

Import Licensing Revisions



Three years after issuing significant changes to the import restrictions for production and manufacturing companies in its Regulation No. 27/M-DAG/PER/5/2012, as amended by Regulation No. 84/M-DAG/PER/12/2012 (the “Existing Regulation”), the Minister of Trade recently issued Regulation No. 70/M-DAG/PER-9/2015 (the “New Regulation”), which becomes effective 1 January 2016

The changes covered by the New Regulation are primarily regarding goods that can be imported by each General Importer License Holder (“API-U”) and each Production and Manufacturing Importer License Holder (“API-P”).

Allowable imported goods by an API-U:

Under the Existing Regulation, an API-U can import:

- Goods covered in only one Section in the Goods Classification System of the Indonesian Customs Tariff Book, and
- Goods covered in other Sections, if a request is submitted to and approved by the Ministry of Trade.

Under the New Regulation an API-U can import the goods stated in its license for trading purposes only.

Allowable imported goods by an API-P:

Under the Existing Regulation, an API-P can import any goods required for production purposes, including raw materials, equipment, machinery and certain industrial goods.

These imported industrial goods cannot be used to produce goods, but rather must be for the purpose of market testing within a certain period or are complementary goods, provided that an API-P does not produce these goods itself.

Complementary goods are goods produced by related companies overseas that can be sold to other parties locally.

Under the New Regulation, such certain industrial goods, including complementary goods, can no longer be imported by an API-P.

Other provisions:

- The API-U and API-P licenses that were issued based on the Existing Regulation must be revised to comply with the New Regulation no later than 30 June 2016.
- A license as producing importers that was issued based on the Existing Regulation shall remain valid until it expires. (Article 38 of Regulation No. 70/M-DAG/PER-9/2015 states “producing importers” and does not mention API-Ps but it is our view that this should refer to API-Ps.)

KPMG comments:

For an API-U, the New Regulation provides more flexibility in importing goods in accordance with its license.

After its license expires, an API-P must consider other means to import certain industrial and complementary goods and may need to consider changing its existing business model.

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