

# REGULATION ON DUTY-FREE SHOP

Jul 17, 2013

The Minister of Finance has issued Regulation No. 37/PMK.04/2013 on Duty-Free Shops on 27 February 2013, which implements Article 48 of Government Regulation No. 32 of 2009 on Bonded Storehouses (Tempat Penimbunan Berikat). The Regulation will effectively be applied 90 days since the issuance date.

In brief, there are two documents needed to open a duty-free shop, ie a Determination as a Duty-Free Shop (Penetapan sebagai Toko Bebas Bea) and a License as a Duty-Free Shop Entrepreneur License (izin Pengusaha Toko Bebas Bea), both given by the Directorate General for up to 3 years and which can be extended. The entrepreneur must submit an application to the Minister of Finance c.q. Directorate General through the local Custom Office Head.

Under the Regulation, a duty-free shop entrepreneur is obliged, among others, to provide decent facilities for Customs and Excise officials for the purpose of supervision, to report its monthly revenue, expense, and stock to the head of the local customs office on the 10th day of the following month, to apply know-your-customer policies, etc.