

MINISTER OF TRADES OF THE REPUBLIC OF INDONESIA

**MINISTERIAL REGULATION OF THE REPUBLIC OF INDONESIA
NUMBER 04/M-DAG/PER/1/2015**

CONCERNING

**STIPULATION ON THE USE OF LETTER OF CREDIT FOR THE EXPORT OF CERTAIN GOODS
WITH THE BLESSING OF THE ALMIGHTY GOD
MINISTER OF TRADES OF THE REPUBLIC OF INDONESIA,**

In considering

- a. that in order to support the preservation of natural resources, increase the value added of the national economy and develop the industry, it is necessary to improve the orderliness of businesses and the effectiveness of the implementation of the policy on the export of certain goods by using a means of payment of Letter of Credit as an export requirement;
- b. that in order to encourage the optimizing and the accuracy of incomes in foreign exchanges deriving from exports while maintaining the stability and improvement of prices of exports of certain goods from natural resources to International market, it is necessary to provide the certainty to businesses by using Letter of Credit as a means of payment for export of certain goods;
- c. that based on the consideration aforementioned in letters a and b, and in order to implement the stipulations of Article 40 of Law Number 7 Year 2014 on trades, and Article 3 of Government Regulation (PP) Number 1 Year 1982 on the implementation of export, import and the flows of foreign exchanges, it is necessary to regulate the use of Letter of Credit for export of certain goods;
- d. that based on the consideration aforementioned in letters a, b and c, it is necessary to regulate the use of Letter of Credit for the export of certain goods;

As referring to in

1. Law Number 7 Year 1994 on the endorsement to Agreement at the Establishment of The World Trade Organization (Approval on the Creation of the World's Trade Organization) (State Gazette of the Republic of Indonesia Year 1994 Number 57, Supplement to State Gazette of the Republic of Indonesia Number 3564);
2. Law Number 10 Year 1995 on Customs House (State Gazette of the Republic of Indonesia Year 1995 Number 75, Supplement to State Gazette of the Republic of Indonesia Number 3612) as having been amended by Law Number 17 Year 2006 (State Gazette of the Republic of Indonesia Year 2006 Number 93, Supplement to State Gazette of the Republic of Indonesia Number 4661);

3. Law Number 240 Year 1999 on the Flows of Foreign Exchanges and System of Exchange Rates (State Gazette of the Republic of Indonesia Year 1999 Number 67, Supplement to State Gazette of the Republic of Indonesia Number 3844);
4. Law Number 39 Year 2008 on State Ministries (State Gazette of the Republic of Indonesia Year 2008 Number 166, Supplement to State Gazette of the Republic of Indonesia Number 4916);
5. Law Number 7 Year 2014 on Trades (State Gazette of the Republic of Indonesia Year 2014 Number 45, Supplement to State Gazette of the Republic of Indonesia Number 5512);
6. Government Regulation (PP) Number 1 Year 1982 on the Realization of Export, Import and Flows of Foreign Exchanges (State Gazette of the Republic of Indonesia Year 1982 Number 1, Supplement to State Gazette of the Republic of Indonesia Number 3210) as having been amended by PP Number 24 Year 2006 (State Gazette of the Republic of Indonesia Year 1985 Number 33, Supplement to State Gazette of the Republic of Indonesia Number 3291);
7. Presidential Decision (Decree) Number 121/P Year 2014 on the Creation of Ministries and Assignment of Ministers of the Work Cabinet for the period of years 2014-2019;
8. Presidential Regulation (Decree) Number 47 Year 2009 on the Creation and Organization of State's Ministries as having been amended for several times and the latest amendment by Presidential Regulation Number 13 Year 2014;
9. Presidential Regulation (Decree) Number 24 Year 2010 on the Position, Task and Function of State's Ministries and Organizational Structure, Task and Function of First Echelons of State Ministries as having been amended for several times and the latest amendment by Presidential Regulation Number 135 Year 2014;
10. Ministerial Decree of Finance Number 145/ PMK.04/2007 on Customs House of Export as having been amended for several times and the latest amendment by Ministerial Decree Number 145/ PMK.04/2014;
11. Ministerial Decree of Trades Number 31/ M-DAG/ PER/7/2010 on Organization and Work Procedure of the Ministry of Trades as having been amended by Ministerial Decree of Trades Number 57/M-DAG/ PER/8/2012;

12. Ministerial Decree of Trades Number 31/ M-DAG/ PER/3/2012 on General Stipulations of Export

To enact

DECIDES:

MINISTERIAL DECREE (REGULATION) ON THE USE OF LETTER OF CREDIT FOR CERTAIN GOODS.

Article 1

In this Ministerial Decree what is meant by:

1. Goods are tangible and intangible, moveable and immoveable, consumable and inconsumable things that can be traded, worn, used, or utilized by consumer or business person.
2. Letter of Credit, hereinafter referring to L/C, shall be a promise to pay from the bank of issuer to the bank of recipient as long as the recipient provides the bank of issuer all documents as required in L/C.
3. Bank of Foreign Exchange is the bank that obtains an approval from the rightful authority to do banking transactions in foreign exchanges, including the branch office of foreign bank in Indonesia, but not included the branch office abroad of bank with head office in Indonesia.
4. Export is the activity to bring out goods from area of Customs.
5. Exporter is individual or agency or business entity, whether of legal entity or non-legal entity, who or that is conducting an activity of export.
6. Notice of the Export of Goods, hereinafter abbreviated PEB, is a document of customs that gives notice about the realization of export of goods in a written form or in electronic media as cited in the stipulations that regulate the customs.
7. Minister is the Minister who is in charge of governmental issues on trades.
8. Director General is the Director General of Overseas Trades under the Ministry of Trades.

Article 2

- (1) The export of certain goods shall apply the procedure of payment with L/C.

- (2) The price in L/C as cited in paragraph (1) shall be minimal equal to the world's price.
- (3) Certain goods as cited in paragraph (1) shall be included in the Appendix that is inseparable to this Ministerial Decree.

Article 3

The payment by L/C as cited in Article 2 paragraph (1) shall be received by the Bank of Foreign Exchange in the country.

Article 4

The exporter who exports certain goods as cited in Article 2 shall include the means of payment using L/C in PEB.

Article 5

- (1) Surveyor who has been assigned by Minister shall inspect the documents of payment with L/C concerning the export of certain goods as cited in Article 2 paragraph (3), of which shall be obligatorily completed with a report from surveyor.
- (2) Surveyor shall be allowed to issue a surveyor's report if the export of certain goods has been equipped with documents of payment with L/C as cited in paragraph (1).
- (3) The means of payment with L/C shall be included in a report from surveyor.

Article 6

Director General shall submit a written report on the realization of export of certain goods, of which is obligatory in using the payment with L/C as cited in Article 2 paragraph (1) on a monthly basis to the Minister and the carbon copies submitted to:

- a. Coordinating Minister of Economy
- b. Governor of Bank Indonesia
- c. Minister of Finance
- d. Minister of Energy and Mineral Resources
- e. Minister of Agriculture
- f. Minister of Industry; and
- g. Head of the Central Bureau of Statistics

Article 7

Certain goods that will be exported but not in compliance with the stipulations as cited in Articles 2 and 4 shall not be allowed to be exported.

Article 8

Any breach to the stipulations of this Ministerial Decree shall be subject to sanction as in compliance with the prevailing laws and regulations.

Article 9

Further stipulations concerning the implementation of this Ministerial Decree shall be issued by Director General

Article 10

This Ministerial Decree shall be effective as of April 1, 2015.

Any person shall be made aware of the enactment of this Ministerial Decree as published in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta
Dated January 5, 2015
Minister of Trades of the Republic of Indonesia

Signed

Rachmat Gobel

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Secretary General
Ministry of Trades
Head of Bureau of Laws

AHMAD FIRDAUS SUKMONO

APPENDIX

MINISTERIAL DECREE OF THE REPUBLIC OF INDONESIA
NUMBER 04/M-DAG/PER/1/2015
CONCERNING
STIPULATION ON THE USE OF LETTER OF CREDIT FOR THE EXPORT OF CERTAIN GOODS

EXPORTED GOODS THAT SHALL USE A MEANS OF PAYMENT WITH LETTER OF CREDIT (L/C)

A. MINERAL

No.	Description of goods	Post of tariff/ HS
1	Iron concentrate (hematite, magnetite, pyrite) with content \geq 62% of Fe	Ex. 2601.11.00.00 Ex. 2601.12.00.00
2	Iron concentrate (Gutite/ laterite) with content \geq 51% of Fe and with content \geq 10 percent of (Al ₂ O ₃ +SiO ₂)	Ex. 2601.11.00.00 Ex. 2601.12.00.00
3	Manganese concentrate with content \geq 49% of Mn	Ex. 2602.00.00.00
4.	Telluric Copper	Ex. 2620.30.00.00
5	Copper concentrate with content \geq 15% of Cu	Ex. 2603.00.00.00
6	Lead concentrate with content \geq 57% of Pb	Ex. 2607.00.00.00
7	Zinc concentrate with content \geq 52% of Zn	Ex. 2608.00.00.00
8	Ilmenite concentrate with content \geq 58% of Fe (in quartz) and content \geq 56% of Fe (in pellet)	Ex. 2614.00.10.00
9	Anode slime	Ex. 7112.99.90.00
10	Smelter grade alumina \geq 98% Al ₂ O ₃	Ex. 2818.20.00.00
11	Chemical grade alumina \geq 90% Al ₂ O ₃	Ex. 2818.20.00.00

12	Chemical grade alumina hydroxide $\geq 90\%$ $\text{Al}(\text{OH})_3$	Ex. 2818.30.00.00
13	Nickel hydroxide – mix hydroxide precipitate (MHP) $\geq 25\%$ of Ni	Ex. 2825.40.00.00
14	NiS $\geq 40\%$ Ni in powder	Ex. 2830.90.90.00 Ex. 7501.10.00.00
15	Nickel oxide (NiO) with content $\geq 70\%$ of Ni	Ex. 2825.40.00.00
16	Nickel hydroxide – mix sulfide precipitate (MSP) $\geq 45\%$ of Ni	Ex. 2830.90.90.00
17	Silver in powder with content $\geq 99\%$ of Ag	Ex. 7106.10.00.00
18	Silver in lumps, ingot or mold bar with content $\geq 99\%$ of Ag	Ex. 7106.91.00.00
19	Gold in powder with content $\geq 99\%$ of Au	Ex. 7108.11.00.00
20	Gold in lumps with content $\geq 99\%$ of Au	Ex. 7108.12.00.10
21	Gold in ingot or bar with content $\geq 99\%$ of Au	Ex. 7108.12.00.10
22	NPI alloy (iron pig alloy) in lumps with content $\geq 4\%$ of Ni	Ex. 7201.50.00.00
23	NPI alloy (iron pig alloy) in ingot with content $\geq 4\%$ of Ni	Ex. 7201.50.00.00
24	FeNi sponge with content $\geq 4\%$ of Ni	Ex. 7202.60.00.00
25	Nickel in lumps, nugget, luppen with content in FeNi $\geq 4\%$ of Ni	Ex. 7202.60.00.00
26	Nickel pig iron (NPI) in ingot or mold bar with content $\geq 4\%$ of Ni	Ex. 7202.60.00.00
27	Ferro Nickel (FeNi) in lumps with content $\geq 10\%$ of Ni	Ex. 7202.60.00.00
28	Ferro Nickel (FeNi) in ingot with content $\geq 10\%$ of Ni	Ex. 7202.60.00.00
29	Copper in cathode with content $\geq 99\%$ of Cu	Ex. 7403.11.00.00

30	Copper in ingot or mold bar with content $\geq 99\%$ of Cu	Ex. 7403.19.00.00
31	Copper in slab with content $\geq 99\%$ of Cu	Ex. 7403.19.00.00
32	Copper in powder (non-lamellar structure) with content $\geq 99\%$ of Cu	Ex. 7406.10.00.00
33	Copper in powder (lamellar structure) with content $\geq 99\%$ of Cu	Ex. 7406.20.00.00
34	Ni Mate in lumps with content $\geq 70\%$ of Ni	Ex. 7501.10.00.00
35	Ni Mate in powder with content $\geq 70\%$ of Ni	Ex. 7501.10.00.00
36	Ni Mate in granule with content $\geq 70\%$ of Ni	Ex. 7501.10.00.00
37	Ni Mate in ingot or mold bar with content $\geq 70\%$ of Ni	Ex. 7501.10.00.00
38	Ni Mate in slab with content $\geq 70\%$ of Ni	Ex. 7501.10.00.00
39	Ni Mate in powder with content $\geq 70\%$ of Ni	Ex. 7504.00.00.00
40	Non-bar pure tin with Stannum (Sn) content minimal 99.93% in non-bar form or in other form, of which the raw material is pure Tin bar.	Ex. 7601.10.00.00
41	Non-bar pure tin with minimal content of Stannum (Sn) at 99.93% in non-bar form or other form, of which the raw material is pure Tin bar.	8001.10.00.00
42	Tin solder with content $\geq 99.7\%$ of Stannum (Sn) in bar or other form for soldering	8003.10.00.00 Ex. 8003.00.90.00 Ex. 8311.30.90.10

		Ex. 8311.30.90.90 Ex. 8311.90.00.00 Ex. 3810.10.00.00
43	Tin alloy of non-soldering with content \geq 96% of Stannum (Sn) in bar or other form not for soldering	8001.20.00.00 8007.00.20.00 8007.00.99.90

B. COAL

No.	Description of goods	Post of tariff/ HS
	Coal, briquette, ovoid and other similar solid fuel made of coal	27.01
	- Coal, crushed or not, but not agglomerated:	
1.	--anthracite	2701.11.00.00
	--Bituminous coal:	2701.12
2.	---Coal as fuel	2701.12.10.00
3.	---Other	2701.12.90.00
4.	--Other coal	2701.19.00.00
5.	-Briquette, ovoid and other solid material made of coal	2701.20.00.00
	Lignite, agglomerated or not, excluding jet.	27.02
6.	- Lignite, crushed or not, but not agglomerated.	2702.10.00.00
7.	-Lignite agglomerated	2702.20.00.00

C. OIL AND NATURAL GAS

No.	Description of goods	Post of tariff/ HS
1.	Crude oil	2709.00.10.00
2.	Condensate	2709.00.20.00
3.	Liquefied Natural Gas (LNG)	2711.11.00.00
4.	Compressed Natural Gas (CNG)	2711.21.10.00
5.	Vacuum residue	Ex. 2713.90.00.00

D. PALM OIL

No.	Description of goods	Post of tariff/ HS
1.	Crude Palm Oil (CPO)	1511.10.00.00
2.	Crude Palm Kernel Oil (CPKO)	1513.21.10.00

Minister of Trades of the Republic of Indonesia

Signed

Rachmat Gobel

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Secretary General

Ministry of Trades

Head of Bureau of Laws

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