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New Regulation on Alcoholic Beverage Distribution

Report Categories:

Beverages

FAIRS Subject Report

Retail Foods

Trade Policy Monitoring

Wine

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Report Highlights:

Indonesia's new regulation No. 20/2014 (April 11, 2014) "Controlling and Monitoring of Alcoholic Beverages Supply, Distribution and Sale," specifies import and distribution rules for alcoholic beverages. The regulation describes requirements for importers to become registered importers, includes precise directions on which types of alcoholic beverages can be sold in various retail formats, and explains how the Government of Indonesia determines alcoholic beverage demand and allocates import quantities amongst registered importers.

General Information:

Indonesian Ministry of Trade (MOT) regulation No. 20/2014 (April 11, 2014) “Controlling and Monitoring of Alcoholic Beverages Supply, Distribution and Sale,” specifies import and distribution rules for alcoholic beverages. It is the implementing regulation of Presidential Regulation No. 74/2013, (December 6, 2013). MOT 20/2014 replaces all MOT-related regulations issued in 2009, 2010 and 2012 on the same subject. This report updates [GAIN ID9029](#).

Alcoholic Beverage Imports

Three alcoholic beverage categories are defined in MOT 20/2014: ‘Category A,’ containing five percent ethyl alcohol or less; ‘Category B,’ containing more than 5 percent but less than 21 percent ethyl alcohol; and ‘Category C,’ containing 21 - 55 percent ethyl alcohol. The description for the legal sale of domestically produced and imported alcoholic beverage products are stated in tables I and II (below).

MOT 20/2014 requires duty-paid alcoholic beverage importers to be “registered importers of alcoholic beverages” (IT-MB). IT-MBs are issued by MOT’s Directorate General of Foreign Trade. Some major requirements necessary to obtain an IT-MB, outlined in MOT 20/2014, include:

- The importer must have three years’ experience as an alcoholic beverages distributor
- The importer must provide letters from at least 20 manufacturing companies, originating from at least five countries, which attest that the importer is an official distributor of their brand and that the importer is able to purchase a minimum of 3000 cartons per brand per year. The letter must be notarized by a public notary and by the Indonesian
- The importer must provide a letter from the manufacturing company granting permission to the importer to assign a distributor in Indonesia. The letter must be “legalized” by the Indonesian commercial/economic attaché in the country of origin.
- The importer must have distribution agreements with alcoholic beverage distributors in at least six of Indonesia’s provinces.

The IT-MB is valid for three years and can be extended. Indonesia’s state-owned company is appointed by the Minister to import duty-free alcoholic beverages.

Quota

The Ministry of Trade determines the national demand for the type and amount of alcoholic beverages to be consumed annually in Indonesia, and allocates a quantity for import based on this estimate. The determination is made annually on April 1.

Importers (IT-MB holders) must also apply to MOT for an import permit. The application should be made fifteen days prior April 1 every year. Importers are required to import at least 80% of the import allocation listed in their import permit.

The ports of entry for imported duty-paid alcoholic beverages include Belawan sea port, Medan; Tanjung Priok sea port, Jakarta; Tanjung Emas sea port, Semarang; Tanjung Perak sea port, Surabaya;

Bitung sea port, Manado; and Soekarno Hatta sea port, Makassar. They can also enter via all Indonesian international airports.

Distribution

Alcoholic beverage distribution is only allowed for designated distributors, sub-distributors, and retailers. This applies for both imported and domestic products. Alcoholic beverage sales are only allowed for consumers 21 years of age or older in the following locations:

- **on-site consumption:** hotels, restaurants, bars and other places designated by local government,
- **retail:** duty-free shops, and other places designated by local government,
- Category A alcoholic beverage sales are allowed in minimarkets, supermarkets, hypermarkets and other retailer shops that are at least 12 m² large.

Distribution and sale of category B and C alcoholic beverages are limited to companies that have an alcoholic beverages trade business license (SIUP-MB). This license is also valid for distributing and selling category A alcoholic beverages. Businesses selling category A products must have an SKP-A permit letter (for minimarkets, supermarkets, and hypermarkets) or an SKPL-A (for hotels, restaurants, and bars). SIUP-MB, SKP-A, and SKPL-A are valid for three years and can be extended.

IT-MB holders are required to report import and distribution realization every three months.

Alcoholic beverage advertisement is prohibited in all media.

Table I: Alcoholic Beverage Categories

Category A	Category B	Category C
Shandy, Light alcohol beverages, Beer, Lager, Ale, Black beer/Stout, Low alcohol wine, Carbonated alcohol beverages, and Bali traditional alcoholic beverage (Anggur Brem Bali)	Reduced alcohol wine, Wine, Sparkling wine/Champagne, Carbonated Wine, Cocktail wine, Quinine tonic wine, Meat wine/Beef wine, Malt wine, Fruit wine, Cider, Perry, Sake/Rice wine, Vegetable wine, Honey wine/mead, Toddy, Bali traditional alcoholic beverage (Anggur Brem Bali), Aromatic alcoholic beverages, Beras Kencur, and Anggur ginseng.	Wine cocktail, Brandy, Fruit Brandy, Whiskies, Rum, Gin, Geneva, Vodka, Liqueurs, Cordials, Medicated Samsu, Arrack, Cognac, Tequila, and Aperitif

Table II: Imported Alcoholic Beverages Allowed for Distribution in Indonesia

HS Code	Product Description
22.03	Beer made from malt
2203.00.10.00	Stout and Porter
2203.00.90.00	Other, including Ale
22.04	Wine of fresh grapes, including fortified wines; grape must order than that of heading 20.09
2204.10.00.00	Sparkling wine

	Other wine; grape must with fermentation prevented or arrested by the addition of alcohol
2204.21	In containers holding 2 l or less
	Wine
2204.21.11.00	Of an alcoholic strength by volume not exceeding 15% vol
2204.21.12.00	Of an alcoholic strength by volume exceeding 15% vol
	Grape must with fermentation prevented or arrested by the addition of alcohol
2204.21.21.00	Of an alcoholic strength by volume not exceeding 15% vol
2204.21.22.00	Of an alcoholic strength by volume exceeding 15% vol
2204.29	Other
	Wine
2204.29.11.00	Of an alcoholic strength by volume not exceeding 15% vol
2204.29.12.00	Of an alcoholic strength by volume exceeding 15% vol
	Grape must with fermentation prevented or arrested by the addition of alcohol
2204.29.21.00	Of an alcoholic strength by volume not exceeding 15% vol
2204.29.22.00	Of an alcoholic strength by volume exceeding 15% vol
2204.30	Other grape must
2204.30.10.00	Of an alcoholic strength by volume not exceeding 15% vol
2204.30.20.00	Of an alcoholic strength by volume exceeding 15% volume
22.05	Vermouth and other wine of fresh grapes flavored with plants or aromatic substances
2205.10	In containers holding 2 l or less
2205.10.10.00	Of an alcoholic strength by volume not exceeding 15% vol
2205.10.20.00	Of an alcoholic strength by volume exceeding 15% vol
22.05.90	Other
2205.90.10.00	Of an alcoholic strength by volume not exceeding 15% vol
2205.90.20.00	Of an alcoholic strength by volume exceeding 15% vol
22.06	Other fermented beverages (for example cider, perry, mead); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included
2206.00.10.00	Cider and perry
2206.00.20.00	Sake (rice wine)
2206.00.30.00	Toddy
2206.00.40.00	Shandy
2206.00.90.00	Other, including mead
22.08	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages.
2208.20	Spirits obtained by distilling grape wine or grape marc
2208.20.10.00	Brandy of an alcoholic strength by volume not exceeding 46% vol
2208.20.20.00	Brandy of an alcoholic strength by volume exceeding 46% vol

2208.20.30.00	Other, of an alcoholic strength by volume not exceeding 46% vol
2208.20.40.00	Other, of an alcoholic strength by volume exceeding 46% vol
2208.30	Whiskies
2208.30.10.00	Of an alcoholic strength by volume not exceeding 46% vol
2208.30.20.00	Of an alcoholic strength by volume exceeding 46% vol
2208.40	Rum and other spirits obtained by distilling fermented sugar-cane products
2208.40.10.00	Of an alcoholic strength by volume not exceeding 46% vol
2208.40.20.00	Of an alcoholic strength by volume exceeding 46% vol
2208.05	Gin and Gebene
2208.50.10.00	Of an alcoholic strength by volume not exceeding 46% vol
2208.50.20.00	Of an alcoholic strength by volume exceeding 46% vol
2208.60	Vodka
2208.60.10.00	Of an alcoholic strength by volume not exceeding 46% vol
2208.60.20.00	Of an alcoholic strength by volume exceeding 46% vol
2208.70	Liqueurs and Cordials
2208.70.10	Of an alcoholic strength by volume not exceeding 56% vol
2208.90	Other
2208.90.10.00	Medicated samsu of an alcoholic strength by volume not exceeding 40% vol
2208.90.20.00	Medicated samsu of an alcoholic strength by volume exceeding 40% vol
2208.90.30.00	Other samsu of an alcoholic strength by volume not exceeding 40% vol
2208.90.40.00	Other samsu of an alcoholic strength by volume exceeding 40% vol
2208.90.50.00	Arrack or pineapple spirit of an alcoholic strength by volume not exceeding 40% vol
2208.90.60.00	Arrack or pineapple spirit of an alcoholic strength by volume exceeding 40% vol
2208.90.70.00	Bitter and similar beverages of an alcoholic strength not exceeding 57% vol
2208.90.90.00	Other