CUSTOMS PROCEDURE FOR CLEARANCE OF RELIEF CONSIGNMENT IN THE EVENT OF NATURAL DISASTER: INDONESIA EXPERIENCE
## Relief Consignment Regulations and Guidelines

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<td>• Revised Kyoto Convention, Specific Annex J5</td>
<td>• Law no. 24/ 2007 concerning Disaster Management</td>
<td>• Customs Law no. 17/2006 (Article 25 para 1)</td>
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<td>• Annex B9 to the Istanbul Convention</td>
<td>• Government Regulation no. 21/2008 concerning the Arrangement of Disaster Management</td>
<td>• Minister of Finance Regulation No. 64/PMK.04/2007</td>
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<td>of relief consignments in the event of disaster.</td>
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<td>• IDRL Guidelines Resolution 4, 30th International Conference of the Red Cross &amp;</td>
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<td>Red Crescent, 2007.</td>
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General Regulations

- Donated Goods shall be granted:
  - Exemption of import duty, and other import taxes (VAT, VAT on luxurious goods, import income tax)
  - Approval for clearance with guarantee
Legal Basis #1

ON THE EXEMPTION OF IMPORT DUTY GRANTED FOR IMPORTATION OF GOODS DONATED FOR TACKLING NATURAL DISASTER

- Article 25 para (1) letter d Customs Law number 17/2006 on the Amendment of Customs Law number 10/1995:
  “The exemption of Import Duty shall be granted for import of goods donated for public worship, charity, social, cultural or for tackling natural disaster.”

- Minister of Finance Regulation number 144/KMK.05/1997 on tentang the exemption of Import Duty shall be granted for import of goods donated for public worship, charity, social, cultural as amended by Minister of Finance Regulation number 64/PMK.04/2007.
# Customs Formalities To Obtain Import Duty & Taxes Exemption for Donated Goods

Based on Minister of Finance Regulation number 64/PMK.04/2007

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CUSTOMS PROCEDURE FOR THE RELEASE OF GOODS DONATED FOR TACKLING NATURAL DISASTER

Customs Formalities To Obtain Import Duty & Taxes Exemption for Relief Consignments

- **Importer**
  - Exemption Application
  - Supporting Documents
  - Special Import Declaration

- **NDMA/RDMA/Governor/Disaster Taskforce**
  - Recommendation Letter
  - Supporting Documents + Written Guarantee

- **Local Customs Service Office**
  - Forwarding the application
  - Approval for Vooruitslag
  - Administrative Settlement on Vooruitslag

- **Customs Headquaters**
  - Application Verification
  - Approval for Clearance

- **Finance Minister**
  - Approval/Rejection
  - Exemption Letter or Rejection Letter
Problems

• Importers did not aware customs formalities for the clearance of goods;

• Goods/ vehicles were dropped directly on the spot/ on location; many goods had no import documents or had no proper import documents.

• Abundant of goods coming, while there were shortage in number of customs officers;

• Local customs service not exist anymore or if there is, it was partially damaged
Aceh’s Tsunami (26 December 2004): lessons learned on relief consignment and rebuilding & rehabilitation process

- Government established Badan Rehabilitasi dan Rekonstruksi (BRR) / Rehabilitation and Reconstruction Body.

- All customs formalities for the goods were coordinated through this special body.

- Due to the massive impact of the disaster, the same treatment for customs formalities on natural disaster is not only during the emergency disaster period, but extended up to the rehabilitation and reconstruction period (4 years).
Padang’s Earthquake (30 September 2009): lessons learned on relief consignment

- Government already have established Law number 24 year 2007 concerning Disaster Management;

- National Disaster Management Agency was already established in 2008 by Presidential Regulation (10 ministries has representatives in this body, including Minister of Finance);

- All customs formalities for the goods were coordinated through this special body;

- Director General of Customs and Excise just issued a guidelines on the settlement of customs formalities on relief consignment for natural disaster (S-1208/BC/2009 dated 15 September 2009);

- First days after the earthquake, Customs invited some embassies and NGO for coordination;

- Director General of Customs and Excise issued a guidelines on the settlement of customs formalities on relief consignment for natural disaster (S-1259/BC/2009 dated 8 October 2009) to improve the settlement of customs formalities;

- Customs Headquarter send two task force teams alternately to handle clearance of goods (starting from the 4 October 2009).
In the case of natural disaster emergency, time is the essence. Timely customs process is the best mix for the situation.

Thank You

Sources & Acknowledgments:
- WCO
- IFRC
- ACEHS’S RRA (BRR)
- NDMA (BNBP)
- INDONESIAN CUSTOMS (DJBC)
- Images: BRR Aceh (Arief Ariyadi), Binsar Bakkara (Reuters), NG-Indonesia.