

REGULATION OF THE MINISTER OF ENVIRONMENT AND FORESTRY
OF THE REPUBLIC OF INDONESIA

NUMBER P.21/MENLHK/SETJEN/KUM.1/10/2020

CONCERNING

PERFORMANCE ASSESSMENT OF SUSTAINABLE PRODUCTION FOREST
MANAGEMENT AND TIMBER LEGALITY VERIFICATION TO LICENSE
HOLDERS, MANAGEMENT RIGHTS, PRIVATE FORESTS, OR LICENSE
HOLDERS OF TIMBER FOREST PRODUCTS UTILIZATION

BY THE GRACE OF GOD ALMIGHTY

THE MINISTER OF ENVIRONMENT AND FORESTRY
OF THE REPUBLIC OF INDONESIA

- Considering:
- a. that in order to support the improvement of forest governance and to increase the trade in legal timber, it is necessary to stipulate provisions on performance assessment of sustainable production forest management and verification of timber legality;
 - b. whereas the Regulation of the Minister of Environment and Forestry Number P.30/MENLHK/SETJEN/PHPL.3/ 3/2016 concerning

g Performance Assessment of Sustainable Production Forest Management and Verification of Timber Legality for Permit Holders, Rights Management, or in Private Forest is no longer suitable to current development and legal needs of the community so that it needs to be replaced;

- c. whereas based on the consideration as intended in letter a and letter b, it is necessary to stipulate Regulation of Minister of Environment and Forestry considering Performance Assessment of Sustainable Production Forest Management and Timber Legality Verification to License Holders, Forest Management Rights, Private Forests, or License Holders of Timber Forest Products Utilization;

In view of:

1. Article 17 paragraph (3) the 1945 Constitution of the Republic of Indonesia;
2. Law Number 41 of 1999 concerning Forestry (State Gazette of the Republic of Indonesia of 1999 Number 167, Supplement to the State Gazette of the Republic of Indonesia Number 3888), as amended by Law Number 19 of 2004 concerning Stipulation of Government Regulation in Lieu of Law Number 1 of

- 2004 concerning Forestry as a Law (State Gazette of the Republic of Indonesia of 2004 Number 86, Supplement to the State Gazette of the Republic of Indonesia Number 4412);
3. Law Number 39 of 2008 concerning State Ministry (State Gazette of the Republic of Indonesia of 2008 Number 166, Supplement to the State Gazette of the Republic of Indonesia Number 4916);
 4. Law Number 18 of 2013 concerning Prevention and Eradication of Forest Destruction (State Gazette of the Republic of Indonesia of 2013 Number 130, Supplement to the State Gazette of the Republic of Indonesia Number 5432);
 5. Law Number 3 of 2014 concerning Industry (State Gazette of the Republic of Indonesia of 2014 Number 4, Supplement to State Gazette of the Republic of Indonesia of 2014 Number 5492);
 6. Law Number 7 of 2014 concerning Trade (State Gazette of the Republic of Indonesia of 2014, Supplement to the State Gazette of the Republic of Indonesia Number 5512);
 7. Government Regulation Number 102 of 2000 concerning Nation Standardization (State Gazette of

the Republic of Indonesia of 2000 Number 1999,
Supplement to the State Gazette of the Republic of
Indonesia Number 4020);

8. Government Regulation Number 6 of 2007
concerning Forest Management and Forest
Management Planning as well as Forest Utilization
(State Gazette of the Republic of Indonesia of 2007
Number 22, Supplement to the State Gazette of the
Republic of Indonesia Number 4696), as amended by
the Government Regulation Number 3 of 2008 (State
Gazette of Republic of Indonesia of 2008 Number 16,
Supplement to the State Gazette of the Republic of
Indonesia Number 4814);
9. Presidential Decree Number 21 of 2014 concerning
Agreement on Voluntary Partnership Agreements
between the Republic of Indonesia and the European
Union on Forestry Law Enforcement, Governance,
and Trade in Timber Products to the European Union
(State Gazette of Republic of Indonesia of 2014
Number 51);
10. Presidential Decree Number 92 of 2020 concerning
the Ministry of Environment and Forestry (State

Gazette of the Republic of Indonesia of 2020 Number 209);

11. Regulation of the Minister of Environment and Forestry Number P.18/MENLHK-II/2015 concerning the Organization and Administration of the Ministry of Environment and Forestry (State Gazette of the Republic of Indonesia of 2015 Number 713);
12. Regulation of the Minister of Environment and Forestry Number P.62/MENLHK-SETJEN/2015 concerning Timber Utilization Permit (State Gazette of the Republic of Indonesia of 2016 Number 133);
13. Regulation of the Minister of Environment and Forestry Number P.83/MENLHK/SETJEN/KUM.1/10/2016 concerning Social Forestry (State Gazette of the Republic of Indonesia of 2016 Number 1663);
14. Regulation of the Minister of Environment and Forestry Number P.85/MENLHK/SETJEN/KUM.1/11/2016 concerning Transportation of Cultivated Timber Forest Products Originating from Private Forests (State Gazette of the Republic of Indonesia of 2016 Number 1765) as amended by the Regulation of the

Minister of Environment and Forestry Number
P.48/MENLHK/SETJEN/ KUM.1/8/2017 (State
Gazette of the Republic of Indonesia of 2017 Number
1130);

15. Regulation of the Minister of Environment and
Forestry Number

P.39/MENLHK/SETJEN/KUM.1/6/2017 concerning
Social Forestry in *Perhutani* Working Area (State
Gazette of the Republic of Indonesia of 2017 Number
899);

16. Regulation of the Minister of Environment and
Forestry Number

P.1/MENLHK/SETJEN/KUM.1/1/2019 concerning
Business License of Primary Industry of Timber
Forest Products (State Gazette of the Republic of
Indonesia of 2019 Number 33);

17. Regulation of the Minister of Environment and
Forestry Number

P.66/MENLHK/SETJEN/KUM.1/10/2019
concerning Administration of Timber Forest Products
from Natural Forest (State Gazette of the Republic of
Indonesia of 2019 Number 1488);

18. Regulation of the Minister of Environment and Forestry Number P.67/MENLHK/SETJEN/KUM.1/10/2019 concerning Administration of Timber Forest Products from Plantation Forest in Production Forest (State Gazette of the Republic of Indonesia of 2019 Number 1460);
19. Regulation of the Minister of Environment and Forestry Number P.17/MENLHK/SETJEN/KUM.1/8/2020 concerning *Adat* Forest and Right Forest (State Gazette of the Republic of Indonesia of 2020 Number 1014);
20. Regulation of the Minister of Trade Number 74 of 2020 concerning Export Provisions for Forestry Industry Products (State Gazette of the Republic of Indonesia of 2020 Number 1097);

DECIDES:

To Enact: REGULATION OF THE MINISTER OF ENVIRONMENT AND FORESTRY CONCERNING PERFORMANCE ASSESSMENT OF SUSTAINABLE PRODUCTION FOREST MANAGEMENT AND TIMBER LEGALITY VERIFICATION

TO LICENSE HOLDERS, MANAGEMENT RIGHTS,
PRIVATE FORESTS, OR LICENSE HOLDERS OF TIMBER
FOREST PRODUCTS UTILIZATION.

CHAPTER I
GENERAL PROVISION

Article 1

Referred to in this Ministerial Regulation herein as:

1. Business License for the Utilization of Timber Forest Products in Natural Forest hereinafter referred to as IUPHHK-HA is a license to utilize natural timber from a Production Forest whose activities consist of harvesting or logging, planting, maintaining, securing, and marketing timber forest products.
2. Business License for Utilization of Timber Forest Products in Industrial Plantation Forest hereinafter referred to as IUPHHK-HTI is a granted business license to utilize timber forest products from plantation forest in production forest through land preparation, seeding, planting, maintaining, harvesting, and marketing.
3. Business License of Utilization of Timber Forest Products in Community Plantation Forest hereinafter referred to as IUPHHK-HTR is a business license to utilize forest products in the form of timber and related forest

products in production forest which are granted to community groups or individuals by implementing plant cultivation techniques according to the site to ensure sustainability of forest resources.

4. Business License of Utilization of Community Forest hereinafter referred to as IUPHKm is a granted business license to groups or alliance of local community group to utilize forest in protection forest areas and/or production forest areas.
5. Timber Utilization Permit hereinafter referred to as IPK is a license to log timber and/or collect non-timber forest products as a result from non-forestry permit activities among others from Production Forest areas that can be converted and have been released, from Production Forest areas by exchange forest area mechanism, utilization of forest area with borrow-use permit, and from other use areas that have been granted a designation permit.
6. Business Use Right hereinafter referred to as HGU is right to cultivate the land which is directly controlled by the State, according to Law on Agrarian Principles.
7. Forest Area Borrow-Use Permit hereinafter referred to as IPPKH is a license that granted to use forest areas for development in non-forestry purposes without change function and designation of forest areas.
8. Business License of Primary Industry of Timber Forest Products hereinafter referred to as IUIPHHK is a license to process logs and/or wood chip raw

materials into semi-finished goods or finished goods at a certain location granted to one license holder by an authorized official.

9. Community Timber Processing Industries hereinafter referred to as IPKR is an industry that process community plantation timber/Rights Forest owned by individuals or cooperatives or village-owned enterprises.
10. Industrial Business License hereinafter referred to as IUI is a granted license to everyone to carry out industrial business activities.
11. Village Forest Management Rights hereinafter referred to as HPHD is a management rights in protection forest or production forest areas which granted to village institution.
12. Log Registered Shelter hereinafter referred to as TPT-KB is a place to accommodate logs belonging to companies in forestry or timber sectors.
13. Community Timber Registered Shelter hereinafter referred to as TPK-RT is a place to accommodate cultivated timber products from Rights Forest before being sent to destination whose location is known by the provincial service.
14. Management Rights Holder is a state-owned enterprise in forestry sector which has received delegations in implementing forest management in accordance with the provision of legislation.
15. Rights Forest is a forest located on land that is encumbered with land right.
16. Independent Monitor hereinafter referred to as PI is a civil society, either individuals or institution with an Indonesian legal entity.
17. Export is issued activity of goods from the customs area.

18. Import is activity of entering goods to the customs area.
19. Due diligence is a check on compliance with provisions related to production and/or trade activities of forest products.
20. Performance Assessment Standards and Guidelines for Sustainable Production Forest Management hereinafter referred to as PHPL Performance Assessment Standards and Guidelines are requirements to meet sustainable forest management which consists of standards, criteria, indicators of assessment tools, assessment methods, and assessment guidelines.
21. Timber Legality Verification Standards and Guidelines hereinafter referred to as VLK Standards and Guidelines are requirements to meet the legality of timber/timber products made based on the agreement between forestry parties that contain standards, criteria, indicators, verifiers, verification methods, and assessment norms.
22. Timber Legality Verification System hereinafter referred to as SLVK is a system to ensure the sustainability of forest management and/or timber legality as well as timber traceability through certification of performance assessment of sustainable production forest management, Timber Legality certification and Supplier Declaration of Conformity.
23. Sustainable Production Forest Management Certificate hereinafter referred to as S-PHPL is a certificate issued to the license holder or Management Rights Holder that explain the success of sustainable forest management.

24. Timber Legality Certificate hereinafter referred to as S-LK is a certificate issued to the license holder, Management Rights Holder, Right Forest owner, or legality holder for timber forest products utilization stating that the permit holder, Management Right Holder, Rights Forest owner, or legality holder for timber forest products utilization has met the standard of timber legality.
25. Supplier Declaration of Conformity hereinafter referred to as DKP is a statement of conformity made by suppliers based on evidence of compliance with requirements.
26. Random Inspection is an activity to examine the legality of timber and timber products which carried out at random times by the ministry in charge of government affairs in the field of environment and forestry or a third party appointed by the ministry in charge of government affairs in the field of environment and forestry in order to ensure credibility of DKP.
27. Special Inspection is an activity to examine the legality of timber and timber products if there are concerns that there will be discrepancies and/or untruths in DKP.
28. Auctioned Timber is timber forest products originating from findings, confiscations, and/or spoils that have gone through an auction process which in their transportation is accompanied by document of auction transportation.

29. V-Legal Mark is a mark affixed to timber, timber products, packaging, or transportation document stating that timber and timber products have complied with PHPL standard or VLK standard or DKP provisions.
30. Verified Legal Document hereinafter referred to as V-Legal Document is a document stating that timber products exported other than to the European Union and the United Kingdom as proof of timber legality assurance in accordance with the provision of legislation.
31. Document of Forest Law Enforcement, Government, and Trade License hereinafter referred to as Document of FLEGT License is a document stating that timber products exported to the European Union and the United Kingdom as proof of timber legality assurance in accordance with the provision of legislation.
32. Assessment Body and Independent Verification hereinafter referred to as LPVI is Indonesian legal entity accredited and appointed to undertake performance assessment of sustainable production forest management and/or timber legality verification.
33. Assessment Body of Sustainable Production Forest Management (LPPHPL) is the LPVI that undertake performance assessment of sustainable production forest management.
34. Timber Legality Verification Body hereinafter referred to as LVLK is the LPVI that undertake timber legality verification.
35. The Ministry shall be the ministry in charge of government affairs in the field of environment and forestry.

36. National Accreditation Body hereinafter referred to as KAN is an institution that accredits LPVI.
37. The Minister shall be the minister who conducts government affairs in the field of environment and forestry.
38. The Director General is the Middle High Leaders Official who is in charge of sustainable forest management.

Article 2

- (1) Performance assessment of sustainable production forest management and verification of timber legality shall be carried out through SVLK.
- (2) SVLK as referred to in paragraph (1), includes:
 - a. PHPL Performance Assessment;
 - b. VLK; and
 - c. DKP.
- (3) DKP as referred to in paragraph (2) letter c is carried out through the issuance of a declaration document.

CHAPTER II

ASSESSMENT, VERIFICATION, AND DECLARATION

Part One

Institution, Standard and Guideline

Article 3

- (1) PHPL Performance Assessment and VLK as referred to in Article 2 paragraph (2) letters a and b shall be conducted by LPVI.
- (2) LPVI as referred to in paragraph (1) consist of:
 - a. LPPHPL; and
 - b. LVLK.

Article 4

- (1) LPPHPL as referred to in Article 3 paragraph (2) letter a conducts PHPL performance assessment on IUPHHK-HA holders, IUPHHK-HTI holders and Management Rights holders based on PHPL Performance Assessment Standards and Guidelines.
- (2) LVLK as referred to in Article 3 paragraph (2) letter b performs VLK on Private Forest owners, license holders, Management Right holders, and legality owners for timber forest products utilization based on VLK Standards and Guidelines.

Article 5

The Director General determines:

- a. PHPL Performance Assessment Standards and Guidelines as referred to in Article 4 paragraph (1); and
- b. VLK Standards and Guidelines as referred to in Article 4 paragraph (2).

Part Two

Issuance of Certificate and Surveillance

Article 6

- (1) The result of performance assessment as referred to in Article 4 paragraph (1) shall become the basis for the issuance of S-PHPL.
- (2) IUPHHK-HA holders, IUPHHK-HTI holders, and Management Rights holders should have S-PHPL as referred to in paragraph (1).
- (3) In case IUPHHK-HA holders, IUPHHK-HTI holders and Management Right holders who do not have S-PHPL yet as referred to in paragraph (1), they should have S-LK.
- (4) S-LK as referred to in paragraph (3) is valid for 1 (one) period for 3 (three) years.

Article 7

- (1) The result of the verification as referred to in Article 4 paragraph (2) shall become the basis for the issuance of S-LK.
- (2) S-LK as referred to in paragraph (1) should be owned by:
 - a. Right Forest owner;
 - b. legality owners for timber forest products utilization;
 - c. IUPHKm holder;
 - d. IUPHHK-HTR holder;

- e. HPHD holder;
- f. IUPHHK-HTHR holder;
- g. IPK holder;
- h. IUIPHHK holder;
- i. IPKR holder;
- j. IUI holder;
- k. TPT-KB holder;
- l. TPK-RT holder; and
- m. SIUP holder.

(3) IUIPHHK, IPKR, IUI, TPT-KB, TPK-RT, and SIUP holders as referred to in paragraph (2) letters h to m, should use raw materials that already have S-PHPL, S-LK, or DKP.

Article 8

- (1) S-PHPL or S-LK holders within the certificate validity period are subject to surveillance by LPVI.
- (2) Surveillance as referred to in paragraph (1) is carried out through a field assessment process.
- (3) The result of field assessment process as referred to in paragraph (2) as a sustainable certainty of S-PHPL or S-LK.

Article 9

- (1) IUI holders consist of:

- a. small category IUI;
 - b. medium category IUI; and
 - c. large category IUI.
- (2) IUI categories as referred to in paragraph (1) in accordance with the provision of legislation in the field of industrial.

Part Three

Supplier Declaration of Conformity

Article 10

- (1) Import of forestry products must comply with the principle of legality.
- (2) Principle of legality as referred to in paragraph (1) is carried out through Due Diligence.
- (3) Due Diligence as referred to in paragraph (1) for:
- a. legality of products from country of origin and country of harvest; and
 - b. prevent import of illegal products.
- (4) The result of Due Diligence as referred to in paragraph (2) shall become the basis for the issuance of DKP by business sectors.
- (5) The procedure of Due Diligence and the issuance of DKP shall be stipulated by the Director General.

Article 11

- (1) DKP may be issued by license holder or cultivated timber owner in Rights Forest areal that do not have S-LK yet.
- (2) License holders who can issue DKP as referred to in paragraph (1) consist of:
 - a. IUPHKm holder;
 - b. IUPHHK-HTR holder;
 - c. HPHD holder;
 - d. TPK-RT holder;
 - e. TPT-KB holder;
 - f. IUIPHHK holder with production capacity < 6.000 m³ (less than six thousand cubic meters) per year; and
 - g. small and medium categories IUI holders.
- (3) TPK-RT, TPT-KB, IUIPHHK with production capacity < 6.000 m³ (less than six thousand cubic meters) per year, and small and medium categories IUI holders as referred to in paragraph (2) letters d to g may be issued DKP if they use raw materials that come entirely from:
 - a. cultivated timber; and/or
 - b. Management Rights timber that is not included in the Convention on International Trade in Endangered Species (CITES) list.

Article 12

- (1) Transportation document issued by cultivated timber owner in Rights Forest or IUPHKm, IUPHHK-HTR, HPHD, TPK-RT, TPT-KB, IUIPHHK, small and

medium categories IUI holders as referred to in Article 11 paragraph (2) applies and is attached as DKP.

- (2) The validity period of DKP as referred to in paragraph (1) is adjusted to the validity period of the transportation document used.

Article 13

- (1) IUIPHHK, IUI, TPK-RT and SIUP holders who used timber/timber products with completeness in the DKP, are obligated to ensure the legality of the timber/timber products used by examining the owners or holders as referred to in Article 11 paragraph (2).
- (2) IUIPHHK with production capacity $\geq 6.000 \text{ m}^3$ (more than or equal to six thousand cubic meters) per year, middle and large categories IUI, are obligated to facilitate owners or holders in:
- a. obtaining S-LK; or
 - b. DKP issuance.

Article 14

- (1) Ministry, regional government, and/or LVLK that are appointed by the Ministry can undertake Random Inspection to the Rights Forest owner or license holder that issued DKP.
- (3) In case Rights Forest owner or license holder that issued DKP as referred to in paragraph (2) does not in accordance with the guidelines for the issuance of DKP, it is carried out:

- a. Special Inspection by the Ministry; or
- b. special audit by LVLK appointed by the Ministry and at the expense of the Ministry.

Article 15

The procedure for issuing and checking DKP as referred to in Article 11 paragraph (2) shall be stipulated by the Director General.

Part Four

Product Stock Certification

Article 16

- (1) In case that the small category IUI and middle category IUI do not have S-LK and all raw material use cultivated timber, they can export forestry products after going through a certification.
- (2) Certification as referred to in paragraph (1) uses VLK Standards and Guidelines for IUI holder relating to product stock.
- (3) Product stock certification as referred to in paragraph (2) is valid 1 (one) time for the entire existing stock until it runs out.
- (4) In case that the entire stock as referred to in paragraph (3) has been run out, it should have S-LK.

(5) The certification as referred to in paragraph (2) and paragraph (3) can be financed by the Ministry or regional government.

Part Five

Group and Multisite Verifications

Article 17

Timber legality verification in group can be submitted by:

- a. Rights Forest owner;
- b. IUPHHK-HTR holder;
- c. IUPHkm holder;
- d. HPHD holder;
- e. IUIPHHK holder with production capacity < 6.000 m³ (less than six thousand cubic meters) per year; and
- f. small and medium categories IUI holders.

Article 18

(1) Right Forest owner, Management Rights holder, or license holder may apply for multisite certification.

(2) Multisite certification as referred to in paragraph (1) shall be stipulated by Director General.

Part Six

Verified Legal Document and Forest Law Enforcement, Government, and Trade

License Documents

Article 19

- (1) Export of forestry industry products are obligated to use V-Legal/FLEGT License Documents issued by LVLK.
- (2) LVLK is required to report V-Legal/FLEGT License Documents that have been issued as referred to in paragraph (1) every year no later than the 28th of February of the following year to:
 - a. the Ministry through the page <http://silk.menlhk.go.id>;
 - b. the Ministry in charge of government affairs in the field of industrial; and
 - c. the Ministry in charge of government affairs in the field of trade.
- (3) In case LVLK does not carry out the obligation as referred to in paragraph (2), it is subject to administrative sanction in accordance with the provisions of the legislation.
- (4) The guidelines for the issuance of V-Legal/FLEGT License Documents as referred to in paragraph (1) shall be stipulated by the Director General.
- (5) The cost of issuing V-Legal/FLEGT License Documents for small and medium categories IUI using cultivated timber can be financed by the Ministry or regional government.

Article 20

For auctioned timber and timber products whose raw materials come from auctioned timber, V-Legal Document cannot be issued.

Part Seven

Accreditation and Appointment of Assessment Body and Independent Verification

Article 21

- (1) LPVI accreditation is carried out by KAN.
- (2) Accreditation as referred to in paragraph (1) is carried out by applying to KAN.
- (3) Based on the KAN accreditation as referred to in paragraph (2) the Director General on behalf of the Minister shall appoint LPVI.
- (4) Based on the determination of the LPVI as referred to in paragraph (3) the Director General on behalf of the Minister shall appoint LVLK as the Issuer of V-Legal/FLEGT License Documents.

Article 22

- (1) If there is evidence that LPVI in the process of issuing S-PHPL or S-LK not in accordance with provision of PHPL Performance Assessment Standards and Guidelines or VLK Standards and Guidelines, the Director General on behalf of the Minister shall impose administrative sanction.
- (2) Administrative sanction as referred to in paragraph (1) are in the form of:

- a. freezing of LPVI status; or
 - b. revocation of LPVI status.
- (3) In the case of actions that are not in accordance with the provisions of legislations as referred to in paragraph (1) outside the administrative sanctions, sanctions are imposed in accordance with the provision of legislations.
- (4) The procedure for freezing or revocation as referred to in paragraph (1) shall be stipulated by the Director General.

Part Eight

Financing for Performance Assessment and Timber Legality Verification

Article 23

- (1) PHPL Performance Assessment or VLK by LPVI on:
- a. Rights Forest owner;
 - b. license holder;
 - c. legality holder for timber forest products utilization;
- can be financed by the Rights Forest owner, license holder, or Management Rights holder.
- (2) The assignment of PHPL Performance Assessment or VLK by LPVI to IUPHHK-HA, IUPHHK-HTI, or Management Rights holders is appointed by the Director or Director General.

- (3) The financing of VLK and surveillance by LVLK can be charged to the Ministry or regional government for:
- a. group of Rights Forest owners;
 - b. TPK-RT holder;
 - c. IUPHHK-HTR holder;
 - d. IUPHKm holder;
 - e. HPHD holder;
 - f. IUIPHHK holder with production capacity < 6.000 m³ (less than six thousand cubic meters) per year; and
 - g. small and medium categories IUI holders.

Part Nine

Objection

Article 24

- (1) The decision on the results of performance assessment or the result of verification shall be submitted to the Rights Forest owner, license holders, or Management Rights holder.
- (2) If Rights Forest owner, license holder, or Management Rights holder as referred to in paragraph (1) object the decision in the results of performance assessment or the result of verification, they may file an appeal to the LPVI.

- (3) Regional government, PI, Rights Forest owner, license holder, or Management Rights holder may file a complaint to the KAN on LPVI's performance to obtain a settlement.
- (4) The procedures for filing objection and settling appeal as referred to in paragraph (2) and the procedures for filing and settling complaints as referred to in paragraph (3) shall be stipulated by the Director General.

Part Ten

Issuance and Validity of Certificate

Article 25

- (1) Based on the results of the PHPL Performance Assessment or VLK, LPVI issues S-PHPL or S-LK to the Rights Forest owner, license holder, or Management Rights holder, and report to the Director General.
- (2) If Rights Forest owner or license holder are conducted VLK as a group, S-LK can be issued on behalf of the group or S-LK can be issued to each group member.
- (3) S-PHPL or S-LK as referred to in paragraph (1) are used as guidance materials by the Director General.
- (4) S-PHPL as referred to in paragraph (1) may be used for the extension of IUPHHK.

Article 26

- (1) LPVI issues S-PHPL or S-LK for the Rights Forest owner, license holder, or Management Rights holder who have met the PHPL Performance Assessment or VLK.

(2) In case PHPL Performance Assessment or VLK do not meet, the Rights Forest owner, license holder, or Management Rights holder should resolve the finding of non-conformity.

Article 27

- (1) LPVI submits a report on the results of PHPL performance assessment or VLK to the Ministry, Rights Forest owner, license holder, and Management Rights holder,
- (2) LPVI publishes a resume of PHPL performance assessment or VLK on the relevant LPVI website and the Ministry's website (<http://silk.menlhk.go.id>).
- (3) Information management of PHPL performance assessment and VLK is carried out by the SVLK Licensing Information Unit through a timber legality system located at the Directorate General.

Article 28

- (1) S-PHPL as referred to in Article 25 paragraph (1) contains at least:
 - a. the name of license holder or management right holder;
 - b. area;
 - c. location;
 - d. decision number of right/license/ownerships right;
 - e. LPVI company name;
 - f. publication date;
 - g. validity period;
 - h. scope of certification; and

- i. certification identification number.
- (2) S-LK as referred to in Article 25 paragraph (1) contains at least:
 - a. the name of rights holder, license holder, or Rights Forest owner;
 - b. area or license capacity;
 - c. location;
 - d. decision number of right or license;
 - e. LPVI company name;
 - f. publication date;
 - g. validity period and certification identification number;
 - h. scope of certification; and
 - i. legality standard reference.
- (3) Rights Forest owner, license holder, or Management Rights holder who have obtained S-PHPL or S-LK, are required to affix the V-Legal Mark.
- (4) The guidelines for the use of V-Legal Mark shall be stipulated by the Director General.

Article 29

- (1) S-PHPL validity period and surveillance implementation as referred to in Article 6 paragraph (1) and paragraph (2), and Article 8 are as follows:
 - a. S-PHPL for IUPHHK-HA, IUPHHK-HTI and Management Rights holders are valid for 6 (six) year from the date of issuance and surveillance is carried out 1 (one) time every 12 (twelve) months;
 - b. In case IUPHHK-HA holder as referred to in letter a, obtains S-PHPL with a GOOD predicate and has implemented RIL (Reduce Impact Logging), RIL-C

(Reduce Impact Logging-Carbon), or SILIN (Intensive Silviculture), surveillance is carried out 1 (one) time every 24 (twenty-four) months; and

- c. In case IUPPHK-HTI as referred to in letter a, obtains S-PHPL with a GOOD predicate and has implemented peat dome management, surveillance is carried out 1 (one) time every 24 (twenty-four) months.

(2) S-LK validity period and surveillance implementation as referred to in Article 6 paragraph (3), Article 7, and Article 8 are as follows:

- a. S-LK for IUPHHK-HA, IUPHHK-HTI and Management Rights holders are valid for 3 (three) years from the date of issuance and surveillance is carried out 1 (one) time every 12 (twelve) months;
- b. S-LK for IUPHHK-HTR, IUPHKm, and HPHD holders are valid for 6 (six) years from the date of issuance and surveillance is carried out 1 (one) time every 24 (twenty-four) months;
- c. S-LK for IPK holder is valid for 1 (one) year from the issuance, and surveillance is carried out at least 6 (six) months before the certificate period expires;
- d. S-LK for IUIPHHK and IUI holders whose raw material sources are from natural forest or Management Rights and are included in the list of Convention on International Trade in Endangered Species (CITES) are valid for 6 (six) years from the issuance and surveillance is carried out 1 (one) time every 12 (twelve) months;
- e. S-LK for IUIPHHK and IUI holders whose raw materials are all from IUPHHK-HTI are valid for 6 (six) years from the issuance and surveillance is carried out 1 (one) time every 24 (twenty-four) months;

- f. S-LK for IUIPHHK and IUI holders whose raw materials are all from cultivated timber in Rights Forest, or Management Rights areas and not included in the list of Convention on International Trade in Endangered Species (CITES), are valid for 6 (six) years from the issuance and surveillance is carried out 1 (one) time every 36 (thirty-six) months;
- g. S-LK for group and/or owner of cultivated timber in Rights Forest area whose transportation using a transportation note are valid for 9 (nine) years after the issuance and surveillance is carried out 1 (one) time every 36 (thirty-six) months;
- h. S-LK for TPT-KB holder is valid for 6 (six) years after the issuance and surveillance is carried out 1 (one) time every 12 (twelve) months;
- i. S-LK for TPK-RT is valid for 9 (nine) years after the issuance and surveillance is carried out 1 (one) time every 36 (thirty-six) months; and
- j. S-LK for SIUP holder is valid for 3 (three) years and surveillance is carried out 1 (one) time every 12 (twelve) months.

CHAPTER III

MONITORING

Part One

General

Article 30

(1) SVLK as referred to in Article 2 is monitored by PI.

(2) PI as referred to in paragraph (1) which has concern in the forestry field must meet the following criteria:

- a. Indonesian citizen residing in or around the area where the Rights Forest owner, license holder, or Management Rights holder is located/operates;
or
- b. Non-Governmental Organization (NGOs) that have concern in forestry with Indonesian legal entities.

Article 31

(1) Monitoring is carried out as a form of supervision of public services in the forestry field.

(2) Supervision as referred to in paragraph (1) includes:

- a. LPVI accreditation;
- b. assessment and issuance S-PHPL, S-LK, DKP;
- c. complaint handling;
- d. due diligence;
- e. V-Legal/FLEGT License documents; and/or
- f. Affixing the V-Legal Mark.

Article 32

SLVK monitoring as referred to in Article 31 is carried out as a form of maintaining accountability, credibility, and integrity.

Part Two

Rights and Obligations of Independent Supervisor

Article 33

In carrying out supervision duties, PI has the right to:

- a. obtain data and information on the process as referred to in Article 31 paragraph (2) from the parties that directly involved;
- b. obtain protection in conducting supervision; and
- c. has access to the supervision location.

Article 34

In carrying out supervision duties, PI is obliged to:

- a. show proof of identity or affiliation with the supervision network institution in case the PI enters a certain location to the supervision duty; and
- b. make a statement containing confidentiality to maintain, protect, and keep the records, documents, and information on supervision results.

Part Three

Security

Article 35

Protection as referred to in Article 33 letter b is carried out in accordance with the provision of legislation.

Part Four

Financing

Article 36

- (1) The Ministry and regional government may provide funds for PI to support SVLK monitoring activities.
- (2) The funds as referred to in paragraph (1) shall be implemented in accordance with the provision on the use and reporting of state finances.

CHAPTER IV

CAPACITY STRENGTHENING

Article 37

Technical skills assistance or financing to strengthen the capacity and institution of Rights Forest owner, IUIPHHK with production capacity < 6.000 m³ (less than six thousand cubic meters) per year, small category IUI, medium category IUI, LPVI, and PI, can be conducted by the Ministry and regional government, or third parties.

CHAPTER V

TRANSITIONAL PROVISION

Article 38

When this Ministerial Regulation begins to take effect:

- a. S-PHPL and S-LK that have been issued prior to the issuance of this Ministerial Regulation shall remain valid.
- b. the validity period and scope of the certification as referred to in letter a shall be adjusted to the provisions of this Ministerial Regulation by conducting surveillance or re-certification.
- c. certification or surveillance that is in process prior to the issuance of this Ministerial Regulation, will continue to be processed and adjusted to the provisions of this Ministerial Regulation.

CHAPTER VI

CLOSING PROVISION

Article 39

At the time of the effectiveness of this Ministerial Regulation, the Regulation of the Minister of Environment and Forestry Number P.30/MENLHK/SETJEN/PHPL.3/ 3/2016 concerning Performance Assessment of Sustainable Production Forest Management and Verification of Timber Legality for Permit Holders, Rights Management, or in Private Forest (State Gazette of the Republic of Indonesia of 2016 Number 368), shall be revoked and declared no longer effective.

Article 40

This Ministerial Regulation shall come into force 30 (thirty) calendar days from the date of promulgation.

For public cognizance, hereby ordering the promulgation of this Ministerial Regulation by publish it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta
dated October 21, 2020

MINISTER OF ENVIRONMENT AND
FORESTRY OF THE REPUBLIC OF
INDONESIA,

signed

SITI NURBAYA

Promulgated in Jakarta
dated November 2, 2020

DIRECTOR GENERAL OF LEGISLATION

MINISTRY OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

signed

WIDODO EKATJAHJANA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2020 NUMBER 1261

Issued as a true copy

HEAD OF LEGAL BUREAU (ACTING)

signed

MAMAN KUSNANDAR