

PROVISION ON SALT IMPORT

(Regulation of the Minister of Trade of RI

Number 58/M-DAG/PER/9/2012, dated September 4, 2012)

WITH THE BLESSING OF THE ONE AND ONLY GOD
THE MINISTER OF TRADE OF THE REPUBLIC OF
INDONESIA,

Considering:

- a. salt is strategic commodity as food stuff and as industrial basic material, so the activities on production, provision, procurement and distribution of salt is very important in support of public health by means of consumption program, improvement of revenue and welfare of salt farmers or in fulfilling the need of domestic industry;
- b. production of domestic salt, either in quality or volume, up to present still fails to fulfill the local need for salt, particularly salt as industrial basic material, so that imported is still needed;
- c. to support effective implementation of the policy on import of salt and to adjust with the stipulated system on new goods, it is necessary to re-govern provision on salt import;
- d. based on the consideration referred to in letter a, letter b, and letter c, it is necessary to stipulate Regulation of the Minister of Trade;

In view of:

1. Bedrijfsreglementerings Ordonnantie 1934 (Staatsblad Year 1938 Number 86);
2. Law Number 5 Year 1984 (BN No. 4079 Pgs. 5B-13B) concerning Industry (Statute Book Republic of Indonesia Year 1984 Number 22, Supplement to Statute Book Republic of Indonesia Number 3274);
3. Law Number 7 Year 1994 (BN No. 5696 Pgs. 1B-5B) concerning Approval on Agreement on Establishing The World Trade Organization (Per-setujuan Pembentukan Organisasi Perdagangan Dunia), (Statute Book Republic of Indonesia Year 1994 Number 57, Supplement to Statute Book Republic of Indonesia Number 3564);
4. Law Number 10 Year 1995 (BN No. 5806 Pgs. 5B-19B) concerning Customs matter (Statute Book Republic of Indonesia Year 1995 Number 75, Supplement to Statute Book Republic of Indonesia Number 3612) as amended by Law Number 17 Year 2006 (BN No. 7446 Pgs. 17B-24B) (Statute Book Republic of Indonesia Year 2006 Number 93, Supplement to Statute Book Republic of Indonesia Number 4661);

5. Law Number 7 Year 1996 (BN No. 5934 Pgs. 20B-25B) concerning Food (Statute Book Republic of Indonesia Year 1996 Number 99, Supplement to Statute Book Republic of Indonesia Number 3656);
6. Law Number 5 Year 1999 (BN No. 6284 Pgs. 11B-16B) concerning Prohibition from Monopoly Practice and Unhealthy Business Competition (Statute Book Republic of Indonesia Year 1999 Number 33, Supplement to Statute Book Republic of Indonesia Number 3817);
7. Law Number 8 Year 1999 (BN No. 6311 Pgs. 5B-11B) concerning Consumer Protection (Statute Book Republic of Indonesia Year 1999 Number 42, Supplement to Statute Book Republic of Indonesia Number 3821);
8. Law Number 32 Year 2004 (BN No. 7152 Pgs. 9B-18B) concerning Regional Administration (Statute Book Republic of Indonesia Year 2004 Number 125, Supplement to Statute Book Republic of Indonesia Number 4437) as amended several times and lately amended by Law Number 12 Year 2008 (BN No. 7661 Pgs. 13B-18B) (Statute Book Republic of Indonesia Year 2008 Number 59, Supplement to Statute Book Republic of Indonesia Number 4844);
9. Law Number 36 Year 2009 concerning Health (Statute Book of the Republic of Indonesia Year 2009 Number 144, Supplement to Statute Book Republic of Indonesia Number 5063);
10. Government Regulation Number 69 Year 1999 (BN No. 6373 Pgs. 1B-9B) concerning Label and Advertisement of Food (Statute Book Republic of Indonesia Year 1999 Number 131, Supplement to Statute Book Republic of Indonesia Number 3867);
11. Government Regulation Number 58 Year 2001 (BN No. 6660 Pgs. 7B-9B) concerning Management and Supervision on Implementation of Consumer Protection (Statute Book Republic of Indonesia Year 2001 Number 103, Supplement to Statute Book Republic of Indonesia Number 4126);
12. Government Regulation Number 38 Year 2007 (BN No. 7576 Pgs. 1B-6B) concerning Distribution of Administration Affairs between the Government, Regional Administration of Province and Regional Administration of Regency/Municipality (Statute Book Republic of Indonesia Year 2007 Number 82, Supplement to Statute Book Republic of Indonesia Number 4737);
13. Presidential Decree Number 260 Year 1967 concerning Confirmation of Duty and Responsibility of the Minister of Trade on Overseas Trade;

14. Presidential Decree Number 69 Year 1994 concerning Procurement of Salt containing Jodium;
15. Presidential Decree Number 84/P Year 2009 concerning Establishment of Indonesia Bersatu Cabinet II as amended by Presidential Decree Number 59/P Year 2011;
16. Presidential Regulation Number 47 Year 2009 concerning Establishment and Organization of the State Ministry as amended several times and lately amended by Presidential Regulation Number 91 Year 2011;
17. Presidential Regulation Number 24 Year 2010 concerning Capacity, Duty and Function of the State Ministry and Organizational Structure, Duty and Function of Echelon I of the State Ministry as amended several times and lately amended by Presidential Regulation Number 92 Year 2011;
18. Decision of the Minister of Industry Number 77/M/SK/5/1995 concerning Technical Requirement for Processing, Packing and Labeling Salt with Jodium;
19. Regulation of the Minister of Trade Number 28/M-DAG/PER/6/2009 concerning Provision on Export and Import Permits Service by Electronic System through INATRADE in the context of Indonesia National Single Window;

20. Regulation of the Minister of Trade Number 54/M-DAG/PER/9/2009 concerning General Provision on Import;
21. Regulation of the Minister of Trade Number 31/M-DAG/PER/7/2010 concerning Organization and Work Procedure of the Ministry of Trade;
22. Regulation of the Minister of Trade Number 27/M-DAG/PER/5/2012 concerning Provision on Identification Number of Importer (API);

DECIDES:

To stipulate:

REGULATION OF THE MINISTER OF TRADE ON PROVISION ON SALT IMPDRT.

Article 1

What is meant in this Regulation of the Minister by:

1. Salt shall be chemical compound which main component contains natrium chloride (NaCl) and containing water compound, magnesium, calcium, sulphate and iodine, anti-caking or free-flowing or not, that is included in POS Tarif/HS:
 - a. 2501.00.10.00 : - table salt
 - b. 2501.00.20.00 : - rock salt
 - c. 2501.00.50.00 : - sea water
 - others:

- d. 2501.00.90.10 : - containing sodium chloride of at least 94,7% calculation and dry based
 - e. 2501.00.90.90 : - Others.
2. K1 and K2 shall be classification of type of farmer's salt for determination of salt sales price by the farmers.
 3. Salt for Consumption shall be salt used for consumption with NaCl content of at least 94,7% calculation and dry based with post tariff/HS ex. 2501.00.90.10.
 4. Industrial Salt shall be salt used as basic material or supporting material for industrial need with NaCl content of at least 97% calculation and dry based with post tariff/HS ex. 2501.00.90.10.
 5. Salt Producer shall be individual or group of producers producing salt production business.
 6. Producing Importer of Salt for Consumption, hereinafter referred to as IP Salt for Consumption shall be industry holding Producer Importer Identification Number (API-P) that has been approved to import Salt for Consumption as basic material needed for its production process and not for sale and purchase or transfer.
 7. Industrial Salt Producer Importer hereinafter referred to as IP Industrial Salt shall be user of salt other than Salt for Consumption belonging to the holder of Producer Importer Identification Number (API-P) that has been approved to import Industrial Salt, constituting basic material or supporting material needed for its production process but not for sale and purchase or for transfer.
 8. Salt Registered Importer hereinafter referred to as IT Salt shall be State-owned Business Entity (BUMN) that runs business in salt sector that has been approved to import Industrial Salt to fulfill industrial need not importing Industrial Salt by itself.
 9. Import Permit for Industrial Salt hereinafter referred to as PI Industrial Salt shall be Import Permit for Industrial Salt.
 10. Community of Salt Top Harvest Period shall be harvesting period where the entire or the majority part of the salt producers at the main salt production center harvesting during dry season or during harvesting season or during utmost top harvesting season.
 11. Recommendation shall be letter issued by the official of agency or relevant unit authorized to give technical explanation but not import permit or approval.

12. Collecting Point (collecting point) shall be place for piling up salt on the road side that is accessible to truck or the kind.

13. Coordinating Meeting shall be meeting inter-agencies held by the Ministry of Economic Coordinator.

14. Minister shall be minister exercising administration affairs on trade.

15. Director General shall be Director General of Overseas Trade of the Ministry of Trade.

Article 2

(1) Importable Salt shall be Salt for Consumption and Industrial Salt only.

(2) Salt for Consumption referred to in paragraph (1) may be imported only by company that has obtained recognition as IP Salt for Consumption from the Director General.

(3) Salt for Industry referred to paragraph (1) may be imported only by company that has obtained recognition as IP Salt for Industry or determination as IT Salt from the Director General.

Article 3

(1) IP Salt for Consumption shall be prohibited from

importing Salt for Consumption within one (1) year period prior to the Community's Salt Top Harvesting Period, during the Community's Salt Top Harvesting Period, and within two (2) months after the Community's Salt Top Harvesting Period with due consideration of the stock condition of the salt producers.

(2) The Community's Salt Top Harvesting Period referred to in paragraph (1) shall be determined by the Minister of Industry with due consideration of the result of anticipated atmosphere from the Meteorology, Climatology and Geophysics or (BMKG) and the result of agreement in coordinating meeting between the Ministry and the relevant association.

(3) The decision on the term of prohibition from importing Salt for Consumption referred to in paragraph (1) may be extended or curtailed according to production achievement at the Community's Salt Top Harvesting Period, so that supply of Salt for Consumption survives in fulfilling the need of the nation.

(4) The extension or curtail of the term of prohibition from importing Salt for Consumption referred to in paragraph (3) shall be determined by the Minister with due consideration of opinion of the relevant Ministry.

Article 4

- (1) Import of Salt for Consumption for industrial need for salt for consumption is prohibited if the average price of salt in bulk form on truck at the collecting points is below the K1 and K2 price.
- (2) Price of K1 and K2 salt referred to in paragraph (1) shall be determined by the Director General of based on agreement of the agency and the relevant association.

Article 5

- (1) The decision on allocated volume of imported national Salt for Consumption each year shall be made and agreed upon at Coordinating Meeting within the ministers level with due consideration of production and the local need for salt for consumption.
- (2) Industrial Salt for fulfillment of industrial need which technically may not be produced yet locally is exempted and in compliance with the provision referred to in paragraph (1).
- (3) The decision on allocated volume of imported Salt for Consumption nationwide referred to in paragraph (1) shall be allocated to IP Salt for Consumption proportionately based on the purchase volume of locally produced salt.
- (4) Purchase of locally produced salt referred to in paragraph (3) shall be proven by statement letter

on acquisition of salt and the salt producers issued by the IP Salt for Consumption and approved by the Department of Regency/Municipality in charge of salt producers affairs, salt producers association and business group of community's salt business stating the volume of sale purchased and the purchase price within the farmers is at least equivalent with the price of K1 K2 salt.

Article 6

- (1) A company that may be recognized as IP Salt for Consumption shall be:
 - a. a company which salt acquisition is at least 50% (fifty percent) of the salt producer and originating from the total number of salt producers and total capacity of the company production; and
 - b. a company that cooperates with the local salt producers.
- (2) The salt acquisition and salt producer referred to in paragraph (1) letter a will be proven by statement letter of salt acquisition and salt producers and approved by the Department of Regency/Municipality in charge of salt matter.
- (3) The cooperation with the salt producers referred to in paragraph (1) letter b must be proven by photocopy of joint operation agreement signed and approved by the Department of Regency/Municipality in charge of salt matter.

Article 7

(1) To obtain recognition as IP Salt for Industry referred to in Article 2, the company shall be obliged to submit written application to the Director General by attaching:

- a. photocopy of Industrial Business License / Industrial Registration Identification or other equivalent business license issued by the authorized agency;
- b. photocopy of Obligatory Taxpayer's Identification Number (NPWP);
- c. photocopy of Producer Importer Identification Number (API-P);
- d. plan for the need for salt as basic stuff or supporting stuff for one (1) Year; and
- e. recommendation from the Director General of Industrial Manufacturing Basis of the State Ministry of Industry.

(2) At the written application referred to in paragraph (1), the Director General shall issue recognition as IP for Salt for Consumption and IP for Industrial Salt with five (5) working days at the latest at receipt of the complete and appropriate application is received.

(3) Failure to submit complete and appropriate written application referred to in paragraph (1), the Director General shall notify rejection to the application within five (5) working days at the latest as of receipt of the application.

(4) The recognition as IP for Salt for Consumption and IP for Industrial Salt referred to in paragraph (2) must at least mention the validity of recognition as IP for Salt for Consumption, the volume, the type of salt, and the port of destination.

(5) The recognition as IP for Salt for Consumption and IP for Industrial Salt referred to in paragraph (2) is valid for one (1) year at the longest but it is renewable.

Article 8

(1) The port of destination referred to in Article 7 paragraph (4) must be the nearest port to the location of the factory owned by the IP for Salt for Consumption and IP for Industrial Salt.

(2) The location of factory referred to in paragraph (1) must justify with the location specified in the Industrial Business License or other Business License equivalent thereto from the Technical Ministry / Non-Ministry Governmental Institution in charge of such business.

Article 9

(1) Each import of Industrial Salt by IT on Salt must first obtain PI for Industrial Salt from the Director General.

(2) To obtain P1 for Industrial Salt referred to in paragraph (1), the company that has obtained decision

as IT for Salt must submit written application to the Director General supported by:

- a. photocopy of decision as IT for Salt;
- b. plan for importing Industrial Salt and its distribution; and
- c. recommendation from the Director General of Industrial Manufacturing Basis of the Ministry of Industry.

(3) Based on the written application referred to in paragraph (2), the Director General shall issue PI for Industrial Salt within five (5) working days at the latest as of receipt of the complete and correct application.

(4) If the written application referred to in paragraph (2) is incomplete and erroneous, the Director General shall notify rejection to the application within five (5) working days as receipt of the application.

(5) The PI for Industrial Salt referred to in paragraph (3) shall at least state the validity period of the PI for Industrial Salt, the names of companies cooperating with the IT for Salt and the volume of salt for each company, the type of salt, the country of loading and the port of destination.

Article 10

(1) Any company that obtained recognition as IP for Salt for Consumption is obliged to submit report

on the implementation of import of Salt for Consumption to the Director General, in this matter the Director of Import of the Ministry of Trade at least once a month by the 15th of the following month with copy to the Director General of Basic Manufacturing Industry in this matter, the Director of Basic Chemical Industry of the Ministry of Industry.

(2) Any company that obtained recognition as IP for Industrial Salt and company that obtained recognition as IT for Salt that obtained PI for Industrial Salt is obliged to submit report on the implementation of import Industrial Salt to Director General in this matter the Director of Import of the Ministry of Trade once every three (3) months by the 15th of the month of following first quarter with copy to Director General of Basic Industrial Manufacturing in this matter the Director of Basic Chemical Industry of the Ministry of Industry.

(3) The report referred to in paragraph (1) and paragraph (2) must be submitted through <http://ina-trade.kemendag.go.id> supported by photocopy of Control Card for Import Realization that has been initialed and sealed by the Customs and Excise officers.

Article 11

(1) IP for Salt for Consumption and IP for Industrial Salt are prohibited from selling and buying or

transfer the Salt for Consumption or Industrial Salt they imported.

- (2) IT for Salt is prohibited from selling and buying or transfer Industrial Salt it has imported to IP for Salt for Consumption and IP for Industrial Salt.

Article 12

- (1) Import of salt by IP for Salt for Consumption and IT for Salt are obliged to first verify or conduct technical examination in the country of loading of the goods.
- (2) The verification or technical examination referred to in paragraph (1) shall be conducted by the Surveyor appointed by the Minister.
- (3) In order to be appointed as vericator or technical examiner of imported salt, the Surveyor must comply with the requirements below:
- must hold Business License on Survy Service (SIUJS);
 - must have experience as surveyor at least five (5) years;
 - must have branch office or representative office and/or affiliate overseas and has network to support effective service on verification or technical examination; and
 - has track record (track records) on management of verification or technical examination on import.

Article 13

- (1) Verification or technical examination referred to in Article 12 paragraph (1) shall be conducted on salt import, covering the data or information on:
- the country and port of loading;
 - the Post Tarif or HS Number and desctiption;
 - the type and volume;
 - the date of shipment; and
 - the port of destination.
- (2) The result of verification or technical examination referred to in paragraph (1) must be drawn up in the form of Surveyor Report (LS) for use as supporting document for customs in procesing customs on import.
- (3) Based on the implementation of verification or technical examination referred to in paragraph (1), the Surveyor collects service compensation and the IP for Salt for Consumption, IP for Industrial Salt, and IT for Salt the amount of which shall be determined with due consideration of beneficial principle.

Article 14

Activities on verification or technical examination on salt import by the Surveyor referred to in Article 13 shall not curtail the authority of the Directorate General of Cutoms and Excise of the Ministry of Finance to conduct customs examination.

Article 15

Importing Salt by violating the provisions in this Regulation of the Minister is subject to penalty according to the provisions in the statutory regulation.

Article 16

(1) Recognition as IP for Salt for Consumption and IP for Industrial Salt and determination as IT for Salt may be frozen if the company concerned:

- a. fails to comply with the obligation to submit the report referred to in Article 10 more than twice; and/or
- b. is under investigation process for alleged criminal act relating to misuse of recognition as IP for Salt for Consumption and IP for Industrial Salt and determination as IT for Salt.

(2) The freezing of recognition as IP for Salt for Consumption and IP for Industrial Salt and determination as IT for Salt may be re-activated as soon as the company concerned:

- a. has complied with the obligation referred to in Article 10; and/or
- b. is not proven to have committed criminal act relating to misuse of recognition as IP for Salt for Consumption and IP for Industrial Salt and determination as IT for Salt.

(3) Freezing recognition as IP for Salt for Consump-

tion and IP for Industrial Salt and determination as IT for Salt referred to in paragraph (1) and re-activation of recognition as IP for Salt for Consumption and IP for Industrial Salt and determination as IT for Salt referred to in paragraph (2) shall be exercised by the Director General.

Article 17

(1) The recognition as IP for Salt for Consumption and IP for Industrial Salt and determination as IT for Salt shall revoke if the company concerned:

- a. fails to comply with its obligation to submit the report referred to in Article 10 more than two times;
- b. fails to amend and/or add and/or replace the contents specified in the document of recognition as IP for Salt for Consumption and IP for Salt for Industry and determination as IT for Salt;
- c. violates the provision referred to in Article 11; and/or
- d. is declared at guilty by the court for criminal act relating to misuse of the recognition as IP for Salt for Consumption and IP for Industrial Salt and determination as IT for Salt.

(2) Revocation of recognition as IP for Salt for Consumption and IP for Industrial Salt and determination as IT for Salt referred to in paragraph (1) shall be exercised by the Director General.

Article 18

Provisions in this Regulation of the Minister

do not apply to import of salt constituting:

- a. salt for use for technological research and development;
- b. salt as sample that is not for trade and/or
- c. salt of passenger's personal belonging or crew of transporting facilities or border crossers, particularly for salt for consumption in maximum volume 500 grams.

Article 19

Provision on implementation and technical

matters not governed yet in this Regulation of the Minister shall be determined by the Director General.

Article 20

IP for Salt Iodization, IP for Non-Iodized Salt, IT for Sale, and PI for Industrial Salt issued based on Regulation of the Minister of Trade Number 20/M-DAG/PER/9/2005 concerning Provision on Salt Import as amended by Regulation of the Minister of Trade Number 44/M-DAG/PER/10/2007 shall be declared survives until expiry of its validity.

Article 21

By the time this Regulation of the Minister comes to force, Regulation of the Minister of Trade Number 20/M-DAG/PER/9/2005 concerning Provision on Import of Salt as amended by Minister of Trade Number 44/M-DAG/PER/10/2007 shall be revoked and declared null and void.

Article 22

This Regulation of the Minister comes to force 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 September 4, 2012

MINISTER OF TRADE OF RI.,

sgd.

GITA IRAWAN WIRJAWAN

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