



**KEMENTERIAN LINGKUNGAN HIDUP DAN KEHUTANAN  
DIREKTORAT JENDERAL PENGELOLAAN HUTAN PRODUKSI LESTARI  
DIREKTORAT PENGOLAHAN DAN PEMASARAN HASIL HUTAN**

**Attn. : 1. All Directors of V-Legal/FLEGT Licence Issuing Board  
2. All Exporters**

CIRCULAR

NUMBER : S.E. 5/PPHH/SPHH/HPL.3/5/2017 – Unofficial translation

ON

OUTCOME OF FOLLOW-UP EVALUATION OF FLEGT LICENCE IMPLEMENTATION

**1. Objective and Purpose**

As a follow-up of the Joint Expert Meeting (JEM) in Jakarta on 2 March 2017 regarding the Follow-up Evaluation of FLEGT Licence Implementation (approximately 3 months after the launch of FLEGT Licence), it is deemed necessary to set out matters that need further attention, to complete Directorate of Manufacturing & Marketing of Forest Products Circular No. S.E. 4/PPHH/NEIP/HPL.3/12/2016 to avoid problems arising when goods are released for circulation in the destination country.

**2. Policy Basis**

- 2.1. Minister of Trade Regulation Number 84/M-DAG/PER/12/2016 jo. No: 12/M-DAG/PER/2/2017.
- 2.2. Director General of Sustainable Forest Production Management Regulation Number P.14/PHPL/SET/4/2016

**3. Outcome**

- 3.1. Hard copies of V-Legal/FLEGT Licence use A4 standard size paper and are embossed with the V-Legal (Indonesian Legalwood) stamp and watermark, including on attachments.
- 3.2. The required printed copies of the V-Legal/FLEGT Licence documents are:
  - a. Sheet no-1 (white colour), for the Competent Authority of destination country.
  - b. Sheet no-2 (yellow colour), for the Customs of destination country.
  - c. Sheet no-3 (white colour), for the importer.
  - d. Sheet no-4 (white colour), for the Licensing Authority (*Lembaga Verifikasi Legalitas Kayu* [LVLK]).
  - e. Sheet no-5 (white colour), for the exporter.
  - f. Sheet no-6 (white colour), for the Licence Information Unit (*Unit Informasi Verifikasi Legalitas Kayu*).
  - g. Sheet no-7 (white colour), for the Indonesian Customs.
- 3.3. Apart from sheet no-3 which is sent to the importer, sheet no-1 and sheet no-2 of the FLEGT Licence should also be sent to the importer to be submitted to the Competent Authority of the destination country and the Customs of the FLEGT Licence destination country.
- 3.4. The weight indicated on the V-Legal/FLEGT Licence is the total weight of goods, not only for the parts made of wood.
- 3.5. The name of the timber species listed should be specific, avoid using *sp.* or *spp.* (for example it should be written as *Tectona grandis* not *Tectona sp.*) except for natural forest species that commonly use *sp.* or *spp.* (such as *Shorea sp.*). This is to avoid problems when the goods are released for circulation at the destination port.
- 3.6. The information on the V-Legal/FLEGT Licence, including for the attachment pages should use the English language, for the product description and trade name of the species (for example, the species '*Jati*' should be listed as 'Teak').
- 3.7. Exporters are advised to crosscheck to ensure that the HS Tariff Code is correct for the destination country (buyer) before submitting the application for the V-Legal/FLEGT Licence Document. The accurate HS Tariff Codes can be referred from BTKI 2017/WCO 2017.

- 3.8. Information on the total items contained in the V-Legal/FLEGT Licence Document should be consistent with the information listed in Invoice, Packing List (P/L) and Bill of Lading (B/L), including volume data and/or weight of all the goods combined. Tolerance for volume data and/or weight discrepancy shall not exceed 10% (due to natural settling or shrinking factors; not due to differences in goods loaded). If there are differences – in total number of units, species, and HS Tariff Codes (for instance changes during the stuffing), the V-Legal/FLEGT Licence Document must be adjusted/revised (by the Licensing Authority / LVLK) before the goods are allowed to leave Indonesia.
- 3.9. The FLEGT Licence is issued for:
- Goods listed in Annex 1 of the Indonesia-EU FLEGT VPA Agreement and is strictly not allowed to be mixed with non-FLEGT Licenced goods. Invoices and Bills of Lading (B/L) for FLEGT Licenced goods should be separated from non-FLEGT Licenced goods, whether by having separate standalone documents or having separate sections for the information in a single document. Products/goods not listed in Annex 1 of the Indonesia-EU FLEGT VPA Agreement cannot be included/mixed with FLEGT Licenced goods.
  - Exhibition products and/or product samples covered in the HS Tariff Codes of Annex 1 of the Indonesia-EU FLEGT VPA Agreement are required to have a FLEGT Licence (for destination country included in the Indonesia-EU FLEGT VPA Agreement).
- 3.10 Information on valid FLEGT Licence should match those recorded on SILK. FLEGT Competent Authority have access to SILK online (<http://silk.dephut.go.id>) so that they may directly check the consistency of information printed on the FLEGT Licence (with the Invoice document and B/L document, in accordance with the shipping data) as well as verify the authenticity of a FLEGT Licence (information for exporters as well).
- 3.11 No revision is permitted on the V-Legal/FLEGT Licence Document once the goods have left (from the port of origin in Indonesia, while on the journey, or upon arrival at the destination country or port of destination). Any change/revision to the V-Legal/FLEGT Licence Document (must be after the cancellation of the V-Legal/FLEGT Licence Document previously issued) may only be done by the LVLK as the Licensing Authority for issuance of the V-Legal/FLEGT Licence before shipments leave the port of origin in Indonesia.
- 3.12 Exporters are not permitted to change the volume data/weight/unit on the V-Legal/FLEGT Licence Document themselves, because the data printed on FLEGT Licence that is received by the FLEGT Competent Authority (CA) will be different from the data in the SILK system <http://silk.dephut.go.id> (SILK) and will result in the rejection of the FLEGT Licence by the FLEGT CA. Only LVLK as the sole Licensing Authority of the V-Legal/FLEGT Licence may issue a new V-Legal/FLEGT Licence Document to replace the previous V-Legal/FLEGT Licence Document (and this may only be done before the shipment leaves the port of origin in Indonesia where the goods are stuffed).
- 3.13** Each V-Legal/FLEGT Licence Document is only valid for a single shipment of goods with one Export Declaration (Pemberitahuan Ekspor Barang [PEB]), and vice versa. A shipment is not permitted to include more than one V-Legal/FLEGT Licence Document (or without the cancellation of previous the V-Legal/FLEGT Licence Document). Release for circulation from the customs at the destination country for each shipment is the responsibility of the specified importer (generally also written on the Bill of Lading).
- 3.14 Exporters are not permitted to request LVLK to cancel FLEGT Licence for goods that have left the port. If this happens, FLEGT CA will not be able to validate the printed FLEGT Licence received as a cancellation will result in data being erased in the SILK system <http://silk.dephut.go.id> (SILK).

For your kind attention and implementation.

Decided in : Jakarta  
Date : 26 May 2017

Director

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