

PROVISIONS ON THE EXPORT AND IMPORT OF NATURAL OIL AND GAS

(Regulation of the Trade Minister No. 42/M-DAG/PER/9/2009 dated September 14, 2009)

BY THE GRACE OF GOD ALMIGHTY

THE TRADE MINISTER OF THE REPUBLIC OF INDONESIA,

Considering :

- a. that natural oil and gas are strategic unrenovable natural resources which constitute vital commodities to serve the interests of all people and play an important role in the national economy and therefore, the management of natural oil and gas on a national scale must be able to contribute to the prosperity and welfare of the Indonesian people;
- b. that to support the supply of natural oil and gas, the release and entry of natural oil and gas from and to the domestic market need to be set forth in a policy on the export and import of natural oil and gas in the interests of natural oil and gas businesses;
- c. that based on the considerations referred to in letter a and letter b, there need to be a regulation on the export and import of natural oil and gas;
- d. that based on the considerations referred to in letter a, letter b and letter c, it is necessary to stipulate a Regulation of the Trade Minister;

In view of :

1. Trade Ordinance of 1934 (Statute Book of 1938 No. 86);
2. Law No. 10/1995 (**BN No. 5812 pages 19A-20A and so on**) on Customs Affairs (Statute Book of 1995 No. 75, Supplement to Statute Book No. 3612) as has been amended by Law No. 17/2006 (**BN No. 7476 pages 23A-27A**) (Statute Book of 2006 No. 93, Supplement to Statute Book No. 4661);
3. Law No. 22/2001 (**BN No. 6696 pages 16A-27A and so on**) on Natural Oil and Gas (Statute Book of 2001 No. 136, Supplement to Statute Book No. 4152);
4. Government Regulation No. 36/2004 (**BN No. 7183 pages 1A-11A and so on**) on Natural Oil and Gas Downstream Business Activities (Statute Book of 2004 No. 124, Supplement to Statute Book No. 4436);
5. Presidential Decree No. 260/1967 on the Affirmation of Tasks and Responsibilities of the Trade Minister in the Foreign Trade Sector;
6. Presidential Decree No. 21/2001 (**BN No. 6587 pages 16A-17A**) on the Supply and Service of Lubricating Oil;
7. Presidential Decree No. 187/M/2004 (**BN No. 7128 pages 30A-31A**) on the Formation of the United Indonesia Cabinet as has been several times amended the latest by Presidential Decree No. 171/M/2005;
8. Presidential Regulation No. 9/2005 (**BN No. 7182 pages 2A-23A**) on the Position, Task, Function, Organizational Structure and Work Mechanism of Ministries of the Republic of Indonesia as has been several times amended the latest by Presidential Regulation No. 20/2008;
9. Presidential Regulation No. 10/2005 on the Organizational Unit and Task of First Echelon Officials of the Ministries of the Republic of Indonesia as has been several times amended the latest by Presidential Regulation No. 50/2008;
10. Decree of the Industry and Trade Minister No. 229/MPP/Kep/7/1997 (**BN No. 6032 pages 5A-7A**) on General Provisions in the Import Sector;

11. Decree of the Industry and Trade Minister No. 558/MPP/Kep/12/1998 (*BN No. 6252 pages 10A-12A and so on*) on General Provisions in the Export Sector as has been several times amended the latest by Regulation of the Trade Minister No. 01/M-DAG/PER/1/2007 (*BN No. 7475 pages 17A-25A*);
12. Regulation of the Trade Minister No. 01/M-DAG/PER/3/2005 on the Organizational Structure and Work Mechanism of the Trade Ministry as has been several times amended the latest by Regulation of the Trade Minister No. 24/M-DAG/PER/6/2009;
13. Regulation of Energy and Mineral Resources Minister No. 0007/ 2005 (*BN No. 7366 pages 6A-17A*) on Qualifications and Guidance for the Realization of Business Permits in the Natural Oil and Gas Downstream Business Activities;
14. Regulation of the Trade Minister No. 31/M-DAG/PER/7/2007 (*BN No. 7587 pages 23A-32A*) on Importer's Identification Number (API);
15. Regulation of the Trade Minister No. 01/M-DAG/PER/1/2008 (*BN No. 7648 pages 25A-30A*) on Provisions on the Import of Liquefied Petroleum Gas (LPG) and 3-kg LPG cylinders;
3. Corporate body, hereinafter referred to as BU, is a company in the form of legal entity carrying out permanent and continuous business, formed according to the law and working and domiciled in the territory of the Republic of Indonesia.
4. Permanent business establishment, hereinafter referred to as BUT, is a corporate body formed and having legal status outside the territory of the Unitary State of the Republic of Indonesia, carrying out activities in the territory of the Unitary State of the Republic of Indonesia and put under an obligation to adhere to the law and regulation in the Republic of Indonesia.
5. Direct user is a corporate body receiving an import recommendation from the Energy and Mineral Resources Minister to import natural oil and gas to serve its own interests rather than for sales.
6. Recommendation is a letter of consideration to issue natural oil and gas export or import approvals from the Director General of Natural Oil and Gas on behalf of the Energy and Mineral Resources Minister to the Minister in this case the Director General.
7. Director General of Oil and Gas is the Director General of Natural Oil and Gas, Ministry of Energy and Mineral Resources.
8. Director General is the Director General of Foreign Trade, Trade Ministry.
9. Minister of ESDM is the Minister of Energy and Mineral Resources.
10. Minister is the Trade Minister.

D E C I D E S :

To stipulate :
 REGULATION OF THE TRADE MINISTER ON PROVISIONS
 ON THE EXPORT AND IMPORT OF NATURAL OIL AND GAS.

Article 1

Referred to in this Ministerial Regulation as :

1. Natural oil and gas is natural oil and natural gas.
2. Executing body is a body formed to control upstream business activities in the field of natural oil and gas.

Article 2

- (1) Natural oil and gas referred to in this Ministerial Regulation consist of natural oil, natural gas, fuel oil (BBM), fuel gas (BBG), liquefied natural gas (LNG), liquefied petroleum gas (LPG), other fuels

and processing products as contained in the attachment which is an integral part of this Ministerial Regulation.

- (2) The natural oil and gas referred to in paragraph (1) can only be exported by :
 - a. the executing body, BU, and BUT, for natural oil and gas upstream business activities; and
 - b. BU, for natural oil and gas downstream business activities.
- (3) The natural oil and gas referred to in paragraph (1) can only be imported by :
 - a. BU, for natural oil and gas downstream business activities; and
 - b. direct users.

Article 3

- (1) The natural oil and gas referred to in Article 2 can be exported or imported after considering the condition of domestic supplies and needs.
- (2) Based on the consideration referred to in paragraph (1), the Minister of ESDM in this case the Director General of Oil and Gas issues a recommendation on the types and quantities of natural oil and gas that can be exported or imported.

Article 4

- (1) The executing body, BU, and BUT referred to in Article 2 paragraph (2) letter a and BU referred to in Article 2 paragraph (2) letter b that export natural oil and gas shall secure prior export approvals from the Minister.
- (2) BU referred to in Article 2 paragraph (3) letter a and direct users referred to in Article 2 paragraph (3) letter b that import natural oil and gas shall secure prior import approvals from the Minister.

- (3) To secure natural oil and gas export approvals, the executing body referred to in Article 2 paragraph (2) letter a and BU referred to in Article 2 paragraph (2) letter b shall file written applications to the Minister in this case the Director General, accompanied by :
 - a. photocopies of taxpayer code number (NPWP); and
 - b. export recommendations from the Minister of ESDM in this case the Director General of Oil and Gas.
- (4) To secure natural oil and gas export approvals, BU and BUT referred to in Article 2 paragraph (2) letter a shall file written applications to the Minister in this case the Director General through the executing body, accompanied by:
 - a. photocopies of taxpayer code number (NPWP); and
 - b. export recommendations from the Minister of ESDM in this case the Director General of Oil and Gas.
- (5) To secure natural oil and gas import approvals, BU referred to in Article 2 paragraph (3) letter a and direct users referred to in Article 2 paragraph (3) letter b shall file written applications to the Minister in this case the Director General, accompanied by :
 - a. photocopies of taxpayer code number (NPWP);
 - b. photocopies of importer's identification number (API);
 - c. photocopies of customs identification number (NIK); and
 - d. import recommendations from the Minister of ESDM in this case the Director General of Oil and Gas.
- (6) Based on the written applications for natural oil and gas export or import approvals referred to in paragraph (3), paragraph (4), and paragraph (5), the Director General under the name of the Minister shall issue natural oil and gas export or import approvals no later than 7 (seven) working days after the applications have been received in a complete and correct way.

- (7) Natural oil and gas export approvals for BU and BUT referred to in paragraph (4) shall be issued through the executing agency.

Article 5

- (1) The executing agency, BU, and BUT referred to in Article 2 paragraph (2) letter a and letter b that have secured export approvals, and BU and direct users referred to in Article 2 paragraph (3) letter a and letter b that have secured natural oil and gas import approvals referred to in Article 4 paragraph (6) shall submit reports on the realization of natural oil and gas exports or imports in writing to :
- a. the Minister in this case the Director General; and
 - b. the Minister of ESDM in this case the Director General of Oil and Gas.
- (2) The reports referred to in paragraph (1) shall be submitted no later than 15 (fifteen) days after the natural oil and gas exports or imports have been realized.

Article 6

- (1) The executing agency, BU, and BUT that violate provisions in Article 4 paragraph (1) shall be liable to a sanction by suspending their natural oil and gas exports in the ensuing period.
- (2) BU and direct users that violate provisions in Article 4 paragraph (2) shall be liable to a sanction by suspending their natural oil and gas imports in the ensuing period.
- (3) The abuse of natural oil and gas export approvals by the executing agency, BU and BUT or the abuse of natural oil and gas import approvals by BU and direct users referred to in Article 4 paragraph (6), or the violation of the obligation to submit written reports

by the executing agency, BU, BUT or direct users referred to in Article 5 shall lead to the imposition of a sanction by suspending their natural oil and gas exports or imports in the ensuing period.

Article 7

To supervise the implementation of this Ministerial Regulation, the Director General, along with the Director General of Oil and Gas can set up a team of officials to evaluate the realization of natural oil and gas exports and imports.

Article 8

When this Ministerial Regulation begins to take effect:

1. provisions on natural oil and gas as goods whose exports are put under surveillance as laid down in Decree of the Industry and Trade Minister No. 558/MPP/Kep/12/1998 on General Provisions in the Export Sector as has been several times amended the latest by Regulation of the Trade Minister No. 01/M-DAG/PER/1/2007; and
2. provisions on the import of liquefied petroleum gas (LPG) for special purposes under a kerosene-to-LPG conversion program using 3-kg cylinders as laid down in Regulation of the Trade Minister No. 01/M-DAG/PER/1/2008 on provisions on the import of liquefied petroleum gas (LPG) and 3-kg LPG cylinders; shall be declared null and void.

Article 9

Further provisions needed to implement this Ministerial Regulation may be stipulated by the Director General.

Article 10

This Ministerial Regulation shall come into force as from the date of stipulation.

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 September 14, 2009
THE TRADE MINISTER,
sgd.
MARI ELKA PANGESTU

ATTACHMENT

LIST OF NATURAL OIL AND GAS SUBJECT TO REGULATION

No.	NAMES OF GOODS	HEADINGS/HS	REMARKS
1.	Crude oil	2709.00.10.00	only for export
2.	Condensate	2709.00.20.00	
3.	Natural gas (pipe gas)	2711.21.00.00	
4.	Liquefied Natural Gas (LNG)	2711.11.00.00	
5.	Liquefied Petroleum Gas (LPG)	2711.12.00.00	
	2711.13.00.00		
	ex. 2711.19.00.00		
6.	Compressed Natural Gas (CNG)	2711.21.00.00	
7.	Fuel oil (BBM) :		
	a. High Octane Mogas Component (HOMC), Gasoline.	2710.11.11.00	
		2710.11.12.00	
		2710.11.13.00	
		2710.11.14.00	
		2710.11.15.00	
		2710.11.16.00	
	b. Aviation Gasoline (Avgas)	2710.11.20.00	
	c. Aviation Turbine (Avtur/Jet A1)	2710.19.13.00	
		2710.19.14.00	

No.	NAMES OF GOODS	HEADINGS/HS	REMARKS
	d. Gas Oil/Diesel Fuel		
	- Automotive Diesel Oil (ADO)	2710.19.71.00	
	- Industrial Diesel Oil (IDO)	2710.19.72.00	
	- Marine Gas Oil (MGO)	2710.19.72.00	
	- SGO (Special Gas Oil)	2710.19.72.00	
	e. Fuel Oil :		
	- Marine Fuel Oil (MFO)	2710.19.79.00	
	- High Sulfur Fuel Oil (HSFO)	2710.19.79.00	
	- Low Sulfur Fuel Oil (LSFO)	2710.19.79.00	
	- Industrial Fuel Oil (IFO)	2710.19.79.00	
	f. Kerosene	2710.19.16.00	
8.	Low Sulfur Waxy Residues	ex.2713.90.00.00	
9.	Naphtha	2710.11.70.00	only for export
10.	Residue		
	- Vacuum residue	ex 2713.90.00.00	
	- Decant Oil	ex 2713.90.00.00	
	- Recovered Oil		
11.	Carbon black feedstock oil	2710.19.30.00	
12.	Other fuels (Biodiesel, FAME fuelgrade, DME, Bioethanol)		
	- Biodiesel/FAME (Fatty Acid Methyl Esther)	3824.90.90.00	
	- Dimethyl Ether (DME)	2909.19.90.00	
	- Bioethanol	2207.10.00.00	
		2207.20.11.00	
		2207.20.19.00	
		2207.20.90.00	

THE TRADE MINISTER,

sgd.

MARI ELKA PANGESTU

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