



**STATE GAZETTE OF
THE REPUBLIC OF INDONESIA**

No.75, 2020 NATURAL RESOURCES. Palm Oil Plantation.
Certification System.

REGULATION OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA

NUMBER 44 OF 2020

REGARDING

INDONESIAN SUSTAINABLE PALM OIL PLANTATION CERTIFICATION
SYSTEM

BY THE MERCY OF THE ONE SUPREME GOD

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering : a. that Indonesian Palm Oil Plantation provides job opportunity for significant number of manpower and it contributes foreign exchange to the state thereby requiring effective, efficient, equitable and sustainable management system of Palm Oil Plantations to support the national economic development;

b. that to provide higher certainty to Palm Oil Plantation business that is feasible

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- viewed from social, economic and environmental aspects in accordance with the provisions in the legislation, it is necessary to make improvement in the implementation of Indonesian Sustainable Palm Oil Plantation Certification System;
- c. that the legislation on Indonesian Sustainable Palm Oil Plantation Certification System is no longer in line with international developments and legal needs; therefore, it is necessary to amend and re-regulate the same in a Regulation of President;
- d. that based on the considerations as referred to in item a, item b, and item c, it is necessary to stipulate Regulation of President regarding Indonesian Sustainable Palm Oil Plantation Certification System;

Bearing in mind : Article 4 paragraph (1) of Constitution of the Republic of Indonesia of 1945;

HAS DECIDED:

To stipulate : REGULATION OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA REGARDING INDONESIAN SUSTAINABLE PALM OIL PLANTATION CERTIFICATION SYSTEM



CHAPTER I
GENERAL PROVISIONS

Article 1

In the present Regulation of President, the following terms shall have definition as follows:

1. Palm Oil Plantations shall mean all activities of managing palm oil natural resources, human resources, production facilities, equipment and machineries, cultivation, harvesting, processing, and marketing.
2. Palm Oil Plantation Business shall mean any businesses that produce Palm Oil Plantation goods and/or services.
3. Indonesian Sustainable Palm Oil, hereinafter abbreviated as ISPO, shall mean Palm Oil Plantation Business system that is feasible viewed from economic, socio-cultural aspects, and environmentally friendly according to laws and regulations.
4. ISPO certification shall mean series of activities to assess conformity with Palm Oil Plantation Businesses related to the granting of written guarantees that Palm Oil Plantation products and/or governance has met the ISPO principles and criteria.
5. Palm Oil Plantation Business Actors, hereinafter referred to as Business Actors, shall mean palm oil planters and/or Palm Oil Plantation companies managing Palm Oil Plantation Businesses.



6. Palm Oil Planters, hereinafter referred to as Planters, shall mean an Indonesian Citizens who carry out Palm Oil Plantation Businesses with a business scale below certain scale.
7. Palm Oil Plantation Company, hereinafter referred to as Plantation Company, shall mean incorporated legal entity, established according to the Indonesian law and having its domicile in the Indonesia territory that manages a Palm Oil Plantation Business at certain scale.
8. Palm Oil Plantation Products shall mean all Palm Oil Plantation plant products and their processing consisting of main products, products processed to extend their longevity, by-products, and derivative products.
9. National Accreditation Committee, hereinafter abbreviated to KAN, shall mean non-structural institution with duties and responsibilities to deal with accreditation of the conformity assessment institution.
10. ISPO Certification Agency shall mean an independent conformity assessment agency that carries out ISPO Certification and issues ISPO certificates.
11. Central Government shall mean the President of the Republic of Indonesia who has the authority of government of the Republic of Indonesia who is assisted by the Vice-President and the minister as referred to in the Constitution of the Republic of Indonesia 1945.



12. Regional Government shall mean the head of the region as an element of the Regional Government Administrator who leads the implementation of government affairs being the authority of the autonomous region.
13. Minister shall mean the minister governing the government affairs in the plantation sector.

Section 2

Scope of regulations in this Regulation of the President shall cover:

- a. ISPO certification;
- b. institutional;
- c. acceptance, market competitiveness, and participation;
- d. building and supervision; and
- e. penalty.

Article 3

The administration of the ISPO Certification system shall be aimed at:

- a. ensuring and improving the management and development of Palm Oil Plantation in accordance with principles and criteria of ISPO;
- b. increasing the acceptance and competitiveness of Indonesian Palm Oil Plantation Product in national and international markets; and
- c. increasing the programs to accelerate the decrease in greenhouse gas emissions.



CHAPTER II

INDONESIAN SUSTAINABLE PALM OIL PLANTATION CERTIFICATION

Part One

General

Article 4

- (1) To guarantee sustainable Indonesian Palm Oil Plantation, ISPO Certification shall be made.
- (2) ISPO certification as referred to in paragraph (1) shall be made by applying the principles covering:
 - a. compliance with laws and regulations;
 - b. application of good agriculture practices;
 - c. environment, natural resources and biodiversity management;
 - d. labor responsibilities;
 - e. social responsibility and community economic empowerment;
 - f. application of transparency; and
 - g. improvement in business sustainably.
- (3) The principles as referred to in paragraph (2) shall be described in the criteria of ISPO.
- (4) Further provisions on the principles and criteria of ISPO as referred to in paragraph (2) and paragraph (3) shall be set forth in the Regulation of Minister.



Article 5

- (1) ISPO Certification as referred to in Article 4 shall be made to Palm Oil Plantation Businesses.
- (2) Palm Oil Plantation Business as referred to in paragraph (1) shall consist of:
 - a. Palm Oil Plantation plant cultivation business;
 - b. Palm Oil Plantations processing business; and
 - c. integration of Palm Oil Plantation cultivation and the processing of Palm Oil Plantation products.
- (3) Application for ISPO certification as referred to in paragraph (1) shall be submitted by Business Actors that include:
 - a. Plantation company; and/or
 - b. Planters.
- (4) Application for ISPO Certification submitted by Planters as referred to in paragraph (3) letter b may be made individually or in groups.
- (5) Group as referred to in paragraph (4) may be in form of Planters group, association of Planters group or cooperatives.

Article 6

- (1) The Minister shall impose administrative sanctions upon any Business Actors breaching the provisions of the ISPO Certification obligations as referred to in Article 5.



- (2) Administrative sanctions referred to in paragraph (1) shall be in form of:
- a. written warning;
 - b. penalty;
 - c. suspension from Palm Oil Plantation Business;
 - d. suspension of ISPO certificates; and/or
 - e. revocation of ISPO certificate.
- (3) Further provisions on the procedure for imposing administrative sanctions as referred to in paragraph (1) and paragraph (2) shall be set forth in the Regulation of Minister.

Part Two

ISPO Certification Agency

Article 7

- (1) ISPO certification as referred to in Article 5 shall be administered by ISPO Certification Agency.
- (2) ISPO Certification Agency as referred to in paragraph (1) shall be:
- a. accredited by KAN in accordance with laws and regulations on standardization and conformance assessment; and
 - b. registered with the ministry which dealing with the government affairs in plantation sector.



- (3) ISPO Certification Agency as referred to in paragraph (1) shall have the duties as follows:
- a. to carry out an assessment to conformance with fulfillment of ISPO principles and criteria to Business Actors;
 - b. to issue, suspend or invalidate ISPO certificates for Palm Oil Plantation Business based on results of the ISPO Certification activities;
 - c. to carry out annual inspection to Palm Oil Plantation Business that has obtained ISPO certificate; and
 - d. to follow up complaints and appeals related to the implementation of ISPO Certification.

Part Three

Certification Requirements and Procedures

Article 8

- (1) Any plantation companies as referred to in Article 5 paragraph (3) item a shall submit the application for ISPO Certification to ISPO Certification Agency for assessment to fulfillment of ISPO principles and criteria as referred to in Article 4.
- (2) Application as referred to in paragraph (1) shall be attached with the following documents:
- a. plantation business permit;
 - b. land title;



- c. environmental permit; and
- d. stipulation on assessment to plantation business from plantation business permit issuer.

(3) The Planters as referred to in Article 5 paragraph (3) item b submit the application for ISPO Certification to ISPO Certification Agency by attaching documents as follows:

- a. certificate of plantation business registration; and
- b. land title.

Article 9

- (1) Application for ISPO Certification shall be submitted by Business Actors to ISPO Certification Agency.
- (2) ISPO Certification Agency shall check the completeness of the application requirements document as referred to in Article 8.
- (3) In case the application has fulfilled the requirements as referred to in Article 8, ISPO Certification Agency shall process ISPO Certification.
- (4) In case the application fails to meet the requirements as referred to in Article 8, ISPO certification Agency shall decline the application.
- (5) ISPO Certification Agency shall submit notification to Business Actor on the denial to the application as referred to in paragraph (4) furnished with the reasons thereof.



Article 10

ISPO Certification Agency shall carry out ISPO Certification by assessing the fulfillment of the ISPO principles and criteria as referred to in Article 4.

Article 11

- (1) In the event Business Actor has fulfilled the ISPO principles and criteria, ISPO Certification Agency will issue an ISPO certificate.
- (2) In the event the assessment indicates that Business Actor has not yet meet the ISPO principles and criteria, then ISPO Certification Agency shall submit recommendations to Business Actors to make revision and/or complete the requirements.
- (3) In the event that Business Actor has made the revision and/or complete the requirements to fulfill ISPO principles and criteria, then ISPO Certification Agency shall issue ISPO certificate.
- (4) In the event that Business Actor fails to make revision and/or complete the requirements to fulfill ISPO principles and criteria, then ISPO Certification process shall be ceased and the application for ISPO Certification shall be canceled.

Article 12



- (1) ISPO Certification Agency shall submit a report to ISPO Committee on:
 - a. ISPO certificate that has been issued; and
 - b. Business Actors that make revision and/or complete the requirements to fulfill the ISPO principles and criteria.
- (2) The Minister shall impose administrative sanctions upon any ISPO Certification Agency that failing to submit the report as referred to in paragraph (1).
- (3) Administrative sanctions as referred to in paragraph (1) shall be in terms of:
 - a. written warning; or
 - b. delisting from the list of ministries dealing with the government affairs in the plantation sector as ISPO Certification Agency.
- (4) Further provisions on the procedure for imposition of administrative sanctions as referred to in paragraph (2) and paragraph (3) shall be set forth in the Regulation of Minister.
- (5) In addition to the administrative sanctions as referred to in paragraph (3), KAN may also impose sanctions upon ISPO Certification Agency in terms of suspension or revocation of accreditation certificates as ISPO Certification Agency in accordance with provisions of



legislation on standardization and conformance assessment.

Article 13

- (1) The ISPO certificate shall be valid for the period of 5 (five) years.
- (2) Before validity term of the ISPO certificate as referred to in paragraph (1) expires, Business Actor shall submit an application for ISPO Re-certification.

Article 14

Further provisions on procedures for ISPO Certification shall be set forth in the Regulation of Minister.

Part Four

Inspection

Article 15

- (1) ISPO Certification Agency shall carry out inspection to any Palm Oil Plantation Business that has obtained ISPO certificate.
- (2) The inspection as referred to in paragraph (1) shall be carried out to inspect the fulfillment of ISPO principles and criteria by Business Actors.
- (3) Further provisions on inspection as referred to in paragraph (1) shall be set forth in the Regulation of Minister.



Article 16

- (1) The Minister shall impose administrative sanctions upon any Palm Oil Plantation Business that fail to fulfill ISPO principles and criteria as referred to in Article 4.
- (2) The administrative sanctions referred to in paragraph (1) shall be in terms of:
 - a. suspension of ISPO certificates; or
 - b. ISPO certificate revocation.
- (3) Further provisions on the procedure for imposition of administrative sanctions as referred to in paragraph (2) shall be set forth in the Regulation of Minister.

Article 17

- (1) The Minister shall impose administrative sanctions upon any ISPO Certification Agency failing to conduct inspection as referred to in paragraph (1).
- (2) The administrative sanctions as referred to in paragraph (1) shall be in terms of:
 - a. written warning; or
 - b. delisting from the list of ministries dealing with the government affairs in the plantation sector as ISPO Certification Agency.
- (3) Further provisions on the procedure for imposition of administrative sanctions as referred to in paragraph (2) and paragraph (3) shall be set forth in the Regulation of Minister.



- (4) In addition to the administrative sanctions as referred to in paragraph (3), KAN may also impose sanctions upon ISPO Certification Agency in terms of suspension or revocation of accreditation certificates as ISPO Certification Agency in accordance with provisions of legislation on standardization and conformance assessment.

Part Five

Funding

Article 18

- (1) The funding for application for ISPO Certification submitted by Plantation companies as referred to in Article 5 paragraph (3) letter a, shall be charged to each plantation company.
- (2) The funding for application for ISPO Certification submitted by Planters shall be from:
- State budget;
 - Regional Budget; and/or
 - other legal sources,
- in accordance with laws and regulations.
- (3) The funding as referred to in paragraph (2) shall be distributed through the Planters group, Association of Planters group, or cooperatives, and it shall be provided during the initial valid term of ISPO Certification.
- (4) Further provisions on the costs for ISPO certification as referred to in paragraph (2) and facilitation as referred



to in paragraph (3) shall be set forth in the Regulation of Minister.

CHAPTER III
INSTITUTIONALITY

Part One

Committee for ISPO

Article 19

- (1) To implement the coordination of the management and organization of ISPO, the Committee for ISPO shall be established.
- (2) The Committee for ISPO as referred to in paragraph (1) shall have the duties as follows:
 - a. to elaborate general policies on management and administration of ISPO that have been established by ISPO Directing Board into operational policies;
 - b. to formulate and develop ISPO principles and criteria;
 - c. to formulate assessment standards for each level of fulfillment of ISPO principles and criteria;
 - d. to formulate ISPO Certification requirements and schemes;
 - e. to evaluate the implementation of the ISPO Certification system to maintain good plantation governance;



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- f. to build ISPO Certification information systems; and
 - g. to make coordination with the ministries, institutions, Local Governments, and other parties deemed necessary for management and administration of ISPO Certification.
- (3) The Committee for ISPO shall establish and develop the ISPO Certification information system as referred to in paragraph (2) item f and implements data sharing system and on-line single system to provide simple service to Business Actors to obtain ISPO certificates.

Article 20

- (1) The Committee for ISPO as referred to in Article 19 shall be chaired by the Minister and consist of government elements, business associations, academicians, and independent observers.
- (2) Membership of the Committee for ISPO from the government as referred to in paragraph (1) shall be ex officio.
- (3) Membership of the Committee for ISPO from independent observers as referred to in paragraph (1) shall be non-governmental organization being an Indonesian corporate body or Indonesian citizen being plantation observer who care about social, economic and environmental concerns.

Part Two

ISPO Directing Board



Article 21

- (1) In order to provide direction of the policy on the implementation of the duties of Committee for ISPO, there shall be established an ISPO Directing Board.
- (2) ISPO Directing Board as referred to in paragraph (1) shall have the duties as follows:
- a. to formulate general policies on the ISPO system and mechanism;
 - b. to carry out supervision and evaluation to the policies as referred to in item a; and
 - c. to determine the composition of membership of the Committee for ISPO.
- (3) ISPO Directing Board as referred to in paragraph (1) shall consist of:
- a. Director : Coordinating Minister of Economic Affairs;
 - b. Executive Director: Minister;
 - c. Members : 1. Minister of Environmental Affairs and Forestry;
2. Minister Agrarian Affairs and Spatial Planning;
3. Minister of Trade;
4. Minister of Industry;
5. Minister of Home Affairs; and



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6. Head of a non-ministerial government institution on the national standardization.

Article 22

Further provisions on the organization and working system of ISPO Directing Board shall be set forth in the Regulation of the Coordinating Minister of Economic Affairs as the Director of ISPO Directing Board.

CHAPTER IV

ACCEPTANCE, MARKET COMPETITION, AND PARTICIPATION

Article 23

To increase market acceptance and competitiveness nationally and internationally, the Central Government and Local Government have the programs as follows:

- a. dissemination;
- b. advocacy;
- c. international diplomacy; and
- d. recognition of product acceptance and conformance assessment system.

Article 24

- (1) The community, business actors and stakeholders may participate in the management and administration of ISPO certification.



- (2) The participation as referred to in paragraph (1) may be made by:
- a. proposing and providing inputs on the management and administration of ISPO Certification;
 - b. requesting and obtaining information related to the management and administration of ISPO Certification;
 - c. reporting any abuse of or deviation from the management and administration of ISPO Certification to the government, Committee for ISPO, KAN, and/or ISPO Certification Agencies; and/or
 - d. Increasing the acceptance and competitiveness of ISPO, as well as Indonesian Palm Oil Plantation Products and their derivatives in national and international markets together with the government.

CHAPTER V

GUIDANCE AND SUPERVISION

Article 25

- (1) The Central Government and Local Government shall provide guidance and supervision to the implementation of ISPO Certification for Business Actors.
- (2) The guidance and supervision by the Central Government as referred to in paragraph (1) shall be carried out by the Minister, ministers and heads of institutions in



accordance with their duties, functions and authorities based on the provisions of the legislation.

- (3) The guidance and supervision by the Regional Government as referred to in paragraph (1) shall be carried out by the governor and/or regent/mayor in accordance with their duties, functions and authorities in accordance with laws and regulations.
- (4) The guidance as referred to in paragraph (1) to the Planters shall includes the preparation and fulfillment of ISPO principles and criteria.

CHAPTER VI

TRANSITIONAL PROVISIONS

Article 26

- (1) Any ISPO certificates that have been issued before the effectiveness of the present Regulation of President shall be declared remain valid until the expiry thereof provided that as follows:
 - a. Business Actors shall make adjustments to the application of ISPO based on ISPO principles and criteria as stipulated herein that is carried out based on the inspection findings by ISPO Certification Agency.
 - b. ISPO Certification Agency, based on inspection as referred to in item a, shall issue the inspection report in accordance with the specified term.



- c. Business Actors shall make adjustment to the application of ISPO based on the inspection report as referred to in item a in accordance with specified term.
- d. based on the inspection report as referred to in item b:
1. if Business Actor has applied the ISPO principles and criteria, the ISPO certificate shall be declared to remain valid; or
 2. if Business Actor has not applied the ISPO principles and criteria, Business Actor shall be requested to make adjustments until the subsequent inspection.
- e. in the event that Business Actor fails to make the adjustment as referred to in item d point 2, the ISPO certificate that has been issued before the effectiveness of the present Regulation of President shall be revoked.
- (2) Further provisions on the adjustments of ISPO Certification as referred to in paragraph (1) shall be regulated by the Minister as the Chairperson of the Committee for ISPO.

CHAPTER VII

CONCLUDING PROVISIONS



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Article 27

Upon effectiveness of the present Regulation of President, the provisions on ISPO Certification for:

- a. Any plantation companies as referred to in Article 5 paragraph (3) item a shall be effective as of promulgation hereof;
- b. Any planters as referred to in Article 5 paragraph (3) item b shall be effective for 5 (five) as of promulgation hereof.

Article 28

Upon effectiveness of the present Regulation of President, all legislations on ISPO Certification shall be declared remain effective as long as not contradictory to the provisions herein.

Article 29

The implementing regulations hereof shall be stipulated within not later than 30 (thirty) days as of the date of promulgation hereof.

Article 30

This Regulation of President shall come into effect as of the date of promulgation.



For public cognizance, it is instructed to promulgate this Regulation of President by inserting the same in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

on March 13, 2020

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Signed

JOKO WIDODO

Promulgated in

on March 16, 2020

THE MINISTER OF LAW AND HUMAN RIGHTS OF

THE REPUBLIC OF INDONESIA,

signed

YASONNA H. LAOLY

