BRIK Endorsement System: Securing Timber from Legal Sources

Workshop on Combating Illegal Logging and Associated Trade
Beijing, 06 December 2008
THE ESTABLISHMENT OF BRIK

Established on 13 December 2002

Based on Joint Decree The Minister of Industry & Trade and The Minister of Forestry

803/MPP/Kep/12/2002 495.1/MPP/Kep/9/2004

10267/Kpts-II/2002 junction

SK 355.1/Menhut-I/2004

The Organization consist of

1. Board of Trustees : 6 persons
2. Board of Directors : 19 persons

(The Boards come from Associations Backgrounds and Professionals)
VISION: The revival of forest industry in the corridor of sustainable forest.

MISSIONS:

1. To build an understanding between the government and business community in implementing their action program,

2. To create strong forestry industry in the field of resource base, industrial base and market base using timber from legal sources,

3. To build a positive opinion on Indonesian forest industry in the eyes of international community.
1. Ensuring timber supply from legal sources
2. Establishment of timber industrial data base
3. Providing inputs to the government in preparing regulations
4. Implementation of ETPIK (Registered Forestry Industrial Products Exporters) to all forestry industries
5. Establishment of serving mechanism, monitoring, and evaluation of ETPIK
6. Others:
   - Efficiency and product diversification
   - Evaluation of regulation that burden competitiveness
PROCEDURE & REQUIREMENTS OF ETPIK

1. Forest Industries are companies having legal permits based on Indonesian law and regulations.

2. To get Registered Forest Industry Product Exporter (ETPIK) license, the company has to submit a request to the Director General of Foreign Trade, the Ministry of Trade, accompanied with:
   - Statement of industry's inspection and a recommendation letter made by local government office which is responsible for industry development;
   - Copied Industry License / Industry Registration (IUI/TDI)
   - Copied Company Registration (TDP)
   - Copied Tax Payer Registration Number (NPWP)
   - Copied Notarial document on the company's establishment or its latest amendment

3. ETPIK license is issued by the Director General of Foreign Trade, the Ministry of Trade.

4. Export of wood panel and woodworking in the category of harmonized system (HS): 4407, 4408, 4409, 4410, 4411, 4412, 4413, 4415, 4418, 4421.90.99.00, 9406.00.92.00 must be endorsed by BRIK.
5. Endorsement document is attached to goods export notice PEB).

6. Export of certain wood products in the category of HS 4407 (S4S, end jointed), HS. 4409, Ex. HS. 4412 (laminated block), and HS. 9406 (prefab house) are verified in the field by independent surveyor.

Notes:
Such industries which have already been recognized as ETPIK members are also subject to in-field inspection conducted by an integrated of the Ministry of Forestry, the Ministry of Industry, and the Ministry of Trade or by an independent surveyor. Up to now, at least 2000 out of 4,500 ETPIK members have been verified in terms of their legality aspect, production and export activities.
EXISTING REGULATIONS

BRIK Endorsement System based on mandatory process stipulated in Indonesian rules and regulations such as the following regulations:

• Minister of Forestry: Number P.55/Menhut-II/2006 regarding the Administration of the Forestry Products from the State Forests in conjunction with Number P.63/Menhut-II/2006.

• Minister of Forestry: Number P.51/Menhut-II/2006 regarding the Use of the Certificate of Origins (SKAU) for Transporting Timber Forestry Products from Community Forests in conjunction with Number P.62/Menhut-II/2006 and P.33/Menhut-II/2007;

• Minister of Trade: Number 20/M-Dag/Per/5/2008 on the Requirements for Forestry Industrial Products Export;

• Minister of Trade: Number 405/M-Dag/Kep/7/2008 on the Assignment of BRIK as Endorsement Body;

• Director General of Foreign Trade: Number 09/Daglu/Per/7/2008 regarding the Procedures for Endorsement from the Forestry Industry Revitalization Body (BRIK);


Endorsement system is electronically processed and free of charge.
This Circular Letter has adopted the latest government decrees and regulations, starting from 1 January 2007.

- ETPIK submits Timber Mutation Report (LMK) in December 2006 for use as beginning stock. The LMK must be legalized by or registered with the local forestry office;
- The legality document for the transportation of forestry products consist of: Validity Certificate for Logs (SKSKB), Logs Transportation Invoice (FA-KB), Processed Timber Transportation Invoice (FA-KO), Tender Transportation Certificate (SAL), and Certificate of Origins (SKAU);
- Copied SKSKB and SAL are legalized by the competent forestry official.
- Copied FA-KB, FA-KO, and SKAU.
- If needed, BRIK can carry out a random cross-check in the field to the relevant government agencies over timber mutation report and other documents on legality of timber transportation to ensure that the timber is really derived from legal sources. Should there be an indication of violation, the Ministry of Forestry will make further process of it in line with the law prevailing in the country.
- Not later than 14 days after shipment, ETPIK should send realization report comprising among others: goods export notice (PEB), invoice, packing lists, bill of lading, and surveyor report.
BADAN REVITALISASI INDUSTRI KEHUTANAN

SURAT PENGESAHAN (ENDORSEMENT)
Nomor 7000002
Untuk Ekspor Produk Industri Kehutanan
Tanggal Pengesahan 02-01-2007

Nama Perusahaan PT. INHUTANI I UNIT TARAKAN
No. ETPIK 861/DJ-DAGLU/ETPIK/I/2003
No. Anggota BRIK 0300 0744 4561
Pelabuhan Muat TARAKAN
Negara Tujuan KOREA SELATAN

<table>
<thead>
<tr>
<th>No. Pengesahan</th>
<th>074407018881</th>
<th>02-01-2007 15:09:43</th>
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1. No. Pengesahan dan No. ETPIK dicantumkan pada PEB (Kolom 18)
2. Diperuntukan hanya 1 (satu) PEB
3. Berlaku selama 30 (tiga puluh) hari sejak tanggal disahkan
5. ETPIK wajib menyerahkan copy dokumen ekspor (Copy PEB, Bill of Lading, Invoice, Packing List) kepada BRIK selambat-lambatnya 14 hari setelah muat.

<table>
<thead>
<tr>
<th>No. HS</th>
<th>Jenis Barang</th>
<th>Volume (M3)</th>
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<tbody>
<tr>
<td>4413.00.00.00</td>
<td>MERANTI LAMINATED</td>
<td>161.9464</td>
</tr>
</tbody>
</table>

TOTAL VOLUME 161.9464

88813B17-55A7E603-4FAFE1F1-21325043-4503C81B-A2D65CF7-C1A70069-2594913A
Checking Endorsement by WAP

http://wap.brikonline.com

(Wireless Application Protocol)
Checking Endorsement by WAP
Checking Endorsement by WAP
Checking Endorsement by WAP

Status: [Open]
Company: [PERUM PERHUTANI]
No. ETPIK: [5004-REV/DAGLU/ETPIK/II/2006]
No. Anggota BRIK: [0300 1249 1277]
No. Endorsement: [12490711538F]
Nomor Urut: [7063348]
Endorsement Date: [29 Nov 2007]
Endorsement Time: [16:37:25]
Pelabuhan Muat: [TANJUNG PRIOK]
Negara Tujuan: [ITALIA]
Detail
......
No. HS: [4409290000]
Jenis Barang: [TEAK FLOORING T&G]
Volume: [22.5000 m3]
......
Total: [22.5 m3]

Check Endorsement
Home
FIELD INVESTIGATION

- BRIK can carry out a random cross-check in the field to the relevant government agencies over timber mutation report and other document on the legality of logs transportation to ensure that the timber is really derived from legal sources.

- (See the documentary film on BRIK Endorsement System and a statement of Inspection signed by forestry officers and BRIK staff).

- BRIK has a close collaboration with Indonesian Customs to identify suspicious export goods.
On 22 November 2007, Indonesian customs in cooperation with BRIK confiscated 17 containers of ebony and 9 containers of rattan in Tanjung Priok Port, Jakarta. Estimated value of the confiscated goods was approximately USD 2.4 million. Those containers were to be shipped to China and Hongkong.
A STATEMENT OF INSPECTION

BERITA ACARA PEMERIKSAAN

Pada hari ini tanggal dua puluh empat bulan Oktober tahun dua ribu tujuh (28-10-2007), kami yang bertanggung jawab, yaitu:

1. Nama : Ir. Y.I. Mandang
   Jabatan : Peneliti Utama Analisis Tumbuhan Pada Puslitbang Hasil Hutan Dephut
   Jabatan : Peneliti Madya Analisis Tumbuhan Pada Puslitbang Hasil Hutan Dephut
3. Nama : Firdaus Ettungting
   Jabatan : Staff Kelolaman di BRIK

Berdasarkan surat No. SW/HKB/0007 tanggal 24 Oktober 2007 telah melakukan pengecekan (identifikasi/Klasifikasi Jenis Kayu) yang tercatat dalam 20 (sepuluh) container no. SKUK 2001637, TRCDU 3497189, ILWI 3014489, TPDU 8100866, MLCNY 3997328, MNCX 3995885, TRCDU 248820, CVCDU 3418628, CRCDU 3409300, CRCDU 3409300, TRCDU 248820, beroperasi di Pabrik Sapuan Jakarta International Container (JICT)

1. Nama : Dardi Purno
   NIP : 090019353
2. Nama : Hary Sutanto
   NIP : 090019353

Berdasarkan hasil pemeriksaan kami menyimpulkan:

1. Boksport atas nama PT. Pizar Utama Kaiplh belum terdaftar sebagai anggota BRIK.
2. Barang yang dimuat dalam ke 20 (sepuluh) container tersebut adalah log kayu bau-bau jenis Seramak (Udhepin Hulifil).
3. Log memiliki diameter yang berkisar dari 28 - 56 cm dengan panjang berkisar dari 180 - 281 cm. Volume total dibuktikan 150 m3.

Demikian Berita Acara Pemeriksaan ini dibuat dengan sesungguhnya untuk dapat dipergunakan sebagai berkas awan.

[Signature]
Ir. Y.I. Mandang
Drs. Ir. Rini Astuti, M.Sc.
Firdaus Ettungting

BRIK (Forest Industry Revitalization Body)
THANK YOU
FOR YOUR ATTENTION