

**DECREE OF THE MINISTER OF AGRICULTURE  
NUMBER: 957/Kpts/IK.120/12/1996; DATED: DECEMBER 27, 1996**

RE

**THE USE OF FISHING VESSELS CARRYING FOREIGN FLAGS ON A HIRING**

THE MINISTER OF AGRICULTURE

**Considering:**

a. that by virtue of Decree of the Minister of agriculture No. 816/Kpts/IK.120/11/90 it has been stipulated that Indonesian fishery companies are permitted to use fishing vessels carrying foreign flags on a hiring basis for fishing in the Indonesian Exclusive Economic Zone (ZEEI) so that fishing activities in ZEEI by Indonesian fishery companies using fishing vessels carrying foreign flags have now developed as expected;

b. that the said development has also successfully encouraged fishery companies to own fishing vessels carrying an Indonesia flag;

c. that to better promote the capacity for the utilization of fish resources, it is deemed necessary to re-regulate the use of fishing vessels carrying foreign flags on hiring basis for fishing in ZEEI.

**Bearing in mind:**

1. Law No. 5/1983;
2. Law No. 9/1985;
3. Government Regulation No. 15/1984;
4. Government regulation No. 15/1990;
5. Presidential Decree No. 44/1974;
6. Presidential Decree No. 29/1984;
7. Presidential Decree No. 15/1990 jo. Presidential Decree No. 46/1993;
8. Presidential Decree No. 96/M/1993;
9. Decree of the Minister of Agriculture No. 560/Kpts/OT.210/8/ 1990;
10. Decree of the Minister of Agriculture No. 815/Kpts/IK.120/11/1990;
11. Decree of the Minister of Agriculture No. 508/Kpts/PL.810/7/1996;

**Taking in account:**

Letter of the Minister of Finance No. S-585/M.017/1996 dated October 29, 1996.

HAS DECIDED

**To stipulate:**

**THE DECREE OF THE MINISTER OF AGRICULTURE CONCERNING  
THE USE OF FISHING VESSELS CARRYING FOREIGN FLAGS ON A HIRING BASIS FOR FISHING  
IN THE INDONESIA EXCLUSIVE ECONOMIC ZONE.**

**Article 1**

(1) An Indonesian fishery company already owning a Fishery Business licence (IUP) and wishing; to use a fishing vessel carrying a foreign flag on hiring basis for fishing in the Indonesian Exclusive Economic Zone (ZEEI) shall be obligated to possess an Approval for the Use of Foreign Vessels (PPKA), which shall be valid for 3 (three) years.

(2) It shall be obligatory that a fishing vessel carrying a foreign flag and used by the Indonesian fishery company as meant in paragraph (1) should be covered with a Fishing Licence (SIPI).

(3) The fishing vessel carrying a foreign flag as meant in paragraph (1) and weighing 800 GT. above can be used only in the ZEEI in the Indian Ocean and in the ZEEI in the Pacific Ocean.

**Article 2**

(1) The PPKA and the SIPI as meant in Article I shall be issued to a fishery company if the fishery company:

- a. owns at least 2 (two) fishing vessels carrying an Indonesian flag and weighing at least 30 GT.;
- b. owns a cold storage business with a minimum capacity of 100 tons;

- c. owns a canning or filleting business;
- d. owns a shipyard with a minimum capacity of 150 GT.; or
- e. owns an ice-making factory with a minimum capacity of 10 tons a day.

(2) For 1 (one) fishing vessel carrying an Indonesian flag, an Indonesian fishery company already fulfilling the requirements as meant in paragraph (1) letter a may hire a maximum of 3 (three) fishing vessels carrying foreign flags.

(3) For every fulfillment of the requirements set forth in letters b, c and d, an Indonesian fishery company already fulfilling the requirements as meant in paragraph (1) letters b, c and d may hire a maximum of 5 (five) fishing vessels carrying foreign flags.

### **Article 3**

(1) The fishing devices which may be used by an Indonesian fishery company as meant in Article 1 shall be:

- a. a long line;
- b. a single purse seine;
- c. a group purse seine;
- d. a fish net;
- e. a gill net;
- f. a squid jigging.

(2) The fishing devices as meant in paragraph (1) cannot be used in the ZEEI in the Malacca Straits.

(3) Concerning the gill net as meant in paragraph (1), specially with respect to a drift gill net, the length must not exceed 5 km and the drift gill net must be operated by a fishing vessel carrying a foreign flag weighing not more than 100 GT.

### **Article 4**

(1) The Director General of Fishery shall stipulate a harbour which shall serve as the base for the hired fishing vessel carrying a foreign flag as meant in Article 1.

(2) The fishing vessel carrying a foreign flag as meant in Article 1 and using seines with the ZEEI in the Sulawesi Sea as its fishing area shall be obligated to be based at Tarakan fishing harbour and Nunukan general harbour in East Kalimantan province.

### **Article 5**

(1) The Indonesian fishery company as meant in Article 2 shall be obligated to export or sell domestically its fishery catch.

(2) The Indonesian fishery company as meant in Article 1 shall be obligated to employ Indonesian crew members in stages under the provision that within a period of 6 (six) months as from the issuance of an SIPI, the Indonesian crew members employed must constitute at least 30% of the total number of crew members on each vessel.

(3) The employment of Indonesian crew members as meant in paragraph (2) shall be set forth in a working agreement between an Indonesian fishery company and the Indonesian crew members.

(4) It shall be obligatory that the Indonesian crew members working on a fishing vessel carrying an foreign flag as meant in paragraph (2) should be included in the Workers' Social Securities programme by the Indonesian fishery company hiring the fishing vessel carrying a foreign flag.

### **Article 6**

(1) The fishery company as meant in Article 1 shall be subject to the collection of a fishery levy (PP) which amounts to the following:

- 1. Long Line                      US\$ 140/GT;
- 2. Single Purse Seine        US\$ 159/GT;

3. group Purse Seine	US\$ 225/GT;
4. Fish Net	US\$ 290/GT;
5. Gill Net	US\$ 70/GT;
6. Squid Jigging	US\$ 85/GT.

(2) The fishery levy its meant in paragraph (1) must be paid up before the SIPI is given to the applicant concerned.

#### **Article 7**

The procedure for the payment of PP be arranged as follows:

a. The Director General of Fishery shall issue a Letter of Instruction for the Payment of PP (SPP-PP) to the applicant in 4 (four) fold and mention the amount to be paid:

1. Sheets I and II shall be given to the applicant;
2. Sheet III shall be given to the Director General of Financial Institutes of the Ministry of Finance;
3. Sheet IV shall be filed.

b. The applicant shall pay the amount of the PP owing to the central office of Batik Indonesia for the account of the Ministry of Finance under No. 508.000.071, which is specially used for national fishery development.

c. The central office of Bank Indonesia shall issue a deposit letter 3 (three) fold:

1. Sheet I shall be for the applicant/depositor;
2. Sheet II shall be for the Director General of Fishery;
3. Sheet III shall be for the Director General tit Financial institutes, the Ministry of Finance.

#### **Article 8**

An Indonesian fishery company shall be obligated to put on the vessel hired a Vessel Identification mark as contained in the SIPI, pursuant to the stipulation laid down by the Minister of Agriculture.

#### **Article 9**

The Director General of Fishery may limit the number of fishing vessels carrying foreign flags hired and their fishing areas.

#### **Article 10**

(1) The SIPI of a fishing vessel carrying a foreign flag and used by an Indonesian fishery company prior too the issuance of this decree shall remain valid until it expires.

(2) It up to the issuance of this decree the process of SIPI application of a fishing vessel carrying a foreign flag used by an Indonesian fishery company has not reached the stage of application to the intelligence Agency of the Indonesian Armed Forces (BIA) for security clearance, the process of SIPI settlement shall be terminated and SIPI application must comply with the provisions in this decree.

(3) If at the time of the issuance of this decree the fishery company as meant in paragraph (1) has not fulfilled the requirements as meant in Article 2 paragraph (1), it shall be given a chance to fulfil the requirements at the latest 1 (one) year as of the stipulation of this decree.

(4) If the requirements as meant in Article 2 paragraph (1) have not been fulfilled when the period of time as meant in paragraph (3) is over, the SIPI which has expired cannot he given renewal/extension and the PPKA owned shall be valid only up to the expiry of the SIPI.

#### **Article 11**

With the enforcement of this decree of the Minister of Agriculture, Decree of the Minister of Agriculture No. 816/KPTs/1K.120/11/90 on the use of fishing vessels carrying foreign flags on a hiring basis for fishing in the Indonesian Exclusive Economic Zone shall be declared null and void.

**Article 12**

- (1) This decree shall be valid until December 31, 1999.
- (2) This decree shall take effect as from the date of stipulation.

Stipulation in: Jakarta  
On: December 27, 1996

THE MINISTER OF AGRICULTURE  
sgd.  
Dr. Ir. SJARIFUDIN BAHARSJAH