

## 'New Era' as Indonesia welcomes yachts up to three years

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2012

'Sailing beautiful Indonesia - now easier'

Could it become as popular as Thailand? A meeting between a superyacht organisation and an Indonesian Head of Customs confirms the willingness of Indonesia authorities to welcome cruising yachts to their country, which has long been infamous for expense and bureaucratic difficulty to obtain permission to cruise the extraordinary coastline.



Sailing Indonesia - could it become as popular as Thailand? - ...

In the meeting, which took place on 8 December 2011 in Bali, between Asia Pacific Superyachts (APS) Indonesia and Ms Nyoman Rini, Head of Customs for Benoa Harbour, Ms Rini gave her full support to the new Indonesia PIB regulations (Temporary Import Documentation), welcoming in a new era for yachts visiting Indonesia.

Under the old laws, a boat could be made to pay a "Bond" to Customs to ensure no commercial ventures were undertaken while they visited Indonesia. The terms of this "Bond" notably the return of said bond on departure - were unclear and many captains and owners were put off by the "Bond" and conditions. But as of the 3 December, the Bond is no longer necessary and the **role of Customs in dealing with inbound vessels has been minimized.**

APS has always maintained a close working relationship with the Customs departments around Indonesia to find amicable solutions for the many yachts they service in Indonesia each year. In moving forward to talk about the new regulations with the new face of Benoa Customs, APS GM Richard Lofthouse met with Ms Rini to discuss her understanding of the new

attitude towards visiting yachts and how it would affect APS clients in 2012.

The GM reports Ms Rini exudes Balinese charm and has a positive outlook and attitude. He noted she is friendly and well versed in the rules and regulations and was quick to acknowledge the role APS plays in bringing many foreign yachts into Indonesia, including, in 2011 the two biggest motor yachts and the biggest sailing yacht to visit the country. Ms Rini made it clear that her role as Head of Customs was to help grow the number of visiting yachts by minimizing Customs interference with inbound vessels.

Ms Rini stressed that the main role of Customs was to ensure that visiting yachts were not operating commercially, nor bringing goods (contraband or otherwise) into the country for commercial gain. However, unlike in the past only a letter of guarantee from a representative of the vessel is required and talk of a bond is consigned to the dustbin of history.

Also encouraging was her reinforcement of the new rule which allows the boat to make PIB (temporary import) in first port of call and subsequently make PEB (export) at last port of call. Formerly, this could all only happen at the port of entry, making it highly restrictive to a vessel's movements. By allowing the import and export to happen anywhere in Indonesia, this change alone truly opens up this amazingly diverse cruising ground for yachts to explore at will.

Following the meeting, Richard Lofthouse, commented, 'It was an enlightening and enjoyable to meet with Ms Rini', adding, 'She welcomed us and talked openly and frankly, showing a first rate understanding of the new rules and regulations as well as expressing a constructive attitude towards helping to grow the numbers of superyachts coming to Indonesia.'

The GM reported that by extending a more supportive and helpful Customs welcome than in the past, this in turn allows Asia Pacific Superyachts to move forward with much greater confidence into a new era for Indonesia as a welcoming superyacht (and, presumably 'normal' cruising yachts) destination. The APS GM concluded, 'This appears to be a major sign that Indonesia is coming of age and recognizing the true potential of Marine Tourism in her waters. We are very excited and looking forward to a great 2012.'

The PIB Bond was in fact only one of four options available to visiting yachts. However, it was the only one which involved a cash transaction and so became the preferred option of certain Customs officials. It quickly became infamous in yachting circles.

This is clearly outstanding news for those who wish to base longer term in Indonesia (up to three years!) exploring this diverse archipelago.



Sailing Indonesia - the possibilities are endless - ...



Sailing Indonesia - so many hundreds of unspoiled islands - ...

#### What it means in practice:

Following 5 years of lobbying by the private sector to get the unpopular PIB Customs Bond changed, the Indonesian President signed the new Maritime Tourism law on October 31st, 2011.

The new regulations, which came into effect from the 3rd December 2011, mean that PIB (Temporary Import Documentation) must still be completed at the first port of call, however, without the requirement for any monetary bond, only a guarantee letter from any of the following is required: -

- a. Government Officials of the Central Government of the level Echelon I or equivalent.
- b. Government Officials of a Local Government Office of the level Echelon II or equivalent which act as an organizer of the a foreign visit tour boat (yacht) in their region.
- c. Organizers tourist ship visits (yacht) foreign.
- d. General agent.

It is therefore our understanding of these new regulations, that any visiting yacht must ask an Approved Indonesian Body (as listed (a)-(d) above) to provide the Jaminan Tertulis (Written Guarantee) and arrange the PIB documentation. There are already many countries in the world whose customs authorities require the use of an agent to facilitate customs, so Indonesia will, presumably, now be no different.

After the PIB has been processed, the vessel is cleared to cruise any destinations within Indonesia as listed on their CAIT and will be fully covered by this initial paperwork process. **The PIB is extendable, along with the CAIT in multiples of 3 months up to a total of 3 years unbroken.** It is also proposed that in the future there will be changes to the CAIT application procedure to make it easier and faster.

At the final port of call, the boat must be 'exported' (PEB) which has again been simplified into a relatively easy piece of paperwork.

It has been conjectured that there would be a period of uncertainty as these new regulations are implemented across a vast archipelago country and

