

PROVISIONS ON THE IMPORT OF SUGAR

(Decree of the Minister of Industry and Trade No. 527/MPP/Kep/9/2004 dated September 17, 2004)

THE MINISTER OF INDUSTRY AND TRADE,

Considering:

- a. that following the issuance of Presidential Decree No. 57/2004 on stipulation of sugar as goods under supervision and Presidential Decree No. 58/2004 on settlement of illegally imported sugar and in the framework of realizing food security and driving up the growth of Indonesian economic as well as creating self-sufficiency in sugar and enhancing competitiveness as well as income of cane farmers and sugar mills, it is necessary to take measures to maintain the supply of sugar as raw material and consumption originating from the import;
- b. that in connection with the matter in letter a, it is deemed necessary to revoke Decree of the Minister of Industry and Trade No. 643/MPP/Kep/9/2002 on procedures for importing sugar by re-regulating the provisions on the import of sugar;
- c. that in relation thereto, it is necessary to issue a decree of the Minister of Industry and Trade;

In view of:

1. Trade Ordinance of 1934 (Statute Book of 1938 No. 86);
2. Law No. 7/Drt/1995 on investigation, demanding and prosecution of economic crimes (Statute Book of 1955 No. 27, Supplement to Statute Book No. 801) as already amended several times and the latest by Law No. 17/1964 (Statute Book of 1962 No. 101, Supplement to Statute Book No. 2695);
3. Law No. 8/Prp/1962 on trade of goods under supervision (Statute Book of 1962 No. 42, Supplement to Statute Book No. 2469);
4. Law No. 5/1984 on industry (Statute Book of 1984 No. 22, Supplement to Statute Book No. 2469);
5. Law No. 23/1992 (BN No. 5320 page 16A and so on) on health (Statute Book of 1992 No. 100, Supplement to Statute Book No. 3495);
6. Law No. 7/1994 on ratification of the agreement establishing the World Trade Organization (Statute Book of 1994 No. 57, Supplement to Statute Book No. 3564);
7. Law No. 10/1995 (BN No. 5812 pages 19A and 20A and so on) on customs affairs (Statute Book of 1995 No. 75, Supplement to Statute Book No. 3612);
8. Law No. 7/1996 on food (Statute Book of 1996 No. 99, Supplement to Statute Book No. 3656);
9. Law No. 8/1999 (BN No. 6321 pages 1A - 7A and so on) on consumer protection (Statute Book of 1999 No. 42, Supplement to Statute Book No. 3821);
10. Government Regulation No. 11/1962 on trade of goods under supervision (Statute Book of 1962 No. 46, Supplement to Statute Book No. 2473) as already amended by Government Regulation No. 19/2004 (Statute Book of 2004 No. 68, Supplement to Statute Book No. 4402);
11. Government Regulation No. 68/2002 on food security (Statute Book of 2002 No. 142, Supplement to Statute Book No. 4254);
12. Presidential Decree No. 260/1967 on affirmation of tasks and responsibility of the Minister of Trade in the international trade sector;
13. Presidential Decree No. 228/M/2001 on the establishment of the Mutual Cooperation Cabinet;
14. Presidential Decree No. 102/2001 on the status, tasks, functions, authority, organizational structures and working arrangements of ministries;
15. Presidential

15. Presidential Decree No. 109/2001 on first-echelon organizational units and tasks of ministries;
16. Presidential Decree No. 57/2004 (BN No. 7093 page 4A) on stipulation of goods under supervision;
17. Presidential Decree No. 58/2004 (BN No. 7092 pages 30A - 31A) on settlement of illegally imported sugar;
18. Decree of the Minister of Industry and Trade No. 229/MPP/Kep/1997 (BN No. 6032 pages 5A - 7A) on import general provisions;
19. Decree of the Minister of Industry and Trade No. 230/MPP/Kep/7/1999 (BN No. 6032 pages 7A - 12A) on goods subjected to import control as already amended several times and the latest by Decree of the Minister of Industry and Trade No. 406/MPP/Kep/6/2004;
20. Decree of the Minister of Industry and Trade No. 86/MPP/Kep/3/2001 on the organization and working arrangement of the Ministry of Industry and Trade;
21. Decree of the Minister of Industry and Trade No. 141/MPP/Kep/3/2002 (BN No. 6741 pages 2A - 3A) on special importer identity number (NPIK);
22. Decree of the Minister of Industry and Trade No. 40/MPP/Kep/1/20034 (BN No. 6836 pages 15A - 26A) on importer identity number (API);
23. Decree of the Minister of Finance No. 545/KMK.01/2003 (BN No. 7044 pages 28A - 30A) on stipulation of systems of classifications of goods;

D E C I D E S :

To revoke:

Decree of the Minister of Industry and Trade No. 643/MPP/Kep/9/2002 on provisions on the import of sugar.

To stipulate:

THE DECREE OF THE MINISTER OF INDUSTRY AND TRADE ON THE PROVISIONS ON THE IMPORT OF SUGAR

Article 1

Referred to in this decree as:

1. Sugar shall be raw sugar, refined sugar and plantation white sugar.
2. Raw sugar shall be sugar used as raw material of production, subsumed into Tariff Heading/HS No. 1701.11.00.00 and 1701.12.00.00.
3. Refined sugar shall be sugar used as raw material of production, subsumed into Tariff Heading/HS No. 1701.99.11.00 and 1701.99.19.00.
4. Plantation White Sugar shall be sugar directly consumable without further process, subsumed into Tariff Heading/HS No. 1701.91.00.00 and 1701.99.90.00.
5. ICUMSA Number shall be a parameter of value of purity related to color of sugar, measured on the basis of international standards, in international unit (IU).
6. Recommendation shall be a document issued by the authorized institution of institution/unit concerned, which provides technical explanation and is not import license/approval.
7. Verification or technical surveillance of the import of sugar shall be inspection of import of sugar by surveyor with regard to completeness and truth of licensing documents and administrative requirements owned by sugar importers as well as technical information about the imported sugar.
8. Minister shall be the Minister of Industry and Trade.
9. Director General shall be the Director General of Foreign Trade, Ministry of Industry and Trade.

Article 2

- (1) The raw sugar as meant in Article 1 point 2 which can be imported shall have INCUMSA Number minimally 1200 IU and the refined sugar as meant in Article 1 point 3 which can be imported shall have ICUMSA Number maximally 45 IU.

(2) The raw sugar and refined sugar as meant in paragraph (1) only can be imported by companies already securing recognition as sugar producer importer, hereinafter called IP Sugar.

(3) The raw sugar and refined sugar imported by the IP Sugar as meant in paragraph (1) only can be used as raw material of production of industries owned the IP Sugar and cannot be traded and transferred.

(4) Refined sugar resulting from industries owned by IP Sugar, with raw material originating from imported raw sugar only can be traded or distributed to industries and cannot be traded on the domestic market.

Article 3

(1) Recognition of IP Sugar as meant in Article 2 shall be stipulated by the Director General.

(2) Companies planning to secure recognition as IP Sugar as meant in paragraph (1) shall submit written applications to the Director General by enclosing:

- a. industrial business license/industry registry number or other equivalent business license issued by the authorized institution;
- b. Producer Importer Identity Number (API-P) or Approved Importer Identity Number (API-T);
- c. Corporate Registry Number (TDP);
- d. Taxpayer Code Number (NPWP);
- e. Recommendation from:
 - 1) the Director General of Chemical, Agro and Forest Product Industries, Ministry of Industry and Trade, in the case of the import of raw sugar and refined sugar being used as raw material of refinery or other industries; or
 - 2) the Director General of Plantation Production Development, Ministry of Industry and Trade, in the case of the import of raw sugar/refined sugar being used as raw materials of factories of plantation white sugar.
 - 3) the recognition as IP Sugar as meant in paragraph (2) shall cover, among other, the validity period of recognition as IP sugar, volume of sugar, kind of sugar and destination port.

Article 4

(1) Based on the written application of the companies as meant in Article 3 paragraph (2), the Director General shall issue or reject recognition as IP Sugar not later than 15 (fifteen) working days as from the date of receipt of application.

(2) The model of document of recognition as IP Sugar shall be contained in Attachment I to this decree.

Article 5

The recognition as IP Sugar as meant in Article 2 shall be effective for one year at the maximum and can be extended.

Article 6

(1) Companies already securing recognition as IP Sugar shall convey written report to:

- a. the Director General in this case the Director of Import, Ministry of Industry and Trade, every month on the realization of the import of raw sugar and refined sugar not later than the 15th of the ensuing month after the month when the import is realized;
- b. the Director General of Chemical, Agro and Forest Product Industries, in this case the Director of Agro Industries, Ministry of Industry and Trade, every 6 (six) months on the realization of production and distribution of processed products of refinery industry or other industries, not later than the 15th of the ensuing month after the six month period when the production and distribution of the processed product are realized;
- c. the Director General of Plantation Production Development in this case the Director of Seasonal Plant, Ministry of Agriculture every 6 (six) months on the realization and distribution of processed product of plantation white sugar factories, not later than the 15th of the ensuing month after the six month period when the production and distribution of the processed product are realized.

(2) The model of the written report of the companies already securing recognition as IP Sugar as meant in paragraph (1) shall be:

- a. as contained in Attachment II to this decree in the case of the realization of the import to the Director General in this case the Director of Import, Ministry of Industry and Trade;
- b. stipulated respectively by the Director General of Chemical, Agro and Forest Product Industries, Ministry of Industry and Trade and the Director General of Plantation Production Development, Ministry of Agriculture in the case of the realization and distribution of processed product as meant in paragraph (1) letters b and c.

Article 7

- (1) The plantation white sugar as meant in Article 1 point 4 which can be imported shall have ICUMSA Number from 100 IU and 300 IU.
- (2) The plantation white sugar as meant in paragraph (1) only can be imported:
 - a. outside the period:
 - one month before the milling season of smallholder cane;
 - milling season of smallholder cane;
 - two months after the milling season of smallholder cane.
 - b. if the price of plantation white sugar at the farmer level exceeds Rp 3,410 (three thousand four hundred and ten rupiahs) per kg;; and/or
 - c. if the production and/or stock of plantation white sugar in the country is/are not sufficient to meet the need.
- (3) The milling season of smallholder cane as meant in paragraph (2) letter a shall be stipulated by the Minister of Agriculture.
- (4) The stipulation of the condition when the price of plantation white sugar at the farmer level exceeds Rp 3,410 (three thousand four hundred and ten rupiahs) per kg and/or the condition when the production or stock of plantation white sugar is not sufficient to meet the need as meant in paragraph (2) letters b and c shall be based on result of coordinating meeting between institutions/agencies and associations concerned.
- (5) The price of plantation white sugar at the farmer level amounting to Rp 3,410 (three thousand four hundred and ten rupiahs) per kg can be changed and stipulated different by the minister after considering result of coordinating meeting between institutions/agencies and associations concerned.
- (6) The volume of sugar that needs to be imported to meet the domestic need shall be stipulated on the basis of result of coordinating meeting between institutions/agencies and associations concerned after considering the matters as contained in paragraphs (4) and (5).

Article 8

The import of plantation white sugar fulfilling the provisions as meant in Article 7 paragraphs (1) and (2) only can be realized by companies already securing the appointment as Registered Importers of Sugar, hereinafter called IT Sugar.

Article 9

- (1) The appointment of IT Sugar as meant in Article 8 shall be stipulated by the Director General.
- (2) Companies planning to secure the appointment as IT Sugar as meant in paragraph (1) shall be companies with at least 75% (seventy percent) of their cane resulting from:
 - a. cane farmers; or
 - b. cooperation with local cane farmers.
- (3) The evidence of acquisition of cane as meant in paragraph (2) shall be based on certificate of acquisition of cane from the association of local cane farmers.
- (4) Companies already fulfilling the provisions as meant in paragraph (2) shall submit written application to the Director General by enclosing:
 - a. trading business license or other equivalent business license issued by the authorized institution;
 - b. Importer Identity Number (API);
 - c. Corporate Registry Number (TDP);
 - d. Special Importer Identity Number (NPIK) of sugar;
 - e. Taxpayer Code Number (NPWP).

Article 10

- (1) Based on the written application of companies as meant in Article 9 paragraph (4), the Director General shall issue approval or rejection of appointment as IT Sugar not later than 15 (fifteen) working days as from the date of receipt of the applications.
- (2) The model of document of appointment as IT Sugar shall be contained in Attachment III to this decree.

Article 11

The appointment of IT Sugar as meant in Article 9 shall be effective for 3 (three) years at the maximum and can be extended.

Article 12

- (1) The import of plantation white sugar by IT Sugar shall secure import approval first from the Director General.
- (2) The import as meant in paragraph (1) shall contain, among others, the validity period of import approval, volume of sugar, kind of sugar and destination port..

Article 13

- (1) Companies already securing the appointment as IT Sugar shall prop up sugar price if the price of plantation white sugar at the farmer level is below Rp 3,410.00 (three thousand four hundred and ten rupiahs) per kg, in cooperation with other parties securing approval of association of local cane farmers.
- (2) In addition to the IT Sugar as meant in paragraph (1), the Minister or the appointed official can appoint other companies to import in the framework of propping up the price of plantation white sugar and national sugar stocks.

Article 14

- (1) The import of raw sugar, refined and plantation white sugar by IP Sugar and IT Sugar shall be subjected to verification or technical surveillance first, covering:
 - a. Examination of licensing documents and administrative requirements;
 - b. Technical inspection in country where the goods are loaded.

- (2) The verification or technical surveillance as meant in paragraph (1) shall be executed by surveyors appointed by the minister.
- (3) Results of the verification or technical surveillance already executed by the surveyors as meant in paragraph (2) shall be issued in the form of surveyor report (LS) used as import document.
- (4) Based on the verification or technical surveillance as meant in paragraph (1), surveyors can collect compensation for their service from IP Sugar and IT Sugar or from grantors, in the case of the import being executed in the framework of provision of grant.
- (5) In order to secure appointment as the executor of verification or technical surveillance into the import of sugar, surveyors shall meet the following requirements:
 - a. experiencing as surveyors for 5 (five years) at the minimum; and
 - b. having branch or representative or affiliate abroad.
- (6) Provisions on procedures for verification or technical surveillance shall be stipulated by the Director General.

Article 15

The compulsory verification or technical surveillance as meant in Article 14 shall not be applied to the import of sugar, which constitutes:

- (1) goods for the need of technology research and development;
- (2) sample;
- (3) luggage of passenger or crew member of transport means or cross borderer;
- (4) promotion goods;
- (5) goods sent through courier service by using aircraft.

Article 16

The verification or technical surveillance of the import of sugar by surveyors as meant in Article 14 shall not reduce authority of the Directorate General of Customs and Excise to undertake customs inspection.

Article 17

- (1) Companies already securing appointment as IT Sugar shall convey written report to the Director General in this case the Director of Import, Ministry of Industry and Trade every month on the realization of the import of plantation white sugar with a copy made available to the Director General of Domestic Trade, Director General of Chemical, Agro and Forest Product Industries, Ministry of Industry and Trade and the Director General of Plantation Production Development, Ministry of Agriculture not later than 15th of the ensuing month after the month when the import is realized.
- (2) The model of the written report of companies already securing appointment as IT Sugar as meant in paragraph (1) shall be as contained in Attachment II to this decree.

Article 18

Companies already securing recognition as IP Sugar or appointment as IT Sugar and/or import approval shall be prohibited from transferring and using name of IP Sugar or IT Sugar and/or the import approval to other parties.

Article 19

- (1) Recognition of IP Sugar or appointment of IT Sugar shall be frozen if the relevant:
- a. failing to fulfill the obligation to convey the written reports as meant in Articles 6 and 17 two times; or
 - b. committing violation and economic crime related to the abuse of recognition of IP Sugar or appointment of IT Sugar and/or sugar import approval.
- (2) The freezing of recognition of IP Sugar and appointment of IT Sugar as meant in paragraph (1) as well as liquidation shall be done by the Director General.

Article 20

- (1) Recognition of IP Sugar or appointment of IT Sugar shall be revoked if the relevant:
- a. changes, supplements and/or replaces content mentioned in document of recognition of IP Sugar or document of appointment of IT Sugar; or

b. is declared guilty by the court for violation and economic crime related to the abuse of recognition of IP Sugar or appointment of IT Sugar and/or sugar import approval.

- (2) The revocation of recognition of IP Sugar or appointment of IT Sugar as meant in paragraph (1) shall be done by the Director General.

Article 21

- (1) Sugar imported illegally and by ways violating the provisions in this decree shall be stipulated as goods controlled and owned by the state as meant in Article 2 paragraph (2) of Presidential Decree No. 58/2004.
- (2) The sugar stipulated as goods controlled and owned by the state as meant in paragraph (1) shall be auctioned in accordance with the provisions of the law in force and utilized to meet:
- a. the need of industries as raw material/auxiliary material; and/or
 - b. the need of consumption outside Java.
- (3) The sugar utilized to meet the need of industries as meant in paragraph (2) point a only can be used for the need of industries and cannot be traded on the domestic market.
- (4) The volume of the auctioned sugar as meant in paragraph (2) shall be calculated as part of the total volume of sugar that needs to be imported.

Article 22

- (1) With the stipulation of this decree, all legal consequences arising from and all licenses already issued on the basis of Decree of the Minister of Industry and Trade No. 643/MPP/Kep/9/2002 on procedures for importing sugar shall be declared to remain effective until the legal consequences are completed and the validity period of the licenses expires.
- (2) The provision on compulsory verification or technical surveillance as meant in Article 14 shall come into force three months as from the date of stipulation of this decree.

Article 23

The exception from the provisions in this decree only can be stipulated by the minister.

Article 24

Technical provisions and matters not yet regulated in this decree shall be stipulated by the Director General.

Article 25

The decree shall come into force as from the date of stipulation.

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

Stipulated in Jakarta
On September 17,2004

THE MINISTER OF INDUSTRY AND TRADE

Sgd

RINI M.SUMARNI SOEWANDI

ATTACHMENT I:

RECOGNITION TO
REFINED SUGAR PRODUCER IMPORTER
NO.

In connection with application of PT No. date And recommendation of the Director General of Chemical, Agro and Forest Product Industries No. date as well as pursuant to Decree of the Minister of Industry and Trade No. 527/MPP/Kep/9/2004 dated September 17,2004 on the provisions on the import of sugar, it is herewith granted recognition as:

THE PRODUCER IMPORTER OF

- a. RAW SUGAR WITH TARIFF HEADING/HS NO. 1701.11.00.00 AND 1701.12.00.00
- b. REFINED SUGAR WITH TARIFF HEADING/HS NO. 1701.99.11.00 AND 1701.99.19.00

To:
Name of company
Business line

Address of company and factory
Personnel in charge
Telp./Fax No. of company
No. of Industrial Business License
No. of Special Importer Identity (NPIK)
Producer/Approved Importer Identity Number (API-P/T)
Corporate Registry Number (TDP)
Taxpayer Code Number (NPWP)
Destination port

TOTAL NEED

With the provision as follows:

1. The import of the refined sugar must meet the provisions and procedures on the basis of Decree of the Minister of Industry and Trade No. 141/MPP/Kep/3/2002 dated March 6,2002 and No. 527/MPP/Kep/9/2004 dated September 17,2004.
2. A. The imported raw sugar has ICUMSA number of 1,200 (one thousand and two hundred) at the minimum;
B. The imported refined sugar has ICUMSA number of 45 (forty five) at the maximum.
3. The raw sugar or refined sugar is only used for the need of PT and cannot be traded or transferred.
4. You are obliged to show the original sheet of this import approval to local customs and excise officer for every activity of the import of goods to complete the import realization controlling card (enclosed), which covers verification of the quantity and kind of the imported goods.
5. You are obliged to convey copy of the import realization controlling card as meant in paragraph (2), already given initial and seal by customs and excise officer to the Directorate of Import for every activity of the import of goods not later than 2 (two) weeks after the goods are released from destination port.
6. Violation of the provision on the obligation to convey the report is liable to sanction of freezing of recognition as IP Sugar.

7. Recognition of IP Sugar is revoked if the relevant changes, supplements and/or replaces content mentioned in the recognition of IP Sugar and declared guilty by the court for crime related to the abuse of IP Sugar.
8. The recognition as Producer Importer of Refined Sugar is effective up to, proven the date of registration of customs declaration in the form of manifest (BC I.I) in accordance with the customs provision in force.

Jakarta,

THE DIRECTOR GENERAL OF FOREIGN TRADE

CC:

1. The Director General of Chemical, Agro and Forest Product Industries, Ministry of Industry and Trade;
2. The Inspector General, Ministry of Industry and Trade;
3. The Director General of Customs and Excise, Ministry of Finance;
4. Provincial Industry and Trade Service

ATTACHMENT II:

THE MINISTRY OF INDUSTRY AND TRADE
 THE DIRECTORATE GENERAL OF FOREIGN TRADE
 M.I. Ridwan Rais Street # 5, Central Jakarta, Telp 3858194, 3858174-74 ext. 1146, 1147

THE IMPORT REALIZATION CONTROLLING CARD

Attachment to Letter No.

Name of company

No. of API-U/P/T

REALIZATION OF IMPORT						REMAINDER OF IMPORT APPROVAL	INITIAL OF CUSTOMS EXCISE OFFICER
No.	Date	No. & date of submission of PIB	Port	Kind of goods	Volume		
1	2	3	4	5	6	7	8

THE APPOINTMENT AS APPROVED IMPORTER OF PLANTATION WHITE SUGAR

No. :

In connection with application of PT through Letter No. date on application for securing appointment as approved importer of plantation white sugar and based on Decree of the Minister of Industry and Trade No. 527/MPP/Kep/9/2004 dated September 17,2004 on the provisions on the import of sugar, it is herewith granted the appointment as:

THE APPROVED IMPORTER OF PLANTATION WHITE SUGAR
TARIFF HEADING/HS NO. 1701.91.00.00 AND 1701.99.90.00

To:

Name/form of company :
Address of company and factory :
Name of personnel in charge :
Telp./Fax No. of company :
No. of Trading Business License :
General Importer Identity Number (API-U) :
Corporate Registry Number (TDP) :
Special Importer Identity Number (NPIK) :
Taxpayer Code Number (NPWP) :

With the provision as follows:

- a. The appointment as approved importer of plantation white sugar does not apply as import license;
- b. To report any change in company to the Directorate General of Foreign Trade not later than 30 (thirty) days after the change;
- c. To provide data/information and/or prepare for field inspection (factory/office) if necessary by the authorized official within the Ministry of Industry and Trade;
- d. The realization of the import of plantation white sugar must meet the provisions and procedures based on Decree of the Minister of Industry and Trade No. 141/MPP/Kep/3/2002 dated March 6,2002 and No. 527/MPP/Kep/9/2004 dated September 17,2004;
- e. The appointment as approval importer of plantation white sugar applies up to (.....)
- f. Violation of the provisions in letter a up to letter e is liable to sanction in the form of freezing, revocation of import license of plantation white sugar or revocation of approved importer of sugar.

Jakarta,

THE DIRECTOR GENERAL OF FOREIGN TRADE

CC:

1. The Minister of Industry and Trade;
2. The Inspector General, Ministry of Industry and Trade;
3. The Director General of Chemical, Agro and Forest Product Industries, Ministry of Industry and Trade;
4. The Director General of Customs and Excise, Ministry of Finance;
5. Provincial Industry and Trade Service

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