

Summary of PER-2/BC/2025 - Procedures for Customs Audits and Excise Audits

Following the enforcement of the most recent framework on customs audits and excise audits (collectively referred to as “**Audits**”), i.e. Regulation of the Minister of Finance (“**Minister**”) No. 114 of 2024 (“**Regulation 114/2024**”), the Director-General of Customs and Excise (“**Director-General**”) has now decided to introduce new details regarding the implementation of the above-described Audits through the issuance of Regulation No. PER-2/BC/2025 on Procedures for Customs Audits and Excise Audits (“**Regulation 2/2025**”), which has been in force since 1 March 2025.

While the enforcement of Regulation 2/2025 has resulted in the repeal and replacement of several regulatory frameworks that outline the applicable procedures for Audits, it should be noted that any Audit processes (i.e. planning, implementation, monitoring, evaluation and quality assurance) that were initiated in line with these now-revoked frameworks prior to the enforcement of Regulation 2/2025 will continue until their completion based on said previous frameworks. The aforementioned revoked frameworks break down as follows:

1. Regulation of the Director-General No. PER-35/BC/2017 on Procedures for Customs Audits and Excise Audits, as amended by Regulation of the Director-General No. PER-24/BC/2019 (collectively referred to as “**Regulation 35/2017**”);
2. Regulation of the Director-General No. PER-23/BC/2019 on Procedures for Customs Audit and Excise Audit Planning, Re-Examinations and Specific Purpose Analysis;
3. Regulation of the Director-General No. PER-26/BC/2019 on Guidelines for the Monitoring of Follow-up Measures to and Evaluations of Customs Audits, Excise Audits and Re-Examinations; and
4. Regulation of the Director-General No. PER-27/BC/2019 on Quality Assurance for the Planning, Implementation, Monitoring and Evaluation of Customs Audits and Excise Audits.

Against the above backdrop, this edition offers a summary of the new provisions that have now been introduced under the new framework of Regulation 2/2025. However, due to the broad nature of the provisions set out therein, our discussion has been limited to a comparison with Regulation 35/2017, specifically as the two frameworks relate to the following matters:

1. Adjusted Audit Periods; and
2. Adjusted Audit Mechanism.

Adjusted Audit Periods

While maintaining the types of Audits that may be conducted for customs-and-excise purposes, as outlined under Regulation 35/2017 (i.e. general, investigative and special Audits), the new framework of Regulation 2/2025 has now adjusted the applicable periods for each Audit type, as summarized in the following table:

Audit Type	Applicable Audit Periods	
	Regulation 35/2017	Regulation 2/2025
General Audits	Two years until the end of the month prior to the issuance of the relevant assignment letter	21 months until the end of the month prior to the issuance of the assignment letter
Investigative Audits	Based on the scope of the relevant Audit Assignment Number (<i>Nomor Penugasan Audit/NPA</i>) and audit object analysis report	Implemented as required
Special Audits		

In addition to the above-revised timeframes, Regulation 2/2025 has also now expanded the underlying reasons for the extension of Audit periods for up to 10 years, as addressed under Regulation 35/2017, as follows:

Reason for Audit Period Extension	Regulation 35/2017	Regulation 2/2025
There is an indication of a violation having been committed during or outside the Audit period	√	√
Information emerges from other parties regarding indications of a customs and/or excise violation being committed outside the Audit period	√	√
Other relevant information, based on Audit team considerations		√
Based on orders or requests issued by the Director-General, Head of Regional Office or Head of the Main Service Office	√	√

Additionally, Regulation 2/2025 has also now clarified that the above-mentioned Audit period extensions may be requested for Audited objects either partially or in their entirety. Moreover, if a request for an extension of the Audit period is submitted, then the Director of Audits, Head of Regional Office or Head of Service Office (*Kepala Kantor Pelayanan*) has the authority to either approve or reject said Audit extension request.

Adjusted Audit Mechanism

While maintaining the core elements of the Audit mechanism originally outlined under Regulation 35/2017, the new framework of Regulation 2/2025 outlines a clearer and more detailed set of processes that must be followed during the implementation of Audits. The following flowchart highlights the various key Audit implementation processes that feature under the new framework of Regulation 2/2025:



It should also be noted that Regulation 2/2025 affirms that a given, single Audit team must not audit the same individual during the following Audit

period.[12] Moreover, in addition to the various safeguard measures that are outlined under Regulation 35/2017, the new framework of Regulation 2/2025 has also clarified various conditions that may justify an Audit team blocking a non-compliant auditee's customs access and/or business identification numbers for excisable goods (*Nomor Pokok Pengusaha Barang Kena Cukai – “NPPBKC”*), putting safeguard measures (*tindakan pengamanan*) in place or taking enforcement action (*penindakan*) against any non-compliant auditee.

The above-mentioned conditions break down as follows:

Condition Leading to Imposed Measures	Blocking[13]	Safeguard Measures[14]	Enforcement Action[15]
The auditee refuses or fails to submit Audit data, stock samples and other necessary information within a specified timeframe.	√	√	√
The auditee is deemed to be obstructing the smooth implementation of the Audit.	√		
The auditee does not allow the Audit team to enter their business premises/storage rooms containing Audit data that may indicate business activities and/or other important locations.		√	
The Audit team requires security measures to be put in place in relation to Audit data, stock samples and other necessary information.		√	

Moreover, Regulation 2/2025 has also expanded and adjusted the various reasons that may serve as the basis for the termination of implemented Audits in comparison with Regulation 35/2017, as summarized in the table below:

Reason for Audit Termination	Regulation 35/2017[16]	Regulation 2/2025[17]

The auditee is missing.		√
Auditee data is unavailable due to examinations being conducted by agencies external to the Ministry of Finance.		√
The auditee refuses or fails to submit the necessary data.		√
The auditee is declared bankrupt through the handing down of a court decision with permanent legal force.		√
Recommendation from the relevant work unit		√
Force-majeure event or other serious condition		√
Fieldwork cannot be conducted	√	
The Audit cannot continue after the imposition of security measures.	√	
Other reasons	√	

Key Takeaways

The introduction of Regulation 2/2025 has resulted in the applicable Audit period being revised, with general Audits now lasting 21 months, while investigative and special Audits may be conducted as needed. Additionally, any extensions that are required may run for as long as 10 years under specific conditions. The Audit mechanism has also been further detailed, including structured procedural steps and enforcement measures such as blocking and safeguard actions. These revisions, as introduced under the framework of Regulation 2/2025, are expected to enhance overall transparency, accountability and the effectiveness of customs-and-excise audits.