



# Annex

# CertiSource Legality

# Standard for Indonesia

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Table 1 Document Summary

<b>CertiSource Legality Standard for Indonesia</b>	
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# Contents

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Contents .....	1
1 Introduction.....	2
2 Standard Development .....	3
2.1 Version Numbering .....	3
2.2 Standard Development .....	4
3 Acronyms and Definitions .....	6
3 References and Related Documents.....	14

# 1 Introduction

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This annex is intended as a key supplement to the CertiSource Legality Standard for Indonesia.

Separated from the main body of the Standard compliance requirements allows relevant supporting and supplementary information to be added and indicated, and/or amended, without altering the main compliance document directly.

## 2 Standard Development

### 2.1 Version Numbering

The CertiSource Standard version numbering system reflects major or minor changes made as the document is developed.

#### **Major Amendments:**

Major and substantive changes to the CertiSource Standard will require stakeholder consultation and be carried out in accordance with CertiSource Policy 03: Setting, Reviewing and Revising Legality Standards.

Major amendments to the document are reflected by incrementing the whole number by 1.

#### **Minor Amendments:**

Minor changes will not impact on the fundamental requirements of the CertiSource Standard, and would not normally require public consultation.

These types of changes include for example spelling corrections, branding and general formatting, and contact detail changes. Minor changes might also include amendments aimed at making the Standard more streamlined and easier to use. For instance, reordering of indicators or combining elements where repetition has been noted are minor changes.

In addition, where Indonesian law amends or introduces a requirement of timber legality this will not generally be subject to consultation given its compulsory legal foundation.

Minor amendments to the document are reflected by incrementing the decimal number by .1

Major changes indicated by whole numbers.

Document Version 4.0 (fourth approved version)

Document Version 5.0 (fifth approved version)

Minor changes indicated by increasing the decimal figure.

Document Version 4.4 (fourth minor amendment(s) of fourth approved version)

## 2.2 Standard Development

### (i) Principles and Criterion<sup>1</sup>

The CertiSource Legality Standard for Indonesia comprises 11 principles with associated criterion.

The first 9 principles and set of criterion are applicable to all entities in a timber supply chain:

Principle 1	Legal Registration, Transport and Trade
Principle 2	Payment of Fees and Taxes
Principle 3	Quality System
Principle 4	Material Segregation
Principle 5	Processing
Principle 6	Transfer, Export and Sales
Principle 7	Claims and Public Information
Principle 8	Fulfilment of Social Regulations
Principle 9	Fulfilment of Environmental Regulations

The final principles and criterion are specific to forest concessions:

Principle 10	Legal Right to Harvest
Principle 11	Approved Planning Authorisation and Operations

### (ii) *Indonesia Forestry Minister's Regulation No. 38/2009: Standard and Guidelines on Performance Evaluation of Sustainable Forest Management and Timber Legality Verification for License Holders or Private Forests*

Where applicable CertiSource adopts and adapts the officially approved Indonesian standards of timber legality as core indicators and system of verification within the CertiSource Standard. The Indonesian standards are known as "Sistem Verifikasi Legalitas Kayu" (SVLK), also known as Timber Legality Assurance System (TLAS).

The Indonesian legality standards underwent extensive stakeholder consultation and field-testing. Numerous workshops and meetings were conducted, and inputs by NGOs and indigenous peoples' representatives, the private sector and academics were incorporated.

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<sup>1</sup> Historically one of the key documents in the creation of the earlier v4.00 of the "CertiSource Legality Standard for Indonesia" were the Smartwood Generic Standard for Verification of Legal Compliance (VLC). Formal permission for CertiSource to use the Smartwood copyrighted Generic Standard(s) in the creation of v4.00 was at the time granted by the Rainforest Alliance/Smartwood, and consequently, up until v4.03, formally acknowledged by CertiSource.

However, as the CertiSource Standard developed through subsequent versions the relation to the Smartwood generic standard became increasingly diluted with a more distinct and unique CertiSource 'product' emerging. Whilst the Rainforest Alliance/Smartwood recognised these developments, and agreed that any acknowledgment to their generic standard was no longer applicable, CertiSource still appreciates the important contribution of the Smartwood standard in the development of our earlier work.

The standards were formally approved by the Government in July 2009 with implementation starting in September 2009. In June and July 2014 the Indonesian Ministry of Forestry and the Director General Forestry Enterprises made some revisions to their own SVLK standards<sup>2</sup>.

The current CertiSource Standard has been revised to accommodate these revisions where applicable.

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<sup>2</sup> The most recent regulations are Permenhut P.43/2014 and Perdirjen BUK P.5/2014. The previous versions/revisions (Permenhut P.38/Menhut-II/2009 jo Permenhut P.68/Menhut-II/2011 jis Permenhut P.45/Menhut-II/2012 jis Permenhut P.42/Menhut-II/2013 and Perdirjen BUK P.8/VI-BPPHH/2012) are no longer valid.

### 3 Acronyms and Definitions

<b>Name</b>	<b>Definition/English Translation</b>
<i>AMDAL</i>	Analisis Mengenai Dampak Lingkungan. Environmental Impact Analysis.
<i>ANDAL</i>	Analisis Dampak Lingkungan Hidup. Environmental Impact Report.
<i>Akte Pendirian</i>	Establishment Deed.
<i>AWP</i>	Annual Work Plan.
<i>Backtrack</i>	An audit process that ensures traceability of a batch of export/sales products back to the concession/stump, through all stages of production.
<i>Bagan Kerja</i>	Work Plan (see also RKT).
<i>BATB</i>	Berita Acara Tata Batas. Forest Delineation Process Document.  The process to determine the status and forest boundaries of local user rights and resolving any conflict in a participatory manner.
<i>Batch</i>	A known volume of timber ready for export/sales.
<i>B/L</i>	Bill of Lading.
<i>BU</i>	Buku Ukur. Log Measuring List.
<i>CITES</i>	The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
<i>CLAS</i>	CertiSource Legality Assessment System.  The CertiSource legality standard and related documents.
<i>DKB</i>	Daftar Kayu Bulat. Round Wood List.  The document that contains the identity and dimension/sizes of round wood as a basis for the issuance and the attachment SKSKB/FAKB.



<i>DP</i>	Daftar Pengangkutan. Log transportation document from log landing to log yard.
<i>DPLH</i>	Dokumen Pengelolaan Lingkungan Hidup. An Environmental Management Document.
<i>DPPL</i>	Dokumen Pengelolaan dan Pemantauan Lingkungan Hidup. Environment Management and Monitoring Document.
<i>DR</i>	Dana Reboisasi. Reforestation Fund.
<i>EIA</i>	Environmental Impact Assessment. This comprises a number of documents and processes including: <ul style="list-style-type: none"> <li>• AMDAL</li> <li>• ANDAL</li> <li>• DPPL</li> <li>• KA</li> <li>• RKL</li> <li>• RPL</li> <li>• UKL-UPL</li> </ul> <p><i>Note on Environmental Document Requirements:</i> There are some business activities that do not require an AMDAL etc, and their environmental requirements will be covered by a UKL-UPL or another form of environmental management document such as a DPPL.</p>
<i>Enterprise</i>	In the context of this Standard an enterprise can be any business unit (or individual) involved in the supply chain. Examples include a concession management unit, a sawmill and a trader.
<i>ETPIK</i>	Eksportir Terdaftar Produk Industri Kehutanan. Registered Exporter for Forest Products.
<i>FAKB</i>	Faktur Angkutan Kayu Bulat. Round Wood Transport Document.
<i>FAKO</i>	Faktur Angkutan Kayu Olahan. Processed Wood Transport Document.
<i>FME</i>	Forest Management Enterprise.
<i>IHMB</i>	Inventarisasi Hutan Menyeluruh Berkala. Periodic Comprehensive Forest Inventory.
<i>IIUPHHK</i>	Iuran Izin Usaha Pemanfaatan Hasil Hutan Kayu. Fee for Timber Forest Product Utilisation License.

<i>IPKH</i>	Industri Pengolahan Kayu Hulu. Upstream Wood Processing Industry.
<i>IUCN</i>	International Union for Conservation of Nature.
<i>IUI</i>	Izin Usaha Industri. Industrial Business License.
<i>IUPHHK</i>	Izin Usaha Pemanfaatan Hasil Hutan Kayu. Forest Timber Product Exploitation Permit.  The business permit issued for timber related activities such as harvesting or logging, enrichment, maintenance and marketing. There are different suffixes depending on the type of forest (e.g. natural, industrial).  Suffixes: <ul style="list-style-type: none"><li>• IUPHHK-HA – Natural Forest</li><li>• IUPHHK-HT – Industrial Plantation Forest</li><li>• IUPHHK-HP – Permanent Production Forest</li><li>• IUPHHK RE - Ecosystem Restoration</li></ul>
<i>JPT</i>	Jatah Produksi Tahunan. Annual production allotment.
<i>KA</i>	Kerangka Acuan.  This is a framework reference to provide the scope and depth of the ANDAL study and also to make the study more effective and efficient in terms of available costs, labour and time. KA also functions as a reference for the AMDAL and also as a reference for those who evaluate the ANDAL study.
<i>KB</i>	Kayu Bulat. Round wood.
<i>KBK</i>	Kayu Bulat Kecil. Small round wood.
<i>KKB</i>	Kesepakatan Kerja Bersama. Mutual Work Agreement.
<i>LEI</i>	Lembaga Ecolabel Indonesia. Indonesian Ecolabeling Institute.  The Indonesian Ecolabeling Institute leads and facilitates the process of developing the timber legality standard for Indonesia.

<i>LHC</i>	Laporan Hasil Cruising. Cruising Report.
	The resulting report of a survey done one year before felling. This report is based on the felling blocks, and records the number of trees and tree species and estimated volume in felling blocks.
<i>LHP</i>	Laporan Hasil Produksi. Production Report.
	A document that contains information on tree felling realisation in the form of KB/KBK from the designated felling compartment/block.
<i>LMKB</i>	Laporan Mutasi Kayu Bulat. Round wood mutation report.
<i>Nota Angkutan</i>	This is a form of transportation document for certain species of timber mainly from private forests.
<i>NPWP</i>	Nomor Pokok Wajib Pajak. Tax identity number.
<i>P3K</i>	Pertolongan Pertama Pada Kecelakaan. First Aid Kit.
<i>P2K3</i>	Panitia Pembina Keselamatan dan Kesehatan Kerja. Advisory Committee on Occupational Health and Safety.
<i>P2LHP</i>	Petugas Pengesah Laporan Hasil Produksi. (see LHP above).
<i>P7</i>	Protective plan.
<i>PE</i>	Pungutan Ekspor. Export Levy Charges.
<i>PEB</i>	Pemberitahuan Ekspor Barang. Commodity Export Declaration.
<i>Petak</i>	Logging block (usually 100 ha) used for inventory, planning, and operational control.
<i>PHPL/SFM</i>	Pengelolaan Hutan Produksi Lestari/Sustainable Forest Management.
<i>P/L</i>	Packing List. The list of products packed into one container or other transport load (such as a truck load).

<i>PPE</i>	Personal Protective Equipment.
<i>PPh</i>	Pajak Penghasilan. Income tax.
<i>PPKHP</i>	Peta Penunjukkan Kawasan Hutan dan Perairan.  This is a map based on Forest Ministerial decree on the designation of provincial forest area, inland water, coastal and the marine ecosystem.
<i>PPN</i>	Pajak Pertambahan Nilai. Value added tax.
<i>PSDH</i>	Provisi Sumber Daya Hutan. Forest Resource Royalties.
<i>RKL</i>	Rencana Pengelolaan Lingkungan. Environmental Management Planning Report.  An Indonesian concession's plan to minimize environmental damage. Approved by the Provincial Government Forest Service Authorities.  This RKL contains details on the efforts to prevent, control and mitigate the impact of significant negative environmental impacts and maximize the positive impacts that occur as a result of an action plan.
<i>RKT</i>	Rencana Kerja Tahunan. Annual Work Plan.  In Indonesia this is a planning proposal from a concession for one year's felling activities. Approved by the Provincial Government Forest Service Authorities.  The document will indicate which areas can be felled, and the numbers of logs in volume based on species. It is accompanied by a map illustrating the plan.  A Bagan Kerja can suffice in cases where a forest plantation does not have yet the full RKT planning document approved.
<i>RKUPHHK</i>	Rencana Kerja Usaha Pemanfaatan Hasil Hutan Kayu. Timber Forest Product Utilisation Work Plan.
<i>RPBBI</i>	Normally known as RKU. Rencana Pemnuhan Bahan Baku Industri. Industrial Raw Material Requirement Plan.
<i>RPL</i>	Rencana Pemantauan Lingkungan. Environmental Monitoring Plan.

The RPL details the monitoring processes to see changes in the environment caused by impacts from planned activities. The results of this monitoring are used to evaluate the effectiveness of environmental management efforts that have been made, the proponent adherence to environmental regulations and can be used to evaluate the accuracy of predicted impacts used in an EIA study.

*RTRWD*

Rencana Tata Ruang Wilayah Daerah.

RTRWD is a general spatial plan of a district/city that is derived from a provincial spatial plan that contains goals, policy and the strategy for spatial planning in the district/city. It also contains the spatial plan pattern for district/city, district/city strategic areas designation, and guidance for controlling spatial plan utilization in district/city areas.

*RTRWP*

Rencana Tata Ruang Propinsi.  
Provincial Map.

This is a general spatial plan of a province that is derived from the national spatial plan. It contains goals, policy, the provincial spacial planning strategy, provincial strategic area designation, and guidance for controlling spatial plan utilization in provincial areas.

*SAL*

Surat Angkutan Lelang.  
Auction Transportation Letter.

*SIMPONI*

Sistem Informasi Penerimaan Negara Bukan Pajak Online  
(Non Tax Revenue Online Information Systems).

*SIUP*

Surat Ijin Usaha Perdagangan.  
Trading Business License.

*SKAU*

Surat Keterangan Asal Usul Kayu.  
Timber Origin Document.

Each transport, control, and possession of any forest products (except those covered under a Nota Angkutan) originating from a non-state forest shall have a corresponding valid SKAU used to carry the forest products in Indonesia.

SKAU is issued by a designated representative (often the Head/Ward) from the village where the timber originated.

*SKSKB*

Surat Keterangan Sah Kayu Bulat.

Certificate of Legality of Forest Products. Transporting Document for Round Logs.

Indonesian forest regulations require every forest-to-mill shipment of timber (whether by land or water) be accompanied by an SKSKB.

The SKSKB is only issued by Government and is only used for timber transportation of round woods (logs) from cutting block area/timber collection point to the gate of the industry.

<i>SMK3</i>	Sistem Manajemen Keselamatan dan Kesehatan Kerja. Health and Safety management system.
<i>SOP</i>	Standard Operating Procedure.
<i>SPP</i>	Surat Perintah Pembayaran. Payment Order.
<i>SPPL</i>	Surat Pernyataan Pengelolaan Lingkungan. Statement of Monitoring Environmental Management.
<i>Supply Chain</i>	The supply chain encompasses all activities associated with the flow and transformation of goods from the raw materials stage through to the end user.
<i>TDI</i>	Tanda Daftar Industri. Industrial registration.
<i>TDP</i>	Tanda Daftar Perusahaan. Company Registration Certificate.
<i>TPK</i>	Tempat Penimbunan Kayu. Log Yard.
<i>TPn</i>	Tempat Pengumpulan Kayu. Log landing site in forest.
<i>TGHK</i>	Tata Guna Hutan Kesepakatan. Forestry map based on land use consensus.
<i>UKL-UPL</i>	Upaya Pengelolaan Lingkungan. EIA/Environmental Management Effort.  Upaya Pemantauan Lingkungan. Environmental Monitoring Effort.
<i>VAT</i>	Value Added Tax (see Pajak Pertambahan Nilai).

<i>V-Legal</i>	Document that specifies that timber and timber products being shipped comply with the legality standard as stipulated in the Indonesian regulation, issued by Conformity Assessment Body (or 'LVLK' in Indonesian).
<i>WWF-GFTN</i>	The GFTN (Global Forestry and Trade Network) is WWF's initiative to eliminate illegal logging and improve the management of valuable and threatened forests.

### 3 References and Related Documents

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- Regulation (EU) No 995/2010 of the European parliament and of the council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market
- Commission delegated Regulation of 23.2.2012 on the procedural rules for the recognition and withdrawal of recognition of monitoring organisations as provided for in Regulation (EU) No 995/201
- Commission implementing Regulation (EU) No 607/2012 of 6 July 2012 on the detailed rules concerning the due diligence system and the frequency and nature of the checks on monitoring organisations as provided for in Regulation (EU) No 995/2010
- Amendments to the Lacey Act 2008 from H.R.2419, Sec. 8204
- Australian Illegal Logging Prohibition Bill 2011 (23 November 2011)
- History of Change: Changes to the CertiSource Standard are recorded and stored in a unique document. This document is available upon request.

As part of the whole CertiSource system (CLAS), compliance to the following CertiSource policies is required:

Policy 01	Policy Statement
Policy 04	Legality Verification
Policy 05	Certification
Policy 06	Product Labelling and Identification
Policy 07	Non-conformance and Observations
Policy 11	Sustainable Forest Management Certification
Policy 15	Backtrack