

TAX & CUSTOMS

Clearer Rules and Updates on Tariffs for EV and IT Imports in Indonesia



In early September 2025, the Minister of Finance issued updates to Indonesia's import tariff framework through Minister of Finance Regulation No. 62 of 2025 on the Amendment of Determination of Goods Classification System and the Imposition of Duties on Imported Goods ("**New Regulation**"). This marks the second amendment to the regulatory framework governing the classification of goods and the imposition of import duties on Battery Electric Vehicles ("**BEVs**") and Information and Technology ("**IT**") products, originally established under Minister of Finance Regulation No. 26 of 2022. Rather than repealing the 2022 framework entirely, the New Regulation revises and supplements several of its provisions.

In this alert, we will focus on the changes introduced by the New Regulation that affect BEVs and IT products. These changes are designed to harmonise incentives for BEV imports under designated HS codes, promote the growth of the country's IT sector, and enhance the clarity of Indonesia's goods classification system.

Alignment of Import Incentives for Battery Electric Vehicles (BEVs)

The New Regulation aligns Indonesia's customs treatment of four-wheeled BEVs with the incentive framework set out under BKPM Regulation No. 1 of 2024, which amends BKPM Regulation No. 6 of 2023 on guidelines for granting incentives for import and/or delivery of four-wheeled electric vehicles to accelerate investment. BKPM refers to the Minister of Investment/Indonesia Investment Coordinating Board (*Kementerian Investasi/Badan Koordinasi Penanaman Modal*), the government agency responsible for investment policy and facilitation. This framework has been in force since November 2024.

Specifically, the New Regulation provides a 0% import duty for BEVs classified under the following HS codes:

HS Codes	Description	Import Tariff
8703.80.17	Sedan	0%
8703.80.18	Other motor cars (including station wagons and sports cars, but not vans)	0%
8703.80.17	Other	0%
8703.80.97	Sedan	0%
8703.80.98	Other motor cars (including station wagons and sports cars, but not vans)	0%
8703.80.99	Other	0%

To benefit from this incentive, importers must:

1. Obtain an approval letter from BKPM confirming the grant of import and/or delivery incentives for four-wheeled BEVs.
2. Attach this letter to the import declaration (PIB).
3. Enter facility code "87" in the PIB to indicate the use of the incentive.

This incentive is valid until 31 December 2025.

Updated Translations for Tariff Headings and HS Codes Descriptions

The New Regulation also refines the Indonesian-language translations of several tariff headings, sub-headings, and HS code descriptions. These updates are intended to improve consistency and clarity in the goods classification system and are detailed in Appendix III of the New Regulation.

The affected classifications include:

1. **Headings:** 05.07, 20.08, 42.02, 46.01, 47.06, 47.07, 48.10, 58.11, 63.03, 73.17, 74.15, 83.05, 96.01, and 96.19.
2. **Sub-headings:** 4805.93, 6307.10, 6907.21, 6907.22, 6907.23, 7415.10, 7616.10, 8302.41, 8305.20, 8471.30, and 8471.60.
3. **HS codes:** 1211.60.00, 1518.00.32, 2620.60.00, 3301.29.30, 3926.90.81, 4009.41.10, 4601.99.20, 4706.20.00, 5602.10.00, 6802.10.00, 6907.30.11, 6907.30.91, 7317.00.20, 7415.10.20, 7606.12.20, 7616.10.20, 8450.20.00, 8462.25.00, 9503.00.40.

Examples of updated descriptions include:

1. Heading **63.03** – Added the literal Indonesian translation of "bed valances".
2. Sub-heading **8471.60** – Clarified the Indonesian translation to emphasise whether the unit has a storage unit in the same housing, rather than whether the storage unit is in the same housing or not.
3. HS code **7317.00.20** – Updated the Indonesian translation to use "staples" instead of "*paku koko!*", as the former is more commonly recognised.

While these changes do not affect the applicable import duty rates, businesses should ensure that their import documentation reflects the updated descriptions to avoid classification issues during customs clearance.

Import Tariff Updates for IT Products

In the past few years, disputes concerning IT products have frequently arisen, both at the objection and appeal stages. These disputes often stem from differing interpretations of product classification under the HS codes.

To address this issue, the New Regulation introduces updates to the applicable tariff structure for certain IT products. The revised import duty rates apply to HS codes that have been the centre of these disputes between importers and the Directorate General of Customs and Excise and are part of a broader policy to support the development of Indonesia's domestic technology and information industries.

The updated tariffs are as follows:

HS Codes	Description	Import Duty (2022)	Import Duty (2025)
8517.62.10	Radio transmitters and radio receivers of a kind used for simultaneous interpretation at multilingual conferences	10%	0%
8517.62.49	Other	10%	0%
8517.62.69	Other	10%	0%

These changes are expected to reduce classification disputes and provide greater clarity for importers, while also lowering costs for businesses operating in the IT and communications sectors.

Key Takeaways

The New Regulation not only aligns the import incentives provisions for four-wheeled BEVs and introduces duty changes for several IT products, but also refines the translation of descriptions for several headings, sub-headings, and HS codes to minimise the possibility of differing interpretations in goods classification.

- BEV import incentives:** The alignment of import incentives provisions is intended to provide legal certainty for importers in the BEV industry. Importers should note that the incentives are only valid until 31 December 2025, and should begin planning for future cost structures once these incentives expire.
- HS codes translation:** The updated translation in the goods classification system aim to reduce the differing interpretations and improve ease of classification. Misclassification can lead to non-compliance risks and underpayment of import duties and taxes. Importers are encouraged to review their products classifications to ensure alignment with the updated descriptions and avoid potential compliance issues.
- Import duty changes for IT products:** The reduction of import duties is expected to encourage the importation of IT products and enhance market competitiveness. These products were previously subject to frequent disputes due to high import duty rates. With the elimination of duties, such disputes are expected to decrease significantly. Importers should prepare for shifts in market dynamics, as increased competition and easier access may impact supply chain planning.

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