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<th>Applicable Laws</th>
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| Forest                | Legal Right to Harvest | All Forest managers and harvesting companies including community owned operations | Confirm that the company is able to demonstrate it holds:  
  • Authorization permit  
  • SK PKH (forest area quotation decree)  
  • HPH and IUPHHK-HA, for natural forest;  
  • HPHTI and IUPHHK-HT, for plantations forest.  
  • Private land owners shall hold a valid Sertifikasi Tanah (land certificate) | There should be clear, documented and unchallenged legal registration of the forest management unit with authorization for specific activities.  
  **HP**: Hutan Produksi (Permanent Production Forest)  
  **HPHTI**: Hak Pengusahaan Hutan Tanaman Industri (Industrial Forest Plantation Permit)  
  **HPH**: Hak Pengusahaan Hutan (Natural Forest Management Permit)  
  **HT**: Hutan Tanaman (planted forest)  
  **HTI**: Hutan Tanaman Industri (Industrial Plantation Forest)  
  **IUPHHK**: Izin Usaha Pemanfaatan Hasil Hutan Kayu (Forest Timber Product Exploitation Permit)  
  **IPK**: Izin Pemanfaatan Kayu (Land Conversion Permit) |
| Forest                | Legal Right to Harvest | All privately owned or State owned Forest managers and harvesting companies, including timber from forest conversion areas | Confirm that the company holds a valid permit, license or similar instrument. The company should hold one of the following harvesting permits (as applicable):  
  For natural forest management and plantations an Annual Work Plan (RKT/work chart) has been legally approved by relevant authorized official and demonstrated on the ground and a LHC (pre-harvest inventory) and tree map has been authorized by the Forest Service. Where wood is harvested on private land the owner shall hold a valid IPK. | The company must have authorization to harvest in the forest management unit.  
  **RKT**: Rencana Kerja Tahunan (Annual Work Plan)  
  **IPK**: Izin Pemanfaatan Kayu (Land Conversion Permit) |
| Forest                | Legal Right to Harvest | Forest management company / harvesting company | Confirm that in cases of community forest operations:  
  • Business license document for community-based forest management on state forests.  
  • Payment evidence of Land and Building tax (PBB)  
  • Document of community’s agreement regarding forest management by community institution (including traditional law community institution). | In the case of community forest operations managing state forest land the company (community) must possess a license to manage state forest. |
<p>| Forest                | Legal Right to Harvest | Community owned forests | Confirm that the company’s / community’s harvesting activities correspond to the legal land use classification for the forest management unit. | Evidence shall exist that the forest management area is legally classified for the type of land-use or commercial activities conducted. |</p>
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| Forest              | Legal Right to Harvest | All privately owned or State owned Forest managers and harvesting companies | Confirm that the company holds:  
- An approved forest management plan.  
- A current, approved operating or harvest plan shall exist.  
- Annual Work Plan (RKT) that has been formally approved by the appropriate government authority.  
- Authorized Buku Ukur (BU) and LHP  
- Permission to harvest a CITES-listed species shall be documented.  
- The management unit has obtained the AMDAL documents which have been approved legally according to applicable regulations, covering all work area.  
- The harvested volume is within the limits authorized in the annual production target (JPT) | A forest management plan must be approved by the relevant authorities with annual authorizations and associated documentation.  
LHP: Laporan Hasil Produksi (production report)  
AMDAL: Analisis Mengenai Dampak Lingkungan (EIA and mitigation plan)  
JPT: Jatah Produksi Tahunan (annual production target) |
| Forest              | Payment of Taxes and Royalties | All Forest managers and harvesting companies including community owned operations | Confirm that the company holds the following:  
- Valid business license  
- Tax registration documents | The company must have a tax registration number/forms and valid business license to operate within the jurisdiction. |
| Forest              | Payment of Taxes and Royalties | All Forest managers and harvesting companies including community owned operations | Confirm that the company has proof of full payments of:  
- Reforestation Fund (DR)  
- Forest Resource Royalties (PSDH). | The forest management enterprise must regularly fulfill all obligatory tax; fee and/or royalty payments associated with maintaining the legal right to harvest and permitted harvesting volumes.  
DR: Dana Reboisasi (Reforestation Fund)  
PSDH: Pajak Sumber Daya Hutan (Forest Resource Royalties) |
| Transport           | Legality of Possession and Transport | Transporters | Confirm that the company has, when transporting logs from within the forest area (concession) to outside the forest:  
- SKSKB  
- FA-KB  

The company’s logs must have permanent physical markings containing adequate information to trace them back to the harvest block.  

The company must have records of wood transportation to outside log ponds (including SKSKB files/archives and DHH for natural forest); transportation invoice for plantation forest. | The forest management enterprise must have procedures and practices that provide effective control of forest products from standing timber until ownership is transferred at the forest gate.  
If the log pond or TPk is inside the concession boundary, only DP documentation is required.  
If the log pond or TPk is outside the concession boundary, a SKSKB document is required.  
SKSKB: Surat Keterangan Sah Kayu Bulat (Transporting Document for Round Logs)  
FA-KB: Faktur Angkutan Kayu Bulat (Invoice for Transporting Round Logs)  
DHH: Daftar Hasil Hutan (Forest Product list) |
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<td>Processing</td>
<td>Legality of Processing</td>
<td>Processors</td>
<td>Confirm that the company holds the following:  • Valid business license  • Tax registration documents</td>
<td>The company must have a tax registration number / forms and valid business license to operate within the jurisdiction. Approval for wood processing industries with a monthly output capacity of 6,000 m³ or less can be issued by local government. For wood processing industries with a monthly output capacity of more than 6,000 m³, approval must be obtained from the Ministry of Forests.</td>
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<tr>
<td>Processing</td>
<td>Payment of Fees and Royalties</td>
<td>Processors</td>
<td>Confirm that the company has paid all relevant taxes and fees associated with its licensed activities.</td>
<td>The processing enterprise must regularly fulfill all obligatory tax; fee and/or royalty payments associated with timber processing activities.</td>
</tr>
<tr>
<td>Export</td>
<td>Legality of Sale and Export</td>
<td>Exporters</td>
<td>Confirm that the company holds the following:  • Valid business license  • Tax registration documents</td>
<td>The company must have a tax registration number / forms and valid business license to operate within the jurisdiction.</td>
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<td>Export</td>
<td>Legality of Sale and Export</td>
<td>Exporters</td>
<td>Confirm that the company can supply the following:  • Bill of Lading  • Certificate of Origin issued by the Forestry Department  • Packing lists for the sawn timber  • Chain of Custody records indicating which logs were used to produce the timber  • SKSKB files  • DHH (for natural forest)  • Transportation invoice (for plantation forest).  • CITES species export licence (for CITES species)</td>
<td>The company must possess all required documents for the export or import of timber products according to official regulations. General: All log exports from Indonesia are banned; therefore, any logs identified as Indonesian, outside of Indonesia, have been illegally obtained. Ministry of Forestry and Ministry of Trade and Industry joint decree no. 350/Menhut-VI/2004 &amp; 598/MPP/Kep/9/2004, 24 September 2004, states that exports of sawn timber for all species are banned from this date. The decree has been issued to protect domestic wood processing industries.</td>
</tr>
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<td>Export</td>
<td>Legality of Sale and Export</td>
<td>Exporters</td>
<td>Confirm that the company holds a valid export licence.</td>
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This document is for educational and informational purposes only and is not intended and should not be construed as legal advice. Persons seeking legal advice on compliance with the Lacey Act or any other law, regulation, or requirement should consult with a qualified legal professional.