

**PROCEDURE AND REQUIREMENTS FOR EXTENSION  
OF BUSINESS LICENSE FOR UTILIZATION  
OF NATURAL FOREST TIMBER PRODUCTS IN PRODUCING FOREST**  
(Regulation of Minister of Finance No. P.52/Menhut-II/2008, dated September 4, 2008)

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

Considering:

- a. that Article 81 paragraph (5) of Government Regulation No. 6 Year 2007 in conjunction with Government Regulation No. 3 Year 2008 concerning Forest System and Compilation of Forest Management Program, and Forest Utilization states that further provision on the procedure and requirements for extension of licence shall be governed by the Minister;
- b. that based on the consideration referred to above, it is necessary to stipulate Regulation of the Minister on the Procedure and Requirements for Extension of Business License for Utilization of Natural Forest Timber Products in Producing Forest.

In view of:

1. Law No. 5 Year 1990 concerning Preservation of Biological Natural Resources and its Existence (Statute Book of RI Year Year 1990 No. 49, Supplement to Statute Book of RI No. 3419);
2. Law No. 41 Year 1999 (**BN No. 6412 pages 1A-6A and so forth**) concerning Forestry (SB of RI Year 1999 No. 167, SSB of RI No. 3888), as amended by Law No. 19 Year 2004 (BN No. 7140 pages 31B-32B) concerning Stipulation of Government Regulation in Lieu of Law No. 1 Year 2004 (BN No. 7034 page 9B) concerning Amendment to Law No. 41 Year 1999 concerning Forestry to become Law (SB of RI Year 2004 No. 86, SSB of RI No. 4412);
3. Law No. 32 Year 2004 (**BN No. 7183 pages 1A-11A and so forth**) concerning Regional Government (SB of RI Year 2004 No. 125, SSB of RI No. 4437), amended

- several times and lately amended by Law No. 12 Year 2008 (BN No. 7061 pages 11B-18B and so forth) (SB of RI Year 2008 No. 59, SSB of RI No. 4844);
4. Government Regulation No. 27 Year 1999 (**BN No. 6442 pages 10A-12A**) concerning Analysis of Environmental Impact (SB of RI Year 1999 No. 59, SSB of RI No. 3838);
  5. Government Regulation No. 44 Year 2004 concerning Forestry Program (SB of RI Year 2004 No. 146, SSB of RI No. 4452);
  6. Government Regulation No. 45 Year 2004 concerning Forest Protection (SB of RI Year 2004 No. 147, SSB of RI No. 4453);
  7. Government Regulation No. 6 Year 2007 (**BN No. 7529 pages 1A-21A and so forth**) concerning Forest System and Compilation of Forest Management Program, and Utilization of Forest (SB of RI Year 2007 No. 22, SSB of RI No. 4696), as amended by Government Regulation No. 3 Year 2008 (BN No. 7630 pages 17B-20B and so forth) (SB of RI Year 2008 No. 16, SSB of RI No. 4814);
  8. Government Regulation No. 38 Year 2007 (BN No. 7576 pages 1B-6B) concerning Distribution of Administration Affairs between the Government, Regional Government of the Province, and Regional Administration of the Regency/Municipality (SB of RI Year 2007 No. 82, SSB of RI No. 4737);
  9. Decree of President of the Republic of Indonesia No. 187/M Year 2004 (**BN No. 7128 pages 30A-31A**) concerning Establishment of Indonesia Bersatu Cabinet, as amended several times and lately amended by Presidential Decree No. 31/P Year 2007;
  10. Regulation of President of the Republic of Indonesia No. 9 Year 2005 (**BN No. 7182 pages 2A-23A**) concerning Capacity, Duty, Function, Organizational Structure and Working Procedure of the State Ministry of the Republic of Indonesia as amended several times and lately amended by Presidential Regulation No. 20 Year 2008;
  11. Regulation of President of the Republic of Indonesia No. 10 Year 2005 (BN No. 8B-12B and so forth) concerning Organizational Unit and Duty of Echelon I of the State Ministry of the State of the Republic of Indonesia as amended several times and lately amended by Presidential Regulation No. 50 Year 2008;
  12. Decision of the Minister of Forestry and Plantation No. 602/Kpts-II/1998 in conjunction with No. 622/Kpts-II/1999 (BN No. 6370 pages 1B-2B) concerning Analysis of Environmental Impact of Forestry Development, Environmental Management Effort and Environmental Monitoring Effort of Forestry Development;
  13. Regulation of the Minister of Forestry No. P.13/Menhut-II/2005 concerning Organization and Working Procedure of the Department of Forestry, as amended several times and lately amended by Regulation No. P.15/Menhut-II/2008.

## D E C I D E S :

To stipulate :

REGULATION OF THE MINISTER OF FORESTRY ON PROCEDURE AND REQUIREMENTS FOR EXTENSION OF BUSINESS LICENSE FOR UTILIZATION OF NATURAL FOREST TIMBER PRODUCTS IN PRODUCING FOREST (IUPHHK-HA).

## CHAPTER I GENERAL PROVISION

### Article 1

What is meant in this Regulation by:

1. Business License for Utilization of Natural Forest Timber Products in Producing Forest (IUPHHK-HA) shall be business license for utilization of forest products in the form of timber in producing natural forest by means of harvest or logging, reforestation, maintenance and marketing.
2. Extension of IUPHHK-HA shall be grant of extension to holder of IUPHHK-HA which term has expired.

- 3. Business License contribution for Forest Utilization (IUPH) shall be levy charged on the holder of business license for replacement of intrinsic value of the forest crop collected from the State-controlled forest.
- 4. Minister shall be Minister assigned the duty and responsibility in the forest sector.
- 5. Director General assigned the duty and responsibility in the Management of Producing Forest.
- 6. Provincial Service Office shall be Service Office assigned the duty and responsibility in the forestry sector in the provincial region.
- 7. Regency/Municipality Service Office shall be Service Office assigned the duty and responsibility in the forestry sector in the regency/municipality region.

CHAPTER II  
PROCEDURE AND REQUIREMENTS

Article 2

Extension of IUPHHK-HA may be requested by the holder of permit which term has expired.

Article 3.....

( To be continued )

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**PROCEDURE AND REQUIREMENTS FOR EXTENSION OF BUSINESS LICENSE  
FOR UTILIZATION OF NATURAL FOREST TIMBER PRODUCTS  
IN PRODUCING FOREST**

(Regulation of Minister of Finance No. P.52/Menhut-II/2008, dated September 4, 2008)

[Continued from Business News No. 7776 pages 28A-30A]

**Article 3**

- (1) Application for extension of IUPHHK-HA must be submitted within two (2) years at the latest prior to expiry of the license.
- (2) Application for extension of IUPHHK-HA must be supported by the complete requirements and must be submitted by the holder of permit to the Minister of Forestry with copy to:
- a. the Secretariat General;
  - b. the Director General;
  - c. the Head of Forestry Planning Agency;
  - d. the Governor;
  - e. the Regent/Mayor;
  - f. Head of Service Office of the Province; and
  - g. Head of Service of the Regency/Municipality.
- (3) The application for extension of IUPHHK-HA submitted after the period referred to in paragraph (1) elapsed, the Minister shall issue a letter of rejection to the application for extension of IUPHHK-HA and notification of permit expiry.
- c. written evidence stating that the company has paid off its financial obligations in the forestry sector covering Forest Resource Commission (PSDH) and Reforestation fund (DR) and other financial obligations issued by the competent authority;
  - d. financial report of the company holding IUPHHK-HA for the last five (5) years that has been audited by Public Accountant based on Statement of Financial Accountancy No. 32 concerning Forestry Accountancy;
  - e. map of the location requested on scale 1:50.000 or 1: 100.000; and
  - f. aereo mozaic photographic map scale 1 : 20.000 or satellite imagery resolution of minimum 30 (thirty) meters covering the last two (2) years' result.
- (2) The Recommendation of the Governor referred to in paragraph (1) letter a, in its implementation shall be issued by the Head of Service Office of the Province on behalf of the Governor.
- (3) The technical consideration of the Regent/Mayor referred to in paragraph (1) letter a, in its implementation shall be issued by the Head of Service Office of the Regency/Municipality on behalf of the Regent/ Mayor.

**Article 4**

- (1) The requirements for application for extension of IUPHHK-HA referred to in Article 3 paragraph (2) shall be:
- a. Recommendation of the Governor that has obtained technical consideration of the local Regent/Mayor;
  - b. Copy of Deed of Company Establishment and its amendments;
- (4) If no recommendation is issued by the Governor within 28 (twenty-eight) working days as of received of the copy of application for extension, recommendation of the Governor shall be deemed to have been issued

after the Director General of Forestry Production Management on behalf of the Minister requesting confirmation from the Head of Service Office of the Province.

### CHAPTER III

#### PROCEDURE FOR ASSESSMENT

##### Article 5

- (1) The requirements referred to in Article 4 shall be evaluated by the Director General.
- (2) The Director General shall delegate the evaluating action referred to in paragraph (1) to the working unit of Echelon II within the Directorate General of Producing Forest Management based on the tupoksi (?).
- (3) If the requirements referred to in Article 4 is incomplete, the Director General shall notify this to the applicant to completely comply with the administrative requirement within 60 (sixty) calendar days.
- (4) Failure to comply with the requirements referred to in paragraph (3), the Director General shall notify the Minister on the rejection to the application for extension of IUPHHK-HA.
- (5) If the requirements referred to in Article 4 is complied with, any company not having PHAPL certificate yet or the PHAPL certificate it holds has expired, the Director General shall evaluate the performance of the Utilization of Preserved Producing Natural Forest (PHAPL).
- (6) If the requirements referred to in Article 4 are complied with, the company holding PHAPL certificate which term is still valid, then no evaluation shall be necessary on the performance of Utilization of Preserved Producing Natural Forest (PHAPL).

##### Article 6

- (1) Performance evaluation on utilization of preserved forest referred to in Article 5 paragraph (5), shall be made based on the criteria and indicator of Preserved Natural Forest Management (PHAPL) in accordance with the provision of the statutory regulation and implemented by Capable LPI as stipulated by the Minister which cost is charged to the applicant.
- (2) If the Capable LPI referred to in paragraph (1) is not stipulated yet by the Minister, performance evaluation of the PHAPL referred to in Article 5 paragraph (5) shall be conducted by the Evaluating Team duly established by the Director General.
- (3) The Capable LPI referred to in paragraph (1) or Evaluating Team referred to in paragraph (2) shall submit the result of performance evaluation to the Director General.

##### Article 7

- (1) Based on the result of evaluation of LPI referred to in Article 6 paragraph (3), or comply with the requirements for company holding PHAPL certificate as referred to in Article 5 paragraph (6), the Director General shall submit proposal for extension or rejection for extension to the Minister.
- (2) If no recommendation of the Governor referred to in Article 4 paragraph (1) letter a is issued, the Minister shall consider/review extension of the license after the license holder performance has been evaluated based on the authority as governed in Article 4 paragraph (2) of Law No. 41 Year 1999 concerning Forestry.

#### Article 8

- (1) The Minister may approve or reject the application for extension of IUPHHK-HA with due observance of the proposal of the Director General.
- (2) If the Minister approves the application for extension of the IUPHHK-HA referred to in paragraph (1), the Director General shall prepare letter of the Minister on such provisional approval for extension of IUPHHK-HA to the applicant with copy to the Director General and Head of Forestry Planology Agency.
- (3) Based on copy of the provisional approval referred to in paragraph (2), the Director General shall request the Head of Forestry Planology Agency to prepare map of the work area (Working Area/WA).
- (4) The Head of Forestry Planology Agency shall submit the map of work area referred to in paragraph (3) to the Director General within 30 (thirty) working days.
- (5) If the Minister rejects the application for extension of IUPHHK-HA referred to in paragraph (1), the Director General shall prepare draft letter of the Minister containing rejection to the application for extension of IUPHHK-HA and notification of the expiry of the license.

#### CHAPTER IV

##### ISSUE OF DECISION FOR EXTENSION OF IUPHHK-HA

#### Article 9

- (1) Based on the Map of Work Area referred to in Article 8 paragraph (4), the Director General shall prepare draft of Decision of the Minister on Extension to IUPHHK-HA to the Secretary General within 15 (fifteen) working days.
- (2) Based on the draft of Decision of the Minister referred to in paragraph (1), the Secretary General shall forward it to the Minister within seven (7) working days.

- (3) The Minister shall issue Decision on Extension of the IUPHHK-HA within ten (10) working days.
- (4) Extension to IUPHHK-HA shall be valid for maximum 55 (fifty-five) years effective as of expiry of the IUPHHK-HA/HPH.

#### CHAPTER V

##### ISSUE OF INSTRUCTION LETTER FOR PAYMENT OF BUSINESS LICENSE CONTRIBUTION FOR FOREST UTILIZATION (SPP-IIUPH)

#### Article 10

- (1) As soon as copy of the original Decision of the Minister on Extension to IUPHHK-HA referred to in Article 9 paragraph (3) is received by the Director General as Collecting Official shall issue Instruction Letter for Payment of overdue Contribution for Business License for Forest Utilization (SPP-IIUPH).
- (2) The applying company for extension of IUPHHK-HA shall be obliged to deliver proof of submission of copy of the original or photocopy that has been legalized by the Receiving Bank Bank to the Director General.
- (3) The provision on the procedure for imposition, collection, and payment of IIUPH referred to in paragraph (1) shall be in accordance with the prevailing statutory regulation.

#### Article 11

If the stipulated time has elapsed, the holder of Extended IUPHHK-HA as Obligatory Taxpayer fails to pay/settle the overdue SPP-IIUPH referred to in Article 10 paragraph (1), Decision of the Minister on Extended IUPHHK-HA shall not be delivered/withdrawn back by the Minister and the Minister shall issue notification letter on the expiry of the license.

**CHAPTER VI  
TRANSITIONAL PROVISION**

**Article 12**

By the time this Regulation comes to force:

- a. Submission of unevaluated application for extension of IUPHHK-HA/HPH shall be further processed by referring to this Regulation;
- b. Submission of application for extension of IUPHHK-HA/HPH that has obtained provision approval for extension of IUPHHK shall be further processed by issue of the map of work area;
- c. Submission of application for extension of IUPHHK-HA/HPH that has obtained map of work area (Working Area/WA) and the area of IUPHHK-HA/HPH has been stipulated, shall be further processed by issue of Decision of the Minister of Forestry on Extension of IUPHHK-HA.

**CHAPTER VII  
CLOSING PROVISION**

**Article 13**

With this Regulation comes to force, Decision of the Minister of Forestry No. 6885/Kpts-II/2002 (BN No. 6845 pages 9B-10B) concerning Procedure and Requirements for Extension of Business License for Utilization of Timber Forest Crop shall be declared null and void.

**Article 14**

This Regulation of the Minister of Forestry takes effect on the date it is stipulated.

For public cognizance, this Regulation shall be announced by placing it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

On September 4, 2008

MINISTER OF FORESTRY,

Sgd.

H. M.S. KABAN

Enacted in Jakarta

On September 15, 2008

MINISTER OF LAW AND HUMAN RIGHTS

OF THE REPUBLIC OF INDONESIA

Sgd.

ANDI MATTALATTA

STATE GAZETTE OF THE STATE OF REPUBLIC OF  
INDONESIA YEAR 2008 NUMBER 44

—==( MA )==—