# AUTHORIZED TRANSLATION



## MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

## REGULATION OF THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

## NUMBER 118/M-DAG/PER/12/2015

## CONCERNING

## PROVISIONS FOR IMPORT OF COMPLEMENTARY GOODS, GOODS FOR THE NEED OF MARKET TEST, AND AFTER SALES SERVICE

## UPON GRACE OF THE ONE ALMIGHTY GOD

#### THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA,

- Considering: a. that in order to create the business certainty and business climate that is conducive and in order to encourage the domestic investment activity, it is necessary to regulate the import of complementary goods, goods for the need of market test, and after sales service;
  - b. that based on the consideration as meant in letter a, it is necessary to determine the Regulation of the Minister of Trade concerning the Provisions for Import of Complementary Goods, Goods for the Need of Market Test, and After Sales Service.

- 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);
  - 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);
  - 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);
  - 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);
  - 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);
  - 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);

- 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);
- Law Number 20 of 2014 concerning Standardization and Compatibility Assessment (State Gazette of the Republic of Indonesia of 2014 Number 216, Supplement to the State Gazette of the Republic of Indonesia Number 5584);
- 9. Government Regulation number 10 of 2012 concerning Treatment of Customs, Taxation and Excise and Procedure of Taking In and Taking Out Goods Into and Out Of and that are Inside the Zone that is 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);
- 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;
- Presidential Regulation Number 7 of 2015 concerning State Ministry Organization;
- Presidential Regulation Number 48 of 2015 concerning Ministry of Trade;
- Presidential Decree Number 79/P of 2015 concerning Replacement of Several State Ministers of the Working Cabinet for the Period of 2014-2019;
- Regulation of the Minister of Trade Number 31/M-DAG/PER/7/2010 concerning Organization and Work System of the Ministry of Trade, as has been mended with the Regulation of the Ministry of Trade Number 57/M-DAG/PER/8/2012;

- 15. Regulation of the Minister of Trade Number 53/M-DAG/PER/9/2014 concerning Trade Integrated Service;
- Regulation of the Minister of Trade Number 48/M-DAG/PER/7/2015 concerning General Provisions in the Import Sector;
- 17. Regulation of the Minister of Trade Number 70/M-DAG/PER/9/2015 concerning Importer identity Number;
- Regulation of the Minister of Trade Number 87/M-DAG/PER/10/2015 concerning Provisions for Import of Certain Products.

#### HAS DECREED:

To determine: THE REGULATION OF THE MINISTER OF TRADE CONCERNING PROVISIONS FOR IMPORT OF COMPLEMENTARY GOODS, GOODS FOR THE NEED OF MARKET TEST, AND AFTER SALES SERVICE.

#### Article 1

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

- Goods is each article, tangible or intangible, moveable or immoveable, consumable or inconsumable, and can be traded, worn, used or utilized by consumers or business actors.
- 2. Import is the activity of taking in goods into the customs area.
- Producer Importer Identity Number, hereinafter referred to as API-P, is the identity number as producer importer.
- 4. Complementary Goods are manufactured goods that are imported by the API-P owner company with the objective to complete the product line that originate or are produced by overseas companies that have special relationship with the API-P owner company.

- 5. Goods for the need of Market Test are manufactured goods that are imported and are not able yet to be produced by the API-P owner company with the objective to identify the market reaction and are used in the framework of its business development within a certain period.
- 6. Goods for the need of After Sales Service are manufactured goods that are imported by the API-P owner company with the objective to guarantee the availability of spare parts, replacement products, and replacement of products that are related to the main products.
- 7. Special Relationship is the relationship between the API-P owner company and the overseas company, where one of the parties has the ability to control the other party or has significant influence on the other party in accordance with the applicable accounting standard.
- Import approval is the approval that is used as permit to import Complementary Goods, Goods for the need of Market Test, and After Sales Service.
- Recommendation is the letter issued by the Minister or appointed official containing the technical explanation on the Complementary Goods, Goods for the need of Market Test, and After Sale Service, which are to be imported.
- 10. Minister is the minister who organizes the administration affairs in the trade sector.
- Director General is Director General of Foreign Trade, Ministry of Trade.

- (1) The API-P owner company may import manufactured goods as long as they are needed for its business development and investment.
- (2) The imported manufactured goods, as meant in paragraph (1), may be traded and/or transferred to another party.

(3) The imported manufactured goods, as meant in paragraph (1), are not used in the production process and are only used as Complementary Goods, for the need of Market Test and/or After Sales Service.

#### Article 3

- (1) The imported manufactured goods as Complementary Goods, as meant in Article 2, should comply with the following criteria:
  - a. in new condition;
  - are not able yet to be produced by the API-P owner company;
  - c. in accordance with the business license in the industrial sector or other similar types of business license owned by the API-P owner company; and
  - d. produced by the overseas company that has Special relationship with the API-P owner company.
- (2) The Special Relationship, as meant in paragraph (1) letter d may be obtained through:
  - a. Contractual agreement to share the control on an economic activity;
  - b. Share ownership;
  - c. Articles of association;
  - d. Agent/distributor agreement;
  - e. Loan agreement; or
  - f. Supplier agreement.

## Article 4

The imported manufactured goods or the need of Market Test, as meant in Article 2, should comply with the following criteria:

- a. in new condition;
- b. are not able yet to be produced by the API-P owner company; and
- c. in accordance with the business license in the industrial sector or other similar types of business license owned by the API-P owner company.

- (1) The import of manufactured goods for the need of Market Test, as meant in Article 2, is carried out for a limited amount and period.
- (2) The limitation of amount and period, as meant in paragraph (1), is in accordance with the amount and period determined by the guidance technical minister.

## Article 6

The imported manufactured goods for the need of After Sales Service should comply with the following criteria:

- a. In new condition;
- b. Are not able yet to be produce by the API-P owner company or the domestic availability is still limited; or
- c. In accordance with the business license in the industrial sector or other similar types of business license owned by the API-P owner company.

## Article 7

- (1) The import of manufactured goods, as meant in Article 2, may only be carried out by the API-P owner company after obtaining the Import Approval from the Minister.
- (2) The Minister provides the mandate to issue the Import Approval, as meant in paragraph (1), to the Director General.

#### Article 8

In order to obtain the Import Approval, as meant in Article 7, the API-P owner company should submit the request to the Minister, in this case the Director General, by attaching the following:

- a. Photocopy of the business license in the industrial sector or other similar types of business license issued by the authorized agency;
- b. Photocopy of API-P;
- c. Evidence on the Special Relationship with the overseas company for Complementary Goods; and
- d. Recommendation from the guidance technical minister.

- (1) Based on the request, as meant in Article 8, on the Director General may on behalf of the Minister issue or reject to issue the Import approval.
- (2) The Director General issues the Import Approval on behalf of the Minister within not later than 5 (five) working days effective as of the date the request, as meant in Article 8, is received completely and correctly.
- (3) In case the request, as meant in Article 8, is rejected, then the Director General submits on behalf of the Minister the rejection to issue the Import Approval within not later than 5 (five) working days, including the reasons for rejection.

#### Article 10

The validity term of the Import Approval, as meant in Article 7, is in accordance with the time limit determined by the guidance technical minister.

#### Article 11

- (1) The submission of request to obtain the Import Approval, as meant in article 8, may only be served with the electronic system through <u>http://inatrade.kemendag.go.id</u>.
- (2) In case of the occurrence of force majeure, which causes that the electronic system through <u>http://inatrade.kemendag.go.id</u> is not functioning, then the submission of request, as meant in paragraph (1), may be carried out manually.

#### Article 12

The API-P owner company that has obtained the Import Approval should indicate the number and date of the Import Approval in the Goods Import Notification (PIB) document.

- (1) The API-P owner company that has obtained the Import Approval should electronically submit the report of the import implementation, either realized or not, through <u>http://inatrade.kemendag.go.id</u>.
- (2) The report, as meant in paragraph (1), is submitted every 3 (three) months within not later than the 15<sup>th</sup> day of the first month of the following month, to the Director General with copy to the guidance technical agency.

#### Article 14

The Import Approval is withdrawn in case the API-P owner company:

- Does not carry out the obligation to submit the report, as meant in Article 13, during 2 (two) times;
- Is proven as amending the data and/or information contained in the Import Approval;
- c. Is proven as submitting incorrect data and/or information as requirement to obtain the Import Approval, after the Import Approval has been issued;
- d. Conducts violation in the customs sector based on the information from the Directorate General of Customs, Ministry of Finances; and/or
- e. Is declared guilty based on the court sentence, which has permanent legal power, for the criminal act related to the misuse of the Import Approval.

#### Article 15

The withdrawal of the Import Approval, as meant in Article 14, is carried out by the Director General on behalf of the Minister.

#### Article 16

The company that has been imposed the sanction of withdrawal of the Import Approval, as meant in Article 14, may only resubmit the request for the Import Approval after 1 (one) year as of the date of withdrawal of the Import Approval.

- (1) In the framework of the import control, the Directorate General of Foreign Trade may carry out the obedience assessment (post audit) on the API-P owner company that has already obtained the Import Approval.
- (2) The obedience assessment (post audit), as meant in paragraph (1), is carried on the:
  - a. Correctness of the import realization report;
  - Conformity of the imported goods to the data contained in the Import Approval; and
  - c. Obedience toward the legislative regulations.
- (3) The obedience assessment (post audit), as meant in paragraph (1), may be carried out at any time and through the coordination with the related ministry/agency.
- (4) The Director General may establish the Integrated Team to carry out the obedience assessment (post audit), a meant in paragraph (1).

#### Article 18

In addition to being subject to the provisions in this Regulation of the Minister, the import of manufactured goods as Complementary Goods, for the need of Market Test, and After Sales Service, is also subject to the provisions of the legislative regulations that regulate the import limitation.

#### Article 19

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

#### Article 20

The implementation of this Regulation of the Minister is evaluated every 1 (one) year as of the date this Regulation of the Minister commences applicable.

The determination as Importer Producer, which is issued based on the Regulation of the Minister of Trade Number 27/M-DAG/PER/5/2012 concerning the 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, which validity term will expire prior to 30 June 2016, is declared as still applicable until 30 June 2016.

#### Article 22

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.

Determined in Jakarta On 23 December 2015

## MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

signed

#### THOMAS TRIKASIH LEMBONG

Copy conforms to the original Secretariat General Ministry of Trade Head of Legal Bureau, *signed and sealed* LASMININGSIH

> Translated from Indonesian Language Jakarta, September 30, 2016 Authorized and Sworn Translator,

> > FIKRI SAID OBED