



Indonesia Tax Info April 2024

Customs Focus

Update on import policies and regulations

To optimize the implementation of Minister of Trade (MoT) Regulation Number 36 of 2023 (Permendag-36) regarding import policies and regulations (please refer to [Customs Focus January 2024](#)), on 7 March 2024, the MoT issued Regulation Number 3 of 2024 (Permendag-3) which came into effect as from 10 March 2024. Permendag-3 amends the provision of import approval (*persetujuan impor* (PI)) as well as the attachments regarding certain imported goods.

The salient points of Permendag-3 are as follows:

- **Revision of PI after inspection**

In the event that importers wish to revise a PI but the inspection of the PI has been carried out by the Directorate General of Customs and Excise (DGCE),

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importers are required to provide the following documents in addition to those specified in the attachments of Permendag-36:

- Import customs declaration document;
- Letter of determination of prohibited/restricted goods; and
- Surveyor's report (if required for the import of certain goods).

The revised PI does not change the validity period of the original PI.

- **Restriction on the extension of PI**

The restriction on extension of a PI was not previously specified; however, under Permendag-3, extension of PI can be granted only to goods that have been loaded on the transportation means and experienced a delay in arrival due to certain circumstances in the form of:

- Force majeure;
- Humanitarian disasters;
- Natural disasters;
- Technical disruption of the transportation means; and/or
- Other circumstances that result in delayed arrival.

To make a request for the extension of PI, importers are required to provide an airway bill and/or bill of lading.

- **Revised provision of imports of manufactured goods**

- Manufactured goods that are imported by importers owning an importer identification number–production (*Angka Pengenal Importir Produsen (API-P)*) into certain areas (i.e., free trade area and free port (*Kawasan Perdagangan Bebas dan Pelabuhan Bebas (KPBPB)*), special economic zone (*Kawasan Ekonomi Khusus (KEK)*), and bonded storage area (*Tempat Penimbunan Berikat (TPB)*) as complementary items, for market testing, or for after-sales service and that qualify as import-free goods are not subject to the requirement to have a notification letter issued by the Directorate General of Foreign Trade.
- In general, manufactured goods that are imported by importers owning an API-P into areas specified in the previous point as complementary items, for market testing, or for after-sales service and that are classified as import-restricted goods shall be subject to PI provisions. A restriction of those manufactured goods may be applied based on a determination by the regional council (for the import of goods to KPBPB) or by the national council (for the import of goods to KEK). However, the provision of import above does not apply to import-restricted goods that are neither for consumer protection nor related to security, safety, health, and environment purposes.

New requirement for issuing technical consideration on import of certain commodities

Technical consideration (*pertimbangan teknis*) is one of the requirements to obtain a PI. To support the stability of the domestic product industry, in early 2024, the Minister of Industry (MoI) issued several regulations stipulating the requirements and procedures for issuing a technical consideration on import of certain commodities, as follows:

- MoI Regulation Number 1 of 2024 (PMP-1) for iron or steel, alloy steel, and derivative products (please refer to [Customs Focus February 2024](#));
- MoI Regulation Number 4 of 2024 (PMP-4) for traditional medicines, health supplements, cosmetics, and household health supplies;
- MoI Regulation Number 5 of 2024 (PMP-5) for textiles, textile products, bags, and/or footwear;
- MoI Regulation Number 6 of 2024 (PMP-6) for electronic products;
- MoI Regulation Number 7 of 2024 (PMP-7) for valves; and
- MoI Regulation Number 8 of 2024 (PMP-8) for certain upstream chemicals.

The following table summarizes the details of the requirements for issuing technical consideration on import of each commodity:

Topics	PMP-4	PMP-5	PMP-6	PMP-7	PMP-8
Issuance date	30 January 2024	6 February 2024	6 February 2024	6 February 2024	23 February 2024
Effective date	30 January 2024	10 March 2024	6 February 2024	6 February 2024	23 February 2024
Import commodities	Traditional medicines, health supplements, cosmetics, and household health supplies	Textiles, textile products, bags, and/or footwear	Electronic products	Valves	Certain upstream chemicals
Eligible companies/importers	Importers that own an importer identification number—general (<i>Angka Pengenal Importir Umum</i> (API-U)) and have fulfilled their business licensing commitments in the wholesale sector under certain Indonesian standard industrial classifications (<i>Klasifikasi Baku Lapangan Usaha Indonesia</i>) and registered at the Indonesia national single window system (SINSW)	<ul style="list-style-type: none"> • Importers that own an API-P; • Importers that own an API-U; and • Supply centers for raw and/or auxiliary materials for textiles, textile products, bags, and footwear 	<ul style="list-style-type: none"> • Importers that own an API-P; and • Importers that own an API-U 	<ul style="list-style-type: none"> • Importers that own an API-P; • Importers that own an API-U; and • Supply centers for raw and/or auxiliary materials for certain upstream chemicals 	

Topics	PMP-4	PMP-5	PMP-6	PMP-7	PMP-8
Reporting requirements	<ul style="list-style-type: none"> PI and its revisions; Import realization report; Distribution realization report; and Monthly usage realization report (for importers carrying out import of traditional medicines and health supplements under specific harmonized system (HS) codes) 	<ul style="list-style-type: none"> PI and its revisions; Import realization report; Distribution realization report; and Additional report (depends on the importer's classification and import commodities) 	Import realization report		<ul style="list-style-type: none"> PI and its revisions; Import realization report; Distribution realization report; and Additional report (depends on the importer's classification and import commodities)
Additional remarks	-	Industrial capability verification report (<i>Laporan Hasil Verifikasi Kemampuan Industri</i> (LHVKI)) or general importer verification report (<i>Laporan Hasil Verifikasi Importir Umum</i> (LHVIU)) is required prior to obtaining a technical consideration	-	-	LHVKI or LHVIU or small and medium industries verification report (<i>Laporan Hasil Verifikasi Industri kecil dan Industri Menengah</i> (LHVIKM)) is required prior to obtaining a technical consideration

Other salient points with respect to the above Mol regulations:

- Each Mol regulation provides a list of specific commodities subject to the requirements for issuing a technical consideration.
- To request a technical consideration, importers must submit their request through the SINSW that will be forwarded automatically to the national industrial information system (*Sistem Informasi Industri Nasional*). The verification process will be carried out within a maximum of five working days.
- Importers that have obtained a technical consideration and a PI may request for a revision to the technical consideration due to the changes to import data and/or allocation. The validity period of the revised technical consideration follows the validity period of the original technical consideration.
- Once a year and at any time necessary, the government shall monitor and evaluate the importers that have obtained a technical consideration to ensure their compliance.
- Administrative sanctions may be applied to the importers that fail to comply with the requirements for submitting realization reports and/or violate regulations based on the monitoring and evaluation results. If the importers that have been imposed with written sanctions for a maximum three times do not make any improvement, their technical consideration requests for the following year may be rejected and/or their PI may be revoked.

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