit the application to KAN, in accordance with prevailing legislation.
- (3) Based on KAN accreditation as referred to in paragraph (2), the Director General on behalf of the Minister approves the LP&VI.

- (4) In the event there is an indication that the LP& VI did not act in accordance with prevailing regulations, the Director General on behalf of the Minister shall revoke the designation of LP & VI after proving its truth.
- (5) Validation as referred to in paragraph (4) is regulated in the Director General Regulations.

Section Three

Assessment

Article 8

- (1) Assessment on PHPL performance or timber legality verifications by LP&VI for a Permit Holder who is financed by the Ministry of Forestry in accordance with applicable cost standards, shall be conducted based on the assignment of the Director General on behalf of the Minister.
- (2) Standard costs as referred to in paragraph (1) shall be determined by the Minister and may be reviewed as necessary.
- (3) Financing of PHPL assessment or timber legality verification, for the next period shall be charged to the holders of right/permit or private forest owners.
- (4) IUPHHK-HTR, IUPHHK- HKm, IUPHHK-HD, IUIPHHK holders with a capacity up to 2,000 M3 per year, TPT, Home Industry / Craftsman, TDI, IUI with a capital investment of up to Rp 500.000.000.- (five hundred million rupiahs) excluding land and buildings, and private forest owners may apply for LK verification in groups.
- (5) Accompanying Financing and timber legality verification of the first period by LP & VI may be charged to the Ministry of Forestry or other sources that are legal and are not binding upon private forest owners, TPT, Home Industry/ Craftsman, IUPHHK-HTR, IUPHHK- HKm, IUPHHK-HD, IUIPHHK with a capacity up to 2,000

M3 per year, TDI, IUI with a capital investment of up to Rp 500,000,000.- (five hundred million rupiahs) excluding land and buildings, the implementation shall be carried out in groups.

- (6) Financing of S-LK inspection by LP&VI to private forest owner groups, IUPHHK-HTR, IUPHHK- HKm, and IUPHHK-HD holders may be charged to the Ministry of Forestry or other legal sources and shall not be binding as long as not in production yet.

Article 9

- (1) In the event of cost limitations of Ministry of Forestry for performing the assessment and / or verification, permits holders may take the initiative to apply to the LP&VI as referred to in Article 8 paragraph (1) to be evaluated in order to obtain a PHPL certificate and/or LK certificate.
- (2) Assessment cost as referred to in paragraph (1) shall be borne by the applicant.

Section Four Objections

Article 10

- (1) The decision in each stage of process and/or results of the assessment or decision in every stage of process and/or the result of verification shall be delivered to the permit holder, the holder of management right or private forest owner.
- (2) In the event of Permit holder, the holder of management right or the private forest owner objected to the decision in each stage of the process and/or the results of assessment or verification as referred to in paragraph (1), may appeal to LPPHPL or LVLK for settlement.

- (3) Independent Observer, Permit holder, management right holder or private forest owner may file complaint to KAN on the performance of LPPHPL or LVLK for settlement.
- (4) Komite Akreditasi Nasional (National Accreditation Committee) resolve the complaint as referred to in paragraph (3) according to the complaint resolution procedures -sttled in KAN.
- (5) Independent Observer may submit complaint to LPPHPL or LVLK upon the results of assessment or verification to obtain a settlement.
- (6) Procedures for the submission and completion of the appeal as referred to in paragraph (2) and the procedure for filing and settling of complaints as referred to in paragraph (3), shall be further regulated by the Director General Regulation.

Section Five

Issuance of Certificate

Article 11

- (1) Based on the results of the assessment or verification in Article 2 paragraph (2), Article 2 paragraph (3), Article 3 and the results of correction as referred to in Article 10 paragraph (4), LP&VI shall issue PHPL Certificate and / or LK Certificate for the permit holder and shall report to Director General.
- (2) Certificate as referred to in paragraph (1), shall be used as inputs for maintenance and / or extension of IUPHHK by the Director General.
- (3) PHPL Certificate for IUPHHKHA / HT / RE / Management right holders shall be valid for 5 (five) years from its issuance, and the surveillance shall be conducted at least every twelve (12) months.
- (4) LK certificate for IUPHHKHA / HT / RE / Rights Management holders, IUPHHK-HTR / HKM / HD / HTHR holders, IUIPHHK holders, and IUI holders with a

- capital investment of more than Rp 500,000,000.- (five hundred million rupiahs) excluding land and building shall be valid for three (3) years from its issuance, and the surveillance shall be conducted at least every twelve (12) months.
- (5) LK Certificate for IPK holders shall be valid for 1 (one) year since issued.
 - (6) LK Certificate for IUI holders with the investment up to Rp 500,000,000.- (five hundred million rupiahs) excluding land and buildings, as well as for TPT, TDI, home industry / craftsman and ETPIK Non-Producer shall be valid for 6 (six) years from its issuance, and the surveillance shall be conducted at least every 24 (twenty-four) months.
 - (7) LK Certificate for private forest owners shall be valid for 10 (ten) years after its issuance, and the surveillance shall be conducted at least every 24 (twenty-four) months.
 - (8) Surveillance as referred to in paragraph (3) and (4) may be conducted at the same time or separately at the expense of the permit holder.
 - (9) PHPL Certificate as referred to in paragraph (3), shall contain at least the name of the company or the name of permit holder or the holder of management right, size of area, location, number of decision for right / permit /land title, name of LP&VI company, issuance date, validity, and certification identification number.
 - (10) LK certificate as referred to in paragraph (4), paragraph (5), paragraph (6) and paragraph (7) shall contain at least the name of the company or the name of the permit holder, size of area, location, number of decision of right or permit, name of LP&VI company, date of issuance, validity and identification number of certification, as well as the reference of legality standard.

- (11) Permit holders, management right holders and the private forest owners who have obtain PHPL Certificate or LK Certificate, shall be entitled to put the V-Legal Signs as set forth in special Decree of Minister.
- (12) Guidelines for the use of the V-Legal Signs shall be further regulated by the Director General.

Article 12

- (1) Supplier's Conformity Declaration for TPT, home industry / craftsman and private forest owners has a validity period the same as to the period of validity of transport document used.
- (2) To maintain the credibility of the Supplier's Conformity Declaration, Random Inspection by the Government may be conducted for time to time or by a third party, namely Verification Body of Timber Legality appointed by the Government at the expense of the Government.
- (4) In the event of the issuance of the Supplier's Conformity Declaration it is found or reasonably suspected of any discrepancy and / or inaccuracy of any of the aforesaid declaration, then a Special Inspections shall be conducted by the Government or LVLK appointed by the Government at the expense of the Government.

Article 13

- (1) Assessment body of Sustainable Production Forest Management shall issue S-PHPL to the holders of the IUPHHK- HA / HT / RE / Management right who have met the passing requirements of the performance assessment.
- (2) In the event of assessment results categorized as "Poor", the permit holder is given an opportunity to improve the performance of PHPL.

- (3) In the event of assessment results categorized as "Poor" in the prerequisite criteria, production criteria, ecological and social criteria, but meet the timber legality, the LP-PHPL shall issue the Timber Legality Certificate (S-LK).
- (4) S-LK issuance as referred to in paragraph (3) may be carried out if the LP-PHPL has been accredited and designated as LVLK.
- (5) Criteria for assessment results categorized as "Poor" which is still given the opportunity to improve the performance of PHPL as referred to in paragraph (2) shall be regulated further by the Director General.

Article 14

- (1) LK certificate as referred to in Article 11 paragraph (4), paragraph (5), paragraph (6) and paragraph (7) shall be issued on the category of "Qualified/Meet" the standard of timber legality verifications.
- (2) In the event of the result of verifications is "Unqualified", the permit holder shall be given the opportunity to fulfill timber legality verification standards.

Article 15

- (1) Assessment body of Sustainable Production Forest Management or Verification Body of Timber Legality shall submit the report on results of the assessment or verification to the Ministry of Forestry and permit holders, management right holder, or private forest owners.
- (2) Assessment body of Sustainable Production Forest Management (LPPHPL) or Verification Body of Timber Legality (LVLK) shall publish the resume of PHPL assessment results or LK verification on their websites and the Ministry of Forestry website (www.dephut.go.id) and (<http://silk.dephut.go.id>).

- (3) Information management of timber legality verification is to be done by the Licensing Information Unit through the Timber Legality Information System (SILK) located at the Directorate General.

Article 16

- (1) Verification Body of Timber Legality (LVLK) issued V-Legal Documents for holders of IUIPHHK, IUI, TDI, home industry / craftsman and ETPIK Non-producers who have obtain the S-LK.
- (2) For holders of IUIPHHK, IUI, TDI, home industries / craftsman and ETPIK Non-producer who have no S-LK yet, the V-Legal document shall be issued through inspection by LVLK.
- (3) Inspection as referred to in paragraph (2) may be carried out up to a maximum of 3 (three) months after the promulgation of this regulation.
- (4) Guidelines for issuance of V-Legal Documents shall be further regulated by the Director General regulations.

CHAPTER III

INDEPENDENT OBSERVER

Article 17

- (1) Implementation of PHPL performance assessment and LK verification shall be monitored by the Independent Observer (PI).
- (2) Monitoring the implementation of PHPL performance assessment and / or LK verifications shall be financed independently by PI.
- (3) The Government may facilitate the PI in obtaining sources of finance to conduct monitoring and encouraging the development of independent financing in accordance with prevailing regulations.

- (4) Procedures and guidelines for the monitoring as referred to in paragraph (1) shall be further regulated by the Director General Regulations.

CHAPTER IV

CAPACITY REINFORCEMENT

Article 18

- (1) Technical skills or financial assistance in order to reinforce the capacity and institutional of LP&VI and PI may be done by the Government;
- (2) In the event of the unavailability of Government's budget as referred to in paragraph (1), financial assistance may be obtained from other sources that are not binding.

Article 19

PHPL and LK certificates that have been issued before the enactment of this regulation shall remain valid until the expiration of the certificate.

CHAPTER V

TRANSITIONAL PROVISIONS

Article 20

- (1) PHPL or LK Certificate issued prior to the enactment of this regulation, and still valid, its validity then shall be adjusted to this provisions after surveillance.
- (2) The holder of IUI, TDI, and ETPIK Non-Producers, holders of IUPHHK- HKM / HTR / HD / HTHR, are obliged to have the S-LK on 31 December 2014 at the latest.
- (3) In the event of utilization and / or administration of timber on Customary Rights Forest, in relation with the Constitutional Court Decision (MK) No. 35 of 2012, shall be regulated after the existence of implementation Legislation.

CHAPTER VI

FINAL PROVISIONS

Article 21

- (1) Implementation of the provisions of Minister of Forestry Regulation Number P.38/Menhut-II/2009, as amended several times, at the latest by the Minister of Forestry Regulation Number P.42/Menhut-II/2013 concerning Standards and Guidelines for Performance Assessment of Sustainable Production Forest Management and Timber Legality Verifications to Permit Holders or Private Forests, as long as not in contradiction to this Regulation shall remain valid.
- (2) With the enforcement of this regulation, the Minister of Forestry Regulation Number P.38/Menhut-II/2009, as amended several times, at the latest by the Minister of Forestry Regulation Number P.42/Menhut-II/2013 concerning Standards and Guidelines for Performance Assessment of Sustainable Production Forest Management and Timber Legality Verifications to the Permit Holders or Private Forests, shall be revoked and declared as no longer valid.

Article 22

This Regulation of Minister shall come into force on the date of promulgation.

For public cognizance, this Regulation of Minister shall be published in the Official Gazette of the Republic of Indonesia.

Stipulated in: Jakarta

on 19 June 2014

**MINISTER OF FORESTRY OF
REPUBLIC OF INDONESIA,**

sgd.

ZULKIFLI HASAN

Promulgated in Jakarta

On 27 June 2014

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

signed

AMIR SYAMSUDIN

OFFICIAL GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 883 OF 2014

Made as True copy

THE HEAD OF LEGAL AND ORGANIZATION BUREAU,

signed

KRISNA RYA