

Export Products and Compulsory Letters of Credit

In order to ensure the effective implementation of export policy the Government has decided there is a need to revisit the use of compulsory letters of credit for certain export products. To this end, the Minister of Trade has issued Regulation No. 10/M-DAG/PER/3/2009. The Regulation affects exports of Crude Palm Oil, Ores, and Coal in Attachment I, and Coffee, Cocoa, and Rubber in Attachment II.


The export goods listed in Attachment I must use a Letter of Credit (L/C) and those export goods listed in Attachment II must use a L/C where the value of those goods noted in the Export Goods Notification (PEB) exceeds USD 1 million. Where the PEB is a value less than USD 1 million then the exporter may choose to use a L/C or some other method of payment.

The PEB must include the number and date of the L/C.





Export goods that are not required to use a L/C are exempt from the provisions of this Regulation.

The provisions relating to the use of a L/C through a Domestic Exchange Bank come into force for Attachment I from 1 April 2009 and for Attachment II from 1 September 2009.

This Regulation repeals and replaces Minister of Trade Regulation No. 01/M-DAG/PER/1/2009.

The Regulation was issued on 5 March 2009. 

Past Issues

-  Procedures for the Issue of Recommendations for the Import of Used Goods (Issue 1047 - 06/03/2009)
-  Income Tax Incentives - Three Sectors Targeted (Issue 1046 - 05/03/2009)
-  Draft Bill on the Commercial Court (Issue 1045 - 04/03/2009)
-  Clearing Telecommunications Traffic (Issue 1044 - 03/03/2009)

Documents

The Minister of Trade Regulation No. 10/M-DAG/PER/3/2009
(PERMEN_DAG_10MDAGPER32009_2009.pdf - 78.Kb)

Indonesian Legal Brief is a service of
PT Justika Siar Publika owner and operator of
www.hukumonline.com

Puri Imperium Office Plaza UG 15
Kuningan, Jakarta 12319
to subscribe, call 62-21-83701827 or fax to 62-21 83701826
or email layanan@hukumonline.com