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Govt Strengthens Requirements for Import and Export of Oil and Gas

The Minister of Trade ("**Minister**") has issued Regulation [No. 03/M-DAG/PER/1/2015](#) on Export and Import of Oil, Gas, and Other Types of Fuel ("**2015 Regulation**").

The 2015 Regulation aims to strengthen control over the export and import of crude oil, natural gas, other types of fuel (such as biofuel and ethanol) and their derivative products ("**Fuel**") as listed in Appendix I to the 2015 Regulation.[\[1\]](#)

This objective is achieved by requiring business entities that wish to export or import Fuel to be acknowledged and registered as a Registered Exporter or Registered Importer. Moreover, the 2015 Regulation also stipulates procedures for exporting state-owned Fuel by Registered Exporters.

Prior to the 2015 Regulation, provisions on the export and import of Fuel were set out in Ministerial Regulation [No. 42/M-DAG/PER/9/2009](#) ("**2009 Regulation**").

The 2015 Regulation is relevant to oil and gas companies, including exporters and importers of Fuel.

Exporters

The Director General of Oil and Gas or Director General of New, Renewable, and Conservation of Energy will first recommend which type of Fuels can be exported.[\[2\]](#) These recommended Fuels may only be exported by business entities that satisfy the following criteria ("**Business Entities**"):[\[3\]](#)

- a. Established in Indonesia as downstream or upstream oil and gas business entity;[\[4\]](#)
- b. Established outside Indonesia as upstream oil and gas business entity;[\[5\]](#) and
- c. Established in Indonesia as business entity for other type of fuel business (for exporter of other types of fuel).

In order to export Fuel, Exporters must: 1) be acknowledged as a Registered Exporter (*Eksportir Terdaftar* – "**ET**"); and then 2) secure an Export Approval.

To be acknowledged as an ET, a Business Entity must submit an application to the Minister via the Director General of Foreign Trade ("**Director General**") with the following documents: a) copy of its business license; b) copy of Tax Identification Number (NPWP); and c) copy of Company Registration Certificate (only for Business Entity under points "a" and "c" above).[\[6\]](#)

On receiving a complete application, the Director General has five days to issue approval for a Business Entity to be acknowledged as a Registered Exporter. A Registered Exporter approval is valid for three years from its date of issue.[\[7\]](#)

After being approved as an ET, the Business Entity must then secure an Export Approval. Applications for Export Approvals must be submitted to the Director General with the following documents:[\[8\]](#)

- a. Copy of business license;
- b. Copy of Tax Identification Number (NPWP);
- c. Copy of Company Registration Certificate (only for Business Entity under points “a” and “c” above);
- d. Copy of Customs Identification Number (*Nomor Identitas Kepabeanan* – NIK);
- e. Approval to be acknowledged as an ET;
- f. Export realization report if the Business Entity has previously been granted an Export Approval; and
- g. Export recommendation from the Director General of Oil and Gas or Director General of New, Renewable, and Conservation of Energy.

The Director General must issue the Export Approval within five days after receiving a complete application. The Export Approval will remain valid as long as the export recommendation from the Director General of Oil and Gas or Director General of New, Renewable, and Conservation of Energy is not revoked.^[9]

Previously, under the 2009 Regulation, export activities could also be performed by the Upstream Oil and Gas Activities Agency (BP Migas).^[10] Moreover, the 2009 Regulation did not contain provisions on Registered Exporters.^[11]

Importers

Similar to exporting, the import of Fuels oil is conducted based on a recommendation from the Director General of Oil and Gas or Director General of New, Renewable, and Conservation of Energy.^[12] To be appointed as and importer of Fuels, a Business Entity must satisfy the following criteria:^[13]

- a. Established in Indonesia as a business entity in the downstream or upstream oil and gas sector;
- b. Established in Indonesia as a business entity in another type of fuel sector (for importers of other types of fuel); and
- c. Be a direct user for self-use.

To import Fuel, a Business Entity must first secure two documents: 1) acknowledgement as a Registered Importer (*Importir Terdaftar* – “IT”); and 2) Import Approval.

Applications to be acknowledged as an IT must be submitted to the Minister via the Director General of Foreign Trade (“**Director General**”) with the following documents: a) copy of business license; b) copy of Tax Identification Number (NPWP); c) copy of Company Registration Certificate; and d) copy of Importer Identification Number (API).^[14]

On receiving a complete application, the Director General has five days to issue an approval for the Business Entity to be acknowledged as an IT. A Registered Importer approval is valid for three years from its date of issue.^[15]

Next, the Business Entity must submit an application for Import Approval to the Director General with the following documents:^[16]

- a. Copy of business license;
- b. Copy of Tax Identification Number (NPWP);
- c. Copy of Company Registration Certificate;
- d. Copy of Importer Identification Number (API);^[17]
- e. Copy of Custom Identification Number (*Nomor Identitas Kepabeanan* – NIK);
- f. Approval to be acknowledged as an IT;
- g. Import realization report if the Business Entity has previously been granted an Import Approval; and
- h. Export recommendation from the Director General of Oil and Gas or Director General of New, Renewable, and Conservation of Energy.

The Director General must issue an Import Approval within five days after receiving a complete application. The Import Approval will remain valid provided that the import recommendation from the Director General of Oil and Gas or Director General of New, Renewable, and Conservation of Energy is not revoked.^[18]

The 2009 Regulation did not include provisions on IT.

Export of State-Owned Fuel

The export of Fuel owned by the State from production sharing contracts with oil and gas contractors can only be done by exporters that are appointed by the government.^[19] However, the 2015 Regulation does not provide further provisions on the procedures for a Business Entity to be appointed as this type of exporter.

Upon being appointed as an exporter of state-owned Fuel, a Business Entity must obtain an export approval from the Director General by submitting the following documents:^[20]

- a. Copy of business license;
- b. Copy of Tax Identification Number (NPWP);
- c. Copy of Company Registration Certificate;
- d. Approval to be acknowledged as a Registered Exporter; and
- e. Export recommendation from Director General of Oil and Gas or Director General of New,

Renewable, and Conservation of Energy.

The Director General must issue an Export Approval within five days after receiving a complete application. The Export Approval will remain valid, provided that the export recommendation from the Director General of Oil and Gas or Director General of New, Renewable, and Conservation of Energy is not revoked.^[21]

The 2009 Regulation did not include provisions on the export of state-owned Fuel.

ET and IT that were issued under the 2009 Regulation remain valid until their expiration date.

The 2015 Regulation repeals and replaces the 2009 Regulation.

The 2015 Regulation will come into force on 5 May 2015. ^{RFS}

[1] See Hukumonline.com, [Mendag Revisi Aturan Pengawas Ekspor Impor Migas](#) (Accessed 15 January 2015).

[2] Art. 3, 2015 Regulation.

[3] Art. 4 (1) and 5 (1), 2015 Regulation.

[4] Art. 1 (8), 2015 Regulation.

[5] Art. 1 (9), 2015 Regulation.

[6] Art. 6 (1), 2015 Regulation.

[7] Art. 6 (2) and 7, 2015 Regulation.

[8] Art. 8 and 9 (1), 2015 Regulation.

[9] Art. 9 (2) and 10, 2015 Regulation.

[10] Now Special Works Unit for Upstream Oil and Gas Activities (*SKK Migas*). For more information see ILB [No. 2036](#).

[11] Art. 2 (2), 2009 Regulation.

[12] Art. 3, 2015 Regulation.

[13] Art. 11 (1) and 12 (1), 2015 Regulation.

[14] Art. 13 (1), 2015 Regulation.

[15] Art. 13 (2) and 14, 2015 Regulation.

[16] Art. 15 and 16 (1), 2015 Regulation.

[17] For discussion on API, see ILB [No. 1912](#) and [No. 2006](#)

[18] Art. 16 (2) and 17, 2015 Regulation.

[19] Art. 18 (1), 2015 Regulation.

[20] Art. 18 (2) (3) and 19 (1), 2015 Regulation.

[21] Art. 19 (2) and 20, 2015 Regulation.