

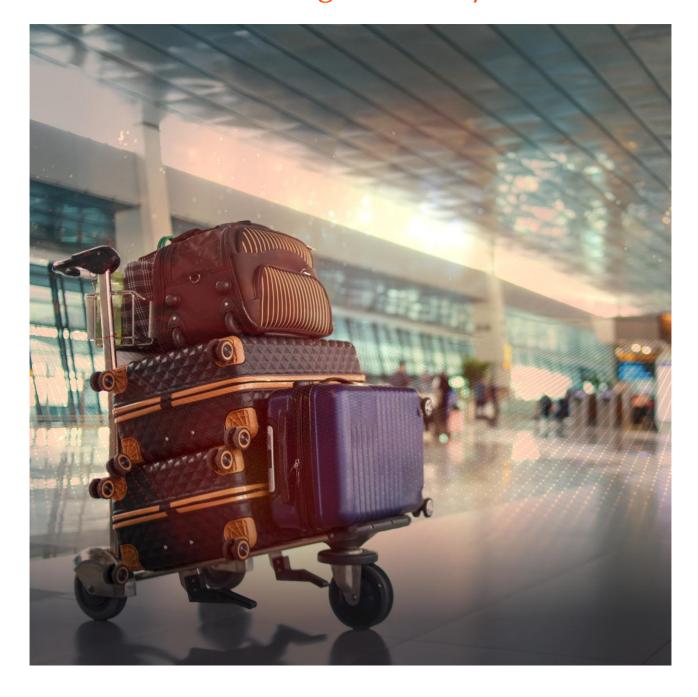


Indonesia Client Update

19 JUNE 2025

TAX & CUSTOMS

Updates on Import and Export Rules Under Minister of Finance Regulation 34/2025



In May 2025, the Minister of Finance issued Minister of Finance Regulation No. 34 of 2025 on the Amendment of Export and Import Provisions on Goods carried by Passengers and Transportation Crews ("**New Regulation**"). This regulation amends Minister of Finance Regulation No. 203 of 2017.

The New Regulation introduces several updates and clarifications, including provisions on verbal customs declaration, a new category of passenger goods, income tax treatment, and the handling of excisable goods. These changes aim to enhance service quality, convenience, and legal certainty in the export and import of goods carried by passengers and transportation crews.

Below are the key highlights of the New Regulation:

Verbal Customs Declaration

The New Regulation provides clearer guidelines on verbal customs declaration, which were previously unregulated. Passengers eligible to submit a verbal declaration include:

- 1. Passenger aged over 60 years;
- 2. Passenger with disabilities;
- 3. Hajj pilgrims;
- 4. State guest categorised as Very Very Important Person (VVIP); and
- 5. Passenger or transportation crews at specific locations designated by customs authority.

Additional Category of Personal-Use Goods

The New Regulation introduces new categories of personal-use goods eligible for exemptions from customs duty, VAT (not collected), and income tax under Article 22. These include:

- Personal-use goods carried by regular or special Hajj pilgrims with a customs value (Free on Board or FOB) of up to USD2.500; and
- 2. Personal-use goods in the form of competition prizes and/or awards, such as medals, trophies, badges, or similar items with value aligned to the nature of the award.

Please note that the above exemption is subject to the following conditions:

- 1. The recipient must be an Indonesian citizen;
- 2. The prize must originate from competitions in sports, arts, culture, religion, or other formally organised events:
- 3. Proof of participation or international recognition must be provided; and
- 4. The prize must not be a vehicle, excisable goods, or items obtained through raffles or gambling.

Non-Personal-Use Goods

The New Regulation revises the treatment of non-personal-use goods carried by passengers or transportation crews. These goods are now explicitly subject to:

- 1. A 10% customs duty rate;
- 2. Applicable VAT or Luxury Goods Sales Tax; and
- 3. A 5% income tax under Article 22.

Excisable Goods

Provisions regarding excisable goods have been removed from the New Regulation and will now be governed under separate excise regulations.

Entry into Force

The New Regulation came into effect on 6 June 2025. However, the imposition of income tax under Article 22 on personal-use goods carried between 1 January 2025 and the effective date will follow the provisions of the New Regulation.

Key Takeaways

This regulation introduces important updates to the rules governing goods carried by passengers and transportation crews. Notable changes include:

- 1. Clearer guidelines on verbal customs declarations;
- 2. Introduction of exemptions for certain personal-use goods, especially for Hajj pilgrims and competition prizes:
- 3. Explicit tax treatment for non-personal-use goods, though the definition of such goods remains unclear;
- 4. Separation of excisable goods treatment into distinct regulations.

Passengers arriving from abroad should be aware of these provisions, as misclassification of goods may result in higher import duties and taxes. For excisable goods, passengers are advised to consult the relevant excise regulations.

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