
AUTHORIZED TRANSLATION



MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

**REGULATION OF THE MINISTER OF TRADE OF
THE REPUBLIC OF INDONESIA**

NUMBER 78/M-DAG/PER/10/2014

CONCERNING

PROVISIONS FOR IMPORT OF FORESTRY PRODUCTS

UPON GRACE OF THE ONLY GOD

MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. That in the framework of supporting the forestry conservation, creating the import administration order, and controlling the procurement of forestry products originating from import, it is necessary to regulate the provisions for import of forestry products;
 - b. That based on the consideration, as meant in letter a, it is necessary to determine the Regulation of the Minister of Trade concerning Provisions for Import of Forestry Products;

- In view of :
1. Law Number 7 of 1994 concerning the Ratification of the Agreement Establishing The World Trade Organization (State Gazette of the Republic of Indonesia of 1994 Number 57, Supplement to the State Gazette of the Republic of Indonesia Number 3564);
 2. Law Number 10 of 1995 concerning Customs (State Gazette of

- the Republic of Indonesia of 1995 Number 75, Supplement to the State Gazette of the Republic of Indonesia Number 3612), as has been amended with Law Number 17 of 2006 (State Gazette of the Republic of Indonesia of 2006 Number 93, Supplement to the State Gazette of the Republic of Indonesia Number 4661);
3. Law Number 5 of 1999 concerning Prohibition of Monopoly Practice and Unhealthy Business Competition (State Gazette of the Republic of Indonesia of 1999 Number 33, Supplement to the State Gazette of the Republic of Indonesia Number 3806);
 4. Law Number 41 of 1999 concerning Forestry (State Gazette of the Republic of Indonesia 1999 Number 167, Supplement to the State Gazette of the Republic of Indonesia Number 3888), as has been amended with Law Number 19 of 2004 (State Gazette of the Republic of 2004 Number 86, Supplement to the State Gazette of the Republic of Indonesia Number 4412) ;
 5. Law Number 39 of 2008 concerning State Ministry (State Gazette of the Republic of Indonesia of 2008 Number 166, Supplement to the State Gazette of the Republic of Indonesia Number 4916);
 6. Law Number 3 of 2014 concerning Industry (State Gazette of the Republic of Indonesia of 2014 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 5492);
 7. Law Number 7 of 2014 concerning Trade (State Gazette of the Republic of Indonesia of 2014 Number 45, Supplement to the State Gazette of the Republic of Indonesia Number 5512);
 8. Government Regulation Number 6 of 2007 concerning Forest System and Preparation of the Forest Management Plan, as well as Forest Utilization (State Gazette of the Republic of Indonesia of 2007 Number 22, Supplement to the State Gazette of the Republic of Indonesia Number 4696), as has been amended with Government Regulation Number 3 of 2008 (State Gazette of the Republic of Indonesia of 2008 Number

- 16, Supplement to the State Gazette of the Republic of Indonesia Number 4814);
9. Government Regulation Number 10 of 2012 concerning Treatment of Customs, Taxation, and Excise and Procedure of Import and Export of Goods Into and From and in the Area that has been Determined as the Free Trade Zone and Free port (State Gazette of the Republic of Indonesia of 2012 Number 17, Supplement to the State Gazette of the Republic of Indonesia Number 5277);
 10. Presidential Decree Number 84/P of 2009 concerning Formation of the United Indonesia Cabinet II, as has been amended several times and latest with the Presidential Decree Number 8P of 2014;
 11. Presidential Regulation Number 47 of 2009 concerning Formation and Organization of the State Ministry, as has been amended several times and latest with the Presidential Regulation Number 13 of 2014;
 12. Presidential Regulation Number 24 of 2010 concerning the Position, Duties and Functions of the State Ministry and the Organization Structure, Duties and Functions of Echelon I of the State Ministry, as has been amended several times and latest with the Presidential Regulation Number 14 of 2014;
 13. Regulation of the Minister of Trade Number 54/M-DAG/PER/9/2009 concerning General Provisions in the Import Sector;
 14. Regulation of the Minister of Trade Number 31/M-DAG/PER/7/2010 concerning Organization and Work Procedure of the Ministry of Trade, as has been amended with the Regulation of the Minister of Trade Number 57/M-DAG/PER/8/2012;
 15. Regulation of the Minister of Trade Number 27/M-DAG/PER/5/2012 concerning Provision for the Importer Identity Number (API), as has been amended several times and latest

with the Regulation of the Minister of Trade Number 84/M-DAG/PER/12/2012;

HAS DECREED:

To enact : **THE REGULATION OF THE MINISTER OF TRADE CONCERNING PROVISIONS FOR IMPORT OF FORESTRY PRODUCTS.**

Article I

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

1. Forestry Products are products produced from the forest, either raw products or processed products including their derivations, to be used as raw materials or supporting materials at the self production process or to be traded and/or transferred to another party.
2. Import is the activity of taking goods into the customs area.
3. Forestry Product Producer Importer, hereinafter referred to as IP-Forestry Product, is the company that imports Forestry Products to be used as raw materials or supplementary materials at the self production process.
4. Forestry Product Registered Importer, hereinafter referred to as IT-Forestry Product, is the company that imports Forestry Products for the need of business activities by trading and/or transferring to another party.
5. Import Approval is the Forestry Product import license.
6. Recommendation is the certificate issued by the authorized official of the related technical agency/unit and is the requirement for issuance of the Import Approval.
7. Import Declaration is the statement from the importer, which declares that the Forestry Products to be imported are in accordance with the result of due diligence carried out by the Ministry of Finances.
8. Assessment Team is the Team that carries out the assessment on the business worthiness of the company, consisting of

employees within the circles of the Ministry of Trade and may engage employees from the related technical agency.

9. Minister is the minister who organizes the administration affairs in the trade sector.
10. Director General is the Director General of Foreign Trade, Ministry of Trade.

Article 2

The Forestry Products, which import is limited, are as contained in Appendix I and Appendix II, being inseparable parts of this Regulation of the Minister.

Article 3

Each Forestry Product, as meant in Article 2, is required to comply with the Forestry Product legality in accordance with the provisions of the legislative regulations.

Article 4

- (1) The Forestry Products that are contained in Appendix I, as meant in Article 2, may only be imported by the company that has obtained the recognition as IP-Forestry Product or determination as IT-Forestry Product from the Minister.
- (2) The Forestry Products that are contained in Appendix II, as meant in Article 2, may only be imported by the company that has obtained the determination as IT-Forestry Product from the Minister.
- (3) The Minister delegates the authority to issue the recognition as IP-Forestry Product, as meant in paragraph (1) and paragraph (2), to the Director General..

Article 5

- (1) The Forestry Products that are contained in Appendix I and are imported by the IT-Forestry Product, as meant in Article 4

paragraph (1), is only to fulfill the domestic industrial need.

- (2) The Forestry Product, as meant in paragraph (1), is prohibited to be traded abroad before being processed domestic.

Article 6

- (1) In order to obtain the recognition as IP-Forestry Product, as meant in Article 4, the company should electronically submit the request to the Minister, in this case the Director General, by attaching the:
 - a. Establishment deed of the company including its amendment(s);
 - b. Industrial Business License (IUI) or Wood Forest Product Primary Industrial Business License (IUIPHHK) or other similar type of business licenses from the authorized technical agency or office;
 - c. Company Registration Identity (TDP);
 - d. Taxpayer Registration Number (NPWP);
 - e. Producer Importer Identity Number (API-P);
 - f. Customs Identity Number (NIK);
 - g. Import Declaration; and
 - h. Recommendation from the Ministry of Forestry or appointed official, which among others contains the information on the Forest Product country of origin, Forestry Product harvest country of origin, and certificate on the legality of the Forest Product from the competent authority in the harvest country of origin, which contains at least the information on harvest area of origin and the concession holder.
- (2) In case the documents, as meant in paragraph (1) are complete, then those documents are submitted to the Assessment Team for examination on the correctness of those documents as well as the field inspection.
- (3) The inspection, as meant in paragraph (2), is carried out within

not later than 3 (three) days as of the date request is completely received and is carried out in maximum 3 (three) working days.

- (4) The inspection, as meant in paragraph (2), does not apply for the next request of recognition as IT-Forest Product, as long as the documents, as meant in paragraph (1) letter a to letter f are not changed.
- (5) In case the result of inspection, as meant in paragraph (2), shows that the submitted documents are correct, then the Director General issues the recognition as IP-Forestry Product within not later than 5 (five) working days as of the date of inspection, as meant in paragraph (3).
- (6) In case based on the result of inspection, as meant paragraph (2), incorrect documents are found, the Director General rejects to issue the recognition as IP-Forestry Product.

Article 7

The validity term of recognition as IP-Forestry Product, as meant in article 6 paragraph (5), is in accordance with validity term of the recommendation from the Ministry of Forestry or from the appointed official, as meant in Article 6 paragraph (1) letter h, effective as of the date of issuance.

Article 8

The company that has obtained the recognition IP-Forestry Product, may only import Forestry Products that are contained in Appendix I as the raw materials or supporting materials for the need of the self production process and is prohibited to trade and/or transfer to another party.

Article 9

- (1) In order to obtain the recognition as IT-Forestry Product, as meant in Article 4, the company should electronically submit the

request to the Minister, in this case the Director General by attaching the:

- a. Establishment deed of the company, including its amendment(s);
 - b. Trade Business License (SIUP), which business sector covers the Forestry Product trade or other similar type of license issued by the authorized technical agency or office;
 - c. Company Registration Identity (TDP);
 - d. Taxpayer Registration Number (NPWP);
 - e. General Importer Identity Number (API-U), which contains the section of the Forestry Product (II, IX, X, XX, and/or XXI);
 - f. Customs Identity Number (NIK); and
 - g. Registered Accommodation Place License (TPT) and/or warehouse control evidence in accordance with the type of Forestry Product to be imported.
- (2) In case the documents, as meant in paragraph (1), are complete, then they are submitted to the Assessment Team for examination on the correctness of those documents and the field inspection.
 - (3) The inspection, as meant in paragraph (2), is carried out not later than 3 (three) working days as of the date the documents are received completely and is carried out in maximum 3 (three) days.
 - (4) In case the result of inspection on the documents, as meant in paragraph (2), are correct, then the Director General issues the determination as IT-Forestry Product within maximum 5 (five) working days as of the date of the inspection result, as meant in paragraph (3).
 - (5) In case based on the inspection, as meant in paragraph (2), incorrect documents are found, then the Director General rejects to the issue the determination as IT-Forestry Product..

Article 10

The determination as IT-Forestry Product, as meant in Article 9 paragraph (4), applies for 2 (two) years as of the date of issuance.

Article 11

The Assessment Team, as meant in Article 6 and Article 9, is determined by the Director General.

Article 12

- (1) The IT-Forestry Product that will import Forestry Products should obtain the Import Approval from the Minister.
- (2) The Minister delegates the authority to issue the Import Approval as meant in paragraph (1), to the Director General.

Article 13

- (1) In order to obtain the Import Approval, as meant in Article 12, the IT-Forestry Product should electronically submit the request to the Minister, in this case the Director General, by attaching the:
 - a. Determination as IT-Forestry Product;
 - b. Import Declaration; and
 - c. Recommendation from the Minister of Forestry or appointed official, which contains among others information on Forestry Product country of origin, Forestry Product harvest country of origin and certificate on the legality of the Forest Product from the competent in the harvest country of origin, which contains at least the information on the harvest area of origin and the concession holder.
- (2) On behalf of the Minister, the Director General issues the Import Approval within maximum 3 (three) working days as of

the date the documents, as meant in paragraph (1), are completely and correctly received.

- (3) The Director General rejects the request to issue the Import Approval in case the documents, as meant in paragraph (1) are incomplete and/or incorrect.

Article 14

The validity term of the Import Approval, as meant in Article 13 paragraph (2), is according to validity term of the Recommendation from the Minister of Forestry or the appointed official, as meant in Article 13 paragraph (1) letter c, effective as of the date of issuance.

Article 15

The recommendation, as meant Article 6 paragraph (1) letter h and Article 13 paragraph (1) letter c, is electronically submitted by the Ministry of Forestry through to the INATRADE Portal.

Article 16

The procedure of request and issuance of Recommendation, as meant in Article 6 paragraph (1) letter h and Article 13 paragraph (1) letter c, are separately regulated by the Ministry of Forestry.

Article 17

- (1) The submission of request to obtain the:
 - a. Recognition as IP-Forestry Product, as meant in Article 6;
 - b. Determination as IT-Forestry Product, as meant in Article 9; and
 - c. Import Approval, as meant in Article 13,can only be served with the electronic system through the INATRADE Portal.
- (2) In case of force majeure, which causes the non functioning of the electronic system through the INATRADE Portal, then the submission of request, as meant in paragraph (1), is manually

submitted.

Article 18

- (1) The recognition as IP-Forestry Product, as meant in Article 6 paragraph (5), determination as IT-Forestry Product, as meant in Article 9 paragraph (4), and Import Approval, as meant in Article 13 paragraph (2), are electronically passed on from the INATRADE Portal to the Indonesia National Single Window (INSW) Portal.
- (2) In case the import of Forestry Products is carried out through the port that is not yet connected to the Indonesia National Single Window (INSW), then the copies of the recognition as IP-Forestry Product, as meant in Article 6 paragraph (5), determination as IT-Forestry Product, as meant in Article 9 paragraph (4), and the Import Approval, as meant in Article 13 paragraph (2), are manually submitted to the related agency.

Article 19

- (1) The IP-Forestry Product and IT-Forestry Product should electronically submit the report on the implementation of the Forestry Product import realization, either which import is realized or not realized, through <http://inatrade.kemedag.go.id>
- (2) The report, as meant in paragraph (1), is monthly submitted not later than the 15th (fifteenth) day of the following month to the Director General with copies to the Director General of Forestry Business Development, Ministry of Forestry through: [//silk.dephut.go.id](http://silk.dephut.go.id) and to the Director General of Argo Industry, Ministry of Industry through <http://siinas.kemenperin.go.id>.
- (3) The report, as meant in paragraph (1), is submitted by attaching the result of the Import Realization Control Card scanning, which has been initialed and sealed by the Customs Official.
- (4) The form of report, as meant in paragraph (1), is contained in Appendix III, which is an inseparable part of this Regulation of

the Minister.

Article 20

- (1) The recognition as IP-Forestry Product, the determination as IT-Forestry Product and the Import Approval are frozen in case the company:
 - a. Does not implement the requirement to submit the report, as meant in Article 19, for 3 (three) times and/or
 - b. There is an assumption of conducting criminal actions related to the misuse of recognition as IP-Forestry Product, determination as IT-Forestry Product and/or Import Approval.
- (2) The freezing of recognition as IP-Forestry Product, determination as IT-Forestry Product and Import Approval, as meant in paragraph (1), may be reactivated in case the company:
 - a. Has re-implemented the requirement to submit the report, as meant in Article 19 within not later than 1(one) month as of the date of freezing; and/or
 - b. Is declared not guilty based on the court sentence that has permanent legal power on the assumption of conducting criminal actions related to the misuse recognition as IP-Forestry Product, determination as IT-Forestry Product and/or the Import Approval.

Article 21

The recognition as IP-Forestry Product, determination as IT-Forestry Product and Import Approval are withdrawn in case the company:

- a. Is proven as violating the prohibition to trade the Forestry Products abroad before being further processed domestic, as meant I Article 5, by the IT-Forestry Product.;
- b. Is proven as violating the provision of prohibition to trade and/or

- transfer the imported Forestry Products to other parties, as meant in Article 8, by the IP-Forestry Product;
- c. Does not implement the requirement to submit the report, as meant in Article 19, within the period of 1 (one) month as of the date being imposed the sanction of freezing;
 - d. Is proven as submitting incorrect data and/or information as requirement to obtain the recognition as IP-Forestry Product, determination as IT-Forestry Product and/or Import Approval;
 - e. Is proven as amending the information contained in the documents to obtain the recognition as IP-Forestry Product, determination as IT-Forestry Product and/or Import Approval;
 - f. Is declared guilty based on the court sentence that has permanent legal power for the criminal action related to the misuse of recognition as IP-Forestry Product, determination as IT-Forestry Product and/or Import Approval; and/or
 - g. Is proven as conducting other violations and is recommended by the related technical agency to withdraw the recognition as IP-Forestry Product, determination as IT-Forestry Product and/or Import Approval.

Article 22

The freezing, reactivation and withdrawal of the recognition as IP-Forestry Product, determination as IT-Forestry Product and Import Approval, as meant in Article 20 and Article 21, are determined by the Director General.

Article 23

- (1) The Importer, who imports Forestry Products not in accordance with the provisions of this Regulation of the Minister, is imposed the sanction in accordance with the provisions of the legislative regulations.
- (2) Forestry Products that are imported not in accordance with the provisions of this Regulation of the Minister should be re-

exported or destroyed according to the provisions of the legislative regulations.

- (3) The costs to re-export or destroy, as meant in paragraph (2), are for the account of the importer.

Article 24

- (1) The control on the import and distribution of Forestry Products is carried out in accordance with the provisions of the legislative regulations.
- (2) The Minister may establish the Integrated Team consisting of representatives from the related agencies to carry out the:
 - a. Control on the distribution of imported Forestry Products;
 - b. Evaluation on and implementation of the Forestry Products import policies.
- (3) The Directorate General of Foreign Trade may at any time conduct the compliance assessment (post audit) on the IP-Forestry Product and IT-Forestry Product.

Article 25

In addition to being subject to the provisions of this Regulation of the Minister, the import implementation of Forestry Products is also subject to other provisions of the legislative regulations concerning Forestry Products.

Article 26

Technical instructions of this Regulation of the Minister may be determined by the Director General.

Article 27

Exception from the provisions regulated in this Regulation of the Minister should be upon approval of the Minister by considering the proposal from the related agency.

Article 28

This Regulation of the Minister commences applicable on 1 February 2015.

So that it is known by everyone, the enactment of this Regulation of the Minister is instructed with its placement in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta

On 15 October 2014

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

signed

MUHAMMAD LUTFI

Copy conforms to the original

Secretariat General

Ministry of Trade

Head of Legal Bureau,

signed and sealed

LASMININGSIH