

**THE PROCEDURE OF LICENCING EQUIPMENT FOR THE EXPLOITATION  
OF WOOD AND NON-WOOD FOREST PRODUCTS FROM TIMBER ESTATES  
IN PLANTATION FORESTS**

*(Regulation of the Forestry Minister No. P.45/Menhut-II/2007 dated October 24, 2007)*

THE FORESTRY MINISTER,

Considering:

- a. that pursuant to Article 50 paragraph (3) letters j and k of Law No. 41/1999 on Forestry Affairs, everybody is banned from bringing in heavy-duty equipment commonly used to transport forest products and tools commonly used to fell, cut or split trees in forests without any permit from the authorized official;
- b. that pursuant to Article 71 letter h of Government Regulation No. 6/2007, any holder of forest exploitation business permit must use equipment for the

exploitation of forest products in accordance with the existing provisions;

- c. that in conjunction with the matters above, it is necessary to set the procedure of licencing equipment for the exploitation of wood and non-wood forest products from timber estates in plantation forests by issuing a Ministerial Regulation.

In view of :

- 1. Law No. 5/1990 on the Conservation of Bio Natural Resources and Ecosystem;

2. Law No. 23/1997 (*BN No. 6092 pages 19A-21A and so on*) on the Environmental Management;
3. Law No. 41/1999 (*BN No. 6412 pages 1A-6A and so on*) on Forestry Affairs adj. No. 19/2004;
4. Law No. 32/2004 (BN No. 7183 pages 1A-11A and so on) on Regional Government;
5. Government Regulation No. 35/2002 (*BN No. 6838 pages 2A-10A*) on Reforestation Funds;
6. Government Regulation No. 44/2004 on Forestry Planning;
7. Government Regulation No. 6/2007 (*BN No. 7529 pages 1A-21A and so on*) on the Management of Forests and the Drafting of Plan for the Management of Forests and the Exploitation of Forests;
8. Presidential Decree No. 187/M/2004 (*BN No. 7128 pages 30A-3 1A*) on the Formation of United Indonesia Cabinet adj. No. 31/P/2007;
9. Presidential Regulation No. 9/2005 (*BN No. 7182 pages 2A-23A*) on the Position, Task, Function, Organizational Structure, and Work Mechanism of the State Ministry of the Republic of Indonesia, as has been several times amended the latest by Presidential Regulation No. 90/2006;
10. Presidential Regulation No. 10/2005 on the Organizational Units and Tasks of First Echelon Officials of the State Ministry of the Republic of Indonesia, as has been several times amended the latest by Presidential Regulation No. 17/2007;
11. Regulation of the Forestry Minister No. P.13/Menhut-II/2005 on the Organizational Structure and Work Mechanism of the Forestry Ministry, as has been several times amended the latest by Regulation of the Forestry Ministry No. P.17/Menhut-II/2007;
12. Regulation of the Forestry Minister No. 09/Menhut-II/2007 on the Business Plan and Annual Business Plan for the Exploitation of Wood Forest Products from Timber Estates in Plantation Forests;
13. Regulation of the Forestry Minister No. P.19/Menhut-II/2007 (*BN No. 7734 pages 20A-25A*) on the Procedure of Issuing Licences for and Extending Work Areas of the Exploitation of Wood Forest Products from Timber Estates in Production Forests;

#### DECIDES :

To stipulate:

REGULATION OF THE FORESTRY MINISTER ON THE PROCEDURE OF LICENCING EQUIPMENT FOR THE EXPLOITATION OF WOOD AND NON-WOOD FOREST PRODUCTS FROM TIMBER ESTATES IN PLANTATION FORESTS.

#### CHAPTER I

##### GENERAL PROVISIONS

##### Article 1

Referred to in this Regulation as :

1. Timber estate, hereinafter abbreviated HTI, is plantation forest in production forest which is developed by a group of forestry companies to increase the potential and quality of production forest by applying silviculture to meet forestry industries' needs for raw materials.
2. Business Permit for the Exploitation of Wood Forest Products, hereinafter abbreviated IUPHHK, in plantation forests is a business permit which is issued to exploit wood and/or non-wood forest products from plantation forests in production forests by carrying out activities, ranging from land preparation, seedling, planting, caring, harvesting to marketing.

3. Part of Business Work (BKU) is a business plan which is valid for 1 (one) year at the most and is given to the permit holders who do not have the first business plan for the exploitation of wood forest products (RKUPHHK).
4. The working area of IUPHHK in production forest is the area of production forest set by the Forestry Minister to develop plantation forest as part of efforts to increase the potential and quality of production forest by applying silviculture to meet forestry industries' needs for raw materials.
5. Annual business plan for the exploitation of wood forest products from timber estates, hereinafter abbreviated RKT-UPHHK HTI, is a one-year business plan which constitutes a follow-up to RKUPHHK.
6. Permit to bring in and use equipment is a permit issued by the Director in this case the Director General for any equipment to be used in the working area of IUPHHK-HTI in plantation forest, including the group, type and number of equipment.
7. Director General is the director general who is tasked with and responsible for promoting forestry production.
8. Director is the director who is tasked with and responsible for developing plantation forests.
9. Provincial Office is the office which is tasked with and responsible for developing the forestry sector at a provincial level.
10. Regency/Municipal Office is the office which is tasked with and responsible for developing the forestry sector at a regency/municipal level.
11. Technical Operating Unit (UPT) is the technical operating unit which is seconded and responsible to the Director General.
12. The holder of IUPHHK-HTI in plantation forest, hereinafter referred to as permit holder, is a corporate body set by the Minister to obtain a business permit to exploit forest product in the form of wood from plantation forest in production forest through a series of activities, ranging from land preparation, seedling, planting, caring, harvesting and marketing.

## CHAPTER II

### EQUIPMENT PERMIT

#### Article 2

- (1) The issuance of permits to bring in and use equipment is aimed at controlling the number and types of equipment used in the development of plantation forests.
- (2) Equipment aged 5 years or below is considered new.
- (3) Equipment aged above 5 years is considered old.

#### Article 3

- (1) A permit to bring in and use equipment in the working area of IUPHHK-HTI in plantation forests shall be valid for 5 (five) years and end on December 31 of the fifth year since the date of issuance.
- (2) If during the validity period of the permit as referred to in paragraph (1) the number and types of equipment increase, the permit holder shall apply for a permit to bring in and use the equipment in accordance with this Regulation.

#### Article 4

- (1) The types of equipment as referred to in Article 3 paragraph (2) shall include equipment used for:
  - a. Land preparation or clearing or land cultivation;
  - b. Skidding;

- c. Felling;
  - d. Loading;
  - e. Transporting;
  - f. Supporting; and
  - g. Developing and keeping facilities and infrastructures.
- (2) The basis for the calculation of the number of each type of equipment as referred to in paragraph (1) is contained in Attachment I to this Regulation.
- b. A letter of statement with a stamp duty of at least Rp6,000 (six thousand rupiahs) signed by the board of directors and the permit holder, about the planned volume of activities related to land preparation, planting, harvesting, transport, development and maintenance of facilities and infrastructures.
  - c. A PSDH and/or DR arrears-free certificate issued by the Directorate of Forest Contributions and Forest Product Circulation.

### CHAPTER III

#### THE PROCEDURE OF LICENCING

##### Part One

##### Permit To Bring in and Use Equipment

##### Article 5

- (1) An application for a permit to bring in and use equipment shall be filed by the permit holder to the Director General in this case the Director, with copies addressed to :
- a. The Head of the Provincial Office;
  - b. The Head of the Regency/Municipal Office.
- (2) The format of the application for a permit to bring in and use equipment is contained in Attachment II to this Regulation.

##### Article 6

The application for the permit as referred to in Article 5 shall be accompanied by :

- a. A letter of statement with a stamp duty of at least Rp6,000 (six thousand rupiahs) signed by the permit holder's board of directors, about the productivity or capacity of each of the equipment serving as the basis for the calculation of the optimum need for the equipment.

##### Article 7

- (1) The Director on behalf of the Director General shall set a decision on the granting of permit to bring in and use equipment no later than 21 (twenty-one) after the application has been accepted.
- (2) Copies of the decision as referred to in paragraph (1) shall be addressed to :
- a. The Head of the Provincial Office;
  - b. The Head of the Regency/Municipal Office;
  - c. The Head of UPT;
  - d. The relevant permit holder.

##### Article 8

The permit holder shall put the group of equipment, the number and types of equipment whose permit is still valid in the BKU or RKT-UPHHK Book.

##### Article 9

- (1) The holder of a permit issued by a Regent/Mayor for the exploitation of plantation forest products whose area is located outside forest and IUPHHK is issued by a Governor or Regent, the permit to bring in and use equipment shall be issued by the Governor.

- (2) The procedure of filing applications and the basic standard of calculating the number of each type of equipment as referred to in paragraph (1) shall be set by the Governor.
- (3) Copies of the decision as referred to in paragraph (1) shall be addressed to the Head of the Provincial Office, the Head of the Regency/Municipal Office, the Head of the UPT and the relevant permit holder.

### Part Two

#### The Removal of Equipment

##### Article 10

- (1) The removal of equipment from one working area to another within an IUPHHK-HT shall be reported to the Director General in this case the Director, with copies addressed to the Head of the Provincial Office, the Head of the Regency/Municipal Office and the Head of the UPT.
- (2) The holder of IUPHHK-HT which is to remove equipment to other IUPHHK shall report it to the Director General in this case the Director, with copies addressed to the Head of the Provincial Office, the Head of the Regency/Municipal Office and the Head of the UPT.
- (3) IUPHHK which is to receive equipment from other IUPHHK shall secure a permit to bring in and use the equipment in accordance with this Regulation.

### Part Three

#### The Grounding of Equipment

##### Article 21

- (1) An official report of audit signed by the relevant permit holder's board of directors shall be made for any damaged equipment which is no longer used in the activities of IUPHHK-HT.

- (2) An official report of grounding signed by the board of directors shall be made for the equipment as referred to in paragraph (1) at the end of the year and consequently, the equipment is no longer allowed to be used *in the operational activities of IUPHHK-HTI in plantation forest.*
- (3) If the permit holder applies for the replacement of the damaged equipment as referred to in paragraph (1), the official report of grounding as referred to in paragraph (2) shall be accompanied by an application in accordance with this Regulation.

### CHAPTER IV

#### MONITORING AND EVALUATION

##### Article 12

- (1) The Director General shall monitor and evaluate the entry and use of equipment and the removal and grounding of equipment.
- (2) The monitoring and evaluation as referred to in paragraph (1) can be delegated to the Head of the UPT.

##### Article 13

*Permit holder shall submit a mid-yearly report on the use, removal, and grounding of equipment to the Director General in this case the Director, the Head of the Provincial Office, the Head of the Regency/Municipal Office and the Head of the UPT.*

### CHAPTER V

#### SANCTION

##### Article 14

The holder of IUPHHK-HTI who brings and uses equipment in IUPHHK-HTI without a legal permit shall be subject to sanction pursuant to Law No.41/1999 on Forestry Affairs.

CHAPTER VI  
TRANSITIONAL PROVISIONS

Article 15

With the stipulation of this Regulation,

- a. *Equipment permits issued on the basis of the previous regulation before the issuance of this Ministerial Regulation shall remain valid until the end of the validity period of the permit on December 31, 2007.*
- b. *Unsettled applications for permits to bring in and use equipment shall be processed in accordance with this Ministerial Regulation.*

CHAPTER VII  
CONCLUSION

Article 16

When this Ministerial Regulation takes effect, provisions on HTI equipment contained in Decree of the Forestry Minister No. 428/Kpts-II/2003 on permits on the use of equipment for the exploitation of wood forest product

(IUPHHK) from natural forest and/or plantation forest or the exploitation of wood adj. SK.401/Menhut-II/2004 shall be declared null and void.

Article 17

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

Stipulated in Jakarta

On October 24, 2007

THE FORESTRY MINISTER,

sgd.

H. MS. KABAN

*Editor's note:*

- Attachments are not published for technical reasons.

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