

**THE PRESIDENT OF THE REPUBLIC OF INDONESIA
REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
NUMBER 34 YEAR 2002**

**CONCERNING
FOREST STRUCTURING AND MAKING OF FOREST MANAGEMENT PLANS,
UTILIZATION OF FORESTS AND USE OF FOREST AREAS**

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering: That in the framework of implementing Chapter V, Chapter VII and Chapter XV of Law Number 41 Year 1999 concerning Forestry, it is necessary to issue a Government Regulation concerning Forest Structuring and Making of Forest Management Plans, Utilization of Forests and Use of Forest Areas.

Recalling:

1. Section 5 paragraph (2) and Section 33 paragraph (3) of 1945 Constitution as already amended with the third amendment to 1945 Constitution;
2. Law Number 5 Year 1960 concerning Basic Agrarian Regulations (Indonesian Government Official Gazette Year 1960 Number 104, Annex to Government Official Gazette Number 2034);
3. Law Number 5 Year 1990 concerning Conservation of Biological Resources and Ecosystem (Indonesian Government Official Gazette Year 1990 Number 49, Annex to Government Official Gazette Number 3419);
4. Law Number 24 Year 1992 concerning Spatial Structuring (Indonesian Government Official Gazette Year 1992 Number 115, Annex to Government Official Gazette Number 3501);
5. Law Number 23 Year 1997 concerning Environmental Management (Government Official Gazette Year 1997 Number 68, Annex to Government Official Gazette Number 3699);
6. Law Number 22 Year 1999 concerning Local Governments (Government Official Gazette Year 1990 Number 49, Annex to Government Official Gazette Number 3419);
7. Law Number 41 Year 1999 concerning Forestry (Government Official Gazette Year 1999 Number 167, Annex to Government Official Gazette Number 3888);
8. Law Number 18 Year 2001 concerning Special Autonomy for the Province of Special Territory of Aceh as Nanggroe Aceh Darussalam Province (Government Official Gazette Year 2001 Number 114, Annex to Government Official Gazette Number 4131);
9. Law Number 21 Year 2001 concerning Special Autonomy for Papua Province (Government Official Gazette Year 2001 Number 135, Annex to Government Official Gazette Number 4151);

HAS DECIDED:

To Stipulate: GOVERNMENT REGULATION CONCERNING FOREST STRUCTURING AND MAKING OF FOREST MANAGEMENT

PLANS, UTILIZATION OF FORESTS AND USE OF FOREST AREAS

CHAPTER I GENERAL STIPULATIONS

Section 1

In this Government Regulation:

1. Forest structuring is the forest management unit's designing and planning activities involving the grouping of forest resources in accordance with the type of ecosystem and potentials contained in it for the best sustainable public benefit.
2. Forest utilization takes the form of the optimum utilization of forest areas, environment services, wood and non-wood forest products and collection of wood and non-wood forest products for the public welfare in an equitable way while maintaining conservation.
3. The utilization of a protection forest area is a form of business to use protection forest areas without reducing its main function.
4. The utilization of a production forest area is a form of business to utilize its growing space for optimal environmental, social and economic benefits without reducing the basic function of the forest.
5. The utilization of environment services from protection forest is a form of business to utilize the potentials of environment services without damaging the environment and without reducing its main function.
6. The utilization of environment services from production forest is a form of business to utilize the potentials of environment services without damaging the environment and without reducing the basic function of forest.
7. The utilization of wood forest products is all forms of business that utilize and yield wood forest products without damaging the environment and without reducing the basic function of the forest.
8. The utilization of non-wood forest products is all forms of business that utilize and yield non-wood forest products without damaging the environment and without reducing the basic function of the forest.
9. The collection of wood and or non-wood forest products is all forms of activities to collect forest products in the form of wood and or non-wood without damaging the environment and without reducing the basic function of the forest.
10. A permit for forest utilization is a permit issued by an authorized official. It consists of business permit for utilizing areas, business permit for utilizing environment services, business permit for utilizing wood and or non-wood forest products and permit for collecting wood and or non-wood forest products in a specified area.
11. A business permit for utilizing areas is a business permit for utilizing the areas of protection forest and or production forest.
12. A business permit for utilizing environment services is a business permit for utilizing the environment of protection forests and or production forests.
13. A business permit for utilizing wood and or non-wood forest products in natural forests is a permit for utilizing production forest with the activities consisting of harvesting or cutting, planting, maintenance, guarding, processing and marketing of wood and or non-wood forest products.
14. A business permit for utilizing wood and or non-wood forest products in plantation forests is a permit for utilizing production forest with the activities consisting of land preparation, seeding or seedling, planting, maintenance, guarding, harvesting or felling, processing and marketing of wood and or non-wood forest products.

15. A permit for collecting wood forest products is a permit for collecting wood forest products involving harvesting, transportation, processing and marketing for a certain period and a certain volume in production forest.
16. A permit for collecting non-wood forest products is a permit for collecting non-wood forest products such as rattan, honey, fruit, sap, medicinal plants and so forth in protection forest and or production forest.
17. A forest utilization business permit consists of business permit for utilizing areas, business permit for utilizing environment services, business permit for utilizing wood and non-wood forest products.
18. The use of forest areas is all forms of development activities outside the forestry activities that use forest areas without changing the status and function of the forest.
19. The Certificate of Legal Forest Products (SKSHH) is a document complementing the transport, authorization, or ownership of forest products as proof of the legality of forest products given by the duly authorized official.
20. The Forest Utilization Business Permit Fees (IIUPH) are collected from the holder of a forest utilization business permit for a certain forest area, payable once with the issuance of the permit.
21. The forest rent tax (PSDH) is charged to compensate for the intrinsic value of forest products taken from state forests.
22. The reforestation fund (DR) is collected from the holder of a business permit for utilizing forest products in natural forests in the form of wood, used in the context of reforestation, forest rehabilitation, and supporting activities.
23. An individual is a member of the local community who is capable of acting according to the law and as an Indonesian Citizen.
24. A cooperative is a body with members as individuals or a cooperative corporate body with its basic activities based on the principles of cooperatives and at the same time as people's economic movement based on the principles of family.
25. The primary industry of wood forest products is the processing of logs and or wood chip raw materials into semi-finished materials or end products.
26. The primary industry of non-wood forest products is the processing of non-wood forest products into semi-finished materials or end products.
27. The Minister is the Minister in charge of and responsible in the field of Forestry.

Section 2

- (1) Forest structuring and making of forest management plans, utilization of forests and use of forest areas are part of the forest management activities.
- (2) Activities in the forest structuring and making of forest management plans, utilization of forests and use of forest areas as referred to in subsection (1) are carried out in the form of Conservation Forest Management Unit (KPHK), Protection Forest Management Unit (KPHL) and Production Forest Management Unit (KPHP).

Section 3

- (1) The forest structuring and making of forest management plans, utilization of forests and use of forest areas as referred to in Section 2 are the authority of the Government and or Regional Governments.
- (2) The activities in the forest structuring and making of forest management plans, utilization of forests and use of forest areas as referred to in subsection (2) and or certain activities, may be delegated by the Government to a State-owned Enterprise (BUMN) running its business in the field of forestry.

Section 4

- (1) In the interest of forestry research, development, education and training, religion and culture, the Minister shall determine the forest structuring and making of forest management plans, utilization of forests and use of forest areas for a special purpose.
- (2) The forest structuring and making of forest management plans, utilization of forests and use of forest areas for a special purpose as referred to in subsection (1) include the activities:
 - a. research and development, which may be assigned to institutions dealing with research and development activities;
 - b. education and training, which may be assigned to institutions dealing with education and training activities;
 - c. religion and culture, which may be assigned to institutions dealing with religious and cultural activities.
- (3) The forest structuring and making of forest management plans, utilization of forests and use of forest areas for a special purpose as referred to in subsection (2) shall be determined by the Minister.
- (4) Stipulations on the forest structuring and making of forest management plans, utilization of forests and use of forest areas for a special purpose as referred to in subsection (1) and subsection (2) shall be regulated by a Ministerial Decree.

CHAPTER II FOREST STRUCTURING AND MAKING OF FOREST MANAGEMENT PLANS

Part One Forest Structuring

Paragraph 1 General

Section 5

- (1) Each forest management unit in all forest areas performs the forest structuring as referred to in Section 2.
- (2) The forest areas as referred to in subsection (1) include:
 - a. Conservation forests;
 - b. Protection forests; and
 - c. Production forests.

Paragraph 2 Forest Structuring in Conservation Forests

Section 6

Conservation forests as referred to in Section 5 subsection (2) letter a consist of:

- a. nature reserve forest areas;
- b. nature conservation forest area;
- c. Hunting parks

Section 7

- (1) The forest structuring in nature reserve forest areas as referred to in Section 6 letter a consists of:
 - a. nature reserve forest structuring;
 - b. wildlife preserve forest structuring.
- (2) The wildlife preserve forest structuring as referred to in subsection (1) letter a includes the activities:
 - a. marking of boundaries of the areas to be structured;
 - b. inventory and identification of area potentials and conditions;

- c. inventory and identification of issues in the areas and their surroundings;
 - d. forest gazetting; and
 - e. measuring and mapping.
- (3) The wildlife preserve forest structuring as referred to in subsection (1) letter b, in addition to the activities in subsection (2) also includes the activities:
- a. division of areas into blocks;
 - b. marking of block boundaries.

Section 8

- (1) The forest structuring in forest areas for nature conservation as referred to in subsection (6) letter b includes the structuring of:
- a. national parks;
 - b. grand forest parks; and
 - c. nature tourist parks.
- (2) The forest structuring in national parks as referred to in subsection (1) letter a is carried out in each management unit, with the activities:
- a. marking of boundaries of the areas to be structured;
 - b. inventory, identification and reporting of area conditions;
 - c. collection of social, economic and cultural data from the areas and their surroundings;
 - d. division of the areas into zones;
 - e. marking of zone boundaries; and
 - f. measuring and mapping.
- (3) The division of the areas into zones as referred in subsection (2) letter d, consists of:
- a. core zone;
 - b. utilization zone; and
 - c. other zones.

Section 9

- (1) The forest structuring in grand forest park areas as referred to in Section 8, subsection (1) letter b is carried out in each management unit, with the activities:
- a. marking of boundaries of the areas to be structured;
 - b. inventory, identification and reporting of area conditions;
 - c. collection of social and cultural data from the areas and their surroundings;
 - d. division of the areas into blocks;
 - e. marking of block boundaries; and
 - f. measuring and mapping.
- (2) The division of the areas into blocks as referred to in subsection (1) letter d, consists of:
- a. utilization block;
 - b. plant collection block;
 - c. protection block; and
 - d. other blocks.

Section 10

- (1) The forest structuring in nature tourist park areas as referred to in Section 8, subsection (1) letter c is carried out in each management unit, with the activities:
- a. marking of boundaries of the areas to be structured;
 - b. inventory, identification and reporting of area conditions;
 - c. collection of social, economic and cultural data from the areas and their surroundings;
 - d. division of the areas into blocks;
 - e. marking of block boundaries; and
 - f. measuring and mapping.
- (2) The division of the areas into blocks as referred to in subsection (1) letter d, consists of:

- a. intensive utilization block;
- b. limited utilization block;
- c. other blocks.

Section 11

- (1) The forest structuring in hunting parks as referred to in Section 6, letter c is carried out in each management unit, with the activities:
 - a. marking of boundaries of the forests to be structured;
 - b. inventory, identification and reporting of area conditions;
 - c. collection of social, economic and cultural data from the forests and their surroundings;
 - d. division of the forests into blocks;
 - e. marking of block boundaries; and
 - f. measuring and mapping.
- (2) The division of the forests into blocks as referred to in subsection (1) letter d consists of:
 - a. hunting block;
 - b. utilization block;
 - c. animal breeding block; and
 - d. other blocks.

Paragraph 3

Forest Structuring in Protection Forests

Section 12

- (1) The forest structuring in Protection Forests as referred to in Section 5, subsection (2) letter b is carried out in each management unit, with the activities:
 - a. marking of boundaries of the forests to be structured;
 - b. inventory, identification and reporting of forest area conditions;
 - c. collection of social, economic and cultural data from the forests and their surroundings;
 - d. division of the forests into blocks;
 - e. registration; and
 - f. measuring and mapping.
- (2) The division of the forests into blocks as referred to in subsection (1) letter d consists of:
 - a. protection block;
 - b. utilization block; and
 - c. other blocks.

Paragraph 4
Forest Structuring in Production Forests

Section 13

- (1) The forest structuring in Production Forests as referred to in Section 5, subsection (2) letter c includes the activities:
- a. marking of boundaries of the forests to be structured;
 - b. inventory of forest potentials and conditions involving:
 1. types, potential and distribution of flora;
 2. types, population and habitat of fauna;
 3. design of area extent boundary routes and boundaries in forest areas and design of enclave boundaries.
 4. Social, economic and cultural conditions of the community;
 5. Land status, use and cover;
 6. Soil type, slope or topography;
 7. Climate;
 8. Human resources (demography);
 9. Hydrological condition, landscape and natural phenomena.
 - c. Forest inventory;
 - d. division of the forests into blocks and compartments;
 - e. marking block and compartment boundaries
 - f. area clearing and management facilities;
 - g. registration; and
 - h. measuring and mapping.
- (2) The division of the blocks into compartments as referred to in subsection (1) letter e is done while paying attention to:
- a. the extent of the area;
 - b. the potential of forest products; and
 - c. the balance of the ecosystem.

Part two
Making of Forest Management Plans

Section 14

- (1) Based on the results of forest structuring in each forest management unit as referred to in Section 8 to Section 13, a forest management plan is made taking into account the community's aspirations, participation and cultural values and the environmental conditions.
- (2) The making of a forest management plan as referred to in subsection (1) includes:
- a. a long-term forest management plan containing macro activity plans concerning guidelines, directions and the basics of forest management to reach the objectives of forest management in a period of twenty (20) years. This plan is made by an agency responsible for Provincial forest affairs and shall be validated by the Minister;
 - b. a medium-term forest management plan containing explanations of a long-term forest management plan in a period of 5 (five) years. This plan is made by an agency responsible for Provincial forest affairs and shall be validated by the Minister;
 - c. a short-term forest management plan containing a detailed operational plan with explanations on the management plan in a period of 1 (one) year. This plan is made by an agency responsible for forest affairs and shall be validated by the Governor.
- (3) The forest management plans as referred to in subsection (2) describe planning, organization, implementation, evaluation, control and supervision as the basis for forest management activities.

- (4) The guidelines for the making of forest management plans as referred to in subsection (2) are regulated by a ministerial decree.

CHAPTER III UTILIZATION OF FORESTS

Part One General

Section 15

- (1) The utilization of forests as referred to in Section 2 serves the purpose of obtaining optimum benefit for the welfare of the whole community in an equitable way while maintaining conservation.
- (2) The sustainable utilization of forests as referred to in subsection (1) must comply with the criteria and indicators of sustainable forest management.
- (3) The criteria and indicators as referred to in subsection (2) include economic, social and ecological aspects.
- (4) The criteria and indicators as referred to in subsection (2) are regulated by a ministerial decree.

Section 16

The utilization of forests as referred to in Section 15 can be done in all forest areas except in nature preserve forests and the core zone and the jungle zone in national parks.

Part Two Utilization of Forests in Conservation Forests

Section 17

The utilization of forests in conservation forests is regulated in accordance with the effective legislation.

Part Three Utilization of Forests in Protection Forests

Paragraph 1 General

Section 18

- (1) Forest utilization in protection forests can be:
- a. the utilization of the area;
 - b. the utilization of environment services, or
 - c. the collection of non-wood forest products.
- (2) The forest utilization in protection forests as referred to in subsection (1) can be done only in the utilization block.

Paragraph 2 Utilization of Areas in Protection Forests

Section 19

- (1) The utilization of areas in protection forests as referred to in Section 18 subsection (1) letter-a is all forms of business to use the areas without reducing their main functions.
- (2) The area utilization as referred to in subsection (1) involve:
- a. cultivation of medicinal plants (herbs);

- b. cultivation of decorative plants;
 - c. cultivation of mushrooms;
 - d. cultivation of bees;
 - e. cultivation of wild animals; and
 - f. cultivation of swallow birds' nests.
- (3) The implementation of area utilization in protection forests shall not:
 - a. use mechanized equipment and heavy equipment;
 - b. build permanent facilities and infrastructure; and/or
 - c. disturb the function of protection forests
 - (4) The cultivation of medicinal plants (herbs), decorative plants and mushrooms as referred to in subsection (2) letters a, b and c involves seeding, planting, maintenance, harvesting, safeguarding, processing and marketing.
 - (5) The cultivation of bees as referred to in subsection (2) letters d involves making of beehive structures, maintenance, harvesting, safeguarding, processing and marketing.
 - (6) The cultivation of wild animals as referred to in subsection (2) letter e involves the multiplication and/or breeding of wild animals.
 - (7) The cultivation of swallow birds' nests as referred to in subsection (2) letter f involves maintenance, harvesting, safeguarding and marketing.

Paragraph 3

Utilization of Environment Services in Protection Forests

Section 20

- (1) The utilization of environment services as referred to in Section 18 subsection (1) letter b is a form of business that utilize the potential of environment services without damaging the environment and without reducing its basic function.
- (2) The business to utilize the potential of environment services as referred to in subsection (1) shall not build facilities and infrastructure that may change the landscape.
- (3) The utilization of environment services in protection forests as referred to in subsection (1) includes among others:
 - a. nature tourism business;
 - b. extreme sports business;
 - c. water utilization business;
 - d. carbon trade; or
 - e. forest and environment safeguard.

Paragraph 4

Collection of Non-wood Forest Products in Protection Forests

Section 21

- (1) The collection of non-wood forest products in protection forests as referred to in Section 18 subsection (1) letter c can be implemented taking the naturally available non-wood forest products without reducing the main functions of the area.
- (2) The non-wood forest products collected from protection forests as referred to in subsection (1) take the form of among others:
 - a. rattan;
 - b. honey;
 - c. fruits and other various forest products; or
 - d. hunting of unprotected wild animal that is traditionally done.
- (3) The community is not allowed to collect forest products protected by law.

Paragraph 5
Forest Utilization Permit in Protection Forests

Section 22

- (1) The utilization of environment services in protection forests as referred to in Section 18 subsection (1) is organized through the issuance of permits.
- (2) The forest utilization permit in protection forests as referred to in subsection (1) consists of:
 - a. business permit for utilizing areas in protection forests;
 - b. business permit for utilizing environment services in protection forests;
 - c. permit for collecting non-wood forest products in protection forests.
- (3) The forest utilization permit in protection forests cannot be given to a forest area for which a forest utilization permit has been issued.
- (4) A forest utilization permit in protection forests shall not be transferred without the prior written approval of the licensor.
- (5) The protection forest area for which a forest utilization permit has been issued cannot be given as collateral or mortgaged to another party.

Section 23

- (1) The validity period of a business permit for utilizing an area in a protection forest as referred to in Section 22 subsection (2) letter a is a maximum of 5 (five) years with a maximum area of 50 (fifty) hectares.
- (2) The validity period of a business permit for utilizing environment services in a protection forest as referred to in Section 22 subsection (2) letter b is a maximum of 10 (ten) years with a maximum area of 1000 (one thousand) hectares.
- (3) The validity period of a permit for collecting non-wood forest products in a protection forest as referred to in Section 22 subsection (2) letter c is a maximum of 1 (one) year on condition that a certain quantity, type and location shall be determined in the permit.

Section 24

- (1) The Minister determines the silvicultural system for area utilization, environment services utilization, and non-wood forest product collection to be adjusted to the location and or type of business.
- (2) The stipulation of the silvicultural system for area utilization as referred to in subsection (1) is regulated as follows:
 - a. no felling trees;
 - b. no erosion as a result of soil cultivation;
 - c. no pesticide and insecticide;
 - d. no mechanized equipment; and
 - e. no activity with a slope of above 25%.
- (3) The stipulation of the silvicultural system for environment services utilization as referred to in subsection (1) shall not change the landscape and environment and must maintain the supporting elements for environmental conservation.
- (4) The stipulation of the silvicultural system for non-wood forest product collection as referred to in subsection (1) is regulated as follows:
 - a. no felling trees;
 - b. no disturbance of the sustainable potential collected; and
 - c. no mechanized equipment.

Part Four
Utilization of Forest in Production Forests

Paragraph 1
General

Section 25

- (1) The utilization of forests in production forests is implemented while maintaining their conservation and improving their basic functions;
- (2) The utilization of forests in production forests may take the form of:
 - a. utilization of areas;
 - b. utilization of environment services;
 - c. utilization of wood forest products;
 - d. utilization of non-wood forest products;
 - e. collection of wood forest products;
 - f. collection of non-wood forest products.

Paragraph 2

Utilization of Areas in Production Forest

Section 26

- (1) The utilization of areas in production forests as referred to in Section 25 subsection (2) letter a is implemented to utilize their growing space without reducing their basic function.
- (2) The area utilization as referred to in subsection (1) may take the form of:
 - a. cultivation of medicinal plants;
 - b. cultivation of decorative plants;
 - c. cultivation of food plants under forest stands;
 - d. cultivation of mushrooms;
 - e. cultivation of bees;
 - f. cultivation or breeding of wild animals; and
 - g. cultivation of swallow birds' nests.
- (3) The cultivation of medicinal plants, decorative plants and food plants in production forests as referred to in subsection (2) letters a, b and c involves seeding, planting, maintenance, safeguarding, harvesting, processing and marketing.
- (4) The cultivation of bees as referred to in subsection (2) letters e involves making of beehive structures, maintenance, harvesting and safeguarding.
- (5) The cultivation or breeding of wild animals as referred to in subsection (2) letter f involves the multiplication and/or breeding of wild animals in a production forest.
- (6) The cultivation of swallow birds' nests in a production forest as referred to in subsection (2) letter g involves maintenance, safeguarding and harvesting.

Paragraph 3

Utilization of Environment Services in Production Forests

Section 27

- (1) The utilization of environment services in production forests as referred to in Section 25 subsection (2) letter b is all forms of business to utilize the potential of environmental services without damaging the landscape and environment.
- (2) The utilization of environment services in production forests as referred to in subsection (1) takes the form of among others:
 - a. nature tourism business;
 - b. business of extreme sports;
 - c. business of water utilization.
 - d. Carbon trade; or
 - e. Forest and environment safeguard.

Paragraph 4
Utilization of Wood and Non-Wood Forest Products in Production Forests

Section 28

The utilization of wood and non-wood forest products in production forests as referred to Section 25 subsection (2) letter c and d consists of:

- a. the utilization of wood and non-wood forest products in natural forests, also called the utilization of natural forests;
- b. the utilization of wood and non-wood forest products in plantation forests, also called the utilization of plantation forests;

Section 29

- (1) The utilization of wood forest products in natural forests as referred to in Section 28 letter a involve felling, transportation, planting, maintenance, safeguarding, processing and marketing of products.
- (2) The utilization of wood forest products in natural forests may only be implemented in a forest area having potential for the utilization of wood forest products.
- (3) The criteria for a natural forest having potential for utilization as referred to in subsection (2) are defined by a Ministerial Decree.
- (4) The natural forest areas that do not meet the criteria for having potential for the utilization of wood forest products are subject to rehabilitation.
- (5) The utilization of non-wood forest products in natural forests as referred to in Section 28 letter a can be businesses in:
 - a. rattan, sago, palm, bamboo, which include: felling, regeneration, maintenance, safeguarding, processing and marketing of products.
 - b. sap, tree bark, leaf, fruit or seeds, which include harvesting, regeneration, maintenance, processing and marketing of products.
- (6) Further stipulations on the utilization of wood and non-wood forest products in natural forests as referred to in subsections (1), (2) and (5) are regulated by a Ministerial Decree.

Section 30

- (1) The utilization of wood and or non-wood forest products in plantation forests as referred to in Section 28 letter b includes preparation of land, seeding, planting, maintenance, safeguarding, harvesting or felling of products, and processing and marketing.
- (2) The utilization of wood and non-wood forest products in plantation forests can be:
 - a. Plants of the same species; and
 - b. Plants of mixed species.
- (3) The utilization of forest products in plantation forests is implemented on wasteland, land grown with tall grass and/or undergrowth.
- (4) Further stipulations as referred to in subsection (1) and subsection (2) are regulated by a Ministerial Decree.

Section 31

If in a production forest area for which a forest utilization permit will be issued there have been activities with the use of the forest area, the Minister shall hold coordination with the related agencies.

Paragraph 5
Collection of Forest Products in Production Forests

Section 32

- (1) The collection of wood forest products as referred to in Section 25 subsection (2) letter e is intended to fulfill the needs of individuals and or to serve as public facilities for the inhabitants in the neighborhood of the forest.
- (2) The collection of non-wood forest products as referred to in Section 25 subsection (2) letter f may be intended for commercial purposes.
- (3) The collection of non-wood forest products as referred to in subsection (2) includes collecting rattan, honey, sap, fruit or seeds, leaves and plants under the forest stands.
- (4) The collection of non-wood forest products as referred to in subsection (2) in terms of plants and wild animals is regulated in accordance with the legislation in effect.
- (5) The collection of wood and or non-wood forest products in production forests as referred to in Section 25 subsection (2) letter e and f includes:
 - a. collecting wood forest products from natural forests; and
 - b. collecting non-wood forest products from natural forests.
- (6) Further stipulations as referred to in subsection (1) and subsection (2) are regulated by a Ministerial Decree.

Paragraph 6
Forest Utilization Permit in Production Forests

Section 33

- (1) The utilization of forests in production forests as referred to in Section 25 subsection (2) is organized through the issuance of permits.
- (2) The forest utilization permit in production forests as referred to in subsection (1) consists of:
 - a. business permit for utilizing areas;
 - b. business permit for utilizing environment services;
 - c. business permit for utilizing wood forest products;
 - d. business permit for utilizing non-wood forest products;
 - e. permit for collecting wood forest products; and
 - f. permit for collecting non-wood forest products.
- (3) The business permit for utilizing wood and non-wood forest products as referred to in subsection (1) letter c and letter d cannot be given to an area for which a business permit for utilizing wood and non-wood forest products or permit for collecting wood forest products has been issued.

Section 34

- (1) A production forest utilization permit cannot be transferred without the prior written approval of the licensor.
- (2) A production forest utilization permit is not an ownership right to an area of forest.
- (3) The forest area for which a forest utilization permit has been issued cannot be given as collateral or mortgaged to another party.
- (4) Growing trees resulting from a business permit for the utilization of forest products in plantation forests are assets that can be given as collateral during the validity period of the permit.

Section 35

- (1) The validity period of a business permit for utilizing an area in a production forest as referred to in Section 33 subsection (2) letter a is a maximum of five (5) years with the following stipulations:
 - a. a maximum area is 50 (fifty) hectares;
 - b. every individual or cooperative may have a maximum of 2 (two) permits in 1 (one) Kabupaten/City;

- (2) The validity period of a business permit for utilizing environment services in a production forest as referred to in Section 33 subsection (2) letter b is a maximum of ten (10) years with the following stipulations:
 - a. a maximum area is 1000 (one thousand) hectares;
 - b. every Indonesian individual, cooperative, State-owned Enterprise (BUMN), Region-owned Enterprise (BUMD) and Privately Owned Enterprise may have a maximum of 2 (two) permits in 1 (one) province.
- (3) The validity period of a business permit for utilizing wood forest products as referred to in Section 33 subsection (2) letter c in a natural forest is a maximum of 55 (fifty five) years.
- (4) The validity period of a business permit for utilizing non-wood forest products as referred to in Section 33 subsection (2) letter d in a natural forest is a maximum of 10 (ten) years.
- (5) The validity period of a business permit for utilizing forest products as referred to in Section 33 subsection (2) letter c and letter d in a plantation forest is a maximum of 100 (one hundred) years.
- (6) The validity period of a permit for collecting wood and or non-wood forest products as referred to in Section 33 subsection (2) letter e and letter f is a maximum of one (1) year with the following stipulations:
 - a. a maximum of 20 (twenty) m³ for collecting wood forest products from direct felling.
 - b. A maximum of 20 (twenty) ton for collecting non-wood forest products.

Part Five
Licensing

Paragraph 1
Permit Holder Subject
Section 36

- (1) An area utilization business permit may be given to:
 - a. Individual; and
 - b. Cooperative
- (2) An environment service utilization business permit may be given to:
 - a. Individual;
 - b. Cooperative; and
 - c. Privately Owned Indonesian Enterprise; and
 - d. State-owned Enterprise or Region-owned Enterprise.
- (3) A wood forest product utilization business permit may be given to:
 - a. Individual;
 - b. Cooperative;
 - c. Privately Owned Indonesian Enterprise; and
 - d. State-owned Enterprise or Region-owned Enterprise.
- (4) A non-wood forest product utilization business permit may be given to:
 - a. Individual;
 - b. Cooperative;
 - c. Privately Owned Indonesian Enterprise; and
 - d. State-owned Enterprise or Region-owned Enterprise
- (5) A wood forest product collection business permit may be given to:
 - a. Individual; and
 - b. Cooperative;
- (6) A non-wood forest product collection business permit may be given to:
 - a. Individual; and
 - b. Cooperative.

Paragraph 2
Authority to Give a Permit

Section 37

An area utilization business permit shall be given by:

- a. the Bupati or Mayor with a carbon copy sent to the Minister, Governor and local agency responsible for forestry affairs if the area is in a kabupaten/city;
- b. the Governor with a carbon copy sent to the Minister, Bupati or Mayor and local agency responsible for forestry affairs if the area is in crossing kabupaten/city under one province;
- c. the Minister with a carbon copy sent to the Governor and Bupati or Mayor if the area is in crossing province.

Section 38

A business permit for the collection of wood and or non-wood forest products shall be given:

- a. By the Bupati or Mayor with a carbon copy sent to the Minister, Governor and local agency responsible for forestry affairs if the area is in a kabupaten/city;
- b. By the Governor with a carbon copy sent to the Minister, Bupati or Mayor and local agency responsible for forestry affairs if the area is in crossing kabupaten/city under one province;
- c. By the Minister with a carbon copy sent to the Governor and Bupati or Mayor if the area is in crossing province.

Section 39

A business permit for the utilization of environment services shall be given:

- a. By the Bupati or Mayor with a carbon copy sent to the Minister, Governor and local agency responsible for forestry affairs if the area is in a kabupaten/city;
- b. By the Governor with a carbon copy sent to the Minister, Bupati or Mayor and local agency responsible for forestry affairs if the area is in crossing kabupaten/city under one province;
- c. By the Minister with a carbon copy sent to the Governor and Bupati or Mayor if the area is in crossing province.

Section 40

A business permit for the utilization of non-wood forest products in a natural forest shall be given:

- a. By the Bupati or Mayor with a carbon copy sent to the Minister, Governor and local agency responsible for forestry affairs if the area is in a kabupaten/city;
- b. By the Governor with a carbon copy sent to the Minister, Bupati or Mayor and local agency responsible for forestry affairs if the area is in crossing kabupaten/city under one province;
- c. By the Minister with a carbon copy sent to the Governor and Bupati or Mayor if the area is in crossing province.

Section 41

A business permit for the utilization of non-wood forest products in a plant forest shall be given:

- a. By the Bupati or Mayor with a carbon copy sent to the Minister, Governor and local agency responsible for forestry affairs if the area is in a kabupaten/city;
- b. By the Governor with a carbon copy sent to the Minister, Bupati or Mayor and local agency responsible for forestry affairs if the area is in crossing kabupaten/city under one province;
- c. By the Minister with a carbon copy sent to the Governor and Bupati or Mayor if the area is in crossing province.

Section 42

The business permit for utilizing wood forest products in a natural forest or the business permit for utilizing wood forest products in a plantation forest shall be issued by the Minister on Bupati or Mayor and Governor's recommendation.

Paragraph 3

Procedures and Requirements for Permit Application

Section 43

- (1) The business permit for utilizing areas, business permit for utilizing environment services, business permit for utilizing non-wood forest products and permit for collecting wood and or non-wood forest products shall be given upon submission of applications.
- (2) The application for such permits as referred to in subsection (1) shall be regulated as follows:

- a. The application for such permits as referred to in Sections 37, 38, 39, 40 and 41 shall be submitted to the Bupati or Mayor with a carbon copy to the Minister, Governor and local agency responsible for forestry affairs.
 - b. The application for such permits as referred to in Sections 37, 38, 39, 40 and 41 shall be submitted to the Governor with a carbon copy to the Minister, Bupati or Mayor and local agency responsible for forestry affairs.
 - c. The application for such permits as referred to in Sections 37, 38, 39, 40 and 41 shall be submitted to the Minister with a carbon copy to the Governor, Bupati or Mayor and local agency responsible for forestry affairs.
- (3) The business permit for utilizing wood forest products in a natural forest or the business permit for utilizing wood forest products in a plantation forest as referred to in Section 42 shall be based on tender.
- (4) The tender as referred to in subsection (3) shall be implemented by the Minister.
- (5) The requirements for the application for a forest utilization permit and the tender for wood forest product utilization as referred to in subsection (1) and subsection (3) shall be regulated by a Ministerial Decree.

Section 44

The tender for a business permit to utilize wood forest products as referred to in Section 42 is regulated as follows:

- a. The Minister sets out the criteria of the production forest for tender, the status of area and the criteria of bidders;
- b. The Minister widely announces the area of forest for tender;
- c. Those interested in the tender submit an application for being bidders;
- d. Bidders are given a chance to survey the field and inquire into necessary data;
- e. The Minister appoints the tender winner.

Section 45

A forest utilization business permit in which the activities will change the landscape and affect the environment requires an Analysis of Environmental Impacts (AMDAL) in accordance with the effective legislation.

Part Six

Forest Utilization Permit Holder's Rights and Obligations

Paragraph 1

Forest Utilization Permit Holder's Rights

Section 46

- (1) Each forest utilization permit holder shall have the right to carry out operations pursuant to the permit he holds.
- (2) As a result of his operations as referred to in sub-section (1), the forest utilization permit holder shall have the right to receive benefits therefrom.

Paragraph 2

Forest Utilization Permit Holder's Obligations

Section 47

- (1) Each forest utilization business permit holder shall have the obligation:
 - a. To draw up a working plan for his entire working area for the validity period of his permit.
 - b. In 3 (three) months at the latest after receiving the permit, to carry out actual operations in the field;

- c. In 3 (three) months at the latest after receiving the permit, to organize his working area boundaries, except for a forest product collection permit;
 - d. To prepare periodic reports on his operations;
 - e. To safeguard his working area from forest security problems;
 - f. For permit holder in the form of Enterprise, to administer the finances of his business operations pursuant to the prevailing forestry accounting standards.
 - g. To employ forest professional staff and other qualified necessary personnel;
 - h. To pay Forest Rent Tax (PSDH).
- (2) The area utilization and environment service business permit holder, in addition to fulfilling the obligations as referred to in subsection (1), shall also have the obligation to pay Forest Utilization Business Permit Fees (IIUPH).
- (3) BUMN, BUMD and BUMS holding an environment service business permit in addition to fulfilling the obligations as referred to in subsection (1) and subsection (2) shall also have the obligation to make cooperation with local community cooperatives 1 (one) year at the latest after issuance of the permit.
- (4) The holder of a business permit for utilizing wood forest products in a natural forest or in a plantation forest in addition to fulfilling the obligations as referred to in subsection (1) shall also have the obligation:
- a. To pay Forest Utilization Business Permit Fees (IIUPH);
 - b. To draw up:
 - 1. A Working Plan of Wood Forest Product Utilization Business (RKUPHHK) for his entire working area for the permit validity period 1 (one) year at the latest after issuance of the permit;
 - 2. The first Five-year Working Plan (RKL) 3 (three) months at the latest since approval of the RKUPHHK;
 - 3. An Annual Working Plan (RKT) to be submitted 2 (two) months at the latest prior to the current year's RKT.
 - c. To carry out forest product administration;
 - d. To measure or grade the forest products;
 - e. To pay Reforestation Funds (DR);
 - f. To carry out the silvicultural system in accordance with the location and types of plant to be developed;
 - g. To provide and supply wood raw materials for forest product primary industries.
- (5) The holder of a business permit for utilizing non-wood forest products in addition to fulfilling the obligations as referred to in subsection (1) shall also have the obligation:
- a. To pay Forest Utilization Business Permit Fees (IIUPH);
 - b. To draw up:
 - 1. A 10 (ten)-year Working Plan of Non-Wood Forest Product Utilization Business (RKUPHHBK) 1 (one) year at the latest after issuance of the permit;
 - 2. The first 5 (five)-year Working Plan (RKL) 3 (three) months at the latest after approval of the RKUPHHBK;
 - 3. An Annual Working Plan (RKT) to be submitted 2 (two) months at the latest prior to the current year's RKT.
 - c. To carry out forest product administration;
 - d. To measure or grade the non-wood forest products;
 - e. To ensure the supply of raw materials for non-wood forest product primary industries.
- (6) BUMN, BUMD and BUMS holding a business permit for utilizing wood or non-wood forest products in addition to fulfilling the obligations as referred to in subsections (1), (4) and (5) shall also have the obligation to make cooperation with local community cooperatives 1 (one) year at the latest after issuance of the permit.
- (7) The cooperation as referred to in subsection (3) and subsection (6) may take the form of:

- a. Share participation;
 - b. Business cooperation in the segment of forest product utilization business activities.
- (8) At the latest 5 (five) years after issuance of a forest product utilization business permit, the permit holder shall have the obligation to plant at least 50% (fifty percent) of the planting area on an area planting cycle basis.

Paragraph 3
Forest Utilization Fees
Section 48

- (1) The Forest Utilization Fees constitute the state's non-tax revenue generated from forest resources. They consists of:
 - a. Forest Utilization Business Permit Fees (IIUPH);
 - b. Forest Rent Tax (PSDH);
 - c. Reforestation Funds (DR).
- (2) The Forest Utilization Business Permit Fees (IIUPH) as referred to in subsection (1) letter a, shall be collected from the holder of a forest utilization business permit based on the area of forest given in his permit.
- (3) The Forest Utilization Business Permit Fees (IIUPH) as referred to in subsection (1) are payable once with the issuance of the permit.
- (4) The Forest Rent Tax (PSDH) as referred to in subsection (1) letter b, shall be collected from the holder of a forest utilization business permit.
- (5) The Imposition of PSDH on wood forest products originating from a natural forest shall be based on:
 - a. a cruising report of the trees to be cut into logs;
 - b. log production report;
 - c. report on logging residue; and
 - d. other reports on forest products.
- (6) The Imposition of PSDH on wood forest products originating from a plantation forest shall be based on a cruising report of the trees to be cut down.
- (7) Any wood and non-wood forest product originating from the permit for utilizing a forest area or a forest area converted into non-forest area and issued with a title to land shall be subject to PSDH and or DR.
- (8) Stipulations on imposition, collection, payment, depositing, management, supervision and control of IIUPH, PSDH and DR as referred to in subsection (1) shall be determined by the legislation in force.

Part Seven
Termination of a Permit

Section 49

- (1) A forest utilization permit shall terminate if:
 - a. its period has expired;
 - b. it is revoked by the licensor as a sanction imposed on the permit holder;
 - c. the permit holder gives it back with a written statement to the licensor before its period expires; or
 - d. the volume or weight target allowable in the permit for collecting forest products has been satisfied.
- (2) Before the permit is received back by the licensor as referred to in subsection (1) letter c, it is subject to comprehensive audit.
- (3) Based on the audit report as referred to in subsection (2), the licensor may accept or accept on certain conditions or reject the redelivery of the permit.
- (4) The termination of a permit under conditions in subsection (1) shall not release the permit holder from the obligation to:
 - a. Pay all his financial obligations and fulfill other obligations stipulated by the Government or Regional Government;
 - b. Carry out all the provisions stipulated with regard to permit termination in accordance with the effective regulations.

- (5) Upon such termination of a permit as referred to in subsection (1), immovable objects and or trees grown and or planted in his working areas shall become the property of the state.
- (6) Upon such termination of a permit as referred to in subsection (1), the Government or Regional Government shall be released from the responsibility supposed to be assumed by the permit holder to a third party.

Part Eight
Extension of a Permit

Section 50

- (1) Business permits for area utilization, environment service utilization, wood and/or non-wood forest product utilization and permits for wood and/or non-wood forest product collection that have expired may be extended.
- (2) Such extension of permits as referred to in sub-section (1) shall be approved if the following requirements have been fulfilled:
 - a. In terms of business permits for area utilization, environment service utilization, non-wood forest product utilization and permits for wood and/or non-wood forest product collection, it is based on the evaluation of the permit holder's performance by the Minister;
 - b. In terms of business permits for utilizing wood forest products in a natural forest or in a plant forest, it is based on the evaluation of the permit holder's performance by the Minister and on the sustainable forest utilization certificate given by the Minister.
- (3) After the application for the extension of permits has complied with the requirements as referred to in subsection (2), the following stipulations apply:
 - a. the extension of business permits for area utilization, environment service utilization, non-wood forest product utilization and permits for wood and/or non-wood forest product collection shall be approved by:
 - 1) the Bupati/Mayor with a carbon copy sent to the Minister, Governor and local agency responsible for forestry affairs if the area is in a kabupaten/city;
 - 2) the Governor with a carbon copy sent to the Minister, Bupati or Mayor and local agency responsible for forestry affairs if the area is in a kabupaten/city crossing under one province;
 - 3) the Minister with a carbon copy sent to the Governor and Bupati/Mayor if the area is in crossing provinces.
 - b. The extension of business permits for utilizing wood forest products in a natural forest or the business permit for utilizing wood forest products in a plantation forest shall be approved by the Minister on Bupati/Mayor and Governor's recommendation.
- (4) If the application for the extension of such wood forest product utilization business permits has not complied with the requirements as referred to in subsection (2) letter b, such business permits shall not be extended and the working areas shall be put out to tender by the Minister.
- (5) The procedures and requirements for permit extension as referred to in subsection (2) letter b and subsection (4) shall be regulated by a Ministerial Decree.

Part Nine
Empowerment of Local Community in and or around the Forest

Section 51

- (1) The empowerment of local community in and or around the forest is intended to improve its institutional capacity in forest utilization.
- (2) The Government and or Regional Government shall facilitate the improvement in the local community capacity as referred to in subsection (1).

- (3) Further stipulations as referred to in subsection (1) and subsection (2) shall be regulated by the Ministerial Decree.

CHAPTER IV PRIMARY FOREST PRODUCT INDUSTRY

Part One General

Section 52

- (1) The purpose of a primary forest product industry is:
- a. to increase forest product value added; and
 - b. to make efficient use of raw materials.
- (2) The primary forest product industry consists of:
- a. primary wood product industry; and
 - b. primary non-wood forest product industry.
- (3) The allowable capacity of the primary forest product industry shall not exceed the sustainable capacity of the forest.
- (4) The sources of raw materials for the primary forest product industry can be natural forest, plantation forest, private forest and wood-producing plantation.

Section 53

The management, guidance and development of the primary forest product industry are intended:

- a. to create an efficient, productive and highly competitive industry;
- b. to prevent forest resource damages and environmental pollution; and
- c. to safeguard sources of raw materials in the framework of sustainable forest management.

Section 54

- (1) The authority to manage, guide and develop the primary forest product industry exercised by the Minister shall include all industries:
- a. Processing of logs into sawn timber
 - b. Processing of logs into woodchip, veneer, plywood and Laminated Veneer Lumber; and
 - c. Processing of non-wood raw materials not directly collected from forest.
- (2) The authority to manage, guide and develop the primary forest product industry exercised by the Minister responsible for industrial affairs include all industries in addition to those mentioned in subsection (1).
- (3) In an effort to maintain the conservation of forest resources and sustainable supply of raw materials, development of each pulp and paper industry is subject to developing a plantation forest.
- (4) In addition to the obligation as referred to in subsection (3), as to fulfill the pulp and paper industry's needs for raw materials, a pulp and paper industry business permit holder may cooperate with a wood forest product utilization business permit holder and or may import the raw materials.

Section 55

- (1) Business permits for primary industry and industry expansion of wood and non-wood forest products may be given to:
- a. Individual;
 - b. Cooperative;
 - c. State-owned Enterprise (BUMN);

- d. Region-owned Enterprise (BUMD); and
 - e. Privately Owned Indonesian Enterprise (BUMS).
- (2) The business permit for sawmill industry with a production capacity up to 2000 (two thousand) cubic meters per year may be given to:
- a. Individual;
 - b. Cooperative.
- (3) The certificate of registry for a small-scale primary non-wood forest product industry may be given to:
- a. Individual;
 - b. Cooperative.
- (4) The criteria for primary forest product industry as referred to in subsection (1), subsection (2) and subsection (3) shall be established by a Ministerial Decree.

Part Two
Licensing of Primary Wood Forest Product Industry

Section 56

- (1) Primary wood forest product industry and industry expansion business permits shall be valid as long as the industry concerned operates in accordance with this Government Regulation.
- (2) The evaluation of primary wood forest product industry shall be carried out at least every 3 (three) years.
- (3) Criteria and procedures for evaluating primary industry of wood forest products shall be regulated by a Ministerial Decree.

Part Three

Procedures and Requirements for the Application of a Primary Wood Forest Product Industry Business Permit

Section 58

- (1) The application for a primary wood forest product industry business permit and expansion permit for:
 - a. A sawmill industry with a production capacity up to 6000 (six thousand) cubic meters per year shall be submitted to the Governor with a carbon copy sent to the Minister and Bupati/Mayor;
 - b. A primary wood product industry processing directly logs and or chip wood raw materials into woodchip, veneer and plywood and Laminating Veneer Lumber with a production capacity up to 6000 (six thousand) cubic meters per year, shall be submitted to the Governor with a carbon copy sent to the Minister and Bupati/Mayor;
 - c. A primary wood product industry processing directly logs and or woodchip raw materials into sawn timber, woodchip, veneer, plywood and Laminated Veneer Lumber with a production capacity of above 6000 (six thousand) cubic meters per year, shall be submitted to the Minister with a carbon copy sent to the Minister responsible for industrial affairs and the Governor;
 - d. All forest product industries other than those mentioned in letter a, letter b and letter c, shall be submitted to the Minister responsible for industrial affairs with a carbon copy sent to the Minister, Governor and Bupati/Mayor.
- (2) The requirements for the application for a primary wood product industry business permit and expansion permit as referred to in subsection (1) letter a, letter b and letter c, shall be regulated by a Ministerial Decree.

Section 59

- (1) The application for a primary wood forest product industry business permit and expansion permit as referred to in Section 58 subsection (1) letter a, letter b and letter c, needs to be supported by the guarantee for a sustainable supply of wood raw materials.
- (2) Stipulations on the guarantee for a sustainable supply of wood raw materials as referred to in subsection (1) shall be regulated by a Ministerial Decree.

Part Four
Licensing of Primary Non-Wood Forest Product Industry

Section 60

- (1) Small-scale primary industries of non-wood forest products are obliged to hold an industry certificate of registry treated as an industrial business permit.
- (2) Every establishment or expansion of medium-scale and large-scale primary industries of non-wood forest products is subject to holding an industrial business permit or expansion permit.
- (3) Further stipulations on the business permit for primary non-wood forest product industry as referred to in subsection (1) and subsection (2) shall be regulated by a Ministerial Decree.

Section 61

- (1) The certificate of registry for small-scale primary non-wood forest product industry and expansion permit for primary non-wood forest product industry shall be valid as long as the industry concerned operates in accordance with this Government Regulation.
- (2) The evaluation of primary non-wood forest product industry performance shall be carried out at least every 3 (three) years.
- (3) Guidelines for evaluating the performance of primary industry of non-wood forest products as referred to in subsection (2) shall be regulated by a Ministerial Decree.

Part Five

Procedures and Requirements for the Application of a Primary Non-Wood Forest Product Industry
Business Permit

Section 62

- (1) The application for the certificate of registry of small-scale primary non-wood forest product industry and business permit and expansion permit of primary non-wood forest product industry shall be submitted to the Governor with a carbon copy sent to the Minister and Bupati/Mayor.
- (2) Requirements for the certificate of registry of small-scale primary non-wood forest product industry and business permit and expansion permit of primary non-wood forest product industry shall be regulated by a Ministerial Decree.

Section 63

The application for the certificate of registry of small-scale primary non-wood forest product industry and the business permit and expansion permit of primary non-wood forest product industry as referred to in Section 62 shall be supported by the certainty of the supply and origin/source of raw material.

Part Six

Authority to Give a Permit

Section 64

- (1) The Governor shall issue a business permit for sawmill industry with a production capacity up to 6000 (six thousand) cubic meters per year and a certificate of registry for small-scale, medium-scale and large-scale primary non-wood forest product industries by taking into account technical suggestions or considerations from the kabupaten/kota agency responsible for forestry affairs and with the Minister's approval;
- (2) The Governor shall issue a business permit and expansion permit for primary wood forest product industry directly processing logs and or chip wood raw materials into woodchip, veneer and plywood and Laminating Veneer Lumber with a production capacity up to 6000 (six thousand) cubic meters per year, by taking into account technical suggestions or considerations from the kabupaten/city agency responsible for forestry affairs and with the Minister's approval;

- (3) The Minister shall issue a business permit and expansion permit for primary wood forest product industry directly processing logs and or woodchip raw materials into sawn timber, woodchip, veneer, plywood and Laminated Veneer Lumber with a production capacity of above 6000 (six thousand) cubic meters per year, by taking into account the Governor's considerations;
- (4) All the business permits for forest product industries other than those mentioned in subsection (1), subsection (2) and subsection (3) shall be issued by the Minister dealing with industrial affairs and by taking into account the Minister and Governor's considerations.

Part Seven
Permit Holder's Rights and Obligations

Section 65

Each holder of a business permit for primary industry of wood and non-wood forest products shall have the right:

- a. to have certainty in running his business; and or
- b. to receive services from the Government and Regional Government.

Section 66

- (1) The holder of a business permit for primary industry of wood and non-wood products shall have the obligation:
 - a. to run his business in accordance with the permit he holds;
 - b. to prepare and give an Industrial Raw Material Need Fulfillment Plan (RPBBI) every year;
 - c. to help empower the community residing around the industry location; and
 - d. to report periodically his activities and industrial production to the licensor and agency in charge of guiding and developing primary forest product industry.
- (2) Further stipulations on obligations of the holder of a business permit for primary industry of wood and non-wood products as referred to in subsection (1) shall be regulated by a Ministerial Decree.

CHAPTER V
PRIVATE FOREST

Section 67

- (1) Property forest is located on a land issued with a title to land.
- (2) The property forest as referred to in subsection (1) is verified with the evidence of title to land.

Section 68

It is the property holder who shall utilize the property forest.

Section 69

- (1) The utilization of property forest functioning as a conservation and protection area shall be implemented in accordance with the effective legislation.
- (2) The status of a property forest functioning as a conservation and protection area as referred to in subsection (1) can be changed into a forest area.
- (3) In the case of status of such private forest changed into a forest area as referred to in subsection (2), the Government shall have the obligation to give compensation to the property holder in accordance with the effective legislation.
- (4) In the case of property forest caused to function as a conservation or protection area, the Government may give incentive to the property holder.

Section 70

- (1) The utilization of property forest functioning as a production area may take the form of activities to produce forest products in accordance with the potential and capacity of the land.
- (2) Government, Provincial Governments and Kabupaten or City Governments have the obligation to develop property forest through institutional development.

Section 71

- (1) Guidelines for utilizing property forest as referred in Section 68 shall be regulated by a Ministerial Decree.
- (2) Kabupaten or City Governments shall establish implementation instructions for utilizing property forest based on the utilization guidelines as referred to in subsection (1).

CHAPTER VI USE OF A FOREST AREA

Section 72

- (1) The use of a forest area is intended to manage the selective use of part of the forest area for development purposes outside forestry activities without changing its status and function.
- (2) The use of a forest area for development purposes outside forestry activities may only be implemented in:
 - a. protection forest; or
 - b. production forest.
- (3) The use of a forest area as referred to in subsection (2) includes the use for:
 - a. strategic purposes; and or
 - b. limited public interest.
- (4) The use of a forest area for strategic purposes as referred to in subsection (3) letter a, includes:
 - a. religious purposes;
 - b. defense and security purposes;
 - c. mining;
 - d. generation of electric power and development of sophisticated energy technology installations;
 - e. development of telecommunication systems; or
 - f. development of water installation system.
- (5) The use of a forest area for limited public interest as referred to in subsection (3) letter b includes some development activities such as:
 - a. public roads and railroads;
 - b. water supply channels and wastewater drainage;
 - c. irrigation;
 - d. water reservoir;
 - e. public facilities;
 - f. telecommunication repeaters;
 - g. radio broadcasting station; or
 - h. television relay station.
- (6) The uses of a forest area as referred to in subsection (4) and subsection (5) shall be further regulated by a Presidential Decree.

CHAPTER VII DISTRIBUTION AND MARKETING OF FOREST PRODUCTS

Section 73

- (1) In the framework of protecting the state's rights to forest products and sustainable forest, there shall be a control of distribution and marketing of forest products through the administration of forest products.
- (2) All forest products originating from a state forest are subject to scaling and testing by the authorized officer.
- (3) The physical wood forest products already scaled and tested as referred to in subsection (2) shall be marked as legal products.

Section 74

- (1) Forest products originating from a property forest are subject to scaling and classification.
- (2) The authorized officer shall implement the scaling and classification of forest products as referred to in subsection (1).
- (3) The forest products already scaled as referred to in subsection (2) shall be given a certificate of origin (SKAU) issued by the Head of Village or equivalent and serving as a certificate of legal forest products.

Section 75

- (1) A certificate of legal forest products issued by the authorized official must be attached to any transportation, authorization, or ownership of forest products.
- (2) Any transportation of forest products as referred to in subsection (1) must conform to the address of destination written in the Certificate of Legal Forest Products (SKSHH) or Wild Plant and Animal Transportation Document (SATS).
- (3) If the content of the certificate of legal forest products as referred to in subsection (2) is different from the physical condition and type, quantity as well as volume of forest products, the documents of those forest products are declared not legal as evidence.
- (4) Documents that must be attached to the forest products transported, authorized or owned as referred to in subsection (1) are:
 - a. Certificate of Legal Forest Products (SKSHH) for forest products from a state forest;
 - b. Wild Plant and Animal Transportation Document (SATS) for wild plants and animals;
 - c. Certificate of Origin (SKAU) for forest products originating from a property forest.
- (5) SKSHH, SATS or SKAU shall be applicable and used for transporting wood and non-wood forest products or wild plants and animals in the territory of the Republic of Indonesia.
- (6) SKSHH and SATS forms are printed by a Printing Company determined by the Minister.
- (7) Further stipulations on the administration of forest products as referred to in Section 73 subsection (1) shall be regulated by a Ministerial Decree.

Section 76

The exportation of forest products in the form of logs and woodchips raw material is not allowed.

Section 77

- (1) The Minister shall exercise the authority to manage, guide and develop the marketing of unprocessed wood and non-wood forest products for the domestic market and for the primary forest product industry as raw materials.
- (2) The Minister responsible for trade affairs shall exercise the authority to manage, guide and develop the marketing of processed wood and non-wood forest products to the foreign market by taking into account the Minister's considerations.
- (3) The Minister shall determine stipulations on the management, guidance and development of the marketing of wood and non-wood forest products as referred to in subsection (1).

Section 78

- (1) The forest products transported, authorized or owned to which no certificate of legal forest products is attached, shall be regarded as illegal forest products.
- (2) The illegal forest products as referred to in subsection (1) shall be subject to a handling process pursuant to the effective legislation.
- (3) The illegal forest products as referred to in subsection (2) shall be put out for tender.
- (4) The proceeds of the tender for the illegal forest products as referred to in subsection (3) having permanent legal force shall partly be allocated as an incentive for the party having helped rescue the state's property.
- (5) Stipulations on rewarding an incentive to the party having helped rescue the state's property as referred to in subsection (3) and subsection (4) shall be regulated by a Joint Decree of the Minister and Minister dealing with financial affairs.

CHAPTER VIII GUIDANCE, CONTROL AND SUPERVISION

Part One General

Section 79

- (1) To ensure the well-arranged implementation of such forest structuring and making of forest structuring plans and making of forest management plans, utilization of forests and use of forest areas, the Minister has the authority to provide guidance, control and supervision over the policy of the Governor and Bupati or Mayor.
- (2) The Minister, Governor and Bupati or Mayor shall guide, control and supervise the implementation of forest structuring plans and making of forest management plans, utilization of forests and use of forest areas by a third party.

Part Two Guidance and Control

Section 80

- (1) The guidance as referred to in Section 79 subsection (1) involves providing:
 - a. guidelines;
 - b. consultation;
 - c. training;
 - d. directions; and or
 - e. supervision
- (2) The provision of guidelines as referred to in subsection (1) letter a, is aimed at the implementation of such forest structuring and making of forest management plans, utilization of forests and use of forest areas by Provincial and or Kabupaten or City Governments. This includes accountability, reporting and evaluation of the Governor and Bupati or Mayor's performance.
- (3) The provision of consultation as referred to in subsection (1) letter b, is aimed at preparing procedures and working arrangements.
- (4) The provision of training as referred to in subsection (1) letter c, is aimed resources in the government apparatus.
- (5) The provision of directions as referred to in subsection (1) letter d, includes preparing national plans, programs and activities.
- (6) The supervision as referred to in subsection (1) letter e, is aimed at implementing part of the forest management activities delegated or assigned to Provincial and or Kabupaten or City Governments.

Section 81

- (1) The control as referred to in Section 79 subsection (2) involves the activities:
 - a. monitoring;
 - b. evaluation; and or
 - c. follow-up.
- (2) The monitoring activities as referred to in subsection (1) letter a, are intended to obtain data and information on the policy and implementation of forest management.
- (3) The evaluation activities as referred to in subsection (1) letter b are intended to assess the success of the implementation of sustainable forest management and carried out periodically in accordance with the type of the permit.
- (4) The follow-up activities as referred to in subsection (1) letter c are the follow-up of monitoring and evaluation reports to improve the policy and implementation of forest management.
- (5) Stipulations on periodical assessments of the success in the implementation of sustainable forest management as referred to in subsection (3) shall be determined by a Ministerial Decree.

Section 82

- (1) A third party shall follow up the results of the control exercised by the Bupati/Mayor and Governor as referred to in Section 79, subsection (2).
- (2) The third party shall report the follow-up of the control results to the Bupati or Mayor and Governor.
- (3) The Bupati or Mayor and Governor shall report the follow-up of the control results to the Minister.

Section 83

- (1) The follow-up of the controlling results may take the form of:
 - a. reprimand; and or
 - b. cancellation.
- (2) The reprimand as referred to in subsection (1) letter a, shall be given by the Minister, Governor and Bupati or Mayor.
- (3) The Minister of Home Affairs on the Minister's recommendation shall issue the cancellation as referred to in subsection (1) letter b if concerned with regional regulation.
- (4) The licensor shall issue the cancellation as referred to in subsection (1) letter b if concerned with a forest utilization permit.

Section 84

The guidelines for guidance and control as referred to in Section 79 to Section 83 shall be regulated by a Ministerial Decree.

Part Three
Supervision

Section 85

Stipulations on the supervision as referred to in Section 79, subsection (2) shall be regulated in an individual Government Regulation.

CHAPTER IX
ADMINISTRATIVE SANCTIONS ON HOLDERS OF FOREST UTILIZATION PERMIT AND
FOREST PRODUCT PRIMARY INDUSTRY BUSINESS PERMIT

Part One

General

Section 86

To ensure the status and sustainability of forest areas and sustainability of forest functions, any holder of forest utilization permit and forest product primary industry business permit violating stipulations other than the penal provisions regulated in Section 78 of Law Number 41 Year 1999 shall be subject to administrative sanctions.

Section 87

- (1) The administrative sanctions as referred to in Section 86 take the form of:
 - a. temporary termination of administrative services;
 - b. temporary termination of field operation;
 - c. administrative fine;
 - d. reduction in working area; or
 - e. revocation of permit.
- (2) The administrative fine as referred to in subsection (1) letter c constitutes non-tax state revenue (PNBP) to be paid to the State Treasury.

Part Two

Administrative Sanctions on a Forest Utilization Permit

Section 88

The holder of a forest product utilization business permit or forest product collection permit is subject to an administrative sanction in the form of temporary termination of SKSHH document services if he fails to draw up and present his reports in conformity with the stipulations.

Section 89

The holder of an area utilization business permit, environment service business permit, forest product utilization business permit or forest product collection permit shall be subject to an administrative sanction in the form of temporary termination of field operation when he:

- a. fails to manage his working area boundaries;
- b. uses working equipment inappropriate to his permit, in terms of quantity and or types;
- c. has no forest professional staff and or other necessary personnel.

Section 90

- (1) The imposition of administrative sanctions in the form of temporary termination of administrative services and temporary termination of field operation as referred to in Section 87 subsection (1) letter a and letter b shall last 1 (one) year upon imposition.
- (2) In case the permit holder has, before the period of 1 (one) year as referred to in subsection (1), fulfilled his obligations, the sanctions will be cancelled.
- (3) If the permit holder within the period of 1 (one) year has not fulfilled his obligations, his permit shall be subject to revocation after issuance of 3 (three) notices in writing each at an interval of 30 (thirty) working days.

Section 91

- (1) The holder of a business permit for utilizing wood forest products in a natural forest shall be subject to an administrative sanction in the form of a fine amounting to:
 - a. 10 (ten) times PSDH if:
 1. the result of wood felling exceeds a tolerance level of 5 % (five percent) the targeted volume specified in the Annual Working Plan (RKT); or

2. The result of wood felling exceeds a tolerance level of 3 % (three percent) of the targeted volume for each wood type specified in the Annual Working Plan (RKT); or
- b. 15 (fifteen) times PSDH if:
 1. The wood has been felled before the Annual Working Plan (RKT) is approved;
 2. The wood used for corridors originates from illegal felling or is inappropriate to the one specified in the permit given.
 3. The wood as a result of tree felling is below the permitted diameter limit;
 4. The wood felled originates from outside the permitted felling block; or
 5. The wood felled for construction of wood transportation roads originates from outside Annual Working Plan (RKT) block without permission.
- c. 20 (twenty) times PSDH if:
 1. The wood results from felling of specified nuclues trees without permission;
 2. The wood results from illegal felling of main trees; or
 3. The wood results from illegal repeated felling.
- (2) The holder of a business permit for utilizing forest products in a plantation forest shall be subject to an administrative fine amounting to 15 (fifteen) times PSDH if the wood used for corridors originates from illegal felling.
- (3) The holder of a permit for collecting wood and or non-wood forest products shall be subject to an administrative fine amounting to 10 (ten) times PSDH if the result of wood felling exceeds 5% (five percent) of the targeted volume for each forest product type specified in the permit.

Section 92

- (1) The holder of a business permit for utilizing areas or for utilizing environment services shall be subject to an administrative sanction in the form of reduction in working area with a maximum of 20% (twenty percent) of his working area, if:
 - a. he does not meet the targeted production pursuant to the approved working plan; and or
 - b. he does not safeguard his working area from various forest security problems pursuant to the working plan.
- (2) The holder of a business permit for utilizing forest products shall be subject to an administrative sanction in the form of reduction in working area with a maximum of 20% (twenty percent) of his working area, if:
 - a. he rents out or transfers all his business operations to another party without permission in writing from the licensor;
 - b. he has not planted the area according the approved planting work plan; and or
 - c. he does not manage the financial administration of his business operations pursuant to the forestry accounting standards applicable to wood forest product utilization business permit.
- (3) The reductions in working area as referred to in subsection (1) and subsection (2) shall be executed after issuance of 3 (three) notices in writing each at an interval of 30 (thirty) working days.

Section 93

- (1) Area utilization business permit, environment service business permit or forest product utilization business permit shall be subject to revocation if the permit holder:
 - a. does not make any cooperation with community cooperatives located around the forest.
 - b. Does not perform actual operations within 180 (one hundred and eighty) days upon receipt of his permit;
 - c. Does not pay forest levies in accordance with the effective legislation;
 - d. Leaves his working area and his works before expiry of his permit;
 - e. Transfers his business permit to another party without written approval of the licensor; or

- f. Is sentenced to imprisonment pursuant to Section 78 of Law Number 41 Year 1999 on Forestry.
- (2) The forest product utilization business permit shall be subject to revocation if, in addition to such violations as described in subsection (1), the permit holder:
 - a. Does not implement the silvicultural systems established by the Minister;
 - b. Does not fulfill his obligation to pay Reforestation Funds (DR) for wood forest products from the natural forest; or
 - c. Does not furnish Annual Working Plan (RKT), Five-year Working Plan (RKL) and Forest Product Business Plan within the specified period.
- (3) The forest product collection permit shall be subject to revocation if the permit holder:
 - a. Does not pay forest resource provisions (PSDH);
 - b. Has not actualized his operations to collect forest products within 1 (one) month upon issuance of his forest product collection permit;
 - c. Transfers his collection permit to another party without written approval of the licensor;
 - d. Collects forest products inappropriate to those specified in his permit, or
 - e. Is sentenced to imprisonment pursuant to Section 78 of Law Number 41 Year 1999 on Forestry.
- (4) Such business permits for area utilization, environment service utilization or forest product utilization shall be subject to revocation with reasons referred to in subsection (1) letters a, b, c and d and subsection (2) after the licensor has given 3 (three) notices each at an interval of 30 working days.
- (5) The revocation of such business permits for area utilization, environment service utilization or forest product utilization with reasons referred to in subsection (1) letter e and letter f shall only be executed without prior notice.
- (6) The revocation of forest product collection permit referred to in subsection (3) letter a and letter b, shall be executed after the licensor has given 3 (three) notices each at an interval of 10 (ten) working days.
- (7) The revocation of forest product collection permit with reasons referred to in subsection (3) letter c and letter e shall only be executed without prior notice.

Part Three

Administrative Sanctions on Holder of Business Permit for Primary Forest Product Industry

Section 94

The holder of business permit for primary forest product industry violating the provisions herein specified shall be subject to administrative sanctions:

- a. temporary termination of industrial business;
- b. temporary termination of document service delivery;
- c. revocation of industrial business permit.

Section 95

- (1) An administrative sanction in the form of temporary termination of industrial business shall be imposed if the permit holder:
 - a. does not make and furnish Industrial Raw Material Need Fulfillment Plan (RPBBI) up to the specified deadline;
 - b. does not have any forest product scaling and testing staff.
- (2) The temporary termination of industrial business shall remain effective until the permit holder can fulfill his obligations.

Section 96

- (1) An administrative sanction in the form of temporary termination of Certificate of Legal Forest Products (SKSHH) document services for industrial business as referred to in Section 94 letter b, shall be imposed if the permit holder:
 - a. does not draw up and furnish Report on Log Transfer (LMKB) or Report on Non-wood Forest Product Transfer (LMHHBK); or
 - b. does not draw up and furnish Report on Processed Forest Product Transfer (LMHHO).
- (2) The temporary termination of Certificate of Legal Forest Products (SKSHH) document services as referred to in subsection (1) shall remain effective until the permit holder can fulfill his obligations.

Section 97

- (1) An administrative sanction in the form of revocation of industrial business permit as referred to in Section 94 letter c, shall be imposed if the permit holder:
 - a. makes industrial business expansion without permission;
 - b. removes his industrial business location without permission;
 - c. produces environmental pollution and destruction beyond the environmental quality standard limit;
 - d. receives, accommodates or processes forest product raw materials originating from illegal sources of raw materials; or
 - e. carries out industrial business activities inappropriate to those specified in his permit.
- (2) The revocation of industrial business permit with reasons referred to in subsection (1) letter a, letter b and letter c shall be executed after issuance of 3 (three) notices in writing each at an interval of 30 (thirty) working days.
- (3) The revocation of industrial business permit with reasons referred to in subsection (1) letter d shall be executed only after issuance of a court decision having permanent legal force.

Part Four

Procedures for Imposing Administrative Sanctions

Section 98

The procedures for imposing administrative sanctions on forest utilization permit or forest product primary industry business permit as referred to in Section 87 to Section 97 shall be regulated by a Ministerial Decree.

CHAPTER X
TRANSITIONAL PROVISIONS

Section 99

Upon stipulation of this Government Regulation,

- a. The Forest Concession Rights (HPH) and Forest Product Collection Rights given under the existing rules and regulations before stipulation of this Government Regulation shall remain effective until they expire.
- b. The primary forest product industry business permit and industrial certificate of registry given under the existing rules and regulations before stipulation of this Government Regulation shall remain effective;
- c. Any application for wood forest product HPH in natural forests and plantation forests in terms of renewal as well as new application, already reaching the principle approval level shall be processed according to the procedures for submitting applications.
- d. Any application for wood forest product HPH in natural forests and plantation forests in terms of renewal as well as new application, which has not yet reached the principle approval level shall be processed according to tender procedures as regulated herein.
- e. The authority as regards forest structuring and making of forest management plans, utilization of forests and use of forest areas already delegated by the Government to State-Owned Enterprises shall remain effective and the implementation will be adjusted according to this Government Regulation.

CHAPTER XI
CLOSING PROVISIONS

Section 100

Upon stipulation of this Government Regulation, Government Regulation Number 6 Year 1999 on Forest Management and Forest Product Collection from Production Forest is declared to be null and void.

Section 101

Notwithstanding the stipulation of this Government Regulation, the implementation regulations of Government Regulation Number 6 Year 1999 on Forest Management and Forest Product Collection from Production Forest shall remain effective as far as they are not contradictory to this Government Regulation, or they have not been revoked or replaced with implementation regulations under this Government Regulation.

Section 102

This Government Regulation shall come into force from the date of enactment. For the public information, it is ordered that the enactment of this Government Regulation be put in the Government Official Gazette of the Republic of Indonesia.

Stipulated in Jakarta

On this day: June 8, 2002
PRESIDENT OF THE REPUBLIC OF INDONESIA

MEGAWATI SOEKARNOPUTRI

Enacted in Jakarta

On this day June 8, 2002

STATE SECRETARY

BAMBANG KESOWO

GOVERNMENT OFFICIAL GAZETTE OF THE REPUBLIC
OF INDONESIA YEAR 2002 NUMBER 66

Copied in conformity with the original

Deputy Cabinet Secretary
For Law and Legislation
[signed]
Lambock V. Nahattands

**THE PRESIDENT OF THE REPUBLIC OF INDONESIA
EXPLANATION OF
REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
NUMBER 34 YEAR 2002
CONCERNING
FOREST STRUCTURING AND MAKING OF FOREST MANAGEMENT PLANS,
UTILIZATION OF FORESTS AND USE OF FOREST AREAS**

General

God has provided the Indonesian nation with natural wealth in the form of invaluable forests, therefore the forests must be managed and utilized as well as possible based on noble morality as an act of devotion and realization of gratitude to God the Almighty.

In order to take optimum benefits from the management of forests and forest areas for the people's welfare, all the forests and forest areas can principally be managed by taking into account their nature, characteristics and essence without excusably changing their basic functions of conservation, protection and production. Therefore, in the management of forests, the balance between these functions needs to be maintained.

Law Number 41 of 1999 on Forestry, Section 22, Section 27, Section 29, Section 33, Section 33, Section 34, Section 36, Section 37 and Section 38 regulates the Forest Structuring and Making of Forest Management Plans, Utilization of Forests and Use of Forest Areas. These activities are organized through the issuance of business permits for utilizing areas, environment services and wood and non-wood forest products and permits for collecting wood and non-wood forest products and forest area lend-use permit. Thus, a permit holder apart from having the right for utilization must also be responsible for all kinds of disturbances and damages of the forests and forest areas entrusted to him.

For the use of a convertible production forest area and a forest area with lend-use status, a permit for utilizing wood/non-wood forest products can be issued. It will use the stipulations of business permits for utilizing wood or non-wood forest products in natural forests as regulated in this Government Regulation.

In the framework of developing an equitable people's economy, small and middle enterprises and cooperatives have the widest opportunity in the utilization of forests.

State-owned Enterprises (BUMN), Region-owned Enterprises (BUMD), Indonesian Private Enterprises (BUMS Indonesia) and cooperatives obtaining business permits in forestry, are obliged to cooperate with the local community's cooperative and periodically empower it to become a solid, independent and professional cooperative business unit. So, it is on a level with other economic agents.

To ensure the implementation of the utilization of forests to attain the objective and target as desired, the Government and Regional Governments are obliged to carry out supervision.

To give a legal basis to the implementation of equitable forest structuring and making of management plans, utilization of forests and use of forest areas, it is necessary to issue a Government Regulation.

SECTION BY SECTION EXPLANATION

Section 1
Self-explanatory

Section 2

Subsection (1)

Forest management activities include:

- a. forest structuring and making of forest management plans;
- b. utilization of forests and use of forest areas;
- c. forest rehabilitation and reclamation; and
- d. forest protection and nature conservation.

This Government Regulation only sets out forest structuring and making of forest management plans, and utilization of forests and use of forest areas. Whereas, forest rehabilitation and reclamation and forest protection and nature conservation shall be regulated in a separate Government Regulation.

Subsection (2)

Self-explanatory

Section (3)

Subsection (1)

Self-explanatory

Subsection (2)

The delegation of activities for forest structuring and making of forest management plans, utilization of forests and use of forest areas and or certain activities is based on the consideration that there are local special characteristics and social and environmental conditions. They are closely related to the forest conservation and interest of the general public requiring a special management skill.

The delegation of authority to State-owned Enterprises does not include the public authority or general administrative authority.

Section 4

Subsection (1)

Forest structuring and making of forest management plans, utilization of forests and use of forest areas for a special purpose may be established for a conservation forest, protection forest or production forest.

Subsection (2)

Self-explanatory

Subsection (3)

Forest structuring and making of forest management plans, utilization of forests and use of forest areas for a special purpose may be implemented with the use of permits as set forth herein.

Subsection (4)

Self-explanatory

Section 5

Subsection (1)

Forest structuring is an initial activity in the management of forests. It includes the forest management unit's construction design by taking into account community rights and forest condition, the grouping of forest resources in accordance with forest ecosystem and potentials and the division of blocks into plots.

Subsection (2)

Self-explanatory

Section 6

Self-explanatory

Section 7

Subsection (1)

Letter a

Nature reserve forest structuring uses a construction design with natural boundaries and its existence is not subject to change and must remain original as was created as a nature reserve habitat.

Letter b

Self-explanatory

Subsection (2)

The establishment of the structured management area boundaries shall be based on a management unit map.

The management plan may include the establishment of an area layout reflecting the empowerment of functions such as permanent location for monitoring biological resources and ecosystem for educational and scientific research purposes including the location of research and education management facilities.

Subsection (3)

The division of an area into blocks shall be adjusted to the potentials and conditions of that area, consisting of among others habitat rehabilitation blocks, population rehabilitation blocks, animal habitat and population guidance blocks and other blocks as required for the conservation of biological resources and ecosystem.

Section 8

Subsection (1)

Self-explanatory

Subsection (2)

Self-explanatory

Subsection (3)

Letter a

The core zone is part of the national park area that can be utilized for research and development purposes in support of utilization, science, education and or activities for supporting cultivation and as a source of germination plasma.

Letter b

The utilization zone is part of the national park area that can be utilized for business activities of natural tourism and recreation, research and development in support of utilization, education and or activities for supporting cultivation.

Letter c

Other zones are those others than the core zone and utilization zone, which due to their functions and conditions are determined as certain zones such as jungle zone, traditional utilization zone, rehabilitation zone and so on.

Section 9

Subsection (1)

See explanation of Section 7, subsection (2)

Subsection (2)

Letter a

The utilization block is earmarked for nature tourism activities including development of tourism facilities and infrastructures.

Letter b

The plant collection block is earmarked for the collection of plants.

Letter c

The protection block is earmarked for the protection of plant and animal species from the effects of the activities.

Letter d

Other blocks are part of the grand forest park with different conditions thus requiring special treatment, such as traditional utilization block, rehabilitation block and so forth.

Section 10

Subsection (1)

See explanation of Section 7 subsection (2)

Subsection (2)

Letter a

The intensive utilization block is part of the nature tourism park utilized for nature tourism activities including the fulfillment of the need for facilities and infrastructures.

Letter b

The limited utilization block is part of the nature tourism park utilized for nature tourism with special or certain activities.

Letter c

Other blocks are part of the nature tourism park of which the conditions and potentials need special functioning, e.g. protection block and rehabilitation block.

Section 11

Subsection (1)

Self-explanatory

Subsection (2)

Letter a

The hunting block is part of the hunting park area earmarked for hunting activities.

Letter b

The utilization block is part of the hunting park area where facilities and infrastructures for hunting recreation are established.

Letter c

The animal-breeding block is part of the hunting park area earmarked for the breeding of animals.

Letter d

Other blocks are part of the hunting park area in accordance with field conditions allocated for special activities, e.g. for safeguarding animals or humans.

Section 12

Subsection (1)

Self-explanatory

Subsection (2)

Letter a

Self-explanatory

Letter b

In the utilization block, it is possible to utilize forests and use forest areas.

Letter c

In other blocks, it is possible to carry out rehabilitation activities as a result of forest fire or acts of destroying forests.

Section 13

Subsection (1)

Letter a

Self-explanatory

Letter b

The inventory results will be set out in minutes used for the purpose of forest structuring and making of forest management plans, utilization of forests and use of forest areas.

Letter c

The gazetting of production forest is an inventory activity in the framework of collecting data on the conditions, potentials and others in the block and plot.

Letter d

The division of forests into blocks and plots takes into account forest potential and conditions in the framework of utilization of forests, use of forest areas, forest reclamation and forest protection and nature conservation.

The division of areas into blocks and the division of blocks into plots shall conform to forest potential and conditions.

Letter e

Self-explanatory

Letter f

The opening of a forest area is an activity to develop forest management infrastructures. Thus, it is not a logging activity but an activity to provide facilities in the implementation of forest management e.g. for a road for inspection or transportation.

Letter g

Registration is an activity of recording the results of the division in compartments, the gazetting and the opening of forest areas.

Letter h

Self-explanatory

Subsection (2)

Self-explanatory

Section 14

Self-explanatory

Section 15

Subsection (1)

Self-explanatory

Subsection (2)

Self-explanatory

Subsection (3)

The criteria of sustainable forest management include economic, social and ecological aspects.

They involve:

- a. stable forest area;
- b. sustainable production;
- c. social benefits for the community around the forest; and
- d. environment conducive to the life-supporting system.

Subsection (4)

Self-explanatory

Section 16

Self-explanatory

Section 17

The utilization of forests in conservation forests includes:

- a. utilization of forests in nature preserve areas
- b. utilization of forests in nature conservation areas;
- c. hunting parks.

The effective legislation covers the nature tourism business in the zone for utilization of national parks, grand forest parks and nature tourism parks and game hunting.

Section 18

Subsection (1)

The utilization and harvesting of forest products in protection forests should improve the welfare of the community around the forest and make the people aware of the need to safeguard and increase the protection function. This is a message for realizing the sustainability of natural and environmental resources for the present and future generations

Subsection (2)

Self-explanatory

Section 19

Subsection (1)

Self-explanatory

Subsection (2)

A decree on the issuance of a business permit for the utilization of an area in a protection forest may include the activities for cultivation of medicinal plants, decorative plants, mushrooms and bees.

Subsection (3)

Self-explanatory

Subsection (4)

Self-explanatory

Subsection (5)

Self-explanatory

Subsection (6)

For the cultivation of wild animals in protection forests, facilities and infrastructures may be built in the form of cages or semi-natural constructions.

The wild animals for the breeding cultivation may be obtained from the nature pursuant to the legislation in force.

Subsection (7)

The cultivation of swallow birds' nests takes place in a natural way among others in caves without building facilities and infrastructure.

Section 20

Subsection (1)

Self-explanatory

Subsection (2)

Self-explanatory

Subsection (3)

Letter a

The nature tourism business is a business to utilize the landscape potential of scenery and beauty. For the nature tourism business, semi-permanent facilities and infrastructure may be built.

Letter b

In organizing an extreme sports business, a permit holder may use natural facilities and infrastructure and shall not be allowed to build facilities and infrastructure.

Extreme sports at protection forests cover the types of sports such as mountain bike, white-water rafting and cliff and mountain climbing.

Letter c

The water utilization business uses water sources flowing naturally. For supporting the water utilization business, only a water-channeling network may be built in the form of a pipe system, while the water processing plant should be built outside the protection forest.

The water utilization business does not include non-commercial purposes and or daily needs of the community around the forest.

Letter d

Carbon trade is a business to supply services for absorption of and or storage of carbon by the forest, including keeping, maintaining and rehabilitating forest ecosystem.

Carbon trade can be made in all forest functions in state forests and or private forests.

Carbon trade can be agreed upon between the Government and a carbon-emitting industry.

It takes the form of investment in projects to step up the carbon absorption and or storage capacity, prevention of carbon emission as well as compensation for the reduction in other benefits related to the supply of such services.

Letter e

The forest and environment safeguard takes the form of rehabilitation and or restoration of areas and lands.

The forest and environment safeguard is a non-commercial undertaking or compensation for restoring or improving the environment.

Section 21

Subsection (1)

Only community around the forest can collect non-wood forest products in protection forests to fulfill their daily economic needs.

Subsection (2)

Wild game hunting within a protection forest basically is a business to hunt the potential of unprotected wild animals. To fulfill their daily needs, the community around the forest may hunt traditionally using traditional equipment.

Subsection (3)

The legislation deals with the conservation of biological resources and ecosystem.

Section 22

Subsection (1)

Self-explanatory

Subsection (2)

Self-explanatory

Subsection (3)

A forest product collection permit with a volume limit will not be allowed in an area issued with a forest utilization permit. For example, no other permit can be given but an environment service business permit for a part of the protection forest area with beautiful and or unique landscape in which nature tourism can be developed.

Subsection (4)

Self-explanatory

Subsection (5)

Self-explanatory

Section 23

Subsection (1)

Self-explanatory

Subsection (2)

Self-explanatory

Subsection (3)

The certain quantity applies to any type of non-wood forest product such as honey, rattan and so on.

The location does not overlap with permit for utilizing areas and or utilizing environment services of nature tourism business.

Section 24

Subsection (1)

Self-explanatory

Subsection (2)

Self-explanatory

Subsection (3)

Self-explanatory

Subsection (4)

Letter a

Self-explanatory

Letter b

To maintain the sustainability of forest products, the collection of non-wood forest products must not exceed the potential natural growth.

Letter c

Self-explanatory

Section 25

Self-explanatory

Section 26

Subsection (1)

Self-explanatory

Subsection (2)

One permit can be given for the utilization of areas in production forests in the form of cultivation of medicinal plants, decorative plants, food plants, mushrooms and bees.

Subsection (3)

The activities of processing and marketing are done outside the production forest.

Subsection (4)

Self-explanatory

Subsection (5)

For the cultivation or breeding of animals in production forests, facilities and infrastructure in the form of fence and base camp can be built.

The wild animals for the cultivation or breeding may be obtained from the nature pursuant to the legislation in force.

Subsection (6)

Self-explanatory

Section 27

Subsection (1)

Self-explanatory

Subsection (2)

Letter a

The nature tourism business includes the business to utilize the potential beauty of landscape and environment.

The nature tourism business in production forests allows for the building of nature tourism facilities and infrastructure.

Letter b

The extreme sports business in protection forests cover the types of sports such as mountain bike, white-water rafting and cliff and mountain climbing, and cross-country.

In organizing these challenging sports, facilities and infrastructure may be built.

Letter c

The water utilization business uses water sources naturally flowing from or across the forest and allows for the building of facilities and infrastructure for water storing and channeling.

Letter d

Self-explanatory

Letter e

The forest and environment safeguard takes the form of rehabilitation and or rescue of areas and lands.

The forest and environment safeguard is a non-commercial undertaking or compensation for rescuing or improving the environment.

Section 28

Letter a

The utilization of wood and non-wood forest products in natural forests was formerly called Forest Concession Right (HPH). Utilization business of wood forest products in natural forests basically only allows logging on a selective cutting basis for forest conservation, with the obligation to carry out natural or artificial regeneration and maintenance of the forest.

Letter b

Utilization business of wood and or non-wood forest products in plantation forests used to be called Plant Forest Utilization Right (HPHT) or Industrial Forest Plantation Utilization Right (HPHTI). Utilization business of wood forest products in plantation forests can basically employ whole clear cutting with replanting at the time of harvesting or similar to the concept of clear cutting with artificial regeneration.

Section 29

Self-explanatory

Section 30

Subsection (1)

Non-wood plants take the form of sago, bamboo, rattan and so forth.

Subsection (2)

Letter a

Self-explanatory

Letter b

The plants of various types are a combination of plants as forest plant commodities.

Subsection (3)

Self-explanatory

Subsection (4)

Self-explanatory

Section 31

The related agencies refer to agencies dealing with energy and mineral resources.

Section 32

Subsection (1)

The total volume given in the collection of wood forest products is adjusted to the needs for building houses or public facilities.

Subsection (2)

Self-explanatory

Subsection (3)

- Self-explanatory
- Subsection (4)
- Self-explanatory
- Subsection (5)
- Self-explanatory
- Subsection (6)
- Self-explanatory

Section 33

- Self-explanatory

Section 34

- Subsection (1)
- The transfer is limited only to sale and purchase.
- Subsection (2)
- Self-explanatory
- Subsection (3)
- Self-explanatory
- Subsection (4)
- Self-explanatory

Section 35

- Subsection (1)
- Self-explanatory
- Subsection (2)
- Self-explanatory
- Subsection (3)
- Self-explanatory
- Subsection (4)
- Self-explanatory
- Subsection (5)
- The period is adjusted to the plan of main plant types.
- Subsection (6)
- Letter a
- That amount excludes logging waste and naturally died trees.
- Letter b
- The amount and weight of each type are adjusted to the potential of non-wood forest products.

Section 36

- Subsection (1)
- The individual given an area utilization business permit or a collection permit is an individual residing in or around the forest. The cooperative refers to a local community cooperative running a forestry business.
- Subsection (2)
- Letter a
- Self-explanatory
- Letter b
- Self-explanatory
- Letter c

The permit for utilizing environment services in the form of rehabilitation and restoration of forests and lands or improvement of environment may be given to a foreign investor taking the form of Limited Liability Company incorporated in Indonesia.

Letter d

Self-explanatory

Subsection (3)

The business permit for utilizing wood forest products in plantation forests may be given to a foreign investor taking the form of Limited Liability Company incorporated in Indonesia.

Subsection (4)

Self-explanatory

Subsection (5)

Self-explanatory

Subsection (6)

Self-explanatory

Section 37

Self-explanatory

Section 38

Self-explanatory

Section 39

Self-explanatory

Section 40

Self-explanatory

Section 41

Self-explanatory

Section 42

The Minister gradually and selectively may delegate the authority to issue the business permit for utilizing wood forest products in natural forests or the business permit for utilizing wood forest products in plantation forests to regions. This depends on the readiness of the regions concerned in terms of institution, vision or mission.

Section 43

Self-explanatory

Section 44

Self-explanatory

Section 45

Self-explanatory

Section 46

Self-explanatory

Section 47

Subsection (1)

Letter a

Self-explanatory

Letter b

The actual operations are to bring at least 50% of his mechanized equipment specified to his working area and to build facilities and infrastructures in the case of a wood forest product utilization business permit holder.

Letter c

Self-explanatory

Letter d

Self-explanatory

Letter e

The safeguarding of forests covers:

- 1) To prevent illegal felling of trees;
- 2) To prevent and suppress forest fires;
- 3) To provide forest safeguarding facilities and infrastructures;
- 4) To prevent the hunting of wild animals and or protected species;
- 5) To prevent illegal cultivation and or use and or occupancy of his forest area;
- 6) To prevent encroachment in forest areas; and or
- 7) To prevent pest and disease problems.

Letter f

Self-explanatory

Letter g

Forest professional staff refers to Graduate in Forestry and secondary engineering personnel that involve Senior High Forestry School (SKMA) graduates, holders of Forestry Diploma Programs and those having taken education and training in forestry such as wood graders, cruisers, scaler.

Other necessary personnel refer to specialists in environmental, socioeconomic and legal sciences.

Letter h

The Forest Rent Tax (PSDH) must be paid before transportation or processing or use of such forest products.

Subsection (2)

The Forest Utilization Business Permit Fees (IIUPH) are paid before issuance of the permit.

Subsection (3)

Self-explanatory

Subsection (4)

Letter a

Self-explanatory

Letter b

Self-explanatory

Letter c

Self-explanatory

Letter d

Self-explanatory

Letter e

Self-explanatory

Letter f

A silviculture system means a forest cultivation system or forest planting technique. It begins with the selection of seeds, seedling, planting, maintenance of plants and harvesting.

Letter g

Self-explanatory

Subsection (5)

Self-explanatory

Subsection (6)

Self-explanatory

Subsection (7)

Letter a

Self-explanatory

Letter b

The business cooperation in the segment of forest product utilization business activities will include the organization of working area, block and compartment boundaries, opening of a forest area, cutting or harvesting of forest products, land preparation, clearing, inventory of forest stocks, procurement of seeds and seedlings, planting and fertilizing, liberation cutting, transportation, forest product processing, forest product marketing and other supporting activities.

Subsection (8)

The 50% (fifty percent) of the planting area subject to planting for 5 (five) years is:

$$\frac{50\% \times 5 \text{ years} \times \text{extent of area}}{\text{Cycle (Years)}}$$

Section 48

Subsection (1)

Self-explanatory

Subsection (2)

Self-explanatory

Subsection (3)

Self-explanatory

Subsection (4)

Self-explanatory

Subsection (5)

Self-explanatory

Subsection (6)

Self-explanatory

Subsection (7)

Being issued with a title/right to land may refer to a title deed with the status of ownership right, right for business purposes and right for use.

Subsection (8)

Self-explanatory

Section 49

Subsection (1)

Letter a

Self-explanatory

Letter b

Before revocation of that permit, a field inspection will be conducted.

Letter c

The written statement specifies clear reasons.

Letter d

Self-explanatory

Subsection (2)

Self-explanatory

Subsection (3)

Self-explanatory

Subsection (4)

Letter a

If upon expiry or revocation of the permit the permit holder has not settled his financial obligation and other obligations, consequently the Government or Regional Government may resort to force, including confiscation of the former permit holder's movable objects in accordance with the effective legislation.

Letter b

Self-explanatory

Subsection (5)

Movable objects remain the permit holder's property.

Subsection (6)

Third party includes a creditor, business partner.

Section 50

Self-explanatory

Section 51

Subsection (1)

The local community is the community living inside or around the forest and forming a social community based on the same livelihood related to the forest, history, and bonds of domicile and common rules of life under an institutional umbrella.

The empowerment of local community is an effort to step up their capability and independence in the utilization of forests.

The empowerment of local community can be realized through the establishment of social forestry.

Subsection (2)

The Government and or Regional Government will carry out the facilitation in accordance with their authority, through the recognition of legal status, use of institutions, production guidance, technology guidance, education and training, access to the market, and issuance of a right for utilization.

Subsection (3)

Self-explanatory

Section 52

Subsection (1)

Primary forest product industry is an upstream forest product industry as referred to in Law Number 41 of 1999 on Forestry.

The efficient use of raw materials is defined as the use of raw materials to minimize waste and produce products of high value.

Subsection (2)

Self-explanatory

Subsection (3)

The fulfillment of the primary forest product industry's needs of raw material must take into account the sustainable capacity of the forest.

Subsection (4)

In certain cases to improve competitiveness, the raw materials for primary forest product industry may be imported.

Section 53

Self-explanatory

Section 54

Self-explanatory

Section 55

Subsection (1)

Self-explanatory

Subsection (2)

A sawmill industry with a production capacity up to 2000 (two thousand) cubic meters per year is solely earmarked for fulfilling the domestic needs.

Subsection (3)

Self-explanatory

Subsection (4)

Self-explanatory

Section 56

Self-explanatory

Section 57

Self-explanatory

Section 58

Self-explanatory

Section 59

Subsection (1)

The supply of wood raw materials may originate from:

- a. natural forest managed in a sustainable way;
- b. plantation forest;
- c. private forest;
- d. plantation wood; and or
- e. other legal sources, such as import.

Subsection (2)

Self-explanatory

Section 60

Self-explanatory

Section 61

Self-explanatory

Section 62

Self-explanatory

Section 63

Self-explanatory

Section 64

Subsection (1)

Self-explanatory

Subsection (2)

Self-explanatory

Subsection (3)

Self-explanatory

Subsection (4)

The Minister's technical considerations are given in the sustainable supply of raw materials.

The Governor's considerations are given in the synchronization of the development with the area expansion.

Section 65

Business certainty refers to the certainty in business activities, certainty in business time and certainty in legal security for running a business.

Section 66

Subsection (1)

Letter a

Self-explanatory

Letter b

Those obligated to make and furnish the RPBBi are industries directly processing wood and non-wood forest products. The RPBBi is a control system for the supply of raw materials.

Letter c

Self-explanatory

Letter d

Self-explanatory

Subsection (2)

Self-explanatory

Section 67

Subsection (1)

Self-explanatory

Subsection (2)

The title to land refers to evidence of right to land among others in the form of a title deed (ownership right, right for business purposes and right for use).

Section 68

Self-explanatory

Section 69

Self-explanatory

Section 70

Subsection (1)

Self-explanatory

Subsection (2)

The institutional development will be implemented through guidance, services and support in the form of technical assistance, training and financial aids.

Section 71

Self-explanatory

Section 72

Subsection (1)

Self-explanatory

Subsection (2)

Self-explanatory

Subsection (3)

Letter a

The Development for strategic purposes is an operation using a forest area with a significant effect on the national economic development, public welfare of the present generation as well as future generation and or in the framework of maintaining the integrity of unitary state of the Republic of Indonesia.

Letter b

Limited public interest is the interest of all social strata for which the development shall be implemented by the government agency or community groups and shall not be intended for profit-making purposes.

Subsection (4)

Letter a

Self-explanatory

Letter b

Self-explanatory

Letter c

The mining activities include general, oil and natural gas and geothermal mines.

Letter d

Power plant refers to anything concerned with the supplying (generating and distribution) and utilization of electric power. Sophisticated technology power plant involves Solar Power Plant (PLTS), Wind Power Plant (PLTB), Micro-hydro Power Plant (PLTMH) and utilization of geothermal energy.

Letter e

Self-explanatory

Letter f

Self-explanatory

Subsection (5)

Self-explanatory

Subsection (6)

Self-explanatory

Section 73

Subsection (1)

The administration of forest products includes the planning of production, harvesting or felling, marking, scaling and testing, transportation/ distribution and stockpiling, processing and reporting.

Subsection (2)

Self-explanatory

Subsection (3)

Self-explanatory

Section 74

Subsection (1)

The forest products originating from a private forest include wood originating from a land issued with a title to land.

Subsection (2)

Self-explanatory

Subsection (3)

The Head of Village or equivalent is obliged to give a certificate of origin.

Section 75

Subsection (1)

The meaning of “being attached to” is that any transportation, authorization or ownership of forest products must be supported and accompanied physically by legal documents at the same time and place as evidence and the documents cannot be delivered later.

Subsection (2)

Self-explanatory

Subsection (3)

Self-explanatory

Subsection (4)

Letter a

Self-explanatory

Letter b

Self-explanatory

Letter c

The Certificate of Origin is used for wood and non-wood originating from plantations, yards, fields and so on.

Subsection (5)

Self-explanatory

Subsection (6)

Self-explanatory

Subsection (7)

Self-explanatory

Section 76

The exportation is not allowed with a view to reducing pressure on the forest.

Section 77

Subsection (1)

The marketing of forest products is carried out to fulfill the industry and community’s needs for raw materials in the framework of sustainable forest management.

Subsection (2)

Self-explanatory

Subsection (3)

Self-explanatory

Section 78

Subsection (1)

Self-explanatory

Subsection (2)

Illegal forest products may include those which have been found, confiscated or seized.

Subsection (3)

Self-explanatory

Subsection (4)

Self-explanatory

Subsection (5)

Self-explanatory

Section 79

Subsection (1)

The policy is an arrangement or guideline for the forest structuring and making of forest management plans, utilization of forests and use of forest areas.

Subsection (2)

The third party refers to BUMN, BUMD, BUMS, individuals and cooperatives.

Section 80

Self-explanatory

Section 81

Subsection (1)

Self-explanatory

Subsection (2)

Self-explanatory

Subsection (3)

The success in sustainable forest management is reflected by the performance of forest management measured according to the sustainable forest management criteria and indicators. An independent evaluating institution accredited by the Minister will attest this with a certificate of sustainable forest management.

Subsection (4)

Self-explanatory

Subsection (5)

Self-explanatory

Section 82

Self-explanatory

Section 83

Subsection (1)

Self-explanatory

Subsection (2)

Reprimand is the first step as a basis for correction or imposition of a sanction.

Subsection (3)

Self-explanatory

Subsection (4)

The cancellation of a forest utilization permit shall be executed if the issuance of the permit is not in accordance with this Government Regulation.

Section 84

Self-explanatory

Section 85

Self-explanatory

Section 86

Self-explanatory

Section 87

Subsection (1)

The sanctions imposed shall be based on the seriousness of violation. Violation classified as serious shall be subject to revocation of permit, violation classified as medium subject to reduction in working area and violation classified as minor subject to administrative fine and violation classified as more minor subject to termination of operation and or termination of administrative services.

To realize the general principles of good governance (AUPB) particularly in relation to violation classified as serious with a revocation sanction, or classified as medium with an area reduction sanction, it is obligatory to give 3 (three) consecutive notices to the permit holder.

The imposition of a sanction shall not release the permit holder from the obligation to pay forest levies in accordance with the regulations.

Subsection (2)

Self-explanatory

Section 88

Self-explanatory

Section 89

Letter a

Self-explanatory

Letter b

The working equipment used shall not cause adverse impacts on the conservation of forest.

Letter c

Self-explanatory

Section 90

Self-explanatory

Section 91

Self-explanatory

Section 92

Subsection (1)

Letter a

The holder of an area utilization or service environment utilization business permit shall not be subject to an administrative sanction in the form of the 20% (twenty percent) maximum reduction in his working area if he can prove that the cause of his failure to meet the obligation is *force majeure* events.

The force majeure events include earthquake, flood and or fire.

Letter b

Self-explanatory

Subsection (2)

Self-explanatory

Subsection (3)

Self-explanatory

Section 93

Subsection (1)

Letter a

Self-explanatory

Letter b

Self-explanatory

Letter c

Self-explanatory

Letter d

The criteria of leaving his working area and works before permit expiry are:

- 1) Unavailable equipment for performing his activities;
- 2) The equipment available but out of order;
- 3) Personnel no more available in his working area; or
- 4) No activities in the framework of implementing the business permit he has obtained.

Letter e

Self-explanatory

Letter f

Self-explanatory

Subsection (2)

Self-explanatory

Subsection (3)

Self-explanatory

Subsection (4)

Self-explanatory

Subsection (5)

Self-explanatory

Subsection (6)

Self-explanatory

Subsection (7)

Self-explanatory

Section 94

Self-explanatory

Section 95

Self-explanatory

Section 96

Subsection (1)

Letter a

Self-explanatory

Letter b

The Report on Processed Forest Product Transfer (LMHHO) contains production, stock, domestic and foreign marketing and the use of processed forest products for self-purposes.

Subsection (2)

Self-explanatory

Section 97

Subsection (1)

Letter a

Self-explanatory

Letter b

Self-explanatory

Letter c

The destruction of environment that is beyond the environmental quality standard limit shall be subject to sanctions in accordance with the effective legislation.

Letter d
Self-explanatory

Letter e
Self-explanatory

Subsection (2)
Self-explanatory

Subsection (3)
Self-explanatory

Section 98
Self-explanatory

Section 99
Self-explanatory

Section 100
Self-explanatory

Section 101
Self-explanatory

Section 102
Self-explanatory

**ANNEX TO GOVERNMENT OFFICIAL GAZETTE OF THE REPUBLIC OF INDONESIA
NUMBER 4206.**

TRANSLATOR'S STATEMENT

The translation is done accurately and consistently from Indonesian into English.

Jakarta, July 2, 2002

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FLB's Note:

This is a translation. In case of any difference in meaning between the original text and the English translation the original Indonesian shall apply