



Thursday, 14th April 2022

## INFORMATION

## Updates on Addition of Tariff Post and Shipbuilding Industry Development Incentive in Indonesia, Effective from April 1st, 2022

On April 1<sup>st</sup> 2022, the Directorate General of Customs and Excise of the Ministry of Finance enforces the Indonesian Customs Tariff Book (BTKI) 2022 through the Ministry of Finance Regulation (PMK) No. 26/PMK.010/2022 concerning Stipulation of the Goods Classification System and Imposition of Import Duty Tariffs on Imported Goods. The Indonesian Customs Tariff Book (BTKI) is a document containing a complete classification structure of goods with the imposition of import duties and import taxes. This policy is a part of the Government's effort to realize the duties and functions of Customs and Excise, namely in the revenue collection aspect it is used to collect import duties, export duties, and taxes in the context of imports.

In terms of trade facilitation, the Indonesian Customs Tariff Book (BTKI) serves as the basis for negotiations in the Free Trade Agreement (FTA), Rules of Origin, and statistical data collection. This policy also facilitates the monitoring of prohibited and restricted commodities, including products that are considered dangerous for both trade and society, so that it is an embodiment of the community protection aspect.

The Indonesian Customs Tariff Book (BTKI) contains the goods classification system applicable in Indonesia. The enactment of the Indonesian Customs Tariff Book (BTKI) 2022 **changed several things** contained in the Indonesian Customs Tariff Book (BTKI) 2017 due to the addition of tariff posts. Therefore, there have been several updates regarding the Indonesian Customs Tariff Book (BTKI) 2022, including:

1. Addition of Tariff Post  
In the Indonesian Customs Tariff Book (BTKI) 2022 there are some fairly basic changes compared to the Indonesian Customs Tariff Book (BTKI) 2017, namely:
  - a. In chapters 1 to 97, there were 11,414 tariff posts from the previous 10,813 tariff posts
  - b. In chapters 98 and 99, it increased to 138 tariff posts from the previous 28 tariff posts
2. Shipbuilding Industry Development Incentive  
In the Indonesian Customs Tariff Book (BTKI) 2022, the government also includes a special scheme to provide incentives in the context of developing the shipbuilding industry, namely 0 (zero) percent tariff entry for 111 tariff posts for shipbuilding industry components, which previously cost between 5 (five) percent and 15 (fifteen) percent tariff.
3. In the Indonesian Customs Tariff Book (BTKI) 2022, there are also adjustments to 43 tariff posts in the machinery and equipment manufacturing sector, chemical manufacturing, other food and pharmaceutical manufacturing which are combined and have different import duty rates (listed on pages 230 to 673).

For your reference, please check the Ministry of Finance Regulation (PMK) No. 26/PMK.010/2022 concerning Stipulation of the Goods Classification System and Imposition of Import Duty Tariffs on Imported Goods in Bahasa Indonesia and English translation in the link [here](#).

## Italian Business Association in Indonesia (IBAI)

c/o Istituto Italiano di Cultura Jakarta

Jl. HOS Cokroaminoto No. 117 Menteng Jakarta 10310 INDONESIA

P: +6281 1979 4262 E: [ibai@ibai.or.id](mailto:ibai@ibai.or.id)