

LAW OF THE REPUBLIC OF INDONESIA
No. 10/1995

CONCERNING
CUSTOMS LAW

BY THE GRACE OF GOD ALMIGHTY
THE PRESIDENT OF THE REPUBLIC OF
INDONESIA,

Considering:

- a. that the implementation of the national development has already demonstrated a rapid progress of all aspects of national life particularly in the economy, including activities in international trade;
- b. that in efforts to keep the performance of the development in line with the national development policies as referred to in the Guidelines of State Policy and to establish legal certainty and administrative facilities concerning Customs aspects of international trade activities that have been continuously developing and also to anticipate economic globalization, reformation is considered necessary;
- c. that the provisions of the prevailing Customs Regulations are not in line with the national economic development related to international trade;
- d. that for the realization of the aforesaid matters, it is necessary to establish Customs Law, which meets the current situation and needs, based on Pancasila and the 1945 Constitution;

In view of :

Article 5 paragraph (1), Article 20 paragraph (1), and Article 23 paragraph (2) of the 1945 Constitution.

With the approval of
THE HOUSE OF REPRESENTATIVE OF THE
REPUBLIC OF INDONESIA

DECIDED

To stipulate :

CUSTOMS LAW.

CHAPTER I GENERAL PROVISIONS

Article 1

For the purposes of this law :

- 1. Customs means all activities pertaining to the supervision of the incoming and outgoing traffic of goods into or from the Customs Territory and to the collection of the Import Duties.
- 2. The Customs Territory means the territory of the Republic of Indonesia consisting the land, waters, and air space above them and certain locations in the exclusive economic zone and the continent shelf in which this law applies in full.
- 3. The Customs Area means an area with certain boundaries at the sea ports, airports, or other places specified for traffic of goods that are fully supervised by the Directorate General of Customs and Excise.
- 4. The Customs Office means an office of the Directorate General of Customs and Excise at which the Customs formalities is fulfilled in accordance with this law.
- 5. The Customs Station means a place used by Customs Official to supervise the traffic of imported and exported goods.
- 6. The Customs Formality means activities which are mandatory to meet this law.
- 7. The Customs Declaration means a statement made by Person to meet the Customs formalities in accordance with the forms and requirements stipulated in this law.
- 8. The Minister means the Minister of Finance of the Republic of Indonesia.
- 9. The Director General means the Director General of Customs and Excise.
- 10. The Directorate General of Customs and Excise means the operational unit under the Ministry of Finance that exercises the main duty and function of the Ministry of Finance in the field of Customs and Excise.
- 11. The Customs Official means an official of the Directorate General of Customs and Excise appointed to certain occupation to perform particular duties by virtue of this law.
- 12. Person means natural or legal person.
- 13. Import means activities to bring goods into the Customs Territory.

- 14. Export means activities to take goods out of the Customs Territory.
- 15. Import Duty means duty imposed by the government by virtue of this law on imported goods.
- 16. The Temporary Storage means a building and/or enclosed or unenclosed spaces in the Customs Area used to store goods temporarily before being loaded or released.
- 17. The Bonded Storage means a building, a place or an area that meets certain requirements used to store, process, display, and/or to provide for sale goods in which the Import Duty is deferred.
- 18. The Customs Storage means a building and/or an enclosed or unenclosed spaces in a customs office provided by the Government that is managed and supervised by the Directorate General of Customs and Excise to store unclaimed goods, goods claimed by the State and goods that have become the State property by virtue of this law.

Article 2

- (1) Goods brought into the Customs Territory shall be treated as imported goods on which the Import Duties is due.
- (2) Goods that have been loaded or will be loaded on a means of transport to be released from the Customs Territory shall be deemed exported and treated as exported goods.
- (3) The goods as referred to in paragraph (2) shall not be deemed as exported goods in case such goods are proven to be unloaded at a place within the Customs Territory.

Article 3

- (1) Customs examination shall be applied for imported goods.
- (2) The examination as referred to in paragraph (1) shall include verification of documents and physical inspection of the goods.
- (3) The physical inspection of the goods as referred to in paragraph (2) shall be performed selectively.
- (4) The procedure of the customs examination as referred to in paragraph (1) shall be further regulated by the Minister.

Article 4

- (1) Verification of documents shall be applied for exported goods.

- (2) Under certain circumstances, physical inspection of exported goods may be performed.
- (3) The procedure of customs examination as referred to in paragraph (1) and (2) shall be further regulated by the Minister.

Article 5

- (1) Fulfillment of the Customs Formality shall be done at the Customs Office or another place deemed as the Customs Office by using the Customs Declaration.
- (2) The Customs Declaration shall be lodged to the Customs Official at the Customs Office or another place deemed as the Customs Office in a prescribed form or through an electronic media.
- (3) The Customs Area and the Customs Post shall be stipulated to implement and control the fulfillment of Customs Formality.
- (4) The Customs Area, the Customs Office and the Customs Post shall be stipulated by the Minister.

Article 6

All imported or exported goods shall be subject to the provisions of this law.

CHAPTER II IMPORT AND EXPORT

Part One Import

Section 1 Arrival, Unloading, Storage, and Release of Goods

Article 7

- (1) Imported goods shall be brought to the Customs Office at the first destination through the specified route and the arrival shall be notified by the carrier.
- (2) Should the means of transport be in emergency, regardless of the provisions as referred to in paragraph (1), the carrier may unload the imported goods in advance and subsequently mandatorily report the unloading to the nearest Customs Office.
- (3) Carrier not complying with the provisions as referred to in paragraph (1) or (2) shall be subject to a penalty of minimum Rp 2,500,000.00

(two million and five hundred thousand rupiah) up to maximum Rp25,000,000.00 (twenty five million rupiah).

- (4) The carrier complying with the provisions as referred to in paragraph (1) or (2) shall pay import duties on goods in short in case the number of unloaded goods does not conform with the number notified in the Customs Declaration and be subject to a penalty of minimum Rp 5,000,000.00 (five million rupiah) up to maximum Rp 50,000,000.00 (fifty million rupiah) unless the shortage can be proven accordingly.
- (5) The carrier complying with the provisions as referred to in paragraph (1) or (2) shall be subject to a penalty of minimum Rp5,000,000.00 (five million rupiah) up to maximum Rp50,000,000.00 (fifty million rupiah) whenever the number of goods unloaded is in excess of the number notified in the Customs Declaration.
- (6) The imported goods as referred to in paragraph (1) awaiting for the release from the Customs Area may be temporarily stored at the Temporary Storage.
- (7) The Goods as referred to in paragraph (1) may be released from the Customs Area after the fulfillment of the Customs Formality in order for such goods to be:
 - a. imported for home use;
 - b. temporarily admitted;
 - c. stored at the Bonded Storage;
 - d. transported to the Temporary Storage in another Customs Area;
 - e. transitted or transshipped; or
 - f. re-exported.
- (8) Any person who releases goods from the Customs Area before obtaining an approval of the Customs Official shall be subject to a penalty of Rp5,000,000.00 (five million rupiah).
- (9) The provisions as referred to in paragraph (1), (2), (6), and (7) shall be further regulated by the Minister.

Section 2 Import for Home Use

Article 8

- (1) Import for home use means :

- a. bringing goods into the Customs Territory destined for home use; or
 - b. bringing goods into the Customs Territory to be under possession or control of a person who domiciles in Indonesia.
- (2) Imported goods may be released for home use :
- a. after submitting the Customs Declaration and after payment of the Import Duty;
 - b. after submitting the Customs Declaration and the security as referred to in Article 42;
 - c. after submitting the complementary Customs documents and the security as referred to in Article 42.
- (3) Imported goods brought by passengers, crews of means of transport, and border crossers to the Customs Territory shall at the time of their arrival be declared by each of them to the Customs Official.
- (4) Imported goods sent by postal or courier service shall only be released with the approval of the Customs Official.
- (5) The provisions, as referred to in paragraph (1), (2), (3), and (4) shall be further regulated by the Minister.
- (6) Importers who do not pay the Import Duties on imported goods as referred to in paragraph (2)(b). or (2)(c). within the period designated by this law shall be subject to a penalty of ten percent of the Import Duties that should be paid.

Section 3 Temporary Admission

Article 9

- (1) Imported goods may be released as temporary admission if at the time of importation it is clear that these goods will be re-exported.
- (2) Temporarily admitted goods shall be under Customs control until their re-exportation.
- (3) The provisions as referred to in paragraph (1) and (2) and the determination of duration of the temporary admission shall be further regulated by the Minister.
- (4) Any person who does not re-export the temporarily admitted goods within the period as referred to in paragraph (3) shall be subject to a

penalty of one hundred percent of the Import Duty that should be paid.

Part Two Export

Article 10

- (1) The goods that will be exported shall be declared by using the Customs Declaration.
- (2) The Customs Declaration as referred to in paragraph (1) shall not be required for goods taken out by passengers, border crossers, or consignment of a certain customs value and/or a certain amount.
- (3) The goods declared for export, awaiting for loading, may be stored at the Temporary Storage.
- (4) Goods declared for export as referred to in paragraph (1) shall be notified to the Customs Official, when canceled for export.
- (5) The exporter who does not notify the export cancellation as referred to in paragraph (4) shall be subject to a penalty of Rp5,000,000.00 (five million rupiah).
- (6) The provisions as referred to in paragraph (1), (2), (3), and (4) shall be further regulated by the Minister.

Part Three Transportation of Goods

Article 11

- (1) A carrier shall declare goods being transported, by using the Customs Declaration before leaving the Customs Office for destination outside the Customs Territory.
- (2) Transportation of goods within the Customs Territory shall be declared by using the Customs Declaration, as long as it concerns with:
 - a. imported goods from the Temporary Storage or the Bonded Storage destined to another Temporary Storage or Bonded Storage;
 - b. imported goods transitted and/or transshipped;
 - c. exported goods in transitted and/or transshipped,
 - d. goods of the Customs Territory transported through a location outside the Customs Territory.

- (3) The carrier, who does not declare the transported goods as referred to in paragraph (1) or (2), shall be subject to a penalty of Rp5,000,000.00 (five million rupiah).
- (4) The carrier complying with the provisions as referred to in paragraph (2)(a) or (2)(b), shall pay the Import Duties on goods transported which do not reach the destination or in which the number does not conform with the number notified in the Customs Declaration and be subject to a penalty of minimum Rp5,000,000.00 (five million rupiah) up to maximum Rp50,000,000.00 (fifty million rupiah) unless they can be proven accordingly.
- (5) Import or Export of electric power, liquid goods, or gas may be conducted by transmission or through pipe lines.
- (6) The provisions on the requirements and the procedure for the transportation of the goods as referred to in paragraph (1), (2), and (5) shall be further regulated by the Minister.

CHAPTER III TARIFF AND CUSTOMS VALUE

Part One Tariff

Section 1 Tariff of Import Duty

Article 12

- (1) The Import Duties shall be imposed on imported goods at the maximum rate of forty percent of the Customs value.
- (2) The provision as referred to in paragraph (1) does not include :
 - a. certain agricultural products;
 - b. the goods included in the exclusion list of Schedule XXI-Indonesia of the General Agreement on Tariffs and Trade; and
 - c. the goods as referred to in Article 13 paragraph (1).
- (3) The further implementation of the provisions as referred to in paragraph (1) and (2) will be stipulated by the Minister.

Article 13

- (1) Different Import Duty rate from those referred to in Article 12 paragraph (1) may be imposed on :

- a. imported goods on which the Import Duty is imposed by virtue of international agreement or commitment;
 - b. imported goods brought by passengers, crews of means of transport, border crossers, or consignment sent by postal or courier services; or
 - c. imported goods from a country that treats Indonesian exported goods discriminatively.
- (2) The imposition and the rate of tariff of the Import Duty as referred to in paragraph (1) will be stipulated by the Minister.

Section 2 Tariff Classification of Goods

Article 14

- (1) To determine the Import Duty, the goods shall be grouped by virtue of the classification system.
- (2) Provisions on the classification of goods shall be further regulated by the Minister.

Part Two Customs Value

Article 15

- (1) The Customs value of imported goods shall be the transaction value.
- (2) If the Customs value of the imported goods cannot be determined under the provision of paragraph (1), the Customs value shall be the transaction value of identical goods.
- (3) If the Customs value of the imported goods cannot be determined under the provisions of paragraph (1) and (2), the Customs value shall be the transaction value of similar goods.
- (4) If the Customs value of the imported goods cannot be determined under the provisions of paragraph (1), (2), and (3), the Customs value of the imported goods shall be based on a deductive method.
- (5) If the Customs value of the imported goods cannot be determined under the provisions of paragraph (1), (2), (3), and (4), the Customs value of the imported goods shall be based on a computed method.
- (6) If the Customs value of the imported goods cannot be determined under the provisions of paragraph (1) to (5), inclusive, the Customs

value shall be determined by using reasonable means consistent with the principles and the provisions as referred to in paragraph (1) to (5) on the basis of data available in the Customs Territory subject to certain limitations.

- (7) The provisions on Customs value for the Import Duty calculation shall be further regulated by the Minister.

Part Three Determination of Tariff Classification and Customs Value

Article 16

- (1) The Customs Official may determine the tariff classification on imported goods prior to the lodgement of the Customs Declaration or within thirty days as of the date of the Customs Declaration.
- (2) The Customs Official may determine the Customs value for calculation of Import Duty on imported goods within thirty days as of the date of the Customs Declaration.
- (3) If the determination as referred to in paragraph (1) and/or paragraph (2) causes a shortage payment of the Import Duty, unless the importer lodges the objections as referred to in Article 93 paragraph (1), the importer shall pay in full the Import Duty shortage pursuant to the determination.
- (4) The importer who has erroneously notified the Customs value for the calculation of the Import Duty, hence the shortage of payment of the Import Duty occurs, shall be subject to a penalty of minimum of one hundred percent up to maximum five hundred percent of the Import Duty in short.
- (5) If the determination as referred to in paragraph (1) and/or paragraph (2) causes an excess payment of the Import Duty, refund of the Import Duty paid shall be in an amount equal to the excess payment.
- (6) Provisions concerning the determination of tariff classification and Customs value shall be further regulated by the Minister.

Article 17

- (1) The Director General may review and redetermine the tariff classification and the Customs value for the calculation of the Import Duty within a period of two years as of the date of the Customs Declaration.

- (2) If the determination of the review as referred to in paragraph (1) differs from the determination as referred to in Article 16, the Director General notifies it in writing to the importer to:
- a. pay the shortage of the Import Duty, or
 - b. receive the refund of the Import Duty that has been paid in excess.
- (3) The shortage of the Import Duty or the refund of the Import Duty as referred to in paragraph (2) shall be paid pursuant to the redetermination

CHAPTER IV ANTI-DUMPING AND COUNTERVAILING DUTIES

Part One Anti-dumping Duty

Article 18

Anti-dumping duty shall be applied to imported goods in case:

- a. the export price of the goods is lower than its normal value, and
- b. the imported goods:
 1. cause material injury to the domestic industry that produces similar goods;
 2. threaten the domestic industry that produces similar goods; or
 3. may materially retard the establishment of a domestic industry of similar goods.

Article 19

(1) Anti-dumping duty shall be imposed on the imported goods as referred to in Article 18 at the maximum amount of the margin between normal value and export price of such goods.

(2) Anti-dumping Duty as referred to in paragraph (1) shall be imposed as an addition to the Import Duty collected on the basis of Article 12 paragraph (1).

Article 20

The provisions on conditions and procedures of imposition of Anti-dumping duties shall be further regulated by the Government Regulation.

Part Two Countervailing Duty

Article 21

Countervailing duties shall be applied on imported goods in case:

- a. subsidy is proven to be borne on such goods produced in the exporting country;
- b. the imported goods:
 - 1. cause material injury to the domestic industry that produces similar goods;
 - 2. threaten the domestic industry that produces similar goods; or
 - 3. may materially retard the establishment of a domestic industry of similar goods.

Article 22

(1) Countervailing duty shall be applied on the imported goods as referred to in Article 21 at the maximum amount of the margin between the subsidy and :

- a. application fee and other expenses incurred to obtain the subsidy; and/or
- b. charges levied on exported goods to offset the subsidy.

(2) The Countervailing duty as referred to in paragraph (1) shall be imposed as an addition to the Import Duty that is collected on the basis of Article 12 paragraph (1).

Article 23

The provisions on the conditions and the procedure of the imposition of Countervailing duty shall be further regulated by the Government Regulation.

CHAPTER V UNIMPOSITION, EXEMPTIONS, RELIEF, AND REFUND OF THE IMPORT DUTY

Part One Unimposition of Import Duty

Article 24

The Import Duty shall not be imposed on goods brought into the Customs Territory for transit or transshipment.

Part Two
Exemption and Relief of the Import Duty

Article 25

- (1) Exemption of the Import Duty shall be granted for import of :
- a. goods of foreign countries' representatives and their officials who work in Indonesia under reciprocal principles;
 - b. goods for international bodies and their officials who work in Indonesia;
 - c. goods and materials to be processed, assembled, or installed on other goods destined for export;
 - d. scientific books;
 - e. goods donated for public worship, charity, social, and cultural institutions;
 - f. goods for museum, zoo, and other similar public places;
 - g. goods for research and scientific purposes;
 - h. goods for the blinds and other disables;
 - i. weapons, ammunition, and other military equipment, including spare parts for the national defense and security;
 - j. goods and materials used to produce other goods for the national defense and security;
 - k. samples of no commercial value;
 - l. coffins or other containers containing corpses or ashes of corpses;
 - m. removal goods;
 - n. goods brought by passengers, crews of means of transport, border crossers, and consignments of a certain Customs value and/or a certain amount.
- (2) Changes of the list of goods as referred to in paragraph (1) shall be regulated by the Minister.
- (3) The provisions on the exemption as referred to in paragraph (1) shall be further regulated by the Minister.
- (4) Any person who does not comply with the provisions of the exemption of the Import Duties by virtue of this law, whenever causing loss of the government revenue, shall be subject to a penalty of one hundred percent of the Import Duty that should be paid.

Article 26

- (1) Exemption or relief of the Import Duty may be granted for import of:

- a. machinery for the establishment and development of industry;
- b. goods and materials for the establishment and development of industry for a specified period of time;
- c. equipment and substances used to prevent environmental pollution;
- d. seeds and stocks for the establishment and development of agricultural industry, animal husbandry, or fishery;
- e. marine products caught by licensed hauling vessels;
- f. goods exported to undergo repair, processing, or testing;
- g. goods re-imported in the same state;
- h. goods which are naturally damaged, decreased in quality, destroyed, or decreased in volume or weight occurred between the time of transportations to the Customs Territory and the time of import approval for home use.
- i. materials for human therapy, blood group, and tissue typing reagents;
- j. goods by the Government for public purpose;
- k. goods for temporary admission.

(2) Changes of the list of the goods as referred to in paragraph (1) shall be regulated by the Minister.

(3) The provisions on the exemption and relief as referred to in paragraph (1) shall be further regulated by the Minister.

(4) Any person who does not comply with the provisions of the exemption and relief of the Import Duty by virtue of this law, whenever causing loss to the government revenue, shall be subject to a penalty of one hundred percent of the Import Duty that should be paid.

Part Three Refund of the Import Duty

Article 27

(1) Refund may be carried out for the whole or a part of the Import Duty paid for :

- a. the excess payment of the Import Duty as referred to in Article 16 paragraph (5), Article 17 paragraph (3), or for administrative errors;
- b. the import of goods as referred to in Article 25 and Article 26;

- c. the import of goods that for certain reasons must be re-exported or destroyed under the supervision of the Customs Official;
 - d. import of goods on which the import approval for home use has not been given and the Import Duty has already been paid in full but the goods are found in short, defective, inferior quality, or not the ones ordered; or
 - e. excess payment of the Import Duty as the result of the decision of the appeal institution as referred to in Article 99.
- (2) The provisions on refund as referred to in paragraph (1) shall be further regulated by the Minister.

CHAPTER VI CUSTOMS DECLARATION AND LIABILITY FOR THE IMPORT DUTIES

Part One Customs Declaration

Article 28

Provisions and procedures concerning :

- a. form, contents and validity of the Customs Declaration and the Customs records;
- b. lodgement and registration of the Customs Declaration;
- c. verifications, corrections, additions and cancellation of the Customs Declaration and the customs records;
- d. distribution and administration of the Customs Declaration and the customs records;
- e. the use of complementary customs documents,

Part Two Handling of the Customs Declaration

Article 29

- (1) The handling of the Customs Declaration mandatorily required by this law shall be conducted by carriers, importers, or exporters.
- (2) If the importers or exporters as referred to in paragraph (1) can not carry out the handling by themselves, they may authorize Customs brokers to do it.

- (3) The provisions on the handling of the Customs Declaration shall be further regulated by the Minister.

Part Three Liability for the Import Duties

Article 30

- (1) The importer shall be liable for the Import Duty owed as of the date of the registration of the Customs Declaration.
- (2) The Import Duty as referred to in paragraph (1) shall be calculated on the basis of the effective tariff on the date of the registration of the Customs Declaration and on the basis of the customs value as referred to in Article 15.

Article 31

The customs brokers as referred to in Article 29 paragraph (2) shall be liable for the Import Duty owed in case the importer cannot be located.

Article 32

- (1) The operator of the Temporary Storage shall be liable for the Import Duty owed of the goods stored at the Temporary Storage.
- (2) The operator of the Temporary Storage shall be exempted from the liability as referred to in paragraph (1) in case the goods stored at the Temporary Storage:
- a. are destroyed unintentionally;
 - b. are re-exported, temporarily imported or imported for home use; or
 - c. are removed to another Temporary Storage, Bonded Storage or Customs Storage.
- (3) The Import Duty of the goods as referred to in paragraph (1), as long as it can not be calculated on the basis of the tariff and the customs value of the goods concerned, shall be based on the highest tariff of the goods declared at the time the goods are stored at the Temporary Storage, and the Customs value shall be determined by the Customs Official.

Article 33

- (1) The operator of the Bonded Storage shall be liable for the Import Duty of the goods stored at the Bonded Storage.

- (2) The operator of the Bonded Storage shall be exempted from the liability as referred to in paragraph (1) in case the goods stored at the Bonded Storage:
- a. are destroyed unintentionally;
 - b. are re-exported, temporarily imported or imported for home use; or
 - c. are removed to the Temporary Storage, another Bonded Storage, or the Customs Storage.
- (3) The Import Duty of the goods as referred to in paragraph (1) shall be calculated on the basis of the effective tariff at the time of taking stock and on the basis of customs value at the time the goods are stored at the Bonded Storage.

Article 34

- (1) If the provisions as referred to in Article 25 and 26 can not be fulfilled any longer, the Import Duty shall become the responsibility of:
- a. the person who has obtained exemption or relief; or
 - b. the person who controls the goods concerned, in case the person as referred to in (a) cannot be found.
- (2) The Import Duty owed as referred to in paragraph (1) shall be calculated on the basis of the effective tariff and customs value at the time of the Customs Declaration for import.

Article 35

Any person who assumes control over imported goods at the location of arrival of means of transport or at the appointed border area shall be liable for the Import Duty owed of the goods concerned.

CHAPTER VII PAYMENT OF THE IMPORT DUTY, COLLECTION OF DEBTS AND SECURITY

Part One Payment of Import Duties

Article 36

- (1) The Import Duty, penalty, and interest payable to the State by virtue of this law, shall be paid at the State Treasury or at another place of payment determined by the Minister.
- (2) The Import Duty, penalty, and interest as referred to in paragraph (1) shall be rounded off in whole rupiah.

- (3) The provisions on the payment, receipts, and depositing procedure of the Import Duty, penalty, and interest as referred to in paragraph (1) as well as the rounding off as referred to in paragraph (2) shall be further regulated by the Minister.

Article 37

- (1) The Import Duty and penalty due shall be paid within thirty days at the latest as of the date when the obligation arises by virtue of to this law.
- (2) In certain cases, the obligation to pay the Import Duty and penalty as referred to in paragraph (1) may be deferred.
- (3) The provisions on the suspension as referred to in paragraph (2) shall be further regulated by the Minister.

Part Two Collection of Debts

Article 38

- (1) The debt or claim to the State by virtue of this law that has not or partly been paid shall be subject to interest of two percent per month for a maximum period of twenty four months, as of the due date of the debt or claim up to its payment, whereas a part of a month shall be counted as one month.
- (2) The calculation of debt or claim to the State by virtue of this law shall be rounded off in whole rupiah.

Article 39

- (1) The State has the privilege to customs claim on goods owned by the debtor.
- (2) The provisions as referred to in paragraph (1) shall cover the Import Duty, penalty, interest and collection costs.
- (3) The privilege to collect customs claim shall be superseded than the others privileges, except:
 - a. costs of lawsuits that are solely caused by a verdict to auction of movable and/or immovable goods;
 - b. costs that have been borne to salvage goods;
 - c. costs of lawsuits that are solely caused by auctions and settlement of an inheritance.

(4) The privilege shall be void after two years as of the date of the issuance of the collection letter, unless within the aforesaid period a suspension has been granted.

(5) If a suspension is granted, the period of two years as referred to in paragraph (4) shall be counted as of the date when the suspension has been granted.

Article 40

(1) The right to collect the debt by virtue of this law shall expire in ten years after the obligation to pay arises.

(2) The expiration as referred to in paragraph (1) may be void in case:

- a. the debtor does not reside in Indonesia;
- b. the debtor has obtained the suspension as referred to in Article 37 paragraph (2); or
- c. the debtor violates this law.

Article 41

Collection and write-offs of bad debts shall be based on the prevailing government regulations and laws.

Part Three Security

Article 42

(1) The security that is required by this law may be used:

- a. once; or
- b. continuously.

(2) The security as referred to in paragraph (1) may be in the form of :

- a. cash;
- b. bank securities;
- c. customs or surety bonds; or
- d. other securities.

(3) Provisions on securities shall be further regulated by the Minister.

CHAPTER VIII STORAGE PLACE UNDER CUSTOMS SUPERVISION

Part One
Temporary Storage

Article 43

- (1) The Temporary Storage managed by its operator shall be established at each Customs Area.
- (2) Goods may be stored at the Temporary Storage for thirty days at maximum.
- (3) The operator of the Temporary Storage who cannot be accounted for the goods stored shall be subject to a penalty of twenty five percent of the Import Duty that should be paid.
- (4) The provisions on the appointment of the Temporary Storage, the procedure for its use and the change of the period of storage shall be further regulated by the Minister.

Part Two
Bonded Storage

Article 44

- (1) Under specified conditions, an area, a place, or a building may be designated as the Bonded Storage:
 - a. to store goods that will be imported for home use or for re-export;
 - b. to store and/or process goods prior to export or to import of goods for home use.
 - c. to store or display goods; or
 - d. to store, provide for sale and sell imported goods to particular people.
- (2) The conditions as referred to in paragraph (1) and the provisions on the establishment, organization, and management of the Bonded Storage shall be further regulated with a Government Regulation.

Article 45

- (1) Goods may be released from the Bonded Storage with the approval from the Customs Official, to be :
 - a. imported for home use;
 - b. processed;
 - c. exported before or after processing; or
 - d. transported to another Bonded Storage or Temporary Storage.

- (2) Goods from the Bonded Storage imported for home use shall be subject to the Import Duty on the basis of the prevailing tariff at the time of import for home use and on the basis of Customs value at the time the goods are brought into the Bonded Storage.
- (3) Any person who removes goods from the Bonded Storage prior to the approval of the Customs Official shall be subject to a penalty of Rp5,000,000.00 (five million rupiah).
- (4) The operator of the Bonded Storage who cannot be accounted for the goods stored shall be subject to a penalty of one hundred percent of the Import Duty that should be paid.

Article 46

- (1) The license for the Bonded Storage shall be discontinued if the operator of the Bonded Storage:
 - a. is under the supervision of a curator due to his/her debts, or
 - b. shows incapability in managing the Bonded Storage.
- (2) The discontinuation of the permit as referred to in paragraph (1) may be changed to the withdrawal of the license if the operator of the Bonded Storage :
 - a. is not able to pay off his/her debts within the determined period, or
 - b. is not able to manage such a Bonded Storage.
- (3) The license as referred to in paragraph (1) may be renewed if the operator of the Bonded Storage :
 - a. has paid off his/her debts; or
 - b. is already able to manage such a Bonded Storage.
- (4) The license for the Bonded Storage shall be terminated in case:
 - a. the operator of the Bonded Storage has not performed any activity for the period of one year continuously;
 - b. the operator of the Bonded Storage has gone bankrupt;
 - c. the operator of the Bonded Storage is dishonest in his/her business; or
 - d. the operator concerned has submitted a request for it.
- (5) The provisions on discontinuation, renewal, and termination of the license for the Bonded Storage shall be further regulated by the Government Regulation.

Article 47

If the license for the Bonded Storage has already been expired as referred to in Article 46 the operator shall within thirty days as of the expiration of the license:

- a. pay off all the Import Duties due;
- b. re-export the goods that are still at the Bonded Storage; or
- c. remove the goods that are still at the Bonded Storage to another Bonded Storage.

Part Three Customs Storage

Article 48

- (1) The Customs Storage that is managed by the Directorate General of Customs and Excise shall be established at each Customs Office.
- (2) The designation of another place that has a similar function as the Customs Storage as referred to in paragraph (1) shall be stipulated by the Minister.

CHAPTER IX BOOK-KEEPING

Article 49

Importers, exporters, operator of the Temporary Storage, operator of the Bonded Storage, management of Customs brokers, or managements of transportation shall be obliged to carry out book-keeping and keep records and correspondence concerning Imports and Exports.

Article 50

- (1) On the request of the Customs Official, the persons as referred to in Article 49 shall be obliged to submit books, records, and correspondence concerning Imports and Exports for examination.
- (2) In case the persons as referred to in paragraph (1) are not in place, the obligation to submit books, records, and correspondence concerning Imports and Exports for examination shall be transferred to their representatives.

Article 51

The books and records as referred to in Article 49 shall use Latin characters, Arabic figures, rupiah currency, and the Indonesian language or the foreign currency and other languages stipulated by

the Minister. Books, records, and letters shall be kept for a period of ten years at the their business premises in Indonesia.

Article 52

Any person who does not comply with the provisions as referred to in Article 49 or 51 and whose act does not cause financial losses to the State shall be subject to a penalty of Rp 5,000,000.00 (five million rupiah).

CHAPTER X PROHIBITIONS AND RESTRICTIONS OF IMPORTS OR EXPORTS, AND CONTROL OF IMPORT OR EXPORT OF GOODS AS A RESULT OF VIOLATIONS AGAINST INTELLECTUAL PROPERTY RIGHTS

Part One

Prohibitions and Restrictions of Imports and Exports

Article 53

- (1) For the purpose of supervising the execution of provisions of prohibition and restriction., the government agencies that determine the provisions on prohibitions and/or restrictions of certain Imports and Exports shall notify them to the Minister.
- (2) The provisions concerning the execution of the supervision of the prohibition and/or restrictions as referred to in paragraph (1) shall be further regulated by the Minister.
- (3) All goods that are prohibited or restricted, having not fulfilled requirement, if already notified with the Customs Declaration, on the request of the importer or exporter may be:
 - a. canceled for export;
 - b. re-exported; or
 - c. destroyed under the supervision of the Customs Official.
- (4) Goods prohibited or restricted for import or export that have not been declared or not truthfully declared shall be notified as goods claimed by the State as referred to in Article 68, unless otherwise regulated differently by virtue of the prevailing government regulations and laws.

Part Two

Control of Imported and Exported Goods as a Result of Violations Against Intellectual Property Rights

Article 54

On the request of the owner or the holder of trademarks or copyrights, the Chairman of a local State Court may issue a warrant to the Customs Official to suspend temporarily the release of imported or exported goods from the Customs Area that, on the basis of sufficient evidence, are suspected to be the result of violations against trademarks and copyrights protected in Indonesia.

Article 55

The request as referred to in Article 54 shall be submitted by enclosing:

- a. sufficient evidence concerning the violation against trademarks or copyrights of the party concerned;
- b. the evidence of ownership of the trademarks or the copyrights of the party concerned;
- c. a sufficiently detailed description of the imported or exported goods of which their release are to be suspended to make them easily recognizable by the Customs Official; and
- d. securities.

Article 56

Upon the receipt of the warrant as referred to in Article 54, the Customs Official:

- a. notifies the importer, exporter, or owner of the goods in writing about the order to suspend the release of the imported or exported goods;
- b. as of the date of the receipt of the warrant from the Chairman of the local State Court shall suspend the release of the imported or exported goods of the party concerned from the Customs Area.

Article 57

- (1) The suspension of the release of the goods as referred to in Article 56 (b) shall be executed for a period of maximum ten working days.
- (2) The period as referred to in paragraph (1), based on particular reasons and conditions, may be extended once for maximum another ten working days upon a warrant of the Chairman of the local State Court.
- (3) The extension of the suspension as referred to in paragraph (2) shall be accompanied by an extension of the security as referred to in Article 55 (d).

Article 58

- (1) On the request of the owner or the holder of trademarks or copyrights demanding the suspension, the Chairman of the local State Court may issue a permit to the owner or the holder of such rights to examine the imported or the exported goods for which suspension of the release is requested.
- (2) The issuance of the license to examine as referred to in paragraph (1) shall be done by the Chairman of the local State Court after hearing and considering explanations as well as the interests of the owner of the imported or the exported goods for which a suspension of the release is requested.

Article 59

- (1) If within the period of ten working days as referred to in Article 57 paragraph (1), the Customs Official has not received a notification from the party requesting the suspension of the release and that the legal action required to maintain his/her rights pursuant to the prevailing government regulations has already been carried out and the Chairman of the Local State Court does not extend in writing the order to suspend, the Customs Official shall terminate such a suspension and settle the issue pursuant to the Customs provisions by virtue of this law.
- (2) In case the legal action to maintain the right is initiated pursuant to the prevailing government regulations and law within a period of ten working days as referred to in paragraph (1), the party that has requested in writing the order to suspend the release of imported or exported goods shall be obliged to notify it to the Customs Official who receives the order and executes the suspension of imported or exported goods.
- (3) In case the legal action as referred to in paragraph (2) has been notified and the Chairman of the local State Court does not extend in writing the order to suspend as referred to in Article 57 paragraph (2), the Customs Official shall terminate the suspension and settle the issue pursuant to the Customs provisions by virtue of this law.

Article 60

Under certain circumstances, importer, exporter, or owner of imported or exported goods may submit a request to the Chairman of the local State Court to issue a warrant to the Customs Official to terminate the suspension as referred to in Article 54 by submitting a security equivalent to the one as referred to in Article 55 (d).

Article 61

- (1) If from the examination of the case, it turns out that the imported or exported goods are not originated from violations against or violate trademarks or copyrights, the owner of the imported or exported goods has the right to obtain compensation from the party requesting detention of the imported or exported goods.
- (2) The Local State Court that performs the examination and makes the decision concerning the lawsuit as referred to in paragraph (1) may order that the security as referred to in Article 55 (d) be used as payment or partial payment for the compensation.

Article 62

The detention of imported or exported goods may also be executed by the Customs Official in his official capacity if there is strong evidence that such goods are originated from violation against or violate trademarks or copyrights.

Article 63

The provisions on the detention of goods suspected as a result of violations against intellectual property rights shall not be applicable to goods brought by passengers, crews of means of transport, border crossers, or consignments sent by mail or courier services that have no commercial value.

Article 64

- (1) The control of imported or exported goods suspected as a result of violations against intellectual property rights, other than the trademarks and the copyrights as stipulated in this law, shall be regulated with the Government Regulation.
- (2) Provisions required for the implementation of Article 54 up to 63 shall be further regulated with the Government Regulation.

CHAPTER XI UNCLAIMED GOODS, GOODS CLAIMED BY THE STATE AND GOODS THAT BECOME THE STATE PROPERTY

Part One Unclaimed goods

Article 65

- (1) Unclaimed goods shall be :
- a. the goods stored at the Temporary Storage that have exceeded the period as referred to in Article 43 paragraph (2);
 - b. the goods that have not been released from the Bonded Storage of which the license has been revoked for the period as referred to in Article 47; or
 - c. goods sent by mail:
 - 1. that have been refused by the addressee or the Person to whom the goods are sent and cannot be returned to the sender;
 - 2. that have been received back due to refusal or that cannot be sent to the addressee outside the Customs Territory and that are not settled by the sender within a period of thirty days as of the date of receipt of the notification from the postal service.
- (2) The goods as referred to in paragraph (1) shall be stored at the Customs Storage and be charged with the rent determined by the Minister.

Article 66

- (1) Unclaimed goods other than those stated in paragraph (3) of this article, shall be immediately notified in writing by the Customs Official to the owner that such goods will be auctioned if not settled within a period of sixty days as of the date of their storage in the Customs Storage.
- (2) The goods as referred to in paragraph (1) as long as they have not yet been auctioned, may by the owner:
- a. be imported for home use after the payment of the Import Duty and other charges;
 - b. be re-exported after the charges due have been paid;
 - c. be canceled to be exported after the charges due have been paid
 - d. be exported after the charges due have been paid; or
 - e. be removed to the Bonded Storage after the charges due have been paid.
- (3) The goods as referred to in Article 65 paragraph (1) that:
- a. are rotten shall be destroyed immediately.
 - b. due to their characteristics, are quickly spoiled, hazardous, destructive or required high handling costs, may immediately be auctioned with a written notification to the owner;
 - c. are prohibited shall be declared to be the State property as referred to in Article 73; or

- d. are restricted and available to be cleared by the owner within the period of sixty days as of the date of their storage in the Customs Storage.

Article 67

- (1) The auction as referred to in Article 66 paragraph (1) and (3)(b) shall be executed through public auction.
- (2) The proceeds of the auction as referred to in paragraph (1) after being deducted by the Import Duty due and accrued charges, shall be available for the owner.
- (3) The Customs Official shall notify the owner in writing the balance of the proceeds as referred to in paragraph (2) within a period of seven days as of the date of the auction.
- (4) The balance of the proceeds of the auction shall become state property if it is not taken by the owner within the period of ninety days as of the date of notification letter as referred to in paragraph (3).
- (5) The minimum price of the auction as referred to in paragraph (1) shall be determined by the Minister and if the bidding price is lower than the minimum price, the goods may be destroyed or used for other purposes with the approval of the Minister.

Part Two Goods Claimed by the State

Article 68

- (1) Goods Claimed by the State are:
 - a. the prohibited or restricted goods as referred to in Article 53 paragraph (4);
 - b. the goods and/or means of transport detained by the Customs Official as referred to in Article 77 paragraph (1); or
 - c. goods and/or means of transport that have been abandoned in the Customs Area by an unknown owner.
- (2) The goods as referred to in paragraph (1)(a) or (b) shall be notified by the Customs Official in writing to their owner by mentioning the reasons; and the goods as referred to in paragraph (1)(c), shall be announced for a period of thirty days as of the date of their storage at the Customs Storage.
- (3) Goods as referred to in paragraph (1) are stored at the Customs Storage

Article 69

The goods as referred to in Articles 68 paragraph (1) that:

- a. are rotten shall be destroyed immediately; or
- b. due to their characteristics, are quickly spoiled, hazardous, destructive, or require high handling costs may be immediately auctioned with a written notification to the owner as long as they are not prohibited or restricted; or
- c. are prohibited or restricted shall be declared to be the State property as referred to in Article 73.

Article 70

The goods and means of transport as referred to in Article 68 paragraph (1)(b) shall be returned to the owner within a period of thirty days as of the date of their storage at the Customs Storage provided that:

- a. the Import Duty due has been paid and in case the goods are prohibited or restricted, the related documents and information have been submitted; or
- b. in case the goods are not required to be an evidence in court; the Import Duty due has been paid; and in case the goods are prohibited or restricted, the related documents and information have been submitted; and sum of money that will be determined by the Minister as the replacement of such goods with their value not exceeding the price of the goods; has to be deposited.

Article 71

- (1) The auction as referred to in Article 69 shall be carried out through public auction.
- (2) The minimum price of the auction as referred to in paragraph (1) shall be determined by the Minister and if the bidding price is lower than the minimum price, the goods may be destroyed or used for other purposes with the approval of the Minister.
- (3) The proceeds of the auction as referred to in paragraph (1) shall be kept as replacement for the goods concerned while awaiting the decision of the Minister as referred to in Article 72 paragraph (2) or as an evidence in court.

Article 72

- (1) The owner of goods and/or the means of transport as referred to in Article 68 may submit an objection in writing to the Minister within a period of thirty days as of the date of the notification from the

Customs Official by mentioning the reasons and presenting supporting evidence.

- (2) Within the period of ninety days as of the date of the receipt of the objection as referred to in paragraph (1), the Minister shall decide that :
- a. there are no violations against this law, and the goods and/or means of transport or the equivalent amount of money as referred to in Article 69 (b) and Article 70 (b) shall be returned to the owner immediately;
 - b. violation against this law has occurred and the goods and/or means of transport or money as referred to in Article 69 (b) and Article 70 (b) shall be further settled by virtue of this law.
- (3) The decision as referred to in paragraph (2) shall be notified to the owner and the Director General.
- (4) If in the period as referred to in paragraph (2) the Minister does not issue his decision, the objection concerned shall be considered accepted.

Part Three Goods that Become the State Property

Article 73

- (1) Goods that become state property are:
- a. the prohibited goods as referred to in Article 66 paragraph (3)(c);
 - b. the restricted goods as referred to in Article 66 paragraph (3)(d), that are not cleared by the owner within the period of sixty days as of the date they are stored at the Customs Storage;
 - c. the goods and/or means of transport as referred to in Article 68 paragraph (1)(b), originated from a crime committed by unknown doer;
 - d. the goods and/or means of transport as referred to in Article 68 paragraph (1)(c), that are uncleared within the period of time as referred to in Article 68 paragraph (2);
 - e. the goods as referred to in Article (69) (c); or
 - f. the goods and/or means of transport that based on a verdict are confiscated for the State as referred to in Article 109 paragraph (1) or (2).
- (2) The goods as referred to in paragraph (1) shall become State property and be stored at the Customs Storage.

- (3) Provisions on the usage of goods that become the State property shall be stipulated by the Minister.

CHAPTER XII AUTHORITY OF THE CUSTOMS OFFICIAL

Part One General

Article 74

- (1) The Customs Official, to secure the rights of the State, shall be authorized to carry out necessary actions with regard to the goods in performing the task by virtue of this law and other regulations of which the enforcement is the responsibility of the Directorate General of Customs and Excise.
- (2) In exercising the authority as referred to in paragraph (1), the Customs Official may be armed with weapons of which types and usages are regulated by the Government Regulation.

Article 75

- (1) To exercise control over means of transport in order for such means of transport to use the specified route as referred to in Article 7 paragraph (1) and to perform search on such a means of transport as referred to in Article 90, the Customs Official may operate patrol boats or other means.
- (2) The patrol boats or other means used by the Customs Official as referred to in paragraph (1) may be armed with weapons of which numbers and types are stipulated with the Government Regulation.

Article 76

- (1) To carry out the task by virtue of this law, the Customs Official may request assistance from the armed forces and/or other government agencies.
- (2) On the request, as referred to in paragraph (1), the armed forces and/or other government agencies shall be obliged to fulfil such a request.

Article 77

- (1) To fulfil Customs formalities by virtue of this law, the Customs Official shall be authorized to detain goods and/or means of transport.

- (2) Provisions on detention procedure shall be further regulated with the Government Regulation.

Part Two Control and Seal

Article 78

The Customs Official shall be authorized to lock, seal and/or affix necessary security marks on imported goods which have not undergone the Customs formalities and on export or other goods subject to control by virtue of this law being on means of transport, at storage places or in other places.

Article 79

- (1) Seal and/or other security marks used by foreign Customs administration or other parties may be accepted as the substitute of the seal or security marks as referred to in Article 78.
- (2) The conditions of the acceptance for the seal or security marks as referred to in paragraph (1) shall be stipulated by the Minister.

Article 80

- (1) The owner and/or the person in charge of means of transport or places that are locked, sealed and/or affixed with the security marks by the Customs Official as referred to in Article 78, shall be obliged to ensure that all keys, seals, and security marks are not broken, loose or lost.
- (2) The locks, seals, and security marks that are already affixed as referred to in Article 78 and 79, may not be opened, put off, or broken without the approval from the Customs Official.

Article 81

- (1) The Customs Official may be posted on means of transport or other places where the goods under Customs control are stored.
- (2) Whenever the accommodations are not available on means of transport or at other places as referred to in paragraph (1), the carrier or the company concerned shall be obliged to render appropriate assistance.
- (3) The carrier or the company who does not render appropriate assistance shall be subject to a penalty of Rp 5,000,000.00 (five million rupiah).

Part Three
Examination

Section 1
Examination upon Goods

Article 82

- (1) The Customs Official shall be authorized to examine the imported and exported goods after the lodgement of the Customs Declaration.
- (2) The Customs Official shall be authorized to request an importer, exporter, carrier, management of the Temporary Storage, management of the Bonded Storage, or on their behalves, to hand in the goods to be examined, to open the means of transport or its parts, and to open each package for examination purposes.
- (3) Whenever the request as referred to in paragraph (2) fails to be fulfilled, the Customs Official shall be authorized to take any necessary measure at the risk and cost of the party concerned.
- (4) Any person who does not fulfil the request enabling such an official to conduct the examination as referred to in paragraph (2) shall be subject to a penalty of Rp 5,000,000.00 (five million rupiah).
- (5) Any person who mistakenly declares the type and/or number of imported goods in the Customs Declaration causing shortage of payment of the Import Duty shall be subject to a penalty of minimum of 100% (one hundred percent) up to maximum 500% (five hundred percent) of the Import Duty in short.
- (6) Any person who mistakenly declares the type and/or number of exported goods in the Customs Declaration shall be subject to a penalty of minimum Rp1,000,000.00 (one million rupiah) up to maximum Rp10,000,000.00 (ten million rupiah).

Article 83

Mail suspected to contain imported or exported goods, may be opened by the Customs Official in front of the addressee; in case the addressee cannot be located, the mail may be opened by the Customs Official together with the postal official.

Article 84

- (1) The Customs Official shall be authorized to ask importer or exporter to turn in books, records and correspondence concerning import or export, and to take sample of the goods to be examined.

- (2) The sample of the goods may also be drawn on the request of the importer.

Article 85

- (1) The Customs Official shall give the import or export approval when the submitted Customs Declaration meets the term required and that the result of the examination of goods is in conformity with the specifications of the goods stated in the Customs Declaration.
- (2) The Customs Official shall be authorized to postpone the approval of export or import if the Customs Declaration fails to meet the requirements.

Section 2 Examination of Bookkeeping

Article 86

- (1) The Customs Official shall be authorized to examine books, records, correspondence concerning export or import, and inventory of the person as referred to in Article 49 for Customs audit purposes.
- (2) The person as referred to in article 49 who fails to meet the request of the Customs Official as referred to in article 50, or refuses the request of the Customs Official to examine his/her inventory, shall be subject to a penalty of Rp5,000,000.00 (five million rupiah).

Section 3 Search of Building and Other Places

Article 87

- (1) The Customs Official shall be authorized to search buildings and other places:
- a. operated based on the licenses issued by virtue of this law; or
 - b. containing goods under Customs control pursuant to the Customs Declaration.
- (2) The Customs Official shall be authorized to search buildings and other places directly or indirectly connected or operated in conjunction with the buildings or places as referred to in paragraph (1).

Article 88

- (1) To fulfill Customs Formalities by virtue of this law, the Customs Official shall be authorized to enter and search buildings or places

other than those referred to Article 87, except dwelling houses, and may examine each of the goods found therein.

- (2) During the search of the buildings or places as referred to in paragraph (1), upon the request of Customs Official, the owner or person who assumes control over such places shall be obliged to present any letter or document concerning the goods therein.

Article 89

- (1) The search of buildings or other places as referred to in Article 87 paragraph (2) or Article 88 paragraph (1) shall be carried out with a warrant issued by the Director General.
- (2) The warrant as referred to in paragraph (1) is not required for:
- a. the search of buildings or places which pursuant to this law is under Customs control;
 - b. the pursuit of persons and/or goods entering the buildings or other places.
- (3) The management of the buildings or other places as referred to in Article 87 and Article 88 shall not prevent the Customs Official entering such buildings or places except dwelling houses.
- (4) Any person who causes the Customs Official unable to apply the provisions as referred to in Article 87 and 88, shall be subject to a penalty of Rp 5,000,000.00 (five million rupiah).

Section 4 Search of Means of Transport

Article 90

- (1) To fulfil the Customs formalities by virtue of this law, the Customs Official shall be authorized to stop and search means of transport and any goods therein.
- (2) Means of transport sealed by other law enforcement agencies or by postal authority shall be exempted from the search as referred to in paragraph (1).
- (3) The Customs Official based on the Customs Declaration as referred to in Article 7 paragraph (1) has the power to stop the discharge of the goods from the means of transport if such goods violate the prevailing regulations.

- (4) Any person who refuses to stop the discharge as referred to in paragraph (3) shall be subject to a penalty of Rp 5,000,000.00 (five million rupiah).

Article 91

- (1) On the request or signal from the Customs Official as referred to in Article 90 paragraph (1), the carrier shall be obliged to stop his/her means of transport.
- (2) The Customs Official has the power to request the means of transport as referred to in paragraph (1) to be brought to the Customs office or other places which are deemed suitable to conduct the search at the expenses of the blame party.
- (3) The carrier, on the request of the Customs Official, shall be obliged to present mandatory transportation documents and the Customs Declaration by virtue of this law.
- (4) The carrier who refuses to fulfil the request as referred to in paragraph (1), (2), and/or (3) shall be subject to a penalty of Rp5,000,000.00 (five million rupiah).

Section 5 Body Search

Article 92

- (1) To fulfil the Customs formalities by virtue of this law or other legislations concerning prohibition and restriction of imported or exported goods, the customs official shall be authorized to conduct body search of any person:
- a. who is aboard or who has just got off the means of transport entering the Customs Territory;
 - b. who is aboard or about to board the means of transport leaving for outside the Customs Territory;
 - c. who is present in or who has just left Temporary Storage or Bonded Storage;
 - d. who is present in or who has just left the Customs Area.
- (2) The person as referred to in paragraph (1) shall be obliged to fulfil the request of the Customs Official to proceed to the searching room.

CHAPTER XIII OBJECTION, APPEAL, AND APPEAL INSTITUTION

Part One
Objections and Appeal

Article 93

- (1) Person who has objections against the assessment of tariff classification and/or Customs value determined by the Customs Official, may file a written objection only to the Director General in thirty days as of the date of the assessment by depositing a security as much the Import Duty due.
- (2) The Director General shall make decision on the objection, as referred to in paragraph (1) within a period of sixty days after the objection is received.
- (3) Whenever the objection as referred to in paragraph (1) is rejected by the Director General, the security shall be cashed or transferred and the Import Duty due shall be deemed paid and if the objection are accepted, such a security shall be returned.
- (4) If within the period of sixty days as referred to in paragraph (2), the Director General has not come to any decision, the objection shall be deemed accepted and the security shall be returned.
- (5) If the security as referred to in paragraph (1) is in the form of cash and the security returned as referred to in paragraph (3) and (4) is refunded after the sixty-day period has passed, two percent of monthly interest for twenty four months maximum shall be granted by the Government.

Article 94

- (1) Person, subject to penalty, may file a written objection only to the Director General in thirty days after getting a notification letter, by depositing a security as much the amount of the penalty.
- (2) The Director General shall make a decision on the objection as referred to in paragraph (1) within a period of sixty days after the objection is received.
- (3) Whenever the objection as referred to in paragraph (1) is rejected by the Director General, the security shall be cashed or transferred and the Import Duty due is deemed paid, and if the objection is accepted, such a security will be returned.
- (4) If within a period of sixty days as referred to in paragraph (2), the Director General has not come to any decision, the objection shall be deemed accepted and the security shall be returned.

(5) If the security as referred to in paragraph (1) is in the form of cash and the security returned as referred to in paragraph (3) and (4) is refunded after the sixty-day period has passed, two percent of monthly interest for twenty four months maximum shall be granted by the Government.

Article 95

- (1) Person who has objections against the assessment of tariff classification and/or Customs value determined by the Customs Official as referred to in Article 17 paragraph (2) or the decision of Director General as referred to in Article 93 paragraph (2) or Article 94 paragraph (2), may file a written appeal to the Tax Judicatory Institution in thirty days as of the date of the assessment or decision, after the Import Duty has been paid.
- (2) Body sebagaimana tax court referred to in paragraph (1) is the tax judicial bodies referred to in Law No. 6/1983 concerning General Provisions and Tax Procedures as amended by Law No. 9/1994.

Article 96

- (1) Prior to the establishment of the Tax Judicatory Institution as referred to in Article 95 paragraph (2), an appeal application shall be filed to the appeal institution which decision shall not be regarded as the decision of the State Administration Court.
- (2) The appeal as referred to in paragraph (1) shall be written in Indonesian with clear reasons within a period of sixty days after the receipt of the decision or assessment enclosed with copies of such a decision or assessment.
- (3) The decision of the Tax Judicatory Institution shall be final.

Part Two Appeal Institution

Article 97

- (1) To examine and decide on the appeal as referred to in Article 96 paragraph (1), an appeal institution shall be established under the name of the Customs and Excise Appeal Institution.
- (2) The Customs and Excise Appeal Institution shall be located in Jakarta.
- (3) The Customs and Excise Appeal Institution shall be led by a chairman and have members coming from the government, private entrepreneurs, and experts.

Article 98

- (1) The chairman of the Customs and Excise Appeal Institution shall appoint a committee to process the appeal.
- (2) Setiap mejelis terdiri dari tiga anggota dengan memperhatikan pertimbangan keanggotaan sebagaimana dimaksud dalam Pasal 97 ayat (3).

Article 99

- (1) The session of the committee shall be closed for public.
- (2) The decision of the committee shall be drawn upon deliberation for agreement.
- (3) In case the agreement as referred to in paragraph (2) fails to be reached, the decision shall be made by voting.
- (4) The decision of the committee shall be informed to the appellant and the Director General in fourteen days at the most after the date of the decision.

Article 100

Committee members, that have personal interest in the case examined shall resign from the committee.

Article 101

The organizational structure and work procedure and any matter concerning administration, allowances, expenses, and the code of conduct of the Customs and Excise Appeal Institution shall be stipulated by the Government Regulation.

CHAPTER XIV PENAL PROVISIONS

Article 102

Any person who imports or exports or attempts to import or export goods, not complying with the provisions by virtue of this law, shall be penalized for smuggling and therefore shall be punished with a maximum imprisonment of eight years and a maximum fine of Rp500,000,000.00 (five hundred million rupiah).

Article 103

Any person who:

- a. produces a false or forged Customs Declaration and/or complementary Customs documents and/or verbal or written information and uses them for the fulfillment of the Customs Formalities;
- b. takes out imported goods from the Customs Area or from the Bonded Storage without any approval from the Customs Official with the intention to avoid paying Import Duty and/or other state charges with regard to import;
- c. creates, approves, or takes part in adding false data into any book or record; or
- d. stores, keeps, possesses, purchases, sells, exchange, obtains, or provides imported goods as the result of the crime as referred to in article 102, shall be punished with a maximum imprisonment of five years and/or a maximum fine of Rp250,000,000.00 (two hundred and fifty million rupiah).

Article 104

Any person who:

- a. transports goods as a result of the crime as referred to in Article 102;
- b. destroys, modifies, cuts, conceals, or discards books or records that should be kept by virtue of the law;
- c. gets rid of, approves, or takes part in the elimination of information from the Customs Declaration, the complementary Customs document, records; or
- d. keeps and/or provides commercial invoice forms of a company located abroad, which and knows that the forms can be used as enclosure to Customs Declaration by virtue of this law, shall be punished with a maximum imprisonment of two years and/or a maximum fine of Rp100,000,000.00 (one hundred million rupiah).

Article 105

Any person who:

- a. unloads imported goods at a place other than the place specified by this law;
- b. without permission opens, takes off, or breaks the key, seal or security marks affixed by the Customs Official, shall be punished with a maximum imprisonment of two years and/or a maximum fine of Rp 150,000,000.00 (one hundred fifty million rupiah).

Article 106

Importer, exporter, operator of the Temporary Storage, operator of the Bonded Storage, management of the Customs Broker, or management of Transportation that do not implement the provisions as referred to in Article 49, 50, or 51, and when such an action results a state financial loss, shall be punished with a maximum imprisonment of two years and/or a maximum fine of Rp125,000,000.00 (one hundred and twenty five million rupiah).

Article 107

A Customs broker who handles the Customs Declaration, acting on behalf of an importer or exporter, shall also be subject to the same penalty when committing the same crime.

Article 108

- (1) In case where such a punishable crime is committed by virtue of this law or on behalf of a legal Person, firm or corporation, association, foundation or cooperative, a lawsuit shall be directed to and criminal sanction shall be applied to:
 - a. the legal Person, firm or corporation, association, foundation or cooperative concerned and/or;
 - b. those who give order to commit the crime or person acting as the leader or someone who neglects any prevention.
- (2) In case a crime is committed by a person or a group of person who has business or other relation with a legal Person, firm or corporation, association, foundation or cooperative conducted in lieu of such Person, such a crime shall be regarded as committed by such Person.
- (3) In the case of a criminal prosecution conducted against a legal entity, company or companies, associations, foundations or cooperatives which shall be sentenced to as stipulated in this Law, the basic sentence imposed always be criminal fine of Rp. 300,000,000.00 (three hundred million rupiah) if the offenses are punishable by imprisonment, by not eliminating criminal penalties if the offenses are punishable with imprisonment and criminal fines.

Article 109

- (1) Imported or exported goods resulting from such a crime as referred to in Article 102, 103 (b) or (d), 104 (a), or 105 (a), shall be confiscated for the state.
- (2) Means of transport used to commit the crime as referred to in Article 102 may be confiscated for the State.

(3) The goods as referred to in paragraph (1) shall be settled based on the provisions of Article 73.

Article 110

- (1) In case the fine is not paid by the sentenced, asset and/or earning of the sentenced shall be taken as the substitute.
- (2) In case the substitute as referred to in paragraph (1) can not be realized, the fine may be replaced with imprisonment of a maximum of six months.

Article 111

Ten years elapsed after the lodgement of the Customs Declaration or after the commission of the crime, customs crime cannot be prosecuted.

Chapter XV INVESTIGATION

Article 112

- (1) A certain civil servant official of the Directorate General of Customs and Excise shall be granted special authority as the investigator as referred to in Law Number 8 Year 1981 on the Criminal Code Procedures to investigate crime in customs affairs.
- (2) The investigator as referred to in paragraph (1), due to his/her obligation, shall be authorized to:
 - a. receive a report or information from any person concerning customs crime;
 - b. summon any person to be heard as a witness or to be investigated as an accused;
 - c. study, search, and collect information concerning customs crime;
 - d. capture and arrest a person suspected to have committed customs crime;
 - e. request for information and evidence from the person suspected to have committed such a crime;
 - f. take picture of and or record through audio visual media, any person, goods, means of transport, or anything which can be used as an evidence of customs crime;
 - g. examine records and bookkeepings by virtue of this law and other bookkeepings;
 - h. take fingerprints;

- i. search dwelling houses, clothes, or body;
- j. search places or means of transport and examine the goods therein when suspected to have been involved in customs crime;
- k. seize goods that are strongly suspected as an evidence in a case of customs crime;
- l. affix security marks and secure anything that may be treated as an evidence in relation to customs crime;
- m. invite necessary experts for the examination of customs crime;
- n. halt any person suspected to have committed customs crime and examine the identification of such a person;
- o. cease investigation;
- p. do other things necessary to expedite the investigation of customs crime by virtue of the prevailing laws.

(3) The investigator as referred to in paragraph (1) shall notify the commencement of the investigation and pass on the result of the investigation to the General Prosecutor in accordance with the provisions refer to in Law Number 8 of 1981 on the Criminal Code Procedures.

Article 113

- (1) For the state revenue purposes, on the request of the Minister, the Attorney General may terminate the investigation of customs crime.
- (2) The termination of the investigation of the customs crime as referred to in paragraph (1), shall only be done after the party concerned has paid the Import Duty in short or due, and added with a penalty of four times as much the Import Duty in short or due.

CHAPTER XVI MISCELLANEOUS PROVISIONS

Article 114

- (1) All violation that is subject to a penalty calculated from the percentage of the Import Duty, if tariff or final tariff of Import Duty on the goods concerned is zero percent, then the offender shall be punished with a penalty of Rp5,000,000.00 (five million rupiah).
- (2) Provisions on the imposition of the penalty and the determination of the amount of such a penalty, and of the interest by virtue of this law, shall be further stipulated by the Government Regulation.

Article 115

Conditions and Procedures of:

- a. goods imported from a territory appointed as a free trade area and/or free port;
- b. the Customs declaration at the installation and equipment located in the Indonesian continental shelf and the Indonesian Exclusive Economic Zone,

CHAPTER XVII TRANSITIONAL PROVISIONS

Article 116

By the enactment of this law:

- a. all pending customs matters shall be settled in accordance with the previous customs legislations until April 1, 1997;
- b. all goods stored in the Temporary Storage, shall be settled by virtue of this law.

CHAPTER XVIII FINAL PROVISIONS

Article 117

By entering this law into force, the following shall no longer be applicable:

- 1. Indische Tarief Wet Staatsblad 1873 No.35 with its amendments and additions;
- 2. Rechten Ordonnantie Staatsblad 1882 No.240 with its amendments and additions;
- 3. Tarief Ordonnantie Staatsblad 1910 No.628 with its amendments and additions.

Article 118

This law shall enter into force as of the 1st of April 1996.

In order that every person may be informed, promulgation of this law is ordered to be published in the State Gazette of the Republic of Indonesia.

Validated in Jakarta

On December 30, 1995

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

sgd.

SOEHARTO

Promulgated in Jakarta

On December 30, 1995

THE MINISTER/STATE SECRETARY OF THE REPUBLIC OF
INDONESIA

sgd.

MOERDIONO