

**The Secretary General**

International Chamber of Commerce

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Ms. Sri Mulyani Indrawati, S.E., M.Sc., Ph.D  
Minister of Finance of Republic of Indonesia  
Djuanda I Building  
Jl. Dr. Wahidin Raya No. 1  
Jakarta, Indonesia

Paris, 28 February 2023

Dear Minister,

I am writing to bring to your urgent attention the concerns of the international business community regarding the introduction of new import formalities for digital downloads under Regulation No. 190/PMK.04/2022 on the Transfer of Self-Consumed Imported Goods ("Regulation 190").

These novel procedural requirements – which constitute a trade barrier in their own right, and which we understand were introduced without prior publication and/or consultation with industry and other stakeholders – raise a broad range of compliance challenges and legal uncertainties for impacted companies. The administrative burdens arising from the obligations of Regulation 190 alone are already reported to be significant – and, from our initial consultations, risk imposing onerous and unbudgeted costs on the Indonesian small business community.

We would, of course, welcome the opportunity to discuss these specific technical concerns in detail with your officials at the earliest possible opportunity. However, given the immediate and identifiable risks to the Indonesian economy, we encourage you to consider suspending the application of Regulation 190 to downloads pending detailed and comprehensive stakeholder consultations – consistent with Indonesia's commitments under the World Trade Organization's Trade Facilitation Agreement.

More broadly, we are deeply concerned about the potential systemic impact of the new regulatory requirements – most fundamentally, the risk of undermining confidence in the progress made during Indonesia's presidency of the G20 towards reform of the WTO.

To many international stakeholders, the decision to impose customs formalities on digital downloads represents a clear breach of the spirit of the WTO Moratorium on Customs Duties

on Electronic Transmissions (the "Moratorium"), which was renewed at the WTO 12<sup>th</sup> Ministerial Conference by all WTO members, including Indonesia. While we are aware that the Indonesian government has expressed reservations about the Moratorium in recent meetings of the WTO General Council, suddenly undermining this agreement through unilateral domestic measures not only disrupts electronic commerce, which is the heartbeat of all modern thriving economies, but also risks destabilizing the very fabric of the multilateral trading system on which so many businesses and families rely. This would be particularly unfortunate given the opportunity created by Indonesia's leadership to secure firm commitments from world leaders to pursue meaningful WTO reform at the Bali summit.

On a related and equally important note, we remain deeply skeptical about the viability and desirability of imposing customs duties on cross-border data flows from a socio-economic perspective – an issue on which we would be keen to engage further with your officials separately in the coming months.

Yours sincerely,



John W.H. Denton AO  
Secretary General of ICC

Cc: Mr. Noke Kiroyan, Chairman of ICC Indonesia