

## A cure for Bali ache

Good news for cruising yachts as Indonesia relaxes customs laws



Owners of cruising yachts visiting Indonesian waters have just had their lives made a little bit easier, thanks to a relaxation of the country's stringent import declaration laws.

In news announced recently by the international yacht agent conglomerate Asia Pacific Superyachts, who were informed of the decision in a private meeting held last week with Indonesian officials in Denpasar, Bali, it has been revealed that the Indonesian Customs Department has eliminated the unpopular PIB Customs Bond, replacing it with a more simple system.

Richard Lofthouse of Asia Pacific Superyachts (APS) Indonesia said:

"The PIB Bond was a well-intentioned law that was often misapplied to visiting private yachts and superyachts. Whilst there are no recorded cases of any vessel signing off on the staggering bond – 48 per cent of the value of the boat – it more often than not became the preamble to separate negotiations, none of which were in favour of the visitors."

The PIB Bond was in fact only one of four options available to visiting yachts, noted Richard.

"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. To many familiar with Indonesia's stunning cruising grounds, the news of the total removal of the Bond and the more relaxed regulations will be very welcome news!"

Lofthouse, a strong advocate for the removal of the PIB Bond, added:

“Whilst we had relatively few issues with PIB and never paid any Bond, we did find the way in which it was applied was contrary to the spirit in which we believed Indonesia wished to welcome these visitors.

“We welcome the new regulations with open arms and are increasingly positive about the progress we are making to help Indonesia realize her potential as perhaps the greatest cruising destination on the planet for our clients.”

The new regulations, which come into play from 3 December 2011, mean that PIB still has to be made at first port of call. However, without the bond, a guarantee letter from a legitimate and licensed Indonesian company is now required ahead of the vessel's arrival at the first port.

Once the PIB has been processed, the vessel is cleared to cruise any destinations within Indonesia (as listed on the 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. This is clearly outstanding news for those who wish to base longer term in Indonesia exploring this diverse archipelago.

At the final port of call, the boat must be ‘exported’ (PEB) which has again been simplified into a relatively easy piece of paperwork which can be processed by the ship's local representative.

Overall, there is a little more planning involved – although this is nothing that cannot be offset by using a well-organized local agent – but the new security and confidence that the new PIB paperwork gives is a huge step forward.

As Richard Lofthouse puts it, “Our goal is to make Indonesian cruising as hassle free as possible. The new PIB format will not only be cheaper but will also give so much more flexibility. Whereas before we had to work in a grey area, the new regulation is much more black and white and I know that our clients, as well as everybody in the yachting community, will embrace this greater transparency.”

Asked to sum up his feelings after the briefing with Customs this morning, Richard added: “We applaud the policy makers and the Customs Department of Indonesia for recognizing that the Bond had created a negative perception of Indonesia and subsequently for acting to remove this obstacle. We have been championing marine tourism here for many years, sometimes in difficult circumstances. But this news represents exciting times for us and the superyacht community as Indonesia begins to realize her true potential.”

