

PROVISIONS ON THE EXPORT OF NON-SUBSIDIZED UREA FERTILIZERS

(Regulation of the Trade Minister

No. 48/M-DAG/PER/7/2012 dated July 18, 2012)

BY THE GRACE OF GOD ALMIGHTY

THE TRADE MINISTER OF

THE REPUBLIC OF INDONESIA,

port of non-subsidized urea fertilizers; ;

b. that based upon the consideration in letter a, it is necessary to stipulate Regulation of the Trade Minister;

Considering :

a. that urea fertilizer is a type of fertilizer which is much used in the agricultural sector so that in an effort to increase effectiveness in the control of urea fertilizer abuses and to ensure national urea fertilizer stocks, it is necessary to control the ex-

In view of :

1. Trade Ordinance of 1934 (Statute Book of 1938 No. 86);
2. Law No. 8/1962 on Trade in Goods under Surveillance (Statute Book of 1962 No. 42, Supplement

- to Statute Book No. 2469);
3. Law No. 3/1982 on Mandatory Corporate Registration (Statute Book of 1982 No. 7, Supplement to Statute Book No. 3214);
 4. Law No. 5/1984 on Industry (Statute Book of 1984 No. 22, Supplement to Statute Book No. 3274);
 5. Law No. 7/1994 on the Ratification of Agreement Establishing The World Trade Organization (Statute Book of 1994 No. 57, Supplement to Statute Book No. 3564);
 6. Law No. 10/1995 on Customs Affairs (Statute Book of 1995 No. 75, Supplement to Statute Book No. 3612) as already amended by Law No. 17/2006 (Statute Book of 2006 No. 93, Supplement to Statute Book No. 4661);
 7. Law No. 7/1996 on Food (Statute Book of 1996 No. 99, Supplement to Statute Book No. 3656);
 8. Law No. 5/1999 on Ban on Monopolistic Practices and Unsound Business Competition (Statute Book of 1999 No. 33, Supplement to Statute Book No. 3817);
 9. Law No. 24/1999 on Foreign Exchange Traffic and Exchange Rate System (Statute Book of 1999 No. 67, Supplement to Statute Book No. 3844);
 10. Government Regulation No. 68/2002 on Food Security (Statute Book of 2002 No. 142, Supplement to Statute Book No. 4254);
 11. Government Regulation No. 38/2007 on the Sharing of Government Affairs among the Government, Provincial Governments and Regency/Municipal Governments (Statute Book of 2007 No. 82, Supplement to Statute Book No. 4737);
 12. Presidential Decree No. 260/1967 on the Affirmation of Tasks and Responsibilities of the Trade Minister in the Foreign Trade Sector;
 13. Presidential Regulation No. 77/2005 on the Designation of Subsidized Fertilizers as Goods under Surveillance as already amended by Presidential Regulation No. 15/2011;
 14. Presidential Decree No. 84/P/2009 on the Formation of United Indonesia Cabinet II as already amended by Presidential Decree No. 59/P/2011;
 15. Presidential Regulation No. 47/2009 on the Formation and Organization of State Ministries as already several times amended the latest by Presidential Regulation No. 91/2011;
 16. Presidential Regulation No. 24/2010 on the Position, Tasks and Functions of State Ministries and the Organizational Structure, Tasks and Functions of First Echelon Officials at State Ministries as already several times amended the latest by Presidential Regulation No. 92/2011;
 17. Regulation of the Trade Minister No. 28/M-DAG/PER/6/2009 on Provisions on the Licensing of Exports and Imports with Electronic System through INATRADE within the Framework of Indonesian National Single Window;
 18. Regulation of the Trade Minister No. 31/M-DAG/PER/7/2010 on the Organization and Work Mechanism of the Trade Ministry;

19. Decree of the Agriculture Minister in the Capacity as the Executive Chief of the Food Security Council No. 669/Kpts/OT.160/2/2012 on the Working Group for Formulating Fertilizer Policies;
20. Regulation of the Trade Minister No. 13/M-DAG/PER/3/2012 on General Provisions in the Export Sector;

DECIDES :

To stipulate

REGULATION OF THE TRADE MINISTER ON PROVISIONS ON THE EXPORT OF NON-SUBSIDIZED UREA FERTILIZERS.

Article 1

Referred to in this Ministerial Regulation as :

1. Export is an act of taking goods out of a customs area.
2. Urea fertilizer is chemical fertilizer containing nitrogen (N) of high content, in the form of white crystal granules, with chemical formula NH_2CONH_2 , easily solvable in water and easily absorb water (hygroscopic).
3. Non-subsidized urea fertilizer is urea fertilizer which carries no government subsidy.
4. Special Working Group for Assessing Fertilizer Policies in Support of Food Security, hereinafter called Pokja, is a working group formed by the Agriculture Minister in the capacity as the Executive Chairman of the Food Security Council.
5. PT Pupuk Indonesia (Persero) is a holding company of state-owned fertilizer producers.
6. Subsidiaries of PT Pupuk Indonesia (Persero) are state-owned fertilizer producers, namely PT Pupuk Sriwidjaja Palembang, PT Petrokimia Gresik, PT Pupuk Kaltim, PT Pupuk Kujang, and PT Pupuk Iskandar Muda.
7. Written Statement of Allocations for the Export of Non-Subsidized Urea Fertilizers, hereinafter called SKAE for Non-Subsidized Urea Fertilizers, is a written statement issued by PT Pupuk Indonesia (Persero) stating the distribution of allocations for the export of non-subsidized fertilizers to its subsidiaries.
8. Written Approval of Export of Non-Subsidized Urea Fertilizer, hereinafter called SPE for Non-Subsidized Urea Fertilizer, is a written approval for the export of non-subsidized urea fertilizers.
9. Minister is the minister carrying out government tasks in the trade sector.
10. Director General is the Director General of Foreign Trade, Trade Ministry.

Article 2

- (1) Non-subsidized fertilizers whose export is limited are only non-subsidized urea fertilizers included in headings/HS 3102.10.00.00.
- (2) All types of subsidized fertilizers are banned from being exported.

Article 3

- (1) The volume of non-subsidized urea fertilizers that can be exported as referred to in Article 2 paragraph (2) shall be set every year by Pokja.
- (2) The volume of non-subsidized urea fertilizers that has been set by Pokja as referred to in paragraph (1) can be changed any time.
- (3) The change in the volume of non-subsidized urea fertilizers that can be exported as referred to in paragraph (2) shall be made by considering developments in domestic fertilizer stocks.

Article 4

- (1) The volume of non-subsidized urea fertilizers that can be exported as referred to in Article 3 shall be submitted by Pokja to PT Pupuk Indonesia (Persero), with a copy addressed to the Director General.
- (2) Based on the volume of non-subsidized urea fertilizers that can be exported as referred to in paragraph (1) PT Pupuk Indonesia (Persero) shall distribute export allocations of non-subsidized urea fertilizers among its subsidiaries.
- (3) Based on the export allocations of non-subsidized urea fertilizers as referred to in paragraph (2) PT Pupuk Indonesia (Persero) shall issue SKAE for Non-Subsidized Urea Fertilizers.

Article 5

- (1) The subsidiaries of PT Pupuk Indonesia (Persero) that intend to export non-subsidized urea fertil-

izers shall secure SPE for Non-Subsidized Urea Fertilizers.

- (2) The SPE for Non-Subsidized Urea Fertilizers as referred to in paragraph (1) are issued by the Minister.
- (3) The Minister can delegate the authority to issue SPE for Non-Subsidized Urea Fertilizers as referred to in paragraph (2) to the Director General.

Article 6

- (1) To obtain SPE for Non-Subsidized Urea Fertilizers as referred to in Article 5, the subsidiaries of PT Pupuk Indonesia (Persero) shall file written applications to the Director General, along with :
 - a. a photocopy Industrial Business Permit (IUI) or other similar permit issued by the authorized technical agency;
 - b. a photocopy of Corporate Registration Certificate (TDP);
 - c. a photocopy of Taxpayer Code Number (NPWP);
 - d. SKAE for Non-Subsidized Urea Fertilizers; and
 - e. a written statement with a duty stamp stating that the urea fertilizers to be exported are not subsidized urea fertilizers.
- (2) The Director General shall issue SPE for Non-Subsidized Urea Fertilizers no later than 5 (five) working days after the applications as referred to in paragraph (1) have been received in a complete and correct way.

- (3) If the applications as referred to in paragraph (1) are not complete and correct, the Director General shall reject the applications for SPE for Non-Subsidized Urea Fertilizers no later than 5 (five) working days after the applications have been received.

Article 7

SPE for Non-Subsidized Urea Fertilizers issued by the Director General as referred to in Article 6 paragraph (2) shall be valid for a maximum of 6 (six) months since the date of issuance.

Article 8

- (1) If documents of the applications as referred to in Article 6 paragraph (1) letter a up to letter d change, the subsidiaries of PT Pupuk Indonesia (Persero) shall apply for revised SPE for Non-Subsidized Urea Fertilizers in writing to the Director General by attaching the following documents to the applications:
- a. the original of SPE for Non-Subsidized Urea Fertilizers;
 - b. a plan for a change in the export of non-subsidized fertilizers;
 - c. a written statement from PT Pupuk Indonesia (Persero); and
 - d. a export realization report.
- (2) The Director General shall issue revised SPE for Non-Subsidized Urea Fertilizers no later than 5 (five) working days after the applications as re-

ferred to in paragraph (1) have been received in a complete and correct way.

Article 9

- (1) If after the validity period of SPE for Non-Subsidized Urea Fertilizers has expired part of non-subsidized urea fertilizers remains unexported, the subsidiaries of PT Pupuk Indonesia (Persero) can apply for the extension of SPE for Non-Subsidized Fertilizers.
- (2) SPE for Non-Subsidized Urea Fertilizers can be extended for a maximum of 3 (three) months according to the volume of non-subsidized urea fertilizers that remain unexported and a recommendation from Pokja.
- (3) To extend SPE for Non-Subsidized Urea Fertilizers as referred to in paragraph (1), the subsidiaries of PT Pupuk Indonesia (Persero) shall file written applications to the Director General, along with :
- a. the original of expired SPE for Non-Subsidized Urea Fertilizers;
 - b. a written statement from PT Pupuk Indonesia (Persero);
 - c. a recommendation from Pokja; and
 - d. a export realization report.
- (4) The Director General shall issue extended SPE for Non-Subsidized Urea Fertilizers no later than 5 (five) working days after the applications as referred to in paragraph (3) have been received in a complete and correct way.

(5) If the applications as referred to in paragraph (3) are not complete and correct, the Director General shall reject the applications for SPE for Non-Subsidized Urea Fertilizers no later than 5 (five) working days after the applications have been received.

Article 10

When the subsidiaries of PT Pupuk Indonesia (Persero) whose SPE for Non-Subsidized Urea Fertilizers has expired intend to export another non-subsidized urea fertilizers, they shall file written applications for new SPE for Non-Subsidized Urea Fertilizers according to provisions as referred to in Article 6 paragraph (1).

Article 11

The subsidiaries of PT Pupuk Indonesia (Persero) that export non-subsidized urea fertilizers shall meet provisions in Article 2 in addition to technical provisions and conditions related to the export of non-subsidized urea fertilizers stipulated in other regulation.

Article 12

- (1) The subsidiaries of PT Pupuk Indonesia (Persero) that have secured SPE for Non-Subsidized Urea Fertilizers shall report in writing the export of non-subsidized urea fertilizers, either realized or not realized.
- (2) The report as referred to in paragraph (1) shall

be submitted to the Director General, with a copy addressed to Pokja no later than the 15th of the ensuing month after the expiry of SPE for Non-Subsidized Urea Fertilizers manually and/or through <http://inatrade.kemendag.go.id>.

Article 13

- (1) The subsidiaries of PT Pupuk Indonesia (Persero) that violate provisions in Article 2 and Article 11 shall have their permits revoked and/or are liable to other sanctions according to the legislation.
- (2) The subsidiaries of PT Pupuk Indonesia (Persero) that violate provisions in Article 12 shall not be given SPE for Non-Subsidized Urea Fertilizers to export non-subsidized urea fertilizers again.
- (3) The subsidiaries of PT Pupuk Indonesia (Persero) that receive sanctions as referred to in paragraph (2) can apply for another SPE for Non-Subsidized Urea Fertilizers after submitting a written report on the export of non-subsidized urea fertilizers as referred to in Article 12.

Article 14

The Director General can stipulate technical provisions to implement this Ministerial Regulation.

Article 15

Urea fertilizer export approvals issued based on Decree of the Industry and Trade Minister No. 558/MPP/Kep/12/1998 on General Provisions in the Export Sector as already several times amended the

latest by Regulation of the Trade Minister No. 01/M-DAG/PER/1/2007, shall remain valid until the expiry of urea fertilizer export approval.

Article 16

This Ministerial Regulation shall come into force as of July 19, 2012.

For public cognizance, this Ministerial Regulation shall be promulgated by placing it in the State

Gazette of the Republic of Indonesia.

Stipulated in Jakarta

On July 18, 2012

THE TRADE MINISTER OF
THE REPUBLIC OF INDONESIA

sgd

GITA IRAWAN WIRJAWAN

(S)