



GOVERNMENT REGULATIONS

THE EXPORT OF GOODS REQUIRED TO HAVE LETTERS OF CREDIT

(Regulation of the Trade Minister No. 10/M-DAG/PER/3/2009 dated March 5, 2009)

BY THE GRACE OF GOD ALMIGHTY

THE TRADE MINISTER OF THE REPUBLIC OF INDONESIA,

Considering :

- a. that to implement the policy on the export of goods effectively, it is necessary to restipulate provisions requiring the export of goods to have Letters of Credit (L/Cs);
- b. that in consideration of the matter in letter a, it is necessary to issue a Regulation of the Trade Minister to that effect;

In view of :

1. Trade Ordinance 1934 (Statute Book of 1938 No. 86);
2. Law No. 7/1994 on the Ratification of Agreement Establishing The World Trade Organization (Statute Book of 1994 No. 57, Supplement to Statute Book No. 3564);
3. Law No.10/1995 (**BN No. 5812 pages 19A-20A and so on**) on Customs Affairs (Statute Book of 1995 No. 75, Supplement to Statute Book No.3612) as has been amended by Law No. 17/ 2006 (**BN No. 7476 pages 23A-27A**) (Statute Book of 2006 No. 93, Supplement to Statute Book No. 4661);
4. Law No. 10/2004 (**BN No. 7169 pages 14A-21A and so on**) on the Enactment of Legislation (Statute Book of 2004 No. 53, Supplement to Statute Book No. 4389);
5. Government Regulation No.1/1982 on the Realization of Exports, Imports and Foreign Exchange Traffic (Statute

- Book of 1982 No.1, Supplement to Statute Book No. 3210) as has been amended by Government Regulation No. 24/ 1985 (Statute Book of 1985 No. 33, Supplement to Statute Book No. 3291);
6. Presidential Decree No. 260/1967 on the Affirmation of Tasks and Responsibilities of the Trade Minister in the Field of Foreign Trade;
7. Presidential Decree No. 187/M/2004 (**BN No. 7128 pages 30A-31A**) on the Formation of the United Indonesia Cabinet as has been several times amended the latest by Presidential Decree No. 171/M/2005;
8. Presidential Regulation No. 9/2005 (**BN No. 7182 pages 2A-23A**) on the Position, Task, Function, Authority, Organizational Structure of State Ministries of the Republic of Indonesia as has been several times amended the latest by Presidential Regulation No. 20/ 2008;
9. Presidential Regulation No.10/2005 on the Organizational Unit and Task of First Echelon Officials of State Ministries of the Republic of Indonesia as has been several times amended the latest by Presidential Regulation No. 21/ 2008;
10. Decree of the Industry and Trade Minister No. 558/MPP/Kep/12/1998 (**BN No. 6252 pages 10A-12A and so on**) on General Provisions in the Export Sector as has been several times amended the latest by Regulation of the Trade Minister No. 01/M-DAG/PER/1/2007 (**BN No. 7475 pages 17A-25A**);

11. Regulation of the Trade Minister No. 01/M-DAG/PER/3/2005 on the Organizational Structure and Work Mechanism of the Trade Ministry as has been amended by Regulation of the Trade Minister No. 34/M-DAG/PER/8/2007;
12. Regulation of the Finance Minister No. 145/PMK.04/2007 (**BN No. 7634 pages 8A-13A**) on Customs Provisions in the Export Sector;

DECIDES :

To stipulate :

REGULATION OF THE TRADE MINISTER ON THE EXPORT OF GOODS REQUIRED TO HAVE LETTERS OF CREDIT.

Article 1

- (1) The export of crude palm oil (CPO) and mining products as contained in Attachment I and coffee, cocoa and rubber as contained in Attachment II to this Regulation of the Trade Minister, with the export value of more than 1,000,000 (one million) United States dollars in each export notification (PEB), shall be conducted by paying Letters of Credit (L/Cs) through a local foreign exchange bank.
- (2) The export of goods as contained in Attachments I and II to this Regulation of the Trade Minister, with the export value of up to 1,000,000 (one million) United States dollars in each PEB, can be conducted by paying L/Cs or other internationally-accepted means of payment through a local foreign exchange bank.

Article 2

Export proceeds by means of L/Cs or other means of payment from the export of goods as referred to in

Article 1 shall be channelled and received through a local foreign exchange bank.

Article 3

- (1) Any export of goods as referred to in Article 1 paragraph (1) shall put the no. and date of L/C in PEB.
- (2) Any export of goods as referred to in Article 1 paragraph (2) shall put in PEB:
 - a. the method of paying L/Cs or other means of payment; and
 - b. the no. and date of L/Cs or the no. and date of other means of payment, if any.

Article 4

The export of goods which is exempted from the obligation to use PEB or which is specifically governed by other regulations, is excepted from this Regulation of the Trade Minister.

Article 5

- (1) The exporters who conduct the export of goods as referred to in Article 1 shall submit a report on the realization of exports in an complete and correct manner every month to the Trade Minister in this case the Director General of Foreign Trade.
- (2) The report on the realization of exports as referred to in paragraph (1) shall among others contain PEB number, the method of payment, account number and the name of the local foreign exchange bank receiving export proceeds as contained in Attachment III to this Regulation of the Trade Minister and shall be submitted every month no later than the 10th of the ensuing month.

Article 6

- (1) When this Regulation of the Trade Minister begins to take effect, the exporters of goods as referred to in Article 1 paragraph (1) who are still bound to a contract with importers can apply to the Trade Minister for a delay in the exercise of obligation to use L/Cs through a local foreign exchange bank until August 31, 2009.
- (2) The Trade Minister in this case the Director General of Foreign Trade can grant the delay as referred to in paragraph (1) based on the results of evaluation by an interdepartmental team.
- (3) The interdepartmental team as referred to in paragraph (2) is formed by the Trade Minister.

Article 7

- (1) The obligation to use L/Cs through a local foreign exchange bank for:
 - a. the export of CPO and mining products as referred to in Article 1 paragraph (1) shall begin to take effect on April 1, 2009;
 - b. the export of coffee, cocoa and rubber as referred to in Article 1 paragraph (1) shall begin to take effect on September 1, 2009.
- (2) The export of goods as referred to in paragraph (1) letter b can use L/Cs or other internationally-accepted means of payment which must be channeled and received through a local foreign exchange bank from April 1, 2009 to August 31, 2009.
- (3) The obligation to put the no. and date of L/C in PEB for:
 - a. the export of goods as referred to in paragraph (1) letter a shall begin to take effect on April 1, 2009;

- b. the export of goods as referred to in paragraph (1) letter b shall begin to take effect on September 1, 2009.

- (4) The export of goods as referred to in paragraph (1) letter b and Article 1 paragraph (2) beginning on April 1, 2009 shall put in PEB:
 - a. L/C or other means of payment; and
 - b. the no. and date of L/C or the no. and date of other means of payment, if any.

Article 8

The exporters who violate provisions in Article 1 paragraph (1), Article 2, Article 3, Article 5, and Article 7 shall be liable to a sanction in the form of suspension of the next export of goods as contained in Attachment I and Attachment II to this Regulation of the Trade Minister and/or other sanction pursuant to the law and regulation.

Article 9

The exporters as referred to in Article 8 can resume the export of goods as contained in Attachment I and Attachment II to this Regulation of the Trade Minister if they have met provisions in Article 1 paragraph (1), Article 2, Article 3, Article 5 and Article 7.

Article 10

Attachment I, Attachment II, and Attachment III constitute an integral part of this Regulation of the Trade Minister.

Article 11

Further provisions needed to implement this Regulation of the Trade Minister are to be stipulated by the Director General of Foreign Trade, Trade Ministry.

Article 12.

Article 12

When this Regulation of the Trade Minister begins to take effect, Regulation of the Trade Minister No. 01/M-DAG/PER/1/2009 on the Export of Goods Required to Have Letters of Credit, shall be declared null and void.

For public cognizance, this Regulation of the Trade Minister shall be announced by placing it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

on March 5, 2009

THE TRADE MINISTER,

sgd.

MARI ELKA PANGESTU

Article 13

This Regulation of the Trade Minister shall come into force as from the date of stipulation.

ATTACHMENT I

**THE LIST OF EXPORT GOODS IN THE FORM OF CRUDE PALM OIL (CPO) AND
MINING PRODUCTS REQUIRED TO HAVE L/Cs**

No.	HEADINGS	DESCRIPTION OF GOODS
I.		PALM OIL (CPO)
1.	1511.10.00.00	--- Palm oil, crude.
II.		MINING PRODUCTS
	26.01	Iron ores and concentrates, including roasted iron pyrites
		- Iron ores and concentrates, other than roasted iron pyrites :
2.	2601.11.00.00	-- Non-agglomerated.
3.	2601.12.00.00	-- Agglomerated.
4.	2601.20.00.00	- Roasted iron pyrites.
5.	2602.00.00.00	Manganese ores and concentrates, including ferruginous manganese ores and concentrates with a manganese content of 20% or more, calculated on the dry weight.
6.	2603. 00.00.00	Copper ores and concentrates
7.	2604.00.00.00	Nickel ores and concentrates.
8.	2606.00.00.00	Aluminium ores and concentrates.
9.	2607.00.00.00	Lead ores and concentrates.
	26.15	Niobium, tantalum, vanadium or zirconium ores and concentrates.
10.	2615.10.00.00	- Zirconium ores and concentrates.

No.	HEADINGS	DESCRIPTION OF GOODS
11.	2615.90.00.00 27.01	- Other. Coal, briquettes, ovoids and similar solid fuels manufactured from coal. - Coal, whether or not pulverised, but not agglomerated:
12.	2701.11.00.00 2701.12	-- Anthracite. -- Bituminous coal :
13.	2701.12.10.00	--- Fuel coal.
14.	2701.12.90.00	--- Other.
15.	2701.19.00.00 80.01	-- Other coal. Unwrought tin
16.	8001.10.00.00	- Tin, not alloyed.
17.	8001.20.00.00	- Tin, alloys.

ATTACHMENT II

**THE LIST OF EXPORT GOODS IN THE FORM OF COFFEE, COCOA AND
RUBBER REQUIRED TO HAVE L/Cs**

No.	HEADINGS	DESCRIPTION OF GOODS
I.		COFFEE
	09.01	Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes containing coffee in any proportion. - Coffee, not roasted :
	0901.11	-- Not decaffeinated :
1.	0901.11.10.00	--- Arabica WIB or Robusta OIB.
2.	0901.11.90.00	--- Other.
	0901.12	-- Decaffeinated :
3.	0901.12.10.00	--- Arabica WIB or Robusta OIB.
4.	0901.12.90.00	--- Other.
		- Coffee, roasted :
	0901.21	-- Not decaffeinated :
5.	0901.21.10.00	-- Not pounded.

No.	HEADINGS	DESCRIPTION OF GOODS
6.	0901.21.20.00	--- Pounded.
	0901.22	-- Decaffeinated :
7.	0901.22.10.00	--- Not pounded.
8.	0901.22.20.00	--- Pounded.
	0901.90	--- Other
9.	0901.90.10.00	--- Coffee husks and skins.
10.	0901.90.20.00	--- Coffee substitutes containing coffee.
II.		COCOA
11.	1801.00.00.00	Cocoa beans, whole or broken, raw or roasted.
III.		RUBBER
	40.01	Natural rubber, balata, gutta-percha, guayule, chicle and similar natural gums, in primary forms or in plates, sheets or strip.
	4001.10	- Natural rubber latex, whether or not prevulcanised; -- Containing more than 0.5% ammonia: :
12.	4001.10.11.00	--- Centrifuge concentrate.
13.	ex.4001.10.19.00	--- Other (only applicable to cream latex). -- Containing not more than 0.5% ammonia:
14.	4001.10.21.00	--- Centrifuge concentrate.
15.	ex.4001.10.29.00	--- Other (only applicable to cream latex). - Natural rubber in other forms :
	4001.21	-- Smoked sheets :
16.	4001.21.10.00	--- RSS Grade 1.
17.	4001.21.20.00	--- RSS Grade 2.
18.	4001.21.30.00	--- RSS Grade 3.
19.	4001.21.40.00	--- RSS Grade 4.
	4001.22	-- Technically Specified Natural Rubber (TSNR) : (or SIR, or block rubber, or crumb rubber), Including technical specifications not meeting the SIR quality standard, except those meeting the SNI evident from a certificate from a certified test laboratory or the one holding a SPPT-SNI certificate).

No.	HEADINGS	DESCRIPTION OF GOODS
20.	4001.22.10.00	--- TSNR (SIR) 10, TSNR (SIR) 10CV / VK.
21.	4001.22.20.00	--- TSNR (SIR) 20, TSNR (SIR) 20CV / VK.
22.	4001.22.30.00	--- TSNR (SIR) 3 L.
23.	4001.22.40.00	--- TSNR (SIR) 3CV.
24.	ex. 4001.22.90.00	--- Other (only applicable to SIR 3WF).
	4001.29	--- Other.
25.	4001.29.10.00	--- Air-dried sheet.
26.	ex.4001.29.20.00	--- Latex crepe (Thin pale crepe/TPC 1x, 2x, 3x).
27.	ex.4001.29.40.00	--- Remilled crepe (thin brown crepe/TBC 1x, 2x, 3x).
28.	ex.4001.29.70.00	--- Skim rubber (block skim rubber).
	4001.30	- Balata, gutta-percha, guayule, chicle and similar gums.
		-- Jelutung.
29.	ex.4001.30.11.00	---In primary forms (primary products obtained from processing in a dry and clean form)
		-- Other :
30.	ex.4001.30.91.00	---In primary forms (primary products obtained from processing in a dry and clean form)

ATTACHMENT III**REPORT ON THE REALIZATION OF EXPORTS**

Name of Company :

Address of Head Office :

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No	Date	REALIZATION OF EXPORTS									
		PEB No.	B/L or AWB No.	Date of B/L or AWB	Port of Loading	Countries of Destination	Volume (Kg/Tons)	FOB Value in Foreign Currency	Method of Payment	Invoice No.	Account No. & Name of Local Foreign Exchange Bank

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Company Manager

(NAME)

Position

Copies :

1. The Director General of Customs and Excise
2. The Director General of Mineral and Geothermal Resources, Ministry of Energy and Mineral Resources
3. The Director General of Farm Product Processing and Marketing, Ministry of Agriculture
4. Receiving Bank

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