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AUTHORIZED TRANSLATION  
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**MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA**

**REGULATION OF THE MINISTER OF TRADE OF  
THE REPUBLIC OF INDONESIA  
NUMBER 26/M-DAG/PER/3/2015**

**CONCERNING**

**SPECIAL PROVISIONS TO IMPLEMENT THE USE OF THE  
LETTER OF CREDIT FOR EXPORT OF CERTAIN GOODS**

**UPON GRACE OF THE ALMIGHTY GOD**

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

- Considering :
- a. that in order to more improve the implementation effectiveness of the Regulation of the Minister of Trade Number 04/M-DAG/PER/1/2015 concerning the use of the *Letter of Credit* for Export of Certain Goods, it is necessary to regulate the special provisions to implement the use of the *Letter of Credit* for export of certain goods;
  - b. that based on the consideration, as meant in letter a, it is necessary to determine the Regulation of the Minister of Trade concerning Special Provisions to Implement the Use of the *Letter of Credit* for Export of Certain Goods

- In view of :
- 1.. Law Number 7 of 1994 concerning 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 24 of 1999 concerning Foreign Exchange Traffic and Exchange Value System (State Gazette of the Republic of Indonesia of 1999 Number 67, Supplement to the 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 of 2008 Number 166, Supplement to the State Gazette of the Republic of Indonesia Number 4916);
  5. Law Number 2 of 2009 concerning Indonesia Export Financing Institution (State Gazette of the Republic of Indonesia of 2009 Number 2, Supplement to the State Gazette of the Republic of Indonesia Number 4957);
  6. 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);

7. Government Regulation Number 1 of 1982 concerning Implementation of Export, Import and Foreign Exchange Traffic (State Gazette of the Republic of Indonesia of 1982 Number 1, Supplement to the State Gazette of the Republic of Indonesia Number 3210), as has been amended with Government Regulation Number 24 of 1985 (State Gazette of the Republic of Indonesia of 1985 Number 33, Supplement to the State Gazette of the Republic of Indonesia Number 3291);
8. 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 135 of 2014);
9. Presidential Decree Number 121/P OF 2014 concerning Formation of Ministries and Appointment of Ministers of the Working Cabinet for the period of 2014-2019;
10. Presidential Regulation Number 165 of 2014 concerning Arrangement of Duties and Functions of the Working Cabinet
11. Presidential Regulation Number 7 of 2015 concerning the State Ministry Organization;
12. Regulation of the Minister of Finances Number 145/PMK.04/2007 concerning Customs Provisions in the Export Sector, as has been amended several times and latest with the Regulation of the Minister of Finances Number 145/PMK.04/2014;

13. Regulation of the Minister of Trade Number 3/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;
14. Regulation of the Minister of Trade Number 13/M-DAG/PER3/2012 concerning General Provisions in the Export Sector;
15. Regulation of the Minister of Trade Number 04/M-DAG/PER/1/2015 concerning Provisions to Use the *Letter of Credit* for the Export of Certain Goods;

**HAS DECREED:**

To determine: **THE REGULATION OF THE MINISTER OF TRADE CONCERNING SPECIAL PROVISIONS TO IMPLEMENT THE USE OF THE LETTER OF CREDIT FOR EXPORT OF CERTAIN GOODS.**

**Article 1**

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

1. Goods is each article, either tangible or intangible, either moveable or immoveable, either spendable or non spendable, and can be traded, worn, used or utilized by consumers or business actors.
2. *Letter of Credit*, hereinafter referred to as L/C, is the promise of the issuing bank to pay the recipient in case the recipient delivers to the issuance bank the documents in accordance with the L/C requirements.
3. Export is the activity of taking out goods from the customs area.
4. Exporter is the individual or institution or business entity, either in form of legal entity or non legal entity, which carries out the export.

5. Minister is the minister who organizes the administration affairs in the trade sector.

## **Article 2**

- (1) In case the Exporter is not able yet to use the L/C payment system, then the Exporter may submit the request for postponement of the L/C payment system to the Minister.
- (2) The Minister may provide the postponement of the requirement to use the L/C payment system after obtaining the consideration from the related technical minister.
- (3) The provision of consideration, as meant in paragraph (1) is by taking account of the following:
  - a. Contract between the Exporter and the overseas buyer concerning the Export of Certain Goods that has already been arranged with the payment system of other than L/C, which is made prior to the determination of the Regulation of the Minister of Trade Number 04/M-DAG/PER/1/2015 concerning Provisions to Use the *Letter of Credit* for Export of Certain Goods;
  - b. The ability of the Exporter of Certain Goods to adjust the payment system by using L/C within a certain period; and
  - c. Statement with sufficient revenue stamp that certifies the correctness of contract, as meant in letter a, and the ability to adjust the payment system by using L/C, as meant in letter b.

## **Article 3**

- (1) The post audit is carried out by the Team on the documents, as meant in Article 2 paragraph (3) and on the implementation of the Export of Certain Goods.
- (2) The Team, as meant in paragraph (1), is determined by the Minister.

## **Article 4**

In case incorrect documents and implementation of the Export of Certain Goods are found in the result of the post audit, as meant in Article 3 paragraph (1), then the Exporter is imposed the sanction in form of:

- a. Discontinuation of the postponement from the requirement to use the payment system of L/C; and/or
- b. Other sanctions in accordance with the provisions of the legislative regulations.

#### **Article 5**

- (1) The payment system of L/C, other than through the domestic foreign exchange bank, may be carried out through the export financing institution established by the Government.
- (2) When accepting the payment system of L/C, the export financing institution, as meant in paragraph (1), should follow the provisions of Bank Indonesia with regard to the Export Result Foreign Exchange.

#### **Article 6**

This Regulation of the Minister commences applicable on 1 April 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.

Determined in Jakarta

On : 30 March 2015

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

*signed*

**RACHMAT GOBEL**

Copy conforms to the original  
Secretariat General  
Ministry of Trade  
Head of Legal Bureau,

*signed and sealed*

LASMININGSIH

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Translated from Indonesian Language  
Jakarta, July 22, 2016  
Authorized and Sworn Translator,

**FIKRI SAID OBED**