New Regulation on Bonded Logistic Centre

On 28 March 2018, the Ministry of Finance (“MoF”) issued a new regulation No. 28/PMK.04/2018 (“MoF-28”) that amends the existing MoF Regulation No. 272/PMK.04/2015 concerning Bonded Logistic Centres (“BLC”). This regulation will come into force starting on 26 May 2018.

A BLC shall be a bonded stockpiling site for piling goods from outside of the customs area and/or goods from any other places inside the customs area, which can be accompanied by one or more simple activities within a certain period for re-release.

Key points from MoF-28 are as follows.
1. **New Type of BLCs**

   This new regulation introduces the new type of BLCs as follows.

   - **Large Industry BLC**
     BLC that stockpiles products mainly for the purpose of distribution to industrial companies.
   - **Small & Medium Industry BLC**
     BLC that stockpiles products for the purpose of distribution to small and medium industries.
   - **Air Cargo Hub BLC**
     BLC that stockpiles goods mainly for export or transhipment purposes.
   - **E-Commerce BLC**
     BLC that stockpiles products which will be sold through e-commerce platform.
   - **Floating Storage BLC**
     BLC which located in water territory.
   - **Export Commodities BLC**
     BLC that stockpiles goods for trading purposes in commodities exchange or auction market of commodities.
   - **Finished Goods BLC**
     BLC that stockpiles finished goods which will be distributed to companies other than industry companies.
   - **Primary Goods BLC**
     BLC that stockpiles primary goods which will be distributed to companies other than industry companies.

2. **Approval of BLC Application**

   A Company could apply for the license as a BLC Entrepreneur (“Pengusaha PLB”), BLC Organizer (“Penyelenggara PLB”) or Entrepreneur in BLC (“Pengusaha dalam PLB”) to the Minister of Finance (“MoF”) through the Head of the Customs Office. In the previous regulation, the approval of BLC licenses was issued by the Director General of Customs and Excise (“DGCE”) on behalf of the MoF. This article has been amended in the new regulation, and the approval will now be issued by the Head of the Customs Regional Office or the Head of the Customs Main Service Office on behalf of the MoF.

3. **Estimated Approval Time**

   Under the previous regulation, the approval could be obtained within ten working days after the submission of a completed application and supporting documents to the DGCE. Under this new regulation, the approval can be obtained from the Head of the Regional Customs Office by one hour after the field examination is conducted by Customs and the Company’s business presentation is presented by the Company. The field examination is conducted within three days of the readiness of the Company at the latest.

**Acceleration of the Customs & Excise Permits Application**

MoF has also issued a new MoF Regulation No. 29/PMK.04/2018 (“MoF-29”) concerning Acceleration of Customs and Excise Licensing in the context of Ease of Doing Business. This regulation will come into force starting on 26 April 2018.

The main purpose of this new regulation is to speed up the process of obtaining a Customs and Excise License in order to facilitate business by using the Indonesia National Single Window (“INSW”) portal as an online single submission. Compared to the previous approach where stakeholders had to be examined first, now the government is going to trust stakeholders until there is an indication to the contrary.

The licenses that are sped up in this regulation are as follows:

1. **Customs Registration** – it will only take three hours to obtain import and/or export access from the submission of the application and supporting documents to INSW.

2. **Bonded Stockpiling facility (e.g. bonded warehouse, duty free shop, bonded logistic centre, and etc.)** – the permit previously would take around 20 working days at a Customs Office (“KPPBC”) and ten working days at the Customs Headquarters (DGCE), but now it only requires three working days at KPPBC and one hour at a Regional Office of DGCE after the field examination.
3. Import Facility for Export Purpose (“KITE”) – similar to the approval for a bonded stockpiling facility, the approval to enjoy this facility can be issued within one hour after the Company presents its business process to the Customs Authority Officer during a field examination.

4. Entrepreneur Identification Number of Excisable Goods (“NPPBKC”) - it will take three working days to obtain the license from the Customs Authority from the complete application being received by the Customs Authority.

For any issues that are not elaborated here regulations shall follow the respective existing regulations about the Customs Registration, Bonded Stockpiling Facility, KITE Facility, and NPPBKC.
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