



MINISTER OF FINANCE  
OF THE REPUBLIC OF INDONESIA

COPY OF  
REGULATION OF THE MINISTER OF FINANCE OF THE REPUBLIC OF  
INDONESIA NUMBER 147/PMK.04/2011

CONCERNING

BONDED ZONES

BY THE GRACE OF GOD ALMIGHTY

THE MINISTER OF FINANCE,

- Considering : a. that based on the stipulation of Article 45 paragraph (2) of Act Number 10 Year 1995 concerning the Customs as it has been amended with the Act Number 17 Year 2006, goods that have been processed or combined, goods that are unprocessed and / or other goods can be removed from the Bonded Warehouse Site to be imported in order to be used upon the approval of the Customs Officials and subject to import duty on the basis of tariff and customs value determined by the Regulation of Minister of Finance;
- b. that based on the consideration as referred to in letter a above, and in order to implement the provisions of Article 15 paragraph (3), Article 19 paragraph (9) and Article 48 of the Government Regulation Number 32 Year 2009 concerning the Bonded Warehouse Site, it is necessary to stipulate the Regulation of the Minister of Finance concerning the Bonded Zones;
- In View of : 1. Act Number 6 Year 1983 concerning the General Provisions and the Procedures of Taxation (State Gazette of the Republic of Indonesia Year 1983 Number 49, Supplement to State Gazette of the Republic of Indonesia Number 3262) as it has been amended several times, and the last one is amended by Act Number 16 Year 2009 (State Gazette of the Republic of Indonesia Year 2009 Number 62, Supplement to State Gazette of the Republic of Indonesia Number 4999);
2. Act Number 7 Year 1983 concerning the Income Tax (State Gazette of the Republic of Indonesia Year 1983 Number 50, Supplement to State Gazette of the Republic of Indonesia Number 3263) as it has been amended several times, and the latest is amended by Act Number 36 Year 2008 (State Gazette of the Republic of Indonesia Year 2008 Number 133, Supplement to State Gazette of the Republic of Indonesia Number 4893)



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3. Act Number 8 Year 1983 concerning the Value Added Tax and Sales Tax on Luxury Goods (State Gazette of the Republic of Indonesia Year 1983 Number 51, Supplement to State Gazette of the Republic of Indonesia Number 326) as it has been amended several times, and the latest is amended by Act Number 42 Year 2009 (State Gazette of the Republic of Indonesia Year 1983 Number 150, Supplement to State Gazette of the Republic of Indonesia Number 5069);
4. Act Number 10 Year 1995 concerning the Customs (State Gazette of the Republic of Indonesia Year 1995 Number 75, Supplement to State Gazette of the Republic of Indonesia Number 3612) as it has been amended by Act 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)
5. Act Number 11 Year 1995 concerning the Excise (State Gazette of the Republic of Indonesia Year 1995 Number 76, Supplement to State Gazette of the Republic of Indonesia Number 3613) as it has been amended by Act Number 39 Year 2007 (State Gazette of the Republic of Indonesia Year 2007 Number 105, Supplement to State Gazette of the Republic of Indonesia Number 4755);
6. Act Number 36 Year 2000 concerning the Enactment of the Government Regulation in Lieu of Act Number 1 Year 2000 concerning the Free Trade Zone and Duty-free Port shall become an Act (State Gazette of the Republic of Indonesia Year 2000 Number 251, Supplement to State Gazette of the Republic of Indonesia Number 4053) as it has been amended by Act Number 44 Year 2007 (State Gazette of the Republic of Indonesia Year 2007 Number 130, Supplement to State Gazette of the Republic of Indonesia Number 4775);
7. The Government Regulation Number 32 Year 2009 concerning the Bonded Storage Area (State Gazette of the Republic of Indonesia Year 2009 Number 61, Supplement to State Gazette of the Republic of Indonesia Number 4998);
8. The Presidential Decree Number 56/P Year 2000;

DECIDES:

To stipulate : THE REGULATION OF THE MINISTER OF FINANCE  
CONCERNING THE BONDED ZONES.

CHAPTER I  
GENERAL PROVISIONS

Article 1



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In this Regulation of the Minister of Finance, what is meant by:

1. The Act of Customs is the Act Number 10 Year 1995 concerning the Customs as it has been amended by the Act Number 17 Year 2006.
2. The Act of Excise is the Act Number 11 Year 1995 concerning the Excise as it has been amended by the Act Number 39 Year 2007.
3. Bonded Warehouse Site is a building, place or area that meets certain requirements that are used to store goods with a specific purpose by obtaining the suspension of import duty.
4. The Bonded Zone is Bonded Warehouse Site to store imported goods and / or goods originating from elsewhere in the customs territory to be processed or combined, in which the results are mainly to be exported.
5. Bonded Zone Operator is a legal entities that perform activities in providing and managing the area for Bonded Zone business activities.
6. Bonded Zone Company is a legal entity that conducts Bonded Zone business activities.
7. Bonded Zone Company that is also Bonded Zone Operator, hereinafter abbreviated as PDKB, is a legal entity conducting Bonded Zone business activities inside the Bonded Zone owned by Bonded Zone Operator as a different legal entity.
8. Processing activity is an activity of:
  - a. processing goods and materials with or without Auxiliary Materials into manufactured goods with higher added value, including changes in nature and function, and / or
  - b. cultivation of flora and fauna.
9. Combining Activity is to combine the related Bonded Zone products as the main product with the imported finished goods, from other Bonded Zone, and / or from elsewhere in the customs territory.
10. Capital goods are goods that are used by the Bonded Zone Operator, Bonded Zone Company or PDKB, that include:
  - a. equipment for development, expansion, or construction of Bonded Zone;
  - b. machinery; and
  - c. molds (molding);not including materials and tools for development, expansion, or construction of Bonded Zone and spare



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parts which are not included with the concerned capital goods.

11. Raw materials are goods and materials to be processed into manufactured goods which have a higher usage value.
12. Auxiliary materials are goods and materials other than raw materials used in processing activity or combining activity to support the production process.
13. Remaining Raw Materials are the Raw Materials that remain and are not used in the production process anymore.
14. Bonded Zone products are the result of Processing Activities or Processing Activities and Combining Activities as listed in the decree concerning the issuance of license as Bonded Zone.
15. Free Trade Zone and Free Port Zone, hereinafter referred to as free zone, is an area within the jurisdiction of the Republic of Indonesia that is separated from the customs territory, so that it became free from the imposition of Import Duty, Value Added Tax (PPN), Sales Tax on Luxury Goods (PPnBM), and Excise.
16. Tax in the framework of Imports, hereinafter abbreviated as PDRI is Value Added Tax (PPN), Sales Tax on Luxury Goods (PPnBM), and / or income tax (PPH) of Article 22 of Import.
17. Person is an individual or a legal entity.
18. Minister is the Minister of Finance of the Republic of Indonesia.
19. Director General is the Director General of Customs and Excise.
20. Regional Office or Main Office is the Regional Office or the Main Office within the Directorate General of Customs and Excise where the customs obligations are fulfilled in accordance with the Customs Law and Excise Law.
21. Customs Office is an office within the Directorate General of Customs and Excise where customs obligations are fulfilled in accordance with the Customs Law and Excise Law.
22. Customs and Excise officials are employees of the Directorate General of Customs and Excise appointed in certain positions to perform specific tasks.
23. Customs and Excise staffs are employees of the Directorate General of Customs and Excise in charge of the Bonded Zone.
24. Free Zone Organizing Body is the Organizing Body of Free Trade Zone and Free Port Zone.



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Article 2

- (1) Bonded Zone is a custom area and is completely under the supervision of the Directorate General of Customs and Excise.
- (2) In order to supervise the Bonded Zone as referred in paragraph (1), customs inspection can be conducted by also ensuring the smooth flow of goods.
- (3) Customs inspection as described in paragraph (2) is conducted selectively based on risk management.
- (4) Based on risk management, Bonded zone may be given customs and excise privileges as follows:
  - a. simplification of licensing service;
  - b. access to operational activities service;
  - c. provision of additional entrance and / or;
  - d. other customs and excise privileges other than that mentioned in letters a, b, and c.

Article 3

- (1) In the Bonded Zone, operations and businesses of the Bonded Zone are executed.
- (2) Bonded Zone operation as referred in paragraph (1) is executed by Bonded Zone Operator that is an Indonesian legal entity and domiciled in Indonesia.
- (3) Bonded Zone Operator as referred in paragraph (2) executes activities of providing and managing the zone for bonded zone activities.
- (4) In 1 (one) Bonded Zone operation as described in paragraph (1), 1 (one) or more businesses of Bonded Zone can be conducted.
- (5) Bonded Zone business as describes in paragraph (1) is executed by:
  - a. Bonded Zone Company; or
  - b. PDKB.
- (6) Bonded Zone Company or PDKB as described in paragraph (5) executes the activities of warehousing the imported goods and / or goods coming from elsewhere in the customs territory to be processed or combined, in which the results will be exported.
- (7) Bonded Zone Company or PDKB as described in paragraph (5) must be an Indonesian Legal Entity and domiciled in Indonesia.

Article 4



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- (1) Bonded Zone shall be located in an industrial area.
- (2) Excluded from provisions described in paragraph (1), Bonded Zone may be located in Cultivation Area appointed for industrial activities according to area planning that is determined in accordance to the law, as long as the Bonded Zone is appointed for:
  - a. company that uses the raw materials and / or its production needs a special location;
  - b. micro or small industrial company; and / or
  - c. Industrial company that will run the industry in the district or city that does not have an industrial area or have industrial areas but all the plots are already occupied.
- (3) The area of location for Bonded Zone in cultivation area as described in paragraph (2) is a minimum of 10.000 m<sup>2</sup> (ten thousand meter squares) in one plot.
- (4) The location referred in paragraph (3) may consist of 1 (one) or more PDKB.

CHAPTER II  
ESTABLISHMENT OF BONDED ZONE  
Article 5

- (1) Area that will become Bonded Zone must fulfill the following conditions:
  - a. Located in an area that can be accessed directly from the public road and can be passed by container vehicles;
  - b. Has clear borders in the form of separating walls with other areas or buildings;
  - c. Not in direct contact with other buildings;
  - d. Has one main gate for incoming and outgoing goods that can be passed by vehicles; and
  - e. Used for industrial activities of processing raw materials into manufactured products.
- (2) If the area that will become Bonded Zone is applied by a company that uses raw material and / or its production process require a special location as described in Article 4 paragraph (2) a, it must fulfill the following conditions:
  - a. Has clear borders with other areas or buildings;
  - b. Not in direct contact with other places or buildings;
  - c. Has one main gate for incoming and outgoing goods; and
  - d. Used for industrial activities of processing raw materials into manufactured products.





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Article 6

- (1) Appointment as Bonded Zone and licensing of Bonded Zone Operator for a certain period shall be determined by the Director General on behalf of the Minister.
- (2) Appointment as Bonded Zone and licensing of Bonded Zone Operator together with Bonded Zone Company for a certain period shall be determined by the Director General on behalf of the Minister.
- (3) Licensing of PDKB for a certain period is determined by the Director General on behalf of the Minister.
- (4) In the case that the Bonded Zone is located in an industrial area, the licenses as referred in paragraph (1), paragraph (2) and paragraph (3) are valid until the industrial business license from related agency and / or Bonded Zone license is revoked.
- (5) In the case that the Bonded Zone is located in a cultivation area as described in article 4 paragraph (2), the following conditions prevail:
  - a. Appointment as Bonded Zone and licensing of Bonded Zone Operator as described in paragraph (1) shall be given for a maximum period of 5 (five) years and can be extended by submitting an application to the Director General;
  - b. Appointment as Bonded Zone and licensing of Bonded Zone Operator and Bonded Zone Company as described in paragraph (2) and the licensing of PDKP described in paragraph (3) shall be given for a maximum period of 3 (three) years and can be extended by submitting an application to the Director General.
- (6) Validity period of Bonded Zone Company license or PDKB license as described in paragraph (5) letter b, must not exceed the validity period of appointment of the area as Bonded Zone and license of Bonded Zone Operator as described in paragraph (5) letter a.

Article 7

- (1) To obtain the appointment as Bonded Zone and license of Bonded Zone Operator, the party who will become Bonded Zone Operator shall apply to the Director General through the Head of supervising Customs Office.
- (2) Application as described in paragraph (1) can be submitted:



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- a. before the building is constructed, especially for Bonded Zone located in industrial area; or
  - b. after the building is constructed.
- (3) The application as referred in paragraph (1) shall enclose the following documents:
  - a. Proof of ownership of an area, location or building that has clear boundaries, along with the location map and area planning of the intended Bonded Zone;
  - b. Proof that the location intended as Bonded Zone is located in an industrial area or cultivation area for industrial activities based on the area planning determined in accordance to the law;
  - c. Business Area Permit, environment documents, and other necessary permits from the relevant technical institutions; and
  - d. Appointment as Tax Paying Company (PKP) and proof of submission of the latest Annual Income Tax Report for those who are liable to submit Annual Report.
- (4) The party who will be the Bonded Zone Operator shall already obtain the Registration Letter (SPR) from the Directorate General of Customs and Excise or in the process of obtaining the Registration Letter (SPR) from the Directorate General of Customs and Excise.
- (5) Based on the application as mentioned in paragraph (1), the Head of Customs Office shall execute a research and forward the application to the Director General in a period of maximum 15 (fifteen) working days since the acceptance of application, enclosed with:
  - a. Inspection Warrant (BAP); and
  - b. Recommendation from the Head of Customs Office
- (6) The Director General on behalf of the Minister shall give the approval or rejection of application as mentioned in paragraph (5) in a period of maximum 10 (ten) working days since the application has been received completely by the Director General.
- (7) In the case that the application mentioned in paragraph (5) is approved, the Director General on behalf of the Minister shall issue the following:
  - a. Principle Permit on the establishment of Bonded Zone upon application mentioned in paragraph (2) letter a; or
  - b. Appointment of area as Bonded Zone and provision of license as Bonded Zone Operator upon the application as described in paragraph





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(2) letter b.

- (8) In the case that the application referred in paragraph (5) is rejected, the Director General shall send a rejection letter by stating the reason of rejection.

Article 8

- (1) To obtain the appointment as Bonded Zone and license of Bonded Zone Operator together with Bonded Zone Company, the party who intends to be the Bonded Zone Company shall submit an application to the Director General through the Head of the supervising Customs Office.
- (2) Application as referred in paragraph (1) may only be submitted after the building is ready for production, warehouse, rooms, and office facilities for Customs and Excise Staff.
- (3) Application as referred in paragraph (1) must be enclosed with the following documents:
- Proof of ownership of the area or building that has clear borders, along with the location map and area planning/map that will become the Bonded Zone;
  - Proofs that the location to become Bonded Zone is located in industrial area or cultivation area determined for industrial activities based on the area planning (RTRW) determined in accordance to the law of area planning;
  - Business area permit, Industrial business permit, environment documents, and other necessary permits from related technical institutions; and
  - Appointment as Tax Paying Company (PKP) and proof of submission of the latest Annual Income Tax Report for those who are liable to submit Annual Report.
- (4) The party that will become the Bonded Zone Company shall already obtain the Registration Letter (SPR) from the Directorate General of Customs and Excise or is in the process of obtaining the Registration Letter (SPR) from the Directorate General of Customs and Excise.
- (5) Based on the application as referred in paragraph (1), the Head of Customs Office executes a research and forwards the application to the Director General in a period of maximum of 15 (fifteen) working days since the application was received, enclosed with:
- Inspection Warrant (BAP); and
  - Recommendation from the Head of Customs



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Office.

- (6) The Director General on behalf of the Minister shall give approval or rejection to the application as referred in paragraph (1), in a period of maximum 10 (ten) working days since the documents referred in paragraph (5) are received completely by the Director General.
- (7) In the case that the application as referred in paragraph (1) is approved, the Director General on behalf of the Minister shall issue a decree concerning the appointment of the area as Bonded Zone and issue the license as Bonded Zone Operator together with Bonded Zone Company.
- (8) In the case that the application as referred in paragraph (1) is rejected, the Director General shall issue a rejection letter by stating the reason of rejection.

Article 9

- (1) To obtain the license of PDKB, the party who will become PDKB shall submit an application to the Director General through the Head of supervising Customs Office.
- (2) Application as referred in paragraph (1) may only be submitted after the building for production, warehouse, rooms, and office facilities for Customs and Excise Staffs are ready.
- (3) The application as referred in paragraph (1) must be enclosed with the following documents:
  - a. Proof of ownership of an area or building that have clear borders, along with the location map and area planning/map PDKB;
  - b. Proof that the proposed location is located in an industrial area or cultivation area which is intended for industrial activities based on area planning determined in accordance to law on area planning;
  - c. Industrial Business Permit, Environment documents and other necessary permits from the relevant technical institutions;
  - d. Appointment as Tax Paying Company (PKP) and proof of submission of the latest Annual Income Tax Report for those who are liable to submit Annual Report; and
  - e. Recommendation from Bonded Zone Operator.
- (4) The party who will become PDKB shall already obtain of Registration letter (SPR) from the Directorate General of Customs and Excess or is in the process of obtaining the



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Registration letter (SPR) from the Directorate General of Customs and Excise.

- (5) Based on the application mentioned in paragraph (1), the Head of customs office executes a research and forward the application documents to the Director General in a period of maximum 15 (fifteen) working days since the application is received, enclosed with:
  - a. Inspection Warrant (BAP); and
  - b. Recommendation from the Head of Customs Office.
- (6) The Director General on behalf of the Minister shall give the approval or rejection of the application mentioned in paragraph (1) in a period of maximum 10 (ten) working days since the documents as mentioned in paragraph (5) are received completely by the Director General.
- (7) In the case that the application as mentioned in paragraph (1) is approved, the Director General on behalf of the Minister shall issue a decree on the issuance of PDKB license.
- (8) In the case that the application as mentioned in paragraph (1) is rejected, the Director General shall send a rejection letter by stating the reasons of rejection.

Article 10

- (1) The company that has obtained the principle permit for establishment of Bonded Zone as mentioned in Article 7 paragraph (7) letter a, shall complete the physical construction of at least the building for production, warehouse, rooms and office facilities for Customs and Excise staffs, in a period of maximum 2 (two) years since the date of principle permit on the appointment as Bonded Zone location and license as Bonded Zone Operator.
- (2) In the period as mentioned in paragraph (1), there shall already exist Bonded Zone Company, PDKB and / or Bonded Warehouse Operator in the Bonded Zone.
- (3) Bonded Zone Operator shall submit a written notice to the Head of Customs Office to execute building inspection, after the building is constructed.
- (4) The notice as mentioned in paragraph (3) shall be enclosed with a Beginning Balance Report on capital goods and office equipment that exist in the Bonded Zone.
- (5) Based on the notice mentioned in paragraph (3), Head of Customs Office shall inspect the buildings to be recorded in the Inspection warrant (BAP).



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- (6) Head of Customs Office forward the inspection warrant mentioned in paragraph (5) to the Director General for approval, in a period of maximum 15 (fifteen) working days since date of notice as mentioned in paragraph (3).
- (7) Upon the receipt of inspection warrant as mentioned in paragraph (6), the Director General on behalf of the Minister shall give approval or rejection in a period of maximum 10 (ten) working days since the inspection warrant has been received completely by the Director General.
- (8) In the case that the notice mentioned in paragraph (5) is approved, the Director General on behalf of the Minister shall issue a decree concerning the appointment of area as Bonded Zone and give the license of Bonded Zone Operator.
- (9) In the case that the notice mentioned in paragraph (5) is rejected, the Director General shall send a rejection letter by stating the reasons for rejection.

Article 11

Company and / or person who is responsible for a company engaged in customs and / or excise criminal acts that already have permanent legal power and / or has been declared bankrupt by the court, shall not be given approval as Bonded Zone Operator, Bonded Zone Company and / or PDKB for a period of 10 (ten) years since the end of serving the sentence and / or declaration of bankruptcy.

Article 12

Bonded Zone Company or PDKB must submit a written notice to the Head of supervising Customs Office regarding the starting period of Bonded Zone activities, by enclosing:

- a. Beginning balance of Capital Goods and office equipment, and
- b. Beginning balance of Raw materials, goods in process, and finished goods inventory.

Article 13

- (1) Bonded Zone Operator, Bonded Zone Company or PDKB may submit application for extension of appointment of area as Bonded Zone and license of Bonded Zone Operator, license of Bonded zone Company or license of PDKB before the end of the appointment and / or license period as mentioned in Article 6 paragraph (5).



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- (2) The application for extension as mentioned in paragraph (1) shall be submitted to the Director General through the Head of the supervising Customs Office, enclosed with:
  - a. The relevant licenses of Bonded Zone Operator, Bonded Zone Company and / or PDKB;
  - b. Proof of ownership of a location or building which has clear boundaries, along with the map of location and the Bonded Zone area map;
  - c. Industrial Business License and other necessary permits from related technical institutions;
  - d. Appointment as Tax Paying Company (PKP) and proof of submission of the latest Annual Income Tax Report; and
  - e. Recommendation from Bonded Zone Operator for PDKB.
- (3) Based on the application for extension as mentioned in paragraph (1), Head of Customs Office shall execute a research and forward the application documents to the Director General in a period of maximum 7 (seven) working days since the receipt of application, enclosed with recommendations.
- (4) The Director General on behalf of the Minister shall give the approval or rejection on the application as mentioned in paragraph (1), in a period of maximum 10 (ten) working days since the application documents as mentioned in paragraph (3) has been received completely by the Director General.
- (5) In the case that the application for extension as mentioned in paragraph (1) is approved, the Director General on behalf of the Minister shall issue a decree on the extension of appointment of area as Bonded Zone and license of Bonded Zone Operator, license of Bonded Zone Company or license of PDKB in a period as mentioned in Article 6 paragraph (5) and paragraph (6).
- (6) In the case that the application for extension as mentioned in paragraph (1) is rejected, the Director General shall send a rejection letter by stating the reasons for rejection.
- (7) In the case that the application for extension of appointment of area as Bonded Zone and license of Bonded Zone Operator, license of Bonded Zone Company or license of PDKB is submitted before the end of the allowed period to submit an extension as mentioned in paragraph (1) and has not obtained extension approval until the license expires, incoming goods to the Bonded Zone shall not get the facility of



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Import Duty suspension, Excise exemption and / or  
PDRI Exemption.

CHAPTER III  
CUSTOMS, EXCISE AND TAXES

Article 14

- (1) Import Duty suspension, Excise exemption and PDRI exemption shall be given to the goods entered into the Bonded Zone in the form of:
  - a. Raw materials and auxiliary materials originating from other customs territory to be further processed;
  - b. Capital goods originating from outside the customs territory and capital goods from other Bonded Zone that are used in the Bonded Zone;
  - c. Office equipment originating from outside the customs territory which are used by the Bonded Zone Company and / or PDKB;
  - d. Products of other Bonded Zone to be further processed or utilized as capital goods for productions process;
  - e. Products of Bonded Zone that are re-entered from outside the customs territory into the Bonded Zone;
  - f. Products of Bonded Zone that are re-entered from Bonded Zone Exhibition Area (TPPB) into the Bonded Zone;
  - g. Finished goods originating from outside the customs territory entered into Bonded Zone to be combined with products of Bonded Zone which are only for export; and / or
  - h. Packaging and packing equipment from outside the customs territory and / or other Bonded Zone which are entered into the Bonded Zone to become one entity with the Bonded Zone products.
- (2) Value Added Tax or Value Added Tax and Sales Tax on Luxury Goods shall not be imposed on:
  - a. Entrance of goods from other location within the customs territory into Bonded Zone to be further processed;
  - b. Re-entrance of goods and products of Bonded Zone in relation to the sub-contract from other Bonded Zone or industrial company in other location within the customs territory into Bonded Zone;





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- c. Re-entrance of machines and / or molding in relation to borrowing from other Bonded Zone or companies in other location within the customs territory into Bonded Zone.
  - d. Entrance of products of other Bonded Zone or company in other location within the customs territory of which the raw materials of the products are originating from other location in the customs territory, to be further processes by Bonded Zone;
  - e. Entrance of products originating from other Bonded Zone or company in other location within the customs territory of which the raw materials used to produce the products are originating from other locations in customs territory, which will be combined with Bonded Zone products to be exported; or
  - f. Entrance of packaging and packaging equipment from other location within the customs territory into Bonded Zone to become one entity with the Bonded Zone products.
- (3) Exemption of Excise shall be given to Goods subject to Customs (BKC) which are originated from other location within the customs territory entering the Bonded Zone to be processed further by Bonded Zone Company or PDKB.
- (4) Import Duty suspension, Excise exemption, Value Added Tax (PPN) or Value Added Tax (PPN) and Sales Tax on Luxury goods (PPnBM) exemption, not imposed with Income Tax Article 22 Import, shall be given to the entrance of goods originating from the Free Zone that will be processed further and / or combined with products in Bonded Zone.
- (5) To obtain the facility as mentioned in paragraph (4), company in Free Zone shall obtain the permission from Free Zone Organizing Body.
- (6) Goods mentioned in paragraph (1), paragraph (2), paragraph (3) and paragraph (4), are not goods for consumption in Bonded Zone, such as foods, beverages, gasoline and oils.

Article 15

Office equipment that can be given suspension of Import Duty, Excise Exemption, and not imposed with PDRI as mention in Article 14 paragraph (1) letter c shall be the office equipment that fulfill the following criteria:



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- a. Utilized to support administration of incoming and outgoing goods management into and from Bonded Zone;
- b. Non-consumable goods;
- c. Easy to be supervised by customs and excise officer;
- d. In a reasonable amount; and
- e. Given with priority towards the development of domestic industry.

Article 16

- (1) Value added tax (PPN) or Value added tax (PPN) and Sales Tax on Luxury Goods (PPnBM) shall not be imposed on:
  - a. Shipment of Bonded Zone products of which raw materials used to produce the products are originated from other locations in the customs territory, to other Bonded Zone;
  - b. Shipment of raw materials and auxiliary materials, molding, and / or machine in relation to the sub-contract from Bonded Zone to other Bonded Zone or industrial company in another location within the custom area;
  - c. Shipment of damaged and / or rejected goods from other location in the customs territory that are totally unprocessed in the Bonded Zone to other location in the customs territory, as long as the goods are returned to the originating area; and
  - d. Shipment of machine and / or molding in relation to the borrowing to industrial company in other location within customs territory and other Bonded Zone, as long as the machine and / or molding are used to produce goods that will be given to the lender from the originating Bonded Zone.
- (2) Import Duty, Excise, and / or PDRI shall be imposed on imported goods and products that are outgoing from Bonded Zone to other location in the customs territory.
- (3) Value Added Tax (PPN) or Value Added Tax (PPN) and Sales Tax on Luxury Goods (PPnBM) and Excise shall be imposed on goods originating from other locations in the customs territory which was outgoing from Bonded Zone to another location in customs territory.
- (4) Exemption of Import Duty, exemption of Excise, Value Added Tax (PPN) or Value Added Tax (PPN) and Sales Tax on Luxury Goods (PPnBM), and / or not imposed to



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Income Tax Article 22 Import, shall be given to outgoing goods from Bonded Zone including Bonded Zone products to company in Free Zone that already obtained the business permit from Free Zone Organizing Body.

Article 17

- (1) Shipment of Bonded Zone products to persons who obtained the facility of Import Duty suspension or exemption and Excise exemption, shall be given suspension or exemption of Import Duty and Excise exemption.
- (2) Shipment of Bonded Zone products to companies who obtained Import Duty Exemption or Refund Facility on imported goods and materials to be processed, assembled or installed on other goods for export purposes, shall not be exempted from Import Duty and Excise.
- (3) On goods shipment to persons who obtained facilities as mention in paragraph (1), Bonded Zone Company or PDKB shall collect Value Added Tax (PPN) or Value Added Tax (PPN) and sales tax on luxury goods (PPnBM), and prepare the tax invoice in accordance to the Law and Regulation concerning Taxation.

Article 18

- (1) The entrance of Imported goods to Bonded Zone have not been imposed with provisions on the import limitation, unless if it is otherwise determined based on the provisions of law.
- (2) Shipment of imported goods from Bonded Zone to be used in other location in the custom area shall be imposed with provisions on the import limitation, unless if it is already fulfilled upon entrance.

CHAPTER IV  
OBLIGATION AND PROHIBITION

Article 19

Bonded Zone Operator has the obligation to:

- a. Install the sign board of the company name, license number, and date as Bonded Zone Operator at a location that can be seen clearly by the public;
- b. Provide rooms, office facility, and suitable facilities for Customs and Excise staffs to execute the functions of service and supervision;



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- c. Providing facilities/infrastructure for customs duty services, in the form of:
  - 1) computer; and / or
  - 2) Electronic data communication equipment that are connected to the computer system services of the Directorate General of Customs and Excise;
- d. Submit written report to the Head of supervising Customs Office in the case that there is a PDKB that has not extend the rent period of its location within 30(thirty) days before the rental period is expired;
- e. Report to The Head of supervising Customs Office if there is a non-operating PDKP;
- f. Submit application for the change of location appointment as a Bonded Zone and license as Bonded Zone Operator to the Head of Regional Office or Head of Main Service Office when there is a change in company's name which is not due to merger or acquisition, and size of Bonded Zone area;
- g. Submit application for the change of location appointment as a Bonded Zone and license as Bonded Zone Operator to the Head of Customs Office when there is a change in address, Tax Payer Code Number (NPWP), name and address of the responsible person;
- h. Prepare bookkeeping or recording and filing the document of capital goods and equipment entered for development/construction and office equipment of Bonded Zone;
- i. Properly store and maintain books and records as well as other documents related with the company's operation for a period of 10 years, at the operation area;
- j. Execute recordings based on accounting principles generally accepted in Indonesia; and
- k. Submit documents related to Bonded Zone activities when an audit is performed by the Directorate General of Customs and Excise, and / or Directorate General of Taxation in accordance with the law.

Article 20

Bonded Zone Company or PDKB has the obligation to:

- a. Install the sign board of the company name, license number, and date as Bonded Zone Company and PDKB at a location that can be seen clearly by the public;
- b. Prepare periodic recapitulation of incoming and



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- outgoing goods, materials and machines, and submit the mentioned recapitulation to the Main Service Office or Head of supervising Customs Office;
- c. Provide facilities and infrastructures for the execution of electronic data exchange for Bonded Zone Company or PDKB who are supervised by the Customs office that applies Electronic Data Exchange system (PDE) for Bonded Zone;
  - d. Make use of information technology to manage the incoming and outgoing goods that can be accessed for the purpose of verifying by the Directorate General of Customs and Excise;
  - e. Have Goods subject to Excise Company Code Number (NPPBKC) where for Bonded Zone products are the Goods subject to Excise (BKC).
  - f. Submit application for change of Bonded Zone Company or PDKB license to the Head of Regional Office or the Head of Main Service Office when there is a change in Company's name which is not due to merger or acquisition, type of products, and area of Bonded Zone;
  - g. Submit application for change of Bonded Zone Company or PDKB license to Head Customs Office when there is a change in address, tax payer code number (NPWP), name and address of the responsible person;
  - h. Execute the counting of physical inventory (*stock opname*) towards goods that obtain customs, excise and tax facilities, with the supervision from the supervising Customs Office, at least once in 1 (one) year;
  - i. Properly store and maintain books and records as well as documents related to the business activities for the last 10 years, in the company;
  - j. Execute the recordings of incoming and outgoing goods to and from the Bonded Zone as well as the removal of goods in the Bonded Zone based on accounting principles generally accepted in Indonesia;
  - k. Submit documents related to Bonded Zone activities when an audit is executed by the Directorate General of Customs and Excise and / or the Directorate General of Taxation in accordance to the law.

Article 21

- (1) Bonded Zone Operator, Bonded Zone Company and / or PDKB are responsible for customs and / or Excise, and



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PDRJ payable on goods originating from outside of customs territory that is located or should be located in the Bonded Zone.

- (2) Bonded Zone Operator, Bonded Zone Company and / or PDKB are responsible for Excise and value added tax (PPN) or value added tax (PPN) and Sales Tax on Luxury Goods (PPnBM) payable on goods originating from another location in the customs territory that is located or should be located in the Bonded Zone.
- (3) Bonded Zone Operator, Bonded Zone Company and / or PDKB is exempted from the responsibility mentioned in paragraph (1) and (2), in the case of goods payable:
  - a. Destroyed not on purpose;
  - b. Exported and / or re-exported;
  - c. Imported for use by settling the duties of customs, excise and Tax obligations;
  - d. Taken out to Customs Warehouse Site (TPP);
  - e. Taken out to other Bonded Warehouse Site (TPB);
  - f. Taken out to company in the Free Zone that has obtained business license from the Free Zone Organizing Body; and or
  - g. Destroyed under the supervision of Customs and Excise Official.

Article 22

Towards Bonded Zone Operator, Bonded Zone Company and / or PDKB, the following regulation are applicable:

- a. incoming goods that are prohibited to be imported; and / or
  - b. export of goods that are prohibited to be exported;
- in accordance with the provisions of the law.

CHAPTER V  
ENTRANCE AND EXIT

Article 23

The entrance of goods to Bonded Zone may be executed from:

- a. Outside the customs territory;
- b. Other Bonded Zone;
- c. Bonded warehouse;
- d. Bonded Zone Exhibition Area (TPPB);
- e. Bonded Auction Area (TLB);
- f. Free zone done by companies in the Bonded Zone that have obtained the business license from Free Zone Organizing Body; and / or





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g. Other locations in the customs territory.

Article 24

- (1) Imported goods from outside of the customs territory can be brought into Bonded Zone after obtaining approval of outgoing goods from temporary warehouse site or unloading port by Customs and Excise Official or service computer system in the Custom Office that supervises the Bonded Zone.
- (2) Before giving approval of outgoing goods as mentioned in paragraph (1), Customs and Excise Official in the Customs Office that supervises the Bonded Zone may selectively execute a review on the documents based on risk management.
- (3) Customs and Excise Official may execute a physical check towards the goods before or after being given the approval of outgoing goods as mentioned in paragraph (1), selectively based on risk management.
- (4) In the case that based on the review of documents as mentioned in paragraph (2) and physical checking as mentioned in paragraph (3) a discrepancy is found, Customs and Excise Official shall execute a thorough checking.

Article 25

- (1) Bonded Zone Company and / or PDKB may enter sample goods that are specially imported as samples for productions with the suspension of Import Duty, exemption of Excise, and not imposed with PDRI.
- (2) sample goods as mentioned in paragraph (1) must fulfill the following requirements:
  - a. used for the introduction of products or for the development of new products;
  - b. maximum 3 (three) pieces for 1 (one) kind, brand, model, and type;
  - c. not goods for further processed except for quality research and development; and
  - d. not for transferred, soled or consumed in another location within the customs territory.
- (3) sample goods as mentioned in paragraph (1) do not cover the motor vehicles and heavy equipment in any type and / or any condition.
- (4) sample goods shall be stored for 2 (two) years since the entrance date into Bonded Zone.



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- (5) used sample goods that has passed its storage period as mentioned in paragraph (4), are freed from the obligation to pay the Import Duty.
- (6) Import Duty exemption as mentioned in paragraph (5) is given by the Head of Regional Office or Head of the Main Service Office based on the application from Bonded Zone Company or related PDKB.
- (7) Head of Regional Office or Head of the Main Service Office shall give the approval or rejection on the application as mentioned in paragraph (6) in a period of maximum 15 (fifteen) working days since the application is received completely by the Head of Regional office or Head of the Main Service Office.

Article 26

- (1) The exit of Bonded Zone Products may be conducted to the following destination:
  - a. Outside of custom area;
  - b. Other Bonded Zone;
  - c. Bonded Zone Exhibition Area (TPPB);
  - d. Company in Free Zone that already obtain the business license from Free Zone Organizing Body;  
or
  - e. Other locations in customs territory;
- (2) The exit of Bonded Zone products as mentioned in paragraph (1) letter a, customs regulation in export is applicable.
- (3) The exit of Bonded Zone products as mentioned in paragraph (1) letter e, customs regulation in import is applicable.

Article 27

- (1) The exit of Bonded Zone products to outside of customs territory as mentioned in article 26 paragraph (1) letter a can be in the form of:
  - a. The related Bonded Zone Products; and
  - b. Combination of Bonded Zone products with other goods as a complement that comes from:
    - 1) outside of the customs territory;
    - 2) Bonded warehouse;
    - 3) other Bonded Zone;
    - 4) Company in a Bonded Zone that already have the business license from the Free Zone Organizing Body; or
    - 5) other locations in the custom area.



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- (2) The exit of Bonded Zone products to other Bonded Zone as mentioned in article 26 paragraph (1) letter b shall be for further processed, combined with products of other Bonded Zone, or to be capital goods for production process.
- (3) The exit of Bonded Zone products to a Bonded Zone Exhibition Area (TPPB) as mentioned in article 26 paragraph (1) letter c shall be for exhibition and / or for sale.
- (4) The exit of Bonded Zone products to Bonded Zone Exhibition Area (TPPB) as mentioned in article 26 paragraph (3) shall be re-entered to the originated Bonded Zone in a period of maximum 30 (thirty) days after the exhibition is over.
- (5) In the case that the time limit on re-entry of exhibited products to Bonded Zone as mentioned in paragraph (4) is not fulfilled, the Bonded Zone Company shall not be allowed to ship its products to Bonded Zone Exhibition Area (TPPB) for a period of 1 (one) year.
- (6) The exit of Bonded Zone products to a company in the Free Zone that already obtain the business license from Free Zone Organizing Body as mentioned in article 26 paragraph (1) letter d, shall be destined for a company in the Free Zone that already obtain the business license from Free Zone Organizing Body concerning goods that are related to its business activity.
- (7) The exit of Bonded Zone products to another location within the customs territory as mentioned in article 26 paragraph (1) letter e can be conducted in a maximum value of 25% (twenty five percent) of the total export realization of the previous year and realization value of shipment to other Bonded Zone of the previous year.
- (8) the realization value of shipment to other Bonded Zone as mentioned in paragraph (7), is limited to Bonded Zone products that will be processed further.
- (9) in situation where regulation of products shipment limitation as mentioned in paragraph (7) is not fulfilled, the Bonded Zone company or PDKB shall be imposed with a deduction in the allowed sales value percentage to other Bonded Zone for the coming year.
- (10) in the situation that in the coming year as mentioned in paragraph (9), the regulation of products shipment limitation as mentioned in paragraph (7) is still not fulfilled, the license of the in Bonded Zone Company or PDKB shall be suspended/ frozen for 3 (three) months.
- (11) to maintain the stability of national economy, the limitation of outgoing products as mentioned in



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paragraph (7) in a certain period of time may be changed by the ministerial regulation.

Article 28

- (1) Products of a Bonded Zone Company of which all or some of its raw materials are originating from outside of customs territory that are shipped to other area within the customs territory, the following provisions are applied:
  - a. imposed with Import Duty and / or Excise, and
  - b. imposed by PDRI.
- (2) The calculation of Import Duty and / or Excise, and PDRI on the outgoing of Bonded Zone products as mentioned in paragraph (1) is as follows:
  - a. in the case that the product is in good condition:
    - 1) Import duty is calculated based on:
      - a) customs value and classification which is valid when the imported goods are entering the Bonded Zone; and
      - b) charges imposed when the customs declaration on Imported Goods for use is registered;
    - 2) Excise is calculated based on the provisions in law and regulation concerning excise;
    - 3) PDRI is calculated based on import value which is valid at the time the imported goods are entering the Bonded Zone.
  - b. In the case that products is in damaged condition:
    - 1) Import duty is calculated based on:
      - a) Customs value based on transaction value at the time of shipment of product from Bonded Zone company to another location within customs territory;
      - b) classification valid at the time the imported goods are entering the Bonded Zone; and
      - c) charges imposed when the customs declaration on Imported Goods for use is registered;
    - 2) Excise is calculated based on the provisions in law and regulation concerning excise;
    - 3) PDRI is calculated based on the selling price.
- (3) Damaged products as mentioned in article (2) letter b is in the case that the products are damaged or suffered from a decline in standard which technically cannot be repaired to reach the standard required.



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- (4) Import value as mentioned in Article (2) letter a point 3) is calculated based on the total customs value at the time of entering Bonded Zone, added by the Import duty.
- (5) The calculation of Import duty and / or Excise, and PDRI as mentioned in Article (2), using the Basic Value of Import Duty Calculation (NDPBM) stipulated by the Minister, which is valid at the time of payment.
- (6) Upon products delivery from a Bonded Zone to another place within customs territory, the Bonded Zone Company or PDKB shall collect value added tax (PPN) or value added tax (PPN) and Sales Tax on Luxury Goods (PPnBM), and prepare the tax invoice in accordance with the provisions in tax regulation.
- (7) In the case that Import Duty tariff charged on raw material is higher than the Import Duty tariff charged on products, the calculation of Import duty is based on tariff of Import duty tariff charged on products that are valid at the time the products are shipped from the Bonded Zone.

Article 29

- (1) Bonded Zone company or PDKB may transfer/handover goods other than products to another Bonded Zone to meet each other needs in production process or to increase production.
- (2) The approval of goods handover to another Bonded Zone as mentioned in paragraph (1) of which a Bonded Zone Company or PDKB has the same name, management, business entity, types of activity, and products, as stated in the Bonded Zone license, shall be issued by the Head of Customs Office upon the application submitted by the Bonded Zone Company or PDKB that will do the handover.
- (3) The approval of goods handover to another Bonded Zone as mentioned in paragraph (1) which is in one/same Bonded Zone Operator shall be issued by the Head of Customs Office upon the application submitted by the Bonded Zone Company or PDKB who will do the hand over.
- (4) The approval of goods handover to another Bonded Zone, other than that stated in paragraph (2) and paragraph (3), shall be issued by the Head of Regional Office or Head of the Main Service Office upon the application submitted by the Bonded Zone Company or PDKB who will do the hand over.
- (5) The Head of Customs Office shall give the approval or



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rejection on the application of goods handover as mentioned in paragraph (2) and paragraph (3) in a period of maximum 10 (ten) working days since the application is received completely by the Head of Customs Office.

- (6) The Head of Regional Office or Head of the Main Service Office shall give an approval or rejection on the application of goods handover as mentioned in paragraph (4) in a period of maximum 15 (fifteen) working days since the application is received completely by the Head of Regional Office or Head of the Main Service Office.

Article 30

- (1) Bonded Zone company or PDKB may bring out Raw Materials and / or Remaining Raw Materials, from Bonded Zone to the following destination:
  - a. Outside customs territory;
  - b. Other Bonded Zone; and / or
  - c. Other locations within the customs territory.
- (2) Bonded Zone Company or PDKB may bring out Raw Materials to Bonded Warehouse where the raw materials are originated with the approval from the Head of Customs Office based on the application from the Bonded Zone Company or PDKB.
- (3) Bonded Zone Company or PDKB may bring out Raw Materials and / or Remaining Raw Materials, originated from outside the customs territory to outside the customs territory as mentioned in paragraph (1) letter a with the approval from the Head of Customs Office based on the application from the Bonded Zone Company or PDKB.
- (4) Bonded Zone Company or PDKB may bring out Raw Materials and / or Remaining Raw Materials, originated from outside customs territory to other Bonded Zone location and / or industrial Company in other location in the customs territory as mentioned in paragraph (1) letter b and letter c, with the approval from the Head of Regional Office or Head of Main Service Office based on the application from the Bonded Zone Company or PDKB.
- (5) The exit of Raw Materials and / or Remaining Raw Materials, originated from outside the customs territory to be handed over to industrial Company in another location in the customs territory as mentioned in paragraph (1) letter c, shall be conducted by paying the





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Import Duty and / or excise, and PDRI.

- (6) The calculation of Import Duty and / or Excise, and PDRI on the outgoing of Raw Materials and / or Remaining Raw Materials, to be handed over to industrial Company in another location in the customs territory as mentioned in paragraph (1) letter c, is as follows:
  - a. In the case that the Raw Materials and / or Remaining Raw Materials are in good condition:
    - 1) Import Duty is calculated based on:
      - a) customs value and classification which is valid when the Raw Materials and / or Remaining Raw Materials are entering the Bonded Zone; and
      - b) charges imposed when the Customs Declaration on Import for use is registered.
    - 2) Excise is calculated based on the provisions on the law and regulation concerning excise;
    - 3) PDRI is calculated based on import value which is valid at the time the imported goods are entering the Bonded Zone.
  - b. In the case that the Raw Materials and / or Remaining Raw Materials are in damaged condition:
    - 1) Import duty is calculated based on:
      - a) Customs value based on the transaction value at the time of shipment of goods from Bonded Zone to another location within the customs territory;
      - b) classification which is valid at the time imported goods are entering the Bonded Zone; and
      - c) charges imposed when the Customs Declaration on Import for use is registered.
    - 2) Excise is calculated based on the provisions on the law and regulation concerning excise;
    - 3) PDRI is calculated based on the selling price.
- (7) Damaged Raw Materials and / or Remaining Raw Materials as mentioned in Article (6) letter b are in the case that the Raw Materials and / or Remaining Raw Materials are significantly suffered from the decline in standard, so that it cannot be processed or if it is processed will produce goods that cannot reach the required quality/standard.
- (8) Import value as mentioned in Article (6) letter a point 3) is calculated based on the total customs value at the time of entering Bonded Zone added by the Import Duty.



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- (9) The calculation of Import Duty and / or Excise, and PDRI as mentioned in Article (2), using the Basic Value of Import Duty Calculation (NDPBM) stipulated by the Minister which is valid at the time of payment.
- (10) On the Raw Material and / or Remaining Raw Materials originated from outside customs territory with destination to another place within customs territory, Bonded Zone Company or PDKB shall collect the Value Added Tax (PPN) or Value Added Tax (PPN) and Sales Tax on Luxury Goods (PPnBM), and prepare the tax invoice in accordance with the provisions in the tax regulation.
- (11) Payment on Excise which is payable on the outgoing Raw Material and / or Remaining Raw Materials, originated from outside the customs territory with destination to other location in the customs territory shall be conducted in accordance with the provisions in the law and regulation concerning Excise.
- (12) The Head of Customs Office shall give the approval or rejection on the application as mentioned in paragraph (2) and paragraph (3) in a period of maximum 10 (ten) working days since the application is received completely by the Head of Customs Office.
- (13) The Head of Regional Office or Head of Main Service Office shall give the approval or rejection on the application as mentioned in paragraph (4), in a period of maximum 15 (fifteen) working days since application is received completely by Head of Regional Office or Head of Main Service Office.

Article 31

- (1) Bonded zone company or PDKB may take out the residue/waste of the production process (waste/ scrap) and / or the remaining or used packaging from Bonded Zone to the following destination:
  - a. outside the customs territory;
  - b. other Bonded zone; or
  - c. Other location in the customs territory.
- (2) The exit of residue/ waste of the production process (waste/ scrap) and / or the remaining or used packaging originating from outside the customs territory to other location in the customs territory as referred in paragraph (1) letter c, shall be conducted by paying the Import Duty and / or Excise, and PDRI.
- (3) The calculation of Import Duty and / or Excise, and PDRI on the outgoing of residue/ waste of the



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production process (waste/ scrap) and / or the remaining or used packaging from outside the customs territory to other places in the customs territory as referred in paragraph (1) letter c, is as follows:

- a. Import Duty is calculated based on:
    - 1) The customs value based on transaction price at the time of the outgoing of goods from Bonded Zone to other places in the customs territory;
    - 2) the classification that is valid at the time of outgoing of goods from the Bonded zone to other places in the customs territory, and
    - 3) charges imposed at the time the custom declaration on import for use is registered;
  - b. Excise is calculated based on the provisions of law and regulation concerning excise;
  - c. PDRI is calculated based on the selling price.
- (4) Calculation of Import Duty and / or Excise, and PDRI as mentioned in paragraph (2), shall use the Basic Value of Import Duty Calculation (NDPBM) stipulated by the Minister which is valid at the time of payment.
- (5) Upon submission of the residue/ waste of the production process (waste/ scrap) and / or the remaining or used packaging from Bonded Zone to other places in the customs territory, Bonded zone company or PDKB shall collect the Value Added Tax (PPN) or Value Added Tax (PPN) and Sales Tax on Luxury Goods (PPnBM), and make a tax invoice in accordance with the provisions of law in the field of taxation.
- (6) The residue/ waste of the production process (waste/ scrap) and / or the remaining or used packaging as referred in paragraph (1) took out to other places in the customs territory shall be exempted from the provisions of prohibitions and restrictions in the field of import.

Article 32

- (1) Imported Capital Goods in the Bonded Zone of the which import duty has not been settled, may be taken out with the purpose of:
  - a. -exported, with the approval from the Head of Customs Office;
  - b. transferred to another Bonded zone after 2 (two) years since imported and has been used in the relevant Bonded zone, with the approval from the Head of Customs Office;
  - c. transferred to another place in the customs territory



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before a period of 4 (four) years since imported or since being entered to be used in the Bonded zone of origin, and has been used in the relevant Bonded zone with the approval from the Head of the Regional Office or Head of the Main Service Office with the following provisions:

- 1) paying the import duty which is calculated based on:
    - a) the customs value and classification that is valid at the time the imported goods are entering the Bonded Zone; and
    - b) charges imposed at the time the custom declaration on import for use is registered;
  - 2) paying the PDRI which is calculated based on import value that is valid at the time the imported goods are entering the Bonded zone;
  - 3) upon submission of goods from Bonded Zone to other places in the customs territory, Bonded zone company or PDKB shall collect Value Added Tax (PPN) or Value Added Tax (PPN) and Sales Tax on Luxury Goods (PPnBM) and make a tax invoice in accordance with the provisions in the Law and Regulation concerning Taxation.
- d. transferred to other places in the customs territory after 4 (four) years since imported or since entered for use in the Bonded zone of origin, and has been used in the related Bonded zone, after obtaining approval from the Head of Regional Office or Head of the Main Service Office with the following provisions:
- 1) receive exemption of import duty, by filing an application to the Head of the Regional Office or Head of Main Service Office; and
  - 2) upon submission of goods from Bonded zone to other places in the customs territory, Bonded zone company or PDKB shall collect Value Added Tax (PPN) or Value Added Tax (PPN) and Sales Tax on Luxury Goods (PPnBM) and make a tax invoice in accordance with the provisions in the Law and Regulation concerning Taxation.
- (2) The value of imports as referred in paragraph (1) letter c number 2) shall be obtained from the total customs value at the time of entrance into Bonded zone plus the import duty.
  - (3) Calculation of Import Duty and / or Excise, and the PDRI referred in paragraph (2), shall use the Basic Value of Import Duty Calculation (NDPBM) stipulated by the



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Ministry which is valid at the time of payment.

### Article 33

- (1) Imported Office equipment in the Bonded Zone of which the import duty has not been settled, may be taken out with the purpose of:
  - a. Re-exported, with the approval from the Head of Customs Office;
  - b. transferred to another Bonded zone after being used in relevant Bonded zone, with the approval from the Head of Customs Office;
  - c. transferred to other places in the customs territory before a period of 4 (four) years since imported and has been used in the relevant Bonded zone with the approval of the Head of the Regional Office or Head of the Main Service Office with the following provisions:
    - 1) paying the import duty which is calculated based on:
      - a) the customs value and classification which is valid at the time the imported goods are entering the Bonded Zone; and
      - b) charges imposed at the time the custom declaration on import for use is registered;
    - 2) paying the PDRI which is calculated based on import value which is valid at the time the imported goods are entering the Bonded zone;
    - 3) upon submission of goods from Bonded zone to other locations in the customs territory, Bonded zone company or PDKB shall collect Value Added Tax (PPN) or Value Added Tax (PPN) and Sales Tax on Luxury Goods (PPnBM) and make a tax invoice in accordance with the provisions of Law and Regulation concerning Taxation.
  - d. transferred to other places in the customs territory after 4 (four) years since imported and has been used in the relevant Bonded zone, with the approval from the Head of Regional Office or Head of the Main Service Office with the following provisions:
    - 1) paying the import duty which is calculated based on:
      - a) the customs value based on the transaction price that is valid at the time the imported goods are taken out of Bonded Zone to other places in the customs territory;
      - b) the classification that is valid at the time the imported goods are entering the Bonded zone,



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and

- c) charges imposed at the time the custom declaration on import for use is registered;
  - 2) paying the PDRI which is calculated based on the selling price.
  - 3) upon submission of goods from bonded zone to other places in the customs territory, Bonded Zone Company or PDKB shall collect the Value Added Tax (PPN) or Value Added Tax (PPN) and Sales Tax on Luxury Goods (PPnBM) and make a tax invoice in accordance with the provisions on the Law and Regulation concerning Taxation.
- (2) The value of imports as referred in paragraph (1) letter c point 2) shall be obtained from the total customs value at the time of entrance into Bonded zone plus import duty.
- (3) Calculation of Import Duty and / or Excise, and PDRI as mentioned in paragraph (1) letter c and letter d, shall use the Basic Value of Import Duty Calculation (NDPBM) stipulated by the Minister which is valid at the time of payment.

Article 34

The transfer of Capital Goods and office equipment of which the import duty and PDRI has been settled at the time of entrance into bonded zone and the hand over of capital goods from other locations in the customs territory shall be conducted with the approval from the Head of Customs office.

Article 35

- (1) Bonded zone company or PDKB may take out the Capital Goods for the purpose of upgrading/ repairing with the following destination:
  - a. outside the customs territory;
  - b. other locations within the customs territory; and / or
  - c. other Bonded Zone,with the approval from the Head of Customs Office.
- (2) For the exit of capital goods to other places in the customs territory for the purpose of upgrading/ repairing as mentioned in paragraph (1) letter b, the Bonded Zone company or PDKB shall submit a guarantee.
- (3) For the exit of capital goods to other places in the customs territory for the purpose of upgrading/repairing





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as mentioned in paragraph (1) letter b and to other Bonded Zone as mentioned in paragraph (1) letter c, shall be re-entered into the Bonded Zone in a period of maximum 3 (three) months since the date of exit from the Bonded Zones and in some cases can be extended one time for no longer than 3 (three) months.

- (4) In the case that the capital goods for the purpose of upgrading/repairing with the destination to other places in the customs territory as mentioned in paragraph (1) letter b are not re-entered into the Bonded Zone in the period as referred in paragraph (3), the following provisions shall apply:
  - a. the guarantee as mentioned in paragraph (2) shall be disbursed to pay the import duty and the unpaid PDRI and the Bonded Zone company or PDKB shall collect Value Added Tax (PPN) or Value Added Tax (PPN) and Sales Tax on Luxury Goods (PPnBM) and make the tax invoices in accordance with the provisions on the tax law; and
  - b. Bonded Zone Company or PDKB shall be subject to administrative sanction in the form of fines amounting to 100% (one hundred percent) of the import duty that should have been paid.
- (5) In the case that the capital goods for the purpose of upgrading/repairing with the destination to other Bonded Zone as referred in paragraph (1) letter c are not re-entered into the Bonded Zone in the period as referred in paragraph (3), Bonded Zone company or PDKB shall pay the Import Duty and PDRI which is payable and charged with administrative sanction in the form of fines amounting to 100% (one hundred percent) of the import duty that should have been paid.

Article 36

- (1) Bonded Zone company or PDKB may take out examples/ sample goods in the form of semi-finished goods and / or Bonded Zone products with the approval from the Head of Customs Office.
- (2) The exit of examples/sample goods as mentioned in paragraph (1) can be done with the following destination:
  - a. outside of the customs territory;
  - b. another location in customs territory; and / or
  - c. other Bonded Zone.
- (3) Upon the exit of examples/ sample goods to other places in the customs territory as mentioned in paragraph (2)



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letter b, Bonded Zone Company or PDKB must submit a guarantee.

- (4) The exit of examples/ sample goods as mentioned in paragraph (1) must meet the following provisions:
  - a. used for the introduction of products or new product development;
  - b. maximum 3 (three) pieces for 1 (one) kind, brand, model, and type;
  - c. not goods for further processing except for quality research and development; and
  - d. not motor vehicles including heavy equipment in any type and / or condition.
- (5) The exit of examples/sample goods to another location in the customs territory as mentioned in paragraph (1) letter b or other Bonded Zone as referred in paragraph (1) letter c, shall be re-entered into the Bonded Zone of origin in a period of maximum 14 (fourteen) days since the date of the customs registration of outgoing goods from Bonded Zone.
- (6) In the case that examples/samples goods are transferred to another location in the customs territory as mentioned in paragraph (2) letter b are not re-entered into the Bonded Zone in the period as referred in paragraph (5), the following provisions shall apply:
  - a. guarantee as mentioned in paragraph (3) shall be disbursed to settle import duty and the PDRI which is payable and the Bonded Zone company or PDKB must collect Value Added Tax (PPN) or Value Added Tax (PPN) and Sales Tax on Luxury Goods (PPnBM) and make the tax invoices in accordance with the provisions of Law and Regulation concerning Taxation; and
  - b. Bonded Zone Company or PDKB shall be subject to administrative sanction in the form of fines amounting of 100% (one hundred percent) of the import duty that should be paid.
- (7) In the case that examples/sample goods are transferred to another Bonded Zone as referred to in paragraph (2) letter c are not re-entered into the Bonded Zone in the period as referred in paragraph (5), Bonded Zone Company or PDKB shall pay the import duty and PDRI which is payable and subject to administrative sanctions to a fines amounting to 100% (one hundred percent) of the import duty that should be paid.

CHAPTER VI  
EXTERMINATION AND DESTRUCTION OF GOODS



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Article 37

- (1) Bonded Zone Company or PDKB may conduct the extermination of rotten goods and / or due to the nature and shape can be destroyed, that enters the Bonded Zone.
- (2) To perform extermination as referred in paragraph (1), the Bonded Zone Company or PDKB shall submit a writing application to the Head of Customs Office.
- (3) The extermination as referred in paragraph (1) can be conducted inside or outside the location of Bonded Zone, under the supervision of Customs and Excise Officials.
- (4) Extermination of waste goods shall only be done by:
  - a. Bonded Zone company or PDKB that has a waste treatment unit; or
  - b. Waste treatment companies that already have the accreditation from the relevant institutions.
- (5) Extermination of goods as mentioned in paragraph (1) shall be written in an official report.
- (6) In the case where extermination is carried out by a waste treatment company as referred in paragraph (4) letter b, Bonded Zone Company or PDKB shall submit the realization report of the extermination made by the waste treatment company to the Customs and Excise Officials.

Article 38

- (1) Bonded Zone Company or PDKB may conduct the extermination of goods from outside the customs territory that due to the nature and shape cannot be destroyed.
- (2) To be able to conduct the extermination as mentioned in paragraph (1), Bonded Zone Company or PDKB shall submit a writing application to the Head of Customs Office.
- (3) The extermination as referred in paragraph (1) shall be conducted under the supervision of Customs and Excise Officials and an official report shall be made.
- (4) The extermination shall be done by destroying the usability/function permanently and cut the goods into pieces to become scraps.
- (5) The outgoing of scraps as referred in paragraph (4) out of the Bonded Zone to other places in the customs territory shall be done with the following provisions:
  - a. shall pay the import duty which is calculated based



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on:

- 1) the customs value based on the transaction price that is valid at the time the goods are outgoing from the Bonded Zone to other locations in the customs territory;
  - 2) the classification which is valid at the time the imported goods are entered into the Bonded zone, and
  - 3) charges imposed at the time of customs declaration on import for use is registered.
- b. Shall pay the PDRI which is calculated based on the selling price.
- (6) Upon submission of goods from Bonded Zone to other places in the customs territory, Bonded Zone Company or PDKB shall collect Value Added Tax (PPN) or Value Added Tax (PPN) and Sales Tax on Luxury Goods (PPnBM) and make the tax invoices in accordance with the provisions of Law and Regulation concerning Taxation; and
  - (7) Calculation of Import Duty and / or Excise, and the PDRI as mentioned in paragraph (2), shall use the Basic Value of Import Duty Calculation (NDPBM) stipulated by the Minister which is valid at the time of payment.

CHAPTER VII  
SUBCONTRACT  
Article 39

- (1) Bonded Zone Company or PDKB may subcontract some processing activities which is not the main activities of the production process to another Bonded Zone Company or PDKB and / or industrial company/business entity in another location in the customs territory.
- (2) Subcontracting work as mentioned in paragraph (1) shall not be done for the preliminary checking work, sorting, final inspection, or packaging.
- (3) Subcontracting work as mentioned in paragraph (1) shall be based on the subcontract agreement.
- (4) Subcontracting work as mentioned in paragraph (1) shall be performed after obtaining approval from the Head of Customs Office.
- (5) In order to subcontract the work as mentioned in paragraph (1), Bonded Zone Company or PDKB can lend the production machineries and molds to the subcontract recipient.
- (6) Upon issuance of goods as mentioned in paragraph (1)



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and paragraph (5) to the company/ business entity in another location in the customs territory, Bonded Zone Company or PDKB shall submit a guarantee.

- (7) The amount of collateral that shall be submitted as mentioned in paragraph (6) shall be based on the subcontract agreement as mentioned in paragraph (3).

Article 40

- (1) The realization of subcontracting work as referred in Article 39, shall be made in a period of maximum 60 (sixty) days, starting from the date of subcontract approval until the products of subcontract are re-entered into the Bonded Zone.
- (2) Upon the request of subcontract providers, Head of Regional Office or Head of Main Service Office may give subcontract permission exceeding the period as referred in paragraph (1), in the case that the nature and characteristics of the subcontract work takes more than 60 (sixty) days.
- (3) In the case that the completion of the subcontracting work at industrial company/business entity in another location in the customs territory passes the period as referred in paragraph (1) and paragraph (2) and / or in the case that their products are not returned, the following provisions shall apply:
  - a. guarantee as referred in Article 39 paragraph (6) shall be disbursed to pay the import duty and / or Excise, and PDRI which is payable, and the Bonded Zone company or PDKB shall collect Value Added Tax (PPN) or Value Added Tax (PPN) and Sales Tax on Luxury Goods (PPnBM) and make the tax invoices in accordance with the provisions of Law and Regulation concerning Taxation; and
  - b. subject to administrative sanction in the form of fines amounting to 100% (one hundred percent) of the import duty that should have been paid.
- (4) In the case that the goods/Raw Materials for the purpose of completion of subcontracts as referred in paragraph (3) are goods affected by the provisions on restrictions, the Bonded Zone license shall be revoked.
- (5) In the case that completion of subcontract work to other Bonded Zone passes the period as referred in paragraph (1) and paragraph (2) and / or when their products are not returned, Bonded Zone company or PDKB of origin shall pay the import duty and / or Excise, and PDRI which is payable and subject to administrative sanction



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in the form of fines amounting to 100% (one hundred percent) of the import duty that should be paid.

- (6) In the case that Bonded Zone company or PDKB committed violations on subcontract as referred in paragraph (3) and paragraph (5) 3 (three) times in a period of the last 12 (twelve) months, Bonded Zone company or PDKB are not permitted to do subcontracting for 6 (six) months.

CHAPTER VIII  
LENDING OF CAPITAL GOODS  
Article 41

- (1) Bonded Zone company or PDKB may lend out capital goods such as production machineries and molds other than for subcontract as referred in Article 39 paragraph (5) to:
  - a. Another Bonded Zone company and / or PDKB; and / or
  - b. Industrial company/ business entity in another location in the customs territory.
- (2) To execute the lending as referred in paragraph (1) the following provisions shall apply:
  - a. shall be in relation to processing the goods of which the results will be sent to the Bonded Zone who lent the machines and molds; and
  - b. Raw materials shall be supplied by the company who received the loan.
- (3) To be able to lend the capital goods as referred in paragraph (1), Bonded Zone Company or PDKB shall submit a writing application to the Head of Customs Office.
- (4) Upon the exit of Capital Goods in relation to the Lending of the capital goods as referred in paragraph (1) to the industrial company/ business entity in another location in the customs territory, Bonded Zone Company or PDKB shall submit a guarantee.

Article 42

- (1) The lending of production machineries and molds to Bonded Zone Company, other PDKB and / or industrial company/ business entity in another location in the customs territory as referred in Article 39 paragraph (5) or Article 41 paragraph (1), shall be given for a maximum period of 6 (six) months by considering the contract period of lending.





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- (2) Lending period as referred in paragraph (1) can be extended for a period of 6 maximum (six) months with the approval from the Head of Customs Office.
- (3) Head of Regional Office or Head of the Main Service Office can provide lending approval for a period exceeding the period as referred in paragraph (1) and paragraph (2) for certain Bonded Zone Company or PDKB based on risk management.
- (4) In the case that the production machineries and molds being loaned to another location in the customs territory are not returned and / or not renewed after exceeding the period as referred in paragraph (1), the following provisions shall apply:
  - a. guarantee as referred in Article 41 paragraph (4) shall be disbursed to pay the import duty and PDRI which is payable, and Bonded Zone Company or PDKB shall collect Value Added Tax (PPN) or Value Added Tax (PPN) and Sales Tax on Luxury Goods (PPnBM) and make the tax invoice in accordance with the Law and Regulation concerning Taxation; and
  - b. subject to administrative sanction in the form of fines amounting to 100% (one hundred percent) of the import duty that should be paid.
- (5) In the case that production machineries and molds lent to other Bonded Zone are not returned and / or not renewed after exceeding the period as referred in paragraph (1), the Bonded Zone Company or PDKB shall pay the import duty and the PDRI payable and subject to administrative sanction in the form of fines amounting to 100% (one hundred percent) of the import duty that should be paid.

CHAPTER IX  
CUSTOMS DECLARATION  
Article 43

- (1) The entrance and exit of goods to and from Bonded Zone shall be performed using customs declaration.
- (2) Customs declaration as referred in paragraph (1) shall be submitted by Bonded Zone Company or PDKB.
- (3) Customs declaration as referred in paragraph (1) shall be submitted through the Electronic Data Exchange (PDE).
- (4) The provisions as referred in paragraph (3) shall not apply to the Customs Office that has not applied the provisions of Electronic Data Exchange (PDE).



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CHAPTER X  
WAREHOUSING AND CONSOLIDATION OF EXPORT  
GOODS  
Article 44

- (1) Warehousing business can be performed in Bonded Zone Operator locations in the form of Bonded Warehouses.
- (2) The procedure of the establishment of Bonded Warehouse as referred in paragraph (1) shall be conducted in accordance with laws and regulations concerning Bonded Warehouses.

Article 45

- (1) Products of Bonded Zone for the purpose of export can be consolidated with goods coming from other bonded zone under the supervision of Customs and Excise Officials.
- (2) Consolidation as referred in paragraph (1) can be performed by Bonded zone Company or PDKB that:
  - a. conducts their own consolidation of export goods;
  - b. have similarities in management, legal entity, field of activity, and products; or
  - c. located in one Bonded Zone Operator and has the same field of activity and same products, as evidenced by the approval letter of Bonded Zone Company or PDKB;
- (3) Bonded Zone Company or PDKB that conducts consolidation is responsible for the realization of the exported goods consolidation as referred in paragraph (1).

CHAPTER XI  
SUSPENSION AND REVOCATION OF LICENSE  
Article 46

- (1) In the case where Bonded Zone Operator, Bonded Zone Company, and / or PDKB, does not implement the obligation as referred in Article 19 and / or Article 20, the Head of Customs Office on behalf of the Minister shall suspend the license of Bonded Zone Operator, Bonded Zone Company, and / or PDKB.
- (2) Head of the supervising Customs Office shall inform the suspension as referred in paragraph (1) to the Head of Regional Office.



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Article 47

- (1) The licenses as Bonded Zone Operator, Bonded Zone Company, and / or PDKB, shall be suspended by the Head of the supervising Customs Office on behalf of the Minister in the case that the Bonded Zone Operator, Bonded Zone Company, and / or PDKB:
  - a. is engaged in activities that deviate from the license given based on sufficient preliminary evidence, such as:
    - 1) Importing Raw Materials that are not the same type with the raw materials used for production;
    - 2) Entering imported goods that are not associated with the given Bonded Zone license; or
    - 3) Producing goods that are not in accordance to the license given;
  - b. shows inability to operate and / or conducting business in the Bonded Zone, such as:
    - 1) does not perform the bookkeeping for its activities;
    - 2) does not conduct any activity in a period of 6 (six) consecutive months; or
    - 3) does not settle the debts within the determined period of time; and / or
  - c. does not implement the provisions on the limitation on the outgoing of Bonded zone products with the destination to other locations in the customs territory as referred in Article 27 paragraph (7).
- (2) Suspension of license as Bonded Zone Operator, Bonded Zone Company, and / or PDKB, as referred in paragraph (1) is a follow-up of the examination results and / or audit results conducted by the Directorate General of Customs and Excise towards the relevant Bonded Zone Operator, Bonded Zone Company, and / or PDKB.
- (3) During suspension, the Bonded Zone Operator, Bonded Zone Company, and / or PDKB, shall not enter any goods into the Bonded Zone.

Article 48

The suspended license as referred in Article 46 paragraph (1) and Article 47 paragraph (1) can be re-activated if:

- a. Bonded Zone Operator has implemented the



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- provisions on obligation as mentioned in Article 19;
- b. Bonded Zone Company or PDKB has implemented the provisions on obligation as mentioned in Article 20;
  - c. Bonded Zone Operator, Bonded Zone Company, and / or PDKB is not proven to have performed activities that deviate from the license given as referred in Article 47 paragraph (1) letter a; or
  - d. Bonded Zone Operator, Bonded Zone Company, and / or PDKB are again able to operate and / or conducting business in the Bonded Zone.

Article 49

- (1) Suspension of license referred to in Article 47 paragraph (1) a and Article 47 paragraph (1) letter b can be changed into license revocation in the case that the Bonded Zone Operator, Bonded Zone Company, and / or PDKB
  - a. is proved to have carried out activities which deviate from the license given, or
  - b. no longer be able to perform the operation and / or business of the Bonded Zone based on recommendations from the result of Customs and Excise Officials' audit.
- (2) Revocation of license as referred in paragraph (1) shall be conducted by the Director General on behalf of the Minister.

Article 50

- (1) Appointment of the location as a Bonded Zone and license as Bonded Zone Operator, Bonded Zone Company, and / or PDKB, shall be revoked in the case that the Bonded Zone Operator, Bonded Zone Company, and / or PDKB:
  - a. does not perform any activity in 12 (twelve) consecutive months;
  - b. uses the industrial license that is no longer valid;
  - c. declared bankruptcy;
  - d. acted dishonestly in the business activity such as misusing the Bonded Zone facilities and conducting criminal actions in the field of customs and / or excise;
  - e. applies for revocation; or
  - f. does not meet the subcontract provisions as referred in Article 40 paragraph (4).



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- (2) Revocation of license as referred in paragraph (1) shall be conducted by the Director General on behalf of the Minister.
- (3) In the case that the license has been revoked as referred in paragraph (1), Bonded Zone Operator, Bonded Zone Company, and / or PDKB, within 30 (thirty) days from the date of revocation of license, shall pay all import duties and / or Excise, and PDRI owed, which includes debts from audit findings and / or debts that occur due to the exit of goods from Bonded Zone to other locations in the customs territory.
- (4) Goods originating from outside the customs territory that is still owed or still under the responsibility of the Bonded Zone whose license has been revoked, shall be:
  - a. Re-exported;
  - b. Removed to other locations in the customs territory by paying import duty and / or Excise, and PDRI as long as all customs provisions of import duty and excise has been fulfilled; and / or
  - c. Transferred to other Bonded Zone, within 30 (thirty) days from the date of license revocation.
- (5) Goods originating other locations in the customs territory that still remain in the Bonded Zone whose license has been revoked, shall be:
  - a. Exported;
  - b. Transferred to other Bonded zone; and / or
  - c. Taken out to other places in the customs territory, within 30 (thirty) days from the date of license revocation.
- (6) Upon the exit of goods to other locations in the customs territory as referred in paragraph (4) letter b and paragraph (5) letter c, Bonded Zone Operator, Bonded Zone Company and / or PDKB shall collect Value Added Tax (PPN) or Value Added Tax (PPN) and Sales Tax on Luxury Goods (PPnBM) and prepare a tax invoice in accordance with the Law and Regulation concerning Taxation.
- (7) If the period as referred in paragraph (3) and paragraph (4) is exceeded, the goods in the Bonded Zone shall be declared as un-possessioned goods.

Article 51

In the case that the license of Bonded Zone Operator is revoked, PDKB which is located in the Bonded Zone Organizer may:

- a. Submit an application to be relocated to another Bonded



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Zone Operator, with prior recommendation from another Bonded Zone Operator intended; or

- b. Submit an application to become a Bonded Zone Operator in accordance with the provisions as mentioned in Article 7 at the location of Bonded Zone Operator whose license has been revoked.

CHAPTER XII  
SUPERVISION

Article 52

- (1) Head of Regional Office, Head of the Main Service Office, and Head of Customs Office, shall supervise the activities undertaken by the Bonded Zone Operator, Bonded Zone Company, and / or PDKB under their supervision.
- (2) Supervision as referred in paragraph (1) shall be executed based on risk management.

Article 53

Based on risk management, prior to the license revocation of Bonded Zone Operator, Bonded Zone Company, and / or PDKB, an audit of customs and excise, or simple inspection may be carried out.

Article 54

- (1) In the case that there is an indication of violation of customs and / or excise provisions on the entrance and / or exit of goods to and / or from the Bonded Zone, the Head of Customs Office shall conduct an in-depth research.
- (2) In the case that based on the research as mentioned in paragraph (1) administrative violations are found, the violation in question shall be immediately followed-up by imposition of sanctions in accordance to the law.
- (3) In the case that based on the research as mentioned in paragraph (1) there are sufficient preliminary evidence that a criminal act has been conducted in customs and / or excise, the preliminary evidence shall be immediately followed-up by investigation in accordance to the law.
- (4) In the case that the person in charge of Bonded Zone Operator, Bonded Zone Company, or PDKB is proven to have conducted a criminal act in the field of customs and excise which already has a permanent legal power





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and that the person is a foreign citizen, the Director General shall submit a notification to the relevant institutions in charge of immigration to be followed-up in accordance to the law.

CHAPTER XIII  
OTHER PROVISION

Article 55

- (1) Company that receives the exemption facilities or refund of import duty on imports of goods and materials to be processed, assembled, or installed in other goods for the purpose of export, may change the status to Bonded Zone Company or PDKB.
- (2) In the case that a company is appointed as a Bonded Zone Company or PDKB as mentioned in paragraph (1), upon goods that received the import duty exemption facility, and are still in the period of exemption but have not been accounted for, shall be treated as imported goods that are given the following facilities:
  - a. suspension of import duties;
  - b. not imposed with Value Added Tax (PPN) or Value Added Tax (PPN) and Sales Tax on Luxury Goods (PPnBM); and / or
  - c. excise exemption.
- (3) The fulfillment of the requirements for changing the company's status to Bonded Zone Company or PDKB as mentioned in paragraph (1), shall comply with the provisions on the requirement to obtain the license of Bonded Zone Company or PDKB.

CHAPTER XIV  
TRANSITIONAL PROVISIONS

Article 56

At the time that this Regulation of the Minister of Finance is effective:

- a. The license as Bonded Zone of which the period is not specified and has been issued before the enforcement of this Regulation of the Minister of Finance, shall remain valid for a period of 3 (three) years since the enforcement of Government Regulation Number 32 Year 2009 concerning Bonded Warehouse Site.
- b. The License as Bonded Zone of which the period is specified and has been issued before the enforcement of this Regulation of the Minister of Finance, shall remain valid until the expiry of the license.



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- c. The license as Bonded Zone which has been issued before the enforcement of this Regulation of the Minister of Finance and the Bonded Zone location is outside the industrial area, may be given an extension until the thirty first (31<sup>st</sup>) day of December 2014.
- d. The license as Bonded Zone which has been issued before the enforcement of this Regulation of the Minister of Finance and Bonded Zone location is outside the industrial area, as long as it still meets the requirements as referred in Article 4, may be given an extension according to the provisions stipulated in this Regulation of the Minister of Finance by submitting an application as referred in Article 13 of this Regulation of the Minister of Finance.
- e. The license as Bonded Zone which has been issued before the enforcement of this Regulation of the Minister of Finance, shall comply with the provisions regarding the utilization of information technology as referred in Article 20 letter d in a period of no later than the thirty first (31<sup>st</sup>) day of December 2012.

CHAPTER XV  
CLOSING PROVISIONS  
Article 57

At the time this Regulation of the Minister of Finance is effective, the Decree of the Minister of Finance Number 291/KMK.05/1997 concerning Bonded Zone as amended several times and the latest by Regulation of the Minister of Finance Number 101/PMK.04/2005, shall be revoked and declared as invalid.

Article 58

Further provisions concerning:

- a. application of risk management in relation to the selective customs inspection and application of risk management for the ease of customs and excise administration;
- b. procedure of application submission and issuance of Bonded Zone license;
- c. procedure of supervision and services on the entry of goods into the Bonded Zone, the exit of goods from Bonded Zone, accidentally destroyed, and destruction of goods in the Bonded Zone;
- d. procedure of suspension and revocation of Bonded Zone license; and



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e. procedure of simple inspection,  
shall be stipulated by the Regulation of the Director  
General.

Article 59

This Regulation of the Minister of Finance shall become  
effective on the first (1<sup>st</sup>) of January 2012.

For public cognizance, it is ordered that this Regulation of  
the Minister of Finance shall be published in the State  
Gazette of the Republic of Indonesia.

Stipulated in Jakarta  
on the Sixth (6<sup>th</sup>) Day of September 2011  
The Minister of Finance,

Signed.

AGUS D. W. MARTOWADOJO

Promulgated in Jakarta  
on the Sixth (6<sup>th</sup>) Day of September 2011  
THE MINISTER OF JUSTICE AND HUMAN RIGHTS,

Signed.

PATRIALIS AKBAR

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 558