

**THE THIRD AMENDMENT TO DECREE OF THE MINISTER OF FORESTRY
NO. 126/KPTS-II/2003 ON ADMINISTRATION OF FOREST PRODUCTS
(Regulation of the Minister of Forestry No. P.18/Menhut-II/2005 dated July 13, 2005)**

THE MINISTER OF FORESTRY,

Considering:

- a. that pursuant to the provision in Article 73 of Government Regulation No. 34/2002 dated June 7, 2002, the distribution and marketing of forest product are controlled through administration of forest products;
- b. that provisions on administration of forest products have been stipulated on the basis of Decree of the Minister of Forestry No. 126/Kpts-II/2003 dated April 3, 2003 (BN No. 7254 pages 3A - 18A and so on);
- c. that in the framework of revitalization in the forestry sector, forestry legislation needs improvement;
- d. that based on the above mentioned considerations, it is necessary to stipulate a regulation of the Minister of Forestry on the Third Amendment to Decree of the Minister of Forestry No. 126/Kpts-II/2003 on administration of forest products;

In view of:

1. Law No. 41/1999 (BN NO. 6412 pages 1A - 6A and so on) on forestry as already amended by Law No. 19/2004;
2. Law No. 10/2004 on enactment of legislation (BN No. 7169 pages 14A - 21A and so on);

3. Law No. 32/2003 (BN No. 7183 pages 1A - 11A and so on) on regional administration;
4. Government Regulation No. 25/2000 on the authority of the government and the authority of provinces as autonomous regions (BN No. 6471 pages 19A - 20A and so on);
5. Government Regulation No. 34/2002 on forest arrangement and formulation of plans for the management of forest, exploitation of forests and utilization of forest areas (BN No. 6828 pages 5A - 15A and so on);
6. Government Regulation No. 35/2002 (BN No. 6838 pages 2A - 10A) on reforestation fund;
7. Government Regulation No. 44/2004 on forest planning;
8. Government Regulation No. 45/2004 on forest protection;
9. Presidential Decree No. 187/M/2004 on the Establishment of the United Indonesia Cabinet (BN No. 7128 pages 30A - 31A);
10. Presidential Regulation No. 9/2005 (BN No. 7182 pages 2A - 23A) on the status, tasks, functions, organizational structures and working arrangements of state ministries;
11. Presidential Regulation No. 10/2005 on first-echelon organizational units and tasks of state ministries;
12. Decree of the Minister of Forestry No. 126/Kpts-II/2003 (BN No. 7254 pages 3A - 18A and so on) on administration of forest products jo. Decree of the Minister of Forestry No. 334/Kpts-II/2003 and Decree of the Minister of Forestry No. SK.279/Menhut-II/2004;
13. Decree of the Minister of Forestry No. SK.456/Menhut-II/2004 on five forestry priority-policies in the National Development Program of the United Indonesia Cabinet;

14. Regulation of the Minister of Forestry No. P.13/Menhut-II/2005 on the organization and working arrangement of the Ministry of Forestry;

D E C I D E S :

To stipulate :

THE REGULATION OF THE MINISTER OF FORESTRY ON THE THIRD AMENDMENT TO DECREE OF THE MINISTER OF FORESTRY NO. 126/KPTS-II/2003 CONCERNING ADMINISTRATION OF FOREST PRODUCTS.

Article I

Several provisions in Decree of the Minister of Forestry No. 126/Kpts-II/2003 on administration of forest products are amended as follows:

1. The provision in Article 18 is amended so to read as follows:

"Article 18

- (1) Every business entity, individual and holder of forest product industrial license planning to carry forest products are obliged to submit application for the issuance of SKSHH to P2SKSHH with a copy made available to head of regental/municipal service.
- (2) The application for the issuance of SKSHH as meant in paragraph (1) is accompanied by:
 - a. identity of applicant;
 - b. DHH;
 - c. Report on mutation of forest products (LMKB, LMKBK/Mangrove; LMHHOK; LMHHBK, LMHHOBK);
 - d. Statement (for every application) made by applicant for every destination of the transport that the transport destination is true and accountable legally.
- (3) In the case of application for the next transportation, besides the requirements as meant in paragraph (2), original SKSHH of origin must be shown and the copy is given up.

2. The provision in Article 20 is amended so as to read as follows:

"Article 20

(1) Procedures for issuing SKSHH of Log (KB) are as follows:

- a. in not later than one working day after the date of receipt of application for issuing SKSHH, P2SKSHH are obliged to examine KB administratively and physically in accordance with the procedures in Attachment III;
- b. Before undertaking the physical examination, P2SKSHH must first:
 - 1) examine the submitted DHH to ascertain that KD in DHH comes from LHP-KB already legalized by P2LHP or comes from SKSHH of Origin whose truth has been examined by P3KB,
 - 2) check LMKB/position of stocks upon submitting application for the issuance of SKSHH.
- c. In examining KB, P2SKSHH can be assisted by one personnel or more having knowledge and experience in the measuring and verification field.
- d. Based on the physical inspection of KB as meant in letter a, P2SKSHH promptly sign DHH and issue SKSHH in location where the log will be carried.
- e. The issued SKSHH as meant in letter d is subsequently conveyed to official in charge of forestry affairs in the working area of the said P2SKSHH for acknowledging and approving.
- f. The official in charge of forestry affairs as meant in letter e is the structural official minimally assuming the III-echelon position in regental/municipal service appointed by the Head of the Regental/Municipal Service.
- g. Stipulation of the date when SKSHH starts to come into force is completed in accordance with the date upon approving as meant in letter e.
- h. In the case of the transport facility being not unable to approach the loading place/TPK so

that the loading of KB into the transport facility is realized gradually and/or needs a time of more than one day, the loading can be realized after BAP is signed by P2SKSHH so that BAP and DHH constitute evidence of the loading process and function as evidence of legitimacy of KB carried to the loading place before SKSHH is issued.

- i. After SKSHH is signed by the official in charge of forestry affairs, P2SKSHH give up the first and second sheets of SKSHH to the righteous party/applicant, accompanied by account of delivery.

(2) Procedures for issuing SKSHH of KBK/Mangrove are as follows:

- a. in not later than one working day after the date of receipt of application for issuing SKSHH, P2SKSHH are obliged to examine KB administratively in accordance with the procedures in Attachment III;
- b. Before undertaking the physical examination, P2SKSHH must first:
 - 1) examine the submitted DHH to ascertain that KBK/Mangrove in DHH comes from LHP-KBK/LHP-Mangrove already legalized by P2LHP or comes from SKSHH of Origin whose truth has been examined by P3KB,
 - 2) check LMKB/Mangrove, particularly position of stocks upon submitting application for the issuance of SKSHH.
- c. In examining KBK/Mangrove, P2SKSHH can be assisted by one personnel or more having knowledge and experience in the measuring field.
- d. Based on the physical inspection of KB as meant in letter a, P2SKSHH promptly sign DHH and issue SKSHH in location where KBK/Mangrove will be carried.
- e. The issued SKSHH as meant in letter d is subsequently conveyed to official in charge of forestry affairs in the working area of the said P2SKSHH for acknowledging and approving.

- f. The official in charge of forestry affairs as meant in letter e is the structural official minimally assuming the III-echelon position in Regental/municipal service appointed by the Head of the Regental/Municipal Service.
 - g. Stipulation of the date when SKSHH starts to come into force is completed in accordance with the date upon approving as meant in letter e.
 - h. Especially for KBK/Mangrove used for raw material of pulp/chip/charcoal industry in a province and whose transport is accompanied by FA-BBS/FA-Mangrove, SKSHH of KBK/Mangrove is issued once per day on the basis of recapitulation of results of weighing in connection with collection of FA-BBS/FA-Mangrove (recapitulation of weighing result is enclosed) by P2SKSHH located in industries as well as signed/approved by the official in charge of forestry affairs in the working area of the said P2SKSHH;
 - i. Especially for KBK/Mangrove coming from outside the province, which is used for raw material of pulp industry and uses FA-BBS in the transport, SKSHH of KBK/Mangrove is issued for every month by P2SKSHH in the province of origin on the basis of recapitulation of weighing results every month, signed by P3KB in the said pulp industry and subsequently signed/approved by the official in charge of forestry affairs in the working area of the said P2SKSHH;
 - j. After SKSHH is signed by the official in charge of forestry affairs, P2SKSHH give up the first and second sheets of SKSHH to the righteous party/applicant, accompanied by account of delivery.
- (3) Procedures for issuing SKSHH of Non-Timber Forest Products (HHBK) are as follows:
- a. In not later than one working day after the date of receipt of application for issuing SKSHH, P2SKSHH are obliged to examine administratively in accordance with the procedures in Attachment III;
 - b. Before undertaking the physical examination, P2SKSHH must first:
 - 1) examine the submitted DHH to ascertain that HHBK in DHH comes from LHP-HHBK already legalized,
 - 2) check LHHBK/position of stocks upon submitting application for the issuance of SKSHH.
 - c. Based on the physical inspection of HHBK as meant in letter a, P2SKSHH promptly sign DHH and issue SKSHH in location where HHBK will be carried.
 - d. The issued SKSHH as meant in letter d is subsequently conveyed to official in charge of forestry affairs in the working area of the said P2SKSHH for acknowledging and approving.
 - e. The official in charge of forestry affairs as meant in letter e is the structural official minimally assuming the III-echelon position in regental/municipal service appointed by the Head of the Regental/Municipal Service.
 - f. Stipulation of the date when SKSHH starts to come into force is completed in accordance with the date upon approving as meant in letter d.
 - g. After SKSHH is signed by the official in charge of forestry affairs, P2SKSHH give up the first and second sheets of SKSHH to the righteous party/applicant, accompanied by account of delivery.
- (4) Procedures for issuing FA-BBS and FA-Mangrove of KBK/Mangrove are as follows:
- a. KBK/Mangrove to be issued by FA-BBS and FA-Mangrove for the transport as meant in Article 16 paragraph (1) is KBK/Mangrove having LHP already ratified.
 - b. FA-BBS and FA-Mangrove are issued by corporate officers stipulated by the Head of local Provincial Forestry Service on the basis of recommendation of the Board of Executive Directors of the said company.
 - c. In the case of KBK/Mangrove having LHP already ratified as meant in letter a going to be

carried, officer issuing FA-BBS/FA-Mangrove re-measures by using unit of staple meter.

- d. The measuring as meant in letter c is done in an open collection place facilitating the measuring but in the case of the field condition being impossible, the measuring can be realized after KBK/Mangrove is loaded into the transport facility.
- e. Based on results of the measuring as meant in letters a and b, the issuing officer promptly issue FA-BBS/Mangrove.
- f. In the case of KBK/Mangrove promptly going to be carried but LHP is not ratified yet, for the need of completion and ratification of LHP and issuance of FA-BBS/FA-Mangrove, the measuring can be done simultaneously after KBK/Mangrove is on board of the truck.
- g. In the case of KBK coming from supplier companies being group of the pulp industry, FA-BBS used in the transport is FA-BBS on behalf of name of the industry.
- h. In the case of KBK coming from supplier company outside the group of pulp industry, FA-BBS on behalf of the industry can be used in the transport after securing prior approval from the Director General.
- i. FA-BBS or FA-Mangrove can be completed by handwriting.

(5) Procedures for issuing SKSHH of Processed Wood (KO) are as follows:

- a. in not later than one working day after the date of receipt of application for issuing SKSHH, P2SKSHH are obliged to examine KO administratively and physically in accordance with the procedures in Attachment III;
- b. Before undertaking the physical examination, P2SKSHH must first:
 - 1) examine the submitted DHH to ascertain that KO in DHH comes from legitimate production or SKSHH whose truth has been examined by P3KB/P3KG/P3KL,
 - 2) check LMHHOK/position of stocks upon submitting application for the issuance of SKSHH.

- c. In examining KO, P2SKSHH can be assisted by one personnel or more having knowledge and experience in the measuring and verification field.
- d. Based on the physical inspection of KB as meant in letter a, P2SKSHH promptly sign DHH and issue SKSHH in location where KO will be carried.
- e. The issued SKSHH as meant in letter d is subsequently conveyed to official in charge of forestry affairs in the working area of the said P2SKSHH for acknowledging and approving.
- f. The official in charge of forestry affairs as meant in letter e is the structural official minimally assuming the III-echelon position in regental/municipal service appointed by the Head of the Regental/Municipal Service.
- g. Stipulation of the date when SKSHH starts to come into force is completed in accordance with the date upon approving as meant in letter e.
- h. After SKSHH is signed by the official in charge of forestry affairs, P2SKSHH give up the first and second sheets of SKSHH to the righteous party/applicant, accompanied by account of delivery.
- i. In the case of the issuance of SKSHH of foreign products coming from working area of Perhutani in provinces located in Java, the approving official is structural official in local Forest Stakeholder Unit (KPH) appointed by head of the said KPH.

(6) In the case of the transport of logs, processed wood and HHBK being not efficient because of something in the transport due to natural factor or obstacle in the transport, the realization of the transport is regulated specifically by the Head of Provincial Service.

3. The provision in Article 21 paragraph (4) is amended so as to read as follows:

(4) Designation of document of SKSHH is regulated as follows:

a. The

a. The First and Second Sheets

The first and second sheets complete collectively the carried forest products. After reaching the destination place and getting examined by P3KB/P3KL/P3KB, the first sheet is conveyed to Regental/Municipal Service and passed onto the local Provincial Service.

The second sheet becomes file of forest-product recipient.

Based on the first and fourth sheets of SKSHH, the Provincial Service later makes recapitulation of the incoming and received SKSHH in the province for informing to the Provincial Service of origin of forest products.

b. The Third Sheet

The third sheet to Head of BSPHH of origin of forest products. Based on the received third sheet, BSPHH examines by means of crosschecking with the seventh sheet of SKSHH and report on the use of SKSHH in the Provincial Service of origin of forest products, Result of the examination is subsequently reported to the Head of the Provincial Service.

c. The Fourth Sheet

The fourth sheet to the Head of Provincial of transport destination and used for substance of crosschecking with the received first sheet and recapitulation of the fourth sheet of SKSHH is made every month for conveying to the Provincial Service of origin of forest products.

d. The Fifth Sheet

The fifth sheet is designated to file of P2SKSHH of origin of forest products and used as the basis for making report on the use of SKSHH.

e. The Sixth Sheet

The sixth sheet is designated to file of companies using SKSHH in place of origin of forest products.

f. The Seventh Sheet

The seventh sheet is designated to the Head

of Provincial Service of origin of forest products and used as the basis for crosschecking with report on the use/issuance of SKSHH from P2SKSHH and recapitulation of the receipt of the fourth sheet of SKSHH made by the head of Provincial Service of transport destination of forest products.

P2SKSHH is obliged to send the sheets of SKSHH in accordance with the designation.

4. The provision in Article 29 is amended so as to read as follows:

Article 29

- (1) Every kind of processed wood in the form of sawn timber, chip, veneer, plywood, laminated veneer lumber (LVL) to be carried from and to timber industry must be accompanied by SKSHH.
- (2) The transport of processed wood in the form of swan timber, chip and plywood from the collection places must be accompanied by SKSHH, unless otherwise destined to end consumers or building material shops and others (not for further processing) and still located in the regency/city, note/invoice of the said companies is sufficient.
- (3) The transport of processed wood in the form of moulding, dowel, door, window, furniture, pulp, products made of wood being waste of timber industry and other products needs not SKSHH but note/invoice of selling/sending companies.
- (4) The transport of charcoal wood coming from processing industries, which will be carried to industrial centers or collection places does not use document of SKSHH.
- (5) The transport of non-timber process products already processed, which come from inside and/or outside forest areas does not use document of SKSHH.
- (6) The transport of non-timber forest products not yet processed, which come from outside forest area does not use document of SKSHH.

- (7) Regulation of the transport of the non-timber forest products as meant in paragraphs (5) and (6) are further ruled by the Provincial Service.
- (8) Procedures for issuing SKSHH of non-timber forest products follow the procedures as regulated in the provision in Article 18 and Article 20 paragraph (3).
5. The provision in Article 30 is amended so as to read as follows:

Article 30

- (1) Processed wood eligible to the issuance of SKSHH is processed wood coming from legitimate sources.
- (2) Applications for issuing SKSHH are addressed to P2SKSHH with a copy made available to the Head of Local Regental/Municipal Service.
- (3) Procedures for application for the issuance of SKSHH as meant in paragraph (2) are regulated as meant in Article 18.
- (4) Procedures for issuing SKSHH are regulated as meant in Article 20 paragraph (5).
6. The provision in Article 36 is amended so as to read as follows:

Article 36

- (1) In realizing the export of forest products through public ports, the transport to the ports must be accompanied the document (SKSHH or note/invoice) as meant in Article 29.
- (2) SKSHH or note/invoice as meant in paragraph (1) is used as the basis for completing Export Declaration (PEB).
- (3) In the case of the realization of the export using SKSHH, the first and second sheets of SKSHH must be given up by exporter companies to officers of local Customs and Excise Service Office for deactivation and subsequently the exporter compa-

nies are obliged to give up the first sheet of SKSHH to the Provincial Service or Regental/Municipal Service where the Customs and Excise Service is located at the end of every month and the second sheet of SKSHH is conveyed to Customs and Excise Service Office as evidence that the exported forest products are legitimate.

- (4) In the case of the realization of the export using note/invoice of companies, the implementation can adjust to the procedures as meant in paragraph (3).
- (5) All business entities or individuals exporting forest products are obliged to report the realization of the export to Regental/Municipal Service with a copy made available to the Director General and Head of Provincial Service in not later than the 5th of the ensuing month.
7. The provision in Article 58 is amended so as to read as follows:

Article 58

- (1) In the case of any difference between the physical condition in the form of quantity, kind and/or volume of the carried, controlled or owned forest products and the accompanying legitimate-transport document, all portions of the forest products are declared having illegitimate documents as evidence.
- (2) The provision as meant in paragraph (1) is effective as from April 4, 2003.

Article II

The regulation comes into force as from the date of stipulation.

Stipulated in Jakarta

On July 13, 2005

THE MINISTER OF FORESTRY

Sgd

H.M.S. KABAN, SE., M.SI

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