

LAW OF THE REPUBLIC OF INDONESIA
NO. 39/2007

CONCERNING
AMENDMENT TO LAW NO. 11/1995 CONCERNING EXCISE

BY GRACE OF THE ALMIGHTY GOD
THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering:

- a. that the Unitary State of the Republic of Indonesia constitutes a law state based on Pancasila and the Constitution of 1945, which aims at realized peaceful; orderly, prosperous and just national life;
- b. that excise as a state levy imposed on certain goods having nature or characteristic suitable to law constitutes state revenue to realize national welfare;
- c. that in a bid to provide better legal certainty and justice as well as educe potentials of revenue from excise, provisions of Law No.11/1995 needs amendment;
- d. that based on the considerations as described in letters a, b and c, it is necessary to enact a law on the Amendment to Law No.11/1995 concerning excise;

In view of:

- 1. Article 5 paragraph (1), Article 20 paragraph (1), Article 23A, and Article 33 paragraph (4) of the Constitution of 1945;
- 2. Law No.11/1995 concerning Excise (Statute Book of 1995 No. 76, Supplement to Statute Book No. 3613);

By Joint Approval of
THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF INDONESIA
AND THE PRESIDENT OF THE REPUBLIC OF INDONESIA

HAS DECIDED:

To stipulate:

THE LAW CONCERNING AMENDMENT TO LAW NO.11/1995
CONCERNING EXCISE

Article I

Several provisions in Law No.11/1995 concerning Excise (Statute Book of 1995 No. 76, Supplement to Statute Book No. 3613) shall be amended as follows:

1. The provision of Article 1 is amended so as to read as follows:

"Article 1

In this law, the meaning of:

- 1. Excise shall be a state levy imposed on certain goods having nature or characteristic stipulated in this law.*
- 2. Factories shall be certain places including buildings, compound and square thereof, used for producing excisable goods and/or packing excisable goods in packs for retail sales.*
- 3. Party shall be individual or statutory body.*
- 4. Manufacturers shall be parties managing factories.*
- 5. Storage Places shall be places, buildings and/or square being not part of factories, used for storing excisable goods in the form of ethyl alcohol still indebted to excise, which is destined to distribution, selling or export.*
- 6. Organizers of storage places shall be parties managing storage places.*
- 7. Retail Places shall be places for the retail of excisable goods to end-consumers.*
- 8. Organizers of Retail Places shall be parties managing retail places.*
- 9. Distributors shall be parties distributing or selling excisable having their excise already settled, solely; destined to non end-consumers.*
- 10. Excise Document shall be 'a document used in the framework of implementing this law in the form of completing form or electronic media.*
- 11. Offices shall be Offices of the Directorate General of Customs and Excise.*
- 12. Directorate General of Customs and Excise shall be an institution executing the main tasks and functions of the Ministry of Finance in the customs and excise affairs.*

13. *Minister shall be the Minister of Finance of the Republic of Indonesia.*
14. *Director General shall be the Director General of Customs and Excise.*
15. *Customs and Excise Officials shall be employees of the Directorate General of Customs and Excise appointed in certain positions to undertake specified tasks on the basis of this law.*
16. *Provisional Stockpiling Places shall be buildings and/or squares or other places treated such that in the customs area to pile up goods temporarily pending the loading or release.*
17. *Bonded Stockpiling shall be buildings, places, and/or areas fulfilling certain requirements, which are used for piling up goods for certain purposes by obtaining deferred import duty.*
18. *Customs Area shall be the territory of the Republic of Indonesia, covering mainland, waters and airspace above it as well as certain places in economic exclusive zones and continent shelf wherein the customs law applies.*
19. *Excise Audit shall be a series of activities of examination of financial statements, books, records and documents becoming the basic evidences of bookkeeping and other document related to business activities, including electronic data, as well as letters related to activities in the excise field and/or stocks of goods in the framework of implementing the provisions of excise legislation.*
20. *Collection form shall be a letter in the form of stipulation, which is used for collecting excise due, shortage of excise, administrative sanction in the form of fine and/or interest."*

2. The provision of Article 2 paragraph (1) is amended so as to read as follows:

"Article 2

(1) Certain goods having the following nature or characteristic:

- a. needing control in their consumption;*
- b. needing supervision in their distribution;*
- c. being potential to inflict negative impacts on communities and environment; or*

d. needing the imposition of state levy on their use for justice and equilibrium, shall be subject to excise on the basis of this law.

(2) The goods as described in paragraph (1) shall be stipulated as excisable goods."

3. Two new articles are supplement between Article 3 and Article 4 to become Article 3A and Article 3B, which read as follows:

"Article 3A

(1) The excise documents and/or complementary excise documents as described in Article 3 paragraph (3) shall be conveyed in the form of writing on a form or in the form of electronic data.

(2) The excise documents and/or complementary excise documents as described in paragraph (1) shall become legitimate proof according to this law.

(3) Further provisions on the excise document and/or complementary excise document as described in paragraph (1) shall be ruled by or on the basis of a regulation of the Minister.

Article 3B

The whole provisions regulated in this law shall apply to the excisable goods."

4. Article 4 remains unchanged with amendment to elucidation on Article 4 paragraph (2) so that elucidation on Article 4 becomes as stipulated in elucidation on article by article of this law.

5. The provisions of Article 5 paragraphs (1), (2) and (4) are amended and supplemented by one paragraph, namely paragraph (5) so that Article 5 reads as follows:

"Article 5

(1) Excisable goods in the form of tobacco products shall be subject to excise on the basis of the highest rate :

- a. Produced in Indonesia*
- 1. 275% (two hundred and seventy five percent) of the cost price if the adopted cost price is the factory-based selling price;*
- 2. 57% (fifty seven percent) of the cost price if the adopted cost price is the retail price.*

- *b. Imported*
 - *1. 275% (two hundred and seventy five percent) of the cost price if the adopted cost price is the customs value plus import duty;*
 - *2. 57% (fifty seven percent) of the cost price if the adopted cost price is the retail price*
- (2) Other excisable goods shall be subject to excise on the basis of the highest rate:*
- *a. Produced in Indonesia*
 - *1. 1,150% (one thousand and one hundred fifty five percent) of the cost price if the adopted cost price is the factory-based selling price;*
 - *2. 80% (eighty percent) of the cost price if the adopted cost price is the retail price.*
 - *b. Imported*
 - *1. 1,150% (one thousand and one hundred fifty percent) of the cost price if the adopted cost price is the customs value plus import duty;*
 - *2. 80% (eighty seven percent) of the cost price if the adopted cost price is the retail price.*
- (3) The rates of excise as described in paragraphs (1) and (2) can be changed from the percentage of the cost price into the amount in the rupiah for every unit of excisable goods or conversely or combination of both.*
- (4) Stipulation of the target of state revenue from excise in Draft State Budget of Revenue and Expenditure (RAPBN) and alternatives to policies of the Minister in optimizing efforts to achieve the target of the revenue by observing the condition of industries and aspirations of manufacturers shall be conveyed to the House of Representatives of the Republic of Indonesia (DPR RI) to obtain approval.*
- (5) Further provisions on the rates of excise as described in paragraphs (1) and (2) as well as the change in the rate as described in paragraph (3) shall be ruled by a regulation of the Minister."*
6. The provision of Article 6 paragraph (3) is amended so as to read as follows:
- "Article 6
- (1) The cost price used for counting excise on the excisable goods produced' in Indonesia shall be the factory price or retail price.*

(2) The cost price used for counting excise on the imported excisable goods shall be the customs value plus import duty or retail price.

(3) Further provisions on the stipulation of the cost price shall be ruled in a regulation of the Minister of Finance."

7. Title of CHAPTER III is changed so as to read as follows:

*"CHAPTER III
SETTLEMENT, POSTPONEMENT AND FACILITY"*

8. The provision of Part One is amended so that Part One reads as follows:

*"Part One
Settlement"*

9. The provisions of Article 7 paragraphs (3), (4), (5) and (8) are amended, between paragraph (3) and (4) inserted 2 (two) paragraph, they are paragraph (3a) and (3b), and delete paragraph (6) and (7), so that Article 7 reads as follows:

"Article 7

(1) Excise on the excisable goods produced in Indonesia shall be settled upon the release of the excisable goods from factories or storage places.

(2) Excise on the imported excisable goods shall be settled when the excisable goods are imported for use.

(3) The settlement method of the excise as described in paragraphs (1) and (2) shall be realized by:

- a. payment;*
- b. affixing excise tape; or*
- c. putting other identity of excise settlement.*

(3a) The printing of excise tape as described in paragraph (3) letter b and provision of the other identities of excise settlement as described in paragraph (3) letter c shall be done by state-owned enterprises and/or agencies or institutions appointed by the Minister on the basis of the stipulated requirements.

- (3b) The stipulated requirements as described in paragraph (3a) shall contain at least the principles of security, continuity, effectiveness, efficiency and equal opportunity.*
- (4) The excise tape as described in paragraph (3) letter b and the other identities of excise settlement as described in paragraph (3) letter c shall be provided by the Minister.*
- (5) In case of the settlement of excise by affixing the excise tape as meant paragraph (3) letter b or putting the other identities of excise settlement as described in paragraph (3) letter c being not suitable to the excise legislation, the excise shall be deemed not settled.*
- (6) Abolished*
- (7) Abolished*
- (8) Further provisions on the settlement of excise shall be ruled by or on the basis of a regulation of the Minister."*

10. One part is supplemented between Part One and Part Two to become Part One A, which reads as follows:

*"Part One A
Postponement*

Article 7A

- (1) The payment of excise as described in Article 7 paragraph (3) letter a can be granted periodically to manufacturers in a period of not later than 45 (forty five) days as from the date of release of excisable goods without interest.*
- (2) The postponement of the payment of excise can be granted to manufacturers in a period of not later than:*
- a. 90 (ninety days) as from the date of ordering of excise, in case of the manufacturers settling excise by means of affixing excise tape as described in Article 7 paragraph (3) letter b;*
- b. 45 (forty five) days as from the date of release of excisable goods, in case of the manufacturers settling excise by putting the other identities of excise settlement as described in Article 7 paragraph (3) letter c.*
- (3) The postponement of the payment of excise shall be granted to importers of excisable goods in a period of not later than 60 (sixty) days*

as from the date of ordering of excise tapes in case of the importers settling excise by means of affixing excise tape as described in Article 7 paragraph (3) letter b.

- (4) In case of the periodical payment as described in paragraph (1), manufacturers shall be obliged to give up guarantee.*
- (5) In order to obtain the postponement as described in paragraph (2) and paragraph (3), manufacturers or importers of excisable goods shall give up guarantee.*
- (6) Kind and amount of the guarantee as described in paragraph (4) and paragraph (5) shall be ruled by or on the basis of a regulation of the Minister.*
- (7) Manufacturers settling their excise by means of the periodical payment as described in paragraph (1) that do not pay excise until the periodical payment period ends shall pay excise payable and be subject to administrative sanction in the form of a fine as much as 10% (ten percent) of the value of excise payable.*
- (8) Manufacturers or importers of excisable goods securing the postponement as described in paragraph (2) and paragraph (3) that do not pay excise until the maturity of the postponement shall pay excise payable and be subject to administrative sanction in the form of a fine as much as 10% (ten percent) of the value of excise payable.*
- (9) Further provisions on the periodical payment as described in paragraph (1) and postponement as described in paragraphs (2) and (3) shall be ruled by or on the basis of a regulation of the Minister."*

11. The provisions of Article 8 paragraphs (3) and paragraph (4) are amended and a new paragraph is supplemented between paragraphs (2) and (3) to become paragraph (2a) so that Article 8 reads as follows:

"Article 8

- (1) The uncollected excise on excisable goods as described in Article 4 paragraph(1) shall apply to:*
 - a. sliced tobacco made from tobacco planted in Indonesia, which is not packed for retail sales or packed for retail sales by traditional packing materials commonly used, if the slice tobacco in the production is not mixed or supplemented by imported tobacco or other materials commonly used in the production of tobacco*

products and/or package or the sliced tobacco is put by trade mark, etiquette or the like;

- *b. ethyl alcoholic beverage resulting from fermentation or sublimation by people in Indonesia, solely used for source of income and not packed for retail sales.*

(2) Excise on excisable goods also shall not be collected if the excisable goods:

- *a. are carried directly or further to outside the customs area;*
- *b. are exported;*
- *c. are imported into factories or storage places;*
- *d. are used as raw materials or auxiliary materials in the production of end products, which constitute excisable goods;*
- *e. has been destroyed or damaging before the release from factories, storage places or the issuance of approval of the import for use.*

(2a) Any change in the excisable goods not subject to the collection of excise as described in paragraph (1) and designation of the excisable goods not subject to the collection of excise as described in (2) shall be stipulated by the Minister.

(3) Manufacturers, organizers of storage places, importers of excisable goods or every party violating the provision on the uncollected excise as described in paragraph (2) shall be subject to administrative sanction in the form of a fine as much as twice of the excise value at the minimum and ten times of the value of excise payable at the maximum.

(4) Further provisions on the implementation of the provisions of paragraphs (1) and (2) shall be ruled by or on the basis of a regulation of the Minister."

12. The provisions of Article 9 paragraphs (3) and (4) are amended and a new paragraph is supplemented between paragraphs (1) and (2) to become paragraph (1a) so that Article 9 reads as follows:

"Article 9

(1) The exemption from excise can be granted to excisable goods:

- *a. which are used as raw materials or auxiliary materials in the production of end products being not excisable goods;*

- *b. which are used for the need of scientific research and development;*
- *c. which are used for the need of representatives of foreign countries and their officials assigned in Indonesia on the basis of reciprocal principles;*
- *d. which are used for the need of foreign specialists working with international agencies or organizations in Indonesia;*
- *e. which are carried by passengers, crew members, cross borderers or gift from other countries in a stipulated quantity;*
- *f. which are used for social purposes;*
- *g. which is imported into bonded stockpiling places.*

(1a) Any change in the designation of the excisable goods exempt from the excise as described in paragraph (1) shall be stipulated by the Minister.

(2) The exemption from excise also can be granted to certain excisable goods, namely:

- *a. ethyl alcohol which is destroyed thus becoming unfit for drinking;*
- *b. ethyl alcoholic beverages and tobacco products consumed by passengers and crew members of carriers directly departing to outside customs area.*

(3) Manufacturers, organizers of storage places, importers of excisable goods every party violating the provision on the exemption from excise as described in paragraph (2) shall be subject to administrative sanction in the form of a fine as much as twice of the excise value at the minimum and ten times of the value of excise payable at the maximum.

(4) Further provisions on procedures for the exemption from excise as described in paragraphs (1) and (2) shall be ruled by or on the basis of a regulation of the Minister."

13. The provisions of Article 10 paragraphs (1), (2) and (3) are amended and three paragraphs are supplemented between paragraphs (2) and (3) to become paragraphs (2a), (2b) and (2c) so that Article 10 reads as follows:

"Article 10

(1) Collection shall be applied to:

- *a. excise due not paid on time;*

- *b. shortage of excise; and/or*
- *c. administrative sanction in the form of fine.*

(2) The excise due, shortage of excise, and administrative sanction in the form of fine as described in paragraph (1) shall be paid in not later than 30 (thirty) days as from the date of receipt of the collection form.

(2a) The payment of the excise due, shortage of excise, and administrative sanction in the form of fine as described in paragraph (1) exceeding the period as described in paragraph (2) shall be subject to interest as high as 2% (two percent) of the amount of the excise due, shortage of excise, and administrative sanction per month for 24 (twenty four) months at the maximum.

(2b) In certain cases, on the basis of request from manufacturers, the Director General can grant relief to pay the liabilities as described in paragraph (1) by installment in a period of 12 (twelve) months at the maximum and the manufacturers shall be subject to interest as much as 2% (two percent) per month.

(2c) The amount of the payment of the excise due, shortage of excise, and administrative sanction in the form of fine as meant paragraph (2) and interest as described in paragraph (2a) shall be rounded up to thousand rupiah.

(3) Further provisions on procedures for collecting and paying by installment shall be ruled by or on the basis of a regulation of the Minister."

14. The provision of Article 12 is amended so that the article reads as follows:

"Article 12

(1) Restitution of the paid excise shall be granted in the case of:

- *a. overpayment being attributable to mistake in the calculation;*
- *b. excisable goods being exported;*
- *c. excisable goods being processed again in factories or being destroyed;*
- *d. excisable goods securing the exemption from excise as described in Article 9;*
- *e. excise tape being returned because they are spoiled or not used;*
or

- *f. overpayment being attributable to decision of the tax court.*
- (2) *The restitution of excise as described in paragraph (1) shall be done in not later than 30 (thirty) days as from the date of stipulation of overpayment.*
- (3) *If the restitution of excise is realized after the 30 (thirty) day period as described in paragraph (2), the government shall grant interest as high as 2% (two percent) per month, counted after the expiration of the period up to the realization of restitution.*
- (4) *Further provisions on restitution of excise shall be ruled by or on the basis of a regulation of the Minister."*

15. The provisions of Article 14 paragraphs (1), (2), (4), (5), (6), (7) and (8) are amended and three paragraphs are supplemented between paragraphs (1) and (2) to become paragraph (1a), paragraph (1b) and paragraph (1c); one paragraph is inserted between paragraphs (3) and (4) to become paragraph (3a); two paragraphs are added between paragraphs (5) and (6) to become paragraph (5a) and (5b) so that Article 14 reads as follows:

"Article 14

(1) *Every party planning to undertake activity as:*

- *a. manufacturer;*
- *b. organizer of storage place;*
- *c. importer of excisable goods;*
- *d. distributors; or*
- *e. organizer of retail place shall have license in the form of Entrepreneur Code Number of Excisable Goods from the Minister.*

(1a) *The obligation to have license to undertake activity as the distributor as described in paragraph (1) letter d or organizer of the retail place as described in paragraph (1) letter e shall apply to ethyl alcohol and ethyl alcoholic beverages.*

(1b) *The obligation to have license to undertake activity as distributor or organizer of retail place other than ethyl alcohol and ethyl alcoholic beverages as described in paragraph (1a) shall be stipulated by a regulation of the Minister.*

(1c) Importers of excisable goods already having the Entrepreneur Code No. of Excisable Goods as described in paragraph (1) letter c can import excisable goods.

(2) The license as described in paragraph (1) shall be issued to:

- a. parties domiciled in Indonesia; or*
- b. parties legitimately representing statutory bodies or individuals domiciled outside Indonesia.*

(3) In the case of the licensees as described in paragraph (2) letter a being individuals and passing away, their heirs or the authorized parties can use the license for twelve months as from the date of the death and shall be renewed after elapsing the period.

(3a) The license as described in paragraph (1) can frozen in case of:

- a. initial evidence being sufficient to indicate that the license committed crime in the excise field;*
- b. evidence being sufficient thus the licensing requirements are no longer fulfilled; or*
- c. the licensees being under supervision of curator in connection with their debts.*

(4) The license as described in paragraph (1) can be revoked in the basis:

- a. the licensee submitting application;*
- b. the license not undertaking activity for one year;*
- c. the licensing requirements being not fulfilled anymore;*
- d. the licensee being no longer legitimate to represent statutory body or individual domiciled outside Indonesia;*
- e. the licensee being declared bankrupt;*
- f. the provision as described in paragraph (3) being no longer fulfilled;*
- g. the licensee being sentenced on the basis of legally fixed judge decision for violating the provisions of this law;*
- h. the licensee violating the provision of Article 30; or*
- i. License in the form of Entrepreneur Code Number of Excisable Goods being transferred, authorized and/or cooperated with other parties without approval of the minister.*

(5) In case of the license as meant paragraph (1) being revoked, excisable goods having their excise not yet settled, which are still

located in factories or storage places shall have their excise settled and be taken out of the factories or storage places in 30 (thirty) days as from the date of receipt of decision on the revocation of the license.

(5a) In case of the provision as described in paragraph (5) being not fulfilled, the excisable goods as described in Article 2 paragraph (1) letters a, b and c shall be destroyed.

(5b) In case of the provision as described in paragraph (5) being not fulfilled, the excisable goods as described in Article 2 paragraph (1) letter d shall be ruled further by a regulation of the Minister.

(6) The provision on the settlement as described in paragraph (5) shall not apply to importers of excisable goods, distributors and organizers of retail places.

(7) Every party undertaking the activity as described in paragraph (1) without the license shall be subject to administrative sanction in the form of a fine as much as Rp.20,000,000.00, (twenty million rupiahs) at the minimum and Rp.200,000,000.00 (two hundred million rupiahs) at the maximum.

(8) Further provisions on the licensing shall be regulated by or on the basis of a government regulation."

16. Title of CHAPTER VI is amended so as to read as follows:

*"CHAPTER VI
BOOKKEEPING AND SORTING"*

17. Title of Part One is amended so that the title reads as follows:

*"Part One
Bookkeeping"*

18. The provision of Article 16 is amended so as to read as follows:

"Article 16

(1) Manufacturers, organizers of storage places, importers of excisable goods or distributors having the license as described in Article 14 paragraph (1) letter a, letter b, letter c, and letter d shall perform bookkeeping.

(2) Excluding from the obligation as described in paragraph (1) but having obliged to undertake recording shall be small-scale manufacturers,

distributors obliged to have license and organizers of retail places obliged to have license.

- (3) Manufacturers shall notify periodically excisable goods already produced to the Head of Office.*
- (4) Manufacturers, organizers of storage places, importers of excisable goods or distributors not performing the bookkeeping as described in paragraph (1) shall be subject to administrative sanction in the form of a fine amounting to Rp.50,000,000.00 (fifty million rupiahs).*
- (5) Small-scale manufacturers obliged to have license and small-scale organizers of retail places obliged to have license not undertaking the recording as described in paragraph (2) shall be subject to administrative sanction in the form of a fine amounting to Rp. 10,000,000.00 (ten million rupiahs).*
- (6) Manufacturers not notifying the produced excisable goods as described in paragraph (3) shall be subject to administrative sanction in the form of fine as much as twice of the value of the excisable goods not notified.*
- (7) Further provisions on the recording as described in paragraph (2) and notification about the produced goods as described in paragraph (3) shall be regulated by or on the basis of a regulation of the Minister."*

19. Two articles are supplemented between Article 16 and Article 17 to become Article 16A and Article 16B, which read as follows:

"Article 16A

- (1) The bookkeeping shall be performed properly by reflecting the real condition or business activity or minimally consist of records of assets, liabilities, capital, income and cost and inflow and outflow of excisable goods.*
- (2) The bookkeeping shall be executed in Indonesia by using Latin letter, Arabic figure, Rupiah currency as well as Indonesian language, or foreign currencies and other languages permitted by the Minister.*
- (3) Financial statements, books, records and documents becoming the basic evidences of bookkeeping and other documents related to business activities as well as letters related to activity in the excise field shall be kept for 10 (ten) years in their business places in Indonesia.*

(4) Further provisions on guidelines for performing bookkeeping shall be ruled by or on the basis of a regulation of the Minister.

Article 16B

Manufacturers, organizers of storage places, importers of excisable goods or distributors obliged to have license that do not implement the provision as described in Article 16A shall be subject to administrative sanction in the form of fine amounting to Rp.25,000,000.00 (twenty five million rupiahs)."

20. The provision of Article 17 paragraph (2) is amended so as to read as follows:

"Article 17

(1) Customs and excise officials shall conduct account book of excisable goods for every manufacturer or organizer of storage places with regards to certain excisable goods still indebted excise and located in factories or storage places.

(2) Customs and excise officials shall record the excisable goods as described in Article 16 paragraph (3) and Article 25 paragraph (1) or paragraph (3) still indebted to excise into the account book of excisable goods.

(3) Manufacturers or organizers of storage places shall be responsible for excise of the available excisable goods according to the account book of excisable goods."

21. The provision of Article 18 paragraph (1) is amended so as to read as follows:

"Article 18

(1) The account book of excisable goods shall be closed at the end of every calendar year.

(2) The account book of excisable goods also shall be closed after the sorting out or on the basis of request of manufacturers or organizers of storage places.

(3) The provisions on the account book of excisable goods as described in paragraph (1) and paragraph (2), as well as Article 17 paragraph (1) and paragraph (2) shall be regulated further by the Minister."

22. The provisions of Article 19 paragraph (1) and paragraph (2) are amended and between paragraph (1) and paragraph (2), a new paragraph is supplemented to become paragraph (1a) so that Article 19 reads as follows:

"Article 19

(1) Customs and Excise Officials shall perform account book of credit for every manufacturer securing relief of the periodical payment as described in Article 7A paragraph (1).

(1a) Customs and Excise Officials shall perform account book of credit for every manufacturer or importer of excisable goods securing the postponement of payment as described in Article 7A paragraph (2) and paragraph (3).

(2) Further provisions on the account book of credit as described in paragraph (1) and paragraph (1a) shall be regulated by or on the basis of regulation of the Minister."

23. Article 20 remains unchanged with change in elucidation on Article 20 paragraph (2) so that elucidation on Article 20 becomes as stipulated in elucidation on article by article of this law.

24. The provisions of Article 25 paragraphs (4) and (5) are amended and a new paragraph is supplemented between paragraphs (4) and (5) to become paragraph (4a) so that the article reads as follows:

"Article 25

(1) The import or export of excisable goods to or from factories or storage places shall be notified to heads of offices.

(2) The import or export of the excisable goods as described in paragraph (1) can be realized under supervision of customs and excise officials.

(3) In case of the import or export of excisable goods being under supervision of customs and excise officials, the basis for recording into the account book of excisable goods as described in Article 17 shall be data found the customs and excise officials.

(4) Manufacturers or organizers of storage places releasing excisable goods from factories or storage places that do not implement the provision as described in paragraph (1) shall be subject to

administrative sanction as much as twice of the value of excise on the released excisable goods.

(4a) Manufacturers organizers of storage places importing excisable goods into factories or storage places without abiding by the provision as described in paragraph (1) shall be subject to administrative sanction in the form of fine amounting to Rp.10,000,000.00 (ten) million rupiahs at the minimum and Rp.50,000,000.00 (fifty million) at the maximum.

(5) Further provisions on the import or export of the excisable goods as described in paragraphs (1), (2) and (3) shall be regulated by or on the basis of a regulation of the Minister."

25. The provision of Article 26 paragraphs (3) and (4) are amended so that the article reads as follows:

"Article 26

(1) In emergency condition/the excisable goods having their excise not yet settled can be removed to outside factories or storage places without getting protected by excise document.

(2) The removal of the excisable goods as described in paragraph (1) shall be promptly reported to heads of offices in the stipulated period.

(3) Manufacturers organizers of storage places not reporting the removal of excisable goods having their excise not yet settled because of the emergency condition as described in paragraph (2) shall be subject to administrative sanction in the form of fine amounting to Rp.1,000,000.00 (one million rupiahs) at the minimum and Rp.10,000,000.00 (ten million) at the maximum.

(4) Further provisions on the implementation of the provision of paragraphs (1) and (2) shall be regulated by or on the basis of a regulation of the Minister."

26. The provision of Article 27 paragraphs (3), (4) and (5) are amended so that Article 27 reads as follows:

"Article 27

(1) The transport of excisable goods whose excise has not been settled shall be protected by excise document.

(2) The transport of certain excisable goods shall be protected by excise document even though their excise has been settled.

- (3) *Anybody not abiding by the provision on the transport of excisable goods whose excise has not been settled as described in paragraph (1) shall be subject to administrative sanction in the form of fine minimally amounting to twice of the excise payable and maximally 10 (ten) times of the excise payable.*
- (4) *Anybody not abiding by the provision on the transport of excisable goods whose excise has not been settled as described in paragraph (2) shall be subject to administrative sanction in the form of fine as much as Rp.5,000,000.00 (five million rupiahs) at the minimum and Rp.50,000,000.00 (fifty million rupiahs) at the maximum.*
- (5) *Further provisions on the transport of the excisable goods as described in paragraphs (1) and (2) shall be regulated by or on the basis of a regulation of the Minister."*

27. The provisions of Article 29 paragraphs (1), (2) and (3) are amended and a new provision is supplemented between paragraphs (2) and (3) to become paragraph (2a) so that Article 29 reads as follows:

"Article 29

- (1) *Excisable goods whose excise is settled by means of affixing excise tape or putting other identities of excise settlement only can be offered, given up, sold or provided for sales after the goods are packed for retail or affixed by excise tapes or put by other required identities of excise settlement.*
- (2) *Excisable goods whose excise is settled by means of affixing excise tape or putting other identities of excise settlement, which are located in retail places or other places that conduct sales in their activities, shall be deemed provided for sales.*
- (3) *Manufacturers or importers of excisable goods affixing excise tapes or putting other identities of excise settlement on the excisable goods not suitable to the required excise tapes or other identities of excise settlement thus resulting in underpaid excise shall settle the excise and be subject to administrative sanction in the form of fine as much as twice of the excise value at the minimum and 10 (ten) times of the excise value at the maximum.*
- (4) *Further provisions on the implementation of the provisions of paragraph~ (1) and (2) shall be regulated by or on the basis of a regulation of the Minister."*

28. The provision of Article 31 is amended so as to read as follows:

"Article 31

(1) In the storage places, anybody shall be prohibited from:

- a. keeping excisable goods whose excise has been settled or which secure the exemption from excise;*
- b. keeping goods other than the excisable goods stipulated in the said license.*

(2) The excisable goods whose excise has been settled or exempt from excise, which are found in the storage places shall be deemed having their excise not yet settled or not exempt from excise.

(3) Organizers of the storage places violating the provision on the prohibition as described in paragraph (1) letter b shall be subject to administrative sanction in the form of fine as much as Rp.5,000,000.00 (five) million rupiahs) at the minimum and Rp.50,000,000.00 (fifty million rupiahs) at the maximum."

29. The provision of Article 32 is amended so as to read as follows:

"Article 32

(1) In factories, business places of importers of excisable goods, business places of distributors and retail places where the settlement of excise is realized by affixing excise tape or putting other identities of excise settlement shall be prohibited from:

- a. keeping or providing excise tapes and/or other identities of excise settlement already used; and/or*
- b. keeping or providing packages of excisable goods already used by using excise tapes and/or other identities of excise settlement, which remain whole.*

(2) Manufacturers, importers of excisable goods, distributors or organizers of retail places, which settle excise by excise tapes and/or other identities of excise settlement that violate the provision on the prohibition as described in paragraph (1) shall be subject to administrative sanction in the form of fine as much as twice of the value of excise at the maximum and 10 (ten) times of the value of excise of the excise tapes or other identities of excise settlement, which are found already used."

30. The provision of Article 33 is amended so as to read as follows:

"Article 33

(1) Customs and Excise Officials shall be authorized:

- a. to take necessary measures against the excisable goods and/or other goods related to the excisable goods, such as stopping, inspecting, preventing and sealing for implementing this law.*
- b. To take necessary measures such as not serving the ordering of excise tapes or other identities of excise settlement; and*
- c. Preventing excisable goods, other goods related to the excisable goods and/or carriers.*

(2) In exercising the authority as described in paragraph (1), the customs and excise officials can be furnished by firearms with the kind and requirements for use being regulated by a government regulation.

(3) Further provisions on the procedures for taking actions as described in paragraph (1) letters a and b as well as prevention as described in paragraph (1) letter c shall be regulated by or on the basis of a government regulation."

31. The provision of Article 34 is amended so as to read as follows:

"Article 34

(1) In executing tasks on the basis of this law, customs and excise officials can seek assistance from the Indonesian Police, Indonesian Military and/or other institutions.

(2) Based on the request as described in paragraph (1), the Indonesian Police, Indonesian Military and/or other institutions shall be obliged to fulfill it."

32. Title of Part Two in Chapter X is amended so as to read as follows:

*"Part Two
Inspection"*

33 The provision of Article 35 is amended so as to read as follows:

"Article 35

(1) Customs and Excise Officials shall be authorized to inspect:

- *a. factories, storage places or other places used for storing excisable goods and/or other goods related to excisable goods whose excise has not been settled or which is exempt from excise;*
- *b. buildings and other places directly or indirectly related to the buildings or places as described in a above;*
- *c. business places of distributors, retailers or other non-residence places wherein excisable goods are found; and*
- *d. excisable goods and/or other goods related to excisable goods located in the places as described in letters a, b and c.*

(2) In undertaking the inspection as described in paragraph (1), customs and excise officials shall be authorized to take samples of the excisable goods.

(3) In undertaking the inspection as described in paragraph (1) letter d, customs and excise officials shall be authorized to ask records of stocks of goods, excise documents and/or complementary customs documents, which must be organized on the basis of this law.

(4) Anybody making customs and excise officials unable to implement the provision as described in paragraphs (1), (2) and (3) shall be subject to administrative sanction in the form of fine as much as Rp.10,000,000.00 (ten million rupiahs) at the minimum and Rp.100,000,000.00 (one hundred million rupiahs) at the maximum."

34. The provisions of Article 36 paragraphs (1) and (2) are amended and a new paragraph is supplemented between paragraphs (1) and (2) to become paragraph (1a) so that Article 36 reads as follows:

"Article 36

(1) Manufacturers, organizers of storage places, importers of excisable goods, distributors, organizers of retail places, users of excisable goods securing the facility of exemption from excise as described in Article 9, in the course of inspection shall provide personnel, equipment and give up books, records and/or documents which must be organized on the basis of this law.

(2) If Manufacturers, organizers of storage places, importers of excisable goods, distributors, organizers of retail places, users of excisable goods securing the facility of exemption from excise as described in Article 9, in the course of inspection are not in the places or absent, the obligation as described in paragraph (1) shall shift to the represented.

(3) Manufacturers, organizers of storage places, importers of excisable goods, distributors, organizers of retail places, users of excisable goods securing the facility of exemption from excise as described in Article 9, in the course of inspection that do not provide personnel, equipment and give up books, records and/or documents when the inspection as described in paragraph (1) is executed shall be subject to administrative sanction in the form of fine as much as Rp.25,000,000.00 (twenty five million rupiahs) at the minimum and Rp.250,000,000.00 (two hundred and fifty million rupiahs) at the maximum."

35. The provisions of Article 37 paragraph (1) and (4) are amended so that Article 37 reads as follows:

"Article 37

(1) Customs and Excise Officials shall be authorized to stop and inspect carriers as well as excisable goods and/or other goods related to excisable goods abroad the carriers.

(2) The transporters shall show excise documents and/or complementary excise documents required on the basis of this law.

(3) The carriers sealed by postal service or other law enforcement apparatuses shall be except from the inspection as described in paragraph (1).

(4) Anybody making the customs and excise officials unable to implement the provision as described in paragraph (1) and transporters not abiding by the provision as described in paragraph (2) shall be subject to administrative sanction in the form of fine as much as Rp.2,500,000.00 (two million and five hundred thousand rupiahs) at the minimum and Rp.25,000,000.00 (twenty five million rupiahs) at the maximum."

36. The provisions of Article 39 paragraphs (1) and (2) are amended and three new paragraphs are supplemented between paragraphs (1) and (2) to become paragraphs (1a), (1b) and (1c) and a new paragraph is supplemented to become paragraph (3) so that Article 39 reads as follows:

"Article 39

(1) Customs and excise officials shall be authorized to conduct excise audit of manufacturers, organizers of storage places, importers of excisable goods, distributors, organizers of retail places, users of

excisable goods securing the facilities of exemption from excise as described in Article 9.

(1a) In executing the excise audit as described in paragraph (1), the customs and excise officials shall be authorized:

- a. to ask financial statements, books, records and documents becoming the basic evidences of bookkeeping and other documents related to business activities, including electronic data as well as letters related to activities in the excise field;*
- b. to ask verbal and/or written information from manufacturers, organizers of storage places, importers of excisable goods, distributors, organizers of retail places, users of excisable goods securing the facility of exemption from excise as described in Article 9 and/or other related parties;*
- c. to enter buildings or rooms for storing financial statements, books, records and documents becoming the basic evidences of bookkeeping and other documents related to business activities, including electronic data storing facility/media, excise tapes or other identities of excise settlement, stocks of goods and/or goods that can provide directive concerning the existence of business activities and/or other places deemed necessary as well as inspect the places; or*
- d. to take security measures deemed necessary against the places or rooms as described in c above.*

(1b) Manufacturers, organizers of storage places, importers of excisable goods, distributors, organizers of retail places, users of excisable goods securing the facility of exemption from excise as described in Article 9, in the course of excise audit shall give up verbal and/or written information, provide personnel, equipment and give up financial statements, books, records and other documents becoming the basic evidences of bookkeeping and other documents related to business activities, including electronic data as well as letters related to activities in the excise field.

(1c) If Manufacturers, organizers of storage places, importers of excisable goods, distributors, organizers of retail places, users of excisable goods securing the facility of exemption from excise as described in Article 9, in the course of excise audit are not in the places or absent, the obligation as described in paragraph (1) shall shift to the represented.

(2) Anybody making the customs and excise officials unable to implement the authority to conduct the excise audit shall be subject to administrative sanction in the form of a fine amounting to Rp.75,000,000.00 (seventy five million rupiahs).

(3) Further provisions on the excise audit as described in paragraph (1) shall be regulated by or on the basis of a regulation of the Minister."

37. The provision of Article 40 is amended so as to read as follows:

"Article 40

Customs and excise officials shall be authorized to clock, seal and/or affix the required security identities on parts of factories, storage places, business places of importers of excisable goods, business places of distributors, retail places, other places or carriers contained excisable goods for securing excise."

38. A new part is supplemented after Part Three of Chapter X to become Part Four, which reads as follows:

"Part Four

Special Authority of the Director General

Article 40A

(1) The Director General in ex officio or based on application from anybody can:

a. rectify collection form or decision on objection, containing miswriting, miscalculation in the issuance and/or mistakes in the application of the provisions of this law; or

b. reduces or abolishes administrative sanction in the form of fine in case of the sanction being imposed on the party because of negligence or mistake of other party.

(2) Further provisions on procedures for submitting application, rectification, reduction or abolition as described in paragraph (1) shall be regulated by or on the basis of a regulation of the Minister."

39. Title of Chapter XI is amended so as to read as follows:

"CHAPTER XI

OBJECTION, APPEAL AND LAWSUIT"

40. Title of Part One is amended so as to read as follows:

"Part One
Objection"

41. The provision of Article 41 paragraph (1) is abolished, paragraphs (2), (3), (4), (5), (6) and (7) are amended and a new paragraph is supplemented to become paragraph (8) so that Article 41 reads as follows:

"Article 41

(1) *Abolished*

(2) *Anybody raising objection to stipulation of the customs and excise officials in the enforcement of this law, which results in underpaid excise and/or administrative sanction in the form of fine can raise objection in writing to the Director General in not later 30 (thirty) days as from the date of receipt of the collection form by giving up guarantee amounting to the underpaid excise and/or administrative sanction in the form of the stipulated fine.*

(3) *The Director General shall decide the objection as described in paragraph (2) in a period of 60 (sixty) days as from the date of receipt of the objection.*

(4) *In case of the Director General not making decision in the period of 60 (sixty) days as described in paragraph (3), the objection shall be deemed acceptable and the guarantee shall be returned.*

(5) *If the Director General approved the objection, the guarantee shall be returned.*

(6) *In case of the guarantee being in the form of cash money and the returning of guarantee being realized after 30 (thirty) days as from the date of receipt of the objection as described in paragraphs (4) and (5), the government shall give interest as high as 2% (two percent) per month for 24 (twenty four) months at the maximum.*

(7) *If the Director General decided to deny the submitted objection, the guarantee shall be disbursed to pay excise and/or administrative sanction in the form of the stipulated fine.*

(8) *Further provisions on the objection shall be regulated by or on the basis of a regulation of the Minister."*

42. Article 42 is abolished.

43. Article 43 is abolished.

44. A new part is supplemented between Part One and Part Two to become Part One A, which reads as follows:

*"Part One A
Appeal and Lawsuit*

Article 43A

Anybody raising objection to the decision of the Director General as described in Article 41 paragraph (3) can file appeal in not later than 60 (sixty) days as from the date of stipulation of the decision.

Article 43B

Anybody raising objection to the revocation of business license not on the basis of his/her application as described in Article 14 paragraph (4) letter b, c, d, e, f, g, h or i can file lawsuit in not later than 60 (sixty) days as from the date of stipulation or decision.

Article 43C

The application for appeal as described in Article 43A or lawsuit as described in Article 43B shall be submitted to the tax court as described in the law ruling tax court."

45. Article 44 is abolished

46. The provision of Part Two is abolished

47. The provision of Article 50 is amended so as to read as follows:

"Article 50

Anybody not having the license as described in Article 14 that undertakes activity of factory, storage place or import excisable goods with a view of evading from excise payment shall be sentenced to one year imprisonment at the minimum and five year imprisonment at the maximum and fine as much as twice of the excise value at the minimum or 10 (ten) times of the excise value."

48. Article 51 is abolished.

49. The provision of Article 52 is amended so as to read as follows:

"Article 52

Manufacturers or organizers of storage places releasing excisable goods from factories or storage places without abiding by the provision as described in Article 25 paragraph (1) with a view of evading excise payment shall be sentenced to imprisonment for one year at the minimum and five years at the maximum and subject to fine amounting to twice of the excise value at the minimum or 10 (ten) times of the excise value at the maximum."

50. The provision of Article 53 is amended so as to read as follows:

"Article 53

Anybody intentionally showing or giving up the books, records and/or documents as described in Article 36 paragraph (1) or financial statements, books, records and documents becoming the basic evidence of bookkeeping and other documents related to business activity, including electronic media as well as letters related to activities in the excise field as described in Article 39 paragraph (1), which are untrue or falsified shall be sentenced to imprisonment for one year at the minimum and six years at the maximum and subject to fine amounting to Rp.75,000,000.00 (seventy five million rupiahs) at the minimum or 750,000,000.00 (seven hundred fifty million rupiahs) at the maximum."

51. The provision of Article 54 is amended so as to read as follows:

"Article 54

Anybody offering, giving up, selling or providing for sales excisable goods packed for retail sales or not affixed by excise tapes or not put by other identities of excise settlement as described in Article 29 paragraph (1) shall be sentenced to imprisonment for one year at the minimum and five years at the maximum and subject to fine amounting to twice of the excise value at the minimum or 10 (ten) times of the excise value at the maximum."

52. The provision of Article 55 is amended so that Article 55 reads as follows:

"Article 55

Anybody :

a. committing unlawfully, copying or falsifying excise tapes or other identities of excise settlement;

- b. buying, storing, using, selling, offering, giving up, providing for sales or importing false or falsified excise tapes or other identities of excise settlement; or*
- c. using, selling, offering, giving up, providing for sales or importing excise tapes or other identities of excise settlement already used shall be sentenced to imprisonment for one year at the minimum and eight years at the maximum and subject to fine amounting to ten times of the excise value at the minimum or twenty times of the excise value at the maximum."*

53. The provision of Article 56 is amended so as to read as follows:

"Article 56

Anybody piling, storing, having, selling, exchanging, obtaining, giving excisable goods which are ascertained or allegedly resulting from crime on the basis of this law shall be sentenced to imprisonment for one year at the minimum and five years at the maximum and subject to fine amounting to twice of the excise value at the minimum or 10 (ten) times of the excise value at the maximum."

54. The provision of Article 57 is amended so as to read as follows:

"Article 57

Anybody opening, releasing or damaging key, seal or security identities as regulated in this law without permit shall be sentenced to imprisonment for one year at the minimum and six years at the maximum and subject to fine amounting to Rp.75,000,000.00 (seventy five million rupiahs) at the minimum or 750,000,000.00 (seven hundred fifty million rupiahs) at the maximum."

55. The provision of Article 58 is amended so as to read as follows:

"Article 58

Anybody offering, selling or giving up excise tapes or other identities of excise settlement to the unrighteous parties or buying, receiving or using excise tapes or other identities of excise settlement, which are not his/her right shall be sentenced to imprisonment for one year at the minimum and five years at the maximum and subject to fine amounting to twice of the excise value at the minimum or 10 (ten) times of the excise value at the maximum."

56. A new article is supplemented between Article 58 and Article 59 to become Article 58A, which reads as follows:

"Article 58A

(1) Anybody unlawfully accessing the electronic system related to service and/or supervision in the excise field shall be sentenced to imprisonment for one year at the minimum and five years at the maximum and subject to fine amounting to Rp.50,000,000.00 (fifty million rupiahs) at the minimum or Rp.1,000,000,000.00 (one billion rupiahs) at the maximum.

(2) The action as described in paragraph (1), which results in the failure to meet the state levy on the basis of this law shall be punished in to prison for two year at the minimum and ten years at the maximum and subject to fine amounting to Rp.1,000,000,000.00 (one billion rupiahs) at the minimum or Rp.5,000,000,000 (five billion rupiahs) at the maximum."

57. The provision of Article 62 paragraph (3) is amended so that Article 62 reads as follows:

"Article 62

(1) Excisable goods implicated in the crime on the basis of the provisions of this law shall be confiscated by the state.

(2) Other goods implicated in the crime on the basis of the provisions of this law can be confiscated for the state.

(3) Further provisions on the settlement of the goods confiscated for the state as described in paragraphs (1) and (2) shall be regulated by a regulation of the Minister."

58. A new chapter is supplemented between CHAPPTER XIII and CHAPTER XIV to become CHAPTER XIII A, which reads as follows:

*"CHAPTER XIII A
FOSTERING OF PERSONNEL*

Article 64A

(1) Attitude and behavior of employees of the Directorate General of Customs and Excise shall abide by the code of conduct becoming technical guidelines on the implementation of tasks as regulated in this law.

- (2) *Violation of the code of conduct by employees of the Directorate General of Customs and Excise shall be settled by a commission for code of conduct.*
- (3) *Further provisions on code of conduct shall be ruled by a regulation of the minister.*
- (4) *Further provisions on the establishment, composition and working arrangement of the commission for code of conduct shall be ruled by a regulation of the minister.*

Article 64

In case of customs and excise officials calculating or stipulating excise not suitable to this law thus failing to fulfill the state levy, the customs and excise officials shall be subject to sanctions in accordance with the provisions of legislation in force.

Article 64C

- (1) *In case of indications of crime in the excise field implicating employees of the Directorate General of Customs and Excise, the Minister can assign internal auditor unit within the Directorate General of Customs and Excise to inquire the employees for finding initial evidence.*
- (2) *Further provisions on the inquiry as described in paragraph (1) shall be ruled by a regulation of the minister.*

Article 64D

- (1) *Individuals, group of people and/or working units rendering meritorious service for the settlement of violations in the excise field shall be entitled to obtain premium.*
- (2) *The amount of the granted premium shall be maximally 50% (fifty percent) of the administrative sanction in the form of fine and/or the auction proceeds of the goods resulting from violation in the excise field.*
- (3) *In case of goods resulting from the seizure being categorized as goods, which cannot be auctioned on the basis of legislation in force, the value of the goods as the basis for calculating premium shall be stipulated by the Minister.*
- (4) *Further provisions on the granting of premium as described in paragraphs (1) and (2) shall be regulated by a regulation of the Minister.*

Article 64E

- (1) The Directorate General of Customs and Excise shall be given incentive on the basis of the accomplishment of performance in the excise field.*
- (2) The granting of the incentive as described in paragraph (1) shall be stipulated through the State Budget of Revenue and Expenditure.*
- (3) Further provisions on the granting and utilization of the incentive as described in paragraph (1) shall be regulated by a regulation of the Minister."*

59. The provision of Article 65 is amended so as to read as follows:

"Article 65

Manufacturers, organizers of storage places, importers of excisable goods, distributors, organizers of retail places, and users of excisable goods securing the facility of exemption from excise as described in Article 9 shall be responsible for actions of people employed or appointed as proxies in connection with their work in the framework of implementing this law."

60. The provision of Article 66 paragraph (3) is amended so as to read as follows:

"Article 66

- (1) Excisable goods and other goods resulting from unknown violators shall be controlled by the state and under supervision of the Directorate General of Customs and Excise and in case of violator remaining unknown in fourteen days as from the date of control by the state, the excisable goods and other goods shall belong to the state.*
- (2) Excisable goods having their owners unknown shall be controlled by the state and under supervision of the Directorate General of Customs and Excise as well as announced officially by the Directorate General of Customs and Excise for settlement by the relevant in thirty days as from the date of control by the state and in case of the owners not settling the obligation in the period, the excisable goods shall belong to the state.*
- (3) Further provisions on the settlement of the excisable goods as described in paragraphs (1) and (2) shall be regulated by a regulation of the Minister."*

61. Four Articles are supplemented between Article 66 and Article 67 to become Articles 66A, 66B, 66C and 66D, which read as follows:

"Article 66A

- (1) State revenue from excise on tobacco products produced in Indonesia shall be shared with provinces producing the excise on tobacco products as much as 2% (two percent) which is used for financing the programs for enhancing the quality of raw materials, fostering industry, social environment, socializing provisions in the excise field and/or combating illegal excisable goods.*
- (2) Allocation of the financial sharing of excise on tobacco products as described in paragraph (1) shall be stipulated on the basis of the realization or revenue from excise on tobacco products in the current year.*
- (3) Governors shall manage and use the financial sharing of excise on tobacco products and regulate the sharing of the financial sharing of excise on tobacco products to regents/mayors in their respective regions on the basis of the contribution to revenue from excise on tobacco products.*
- (4) The sharing of the funds resulting from excise on the tobacco products as described in paragraph (3) shall be done by approval of the Minister with a ratio of 30% (thirty percents) for the producing province, 40% (forty percents) for producing regencies/cities and 30% (thirty percent) for other regencies/cities.*

Article 66B

The financial sharing of excise on tobacco products shall be distributed by means of the book transfer from the state general cash account to the general cash accounts of provinces and regencies/cities.

Article 66C

- (1) The Minister shall monitor and evaluate the use of budget for enhancing the quality of raw materials, fostering industry, social environment, socializing provisions in the excise field and/or combating illegal excisable goods, which results from the financing sharing of excise on tobacco products produced in Indonesia.*
- (2) If the result of monitoring and evaluation of the use of budget for enhancing the quality of raw materials, fostering industry, social*

environment, socializing provisions in the excise field and/or combating illegal excisable goods, which results from the financing sharing of excise on tobacco products produced in Indonesia show indication of violation in the implementation, the case shall be followed up in accordance with the provisions of legislation in force.

Article 66D

(1) The misuse of allocation of financial sharing of excise on tobacco products shall be liable to sanction in the form of suspension up to discontinuation of distribution of the financial sharing of excise on tobacco products produced in Indonesia.

(2) Further provisions on the sanction against the misuse of allocation of financial sharing of excise on tobacco products as described in paragraph (1) shall be ruled by a regulation of the Minister."

Article II

1. With the enforcement of this law:

- a. the existing technical regulations in the excise field shall remain valid as long as they do not contravene and/or have not been replaced by the new ones on the basis of this law.
- b. The settlement of excise cases not yet settled upon the enforcement of this law shall be settled on the basis of the provisions of law in the excise field, which relieve anybody.

2. Legislation as the implementation of this law shall be stipulated in not later than one year as from the date of promulgation of this law.

3. The law shall come into force as from the date of promulgation.

For public notice, the law shall be promulgated in Statute Book of the Republic of Indonesia.

Stipulated in Jakarta

On August 15, 2007

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Signed

DR. H. SUSILO BAMBANG YUDHOYONO