

**ADMINISTRATION OF FOREST PRODUCTS COMING FROM WORKING AREAS OF
PERHUTANI FOR PROVINCES IN JAVA**

(Decree of the Minister of Forestry No. 127/Kpts-II/2003 dated April 3, 2003)

THE MINISTER OF FORESTRY,

pages 19A - 20A and so on) on the authority of the government and the authority of provinces as autonomous regions;

Considering:

- a. that Article 73 in Chapter VII of Government Regulation No. 32/2002 stipulates that distribution and marketing of forest products are controlled through administration of forest products in the framework of protecting state rights to forest products and forest conservation;
 - b. that pursuant to legislation in force, the management of forests in Java, particularly protected and production forests in Banten, Central Java and East Java has been entrusted to a state-owned enterprise operating in the forestry affairs, namely Perhutani;
 - c. that in connection with the matters as meant in points a and b, it is deemed necessary to stipulate the administration of forest products coming from working areas of Perhutani for provinces in Java by a decree of the Minister of Forestry;
- In view of:
1. Law No. 5/1990 on conservation of biological resources and their ecosystems;
 2. Law No. 23/1997 (BN No. 6092 pages 19A - 21A) on environmental-management basic provisions;
 3. Law No. 22/1999 (BN No. 6361 pages 1A - 5A and so on) on regional administration;
 4. Law No. 41/1999 (BN No. 6412 pages 1A - 6A and so on) on forestry affairs;
 5. Government Regulation No. 14/2001 (BN No. 6612 pages 3A - 4A) on the change in the legal status of State Public Corporation (Perum) Perhutani into a limited liability company;
 6. Government Regulation No. 25/2000 (BN No. 6471
 7. Government Regulation No. 39/2001 (BN No. 6698 pages 1A - 8A) on de-concentration;
 8. Government Regulation No. 52/2001 on seconding tasks;
 9. Government Regulation No. 34/2002 (BN No. 6828 pages 9A - 15A and so on) on forest arrangement and formulation of plans for management of forests, exploitation of forests and the use of forest areas;
 10. Government Regulation No. 35/2002 (BN No. 6838 pages A - 10A) on reforestation fund;
 11. Presidential Decree No. 102/2001 on the status, tasks, function, organizational structures and working arrangements of ministries;
 12. Presidential Decree No. 228/M/2001 on the establishment of the Mutual Cooperation Cabinet;
 13. Decree of the Minister of Forestry No. 123/Kpts-II/2001 on the organization and working arrangement of the Ministry of Forestry;
 14. Decree of the Minister of Forestry No. 126/Kpts-II/2003 on administration of forest products;

D E C I D E S :

To stipulate :

THE DECREE OF THE MINISTER OF FINANCE ON ADMINISTRATION OF FOREST PRODUCTS COMING FROM WORKING AREAS OF PERHUTANI FOR PROVINCES IN JAVA

**CHAPTER I
GENERAL PROVISION**

Article 1

Referred to in this decree as:

1. Administration of Forest Products shall be activities covering the administration of planning for production, harvesting or felling, marking, measuring and testing, transportation/distribution and collection, processing and reporting.
2. Forest Products shall be biological materials resulting from forests and their processing products, except wild plants and animals.
3. Non-Timber Forest Products shall be forest products such as rattan, resin, ramin oil, bark etc resulting from forests as well as their processing products.
4. Found Timber-Forest Products shall be timber found in forest areas of Perhutani, coming from both felling by communities and other felling outside the production of Perhutani.
5. Corporate Class shall be business classification in the forestry sector on the basis of kinds of production.
6. Felling Cluster shall be a specified size stipulated for felling in the period of forest-conservation regulatory plan.
7. Working Block shall be part of felling cluster for interests of the felling management.
8. Forest-Product Collecting Place (TP) shall be a place designated to collect woods and/or non-timber forest products around felling/harvesting/collecting place of forest products already stipulated by KKPH/administrator.
9. Timber Collecting Place (TPK) shall be a place stipulated and functioning to receive, collect and release logs and/or non-timber forest products whose classification is further stipulated by a decision of regent/mayor.
10. Timber Selling Place (TPn) shall be a place stipulated and functioning to receive, collect and release logs and/or non-timber forest products, which is stipulated by a decision of Head of Unit as TPn located in forest area or outside forest area.
11. Industrial TPK shall be TPK located in location of Primary Forest Product Industries belonging to Perhutani.
12. Perhutani's primary timber-forest product industry is an industry belonging to Perhutani/KSP, which processes logs into semi-finished goods in the form of sawn timber or veneer.
13. Perhutani's primary non-timber-forest product industry is an industry belonging to Perhutani, which processes non-timber forest products in crude form into semi-finished goods or finished goods.
14. Cruising Result Report (LHC) or previously called the Clamp List shall be a document containing no., kind, height, diameter and estimated volume of trees obtained from result of inventory of upright of ever cruised tree in the felling cluster/block plan.
15. Cruising Checking shall be activity to check cruising results and implemented by personnel of institution in charge of forestry affairs in regencies/cities, accompanied by planning personnel of Perhutani's Forest Planning Section with intensity 10%.
16. Annual Felling Recapitulation of LHC shall be a document resulting from the processing of data about trees from LHC or clamp list of every working cluster, covering the classification of kinds of trees which can be felled, class of diameter, quantity of trees and estimated volume of woods by calculating Fp and Fe ratified by regent/mayor.
17. Annual Working Plan (RKT) shall be a detailed forest management plan for one year as elaboration of the Forest Conservation Regulatory Plan (RPKH).
18. Log shall be part of a tree already cut in accordance with the use, consisting of tool wood, logging waste and special sort.
19. Specifically Sorted Wood shall be wood usually used

- for special need in accordance with approval of directors.
20. Numbered Tool Wood shall be log having a diameter of 30 cm and over, with no. of wood, diameter, length, volume and month/year of felling being put on the outer side by using slag hammer.
21. Not-number Tool Wood shall be wood with a diameter of 30 cm (4 cm to 29 cm) and fixed quadrangle wood or sawn timber with any of its sides less than 20 cm.
22. Brongkol Wood shall be wood with unlimited diameter, which according to the shape and size cannot be used for tool/carpentry wood and has a length of 90 cm at the maximum.
23. Fire Wood shall be wood with a diameter of 4 cm up to 15 cm, which according to the shape and size cannot be used for tool/carpentry wood.
24. Numbering and marking of stalk shall be the granting of marks, in the form of no. of cluster, regional code of BKPH, no. of wood, size and volume on wood in felling location by using black color/asphalt.
25. DK Tok Hammer shall be a tool to put sign of legality on logs coming from Perhutani, containing code of the Ministry of Forestry, Province, Regency/City and Serial No. of Tok Hammer.
26. Measuring Book shall be a daily record of results of felling/harvesting made in felling cluster, containing no. of stalk, kind, length and volume of logs already put mark on the wood physic from the relevant annual felling cluster/block and used as the basis for completing Report on Felling/Harvesting Results (LHP).
27. Officials Ratifying Report on Production Result (P2LHP) shall be Perhutani's employees fulfilling the minimum qualification as forest product verifiers appointed and assigned, responsible and authorized to ratify report on results of felling/harvesting of logs/brongkol wood/fire wood subsequently called P2LHP and ratify report on results of production of non-timber forest products called P2LP-HHBK.
28. Officials Issuing SKSHH (P2SKSHH) shall be Perhutani's employees fulfilling the minimum qualification as forest product verifiers appointed and assigned, responsible and authorized to issue document of SKSHH in TPK, Tpn; Perhutani's Primary timber-forest product industries and Primary non-timber-forest product industries.
29. Officers Examining Receipt of Logs/Sawn Timber/HHBK (P3KB/P3KB/P3HHBK) shall be Perhutani's employees fulfilling the minimum qualification as forest product verifiers appointed and assigned, responsible and authorized to examine logs/sawn timber/non-timber forest products received by Perhutani's Primary timber-forest product industries and Primary non-timber-forest product industries.
30. Report on Results of Felling/Harvesting of Logs (LHP-KB) shall be a document containing no. of stalk, kind, length, diameter and volume of numbered tool wood or containing no. of stalk, kind, length, diameter and volume of not-numbered tool wood from results of tree felling in stipulated cluster/block, which is prepared in TPK/TPn.
31. Report on Production of Non-Timber Forest Products (LP-HHBK) shall be a record of result of production/harvesting/collection of non-timber forest products (HHBK), containing kind and size (volume/weight) of HHBK and made in stipulated collecting place.
32. Fixed wood shall be quadrangle wood processed directly from log by using axe, chain saw or the similar tool outside primary timber-forest product industries.
33. Certificate of Legitimacy of Forest Product (SKSHH) shall be a document certifying the legitimacy of transport, control and ownership of forest products as evidence of legality of forest products granted by the authorized official.
34. List of Forest Product (DHH) shall be a document containing no. and date of LHP, no. of stalk, kind of

- wood, length, diameter and volume of every stalk for logs; or serial number of bundle, kind of wood, size of sort, number of pieces/bundles and volume for processed wood; or kinds of HHBK, number of bundles and weight for HHBK, which constitutes an attachment inseparable from document of SKSHH.
35. Report on Mutation of Logs (LMKB) shall be a document of mutation of wood, containing initial stock, addition, reduction and final stock of log made in TPK/TPn/Perhutani's Industrial TPK.
36. Report on Mutation of Non-Timber Forest Products (LMHHBK) shall be a document of mutation of non-timber forest products, containing initial stock, addition, reduction and final stock of log made in TPK/TPn/Perhutani's Primary Non-Timber Forest Product Industries.
37. Report on Mutation of Processed Forest-Product (LMHHO) shall be a document of mutation of processed forest products, containing initial stock, addition, reduction (sales and consumption) and final stock of processed forest products in industries, consisting of Report on Mutation of Result of Processed Timber-Forest Products (LMHHOK) and Report on Mutation of Results of Processed Non-Timber Forest Products (LMHHBOK).
38. Forest-product measuring and testing officers shall be Perhutani's employees having the minimum qualification of forest product verifiers who can be authorized and given responsibility for stipulating the size, kind, and quality of forest products.
39. Cooperation Partner of Forest-Product Processing (KSP) shall be a model of mutual beneficial cooperation in the processing of forest products between Perhutani and working partners in the framework of diversification and enhancement of the value of timber forest products as well as utilization of market opportunities in a bid to develop the corporate business.
40. Auction Sale shall be the sale of wood produced by Perhutani by means of auction in TPK/TPn.
41. Contract-based Sale shall be the sale of teak wood of Perhutani through selling contract for a portion of wood, stipulated by decision of the Executive Director of Perhutani.
42. Under-hand Sale shall be the sale of logs produced by Perhutani, which is realized directly to buyers.
43. Director General shall be the Director General in charge of Forestry Production Development.
44. Provincial Service shall be service in charge of forestry affairs in provinces.
45. Regental/Municipal Service shall be service in charge of forestry affairs in regencies/cities.
46. Center for Certification of Forest Product Verifiers (BSPHH) shall be a technical executive unit in the field of certification of forest product verifiers, subordinate and responsible to the Director General of Forestry Production Development.
47. Perhutani shall be a state-owned enterprise managing forests in Java on the basis of the delegation of authority as stipulated in legislation in force.
48. Directors shall be executives in the Office of Perhutani's Executive Director, consisting of a president director and directors.
49. Units of Perhutani shall be working units of Perhutani, divided into 3 (three) units, namely Unit I Central Java, Unit II East Java and Unit III West Java/Banten.
50. Unit of Forest Stakeholders (KPH) shall be part of forest management area in working area of Units of Perhutani.
51. Part of Forest Stakeholder Unit (BKPH) shall be part of forest management area in area of KPH.

Article 2

- (1) The administration of forest products resulting from working areas of Perhutani for provinces in Java shall

aim at providing guidelines for personnel of Perhutani in executing activities of forest exploitation so that the state interests in the form of forest conservation, state income and utilization of forest products can be achieved optimally.

- (2) Objects of administration of forest products shall be all kinds of forest products, except wild plants and animals coming from working areas of Perhutani for provinces in Java.
- (3) Perhutani shall be assigned and authorized to undertake the administration of forest products as stipulated in this decree.

Article 3

- (1) All forest products coming from state forests shall be measured and verified by measuring and verifying officers.
- (2) Procedures for the measuring and verification of forest products as meant in paragraph (1) shall be in accordance with the provisions in force.

CHAPTER III

REALIZATION OF ADMINISTRATION OF FOREST PRODUCTS

Part One

Planning of Production and Felling/Harvesting

Article 4

- (1) Timber cruising shall be applied in every area of KPK, which will be felled/harvested and the results shall be reported in the form of Report on Cruising Results (LHC) by using model of form DK.PHT.01.a (Attachment I.A1).
- (2) The timber cruising as meant in paragraph (1) shall be done not later than December, 2 (two) years before the felling/harvesting with cruising intensity 100%.
- (3) In the case of spacing-oriented felling plan, timber cruising shall be done with sampling intensity 2.5% (two point five percent).
- (4) LHC as meant in paragraph (1) shall be conveyed to

Regents/mayors not later than December, two years before the felling/harvesting as the basis for cruising checking with a copy made available to Heads of Provincial Service, Heads of Regental/Municipal Service and Director General.

- (5) Based on the LHC as meant in paragraph (4), cruising checking shall be done with intensity 10% (ten percent) not later than December, one year before the felling/harvesting.
- (6) Based on results of the cruising checking as meant in paragraph (5), and in the case of the results fulfilling the requirements, Heads of Regental/Municipal Service shall make Annual Felling Recapitulation of LHC by using form of model DK.PHT.01.b (Attachment I.A.2) and convey it to regents/mayors.
- (7) The annual felling recapitulation of LHC as meant in paragraph (6) shall be ratified by regents/mayors not later than the end of June, 6 (six) months before the felling/harvesting and convey to administrator/KKPH with a copy made available to Heads of Provincial Service, Heads of Regental/Municipal Service and Director General.
- (8) Regents/Mayors can assign heads of Regental/Municipal Service to ratify Annual Felling Recapitulation of LHC.

Part Two

Measuring and Numbering of Wood in Forest

Article 5

- (1) Trees already felled shall be divided, cut, measured, numbered and marked.
- (2) The division of stalk as meant in paragraph (1) shall be done by referring to the provisions already stipulated by the Executive Director of Perhutani.
- (3) The cutting of stalk as meant in paragraph (1) shall be done by principles of stalk by stalk management with sequence of cutting starting from the bottom side to tip by observing the quality of wood.
- (4) The measuring of stalk as meant in paragraph (1)

shall be done by referring to the measuring provisions in force.

- (5) The numbering and marking of stalk shall be follow no. of trees on LHC of Annual Felling.

Article 6

- (1) The numbering and marking of numbered tool wood (A.III) shall be done in two parts of the smallest wood tip, separated by vertical line by using black color paint/asphalt, namely left side (A) and right side (B).
- (2) Side A shall be provided for putting number and marks, no. of cluster, code of BKPH, no. of wood, size (length, diameter, and volume) of wood in felling cluster, while Side B shall be provided for marking and numbering when the wood is located in TPK/TPn.
- (3) In the case of one tree being cut into several parts of stalk, the numbering of stalk shall start from letter A in the cut of the bottom part and so forth.
- (4) Every stalk already given no. of stalk and measured as meant in paragraph (1) shall be recorded every day into the measuring book by using form of model DK.PHT.02 (Attachment I.B).
- (5) Tree stump shall be marked by using asphalt, covering:
- a. serial no. felling;
 - b. no. of felled tree;
 - c. date of felling;
 - d. name and address of feller;
 - e. initial of felling supervisor.

Article 7

- (1) The numbering and marking of not-numbered tool wood (A.I and A.II) shall be done by means of calibrating the size (length and diameter) by using black paint/asphalt on outer side of wood.
- (2) The marking of brongkol wood in collection place/TPn by means of putting a writing BRK in any of outer sides by using black paint/asphalt.

- (3) The marking of fire wood in collection place/TPn by means of putting a writing KBkr strip mark in string of fire wood by using black paint/asphalt.

Part Three

Transport of Forest Products in Forest

Article 8

- (1) The transportation of wood, be it numbered tool wood, not-numbered tool wood, brongkol wood, fire wood and non-timber forest products from TP to TPK or TPn shall be accompanied by a Transport List (DP) issued by Perhutani's officer, by using form of model DK.PHT.21 (Attachment I.K.1).
- (2) In the case of The transportation of other wood/forest products from collection places to TPK/TPn needing transit in other collection places, the transportation shall be accompanied by Transit Transport List (Transit DP) issued by Perhutani's officer, by using form of model DK.PHT.21a (Attachment I.K.2).
- (3) The transport list and transit transport list as meant in paragraphs (1) and (2) shall function as transport document and evidence of legality of forest products.
- (4) The appointment of officers issuing the transport list and/or transit transport list shall be further stipulated by a decision of the Head of Forest Stakeholder Unit/Administrator.

Part Four

Formulation of LHP-KB, Ratification of LHP-KB, Formulation of LP-HHBK and Ratification of LP-HHBK

Paragraph One

Formulation of LHP-KB

Article 9

- (1) In the case of logs (AI, AII and AIII) being already received in TPK/TPn, LHP-KB shall be made by using form of model DK,PHT.05 (Attachment I.D1)
- (2) Formulation of LHP-KB as meant in paragraph (1) shall be based on results of re-measuring of logs, covering the measuring of length, diameter and volume carried out by LHP-KB in TPK/TPn.

- (3)Based on the results of the measuring as meant in paragraph (2), wood tip of Side B shall be numbered and marked by using slag hammer and white paint by officer making LHP-KB.
- (4)Slag hammer shall be used for printing:
- month and year;
 - no. of TPK/TPn;
 - Length and diameter or length, width and thickness;
 - Content/volume.
- (5)The white paint shall be used for writing:
- quality mark;
 - no. of location;
 - sold mark.
- (6)LHP-KB shall be made twice per month, namely at the mid and end of very month.
- (7)LHP-KB shall be made in accordance with the respective felling clusters so that in the event that felling cluster is more than one in one felling year, LHP-KB shall be made for the respective felling clusters separately.
- (8)In the case of the felling being not realized, LHP-KB Nil shall be made by mentioning reasons.
- (2)Based on the LHP-KB proposal as meant in paragraph (1), P2LHP shall promptly undertake inspection in accordance with the inspection procedures as regulated in Attachment III.
- (3)In the case of log physic being declared suitable on the basis of results of inspection, LHP-KP shall be promptly ratified by P2LHP and the logs shall be hammered by Tok DK Hammer as contained in specimen in Attachment V in both tips of logs.
- (4)In the case of longs being necessary to carry promptly, LHP-KB can be ratified first by following the ratification procedures as meant in paragraphs (2) and (3).
- (5)LHP-KB shall be made in 6 (six) copies with the designation as follows:
- 1st sheet to KKPH/administrator;
 - 2nd sheet to Forest Planning Section;
 - 3rd sheet to Administrator Adjutant
 - 4th sheet to Planning Assistant;
 - 5th sheet to KRPH;
 - 6th sheet to P2LHP.
- (6)Based on LHP-KB already ratified, KKPH/Administrator shall convey report on results of production to head of unit and regental/municipal forestry service.
- (7)Tok DK Hammer shall be stored by P2LHP in a locked place/deposit box.

Article 10

- (1)At least one personnel making LHP-KB shall be placed in every felling block.
- (2)In the case of a felling block being located in two areas of BKPH or more, LHP-KB shall be made in the respective BKPH.

Paragraph Two

Ratification of LHP-KB

Article 11

- (1)At the mid and end of every month, personnel making LHP-KB shall convey LHP-KB proposal to P2LHP by enclosing payment form of PSDH of the logs with a copy made available to Head of Regental/Municipal Service in their respective working areas.

Paragraph Three

Formulation of LP-Brongkol Wood and LP-Fire Wood

Article 12

- (1)In the case of brongkol wood and/or fire wood already received in collection place, LP-Brongkol Wood/LP-Fire Wood shall be made by using form of model DK.PHT.05a (Attachment I.D2).
- (2)Formulation of LP-Brongkol Wood and/or Fire Wood as meant in paragraph (1) shall be based on results of measuring by staple meter, carried out by personnel making LP-Brongkol Wood/LP Fire Wood.
- (3)LP-Brongkol Wood/LP Fire Wood shall be made twice in one month, at the mid and end of month.

(4) In the case of the felling/harvesting of brongkol wood/ fire being not realized, Nil LP-Bronkol Wood/Fire Wood shall be made by mentioning reasons.

Paragraph Four

Ratification of LP-Brongkol Wood and LP-Fire Wood Article 13

(1) At the mid and end of every month, personnel making LP-Brongkol Wood/LP-Fire Wood shall convey proposal of LP-Brongkol Wood/LP-Fire Wood to P2LHP by enclosing payment form of PSDH of the brongkol wood/fire wood with a copy made available to Head of Regental/Municipal Service in their respective working areas.

(2) Based on the LP-Brongkol Wood/LP-Fire Wood proposal as meant in paragraph (1), P2LHP shall promptly undertake inspection in accordance with the inspection procedures as regulated in Attachment III.

(3) In the case of brongkol and/or fire wood being necessary to carry promptly, LHP-KB can be ratified first by following the ratification procedures as meant in paragraph (2).

(4) LP-Brongkol Wood/LP-Fire Wood shall be made in 6 (six) copies with the designation as follows:

- a. 1st sheet to KKPH/administrator;
- b. 2nd sheet to Forest Planning Section;
- c. 3rd sheet to Administrator Adjutant
- d. 4th sheet to Planning Assistant;
- e. 5th sheet to KRPH;
- f. 6th sheet to P2LHP.

(5) Based on LP-Brongkol Wood/LP-Fire Wood already ratified, KKPH/Administrator shall convey report on results of production to head of unit and regental/ municipal forestry service.

Paragraph Five

Formulation of LP-HHBK Article 15

(1) In the case of non-timber forest products being collected/harvested, LP-HHBK shall be made by using form of model DK.PHT.05.c (Attachment I.D.4).

(2) The formulation of LP-HHBK as meant in paragraph (1) shall be based on results of measuring of non-timber forest products by personnel formulating LP-HHBK.

(3) LP-HHBK shall be made twice per month, namely at the mid and end of month.

(4) In the case of the harvesting/collection of forest products being not realized, LP-Nil HHBK shall be made by mentioning reasons.

Paragraph Six

Ratification of LP-HHBK Article 15

(1) At the mid and end of every month, personnel making LP-HHBK shall convey LP-HHBK proposal to P2LP-HHBK by enclosing payment form of PSDH of the non-timber forest products with a copy made available to Head of Regental/Municipal Service in their respective working areas.

(2) Based on the LP-HHBK proposal as meant in paragraph (1), P2LP-HHBK shall promptly undertake inspection in accordance with the inspection procedures as regulated in Attachment III.

(3) Based on results of the inspection as meant in paragraph (2) and in the case of the results being suitable, the LP-HHBK proposal shall be ratified P2LP-HHBK.

(4) In the case of non-timber forest products being necessary to carry promptly, LP-HHBK can be ratified first by following the ratification procedures as meant in paragraphs (2) and (3).

(5) LP-HHBK shall be made in 6 (six) copies with the designation as follows:

- a. 1st sheet to KKPH/administrator;
- b. 2nd sheet to Forest Planning Section;
- c. 3rd sheet to Administrator Adjutant
- d. 4th sheet to Planning Assistant;
- e. 5th sheet to KRPH;
- f. 6th sheet to P2LP-HHBK.

(6)Based on LP-HHBK already ratified, KKPH/Administrator shall convey report on results of production to head of unit and regental/municipal forestry service.

Paragraph Seven

Appointment of Officers Formulating LHP-KB, LP-Brongkol Wood

Article 16

(1)Every KPH shall have officer formulating LHP-KB/LP-Brongkol Wood/LP-Fire Wood/LP-HHBK.

(2)The officer formulating LHP as meant in paragraph (1) shall be forest product measuring and verifying personnel.

(3)Before the relevant is appointed as formulator of LHP or LP-Brongkol Wood/LP-Fire Wood, KKPH/administrator shall convey names to heads of regental/municipal service by enclosing:

- a. copy of certificate as Forest Product Verifier (PHH) and Forest Product Verifier Card in accordance with forest-product commodities, which remain valid from Head of BSPHH on behalf of the Director General;
- b. Location of assignment and specimen of signature; and subsequently passed by Heads of Regental/Municipal Service to Heads of Provincial Service for getting appointed as formulator of LHP.

(4) Decision on appointment of formulator of LHP-KB, LP-Brongkol Wood/Fire Wood and LP-HHBK shall be accompanied by the granting of registry no. of the respective officers and conveyed to administrator/ KKPH with a copy made available to Heads of Regental/Municipal Service and Head of BSPHH.

(5)The decision on appointment of formulator of LHP shall be valid for one year of felling plan and extendable.

Part Five
Transport of Forest Product
Paragraph One
General
Article 17

(1)The transport of forest products in the form of:
a. logs from TPK/TPn to other places;
b. processed wood from Perhutani's primary industries or processing cooperation partners (KSP to other place;
c. HHBK from collection place to other place;
d. Processed HHBK from Perhutani's primary industries or KSP
Shall be accompanied by document of SKSHH.

(2)The document of SKSHH as meant in paragraph (1) shall be issued by P2SKSHH.

(3)As the basis for the issuance of transport document, auction winners, contract holders and holders of under-hand sales shall submit application by using form as contained in specimen in Attachment VII to P2SKSHH for the planned forest products, which will be carried by enclosing DHH.

(4)Based on the application as meant in paragraph (3), P2SKSHH shall examine the physical truth of forest products to be carried in accordance with the procedures regulated in Attachment III.

Article 18

The issuance of document of SKSHH to forest products coming from working areas of Perhutani outside TPK/TPn/Collection Places/Industrial TPK belonging to Perhutani shall be done by P2SKSHH of local regental/municipal/provincial service.

PARAGRAPH TWO (TO BE CONTINUED)

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ADMINISTRATION OF FOREST PRODUCTS COMING FROM WORKING AREAS OF PERHUTANI FOR PROVINCES IN JAVA

(Decree of the Minister of Forestry No. 127/Kpts-II/2003 dated April 3, 2003)

[Continued from Business News No. 7261 pages 24A - 32A]

Paragraph Two

Procedures for Formulating and Completing Forest Product List (DHH)

Article 19

- (1) The issuance of DHH shall be regulated as follows:
- a. every forest product to be carried from TPK/TPn/ Industries shall be made DHH by using form of model DK.PHT.07/DK.PHT.08/DK.PHT.09 (Attachment I.E.1, 2, 3).
 - b. DHH shall be made by auction winners, contract holders and subsequently used as the basis for application for issuance of SKSHH as meant in Article 17 paragraph (3);
 - c. DHH shall be made in six copies with the designation according to document of SKSHH.
- (2) The completion of DHH as meant in paragraph (1) shall be done by typewriter and stipulated as follows:
- a. in the case of numbered KB, the completion of no. of stalk, kind of wood, size, length, diameter and volume is the same as that contained in LHP-KB as well as mention no. and date of LHP-KB;
 - b. In the case of not-numbered logs, the completion of kind of wood, size, length, diameter and volume is the same as that contained in LHP-KB as well as mention no. and date of LHP-KB;
 - c. In the case of the numbering as meant in letter a and any of stalks being cut into two parts or over, the numbering in cuts of logs and completion of DHH must be the same as no. of stalk in LHP-KB by supplementing letters a, b and so on, and the numbering as well as marketing in the physic of cut woods must be in accordance with the change.
 - d. In the case of brongkol wood and fire wood, to be completed by serial no., kind of sort, quantity of unit/string and staple meter as well as information by mentioning other explanation if necessary.
 - e. In the case of processed wood, to be completed

by serial no., kind of processing/sorting, quantity of piece/string/sheet/bundle and volume as well as information by mentioning other explanation if necessary.

- f. In the case of HHBK, to be completed by serial number, kind of HHBK, quantity of bundle, volume/weight in accordance with what is mentioned in LP-HHBK as well as information by mentioning other explanations if necessary.

Paragraph Three

Procedures for Issuance of Certificate of Legitimacy of Forest Product (SKSHH)

Article 20

- (1) The completion of form of SKSHH shall be based on recapitulation of DHH.
- (2) SKSHH shall be completed by typewriter.
- (3) Procedures for completing form of SKSHH shall follow the procedures as regulated in Attachment IV.

Article 21

- (1) Before SKSHH is issued, all forest products to be carried from TPK/TPn shall have their PSDH settled first.
- (2) Procedures for imposition, collection and payment and remittance of PSDH shall be in accordance with legislation in force.

Paragraph Four

Validity Period of SKSHH

Article 22

- (1) The validity period of SKSHH shall be set for 15 (fifteen) days at the maximum.
- (2) The validity period of SKSHH as meant in paragraph (1) shall be stipulated by a decision of head of local provincial service.

(3) The calculation of the validity period of the document as meant in paragraph (2) shall be based on the normal travel time with transport distance and observing kind of transport facility.

(4) The designation of document of SKSHH shall be regulated as follows:

- a. First and second sheets : to complete forest products which are carried;
- b. Third sheet : Head of BSPHH overseeing forest of origin;
- c. Fourth sheet : Head of Provincial Service overseeing the transport destination;
- d. Fifth sheet : file of P2SKSHH;
- e. Sixth sheet : Regental/Municipal service

CHAPTER III
ADMINISTRATION IN
PRIMARY FOREST-PRODUCT INDUSTRY
Part One
Treatment of SKSHH in
Primary Timber-Forest Product Industry
Article 23

SKSHH received in TPK of industries belonging to Perhutani shall be treated with the provision as follows:

- a. the first and second sheets of SKSHH must be reported in not later than one working day to P3KB/P3KG to be liquidated promptly by putting seal "ALREADY LIQUIDATED" on the front page of document before administrative and physical examination is applied to the carried forest products.
- b. Administrative examination includes:
 - 1) the truth and legitimacy of the form which is used;
 - 2) the truth of name and specimen of signature of P2SKSHH;
 - 3) the truth of registry no. of P2SKSHH;
 - 4) the truth of completion of form of SKSHH.
- c. forest products are examined physically in accordance with the procedures as regulated in Attachment III.
- d. After completing the administrative and physical ex-

amination, P3KB/P3KG makes account of examination by using Form DK PHT.14 a (Attachment I.H.1)/ DK PHT.14b (Attachment I.H.2) and promptly signs the first and second sheets of SKSHH in the available column.

- e. P3KB/P3KG is obliged to make a registry book of receipt of the first sheet of SKSHH and subsequently inserts every month data about the said SKSHH into the List of Receipt of the First Sheet of SKSHH in Destination Place by using form of model DK.PHT.20 (Attachment I.J.3).
- f. The second sheet of SKSHH and attachments are subsequently returned by P3KG/P3KB and become file of the said industry.
- g. Collection of the first (original) sheets of SKSHH and the list as meant in letter e as well as the account as meant in point d must be sent every month to Heads of Regental/Municipal Service for conveying to Heads of Provincial Service.

Part Two
Treatment of SKSHH in Primary HHBK Industry
Article 24

SKSHH received in TPK of HHBK industries belonging to Perhutani shall be treated with the provision as follows:

- a. the first and second sheets of SKSHH must be reported in not later than one working day to P3HHBK to be liquidated promptly by putting seal "ALREADY LIQUIDATED" on the front page of document before administrative and physical examination is applied to the carried forest products.
- b. Administrative examination includes:
 - a. the truth and legitimacy of the form which is used;
 - b. the truth of name and specimen of signature of P2SKSHH;
 - c. the truth of registry no. of P2SKSHH;
 - d. the truth of completion of form of SKSHH.
- c. forest products are examined physically in accordance with the procedures as regulated in Attachment III.

- d. After completing the administrative and physical examination, P3HNBK makes account of examination by using Form DK PHT.16 a (Attachment I.H.5 and promptly signs the first and second sheets of SKSHH in the available column.
- e. P3HNBK is obliged to make a registry book of receipt of the first sheet of SKSHH and subsequently inserts every month data about the said SKSHH into the List of Receipt of the First Sheet of SKSHH in Destination Place by using form of model DK.PHT.20 (Attachment I.J.3).
- f. The second sheet of SKSHH and attachments are subsequently returned by P3HNBK and become file of the said industry.
- g. Collection of the first (original) sheets of SKSHH and the list as meant in letter e as well as the account as meant in point d must be sent every month to Heads of Regental/Municipal Service for conveying to Heads of Provincial Service.

Part Three

Mutation of Forest Products

Paragraph One

Formulation of Report on Mutation of Logs (LMKB), Report on Mutation of Brongkol Wood (LM-Bronkol Wood) and Report on Mutation of Fire Wood (LM-Fire Wood) in TPK/TPn

Article 25

- (1) Numbered wood, not numbered wood, brongkol wood and fire wood shall be reported in LMKB/LM-Brongkol Wood/LM-Fire Wood made in TPK/TPn by using form of model DK.PHT.10 (Attachment I.F.1).
- (2) Procedures for completing LMKB shall be stipulated as follows:
 - a. The completion of column of addition is based on recapitulation of LHP already legalized for every month.
 - b. The completion of column of reduction is based on recapitulation of sold-out wood on the basis of the list of block and/or the issued SKSHH.
 - c. Serial number and date of issuance of SKSHH as

well as transport destination are mentioned in column of remarks.

- d. Based on the quantity of stocks in the addition section, which is subtracted by the quantity of sold-out wood, the remainder constitutes the remaining stock at the end of the said month.
 - e. In the case of any change in the remaining stock because of lost/damage and others during the period, account acknowledged by P2LHP must be made.
- (3) LMKB/LM-Brongkol Wood/LM-Fire Wood shall be made in quadruple with the designation as follows:
 - a. the first sheet to Head of Regental/Municipal Service;
 - b. the second sheet to KKP/ administrator;
 - c. the third sheet to KBKPH;
 - d. the fourth sheet to Head of TPK/TPn/Collection Place.
 - (4) The first sheet of LMKB/LM-Brongkol Wood/LM-Fire Wood shall be set and received in not later than the 5th of the ensuing month.

- (5) LMKB/LM-Brongkol Wood/LM-Fire Wood as meant in paragraph (1) shall be in accordance with the physical kind, quantity and volume of wood.

Paragraph Two

Formulation of Report on Mutation of Non-Timber Forest Products in Collection Place

Article 26

- (1) Non-timber forest products shall be reported in Report on Mutation of Non-Timber Forest Products (LM-HNBK) by using form of model DK.PHT.12 (Attachment I.F.3).
- (2) Procedures for completing LM-HNBK shall be stipulated in accordance with the provision in Article 25 paragraph (2).
- (3) LM-HNBK shall be made in quadruple with the designation as follows:
 - a. the first sheet to Head of Regental/Municipal Service;

- b. the second sheet to KKPH/administrator;
- c. the third sheet to KBKPH;
- d. the fourth sheet to file in Collection Place.

(4) The first sheet of LM-HHBK shall be set and received in not later than the 5th of the ensuing month.

(5) LM-HHBK as meant in paragraph (1) shall be in accordance with the physical kind, quantity and volume of forest products.

Paragraph Three

Treatment of Timber Forest Products Coming from Sources Other Than Legal Production

Article 27

- (1) Timber forest products found in forest areas, not coming from legal production of Perhutani shall be stipulated as found wood.
- (2) The timber forest products as meant in paragraph (1) shall not be stipulated as additional production, either addition to stock in TPK/TPn and other collection places thus they cannot be mentioned in LMKB.
- (3) The found wood as meant in paragraph (1) shall be measured and the result shall be mentioned in account of finding result.
- (4) The account of the found wood as meant in paragraph (2) shall be reported to Heads of local Regental/Municipal Service for processing in accordance with the provisions in force.

Paragraph Four

Formulation of LMKB and LMHHOK in Primary Timber-Forest Product Industry

Article 28

- (1) Personnel in charge of primary timber-forest product industries belonging to Perhutani shall make LMKB and LMHHOK every month by using form of model DK.PHT.10 (Attachment I.F.1) and DK.PHT.11 (Attachment I.F.2).
- (2) Procedures for formulating LMKB follow the provi-

sion in Article 25 and LMKB shall be made in quadruple with the designation as follows:

- a. the first sheet to Head of Regental/Municipal Service;
- b. the second sheet to Provincial Service;
- c. the third sheet to P3KB/P3KG; and
- d. the fourth sheet to file of industry.

(3) Procedures for completing LMHHOK shall be stipulated as follows:

- a. Column of initial stock of raw materials is completed by kind of processed wood and unit of quantity and volume/weight of the respective processed forest-products, which constitutes the final stock in the previous month;
- b. Column of acquisition of raw materials is completed by acquisition of raw materials in accordance with kinds of processed forest-products and unit of quantity and volume/weight of the respective products.
- c. Column of the Use of raw materials is completed by the use of raw materials in accordance with kinds of processed forest-products and unit of quantity and volume/weight of the respective products.
- d. Column of final stock of raw materials is completed on the basis of result of calculation of initial stock plus acquisition of raw materials in the current month, subtracted by the use of raw materials.
- e. Column of initial stock of processed forest-products is completed by kinds of processing, unit and volume.
- f. Column of production of processed forest-products is completed by production of processed forest-products in the current month.
- g. Column of the use/sale of processed forest-products is completed on the basis of the use/sale of the processed forest products in the current month.
- h. Column of final stock of processed forest-products is completed on the basis of result of calculation of initial stock plus production of processed forest-products in the current month, subtracted by the use/sale.

- (4) LMHHOK shall be made in quadruple with the designation as follows:
- the first sheet to Head of Regental/Municipal Service;
 - the second sheet to Provincial Service;
 - the third sheet to P3KB/P3KG; and
 - the fourth sheet to file of industry.

- (5) Personnel in charge of the industry as meant in paragraph (1) shall send the first and second sheets of LMKB and LMHHOK in not later than the 5th of the ensuing month.

Paragraph Five
Formulation of LMHHOBK in
Primary Non-Timber Forest Product Industry
Article 29

- (1) Personnel in charge of primary non-timber forest-product industries belonging to Perhutani shall make LMHHOBK every month by using form of model DK.PHT.13 (Attachment I.F.4).
- (2) Procedures for formulating LMHHOBK follow the provision in Article 28 paragraph (3) and LMKB shall be made in quadruple with the designation as follows:
- the first sheet to Head of Regental/Municipal Service;
 - the second sheet to Provincial Service;
 - the third sheet to P3KB/P3KG; and
 - the fourth sheet to file of industry.

CHAPTER IV
APPOINTMENT AND RELIEF OF P2LHP,
P2LP-HHBK, P2SKSHH AND P3KB/P3KG/P3HHBK
Part One
Main Task, Function and Responsibility
Article 30

- (1) The main task of P2LHP or P2LP-HHBK shall be as follows:
- examining the truth of completion of LHP on Number Log, Not-Numbered Log, LP-Brongkol Wood, LP-Fire Wood and LP-HHBK.
 - Examining physically forest products whose LHP or LP-HHBK has been formulated.
 - Checking results of the felling/harvesting/collec-

tion of forest products in the said location.
d. Ratifying LHP or LP-HHBK.

- (2) P2LHP or P2LP-HHBK as meant in paragraph (1) shall function to control the felling/harvesting/collection of forest products in locations stipulated on the basis of legitimate license.

- (3) P2LHP and P2LP-HHBK shall be functionally responsible to Head of Regental/Municipal Service.

Article 31

- (1) The main task of P2SKSHH shall be as follows:
- serving applications from licensees or individuals for the issuance of SKSHH in accordance with the provisions in force.
 - Examining physically the requested forest products for transport;
 - Making registry book of receipt, stock and issuance of SKSHH.
 - Making report on the issuance of SKSHH.

- (2) P2SKSHH shall function to control the distribution of forest products so that the distributed forest products really come from legitimate license.

- (3) P2SKSHH shall be responsible to Head of Regental/Municipal Service where the relevant is stationed.

Article 32

- (1) The main task of P3KB/P3KG/P3HHBK shall be as follows:
- Making registry book of receipt of forest products.
 - Examining administratively the truth of content of document of SKSHH.
 - Examining physically forest products, which are received or will be carried.
 - Making account of examination in the case of receipt of forest products without transport document being found and conveying report to the direct superior for taking security measures and processing in accordance with legislation in force.

- (2) P3KB/P3KG/P3HHBK shall function to control the

distribution of forest products so that the forest products received directly in timber processing industries really come from legitimate license.

(3) P3/KB/P3KG/P3HHBK shall be responsible to Head of Regental/Municipal Service where the relevant is stationed.

Part Two

Requirements and Procedures for Appointment

Article 33

(1) Requirements for the appointment as P2LHP, P2LP-HHBK, P2SKSHH and P3KB/P3KG/P3HHBK shall be as follows:

- a. permanent employee of Perhutani;
- b. having a certificate of forest product verifier at the minimum and forest-product verifier card and in not later than one year following the appointment as P2LHP, P2LP-HHBK, P2SKSHH and P3KB/P3KG/P3HHBK, the said employee is obliged to have certificate of Forest-Product Verifier Supervisor;
- c. appointed as forest product verifier and having forest product verifier card in accordance with commodities of forest products still valid from Head of BSPHHI on behalf of the Director General.
- d. Having high dedication, good conduct, honest and responsible.

(2) Head of BSPHH shall stipulate minimally once in one year a list of names of forest product verifiers and supervisors fulfilling the qualification and feasibility of performance used as the consideration for the appointment of officials/officers in forest product administration.

(3) Procedures for the appointment of P2LHP, P2LP-HHBK, P2SKSHH and P3KB/P3KG/P3HHBK shall be as follows:

- a. The relevant KKP administrator nominates in writing names of employees to be assigned as P2LHP, P2LP-HHBK, P2SKSHH and P3KB/P3KG/P3HHBK to Head of local provincial service by enclosing:

1. Certificate of Forest Product Verifier and copy of the appointment as forest product verifier and forest-product verifier card still valid;
 2. specimens of signatures of the respective employees to be nominated for the appointment;
 3. list of names of forest product verifiers/verifier supervisors as meant in paragraph (2).
- b. based on the nomination as meant in letter a, Head of Provincial Service Office stipulates a decision on the appointment of P2LHP, P2LP-HHBK, P2SKSHH and P3KB/P3KG/P3HHBK, accompanied by the granting of registry no. to the respective officials/officers.

(4) Copy of the decision as meant in paragraph (3) letter b shall be conveyed to the Director General, while in the case of stipulation of P2SKSHH, copy of the decision is conveyed to Heads of Provincial Service throughout Indonesia by enclosing specimens of signatures the appointed P2SKSHH.

(5) After receiving copy of decision on the appointment of P2SKSHH, Regental/Municipal Service shall be obliged to convey it to Heads of Regental/Municipal Service in the said province.

(6) After receiving the copy as meant in paragraph (5), regental/municipal service shall be obliged to pass on it to forestry officers assigned at seaports and timber processing industries.

Part Three

Procedures for Relieving P2LHP, P2LP-HHBK, P2SKSHH and P3KB/P3KG/P3HHBK

Article 34

(2) P2LHP, P2LP-HHBK, P2SKSHH and P3KB/P3KG/P3HHBK shall be dismissed because:

- a. the relevant stop working as employees of Perhutani because of resignation or dismissal;
- b. the relevant is removed to other place; or
- c. the relevant commits violation.

(3) The relief from P2LHP, P2LP-HHBK, P2SKSHH and P3KB/P3KG/P3HHBK as meant in paragraph (1) letters a and b shall be done by Head of Provincial

Service on the basis of recommendation of the KKPH/ administrator by enclosing:

- a. copy of decision on relief from employee of Perhutani; or
- b. copy of decision on transfer to other place.

(4) Based on the recommendation as meant in paragraph (2), Head of Provincial Service shall stipulate decision on the relief of the relevant P2LHP, P2LP-HHBK, P2SKSHH and P3KB/P3KG/P3HHBK with a copy made available to the Director General, Heads of Provincial Service throughout Indonesia and Head of Local BSPHH.

(5) Based on copy of the decision on the relief of P2LHP, P2LP-HHBK, P2SKSHH and P3KB/P3KG/P3HHBK as meant in paragraph (3), Head of BSPHH on behalf of the Director General shall issue a decision on relief from forest product verifier and revocation of forest product verifier card.

Article 35

(1) The dismissal from P2LHP, P2SKSHH or P3KB/P3KG/P3HHBK because the relevant commits the violation as meant in Article 34 paragraph (1) letter c shall be attributable to the following matters:

- a. P2LHP or P2LP-HHBK ratifies fictitious LHP or LP on forest products; or ratifies LHP or LP not suitable to the physical condition of the forest products; ratifies LHP without undertaking physical examination in accordance with the provisions in force or manipulates results of administrative and/ or physical examination or does not make/ fill the registry book.
- b. P2SKSHH does not undertake physical examination in accordance with the provisions in force; or issues document of next SKSHH; or issue SKSHH in an empty condition; or completes the first and second sheets differently from the third sheet and so on; or issue SKSHH of forest products whose PSDH or DR is allegedly not paid yet or makes SKSHH disappearing intentionally or unintentionally.
- c. P3KB/P3KG/P3HHBK liquidates document of SKSHH without examining physically forest prod-

ucts; passes on receipt of forest products without document; or does not make the registry book; or make the first and second sheets of the original SKSHH disappearing.

(2) Especially for violation not making/ filling the registry book, P2LHP, P2LP-HHBK, P2SKSHH or P3KB/P3KG/P3HHBK shall be reminded once before the sanction of dismissal as meant in paragraph (1) is imposed.

(3) If P2LHP, P2LP-HHBK, P2SKSHH and P3KB/P3KG/P3HHBK already given the warning as meant in paragraph (2) shall continue committing the same violation, Head of Provincial Service issues a decision on the dismissal of the relevant employee as P2LHP, P2LP-HHBK, P2SKSHH or P3KB/P3KG/P3HHBK with a copy made available to Head of Regental/ Municipal Service and Head of BSPHH.

(4) Based on the copy of decision on dismissal from P2LHP, P2LP-HHBK, P2SKSHH or P3KB/P3KG/P3HHBK as meant in paragraph (3), Head of BSPHH on behalf of the Director General shall issue a decision on the relief from forest product verifier and revocation of forest product verifier card.

(5) Besides the sanction of dismissal from as P2LHP, P2LP-HHBK, P2SKSHH or P3KB/P3KG/P3HHBK, violation committed by the said P2LHP, P2LP-HHBK, P2SKSHH or P3KB/P3KG/P3HHBK shall also be subject to disciplinary sanction in accordance with the legislation in force.

CHAPTER V

STANDARDIZATION OF FORMS, ENCODING AND LEGALITY MARK

Part One

Model and Kind of Form

Article 36

- (1) Models of administration of Perhutani's forest products in Java shall consist of two kinds, namely Model DK.PHT and DK.B.
- (2) Model of Form DK.PHT shall be a form stipulated by the Ministry and printed/made by Perhutani, composed of:

- a. Recapitulation of Reports on Cruising Results (RLHC);
- b. Measuring Book;
- c. List of Transport and List of Transit Transport;
- d. List of Forest Product Examination and Measuring (DPPHH);
- e. List of Results of Felling/Harvesting of Logs (LHP-KB);
- f. Report on Production of Non-Timber Forest Products (LP-HHBK);
- g. Report on Forest Products (LHH);
- h. Report on Mutation of Logs (LMKB);
- i. Report on Mutation of Processed Timber-Forest Products (LMHHOK);
- j. Report on Mutation of Processed Non-Timber-Forest Products (LMHHOBK);
- k. Forms of Account of Examination (BAP).

(3) The model of Form DK.B shall be the form stipulated and printed by the Forestry Ministry, namely form of document of SKSHH.

(4) If necessary, the forms as meant in paragraphs (2) and (3) can be changed in accordance developments of condition.

(5) Any change in the forms as meant in paragraph (4) shall be done by the Director General.

Article 37

Especially for forms outside the forms as meant in Article 36 used for internal activities of Perhutani, the Executive Director of Perhutani shall stipulate and regulate.

Part Two

Encoding

Article 38

(1) Standardization of codes of provinces, regencies/cities shall be as contained in Attachment VIII.

(2) In the case of division of a region, either province, regency/city, codes of next provinces, regencies/cities shall use codes by following codes of the latest provinces, regencies/cities and so on as contained in Attachment VIII.

(3) Model, size and encoding of DK Marking Hammer shall be stipulated as follows:

- a. a circle model with a diameter of 5 (five) cm;
- b. the circle as meant in letter a is divided into 3 (three) parts with the size:
 - 1) upper and bottom parts, respectively 1.75 cm;
 - 2) central part, 1.5 cm;
 - 3) first (upper) part constitutes code of province;
 - 4) second (central part) constitutes code of regency/city;
 - 5) third part constitutes code of serial number of DK Marking Hammer concurrently Corporate Identity Number.
- c. DK Marking Hammer is made of good-quality steel/iron;
- d. Specimen of model of DK Marker is as contained in specimen in Attachment V.

CHAPTER VI

PLANNING, DISTRIBUTION AND ADMINISTRATION OF FORM OF SKSHH DOCUMENT

Part One

Plan and Distribution of Form of SKSHH Document

Article 39

(1) Heads of Perhutani's Units shall make the plan for the need of forms of SKSHH document in one year, based on consideration about the production target of forest products and frequency of transport on the basis of kinds of transport facility, which is used.

(2) The plan as meant in paragraph (1) shall be conveyed to Heads of Provincial Service in not later than early November of the current year.

(3) After receiving applications, Provincial Service shall promptly evaluate the need for form of SKSHH per 3 (three) months and subsequently distribute them to Heads of Units.

(4) Delivery of every form of SKSHH document from Provincial Service to Heads of Units shall be subjected to examination by means of hundred-percent census and account of transfer of form is subsequently made.

- (5) In the case of form of SKSHH document damaging or containing shortage or misprint, account of nullification shall be made and the event shall be subsequently reported soon to the *Director General* for the need of elimination process.
- (6) The next distribution from Provincial Service to Heads of Units shall be done after Units of Perhutani hold accountability for the use of form of SKSHH per set to Provincial Service minimally 80% of the total forms of SKSHH received previously.
- (7) Units of Perhutani can distribute forms of SKSHH document to KPH in accordance with the need on the basis of the planning for one month.
- (8) The next distribution from Units of Perhutani to KPH shall be done after KKP/ Administrators hold accountability for the use of form of SKSHH per set to Heads of Perhutani's Units minimally 90% of the total forms of SKSHH received previously.
- (9) Accountability for the use of forms of SKSHH document shall be done hierarchically, starting from P2SKSHH to KKP/ Administrator and from KKP/ Administrator to Head of Provincial Service.
- (10) In the case of accountability for the remaining forms of SKSHH document coming from the previous receipt being not held yet, the forms shall be reported in the following-month accountability and in the event that they cannot be held for accountability in the following month, Head of Provincial Service shall examine the said P2SKSHH.
- (11) In the case of forms of SKSHH document containing damage or misprint/mistyping/mis-completion during the issuance, the account of nullification as meant in paragraph (5) shall be made by enclosing the said forms for conveying to Provincial Service.

Part Two

Administration, Storage and Elimination of Form of SKSHH Document

Article 40

- (1) Heads of Units shall stipulate personnel managing forms of SKSHH and procedures for administration.
- (2) Storage and security for forms of SKSHH document shall be stipulated as follows:
- forms of SKSHH document in Units of Perhutani, KPH, BKP and P2SKSHH shall be saved in a place safe from theft, damage because of humidity, insect, fungus and fire.
 - Officers keeping forms of SKSHH document shall make a list containing the quantity of receipt, quantity of delivery/use and quantity of stock.
- (3) Procedures for nullification of damaging or mis-completed forms of SKSHH documents shall be stipulated as follows:
- Personnel managing forms makes account of forms of SKSHH document facing damage during the dispatch, storage resulting from fungus, misprint and others and the account must be acknowledged by Head of Provincial Service. The damaging forms are given seal "INVALID" in the upper right side of the first and second sheet by the personnel managing the forms.
 - P2SKSHH is obliged to make account of nullification in the case of P2SKSHH completing forms of SKSHH document incorrectly and the SKSHH document is liquidated by putting seal "INVALID" on the upper right side of the first and second sheets.
 - The account of nullification as meant in letters a and b is formulated by using specimen of form in Attachment VI.a.
 - The account of nullification of forms of SKSHH document arising from mis-completion must be recorded in a registry book by P2SKSHH, reported and given up to personnel managing forms every week.
 - Forms of SKSHH document damaging and having account of nullification already made must be recorded in a registry book by personnel managing forms and reported and delivered at the beginning of every month or in not later than the 5th to Head of Provincial Service as the basis of elimination for destruction.

(4) Nullification of forms of SKSHH document, which is lost, shall be regulated as follows:

- a. in the case of the forms being lost upon the dispatch or storage attributable to theft or getting scattered, personnel managing the forms is obliged to report the case to KKP/ Administrator and subsequently reports to the Police for making account.
- b. Based on the report and account of lost from the Police, the forms are reported to Head of Provincial Service for nullification.
- c. In a period of 2 x 24 hours after receiving the lost report, Head of Provincial Service promptly issues a decision on nullification of the forms of the said SKSHH document and forms of SKSHH document are conveyed to Heads of Provincial Service throughout Indonesia with a copy made available to the Director General.
- d. In the case of the forms as meant in letter a being found later, the forms must be given up the Police for interests of verification and further investigation/inquiry.
- e. After the forms are returned by the Police because the case has been decided and on the basis of a court decision, the forms are confiscated for the state as well as the forms are not needed anymore, they are promptly sent to Provincial Service for destruction.

(5) Elimination of forms of SKSHH document shall be regulated as follows:

- a. all forms of SKSHH document having their usage already nullified must be erased every quarter.
- b. Eradication of every form of SKSHH document must be reported to the Director General for securing approval of eradication for destruction.
- c. The eradication as meant in letter is executed by a Eradication Team established by Head of Provincial Service with the members minimally consisting of a representative of the Provincial Service and a representative of Police.
- d. Account of eradication of document must be made for the eradication of every form by using form in accordance with Attachment VI.b and the eradication must be recorded in a registry book by per-

sonnel managing the forms and Head of Provincial Service is obliged to report the result to the Director General.

CHAPTER VII

REPORTING

Article 41

- (1) P2SKSHH shall report the quantity of receipt, issuance and stock of forms of SKSHH document at the end of every month by using form of model DK.PHT.18 (Attachment I.J.1) and List of Issuance of SKSHH by using form of model DK.PHT.19 (attachment I.J.2) to KKP/ Administrator.
- (2) P3KB/P3KG/P3HHBK shall report Recapitulation of Examination of Forest Products (RPHH) every month by using form of model DK.PHT.17 (attachment I) to KKP/ Administrator.
- (3) KKP/ Administrator shall convey report on the plan and realization of the felling/harvesting as well as distribution of forest products every 5th of the ensuing month to Head of Unit with a copy made available to Head of Regental/Municipal Service.
- (4) Units of Perhutani shall convey report on the plan and realization of the felling/harvesting as well as distribution of forest products every 10th of the ensuing month to Head of Provincial Service with a copy made available to the Director General.
- (5) At the end of every book year, the Executive Director of Perhutani shall convey the plan and realization of the felling/harvesting as well as distribution of forest products in the said year to the Minister of Forestry with a copy made available to the Director General.

CHAPTER VIII

FOSTERING AND CONTROLLING

Article 42

- (1) The Directorate General shall foster and supervise the realization of administration of forest products, including audit of forms of SKSHH document.
- (2) Provincial Service shall foster, supervise and control

the realization of administration of forest products in working areas of Perhutani.

- (3) Regental/Municipal Service shall foster, supervise and control the realization of administration of forest products in KPH.
- (4) BSPHH shall counsel, supervise and monitor technically activities related to their scopes of tasks.

CHAPTER IX EXAMINATION

Article 43

- (1) In order to ascertain the truth of reports on production, transportation and stock of forest products, Provincial Service can examine the realization of production, transportation and stock of forest products reported by heads of units of Perhutani.
- (2) In order to ascertain the truth of reports on receipt, processing, production, marketing/sale/transportation and stock of forest products in TPK/TPn/IPKJ, provincial service shall undertake stock surgery in cooperation with the relevant regental/municipal service.
- (3) The stock surgery as meant in paragraph (2) shall be executed at the end of every year or at any time if necessary or at the end of validity period of the legitimate license.

Article 44

- (1) Officers of the Ministry or Provincial Service shall be authorized to examine and test the realization of administration of forest products.
- (2) Based on the result of the examination and test as meant in paragraph (1), next audit can be executed by means of truth audit or post audit.
- (3) Procedures for executing the truth audit or post audit shall be further stipulated by the Director General.

CHAPTER X TRANSITIONAL PROVISION

Article 45

- (1) Service for documents of SKSHH by Provincial Ser-

vice or Regental Service shall remain effective as long as personnel of P2SKSHH of Perhutani is not available.

- (2) TPn/TPK/Transit TPK/Industrial TPK belonging to Perhutani already stipulated on the basis of regulations effective before the enforcement of this decree shall be deemed already stipulated as TPn/TPK/Transit TPK/Industrial TPK on the basis of this decree.
- (3) Starting from 12 (twelve) months as from the date of enforcement of this decree, all P2LHP, P2LP-HHBK, P2SKSHH and P3KB/P3KG/P3HHBK shall have the minimum qualification as Forest Product Verifier.
- (4) The adjustment to forms of administration as regulated in this decree shall be provided until deadline not later than June 30, 2003.
- (5) The use of DK Marking Hammer shall come into force as from July 1, 2003.

CHAPTER XI CONCLUSION

Article 46

Further provision on technical provisions related to production/felling/harvesting of forest products not regulated in this decree shall be regulated by a decision of the Executive Director of Perhutani.

Article 47

With the enforcement of this decree, other provisions contravening this decree shall be declared null and void.

Article 48

The decree shall come into force as from the date of stipulation.

Stipulated in Jakarta

On April 4, 2003

THE MINISTER OF FORESTRY

Sgd

MUHAMMAD PRAKOSA

====(R)====