MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA

COPY OF

REGULATION OF THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA NUMBER 108/PMK.011/2012

CONCERNING

GOVERNMENT BORNE IMPORT DUTY ON THE IMPORT OF GOODS AND MATERIALS TO MAKE CARPET AND / OR TAPESTRY IN THE FISCAL YEAR 2012

BY THE GRACE OF GOD ALMIGHTY

MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA,

Considering:

a. that in the framework to fulfill supply of goods and/or service for public interest and to increase the competitive edge of domestic Carpet and / or Tapestry production industry, it is necessary to provide fiscal incentives in the form of Government Borne Import Duty on the import of goods and material by Carpet and / or Tapestry industry;

b. that against to imported goods and materials for Carpet and / or Tapestry production industry which fulfills criteria and conditions to get government borne import duty according to the Article 2 of Regulation of the Minister of Finance Number 23/PMK.011/2012 concerning Government Borne Import Duty on the Import of Goods and Materials for the Manufacture of Goods and/or Services to serve the Public Interest and Improve the Competitive Edge of Industries in Certain Sectors for Fiscal Year 2012;

c. that in the framework to provide Government Borne Import Duty on the import of goods and materials for Carpet and / or Tapestry production industry as referred in letter b, it is stipulated budget ceiling for Government Borne Import Duty for Fiscal Year 2012;

d. that based on consideration as referred in letter a, letter b, and letter c, as well as in the framework to implement provision in Article 3 paragraph (4) of Regulation of the Minister of Finance Number 23/PMK.011/2012 concerning Government Borne Import Duty on the Import of Goods and Materials for the Manufacture of Goods and/or Services to serve the Public Interest and Improve the Competitive Edge of Industries in Certain Sectors for Fiscal Year 2012, it is necessary to stipulate Regulation of the Minister of Finance concerning Government Borne Import Duty on the Import of Goods and Materials to Make Carpet and / or Tapestry in the...
Fiscal Year 2012;

In View of:
1. Act Number 10 Year 1995 concerning Customs (State Gazette of the Republic of Indonesia Number 75 Year 1995, Supplement to State Gazette of the Republic of Indonesia Number 3612) that is amended by Act Number 17 Year 2006 (State Gazette of the Republic of Indonesia Number 93 Year 2006, Supplement to State gazette of the Republic of Indonesia Number 4661);

2. Act Number 17 Year 2003 concerning State Finance (State Gazette of the Republic of Indonesia Number 47 Year 2003, Supplement to State Gazette of the Republic of Indonesia Number 4286);

3. Act Number 1 Year 2004 concerning State Treasury (State Gazette of the Republic of Indonesia Number 5 Year 2004, Supplement to State Gazette of the Republic of Indonesia Number 4355);

4. Act Number 22 Year 2011 concerning National Budget of Fiscal Year 2012 (State Gazette of the Republic of Indonesia Number 113 Year 2011, Supplement to State Gazette of the Republic of Indonesia Number 5254) as amended by Act Number 4 Year 2012 (State Gazette of the Republic of Indonesia Number 87 Year 2012, Supplement to State Gazette of the Republic of Indonesia Number 5303);

5. The Presidential Decree Number 56/P Year 2010;

6. Regulation of the Minister of Finance Number 63/PMK.05/2010 concerning Implementation Mechanism and Responsibility for Government Borne Import Duty as amended by Regulation of the Minister of Finance Number 236/PMK.05/2011;

7. Regulation of the Minister of Finance Number 23/PMK.011/2012 concerning Government Borne Import Duty on the Import of Goods and Materials for the Manufacture of Goods and/or Services to serve the Public Interest and Improve the Competitive Edge of Industries in Certain Sectors for Fiscal Year 2012;

DECIDES:

To stipulate: REGULATION OF THE MINISTER OF FINANCE CONCERNING GOVERNMENT BORNE IMPORT DUTY ON THE IMPORT OF GOODS AND MATERIALS TO MAKE CARPET AND / OR TAPESTRY IN THE FISCAL YEAR 2012
Article 1

In this Regulation of the Minister referred to as :

1. Companies are companies in industry engaged to Make Carpet and / or Tapestry.

2. Goods and Materials to Make Carpet and / or Tapestry hereinafter called Goods and Materials are goods and/or raw materials to be processed to Make Carpet and / or Tapestry by the Companies.

Article 2

(1) Government Borne Import Duty shall be granted on the import of Goods and Material as stated in Appendix of this Regulation of the Minister of Finance that is an integral part of this Regulation of the Minister of Finance.

(2) Government Borne Import Duty as referred in paragraph (1) is tax subsidy borne by the Government as referred in Regulation of the Minister of Finance concerning implementation mechanism and responsibility of Government Borne Import Duty.

(3) Government Borne Import Duty cannot be given to:

a. Goods and Materials are charged general import duty tariff 0 % (nil percent);

b. Goods and Materials are charged import duty 0% (nil percent) based on international agreements;

c. Goods and Materials are charged Anti-Dumping Import Duty/Temporary Anti-Dumping Import Duty, Safety Measure Import Duty/Temporary Safety Measure Import Duty, Counter Import Duty, or Counter Strike Import Duty;

d. Goods and Materials are imported by Company in Bonded Zone; or

e. Goods and Materials are imported by Company that get exemption or returning import duty facility on the import of Goods and Materials to be processed, manufactured, or installed at other goods for export purpose;

(4) Government Borne Import Duty as referred in paragraph (1) shall be granted with a budget ceiling of Rp.24,000,000,000 (twenty four billions rupiah).
(5) Minister of Finance as State General Treasury as Budget User of Part of State General Treasury stipulate Director General of Manufacture Industry Base, Ministry of Industry as Specific Budget Users to implement payment of government borne tax subsidy expenses.

(6) Budget allocation of Government Borne Import Duty with budget ceiling as referred in paragraph (4) for companies, is stipulated by Specific Budget Users as referred in paragraph (5).

Article 3

91) To obtain the Government Borne Import Duty as referred in Article 2 paragraph (1), Company shall file application to the Director General of Customs and Excise by enclosing a Plan for Import of Goods already approved and validated by the Director General of Manufacture Industry Base, Ministry of Industry.

(2) Plan for Import of Goods as referred in paragraph (1) shall at least contains the following data:

a. Number and date of Plan for Import of Goods;

b. Number of Government’s Annual Budget (DIPA) of Fiscal Year 2012;

c. Name of Company;

d. Tax Identification Number (NPWP);

e. Address;

f. The customs office where goods are entered;

g. Description, types and technical specifications of goods;

h. Tariff post (HS);

i. The number/units of goods;

j. Estimate of import price;

k. Origin country

l. Estimate of government borne import duty; and

m. Name and signature the leader of Company.

Article 4

(1) Upon the request as referred in Article 3 paragraph (1), The Director General of Customs and Excise shall
approve or reject the applications at the latest 14 (fourteen) days after the applications have been received in a complete manner.

(2) Approval as referred in paragraph (1) may be approval to the part or approval to all of Goods and Materials are stated in Plan for Import of Goods that is attached at the application by the Company as referred in Article 3.

(3) If part of or all the application as referred in paragraph (1) is approved, the Director General of Customs and Excise on behalf of The Minister of Finance shall issue The Minister of Finance Decree concerning government borne import duty on the import of goods and materials to Make Carpet and / or Tapestry by Carpet and / or Tapestry industry.

(4) If the application as referred in paragraph (1) is rejected, the Director General of Customs and Excise on behalf of The Minister of Finance shall issue rejection letter to the Company and state the reason of rejection.

Article 5

(1) Upon the realization of the import of goods and materials granted government borne import duty under The Minister of Finance Decree as referred in Article 4 paragraph (3), the Customs and Excise Supervisory and Service Office or Customs and Excise Primary Service Office concerned shall put a stamp “GOVERNMENT BORNE IMPORT DUTY BASED ON REGULATION OF THE MINISTER OF FINANCE Number 108/PMK.011/2012” on all sheets of Import Customs Notification.

(2) The Import Customs Notification as referred in paragraph (1) shall be used as the basis for the recording of receipts from government borne import duty and allocated as expenditure of tax subsidy in the same amount.

Article 6

(1) In case there is different of Goods and Materials will be imported with Goods and Materials are in the Minister of Finance Decree as referred in Article 4 paragraph (2), Company can submit application to change the Minister of Finance Decree.

(2) Application to change the Minister of Finance Decree as
referred in paragraph (1), is submitted to the Director General of Customs and Excise, attached with Changing Plan for Import of Goods already approved and validated by Director General of Manufacture Industry Base, Ministry of Industry.

**Article 7**

1. Upon the request to change the Minister of Finance Decree as referred to in Article 6, The Director General of Customs and Excise shall approve or reject the applications no later than 14 (fourteen) days after the applications have been received in a complete manner.

2. Approval of changing application as referred in paragraph (1) may be approval to the part or approval to all of it.

3. If part of or all the application to change the Minister of Finance Decree as referred in Article 6 are approved, the Director General of Customs and Excise on behalf of The Minister of Finance shall issue The Minister of Finance Decree concerning amendment to the Minister of Finance Decree as referred in Article 4 paragraph (3).

4. In case of the application to change the Minister of Finance Decree as referred in paragraph (1) is rejected, the Director General of Customs and Excise on behalf of The Minister of Finance shall issue rejection letter and state the reason of rejection.

**Article 8**

The Implementation and responsibility on the Government Borne Import Duty as referred in Article 2 according to provisions in Regulation of the Minister of Finance that governs implementation mechanism and responsibility of Government Borne Import Duty.

**Article 9**

1. Upon The goods and materials which are granted Government Borne Import Duty shall be used by the relevant companies to make Carpet and / or Tapestry and shall not be transferred to other party.

2. Upon the abusing to provisions in paragraph (1) Companies shall pay actual import duty plus 2% (two percent) of interest per month for a maximum of 24 (twenty four) months since the Government Borne Import Duty as referred in Article 5 paragraph (1) is
realized.

Article 10

This Regulation of the Minister shall come into force on the date of stipulation and be valid until December 31, 2012.

For public cognizance, this Regulation of the Minister shall be promulgated by placing it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta
on June 13, 2012
MINISTER OF FINANCE,
Signed,
AGUS D.W. MARTOWARDOJO

Promulgated in Jakarta
on June 13, 2012
MINISTER OF JUSTICE AND HUMAN RIGHTS,
Signed,
AMIR SYAMSUDIN
STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 620 YEAR 2012
APPENDIX

REGULATION OF THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA NUMBER 108/PMK.011/2012

CONCERNING

GOVERNMENT BORNE IMPORT DUTY ON THE IMPORT OF GOODS AND MATERIALS TO MAKE CARPET AND / OR TAPESTRY IN THE FISCAL YEAR 2012

LIST OF GOODS AND MATERIALS TO MAKE CARPET AND / OR TAPESTRY WHICH GET GOVERNMENT BORNE IMPORT DUTY IN THE FISCAL YEAR 2012

<table>
<thead>
<tr>
<th>NUMBER</th>
<th>DESCRIPTION OF GOODS</th>
<th>SPECIFICATION</th>
<th>INCLUDES IN THE TARIFF POST</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Polypropylene</td>
<td>Crystal form</td>
<td>3902.10.90.20</td>
</tr>
<tr>
<td>2.</td>
<td>Pigment</td>
<td>Crystal / Powder / Chips / Liquid / Pasta form</td>
<td>3204.90.00.00</td>
</tr>
<tr>
<td>3.</td>
<td>Latex</td>
<td>From Styrene Butadiene / Styrofan shaped Gel / Foam</td>
<td>4002.11.00.00</td>
</tr>
<tr>
<td>4.</td>
<td>Color Masterbatch</td>
<td>Crystal / Powder / Chips / Liquid / Pasta form</td>
<td>4002.19.10.00</td>
</tr>
<tr>
<td>5.</td>
<td>Latex</td>
<td>From Butanol / alkaline compounds that are shaped Gel / Foam</td>
<td>4002.91.00.00</td>
</tr>
<tr>
<td>6.</td>
<td>Wool Fiber</td>
<td>Wool not carded or combed, greasy, including fleeced-washed wool, shaved wool</td>
<td>5101.11.00.00</td>
</tr>
<tr>
<td>7.</td>
<td>Jute Yarn</td>
<td>Multiple (folded) or cabled</td>
<td>5307.20.00.00</td>
</tr>
<tr>
<td>8.</td>
<td>Nylon Yarn</td>
<td>Synthetic yarn texture of nylon with the size of each single yarn is more than 50 text</td>
<td>5402.32.00.00</td>
</tr>
<tr>
<td>9.</td>
<td>Primary Carpet</td>
<td>Man made textile net</td>
<td>5608.19.90.00</td>
</tr>
</tbody>
</table>
Backing / fabrics materials
Secondary
Carpet Backing

MINISTER OF FINANCE,
Signed,
AGUS D. W. MARTOWARDOJO