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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 62/M-DAG/PER/8/2015**

**CONCERNING**

**PROVISIONS FOR IMPORT OF NITROCELLULOSE**

**UPON THE GRACE OF THE ONLY GOD**

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

- Considering :
- a. that in the framework of maintaining the availability of Nitrocellulose as the domestic industrial raw material, creating conducive business climate, and adjusting to the determination of the new goods classification system, it is necessary to regulate the provisions for import of Nitrocellulose;
  - b. that the Decree of the Minister of Industry and Trade Number 418/MPP/Kep/6/2003 concerning Provisions for Import of Nitrocellulose (NC), as has been amended with the Decree of the Minister of Industry and Trade Number 662/MPP/Kep/10/2003, is no more suitable with the need of regulating the Nitrocellulose import trade system, so that it is necessary to make the improvement;

- c. that based on the consideration, as meant in letter a and letter b, it is necessary to determine the Regulation of the Minister of Trade concerning the Provisions for Import of Nitrocellulose.

- In view of :
- 1. Law Number 8 of 1948 concerning Withdrawal of the Regulation of the State Defense Council Number 14 and Determine the Regulation Concerning Registration and Provision of License on the Use of Firearms;
  - 2. Government Regulation as Replacement of Law Number 20 of 1960 concerning the Licensing Authority that is Provided According to the Legislation on Firearms;
  - 3. 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);
  - 4. 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);
  - 5. 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 3817);

6. Law Number 8 of 1999 concerning Consumer Protection (State Gazette of the Republic of Indonesia of 1999 Number 42, Supplement to the State Gazette of the Republic of Indonesia Number 3821);
7. Law Number 2 of 2002 concerning Police of the Republic of Indonesia (State Gazette of the Republic of Indonesia of 2002 Number 2, Supplement to the State Gazette of the Republic of Indonesia Number 4168);
8. Law Number 3 of 2002 concerning State Defense (State Gazette of the Republic of Indonesia of 2002 Number 3, Supplement to the State Gazette of the Republic of Indonesia Number 4169);
9. 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);
10. 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);
11. 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);
12. Presidential Decree Number 125 of 1999 concerning Explosives;
13. 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;

14. Presidential Regulation Number 7 of 2015 concerning Organization of the State Ministry;
15. Presidential Regulation Number 48 of 2015 concerning Ministry of Trade;
16. Regulation of the Head of the State Police Number 2 of 2008 concerning the Supervision, Control and Security of Commercial Explosives;
17. Regulation of the Minister of Trade Number 31/M-DAG/PER/7/2010 concerning the 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;
18. Regulation of the Minister of Finances Number 213/PMK.011/2011 concerning the Determination of the Goods Classification System and Imposing of the Import Duty Tariff on Import Goods, as has been amended with the Regulation of the Minister of Finances Number 133/PMK.011/2013;
19. 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;
20. Regulation of the Minister of Defense Number 36 of 2012 concerning Guidelines and Procedure of Licensing, Guidance, Development, Supervision and Control of the Explosives Industry;
21. Regulation of the Minister of Trade Number 46/M-DAG/PER/8/2014 concerning the General Provisions for the Verification or Technical Tracing in the Trade Sector;

22. Regulation of the Minister of Trade Number 48/M-DAG/PER/7/2015 concerning General Provisions in the Import Sector.

**HAS DECREED:**

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

**Article 1**

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

1. Nitrocellulose, hereinafter abbreviated NC, is a chemical material that contains nitrate cellulose compound that can be used as explosive material and as raw/supporting material for certain industries.
2. Import is the activity of taking goods into the custom area.
3. Nitrocellulose Producer Importer, hereinafter abbreviated IP-NC, is the industrial company that imports NC as raw material or supporting material at its production process.
4. Nitrocellulose Registered Importer, hereinafter referred to as IT-NC, is the trading company that imports NC for distribution to producer companies or end users.
5. Recommendation is the document issued by the official of the related agency/unit who is authorized to technically provide the clarification and is not a license or import approval.
6. Verification or technical tracing is the investigation and checking on imported goods that is carried out by the Surveyor.
7. Surveyor is the survey company that has obtained the authorization to carry out the verification or technical tracing on imported goods.
8. Minister is the minister who organizes the administration affairs in the trade sector.

9. Director General is the Director General of Foreign Trade of the Ministry of Trade.
10. Director General of Defense Potential is the Director General of Defense Potential of the Ministry of Defense.
11. Director General of IKTA is the Director General of Chemical, Textile and Diverse Industry of the Ministry of Industry
12. Head of TNI BAIS is the Head of the Strategic Intelligence Agency of the Indonesian National Army.
13. Head of BAINTELKAM POLRI is the Head of the Security Intelligence Agency of the Police of the Republic of Indonesia.

### **Article 2**

- (1) NC may only be imported for industrial, defense and security needs.
- (2) The limited import of NC for industrial need is as contained in the Appendix, which is an inseparable part of this Regulation of the Minister.

### **Article 3**

- (1) The import of NC for the need of defense, as meant in Article 2 paragraph (1), is further on regulated by the minister who organizes the administration affairs in the defense sector.
- (2) The import of NC for the need of security, as meant in Article 2 paragraph (1), is further on regulated by the Head of Police of the Republic of Indonesia.

### **Article 4**

The determination of the total annual NC import allocation is determined and agreed upon in the coordination meeting of the related ministries/institutions by considering the domestic production and need of NC.

## **Article 5**

- (1) The NC, as meant in Article 2 paragraph (2), may only be imported by the company that has obtained the recognition as IP-NC or determination as IT-NC from the Minister
- (2) The Minister delegates the authority to issue the recognition as IP-NC and determination as IT-NC, as meant in paragraph (1), to the Director General.

## **Article 6**

- (1) In order to obtain the recognition as IP-NC, as meant in Article 5 paragraph (1), the company should submit the written request to the Director General by attaching the following documents:
  - a. Photocopy of the establishment deed of the company, including its amendment, if any;
  - b. Photocopy of the Industrial Business License (IUI) or similar type of business license from the authorized technical agency.
  - c. Photocopy of the Company Registration Identity (TDP);
  - d. Photocopy of the Taxpayer Registration Number (NPWP);
  - e. Photocopy of the Producer Importer Identity Number (API-P);
  - f. Photocopy of the Customs Identity Number (NIK);
  - g. Recommendation from the Director General of Defense Potential; and
  - h. Recommendation from the Director General of IKTA.
- (2) Based on the written request, as meant in paragraph (1), the Director General issues the recognition as IP-NC within not later than 5 (five) working days as of the date the request is received completely and correctly.

- (3) In case the written request, as meant in paragraph (1), is incomplete and incorrect, then the Director General submits the notification on the rejection of request within not later than 5 (five) working days as of the date the request is received.

### **Article 7**

The recognition as IP=NC, as meant in Article 6 paragraph (2), applies for 1 (one) year.

### **Article 8**

The recognition as IP-NC, as meant in Article 6 paragraph (2), contains minimum the information on the type of goods, total goods, classification of goods/Tariff Post/HS in 10 (ten) digits, country of loading, and port of destination.

### **Article 9**

- (1) In order to obtain the determination as IT-NC, as meant in Article 5 paragraph (1), the company should submit the written request to the Director General by attaching the following documents:
- a. Photocopy of the establishment deed of the company, including its amendment, if any;
  - b. Photocopy of the Trade Business License (SIUP) or similar type of business license from the authorized technical agency;
  - c. Photocopy of the Company Registration Identity (TDP);
  - d. Photocopy of the Taxpayer Registration Number (NPWP);
  - e. Photocopy of the General Importer Identity Number (API-U), which indicates section VII;
  - f. Photocopy of the Customs Identity Number (NIK);
  - g. Evidence on the control of the storage location/warehouse in accordance with the product characteristics; and

- h. Recommendation from the Director General of Defense Potential.
- (2) Based on the written request, as meant in paragraph (1), the Director General issues the determination as IT-NC within not later than 5 (five) working days as of the date the request is received completely and correctly.
- (3) In case the written request, as meant in paragraph (1), is incomplete and incorrect, then the Director General submits the notification on the rejection of request within not later than 5 (five) working days as of the date the request is received.

#### **Article 10**

The determination as IT-NC, as meant in Article 9 paragraph (2), applies for 1 (one) year.

#### **Article 11**

- (1) Each implementation of the import of NC by IT=NC should obtain the Import Approval from the Minister.
- (2) The Minister issues the authority to issue the Import Approval, as meant in paragraph (1), to the Director General.

#### **Article 12**

- (1) In order to obtain the Import Approval, as meant in Article 11 paragraph (1), the IT-NC should submit the written request to the Director General by attaching the following documents:
  - a. Photocopy of the determination as IT-NC;
  - b. Photocopy of the NC sales contract IT-NC owner and the producer company or end user, by showing the original of the NC sales cooperation contract;
  - c. Recommendation from the Head of TNI BAIS; and

- d. Recommendation from the Head of BAINTELKAM POLRI.
- (2) Based on the written request, as meant in paragraph (1), the Director General issues the Import Approval within not later than 5 (five) working days as of the date the request is received completely and correctly.
- (3) In case the written request, as meant in paragraph (1), is incomplete and incorrect, then the Director General submits the notification on the rejection of request within not later than 5 (five) working days as of the date the request is received.

### **Article 13**

The Import Approval, as meant in Article 12 paragraph (2), applies for 6 (six) months, effective as of the date of issuance.

### **Article 14**

The Import Approval, as meant in Article 12 paragraph (2), contains minimum the information on the type of goods, total goods, classification of goods/Tariff Post/HS in 10 (ten) digits, country of loading and port of destination.

### **Article 15**

- (1) The IP-NC may only import NC for its production process or to be used by itself as support for the need of its production process, and not to be traded and/or transferred to another party.
- (2) IT-NC may only trade and/or transfer NC that is imported to the producer and/or end user, in accordance with the sales contract, as meant in Article 12 paragraph (1) letter b.

### **Article 16**

- (1) The import verification or technical tracing should first be carried out at the loading port for each implementation of the NC import by the IP-NC or IT-NC.
- (2) The implementation of import verification or technical tracing, as meant in paragraph (1), is carried out by the Surveyor who is appointed by the Minister.

### **Article 17**

The Surveyor, who is intended to obtain the determination as implementer of the NC import verification or technical tracing, as meant in Article 16 paragraph (2), should comply with the following requirements:

- a. In possession of the Survey Service Business License (SIUJS);
- b. Experienced as surveyor for minimum 5 (five) years;
- c. Has branches or representatives and/or affiliates abroad and has the network to support the effectiveness of the verification or technical tracing service; and
- d. Has good track records in the sector of import verification or technical tracing activity management.

### **Article 18**

- (1) The import verification or technical tracing, as meant in Article 16 paragraph (1), is carried out on the import of NC, which covers minimum the data or information on the:
  - a. Country of origin;
  - b. Country of loading and port of loading;
  - c. Tariff Post/HS and description of goods;
  - d. Type and specification;
  - e. Amount per port of destination; and
  - f. Time of shipment.

- (2) The result of the import verification or technical tracing, as meant in paragraph (1), is made in form of Surveyor Report (LS) in order to be used as the customs supplementary document at the customs settlement in the import sector.
- (3) The Surveyor collects the service fee from the IP-NC and IT-NC based on the implementation of the import verification or technical tracing, as meant in paragraph (1), which amount is determined based on the benefit principle.

### **Article 19**

The NC import verification or technical tracing, which is carried out by the Surveyor, does not diminish the authority of the Directorate General of Customs, Ministry of Finances, to conduct the customs inspection

### **Article 20**

- (1) The IP-NC and IT-NC should submit the written report on the implementation of NC import once every 3 (three) months, within not later than the 15<sup>th</sup> (fifteenth) day of the first month of the next quarter, to the Director General with copies to:
  - a. Director General of IKTA;
  - b. Director General of Defense Potential;
  - c. Head of TNI BAIS; and
  - d. Head of BAINTELKAM POLRI.
- (2) The report, as meant in paragraph (1), is also submitted through <http://inatrade.kemendag.go.id> by attaching the *scan* result of the import realization Control Card, which has been initialed and sealed by the officer of the Directorate General of Customs.

### **Article 21**

The Surveyor, as meant in Article 16 paragraph (2), should submit the written report on the implementation of the NC import verification or

technical tracing to the Director General every month, within not later than the 15<sup>th</sup> (fifteenth) day of the following month.

### **Article 22**

The recognition as IP-NC and the determination as IT-NC is frozen in case the company:

- a. Does not implement the obligation of submitting the written report, as meant in Article 20, 2 (two) times; and/or
- b. Is presumed as conducting criminal acts related to the misuse of recognition as IP-NC, determination as IT-NC, and or the Import Approval.

### **Article 23**

The freezing of recognition as IP-NC and determination as IT-NC, as meant in Article 22, may be reactivated in case the company:

- a. Has re-implemented the obligation of submitting the written report, as meant in Article 20, not later than 1 (one) month after being frozen; and/or
- b. Is declared not guilty based on the court sentence that has permanent legal power with regard to the presumption of conducting criminal acts related to the misuse of recognition as IP-NC, determination as IT-NC, and/or Import Approval.

### **Article 24**

The recognition as IP-NC and determination as IT-NC is withdrawn in case the company:

- a. Is proven as violating the provision as meant in Article 15 paragraph (1) for IP-NC;
- b. Is proven as violating the provision as meant in Article 15 paragraph (2) for IT-NC;

- c. Does not implement the obligation of submitting the written report, as meant in Article 20, within not later than 1 (one) month after being imposed the sanction of freezing, as meant in Article 22;
- d. Amends, adds and/or changes the contents indicated in the document of recognition as IP-NC, determination as IT-NC, and/or Import Approval;
- e. Submits incorrect data and/or information in the request for recognition as IP-NC, de termination as IT-NC, and/or Import Approval;
- f. Imports NC, which type is not in accordance, and/or the amount exceeds the amount contained in the NC import document; and/or
- g. Is declared guilty based on the court sentence that has permanent legal power for the criminal act related to the misuse of recognition as IP-NC, determination as IT-NC, and/or Import Approval.

#### **Article 25**

The freezing, reactivation, and withdrawal of the recognition as IP-NC and determination as IT-NC, as meant in Article 22, Article 23 and Article 24, are determined by the Director General.

#### **Article 26**

- (1) The determination as Surveyor for the implementation of the NC import verification or technical tracing is withdrawn if the Surveyor:
  - a. Conducts the violation in the implementation of the NC import verification or technical tracing activities ; and/or
  - b. Does not comply with the provision of submitting the written report, as meant in Article 21, for 2 (two) times.

The withdrawal of the determination as Surveyor, as meant in paragraph (1), is determined by the Minister.

### **Article 27**

- (1) The company, which imports NC not in accordance with the provisions in this Regulation of the Minister, is imposed the sanction according to the provisions of the legislative regulations.
- (2) The NC, which is imported not in accordance with the provisions in this Regulation of the Minister, should be re-exported according to the provisions of the legislative regulations.
- (3) The costs for implementation of the re-exportation, as meant in paragraph (2), are borne by the importer.

### **Article 28**

In addition to being subject to the provisions of this Regulation of the Minister, the import of NC is also subject to provisions of the legislative regulations concerning NC.

### **Article 29**

The control on the import of NC is carried out in accordance with the provisions of the legislative regulations.

The Director General may establish an integrated team, consisting of representatives from the related agencies in order to carry out the:

- a. Control on the import of NC; and/or
- b. Evaluation on the implementation policy of NC import.

### **Article 30**

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

### **Article 31**

The exception from the provisions that are regulated in this Regulation of the Minister is determined by the Minister by considering the suggestions from the related agencies.

### **Article 32**

The evaluation on the implementation of this Regulation of the Minister is carried out every 6 (six) months.

### **Article 33**

At the time this Regulation of the Minister commences applicable, the recognition as IP-NC and the NC Import Approval that are issued based on the Decree of the Minister of Industry and Trade Number 418/MPP/Kep/6/2003 concerning Provisions for Import of Nitro Cellulose (NC), as has been amended with the Decree of the Minister of Industry and Trade Number 662/MPP/Kep/10/2003, are declared still applicable until their validity terms expire.

### **Article 34**

At the time this Regulation of the Minister commences applicable, the Decree of the Minister of Industry and Trade Number 418/MPP/Kep/6/2003 concerning Provisions for Import of Nitro Cellulose (NC), as has been amended with the Decree of the Minister of Industry and Trade Number 662/MPP/Kep/10/2003, is withdrawn and declared not applicable.

### **Article 35**

This Regulation of the Minister commences applicable on 1 January 2016.

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 12 August 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**

**APPENDIX**

**REGULATION OF THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA  
NUMBER 62/M-DAG/PER/8/2015**

**CONCERNING**

**PROVISIONS FOR IMPORT OF NITROCELLULOSE**

**TYPES OF NITROCELLULOSE WHICH IMPORT IS LIMITED**

<b>No</b>	<b>Tariff Post/HS No.</b>	<b>Name of Goods</b>	<b>Remarks</b>
	3912.20	-Nitrate cellulose (including collodion);	
		--Not plasticized;	
1.	Ex. 3912.20.11.00	---Semi-finished nitrocellulose with water as basic material	With nitrogen content below 12.6%
2.	Ex. 3912.20.19.00	---Others	
3.	Ex. 3912.20.20.00	--Plasticized	

**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, March 2, 2016  
Authorized and Sworn Translator,

**FIKRI SAID OBED**