

Notices on Customs Problem related to Japan-Indonesia EPA

June 5, 2017

International Division

Japan Chamber of Commerce and Industry

Recently, Indonesian Customs have been denying the preferential tariff treatment in many cases, when utilizing the Agreement between the Republic of Indonesia and Japan for an Economic Partnership (hereinafter referred to as “JIEPA”) to import originating goods of Japan to Indonesia, through one or more non-Parties, for the reason that the transit ports and the names of vessels after the transshipment (hereinafter referred to as “transit information”) are not indicated in the through bill of lading or in Field 3 of the Certification of Origin (hereinafter referred to as “CO”).

The Government of Japan is taking every opportunity to inform the Government of Indonesia that they can confirm the fulfilment of consignment criteria even when transit information is not indicated on the through bill of lading, by the fact that the through bill of lading itself has been issued, and that it is a general commercial practice that transit information is not written on through bills of lading for a variety of reasons, including that carriers may be forced to change the scheduled transit ports and vessels due to unforeseen factors such as weather. Although the Japanese Government has been working on the Government of Indonesia to improve their practices, it is not expected that the problems will be resolved immediately.

Therefore, the Ministry of Foreign Affairs and the Ministry of Economy, Trade and Industry advises that in order to avoid trouble, it is preferable for companies utilizing JIEPA to export originating goods from Japan into Indonesia, through one or more non-Parties, to take the following measures, until the issues be resolved at the government level.

- indicate scheduled transit information on through bills of lading and Field 3 of a CO.
- clearly print “Through Bill of Lading” on through bill of lading

In addition, JIEPA stipulates the following:

“where an originating good of the exporting Party is imported through one or more non-Parties, the importing Party may require importers, who claim the preferential tariff treatment for the good, to submit:

- (a) a copy of through bill of lading; or
- (b) a certificate or any other information given by the customs authorities of such non-Parties or other relevant entities, which evidences that the good has not undergone operations other

than unloading, reloading and any other operation to preserve it in good condition in those non-Parties.”

Although the Government of Japan has been working on the improvement, Indonesian Customs have been recently denying preferential tariff treatment for the reason that a Certificate of Non-Manipulation is not provided by the customs authorities of non-Parties or other relevant entities for submission, even though a copy of through bill of lading is submitted. Therefore, according to the Ministry of Foreign Affairs and the Ministry of Economy, Trade and Industry, it is preferable to obtain a Certificate of Non-Manipulation issued by the customs authorities of non-Parties or other relevant entities, whenever possible (we have confirmed the issuance of Certificates of Non-Manipulation in Singapore, Taiwan and Korea.).

Please note that even when the above measures are taken, Indonesian Customs may raise other issues. We will provide additional notices once the above situation has improved.