

BATAM

Special Issue

Special Points of Interests:

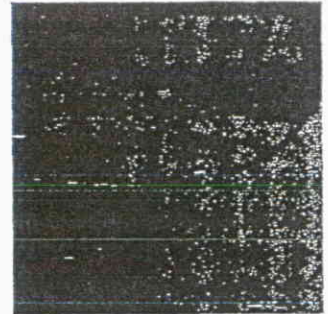
- *Batam Indonesia Free Zone Authority (BIFZA)*
- *State Regulations No.2 Year 2009*
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- *License Under BIFZA*

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- *PT. Adhya Tirta Batam*

BATAM INDONESIA FREE ZONE AUTHORITY (BIFZA)

The globalization has opened up windows for economics opportunities in many countries, as well as eliminating trade barriers with zero tariffs which has driven changes in production and distribution model. Many multinational companies are now outsourcing to countries offering competitive production cost and strategic location. In anticipating this progress, the Government of the Republic of Indonesia is developing strategic location of Free Trade Zones in Batam, Bintan and Karimun.



BATAM INDONESIA FREE ZONE AUTHORITY

Batam Free Zone and Free Port is a region within Indonesia territory alienated from other customs zones which exempted from import duty, value added tax, sales tax on luxurious goods and excise. Batam Free Zone and Free Port may encourage good international trade traffic and increase national exchange rate as well as positive impact to Indonesia, for creating many job opportunities, tourism and investment from local or overseas.

Free Zone has the rights to establish policies which in line with the existing laws and regulations. The legal platform of Free Trade Zone and Free Port in the three regions is based on Laws No. 44 year 2007 followed by State Regulations No 45 for Batam, No. 46 for Bintan and No. 47 for Karimun. The President of the Republic of Indonesia has inaugurated the status in February 2009 and issued State Regulations No. 2 year 2009 on Customs, Taxation and Excise in Batam, Bintan and Karimun.

Batam is established as a free zone and free port for 70 years since 20 August 2007 .Batam Free Zone and Free Port covers Batam, Tonton, Setokok, Nipah, Rempang, Galang and Galang Baru islands. The regulations rule that the management of Free Zone in Batam particularly, is authorized to Batam Indonesia Free Zone Authority (BIFZA), previously known as the Batam Industrial Development Authority (BIDA), led by Mr. Mustofa Widjaja.

BIFZA has the vission to become a competitive investment destination in Asia Pacific, supported with the mission of :

1. Becoming Internationally competitive industrial areas
2. Preparing for port services with International standard,
3. Becoming an International trade region,
4. Becoming an International tourism destination,
5. Developing BIFZA Human Resources with information technology base
6. Developing International standard infrastructures network

**STATE REGULATIONS
NO. 2 YEAR 2009****Article 3 ;**

- 1) Entry of goods from other regions to free zones may only be conducted by importers who have business licenses from Free Zone Authority.
- 2) Importers stated on verse (1) may only imported goods to free zone according to its business core.
- 3) Total quality and type of goods according to its business core as stated in verse (2) is determined by Free Zone Authority.
- 4) Entry on consumption goods for local needs from outside custom zones to free zones, may only be conducted by importer who had license from Free Zone Authority, in total quality and types determined by Free Zone Authority.

Business License is legal form to conduct businesses in accordance to goods traffic into free zone and free port of Batam, which is issued by BIFZA after registration.

Registration is a business registration in BIFZA by completing all conditions on registration form and attachments, include :

- 1). Import List is made for period of one year, goods in master list must be in accordance to business core.
- 2). Import List covers;
 - a. Goods Specification
 - b. Total Quantity
 - c. Unit
 - d. HS Code (6 digits)
 - e. Port of Entry in Batam
(Batu Ampar / Kabil / Sekupang / Hang Nadim)
 - f. Additional Information

Documents Required:

- 1). Trading License / Industrial License / Permanent Business License.
- 2). Company Registration Number / Tanda Daftar Perusahaan (TDP).
- 3). Warehouse Registration Number / Tanda Daftar Gudang (TDG).
- 4). Importer Registration Provision / Angka Pengenal Impor (API-U/API-T/API-P).
- 5). Tax Payer Registration Number / Nomor Pokok Wajib Pajak (NPWP).
- 6). Customs Principal Number / Nomor Induk Kepabeanan (NIK).
- 7). Company Article of Associations
- 8). Domicile Letter.

*to be continued*Published by:
Batam Industrial Development Authority.

Patron:
Chairman of BIDA,
Deputy for Administration & Planning,
Deputy for Operation,
Deputy for Supervision & Control.

Publisher:
Bureau of Marketing and Public Relations.

Executive Supervisor:
Tri Novianta P.

Chief-Editor:
Ariastuty Sirait.

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Novrita, Dharmawati.

Lay-Out:
Ilham Eka Hartawan.

Administration & Circulation:
Marketing Division.

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Type and Quantity of Goods

Classification for type of goods;

- a. Capital Goods
- b. Raw Material
- c. Consumption Goods

BIFZA will evaluate/verify on type and amount of capital goods and raw materials which is imported for industrial needs. BIFZA will also evaluate/verify on type and amount for entry and use of imported consumption goods, by determining quota for demand of each commodity. Consumption good is accordance to local needs at Batam Free Zone.

License for Entry of Goods to Batam Free Zone

- 1). Entry of goods to Batam Free Zone may be conducted after company obtained license for import from BIFZA with congested conditions.
- 2). Registration for Import include;
 - a. Description/ Specification of goods
 - b. Quantity
 - c. Unit
 - d. HS Code (10 digits)
 - e. Loading Port
 - f. Destination Port
 - g. Additional information

Company Registration Procedure and Business License

1. Companies may register for Business License either directly to BIFZA office or online at www.batam.go.id (still on progress). Application submission with online system in Batam Indonesia Free Zone Authority (BIFZA) is at www.batam.go.id, then click BIFZA logo **Batam Export-Import**. The *registration on-line* could be done by clicking the **new list** menu and fill **username** and **password**. An applicant may register for Business License by clicking the menu "**Registration of Business License**" and then fill up columns in the form according with the sequence and instruction from the computer.
 - d. c.c to Commissioner for facility and infrastructure of BIFZA
 - e. Fill in Company Registration Form online or through BIFZA registration window desk. Registered number should be printed out when application is done though online.
 - f. A Statement letter with stamp duty of Rp. 6,000,- on the application form. The main purpose is to guarantee and assure that all documents attached on the business license registration is accurate and accountable by the signing party.
 - g. Request letter is signed by the head of company as stated on the company deed Article of Association.
 - h. Sample of a request letter could be downloaded from menu of "example form"
2. The application submission may also done by registering directly at the registration window desk of BIFZA. However, registering online is most recommendable in the future.
3. An application letter with company letter head should be addressed to BIFZA, which include:
 - a. Date and Letter Number
 - b. Addressed to Head of BIFZA
 - c. The subject is request for Business License and Registration.
4. Administration Documents Verification
BIFZA would verify the completion of submitted documents on the registration form and attached copies, evaluate business core competency, asses type and





Company Registration Procedure and Business License

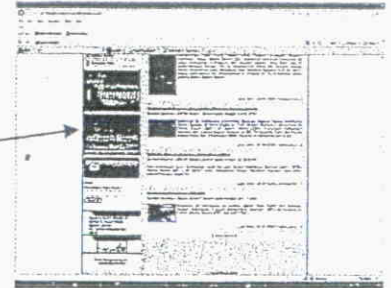
total quantity for export and import of goods in one year, as well as inspect whether imported goods are categorized as prohibited or regulated goods, whereby rules and regulations are applied.

5. Physical Verification

BIFZA will investigate accuracy of submitted documents as well as conduct physical survey. The details include company location, management identity, person in charge, type of business and imported raw materials. Currently, as the conversion from BIDA to BIFZA only recently established, the physical verification or survey has not yet been performed due to prioritizing business license. However, the physical verification would still be performed to all issued business licenses.

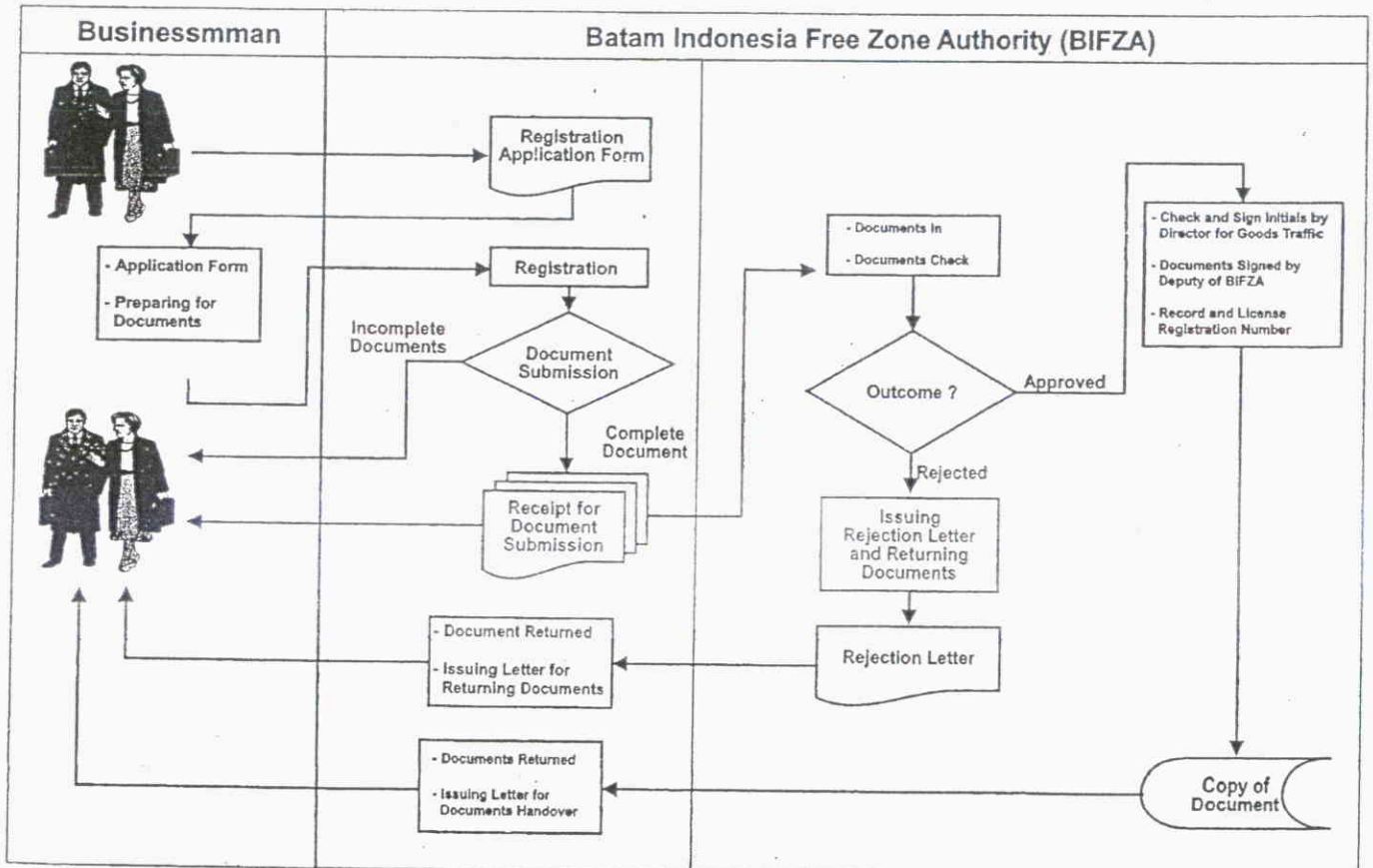
6. Issuing Business License

When companies are qualified and completed all necessary documents, BIFZA will then issue Business License. The process could be monitored online by accessing website www.batam.go.id on main menu "BIFZA Licensing System". Applicant may send an email to BIFZA should the process took longer than estimated time.



click BIFZA logo
Batam Export-Import

Standard Operational Procedure (SOP) Business License at Batam Indonesia Free Zone Authority (BIFZA)



Licenses Under Batam Indonesia Free Zone Authority



With the changes in the institutional body in managing Batam free zone, BIFZA is authorized by the Central government to issue the following licenses :

No	License	Legal Platform
1	Import for Iron Steel a. Acknowledgment as Import Producer of Iron and Steel b. Establishment as Registered Importer of Iron and Steel	Trade Minister Decree No.08/M-DAG/PER/3/2/2009 The license for importing iron and steel has been withdrawn by the Central Government of the Republic of Indonesia
2	Import for Used Capital Goods Approval of Import for Used Capitals Goods	Trade Minister Decree No.57/M-DAG/PER/12/2008 On condition of import for Used Capital Goods
3	Import for Optical Plates a. Appointed as Registered Importer of Optical Plates b. Approval of import for Optical Plates	Trade Minister Decree No.5/M-DAG/PER/4/2005 On condition of import for Machineries, Machineries Spare Parts, Raw Material for Optical Plates.
4	Import for Textiles and Textiles Products Acknowledgment as Import Producer for Textile and Textile Products	Trade Minister Decree No.15/M-DAG/PER/5/2008 On condition of import for Textile and Textile Products.
5	Import for Alcohol Beverages Appointed as Registered Importer for Alcohol Beverages	Industry and Trade Minister Decree No. 230/MPP/KEP/7/1997 On Importer Goods for Trade
6	Import for Agriculture Machineries and Equipment Appointed as Registered Importer for Agriculture Machineries and Equipment	Industry and Trade Minister Decree No. 230/MPP/KEP/7/1997 On Importer Goods for Trade
7	Import for Salt a. Appointed as Registered Importer for Salt b. Acknowledgment as Import Producer for Ion Salt and Non Ion	Trade Minister Decree No.44/M-DAG/PER/10/2007 On Amandements for Trade Minister Decree No. 20/M-DAG/PER/9/2005 On conditions for Salt Import
8	Import for Plastic Acknowledgment as Import Producer for Plastics	Import for Plastic Acknowledgment as Import Producer for Plastics
9	Import for Color Multifunction Machineries, Color Photocopy Machine and Color Printer a. Appointed as Registered Import b. Appointed as Import Producer	Import for Color Multifunction Machineries, Color Photocopy Machine and Color Printer a. Appointed as Registered Import b. Appointed as Import Producer

Authorized Export Licenses

No	License	Legal Platform
1	Export for Coffee Beans a. Establishment as Coffee Beans Registered Exporter b. Approval for Coffee Beans Export	Trade Minister Decree No.27/M-DAG/PER/7/2008 On conditions for Coffee Beans Export
2	Export for Forestry Industrial Products Establishment as Forestry Industrial Products Registered Export	1. Trade Minister Decree No 20/M-DAG/PER/5/2008 on Forestry Industrial Products Regulations 2. Trade and Industry Minister Decree No 558/MPP/KEP/12/1998 on General Policies for Export Goods as amended from Trade Minister Decree No 01/M-DAG/PER/1/2007

