

NEWSLETTER

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NEW REGULATION IN STEVEDORING ACTIVITIES

The Ministry of Transportation has issued the Regulation of the Ministry of Transportation of the Republic of Indonesia Number PM 60 Year 2014 regarding the Management and Business of Loading and Unloading of Goods from and to Vessels (Stevedoring) ("**New Regulation**").

With the enactment of the New Regulation, the Decree of the Ministry of Transportation Number KM 14 Year 2002 regarding the Management and Business of Loading and Unloading of Goods from and to Vessels (Stevedoring), which has been amended by the Regulation of the Ministry of Transportation Number KM 42 Year 2008 regarding the same, is revoked and declared no longer valid.

The New Regulation regulates the activities in stevedoring ("**Stevedoring Activities**"), as follows:

1. Stevedoring;
2. Cargodoring; and
3. Receiving/Delivery.

The New Regulation stipulates that stevedoring companies shall obtain stevedoring business license ("**IU**"). The requirements to obtain the said IU is divided into 2 (two) categories below:

1. Administrative; and
2. Technical.

The administrative requirements stipulate the minimum working capital and paid-up capital for each type of port (main port, collector port and feeder port). While the technical requirements stipulate the minimum requirements of the stevedoring tools for each type of port.

As for foreign investment in stevedoring companies, Indonesian individual or Indonesian entity may conduct cooperation with foreign stevedoring company, foreign entity or foreign individual in the form of joint venture by establishing a national stevedoring company. Such joint venture requires a minimum working capital of IDR 10 billion and paid-up capital of IDR 5 billion. While the minimum technical requirements stipulate the joint venture shall have at least 9 (nine) units of forklifts (consisting of various determined capacities), non mechanical tools, equipments and 1 (one) expert (can be a nautical expert or commercial shipping management expert with certain regulated qualifications).

The New Regulation came into effect as from 25th of November 2014.

Please contact us for further inquiries concerning the above New Regulation.