

PREVENTING ILLEGAL APPLE IMPORTS: HOW BP BATAM CONTRIBUTES IN FREE TRADE ZONE

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Abstract

Batam is recognized as one of the regions within the Riau Islands Province designated as a Free Trade Zone (FTZ) in Indonesia due to its strategic positioning along international shipping routes. As a border region of Indonesia, it encounters challenges typical of other border areas, closely linked to issues of order, security, and national integrity. Moreover, within Batam, which serves as both a border area and an FTZ, a persistent issue revolves around the prevalence of illicit activities and the smuggling of foreign-origin products. The smuggling of electronic goods in Batam is driven by market demands beyond the city, seeking electronic items at comparatively lower prices than those in other regions. The lack of public awareness regarding the implications of purchasing illegal or smuggled goods constitutes a significant impediment to the eradication of illicit smuggling in Indonesia. This research employs the doctrinal or normative legal research method, utilizing secondary data obtained through a comprehensive review of literature such as books, journals, articles, and other relevant sources, including online resources. The choice of normative legal research method is justified by the research's objective, which aims to analyze the law from the perspectives of three fundamental legal values: justice, utility, and certainty. The findings of this research affirm that despite the legal regulations governing the criminal offense of smuggling and associated sanctions outlined in the legislation, the oversight implementation by BP Batam has not been entirely effective. This is evidenced by the continued occurrence of smuggling activities in Batam, attributed to various challenges encountered by BP Batam in their enforcement endeavors.

Keywords: *free trade zone, illicit activities, smuggling, export-import*

A. Background

Indonesia is a predominantly archipelagic nation, strategically positioned with two oceans and a continent, resulting in a significant volume of trade and services through its maritime domain. The advantageous geographical positioning of Indonesia exerts a positive influence on the realm of international trade. As a maritime nation, Indonesia's foremost objectives include prioritizing maximal national sovereignty and augmenting the domestic economy.¹ Enacted through Government Regulation Number 46-48 of 2007 concerning Free Trade Zones and Free Ports, the government establishes FTZ and Free Ports (KPBPB) as a strategic initiative for fostering economic development in the Batam-Bintan-Karimun (BBK) region. The

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¹ Arif Budiman, "Pengaturan Pengawasan Lalu Lintas barang Kena Cukai Pada Kawasan Perdagangan Bebas (Studi Pencabutan Fasilitas Cukai pada Kawasan Perdagangan Bebas)," *Unes Law Review* 3, no. 4 (2021): 392–405, <https://doi.org/10.31933/unesrev.v3i4.202>.

concept of KPBPB revolves around facilitating international export-import activities while concurrently enhancing industrial operations in the BBK region, with the aim of fostering economic growth and enhancing the overall well-being of the populace through expanded employment opportunities and increased income. One of the facilitated aspects includes the exemption from Value Added Tax (VAT) and luxury taxes for industries operating in this region.²

Batam City is recognized as an integral part of the Riau Islands Province within Indonesia. Designated as one of the FTZ or KPBPB in the country, Batam holds this status due to its advantageous location along international shipping routes. This designation is expected to contribute to the economic progress of Batam City and its adjacent regions.³ The initiative to establish Batam as an FTZ represents a novel form of legitimacy for the city, allowing it to continue its function as an internationally standardized industrial region.⁴ Situated in close proximity to Singapore and Malaysia, Batam spans an area of approximately 426,563.28 hectares, comprising 108,265 hectares of land and 318,298.28 hectares of water. Its geographical proximity to Malaysia and Singapore is approximately 20 kilometers, with a sea travel time of around 45 minutes. As a border region of Indonesia, Batam encounters challenges typical of other border areas, closely linked to issues of order, security, and the integrity of Indonesia.⁵ Furthermore, a persistent challenge in Batam, characterized by its status as both a border area and an FTZ, is the prevalence of illicit activities and the smuggling of goods originating from external sources beyond Indonesia.

The designation of Batam City as an FTZ, as stipulated in the legal framework of Government Regulation Number 62 of 2019, which amends Government Regulation Number 46 of 2007 concerning Free Trade Zones and Free Ports, has implications for Batam City, transforming it into a region of free trade and ports.⁶ The establishment of this free port is strategically aimed at attracting international entrepreneurs to invest, with the overarching goal of contributing to the economic development of Indonesia, particularly within Batam City. Despite Batam City being recognized as an FTZ, allowing for duty-free entry of products through Batam, it does not imply unrestricted

² Yanti Budiyantini and Tyas Amalia, "Penilaian Kinerja Kawasan Perdagangan Bebas Dan Pelabuhan Bebas (KPBPB) Dan Pembangunan Kota Batam," *RekaLoka : Jurnal Online Institut Teknologi Nasional* 1, no. 1 (2021): 45–55, <https://ejournal.itenas.ac.id/index.php/rekaloka/article/view/4794/2508>.

³ Budiyantini and Amalia.

⁴ Khairul Anwar and Nofri Yanti, "Dinamika Pelaksanaan Kawasan Perdagangan Bebas Dan Pelabuhan Bebas (Free Trade Zone) Batam" (Universitas Riau, 2014), <https://media.neliti.com/media/publications/31684-ID-dinamika-pelaksanaan-kawasan-perdagangan-bebas-dan-pelabuhan-bebas-free-trade-zo.pdf>.

⁵ Eko Handrian, Hendry Andry, and Azmi, "Penguatan Pemerintahan Daerah Dalam Pengelolaan Kawasan Perbatasan Di Kabupaten Kepulauan Meranti," *Jurnal Kemunting* 1, no. 2 (2020): 183–203, <https://ejournal.universitaskarimun.ac.id/index.php/IAN/article/view/137>.

⁶ Anggun Nurul Iman, Helmi, "Pelaksanaan Pengawasan Lalu Lintas Barang Elektronik Oleh Bea Dan Cukai Kota Batam", *Journal of Government and Politics* (2020), Hlm. 118

entry for business entities to import goods through the city. This restriction is attributed to specific conditions, procedures, and thresholds applicable to each business entity involved in the importation of goods through Batam.

In the discourse on FTZ, imports, and related matters, commodities dispatched from foreign nations or outside Indonesia benefit from a specific privilege, namely the exemption from taxes. However, specific conditions must be met in accordance with the relevant regulations applicable in the FTZ in Batam. The implementation of the FTZ does not proceed seamlessly without challenges, as there are several issues in its execution. A persistent challenge is the occurrence of smuggling, notwithstanding the streamlined facilitation of activities. The significant price differential between the FTZ and other taxed regions incentivizes unscrupulous business entities to maximize profits without regard for extant laws and regulations, resorting to illicit smuggling. This illicit practice can lead to financial losses from the government's perspective, specifically in terms of revenue. In this context, revenue refers to the state's earnings from import duties or other applicable charges on goods, rightfully designated for collection by Customs authorities.⁷ The escalating incidence of smuggling consequently implies an increasing amount of uncollected revenue, potentially hindering the nation's revenue targets for customs and excise duties. Moreover, this illicit practice may also evoke concerns among the public from an economic stability standpoint. Instances where smuggling through the Batam FTZ is identified by authorities⁸ but remains unaddressed may contribute to discontent within the populace.

The issue of smuggling, particularly involving Apple products, demands serious attention, notably from BP Batam. This is crucial given the numerous cases of smuggling through Batam, which undoubtedly yield negative impacts on both the government and the community. Consequently, the author expresses an interest in scrutinizing the role of the FTZ in overseeing imports and mitigating smuggling. This involves a comprehensive examination of prior research encompassing the performance evaluation of the FTZ and KPBPB, the evolution of Batam City,⁹ the scrutiny of port management in the KPBPB Batam,¹⁰ the optimization of e-government initiatives in the FTZ in Batam,¹¹ and the ramifications of exports-imports on

⁷ Mahdi Syahbadir Anggun Nurul Iman, Helmi, "Pelaksanaan Pengawasan Lalu Lintas Barang Elektronik Oleh Bea Dan Cukai Kota Batam," *Journal Of Government and Politics* 2 (2020), Hlm. 116

⁸ Adhitama Pardede, "Tinjauan Pemeriksaan Sarana Pengangkut Laut (Boatzoeking) Di KPUBC Tanjung Priok," *Jurnal Perspektif Bea Dan Cukai* 2, no. 1 (2018), Hlm. 89

⁹ Budiyantini and Amalia, "Penilaian Kinerja Kawasan Perdagangan Bebas Dan Pelabuhan Bebas (KPBPB) Dan Pembangunan Kota Batam."

¹⁰ Ady Muzwardi, "Analisis Pengelolaan Pelabuhan Di Kawasan Perdagangan Bebas Dan Pelabuhan Bebas (KPBPB) Batam," *Government: Jurnal Ilmu Pemerintahan* 9, no. 1 (2016): 31–38, <https://doi.org/10.31947/jgov.v9i1.1030>.

¹¹ Wilda Mukhalladun Waruwu, Lubna Salsabila, and Aqil Teguh Fathani, "Optimalisasi E-Government Pada Kawasan Free Trade Zone Di Kota Batam," *Jurnal Studi Ilmu Sosial Dan Politik* 3, no. 1 (2023): 49–57, <https://doi.org/10.35912/jasispol.v3i1.1874>.

economic growth in the KPBPB Batam.¹² However, this study introduces novelty by scrutinizing the role of BP Batam in managing regulations to prevent the smuggling of Apple products, a prevalent issue. Theoretically, this research aims to furnish novel perspectives and supplementary knowledge pertaining to the efficacy of regulatory management within FTZ, particularly in the context of controlling the smuggling of specific commodities like Apple products. From a practical standpoint, the study seeks to offer specific recommendations to enhance the efficiency and effectiveness of BP Batam's initiatives in preventing Apple product smuggling, with direct applicability in day-to-day operations.

B. Identified Problems

Based on the description of the issues, the research problem statement are as follows:

1. How is the regulation of the FTZ in Batam City concerning the importation of electronic goods?
2. What initiatives does BP Batam implement to prevent the illicit smuggling of Apple electronic products imported into the region?

C. Research Methods

In this research, the adopted methodology is normative legal research, a method grounded in the legal approach and conceptual analysis with a primary focus on literature review. Normative legal research fundamentally examines law conceptualized as norms or principles prevailing in society, serving as a reference for the behavior of individuals.¹³ The normative nature of legal research is driven by its objective to elucidate the norms applicable within a specific legal system.¹⁴ Soerjono Soekanto and Sri Mamudji define normative legal research as an investigation conducted through the examination of bibliographical materials or secondary data.¹⁵ To retrieve secondary data in this normative legal research, the approach involves reviewing literature sources such as books, journals, articles, and other relevant materials, including online sources. The rationale for opting for the normative legal research method is rooted in the characteristic objectives of

¹² Firsta Reynalda Azzahra, Najamuddin Khairur Rijal, and Devita Prinanda, "Dampak Ekspor-Impor Terhadap Pertumbuhan Ekonomi Di Kawasan Perdagangan Bebas Dan Pelabuhan Bebas (KPBPB) Batam," *NeoRespublica: Jurnal Ilmu Pemerintahan* 4, no. 1 (2022): 69–82, <https://doi.org/10.52423/neores.v4i1.16>.

¹³ Hari Sutra Disemadi, "Lensa Penelitian Hukum: Esai Deskriptif Tentang Metodologi Penelitian Hukum," *Journal of Judicial Review (JJR)* 24, no. 2 (2022): 289–304, <https://doi.org/10.37253/jjr.v24i2.7280>.

¹⁴ David Tan, "Metode Penelitian Hukum: Mengupas Dan Mengulas Metodologi Dalam Menyelenggarakan Penelitian Hukum," *Nusantara: Jurnal Ilmu Pengetahuan Sosial* 8, no. 8 (2021): 2463–78, <https://doi.org/10.31604/jips.v8i8.2021.2463-2478>.

¹⁵ Soerjono Soekanto and Sri Mamudji, *Penelitian Hukum Normatif: Suatu Tinjauan Singkat*, Cetakan ke (Jakarta: Rajawali Pers, 2015).

this study, aiming to analyze law based on the three fundamental legal values: justice, utility, and certainty.¹⁶

D. Research Findings and Discussion

1. Regulation of the FTZ in Batam City Concerning the Importation of Electronic Goods

The evolution of free trade will consistently align with global trends in globalization, demonstrating rapid development. As asserted by Berry, Brian J.L, E.C. Concling, and D.M Ray, the initiation of free trade aims to streamline trade transactions by eliminating tariffs, quotas, import restrictions, and other economic protection policies.¹⁷ The implementation of free trade establishes cooperative relationships between Indonesia and other countries, contributing to the economic advancement of each nation. It not only simplifies trade transactions but also contributes to the improvement of domestic infrastructure, particularly in regions designated as FTZs.¹⁸

The establishment of the FTZ in the Batam region is acknowledged as a demonstration of interdependence in the international sphere. Free trade is viewed as the most effective and peaceful approach to augmenting the wealth of each nation.¹⁹ An FTZ represents a designated area separated from customs regions, enjoying specific exemptions from export and import duties, as well as taxes. These exemptions encompass the waiver of import duties, Value Added Tax (VAT), and Luxury Goods Sales Tax (PPnBM).²⁰ The objective is to eliminate trade impediments between individuals and companies operating across different countries. Additionally, Government Regulation Number 48 of 2007 governs this specialized zone, incorporating regulations related to immigration, licensing, and labor matters within the FTZ. Currently, Indonesia has four FTZs: Sabang, Batam, Bintan, and Karimun. Due to their geographical proximity to neighboring countries and strategic location along international shipping routes, these four cities are deemed to provide favorable opportunities and potential for economic growth in Indonesia within the era of globalization.²¹

¹⁶ Disemadi, "Lensa Penelitian Hukum: Esai Deskriptif Tentang Metodologi Penelitian Hukum."

¹⁷ Brian J.L Berry, Concling E.C., and Ray D.M, *The Global Economy* (New Jersey: Prentice-Hall, Inc. A Simon & Schuster Company, 1993).

¹⁸ Cherlyne Baby Florencia and Rasji, "Implementasi Kebijakan Kawasan Perdagangan Bebas/Free Trade Zone (FTZ) Terhadap Masyarakat Bukan Pelaku Usaha Di Kota Batam," *Unes Law Review* 6, no. 1 (2023): 3625–30, <https://doi.org/10.31933/unesrev.v6i1>.

¹⁹ Anwar and Yanti, "Dinamika Pelaksanaan Kawasan Perdagangan Bebas Dan Pelabuhan Bebas (Free Trade Zone) Batam."

²⁰ Florencia and Rasji, "Implementasi Kebijakan Kawasan Perdagangan Bebas/Free Trade Zone (FTZ) Terhadap Masyarakat Bukan Pelaku Usaha Di Kota Batam."

²¹ Budiyantini and Amalia, "Penilaian Kinerja Kawasan Perdagangan Bebas Dan Pelabuhan Bebas (KPBPB) Dan Pembangunan Kota Batam."

BP Batam, officially known as the Batam Indonesia FTZ Authority, oversees the implementation of the FTZ in Batam. This responsibility is bestowed upon BP Batam by the regional council in accordance with Government Regulation Number 41 of 2021, which outlines the guidelines for managing FTZs and Free Ports.²² Generally, FTZ areas are granted a duration of 70 years from the designation of the free trade and port zone. In Indonesia, the FTZ, established by Government Regulation Number 46 of 2007, is expected to remain in effect until 2077. The stipulated timeframe serves not only as a mechanism for ensuring legal certainty but also as an incentive to streamline both foreign and domestic investment, fostering a competitive and robust business environment. The development of the free trade and port zone also poses a challenge for BP Batam to formulate policies that align with the development of the Batam community itself. With the designation of the FTZ, all goods in Batam are considered imports without exception. Hence, in reality, this policy sparks controversy, particularly among the residents of Batam.²³

The presence of a FTZ facilitates increased access to high-quality foreign goods and allows for cost savings in importing essential goods and services from other countries. This advantage stems from the specialization of FTZs in imports. There are various types of imports, firstly, imports for use, which involve bringing goods into the customs area with the intention of being used, owned, or controlled by individuals residing in Indonesia (Law of the Republic of Indonesia Number 17 of 2006 concerning customs, Article 10(b), paragraph 1). Secondly, temporary imports, where imported goods are classified as temporary if, at the time of import, they are genuinely intended for re-export within a maximum period of 3 years (Law of the Republic of Indonesia Number 17 of 2006 concerning customs, Article 10(d), paragraph 1).²⁴ In contrast to other regions, import duties, in the form of import tariffs, do not apply to goods imported into the FTZ. This exemption is due to the special authority granted to FTZs, which exempts imports and exports from taxes. However, the implementation of FTZs faces challenges, and one persistent issue is smuggling, despite the facilitation of activities.²⁵

The illicit entry of goods can essentially be equated with smuggling activities, where smuggling is defined as the entry of goods that do not comply with regulatory rules or are illegal, aimed at specific regions, and evade customs duties or other regulated fees as mandated

²² Florencia and Rasji, "Implementasi Kebijakan Kawasan Perdagangan Bebas/Free Trade Zone (FTZ) Terhadap Masyarakat Bukan Pelaku Usaha Di Kota Batam."

²³ Florencia and Rasji.

²⁴ Aditya R, "Impor Adalah: Arti, Jenis, Dan Contohnya," Flip, 2022, <https://flip.id/blog/impor-adalah-arti-jenis-dan-contohnya>.

²⁵ Anggun Nurul Iman, Helmi, "Pelaksanaan Pengawasan Terhadap Lalu Lintas Barang Elektronik Oleh Bea Dan Cukai Di Pelabuhan Bebas Kota Batam."

by the law. Several factors contribute to the criminal act of smuggling, including geographic considerations, production markets, and societal influences.²⁶ Within the context of this study, the focus on smuggling or the illegal entry of goods is specifically narrowed down to electronic items. The illicit entry of goods, especially electronics, can manifest through two avenues: physical and administrative. Physical activities imply that goods entering Indonesia illegally, particularly electronics, lack any accompanying documents. Administratively, there might be documents accompanying the goods, but they could contain forgeries or discrepancies with the actual situation on the ground.²⁷

The Government, through the Customs Officer, has implemented Regulation of the Director General of Customs Number 22/BC/2021 concerning the Execution of Goods Entry and Exit in Areas Designated as FTZs and Free Ports (KPBPB) since December 31, 2021. Nirwala Dwi Heryanto, the Director of Communication and User Guidance at the Customs Officer, has articulated that the enforcement of this regulation aims to establish legal certainty for entrepreneurs and customs officers. It also seeks to simplify procedures to facilitate the seamless movement of goods within the FTZ and contribute to the national economic recovery program. However, Nirwala emphasized that the entry and exit of goods to and from the FTZ can only be conducted by entrepreneurs who have obtained business permits from the Regional Investment Coordinating Board and must submit customs notifications and supplementary documentation in electronic format. This submission process is carried out through the electronic data interchange/customs data exchange system linked to the Indonesia National Single Window (INSW) and the NLE system.²⁸

Attention should be directed towards three distinct types of FTZ Customs Notification Documents (PPFTZ) within the documentation submission procedure in the FTZ. These encompass PPFTZ-01, which pertains to both the import and export of goods to and from the FTZ, inclusive of movements within and outside the customs area, as well as the export of goods from the FTZ to other locations within the customs area. PPFTZ-02 is applicable for the export of goods to other FTZs, bonded storage areas (TPB), or special economic zones (KEK), whereas PPFTZ-03 is specifically designated for the import of goods into the

²⁶ Rufinus Hotmaulana Hutauruk and Dedi Susanto, "Efektifitas Undang –Undang Kepabeanan Terhadap Penanggulangan Penyelundupan Sembako Di Kota Batam," *Journal of Law and Policy Transformation* 4, no. 1 (2019): 180–200, <https://doi.org/10.37253/jlpt.v4i1.410>.

²⁷ Ilham Prakaya, "Tindak Pidana Pemberantasan Penyelundupan Dalam Undang-Undang Nomor 17 Tahun 2006 Tentang Perubahan Atas Undang-Undang Nomor 10 Tahun 1995 Tentang Kepabeanan," *Jurnal Lex Crimen* 8, no. 1 (2018): 156–67, <https://ejournal.unsrat.ac.id/index.php/lexcrimen/article/view/22699/22396>.

²⁸ Kementerian Keuangan Direktorat Jenderal Bea dan Cukai, "Mengurus Barang Di Kawasan Bebas, Simak Peraturan Terbarunya!," Kementerian Keuangan Direktorat Jenderal Bea dan Cukai, 2022, <https://www.beacukai.go.id/berita/mengurus-barang-di-kawasan-bebas-simak-peraturan-terbarunya-.html>.

FTZ from other locations within the customs area. Regarding the submission of documents for the importation of goods into the FTZ from other FTZ, TPBs, or KEKs, this regulation streamlines the process through the utilization of export documents originating from the source zone.²⁹

2. Evaluation of Measures to Prevent Illicit Smuggling of Apple Electronic Products by BP Batam

The illicit trafficking of imported electronic goods is characterized by individuals or groups attempting to introduce such items into a country without adhering to legitimate import procedures. This involves violations of both domestic and international trade laws and regulations. The FTZ of Batam, Bintan, and Karimun (BBK) are identified as sanctuaries for those involved in the unlawful smuggling of imported goods, allowing them to circumvent the boundaries of the FTZ and gain access to non-FTZ customs areas. Smuggling of imported goods has significant repercussions on a country's economy. Illicit smuggling poses a serious challenge to the effective implementation of a country's economic policies, as an upsurge in smuggling, whether physical or administrative, can lead to a substantial depletion of government revenue. This, in turn, impedes the achievement of annual targets set by the state through customs duties and taxes, which are anticipated to increase each year.³⁰ Several issues that may arise due to smuggling activities include: 1) depletion of national revenue, 2) unfair competition, 3) potential risks to health and safety, and 4) support for criminal activities. Despite Batam's status as a border region and its privileges as a free trade and easily accessible importation area, proactive measures are imperative to narrow the scope of smuggling activities without causing detriment to the state.³¹

The cases of electronic goods smuggling in the city of Batam have been persistent occurrences. Situated along the international shipping routes of the Malacca Strait and Singapore Strait, Batam becomes susceptible to attempts of electronic goods smuggling by specific entities.³² The illicit trafficking of electronic goods in Batam is driven by market demands beyond the city, where consumers seek electronic products at relatively lower costs compared to other regions. This is attributed to electronic goods being subject to duties, and upon entering the Batam region, they are exempt from taxes, contributing to lower

²⁹ Kementerian Keuangan Direktorat Jenderal Bea dan Cukai.

³⁰ Hutauruk and Susanto, "Efektifitas Undang –Undang Kepabeanan Terhadap Penanggulangan Penyelundupan Sembako Di Kota Batam."

³¹ Candra Gunawan, "Batam Gerbang Ponsel Ilegal, Beredarnya iPhone 13 Rugikan Negara," Gokepri.com, 2021, <https://gokepri.com/batam-gerbang-ponsel-ilegal-beredarnya-iphone-13-rugikan-negara/>.

³² Anggun Nurul Iman, Helmi, "Pelaksanaan Pengawasan Terhadap Lalu Lintas Barang Elektronik Oleh Bea Dan Cukai Di Pelabuhan Bebas Kota Batam."

prices.³³ Throughout the year 2017, incidents of illegal electronic goods smuggling at the port of Batam witnessed a substantial increase, rising from 146 cases in 2016 to 167 cases in 2017. This prompted decisive interventions by the government and customs authorities, entailing the imposition of stringent sanctions on those involved in electronic goods smuggling. These measures included the revocation of business permits and other relevant actions. This initial step by the Batam Customs resulted in a notable response the following year, as the incidents of electronic goods smuggling in Batam started to decline, with 72 cases in 2018 and further reduction to 48 cases in 2019.³⁴

In December 2023, another case of Apple product smuggling occurred in the city of Batam but was successfully thwarted by customs officials. Customs officers in Batam successfully foiled the smuggling attempt of 455 used iPhone units at Hang Nadim International Airport. These hundreds of used iPhone units were intended to be carried by two prospective Lion Air JT 373 passengers with the initials MZ and LNH, bound for Soekarno-Hatta International Airport.³⁵ Customs officials received information about a suspected effort to smuggle goods, specifically mobile phones, through the mechanism of including them in passengers' baggage during air travel from Hang Nadim International Airport to Soekarno-Hatta International Airport. Upon inspection, two suitcases and two backpacks containing iPhones were uncovered. The individuals involved are accused of violating the Republic of Indonesia Law Number 17 of 2006, which pertains to Amendments to Law Number 10 of 1995 concerning Customs, particularly Article 102, letter f. Additionally, they are charged with breaching Government Regulation Number 41 of 2021 regarding the Implementation of FTZs and Free Ports. The penalties for these offenses range from a minimum prison sentence of 1 year to a maximum of 10 years, coupled with fines ranging from IDR 50 million to IDR 5 billion.³⁶

The illicit circulation within the black market represents one of the methods employed by smugglers to conduct transactions with buyers. The continued existence of a black market in the city of Batam is considered a contributing factor to the perceived ineffectiveness of the monitoring efforts carried out by the Batam Authority (BP Batam). Moreover, several additional factors hinder the implementation of oversight by BP Batam, encompassing the prevalence of unofficial or

³³ Maher Syala Hasy Simatupang, "Dinamika Pemberlakuan Kebijakan Free Trade Zone Di Kota Batam" (Universitas Pasundan, 2016).

³⁴ Anggun Nurul Iman, Helmi, "Pelaksanaan Pengawasan Terhadap Lalu Lintas Barang Elektronik Oleh Bea Dan Cukai Di Pelabuhan Bebas Kota Batam."

³⁵ Alamudi Hamapu, "Bea Cukai Gagal Penyelundupan 455 iPhone Di Batam, 2 Orang Ditangkap," DetikSumut, 2023, <https://www.detik.com/sumut/hukum-dan-kriminal/d-7111029/bea-cukai-gagal-penyelundupan-455-iphone-di-batam-2-orang-ditangkap>.

³⁶ Aldy, "SPDP Kasus Penyelundupan 455 iPhone Bekas Di Bandara Hang Nadim Belum Masuk Ke Kejari Batam," Batamtoday.com, 2023, <https://batamtoday.com/batam/read/199016/SPDP-Kasus-Penyeludupan-455-iPhone-Bekas-di-Bandara-Hang-Nadim-Belum-Masuk-ke-Kejari-Batam>.

illicit ports scattered throughout Batam, in conjunction with deficiencies in human resources and operational facilities.³⁷ The establishment of effective monitoring standards functions as a yardstick for evaluating the implementation of oversight by an institution,³⁸ specifically by BP Batam in the surveillance of electronic goods. Its objective is to ascertain the success of the oversight and to pinpoint the specific aspects posing challenges in the monitoring of electronic goods in the city of Batam. This evaluation is imperative for future enhancements and improvements.

Addressing the challenge of smuggling is hindered by a society that lacks sufficient engagement in combatting this illicit activity, despite comprehensive media coverage on smuggling-related news. The public remains passive, viewing the acquisition of goods at low costs with high quality as a stroke of luck.³⁹ To break the chain of violations, there is a need for intensive supervision and an increase in public awareness that participating in such violations hinders economic development and progress.⁴⁰ In the implementation of measures to mitigate and eliminate smuggling offenses, the government conducts direct inspections and oversight of exported and imported goods, duly authorized by customs officials. Legal provisions pertaining to the crime of smuggling and its transgressions, along with corresponding sanctions, are outlined in Law Number 17 of 2006 concerning Customs, spanning from Article 102 to Article 109.⁴¹ These articles state:

“Any person who:

- a. Exporting goods without submitting a customs notification;
- b. Intentionally providing false information regarding the type and/or quantity of exported goods in the customs notification, as outlined in Article 11A paragraph (1), leading to the non-compliance of state levies in the export sector;
- c. Loading exported goods outside the customs area without the authorization of the head of the customs office, as specified in Article 11A paragraph (3);

³⁷ Rossa Pratiwi, “Pasar Gelap Di Batam: Kapasitas Pengawasan Pemerintah Dalam Menangani Kasus Penyelundupan Dan Perdagangan Ilegal Barang Elektronik Di Kota Batam” (Universitas Gajah Mada, 2016).

³⁸ H. B. Siswanto, *Pengantar Manajemen*, Cetakan-16 (Jakarta: Bumi Aksara, 2019).

³⁹ Kementerian Keuangan Direktorat Jenderal Bea dan Cukai, “Upaya Bea Cukai Tanggulangi Penyelundupan Lewat Pendekatan Sosiokultural,” Kementerian Keuangan Direktorat Jenderal Bea dan Cukai, 2021, <https://www.beacukai.go.id/berita/upaya-bea-cukai-tanggulangi-penyelundupan-lewat-pendekatan-sosiokultural.html>.

⁴⁰ Riky Novarizal and Muhammad Anil Kumara, “Strategi Dan Peran Bea Cukai Dalam Menangani Penyelundupan Barang Ilegal Di Kabupaten Bengkalis (Studi Kasus Penyelundupan Barang Malaysia - Bengkalis),” *Jiabis: Jurnal Ilmu Administrasi Bisnis & Sosial* 1, no. 2 (2023): 62–79, <https://journal.uir.ac.id/index.php/jiabis/article/view/15074>.

⁴¹ Rina Sofiana, “Upaya Penanggulangan Tindak Pidana Penyelundupan Barang Ekspor Impor Menurut Undang-Undang Nomor 17 Tahun 2006 Tentang Kepabeanan,” *Lex Crimen* 8, no. 9 (2019): 13–19, <https://ejournal.unsrat.ac.id/index.php/lexcrimen/article/view/27012>.

- d. Unloading exported goods within the customs area without the permission of the head of the customs office; or
- e. Transporting exported goods without proper documentation in accordance with the customs notification, as articulated in Article 9A paragraph (1), shall face penalties for engaging in export smuggling, with a minimum imprisonment sentence of 1 year, a maximum imprisonment sentence of 10 years, and fines ranging from a minimum of IDR 50,000,000.00 (fifty million rupiahs) to a maximum of IDR 5,000,000,000.00 (five billion rupiahs)."⁴²

Various efforts have been undertaken by local authorities, including:

- a. The police force, enhancing the capabilities of police officers to detect various modes of illegal smuggling more effectively;
- b. Increased supervision of small ports to halt smuggling activities;
- c. Enhanced surveillance and security at borders to detect and prevent smuggling activities; and
- d. Public education and campaigns, conducting awareness campaigns to highlight the negative impact of smuggling on the economy and national security.

In addition to port surveillance, internal oversight is implemented, and decisive actions are taken against individuals involved and supporting illegal imports. This is to eliminate collaboration between authorities and importers in falsifying documents by undervaluing or underpricing goods, as well as preventing the misuse of import facilities and quotas.⁴³ Preventive measures taken by the authorities in Batam are not solely carried out by responsible agencies but also involve collaboration with community. If implemented effectively, these measures can help prevent the smuggling of imported electronic products in the jurisdiction of BP Batam or local authorities.

E. Conclusions

The occurrence of electronic goods smuggling in the city of Batam continues to be a pervasive phenomenon. Positioned along the international shipping routes of the Malacca Strait and Singapore Strait, Batam is susceptible to smuggling attempts by certain entities. The smuggling of

⁴² Yudha Kurniawan, Erdianto, and Dessy Artina, "Peranan Bea Dan Cukai Dalam Menanggulangi Peredaran Barang Elektronik Ilegal Berdasarkan Undang –Undang Nomor 17 Tahun 2006 Tentang Perubahan Atas Undang-Undang Nomor 10 Tahun 1995 Tentang Kepabeanan Di Pekanbaru," *JOM Fakultas Hukum* 4, no. 2 (2019): 1–15, <https://jom.unri.ac.id/index.php/JOMFHUKUM/article/view/18855>.

⁴³ Kementerian Sekretariat Negara Republik Indonesia, "Lakukan Langkah Cepat Atasi Impor Ilegal," Kementerian Sekretariat Negara Republik Indonesia, 2015, https://www.setneg.go.id/baca/index/lakukan_langkah_cepat_atasi_impор_ilegal.

imported goods encompasses diverse product categories, including electronics like smartphones, computers, cameras, and other devices. The Batam, Bintan, and Karimun (BBK) FTZ function as sanctuaries for illicit import smuggling activities that transition from the FTZ to non-FTZ customs areas. The smuggling of electronic goods in Batam is primarily driven by market demand beyond the city, seeking electronics at relatively lower prices compared to other regions. In efforts to address and eradicate smuggling offenses, the government conducts direct inspections and oversight of export and import goods, delegating authority to customs officials. Legal regulations concerning smuggling offenses and associated violations, along with their corresponding sanctions, are stipulated in Law Number 17 of 2006 concerning Customs, specifically in articles 102 to 109. Despite the existence of these regulatory measures, instances of electronic goods smuggling in Batam endure and even intensify annually. This phenomenon is attributed to the challenges encountered in addressing smuggling issues, particularly the passive engagement of the community in combating these illicit activities. Despite extensive media coverage of news related to smuggling, the community remains inactive, often perceiving the acquisition of affordable high-quality goods as a fortunate circumstance.

It is hoped that the Customs officers of Batam City, along with BP Batam, will exercise more stringent supervision over illegally imported electronic goods entering the region of Batam. Additionally, it is anticipated that decisive measures will be taken against all perpetrators of smuggling, instilling a deterrent effect to dissuade individuals from participating in such illicit activities. Furthermore, there is an anticipation for increased awareness among the entire community, urging them to refrain from purchasing illegal or smuggled goods. This is especially crucial considering the significance of taxes for national revenue and the overall economic health of the country.

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