

TECHNICAL CRITERIA OF USED CAPITAL IMPORTED GOODS

**(Regulation of of the Minister of Industry of R.I Number
14/M-IND/PER/2/2016, dated February 23, 2016)**

WITH THE BLESSING OF THE ONE AND ONLY GOD
MINISTER OF INDUSTRY OF
THE REPUBLIC OF INDONESIA

Considering:

- a. Whereas, based on Article 4 paragraph (5) of the Regulation of Minister of Trade Number 127/M-DAG/PER/ 12/2015, concerning terms and conditions on Used Capital Imported Goods, used capital imported goods included in Tariff Post/HS 84, 85, 87, 89, 90 may be imported if they comply with the technical criteria duly stipulated by the Minister of Industry;
- b. Whereas, based on Article 7 paragraph (1) and paragraph (2) of Regulation of the Minister of Trade Number 127/M-DAG/12/2015, concerning terms and conditions on Used Capital Goods, application for import of used capital goods covered in Tariff post/HS 8511, 8704, 8705, 8716 by company constituting direct user and reconditioning company shall be obliged to provide supporting technical consideration and the Director General of Metal Industry, Machinery, Transportation

Equipment, and Electronic of the Ministry of Industry;

- c. Whereas, based on the consideration referred to in letter a and letter b, it is necessary to stipulate Regulation of the Minister of Industry on Technical Criteria of Used Capital Imported Goods;

In view of:

1. Law Number 3 Year 2014, concerning Industry (Statute Book of the Republic of Indonesia Year 2014 Number 4, Supplement to Statute Book of the Republic of Indonesia Number 5492);
2. Law Number 7 Year 2014, concerning Trade (Statute Book of Republic of Indonesia Year 2014 Number 45, Supplement to Statute Book of the Republic of Indonesia Number 5512)
3. Presidential Regulation Number 7 Year 2015, concerning Organization of State Ministry;
4. Presidential Regulation Number 29 Year 2015, concerning Ministry of Industry;

5. Presidential Decree Number 121/P Year 2014, concerning Establishment of Ministry and Appointment of Ministers of Working Cabinet for Period Year 20 14-2019;
6. Regulation of the Minister of Industry Number 107/M-IND/PER/11/2015, concerning Organization and Work Procedure of the Ministry of Industry;
7. Regulation of the Minister of Trade Number 127/M-DAG/PER/12/2015, concerning Terms and Conditions on Used Capital Imported Goods;

DECIDES

To stipulate:

REGULATION OF THE MINISTER OF INDUSTRY ON TECHNICAL CRITERIA ON USED CAPITAL IMPORTED GOODS.

Article 1

What is meant in this Regulation of the Minister by:

1. Used Capital Imported Goods hereinafter referred to as BMTB, shall be goods constituting business capital or goods to produce any product still useable, or used for reconditioning, remanufacturing, refunctioning but not in the form of scrap.
2. Import shall be importing goods into the Customs Area.
3. Direct User Company shall be company holding business license for importing BMTB for processing its own products or for use by other company for other purpose not covered in the production process.
4. R-Conditioning Company shall be company that holds business license for re-conditioning or repairing industry importing BMTB to process final product for export and/or to fulfill orders from local Direct User Company.
5. Re-Manufacturing Company shall be company that holds business license for re-manufacturing (included

in KBLI 28240) that imports BMTB in the form of used heavy equipment to be processed into new final product with technical specification and guaranteed by the Mark/Brand Holder intended for export and/or to fulfill orders from local Direct User Company.

6. Import Approval shall be approval used as license for exercising import of BMTB.
7. Technical consideration shall be Statement issued by the Official duly appointed containing clarification on BMTB to be imported.
8. Capacity Survey shall be assessment on capacity of BMTB by the Re-Conditioning Company.
9. Minister shall be Minister exercising administration affair on Industry.
10. Director General shall be Director General of Industry on Metal, Machinery, Transportation Equipment and Electric of the Ministry of Industry.

Article 2

- (1) BMTB may be imported by:
 - a. Direct User Company;
 - b. Re-Conditioning Company; and
 - c. Re-Manufacturing Company.
- (2) List of BMTB that may be imported by Direct User Company, Re-Conditioning Company, and Re-Manufacturing Company as specified in Attachment-I, Attachment-II, and Attachment-III constituting inseparable part of this Regulation of the Minister.

Article 3

- (1) Direct User Company wishing to import the BMTB as referred to in Article 2 letter a shall be obliged to hold:
 - a. Business License on Industry or other business license other than Business License on Trade;
 - b. Company Profile (brief description of Company); and

c. plan and reason for utilizing BMTB.

- (2) For Direct User Company classified as Machinery Industry and has been producing, other than the obligations referred to in paragraph (1) shall also be obliged to possess production report over the last two (2) years.
- (3) For Direct User Company classified in Tariff Post / HS 89 other than the obligations referred to in paragraph (1) shall also be obliged to hold Certificate for Ship Manufacturing (Builder Certificate) and Ship Gross Tonnage Certificate (Gross Tonnage Certificate).
- (4) Copy of Proof of Ownership as referred to in paragraph (1), paragraph (2), and paragraph (3) must be submitted to the Ministry of Trade at submitting application for Import Approval.

Article 4

- (1) Re-Conditioning Company wishing to import BMTB as referred to in Article 2 letter b shall be obliged to hold:
 - a. Business License on Industry;
 - b. Facilities for Machinery and Equipment that justify with the type of its production for processing repair and/or maintenance;
 - c. quality guarantee.
 - d. human resource that is competent in their respective field;
 - e. after sales service; and
 - f. workshop area and goods accommodation area.
- (2) The ownership as referred to in paragraph (1) must be proven in Report on Survey Result at processing the issue of Import Approval.

Article 5

- (1) Re-Manufacturing Company wishing to import BMTB as referred to in Article 2 letter c shall be obliged to hold:

- a. Business license on Industry;
- b. facilities for machinery and equipment that justify with the type of its product to for recovery process;
- c. facilities for testing performance (test performance);
- d. quality guarantee equivalent to quality of new product;
- e. guarantee issued by the Mark/Brand Holder (principal);
- f. human resource that is competent in its field;
- g. after sales service; and
- h. workshop area and goods accommodation area.

(2) The ownership referred to in paragraph (1) must be proven in Report of Survey Result at processing issue of Import Approval.

Article 6

The BMTB covered in Tariff Post / HS 8511, 8704, 8705, and 8716 of the age maximum 15 (fifteen) years may be imported.

Article 7

- (1) Import License for BMTB covered in Tariff Post / HS 8511.40.32.00 and 8511.50.32.00 may be issued only for export.
- (2) Only 10% (ten percent) maximum of damaged and nonreconditionable of the imported BMTB referred to in paragraph (1) may be accepted.
- (3) If the total number of BMTB is damaged and non-reconditionable exceeds the limit as referred to in paragraph (2), the excess thereof must be re-exported.

Article 8

- (1) Application for Import Approval for BMTB covered in Tariff Post / HS 8511, 8704, 8705, and 8716 to the Ministry of Trade must be supported by Technical Consideration of the Director General.

- (2) The Director General may delegate the Director of Industrial Management to sign the Technical Consideration as referred to in paragraph (1).

Article 9

Further terms and conditions on the procedure for issuing Technical Consideration for Import of BMTB covered in Post Tariff / HS 8511, 8704, 8705, and 8716 is governed in Regulation of Director General.

Article 10

- (1) The Director General shall monitor and evaluate the BMTB imported by the Direct User Company, Re-Conditioning Company, and Re-Manufacturing Company and Capacity Survey conducted by the Surveyor.
- (2) The monitoring and evaluation referred to in paragraph (1) must be conducted once in six (6) months or at any time as required..
- (3) In exercising supervision as referred to in paragraph (1) the Director General may establish Monitoring and Evaluation Team.

Article 11

By the time this Regulation of the Minister comes to force, Regulation of the Minister of Industry Number 9/M-IND/ PER/2/2014, concerning Terms and Conditions for Issuing Recommendation for Import of Used Capital Goods is revoked and shall be declared null and void.

Article 12

This Regulation of the Minister takes effect on the date it is enacted.

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

Stipulated in Jakarta

Dated February 23, 2016

MINISTER OF INDUSTRY
OF THE REPUBLIC OF INDONESIA,

sgd.

SALEH HUSIN

Enacted in Jakarta

Dated February 25, 2016

DIRECTOR GENERAL OF STATUTORY REGULATION
OF THE MINISTRY OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

sgd.

WIDODO EKATJAHJANA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA
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