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OFFICIAL ANNOUNCEMENT

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FORESTRY

THE DEPARTMENT OF FORESTRY

DECREE OF THE MINISTER OF FORESTRY
NUMBER : 236/Kpts-II/95 ; DATED : APRIL 24, 1995

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PROCEDURES AND REQUIREMENTS FOR APPLYING FOR FOREST CONCESSIONS

THE MINISTER OF FORESTRY,

- Considering** :
- a. that based on Decree of the Minister of Forestry No. 269/Kpts-II/89 jo. Decree of the Minister of Forestry No. 204/Kpts-II/1990 jo. Decree of the Minister of Forestry No. 649/Kpts-II/1990, procedures for applying for forest concessions (HPH) and for extending forest concessions have been laid down;
 - b. that in order to speed up to the process of settling applications for forest concessions in accordance with the legislative in force, it is deemed necessary to improve and stipulate again the procedure and requirements for applying for forest concessions;
 - c. that in conjunction with the above matters, decree of the Minister of Forestry on procedures and requirements for applying for forest concessions is laid down.
- Bearing in mind** :
- 1. Act No. 5 of 1967 on the principles of forestry;
 - 2. Act no. 5 of 1990 on the conservation of biological resources and their ecosystem;
 - 3. Government Regulation No. 21 of 1970 jo. Government Regulation No. 18 of 1975 on forest concessions and forest product collection rights;
 - 4. Government Rregulation No. 33 of 1970 on forest planning;
 - 5. Government Regulation No. 28 of 1985 on forest protection;
 - 6. Government Regulation No. 51 of 1993 on the analysis of impacts on the environment;

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7. Presidential Decree No. 15 of 1984 jo. Presidential Decree No. 25 of 1990 jo. Presidential Decree No. 58 of 1993 on the organisational structures of ministries;
8. Presidential Decree no. 96/M/1993 on the establishment of the sixth development cabinet;
9. Decree of the Minister of Forestry No. 677/Kpts-II/1993 on the organisational structure and working system of the ministry;
10. Decree of the Minister of Forestry No. 23/Kpts/II/1994 on the extension of forest concessions;
11. Decree of the Minister of Forestry No. 218/Kpts-II/1994 on the analysis of impacts on the environment for forestry development.

HAS DECIDED :

To stipulate : THE DECREE OF THE MINISTER OF FORESTRY CONCERNING PROCEDURES AND REQUIREMENTS FOR APPLYING FOR FOREST CONCESSIONS.

Article 1

Referred to in this decree as :

- (1) Forest concessions, hereinafter abbreviated to HPH, shall be the rights given to manage forests in a forest area covering activities such as wood felling, reforestation and forest maintenance, forest product processing and marketing in accordance with the working plan of forest concessionaries with respect to the prevailing provisions as well as conservation and corporate principles.
- (2) Working areas of forest concessionaries shall be forest areas declared as forest concessions in accordance with the law in force.
- (3) Analysis of impacts on the environment, hereinafter abbreviated to AMDAL, shall be the result of a study of the impact of the planned business/activity on the environment used to make a decision.
- (4) Survey and inventory activities shall be the careful field survey, observation and recording to get to know potential plant species in a certain forest area.
- (5) Advisory Team shall be the team made up of the Director general of Forest Exploitation as its chairman, and the Secretary General of Forest Exploitation, the Director General of Forest Inventory and Use, and other relevant first echelon officials as members, to give considerations and suggestions to the Minister of Forestry inline with applications for HPH.

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Article 2

- (1) The companies which can file application for HPH are :
 - a. State-owned companies (BUMN) engaged in the forestry sector;
 - b. Indonesian corporate bodies taking the form of Limited Liability Companies.
- (2) Forest areas for which HPH can be applied are permanent production forest areas, limited production forest areas or forest areas to be declared as permanent production forest areas carrying no other rights.

Article 3

- (1) Corporate managers/applicants shall apply to the Minister of Forestry for HPH by using specimen applications as attached with copies addressed to :
 - a. The Director General of Forest Exploitation;
 - b. The Director General of Forest Inventory and use;
 - c. The Director General of Forest Protection and Nature Conservation;
 - d. The Governor/Head of the First level region concerned;
 - e. The Head of the Regional Office of the Ministry of Forestry concerned.
- (2) Applications for HPH as meant in paragraph (1) shall be complete with :
 - a. a. aerial photograph/satellite image TM Bank 542 with digital process of less than 2 (two) years of age from the areas for which HPH is applied, with a minimum scale of :
 - 1) 1 : 20,000, for an aerial photograph,
 - 2) 1 : 100,000, for a satellite image.
 - b. a recommendation from the Governor/Head of the First Level Region concerned after receiving suggestions and considerations from the Head of the regional Office of the ministry of Forestry concerned, containing :
 - 1) the appropriation of forest areas in accordance with the regional spatial layout;
 - 2) The forest areas for which HPH are applied must not carry any other rights;
 - 3) the location map with a minimum scale of 1 : 250,000.
 - c. Project proposal
 - d. The deed on establishment of the company and its amendments approved by the Minister of Justice;
 - e. Financial statements of the company and/or its principal company for the last 3 (three) years already audited by a registered public accountant (for companies that have been operational), or a statement from a bank about financial bonafide (for new companies).

- f. Taxpayer Code Number (NPWP).
 - g. Statement that the company will not transfer or sell its shares to other parties without approval from the Minister of Forestry and the statement must be validated by a notary public.
- (3) Applications for HPH as meant in paragraph (1) are processed after the company fulfills all requirements as meant in paragraph (2).
- (4) The Director General of Forest Exploitation under the name of the Minister of Forestry shall issue letters of rejection to applications which lack or fail to meet requirements as meant in paragraph (1).

Article 4

The Director General of Forest Exploitation in the capacity as chairman of the Advisory Team shall coordinate suggestions and considerations from members of the Advisory Team, and give considerations to the Minister of Forestry about applications for HPH no later than 30 (thirty) working days after the receipt of the applications.

Article 5

Based on suggestions and considerations from the Advisory Team, the Minister of Forestry may reject or approve applications as meant in Article 3 no later than 14 (fourteen) working days after the receipt of the suggestions and considerations from the chairman of the Advisory Team.

Article 6

If the Minister of Forestry reject applications for HPH, the Director General of Forest Exploitation shall issue notifications on rejection no later than 6 (six) working days after the receipt of decisions on the rejection of applications for HPH from the Minister of Forestry.

Article 7

If the Minister of Forestry applications for HPH, the Director General of Forest Exploitation in the capacity as chairman of the Advisory Team under the name of the Minister of Forestry, no later than 6 (six) working days after the receipt of the decisions, shall issue :

- a. Orders to the applicants with copies addressed to the Director General of Forest Inventory and Use and the Director General of Forest Protection and Nature Conservation, to :
 - 1) conduct survey and inventory activities in the said forest areas under the guidance of the Director General of Forest Protection and Nature Conservation;
 - 2) report on the results of survey and inventory activities and AMDAL they have carried out according to the legislation in force, to the Director General of Forest Exploitation in the capacity as chairman of the Advisory Team no later than 150 (a hundred and fifty) working days after the issuance of the orders.

- b. A letter to the Director General of Forest Inventory and Use to coordinate the realization of the survey and inventory activities as meant in letter a.

Article 8

The Director General of Forest Inventory and Use and the Director General of Forest protection and Nature Conservation shall respectively stipulate further provisions on the realization of survey and inventory activities and on the drawing up of AMDAL.

Article 9

The Chairman of the Advisory Team shall report on the result of a survey of potential plant species and AMDAL to the Minister of Forestry no later than 14 (fourteen) working days after the results of the survey of potential plant species and AMDAL are received.

Article 10

- (1) If the Minister of Forestry approves the results of survey and inventory activities and AMDAL as meant in Article 5, the Director General of Forest Exploitation, no later than 6 (six) working days after the approval for the granting of HPH is received, shall issue :
 - a. Orders for payment of HPH fees to the relevant companies;
 - b. Requests to the Director General of Forest Inventory and Use to make a map of working areas and a map of tree felling.
- (2) Applicants shall settle HPH fees no later than 60 (sixty) working days in accordance with the legislation in force after the receipt of orders for payment of HPH fees.

Article 11

- (1) The Minister of Forestry shall issue decisions on the granting of HPH after the applicants settle HPH fees.
- (2) The Director General of Forest Exploitation shall prepare concepts of decisions on the granting of HPH no later than 6 (six) working days after the receipt of evidence of payment of HPH fees and other requirements and later the said concepts together with a map of working areas already prepared by the Director General of Forest Inventory and Use as meant in Article 10 paragraph (1) letter b shall be submitted to the Minister of Forestry through the Secretary General of the Ministry of Forestry to be studied from the point of view of legal aspects.
- (3) The Secretary General of the Ministry of Forestry shall submit concept of decisions of the Minister of Forestry and other requirements as meant in paragraph (2) to the Minister of Forestry no later than 7 (seven) working days after the receipt of the concepts of decisions and other requirements.

Article 12

If applicants for HPH do not carry out activities as meant in Article in Article 7 within a specified period of time or do not settle HPH fees as meant in Article 10 paragraph (2), the granting of the said HPH shall be cancelled for the sake of the law without giving the opportunities to the applicants for HPH to lay a claim for compensations.

Article 13

Applications for HPH which at the moment of the stipulation of this decree have not yet reached the stage by which decisions on the granting of HPH are issued, shall be further processed on the basis of the procedure contained in this decree in accordance with the stage by which the applications are settled.

Article 14

With the stipulation of this decree, decree of the Minister of Forestry no. 269/Kpts-II/89 jo. decree of the Minister of Forestry no. 204/Kpts-II/1990 jo. decree of the minister of forestry no. 649/Kpts-II/1990 shall be declared null and void.

Article 15

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

Stipulated at : JAKARTA
On : APRIL 24, 1995

THE MINISTER OF FORESTRY

signed

DJAMALUDIN SURYOHADIKUSUMO

Attachment :

No. :
Enclosure : 1 dossier
Subject : Application for HPH
in the province/first
level region of

To :
The Minister of Forestry
in J A K A R T A

Dear Sir

We hereby apply for HPH :
a. Province/First Level Region :
b. Location :
c. A r e a : hectares

Please find enclosed the following documents for your considerations :

1. Aerial photograph/satellite image TM Band 542 with a digital process of less than 2 (two) years of age from the forest area for which HPH is applied, with a minimum scale of :
 - a. 1 : 20,000 for the aerial photograph
 - b. 1 : 100,000 for the satellite image.

2. A recommendation from the Governor/Head of the First Level Region after receiving technical suggestions and considerations from the Head of the Provincial Office of the Ministry of Forestry, containing :
 - a. the appropriation of forest areas in accordance with the regional spatial layout;
 - b. the forest areas for which HPH are applied do not carry any other rights;
 - c. the location map with a minimum scale of 1 : 250,000.

3. Project proposal.

4. The deed on establishment of the company and its amendments already approved by the Minister of Justice.

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5. Financial statements of the company and/or the supporting principal company for the last 3 (three) years already audited by a registered public accountant (for companies that have been operational), or a statement from a bank about financial bonafide (for new companies).
6. Taxpayer Code Number (NPWP).
7. Statement of not selling nor transferring shares to other parties without prior approval from the Minister of Justice already validated by a notary public.

Your attention is highly appreciated.

Sincerely yours

a Rp 1000
duty stamp

Name :

Position in the company

(.....)

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