

**PROCEDURE FOR ISSUING BUSINESS LICENSE  
TO UTILIZE SILVO PASTURE ZONE IN PRODUCTION FOREST  
(Regulation of the Minister of Forestry Number P.63/Menhut-II/2009,  
dated October 14, 2009)**

**WITH THE BLESSING OF THE ONE AND ONLY GOD,  
MINISTER OF FORESTRY OF  
THE REPUBLIC OF INDONESIA,**

**Considering:**

- a. that to implement the provision in Article 32 of Government Regulation Number 6 Year 2007 concerning Forest System and Preparation of Forest Management Program, and Utilization of Forest, it is necessary to stipulate Regulation of the Minister of Forestry concerning Procedure for Granting Business License for Utilization of Silvo Pasture Zone in Producing Forest;
- b. that under Article 70 paragraph (2) of Government Regulation Number 6 Year 2007 in conjunction with Government Regulation Number 3 Year 2008 concerning Forest System and Preparation of Forest Management Program, and Utilization of Forest, Business License for Zone Utilization may be granted within the Business License for Zone Utilization area in Cultivated Forest in the area bearing license;
- c. that in accordance with the foregoing, it is necessary to stipulate Regulation of the Minister of Forestry concerning Procedure for Granting Business License for Utilization of Silvo Pasture Zone in Producing Forest.

**In view of:**

1. Law Number 5 Year 1990 concerning Conservation of Biological Natural Resource and Its Ecosystem (Statute Book Of the Republic of Indonesia Year 1990 Number 49, Supplement to Statute Book of the Republic of Indonesia Number 3419);
2. Law Number 23 Year 1997 (*BN No. 6092 pages 19A-21A and so on*) concerning Living Environment Management (Statute Book Of the Republic of Indonesia Year 1997 Number 68, Supplement to Statute Book Of the Republic of Indonesia Number 3699);
3. Law Number 41 Year 1999 (*BN No. 6412 pages 1A-6A and so on*) concerning Forestry (Statute Book Of the Republic of Indonesia Year 1999 Number 167, Supplement to Statute Book Of the Republic of Indonesia Number 3888) as amended by Law Number 19 Year 2004 (*BN No. 7143 pages 26A-29A*) concerning Stipulation of Government Regulation in Lieu of Law Number 1 Year 2004 concerning Amendment to Law Number 41 Year 1999 concerning Forestry to become Law (Statute Book Of the Republic of Indonesia Year 2004 Number 86, Supplement to Statute Book Of the Republic of Indonesia Number 4412);
4. Law Number 32 Year 2004 (*BN No. 7183 pages 1A-11A and so forth*) concerning Regional Government (Statute Book Of the Republic of Indonesia Year 2004 Number 125, Supplement to Statute Book Of the Republic of Indonesia Number 4437) as amended several times and lately amended by Law Number 12 Year 2008 (*BN No. 7676 pages 26A-32A and so forth*) (Statute Book Of the Republic of Indonesia Year 2008 Number 59, Supplement to Statute Book Of the Republic of Indonesia Number 4844);
5. Government Regulation Number 6 Year 2007 (*BN No. 7529 pages 1A-21A and so forth*) concerning Forest System and Preparation of Forest Management Program and Forest Utilization (Statute Book Of the Republic of Indonesia Year 2007 Number 22, Supplement to Statute Book Of the Republic of Indonesia Number 4696) as amended by Government Regulation Number 3 Year 2008 (*BN No. 7676 pages 10A-25A and so forth*) (Statute Book Of the Republic of Indonesia Year 2008

- Number 16, Supplement to Statute Book Of the Republic of Indonesia Number 4814);
6. Presidential Decree Number 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 Number 31/P Year 2007;
  7. Regulation of President Number 9 Year 2005 (BN No. 7184 pages 2A-23A and so forth) concerning Capacity, Duty, Function, Organizational Structure, and Work Procedure of the State Ministry of the Republic of Indonesia, as amended several times and lately amended by Regulation of President Number 20 Year 2008;
  8. Presidential Regulation Number 10 Year 2005 concerning Organizational Unit and Duty of Echelon I of the State Ministry of the Republic of Indonesia, as amended several times and lately amended by Presidential Regulation Number 50 Year 2008;
  9. Decision of the Minister of Forestry Number 177/Kpts-II/2003 (BN No. 7019 pages 26A-28A) concerning Criteria and Indicator for Preserved Forest Management within Business Management Unit of Cultivated Forest Utilization;
  10. Decision of the Minister Forestry Number SK.101/Menhut-II/2005 concerning Accelerated Development of Cultivated Forest to Fulfill Basic Commodity for Pulp and Paper Industry, as amended several times and lately amended by Regulation Number P.43/Menhut-II/2005;
  11. Regulation of Minister of Forestry Number P.13/Menhut-II/2005 concerning Organizational Structure and Work Procedure of the Department of Forestry, as amended several times and lately amended by Regulation Number P.64/Menhut-II/2008 (State Gazette Of the Republic of Indonesia Year 2008 Number 80).

### DECIDES:

To stipulate:  
**REGULATION OF THE MINISTER OF FORESTRY CONCERNING PROCEDURE FOR GRANTING BUSINESS LICENSE FOR UTILIZATION OF SILVO PASTURE ZONE IN PRODUCING FOREST.**

#### CHAPTER I

#### GENERAL PROVISION

#### Article 1

What is meant in this Regulation by:

1. Producing forest shall be forest zone having main function to produce forest product.
2. Utilization of timber forest product shall be activity to utilize and exploit forest produce in the form of timber without causing damage to the environment and restricting the main function thereof.
3. Business License for Utilization of Cultivated Forest Timber Produce (IUPHHK-HT) shall be any business activity within producing forest zone, either sole cultivation or mixed cultivation, to produce prime product in the form of timber, which activities consist of land preparation, nursery, planting, maintenance, safeguarding, harvesting or felling, processing and marketing.
4. Business License for Utilization of Silvo Pasture Zone hereinafter referred to as IUPK-SP shall be Forestry activities combined proportionately with pasturing business within producing forest covering letting-free and/or stabling the livestock in the context of forest preservation.
5. Individual shall be individual persons existing within or surrounding the forest.
6. Cooperative shall be local community cooperatives operating in Forestry business sector.
7. Indonesian Private-Owned Business Entity hereinafter referred to as BUMSI shall be limited company in the form of Indonesian legal entity although its capital originates from investors or foreign capital which IUPK in producing forest may be granted.

8. BUMN shall be as governed in the applicable provision.
9. Minister shall be Minister that is assigned the duty and responsibility in Forestry sector.
10. Director General shall be Director General that is assigned the duty and responsibility in Forestry Produce Management.
11. Head of Provincial Service Office shall be Head of Service Office that is assigned the duty and responsibility in Forestry sector in Provincial region.
12. Head of Service Office of Regency/Municipality shall be Head of Service Office that is assigned the duty and responsibility in Forestry sector in Regency/Municipality region.

## CHAPTER II

### REQUIREMENTS FOR AREA AND APPLICANT

#### Part One

#### Requirements for Area

#### Article 2

- (1) Area for silvo pasture zone utilization business shall be Producing Forest:
  - a. that bears IUPHHK-HTI; and
  - b. that bears no IUPHHK or other business permit yet.
- (2) Extent of area that may be granted silvo pasture zone utilization business shall be:
  - a. for area that bears the permit referred to in Article 2 paragraph (1) letter a covering maximum of 500 (five hundred) hectares; and
  - b. for area that bears no permit as referred to in Article 2 paragraph (1) letter b covering minimum 5 (five) hectares.

#### Part Two

#### Requirements for Applicant

#### Article 3

- (1) The applicant for IUPK-SP in area that bears permit as referred to in Article 2 paragraph (1) letter a is specially allocated for the holder of IUPHHK-HTI concerned.

- (2) The applicant of IUPK-SP in area that bears no permit referred to in Article 2 paragraph (1) letter b yet that may apply for IUPK-SP shall be:
  - a. individual persons;
  - b. cooperatives;
  - c. Indonesian Private-Owned Business Entity (BUMSI); or
  - d. State-Owned Business Entity (BUMN).

## CHAPTER III

### REQUIREMENTS AND EVALUATION OF APPLICATION

#### Part One

#### Requirements for Application

#### Article 4

- (1) Requirements for application for IUPK-SP that bears IUPHHK-HTI as referred to in Article 2 paragraph (1) letter a shall consist of:
  - a. photocopy of the Decision Letter for granting IUPHHK-HTI license and other business license;
  - b. map on application;
  - c. recommendation of the Governor;
  - d. technical proposal.
- (2) Requirements for application for IUPK-SP that not bearing IUPHHK-HTI or other business license yet as referred to in Article 2 paragraph (1) letter b shall consist of:
  - a. recommendation of the Governor if the proposed area is located cross Regencies, not imposed other rights and is supported by location map of scale 1 : 100.000;
  - b. recommendation of the Regent/Mayor if the proposed area is located in one Regency/Municipality region, is not imposed other rights and supported by location map of scale 1 : 100.000;
  - c. Statement stating willingness to open branch office in the province and/or regency/municipality;
  - d. Deed of Establishment of Cooperatives or Business Entity and its amendmens that have been approved by the the competent authority;

- e. operates in Forestry/agriculture/plantation, husbandry business activities;
  - f. Business license certificate from the competent authority;
  - g. Obligatory Taxpayer Identification Number (NPWP);
  - h. Technical proposal containing among other things:
    - 1) general condition consisting of the condition of the proposed area and the condition of the company;
    - 2) technical proposal on business activities containing the objectives and planning on utilization of silvo pasture zone.
- (3) Recommendation from the Governor or Regent/ Mayor as referred to in paragraph (1) letter a and letter b, based on the analysis of the zone function made by the Forestry service office and Forest Zone Efficient Use Public Hall (BPKH) such as analysis of Forestry licenses, license for use of forest zone and zone conversion, as set forth in spatial data.

#### Part Two

#### Evaluation of Application

#### Article 5

- (1) Application for IUPK-SP referred to in Article 2 paragraph (1) shall be submitted by the applicant to the Minister with copy to:
- a. the Director General;
  - b. the Director General of Forestry Planology;
  - c. the Head of Service Office of Province;
  - d. the Head of Service Office of Regency/Municipality.
- (2) Based on the copy referred to in paragraph (1), the Director General of Forestry Planology through the Forest Zone Efficient Use Public Hall (BPKH) shall verify the result of analysis referred to in Article 4 paragraph (3) on the Map as attached to the application within ten (10) working days at the latest to the Director General.

- (3) The application that complies with the requirements referred to in Article 4 paragraph (1) or paragraph (2) and the map of the area as the result of the verification referred to in paragraph (3), the Director General shall make evaluation and the result thereof must be submitted to the Minister.
- (4) The Director General on behalf of the Minister shall issue rejection to the any application that fails to comply with the requirements referred to in Article 4 paragraph (1) or paragraph (2).

#### Article 6

- (1) Based on the evaluation referred to in Article 5 paragraph (3), the Minister may accept/agree or reject any application.
- (2) If the application referred to in paragraph (1) is rejected, the Minister shall issue rejection letter within seven (7) working days at the latest as of receipt of the result of evaluation of technical proposal.

#### Article 7

- (1) If the Minister approves the application referred to in Article 6 paragraph (1), the Minister shall instruct the Director General of Forestry Planology to prepare a map on the work area and submit the result thereof to the Director General.
- (2) As soon as the Director General receives the map of the work area referred to in paragraph (1), the Director General shall submit concept of Decision of the Minister concerning Grant of IUPK-SP and its supporting document to the Minister through the Secretariat General of Forestry.
- (3) The Secretary General shall review the legal aspect and submit the concept of Decision of the Minister concerning Grant of IUPK-SP to the Minister within seven (7) working days at the latest.

### Part Three

#### Payment of Business License Contribution for Utilization of Silvo Pasture Zone (IUPK-SP)

##### Article 8

- (1) The Director General shall within seven (7) working days at the latest as of receipt of the decision for granting IUPK-SP, shall issue Instruction Letter for Payment of Business License Contribution for Utilization of Silvo Pasture Zone (SPP-IUPK-SP).
- (2) The decision concerning grant of IUPK-SP shall be delivered to the applicant after the person concerned has fully paid the IUPK-SP.
- (3) Procedure for payment of IUPK-SP shall comply with the provisions in the statutory regulation.

### CHAPTER IV

#### EXTENSION

##### Article 9

- (1) The holder of IUPK-SP must hold certificate of good performance issued by the independent assessment institution that has been accredited by the Minister that has the right to file application for additional (extension) work area.
- (2) Application for additional (extension) work area for IUPK Silvo Pasture referred to in paragraph (1) must be submitted to the Minister with copy to:
  - a. the Director General;
  - b. the Head of Directorate General of Forestry Planology;
  - c. the Head of Service Office of Province;
  - d. the Head of Service Office Regency/Municipality.
- (3) The application referred to in paragraph (1) must be supported by:
  - a. Decision of the Minister concerning Grant or Renewal of IUPK for Silvo Pasture;
  - b. Recommendation of the Governor if the proposed area located cross Regency bears no

other rights and is supported by Location Map of scale 1 : 100.000;

- c. Recommendation of the Regent/Mayor if the proposed area located in one Regency/Municipality bears no other rights and is supported by Location Map of scale 1 : 100.000;
- d. Copy of valid certificate on good performance;
- e. location map of the work area requested for as the result of consultation with the Director General of Forestry Planology through the Forest Zone Efficient Utilization Public Hall; and
- f. Field examination by the Service Office of Province together with the Producing Forest Utilization Monitoring Public Hall, and Forest Zone Efficient Utilization Public Hall.

##### Article 10

Validity of the IUPK-SP in producing forest referred to in Article 11 paragraph (2) shall be 25 (twenty-five) years at the longest based on the type of its business and may be extended.

##### Article 11

The requirements and procedure for application and evaluation of application for area extension referred to in Article 9 must comply with the provision in Article 4 through Article 7 of this Regulation.

### CHAPTER V

#### MANAGEMENT AND SUPERVISION

##### Article 12

- (1) The Director General of Service Office of Province or Head of Service Office of Regency/Municipality shall provide technical management and supervision over the rights and obligations of the permit holder.
- (2) The Director General may delegate the technical management and supervision to the Head of UPT.

**CHAPTER VI  
CLOSING PROVISION**

**Article 13**

If the forest system of the area in the producing forest referred to in Article 2 is stipulated in one (1) KPH, then the area/location for a new application or extension of UPK-SP area must be located in producing forest.

**Article 14**

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

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

Stipulated in Jakarta  
On October 14, 2009  
**MINISTER OF FORESTRY  
OF THE REPUBLIC OF INDONESIA,**  
sgd.  
**H. M.S. KABAN**

Enacted in Jakarta  
On October 16, 2009  
**MINISTER OF LAW AND HUMAN RIGHTS OF OF THE  
REPUBLIC OF INDONESIA**  
sgd.  
**ANDI MATTALATTA**

**STATE GAZETTE OF THE REPUBLIC OF INDONESIA  
YEAR 2009 NUMBER 388**

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