

# PROCEDURE OF MONITORING OF OIL FUEL, GAS FUEL, LPG, FINISHED PRODUCTS, AND OTHER FUELS

(Decision of the Director General of Oil and Gas No. 8757.K/24/DJM/2006 dated June 8, 2006)

## Considering:

- a. that, in the framework of supporting of acceleration of implementation of monitoring of standard and quality (specification), volume, and administrative documents of export, import, and domestic marketing and/or distribution and in the framework of clarification of compatible realization of uses import for self of oil fuel, gas fuel, LPG, Finished Products, and Other Fuels, it is necessary to conduct examination continuously;
- b. that, considering the above matters and for implementation of Article 41 of Regulation of the Minister of Energy and Mineral Resources No. 0007/2005 and Article 5 of Regulation of the Minister of Energy and Mineral Resources No. 0048/2005, it is necessary to stipulate procedure of monitoring of oil fuel, gas fuel, LPG, finished products, and other fuels in Decision of the Director General of Oil and Gas;
6. Regulation of the Minister of Energy and Mineral Resources No. 0007/2005 on Conditions and Guides to Implementation of Business License for Oil and Gas Downstream Business Activities;
7. Regulation of the Minister of Energy and Mineral Resources No. 0048/2005 on Standard and Quality (Specification) and Monitoring of Oil Fuel, Gas Fuel, Other Fuels, LPG, LNG, Finished Products Sold Domestically;
8. Decree of the Minister of Energy and Mineral Resources No. 2089.K/73/MEM/2005 dated December 28, 2005;

## DECIDES :

To stipulate:

PROCEDURE OF MONITORING OF OIL FUEL, GAS FUEL, LPG, FINISHED PRODUCTS, AND OTHER FUELS.

## CHAPTER I

### GENERAL PROVISIONS

#### Article 1

Hereinafter referred to as:

1. Law No. 22/2001 on Oil and Gas (Statute Book of 2001 No. 136, Supplement to Statute Book No. 4152);
2. Government Regulation No. 36/2004 on Oil and Gas Downstream Business Activities (Statute Book of 2004 No. 124, Supplement to Statute Book No. 4436);
3. Presidential Regulation No. 71/2005 on Procurement and Distribution of Certain Types of Oil Fuels;
4. Regulation of the Minister of Energy and Mineral Resources No. 0030/2005 dated July 20, 2005;
5. Decree of the Minister of Energy and Mineral Resources No. 1088.K/20/MEM/2003 on Guides to Implementation of Development, Supervision, Regulating, and Control of Oil and Gas Upstream Business Activities and Oil and Gas Downstream Business Activities;
1. Oil Fuel, Gas Fuel, LPG, Finished Products, Other Fuels, Business Enterprise, and Business License are as set forth in Government Regulation No. 36/2004 on Oil and Gas Downstream Business Activities.
2. Standard and Quality (Specification) is limit of physical, chemical characteristics and/or performances of Oil Fuel, Gas Fuel, LPG, Finished Products, and Other Fuels analyzed by standard methods of analysis.
3. Evaluation into Standard and Quality (Specification) is evaluation into limit of physical, chemical characteristics and/or performances of Oil Fuel, Gas Fuel, LPG, Finished Products, and Other Fuels in accordance with standard and quality (specification) and procedure of monitoring of standard and quality (specification) stipulated by the Government.

4. Evaluation of Volume is evaluation of volume by using certain methods and standards of measurement.
  5. Evaluation of Administrative Documents is evaluation into compatibility between administrative documents of Oil Fuel, Gas Fuel, LPG, Finished Products, and Other Fuels with the actual condition.
  6. Service Company is an Indonesian corporation operating inspection into standard and quality (specification), volume, and administrative documents.
  7. Laboratory is an accredited and independent laboratory recognized nationally and/or internationally which is able to perform evaluation into standard and quality (specification), Oil Fuel, Gas Fuel, LPG, Finished Products, and Other Fuels.
  8. Director General is the Director General with duties and responsibilities in the field of oil and gas business activities.
  9. Director is Director with duties and responsibilities in the field of oil and gas downstream business activities.
  10. Service Company Evaluation Team is Evaluation Team chaired by the Director that performs evaluation into administrative and technical requirements relating to application of Service Company to be included in List of Service Companies used by Business Enterprise to perform inspection into standard and quality (specification), volume, and administrative documents.
  11. List of Service Companies is List of Service Companies entitled to perform inspection into standard and quality (specification), volume, and administrative documents.
- (2) The monitoring, as meant in paragraph (1), includes evaluation into:
    - a. Standard and quality (specification), volume, and administrative documents of export and/or import;
    - b. Standard and quality (specification) and administrative documents of domestic marketing and/or distribution;
    - c. Standard and quality (specification), volume, and administrative documents for clarification of compatible realization of uses of import for self.

### Article 3

Monitoring, as meant in Article 2 paragraph (1), is performed by officer of the Directorate General and/or another party as a Service Company appointed by the Director General.

### Article 4

- (1) Performance of evaluation into standard and quality (specification) for export and/or import, as meant in Article 2 paragraph (2) clause a, includes activities, among other things:
  - a. Acceptance of master samples;
  - b. Seal;
  - c. Sampling;
  - d. Testing of samples at the laboratory; and
  - e. Recording of the results.
- (2) The evaluation, as meant in paragraph (1), is performed by in situ analysis (among other things, color, specific gravity, free water) and complete laboratory examination by using evaluation characteristics as set forth in Attachment I to this regulation.
- (3) Evaluation into volume for export and/or import, as meant in Article 2 paragraph (2) clause a, is performed by verification into compatibility of volume written on the documents and the actual condition pursuant to American Standard for Testing and Material (ASTM) or American Petroleum Institute (API) or International Petroleum (IP).
- (4) Evaluation into administrative documents for export and/or import, as meant in Article 2 paragraph (2)

## CHAPTER II

### IMPLEMENTATION OF MONITORING

#### Article 2.

- (1) The Director General performs monitoring of Oil Fuel, Gas Fuel, LPG, Finished Products, and Other Fuels.

clause a, includes, among other things:

- a. Certificate of Origin;
- b. Bill of Lading; and
- c. Certificate of Quantity and Quality.

(5) On import of Oil Fuel, Gas Fuel, LPG, Finished Products, and Other Fuels with special request, its standard and quality (specification) must first be stipulated by the Director General.

(6) Performance of evaluation into export and/or import of Oil Fuel, Gas Fuel, LPG, Finished Products, and Other Fuels is implemented every time upon export and/or import at transfer point (custody of transfer point) domestically.

#### Article 5

(1) Performance of evaluation into standard and quality (specification) for domestic marketing and/or distribution, as meant in Article 2 paragraph (1) clause b, includes:

- a. Sampling;
- b. Testing of samples at the laboratory; and
- c. Recording of the results.

(2) Evaluation, as meant in paragraph (1), is performed by complete laboratory examination as set forth in Attachment I to this regulation.

(3) Performance of evaluation into administrative documents for domestic marketing and/or distribution, as meant in Article 2 paragraph (2) clause b, includes, among other things:

- a. Certificate of Origin;
- b. Certificate of Quantity and Quality.

(4) On domestic marketing and/or distribution of Oil Fuel, Gas Fuel, LPG, Finished Products, and Other Fuels with special request, its standard and quality (specification) must first be stipulated by the Director General.

(5) Inspection into Business Enterprises in operation of domestic marketing and/or distribution activities is

performed once in every three (3) months or incidentally and is performed on distribution chain before end consumers as set forth in Attachment II to this regulation.

#### Article 6

(1) Performance of evaluation into standard and quality (specification) for clarification about compatible realization of uses import for self, as meant in Article 2 paragraph (2) clause c, includes:

- a. Sampling for evaluation; and
- b. Data on realization of uses of import.

(2) The evaluation, as meant in paragraph (1) is performed by in situ analysis (among other things, color, specific gravity, free water).

(3) Evaluation of volume for clarification about compatible realization of uses of import for self, as meant in Article 2 paragraph (2) clause c, is performed by verification into compatibility between volume stated in the documents and the actual condition pursuant to American Standard for Testing and Material (ASTM) or American Petroleum Institute (API) or International Petroleum (IP).

(4) Performance of evaluation of administrative documents for clarification of compatible realization of uses of import for self, as meant in Article 2 paragraph (2) clause c, includes, among other things:

- a. Certificate of Origin;
- b. Certificate of Quantity and Quality.

(5) Evaluation into clarification of compatible realization of uses of Oil Fuel, Gas Fuel, LPG, Finished Products, and Other Fuels imported for self uses must be performed once in every three (3) months or incidentally and is performed on installations or storage depot of Business Enterprises as holder of export and/or import recommendation.

#### Article 7

(1) Expenses for evaluation of standard and quality (specification), volume, and administrative documents of

export and/or import and evaluation into compatible realization of uses of import for self, as meant in Article 2 paragraph (2) clauses a and c, are imposed on Business Enterprises.

- (2) Expenses for performance of evaluation into domestic marketing and/or distribution, as meant in Article 2 paragraph (2) clause b, are borne by the Directorate General.

### CHAPTER III SERVICE COMPANY

#### Article 8

- (1) In the framework of appointment of Service Company, as meant in Article 3, the Director General establishes a Service Company Evaluation Team of the Directorate General with members consisting of unit for development of downstream businesses, technical and environmental unit, and legal unit, and laws for performing evaluation into administrative and technical documents relating to application of Service Company to be included in List of Service Companies.

- (2) The List of Service Companies, as meant in paragraph (1), is used by Business Enterprise for performing evaluation, as meant in Articles 4 and 6.

#### Article 9

Service Company sends application in writing to the Director General regarding application of Service Company to be included in List of Service Companies.

#### Article 10

Service Company that files application, as meant in Article 9, must meet the following general requirements:

- a. Indonesian corporation;
- b. Inspection Service Company or inspection-based Consulting Service Company and not a construction, manufacturing, and engineering company.

#### Article 11

Service Company that files application, as meant in Article 9, must fulfill administrative and technical requirements as follows:

- a. Administrative requirements include:
  - 1) Deed of establishment and its amendments ratified by competent institution;
  - 2) Company profile;
  - 3) Taxpayer's Identification Number (NPWP);
  - 4) Certificate of Registration of Company (TDP);
  - 5) Trading Business License (SIUP) or Permanent Trading Business License (SITUP);
  - 6) Certificate of Domicile or License of Business Location (SITU);
  - 7) List of experience of the concerned company relating to inspection of Oil Fuel, Gas Fuel, LPG, Finished Products, and Other Fuels;
  - 8) National and/or International Quality Management Certificate;
  - 9) Statement indicating not having shareholding and/or management relationship with Business Enterprise;
  - 10) Other supporting documents.

- b. Technical requirements include:

- 1) Having procedure of performance of evaluation into volume, standard and quality (specification) of Oil Fuel, Gas Fuel, LPG, Finished Products, and Other Fuels.
- 2) Having Professional Staff in charge of the field in accordance with his profession and with sufficient experience.
- 3) Having network nationally or internationally and/or affiliates overseas.
- 4) Having and/or controlling Laboratory or being able to show letter of guarantee/partnership on use of Laboratory with owner of the laboratory.

#### Article 12

- (1) In the framework of clarification of administrative and technical requirements, the Service Company must arrange presentation to the Service Company Evaluation Team.

- (2) In case the administrative and technical requirements, as meant in Article 11, are already complete and qualified, for evaluation into compliance to requirements, the Service Company Evaluation Team performs review and evaluation into equipment and facility of the Service Company.

(3) Within thirty (30) working days after fulfillment of the provisions of paragraphs (1) and (2), the Service Company Evaluation Team proposal of Service Company that can be included in List of Service Companies to the Director General.

(4) The Director General gives approval on the proposal of the Service Company Evaluation Team, as meant in paragraph (3), for five (5) years.

(5) Based on the Director General's approval, as meant in paragraph (4), the Director stipulates List of Service Companies.

#### CHAPTER IV OBLIGATIONS OF SERVICE COMPANY Article 13

(1) Service Company must perform evaluation into standard and quality (specification), volume, administrative documents of Oil Fuel, Gas Fuel, Other Fuels, LPG, and Finished Products in accordance with technical responsibility and the laws in force.

(2) The Service Company must submit report on results of evaluation into standard and quality (specification), volume, and administrative documents to the Director General with a copy submitted to the Director within not later than seven (7) days after the evaluation.

(3) The Service Company must submit report regarding its operations once in every six (6) months.

(4) The Service Company Evaluation Team performs evaluation into performance of the Service Company once in every six (6) months and/or incidentally.

(5) In case results of the evaluation, as meant in paragraph (4), show performance that causes loss to the state and/or Business Enterprise, the Service Company Evaluation Team sends a proposal to the Director General to give reminder and/or to cancel the approval, as meant in Article 12 paragraph (4) and to exclude from List of Service Companies.

#### CHAPTER V

#### PROCEDURE OF MONITORING OF EXPORT AND/OR IMPORT AND CLARIFICATION OF COMPATIBLE REALIZATION OF USES OF IMPORT FOR SELF

##### Article 14

(1) Business Enterprise as holder of Business License and Business Enterprise as holder of Export and/or Import Recommendation submit application for Recommendation of Exit of Export Goods and/or Recommendation of Introduction of Import Goods and candidate Service Company which is to perform evaluation to the Director General along with schedule of evaluation.

(2) Business Enterprise as holder of Import Recommendation proposes the candidate Service Company to perform evaluation, as meant in Article 6.

(3) The Service Company proposed by Business Enterprise, as meant in paragraphs (1) and (2), must be registered on List of Service Companies.

(4) The Director on behalf of the Director General, issues recommendation of Exit of Export Goods and/or Recommendation of Introduction of Import Goods and issues approval on the candidate Service Company, as meant in paragraphs (1) and (2).

(5) The Service Company, as meant in paragraph (3), must perform evaluation in accordance with the schedule of evaluation submitted and submits report on results of evaluation to the Director General with a copy submitted to the Director within not later than seven (7) days after the evaluation.

(6) In case that the results of the evaluation, as meant in paragraph (5), show that Oil Fuel, Gas Fuel, LPG, Finished Products, and Other Fuels do not meet the stipulated standard and quality (specification), volume, and/or administrative documents, the Director General notifies the Business Enterprise not to continue export, import, marketing and/or distributing the Oil Fuel, Gas Fuel, LPG, Finished Products, and Other Fuels.

**CHAPTER VI**  
**PROCEDURE OF MONITORING OF**  
**DOMESTIC MARKETING AND/OR DISTRIBUTION**

**Article 15**

- (1) The Director General appoints officer of the Directorate General and/or other officer to take samples of Oil Fuel, Gas Fuel, LPG, Finished Products, and Other Fuels to be tested on distribution chain before end consumer once in every three (3) months or incidentally.
- (2) The samples of Oil Fuel, Gas Fuel, LPG, Finished Products, and Other Fuels, as meant in paragraph (1), are submitted to the laboratory to be tested and analyzed in compliance with standard and quality (specification).
- (3) Procedure of taking and delivery of samples of Oil Fuel, Gas Fuel, LPG, Finished Products, and Other Fuels, is set forth in Attachment III to this regulation.
- (4) In case that the results of evaluation show that Oil Fuel, Gas Fuel, LPG, Finished Products, and Other Fuels do not meet stipulated standard and quality (specification), the Director General advises Business Enterprise not to market and/or distribute the Oil Fuel, Gas Fuel, LPG, Finished Products, and Other Fuels.

**CHAPTER VII**  
**TRANSITORY PROVISIONS**

**Article 16**

- (1) Business Enterprise that already operates activities in accordance with standard and quality (specification), volume, and administrative documents of Oil Fuel, Gas Fuel, LPG, Finished Products, and Other Fuels before this regulation comes into force, may continue its operations until July 31, 2006.
- (2) Starting August 1, 2006, all Business Enterprises must comply with the provisions of this regulation.

**CHAPTER VIII**  
**CLOSING PROVISIONS**

**Article 17**

This regulation comes into force since the date it is stipulated.

Stipulated in Jakarta

On June 8, 2006

THE DIRECTOR GENERAL OF OIL AND GAS  
THE DIRECTORATE GENERAL SECRETARY

Sgd

M. TEGUH PAMUJI

—==( E )==—

**INVALIDATION OF JOINT DECREE OF THE MINISTER OF TRADE AND  
THE MINISTER OF INDUSTRY NO. 01/M/Kep/1/2005 AND NO. 01/M/Kep/1/2005 ON  
IMPORT OF NON-NEW CAPITAL GOODS FOR REGIONS STRUCK BY  
NATURAL DISASTERS IN NANGGROE ACEH DARUSSALAM PROVINCE,  
NORTH SUMATERA, PAPUA, AND EAST NUSA TENGGARA**  
(Joint Regulation of the Minister of Trade No. 37/M-DAG/PER/11/2006 and  
the Minister of Industry No. 88/M-IND/PER/11/2006 dated November 14, 2006)

THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

AND

THE MINISTER OF INDUSTRY OF THE REPUBLIC OF INDONESIA,

Considering:

- a. that, in the latest development, the provisions of Joint Decree of the Minister of Trade and the Minister of Industry No. 01/M/Kep/1/2005 and No. 01/M/Kep/1/2005 on Import of Non-New Capital Goods for Regions