

# Operational Procedures for Chapter 2 (Trade in Goods) and Chapter 3 (Non-Tariff Measures) of the Indonesia-Australia Comprehensive Economic Partnership Agreement

Version 1.0 as of 3 July 2020

These Operational Procedures prescribe the administration of tariff rate quotas (TRQs) and the automatic issuance of import permits for the products under Appendix 2-A.1 (*Tariff Rate Quotas*) and Chapter 3 (Non-Tariff Measures) under the Indonesia-Australia Comprehensive Economic Partnership Agreement (“the Agreement”).

## TRQ Administration and automatic issuance of import permits without seasonality

1. The Government of Australia and the Government of Indonesia (“the Parties”) agree that the Government of Australia will administer the tariff rate quotas (TRQs)<sup>1</sup> in *Article 2.3 (Tariff Rate Quotas)* and *Appendix 2-A.1 (Tariff Rate Quotas)* of the Agreement and the Government of Indonesia will issue import permits, or equivalent instruments used for import authorisation (“import permits”)<sup>2</sup>, automatically and on an annual basis without seasonality for the TRQs contained in *Appendix 2-A.1 (Tariff Rate Quotas)*.

2. On receipt of an application in appropriate and complete form by an importer seeking to import goods from Australia, in all cases, the relevant Indonesian agencies shall issue all documents required for import, including import recommendations and import permits, automatically and on an annual basis without seasonality. Once the import permit is issued, this information will be transmitted to the importer and will be available from the Indonesia National Single Window (INSW).

3. Australian exporters of IA-CEPA TRQ goods will apply for a TRQ certificate from the competent governmental authority<sup>3</sup> of Australia. The competent governmental authority of Australia will issue TRQ certificates and make those TRQ certificates available to Indonesia via the eQuotaCert system, and provide copies of TRQ certificates to Australian exporters.

4. The Australian exporter may provide a copy of the TRQ certificate to the Indonesian importer. The Indonesian importer will submit an import declaration that contains the TRQ certificate number to INSW.

5. INSW will reconcile the import declaration with the TRQ certificate received from the competent governmental authority of Australia and submit the import declaration to Customs. In

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<sup>1</sup> For greater certainty, the Parties confirm their shared understanding that Australia’s administration of quota will include allocation of quota, and that TRQ certificates will be issued on a consignment basis by the competent governmental authority of Australia.

<sup>2</sup> The Parties agree that “import permits, or equivalent instruments used for import authorisation” shall be instances of automatic import licensing within the meaning of the WTO Agreement on Import Licensing Procedures. Automatic import licensing is defined as import licensing where approval of the application is granted in all cases, and which is in accordance with the requirements of paragraph 2(a) of Article 2 (Automatic Import Licensing) of that Agreement.

<sup>3</sup> For Australia, the competent governmental authority, in relation to TRQs 1-7 and HS 0102.29.90, HS 0202.20.00, HS 0204.41.00, HS0204.42.00; HS0204.43.00 and HS0204.50.00 is the Department of Agriculture, Water and the Environment and for TRQ 8 is the Department of Industry, Science, Energy and Resources; or any other body authorised by a competent governmental authority to perform the functions specified in these Operational Procedures. For Indonesia, the competent governmental authority will be Ministry of Trade, Ministry of Agriculture, Ministry of Industry, Ministry of Finance and INSW.

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the event of any inconsistency between the volume on the import declaration provided by INSW to Customs and the volume on the TRQ Certificate, the latter shall prevail.<sup>4</sup>

6. On receipt of the import declaration and provided the goods meet all applicable requirements of Chapter 4 (Rules of Origin) of the Agreement, Customs will apply the appropriate tariff rate and undertake procedures for the release of the goods.

7. In accordance with *Appendix 2-A.1 (Tariff Rate Quotas)*, where the TRQ for a product is filled, additional product beyond the TRQ volume may enter Indonesia upon payment of the out-of-quota tariff.<sup>5</sup>

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8. An electronic TRQ certificate system (eQuotaCert) will be established to share data between countries pertaining to TRQ eligible consignments. The eQuotaCert system, or any successor system, will comply with the UN/CEFACT XML schemas for SPSCertificate and SPSAcknowledgement.

9. The competent governmental authority of Australia will issue eQuotaCert data (a TRQ certificate) for each eligible export, upon request of exporters, in accordance with procedures established by the competent governmental authority of Australia.

10. The competent governmental authority of Australia will transmit the eQuotaCert data through the eQuotaCert system, which can be retrieved by the eCERTs Courier system. The eCERTs Courier system will transmit the eQuotaCert data to the INSW Gateway.

11. The eQuotaCert system will include the following minimum data:

- Exporter's Name and Address;
- TRQ Certificate Number;
- Importer's Name and Address;
- Business Identification Number (NIB)
- Importer's Tax ID;
- Description of Good(s);
- HS Tariff Classification Number;
- Quantity (with unit of measure); and
- Validity of TRQ Certificate (commence/expire).

12. The competent governmental authorities of Australia and Indonesia will exchange information regarding the fill rates for each TRQ at the conclusion of each month via the contact points provided. This may be done via email.

13. Monthly reports from the competent governmental authority of Australia will contain the following minimum information for each TRQ:

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<sup>4</sup> For the avoidance of the doubt, any reference to volume on the import recommendation or import permit issued by Indonesia's competent governmental authorities shall be for Indonesia's internal purposes only.

<sup>5</sup> The number of import permits that may be issued will not be limited by the total volume of the quota for any of the goods under Appendix 2-A.1 (Tariff Rate Quotas).

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TRQ Certificates issued for the month  
TRQ Certificates cancelled for the month  
TRQ utilised for the month  
TRQ utilised for the year

14. Monthly reports from the competent governmental authority of Indonesia will contain the following minimum information for each TRQ:

TRQ Certificates [entered/cleared by customs] for the month  
TRQ quantity [entered/ cleared by customs] for the month  
TRQ quantity [entered/ cleared by customs] for the year

15. The Parties will give positive consideration to the use of Indonesia's dashboard system for reporting and monitoring the utilisation of TRQs at the first meeting of the Committee on Trade in Goods.

16. The competent governmental authorities will take all necessary measures to avoid any counterfeiting of TRQ certificates, including electronic certification.

17. In the event that the eCERTs Courier system is not in place upon entry into force of the Agreement, or should the eCERTs Courier system experience technical difficulties at any point, the Parties shall follow the following business continuity plan.

18. The competent governmental authority of Australia will email a PDF version of the TRQ certificate to the competent governmental authority of Indonesia. This PDF TRQ certificate will contain the following data fields:

- Exporter's Name and Address;
- TRQ Certificate Number;
- Importer's Name and Address;
- Business Identification Number (NIB)
- Importer's Tax ID;
- Description of Good(s);
- HS Tariff Classification Number;
- Quantity (with unit of measure); and
- Validity of TRQ Certificate (commence/expire).

19. The PDF TRQ certificate will be emailed to Indonesia. The email header will contain:

- TRQ type
- TRQ Certificate number
- Importer's Tax ID
- This email header will be displayed in the following format:
- [TRQ type]: [TRQ Certificate Number]: [Importer's Tax ID]

20. The PDF certificate can be emailed to a single email address or multiple email addresses or different addresses for each commodity, as agreed between the Parties. As for Indonesia, the email address is [trq-iacepa@customs.go.id](mailto:trq-iacepa@customs.go.id).

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21. From time to time, information on a consignment may need to be changed or a consignment cancelled outright. In the event of such a change, Australia may be required to cancel a TRQ certificate. If Australia cancels a TRQ certificate then the PDF version should be considered null and void and should not be used to apply tariff rates. If a TRQ certificate is cancelled and the consignment is still proceeding, it means that the data on the PDF TRQ certificate is no longer correct and a new TRQ certificate with the correct information will be issued. When cancelling a TRQ certificate Australia will email a PDF of the incorrect TRQ certificate with a ‘Cancelled’ watermark and with cancelled displayed in the header of the email.

22. This email header will be displayed in the following format:  
[CANCELLED]: [TRQ type]: [TRQ Certificate Number]: [ID: [Importer’s Tax ID]

23. The volume set out on a cancelled TRQ certificate will not count against the total tariff rate quota volume.

24. Parties will continue to meet their reporting requirements under these Operational Procedures during any period for which the arrangements in paragraphs 18-24 are in place.

25. This business continuity plan will also be followed in the event that a Party experiences a technical difficulty with its own domestic IT systems in a manner that affects the functioning of the eCERTs Courier system, or the administration of quota under these Operational Procedures.

26. If the arrangements in paragraphs 18-24 are invoked due to the eCERTs Courier system experiencing technical difficulties, the arrangements will remain in place until both Parties agree the difficulties have been resolved, and the standard arrangements (paragraphs 8 to 16) will resume.

27. Parties will notify each other as soon as practicable and, where possible, in advance, of any technical difficulties with their own domestic IT systems that may affect the functioning of the eCERTs Courier system, or the administration of quota under these Operational Procedures. The arrangements in paragraphs 18-24 shall remain in place until the Party experiencing the technical difficulty advises the other Party that it has remedied the issue, which shall be done as soon as practicable.

28. Subject to paragraph 26, if the arrangements in paragraphs 18-24 are in place on entry into force of this Agreement, they shall cease to be in place when the eCERTs Courier system becomes functional.

29. In accordance with the Agreement, the Government of Indonesia will issue import permits, or equivalent instruments used for import authorisation, automatically and on an annual basis without seasonality for Australian exports to Indonesia of live female cattle (HS 0102.29.90), frozen beef (HS 0202.20.00) and sheep meat and goat meat (HS 0204.41.00; 0204.42.00; 0204.43.00; 0204.50.00) (“the Chapter Three Goods”).

30. In relation to the Chapter Three Goods, the importer will receive electronic information from the Government of Indonesia confirming that the import permit has been issued. That information will be available on the INSW.

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31. The Government of Australia will provide support to the Government of Indonesia through the IA-CEPA Economic Cooperation program to assist Indonesia to implement its obligations regarding the TRQs and the Chapter Three Goods effectively.

32. The Parties confirm that starting in Year 16 of the Agreement, carrots (0706.10.10) will be subject to the processes outlined for Chapter 3 Goods in these Operational Procedures.

33. The Parties confirm that starting in Year 21 of the Agreement, mandarins (0805.21.00), Clementines (0805.22.00) and Wilkings and similar citrus hybrids (0805.29.00) will be subject to the processes outlined for Chapter 3 Goods in these Operational Procedures.

34. The parties confirm that the processes outlined in these Operational Procedures for TRQ goods will also apply to goods of the same HS Code arriving in the same shipment that are out of quota. In accordance with *Appendix 2-A.1 (Tariff Rate Quotas)* and for the avoidance of doubt, where the TRQ for a product is filled, additional product beyond the TRQ volume may enter Indonesia upon payment of the out-of-quota tariff.

35. The Parties confirm that, should a review of this Agreement conducted in accordance with *Appendix 2-A.1 (Tariff Rate Quotas)* or *Article 21.5 (General Review of the Agreement)* of Chapter 21 (Final Provisions) result in the removal of the imposition of a TRQ on a good, that good will be subject to the processes outlined for Chapter Three Goods in these Operational Procedures.

36. The Parties confirm their shared understanding that, for the purposes of *Appendix 2-A.1 (Tariff Rate Quotas)* and *Chapter Three (Non-Tariff Measures)*, the word “piece” may be used as the unit of measurement for HS 0102.29.90 and HS 0102.29.19, instead of “unit” or “head”. The PDF document issued to the exporter will use the word “piece”.

### **Committee on Trade in Goods:**

37. If any matter arises with respect to the administration of TRQs or Chapter Three Goods under these Operational Procedures, a Party may make a written request to the other Party to hold a meeting of the Committee on Trade in Goods (*Article 2.11 (Committee on Trade in Goods)*).

38. These Operational Procedures may be modified by a decision of the Committee on Trade in Goods or from time to time as agreed between the Parties.

39. The Parties will consider whether to incorporate these Operational Procedures into the text of the Agreement at the first meeting of the Committee on Trade in Goods.

### **Publication of Operational Procedures**

40. The Parties agree to the publication of these Operational Procedures in accordance with Article 6.4 (Publication and Enquiry Points) of the Agreement.

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### **Contact Points:**

41. The Parties agree that the following will serve as their contact points for the purposes of these Operational Procedures:

#### Australia

Email: [quota.admin@awe.gov.au](mailto:quota.admin@awe.gov.au)

Phone: + 61 2 6272 4068

#### Indonesia:

Email: 1. [helpdesk@insw.go.id](mailto:helpdesk@insw.go.id)

2. [sekretariat.knfp@kemendag.go.id](mailto:sekretariat.knfp@kemendag.go.id)

3. [subdit.bilateral@customs.go.id](mailto:subdit.bilateral@customs.go.id)

Phone: +6221-1500679

### **Reaffirmation of commitments**

42. The Government of Australia and the Government of Indonesia hereby reaffirm their commitments under the Agreement, including Indonesia's commitments on TRQs, and Australia's related Economic Cooperation commitments.

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**APPENDIX 1: PRO RATA VOLUMES FOR 2020**

The Agreement will enter into force on 5 July 2020. In accordance with Appendix 2-A.1 (Tariff Rate Quotas) of the Agreement, the prorated quantities of TRQ commodities shall apply for the percentage of the year remaining from the date of entry into force.

- From 5 July there are 179 days remaining in the year.
- $179/366 \times \text{quota volume} = \text{pro rata quantity}$

Applying the above, the prorated TRQs quantities for 2020 are:

| <b>TRQ commodity</b>  | <b>2020 Prorata quantity in<br/>Piece and Tonnes</b> |
|---|--|
| Live male cattle  | 281,215 Piece  |
| Potatoes  | 4,890.71 tonnes                                      |
| Carrots   | 2,445.35 tonnes                                      |
| Oranges   | 4,890.71 tonnes                                      |
| Mandarins, clementines, wilkings and similar citrus hybrids | 3,668.03 tonnes                                      |
| Lemons & Limes  | 2,445.35 tonnes                                      |
| Feed Grain  | 244,535 tonnes                                       |
| Hot/cold rolled steel coil                                  | 122,267 tonnes                                       |