

National Logistics Ecosystem: Integration of Logistics Ecosystem to Revive Sluggish Economy due to COVID-19 Pandemic



On 27 July 2020, the Ministry of Finance issued Minister of Finance Regulation No. 97/PMK.04/2020 of 2020 regarding Submission Procedures for the Notification of Transport Facility Arrival Plan/*Rencana Kedatangan Sarana Pengangkutan* (“**RKSP**”), Inward Manifest and Outward Manifest, which amended the previous Minister of Finance Regulation No. 158/PMK.04/2017 of 2017 (“**MoFR 97/2020**”). This regulation came into force 30 (thirty) days after its enactment on 27 August 2020.

Further, as indicated in the consideration section of the MoFR 97/2020’s preamble, the regulation aims for the integration of Inward Manifest and Outward Manifest notification process with the implementation of National Logistic Ecosystem (“**NLE**”) in order to improve the performance of the national logistics system, investment climate, and competitiveness of the national economy. This legal alert covers the NLE and the content of MoFR 97/2020 in relation to the NLE.

National Logistic Ecosystem

The NLE was introduced through the Instruction of the President (of Indonesia) No. 5 of 2020 regarding Arrangement of National Logistic Ecosystem (“**Inpres 5/2020**”) issued on 16 June 2020. Under the Inpres 5/2020, the President of Indonesia instructed the Minister of Finance to launch the NLE. The NLE is conducted through the Indonesia National Single Window/INSW.¹

The launching of NLE aims to simplify the previous import/export activities wherein notifications/documents should be submitted through multiple platforms, e.g. to INSW and *Sistem Informasi Manajemen Lalu Lintas Angkutan Laut* “**SIMLALA**” online system of the Directorate General of Sea Transportation. In reference to various recent regulations on import/export activities,

¹ Dictum No. 4 and No. 6 of Inpres 5/2020, and its appendix. The official NLE website may be accessed through <https://nle.kemenkeu.go.id/>.



other relevant parties involved in the activities are encouraged to connect/utilize the NLE, for instance (i) warehouse enterprises must connect the Container Delivery System/*Sistem Penyerahan Petikemas* electronically to NLE in case the warehouse is located at the Port and (ii) the application to obtain an approval license for discharging imported goods outside the Customs Area/*Kawasan Pabean* may be submitted through the NLE.²

The MoFR 97/2020 and NLE

As regulated under the MoFR 97/2020, an integration of notification process and data exchange of the following items may be conducted through the NLE:³

- a. submission, consolidation, administration, revision, and cancellation of the RKSP⁴, Inward Manifest⁵ notification, and Outward Manifest⁶ notification as well as the conclusion of posts and/or sub-posts notification of Inward Manifest;
- b. the RKSP notification, Inward Manifest notification and Outward Manifest notification.

Further, the Carriers are obligated to connect its system with the NLE and to provide Online Delivery Order. Online Delivery Order is a proof/receipt of delivery of goods issued by the sea transportation company (or its proxy) to the owner of the goods, which serve as a proof/receipt of delivery of goods.⁷ This obligation shall be carried out within 90 (ninety) days from the date the NLE and Online Delivery Order service are enforced by 27 November 2020 at the latest.⁸

In the event of failure to comply with this obligation, any submission of RKSP, Inward Manifest or Outward Manifest notification by the Carriers will not be served (by the relevant official) until the above obligation is fulfilled.⁹ Thus, it may result in an administrative and/or criminal sanction in case the goods are exported/imported to Indonesia without proper documents in pursuant to the Customs Law.¹⁰

² As provided under several regulations e.g. Minister of Finance Regulation No. 108/PMK.04/2020 of 2020 on Unloading and Stockpiling of Imported Goods and Minister of Finance Regulation No. 109/PMK.04/2020 of 2020 on Customs Area and Temporary Storage Area/*Tempat Penimbunan Sementara*.

³ Art. 28A of MoFR 97/2020.

⁴ Art. 1 point 12 of MoFR 97/2020 defined RKSP as a notification on the arrival plan of Transport Facility submitted by the Carriers to the Customs Office.

⁵ Art. 1 point 14 of MoFR 97/2020 defined the Inward Manifest as the list of commercial goods carried by Transport Facility through sea, air and land while entering into the Customs Area or other places after obtaining a permit from the Head of Customs Office which conducts the supervision.

⁶ Art. 1 point 15 of MoFR 97/2020 defined the Outward Manifest as the list of commercial goods carried by Transport Facility through sea, air and land while leaving the Customs Area or other places after obtaining a permit from the Head of a Customs which conducts the supervision.

⁷ Art. 1 paragraph (4) of the Minister of Transportation Regulation No. PM 120 of 2017 on the Delivery Order Online Service for Importer Goods at Port, as lastly amended by Minister of Transportation Regulation No. 42 of 2020.

⁸ Art. 3A of MoFR 97/2020.

⁹ Art. 25A of MoFR 97/2020.

¹⁰ Art. 9A paragraph (3) jo. Article 102A of Law No. 10 of 1995 on Customs as lastly amended by Law No. 17 of 2006.

Conclusion

We understand that compared to other countries, Indonesia's logistics sector is currently under development, particularly to address low reliability and timelines, inefficiency in distribution of goods, duplication and repetition in doing business, as well as the absence of a logistics platform from upstream to downstream.

With simplification through NLE system, we may envisage the expedited process of traffic flow of goods, transparency, and decreased costs. Although the integration process from multiple platforms (e.g. INSW and SIMLALA) to NLE is still in progress, it is expected that the NLE may boost the productivity for export/import, and eventually the economy in Indonesia, which has been heavily affected by the pandemic since the first quarter of 2020. It is our view that proper technical preparation and socialization of the NLE system should be taken into full consideration to ensure the implementation of the platform will not cause any technical issues that may be considered as counterproductive, e.g. creating delay in the submission of documents and subsequently hindering the export/import activities.

On that note, we will continue to closely monitor the implementing regulations in regards to the NLE, as well as in relation to the Carriers and shipping industry.



Author:
Stefanny O. Simorangkir
Senior Associate

Practice Areas:
International Trade and Customs, Shipping and
Aviation, Insurance and Reinsurance



Co-author:
Zefanya Prabowo
Associate

Practice Areas:
International Trade and Customs, Shipping and
Aviation, Insurance and Reinsurance

