
AUTHORIZED TRANSLATION



MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

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

NUMBER 77/M-DAG/PER/10/2014

CONCERNING

RULES OF ORIGIN OF INDONESIA

BY THE GRACE OF ALLAH THE ONE SUPREME GOD

THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that the Certificate of Origin is needed in the implementation of export, which complies with the provision of origin of Indonesian goods;
 - b. that there is currently no regulation that regulates the provisions on the origin of Indonesian goods;
 - c. that with regard to the considerations, as meant in letter a and letter b, and in the framework of determining the origin of Indonesian goods, expand the export, and accelerate the flow of export goods, it is necessary to regulate the provisions on the origin of Indonesian goods;
 - d. that based on the considerations, as meant in letter a, letter b and letter c, it is necessary to determine the Regulation of the Minister of Trade concerning the Rules of Origin of Indonesia.

- 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 32 of 2004 concerning Local Government (State Gazette of the Republic of Indonesia of 2004 Number 125, Supplement to the State Gazette of the Republic of Indonesia Number 4437), as has been amended several times and latest with Law Number 12 of 2008 (State Gazette of the Republic of Indonesia of 2008 Number 59, Supplement to the State Gazette of the Republic of Indonesia Number 4844);
 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 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);
 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 38 of 2007 concerning

Allocation of Administration Affairs among the Government, Provincial Government and Regency/City Government (State Gazette of the Republic of Indonesia of 2007 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 4737;

8. Presidential Decree Number 58 of 1971 concerning Determination of Official Authorized to Issue the Certificate of Origin;
9. 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 54/P of 2014;
10. 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;
11. Presidential Regulation Number 24 of 2010 concerning the Position, Duties and Functions of the State Ministry and 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;
12. 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;
13. Regulation of the Minister of Trade Number 13/M-DAG/PER/3/2012 concerning General Provisions in the Export Sector;

HAS DECIDED:

To Stipulate : **THE REGULATION OF THE MINISTER OF TRADE CONCERNING RULES OF ORIGIN OF INDONESIA.**

Article 1

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

1. Rules of Origin of Indonesia are the general legislative regulations and administrative provisions that are applied to determine the origin of Indonesia goods.
2. Preference Rules of Origin of Indonesia are the provisions concerning the origin of Indonesian goods that are used to obtain the facilities of import duty tariff reduction or exemption in the Country of export destination.
3. Non Preference Rules of Origin of Indonesia are the provisions concerning the origin of Indonesian goods without obtaining the facilities of import duty tariff reduction or exemption at the Country of export destination.
4. Exporter is the individual or institution or business entity, either in form of legal entity or non legal entity, carrying out the export.
5. Goods are raw goods or semi finished goods or finished goods.
6. Indonesia originating goods are Goods originating from Indonesia that have complied with the Rules of Origin of Indonesia.
7. Certificate of Origin, hereinafter abbreviated to as SKA, is the document that proves that the Indonesian export goods have complied with the Rules of Origin of Indonesia.
8. SKA electronic system, hereinafter referred to as e-SKA, is the SKA electronically proposal and issuance system.
9. SKA Issuance Agency, hereinafter referred to as IPSKA, is the agency/entity/institution determined by the Minister and provided the authority to issue the SKA.
10. Minister is the minister who organizes the administration affairs in the trade sector.
11. Director General is the Director General of Foreign Trade of the Ministry of Trade.

Article 2

The Rules of Origin of Indonesia, which are regulated in this Regulation of the Minister, cover the Preference Rules of Origin of Indonesia and Non Preference Rules of Origin of Indonesia).

Article 3

- (1) The Preference Rules of Origin of Indonesia are only used to obtain the facilities of import duty tariff reduction or exemption provided by a Country or group of Countries based on the provisions in the agreed international agreement or based on the unilateral determination by a Country or group of Countries of export destination.
- (2) The Non Preference Rules of Origin of Indonesia are only used to comply with the request of a country, importer and/or exporter toward Indonesian export goods, without obtaining the facilities of import duty tariff reduction or exemption.

Article 4

- (1) The Preference Rules of Origin of Indonesia covers:
 - a. Preference Rules of Origin of Indonesia, which are regulated in the agreed international agreement; and
 - b. Preference Rules of Origin of Indonesia, which are determined by the preference providing Country.
- (2) The Non Preference Rules of Origin of Indonesia covers:
 - a. Non Preference Rules of Origin of Indonesia, which are regulated in the agreed international agreement; and
 - b. Non Preference Rules of Origin of Indonesia, which are not regulated in the international agreement.

Article 5

The Preference Rules of Origin of Indonesia and Non Preference Rules of Origin of Indonesia), as meant in Article 2, contain:

- a. Origin criteria;
- b. Consignment criteria; and
- c. Procedural provision on the SKA issuance process.

Article 6

The origin criteria, as meant in Article 5 letter a, cover:

- a. Wholly obtained;
- b. Value added contents;
- c. Change in tariff classification; and
- d. Specific process.

Article 7

- (1) In case of the Preference Rules of Origin of Indonesia, then the origin criteria, as meant in Article 6, are used based on the provisions in the agreed international agreement or based on the provisions determined by the preference providing country.
- (2) In case of the Non Preference Rules of Origin of Indonesia, then the origin criteria, as meant in Article 6, are based on the option of the Exporter in accordance with the:
 - a. International agreement; or
 - b. Request of importer in the Country of export destination.

Article 8

- (1) The products that comply with criteria of wholly obtained, as meant in Article 6 letter a, are products that are wholly obtained from sources in Indonesia or Products that are produced in Indonesia by using raw materials that are wholly obtained from sources in Indonesia.
- (2) The products as meant in paragraph (1), cover:
 - a. Mine commodities and other substances that emerge naturally and taken from the territory of Indonesia;
 - b. Agricultural and forestry products that are harvested or

- collected in Indonesia;
- c. Living animals that are born and raised in Indonesia;
 - d. Products that are produced from living animals in Indonesia;
 - e. Products that are obtained from hunting or fishing/captured fishery in the territory of Indonesia;
 - f. Products of fishing or catching at sea and other products taken from the sea by Indonesian flag carrying ships, either inside or outside the territory of Indonesia;
 - g. Products that are directly processed on the Indonesian flag carrying ships, either inside or outside the territory of Indonesia, that are produced by using raw materials as meant in letter f;
 - h. Products that are taken from the bottom of the sea or from the underground layer at the bottom of the sea outside the territory of Indonesia, with the provision that Indonesia has the right to exploit the such bottom of the sea or underground layer at the bottom of the sea;
 - i. Reminders and waste produced by the factory operation or processing or from consumption in Indonesia and are only suitable to be disposed or for reutilization as raw materials; and
 - j. Products that are produced in Indonesia by using raw materials from products as meant in letter a to letter i, which are all originating from Indonesia.

Article 9

- (1) Goods that comply with the criteria of value added content, as meant in Article 6 letter b, are only Goods which according to the calculation of total value added of the Indonesian export goods toward the imported raw materials and/or raw materials with unknown origin have value added.
- (2) In determining the value added content, as meant in

paragraph (1), the Exporter may calculate by using the direct method or indirect method.

- (3) Further provisions on the method, as meant in paragraph (2), are determined by the Director General.

Article 10

- (1) Goods that comply with the criteria of change in tariff classification, as meant in Article 6 letter c, are only Goods that experience basic changes on goods produced in Indonesia by using imported raw materials that are marked by the change in tariff classification.
- (2) The change in tariff classification), as meant in paragraph (1), is only used by the Exporter for the:
 - a. Preference Rules of Origin of Indonesia, which are regulated in the agreed international agreement; and
 - b. Non Preference Rules of Origin of Indonesia, which are not regulated in the international agreement.
- (3) The change in tariff classification, as meant in paragraph (1), is in form of:
 - a. Change of classification at level two digit Harmonized System (Chapter), four digit Harmonized System (Tariff Post), or six digit Harmonized System (Sub Tariff Post), for the Preference Rules of Origin of Indonesia.
 - b. The change of classification at level six digit Harmonized System (Sub Tariff Post), for the Non Preference Rules of Origin of Indonesia which is not regulated in the international agreement.

Article 11

- (1) Goods that comply with the criteria of specific process, as meant in Article 6 letter d, are only Goods that have passed the certain production process on goods that use the content

of imported raw materials.

- (2) The specific process, as meant in paragraph (1), may be in form of chemical reaction change or production process phase according to the provisions in the agreed international agreement.

Article 12

Goods found to comply with the criteria of delivery (consignment criteria) as referred to in Article 5 letter b, if it meets the following conditions:

- a. sent directly from Indonesia to the country of export destination and without transit in another country; or
- b. transit in one or more countries, in case:
 - 1) the transit of those goods is for geographical reasons or special consideration related to the transportation requirements;
 - 2) those goods are not traded or consumed in the transit destination country; and
 - 3) those goods do not experience the production process other than the loading/unloading and other actions that are needed to keep the goods in good condition.

Article 13

- (1) The SKA is issued in case the origin criteria, as meant in Article 6, have been complied, and the consignment criteria, as meant in Article 12, have been complied.
- (2) The SKA, as meant in paragraph (1), is issued through the e-SKA.
- (3) SKA is issued by IPSKA.
- (4) The IPSKA, as meant in paragraph (3), is determined with the Decree of the Minister.
- (5) Provisions on the SKA issuance process (procedural

provision) are regulated in the Regulation of the Minister.

Article 14

Goods that have complied with the origin criteria, as meant in Article 6, consignment criteria, as meant in Article 12, and provision on the SKA issuance process (procedural provision), as meant in Article 13, are determined as Indonesia originating goods.

Article 15

At the time this Regulation of the Minister commences applicable:

1. The Regulation of the Minister of Trade Number 33/M-DAG/PER/8/2010 concerning Certificate of Origin for Indonesian Export Goods;
2. The Regulation of the Minister of Trade Number 59/M-DAG/PER/12/2010 concerning Provisions for Issuance of the Certificate of Origin for Indonesian Export Goods; and
3. Regulation of the Minister of Trade Number 60/M-DAG/PER/12/2010 concerning the Certificate of Origin Issuance Agency, as has been amended with the Regulation of the Minister of Trade Number 21/M-DAG/PER/4/2012, is declared as still applicable, as long as they are not opposing this Regulation of the Minister.

Article 16

This Regulation of the Minister commences applicable on 1 January 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.

Stipulated in Jakarta

On 14 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

Translated from Indonesian Language
Jakarta, December 18, 2015
Authorized and Sworn Translator,

FIKRI SAID OBED