

RE-REGISTRATION OF BUSINESS PERMIT OF PRIMARY INDUSTRIES OF TIMBER FOREST PRODUCTS

(Regulation of the Minister of Forestry No. P.24/Menhut-II/2009, dated April 1, 2009)

WITH THE BLESSING OF THE ONE AND ONLY GOD
THE MINISTER OF FORESTRY OF
THE REPUBLIC OF INDONESIA,

Considering:

- a. that based on Article 105 of Government Regulation No. 6 Year 2007 in conjunction with Government Regulation No. 3 Year 2008 concerning Forestry and Compilation of Forest Management Plan, and the Utilization of Forest, it is stipulated that the Minister has the authority to regulate, manage, and develop forest product primary industries;
- b. that in the context of anticipating the impact of global crises, improvement of industry competitive power, and to provide a contribution to the growth of the national economy, field of work, and to wipe out poverty, it is necessary to take simplification steps on investments and administrative order on business permits in the forestry industry sub-sector;
- c. that related with the above issues, it is deemed necessary to stipulate a regulation of the Forestry Minister on the re-registration of business permits for Primary Industries of Forest Wood Products;

In view of:

1. Law No. 5 Year 1990 concerning Conservation of Bio-natural Resources and its Ecosystem (Statute Book of the Republic of Indonesia Year 1990 No. 49, Supplement to Statute Book of the Republic of Indonesia No. 3419);
2. Law No. 41 Year 1999 (**BN No. 6412 pages 1A_6A and so on**) concerning Forestry (Statute Book of the Republic of Indonesia Year 1999 No. 167, Supplement to Statute Book of the Republic of Indonesia No. 3888), that had been amended by Law No. 19 Year 2004 (**BN No. 7143 pages 26A-29A**) concerning Stipulation of Government Regulation In Lieu of Law No. 1 Year 2004 concerning Amendment to Law No. 41 Year 1999 on Forestry to become a Law (Statute Book of the Republic of Indonesia Year 2004 No. 86, Supplement to Statute Book of the Republic of Indonesia No. 4412);
3. Law No. 32 Year 2004 (**BN No. 7183 pages 1A-11A and so on**) concerning the Regional Governments (Statute Book of the Republic of Indonesia Year 2004 No. 125, Supplement to Statute Book of the Republic of Indonesia No. 4437), that had been amended several times, lastly by Law No. 12 Year 2008 (**BN No. 7676 pages 26A-32A and so on**) (Statute Book of the Republic of Indonesia Year 2008 No. 59, Supplement to Statute Book of the Republic of Indonesia No. 4844);
4. Law No. 25 Year 2007 (**BN No. 7509 pages 11A-27A**) concerning Capital Investment (Statute Book of the Republic of Indonesia Year 2007 No. 67; Supplement to Statute Book of the Republic of Indonesia No. 4724);
5. Government Regulation No. 27 Year 1999 (**BN No. 6442 pages 10A-12A and so on**) concerning Analysis of Environmental Impacts (Statute Book of the Republic of Indonesia Year 1999 No. 59, Supplement to Statute Book of the Republic of Indonesia No. 3838);

6. Government Regulation No. 44 Year 2004 concerning Forestry Planning (Statute Book of the Republic of Indonesia Year 2004 No. 146, Supplement to Statute Book of the Republic of Indonesia No. 4452);
7. Government Regulation No. 45 Year 2004 concerning Forest Protection (Statute Book of the Republic of Indonesia Year 2004 No. 147, Supplement to Statute Book of the Republic of Indonesia No. 4453);
8. Government Regulation No. 6 Year 2007 (**BN No. 7529 pages 1A-21A and so on**) concerning Forestry and Compilation of Forest Management Plan and the Utilization of Forest (Statute Book of the Republic of Indonesia Year 2007 No. 22, Supplement to Statute Book of the Republic of Indonesia No. 4696) that had been amended by Government Regulation No. 3 Year 2008 (**BN No. 7676 pages 10A-25A and so on**) (Statute Book of the Republic of Indonesia Year 2008 No. 16, Supplement to Statute Book of the Republic of Indonesia No. 4814);
9. Government Regulation No. 38 Year 2007 concerning Division of Government Affairs between the Government, Provincial Regional Governments, and Regency/ Municipality Regional Governments (Statute Book of the Republic of Indonesia Year 2007 No. 82, Supplement to Statute Book of the Republic of Indonesia No. 4737);
10. Presidential Decree No. 187/M Year 2004 (**BN No. 7128 pages 30A-31A**) concerning Establishment of Indonesia United Cabinet, having been amended several times, lastly by Presidential Decree No. 31/P Year 2007;
11. Presidential Regulation No. 9 Year 2005 (**BN No. 7184 pages 2A-23A**) concerning Position, Mission, Functions, Organization Structure and Work Mechanism of State Ministries of the Republic of Indonesia, that had been amended several times, lastly by Presidential Regulation No. 20 Year 2008;
12. Presidential Regulation No. 10 Year 2005 concerning Organization Units and Mission of Echelon-I State Ministries of the Republic of Indonesia that had been amended several times, lastly by Presidential Regulation No. 50 Year 2008;
13. Presidential Regulation No. 76 Year 2007 (**BN No. 7533 pages 15A-19A and so on**) concerning Criteria and Requirements on the Compilation of Closed Business Fields and Conditional Open Business Fields in the Aspect of Capital Investment;
14. Presidential Regulation No. 77 Year 2007 (**BN No. 7533 pages 2A-4A and so on**) concerning List of Closed Business Fields and Conditional Open Business Fields in the Aspect of Capital Investment, that had been amended by Presidential Regulation No. 111 Year 2007;
15. Forestry Minister Regulation No. P.13/Menhut-II/2005 concerning Organization and Work Mechanism of the Department of Forestry that had been amended several times, lastly by Forestry Minister Regulation No. : P.64/Menhut-II/2008 (State Gazette of the Republic of Indonesia Year 2008 No. 80);
16. Forestry Minister Regulation No. P.35/Menhut-II/2008 concerning Business Permit for Forest Product Primary Industries, that had been amended by Forestry Minister Regulation No.: P.9/Menhut-II/2009 (State Gazette of the Republic of Indonesia Year 2009 No. : 27);

D E C I D E S :

To stipulate:

FORESTRY MINISTER REGULATION CONCERNING RE-REGISTRATION OF BUSINESS PERMITS FOR PRIMARY INDUSTRIES OF FOREST WOOD PRODUCTS.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Regulation, definitions of terms are:

1. Re-registration of industries (DUI) is a procedure on the collection of data on the type of permits of forest wood and non-wood product primary industries issued by officials other than the Forestry Minister or Governor, for the issuance of permit renewal.
2. Primary Industry of Timber Forest Products (IPHHK) is the processing of logs and/or small logs into half-finished goods or finished goods .
3. Business Permit of Primary Industries of Timber Forest Products (IUIPHHK) is a permit to process logs and/or small logs to be one or several kinds of products in a certain location issued to a permit holder by the official having the authority.
4. Business Permit of Primary Industries of Non-Timber Forest Products (IUIPHHBK) is a permit to process non-wood forest products into one or several kinds of products in a certain location issued to a permit holder by the official having the authority.
5. Production capacity is the maximum entitled annual production amount/capability, based on permit from the official having the authority.
6. Annual production capacity up to 2,000 (two thousand) cubic meters is the total production capacity from one or several kinds of IPHHK products of a permit holder situated in one location, that is not more than 2,000 (two thousand) cubic meters annually.
7. Annual production capacity above 2,000 (two thousand) up to 6,000 (six thousand) cubic meters is the total production capacity of one or several kinds of IPHHK products of a permit holder situated in one location, that is more than 2,000 (two thousand) up to 6,000 (six thousand) cubic meters annually.
8. Annual production capacity above 6,000 (six thousand) cubic meters is the total production capacity of one or several kinds of IPHHK products of a permit holder situated in one location, that is more than 6,000 (six thousand) cubic meters annually.
9. Built-in capacity is the production capacity of main machines stipulated in the lay-out of forest product primary industries.
10. Main production machine is a production machine of a certain type of industry having direct effect on production capacity.
11. Industry company is a company carrying out activities in the field of business of forest product primary industries in the form of individuals, cooperatives, Indonesian Private Owned Business Entities, State Owned Business Entity, or Region Owned Business Entity.
12. Minister is the minister assigned the duty and responsibility in the field of forestry.
13. Director General is the director general assigned the duty and responsibility in the field of Forestry Production Management.
14. Director is the director assigned the duty and responsibility in the field of processing and marketing of forest products.
15. Provincial Service is the service assigned the mission and responsibility in the field of forestry within a province area.
16. Regency/Municipality Service is the service assigned the mission and responsibility in the field of forestry within a Regency/Municipality.
17. Bureau is the bureau on the monitoring of the utilization of production forests (BP2HP).

Article 2

Re-registration of Business Permit of Primary Industries of Timber Forest Products (IUIPHHK) is purported to know the amount, dispersion, production capacity permit, labor force, condition of operations, and assets of all IPHHK to be used as a substance for the stipulation of policy on the revitalization of forestry industry.

CHAPTER II

RE-REGISTRATION OF

BUSINESS PERMIT FOR PRIMARY INDUSTRIES OF

FOREST WOOD PRODUCTS

Part One

General

Article 3

All IUIPHHK must be re-registered except those that had obtained IUI in accordance with Forestry Minister Decision No. 125/Kpts-II/2003 and its amendments.

Article 4

IUIPHHK that must be re-registered consist of:

- a. Wood Sawing Industry Business Permit; and/or
- b. Veneer Industry Business Permit; and/or
- c. Plywood and Laminated Veneer Lumber (LVL) Industry Business Permit; and/or
- d. Woodchip Industry Business Permit; and/or
- e. Business Permit of other wood industries using raw material in the form of logs.

Part Two

Documents Required for Re-registration

Article 5

Re-registration shall be performed by a permit holder by submitting a request letter in the form set forth

in Attachment-I and the Filling-in List set forth in Attachment-II, accompanied with:

- a. copy of industry business permit with its amendments;
- b. copy of deed of establishment with its amendments;
- c. statement letter from the Bureau stating as being still active for industries having a capacity of more than 6,000 m3/year, or from the Regency/Municipality Service for industries with a capacity of up to 6,000 m3/year.

CHAPTER III

PLACE OF RE-REGISTRATION

Part One

Place of Re-registration

Article 6

- (1) Place of re-registration for IUIPHHK with an annual production capacity of up to 2,000 (two thousand) cubic meters is in the office of the Regency/Municipality Service, in the event the Governor delegated the authority for the issuance of IUIPHHK renewal to the Regent/Mayor.
- (2) Place of re-registration for IUIPHHK with an annual production capacity of up to 6,000 (six thousand) cubic meters is in the office of the Provincial Service.
- (3) Place of re-registration for holders of IUIPHHK with an annual production capacity above 6,000 (six thousand) cubic meters is in the office of the Directorate General.

Part Two

Evaluation Process and Issuance of IUIPHHK Renewal

Article 7

- (1) Business permit for an advanced wood industry having log processing equipment/machines shall be processed and issued as of its IUIPHHK renewal.

- (2) IUIPHHK or business permit for advanced wood industry having log processing equipment/machines issued during the validity period of Presidential Decree No. 96 Year 2000 perfected by Presidential Regulation No. 111 Year 2007 shall be processed and issued as of its IUIPHHK renewal.
- (3) IUIPHHK or business permit for advanced wood industry having log processing equipment/machines issued by an official other than the Minister or Governor after PP No. 34 Year 2002 come to effect until December 31, 2006, shall be processed and issued as of its IUIPHHK renewal.
- (4) IUIPHHK or business permit for advanced wood industry having log processing equipment/machines undergoing an amendment or change of name shall be processed and issued a renewal in the new name, by enclosing a copy of the notary deed.
- (5) IUIPHHK or business permit for advanced wood industry having log processing equipment/machines whose industry location had removed shall be processed and issued a renewal at the new location by submitting UKL-UPL documents and guarantee on the supply of raw material at the new place.
- (6) IUIPHHK or business permit for advanced wood industry having log processing equipment/machines that is not active any more shall be rejected for the renewal of IUIPHHK by firstly performing field checks where-in its results shall be set forth in an Investigation Report (BAP = Berita Acara Pemeriksaan).
- with an annual production capacity of up to 6,000 (six thousand) cubic meters.
- (2) The Director General on behalf of the Minister issues decisions on the renewal of IUIPHHK with an annual production capacity of more than 6,000 (six thousand) cubic meters.
- (3) The Governor is entitled to delegate the authority for the issuance of IUIPHHK renewal for an annual production capacity of up to 2,000 (two thousand) cubic meters to the Regents/Mayors.
- (4) If the Governor delegates the authority for the issuance of IUIPHHK renewal to the Regents / Mayors, the Head of Regency/Municipality Service on behalf of the Regent/Mayor issues decisions on the renewal of IUIPHHK for a production capacity of up to 2,000 (two thousand) cubic meters annually.
- (5) Form of IUIPHHK Renewal Decision is as stated in Attachment-III of this Regulation.

Article 9

During the re-registration of IU IPHHK, the Official issuing the IUI is entitled to reduce the production capacity permit on the request of the related IUIPHHK holder.

CHAPTER IV

TRANSITIONAL PROVISIONS

Article 10

- (1) Requests for re-registration of industries that are submitted based on Forestry Minister Decision No. 300/Kpts-II/2003 concerning Re-registration of Business Permit for Primary Industries of Forest Wood Products that had been amended, lastly by Forestry Minister Regulation No. P.70/Menhut-II/2006, and not yet renewed as of its IUI, shall be processed based on this Regulation.

Article 8

- (1) The Head of Provincial Service on behalf of the Governor issues decisions on the renewal of Business Permit for Primary Industries of Forest Wood Products

- (2) Renewal of IUIPHHK issued before the issuance of this Regulation is declared as still in effect.

CHAPTER V
CLOSING PROVISIONS

Article 11

- (1) With the stipulation of this Regulation, Forestry Minister Decision No. 300/Kpts-II/2003 concerning Re-registration of Business Permit for Primary Industries of Forest Wood Products that had been amended by Forestry Minister Regulation No. P.16/Menhut-II/2004, No. P.28/Menhut-II/2005 and Forestry Minister Regulation No. P.70/Menhut-II/2006 is declared as not in effect any more.
- (2) This Forestry Minister Regulation commences to come to effect from the date of enactment.

For public cognizance, this Forestry Minister Regulation shall be announced in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta
on April 1, 2009
THE MINISTER OF FORESTRY OF
THE REPUBLIC OF INDONESIA
Sgd.
H. M.S. KABAN

Enacted in Jakarta
on April 7, 2009
THE MINISTER OF LAW AND HUMAN RIGHTS
Sgd.
ANDI MATTALATTA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA
YEAR 2009 NO. 62

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