

Client Alert

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Post-Border Policy - Self Declaration Scheme

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As of early 2018, the Ministry of Trade of the Republic Indonesia issued several amendments of import regulations as well as new regulations (please refer to Attachment 1). Following the issuance of these regulations, the Directorate of Customs and Excise ("**Customs**") issued Circular Letter No. S-145/BC/2018 dated 7 February 2018 on Implementation of Post-Border Import Supervision on Certain Imported Goods that are Subject to Restriction.

The amendments or changes are aimed at reducing the dwelling time at the Port and to improve business process and competitiveness of domestic logistics providers – as a part of President Jokowi's Economic Policy Package Phase XV.

What are the Changes

The main thrust of the changes is to shift the import supervision of prohibited goods and/or restricted goods (goods that are subject to *Larangan dan Pembatasan Impor* or "**Lartas**"¹) away from Customs at the entry point ("**Border**"). Now the supervision will be done by the relevant Ministry or Institution – after the goods exit the customs territory or pass the Border ("**Post-Border**") – thereafter referred to as "**Post-Border Import Supervision Policy**".

In brief, the Government does not aim to remove the additional import requirements or *lartas* but they just want to change the responsible supervisor of the fulfilment of *lartas* from Customs to the relevant Ministry or Institution (eg, Ministry of Trade, Food and Drug Control Agency/BPOM). As such, additional import requirements or *lartas* are no longer applied at the time of customs clearance process at the Port. The *lartas* are required after the goods are cleared or exit the Customs Port.

To implement the policy and to provide a reliable and updated information source to the public, the Indonesia National Single Window Portal Management ("**PP INSW**") has made some adjustments, eg, to remove restricted imported goods that are supervised at post-border from the list of goods that are subject to *lartas*. The updated information on post-border and list of goods that are still supervised at the border can be accessed through the website <http://eservice.insw.go.id/>.

¹ Goods that are subject to *Larangan dan Pembatasan Impor* or *Lartas* means goods whose import or export are prohibited and/or restricted, thus the importation or exportation must be supervised and meet regulatory requirements.



For example, importation of cosmetics products is now subject to post-border inspection (please see below screen shot of the PP INSW).

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IMPORT REGULATION (TATA NIAGA - POST BORDER)						
No.	REGULATION NAME	MODUL	KOMODITI	LEGAL	DESCRIPTIONS	REGULATION
1	Pembatasan Surat Keterangan Impor	854	[Kosmetik]	Badan Pengawas Obat dan Makanan (BPOM) – The National Agency of Drug and Food Control Peraturan Kepala BPOM No. 30 Tahun 2017	-- Wewangian atau kosmetik lainnya, termasuk obat perontok: Depilatori	Surat Keterangan Impor

Sanction

Imposition of sanctions for violation of the post-border import trading supervision requirements/permits will be in accordance with applicable laws and regulations, such as:

- Penalty
- Suspension of Import Identification Number ("**API**")
- Revocation of API
- Suspension of additional import license (ie, Import Approval)
- Revocation of additional import license (ie, Import Approval)

Conclusion - Impact for Importers

With the issuance of these regulations, importers currently have to provide the necessary import documents or *lartas* documents at the post-border (outside Customs Port/Territory). However, before the goods can be used, traded and/or transferred, they must provide a self-declared statement letter to the relevant Ministry/Institution which mentions that they comply with the import provisions and indicating the Import Declaration ("**PIB**") number.

Further, importers must keep the *lartas* documents for 5 years for the purpose of supervision and examination by the relevant Ministry/Institution. The issue is that not all relevant Ministries/Institutions have activated their self-declaration systems and we expect to see hiccups in the next month or two.

Other Development

Other developments and updates on new regulations and provisions can be seen in the attachment of this alert.



Attachment 1

No.	Regulation No.	Title	Amendment or Revocation	Effective Date
1.	Minister of Trade Regulation No. 3 of 2018	Import Provisions of Pearl	Revokes Regulation No. 02/M-DAG/PER/1/2012 as lastly amended by Regulation No. 37/M-DAG/PER/7/2014	1 February 2018
2.	Minister of Trade Regulation No. 6 of 2018	Import Provisions of Tires	First amendment of Regulation No. 77/M-DAG/PER/11/2016	1 February 2018
3.	Minister of Trade Regulation No. 7 of 2018	Import Provisions of Cement and Clinker Cement	-	1 February 2018
4.	Minister of Trade Regulation No. 8 of 2018	Import Provisions of Raw Materials from Plastics	Second amendment of Regulation No. 36/M-DAG/PER/7/2013	1 February 2018
5.	Minister of Trade Regulation No. 9 of 2018	Verification or Technical Survey for Import of Sheet Glass	Third amendment of Regulation No. 40/M-DAG/PER/9/2009	1 February 2018
6.	Minister of Trade Regulation No. 12 of 2018	Import of Certain Products	Fourth amendment of Regulation No. 87/M-DAG/PER/10/2015	1 February 2018
7.	Minister of Trade Regulation No. 13 of 2018	Import of Forestry Products	Second amendment of Regulation No. 97/M-DAG/PER/11/2015	1 February 2018
8.	Minister of Trade Regulation No. 14 of 2018	Import of Multifunctional Color Printer, Color Photocopy Machine and Color Printer Machine	First amendment of Regulation No. 102/M-DAG/PER/12/2015	1 February 2018
9.	Minister of Trade Regulation No. 16 of 2018	Import of Horticultural Products	Third amendment of Regulation No. 30/M-DAG/PER/5/2017	1 February 2018



No.	Regulation No.	Title	Amendment or Revocation	Effective Date
10.	Minister of Trade Regulation No. 17 of 2018	Import Provisions of Capital Goods that are not in a New Condition	Second amendment of Regulation No. 127/M-DAG/PER/12/2015	1 February 2018
11.	Minister of Trade Regulation No. 18 of 2018	Import Provisions of Cooling System-Based Goods	First amendment of Regulation No. 84/M-DAG/PER/10/2015	1 February 2018
12.	Minister of Trade Regulation No. 19 of 2018	Import Provisions of Lubricants	Revokes Joint Decision of Minister of Energy and Mineral Resources, Minister of Finance and Minister of Trade No. 1905K/34/MEM/2001, 426/KMK.01/2001 and 233/MPP/KEP/7/2001	1 February 2018
13.	Minister of Trade Regulation No. 20 of 2018	Export and Import Provisions of Animal and Animal Products	Second amendment of Regulation No. 59/M-DAG/PER/8/2016	1 February 2018
14.	Minister of Trade Regulation No. 21 of 2018	Import Provisions of Corn	Revokes Regulation No. 20/M-DAG/PER/3/2016 as lastly amended by Regulation No. 56/M-DAG/PER/7/2016	15 January 2018
15.	Minister of Trade Regulation No. 22 of 2018	Import Provisions of Iron or Steel, Alloy Steel and Their Derivative Products	Third amendment of Regulation No. 82/M-DAG/PER/12/2016	1 February 2018