

Indonesia: Indonesia Reshapes Import Policy with MOT Regulation 16/2025

In brief

In a sweeping overhaul of Indonesia's import framework, the Ministry of Trade (MOT) has issued a new regulation that reshapes how goods enter the country. Under MOT Regulation No.16 of 2025 on Import Policy and Arrangements ("**MOT Regulation 16/2025**"), importers will face an updated licensing requirement framework and updated reporting compliance timelines, and clearer classifications of goods. The regulation is part of a broader effort to streamline import procedures, enhance regulatory clarity and align with evolving global trade dynamics — particularly those involving the United States' tariff policy.

In addition to the general rule under MOT Regulation 16/2025, the MOT has also issued eight cluster regulations for certain commodities. All of these regulations will take effect 60 days after enactment, meaning they will become fully enforceable on **29 August 2025**.

We will be issuing a dedicated client alert that provides a comprehensive analysis of the cluster regulations for certain commodities. In this alert, we set out our insights into the major changes introduced under MOT Regulation 16/2025.

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Regulatory Highlights

MOT Regulation 16/2025 replaces MOT Regulation 36/2023 as last amended by Regulation 8/2024 on Import Policy and Arrangements.

The following are some of the key changes under MOT Regulation 16/2025:

Expanded definitions and clearer classifications

- The new regulation introduces clearer distinctions between Freely Importable Goods (*Barang Bebas Impor*), Restricted Imports (*Barang Dibatasi Impor*) and Prohibited Imports (*Barang Dilarang Impor*).
- It introduces new categories for the import of manufactured goods (finished products) by Producer Importers, namely Complementary Goods, Goods for Market Testing and Goods for After-Sales Service. Those categories were previously listed only in the appendix of MOT Regulation 36/2023 as last amended by Regulation 8/2024, but are now formally defined in Article 1.
- It differentiates between Commercial and Non-Commercial activities, and provides a clearer interpretation for each activity.

New compliance reporting deadline

- Importers that have obtained a surveyor report and completed the corresponding import must now submit a compliance report to the MOT within 30 calendar days after the surveyor report is used as a supporting document for customs clearance at the border or post-border. Previously, the reporting deadline was in line with other import approval-related reports — namely, the 15th of the following month.

Adds more flexibility for API Conversion

- Importers can now convert their API-U (General Import License) to an API-P (Producer Import License) if there is no import realization or valid import approval and surveyor report.
- The regulation also introduces formal administrative procedures for the conversion process, which were previously undefined.

Defined timelines for administrative verification

- MOT officials must verify administrative documents for new, revised or renewed import license applications within 15 working days after receiving an application.
- Once an application is deemed complete, the MOT must issue an approval or rejection within five working days.
- Previously, only the five-day decision timeline was specified.

Technical guidance to follow

- It is stated in the new regulation that technical guidance will be issued covering procedures for business license applications, amendments and renewals in accordance with this new regulation to provide clarity for businesses navigating the updated requirements.

Support for Strategic Sectors

- The new regulation permits the importation of electric vehicles (in CBU) for market testing, along with other strategic imports, under specific conditions outlined in Article 49 and the annexes of the regulation.

Expanded exemptions for non-business imports

- The procedures for applying for exemptions have been broadened for importation related to government functions and sports activities.

Clarified Sanctions Framework

- Administrative sanctions may now be imposed either sequentially or independently, depending on the nature and severity of the violation.
- The new regulation adopts a more structured sanctions framework, and clarifies deadlines and procedures, especially regarding the obligations to report import realization and distribution realization.

Recommendations for Businesses

We encourage importers, manufacturers, distributors and other stakeholders to carefully review the new provisions — especially those concerning import licensing requirements, reporting compliance obligations and transitional measures.

- **Review Import Licenses**
Assess whether your current import license (PI, SK or surveyor report) requires revision or extension to comply with the new provisions.
- **Check Reporting Obligations**
Ensure your license includes and is in line with any updated reporting requirements.
- **Coordinate Internally**
Engage your trade, customs and legal teams to evaluate compliance with the revised regulations.

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