



# GOVERNMENT REGULATIONS

## PROCEDURE FOR RETURNING BUSINESS LICENSE TO UTILIZE TIMBER FOREST PRODUCTS PRIOR TO THE EXPIRATION OF LICENSING TERM

(Regulation of the Minister of Forestry No. P.23/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 82 paragraph (1) letter c 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, permit for the utilization of forest will be cancelled if it is returned back by the permit holder prior to the expiry of the permit term;
- b. that based on Article 82 paragraph (7) of Government Regulation No. 6 Year 2007 in conjunction with Government Regulation No. 3 Year 2008, provisions to return IUPHHK back as meant in item a, is regulated with a regulation of the Minister;
- c. that based on the considerations referred to in letter a and letter b above, it is necessary to stipulate a procedure to return IUPHHK prior to the expiry of the term of the permit with a regulation of the Minister;

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. 23 Year 1997 (**BN No. 6092 pages 19A-21A and so on**) concerning Management of the Living Environment (Statute Book of the Republic of Indonesia Year 2007 No. 68; Supplement to Statute Book of the Republic of Indonesia No. 3699);
3. 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 concerning 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);
4. Law No. 32 Year 2004 (**BN No. 7183 pages 1A-11A 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), having 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);

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. 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);
7. Government Regulation No. 38 Year 2007 concerning Division of government affairs between the Government, Province 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);
8. Presidential Decree No. 187/M Year 2004 (**BN No. 7128 pages 30A-31A**) concerning Establishment of Indonesia United Cabinet, that had been amended several times, lastly by Presidential Decree No. 31/P Year 2007;
9. 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;
10. 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;

11. Regulation of the Forestry Minister No. P.13/Menhut-II/2005 concerning Organization Structure and Work Mechanism of the Forestry Department, that had been amended several times, lastly by Regulation of the Forestry Minister No. P.64/Menhut-II/2008 (Statute Book of the Republic of Indonesia Year 2008 No. 27);

#### D E C I D E S :

To stipulate:

THE REGULATION OF THE MINISTER OF FORESTRY CONCERNING PROCEDURE FOR RETURNING BUSINESS LICENSE TO UTILIZE TIMBER FOREST PRODUCTS PRIOR TO THE EXPIRATION OF LICENSING TERM.

#### CHAPTER I

#### GENERAL PROVISIONS

#### Article 1

In this Forestry Minister Regulation, terms used are:

1. Business License to Utilize Timber Forest Products in Natural Forests, hereinafter abbreviated as IUPHHK-HA, previously referred to as Forest Concession abbreviated HPH, is a permit issued by the official having the authority to exploit a production forest, the activities there-of consist of harvesting or cutting, planting, maintenance, securing, and marketing of forest wood products.
2. Business License to Utilize Timber Forest Products in Cultivated Forests (IUPHHK-HT) previously referred to as Industrial Timber Estate Concession (HPHTI) is a permit issued by the official having the authority to

- exploit a production forest, the activities there-of consist of planting, maintenance, securing, harvesting, processing, and marketing of forest wood products.
3. Returning permit is the permit returned by a permit holder not due to a Government policy.
  4. Business License to Utilize Timber Forest Products, hereinafter abbreviated as IUPHHK) is IUPHHK-HA or IUPHHK-HT.
  4. Minister is the minister assigned the duty and responsibility in the field of forestry.
  5. Director General is the director general assigned the duty and responsibility in the field of Forestry Production Management.
  6. Provincial Service is the service assigned the mission and responsibility in the field of forestry within a province area.
  7. Regency/Municipality Service is the service assigned the mission and responsibility in the field of forestry within a Regency/Municipality area.

## CHAPTER II

### RETURNING PROCEDURE

#### Part One

#### Return by IUPHHK Holder

#### Article 2

- (1) The holder of IUPHHK shall submit a request to return IUPHHK back to the Forestry Minister, with copies to:
  - a. Director General of Forestry Production Management;
  - b. Director General of Forestry Planning;
  - c. Governor of the Province;
  - d. Regent/Mayor;
  - e. Head of Provincial Forestry Service; and
  - f. Head of Regency/Municipality Forestry Service.

- (2) The request referred to in paragraph (1) shall be accompanied with:
  - a. Statement Letter with sufficient duty stamps stating clear reasons there-to; and
  - b. Report on performed exploitation / utilization of forest.

#### Article 3

- (1) Before receiving the delivery referred to in Article 2, a comprehensive administrative audit shall firstly be conducted.
- (2) The audit referred to in paragraph (1) shall be executed by the Director General of Forestry Production Management to know the fulfillment of all obligations stated in the decision of the Minister on the Issuance of IUPHHK and other provisions related with obligations of the company as holder of business Permit on the Utilization of forest.
- (3) In the event a permit holder has financial obligations not yet settled, the permit holder must firstly settle such obligations.
- (4) The financial obligations referred to in paragraph (3) are in the form of IUPH, PSDH, DR and/or border costs of a permit holder not yet performing or not yet settling area border costs.
- (5) In the event obligations on area border costs had not been performed or not yet settled, but the permit holder had deposited the border costs, then the deposited border costs shall belong to the State, and the permit holder shall be relieved from the border obligations.
- (6) Based on the audit result referred to in paragraph (1) and after the requestor had no more indebted financial obligations as referred to in paragraph (4), the permit issuer shall issue a decision on the revocation of the permit.

## Article 4

- (1) On the cancellation of the IUPHHK-HA, all immovable and plants planted by the permit holder within the IUPHHK-HA work area will be the right of the State.
- (2) On the cancellation of the IUPHHK-HT, all immovable shall belong to the State, except plants planted by the permit holder within his work area that shall belong to the company.
- (3) If the plants referred to in paragraph (2) were not cut by the permit holder within one (1) year from the issuance of the decision on the revocation of the permit referred to in Article 3 paragraph (6), the plants will be the right of the State.
- (4) For the utilization of the plants referred to in paragraph (3), a permit to cut shall be issued by the Head of Province Forestry Service, by paying due attention on the aspects of land and water conservation.

## Part Two

## Returning back IUPHHK due to Government Policy

## Article 5

- (1) Returning back IUPHHK due to a policy of the Government may be executed on condition that all obligations on the payment of PSDH and DR with its arrears had been settled.
- (2) The Minister will receive the return of the permit referred to in paragraph (1) on condition that the permit holder did not have any arrears on PSDH and/or DR obligations.

## CHAPTER III

## CLOSING PROVISIONS

## Article 6

With the stipulation of this Regulation, Forestry

Minister Decision No. 150/Kpts-TT/2003 concerning Procedure for Returning and Receiving IUPHHK in Natural Forest Prior to the Expiration of Licensing Term, is declared as not in effect any more.

## Article 7

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 OF  
THE REPUBLIC OF INDONESIA

Sgd.

ANDI MATTALATTA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA  
YEAR 2009 NO. 61

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