



27 October 2014

(14-6236)

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Committee on Import Licensing

Original: English

## IMPORT LICENSING SYSTEM OF INDONESIA

### REPLIES FROM INDONESIA TO QUESTIONS FROM THE UNITED STATES

#### *Addendum*

The following communication, dated 23 October 2014, is being circulated at the request of the delegation of Indonesia.

1. The United States thanks Indonesia for providing responses to our questions regarding Indonesia's import licensing requirements for cellphones, handheld computers and tablets, as contained in documents G/LIC/Q/IDN/28 and G/LIC/Q/IDN/29.

2. We appreciate that Indonesia has now notified Ministry of Trade (MOT) Regulation 38/M-DAG/PER/8/2013 in document G/LIC/N/2/IDN/21 on 5 February 2014. We continue to ask that Indonesia notify Ministry of Industry Regulation No. 108/M-IND/PER/11/2012 as this contains key requirements for obtaining the import license. When can we expect Indonesia to notify this regulation? We understand that Indonesia is considering amendments to Regulation 108 and would appreciate information about those changes.

Answer:

- Indonesia has notified the Ministry of Industry Regulation No. 108/M-IND/PER/11/2012 under Import Licensing on the document G/LIC/N/2/IDN/13.
- Currently there is no amendment regarding the Regulation No. 108/2012 yet.

3. In G/LIC/Q/IDN/29, Indonesia indicated that "licenses can be issued easily, besides straightly done in on-line system and the time of its completion is only two days after the application is received correctly and the regulation is open to other conveniences." Please explain what is meant by "the regulation is open to other conveniences."

Answer:

- In the Regulation No 82/2012 there is no online registration system. This regulation has already amended with the Regulation No. 38/2013.
- In Regulation No. 38/2013 article 24 stated the exemption of provision by Minister of Trade with the recommendations from the relevance authorities.

4. Under MOT 38/2013, Indonesia also stated that:

- "The reason of the requirement to demonstrate at least 3 years of experience as an importer is expected that import shall be done by professional importers." Please explain how new entrants into the Indonesian market who want to import products qualify, especially given that Indonesia is trying to "create a conducive investment climate for new industries."
- "The requirement to "own at least 25 after-sales service centers in Indonesia was intended to provide after-sales services that reach most areas in Indonesia so that consumers can be protected." Please explain how companies on the one

**hand are required to provide after-sales service centers directly to the consumers but are not permitted to sell their products directly to the consumer because they have to "be traded and/or transferred to distributors," under Article 9(1) of MOT Regulation 82/2012".**

Answer:

- The 3 years experienced requirement is designated to distributors, not for importers.
- For new Company that will be proposed to obtain Registered Importers (IT- Cellular Phone, Handheld and Tablet must have 3 years experience as a distributors as stated in Ministry of Trade regulation No. 11/2006 regarding "Conditions and Procedures for the Issuance of registration Letter for Agent or Distributor of Goods and/or Services".
- Importers who get the appointment from the companies are required to provide after-sales service centers as a guarantee for consumer to obtain their rights based on the Indonesian Consumer Protection Law No. 8/1999 Articles 25.

**5. Indonesia indicated that domestic producers must also meet the requirements set forth in MOT Regulation 82/2012 as amended by MOT Regulation 38/2013. Please provide the regulations that lay out the requirements for domestic producers.**

**6. The United States continues to have concerns about the requirement that registered importers (IT) commit to developing "an industry" within three years of that importer's registration.**

- **Please provide a copy of Law 5/1984 that contains the definition of industry.**
- **Also, please explain how mandating that importers develop an industry "creates a conducive investment climate for new industries." Is Indonesia considering other actions for creating a conducive investment climate, including easing the licensing requirements for business?**
- **We continue to seek an explanation of how this requirement is consistent with Article 1.2 of the Import Licensing Procedures Agreement.**

Answer:

- Law 5/1984 already revoked with Law No. 3/2014. The soft copy of Law 3/2014 can be accessed through [http://www.regulasi.kemenprn.go.id/site/baca\\_peraturan/1019](http://www.regulasi.kemenprn.go.id/site/baca_peraturan/1019).
- To support the investment climate, Indonesia has issued several facilities such as tax allowance. Furthermore, other actions are being proposed by the Ministry of Industry for creating conducive investment, such as tax holidays.
- We believe the requirement is consistent with Article 1.2 of the Import Licensing Procedures Agreement because it doesn't generate any trade distortions.

**7. Please also provide further explanation of how the Ministry of Trade intends to regulate or amend the regulation to provide exceptions. Does Indonesia have plans to further amend this regulation? As no new amendments have been issued, how are exceptions to MOT Regulation 38/2013 currently being determined by the Ministry of Trade?**

Answer:

- Exemption will be given to the importers as far as they obtain the recommendations from the relevant institutions as stated in the regulation No. 38/2013 Article 24 A.
- Currently there is no amendment regarding the Regulation No. 38/2013.