
AUTHORIZED TRANSLATION



**MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA
REGULATION OF MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA
NUMBER 04/M-DAG/PER/1/2015**

CONCERNING

**PROVISIONS ON THE USE OF LETTER OF CREDIT FOR THE EXPORT OF
CERTAIN GOODS**

WITH THE GRACE OF ALLAH THE ONE SUPREME GOD

MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that in order to support the conservation of natural resources, encourage improvement of added value for national economy and industry development, it is necessary to improve business discipline and effectiveness of implementing policy on the export of certain goods by means of payment of Letter of Credit for the requirement of export;
 - b. that in order to support optimum and accuracy of gaining foreign exchange for the proceeds of export and maintain the stability of improving price of export for the certain goods being the natural resources in international market, it is necessary to guarantee business certainty using Letter of Credit as instrument for the method of payment of the export;

- c. that based on the consideration as referred to in items a and b, and to implement Article 40 Law Number 7 of 2014 concerning Trade, and Article 3 Government Regulation Number 1 of 1982 concerning Implementation of Export, Import and Exchange Traffic, it is necessary to regulate provisions on the use of Letter of Credit for the export of the certain goods;
- d. that based on the consideration as referred to in items a, b, and c, it is necessary to stipulate the Regulation of Minister of Trade concerning Provisions on the Use of Letter of Credit for the Export of Certain Goods;

- In view of :
- 1. 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 State Gazette of the Republic of Indonesia Number 3564);
 - 2. Law Number 10 of 1995 concerning Customs (State Gazette of the Republic of Indonesia Number 75 of 1995, 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 Number 93 of 2006, Supplement to State Gazette of the Republic of Indonesia Number 4661);
 - 3. Law Number 24 of 1999 concerning Foreign Exchange Traffic and Exchange Rate (State Gazette of the Republic of Indonesia Number 67 of 1999, Supplement to State Gazette of the Republic of Indonesia Number 3844);
 - 4. Law Number 39 of 2008 concerning State Ministry (State Gazette of the Republic of Indonesia Number 166 of 2008, Supplement to State Gazette of the

Republic of Indonesia Number 4916);

5. Law Number 7 of 2014 concerning Trade (State Gazette of the Republic of Indonesia Number 45 of 2014, Supplement to State Gazette of the Republic of Indonesia Number 5512);
6. Government Regulation Number 1 of 1982 concerning Implementation of Export, Import and Foreign Exchange Traffic (State Gazette of the Republic of Indonesia Number 3210) as already amended by virtue of Government Regulation Number 24 of 1985 (State Gazette of the Republic of Indonesia Number 33 of 1985, Supplement to State Gazette of the Republic of Indonesia Number 3291);
7. Presidential Decree Number 121/P of 2014 concerning the Establishment of Ministry and Appointment of Minister of Working Cabinet for a period of 2014-2019;
8. Regulation of President Number 47 of 2009 concerning the Establishment and Organization of State Ministry as already amended several times lastly by virtue of Regulation of President Number 13 of 2014;
9. Regulation of President Number 24 of 2010 concerning Position, Duty, and Function of State Ministry as well as Organizational Structure, Duty, and Function of Echelon I of State Ministry as already amended several times lastly by virtue of Regulation of President Number 135 of 2014;
10. Regulation of Minister of Finance Number 145/PMK.04/2007 concerning Provisions on Customs in the Sector of Export as already amended several times lastly by virtue of Regulation of Minister of Finance Number 145/PMK.04/2014;

11. Regulation of Minister of Trade Number 31/M-DAG/PER/7/2010 concerning Organization and Working Procedure for the Ministry of Trade as already amended by virtue of Regulation of Minister of Trade Number 57/M-DAG/PER/8/2012;
12. Regulation of Minister of Trade Number 13/M-DAG/PER/3/202 concerning General Provisions in the Sector of Export;

HAS DECIDED:

To Stipulate : **REGULATION OF MINISTER OF TRADE CONCERNING THE USE OF LETTER OF CREDIT FOR THE EXPORT OF CERTAIN GOODS.**

Article 1

The meaning of the following in this Regulation of the Minister is:

1. Goods mean any goods, either tangible or intangible, movable or immovable goods, consumable or non-consumable, and can be traded, used, applied, or utilized by the customer or business player.
2. Letter of Credit, hereinafter referred to as L/C means promise to pay from the issuing bank to the recipient if the recipient transfers to the issuing bank of the document which conforms to the requirement of L/C.
3. Bank Devisa (Foreign Exchange Bank) means bank obtaining approval of the competent authority to conduct banking activity in the foreign currency, including foreign bank branch office in Indonesia, but excluding foreign branch office from the bank with head office in Indonesia.
4. Export means activity to release goods from the custom area.

5. Exporter means an individual or institution or corporate body, either in the form of legal entity or non-legal entity, conducting the Export.
6. Notice on Goods Export, hereinafter abbreviated PEB means custom clearance used for the notice of implementing goods export that can be in terms of writing on the form or electronic media as referred to in the provisions regulating concerning customs.
7. Minister means minister operating governmental affairs in the sector of trade.
8. Director General means Director General of Foreign Trade of the Ministry of Trade.

Article 2

- (1) Export for the certain Goods shall use payment method of L/C.
- (2) Price as contained in L/C as referred to in paragraph (1) at least the same as the price of world market.
- (3) The certain goods as referred to in paragraph (1) as contained in the Appendix being an integral part from the Regulation of Minister.

Article 3

Payment method of L/C as referred to in Article 2 paragraph (1) shall be accepted through local Bank.

Article 4

Exporter conducting the Export of certain Goods as referred to in Article 2 shall mention payment method of L/C in PEB.

Article 5

- (1) Surveyor already appointed by the Minister shall check document of payment method of L/C towards Export of certain Goods as referred to in Article 2 paragraph (3)

already required to be furnished with the surveyor's report.

- (2) Surveyor can only issue surveyor's report if the Export of certain Goods has document of payment method of L/C as referred to in paragraph (1).
- (3) Payment method using L/C shall be listed in the surveyor's report.

Article 6

Director General shall submit written report concerning the implementation of export of the certain Goods that must use payment method of L/C as referred to in Article 2 paragraph (1) monthly to the Minister copied to:

- a. Minister of Coordinator;
- b. Governor of Bank Indonesia;
- c. Minister of Finance;
- d. Minister of energy and Mineral Resources;
- e. Minister of Agriculture;
- f. Minister of Industry; and
- g. Head of Statistic Center Bureau.

Article 7

The certain Goods that will be exported and fail to meet provisions as referred to in Articles 2 and 4, cannot be exported.

Article 8

Violation towards provisions in the Regulation of Minister shall be subject to the laws and regulation.

Article 9

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

Article 10

This Regulation commences effective on April 1, 2015.

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

Stipulated in : Jakarta
On : January 5, 2015

**MINISTER OF TRADE OF THE REPUBLIC OF
INDONESIA,**

signed

RACHMAT GOBEL

Copy conforms to original

Secretariat General

Ministry of Trade

Acting Head of Legal Bureau,

signed and sealed

AHMAD FIRDAUS SUKMONO

ATTACHMENT

REGULATION OF THE MINISTER OF THE REPUBLIC OF INDONESIA

NUMBER 04/M-DAG/PER/1/2015

CONCERNING

**PROVISIONS ON THE USE OF LETTER OF CREDIT TO EXPORT CERTAIN
GOODS**

**EXPORT GOODS THAT MUST USE PAYMENT METHOD OF LETTER OF
CREDIT (L/C)**

A. MINERALS

NO.	DESCRIPTIONS	TARIFF POST/HS
1.	Iron concentrate (hematite, magnetite, pyrite) with content of $\geq 62\%$ Fe	ex. 2601.11.00.00 ex. 2601.12.00.00
2.	Iron concentrate (Gutit/laterit) with content of $\geq 51\%$ Fe and content $(Al_2O_3+SiO_2) \geq 10\%$	ex. 2601.11.00.00 ex. 2601.12.00.00
3.	Manganese concentrate with content of $\geq 49\%$ Mn	ex. 2602.00.00.00
4.	Telluride Copper	ex. 2620.30.00.00
5.	Copper concentrate with content of $\geq 15\%$ Cu	ex. 2603.00.00.00
6.	Lead concentrate with content of $\geq 57\%$ Pb	ex. 2607.00.00.00
7.	Zinc concentrate with content of $\geq 52\%$ Zn	ex. 2608.00.00.00
8.	Ilmenite concentrate with content of Fe $\geq 58\%$ (form of sand) and content of Fe $\geq 56\%$ (form of pellet)	ex. 2614.00.10.00
9.	Anode slime	ex. 7112.99.90.00
10.	Smelter Grade Alumina $\geq 98\%$ Al_2O_3	ex. 2818.20.00.00
11.	Chemical Grade Alumina $\geq 90\%$ Al_2O_3	ex. 2818.20.00.00
12.	Chemical Grade hydroxide aluminum $\geq 90\%$ $Al(OH)_3$	ex. 2818.30.00.00
13.	Hydroxide nickel – Mix Hydroxide Presipitate (MHP) $\geq 25\%$ Ni	ex. 2825.40.00.00
14.	BiS $\geq 40\%$ Ni in the form of powder	ex. 2830.90.90.00 ex. 8501.10.00.00
15.	Oxide Nickel (NiO) with content of Ni $\geq 70\%$	ex. 2825.40.00.00

16.	Sulfide nickel – Mix Sulfide Presipitate (MSP) $\geq 45\%$ Ni	ex. 2830.90.90.00
17.	Silver in the form of powder with content of $\geq 99\%$ Ag	ex. 7106.10.00.00
18.	Silver in the form of lumps, ingot or cast bars with content of $\geq 99\%$ Ag	ex. 7106.9.00.00
19.	Gold in the form of powder with content of $\geq 99\%$ Au	ex. 7108.11.00.00
20.	Gold in the form of lumps with content of $\geq 99\%$ Au	ex. 7108.12.00.10
21.	Gold in the form of ingot or cast bars with content of $\geq 99\%$ Au	ex. 7108.12.00.10
22.	Combination NPI (pig combination iron) in the form of lumps with content of $\geq 4\%$ Ni	ex. 7201.50.00.00
23.	Combination NPI (pig combination iron) in the form of ingot with content of $\geq 4\%$ Ni	ex. 7201.50.00.00
24.	Sponge FeNi $\geq 4\%$ Ni	ex. 7202.60.00.00
25.	Nickel in the form of lumps, nugget, luppen with content of FeNi $\geq 4\%$ Ni	ex. 7202.60.00.00
26.	Nikel Pig Iron (NPI) in the form of ingot or cast bars with $\geq 4\%$ Ni	ex. 7202.60.00.00
27.	Ferro Nickel (FeNi) in the form of lumps with Ni $\geq 10\%$	ex. 7202.60.00.00
28.	Ferro Nickel (FeNi) in the form of ingot with Ni $\geq 10\%$	ex. 7202.60.00.00
29.	Copper in the form of cathode with content of $\geq 99\%$ Cu	ex. 7403.11.00.00
30.	Copper in the form of ingot or cast bars with content of $\geq 99\%$ Cu	ex. 7403.19.00.00
31.	Copper in the form of slab with content of $\geq 99\%$ Cu	ex. 7403.19.00.00
32.	Copper in the form of powder (non-lamellar structure) with content of $\geq 99\%$ Cu	ex. 7406.10.00.00
33.	Copper in the form of powder (lamellar structure) with content of $\geq 99\%$ Cu	ex. 7406.20.00.00
34.	Ni Mate in the form of lumps with Ni $\geq 70\%$	ex. 7501.10.00.00
35.	Ni Mate in the form of powder with Ni $\geq 70\%$	ex. 7501.10.00.00
36.	Ni Mate in the form of granular with Ni $\geq 70\%$	ex. 7501.10.00.00
37.	Ni Mate in the form of ingot or cast bars with Ni $\geq 70\%$	ex. 7501.10.00.00
38.	Ni Mate in the form of slab with Ni $\geq 70\%$	ex. 7501.10.00.00

39.	Nickel in the form of powder with content of Ni \geq 93%	ex. 7504.00.00.00
40.	Metal Al \geq 99% in the form of ingot or cast bars	ex. 7601.10.00.00
41.	Pure Non-Bar Tin with content of Stannum (Sn) at least 99.93% in the form other than bars or in other forms based on standard of Pure Bar Tin	8001.10.00.00
42.	Solder Lead with content of Stannum (Sn) at most 99.7% in the form of bars or other forms used to solder and weld	8003.00.10.00 ex. 8003.00.90.00 ex. 8311.30.90.10 ex. 8311.30.90.90 ex. 8311.90.00.00 ex. 8310.10.00.00
43.	Non-solder Combination Tin with content of Stannum (Sn) at most 96% in the form of bars or other forms which are not used to solder and weld	8001.20.00.00 8007.00.20.00 8007.00.99.90

B. COAL

NO.	DESCRIPTION	TARIFF POST/HS
	Coal; briquette, ovoid and such solid fuel made of coal	27.01
	- Coal, destroyed or not, but it is not agglomerated;:	
1.	- - Antrasite	2701.11.00.00
	- - Bituminous coal:	2701.12
2.	- - - Fuel coal	2701.12.10.00
3.	- - - Others	2701.12.90.00
4.	- - Other coals	2701.19.00.00
5.	- Briquette, ovoid and such solid fuels made of coal	2701.20.00.00
	Lignite, agglomerated or excluding jet.	27.02
6.	- Lignite, destroyed or not, but not agglomerated	2702.10.00.00
7.	- Lignite is agglomerated	2702.20.00.00

C. OIL AND GAS

NO.	DESCRIPTION	TARIFF POST/HS
1.	Crude Oil	2709.00.10.00
2.	Condensate	2709.00.20.00

3.	Liquefied Natural Gas (LNG)	2711.11.00.00
4.	Compressed Natural Gas (CNG)	2711.21.10.00
5.	Vacuum residue	ex. 2713.90.00.00

D. PALM OIL

NO.	DESCRIPTION	TARIFF POST/HS
1.	Crud Palm Oil (CPO)	1511.10.00.00
2.	Crude Palm Kernel Oil (CPKO)	1513.21.10.00

**MINISTER OF TRADE OF
THE REPUBLIC OF INDONESIA,**

signed

RACHMAT GOBEL

Copy conforms to original

Secretariat General

Ministry of Trade

Acting Head of Legal Bureau,

signed and sealed

AHMAD FIRDAUS SUKMONO

Translated from Indonesian Language
Jakarta, March 5, 2015
Authorized and Sworn Translator,

FIKRI SAID OBED