



## COVID-19 Indonesian Legal Talking Points Presidential Regulation No. 58 of 2020

### Acceleration on Import Licensing Procedure

#### Background

On April 8<sup>th</sup> 2020 the Indonesian Government issued Presidential Regulation No. 58 of 2020 on Structuring and Streamlining of Import Licenses. This regulation was promulgated in response to the current COVID-19 pandemic with the aim to fasten the procurement process of primary goods and essential commodities. As a result of the pandemic, it is expected that there

would be an increase of consumption. As such, the Government would need to take necessary measures to maintain the availability of essential commodities in order to meet public's demands. By virtue of this new Presidential Regulation, the Government is aiming at streamlining import process by way of eliminating certain administrative process and grant the necessary import

approvals/ licenses on the basis of assessment made by coordination meetings of the relevant ministries. Under Presidential Regulation No. 58/2020, the acceleration process may be taken for the issuance of pre-requisite documentation as required for the issuance of import license in form for approval, registration, stipulation and/or accreditation.



### Eligible Type of Goods

This regulation simplifies import licensing for certain goods, depending on availability, production, price and national interest. Below are goods that eligible to be imported under this acceleration procedures:

1. Primary goods and essential commodities;
2. Government food reserves;
3. Raw materials or auxiliary materials;
4. Goods and raw materials for disaster prevention and management; and
5. Other requirements set by the government



### Eligible Tax Facilities

**What:** Imported products/ goods to satisfy needs as stipulated in this Presidential Regulation may enjoy tax, customs and/or excise facilities, in accordance with applicable laws.

**How:** The aforementioned products/ goods may be determined in accordance to a resolution adopted in a coordination meeting.

**Who:** Coordinating Minister for Economic Affairs, minister/ head of relevant sectoral authority or its representative.



### Type of Pre-requisite Documentation Eligible for Acceleration

To obtain the import licenses, an importer must provide pre-requisite documentation issued by the minister with oversight of the sector relevant to the imported goods. Those pre-requisite documentation can be in the form of:

1. Permits;
2. Approval or Letters of Approval;
3. Raw materials or auxiliary materials;
4. Recommendations;
5. Technical Consideration;
6. Allocation on sufficiency on consumption needs, primary foods productions, and government food reserves; and/ or
7. Other import license requirements as set out in relevant regulations.



Issuance of Pre-requisite Documentation to Obtain Import Licenses



Decision to grant the pre-requisite documentation to obtain import licenses may be approved based on coordination meetings held by the Coordinating Minister for Economic Affairs and attended by the relevant ministers/ heads of relevant sectoral authority or their representatives.



Stipulation of certain circumstances will be done at a coordination meetings.



The granting of pre-requisite documentation to obtain import licenses shall follow the technical requirements as set out in the relevant regulations. However, in urgent circumstances such technical requirements may be exempted or waived.

Urgent circumstances:

- a. urgent needs or unreasonable market price;
- b. lack of or limited supplies domestically or internationally; and/or barriers for trade traffic or disruption of supply chains.

Procedures



Coordination meeting of the relevant ministries.



Determination of urgent circumstances, taxation, customs, and excise facilities (if applicable), and technical requirements.



Issuance or pre-requisite documentation to obtain import licenses in writing by the relevant minister/head of sector.

## Contact us

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