AUTHORIZED TRANSLATION



Minister of Trade of the Republic of Indonesia

REGULATION OF THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA NUMBER: 23/M-DAG/PER/6/2009

REGARDING

REQUIREMENTS ON THE IMPORT OF TEXTILES AND TEXTILE PRODUCTS

BY THE GRACE OF ALLAH THE ONE SUPREME GOD

THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA,

- Considering : a. that in connection to the development of domestic Textiles and Textile Products (TPT) industry and market which are getting more conducive and in the context of maintaining and enhancing the competitiveness of national TPT industry, it needs to re-regulate the policy on TPT import;
 - b. that based on such considerations as referred to in letter a, it needs to stipulate a Regulation of the Minister of Trade;

In view of:

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1. *Bedrijfsreglementerings Ordonantie* 1934 (State Gazette of 1983 Number 86);

 Law Number 5 of 1984 regarding Industry (State Gazette of the Republic of Indonesia of 1984 Number 22, Supplement to the State Gazette of the Republic

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of Indonesia Number 3274);

- Law Number 7 of 1994 regarding the Ratification of Agreement Establishing The World Trade Organization (State Gazette of the Republic of Indonesia of 1994 Number 57, Supplement to State Gazette of the Republic of Indonesia Number 3564);
- 4. Law Number 10 of 1995 regarding Customs (State Gazette of the Republic of Indonesia of 1995 Number 75, Supplement to 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 Number 93, Supplement to State Gazette of the Republic of Indonesia Number 4661);
- Law Number 5 of 1999 regarding Prohibition on Anti-Trust and Unfair Business Competition Practices (State Gazette of the Republic of Indonesia of 1999 Number 33, Supplement to the State Gazette of the Republic of Indonesia Number 3806);
- Law Number 8 of 1999 regarding Consumer Protection (State Gazette of the Republic of Indonesia of 1999 Number 42, Supplement to State Gazette of the Republic of Indonesia Number 3821);
- Presidential Decree number 260 of 1967 regarding the Confirmation on the Duties and Responsibilities of the Minister of Trade in Foreign Trade Sector;
- Presidential Decree Number 187/M of 2004 regarding the Establishment of the Cabinet of United Indonesia as amended by Presidential Decree Number 171/M of 2005;
- Presidential Regulation Number 9 of 2005 regarding the Position, Duties, Functions, Composition of Organization and Working Procedure of the State

Ministries of the Republic of Indonesia as amended lastly by the Presidential Regulation Number 20 of 2008;

- Presidential Regulation Number 10 of 2005 regarding the Organization Unit and Duties of Echelon I of the State Ministries of the Republic of Indonesia as amended several times lastly by the Presidential Regulation number 50 of 2008;
- Decree of the Minister of Industry and Trade Number
 229/MPP/Kep/7/1997 regarding General
 Requirements in Import Sector;
- Decree of the Minister of Industry and Trade Number 141/MPP/Kep/3/20020 regarding Special Importer Identification Number (NPIK) as amended by Regulation of the Minister of Trade Number 07/M-DAG/PER/3/2008;
- Regulation of the Minister of Trade Number 01/M-DAG/PER/3/2005 regarding the Organization and Working Procedure of the Ministry of Trade as amended by Regulation of the Minister of Trade Number 340/M-DAG/PER/8/2007;
- Regulation of the Minister of Trade Number 31/M-DAG/PER/7/2007 regarding Importer Identification Number (API);
- 15 Regulation of the Minister of Trade Number 56/M-DAG/PER/12/2008 regarding Import Requirements on Certain Products;

HAS DECIDED:

To stipulate

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REGULATION OF THE MINISTER OF TRADE REGARDING REQUIREMENTS ON THE IMPORT OF TEXTILES AND TEXTILE PRODUCTS

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In this Regulation of the Minister, what's meant by:

- Textiles and Textile Products, hereinafter shall be referred to as TPT, are sheet fabrics and products using sheet fabrics as raw material or supporting material.
- Textile Producing Importer, hereinafter shall be referred to as IP-Textile, is a holder of Producing Importer Identification Number (API-P) or Limited Importer Identification Number (API-T) approved to import TPT as raw material and/or supporting material required for its production process.
- Recommendation is a letter issued by instance officials/related units having the authority to give technical explanation and not an import license or approval.
- 4. Minister is the Minister of Trade.
- Director General is the Director General of Overseas Trade, Ministry of Trade.
- Director is Director of Import, Directorate General of Overseas Trade, the Ministry of Trade.

Article 2

TPT regulated in this Regulation of the Minister is as contained in Attachment I which constitutes an inseparable part of this Regulation of the Minister.

- TPT contained in the sequential list of 1 to 10 in Attachment I of this Regulation of the Minister can only be imported by a company receiving a Recognition as IP-Textile.
- (2) TPT imported by such IP-Textile as referred to in section (1) can only be used as raw material

supporting material for production process of the industry belonging to the concerned IP-Textile and not to be traded or handed over.

Article 4

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- (1) Each importation of TPT contained in Attachment I of this Regulation of the Minister is obliged to firstly conduct a verification or technical tracing in the country of origin where the goods was loaded.
- (2) Such obligation of verification or technical tracing as referred to in section (1) shall not apply if Attachment I of this Regulation of the Minister states an exemption from the obligation of verification.
- (3) Such obligation of verification or technical tracing as referred to in section (1) shall not apply on IP-Textile who receives the Ease of Import for Export Purpose (KITE) facility.

- (1) To obtain such Recognition as an IP-Textile as referred to in article 3 section (1), the concerned company shall have to submit a written application to the Director by enclosing:
 - Industrial Business License/Industrial Registration Number or other equal business licenses from Technical Departments/Non-Departmental Government Institutions assigned in the business;
 - b. Special Importer Identification Number of Textiles and Textile Products (NPIK-TPT);
 - c. Producing Importer Identification Number (API P) or Limited Importer Identification Number (API-T);
 - d. Tax Payer Registration Number (NPWP);



- e. Identity Number of Customs Affairs (NIK); and
- f. Recommendation from the Director General of Industry, Metal, Machinery, Textiles and any Sorts of, Ministry of Industrial which contains the information on types and volume of TPT according to the relevant industrial capacity.
- (2) Director shall issue a Recognition as IP-Textile at the latest 5 (five) business days since the application was received.

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- Such Recognition as an IP-Textile as referred to in Article 5 shall be valid for the longest of 1 (one) year and is extendable.
- (2) To obtain such extension of Recognition as an IP-Textile as referred to in section (1), the concerned IP-Textile company shall have to submit an application for extension to the Director by enclosing the documents as follows:
 - a. recommendation from the director general of industry, metal, machinery, textiles and any sorts of, Industrial Ministry which contains the information on types and volume of TPT according to the relevant industrial capacity; and
 - the original document of IP-Textile recognition which is no longer valid.
- (3) Such recommendation as referred to in section (2) letter a is required if the volume of TPT to be imported exceeds that of the previous year.

Article 7

 an IP-Textile is obliged to submit a written Report to the Director once in each quarter starting from the issuance date of IP-Textile Recognition.



- (2) The submission of such Report as referred to in section (1) shall be made for both realized and unrealized exports.
- (3) Such Report as referred to in section (1) shall be submitted at the latest on the 15th day of the first month in the next quarter through <u>http://inatrade.depdag.co.id</u> in the report form as contained in Attachment II which constitutes an inseparable part of this Regulation of the Minister.

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- (1) The implementation of such verification or technical tracing as referred to in Article 4 section (1) shall be conducted by a surveyor stipulated by the Minister.
- (2) Such verification or technical tracing as referred to in section (1) shall cover among others:
 - a. data or information on the goods' manufacturing country;
 - specifications of goods covering the number of Tariff Post /HS;
 - c. description of goods;
 - d. composition of material;
 - e. volume; and
 - f. type of goods.
- (3) The Results of such verification or technical tracing as referred to in section (1) by the surveyor shall be spelled out in the form of a Surveyor Report (LS) to use as a customs supporting document in the settlement of customs affairs in import sector.
- (4) For the implementation of such verification or technical tracing as referred to in section (1) surveyor shall charge a fee from importers.



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- (1) To be stipulated as the implementer of verification or technical tracing on TPT importation as referred to in Article 8 section (1), a surveyor has to meet the requirements as follows:
 - a. Holding a Survey Services Business License (SIUJS);
 - Having the experience as a surveyor for minimum 5 (five) years; and
 - c. Having an overseas branch or representative or affiliate;
- (2) A surveyor stipulated as the implementer of such verification or technical tracing on the implementation of TPT import, is obliged to submit a written report on the activity of verification or technical tracing on TPT periodically 1 (once) in each month.
- (3) Such written report as referred to in section (2) shall be submitted to the Director General in this matter the Director in the first week of the next month.

Article 10

- (1) On products of TPT processed at a Bonded Zone taken into another place within Customs Area shall not apply the provisions of IP-Textile obligation.
- (2) On products of TPT processed at a Bonded Zone taken into another place within Customs Area shall apply such verification or technical tracing as referred to in Article 4.
- (3) On such processing products of TPT as referred to in section (1) shall be made a verification or technical tracing by surveyor at the Bonded Zone.

Article 11

On TPT of import origin at a Free Trade and Free Harbor
 Zone as well as TPT of import origin at Bondeduce

Warehouse which are released to another place within the Customs Area shall apply this Regulation of the Minister.

- (2) On TPT of import origin as referred to in section (1) must be conducted the verification or technical tracing by surveyor at:
 - a. The Free Trade and Free Harbor Zone; or
 - b. Bonded Warehouse,

- (1) In addition to the IP-Textile as referred to in Article 3, the Minister or high officials appointed by Minister may stipulate another company to implement the import of TPT contained in the sequential list of 1 to 10 in Attachment I of this Regulation of the Minister.
- (2) Such another company as referred to in section (1) shall only be permitted to import TPT to fulfill the requirement of small industry and/or industry which does not import the TPT by itself.
- (3) To obtain such stipulation as the implementer of TPT import as referred to in section (1), the concerned company shall have to hold:
 - Recommendation from the Director General of Industry, Metal, Machinery, Textiles and any Sorts of, Industrial Ministry; and
 - b. Distribution plan on TPT to be imported to fulfill the requirement of small industry and/or industry which does not import the TPT by itself.
- (4) Such distribution plan as referred to in section (3) letter b shall be composed on the basis of TPT requirement order from small industry and/or industry which does not import the TPT by itself to the company as referred to in section (1).
- (5) The importation of TPT by such company



received the stipulation as TPT import implementer as referred to in section (1) is obliged to meet such requirement of verification or technical tracing as referred to in Article 4.

Article 13

Such activity of verification or technical tracing on TPT importation by surveyor as referred to in Article 4, Article 10, Article 11, and Article 12 shall not prejudice the authority of Directorate General of Customs, Ministry of Finance to conduct a customs inspection.

- The provisions in this Regulation of the Minister shall not apply on the import of TPT taken into:
 - a. A Bonded Zone or Bonded Warehouse stipulated under a Finance Minister's decree; or
 - b. Free Trade and Free Harbor Zone;
- (2) The provisions in this Regulation of the Minister shall not apply on the imported TPT which constitutes:
 - goods of Governmental and other State Institutions' need;
 - goods of technological research and development's need;
 - c. goods of technical aid and project aid based on the Governmental Regulation Number 19 of 1955 regarding the Regulation on Exemption From Import and Export Duties for High Officials And Experts of Certain Foreigners;
 - goods of foreign countries' representatives as well as their officials assigned in Indonesia;
 - e. goods for the requirement of International agencies as well as their officials assigned in Indonesia;
 - f. relocated goods;

- g. sample goods not to be traded;
- h. promotional goods;
- gift presentation requirement for the purpose of general religious devotion, charity, social, culture and/or natural disaster aid;
- j. personal goods of passengers or crew of transporting facilities or border-crossers;
- goods exported for repairing, processing and testing purpose which are re-imported to Indonesia;
- exported goods denied by foreign buyers which are then re-imported at the quantity equal to that of exported goods;
- m. delivered goods having the maximum FOB value of US\$ 1,500 through and/or without courier services by using flight service; or
- n. goods imported by such importers holding the import facility through priority lane.

- (1) Recognition as an IP-Textile shall be made inoperable if the same fails to carry out its obligation to submit such report as referred to in Article 7 for 2 (two) times.
- (2) Such inoperability of the recognition as an IP-Textile can be re-activated after the same performed again the obligation to submit such report as referred to in Article 7, within 2 (two) months after the inoperability.
- (3) The inoperability on such Recognition as an IP-Textile as referred to in section (1) as well as the reactivation on such inoperability Recognition as IP-Textile as referred to in section (2) shall be conducted by the Director.

- (1) Recognition as an IP-Textile shall be revoked if the same:
 - a. fails to carry out its obligation to submit such report

as referred to in Article 7 for more 2 (two) times;

- b. is proved as trading or handing over such TPT as referred to in Article 3 section (2);
- c. amends and/or adds and/or changes any contents in the document of recognition as an IP-Textile; or
- sentenced as guilty by court on any criminal act in respect of the misuse on such recognition as an IP-Textile.
- (2) The revocation on such recognition as an IP-Textile as referred to in section (1) shall be conducted by the Director.

Article 17

- (1) Such stipulation as the implementer of TPT import as referred to in Article 12 shall be revoked if the same is proved as trading or handing over the TPT not to meet the requirement of small industry and/or industry which does not carry out the importation by itself.
- (2) The revocation on such stipulation the implementer of TPT import as referred to in section (1) shall be conducted by Director.

Article 18

Importer who imports TPT not in compliance with the provisions in this Regulation of the Minister shall be imposed with a sanction according to the provisions of statutory regulation

Article 19

Surveyor who fails to perform such obligation as referred to in article 9 section (2) shall be imposed the sanction of revocation on its stipulation as TPT import surveyor

Article 20

(1) Recognitions as IP-Textiles already issued under Regulation of the Minister of Trade Number DAG/PER/5/2008 shall remain valid until the expiry date of such recognitions.

(2) Surveyor Reports (LS) already published under Regulation of the Minister of Trade Number 15/M-DAG/PER/5/2008 shall remain valid until the settlement date of customs clearance for the relevant implementation of TPT import.

Article 21

The appointments as Surveyor already issued under the Decree of the Minister of Industry and Trade Number 307/MPP/Kep/11/2003 regarding the Appointment of Surveyor as the Implementer of Verification or Technical Tracing on the Import of Textiles and Textile Products (TPT) shall remain valid for a period of 30 (thirty) days since the stipulation date of this Regulation of the Minister.

Article 22

As of the effective date of this Regulation of the Minister, Regulation of the Minister of Trade Number 15/M-DAG/PER/5/2008 regarding the Requirements on Textiles and Textile Products, is revoked and declared as null and void.

Article 23

Further provisions on the implementation of this Regulation of the Minister may be stipulated by the Director General.



This Regulation of the Minister shall be in effect as of its stipulation date.

In order to let everyone be aware of, instructing the announcement of this Regulation of the Minister by posting it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta On : June 19, 2009

MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

signed

MARI ELKA PANGESTU





ATTACHMENT OF REGULATION OF THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

 NUMBER
 : 23/M-DAG/PER/6/2009

 DATED
 : June 19, 2009

LIST OF ATTACHMENTS

- 1. Attachment I : List of textiles and textile products.
- 2. Attachment II : Report on textiles and textile products import realization.

MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA signed and sealed MARI ELKA PANGESTU





ATTACHMENT I

REGULATION OF THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

NUMBER : 23/M-DAG/PER/6/2009

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DATED : June 19, 2009

LIST OF TEXTILES AND TEXTILE PRODUCTS

NO.	TARIFF POST	DESCRIPTION OF ITEM	REMARK
1	52.08 through 52.11	Fabrics woven from cotton	L.
2	52.12	Other woven fabrics of cotton.	-
3	54.07	Woven fabrics of synthetic filament	Exempted from
		yarn, including woven fabrics obtained	obligation of verification
		from materials in pos 54.04.	HS. 5407.20.00.00
			HS. 5407.91.00.00
4	55.12 through 55.14	Woven fabrics of synthetic staple fibre,	Exempted from
		containing synthetic staple fibre of 85%	obligation of verification
		or more according to the weight.	HS. 5512.21.00.00
			HS. 5513.12.00.00
			HS. 5513.13.00.00
			HS. 5513.19.00.00
			HS. 5513.21.00.00
			HS. 5513.23.00.00
			HS. 5514.11.00.00
			HS. 5514.12.00.00
			HS. 5514.21.00.00
			HS. 5514.22.00.00
			HS. 5514.23.00.00
			HS. 5514.29.00.00
			HS. 5514.30.00.00
5	55.15	Other woven fabrics of synthetic staple	
		fibre.	HI GUE DECREE

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NO.	TARIFF POST	DESCRIPTION OF ITEM	REMARK
6	55.16	Woven fabrics of artificial staple fibre.	
7	58.01	Fur woven fabrics and chenille cloth, other than fabrics from pos 58.02 or 58.06.	
8	60.01	Fur fabrics, including fabrics with "long feather" and terry cloth, knitting or hook.	
9	60.05	Lucy knitted fabrics (including cloth made of gallon knitting machine), other than those referred to in pos 60.01 through 60.04.	
10	60.06	Other knitted or hooked fabrics.	
26	58.10	Embroidered fabrics in sheet, strip or	
27	58.11	motive.Coated textile products in sheets, composed of one or more layers of	SWORA

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NO.	TARIFF POST	DESCRIPTION OF ITEM	REMARK
		textile material combined by way of	
		weaving or another, except for	
		embroidered fabrics from pos58.10.	
28	59.01	Textile fabrics coated with additive or	
		starch contained substances, from the	
		kind used for book cover or similar	
		type; traced fabrics; ready to use	
		painting canvass; buckram and similar	
		rigid textile fabrics of the kind used for	
		hat base.	
29	59.02	Fabrics for tyre from nylon yarn or	Exempted from
		other polyamide, polyester or viscose	obligation of verification
		rayon of great strength.	HS.5902.10.10.00
			HS.5902.10.90.00
			HS.5902.20.20.00
			HS.5902.20.90.00
30	59.03	Textile fabrics seeped, coated,	Exempted from
		covered or laminated with plastics,	obligation of verification
		other than those referred to in pos	HS.5903.10.10.00
		59.02.	HS.5903.20.20.00
31.	59.07	Textile fabrics other than seeped,	
		coated, or covered; canvass painted to	
		become stage screen, studio's	
		background cloth or similar type	
32	59.11	Products and textile goods for	Exempted from
		technical use, detailed in note 7 of this	obligation of verification
		chapter	HS.5911.31.00.00
			HS.5911.32.00.00
			HS.5911.90.10.00
			HS.5911.90.90.00
33.	61.01	Long overcoat, car-coat, robe with hat,	

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NO.	TARIFF POST	DESCRIPTION OF ITEM	REMARK
		robe, anorak (including ski-jacket),	
		wind-cheater, wind-jacket and similar	
		kind of goods, for men or boys, knitting	
		or hook, other than those referred to in	
		pos 61.03.	
34.	61.02	Long overcoat, car-coat, robe with hat,	
		robe, anorak (including ski-jacket),	
		wind-cheater, wind-jacket and similar	
		kind of goods, for women or girls,	
		knitting or hook, other than those	
		referred to in pos 61.04.	
35.	61.03	Suit, ensemble, coat, blazer, trousers,	
		overall suit with front cover and string,	
		knee-height trousers and pants (other	
		then swimming suit), for men or boys,	
		knitting or hook.	
36.	61.04	Suit, ensemble, coat, blazer, gown,	
		skirt, severed skirt, trousers, overall	
		suit with front cover and string, knee-	
		height trousers and pants (other then	
		swimming suit), for women or girls,	
		knitting or hook.	
37.	61.10	Jersey, pullover, cardigan, vest and	
		similar kind of goods, knitting or hook.	
38.	61.13	Garment, made of knitted fabrics or	
		hook from pos 59.03, 59.06 or 59.07.	
39.	61.15	Panty hose, tight , socks and other	
		undershirt, including long socks for	
		sufferers of varicose veins and un-	
		soled footwear, knitting or hook .	
40.	61.16	Gloves, mitten and mitt, knitting or	



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NO.	TARIFF POST	DESCRIPTION OF ITEM	REMARK
		hook.	
41.	61.17	Other garment accessories, knitting or	
		hook; parts of a garment or parts of a	
		suit, knitting or hook.	
42.	62.01	Long overcoat, car-coat, robe with hat,	
		cloak, anorak (including ski-jacket),	
		wind-cheater, wind-jacket and similar	
		kind of goods, for men or boys, knitting	
		or hook, other than those referred to in	
		pos 62.03.	
43.	62.02	Long overcoat, car-coat, robe with hat,	
		cloak, anorak (including ski-jacket),	
		wind-cheater, wind-jacket and similar	
		kind of goods, for women or girls,	
		knitting or hook, other than those	
		referred to in pos 62.04.	
44.	62.11	Track suit, ski suit and swimming suit;	
		other garments.	
45.	62.15	Tie, necktie and cravat.	
46.	63.04	Other furniture, not including those	
		referred to in pos 94.04.	
47.	63.05	Bags and sacks, from the kinds used	
		to wrap goods.	
48.	63.06	Tarpaulin, awning and sun-blind; tent;	
		screen for boat, surfing board or	
		landcraft; camping goods.	
49.	63.07	Other finished goods, including pattern	
		of clothes.	



Translated from Indonesian Language Jakarta, October 1, 2010 FIKRI SAID OBED Authorized and Sworn Translator, Date Sample of Report PIB ٩ Director of Company Name Date Title **REGULATION OF THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA** L/S ٩ **REPORT OF IMPORT REALIZATION** MONTH : through Unit Price (US\$) IP-TEXTILE HOLDER COMPANY Destined Port 23/M-DAG/PER/6/2009 Country of Origin Goods' June 19, 2009 *) Report shall be submitted through http: //inatrade.depdag.co.id Value (US\$) . . Volume Tariff Post (HS 10 digits) Number Dated Description **IP-Textile Number** Company name Type of Goods Item

Address

No.

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ATTACHMENT II

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