

Standard of Timber Legality Verification Final Version

A1. Standard of Timber Legality Verification For Timber Sourced From Management Units – Based State Forests Managed By National Privately-Owned Companies, And State/Regional-Owned Companies (BUMN/ BUMD/BUMSI)

Principles	Criteria	Indicator
P1. Area certainty and utilization right	K1.1 Forest management units (HPH, IUPHHK-HA, IUPHHK-HT, HPHTI or areas managed by Perum Perhutani) are located within production forest areas.	1.1.1 Management unit is able to demonstrate the legality of IUPHHK permit
	K1.2 Management Unit is in possession of the felling permit for the felling area legally approved by relevant authorized official.	1.1.2 Annual Work Plan (RKT/work chart) has been legally approved by relevant authorized official and demonstrated on the ground.
P2. Comply with the legal felling system and procedure	K2.1 Legal Work Plan is available	2.1.1 The Forest management unit has a legal working plan that is in accordance with applicable regulations
	K2.2 Management unit complies with requirements aimed to ensure the sustainability of Forest Products.	2.2.1 The felling operation complies with the requirements according to the applicable silviculture system guidelines.
		2.2.2 All items of equipment used in the harvesting activities have the related equipment utilization permit and can be verified physically on the ground.
K2.3 Management Unit guarantees that all timber transported from log landing to log pond and from	2.3.1 Transportation of wood from log landing to log pond has legal transportation	

Principles	Criteria	Indicator
	log pond to primary forestry industry (IPHH)/market have physical markings/identity and legal documents.	documents.
		2.3.2 Logs have permanent physical markings containing adequate information to trace them back to the stumps, and for plantation forest to the smallest felling unit.
		2.3.3 Management unit able to prove records of wood transportation to outside log pond
	K2.4 The management unit has completed payments of government retribution requirement related to timber.	2.4.1 The management unit shows proof of full payments on the Reforestation Fund (DR) and Forest Resource Royalties (PSDH).

Principles	Criteria	Indicator
<p>P3. Taking into account the environmental and social factors related to felling.</p>	<p>K3.1 The management Unit has obtained the Environmental Impact Analysis (AMDAL) and has implemented the obligations required in the AMDAL documents.</p>	<p>3.1.1 The management unit has obtained the AMDAL documents (AMDAL, RKL, RPL) which have been approved legally according to applicable regulations, covering all work area.</p>
		<p>3.1.2 Management unit obtains RKL implementation report and RPL that demonstrate real actions to mitigate environmental impacts and provide social benefits.</p>
	<p>K3.2 The management unit demonstrates commitment for the welfare of the local community and guarantees the safety and welfare of workers</p>	<p>3.2.1 The management unit has conducted consultation with local communities that will be affected by the activities by taking into account their interests and implementing them on the ground.</p>
		<p>3.2.2 The management unit has implemented labour regulations.</p>

A2. LEGALITY STANDARDS FOR TIMBER SOURCED FROM COMMUNITY-MANAGED STATE FORESTS (CBFM)

Principles	Criteria	Indicator
P1. Community possesses license to manage state forest	K1.1 The legality of the management unit's business license and its transportation.	1.1.1 Management unit demonstrates legal business license.
		1.1.2 Management unit able to demonstrate legal timber transportation document.
P2. Management unit is required to maintain, take care and preserve its managed forests and pay all government retributions in the	K2.1 Implementation of forest conservation activities in the managed forest.	2.1.1 Felling volume corresponds to the agreed plans
		2.1.2 Management unit is able to demonstrate the source of timber from the determined felling area.
		2.1.3 Management unit implements the established forest resource conservation plans

Principles	Criteria	Indicator
forestry sector.	K2.2 Payments of government retribution in the forestry sector	2.2.1 Management unit settles payment of government retributions in the forestry sector.

Lampiran 4.**B. STANDARDS FOR TIMBER SOURCED FROM NON MANAGEMENT-UNIT BASED STATE FOREST**

Principles	Criteria	Indicator
P1. Other legal permits on timber forest products utilization.	K1.1 Permit to utilize forest resources within the utilizing-zone for non-forestry activities that do not alter the forest status.	1.1.1 Operator possesses ILS permit for the "borrow and use" area located within production forest zone.
	K1.2 Permit to utilize forest resources within the utilizing-zone for non-forestry activities that alter the forest status (plantation)	1.2.1 Operator holds Land Conversion Permit (IPK) for the conversion area located within HPK
P2. The felling system and procedure corresponds with timber transportation	K2.1 The IPK/ILS plan and implementation correspond with land allocation plan	2.1.1 IPK/ILS has a legally approved work plan.
		2.1.2 Operator is able to demonstrate that large logs obtained from ILS/IPK can be traced back to the stump, and to the felling block for other types of wood

	K2.2 Complies with obligation to pay government retribution and legality of timber transportation	2.2.1 Operator demonstrates settlement evidence of government retribution in the forestry sector
		2.2.2 IPK/ILS permit holder must be able to demonstrate legal wood transportation documents.

C. Standar Verifikasi Legalitas Kayu FOR PRIVATE FORESTS AND NON FORESTS AREAS

Principles	Criteria	Indicator
P1. The ownership of timber can be legally demonstrated	K1.1 Legality of proprietary right in relation to the area, timber and its trade.	1.1.1 Owner of private forests is able to demonstrate the legality of ownership.
		1.1.2 Felling records corresponds with the location.
		1.1.3 Owner must be able to demonstrate log traceability.
		1.1.4 Owner must be able to demonstrate legal timber transportation document.

D. STANDARD TO TRACK TIMBER LEGALITY FOR TRANSPORTATION, MANUFACTURING AND TRANSPORTATION OF MANUFACTURED PRODUCTS

Principles	Criteria	Indicator
P1. The timber manufacturing industry supports the implementation of legal timber trade.	K1.1 Operating unit: (a) Manufacturing industry, and (b) Exporter of manufactured products, hold legal permits	1.1.1 Manufacturing industry hold a legal permit
		1.1.2 Exporters of manufactured wood are exporter producers with legal permit.
	K1.2 Operator guarantees that all transported timber, controlled or owned, can be identified to the source and accompanied with legal documents.	1.2.1 All transported timber, controlled or owned by operating units have evidence of legal sources.
P2. Operating unit owns and implements timber tracking system that ensures wood tracked to the source.	K2.1 Existence and implementation of tracking system for timber and its products	2.1.1 IPHH and manufactured industry is able to demonstrate that the raw material received originate from legal sources
		2.1.2 IPHH and others manufactured industry owns and implements a system to track wood and its manufactured products.
P3. The legality of manufactured timber trade or handover.	K3.1 Inter-island transportation and trade.	3.1.1 Operator transporting forest products between islands holds legal Registered Inter-island Wood Trader (PKAPT) permit
		3.1.2 The inter-island transportation of timber and manufactured timber products must use Indonesian flag carrier and holds legal permit.
		3.1.3 Timber transported by PKAPT is accompanied by legal documents which corresponds with the timber's physical characteristics according to the applicable forestry regulation.
	K3.2 Shipment of manufactured timber for export.	3.2.1 Shipment of manufactured timber products must comply the requirements of PEB documents

Principles	Criteria	Indicator
		and skshh document.
		3.2.2 The types of timber products exported complies legal export requirements