MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

REGULATION OF THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

NUMBER: 40/M-DAG/PER/8/2013

CONCERNING

PROVISIONS ON IMPORT OF CLINKER CEMENT AND CEMENT

BY THE GRACE OF ALLAH THE ONE SUPREME GOD

THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA,

Considering: a. that in order to meet the need of clinker cement and domestic cement, development of national cement industry and create fair business competition, it is necessary to regulate provisions on clinker cement and cement;

b. that based on the consideration as referred to in item a, it is necessary to stipulate Regulation of Minister of Trade concerning Provisions on Import of Clinker Cement and Cement;

In view of: 1. Bedrijfsreglementerings Ordonnantie 1934 (State Gazette Number 86 of 1938);

2. Law Number 3 of 1982 concerning Mandatory Company Registration (State Gazette of the Republic of Indonesia Number 7 of 1982, Supplement to the State Gazette of...
the Republic of Indonesia Number 3214);

3. Law Number 5 of 1984 concerning Industry (State Gazette of the Republic of Indonesia Number 22 of 1984, Supplement to the State Gazette of the Republic of Indonesia Number 3274);

4. Law Number 7 of 1994 concerning Ratification of Agreement Establishing The World Trade Organization, (State Gazette of the Republic of Indonesia Number 57 of 1994, Supplement to the State Gazette of the Republic of Indonesia Number 3564);

5. Law Number 10 of 1995 concerning Customs (State Gazette of the Republic of Indonesia Number 75 of 1995, Supplement to the State Gazette of the Republic of Indonesia Number 3612) as already amended by virtue of Law Number 17 of 2006 (State Gazette of the Republic of Indonesia of 2006 (State Gazette of the Republic of Indonesia Number 93 of 2006, Supplement to the State Gazette of the Republic of Indonesia Number 4661);

6. Law Number 5 of 1999 concerning Prohibition on Monopoly Practice and Unfair Business Competition (State Gazette of the Republic of Indonesia Number 33 of 1999, Supplement to the State Gazette of the Republic of Indonesia Number 3817);

7. Law Number 25 of 2007 concerning Investment (State Gazette of the Republic of Indonesia Number 67 of 2007, Supplement to the State Gazette of the Republic of Indonesia Number 4724);

8. Law Number 39 of 2008 concerning State Ministry (State Gazette of the Republic of Indonesia Number 166 of 2008, Supplement to the State Gazette of the Republic of Indonesia Number 4916);
9. Law Number 25 of 2009 concerning Public Service (State Gazette of the Republic of Indonesia Number 112 of 2009, Supplement to the State Gazette of the Republic of Indonesia Number 5038);

10. Government Regulation Number 102 of 2000 concerning National Standardization (State Gazette of the Republic of Indonesia Number 1999 of 2000, Supplement to the State Gazette of the Republic of Indonesia Number 4020);

11. Presidential Decree Number 260 of 1967 concerning Affirmation on Duties and Responsibilities of Minister of Trade in the sector of Foreign Trade;

12. Presidential Decree Number 84/P of 2009 concerning the Establishment of Kabinet Indonesia Bersatu II as already amended by virtue of Presidential Decree Number 59/P of 2011;

13. Regulation of President Number 47 of 2009 concerning Establishment and Organization of State Ministry as already amended several times lastly by virtue of Regulation of President Number 91 of 2011;

14. Regulation of President Number 24 of 2010 concerning Position, Duty, and Function of State Ministry and Organizational Structure, Duty and Function of Echelon I of State Ministry as already amended several times lastly by virtue of Regulation of President Number 92 of 2011;

15. Regulation of Minister of Trade Number 28/M-DAG/PER/6/2006 concerning Provisions on Export and Import Permit Arrangement Service by Electronic System through INATRADE in the framework of Indonesia National Single Window;

16. Regulation of Minister of Trade Number 54/M-DAG/PER/9/2009 concerning General Provisions in the
sector of Import;

17. Regulation of Minister of Trade Number 31/M-DAG/PER/7/2010 concerning Organization and Working Procedure of the Ministry of Trade as already amended by virtue of Regulation of Minister of Trade Number 57/M-DAG/PER/8/2012;

18. Regulation of Minister of Finance Number 213/PMK.011/2011 concerning Determination on Goods Classification System and Import Duty Tariff Encumbrance for the Import Goods;

19. Regulation of Minister of Industry Number 18/M-IND/PER/2/2012 concerning Application for Indonesian National Standard (SNI) of Cement;

20. Regulation of Minister of Trade Number 27/M-DAG/PER/5/2012 concerning Provisions on Importer Identification Number (API) as already amended several times lastly by virtue of Regulation of Minister of Trade Number 84/M-DAG/PER/12/2012;

HAS DECIDED:

To stipulate : REGULATION OF MINISTER OF TRADE CONCERNING PROVISIONS ON IMPORT OF CLINKER CEMENT AND CEMENT.

Article 1

The terms of the Regulation of Minister are:

1. Clinker Cement means half-finished goods containing silica calcium, oxide aluminum, and other oxides used as the materials of cement.

2. Cement means half-finished goods in terms of fiber being the processing of clinker cement in addition to the other gypsum and additive substance used to manufacture
concrete, cement brick, batako and other building materials.

3. Import means activities to import goods to the Customs Area.

4. Cement Producer Importer, hereinafter referred to as IP-Cement means cement industry company having integrated production unit importing Clinker Cement for own use in the process of production.

5. Registered Cement Importer, hereinafter referred to as IT-Cement means company importing Cement for the purpose of business activities by trading and/or transferring Cement to other parties.

6. Approval of Import means import permit of Cement.

7. Technical verification or observation means any activities for technical inspection in respect of the import products conducted by the surveyor.

8. Surveyor means survey company obtaining authorization to make technical verification or observation of the import products.

9. Minister means minister organizing the government affairs in the sector of trade.

10. Director General is the Director General of Foreign Trade, Ministry of Trade.

Article 2

(1) Clinker Cement of which the import regulated, shall include:
   a. From type used in the manufacture of white cement with Tariff Post /HS 2523.10.10.00; and
   b. Others with Tariff Post /HS 2523.10.90.00.

(2) Cement of which the import regulated, shall include:
a. Portland cement, which consists of:
   1. White cement, artificially colored or not with Tariff Post /HS .2523.21.00.00;
   2. Cement colored with Tariff Post/HS 2523.29.10.00;
   3. Others with Tariff Post /HS 2523.29.90.00;

b. Alumina cement with Tariff Post /HS 2523.30.00.00;
   and

c. Other hydraulic cements with Tariff Post /HS 2523.90.00.00.

Article 3

(1) Clinker Cement as referred to in Article 2 paragraph (1) may only be imported by the company which has obtained recognition as IP-Cement from the Minister.

(2) Cement as referred to in Article 2 paragraph (2) may only be imported by the company which has obtained stipulation as IT-Cement from the Minister.

(3) Minister shall delegate authority of issuing recognition as IP-Cement and stipulation as IT-Cement as referred to in paragraphs (1) and (2) to the Director General.

Article 4

(1) The Company which intends to obtain recognition as IP-Cement as referred to in Article 3 shall submit written application to the Director General, by attaching the following documents:
   a. photocopy of establishment deed of company along with its amendments thereof;
   b. photocopy of Industry Business Permit (IUI) or similar business permit from the competent technical agency;
   c. photocopy of Company Registration (TDP);
d. photocopy of Taxpayer Reference Number (NPWP);

e. photocopy of Producer Importer Identification Number (API-P);

f. Goods Import Plan (RIB) within 1 (one) year including type of goods, classification of goods/ Tariff Post /HS 10 (ten) digits, number, country of origin or port of loading, and port of destination; and

g. Recommendation on import of Clinker Cement from the Director General of the Ministry of Industry Manufacturing Industry.

(2) Director General shall issue recognition as IP-Cement at least 5 (five) business days as of the receipt of application properly.

(3) Recognition as IP-Cement as referred to in paragraph (2) shall apply for 1 (one) year as of the issuance.

Article 5

(1) The Company which intends to obtain recognition as IT-Cement as referred to in Article 3 shall submit written application to the Director General, by attaching the following documents:

a. photocopy of establishment deed of company along with its amendments thereof;

b. photocopy of Trade Business Permit (SIUP) or similar business permit from the competent technical agency;

c. photocopy of Company Registration (TDP);

d. photocopy of Taxpayer Reference Number (NPWP);

e. photocopy of General Importer Identification Number (API-U);

f. evidence of ownership for warehouse in accordance with the characteristics of products;

g. evidence of ownership for transport means in
accordance with the characteristics of products; and
h. recommendation from Director General Based Manufacture Industry of Ministry of Industry.

(2) Director General shall issue stipulation as IT-Cement at most 5 (five) business days as of the receipt of application properly.

(3) Stipulation of IT-Cement as referred to in paragraph (2) shall apply for 2 (two) years as of the issuance.

Article 6

(1) Any implementation of cement import by IT-Cement shall obtain Approval of Import from the Minister.

(2) Minister shall delegate authority of issuing Approval of Import as referred to in paragraph (1) to the Director General.

Article 7

(1) IT-Cement which intends to obtain Approval of Import as referred to in as referred to in Article 6 shall submit written application to Director General, by attaching the following items:
   a. photocopy of stipulation as IT-Cement;
   b. photocopy of Labeling Certificate in Indonesian Language (SKPLBI) Cement as required;
   c. photocopy of Product Certificate of Using Indonesian National Standard (SPPT SNI) Cement;
   d. Photocopy Registration Number Item (NPB);
   e. Goods Import Plan (RIB) within 6 (six) months covering type of goods, classification of goods/ Tariff Post /HS of 10 (ten) digits, amount, country of origin or port of loading, and port of destination; and
   f. Recommendation on import of Cement from Director General Based Manufacture Industry of Ministry of
Industry.

(2) Director General shall issue Approval of Import at least 5 (five) business days as of the acceptance of application properly.

(3) Approval of Import as referred to in paragraph (2) shall apply for 6 (six) months as of the issuance.

Article 8
The Company which has obtained recognition as IP-Cement shall only import Clinker Cement for the purpose of processing industry production owned and prohibited to trade and/or transfer to other parties.

Article 9
(1) In order to develop business and its investment, IP-Cement can import Cement after obtaining stipulation as Cement Importer Producer.

(2) IP-Cement which wishes to obtain stipulation as Cement Importer Producer shall submit written application to the Director General, by attaching the following items:
   a. photocopy of Industry Business Permit (IUI) or similar business permit from the competent technical agency;
   b. photocopy of Company Registration (TDP);
   c. photocopy of Taxpayer Reference Number (NPWP);
   d. photocopy of Producer Importer Identification Number (API-P);
   e. photocopy of IP-Cement;
   f. photocopy of Labeling Certificate in Indonesian Language (SKPLBI) Cement as required;
   g. photocopy of Indonesian National Standard Use Produce Certificate (SPPT SNI) Cement;
   h. photocopy of Goods Registration Number (NPB);
i. Recommendation on import of Cement from the Director General Based Manufacture Industry of Ministry of Industry; and
j. certificate prepared to conduct re-export if the Cement imported does not conform to the goods as specified in the stipulation as Cement Importer Producer, at the cost shall be borne by the relevant importer.

Article 10

(1) Any implementation of import of Clinker Cement and Cement by IP-Cement or IT-Cement shall first be made technical verification or observation in the port of loading of country of origin.

(2) Implementation of technical verification or observation for the import as referred to in paragraph (1) shall be conducted by Surveyor as stipulated by the Minister.

(3) Surveyor which wishes to obtain stipulation as the performer of technical verification or observation of import as referred to in paragraph (2) shall meet the following requirements;
   a. to have Survey Service Business Permit (SIUJS);
   b. to experience as surveyor at least 5 (five) years;
   c. to have branch or representative and/or affiliate abroad and have network in support of effectiveness of serving technical verification or observation; and
   d. to have track records in the sector of management of verification activity or technical import observation.

Article 11

(1) Technical import verification or observation as referred to in Article 10 paragraph (1) shall be conducted towards import of Clinker Cement and Cement, covering data or
particulars concerning:

a. Country and port of origin of loading;
b. Tariff Heading or number of HS and goods descriptions;
c. Type and volume;
d. Time of shipping;
e. Port of destination; and

(2) Technical import verification or observation as referred to in paragraph (1) shall be contained in the form of Surveyor Report (LS) for use as the supplementary document of the customs to settle the customs in the sector of import.

(3) In respect of the implementation of technical verification or observation of import as referred to in paragraph (1), Surveyor shall levy service recompense from IP-Cement or IT-Cement of which the amount is determined with due observance to the benefit principle.

Article 12

The activity of technical verification or observation of import by Surveyor as referred to in Articles 10 and 11, without prejudice to the authority of Directorate General of Customs and Excises, the Ministry of Finance to inspect the customs.

Article 13

(1) IP-Cement and IT-Cement shall submit written report for the implementation of import of Clinker Cement and Cement by attaching the result of import realization control card already initialized and sealed by the officer of
Directorate General of Customs and Excises.

(2) Report as referred to in paragraph (1) shall be submitted every 3 (three) month through http://inatrade.kemendag.go.id, at least in the first 15 (fifteen) month in the subsequent quarterly to the Director General.

Article 14

Surveyor as referred to in Article 10 paragraph (2) shall submit written report concerning the implementation of technical verification or observation of import for Clinker Cement and Cement to Director General every month at least in the subsequent 15 (fifteen) month.

Article 15

(1) Recognition as IP-Cement, stipulation as IT-Cement, or stipulation as Cement Importer Producer shall be revoked if the company:
   a. is proved to violate provisions as referred to in Article 8, for IP-Cement;
   b. fails to submit report as referred to in Article 13 for 2 (twice);
   c. changes, adds, and/or replaces the contents as provided in the document of recognition as IP-Cement, stipulation as IT-Cement, Approval of Import, or Cement Importer Producer;
   d. submits improper data and/or statement to apply recognition as IP-Cement, Approval of Import, or as Cement Importer Producer;
   e. imports Clinker Cement and Cement of which the type is improper and/or amount exceeds as contained in the document of import of Clinker Cement and Cement; and/or
   f. is declared guilty based on the ruling of court which
has had permanent force of laws for the criminal action relating to the misuse of recognition as IP-Cement, stipulation as IT-Cement, Approval of Import, or as Cement Importer Producer.

(2) revocation of recognition as IP-Cement, stipulation as IT-Cement, or as Cement Importer Producer as referred to in paragraph (1) shall be stipulated by Director General.

Article 16

(1) Stipulation as Surveyor shall be revoked if:
   a. he/she violates the implementation of technical verification or observation activities of importing Clinker Cement and Cement; and/or
   b. he/she fails to meet provisions on obligation to submit written report as referred to in Article 14 for 2 (twice).

(2) Revocation of stipulation as Surveyor for the operator of technical verification or observation of importing Clinker Cement and Cement as referred to in paragraph (1) shall be stipulated by the Minister.

Article 17

(1) The company importing Clinker Cement and Cement that does not conform to the provisions in the Regulation of Minister shall be subject to the laws and regulation.

(2) Clinker Cement and Cement imported does not conform to the provisions in the Regulation of Minister, the same shall be re-exported at the cost of importer.

Article 18

Provisions in the Regulation of Minister shall not apply to the import of Clinker Import and Cement being:
   a. goods for the purpose of Government and other State
Institutions;

b. goods for the purpose of researcher and technology development;

c. goods at the assistance of engineering and project based on Government Regulation Number 19 of 1955 concerning Regulation of Release from Import and Export Duties in the Group of Official and Certain Foreigner Expert;

d. goods of sample which are not traded;

e. goods for the purpose of natural disaster; or

f. export goods declined by the foreign buyer, then re-imported in the same amount as that of upon export.

Article 19

Implementation of importing Clinker Cement and Cement other than with due observance to the provisions of Regulation of Minister shall also be with due observance to the other laws and regulation concerning Clinker Cement and Cement.

Article 20

(1) Supervision for the importation of Clinker Cement and Cement shall be conducted in accordance with the laws and regulation.

(2) Director General can establish integrated team consisting of the related deputy agency to conduct:

a. Supervision for the importation of Clinker Cement and Cement;

b. Evaluation of implementation of import policy on the Clinker Cement and Cement.

Article 21

Exception from the provisions regulated in the Regulation of Minister shall be with the approval of Minister.
Article 22

This Regulation of Minister becomes valid as of September 1, 2013 and end of September 1, 2017.

For public cognizance, it is ordered to enact the Regulation of Minister by publicizing the same in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta
Dated August 22, 2013
MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA,

Signed
GITA IRAWAN WIRJAWAN

Copy corresponds with the original
Secretariat General of Ministry of Trade
Head of Legal Bureau,
signed
LASMININGSIH

Translated from Indonesian Language
Jakarta, September 17, 2014
Authorized and Sworn Translator,

FIKRI SAID OBED