

## International Trade Dispute Settlement Under Free Trade Agreements: An Analysis of Indonesian Tax Court Verdicts

Tomy Prasetya <sup>a,1,\*</sup>, Faisal Labib Zulfikar <sup>b,2</sup>, Muhammad Nuh Baehaqi <sup>c,3</sup>, Muhammad Ilham <sup>b,4</sup>

<sup>a</sup> University of Western Australia, Perth, Australia.

<sup>b</sup> Ministry of Finance, Jakarta, Indonesia

<sup>c</sup> Indonesian Tax Court, Jakarta, Indonesia

<sup>1</sup>[tomyprasetya20@gmail.com](mailto:tomyprasetya20@gmail.com), <sup>2</sup>[labib-faizal@gmail.com](mailto:labib-faizal@gmail.com), <sup>3</sup>[mbbyhq@gmail.com](mailto:mbbyhq@gmail.com), <sup>4</sup>[m.maulana2701@gmail.com](mailto:m.maulana2701@gmail.com)

\*Corresponding Author: [tomyprasetya20@gmail.com](mailto:tomyprasetya20@gmail.com)

### ARTICLE INFO

#### Article history

Received: April 27, 2025

Revised: August 18, 2025

Accepted: August 28, 2025

#### Keywords

Certificate of Origin;

Tax Court;

Tax Disputes;

Trade Dispute;

### ABSTRACT

This study analyses the lawsuits concerning the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) trade agreement within the Indonesian tax court between 2018 and 2025. The method of content analysis was performed to systematically categorise 71 verdicts based on the type of dispute, the evidence submitted, and the arguments of both disputants. The results outlined six key areas of disputes: time limits for submission of Certificate of Origin (COO), third party invoices, issuance of electronic COO, tariff classification, typographical errors and issues of completeness of the COO. These findings point to the fact that there exists a clear trend in the grounds for the acceptance and rejection of some decisions. For instance, uncontested cases are typified by data in contrast or different from the customs documents, while contested cases are those where evidence of sound form is submitted in adherence with certain pertinent laws. This trend buttresses the need to clearly and precisely fill in all documents in order to meet all the requirements of preferential tariff treatment as specified under AANZFTA rules. The legal implications of these findings are significant since they underscore that international regulations do not only form the basis of imposing for compliance but ensure that there will be no breaches in the trade relations. Recommendations are made in the research for enhanced management of AANZFTA regulations to prevent further disputes from arising in the future.



This is an open access article under the [CC-BY 4.0](#) license.



## 1. Introduction

The ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) is one of the most significant free trade agreements (FTAs) within the region of the Asia-Pacific.<sup>1</sup> It was signed in 2009 and was implemented in 2010 and relates to the ten members of ASEAN together with 2 major partners: Australia and New Zealand. AANZFTA, in particular, seeks to develop an Inland more liberalized and competitive region for trade and commerce which

<sup>1</sup> S M Thangavelu, D Narjoko, and S Urata, 'Impact of FTA on Trade in ASEAN and Australia Using Customs Level Data', *Journal of Economic Integration*, 36.3 (2021), 437–61 <https://doi.org/10.11130/JEI.2021.36.3.437>

in turn is likely to boost the levels of trade and investments among the member countries.<sup>2</sup> Areas that this particular agreement covers include such things as trade in goods and services, investment and economic cooperation. Especially, AANZFTA delivers the great satisfaction to the ASEAN countries, including Indonesia regarding the better opportunities of the wider market, to Australia and New Zealand.<sup>3</sup> ASEAN's applications for market entry into Australia and New Zealand are enhanced by the abatement or lowering of import duty tariffs.<sup>4</sup> Furthermore, this agreement also creates conditions to expand investment flows between the participating countries thus improving economic growth in the region and increasing foreign direct investment (FDI).<sup>5</sup>

As part of ASEAN, Indonesia has opportunities under this agreement. For instance, increasing exports of agricultural products like palm oil and coffee to Australia and New Zealand at favorable rates as well as foreign investment, particularly in the infrastructure area.<sup>6</sup> AANZFTA also enhances education and labour cooperation as there are Australian universities that offer scholarships for Indonesian students and seek for migration of skilled people.<sup>7</sup> Moreover, Indonesian market is steadily supplied with more efficient pharmaceuticals and medical technologies from Australia, while helping to expand export opportunities and lessen reliance on such traditional markets.<sup>8</sup> Manufacturing industries such as electronics and textile benefit from reduced tariffs on the raw materials and parts imported, thereby lowering the production cost and increasing the ability of Indonesian products to compete in the international marketplace.<sup>9</sup> This becomes important in promoting regional trade and enhancing the global competitiveness of Indonesia.

Economic benefits in international trade from AANZFTA can also promote regional economic stability and unity within the Asia-Pacific region as a whole. The Agreement would also enhance the economic linkages between ASEAN countries, Australia and New Zealand which in turn can help reduce economic disparities amongst these regional neighbouring states.<sup>10</sup> In this new era of globalization typified by the complexity and deep integration of global supply chains, rapidly shifting trade dynamics characterised partly by heightened protectionist sentiment in some corners as well as emergence of cooperation mechanisms under various setups becoming more necessary than ever before, how would a mega-trade-pacts such as AANZFTA contribute to enhancing Indonesia's global

<sup>2</sup> Rahul Sen, Sadhana Srivastava, and Sanchita Basu Das, 'Can ASEAN+1 FTAs Be a Pathway towards Negotiating and Designing the Regional Comprehensive Economic Partnership (RCEP) Agreement?', *Journal of World Trade*, 50. Issue 2 (2016), 253–88 <https://doi.org/10.54648/TRAD2016013>

<sup>3</sup> Rakhmat Syarip, 'Defending Foreign Policy at Home: Indonesia and the ASEAN-Based Free Trade Agreements', *Journal of Current Southeast Asian Affairs*, 39.3 (2020), 405–27 <https://doi.org/10.1177/1868103420935556>

<sup>4</sup> Wanasin Sattayanuwat and Nantarat Tangvitoontham, 'Trade Creation and Trade Diversion of ASEAN's Preferential Trade Agreements', *IAFOR Journal of the Social Sciences*, 3.1 (2018) <https://doi.org/10.22492/ijss.3.1.01>

<sup>5</sup> Long Thanh Tran, 'The Impact of Capital Flows from Commercial Banks and FDI on Sustainable Economic Growth in ASEAN Countries', *Contemporary Economics*, 16.3 (2022), 361–73 <https://doi.org/10.5709/ce.1897-9254.487>

<sup>6</sup> Andi Amran Sulaiman and others, 'New Challenges and Opportunities of Indonesian Crude Palm Oil in International Trade', *Caraka Tani: Journal of Sustainable Agriculture*, 39.1 (2024), 94 <https://doi.org/10.20961/carakatani.v39i1.81957>

<sup>7</sup> Chris F Wright and Andreea Constantin, 'Why Recruit Temporary Sponsored Skilled Migrants? A Human Capital Theory Analysis of Employer Motivations in Australia', *Australian Journal of Management*, 46.1 (2021), 151–73 <https://doi.org/10.1177/0312896219895061>

<sup>8</sup> Endah Nur Amalina, Ermita Yusida, and Febry Wijayanti, 'Indonesia's Export Comparative and Competitiveness Advantages in the "emerging Market" Scheme during the Pandemic', *R-Economy*, 10.1 (2024), 74–90 <https://doi.org/10.15826/recon.2024.10.1.005>

<sup>9</sup> Krisna Gupta, 'The Heterogeneous Impact of Tariffs and Ntms on Total Factor Productivity for Indonesian Firms', *Bulletin of Indonesian Economic Studies*, 59.2 (2023), 269–300 <https://doi.org/10.1080/00074918.2021.2016613>

<sup>10</sup> Francisco A Magno and Martin Josef E Vivo, 'Negotiating RCEP: The Role of ASEAN in Middle-Power Diplomacy', *China and WTO Review*, 9.1 (2023), 103–22 <https://doi.org/10.14330/cwr.2023.9.1.05>

competitiveness? In addition, the deal would also be a legal tool to manage foreign investment and attract capital in areas of strength such as infrastructure, manufacturing services and education. It is not only contributing to economic growth, but AANZFTA also plays an important role in addressing challenges related with global trade such as protectionism and uncertainty economy.<sup>11</sup> Therefore, Indonesia will be able to improve its position at international markets and increase the added value for export commodities as well trigger closer economic and trade cooperation.

Disputes over international trade are bound to happen except for cases of non-commercial trade, which can also be conducted under the framework of agreements like AANZFTA.<sup>12</sup> Though the goal of these agreements is to lower barriers or boost transaction, some form of conflict often arises in regards with interests that must be reshaped over tariffs, trade rules and regulation on companies, among other things.<sup>13</sup> Such provisions exist in virtually every trade agreement of recent years, reflecting notions that can easily be defined but may suffer disagreements among member countries over their respective interpretation, such as agreements designed to protect local industries or measures on health and environmental standards. These disputes sometimes arise when a country believes that another nation is flouting the agreement, either in word or spirit.<sup>14</sup> Members of the WTO had brought a total of 621 trade disputes to DSB as at 31 December 2023. This situation highlights the complexities of international trade, where member countries often have differing opinions on how to apply the rules established within the WTO framework.<sup>15</sup>

Indonesia has also been involved in an international trade dispute, specifically a paper dispute with Australia. Such as Indonesia's case where they filed the complaint against Australia's Anti-Dumping Import Duty (BMAD) in the A4 Copy Paper products imported from Indonesia.<sup>16</sup> Australia alleged that Indonesia was selling A4 paper below the price of its domestic market (an act of dumping) and that this was hurting the Australian paper manufactures. As a result Australia came up with BMAD to protect local industry from what it considered price dumping. Indonesia felt aggrieved by this policy and took the issue to the World Trade Organisation (WTO) in 2017, arguing that Australia's actions violated WTO rules on anti-dumping and free trade.

Certificate of origin is one of the indispensable documents in international business, particularly when engaging in AANZFTA.<sup>17</sup> The certificate of origin is a document issued from the proper authority of the exporting country certifying that a particular export is made from that country and that the rules set down under the agreement regarding origin-which means elimination of tariff or exemption of duty applies to it. Trade disputes involve the

<sup>11</sup> Qiang Wang and Fuyu Zhang, 'The Effects of Trade Openness on Decoupling Carbon Emissions from Economic Growth – Evidence from 182 Countries', *Journal of Cleaner Production*, 279 (2021), 123838 <https://doi.org/10.1016/j.jclepro.2020.123838>

<sup>12</sup> J Tyson Chatagnier and Haeyong Lim, 'Does the WTO Exacerbate International Conflict?', *Journal of Peace Research*, 58.5 (2021), 1068–82 <https://doi.org/10.1177/0022343320960203>

<sup>13</sup> Yonghong Zhao and others, 'Domestic and Foreign Cap-and-Trade Regulations, Carbon Tariffs, and Product Tariffs during International Trade Conflicts: A Multiproduct Cost-Efficiency Analysis', *Energy Economics*, 140 (2024), 108034 <https://doi.org/10.1016/j.eneco.2024.108034>

<sup>14</sup> Ralph Ossa, Robert W. Staiger, and Alan O. Sykes, 'Standing in International Investment and Trade Disputes', *Journal of International Economics*, 145 (2023), 103791 <https://doi.org/10.1016/j.jinteco.2023.103791>

<sup>15</sup> Andrew D Mitchell, 'The Right to Regulate and the Interpretation of the WTO Agreement', *Journal of International Economic Law*, 26.3 (2023), 462–82 <https://doi.org/10.1093/jiel/jgad024>

<sup>16</sup> Antonia Eliason and Matteo Fiorini, 'Australia – Anti-Dumping Measures on A4 Copy Paper: Opening a Door to More Anti-Dumping Investigations', *World Trade Review*, 20.4 (2021), 479–90 <https://doi.org/10.1017/S147474562100015X>

<sup>17</sup> Flavia Figueredo, 'Mistakes in Certificates of Origin. Relationship with the General Principles of Law, the Legal Type and the Subjective Aspects of Customs Infractions', *Global Trade and Customs Journal*, 15. Issue 3/4 (2020), 218–25 <https://doi.org/10.54648/GTCJ2020030>

COO to a larger extent because if a tariff preference claim is made the customs authority may not be satisfied that the COO is real and will thus reject the tariff claim hence a trade dispute.<sup>18</sup> Such controversies mostly arise from the meaning or the legal status of the COO. When relying on the COO to sufficiently prove the origin of goods, one of the parties to a dispute is likely to lose anticipated tariff preference gains. Further, the information to determine rules of origin includes analysis of raw materials, processes of production, and value addition duties where the COO is core.<sup>19</sup> COO is essential documents in legal/arbitration in order to determine whether or not goods are qualified for the preference provided in trade agreements.<sup>20</sup>

The COO stands as one of the main documents which provide evidence that products under the FTA meet certain criterion.<sup>21</sup> The veracity and reliability of the COO are paramount as the consequences of general, inadvertent or deliberate mistakes or even the falsification of this document can lead to the importing country refusing preferential tariffs and imposing higher additional tariffs risking souring the trade relations of two countries.<sup>22</sup> Challenges to the status of a COO may result in submission of an international dispute to the WTO Dispute Settlement Body; they also undermine a country's credibility and alter trade relations.<sup>23</sup> The acceptability of COOs is also good evidence on the effectiveness and credibility of the international trading system.<sup>24</sup> Such misrepresentation results in confusion, higher risk of disagreement, and policy protectionism as indicated by the document.<sup>25</sup> Hence, the countries in FTA's enhance vigilance in the granting and inspecting of the COO with a view of avoiding violation of the system and to ensure that imported goods enjoy the benefit of an FTA tariff. COO invalidity management can also negatively affect the local producers in the importing country and gives unfairness in domestic market competition.<sup>26</sup>

The COO further is a factor in the trend of tax court rulings involving international trade controversies, including under the AANZFTA, with straight applications for legal principles.<sup>27</sup> From a legal perspective, the effectiveness of an international trading system is determined primarily by the level of member state adherence to the established rules and

---

<sup>18</sup> Figueredo, 'Mistakes in Certificates of Origin: Legal Aspects'

<sup>19</sup> Nataliia Isakhanova, 'Rules of Origin Under the Legislation of Ukraine and Its Correlation with International Treaties to Which Ukraine Is a Party, Including FTAs and PEM Convention', *Global Trade and Customs Journal*, 15. Issue 3/4 (2020), 137–45 <https://doi.org/10.54648/GTCJ2020017>

<sup>20</sup> Yohannes Ayele, Michael Gasiorek, and Manuel Tong Koecklin, 'Trade Preference Utilization Post-Brexit: The Role of Rules of Origin', *World Trade Review*, 22.3–4 (2023), 436–51 <https://doi.org/10.1017/S1474745623000228>

<sup>21</sup> Stefano Inama and Pier Paolo Ghetti, 'The Real Cost of Rules of Origin: A Business Perspective to Discipline Rules of Origin in a Post COVID-19 Scenario', *Global Trade and Customs Journal*, 15. Issue 10 (2020), 479–86 <https://doi.org/10.54648/GTCJ2020086>

<sup>22</sup> Brian Rankin Staples, 'Importers: Improve Origin Data Quality to Reduce Origin Liability', *Global Trade and Customs Journal*, 15. Issue 3/4 (2020), 213–17 <https://doi.org/10.54648/GTCJ2020029>

<sup>23</sup> Lisa Tam, Myoung-Gi Chon, and Jeong-Nam Kim, 'Country-of-Origin Relationship (CoOR): A Relational Approach to Understanding the Association Between a Multinational Company in Crisis and Its Country of Origin', *International Journal of Strategic Communication*, 18.3 (2024), 189–207 <https://doi.org/10.1080/1553118X.2024.2313644>

<sup>24</sup> Harold Angulo and Christian Corrales, 'Valuation of Rules and Certificates of Origin for the SME Export Process from Peru', *WSEAS TRANSACTIONS ON BUSINESS AND ECONOMICS*, 20 (2023), 2224–39 <https://doi.org/10.37394/23207.2023.20.192>

<sup>25</sup> Jesse Liss, 'Globalization as Ideology: China's Effects on Organizational Advocacy and Relations among US Trade Policy Stakeholder Groups', *Review of International Political Economy*, 28.4 (2021), 1055–82 <https://doi.org/10.1080/09692290.2020.1755716>

<sup>26</sup> Juan David Barbosa Mariño and Juan David López Vergara, 'The Preferential and Non-Preferential Certification of Origin in Colombia: Trends on the Origin Verification Process', *Global Trade and Customs Journal*, 15. Issue 3/4 (2020), 205–12 <https://doi.org/10.54648/GTCJ2020028>

<sup>27</sup> Tam, Chon, and Kim, 'Country-of-Origin Relationship'



regulations.<sup>28</sup> However, this procedure does not only affect the disputing parties but also sets a precedent for COOs used as evidence in other similar cases and may influence future FTA usage patterns.<sup>29</sup> Therefore, the court ruling on the legality of COOs is very important in upholding the credibility of the international trading system and ensuring that the rules in the AANZFTA are applied fairly, which may encourage member countries to better respect international treaties.<sup>30</sup> Therefore, the objective of this research is to examine the trends and tendencies of verdicts in the tax court with regard to AANZFTA controversies in Indonesia.

This study is to examine the function and performance of dispute resolution processes in the context of the aanzfta free trade treaty. The principle subject of the research is to analyze the decisions of the Indonesian tax court with regards to tariff and non-tariff controversies arising from the enforcement of this agreement. Therefore, this study adds to the body of knowledge on international trade dispute resolution, by shedding light on how much economic integration and regulatory harmony has actually been achieved under the AANZFTA. This will entail a study of court decisions concerning taxation and AANZFTA from 2018 to 2025 and an evaluation of the legal and economic impacts for the member countries.

## 2. Research Method

This study employs a content analysis approach to categorise and analyse AANZFTA-related international trade disputes in Indonesia.<sup>31</sup> This method was chosen as it enables the identification of themes, patterns and trends in textual data, particularly in the context of court judgement documents. As such, this approach is suitable for exploring patterns of judgements and trends in arguments in international trade disputes.<sup>32</sup> The data utilised in this study are verdicts of the Indonesian Tax Court related to international trade disputes involving the AANZFTA from 2018 to 2025, with a total of 71 decisions. These decisions are available and can be accessed by the public through the main website of the Indonesian Tax Court <https://setpp.kemenkeu.go.id/> on the download verdicts menu. However, to explore all disputes specifically related to the AANZFTA requires access to internal dispute profiling that can only be accessed by judges or members of the Tax Court Research and Development team. The data in this study was downloaded by utilising this limited internal feature which allowed for the collection of all AANZFTA-related disputes. These decisions were analysed by categorising the type of dispute, the evidence submitted by the parties, the arguments of the appellant (usually the business), the arguments of the defendant (the customs authority), and the legal views of the judges. Equally important, the procedure marks used in conflict solving and the overall result of the judgement is also discussed. To achieve this, the data was gathered by going through all judgements to establish certain information including the claim/s that were made, legal reasons used and judgement made by the court. All these key elements were then code and analyzed employing a content analysis approach in order to determine the moderating effect of national regulation and

<sup>28</sup> Saleh Al Shraideh, 'Reflections on Developing Countries' Initiation of Disputes in the WTO Dispute Settlement System', *Global Trade and Customs Journal*, 16, Issue 3 (2021), 103–13 <https://doi.org/10.54648/GTCJ2021012>

<sup>29</sup> Jong Bum Kim, 'Article: Harmonization of FTA Rules of Origin: Examination of General Provisions', *Journal of World Trade*, 58, Issue 3 (2024), 411–36 <https://doi.org/10.54648/TRAD2024025>

<sup>30</sup> Dennis Ndonga and Emmanuel Laryea, 'Designing Preferential Rules of Origin for the AfCFTA: Addressing Pre-Existing Challenges at the Regional Level', *African Journal of International and Comparative Law*, 30.4 (2022), 451–76 <https://doi.org/10.3366/ajicl.2022.0420>

<sup>31</sup> R Benny Riyanto and others, 'Cross-Border Trade Disputes: A Comparative Analysis of Indonesia and Australia', *Journal of Indonesian Legal Studies*, 9.1 (2024), 481–502, <https://doi.org/10.15294/jils.vol9i1.6454>

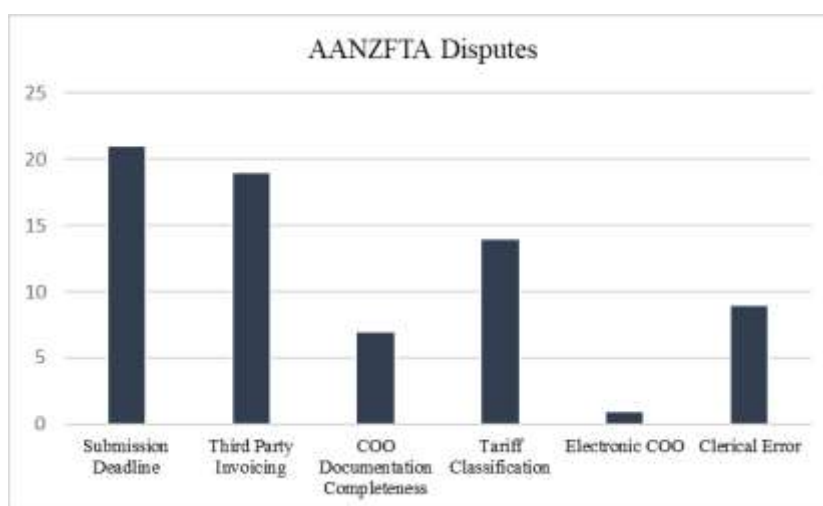
<sup>32</sup> Rachel Frid de Vries, 'Jurisdictional Competition: Domestic Courts or Arbitral Tribunals? Lessons from the CJEU Judgments on EU's Economic Agreements with Non-EU States', *European Studies*, 9.2 (2022), 15–61 <https://doi.org/10.2478/eustu-2022-0013>

International agreements like AANZFTA to the outcomes of the disputes. Applying this methodology gives understanding regarding the changes of the court decisions and the impact of regulatory harmonisation in the context of international trades.

### 3. Results and Discussion

#### 3.1. Discrepancies and Legal Implications Between AANZFTA and Local Regulations on COO Submission Timeframe

The framework of taxation, AANZFTA provides for the lowering of other, for instance, tariffs which are equivalent to import tax or that exclude products from such tax provided they meet the specified Rules of Origin (ROO) in the agreement. It assists to facilitate increase in free and competitive trade amongst the member countries and improve on product competitiveness in the global market.<sup>33</sup> When AANZFTA is implemented, it is possible to affect the reduction of the taxation burden and enhancement of investment among the member countries. However, several existing decisions in Indonesia emphasizing six types of disputes such as the time period for COO submission, third party invoicing, COO completeness, tariff classification, implementation of electronic COO, and the typographical error.



**Figure 1.** The Number of AANZFTA Disputes by Category in the Indonesian Tax Court

The results of the study reveal that out of the total AANZFTA related dispute that may occurs in Indonesia in between year 2018 to 2025, the three common types of disputes can be cited as Third Party Invoicing, Misstatements and Timely Delivery of COOs. This means that there are still gaps in the compliance and performance of trade documentation requirements especially in third party invoicing and COOs delivery timely, which are the key sources of tension in the application of AANZFTA in Indonesia.

<sup>33</sup> Riyanto and others, 'Cross-Border Trade Disputes: Indonesia vs. Australia'

Table 1. COO Delivery Timeframe Disputes

Decision Number	Type Of Goods	Country of Origin	Decision Result
PUT-006165.45/2019/PP/MVIA of 2020	Ground Beef Patties	Australia	Granted
PUT-006352.45/2018/PP/MIXA of 2020	Fresh Grapes, Midnight Beauty	Australia	Granted
PUT-008082.19/2018/PP/MIXA of 2019	Frozen Beef Tongue Trim Special Trim	Australia	Rejected
PUT-011991.47/2019/PP/MIXA of 2021	960 X 25 Kg Bags Mung Beans	Australia	Granted
PUT-009643.45/2022/PP/MIXA of 2023	1X20 KG Bega Cream Cheese	Australia	Rejected

Source : Indonesian Tax Court (2025)

Minister of Finance Regulation Number 131/PMK.04/2020 concerning Procedures for Imposing Import Duty Tariffs on Imported Goods Based on the ASEAN Goods Trade Agreement defines that the submission of the original COO sheet not later than 3 working days since the filing of customs declaration of the entry of goods outside Customs Area to Special Economic Zone (SEZ) with Good Release Order. In case of Business Entity or Business Actor been used as primary customs counterpart or Authorized Economic Operator (AEO) should submit the document within not more than 5 working days and have to annex the code of the Standardized Information Gathering (SIG) Agreement for Trade in Goods and also reference number and date of the COO Form D and/or the Certified Exporter number and date of the declaration of origin of goods properly on the customs declaration.

Decision PUT-006165.45/2019/PP/MVIA of 2020 explains the dispute over the import of Ground Beef Patties which was caused by the submitting of the COOs past the set time. The Dependant (government) condemnable its several late submission of COOs as a cause for imposition of import taxes and fines however the judges stressed the international provisions enable a time of one year for submission of COOs hence domestic stringent regulation cannot be applied without consent of the countries concerned. In the dissent, some judges claimed that by submitting COOs after three days was correct on the part of the appellant or referred to 'provisions that have become international agreements cannot be differently from domestic regulations hence the appellant must be given tariffs in line with AANZFTA'. Therefore, the timing set in the Minister of Finance Regulation of No. 131/PMK.04/2020 should correspond to the provisions contained in the international agreement which the appellant has the right to obtain the tariff under the AANZFTA or international agreement contrary to the delay.

In the PUT-006352.45/2018/PP/MIXA decision for Fresh Grapes of the appellant, the appellant was found eligible for the 0% preferential rate under the AANZFTA to show that the COO Form AANZ was submitted on time despite by the Dependant's consideration of the document to be late. This assertion was supported by evidence captured through prints of CEISA computer screens. On the other hand, in the Frozen Beef Tongue Trim case PUT-008082.19/2018/PP/MIXA in 2019, the appeal was rejected because the COO was provided late that exceeded one-year time period prescribed under the AANZFTA and the related regulations meant that the 5% Most Favoured Nation (MFN) rate persisted. These

two cases focus on the obligation to meet the deadlines for submitting documents to get tariffs that are more favorable. These rulings introduce that documentary support is crucial in disputes over customs while reiterating that appellants are not exposed to tariff penalties, provided they observe the advancing rules. Furthermore, while making the above ruling, this court also reiterates that to avail more preferable tariff treatment, time limitations highlighted in the said international agreements and regulations must be adhered to.

The 2021 Decision number PUT-011991.47/2019/PP/MIXA concerning 960 X 25 Kg Mung Beans is a good example of the challenges arising from the late submission of the COOs. Despite the fact that the COO was submitted 8 days after the Good Release Order has been issued and much beyond the 5 day window of approval, the judge allowed the appeal on grounds that no rejection or demand for further accompanying documents from customs was made as well as the overall compliance with the corresponding goods import notification. As mentioned earlier, this decision applies the principle *Lex Superior Derogat Legi Inferior*, so that the higher rules should be respected, including the Regulation of the Minister of Trade of the Republic of Indonesia Number 19 of 2019. However, decision PUT-009643.45/2022/PP/M.IXA of 2023 concerning the Bega Cream Cheese rejected the appeal because the COO was provided 12 days after the Bill of Lading which goes contrary to the three days' stipulated time in the international standard. The judge showed that if date of the COO and date of the Seawaybill are the same and if the COO is issued on the same day of the shipment or export then column 13 does not needed to be ticked Issued Retroactively. This exemplifies the compliance with time-related requirements in international trade.

If observed in the five decisions of disputes relative to late submission of the COOs of the appellants, the present study can observe that Indonesia, Australia, and New Zealand must adhere to the regulations in the respective countries as well as AANZFTA. National regulations should always be followed however international regulations and agreements also have significance when it comes to international business and trade.<sup>34</sup> This makes sure that all the users of the markets trade in a correct and clear manner. Moreover, having complete records including COOs and other related papers form a critical legal requirement in case of a misunderstanding. Documentary proof minimizes misunderstandings and unwarranted penalties and guarantees that trade is legal at the country and the global level.<sup>35</sup> It also requires harmonisation of these regulations in regarding to free trade in order to reduce confusion which saps credibility of countries in their free trade practices.<sup>36</sup>

To perform trade efficiently without disputes, it is essential that the set of trade rules are clearly visible and coherent, stable, harmonized, and comprehensive at national and international levels.<sup>37</sup> Failure to adhere to such rules because of elaboration, misinterpretation, or even a decision to flout this new form of law can erect trade barriers that lead to economic, and sometimes even political and diplomatic, losses between

<sup>34</sup> Maria João Mimoso and Liz Corrêa de Azevedo, 'The Need for a Harmonious Interpretation of the Rules Applicable to International Contracts', *Juridical Tribune*, 12.1 (2022) <https://doi.org/10.24818/TBJ/2022/12/1.05>

<sup>35</sup> Takashi Hiraide, Shinya Hanaoka, and Takuma Matsuda, 'The Efficiency of Document and Border Procedures for International Trade', *Sustainability*, 14 (2022), 8913 <https://doi.org/10.3390/su14148913>

<sup>36</sup> Hasegawa Jitsuya, 'Standardization of Complex and Diversified Preferential Rules of Origin', *Journal of World Trade*, 55, Issue 4 (2021), 545–72 <https://doi.org/10.54648/TRAD2021023>

<sup>37</sup> Mimoso and Azevedo, 'Harmonizing International Contract Rules'



nations.<sup>38</sup> As such, there is need for the alignment of domestic measures with the provisions of the international agreement: AANZFTA in the quest for legal certainty. It helps organizations run their business with an optimal legal and regulatory environment, minimizes conflict risks and guarantees problem-free flow of products across countries, thus improving trade relations and global competitiveness.

### **3.2. Legal Challenges and Compliance in Third-Party Invoicing Under AANZFTA Regulations**

Third Party Invoicing: an agreement in invoicing within international trade, whereby the party who issues the invoice is neither the direct seller nor a direct buyer but a third party.<sup>39</sup> This practice is quite common in complex global supply chains where the intermediary or agent function may be involved.<sup>40</sup> In the case of third-party invoicing, the payment obligation may be placed on some other distributors, agents, or any other facilitator. This flexibility in financial and logistical operations is probably the greatest merit that accrues in such an arrangement, more so when there is cross-border trade in which tax, tariff, and other regulatory advantages may be exploited.<sup>41</sup> Compliance to customs regulation also involves a number of challenges: there should be more transparency and proper documentation, so that one will be able to trace the flow of goods and payment for not falling into any of the problems brought by law or taxation.<sup>42</sup> Proper documentation is very essential in accounting for the appropriate tariffs or preferential trade arrangements that can be availed of like AANZFTA to avoid penalization or delays during customs clearance.

Among several Indonesian disputes in AANZFTA, over the last five years, third-party invoicing was one of the most frequently raised, amounting to 19 cases. Normally, it arises due to inconsistencies between the invoice documents issued by third parties and customs requirements needed to secure AANZFTA preference. These usually involve clerical errors, ambiguous issuance, or discrepancies between the information provided in the third-party invoices and origin documents, such as COOs. In most cases, even when the goods actually qualify for an AANZFTA preferential tariff, the incorrect completion or reporting of third-party documents means that no preferential tariff can be applied. This emphasises the importance of ensuring strict adherence to invoicing and documentation rules in international trade agreements to avoid higher tariffs or sanctions being imposed due to administrative errors.

In several third-party invoicing disputes with Indonesia under the AANZFTA scheme, mixed decisions were given in some of them wherein they are refused while the rest are allowed in full. One of the basic reasons for controversies in third party invoicing cases is

---

<sup>38</sup> Rafael Cornejo, Surendar Singh, and Jeremy Harris, 'Do Revisions to the Harmonized System Lead to Distortions in Rules of Origin? A Case Study of India's Selected Free Trade Agreements', *Legal Issues of Economic Integration*, 50, Issue 2 (2023), 185–210 <https://doi.org/10.54648/LEIE2023010>

<sup>39</sup> J. Vázquez and others, 'Withholding Tax Obligations and Liabilities Imposed on Digital Platforms to Ensure the Effective Taxation of Their Sellers', *International Tax Studies*, 7.2 (2024) <https://doi.org/10.59403/vypqx>

<sup>40</sup> Weixiang Huang and others, 'Challenge or Opportunity? Impact of a Two-Invoice Mechanism on Pharmaceutical Supply Chains with Channel Promotion', *International Journal of Production Economics*, 270 (2024), 109194 <https://doi.org/10.1016/j.ijpe.2024.109194>

<sup>41</sup> Yihang Guo and others, 'Tariffs, Transportation, and Profits in Cross-Border e-Commerce: A Dual-Channel Supply Chain Decision-Making Strategy', *PLOS ONE*, 20.1 (2025), e0309535 <https://doi.org/10.1371/journal.pone.0309535>

<sup>42</sup> Sandra L. Bell and Amadi Anene, 'Meeting the Challenges of Customs Compliance in a Post TFTEA and Reinvented Trade Enforcement Environment: Go Beyond by Returning to Basics', *Global Trade and Customs Journal*, 17, Issue 3 (2022), 105–12 <https://doi.org/10.54648/GTCJ2022014>

when an invoice carries the name of another country or another company even when the goods originate from the country according to the provisions of COO. This is usually the case because the third party that plays a role in the transaction between the importing and exporting countries might originate from another country, or there might be a relationship with some other company in the same country. This confuses the customs documents whereby the invoice reflects another country of a company, but the COO presents another country, leading to denial of preferential tariffs. Although such products do, in fact, qualify for AANZFTA tariff facilities, administrative discrepancies of this type commonly form the basis upon which customs authorities deny the application of preferential tariffs.

In all decisions on disputes arising under the AANZFTA scheme on third party invoicing, the Courts have held that so long as the exporter/producer and the invoice issuer are located in the same country, it cannot be considered as third party invoicing or third country invoicing. It follows from the principle that in the case of companies based within the same country, even the existence of a third party to perform the invoicing does not breach the relevant provisions applicable to the origin of the goods. The case, where exporter/producer and issuer of the invoice are from different countries, comes under the scope of third party invoicing. Whereas, for example, the provisions under AANZFTA are more strict because a third-party trader is involved. In this regard, the documentation to the customs has to be more detailed, similarly to the filing of the COO. More specifically, clear and accurate information on the involvement of the third party has to be provided in order for merchandises not to lose their eligibility for the preferential tariffs. The argument put forth by this judge epitomizes the need to understand the distinction between legitimate third-party invoicing, where parties are still within one country, in which the involvement of another country within that transaction might affect the status of preferential tariff.

Table 2. COO Submission Completeness Disputes

Decision Number	Type of Goods	Country of Origin	Decision Result
<b>PUT-010069.45/2019/PP/MXIXA of 2020</b>	Frozen Bone in Beef Brisket Plate	Australia	Rejected
<b>PUT-008248.45/2020/PP/MVIIB of 2021</b>	Sure Grip Belt Clamps	Australia	Granted
<b>PUT-007420.45/2019/PP/MVIIB of 2020</b>	Lactose HMS	New Zealand	Granted

Source: Indonesian Tax Court (2025)

In Decision PUT-010069.45/2019/PP/MXIXA of 2020, the dispute over imports of Frozen Bone in Beef Brisket Plate from Australia had incomplete COO due to Overleaf Notes were printed separately from the main document against the rule that Overleaf Notes shall attach. The appellant did not grant the AANZFTA preferential rate but rather was entitled to the MFN rate. Therefore, the judge finally dismissed the appeal since the appellant did not realize the main dispute was on ineligible COO documents rather than on the appropriate transaction value of import duties. The completeness of the COO documents was the main issue, and for that, the court dismissed the appeal. In contrast, the 2021 PUT-008248.45/2020/PP/MVIIB Decision of Import of Sure Grip Belt Clamps, the court granted the appeal, citing Appendix 2 of AANZFTA OCP, stating that the Judge ruled that there was no provision in both the AANZFTA OCP or under domestic law requiring attachment of Overleaf Notes and, thus, is entitled to an AANZFTA preferential tariff.

Through the Decision of PUT-007420.45/2019/PP/MVIIB in 2020, the importation of Lactose HMS originating from New Zealand was challenged for the validity of the COO submitted by the appellant. The Dependant questioned the validity of the COO submitted because the second page was missing; hence, the appellant could not obtain the tariff facility provided for under AANZFTA. It is shown, meanwhile, that the appellant conducted a retroactive check with the issuing authority in New Zealand, which confirmed that the COO submitted was correct and valid. Referring to 168/PMK.04/2020, the court decreed that even though the submission of COO had to be intact, the result of the retroactive check has proven that appellant's COO was valid. The appellant's right to AANZFTA preferential tariff, therefore, was granted, notwithstanding the deficiencies in the documentary submission of the COO.

The three decisions discussed, PUT-010069.45/2019/PP/MXIXA of 2020, PUT-008248.45/2020/PP/MVIIB of 2021, and PUT-007420.45/2019/PP/MVIIB of 2020, reveal the importance of full compliance with the stipulation and procedure articulated in the Regulation of the Minister of Trade of the Republic of Indonesia No. 19 on Provisions and Procedures for Issuing COOs for Goods of Indonesian Origin. For instance, on the first ruling, Overleaf Notes had to be submitted part of the COO. Non-compliance with such provision meant the application of the preferential tariff. On the other hand, the second ruling indicates that while apparently, there is no such provision that would show that Overleaf Notes are required, there is an emphasis on the issue of validity of the COO document. This means that the COO has to be submitted in the correct format to avail of the tariff facility offered.

What this third finding brings out is evidence of the veracity of the COO vis-à-vis retroactive check requirements. The procedures and documentation required to obtain a valid COO are guided by the regulation of the Minister of Trade. These three decisions together capture how the application of the provisions made under the Minister of Trade Regulation has played into the results of disputes concerning COOs. Compliance with the stipulated provisions and procedures affects not only the administrative process but also the rights to obtain preferential tariffs in international trade.

### ***3.3. Tariff Classification Disputes and Legal Interpretation of AANZFTA and Indonesian Customs Rules***

In PUT-004701.45/2023/PP/M.XIXA of 2023 is on Frozen Beef Body Fat products from New Zealand. A disagreement on tariff classification did take place. The appellant argued that the goods should fall under the tariff heading 1502.90.10 with an import duty of 0% (Import duty), VAT 0%, and income tax 2.5%. On the contrary, defendant classified the product under tariff heading 0202.30.00 which falls under 0% Import duty, 11% VAT, and 2.5% Income Tax. The Court dismissed the appeal of appellant and decide that the defendant has rightly classified it under heading 0202.30.00. Import Approval for Animal Products Number 04.PI-52.22.0060 clearly stipulates that the product comprises boneless beef fat in frozen state intended for human consumption. Hence, the said product is more appropriately included in heading 0202.30.00, which classifies frozen boneless beef. The appellant's plea that the product is considered as animal fat falling under heading 1502.90.10, referring to fat from animals such as oxen or goats, is considered inconsistent with the description of the imported product.

The second case, the decision number is PUT-004430.45/2023/PP/M.XIXA Year 2023, refers to the product Frozen Boneless Beef Outer Body Fat originating from New

Zealand, in this case there was a dispute over the tariff classification. The appellant argued that the product should fall under the tariff heading 1502.90.10 as it gets a 0% import duty, 0 % VAT, and 2.5% income tax. However, the defendant pointed out that the product fell under tariff heading 0202.30.00, which attracts 0% Import duty, 11% VAT, and 2.5% Income Tax. The appellant claimed the product ought to be classified under the category of heading 1502.90.10, since it referred to "fats from oxen or goats". However, the defendant argues that from the Animal Product Import Approval No. 04.PI-52.22.0060, the product is described as boneless beef fat in a frozen state and is actually edible for human consumption. Thus, according to the view of the Dependent, this product should properly come under tariff heading 0202.30.00, which freezes boneless beef. Ultimately, the Court dismissed the appeal of the appellant and ruled that the classification carried out by the defendant was proper with regard to the description of the product and regulations concerned. To this end, it reiterates that tariff classification must be granted according to the most correct description of the product and not simply because it is the importer's desire to have a lower tariff.

The two above decisions may involve the Regulation of the Minister of Finance No. 44/PMK.010/2022 on Determining Import Duty Tariffs in the AANZFTA context. In both decisions, the gravamen of the dispute was the proper classification of imported frozen beef products from New Zealand where there is a difference of view between the appellant and the Dependant on the tariff line employed. Appellant entered the products at tariff heading 1502.90.10 at 0% import duty with 0% VAT rate, claiming that the subject products are edible animal fats. The defendant, on the other hand, imposed assessment on the subject products as boneless beef under tariff heading 0202.30.00 at 0% import duty but subjected it to VAT at 11%. In reference to the stipulation of tariff imports within the framework of AANZFTA based on PMK No. 44/PMK.010/2022 as a legal basis, classification and tariff determination have to refer to the description laid out in the Indonesian Customs Tariff Book (ICTB). The product will, in this case, be identified either as falling in the category of fat or that of boneless beef primarily by ICTB 2022. ICTB gives clear directives concerning how to describe goods; therefore, every imported product should strictly abide by the criteria and definitions applied under the said regulation.

In both judgments, the Court has upheld the classification accorded by the defendant upon the strength of the ICTB 2022 and relevant rules, which include approval of imports of the animal products. The said products are described as boneless beef, which aligns more with the tariff heading 0202.30.00 and not what the appellant has referred to as animal fat. Therefore, even though the import duty incentive according to MoF Regulation No. 44/PMK.010/2022 for products under the AANZFTA scheme is 0%, this does not mean that importers do not have to ensure that the classification of the product submitted is in full alignment with the description provided in the ICTB. Otherwise, they could fall under different rates, as in these two decisions, where 11% VAT is imposed on the tariff heading 0202.30.00, whereas the appellant hopes to be subjected, when classified as animal fat, to 0% VAT only.

According to Regulation of the Minister of Finance Number 131/PMK.04/2020 concerning Procedures for Imposing Import Duty Tariffs on Imported Goods Based on the ASEAN Goods Trade Agreement, in order to take advantage of the Preferential Tariff, Business Entities or Business Players in Special Economic Zones are required to attach the original COO Form D sheet and/or the original DAB sheet to the Customs and Excise Officer at the examining customs office. A sample would be the dispute case number:

PUT-011537.45/2019/PP/MVIA in 2021 pending technical and legal challenges in the implementation of an electronic Certificate of Origin in international trade under the AANZFTA scheme. In this case, the Defendant treated the electronic COO issued by the Australian authorities as invalid and insisted that the original COO had to be in physical form and could not be replaced by an electronic one. When in fact, based on PMK 131/PMK.04/2020, the signature and seal of the COO can be inserted electronically and the electronic COO is an official document.

The most critical issue is the legitimacy of electronic documents for the origin of goods proving procedure. The defendant maintained that an electronic COO printout could not be treated as an original COO. Moreover, the appellant did not provide a physical COO in the limitation of the time frame of the OCP which worsened their condition in the case. However, the appellant explained that an electronic CoO issued by the Australian authorities was valid and recognized in accordance with international and national provisions; hence, it should be considered valid even if not on physical printClick or tap here to enter text..

This is further demonstrated by the granting of the appellant's entire application, which reveals that the court acknowledges the legitimate use of electronic documents in international trade, at least when occurring under the auspices of AANZFTA, confirming whether an Electronic COO is admissible as a document of legal proof that complies with the law, even though its physical form may not exist. This is an important milestone for the modernization and digitalization of international trade administration processes, notably to accelerate and simplify the flow of documentation without necessarily using paper documents. Moreover, the above decision acquires a broader dimension in the context of the ever-increasing application of digital free trade. The legal recognition of electronic COOs therefore allows the AANZFTA member countries to conduct trade with much more ease, unconstrained by technical issues arising out of physical documents. On the other hand, the case also testifies to the need for further improvement in cross-country agreements regarding the acceptance of digital documents and enhancing the technological wherewithal to support cross-border electronic filing and verification processes related to COOs.<sup>43</sup> In sum, this decision was instrumental in affirming the right of businesses to use electronic COOs and emphasized how procedures need to bend toward flexibility in light of the digital age. The implication of digital technologies in international trade, as represented by this case, requires a much bigger commitment from all relevant parties if future misunderstandings or disputes are to be avoided.<sup>44</sup>

Table 3. Typographical Errors Disputes

Decision Number	Type of Goods	Country of Origin	Decision Result
PUT -000018.45/2020/PP/MXIXA of 2021	100% Ground Beef Patties BK Burger 1.7 OZ	Australia	Granted

<sup>43</sup> Takashi Hiraide, Shinya Hanaoka, and Takuma Matsuda, 'The Efficiency of Document and Border Procedures for International Trade', *Sustainability*, 14.14 (2022), 8913 <https://doi.org/10.3390/su14148913>

<sup>44</sup> Mira Burri, 'Towards a New Treaty on Digital Trade', *Journal of World Trade*, 55. Issue 1 (2021), 77–100 <https://doi.org/10.54648/TRAD2021003>



<b>PUT -002675.45/2021/PP/MIXA of 2022</b>	Australian Split Faba Beans	Australia	Granted
<b>PUT -006562.45/2020/PP/MIXA of 2021</b>	Wholemilk Powder	New Zealand	Granted
<b>PUT -008527.45/2021/PP/MIXA of 2022</b>	Fresh Grape Midnight	Australia	Granted
<b>PUT -009640.45/2022/PP/M.IXA of 2023</b>	Wendys Indonesia 90 GM Patties	Australia	Rejected

Source : Indonesian Tax Court (2025)

Decision PUT-000018.45/2020/PP/MXIXA of 2021, on 100% Ground Beef Patties, demonstrates that even administrative errors, like an error in the name of the exporting company in the COO Form AANZ, may affect entitlement to preferential tariffs even when all other documents-the goods import notification, invoice, and packing list-are correct. The appellant provided a letter of statement from the exporter to explain the mistake was the result of a clerical error. The appellant provided evidence from the exporter and a corrected COO, which indicated that the error had come from the Issuing Authority. The judge allowed the appeal, giving an AANZFTA rate of 0%. At the same time, decision PUT-002675.45/2021/PP/MIXA of 2022 on Australian Split Faba Beans also provided that a clerical error regarding country of origin in the goods import notification did not void the preferential tariff on application, since other documents had proved the right origin. In this connection, it is noted that there is an error in writing the country of origin in column 32 of the goods import notification, which has been recorded as China, although the goods actually originated from Australia. Supporting documents, namely Commercial Invoice, Bill of Lading, and Certificate of Origin, establish the correct origin. Therefore, appellant is entitled to a 0% AANZFTA preferential tariff.

Decision PUT-006562.45/2020/PP/MIXA, 2021, in the case of Wholemilk Powder underlined that, for claiming a preferential tariff, information in customs documents should be correct. The wrong COO number in the goods import notification could have deprived the appellant of entitlement to a preferential tariff; after amendment, it turned out just to be one letter typo. The Claimant continued being entitled to the AANZFTA tariff. This judgment underlines that administrative errors, which could easily have been corrected, do not exclude entitlement to a preferential tariff. In the meantime, in PUT-008527.45/2021/PP/MIXA of 2022, on Fresh Grape Midnight, incorrect writing of the code for the preferential tariff in the notification of the import of the goods again led to MFN applying the tariff when the COO was valid.. Preferential tariffs rely on the accuracy of the information provided within the notification of imported goods. In the decision number: PUT-009640.45/2022/PP/M.IXA, 2023, regarding the topic of the effect of date errors in Form AANZ within the letter of notification of importing goods, which occurred due to human error, Wendy's Indonesia 90 GM Patties, this also became evident. Although evidence of origin of the goods from Australia was sufficient, the error led to the application of the MFN tariff. This decision simply underscores that even the slightest error in filling out customs documents may impede an appellant from obtaining a lower preferential rate, as under the provisions of PMK 168/PMK.04/2020 and the AANZFTA OCP.

In sum, these two cases highlight that precision and accuracy in filling out customs documents are of importance in international trade, where every administrative detail may

mean entitlement to or denial of preferential tariff.<sup>45</sup> Although the wrong writing or unsuitable information sounds trifling, the administrative errors bring huge financial loss to the importer if not corrected on time. However, the judgements pronounced in those cases have also made it clear that there is some leeway that can be provided by the relevant authorities, so long as the errors are merely administrative and do not impact the substance of the documents submitted. First, goodwill from the importer and timely corrective measures taken can still maintain the right to preferential tariffs, sparing the importer from bearing a higher tariff. It is an important lesson: the accuracy of the data in the customs document saves not just importers but also customs from the headache of a smooth trade process without unnecessary disputes that could have been avoided. In the final analysis, all these decisions confirm that the efficient and just customs system needs to consider some mistakes that could be corrected without compromising the validity of the trade process, provided it is quickly done and transparently.<sup>46</sup>

The fact that all disputes at hand, from late submission of documents and incomplete COOs to typographical errors in customs documents, tariff issues, and third-party invoicing issues, are analysed on very consistent grounds on which the decisions are rejected and accepted keeps probabilities low. Accepted disputes normally happen in instances where the importer is able to prove that the administrative error or delay was not their fault but due to some provable factors on his side, such as error from the issuing authority or existence of adequate supplementary documents. On the other hand, rejections are usually grounded on substantive non-conformities, such as misfiling documents that affect meaning or substance of the required information, if there is involvement of third parties not meeting the criteria in the AANZFTA rules. While the former, for instance, involves disputations and claims arising from third country companies' involvement in invoicing that is considered ineligible under the AANZFTA for preferential tariffs. Applications by judges have always been refused where the exporter and the invoice issuer are in different countries on the basis that this is third country invoicing not recognized under the trade agreement. Nonetheless, applications were approved when the exporter and invoice issuer were in the same country, though there is a third company involved in the invoicing, this is still concomitant to the AANZFTA provisions. This underlines that the leading aspect of consideration is whether there is conformity of the documents, origin of the goods, and any involvement of third parties in conformity with the governing regulations.

The inference from this pattern of disputes is that it has a legal and policy implication, for which relevant authorities should therefore reinforce documentation systems and vigilance in international trade. Greater awareness of the rules, as contained in the AANZFTA, use of more sophisticated technology, and systems in ensuring accuracy of data of customs documents would minimize the risk of future disputes. Importers and exporters must also be aware of the stringent conditions applied to the presentation of documents and provision of appropriate information with the view to avoid unnecessary rejections and secure better tariff benefits. Involvement of the authorities in the education and socialization of customs procedure and international rules could be another way of

---

<sup>45</sup> Jean-Marc Clément, 'Proving FTA Preferential Tariff Eligibility: The Evidentiary Burden in Canada', *Global Trade and Customs Journal*, 15. Issue 3/4 (2020), 168–71 <https://doi.org/10.54648/GTCJ2020022>

<sup>46</sup> Michael Lux, 'Export and the Responsible Person(s): What Would Change under the EU Commission's Reform Proposal?', *Global Trade and Customs Journal*, 19. Issue 6 (2024), 413–19 <https://doi.org/10.54648/GTCJ2024039>

minimizing disputes in the years to come. Additionally, it may also involve policy recommendations that target co-operation to the customs authorities in AANZFTA member countries. This will promote information sharing and experiences related to best practices in customs document management that enhance compliance with the requirements of international trade. An ecosystem that allows more transparency and communication between exporters, importers, and the authorities is likely to yield an effective trading environment that has limited potential for disputes. The reasoning behind it is that with such efforts, businesses will be more confident in pursuing their trade activities without developing costly issues.<sup>47</sup>

#### 4. Conclusion

Trade disputes within the AANZFTA framework in Indonesia reflect the broad range of administrative procedures for compliance with applicable regulations and how such compliance is practically cumbersome to implement. Analysis of court rulings indicates that delayed submission of COOs, discrepancies in third-party invoicing, and incomplete documentation are generally sources of dispute. Better understanding and compliance with the existing regulatory framework will help both the business operators and the relevant authorities to avoid further conflicts. There is a need for harmonization between the domestic and international regulatory mechanism to provide legal certainty and ensure smooth trade even at the global level. This will not only minimize the chance of disputes arising but also help in building up trust among the trading partners and offer a congenial atmosphere to the business community.<sup>48</sup> Furthermore, business training and education programs should continue to provide information on proper documentation and compliance procedures. It is important to note that this study has shown how adherence to proper procedure and good documentation practices go a long way in both the successful operation and application of AANZFTA for improving competitiveness by Indonesia in the global market. Indonesia stands to gain maximally from this agreement by reinforcing the foundation of trade administration and enhancing the skills of business operators. This will also strengthen its positions in international trade and give a boost toward sustainable economic growth.

#### References

- Amalina, Endah Nur, Ermita Yusida, and Febry Wijayanti, 'Indonesia's Export Comparative and Competitiveness Advantages in the "emerging Market" Scheme during the Pandemic', *R-Economy*, 10.1 (2024), 74–90 <https://doi.org/10.15826/recon.2024.10.1.005>
- Abdul Kamil Razak, Aloysius Wisnubroto, and Tajudaen Sanni, 'Legal Reform in the Enforcement of Illegal Fishing Crimes', *Journal of Justice Dialectical* Vol.3 No.2 (2025), 155-175 <https://doi.org/10.70720/jjd.v3i2>
- Asfaw, Mekonnen Nigusie, Ayelech Kidie Mengesha, Katharina Gugerell, Reinfried Mansberger, and Doris Damyanovic, 'Land Rights for Women in Rural Ethiopia: Legal Framework and Reality', *World Development Perspectives*, 39 (2025), 100705 <https://doi.org/10.1016/j.wdp.2025.100705>

<sup>47</sup> Racoma, Bernard Alan B., and Gerry Bagtasa, 'Characteristics and Near-Landfall Behavior of Tropical Cyclones Affecting the Philippines (1979–2024)', *Tropical Cyclone Research and Review*, 2025 <https://doi.org/10.1016/j.tcr.2025.11.004>

<sup>48</sup> Putra, Allen Pranata, Wasiaturrahma, Kabiru Hannafi Ibrahim, Esa Wahyu Endarti, and Kodrat Sunyoto, 'A Critical Review of Land Transport Management in Indonesia: Does It Support CO2 Emission Reduction?', *Social Sciences & Humanities Open*, 12 (2025), 101972 <https://doi.org/10.1016/j.tcr.2025.11.004>

- Angulo, Harold, and Christian Corrales, 'Valuation of Rules and Certificates of Origin for the SME Export Process from Peru', *WSEAS TRANSACTIONS ON BUSINESS AND ECONOMICS*, 20 (2023), 2224–39 <https://doi.org/10.37394/23207.2023.20.192>
- Ayele, Yohannes, Michael Gasiorek, and Manuel Tong Koecklin, 'Trade Preference Utilization Post-Brexit: The Role of Rules of Origin', *World Trade Review*, 22.3–4 (2023), 436–51 <https://doi.org/10.1017/S1474745623000228>
- Ariawan Ariawan, 'Regulatory Barriers to Consumer Protection in Digital Marketplaces', *Journal of Human Rights, Culture and Legal System*, prefix 10.53955 by Crossref, 806-832 <https://doi.org/10.53955/jhcls.v5i3.782>
- Bell, Sandra L., and Amadi Anene, 'Meeting the Challenges of Customs Compliance in a Post TFTEA and Reinvigorated Trade Enforcement Environment: Go Beyond by Returning to Basics', *Global Trade and Customs Journal*, 17. Issue 3 (2022), 105–12 <https://doi.org/10.54648/GTCJ2022014>
- Bum Kim, Jong, 'Article: Harmonization of FTA Rules of Origin: Examination of General Provisions', *Journal of World Trade*, 58. Issue 3 (2024), 411–36 <https://doi.org/10.54648/TRAD2024025>
- Bakker, Laurens, 'Custom and Violence in Indonesia's Protracted Land Conflict', *Social Sciences & Humanities Open*, 8.1 (2023), 100624 <https://doi.org/10.1016/j.ssaho.2023.100624>
- Burri, Mira, 'Towards a New Treaty on Digital Trade', *Journal of World Trade*, 55. Issue 1 (2021), 77–100 <https://doi.org/10.54648/TRAD2021003>
- Chatagnier, J Tyson, and Haeyong Lim, 'Does the WTO Exacerbate International Conflict?', *Journal of Peace Research*, 58.5 (2021), 1068–82 <https://doi.org/10.1177/0022343320960203>
- Clément, Jean-Marc, 'Proving FTA Preferential Tariff Eligibility: The Evidentiary Burden in Canada', *Global Trade and Customs Journal*, 15. Issue 3/4 (2020), 168–71 <https://doi.org/10.54648/GTCJ2020022>
- Cornejo, Rafael, Surendar Singh, and Jeremy Harris, 'Do Revisions to the Harmonized System Lead to Distortions in Rules of Origin? A Case Study of India's Selected Free Trade Agreements', *Legal Issues of Economic Integration*, 50. Issue 2 (2023), 185–210 <https://doi.org/10.54648/LEIE2023010>
- Chayapoj Lee-Anant and Piyatida Kungwansith, 'Policy Shaping and Capacity Building for Sustainable Community-Based Tourism in Thailand's Eastern Economic Corridor', *Suranaree Journal of Social Science*, 19.1 (2025) <https://doi.org/10.55766/sjss278596>
- Eliason, Antonia, and Matteo Fiorini, 'Australia – Anti-Dumping Measures on A4 Copy Paper: Opening a Door to More Anti-Dumping Investigations', *World Trade Review*, 20.4 (2021), 479–90 <https://doi.org/10.1017/S147474562100015X>
- Elisabeth Sundari, Hilaire Tegnan, and Muhammd Rizqi Alfarizi Ramadhan, 'Reconstructing National Economic Loss in Corruption Crimes', *Journal of Justice Dialectical* Vol.3 No.2 (2025), 136-154-175 <https://doi.org/10.70720/jjd.v3i2>
- Figueredo, Flavia, 'Mistakes in Certificates of Origin. Relationship with the General Principles of Law, the Legal Type and the Subjective Aspects of Customs Infractions', *Global Trade and Customs Journal*, 15. Issue 3/4 (2020), 218–25 <https://doi.org/10.54648/GTCJ2020030>
- Frans Rian and Rita Armelia, 'Granting of Ownership Rights to Shophouses Following the Issue of Regulation of The Minister of Agrarian and Spatial Planning/Head of The National Land

- Agency of The Republic of Indonesia Number 18 of 2021', West Science Law and Human Rights, 1.04 (2023), 279–85 <https://doi.org/10.58812/wslhr.v1i04.312>
- Guo, Yihang, and others, 'Tariffs, Transportation, and Profits in Cross-Border e-Commerce: A Dual-Channel Supply Chain Decision-Making Strategy', *PLOS ONE*, 20.1 (2025), e0309535 <https://doi.org/10.1371/journal.pone.0309535>
- Gupta, Krisna, 'The Heterogeneous Impact of Tariffs and Ntms on Total Factor Productivity for Indonesian Firms', *Bulletin of Indonesian Economic Studies*, 59.2 (2023), 269–300 <https://doi.org/10.1080/00074918.2021.2016613>
- Hiraide, Takashi, Shinya Hanaoka, and Takuma Matsuda, 'The Efficiency of Document and Border Procedures for International Trade', *Sustainability*, 14.14 (2022), 8913 <https://doi.org/10.3390/su14148913>
- Huang, Weixiang, and others, 'Challenge or Opportunity? Impact of a Two-Invoice Mechanism on Pharmaceutical Supply Chains with Channel Promotion', *International Journal of Production Economics*, 270 (2024), 109194 <https://doi.org/10.1016/j.ijpe.2024.109194>
- Inama, Stefano, and Pier Paolo Ghetti, 'The Real Cost of Rules of Origin: A Business Perspective to Discipline Rules of Origin in a Post COVID-19 Scenario', *Global Trade and Customs Journal*, 15. Issue 10 (2020), 479–86 <https://doi.org/10.54648/GTCJ2020086>
- Isakhanova, Nataliia, 'Rules of Origin Under the Legislation of Ukraine and Its Correlation with International Treaties to Which Ukraine Is a Party, Including FTAs and PEM Convention', *Global Trade and Customs Journal*, 15. Issue 3/4 (2020), 137–45 <https://doi.org/10.54648/GTCJ2020017>
- I Wayan Gde Wiryawan, Lis Julianti, Putu Lantika Oka Permadhi, and Nurhidayah binti Abdullah, 'Integrated Spatial Governance for Sustainable Tourism in Bali', *Journal of Sustainable Development and Regulatory Issues*, Lembaga Contrarius Indonesia (2026), 1-29, <https://doi.org/10.53955/jsderi.v4i1.135>
- Hiraide, Takashi, Shinya Hanaoka, and Takuma Matsuda, 'The efficiency of document and border procedures for international trade', *Sustainability*, 14 (2022), 8913 <https://doi.org/10.3390/su14148913>
- Jitsuya, Hasegawa, 'Standardization of Complex and Diversified Preferential Rules of Origin', *Journal of World Trade*, 55. Issue 4 (2021), 545–72 <https://doi.org/10.54648/TRAD2021023>
- Liss, Jesse, 'Globalization as Ideology: China's Effects on Organizational Advocacy and Relations among US Trade Policy Stakeholder Groups', *Review of International Political Economy*, 28.4 (2021), 1055–82 <https://doi.org/10.1080/09692290.2020.1755716>
- Lux, Michael, 'Export and the Responsible Person(s): What Would Change under the EU Commission's Reform Proposal?', *Global Trade and Customs Journal*, 19. Issue 6 (2024), 413–19 <https://doi.org/10.54648/GTCJ2024039>
- Magno, Francisco A, and Martin Josef E Vivo, 'Negotiating RCEP: The Role of ASEAN in Middle-Power Diplomacy', *China and WTO Review*, 9.1 (2023), 103–22 <https://doi.org/10.14330/cwr.2023.9.1.05>
- Muhamad Yofhan Wibianto, Hartiwiningsih Hartiwiningsih, I Gusti Ayu Ketut Rachmi Handayani, 'Real Justice, Real Impact with the Prosecutors in Action', *Journal of Human Rights, Culture and Legal System*, prefix 10.53955 by Crossref, 1015-1041, <https://doi.org/10.53955/jhcls.v5i3.804>
- Mariño, Juan David Barbosa, and Juan David López Vergara, 'The Preferential and Non-Preferential Certification of Origin in Colombia: Trends on the Origin Verification Process',



- Global Trade and Customs Journal*, 15. Issue 3/4 (2020), 205–12  
<https://doi.org/10.54648/GTCJ2020028>
- Mimoso, Maria João, and Liz Corrêa de Azevedo, 'The Need for a Harmonious Interpretation of the Rules Applicable to International Contracts', *Juridical Tribune*, 12.1 (2022)  
<https://doi.org/10.24818/TBJ/2022/12/1.05>
- Mitchell, Andrew D, 'The Right to Regulate and the Interpretation of the WTO Agreement', *Journal of International Economic Law*, 26.3 (2023), 462–82 <https://doi.org/10.1093/jiel/jgad024>
- Meckelburg, Rebecca, and Agung Wardana, 'The Political Economy of Land Acquisition for Development in the Public Interest: The Case of Indonesia', *Land Use Policy*, 137 (2024), 107017 <<https://doi.org/10.1016/j.landusepol.2023.107017>>
- Ndonga, Dennis, and Emmanuel Laryea, 'Designing Preferential Rules of Origin for the AfCFTA: Addressing Pre-Existing Challenges at the Regional Level', *African Journal of International and Comparative Law*, 30.4 (2022), 451–76 <https://doi.org/10.3366/ajicl.2022.0420>
- Ossa, Ralph, Robert W. Staiger, and Alan O. Sykes, 'Standing in International Investment and Trade Disputes', *Journal of International Economics*, 145 (2023), 103791  
<https://doi.org/10.1016/j.jinteco.2023.103791>
- Riyanto, R Benny, and others, 'Cross-Border Trade Disputes: A Comparative Analysis of Indonesia and Australia', *Journal of Indonesian Legal Studies*, 9.1 (2024), 481–502  
<https://doi.org/10.15294/jils.vol9i1.6454>
- Ramirez, Jacobo, Eleonora Costantino, Christiane Durach, Jury Flickenschild, Han Chen Sun, Ikal Ang'elei, and others, 'Conflicting Injustices in Decolonization and Indigenous Land Rights: The Case of the Lake Turkana Wind Power Project', *Energy Research & Social Science*, 120 (2025), 103912 <https://doi.org/10.1016/j.erss.2024.103912>
- Sarkawi, Gina M., Aron J. Meltzner, Dongju Peng, Joanne T.Y. Lim, Xinnan Li, Rohan Gautam, and others, 'A Coral Microatoll Record of Sea-Level Rise, Interseismic Deformation, and El Niño in La Union, Philippines since 1906 CE', *Marine Geology*, 486 (2025), 107565  
<https://doi.org/10.1016/j.margeo.2025.107565>
- Slavchevska, Vanya, Muriel Veldman, Clara Mi Young Park, Veronica Boero, Leman Yonca Gurbuzer, and Annarita Macchioni Giaquinto, 'From Law to Practice: A Cross-Country Assessment of Gender Inequalities in Rights to Land', *Global Food Security*, 45 (2025), 100852  
<<https://doi.org/10.1016/j.gfs.2025.100852>>
- Sattyanuwat, Wanasin, and Nantarat Tangvitoontham, 'Trade Creation and Trade Diversion of ASEAN's Preferential Trade Agreements', *IAFOR Journal of the Social Sciences*, 3.1 (2018)  
<https://doi.org/10.22492/ijss.3.1.01>
- Sen, Rahul, Sadhana Srivastava, and Sanchita Basu Das, 'Can ASEAN+1 FTAs Be a Pathway towards Negotiating and Designing the Regional Comprehensive Economic Partnership (RCEP) Agreement?', *Journal of World Trade*, 50. Issue 2 (2016), 253–88  
<https://doi.org/10.54648/TRAD2016013>
- Shraideh, Saleh Al, 'Reflections on Developing Countries' Initiation of Disputes in the WTO Dispute Settlement System', *Global Trade and Customs Journal*, 16. Issue 3 (2021), 103–13  
<https://doi.org/10.54648/GTCJ2021012>
- Staples, Brian Rankin, 'Importers: Improve Origin Data Quality to Reduce Origin Liability', *Global Trade and Customs Journal*, 15. Issue 3/4 (2020), 213–17  
<https://doi.org/10.54648/GTCJ2020029>

- Sulaiman, Andi Amran, and others, 'New Challenges and Opportunities of Indonesian Crude Palm Oil in International Trade', *Caraka Tani: Journal of Sustainable Agriculture*, 39.1 (2024), 94 <https://doi.org/10.20961/carakatani.v39i1.81957>
- Syarip, Rakhmat, 'Defending Foreign Policy at Home: Indonesia and the ASEAN-Based Free Trade Agreements', *Journal of Current Southeast Asian Affairs*, 39.3 (2020), 405–27 <https://doi.org/10.1177/1868103420935556>
- Suci Wijayanti, Suparji Suparji, Pujiyono Suwadi, 'Transparent Peace Fines for Economic Crimes Policy', *Journal of Human Rights, Culture and Legal System*, prefix 10.53955 by Crossref, 1042-1066, <https://doi.org/10.53955/jhcls.v5i3.794>
- Tam, Lisa, Myoung-Gi Chon, and Jeong-Nam Kim, 'Country-of-Origin Relationship (CoOR): A Relational Approach to Understanding the Association Between a Multinational Company in Crisis and Its Country of Origin', *International Journal of Strategic Communication*, 18.3 (2024), 189–207 <https://doi.org/10.1080/1553118X.2024.2313644>
- Thangavelu, S M, D Narjoko, and S Urata, 'Impact of FTA on Trade in ASEAN and Australia Using Customs Level Data', *Journal of Economic Integration*, 36.3 (2021), 437–61 <https://doi.org/10.11130/JEI.2021.36.3.437>
- Tran, Long Thanh, 'The Impact of Capital Flows from Commercial Banks and FDI on Sustainable Economic Growth in ASEAN Countries', *Contemporary Economics*, 16.3 (2022), 361–73 <https://doi.org/10.5709/ce.1897-9254.487>
- Vázquez, J., and others, 'Withholding Tax Obligations and Liabilities Imposed on Digital Platforms to Ensure the Effective Taxation of Their Sellers', *International Tax Studies*, 7.2 (2024) <https://doi.org/10.59403/vypqx>
- de Vries, Rachel Frid, 'Jurisdictional Competition: Domestic Courts or Arbitral Tribunals? Lessons from the CJEU Judgments on EU's Economic Agreements with Non-EU States', *European Studies*, 9.2 (2022), 15–61 <https://doi.org/10.2478/eustu-2022-0013>
- Wakita, Kazumi, Hisashi Kurokura, Zaida A. Ochavo, Reyda I. Inolino, Hiroshi Fushimi, and Satoshi Ishikawa, 'Potential Signals Promoting Behavior for Coastal Conservation: Conformity in Small-Scale Fishing Communities in the Philippines', *Marine Policy*, 146 (2022), 105292 <<https://doi.org/10.1016/j.marpol.2022.105292>>
- Wang, Qiang, and Fuyu Zhang, 'The Effects of Trade Openness on Decoupling Carbon Emissions from Economic Growth – Evidence from 182 Countries', *Journal of Cleaner Production*, 279 (2021), 123838 <https://doi.org/10.1016/j.jclepro.2020.123838>
- Wright, Chris F, and Andreea Constantin, 'Why Recruit Temporary Sponsored Skilled Migrants? A Human Capital Theory Analysis of Employer Motivations in Australia', *Australian Journal of Management*, 46.1 (2021), 151–73 <https://doi.org/10.1177/0312896219895061>
- Xu, Jinhai, Junming Zeng, and Yuan Hu, 'Property Rights System and Market Evolution: Plot-Level Evidence from China's Land Titling', *Land Use Policy*, 145 (2024), 107253 <<https://doi.org/10.1016/j.landusepol.2024.107253>>
- Zhao, Yonghong, and others, 'Domestic and Foreign Cap-and-Trade Regulations, Carbon Tariffs, and Product Tariffs during International Trade Conflicts: A Multiproduct Cost-Efficiency Analysis', *Energy Economics*, 140 (2024), 108034 <https://doi.org/10.1016/j.eneco.2024.108034>