

to [Indonesian](#)

DECREE OF THE MINISTER OF FINANCE No.89/KMK.04/2002

CONCERNING PROCEDURES FOR GRANTING EXEMPTION FROM IMPORT DUTY AND EXCISE ON THE IMPORT OF GOODS FOR THE NEED OF INTERNATIONAL AGENCIES AND THEIR OFFICIALS ASSIGNED IN INDONESIA

THE MINISTER OF FINANCE,

Considering :

- a. that in connection with changes in government policies in the automotive sector, it is necessary to re-stipulate provision on granting of exemption from import duty and excise on goods for the need of international agencies and their officials assigned in Indonesia as meant in Decree of the Minister of Finance No.569/KMK.05/1998 on procedures for granting exemption from import duty and excise on the import of goods for the need of international agencies and their officials assigned in Indonesia so as to be in accordance with the government policies;
- b. that based on the consideration as meant in letter a, it is necessary to stipulate a decree of the Minister of Finance on procedures for granting exemption from import duty and excise on the import of goods for the need of international agencies and their officials assigned in Indonesia;

In view of :

- 1. Law No.10/1995 on Customs Affairs (Statute Book of 1995 No.75, Supplement to Statute Book No.3612);
- 2. Law No.11/1995 on Excise Affairs (Statute Book of 1995 No.76, Supplement to Statute Book No.3613);
- 3. Government Regulation No.19/1995 on Regulation Concerning Exemption From Import Duty And General Output Excise for the Purpose of Certain Categories of Foreign Officials And Experts;
- 4. Presidential Decree No.228/KMK.05/1996 on Customs Procedures in the Excise Field;
- 5. Decree of the Minister of Finance No.25/KMK.05/1997 on Customs Procedures in the Import Field;

DECIDES:

To stipulate :

THE DECREE OF THE MINISTER OF FINANCE ON PROCEDURES FOR GRANTING EXEMPTION FROM IMPORT DUTY AND EXCISE ON THE IMPORT OF GOODS FOR THE NEED OF INTERNATIONAL AGENCIES AND THEIR OFFICIALS ASSIGNED IN INDONESIA.

CHAPTER I GENERAL PROVISION

Article 1

(1) Referred to in this Decree as:

- a. International agencies are representatives of foreign countries, representatives of international organizations subordinate to the United Nations and other international organizations/institutions domiciled in Indonesia on the basis of appointment of principals of the relevant international agencies, which provide technical assistance for Indonesia in economic, social and cultural fields.
- b. Officials are heads of international agencies along with foreign staff and/or experts appointed directly by principals of the said international agencies and already securing approval from the Indonesian government to execute their tasks or positions in Indonesia as well as being not locally appointed personnel.
- c. Technical cooperation is cooperation between international agencies and the Indonesian government partly or wholly financed by overseas grants.
- d. Goods are goods sent for the need of offices of international agencies, including goods for the need of officials and goods for the need of projects and non-projects in the framework of technical cooperation.
- e. Project goods in the framework of technical cooperation are goods, including motor vehicles needed for supporting the implementation of project activities with the allocation of fund or detail of the goods being contained in technical cooperation agreements between international agencies and the Indonesian government.
- f. Non-project goods in the framework of technical cooperation are goods, including motor vehicles sent by international agencies in the framework of boosting enhancement of economy, social and culture, which cover emergency aid for Indonesia with the allocation of fund/details of the goods being not contained in technical cooperation agreements between international agencies and the Indonesian government.
- g. Motor vehicles are four-wheel motor vehicles for transport of people, of sedan, station wagon and minibus categories, which have a cylinder capacity of 4,000 CC and lower and jeep having a cylinder capacity of 5,000 CC and lower.

(2) The international agencies as meant in paragraph (1) letter a are the agencies as stipulated in Attachment I to this Decree.

(3) Stipulation and any change in the international agencies as meant in paragraph (2) are set forth by a decree of the Minister of Finance on basis of recommendations of the State Secretariat of the Republic of Indonesia.

CHAPTER II

EXEMPTION FROM IMPORT DUTY AND EXCISE IN THE FRAMEWORK OF IMPORT

Article 2

The import of goods for the need of international agencies and their officials is exempted from import duty and excise.

Article 3

Goods imported for the need of international agencies and their officials securing the exemption from import duty and excise as meant in Article 2 include:

- a. goods for the need of offices of international agencies in Indonesia;
- b. goods used for the personal need and goods used for the need of their expertise (professional equipment), including goods for the need of family members of officials working with international agencies in Indonesia;
- c. goods for the need of project and non-project in the framework of technical cooperation which are sent through international agencies.

Article 4

(1) The offices of international agencies as meant in Article 3 letter a are exempted from import duty on the purchase of motor vehicles produced locally (CKD) in a reasonable quantity, maximally 6 (six) units for offices having more than 5 (five) officials and maximally equal to the number of their officials for offices having 5 (five) officials or lower.

(2) In the case of international agencies needing motor vehicles in a completely built up (VBU) condition, the facility of exemption from import duty as meant in paragraph (1) can be granted to motor vehicles imported or purchased in a CBU condition with the provision that the number of the vehicles is maximally 2 (two) for representative offices of international organizations subordinate to the United Nations and one unit for other international agencies.

Article 5

(1) During their term of office in Indonesia, officials of international agencies having an assignment period of one year at the minimum can be exempted from import duty on the purchase of one motor vehicle produced locally (CKD).

(2) Especially for heads of representatives of international organizations subordinate to the United Nations and officials of the same level as deputies, the motor vehicle as meant in paragraph (1) can be imported or purchased in a CBU condition.

Article 6

(1) The purchase of locally produced motor vehicles for the need of projects and non-projects in the framework of technical cooperation can be exempted from import duty in accordance with the need of the said technical cooperation.

(2) In the case of international agencies needing motor vehicles in a CBU condition with technical specifications badly needed in the realization of projects in the framework of technical cooperation, import duty can be exempted with the provision that the granted facility constitutes part of the facility as meant in paragraph (1).

Article 7

(1) The Director General of Customs and Excise issues a decision on the exemption from import duty and excise on the basis of applications of heads of international agencies or the appointed officials after securing approval from the State Secretariat of the Republic of Indonesia.

(2) The applications as meant in paragraph (1) are made out in accordance with the example as stipulated in Attachment II to this Decree.

CHAPTER III SALE AND HANDING OVER OF VEHICLES

Article 8

(1) The motor vehicles as meant in Article 4 only can be sold or handed over by heads of international agencies or the appointed officials after being used at least 3 (three) years as from the date of issuance of a decision of the Director General of Customs and Excise.

(2) Applications for the sale or handing over of motor vehicles that convincingly cannot be used anymore before the period as meant in paragraph (1) can be submitted to the Director General of Customs and Excise after securing approval from the State Secretariat.

(3) The purchase of new motor vehicles by offices of international agencies as substitutes to the motor vehicles already sold or handed over as meant in paragraphs (1) and (2) can be realized after import duty and tax in the framework of the import of the motor vehicles which are sold or handed over are settled.

Article 9

(1) The motor vehicles as meant in Article 5 can be sold or handed over to other parties with the provision that:

- a. they have been used at least 2 (two) years as from the date of issuance of a decision of the Director General of Customs and Excise.
- b. the relevant officials/agencies terminate their assignment period less than 2 (two) years.
- c. the motor vehicles convincingly cannot be used anymore/are no longer adequate to operate in executing tasks in a period of less than 2 (two) years.
- d. the sale or handing over secures approval from the State Secretariat.

(2) The purchase or import of new motor vehicles by and for offices of international agencies as substitutes to the motor vehicles which are sold or handed over as meant in paragraph (1) can be realized after the import duty and tax in the import of the motor vehicles which are sold or handed over are settled.

Article 10

The motor vehicles as meant in Article 6 can be sold or handed over by heads of international agencies or the appointed officials after the period of implementation of project or non-project activities expires.

Article 11

With regard to the sale or handing over as meant in Articles 8, 9 and 10, the import duty and tax in the framework of the import is settled by using the charging tariff and customs value effective upon the sale or handing over of the motor vehicles.

Article 12

(1) The Director General of Customs and Excise issues a license to sell or hand over the motor vehicles on the basis of applications of heads of international agencies or the appointed officials and approval of the State Secretary or the appointed official by mentioning reasons for the handing over as meant in Articles 8, 9 and 10.

(2) The applications as meant in paragraph (1) are submitted by using the form in accordance with the example as stipulated in Attachment III to this Decree.

CHAPTER IV DESTRUCTION OF MOTOR VEHICLES

Article 13

(1) Motor vehicles imported under the facility as meant in Articles 4, 5 and 6 by offices of international agencies or their officials, which cannot be used anymore because of certain factors can be destroyed after securing a license from the Director General of Customs and Excise on the basis of approval of the State Secretariat of the Republic of Indonesia.

(2) With regard to destruction of the motor vehicles as meant in paragraph (1), a report is conveyed to the Director General of Customs and Excise as the basis for writing off the said motor vehicles.

(3) The motor vehicles already written off as meant in paragraph (2) are exempted from import duty and tax in the framework of the import and certificate of settlement of import duty is not issued.

CHAPTER V CONCLUSION

Article 14

Technical provisions needed in the framework of implementation of this Decree are further stipulated by a decision of the Director General of Customs and Excise.

Article 15

With the enforcement of this Decree:

- 1. Decree of the Minister of Finance No.569/KMK.09/1998;
- 2. Decree of the Minister of Finance No.452/KMK.01/1995;
- 3. Letter of the Minister of Finance No.B-III/M.K./III/6/1976 dated June 4, 1976 are declared null and void.

Article 16

This decree comes into force as from the date of stipulation.

For public cognizance, this Decree shall be published by placing it in State Gazette of the Republic of Indonesia.

Stipulated in Jakarta
On March 12, 2002

THE MINISTER OF FINANCE
sgd.
BOEDIONO
