

Trade

Indonesia

1. Customs

A. Issuance of New Ministry of Trade Regulation No. 48/M-DAG/PER/7/2015 on General Provisions in the Import Sector

On 3 July 2015, the Ministry of Trade issued Regulation No. 48/M-DAG/PER/7/2015 on General Provisions in the Import Sector ("**Regulation 48**"), which will come into effect in January 2016. Regulation 48 supersedes Ministry of Trade Regulation No. 54/M-DAG/PER/10/2009 ("**Previous Regulation**") on the same subject.

Several Comparisons between Regulation 48 and the Previous Regulations

- Similar to the Previous Regulation, Regulation 48 provides a broad definition of "products" which may fall under Regulation 48. Under Regulation 48, "products" are defined as goods that are tangible or intangible, moveable or immovable, and spendable or un-spendable, and that can be traded, used, consumed or utilized by consumers or business actors.
- Both Regulation 48 and the Previous Regulation stipulate that importation can only be conducted by importers who have *Angka Pengenal Impor* - "API" or The Importer Identity Number. Only in certain circumstances as will be regulated in a further regulation can importation be done without API.
- The basic principle of importation required under the Previous Regulation still applies under Regulation 48, i.e. the imported products must be in new condition.
- In the Previous Regulation, there was a specific provision under which goods imported to a Bonded Piling Place or imported goods which are released from a Bonded Piling Place to other places in the customs area may be subject to import regulation. But this provision is not reflected in Regulation 48.

www.hhp.co.id

For further information please contact

Wimbanu Widyatmoko
Senior Partner
Tel: +62 21 2960 8694
wimbanu.widyatmoko@bakernet.com

Riza Fadhli Buditomo
Associate Partner
Tel: +62 21 2960 8569
riza.fadhli.buditomo@bakernet.com

Import Licenses Awareness

In Regulation 48, it is specifically stated that importers must already possess import licenses for products which importation is limited before the imported products enter into the customs area.

The import requirements for products which their importation is limited is conducted through the following import licenses mechanism:

- a. acknowledgement as an Importer Producer;
- b. determination as a Registered Importer;
- c. import approval;
- d. surveyor report; and/or
- e. other import licenses mechanism.

Regulation 48 is intended to substantially reduce the amount of time imported goods have to spend at Indonesian ports. Currently, some importers are still processing their licenses even after the arrival of imported products to the Indonesian customs area. The requirement to prepare/obtain all the required licenses before the goods enter into the Indonesian customs area is expected to expedite the customs clearance process, because if all the import requirements have been met in advance, the imported goods can be directly cleared from the customs area.

For instance, several licenses that must be secured are:

- Importer Producer → a specific license given to a manufacturing company to import certain products for its manufacturing process;
- Registered Importer → a determination for importers to import certain products.

In addition, generally the requirement to possess import requirements before the products enter into the Indonesian port has been implemented in daily practice even before Regulation 48 is issued, as several regulations (e.g. labeling in Bahasa Indonesia and Registered Importer) require the import requirements to be fulfilled before the imported products enter into the Indonesian customs area.

Conformity with the Trade Law

The requirements under Regulation 48 are basically in line and in harmony with the requirements under the Trade Law. For instances, the Trade Law requires importers to fulfill the import requirements before the imported goods enter into Indonesia (e.g. Article 32 of the Trade Law). Moreover, as well as Trade Law stipulates that the imported goods must be in new condition,

Regulation 48 also requires the same on this basic principle for import.

Sanction

Regulation 48 states that importers that fail to meet the import requirements before the products enter into Indonesia will be subject to sanctions, that include suspension of their *Angka Pengenal Impor* - "API" or The Importer Identity Number or other sanctions according to the prevailing regulations.

Moreover, importers must re-export products that are imported without obtaining the required import licenses.

B. Increase of Import Duties for Finished Products

On 8 July 2015, the Minister of Finance issued Regulation No. 132/PMK.010/2015 ("**2015 Regulation**") on the Third Amendment to Regulation of the Minister of Finance No. 213/PMK.001/2011 ("**2011 Regulation**") on Stipulation of the Classification System of Goods and Import Duty on Imported Goods, which was twice amended by Regulation of the Minister of Finance No. 133/PMK.011/2013, and Regulation of the Minister of Finance No. 97/PMK.010/2015, which became effective on 23 July 2015 ("**Effective Date**").

Summary of Content

The 2015 Regulation amends import duties that are stipulated under Annex III of the 2011 Regulation. The new import duties apply to all imported goods if the customs office issued a registration number and date for the import declaration documentation of the imported goods after the Effective Date. Please see a summary of some imported goods that are affected by the new import duty in Annex 1.

Impact and Aftermath

Effectively, the 2015 Regulation raises import duties on consumer goods, food and vehicles ranging from 10 to 150 percent. Sources at various ministries share that the increase of the import tariff is based solely on the national interest and the objective is to support local industries. This is still consistent with the previous understanding on the background of issuance of, and changes and adjustments to, export/import regulations in the past 3 years.

As background, some of the previous regulations on import duties applied higher tariffs to raw materials than to finished products, which appears to create a disadvantage for the local industry.

It remains to be seen what the final economic impact on (end) consumers will be as there is likely to be an increase of product price, which may lead to a decrease of the consumers' purchase power. Another impact that could arise is an increase of smuggling to avoid payment of high duties during the official customs clearance. Consistency of legal enforcement against smuggling may be put to further tests.

From the logistic point of view, this may be an appropriate time for business actors to revisit their current supply chain structure in order to minimize the risk due to the possible decrease of profit, e.g. to take benefit from the applicable free trade agreements.

C. Ministry of Trade Starts to Pay Serious Attention to Noncompliant Importers

The Ministry of Trade ("**MOT**") recently began to sanction importers who do not comply with import regulations. We summarize below some sanctions that have been imposed.

Various Registered Importers

Until the end of January 2015, the MOT revoked the licenses of 2,166 registered importers, broken down as follows:

1. 836 registered importers of electronics;
2. 321 registered importers of apparel;
3. 290 registered importers of food and beverages;
4. 256 registered importers of cosmetic and household supplies;
5. 179 registered importers of toys;
6. 133 registered importers of traditional medicines and food supplements;
7. 151 registered importers of footwear.

The 2,166 licenses of registered importers of certain goods were alleged of failing to perform the obligation to submit a written report of implementation of the import (import realization report) as mandated in Article 14 point of Regulation of Minister of Trade No. 83/M-DAG/PER/12/2012 jo. 73/M-DAG/PER/10/2014 which essentially stipulates that the determination as an registered importer of certain goods is revoked if the company does not perform the obligation to submit a written report of the implementation of the import of certain goods and attach a photocopy of the Import Realization Control Card (*Kartu Kendali Realisasi Impor*) that has been initialed and stamped by Customs

and Excise officers regardless of whether any goods are imported.

Registered Importers of Mobile phones, Handheld computers and Tablet computers

The MOT has also announced the revocation of the import license of 24 registered importers (*Importer Terdaftar*) of mobile phones, handheld computers and tablet computers. Import licenses can be revoked if an importer does not conduct any import for six months in a row as stipulated under Article 17 point (c) of Regulation of the Minister of Trade No. 82/M.DAG/PER/12/2012 jo. No. 48/M-DAG/PER/9/2014 on Provision of Import of Cell Phones, Handheld Computers, and Tablet Computers. The determination as an registered importers of cell phones, handheld computers, and tablet computers is revoked if the company does not import those products for six months in a row.

Other Importers

As well as revoking the import licenses of 24 registered importers of cell phones, handheld computers, and tablet computers and 2,166 licenses of registered importers of certain goods, the MOT also revoked 1,550 licenses of importers who held a General Importer Identification Numbers (*Angka Pengenal Importir Umum*) that performed import activities out of section. An example of performing activity out of section is an importer who has license to import machinery and mechanical equipment yet imports plastic goods.

Revocation of licenses of importers who held a General Importer Identification Number based on the Regulation of the Minister of Trade No. 27/M-DAG/PER/ 5/2012 jo. 84/M-DAG/PER/12/2012 on Provision of Importer Identification Numbers.

Aftermath

Some importers were not aware that their licenses had been revoked until they performed importation earlier this year as they claimed to have not yet received formal notification from MOT. Notifications may contain important information for importers such as the legal status of their import licenses. Many of the importers are still not clear on the status of their licenses, e.g. whether they have been revoked or merely suspended. It is important that the status is clarified so the importers would have the opportunity to consider their options, e.g. re-applying in the case of revocation or asking for re-instatement in the case of suspension.

D. Tightening of Imports of Batik Commodities

On 14 July 2015, the Minister of Trade of the Republic of Indonesia issued Regulation No. 53/M-DAG/PER/7/2015 on Provisions on Imports of Batik and Batik Patterns Textile and Textile Products ("**Regulation 53**"). Regulation 53 which will come into effect on 12 October 2015 (90 days after the issuance date) was issued to tighten the import of batik and batik pattern textiles and textile products in Indonesia in order to maintain the existence and authenticity of Indonesian batik, to protect relevant intellectual property rights and to protect batik customers. The commodities that are regulated are batik and batik pattern textile and textile products limited to at least two colors and generally included under HS Codes that start with the digits 50.07, 53.09, 53.10, 53.11, 54.08, 62.03, 62.04, 62.05, 62.06, 62.07, 62.08, 62.13, 62.14, 62.15, 63.01, 63.02 and 63.04.

Under Regulation 53, every importer intending to import batik and batik pattern textile and textile products must first submit an application to the Directorate General of Foreign Trade to be stipulated as a Registered Importer of Batik and Batik Pattern Textile and Textile Products (*Importer Terdaftar Tekstil dan Produk Tekstil*"**IT-TPT**"). Further, the IT-TPT must also obtain an Import Approval before it can import those batik commodities. The application process for the IT-TPT and Import Approval must be done through INATRADE electronic system.

Every import of batik commodities by the IT-TPT can only be conducted through certain sea ports and airport and must be first verified and go through an import technical review at the loading port by a surveyor appointed by the Minister of Trade. There is also a labelling requirement for batik commodities imported by the IT-TPT (the products must be completed by information on the products and the importers).

Any importers who conduct the import of batik commodities not in accordance with Regulation 53 will be subject to a revocation of IT-TPT, re-export of commodities and other sanctions stipulated by the prevailing laws and regulations.

E. Revocation of the Requirement to Obtain Special Importer Identification Number

Ministry of Trade recently issued Ministry of Trade Regulation No. 50/M-DAG/PER/7/2015 on the Revocation of Ministry of Industry and Trade Decision No. 141/MPP/KEP/3/2002 on the Special Importer Identification Number as lastly amended with Ministry of Trade Regulation No. 07/M-DAG/PER/3/2008 with its implementing regulations ("**Regulation 50**"). Regulation 50 basically revokes the requirement to obtain Special Importer Identification Number ("**NIPK**") prior to importation. As a consequence NPIK is no longer required for importation activities (and conduct customs clearance) in Indonesia.

The NPIK was revoked to simplify licensing process in import activities, to reduce overlapping regulations and to reduce

dwelling time. In theory, there will be no significant change in importing goods to Indonesia other than the Directorate General of Customs and Excise will no longer ask for NPIK as one of the requirements to clear the goods.

However, please note that up until now we have not seen how does Regulation 50 is implemented in practice. Note that references to NPIK as one of the required import approval are still found in the INSW (Indonesian National Single Window – formal page of trading/customs checking).

F. The End of Bilateral Investment Treaty with Netherlands

On 1 July 2015, Indonesia has officially terminated the Bilateral Investment Treaty with the Netherlands. The termination had been confirmed by Jusuf Kalla, the Vice President of Indonesia, during his visit to the Netherland.

From that date (i.e. 1 July 2015) onwards the provisions of the Agreement will continue to apply only to investments made prior to that date, for a period of fifteen years. The Indonesian Government has mentioned it intends to terminate all of its 67 bilateral investment treaties.

The underlined sentence above, indicates that the Indonesian Government's may be considering terminating all of its bilateral investment treaties (BIT), not just the one with the Netherlands. The implication of this statement (which has not been commented on by the Indonesian Government) is potentially wide-ranging as BITs provide the principles for protection against expropriation and nationalization. These principles apply equally to Indonesian outbound investment. In particular, most BITs provide an option for foreign investors to adjudicate disputes at international arbitration forums (ICSID being the most prominent), rather than relying on courts within Indonesia and the foreign host country.

If indeed the Indonesian Government intends to end all BITs that Indonesia is currently a party to, future foreign investors who are nationals or corporations of countries that have entered into BITs with Indonesia would lose this crucial benefit. However, existing investors are generally still protected by BITs.

Given that the Indonesian Government has not commented on this news from the embassy of the Netherlands, we believe that some clarification by the Government is in order before we can thoroughly assess the implications.

However, it is clear now that foreign investors should no longer take protection of foreign investment for granted. It is clear that foreign investors should now consider alternative strategies to protect their investments. One such strategy is to base their

investments in ASEAN, that is to invest through an ASEAN entity that will qualify as an ASEAN investor under the 2000 ASEAN Comprehensive Investment Agreement (ACIA). The following provisions of ACIA, in particular, are worth looking into:

- Article 14 of the ACIA provides that no expropriation or nationalization shall be undertaken against an ASEAN investor, except (a) for a public purpose, (b) in a non-discriminatory manner, (c) on payment of prompt, adequate and effective compensation and (d) in accordance with due process of law.
- Article 33 of the ACIA provides that an ASEAN investor may choose between the following options for dispute resolution, after following a 180-day period of consultation with the disputing member state (e.g., Indonesia, the country hosting the investment):
 - proceedings in the courts or administrative tribunal of the disputing member state;
 - ICSID arbitration provided that the disputing member state and non-disputing member state (i.e. investor country of origin) are both parties to the ICSID Convention;
 - arbitration under the ICSID Additional Facility Rules if either the disputing member state or non-disputing member state is a party to the ICSID Convention;
 - arbitration under UNCITRAL arbitration rules;
 - arbitration at the Regional Centre for Arbitration at Kuala Lumpur or any other regional centre for arbitration in ASEAN; or
 - any other forum of arbitration agreed by the parties

It should also be noted that provisions that are very similar to the above-mentioned provisions of ACIA are also included in Agreements on Investments under the ASEAN-China, ASEAN-Australia and New Zealand and ASEAN-South Korea Free Trade Agreements. So, there is also an option to invest in Indonesia through a Chinese, Australian, New Zealand or Korean entity.

We remain hopeful that BITs are not finished, that over 40 years of progress in protecting foreign investment through bilateral arrangements is not being reversed. All the more so, considering that Indonesian investors who invest overseas also benefit from BIT protection. Even if our hopes are unfounded, however, foreign investors should not dismiss Indonesia as unprotected territory. As ACIA and the Investment Agreements under the

Free Trade Agreements between ASEAN and its partners show, protection should still be available. Obviously, other elements, such as tax considerations would need to be carefully assessed, but the basic elements of protection are there.

2. Export controls

There is no recent development on export controls. However, it is important to note that, in Indonesia, export activity is not highly regulated as import. The required license to conduct export is basically only the NIK; provided that additional licenses may be required for certain types of goods which are restricted or limited to be exported.

In general export is regulated by Law No. 10 of 1995 as amended by Law No. 17 of 2006 on Customs Affairs ("**Customs Law**") and Ministry of Trade Regulation No. 13/M-DAG/PER/3/2012 on General Export Provisions ("**Regulation 13**"). Regulation 13 divides export goods to 3 categories:

- a) free to export;
- b) subject to export restriction; and
- c) subject to export prohibition.

Export controls are enforced by the Ministry of Finance through the Customs Office based on the recommendation or implementing regulations enacted by the technical ministries e.g. the Ministry of Industry and the Ministry of Trade. Most of current export controls regulate commodities, plantation, fishery, agriculture, forestry, mining products and flora and fauna.

Generally, Indonesia maintains export bans from time to time in compliance with the United Nations resolutions, including resolutions against terrorist organizations. However, there is no public list on companies or individuals with which transactions are restricted.

3. Sanctions

Article 112 of the Trade Law (Law No. 7 of 2014 on Trade) provides that exporters who export goods that are prohibited to be exported will be imposed with imprisonment of up to five years or a penalty of up to Rp.5,000,000,000.

4. WTO/FTA

A. Indonesia sues Australia on plain packaging of tobacco products

Indonesia has brought a case against Australia on 14 October 2014 at the WTO because of Australia's policy requiring plain packaging on tobacco products, which Indonesia claims violates the rights of WTO members under the Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement.

The Trade Ministry said that the policy would broadly affect global commerce. He also added that this policy could potentially harm Indonesian cigarette exports and the tobacco industry. Therefore, the objective of the move is to protect national interests since 1.66 % of Gross Domestic Product (GDP) of Indonesia is sourced from the tobacco industry.

B. United States takes Indonesia to the WTO over import restrictions

The US has complained to the WTO the Indonesia's import restrictions on horticultural and animal products. The US has claimed that the volume of its export of those products has reduced drastically since Indonesia implemented strict licensing requirements for import of horticulture products in 2011.

The US argues that the motive of the import restrictions is to protect domestic industry, but that it also violates the WTO's rules. The US also said that the restriction is detrimental to US exports to Indonesia.

Ron Krik, the US Trade Representative, has said that "Indonesia's opaque and complex import licensing systems affect a wide range of American agricultural exports". He has further added that by implementing the restriction, the government has reduced Indonesian consumers' access to high quality US products.

The US has invited Indonesia to settle this issue under the dispute settlement provision of the WTO.

Commerce

Indonesia

5. Restriction on E-Commerce activity

There is a general prohibition on PMA companies being engaged in retail activities (except for large scale retailers like supermarkets, department stores and hypermarkets).

From an e-commerce point of view, the Indonesia Investment Coordinating Board ("**BKPM**") is of the view that any activities related to internet (website/application) based services (e.g. managing and maintaining a website/application, and providing web-based service) are considered as web portal activities, provided that the activities hosted in the website/application do

not fall under different business lines (e.g. e-retail, travel agent and broker/agent).

The scope of the web portal business line is vague in nature as currently there are no specific laws and regulations on web portal. This is also why web portal business line (which is open for 100% foreign investment) is often stretched by investors to do other internet based activities (e.g. e-retail which is now closed for foreign ownership). However, BKPM now requires investors to do a presentation before giving any approval for web portal business line (primarily to check that the proposed operations are not extensive or seeking to do e-retailing).

6. Draft Bill of E-Commerce

As mandated under the Trade Law, the Government is currently preparing a draft of a Government Regulation on e-commerce ("**Draft GR**") as an implementing regulation of the Trade Law. The Government exposed the Draft GR to stakeholders for a public hearing on 17 June 2015.

Several interesting or key provisions are as follows:

- a) Article 18 of the Draft GR provides that business actors who want to conduct e-commerce activities must first be registered as an e-commerce business actor at the relevant Ministry. Business actors according to Article 11 of the Draft GR include merchants, e-commerce organizers ("**PTPMSE**") and intermediary organizers. Merchants and intermediary organizers can be individuals or legal entities. However, e-commerce organizers must be Indonesian legal entities.
- b) The Draft GR is inconsistent on the PTPMSE's legal form. Under Article 12 (2) of the Draft GR, a PTPMSE must be an Indonesian legal entity. However, Article 18 (4) explicitly states that a foreign PTPMSE may engage in business in Indonesia, without requiring it to be established as an Indonesian legal entity (although a specific license from the relevant Ministry is required).
- c) Note that according to Articles 13 and 15 of the Draft GR, offshore merchants, e-commerce organizers and intermediary organizers who conduct e-commerce with Indonesian consumers are deemed to be doing business operations in Indonesia, and must comply with Indonesian laws and regulations. Any offshore business actors who violate this provision would be listed in a surveillance priority list, which can be accessed by public.
- d) Article 27 of the Draft GR provides that a PTPMSE or an intermediary organizer is responsible for any losses resulting from illegal content in their services, unless the PTPMSE immediately removes the relevant electronic link after it becomes aware of such condition, and in the case of an intermediary organizer unless the intermediary organizer is

only acting as an intermediary to convey information between the seller and the buyer (does not initiate, verify, or modify any information).

- e) Based on Article 50 of the Draft GR, an e-commerce consensus to transact is considered established if the buyer accepts the seller's/PTPSME's offer, and the acceptance is consistent with the mechanism and technical, substantial, and conditional requirements stated in the offer. There is no agreement if the acceptance does not match with the offer. Moreover, under Article 71 of the Draft GR, an e-commerce transaction contract will be valid and binds the parties if (i) it is in accordance with the terms and conditions stipulated in the electronic offer, (ii) information stated in the transaction contract is in accordance with the electronic offer, and (iii) the terms and conditions of the offers are accepted by the party who received the offer.
- f) Under Article 59 of the Draft GR, payment for e-commerce transactions can be conducted through banking payment systems or another electronic system. A PTPSME may also engage another entity to provide the electronic payment system.
- g) Articles 64 and 65 of the Draft GR provide that if there is a dispute on the timing of delivery of the purchased goods due to inconsistency of the actual delivery with the agreed delivery time, the business actors must settle such dispute. Further, if the delivery of goods is conducted by a PTPMSE and there is a dispute on timing as above, the PTPMSE must settle such dispute.
- h) Under Article 77 of the Draft GR, a seller and PTPMSE must provide buyers at least two days to change or cancel a purchase if: (i) the goods do not match the description; (ii) there is a defect or damage to the goods; and (iii) the goods have expired.
- i) Under Article 68 of the Draft GR, business actors that perform e-commerce transactions with Indonesian consumers are considered to have conducted physical trading activities in Indonesia. E-commerce transactions are subject to all taxation obligations under prevailing laws and regulations.

7. Testing and labeling

There is no recent development on testing and labelling. However, it is important to note that the labeling requirement applies for both locally manufactured goods and imported goods. The labelling requirement is regulated under Minister of Trade of the Republic of Indonesia Regulation No. 67/M-DAG/PER/11/2013 on Labeling Requirement in *Bahasa Indonesia* on Goods as amended by Minister of Trade Regulation No. 10/M-DAG/PER/1/2014 ("**Regulation 67**"). The

label should be affixed on the packaging or the goods or on both. It must be:

- permanently embossed or printed; or
- attached entirely.

The label in *Bahasa Indonesia* must include a clear explanation of the goods and the business actors' identity. The explanation should include usage instructions and danger symbols and/or warning signs, while the business actor's identity should include the name and address of the local manufacturer or the name and address of the importer. The symbols of warning, danger or caution are put on if related to safety, security, health or environment.

Regulation 67 stipulates that the label attached to both products and packaging should not be a sticker. However, we have seen in practice that stickers are still allowed provided that they are super adhesive; therefore, it appears that the implementation is quite lenient.

Nevertheless, Regulation 67 is yet to be tested in its entirety, including its supervision and enforcement. Thus, there is still a possibility that the policy may change and become less lenient.

The labeling requirement can be exempted in certain circumstances, such as if the goods are:

- bulk goods which are sold or packaged directly in front of consumers;
- imported goods, such as capital goods, goods for research and knowledge development, sample goods (not for trading), goods imported temporarily, goods that will be reimported, or goods of other countries representatives who work in Indonesia; or manufactured in Indonesia as capital goods or supporting goods of production processes.

As Regulation 67 is relatively new and there may be adjustments to the system, we may see further changes in the issuance of exemptions, e.g., requests for additional documents other than those listed in Regulation 67 to support the exemption applications.

8. Cyber Security and Data privacy

Data Privacy

There is no recent development on this subject. However, it is important to note that, Law No. 11 of 2008 on Electronic Information and Transaction ("**EIT Law**"), and its implementing regulation, i.e. Government Regulation No. 82 of 2012 on the

Implementation of Electronic Systems and Transactions ("**Regulation 82**"), any use of personal data (e.g. data collection, transfer, process, disclosure) through electronic media may only be done with proper prior consent from the relevant data owners.

Although there are no specific requirements on consent form or how to obtain the consent under EIT Law and Regulation 82. To be prudent, it is advisable to obtain an express or opt-in consent, as generally negative or opt-out consent could be challenged in Indonesia.

Electronic Signature

Electronic signatures are recognized under the EIT Law and Regulation 82. The EIT Law and Regulation 82 define an electronic signature as all forms of electronic information functioning as a means of verification or authentication, including digital signatures or acceptance confirmations.

Further, Regulation 82 recognizes 2 types of electronic signature namely (i) certified and (ii) uncertified. There is no mandatory requirement to have a certified electronic signature.

The EIT Law and Regulation 82 provide that an electronic signature is only valid if all of the following conditions are met:

- (i) Data to make the relevant electronic signature only relates to the signatory (e.g., signatory's name, mother's maiden name, identification number and date of birth).
- (ii) Data to make the electronic signature is fully within the signatory's ability to provide.
- (iii) All changes in the electronic signature and its electronic information made after the signing can be identified.
- (iv) There is a certain way to identify the signatory.
- (v) There is a certain way to identify that the signatory has consented to the information on the electronic signature.

It should be noted however, that while electronic signatures are regulated and courts are meant to accept electronic contracts as evidence under the EIT Law and Regulation 82, the courts have been slow to do so.

A company should note that best practice in Indonesia is also to include in an agreement that electronic signatures are agreed by parties. Please also note that for filing purposes (as applicable), some government entities may still require a hard copy document that has been signed manually or a printout of the relevant electronic document.

So while the law allows electronic signatures, government practice is yet to accept fully such signatures.

Annex 1

No.	Two Digit HS Code* *to conduct customs clearance the importer will need to submit 10 digit HS Code	Summary of Description of Goods	Before	After	Remarks
Food and Beverages					
1.	Post 09.01	Coffee, whether or not roasted or decaffeinated, coffee husk and skins, coffee substitutes containing coffee in any proportion.	5%	20%	
2.	Post 09.02	Tea, flavored and non-flavored.	5%	20%	
3.	Post 16.01	Sausages and similar products, of meat, meat offal or blood; food preparations based on these products.	5%	30%	
4.	Post 16.04	Prepared or preserved fish; caviar substitutes prepared from fish eggs.	5-10%	15-20%	For instance: the import duty for salmon has increased from 5% to 15%. The import duty for sardines in airtight containers and in other forms have both increased to 15% from 10% (in airtight containers) and 5% (in other forms).
5.	Post 16.05	Crustaceans, mollusks, and other aquatic invertebrates, prepared and preserved.	5%	15%	For instance: the import duty for crab, shrimps, prawns, lobster, oysters, abalone, scallops, clams and octopus has increased from 5% to 15%.
6.	Post 17.04	Sugar confectionery (including white chocolate), not containing cocoa.	10%	15-20%	For instance: the Import duty for both chewing gum and white chocolate has increased from 10% to 20%. The import duty of medicated pastilles and drops has increased from 10% to 15%.
7.	Post 18.06	Chocolate and other food preparations	5-10%	15-	For instance: the import duty for

No.	Two Digit HS Code* *to conduct customs clearance the importer will need to submit 10 digit HS Code	Summary of Description of Goods	Before	After	Remarks
		containing cocoa.		20%	cocoa powder from 10% has increased to 15%.
8.	Post 19.02	Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as Spaghetti, Macaroni, Noodles, Lasagne, Gnocchi, Ravioli, Cannelloni, Couscous, whether or not prepared.	5-10%	20%	For instance: the import duty for uncooked pasta has increased from 5% to 20% and the import duty of instant vermicelli has also increased from 10% to 20%.
9.	Post 19.05	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind that suitable for pharmaceutical use, sealing wafers, rice paper and similar products.	5%-10%	20%	For instance: the import duty for sweet biscuits, including waffle and wafer has increased from 10% to 20%, and the import duty of unsweetened biscuits has increased from 5% to 20%.
10.	Post 21.03	Sauces and preparations therefor; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard.	5%	15%	For instance: the import duty for chili sauce, soy sauce and tomato ketchup has increased from 5% to 15%.
11.	Post 21.05	Ice cream and other edible ice, whether or not containing cocoa.	5%	15%	
12.	Post 22.02	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored, and other non-alcoholic beverages, not including fruit or vegetable juice of heading 20.09	5%	10-20%	For instance: the import duty for soya milk drinks has increased from 5% to 10%. The import duty for other non-aerated beverages ready for immediate consumption without dilution has increased from 5% to 20%.
13.	Post 22.04	Wine of fresh grapes, including fortified wines, : grapes must other than that of heading	Rp. 55,000 /liter	90%	

No.	Two Digit HS Code* *to conduct customs clearance the importer will need to submit 10 digit HS Code	Summary of Description of Goods	Before	After	Remarks
		22.09			
14.	Post 22.08	Un-denatured Ethyl alcohol strength by volume of less than 80% vol.; spirits, liqueurs and other spirituous beverages	Rp. 125,000/liter	150%	For instance: the import duty for brandy, whisky, vodka, rum and other spirits obtained by distilling fermented sugar-cane products and other liqueurs has increased from Rp.12,500/liter to 150% of the imported price.
Health and Beauty					
15.	Post 33.04	Beauty or make-up preparations and preparations for the care of skin (other than medicaments), including sunscreen or sun tan preparation; manicure and pedicure preparations.	10%	15%	For instance: the import duty for lip make-up, eye make-up and powders has increased from 10% to 15%.
16.	Post 33.05	Preparations for use on the hair.	10%	15%	For instance: the import duty for shampoo, preparations for permanent waving or straightening, and hair lacquers has increased from 10% to 15%.
17.	Post 33.06	Preparations for oral or dental hygiene, including denture fixative pastes and powders; yarn used to clean between the teeth (dental floss), in individuals retail packages.	5-10%	10-15%	For instance: the import duty for toothpaste has increased from 10% to 15%, and the import duty for dental floss has increased from 5% to 10%.
18.	Post 34.01	Soap, organic surface-active products and preparations for use as soap, in the form of bars, cakes, molded pieces or shapes, whether or not containing soap; organic surface-	5-10%	10-15%	For instance: the import duty for bath soap has increased from 10% to 15%. Import duty for soaps in the other forms has increased from 5% to 10%.

No.	Two Digit HS Code* *to conduct customs clearance the importer will need to submit 10 digit HS Code	Summary of Description of Goods	Before	After	Remarks
		active products preparations for washing the skin, in the form of liquid cream and put up for retail sale, whether or not containing soap; paper, wadding, felt and nonwovens, impregnated, coated, or covered with soap or detergent.			
Households Appliances					
19.	Post 39.02	Baths, shower baths, sinks, wash-basins, bidets, lavatory pans, seats and covers, flushing cisterns and similar sanitary ware of plastics.	10%	15%	
20.	Post 39.24	Tableware, kitchenware, or other household articles and hygienic or toiletries, of plastics.	15%	20 - 22.5 %	For instance: the import duty for Kitchenware and tableware made of melamine has increased from 15% to 20%. The import duty for other plastic form of kitchen and tableware has increased from 15% to 22.5%
21.	Post 44.20	Wood marquetry and inlaid wood, caskets and cases for jewelry or cutlery and similar goods of wood, ornaments of woods, wooden goods or furniture not falling in Chapter 94.	5%	25%	
22.	Post 57.02	Carpets and other textile floors coverings, woven, not tufted or flocked, whether or not made up, including: "Kelem", "Schumacks", "Karamanie" and similar hand-woven rugs.	15%	22.5 - 25%	For instance: the import duty for wool prayer rugs has increased from 15% to 22.5%.

No.	Two Digit HS Code* *to conduct customs clearance the importer will need to submit 10 digit HS Code	Summary of Description of Goods	Before	After	Remarks
Pharmaceuticals					
23.	Post 40.14	Hygienic or pharmaceutical articles (including teats) of vulcanized rubber other than hard rubber, with or without fittings or other hard rubber.	5%	10%	For instance: the import duty of condom, teats for feeding bottles or similar articles, or stoppers for pharmaceutical use has increased from 5% to 10%.
24.	Post 40.15	Article of apparel and clothing accessories (including gloves, mittens and mitts) for all purposes, of vulcanized rubber other than hard rubber.	5%	10%	For instance: the import duty for surgical gloves or lead aprons has increased from 5% to 10%.
Apparel and Fashion					
25.	Post 42.02	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacles cases, binocular cases, camera cases, musical instrument cases, gun cases, holster and similar containers; traveling bags, insulated foods and beverages bags, toilet bags, rucksacks, handbags, shopping bags, wallets, purses, map-cases, cigarette cases, tobacco cases, travelling bags, tool bags, sport bags, bottle cases, jewelry boxes, powder boxes, cutlery cases and similar containers, of leather, sheeting plastic, textile materials, or vulcanized fiber or paperboard, wholly or mainly cover with such material or with	10-	15-20%	For instance: the import duty for handbags with outer surface of leather or composition of leather has increased from 10% to 15%. The import duty for handbags with outer surface of plastic sheeting or of textile materials has increased from 15% to 20% The import duty for school satchels with outer vulcanized fiber has increased from 15% to 17.5%.

No.	Two Digit HS Code* *to conduct customs clearance the importer will need to submit 10 digit HS Code	Summary of Description of Goods	Before	After	Remarks
		paper.			
26.	Post 61.03	Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear), knitted or crocheted.	10%-	20%-25%	For instance: the import duty for jackets of wool or fine animal hairs has increased from 10% to 20%. The import duty for suits, ensembles, and jackets made of cotton, synthetics fiber or other textile materials has increased from 15% to 25%.
27.	61.04	Women's or girls' suits, ensembles, jackets, blazers, dresses, divided skirts, trousers, bib and brace overalls, breeches and shorts (other than swimwear), knitted or crocheted.	10%-	20%-25%	For instance: the import duty for jackets of wool or fine animal hairs has increased from 10% to 20%. The import duty for suits, ensembles, and jackets made of cotton, synthetics fiber or other textile materials has increased from 15% to 25%.
28.	61.10	Jerseys, pullovers, cardigans, waistcoats and similar goods, knitted or crocheted.	15%	20%-25%	For instance: the import duty for jerseys, pullovers, cardigans, waistcoats and similar goods, knitted or crocheted of wool or fine animal hairs has increased from 15% to 20%. The import duty for any of the above goods that are made of cotton, fiber or textile materials has increased from 15% to 25%.
29.	Post 61.11	Babies' garments and clothing accessories, knitted or crocheted.	15%	25%	

No.	Two Digit HS Code* *to conduct customs clearance the importer will need to submit 10 digit HS Code	Summary of Description of Goods	Before	After	Remarks
30.	Post 61.17	Other made up clothing accessories, knitted or crocheted parts of garments or of clothing accessories.	10%-15%	20%-25%	<p>For instance: the import duty for shawls, scarves, mufflers, mantillas, veils and the like has increased from 15% to 25%.</p> <p>Import duty for wristbands, knee bands and ankle bands has increased from 15% to 22.5%.</p> <p>Import duty for ties, bow ties and cravats of wool or fine animal hair has increased from 10% to 20%.</p>