

## **EXPLANATION FOR BUSINESS PROCESS FOR TARIFF RATE QUOTA (TRQ)**

- Step 1** → The importer submits a request for import recommendation first to the Ministry of Agriculture for Agricultural and Animal Husbandry products and to the Ministry of Industry for iron and steel products. Recommendations will be issued by these Ministries on a system basis and forwarded to the Ministry of Trade for Import Licensing (PI).
- Step 2** → Import recommendations are one of the prerequisites for filing Import Licensing to the Ministry of Trade. The Ministry of Trade will issue an automatic import licensing and without seasonality. This licensing will be transmitted to the importers by system and at the same time will be available at the Indonesia National Single Window (INSW).
- Step 3** → Indonesian importers convey the information such as Importer's name, address and tax ID and Business Identification Number (NIB) to the exporter as part of the data element that will be included in the TRQ certificate in Australia.
- Step 4** → Australian exporters apply for the TRQ certificate to the Australian Government.
- Step 5** → The Australian Government will issue TRQ certificates and transmit it to INSW gateways, and provide copies of TRQ certificates to Australian exporters.
- Step 6** → Australian exporters deliver copies of TRQ certificates to Indonesian Importers.
- Step 7 & 8** → Importer submits PIB that contains the TRQ certificate reference number to INSW (The TRQ certificate number must be included in the Import Declaration (PIB)).
- Step 9** → INSW reconciles the PIB with TRQ certificate received from Australian government to check the availability of the quota claimed in the PIB.
- Step 10** → INSW will submit PIB and TRQ reconciliation results to Customs.  
**Notes:** If quota claimed in the PIB is fully available, INSW will proceed the PIB to Customs. If quota is partly available, INSW will notify importer to resubmit PIB with split item number (under the same HS code), differentiating between item that claim for TRQ and item that are not. If the quota is not available, INSW will reject the PIB. Importer still can submit PIB without TRQ by taking out TRQ certification reference number from the PIB.
- Step 11** → Customs receives PIB from INSW and verifies Certificate of Origin (COO) document for tariff determination.
- Step 12** → If COO is valid, Customs will give in-quota tariff. If it is not valid, Customs will impose MFN Tariff. For PIB without TRQ certification but completed with valid COO, Customs will impose out-quota tariff.
- Step 13** → Customs will provide Notification of Goods Expenditures (SPPB/clearance) to the importer.