

AUTHORIZED TRANSLATION



MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

**REGULATION OF THE MINISTER OF TRADE OF THE REPUBLIC OF
INDONESIA
NUMBER 40 OF 2020
REGARDING
PROVISIONS ON USE OF NATIONAL SEA TRANSPORTATION AND
NATIONAL INSURANCE FOR EXPORT AND IMPORT OF CERTAIN GOODS**

BY THE MERCY OF THE ONE SUPREME GOD

THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

- Considering:
- a. whereas for the implementation of export and import of goods, to provide business certainty and provide business opportunities in sea transportation to the national sea transportation companies, as well as business opportunities in insurance sector to the national insurance companies, it is necessary to re-regulate the use of the national sea transportation and national insurance for the export and import of certain goods;
 - b. that the provisions on the use of sea transportation and national insurance for the export and import of certain goods as stipulated in the Regulation of the Minister of Trade Number 82 of 2017 regarding the Provisions on the Use of National Sea Transportation and Insurance for the Export and Import of Certain Goods as amended several times, most recently by the Regulation of the Minister of Trade Number 80 of 2018 regarding the Second Amendment to the Regulation of the Minister of Trade Number 82 of 2017 regarding Provisions on the Use of National Sea Transportation and Insurance for the Export and Import of Certain Goods are no longer in accordance with the development and legal needs of the community thereby

it is necessary to amend the same;

- c. that based on considerations as referred to in item a and item b, it is necessary to stipulate the Regulation of the Minister of Trade regarding Provisions for the Use of National Sea Transportation and National Insurance for the Export and Import of Certain Goods;

In view of:

1. Article 17 paragraph (3) of the Constitution of the Republic of Indonesia of 1945;
2. Law Number 7 of 1994 regarding Ratification of the Agreement Establishing the World Trade Organization (Official Gazette of the Republic of Indonesia Number 57 of 1994, Supplement to Official Gazette of the Republic of Indonesia Number 3564);
3. Law Number 10 of 1995 regarding Customs (Official Gazette of the Republic of Indonesia Number 75 of 1995, Supplement to Official Gazette of the Republic of Indonesia Number 3612) as amended by the Law Number 17 of 2006 regarding Amendment to Law Number 10 of 1995 regarding Customs (Official Gazette of the Republic of Indonesia Number 93 of 2006, Supplement to Official Gazette of the Republic of Indonesia Number 4661);
4. Law Number 17 of 2008 regarding Shipping (Official Gazette of the Republic of Indonesia Number 64 of 2008, Supplement to Official Gazette of the Republic of Indonesia Number 4849);
5. Law Number 39 of 2008 regarding the State Ministries (Official Gazette of the Republic of Indonesia of 2008 Number 166, Supplement to Official Gazette of the Republic of Indonesia Number 4916);
6. Law Number 7 of 2014 regarding Trade (Official Gazette of the Republic of Indonesia of 2014 Number 45, Supplement to Official Gazette of the Republic of Indonesia Number 5512);
7. Law Number 40 of 2014 regarding Insurance (Official Gazette of the Republic of Indonesia of 2014 Number 337, Supplement to Official Gazette of the Republic of Indonesia Number 5618);
8. Government Regulation Number 20 of 2010 regarding Water Transportation (Official Gazette of the Republic of Indonesia of 2010 Number 26, Supplement to Official Gazette of the Republic of Indonesia Number 5108) as amended by the Government Regulation Number 22 of 2011 regarding Amendment to Government Regulation Number 20 of 2010 regarding Water Transportation (Official Gazette of the Republic of Indonesia of 2011 Number 43, Supplement to Official Gazette of the Republic of Indonesia

Number 5208);

9. Government Regulation Number 29 of 2017 regarding Payment Terms for Goods and Goods Delivery Method in Export and Import Activities (Official Gazette of the Republic of Indonesia of 2017 Number 167, Supplement to Official Gazette of the Republic of Indonesia Number 6102);
10. Regulation of President Number 48 of 2015 regarding the Ministry of Trade (Official Gazette of the Republic of Indonesia Number 90 of 2015);
11. Regulation of President Number 68 of 2019 regarding Organization of State Ministries (Official Gazette of the Republic of Indonesia Number 203) of 2019;
12. Regulation of the Minister of Trade No. 13/M-DAG / PER / 3/2012 regarding General Provisions on Export (Official Gazette of the Republic of Indonesia Number 395 of 2012);
13. Regulation of the Minister of Trade Number 48/M-DAG/PER/7/2015 regarding General Provisions on Import (Official Gazette of the Republic of Indonesia Number 1006 of 2015);
14. Regulation of the Minister of Trade Number 08/M-DAG/PER/2/2016 regarding the Organization and Work Procedure of the Ministry of Trade (State Gazette of the Republic of Indonesia Number 202 of 2016);
15. Regulation of the Minister of Trade Number 36/M-DAG/PER/5/2016 regarding Procedures for Imposition of Administrative Sanctions on Exporters and Importers (Official Gazette of the Republic of Indonesia Number 798 of 2016);

HAS DECIDED:

To stipulate

: THE REGULATION OF THE MINISTER OF TRADE REGARDING PROVISIONS ON USE OF NATIONAL SEA TRANSPORTATION AND NATIONAL INSURANCE FOR EXPORT AND IMPORT OF CERTAIN GOODS.

Article 1

In this Regulation of Minister the following terms shall have definitions as follows:

1. Export shall mean any activities of releasing goods from a customs area.
2. Exporter shall mean any individual or institution or business entity, whether in the form of corporate body or non- corporate body, conducting export.
3. Import shall mean any activities entering goods into a customs area
4. Importer shall mean any individual or institution or business entity, whether in the form of corporate body or non- corporate body, that carries out import

5. National Sea Transportation shall mean any sea transportation owned or rented by any national sea transportation company in the form of bare boats, time charters, voyage charters, contracts of affreightment or other vessel charter contracts
6. National Insurance shall mean any marine cargo insurance product issued by any national insurance company or export financing institution established by the government to provide compensation for losses of/ damage to / loss of goods for the risks potentially occurring during sea transportation.
7. National Sea Transportation Company shall mean any sea transportation company incorporated in Indonesia that carries out Sea Transportation within the Indonesian territorial waters and / or from and to ports overseas.
8. National Insurance Company shall mean any insurance company or consortium of insurance companies incorporated in Indonesia and already obtaining a license from the Financial Services Authority
9. Coal shall mean the deposit of organic carbon compounds that are formed naturally from the remnants of plants with Tariff Head / HS 27.01, 27.02, 27.03, 27.04, 27.05, 27.06, 27.07, and 27.08.
10. Crude Palm Oil or CPO, hereinafter abbreviated to CPO, shall mean crude palm oil gained from the extraction or pressing process of oil palm pulp and not yet experiencing purification at Tariff Head / HS 1511.10.00.
11. Rice shall mean grain whether with husk, without husk, processed or unprocessed originating from oryza sativa species at Tariff Head / HS 10.06.
12. Access Right shall mean any right granted to make interaction with intrade.
13. Intrade shall mean online single trade service system at the Ministry of Trade through the official website [http:// intrade. Kemendag.go. id](http://intrade.kemendag.go.id).
14. Verification or technical inspection shall mean verification and inspection of goods carried out by surveyors.
15. Surveyor shall mean any survey company that has obtained authorization to conduct Verification or technical inspection of the goods
16. Minister shall mean the Minister of Trade.
17. Director General of Foreign Trade, hereinafter referred to as Director General shall mean the Director General of Foreign Trade of the Ministry of Trade.

Article 2

- (1) Any exporters exporting Coal and / or CPO shall hire the National Sea Transportation and National Insurance.
- (2) Any Importers importing rice and / or goods for the procurement of government goods shall hire the National Sea Transportation and National Insurance.

Article 3

- (1) The obligation to hire the National Sea Transportation as referred to in Article 2 paragraph (1) shall apply to any Exporters exporting Coal and / or CPO using sea transportation at tonnage of up to 15,000 (fifteen thousand) deadweight tonnage.
- (2) The obligation to hire the National Sea Transportation as referred to in Article 2 paragraph (2) shall apply to any Importers importing Rice and / or goods for the procurement of government goods using sea transportation at tonnage of up to 15,000 (fifteen thousand) deadweight tonnage.

Article 4

- (1) The National Sea Transportation as referred to in Article 3 shall be provided by the National Sea Transportation Company.
- (2) The National Sea Transportation Company as referred to in paragraph (1) providing sea transportation at tonnage of up to 15,000 (fifteen thousand) deadweight tonnage for:
 - a, Exporters exporting Coal and / or CPO as referred to in Article 3 paragraph (1); or
 - b. Importers importing rice and / or goods for the procurement of government goods as referred to in Article 3 paragraph (2), shall submit data via e-mail on the hiring of National Sea Transportation to the Director General via Intrade.
- (3) Data as referred to in paragraph (2) shall be submitted before sea transportation means mooring at the Indonesia port.
- (4) Data on the hiring of Sea Transportation National referred to in paragraph (2) shall at least mention:
 - a. vessel's name;
 - b. International Maritime Organization number; and
 - c. vessel contract / rental / charter term.

Article 5

- (1) The National Insurance as referred to in Article 2 shall be provided by:
 - a. any National Insurance Company; or
 - b. any export financing institutions established by the government, that has obtained the registration certificate from the Minister.
- (2) The Minister shall delegate the authority to issue the registration certificate as referred to in paragraph (1) to the Director General.

Article 6

- (1) To obtain the registration certificate as referred to in Article 5 paragraph (1), the National Insurance Company shall meet the following requirements:
 - a. having permit to market a marine cargo insurance product from the Financial Services Authority, for insurance companies;
 - b. having a joint insurance product approval letter from the Financial Services Authority, for a consortium of insurance companies;
 - c. having paid-up capital minimum Rp.100,000,000,000.00 (one hundred billion rupiah);
 - d. having equity minimum Rp.500,000,000,000.00 (five hundred billion rupiah);
 - e. building a system connected to Inatrade; and
 - f. not be subject to sanctions in terms of restriction of business activities from the Financial Services Authority.
- (2) To obtain the registration certificate as referred to in Article 5 paragraph (1), the export financing institutions established by the government shall meet the requirements as follows:
 - a. having a branch or representative office in the territory of Indonesia or a center of certain goods export;
 - b. having a claim agent in the country of export destination and / or in a country that has insurance service business relationship with the country of export destination; and
 - c. building a system connected to Inatrade.
- (3) To obtain the registration certificate as referred to in Article 5 paragraph (1), the National Insurance Companies shall submit application by email to the Director General via Inatrade by attaching the scanned original documents
 - a. permit to market a marine cargo insurance product from the Financial Services Authority, for insurance companies;

- b. a joint insurance product approval letter from the Financial Services Authority, for a consortium of insurance companies;
 - c. statement from the Financial Services Authority stating:
 1. the amount of paid-in capital;
 2. amount of equity; and
 3. not be subject to sanctions in terms of restriction on business activities; and
 - d. statement on undertaking to build a system connected to Inatrade.
- (4) To obtain the registration certificate as referred to in Article 5 paragraph (1), the export financing institutions established by the government shall submit application by email to the Director General via Inatrade by attaching the scanned original documents:
- a. a statement at least stating the address of the branch or representative office in the territory of Indonesia or center of certain goods export;
 - b. a statement at least mentioning the address of the claim agent owned in the country of export destination and / or in the country that has an insurance service business relationship with the country of export destination; and
 - c. a statement on undertaking to build a system connected to Inatrade.
- (5) The applications as referred to in paragraph (3) and paragraph (4) may only be submitted after obtaining Access Right.
- (6) Upon the application referred to in paragraph (3) and paragraph (4), the Director General shall issue a registration certificate using a paperless electronic signature (not requiring a stamp nor wet paperless) and including QR (Quick Response) Code within not later than 5 (five) business days as of the receipt date of the application in complete and correctly.
- (7) In case the application as referred to in paragraph (3) and paragraph (4) is incomplete and incorrect, denial will be made by email within not later than 3 (three) business days as of the receipt date of the application.

Article 7

The registration certificate as referred to in Article 6 paragraph (6) shall be valid for 5 (five) years as of the date of issue.

Article 8

- (1) In the event that the registration validity term as referred to in Article 7 has expired, the National Insurance Company or export financing institution established by the government may re-submit the application to obtain the e-registration certificate to the Director General via Inatrade.
- (2) The provisions on the submission of application for registration certificate as referred to in Article 6 shall apply on mutatis mutandis to the re-submission of the application for registration certificate.

Article 9

- (1) In case of any changes in company documents as referred to in Article 6 paragraph (3) and paragraph (4), the National Insurance Company or export financing institution established by the government shall submit an application for revision to the registration within not later than 30 (thirty) days as of the date of the changes in the document.
- (2) The application for revision to the registration certificate as referred to in paragraph (1) shall be submitted by email to the Director General via Inatrade.
- (3) The application for revision to the registration as referred to in paragraph (2) shall be submitted by attaching the scanned original documents of:
 - a. certificate of registration of the National Insurance Company or export financing institution established by the government; and
 - b. revised documents that have been signed by an authorized official at the Financial Services Authority, especially for the National Insurance Company.
- (4) Upon the application as referred to in paragraph (2), the Director General shall issue the revision to the registration certificate using digital signature without stamp and wet signature (paperless) and mentioning the QR (Quick Response Code) code within 5 (five) business days as of the receipt date of the application in complete and correctly.
- (5) If the application as referred to in paragraph (2) is incomplete and incorrect, denial shall be made by email within no later than 3 (three) business days as of the receipt date of the application.
- (6) The revision to the registration certificate shall be valid for the remaining validity term thereof as referred to in Article 7.

Article 10

- (1) Any exporters of Coal and / or CPO or Importers of Rice and / or goods for the procurement of government goods hiring sea transportation at tonnage up to 15,000 (fifteen thousand) deadweight tonnage as referred to in Article 3 shall mention the cost and freight in the Notification on Goods Export or Notification on Goods Import.
- (2) Any exporters of Coal and / or CPO or Importers of Rice and / or goods for the procurement of government goods hiring sea transportation at tonnage of more than 15,000 (fifteen thousand) deadweight tonnage shall mention the cost and freight in the Notification on Goods Export or Notification on Goods Import.

Article 11

Any exporters as referred to in Article 2 paragraph (1) or Importers as referred to in Article 2 paragraph (2) already having insurance policies from the National Insurance Company or export financing institutions established by the government that have been registered with the Ministry of Trade as referred to in Article 5 paragraph (1) shall mention

- a. policy number;
 - b. policy date;
 - c. premium value; and
 - d. the name of the National Insurance Corporation or export financing institution established by the government, registered with the Ministry of Trade,
- in Notification on Goods Export or Notification on Goods Import.

Article 12

- (1) The National Insurance Company or export financing institution established by the government as referred to in Article 5 paragraph (1) shall submit the data on policy or insurance certificates to the Director General by email via a web service connected to Inatrade within not later than 1 (one) day as of the issue of the insurance policy or insurance certificate.
- (2) The data on policy or insurance certificate as referred to in paragraph (1) shall at least mention:
 - a. number and date of policy or insurance certificate;
 - b. value of insurance premiums;

- c. identity of the National Insurance Company (Insurer);
- d. identity of the insured;
- e. vessel's identity;
- f. loading port and country of export destination;
- g. port of destination and country of origin of import; and
- h. types of goods.

Article 13

The National Insurance Companies and export financing institutions established by the government shall not:

- a. submit incorrect data and / or information as the requirements to obtain registration certificate; and
- b. change the information contained in the registration certificate document

Article 14

- (1) The coal exporters as referred to in Article 2 paragraph (1) may only carry out the coal export after verification or technical inspection is conducted by the surveyor before loading the goods.
- (2) The rice Importers as referred to in Article 2 paragraph (2) may only carry out Rice import after verification or technical inspection is conducted by the Surveyor before loading the goods.
- (3) The verification or technical inspection as referred to in paragraph (1) and paragraph (2) shall be carried out in accordance with the provisions of the legislation
- (4) For verification or technical inspection, the Exporter or Importer shall submit an application for implementation of Verification or technical inspection to the Surveyor.
- (5) The verification or technical inspection as referred to in paragraph (1) shall be carried out through administrative examination to the data on policy or insurance certificates as referred to in Article 12 paragraph (2).
- (6) The verification or technical inspection as referred to in paragraph (3) shall be carried out at the time of Verification or technical inspection to Coal Exports and Rice Imports in accordance with the provisions of the legislation.
- (7) The results of the Verification or technical inspection as referred to in paragraph (5) shall be contained in the form of a surveyor report, that will be

used as a supplementary customs document required in the notification on Coal Export and Rice Import to the customs office

- (8) The surveyor reports as referred to in paragraph (7) may only be issued if the results of an administrative examination prove that Coal Export and Rice Import hire the National Insurance.

Article 15

- (1) The Coal and / or CPO exporters as referred to in Article 2 paragraph (1) and Importers of rice and / or goods for the procurement of government goods as referred to in Article 2 paragraph (2) shall submit reports on the hiring of the National Sea Transportation and National Insurance.
- (2) The report on the hiring of the National Sea Transportation and the National Insurance as referred to in paragraph (1) shall be mentioned in the submission of the report on the realization of Coal Export and Rice Import to the Director General in accordance with the provisions of the legislation.
- (3) The report on the hiring of the National Sea Transportation and the National Insurance as referred to in Paragraph (1) shall be submitted by exporters of CPO and importers of goods for the procurement of government goods to the Director General via Inatrade.
- (4) The report on the hiring of the National Sea Transportation and the National Insurance as referred to in paragraph (1) shall at least include:
 - a. the name of the National Sea Transportation Company;
 - b. the International Maritime Organization number;
 - c. the name of the National Insurance Company or export financing institution established by the government; and
 - d. the number and date of policy or insurance certificate.

Article 16

- (1) The Minister of Trade and the Minister of Transportation in accordance with their respective authority shall supervise the implementation of the hiring of the National Sea Transportation in Export of Coal and / or CPO, and Import of Rice and / or goods for the procurement of government goods.
- (2) The Minister of Trade and the Minister of Finance, and the Head of the Financial Services Authority in accordance with their respective authority shall supervise the implementation of the hiring of National Insurance in the Export of Coal and / or CPO, and Import of Rice and / or goods for the

procurement of government goods.

- (3) The supervision as referred to in paragraph (1) and paragraph (2) may be carried out individually or jointly.

Article 17

- (1) Any exporter or importer failing to fulfill the obligations as referred to in Article 2 and Article 15 shall be subjected to administrative sanction in terms of recommendation for suspension of the Business Identification Number
- (2) Any exporter or importer failing to fulfill the obligations referred to in Article 10 and Article 11 shall be subjected to administrative sanction in terms of recommendation for deferment of Export of Coal and / or CPO and Import of Rice and / or goods for the procurement of government goods.

Article 18

- (1) The National Sea Transportation Company providing sea transportation at tonnage up to with 15,000 (fifteen thousand) deadweight tonnage and failing to fulfill the obligations as referred to in Article 4 paragraph (2) shall be subjected to administrative sanctions in terms of recommendation for suspension of the Business Identification Number.
- (2) Any National Insurance Companies and export financing institutions established by the government failing to fulfill the obligation as referred to in Article 9 and Article 12 shall be subjected to administrative sanction in terms of suspension of the registration certificate of the National Insurance Company or export financing institution established by the government.

Article 19

Imposition of administrative sanctions as referred to in Article 17 and Article 18 shall be implemented by the Director General.

Article 20

In the event that the National Insurance Company or export financing institution established by the government has fulfilled the obligations referred to in Article 9 and Article 12 within 30 (thirty) days as of the date of suspension, the registration certificate of the National Insurance Company and export financing institutions established by the government subjected to suspension shall be reactivated.

Article 21

- (1) In the event that the National Insurance Company and export financing institution established by the government fails to fulfill the obligations referred to in Article 9 and Article 12 within 30 (thirty) days as of the date of suspension, the registration certificate of the National Insurance Company or the registration certificate of the financial institution exports formed by the government shall be subjected to revocation.
- (2) Any National Insurance Companies and export financing institutions established by the government that violate the provisions referred to in Article 13 shall be subjected to administrative sanction in terms of revocation of the registration certificate.

Article 22

- (1) The provisions in this Regulation of the Minister shall be excluded for Export of Coal and / or CPO, constituting:
 - a. sample goods not for trade;
 - b. goods for scientific research and development purposes;
 - c. imported goods that are rejected by domestic buyers and then re-exported at quantity maximum same as those in the Notification on Import of Goods; and / or
 - d. goods exported through land borders.
- (2) The provisions in this Regulation of the Minister shall be excluded for imports of rice and / or goods for the procurement of government goods, constituting:
 - a. sample goods not for trade;
 - b. goods for scientific research and development purposes;
 - c. goods as grant, gifts or donation for charitable, social or cultural purposes; and / or
 - d. goods imported through land borders.
- (3) The exclusions as referred to in paragraph (1) items a, items b, and items c, and paragraph (2) items a, items b, and items c may only be made after the Exporter and / or Importer has obtained approval from the Director General
- (4) To obtain approval as referred to in paragraph (3), the Exporter and / or Importer shall submit an application in writing to the Director General.

Article 23

The approval to registration of the National Insurance Company or consortium of National Insurance Company that has been issued based on the Regulation of the Director General of Foreign Trade Number 02 / DAGLU / PER / 1/2019 regarding Technical Instructions for Implementing Provisions on the Use of the National Insurance for Exports and Imports of Certain Goods shall be adjusted to the provisions herein within no later than 1 (one) month as of effectiveness hereof.

Article 24

Upon effectiveness hereof, the Regulation of the Minister of Trade Number 82 of 2017 regarding Provisions on the Use of National Sea Transportation and National Insurance for the Export and Import of Certain Goods (the State Gazette of the Republic of Indonesia of 2017 Number 1520) as amended several times, recently by the Regulation of the Minister of Trade Number 80 of 2018 regarding the Second Amendment to the Regulation of the Minister of Trade Number 82 of 2017 regarding Provisions on the Use of National Sea Transportation for Export and Import of Certain Goods (the State Gazette of the Republic of Indonesia Number 1009 of 2018) and its implementing regulations, shall be revoked and declared null and void.

Article 25

This Regulation of the Minister shall come into effect as of May 1, 2020. For public cognizance, it is instructed promulgate this Regulation of the Minister by inserting the same in the State Gazette of the Republic of Indonesia

Stipulated in Jakarta

On : April 1, 2020

MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

signed

AGUS SUPARMANTO

Promulgated in Jakarta
on April 8, 2020

DIRECTOR GENERAL OF LEGISLATION
THE MINISTRY OF LAW AND HUMAN RIGHTS OF
THE REPUBLIC OF INDONESIA,

signed

WIDODO EKATJAHJANA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2020 NUMBER 348

True Copy
Secretary General of
Ministry of Trade
Head of Legal Bureau
signed and sealed
SRI HARIYATI

I, **Anang Fahkrudin**, a sworn and authorized translator, practicing in Jakarta, do solemnly and sincerely declare that the foregoing document is a true and faithful translation from **Indonesian into English** of the original version.

Jakarta, July 10, 2020