

## T R A D E

(Law Number 7 Year 2014 dated March 11, 2014)

BY GRACE OF GOD THE ALMIGHTY

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering:

- a. the development in economic sector is directed and executed to enhance the public welfare through the implementation of economic democracy by principles of togetherness, justice-based efficiency, environmental conservation, independence as well as preserving the equilibrium of national economic advancement and totality as mandated by the Constitution of 1945;
- b. the implementation of economic democracy through trading activities constitutes the main engine in national economic development, which is potential to contribute supporting capacity in a bid to increase production and create the equitable distribution of income as well as strengthen competitiveness of domestic products;
- c. the role of trade is very important in driving up economic development but in the developments it has not fulfilled the need for encountering challenges of national development so as to see the partiality of economic politics rather granting opportunities, supporting and developing smallholder economy, which covers cooperates as well as micro, small and medium-scale businesses as the

main pillar of national economic development;

- d. trading legislation requires harmonization of provisions in the trading sector in the framework of national economic totality in a bid to respond to the present and future developments of trading situation of globalization era;
- e. having regards to letters a, b, c and de, it is necessary to enact a law regarding trade.

In view of:

1. Article 5 paragraph (1), Article 11, Article 20 and Article 33 of the Constitution of 1945;
2. Stipulation of the People's Consultative Assembly of the Republic of Indonesia Number XVI/MPR/1998 regarding Economic Politics in the Framework of Economic Democracy.

By Joint Approval of:

THE HOUSE OF REPRESENTATIVES OF

THE REPUBLIC OF INDONESIA

And

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

D E C I D E S :

To stipulate:

THE LAW REGARDING TRADE

## CHAPTER I

## GENERAL PROVISION

## Article 1

Referred to in this law as:

1. Trade shall be an order of activities related to transactions of goods and/or service in the country and surpassing the territorial border of the state with a view of transferring right to goods and/or service in order to secure fee or compensation.
2. Domestic Trade shall be the trade of goods and/or services inside the territory of the Unitary State of the Republic of Indonesia, excluding international trade.
3. International Trade shall be the trade covering the export and/or import of goods and/or service, which surpasses the territorial border of the state.
4. Border Trade shall be trade executed by Indonesian citizen domiciled in border area of Indonesia and resident of neighboring countries to fulfill the daily need.
5. Goods shall be every material, tangible or intangible, movable or immovable, durable or non-durable, which may be traded, used or utilized by consumers or business communities.
6. Service shall be every kind of service and performance in the form of work or outcome of work which is accomplished, traded from one party to another party in the society for use by consumers or business communities.
7. Domestic Product shall be goods made and/or service provided by business communities in Indonesia.
8. Standard shall be technical requirement which is standardized, including procedures and method formulated on the basis of consensus of the whole related parties/governments/international decisions by observing requirement for safety, security, health, environment, developments of science and technology, experience as well as the present and future trend in order to secure optimal benefit.
9. Standardization shall be a process formulating, stipulating, applying, preserving, standardizing and supervising standard, which is executed in an orderly manner and in cooperation with the whole parties.
10. Indonesia National Standard hereinafter abbreviated to SNI shall be a standard stipulated by institution in charge of development and fostering affairs in the field of standardization.
11. Distribution shall be an activity distributing goods directly or indirectly to consumers.
12. Market shall be an economic institution where buyer and seller meet directly or indirectly to execute a trading transaction.
13. Warehouse shall be a immovable room , closed and/or open, not destined for public visit but used specifically as a storage place of goods, which are tradable and not used for personal need.
14. Business communities shall be every Indonesian citizen or business entity in the form of legal en-

- tity or non-legal entity, which is established and domiciled in the jurisdiction of the Unitary State of the Republic of Indonesia to undertake business activity in the trading sector.
15. Customs Area shall be a territory of the Unitary State of the Republic of Indonesia, which covers mainland, waters and space thereon as well as specified places in Exclusive Economic Zone and continent shelf wherein the customs law applies.
  16. Export shall be an activity releasing goods from customs area.
  17. Exporter shall be an individual or institution or business entity in the form of legal entity or non legal-entity, which executes export.
  18. Import shall be an activity importing goods into customs area.
  19. Importer shall be individual or institution or business entity in the form of legal entity or non-legal entity, which executes import.
  20. Trade Promotion shall be an activity demonstrating, displaying, introducing and/or disseminating information about the production result of goods and/or service in order to attract interest of domestic and international buyers in a specified period, in order to increase the sales, expand market and seek trade relations.
  21. Representative of the Republic of Indonesia Abroad shall be diplomatic representative and consulate representative of the Republic of Indonesia officially representing and struggling for interest of the nation, state and government of the Republic of Indonesia totally in receiving countries or international organizations.
  22. International Trade Cooperation shall be an activity of the government to struggle for and secure national interests through trade relations with other countries and/or international institutions/ organizations.
  23. Trade Information System shall be a system, procedure and mechanism of the collection, processing, submission, management and dissemination of integrated trade data and/or information in supporting trade policy and control.
  24. Trade through electronic system shall be trade with the transaction realized through a set of electronic apparatuses and procedures.
  25. National Trade Committee shall be an institution established to support the acceleration of the accomplishment of objectives of activities in the trading sector.
  26. Central Government hereinafter called the government shall be the President of the Republic of Indonesia holding the executive power of the Unitary State of the Republic of Indonesia as meant in the Constitution of 1945.
  27. Regional Government shall be governor, regent or mayor and regional apparatuses as regional administrator.
  28. Minister shall be the minister in charge of public administration affairs in the trading sector.

## CHAPTER II

## PRINCIPLE AND OBJECTIVE

## Article 2

Trade policy shall be formulated on the basis of the principles:

- a. national interest;
- b. legal certainty;
- c. fair and healthy;
- d. business security;
- e. accountable and transparent;
- f. independence;
- g. partnership;
- h. benefit;
- i. simplicity;
- j. togetherness; and
- k. environmentally sound.

## Article 3

Trading activities shall be regulated with a view of:

- a. driving up national economic growth;
- b. increasing the use and trade of domestic products;
- c. increasing business opportunities and creating job opportunities;
- d. assuring the smooth distribution and availability of goods which constitute basic need and important goods;
- e. enhancing trade facilities, instruments and infrastructure;
- f. enhancing partnership between large-scale busi-

nesses and cooperatives, micro, small and medium-scale businesses as well as the government and private;

- g. enhancing competitiveness of national products and businesses;
- h. enhancing image of domestic products, market access and national export;
- i. increasing the trade of creative economy-based products;
- j. enhancing the protection of consumers;
- k. increasing the use of SNI;
- l. enhancing the protection of natural resources; and
- m. enhancing supervision over the traded goods and/or services.

## CHAPTER III

## SCOPE OF REGULATION

## Article 4

(1) The scope of trade regulation shall cover:

- a. domestic trade;
- b. international trade;
- c. border trade;
- d. standardization;
- e. trade through electronic system;
- f. trade protection and security;
- g. empowerment of cooperatives as well as micro, small- and medium-scale businesses;
- h. development of export;
- i. international trade cooperation;
- j. trade information system;

- k. task and authority of the government in the trading sector;
  - l. national trade committee;
  - m. supervision; and
  - n. investigation.
- (2) Besides the scope of regulation as meant in paragraph (1), the tradable services shall also be regulated and cover:
- a. business service;
  - b. distribution service;
  - c. communications service;
  - d. educational service;
  - e. environmental service;
  - f. financial service;
  - g. construction and related engineering service;
  - h. medical and social service;
  - i. recreational, cultural and sports service;
  - j. tourism service;
  - k. transportation service; and
  - l. other service.
- (3) Services may be traded in the country and beyond the territorial border of the state.

## CHAPTER IV

## DOMESTIC TRADE

## Part One

## General

## Article 5

- (1) The government shall regulate activities of domestic trade through policy and control.
- (2) The policy and control over the domestic trade as

meant in paragraph (1) shall be directed to:

- a. the enhancement of efficiency and effectiveness of distribution;
  - b. the enhancement of business climate and business certainty;
  - c. the integration and expansion of domestic trade;
  - d. the enhancement of market access of domestic products; and
  - e. the protection of consumers.
- (3) The domestic trade policy as meant in paragraph (1) shall regulate at least:
- a. harmonization of regulations, standards and procedures of trading activities between the central and region and/or between regions;
  - b. arrangement of licensing procedures for the smooth flow of goods;
  - c. fulfillment of the availability and accessibility of goods becoming basis need of the people;
  - d. development and fortification of business in the domestic trading sector, including cooperatives as well as micro, small- and medium-scale businesses;
  - e. granting of facility of the development of trade instrument;
  - f. enhancement of the use of domestic products;
  - g. inter-insular trade; and
  - h. protection of consumers.
- (4) The domestic trade control as meant in paragraph (1) shall cover:

- a. licensing;
- b. Standard; and
- c. prohibition and restriction.

#### Article 6

- (1) Every business community shall be obliged to use or complete Indonesian label in the domestically traded goods.
- (2) Further provision on the use or completeness of the Indonesian label shall be governed by a ministerial regulation.

#### Part Two

#### Distribution of Goods

#### Article 7

- (1) The distribution of goods traded in the country directly or indirectly to consumers may be done through distributors.
- (2) The indirect distribution of goods as meant in paragraph (1) shall be done by using general distribution chains:
  - a. distributors and their network;
  - b. agents and their networks; or
  - c. franchise.
- (3) The direct distribution of goods as meant in paragraph (1) shall be done by using special distribution through direct sales system:
  - a. single level; or
  - b. multilevel.

#### Article 8

Goods traded by direct sales with exclusive distribution right may only be marketed by official sellers registered as members of the direct sales companies.

#### Article 9

Distributors shall be prohibited from applying pyramid scheme system in the distribution of goods.

#### Article 10

The distributors as meant in Article 7 shall distribute goods in accordance with the provision of legislation as well as economic and business ethic in the framework of business order.

#### Article 11

Further provision on the distribution of goods shall be regulated by a ministerial regulation.

#### Part Three

#### Trade Facilities

#### Article 12

- (1) The government, regional governments and/or business communities individually or collectively shall develop trade facilities in the form of:
  - a. smallholder market;
  - b. shopping center;

- c. supermarket;
- d. warehouse;
- e. grocery center;
- f. commodity auction market;
- g. future commodity exchange; or
- h. other trading facilities.

(2) In developing the trade facilities as meant in paragraph (1), the government, regional governments and/or business communities shall refer to the provisions of legislation.

#### Article 13

- (1) The government in cooperation with regional government shall develop, empower and enhance the quality of smallholder market management in the framework of enhancing competitiveness.
- (2) The development, empowerment and enhancement of quality of the smallholder market management as meant in paragraph (1) shall be done in the form of:
  - a. the development and/or revitalization of smallholder market;
  - b. the implementation of professional management;
  - c. the facilitation of access to the provision of goods with good quality and competitive price; and/or
  - d. the facilitation of financing access for traders in smallholder market.
- (3) Further provision on the development, empowerment and enhancement of the quality of small-

holder market management shall be governed by or on the basis of a presidential regulation.

#### Article 14

- (1) The government and/or regional government by virtue of their authority shall govern the equitable and just development, arrangement and fostering of smallholder markets, shopping centers, supermarkets and grocery centers to create business certainty and balanced cooperation between suppliers and retailers by regarding partiality to cooperatives as well as micro, small- and medium-scale businesses.
- (2) The development, arrangement and fostering as meant in paragraph (1) shall be done through regulation of licensing, spatial management, zoning by observing distance and location of the development, partnership and business cooperation.
- (3) Further provision on the regulation of licensing, spatial management and zoning as meant in paragraph (2) shall be governed by or on the basis of a presidential regulation.

#### Article 15

- (1) The warehouse as meant in Article 12 paragraph (1) letter d shall constitute any of the trading facilities to boost the smooth distribution of goods traded in the country and to other countries.
- (2) The warehouse as meant in paragraph (1) shall be registered by every owner of the warehouse in accordance with the classification of warehouse

by acreage and storage capacity.

- (3) Every owner of warehouse not registering the warehouse as meant in paragraph (2) shall be subject to administrative sanction in the form of the closure of the warehouse for a specified period and/or a fine of Rp 2,000,000,000 (two billion rupiah) at the maximum.
- (4) Provision on procedure for the registration of warehouse as meant in paragraph (2) shall be governed in a ministerial regulation.
- (5) Provision on the imposition of the administrative sanction as meant in paragraph (3) shall be governed by or on the basis of a government regulation.

#### Article 16

- (1) Excluded from the warehouse provision as meant in Article 15, the government and/or regional governments may provide warehouses needed to guarantee the availability of goods constituting basic need of the people.
- (2) The warehouses provided by the government and/or regional governments as meant in paragraph (1) shall be exclusive and the quantity of goods constituting basic need of the people, which are saved, shall be categorized as data used for limited purpose.

#### Article 17

- (1) Every owner, management or tenant of warehouse saving goods for the need of trade shall

be obliged to perform administrative recording, minimally in the form of the quantity of the stored goods and the quantity of goods coming into and out of the warehouse.

- (2) Every owner, management or tenant of warehouse not performing the administrative recording as meant in paragraph (1) shall be subject to administrative sanction in the form of the revocation of licensing in the trading sector.
- (3) Further provision on the administrative recording of goods as meant in paragraph (1) shall be governed in a ministerial regulation.

#### Article 18

- (1) The government and/or regional governments shall arrange, foster and develop the commodity auction market as meant in Article 12 paragraph (1) letter f.
- (2) Provision on the arrangement, fostering and development of the commodity auction market as meant in paragraph (1) shall be regulated by or on the basis of a presidential regulation.

#### Article 19

- (1) The government shall rule, foster, supervise and develop the future commodity exchange as meant in Article 12 paragraph (1) letter g.
- (2) Provision on the future commodity exchange as meant in paragraph (1) shall be regulated on the basis the provision of legislation in the field of future commodity exchange.

## Part Four

## Trade of Service

## Article 20

- (1) Service providers operating in the trade of service shall be supported by competent technicians in accordance with the provision of legislation.
- (2) Service providers not having the competent technicians as meant in paragraph (1) shall be subject to administrative sanction in the form of:
  - a. written warning;
  - b. suspension of business activities; and/or
  - c. revocation of business license.
- (3) Further provision on the obligation as meant in paragraph (1) and the imposition of sanction as meant in paragraph (2) shall be regulated by or on the basis of a government regulation.

## Article 21

The government may grant recognition to competence of technicians from other countries on the basis of mutual recognition agreement bilaterally or regionally.

## Part Five

## The Increase in the Use of Domestic Product

## Article 22

- (1) In the framework of the development, empowerment and fortification of domestic trade, regional governments and/or other stakeholders individually or collectively shall strive to increase the use of domestic products.

- (2) The increase in the use of the domestic products as meant in paragraph (1) shall be done by partiality through promotion, socialization or marketing and applying the obligation to use domestic products in accordance with the provisions of legislation.
- (3) Further provision on the increase in the use of domestic products shall be regulated by a ministerial regulation.

## Part Six

## Inter-insular Trade

## Article 23

- (1) The government shall regulate inter-insular trading activities for the integration of domestic market.
- (2) The regulation as meant in paragraph (1) shall be directed to :
  - a. preserve a balance between surplus region and minus region;
  - b. narrow price disparity between regions;
  - c. secure the distribution of goods having trade restricted;
  - d. develop the marketing of leading product of every region;
  - e. provide inter-insular trading facilities and infrastructure;
  - f. prevent the incoming and distribution of smuggled goods in the country;
  - g. prevent the smuggling of goods to other countries; and

h. remove inter-insular trade barriers.

- (3) Further provision on the inter-insular trade shall be governed by a ministerial regulation.

#### Part Seven

##### Licensing

##### Article 24

- (1) Business activities undertaking business activities shall be obliged to have licensing in the trading sector, which is granted by the Minister.
- (2) The minister may transfer or delegate the licensing to regional government or specified technical institution.
- (3) The minister may grant the exception from the obligation to have the licensing in the trading sector as meant in paragraph (1).
- (4) Further provision on the licensing in the trading sector as meant in paragraph (1) and the exception as meant in paragraph (3) shall be regulated by a ministerial regulation.

#### Part Eight

##### Control Over Goods Constituting Basic Need and/or Important Goods

##### Article 25

- (1) The government and regional governments shall control the availability of goods constituting basic need and/or important goods throughout the territory of the Unitary State of the Republic of Indonesia in adequate quantity, good quality and affordable price.

- (2) The government and regional governments shall be obliged to drive up and protect the production of goods constituting basic need and important goods in the country in order to fulfill the national need.
- (3) The goods constituting basic need and important goods as meant in paragraph (1) shall be stipulated by a presidential regulation.

##### Article 26

- (1) In certain condition potential to affect national trading activities, the government shall be obliged to guarantee supply and stabilization of prices of goods constituting basic need and important goods.
- (2) The guarantee of supply and stabilization of prices of goods constituting basic need and important goods as meant in paragraph (1) shall be done to keep the affordability of prices at the consumer level and protect income of producers.
- (3) In order to guarantee the supply and stabilize the prices of goods constituting basic need and important goods, the Minister shall stipulate policies on the price, management of stocks and logistics, as well as management of export and import.

##### Article 27

In the framework of controlling the availability, stabilizing prices, and distributing goods constituting basic need and important goods, the government may appoint state-owned business entities.

## Article 28

In the framework of executing the obligation as meant in Article 26, the government shall allocate budget resulting from the State Budget of Revenue and Expenditure and/or other sources in accordance with the provisions of legislation.

## Article 29

- (1) Business communities shall be prohibited from saving goods constituting basic need and/or important goods in a specified quantity and period when the scarcity of goods, fluctuation of prices and/or traffic barriers of goods trade occurs.
- (2) Business communities may save goods constituting basic need and/or important goods in a specified quantity and period if they are used as auxiliary materials in the production process or as stocks of goods for distribution.
- (3) Further provision on the saving of goods constituting basic needs and/or important goods shall be regulated by or on the basis of a presidential regulation.

## Article 30

- (1) The Minister may ask for data and/or information from business communities with regards to stocks of goods constituting basic need and/or important goods.
- (2) Business communities shall be prohibited from manipulating data and/or information about stocks of goods constituting basic need and/or important

goods.

## Article 31

In the case of regional government ruling measures to fulfill the availability, stabilization of price and distribution of goods constituting basic need and/or important goods, regional governments shall refer to policies stipulated by the government.

## Article 32

- (1) Producers or importers trading goods in related to security, safety, health and environment shall be obliged to:
  - a. register the traded goods to the minister; and
  - b. affix the registration number in goods and/or package thereof.
- (2) The obligation to register goods as meant in paragraph (1) shall be executed by producers or importers before the goods circulate on the market.
- (3) The obligation to register goods as meant in paragraph (1) letter a shall be excluded from goods having registration already regulated on the basis of the provisions of legislation.
- (4) Criteria for package, security, safety, health and environment as meant in paragraph (1) may be stipulated on the basis of SNI or the other recognized standards which have not been applied compulsorily.
- (5) The goods as meant in paragraph (1) shall be regulated by a presidential regulation.
- (6) In the case of the goods as meant in paragraph

(5) being already subject to compulsory SNI, the goods shall fulfill the provision on the compulsory application of SNI.

#### Article 33

- (1) Producers or importers not fulfilling the provision on the registration of goods as meant in Article 32 paragraph (1) shall be obliged to discontinue the trade of the goods and withdraw the goods from:
  - a. distributor;
  - b. agent;
  - c. grocery;
  - d. retailer; and/or
  - e. consumer.
- (2) The order to discontinue the trade and withdrawal from the distribution of goods as meant in paragraph (1) shall be done by the minister.
- (3) Producers or importers not fulfilling the provision as meant in paragraph (1) shall be subject to administrative sanction in the form of the revocation of business license.

#### Article 34

Further provision on the registration of goods as meant in Article 32 paragraph (1) as well as the discontinuation of the trade of goods and withdrawal of goods as meant in Article 33 paragraph (1) shall be governed by or on the basis of a presidential regulation.

#### Part Nine

#### Prohibition and Restriction of Trade of Goods and/or Service

#### Article 35

- (1) The government shall stipulate prohibition or restriction to the trade of goods and/or service for the need of national interest with the reason:
  - a. protecting economic sovereignty;
  - b. protecting state security;
  - c. protecting morality and culture of communities;
  - d. protecting health and safety of humanbeing, animal, fish, plant and environment;
  - e. protecting the excessive use of natural resources for production and consumption;
  - f. protecting balance of payment and/or balance of trade;
  - g. executing the provisions of legislation; and/or
  - h. certain considerations in accordance with the tasks of the government.
- (2) The goods and/or service having trade prohibited or restricted as meant in paragraph (1) shall be stipulated by a presidential regulation.

#### Article 36

Every business community shall be prohibited from trading goods and/or service stipulated as the goods and/or services which are forbidden for trade as meant in Article 35 paragraph (2).

## Article 37

- (1) Every business community shall be obliged to fulfill the provision on the stipulation of goods and/or service stipulated as goods and/or service having trade restricted as meant in Article 35 paragraph (2).
- (2) Every business community violating the provision on the stipulation of goods and/or service as meant in paragraph (1) shall be subject to administrative sanction in the form of the revocation of licensing in the trading sector.

## CHAPTER V

## INTERNATIONAL TRADE

## Part One

## General

## Article 38

- (1) The government shall regulate international trade through policy and control in the field of export and import.
- (2) The international trade policy and control as meant in paragraph (1) shall be directed to:
  - a. enhance the competitiveness of Indonesia's exported products;
  - b. enhance and expand market access in other countries; and
  - c. enhance the capability of exporters and importers so as to become reliable business communities.
- (3) The international trade policy shall contain at least:

- a. the increase in the quantity and kind as well as added value of exported products;
- b. harmonization of trading standards and procedures with trade partner countries;
- c. fortification of institution in the international trade sector;
- d. development of facilities and infrastructure supporting international trade; and
- e. protection and security of national interest from negative impacts of international trade.

## (4) The international trade control shall cover:

- a. licensing;
- b. Standard; and
- c. prohibition and restriction.

## Article 39

The trade of service surpassing the territorial border of the state shall be executed by means of:

- a. trans-border supply;
- b. consumption abroad;
- c. commercial existence; or
- d. human mobility.

## Article 40

- (1) In the framework of enhancing added value to national economy, the government may regulate payment and delivery method of goods in the export and import.
- (2) Further provision on the payment and delivery method shall be governed by a government regulation.

## Article 41

- (1) The minister may delay the export or import in the case of force majeure.
- (2) The president shall stipulate the force majeure as meant in paragraph (1).

## Part Two

## Export

## Article 42

- (1) The export of goods shall be executed by business communities already registered and stipulated as exporter, unless otherwise stipulated by the Minister.
- (2) Provision on the stipulation as exporter as meant in paragraph (1) shall be regulated by a ministerial regulation.

## Article 43

- (1) Exporter shall be responsible fully to the exported goods.
- (2) Exporter not responsible to the exported goods as meant in paragraph (1) shall be subject to administrative sanction in the form of the revocation of licensing, approval, recognition and/or stipulation in the trading sector.
- (3) Further provision on procedures for the imposition of the administrative sanction as meant in paragraph (2) shall be regulated in a ministerial regulation.

## Article 44

Exporter committing the misuse of stipulation as exporter as meant in Article 42 paragraph (1) shall be subject to administrative sanction in the form of the nullification of stipulation as exporter.

## Part Three

## Import

## Article 45

- (1) The import of goods may only be executed by importer having identity as importer on the basis of stipulation from the minister.
- (2) In certain condition, the import of goods may be executed by importer not having identity as importer.
- (3) Provision on identity as the importer as meant in paragraph (1) shall be regulated in a ministerial regulation.

## Article 46

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(Law Number 7 Year 2014 dated March 11, 2014)

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## Article 46

- (1) Importers shall be responsible fully for the imported goods.
- (2) Importer not responsible to the imported goods as meant in paragraph (1) shall be subject to administrative sanction in the form of the revocation of licensing, approval, recognition and/or stipulation in the trading sector.
- (3) Further provision on procedures for the imposition of the administrative sanction as meant in paragraph (2) shall be regulated in a ministerial regulation.

## Article 47

- (1) Every importer shall be obliged to import goods in the new condition.
- (2) In certain case, the Minister may stipulate the imported goods in non-new condition.
- (3) The stipulation as meant in paragraph (2) shall be submitted to the minister in charge of administration affairs in the financial sector.
- (4) Further provision on the stipulation of the imported goods in non-new condition as meant in paragraph (2) shall be regulated by a ministerial regulation.

## Article 48

The letter of approval of the import of goods in non-new condition as meant in Article 47 paragraph (2) shall be given up upon completing customs liabilities in accordance with the provision of customs legislation.

## Part Four

### Export and Import Licensing

## Article 49

- (1) In executing the export and import, the Minister shall require exporters and importers to have licensing, which may be in the form of approval, registration, stipulation and/or recognition.
- (2) The minister shall require exporters and importers to have the licensing as meant in paragraph (1) in executing tentative export and tentative import.
- (3) The minister may transfer or delegate the licensing as meant in paragraph (1) to regional governments or certain technical institutions.
- (4) In the framework of enhancing the national competitiveness, the minister may recommend relief or addition to import duty on tentatively imported goods.

- (5) Further provision on the licensing as meant in paragraph (1) and paragraph (2) shall be governed by a ministerial regulation.

## Part Five

### Export and Import Prohibition and Restriction

#### Article 50

- (1) The whole goods may be exported or imported, unless otherwise prohibited, restricted and stipulated by the law.
- (2) The government shall prohibit the import or export of goods for national interest with the reason:
- protecting national security or public interest, excluding social, culture and morality of communities;
  - protecting intellectual property right; and/or
  - protecting health and safety of human being, animal, fish, plant and environment.

#### Article 51

- (1) Exporter shall be prohibited from exporting goods stipulated as goods forbidden to export.
- (2) Importer shall be prohibited from importing goods stipulated as goods forbidden to import.
- (3) The forbidden goods as meant in paragraph (1) and paragraph (2) shall be stipulated by a ministerial regulation.

#### Article 52

- (1) Exporter shall be prohibited from exporting goods

not matching the provision on the restriction of goods for the export.

- (2) Importer shall be prohibited from importing goods not matching the provision on the restriction of goods for the import.
- (3) The restricted goods as meant in paragraph (1) and paragraph (2) shall be stipulated by a ministerial regulation.
- (4) Every importer exporting goods not matching the provision on the restriction of goods for the export as meant in paragraph (3) shall be subject to administrative sanction and/or other sanction governed in legislation.
- (5) Every importer importing goods not matching the provision on the restriction of goods for the import as meant in paragraph (3) shall be subject to administrative sanction and/or other sanction governed in legislation.
- (6) Provision on the imposition of administrative sanction as meant in paragraph (4) and paragraph (5) shall be regulated by a ministerial regulation.

#### Article 53

- (1) In the case of exporter being subject to the administrative sanction as meant in Article 52 paragraph (4), the exported goods shall be controlled by the state in accordance with the provision of legislation.
- (2) In the case of importer being subject to the administrative sanction as meant in Article 52 paragraph (5), the imported goods shall be re-

exported, destroyed by the importer or stipulated otherwise by the Minister.

#### Article 54

- (1) The government may restrict the export and import of goods for national interest with the reason:
  - a. protecting national security or public interest; and/or
  - b. protecting health and safety of human being, animal, fish, plant and environment.
- (2) The government may restrict the export of goods as meant in paragraph (1) with the reason:
  - a. assuring the fulfillment of domestic need;
  - b. assuring the availability of raw materials needed by domestic processing industry;
  - c. protecting the conservation of natural resources;
  - d. increasing economic added-value of raw materials and/or natural resources;
  - e. anticipating the drastic increase in the price of certain exported commodities on the international market; and/or
  - f. preserving stability of prices of certain commodities in the country.
- (3) The government may restrict the import of goods as meant in paragraph (1) with the reason:
  - a. building, expediting and protecting certain industries in the country; and/or
  - b. preserving balance of payment and/or balance of trade.

### CHAPTER VI BORDER TRADE Article 55

- (1) Every Indonesian citizen domiciled in the territory of the Unitary State of the Republic of Indonesia, which shares border directly with other country may execute border trade with residents of the other country who are domiciled in border area.
- (2) The border trade as meant in paragraph (1) may only be executed in mainland and sea border area stipulated in government regulation.
- (3) The trade border as meant in paragraph (2) shall be executed on the basis of bilateral agreement on in accordance with the provision of legislation.

#### Article 56

- (1) The bilateral agreement as meant in Article 55 paragraph (3) shall contain at least:
  - a. point of the cross-border entry or release which is stipulated;
  - b. kind of the traded goods;
  - c. maximal value of the purchasing transaction of goods outside the customs area to be carried into the customs area;
  - d. certain areas where border trade may be executed; and
  - e. identity ownership of person executing border trade.
- (2) The government shall supervise and provide customs and excise, immigration as well as quarantine service in the outgoing or incoming

cross-border post and in certain place or region in accordance with the provision of legislation.

- (3) The minister shall coordinate and synchronize with the related minister before executing the border trade agreement as meant in Article 55 paragraph (3).
- (4) Further provision on border trade shall be regulated by or on the basis of government regulation.

## CHAPTER VII

### STANDARDIZATION

#### Part One

#### Standardization of Goods

#### Article 57

- (1) Goods traded in the country shall meet:
  - a. SNI already applied compulsorily; or
  - b. technical requirements already applied compulsorily.
- (2) Business communities shall be prohibited from trading goods failing to meet SNI or technical requirements already applied compulsorily in the country.
- (3) The compulsory application of SNI or technical requirements as meant in paragraph (1) shall be stipulated by the Minister or ministers in accordance with public administration affairs becoming their task and responsibility.
- (4) The application of SNI or technical requirements as meant in paragraph (3) shall be done by considering aspects:
  - a. security, safety, health and environment;

- b. competitiveness of national producers and fair business competition;
- c. capability and readiness of national business communities; and/or
- d. readiness of infrastructure of conformance assessment institution.

- (5) Goods already subject to compulsory SNI or technical requirements as meant in paragraph (1) shall be labeled by SNI Mark or conformance mark or accompanied by conformance certificate recognized by the government.
- (6) Goods traded and not yet subject to compulsory SNI may be labeled by SNI Mark or conformance mark as long as they have been proven by certificate of products using SNI Mark or conformance certificate.
- (7) Business communities trading goods already subject to compulsory SNI or technical requirements but not labeling SNI Mark, conformance mark or not accompanying the conformance certificate as meant in paragraph (5) shall be subject to administrative sanction in the form of the withdrawal of goods from distribution.

#### Article 58

- (1) SNI Mark, conformance mark or conformance certificate as meant in Article 57 paragraph (5) shall be issued by conformance assessment institutions accredited by accreditation institution in accordance with the provision of legislation.

- (2) In the even that the accredited conformance assessment institution as meant in paragraph (1) has not been available, the Minister or minister by virtue of public administration affairs becoming their task and responsibility may appoint conformance assessment institution by requirement and in a specified period.
- (3) The conformance assessment institution as meant in paragraph (1) and paragraph (2) shall be registered in institution stipulated by the minister.

#### Article 59

Conformance Standard or assessment stipulated by other countries shall be recognized by the government on the basis of mutual recognition agreement between countries.

#### Part Two

#### Standardization of Service

#### Article 60

- (1) Service providers shall be prohibited from trading services failing to meet SNI, technical requirements or qualifications already applied compulsorily in the country.
- (2) The compulsory application of SNI, technical requirements or qualification as meant in paragraph (1) shall be stipulated by the Minister or ministers in accordance with public administration affairs becoming their task and responsibility.
- (3) The application of SNI, technical requirements or qualification as meant in paragraph (3) shall be

done by considering aspects:

- a. security, safety, health and environment;
  - b. competitiveness of national producers and fair business competition;
  - c. capability and readiness of national business communities;
  - d. readiness of infrastructure of conformance assessment institution; and/or
  - e. culture, customs or tradition based on local wisdom.
- (4) Service already subject to compulsory SNI, technical requirements or qualification as meant in paragraph (2) shall be accompanied by conformance certificate recognized by the government.
- (5) Service traded and fulfilling SNI, technical requirements or qualifications not yet applied compulsorily may use conformance certificate in accordance with the provision of legislation.
- (6) Service providers trading service already subject to compulsory SNI, technical requirements or qualifications but not accompanying the conformance certificate as meant in paragraph (4) shall be subject to administrative sanction in the form of the discontinuation of business activity.

#### Article 61

- (1) SNI Mark, conformance mark or conformance certificate as meant in Article 60 paragraph (4) shall be issued by conformance assessment institutions accredited by accredited institution in accordance with the provision of legislation.

- (2) In the event that the accredited conformance assessment institution as meant in paragraph (1) has not been available, the minister or ministers according to public administration affairs becoming their task and responsibility may appoint conformance assessment institution by requirement and in a specified period.
- (3) The conformance assessment institution as meant in paragraph (1) and paragraph (2) shall be registered in institutions stipulated by the Minister.

#### Article 62

Standards, technical requirements or qualifications stipulated by other countries shall be recognized by the government on the basis of mutual recognition agreement between countries.

#### Article 63

Service providers trading service not accompanying by the conformance certificate as meant in Article 60 paragraph (4) shall be subject to administrative sanction in the form of the discontinuation of service trade.

#### Article 64

Further provision on procedures for stipulating and enforcing standardization of goods and/or standardization of service shall be regulated by or on the basis of a government regulation.

### CHAPTER VIII

## TRADE THROUGH ELECTRONIC SYSTEM

### Article 65

- (1) Every business community trading goods and/or service by using electronic system shall be obliged to provide data and/or information completely and truthfully.
- (2) Every business community shall be prohibited from trading goods and/or service by using electronic system not matching the data and/or information as meant in paragraph (1).
- (3) The operation of the electronic system as meant in paragraph (1) shall meet the provisions governed in the electronic information and transaction law.
- (4) The data and/or information as meant in paragraph (1) shall contain at least:
- identity and legality of business communities as producers or distributor;
  - technical requirements for the offered goods;
  - technical requirements or qualifications of the offered service;
  - price and payment method of goods and/or service; and
  - delivery method of goods.
- (5) In the case of dispute arising from the trading transaction through electronic system, persons or business entities in dispute may settle the dispute through court or other dispute settlement mechanisms.
- (6) Every business community trading goods and/or service by using electronic system that does not

provide data and/or information completely and truthfully as meant in paragraph (1) shall be subject to administrative sanction in the form of the revocation of license.

#### Article 66

Further provision on trading transaction through electronic system shall be governed by or on the basis of a government regulation.

### CHAPTER IX

#### PROTECTION AND SECURITY FOR TRADE

##### Article 67

- (1) The government shall stipulate policy on the protection and security for trade.
- (2) The trade protection and security policy as meant in paragraph (1) shall be stipulated by the Minister.
- (3) The trade protection and security policy as meant in paragraph (2) shall cover:
  - a. defense against dumping and/or subsidy accusation for national exported goods
  - b. defense for exporters having exported goods, which are deemed by trading partner countries causing the surge of import in the countries;
  - c. defense for national exported goods which are affected by the application of policy and/or regulation of other countries;
  - d. the imposition of anti-dumping or countervailing measure to overcome unfair trading prac-

tices;

- e. the imposition of trade safeguard measures to overcome the surge of import; and
- f. defense for trade-related national policy opposed by other countries.

##### Article 68

- (1) In the case of any threat coming from policy, regulation, unfair trade accusation or the surging import accusation from trade partner countries against national exported goods, the Minister shall be obliged to take defensive measure.
- (2) In taking the defensive measure as meant in paragraph (1):
  - a. the accused exporter shall be obliged to support and provide the required information and data; and
  - b. the related ministries/non-ministerial government institutions shall be obliged to support and provide the required information and data.

##### Article 69

- (1) In the event that the surge of the imported goods causes domestic producers of the similar goods or goods directly competing with the imported goods to sustain serious loss or threat of serious loss, the government shall be obliged to take trade safeguard measures to abolish or minimize the serious loss or threat of serious loss.

- (2) The trading safeguard measures as meant in paragraph (1) shall be in the form of the imposition of safeguard import duty and/or quota.
- (3) The safeguard import duty as meant in paragraph (2) shall be stipulated by the minister in charge of financial affairs on the basis of recommendation decided by the minister.
- (4) The quota as meant in paragraph (2) shall be stipulated by the minister.

#### Article 70

- (1) In the event that imported products having price lower than the normal value cause loss or loss threat to related domestic industry or affect the growth of related domestic industry, the government shall be obliged to take anti-dumping measure to abolish or reduce the loss or loss threat or obstacle.
- (2) The anti-dumping measure as meant in paragraph (1) shall be in the form of the imposition of anti-dumping import duty.
- (3) The anti-dumping import duty as meant in paragraph (2) shall be stipulated by the minister in charge of financial affairs on the basis of recommendation decided by the minister.

#### Article 71

- (1) In the case of imported products receiving subsidy directly or indirectly from exporting countries thus causing loss or loss threat to domestic industry or affecting the growth of domestic industry,

the government shall be obliged to take countervailing measure to abolish or reduce the loss or loss threat or obstacle.

- (2) The countervailing measure as meant in paragraph (1) shall be in the form of the imposition of countervailing import duty.
- (3) The countervailing import duty as meant in paragraph (2) shall be stipulated by the minister in charge of financial affairs on the basis of recommendation decided by the minister.

#### Article 72

Further provision on the trade safeguarding measure as meant in Article 69, anti-dumping measure as meant in Article 70, and countervailing measure as meant in Article 71 shall be regulated by or on the basis of a government regulation.

### CHAPTER X

#### THE EMPOWERMENT OF COOPERATIVES AS WELL AS MICRO, SMALL AND MEDIUM SCALE BUSINESSES

#### Article 73

- (1) The government and/or regional governments shall empower cooperatives as well as micro, small- and medium-scale businesses in the trading sector.
- (2) The empowerment as meant in paragraph (1) may be in the form of the granting of facilities, incentives, technical counseling, access and/or capital assistance, promotional assistance and marketing.

- (3) The government and/or regional governments may cooperate with other parties in empowering cooperatives as well as micro, small- and medium-scale businesses in the trading sector as meant in paragraph (2).
- (4) Further provision on the empowerment of cooperatives as well as micro, small- and medium-scale businesses in the trading sector as meant in paragraph (1) shall be regulated by or on the basis of a presidential regulation.

## CHAPTER XI

### EXPORT DEVELOPMENT

#### Part One

#### Fostering of Export

#### Article 74

- (1) The government shall foster business communities in the framework of developing export for the expansion of market access for domestic goods and services.
- (2) The fostering as meant in paragraph (1) may be in the form of the granting of incentives, facilities, information about market opportunity, technical counseling as well as promotional and marketing assistance for the development of export.
- (3) The minister may recommend the incentives as meant in paragraph (2) in the form of fiscal and/or non-fiscal incentive in a bid to enhance the export competitiveness of domestic goods and/or service.
- (4) The government may cooperate with other par-

ties in executing the fostering as meant in paragraph (1).

- (5) Further provision on the execution of the fostering as meant in paragraph (1) shall be regulated by a ministerial regulation.

#### Part Two

#### Trade Promotion

#### Article 75

- (1) In order to expand market access for the domestic goods and/or service, the government and/or regional governments shall be obliged to introduce the goods and/or service by:
- organizing trade promotion in the country and/or abroad; and/or
  - participating in trade promotion in the country and/or abroad.
- (2) The trade promotion as meant in paragraph (1) may be in the form of:
- trade exhibition; and
  - trade mission.
- (3) The trade promotion in the form of trade exhibition as meant in paragraph (2) letter a shall include:
- international trade exhibition;
  - national trade exhibition; or
  - local trade exhibition.
- (4) The government shall involve cooperatives as well as micro, small- and medium-scale businesses in executing trade exhibition abroad.
- (5) The trade mission as meant in paragraph (2) letter

b shall be executed in the form of international business meetings to expand opportunity for the increase in the export.

- (6) The trade mission as meant in paragraph (2) letter b shall be done through visit of the government, regional governments, business communities and/or other institutions from Indonesia to other countries in the framework of executing business activities or enhancing trade relations between the two countries.

#### Article 76

The implementation of overseas trade promotion by the government, regional governments, institutions other than the government/regional governments and/or business communities shall be coordinated with Overseas Representative of the Republic of Indonesia in the said countries.

#### Article 77

- (1) Every business community organizing trade exhibition and participant of trade exhibition shall be obliged to fulfill the standard of organization and participation in trade exhibition.
- (2) Every business community organizing trade exhibition by involving the promoted participant and/or products from other countries shall be obliged to secure license from the minister.
- (3) Further provision on the standard of organization and participation in the trade exhibition as meant in paragraph (1) shall be regulated by a ministerial

regulation.

- (4) Every business community organizing trade exhibition and participant of trade exhibition not fulfilling the standard of organization and participation in trade exhibition as meant in paragraph (1) shall be subject to administrative sanction in the form of the discontinuation of activity.

#### Article 78

- (1) The government and/or regional governments may grant facilities and/or reliefs to trade exhibition executed by business communities and/or institutions other than the government or regional governments in accordance with the provision of legislation.
- (2) The facilities and/or reliefs of trade exhibition as meant in paragraph (1) shall be granted to:
  - a. organizers of national trade exhibition; and
  - b. institutional participants other than the government and/or regional governments and national business communities.
- (3) The government and regional government shall be mutually supporting in executing trade exhibition to develop the export of national leading commodities.

#### Article 79

- (1) Besides the trade promotion as meant in Article 75 paragraph (2), the introduction of goods and/or service shall need to be supported by campaign

for building image of Indonesia in the country and abroad.

- (2) The campaign for building image of Indonesia may be executed by the government, regional governments, institutions other than the government/regional governments, and/or business communities individually or collectively.
- (3) The execution of campaign for building image of Indonesia may be executed by the government, regional governments, institutions other than the government/regional governments, and/or business communities abroad shall be coordinated by Overseas Representatives of the Republic of Indonesia in the said countries.
- (4) Further provision on the implementation of campaign for building image of Indonesia as meant in paragraph (3) shall be regulated by or on the basis of a presidential regulation.

#### Article 80

- (1) In order to support overseas trading promotion, trade promotion board may be established abroad.
- (2) The establishment of the overseas trade promotion board as meant in paragraph (1), including facility thereof, shall be done by the minister in coordination with related ministers in accordance with the provision of legislation.

#### Article 81

Further provision on procedure for the implementation, reliefs and participation in trade promotion

in the framework of building image of Indonesia shall be regulated by a ministerial regulation.

### CHAPTER XII

#### INTERNATIONAL TRADE COOPERATION

##### Article 82

- (1) In order to enhance market access as well as protect and secure national interest, the government may promote trade cooperation with other countries and/or international institutions/agencies.
- (2) The trade cooperation as meant in paragraph (1) may be executed through international trade agreement.

##### Article 83

In negotiating the international trade agreement as meant in Article 82 paragraph (2), the government may coordinate with the House of Representatives.

##### Article 84

- (1) Every international trade agreement as meant in Article 82 paragraph (2) shall be submitted to the House of Representatives in no later than 90 (ninety) working days following the signing of the agreement.
- (2) The international trade agreement submitted by the government as meant in paragraph (1) shall be discussed by the House of Representatives to determine whether the approval of the House of Representative is needed or not.

(3) The decision determining whether the international trade agreement submitted by the government as meant in paragraph (2) needs approval of the House of Representatives or not shall be made in no later than 60 (sixty) working days in the meeting season with the provision as follows:

- a. In the case of the international trade agreement causing extensive and fundamental consequence to the life of the people related to burden of state finance and/or requiring the amendment or enactment of law, the legalization is done by law.
- b. In the case of the international trade agreement not causing the impact as meant in letter a, the legalization is done by a presidential regulation.

(4) If the House of Representatives does not make decision in the maximum period of 60 (sixty) working days in the meeting season as meant in paragraph (3), the government may decide whether the approval of the House of Representatives is needed or not.

(5) The House of Representatives shall approve or reject the international trade agreement as meant in paragraph (3) letter a in no later than the next meeting session.

(6) In the case of the international trade agreement being potential to endanger national interest, the House of Representatives shall refuse to approve the international trade agreement.

(7) The presidential regulation regarding the legalization of the international trade agreement as meant in paragraph (3) letter b shall be notified to the House of Representatives.

#### Article 85

- (1) The government by approval of the House of Representatives may review and nullify international trade agreements which are approved by law on the basis of consideration about national interest.
- (2) The government may review and nullify international trade agreement legalized by presidential regulation on the basis of consideration about national interest.
- (3) Further provision on procedure for the review and nullification of the international trade agreements as meant in paragraph (1) and paragraph (2) shall be regulated by a government regulation.

#### Article 86

- (1) In negotiating international trade agreements, the government may establish a negotiation team assigned to prepare and execute the negotiation.
- (2) Provision on the establishment of the negotiation team as meant in paragraph (1) shall be regulated in a presidential regulation.

#### Article 87

- (1) The government may grant trade preference unilaterally to less-developed countries by prioritizing to national interest.

- (2) Provision on procedures for the granting of preference shall be regulated by or on the basis of a presidential regulation.

### CHAPTER XIII

#### TRADE INFORMATION SYSTEM

##### Article 88

- (1) The Minister, governors and regents/mayors shall be obliged to organize a trade information system integrated with information system developed by ministries or non-ministerial government institutions.
- (2) The information system as meant in paragraph (1) shall be used for trade policy and control.

##### Article 89

- (1) The trade information system shall cover the collection, processing, submission, management and dissemination of trade data and/or information.
- (2) The trade data and/or information as meant in paragraph (1) shall contain at least data and/or information about domestic and foreign trade.
- (3) The trade information data and information as meant in paragraph (2) shall be presented accurately, quickly and appropriately as well as easily accessible by communities.

##### Article 90

- (1) The minister in organizing the trade information system may seek trade data and information from ministries, non-ministerial government institu-

tions, and regional governments, including administrators in the field of customs and excise, Bank Indonesia, Financial Service Authorities, the Central Board of Statistics and other agencies/institutions.

- (2) The ministries, non-ministerial government institutions, and regional governments, including administrators in the field of customs and excise, Bank Indonesia, Financial Service Authorities, the Central Board of Statistics and other agencies/institutions shall be obliged to provide the data and information as meant in paragraph (1), which are update, accurate and quick.

##### Article 91

The trade data and information shall be inclusive, unless otherwise stipulated by the minister.

##### Article 92

Further provision on the trade information system shall be regulated by or on the basis of a government regulation.

### CHAPTER XIV

#### TASK AND AUTHORITY OF GOVERNMENT IN TRADING SECTOR

##### Article 93

The tasks of the government in the trading sector shall cover:

- a. formulating and stipulating policies in the trading sector;

- b. formulating national standard;
- c. formulating and stipulating norms, standards, procedures and criteria in the trading sector;
- d. stipulating licensing system in the trading sector;
- e. controlling supply, stabilization of price and distribution of goods constituting basic need and/or important goods;
- f. executing international trade cooperation;
- g. managing information in the trading sector;
- h. fostering and supervising activities in the trading sector;
- i. boosting the development of national export;
- j. creating conducive business climate;
- k. developing national logistics; and
- l. other tasks in accordance with the provision of legislation.

#### Article 94

The government in executing the tasks as meant in Article 93 shall be authorized to:

- a. grant licensing to business communities in the trading sector;
- b. harmonize trade policies in the country in the framework of enhancing efficiency and effectiveness of national distribution system, trade order, market integration and business certainty;
- c. nullify trade policies and regulations stipulated by regional governments which contravene the policies and regulations of the government;
- d. ban and/or restrict the trade of goods and/or services;

- e. develop national logistics to ascertain the availability of goods constituting basic need and/or important goods; and
- f. other authority in accordance with the provision of legislation.

#### Article 95

Regional governments shall be assigned to:

- a. execute government policies in the trading sector;
- b. execute licensing in the trading sector in region;
- c. control supply, stabilize price and distribution of goods constituting basic need and/or important goods;
- d. monitor the implementation of international trade agreements in region;
- e. manage information in the trading sector in region;
- f. foster and supervise activities in the trading sector in region;
- g. boost the development of national export;
- h. create conducive business climate;
- i. develop regional logistics; and
- j. other tasks in the trading sector in accordance with the provision of legislation.

#### Article 96

(1) In executing the tasks as meant in Article 95, regional governments shall be authorized to:

- a. stipulate trading policies and strategies in regions in the framework of executing the government policies;

- b. grant licensing transferred or delegated by the government to business communities in the trading sector;
  - c. manage trade information in region in the framework of executing trade information system;
  - d. foster and supervise trading activities in local region; and
  - e. execute other authority in the trading sector in accordance with the provision of legislation.
- (2) The implementation of authority of regional governments as meant in paragraph (1) shall be in accordance with policies stipulated by the government.

## CHAPTER XV

### NATIONAL TRADE COMMITTEE

#### Article 97

- (1) In order to drive up the accomplishment of objectives of trade regulation, the President may set up a national trade committee.
- (2) The national trade committee as meant in paragraph (1) shall be chaired by the Minister.
- (3) Members of the national trade committee shall consist of representatives of:
- a. the government;
  - b. institutions assigned to investigate anti-dumping and countervailing measures;
  - c. institutions assigned to conduct investigation in the framework of trade safeguard measures;
  - d. institutions assigned to grant recommendation about the protection of consumers;

- e. business communities or associations in the trading sector; and
  - f. academicians or experts in the trading sector.
- (4) The national trade committee shall be assigned to:
- a. grant inputs in determining policies and regulations in the trading sector;
  - b. grant consideration about trade financing policies;
  - c. grant consideration about national interest in recommendation about anti-dumping, countervailing and trade safeguard measures;
  - d. grant inputs and considerations in the settlement of domestic and foreign trade issues;
  - e. help the government supervise trade policies and practices in trade partner countries;
  - f. grant inputs in formulating the negotiation position in international trade cooperation;
  - g. help the government socialize policies and regulations in the trading sector; and
  - h. execute other tasks deemed necessary.
- (5) The costs needed for the implementation of the tasks of the national trade committee shall come from the State Budget of Revenue and Expenditure.
- (6) Further provision on the national trade committee shall be regulated by a presidential regulation.

## CHAPTER XVI

to be continued

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# TRADE

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## CHAPTER XVI

### SUPERVISION

#### Article 98

- (1) The government and regional governments shall be authorized to supervise trading activities.
- (2) In executing the supervision as meant in paragraph (1), the government shall stipulate supervisory policies in the trading sector.

#### Article 99

- (1) The supervision by the government as meant in Article 98 shall be executed by the minister.
- (2) In executing the supervision as meant in paragraph (1), the minister shall be authorized to:
  - a. prohibit tentatively the distribution of and/or order the withdrawal of goods from the distribution or discontinue the traded service not complying with the provision of legislation in the trading sector; and/or
  - b. revoke the licensing in the trading sector.

#### Article 100

- (1) In executing the supervision as meant in Article 99 paragraph (1), the Minister shall appoint supervisors in the trading sector.
- (2) In executing the supervision, the supervisors in

the trading sector shall be obliged to carry legitimate and official letter of assignment.

- (3) In exercising their authority, the supervisors as meant in paragraph (2) shall supervise at least:
  - a. licensing in the trading sector;
  - b. trade of goods which are supervised, prohibited and/or regulated;
  - c. distribution of goods and/or services;
  - d. registration of domestic products and imported goods in relations to security, safety, health and environment;
  - e. application of SNI, technical requirements or qualifications compulsorily;
  - f. registration of warehouse; and
  - g. storage of goods constituting basic need and/or important goods.
- (4) In the case of the alleged violation of activities in the trading sector being found, the supervisors as meant in paragraph (3) may:
  - a. recommend the withdrawal of goods from the distribution and/or the destruction of the goods;
  - b. recommend the discontinuation of trading business activities; or
  - c. recommend the revocation of license in the trading sector.

- (5) In the case of initial evidence of crime in the trading sector being found in the execution of the supervision as meant in paragraph (3), the supervisors shall report the case to investigator for follow up.
- (6) In executing their tasks, the supervisors as meant in paragraph (1) may coordinate with related institutions.

#### Article 101

- (1) The government may stipulate the trade of goods under supervision.
- (2) In stipulating the goods under supervision as meant in paragraph (1), the government may obtain inputs from business organizations.
- (3) The goods under supervision as meant in paragraph (1) shall be stipulated by a presidential regulation.

#### Article 102

Further provision on the execution of supervision over trading activities and supervision over goods stipulated as goods under supervision shall be regulated by a ministerial regulation.

### CHAPTER XVII

#### INVESTIGATION

#### Article 103

- (1) Besides investigators of the Police of the Republic of Indonesia, specified civil servants within government institutions and regional governments in

charge of trading affairs shall be granted special authority as civil servant investigator as meant in Code of Crime to conduct investigation in accordance with this law.

- (2) The civil servant investigators as meant in paragraph (1) shall be authorized to:
- a. receive report or complaint about an action allegedly constituting crime in the trading sector;
  - b. examine the truth of the report or information related to the alleged crime in the trading sector;
  - c. summon people, business entities or legal entities to obtain information and evidence in relations to the alleged crime in the trading sector
  - d. summon people, business entities or legal entities for testifying and investigation as witness or suspect in relations to the alleged crime in the trading sector;
  - e. audit bookkeeping, records and other documents related to the alleged crime in the trading sector;
  - f. examine, search and collect information related to the alleged crime in the trading sector;
  - g. examine and raid scene and specified places allegedly containing evidence as well as confiscate and/or seal goods resulting from the violation, which may be used as evidence in the alleged crime case in the trading sector;
  - h. put sign of security and secure goods con-

stituting evidence of the alleged crime in the trading sector;

- i. photograph and/or record through audio-visual media persons, goods, carriers or other objects which may be used as evidence of the alleged crime in the trading sector;
  - j. invite and seek assistance or information from specialists in the framework of executing the task of investigation into the alleged crime in the trading sector; and
  - k. discontinue the investigation in accordance with the provision of legislation.
- (3) In certain conditions, as long as it is related to customs affairs in accordance with the provision of legislation, the specified civil servant investigators within the government institution in charge of customs affairs shall be authorized to conduct investigation and inquiry in the trading sector in coordination with civil servant investigators in charge of trading affairs.
- (4) The civil servant investigators as meant in paragraph (1) shall submit dossier of result of investigation to public prosecutor through investigator of the Police of the Republic of Indonesia in accordance with the law regarding code of crime.
- (5) The investigation into crime in the trading sector may be coordinated by special unit which may be established by government institution in charge of trading affairs.

- (6) Technical guidance for the settlement of crime in the trading sector shall be stipulated by the minister.

## CHAPTER XVIII

### PENAL PROVISION

#### Article 104

Every business community not using or affixing Indonesian label in goods which are traded in the country as meant in Article 6 paragraph (1) shall be sentenced to 5 (five) years imprisonment at the maximum and/or shall be subject to a maximum fine of Rp5,000,000,000 (five billion rupiah).

#### Article 105

Distributors applying pyramid system in distributing the goods as meant in Article 9 shall be sentenced to 10 (ten) years imprisonment at the maximum and/or shall be subject to a maximum fine of Rp 10,000,000,000 (ten billion rupiah).

#### Article 106

Business communities undertaking trading business activities without the trade license issued by the Minister as meant in Article 24 paragraph (1) shall be sentenced to 4 (four) years imprisonment at the maximum and/or shall be subject to a maximum fine of Rp10,000,000,000 (ten billion rupiah).

## Article 107

Business communities saving goods constituting basic need and/or important goods in a specified quantity and period upon the scarcity of goods, fluctuation of price and/or traffic barriers in the trade of goods as meant in Article 29 paragraph (1) shall be sentenced to 5 (five) years imprisonment at the maximum and/or shall be subject to a maximum fine of Rp50,000,000,000 (ten billion rupiah).

## Article 108

Business communities manipulating data and/or information about stock of goods constituting basic need and/or important goods as meant in Article 30 paragraph (2) shall be sentenced to 4 (four) years imprisonment at the maximum and/or shall be subject to a maximum fine of Rp 10,000,000,000 (ten billion rupiah).

## Article 109

Producers or importers trading the goods related to security, safety, health and environment, which are not registered to the Minister as meant in Article 32 paragraph (1) letter a shall be sentenced to one year imprisonment at the maximum and/or shall be subject to a maximum fine of Rp5,000,000,000 (five billion rupiah).

## Article 110

Every business community trading goods and/or service stipulated as the goods and/or service for-

bidden for trade as meant in Article 36 shall be sentenced to 5 (five) years imprisonment at the maximum and/or shall be subject to a maximum fine of Rp5,000,000,000 (ten billion rupiah).

## Article 111

Every importer importing the goods in non new condition as meant in Article 47 paragraph (1) shall be sentenced to 5 (five) years imprisonment at the maximum and/or shall be subject to a maximum fine of Rp5,000,000,000 (five billion rupiah).

## Article 112

- (1) Exporters exporting the goods stipulated as goods forbidden for export as meant in Article 51 paragraph (1) shall be sentenced to 5 (five) years imprisonment at the maximum and/or shall be subject to a maximum fine of Rp 5,000,000,000 (five billion rupiah).
- (2) Importers importing goods stipulated as the goods forbidden for import as meant in Article 51 paragraph (2) shall be sentenced to 5 (five) years imprisonment at the maximum and/or shall be subject to a maximum fine of Rp 5,000,000,000 (five billion rupiah).

## Article 113

Business communities trading goods in the country, which fail to meet SNI or technical requirements already applied compulsorily as meant in Article 57 paragraph (2) shall be sentenced to 5 (five)

years imprisonment at the maximum and/or shall be subject to a maximum fine of Rp 5,000,000,000 (five billion rupiah).

#### Article 114

Service providers trading service in the country, which does not meet SNI, technical requirements or qualifications already applied compulsorily as meant in Article 60 paragraph (1) shall be sentenced to 5 (five) years imprisonment at the maximum and/or shall be subject to a maximum fine of Rp5,000,000,000 (five billion rupiah).

#### Article 115

Every business community trading goods and/or service by using electronic system not matching the data and/or information as meant in Article 65 paragraph (2) shall be sentenced to 12 (twelve) years imprisonment at the maximum and/or shall be subject to a maximum fine of Rp 12,000,000,000 (twelve billion rupiah).

#### Article 116

Every business community organizing trade exhibition by involving the promoted participants and/or products from other countries that do not secure license from the minister as meant in Article 77 paragraph (2) shall be sentenced to 3 (three) years imprisonment at the maximum and/or shall be subject to a maximum fine of Rp 5,000,000,000 (five billion rupiah).

## CHAPTER XIX

### CONCLUSION

#### Article 117

Following the enforcement of this law, the provisions ruling trade in Trade Ordinance of 1934, Statute Book of 1938 Number 86 shall be revoked and declared null and void.

#### Article 118

Following the enforcement of this law:

- a. Law Number 2 Prp Year 1960 on Warehousing (Statute Book of the Republic of Indonesia Year 1960 Number 14) as already amended by Law Number 11 Year 1965 regarding Stipulation of Government Regulation In Lieu of Law Number 5 Year 1962 on the Amendment to Law Number 2 Prp Year 1960 on Warehousing to become a law (Statute Book of the Republic of Indonesia Year 1965 Number 54, Supplement to Statute Book of the Republic of Indonesia Number 2759);
- b. Law Number 10 Year 1961 on Stipulation of Government Regulation In Lieu of Law Number 1 Year 1961 regarding Goods to become a law (Statute Book of the Republic of Indonesia Year 1961 Number 215, Supplement to Statute Book of the Republic of Indonesia Number 2210); and
- c. Law Number 8 Prp Year 1962 on Trade of Goods Under Supervision (Statute Book of the Republic of Indonesia Year 1962 Number 42, Supplement to Statute Book of the Republic of Indonesia Number 2469) shall be revoked and declared null and void.

## Article 119

Following the enforcement of this law, the whole legislation related to trade shall be declared to remain effective as long as they do not contravene the provision in this law.

## Article 120

Following the enforcement of this law, the whole authority in the trading sector, which is regulated in other laws before the enforcement of this law shall be executed in coordination with the Minister.

## Article 121

The implementing regulations of this law shall be stipulated in no later than 2 (two) years from the date of promulgation of this law.

## Article 122

The law shall come into force as from the date of promulgation.

For public cognizance, the law shall be promulgated by placing it in State Gazette of the Republic of Indonesia.

Ratified in Jakarta,

On March 11, 2014

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

sgd

DR. H. SUSILO BAMBANG YUDHOYONO

Promulgated in Jakarta,

On March 11, 2014

THE MINISTER OF LAW AND HUMAN RIGHTS OF  
THE REPUBLIC OF INDONESIA

sgd

AMIR SYAMSUDIN

STATUTE BOOK OF THE REPUBLIC OF INDONESIA  
YEAR 2014 NUMBER 45

## ELUCIDATION

## ON

LAW NUMBER 7 YEAR 2014

REGARDING

TRADE

## I. GENERAL

National development in the economic sector is formulated and executed to enhance the public welfare through the implementation of economic democracy by principles of togetherness, just efficiency, sustainability, environmentally sound, independence as well as by preserving the balanced advancement and totality of national economy as mandated by the Constitution of 1945. In the perspective of the constitutional foundation, Indonesian national trade reflects a series of economic activities which are executed to create public welfare and social justice for the whole Indonesian people.

Trading activities constitute the main engine of national economic development which contribute supporting power to the increase in the production, creation of job opportunities, enhancement of export and foreign exchange, equitable distribution of income as well as the fortification of competitiveness of domestic products for national interest.

Indonesian national trade as the main engine of economy is not only limited to economic activities related to transactions of goods and/or service by business communities in the country or surpassing the territorial border of the state but also economic activities which must be executed by prioritizing to regulatory conception in the trading sector in accordance with the objectives of the establishment of Indonesia, namely a just and prosperous society as mandated in the preamble of the Constitution of 1945.

Since the independence of Indonesia on August 17, 1945, none of the laws have regulated traded holistically. Legal products equivalent to the law in the trading sector is Dutch colonial law, Trade Ordinance of 1934, rather regulating business licensing.

Efforts have been taken to formulate and replace Trade Ordinance of 1934, namely partial legislation in the trading sector, such as law on goods, law on warehousing, law on the trade of goods under supervision, law on warehouse receipt, and law on future commodity exchange. In relations thereto, it's necessary to enact a law synchronizing the whole leg-

islation in the trading sector to achieve the goal of a just and prosperous society as well as in response to situational developments of trade in the globalization era now and in the future.

Regulation in this law is intended to drive up the growth of national economy as well as is based on the principles of national interest, legal certainty, fair and healthy, business security, accountable and transparent, independence, benefit, simplicity, togetherness and environmentally sound.

Based on the objectives and principles, Law on Trade contains principal substances in accordance with the scope of regulation, covering domestic trade, foreign trade, border trade, standardization, trade through electronic system, trade protection and security, empowerment of cooperatives as well as micro, small- and medium-scale businesses, international trade cooperation, trade information system, tasks and authority of the government in the trading sector, national trade committee, supervision and investigation.

## II. ARTICLE BY ARTICLE

### Article 1

Sufficiently clear

### Article 2

#### Letter a

The principle "national interest" means every trading policy must prioritize to interests of the

nation, state and communities, above the other interests.

#### Letter b

The principle "legal certainty" means the provision of legislation is placed as the basis in every policy and control in the trading sector.

#### Letter c

The principle "just and healthy" means equal opportunity and position in business activities between producers, traders and other business communities in order to realize climate business climate so as to assure equal business certainty and opportunity.

#### Letter d

The principle "business security" means there is security guarantee for the whole business communities in every phase of business activities, starting from preparation for the execution of trading activity to the implementation of trading activity.

#### Letter e

The principle "accountable and transparent" means the implementation of trading activities must be accountable and transparent for communities in accordance with the provision of legislation.

#### Letter f

The principle "independence" means every

trading activity is executed without heavy dependence on other parties.

#### Letter g

The principle "partnership" means there is co-operation in business link in the trading sector directly or indirectly on the basis of mutually needing, mutual trust, mutual strengthening and mutually beneficial principles, which involve cooperatives, as well as micro, small- and medium-scale businesses and large-scale businesses and between the government and private.

#### Letter h

The principle "benefit" means the whole regulation of trading control and policies must be beneficial to national interest, particularly in realizing the desire for the public welfare.

#### Letter i

The principle "simplicity" means the facilitation of service for business communities as well as facilitation in the provision of true information for communities.

#### Letter j

The principle "togetherness" means the trade is executed collectively by the government, regional governments, business communities and communities.

## Letter k

The principle “environmentally sound” means trading policy is executed by observing the conservation of environment and sustainable development.

## Article 3

Sufficiently clear

## Article 4

## Paragraph (1)

Sufficiently clear

## Paragraph (2)

## Letter a up to Letter k

Sufficiently clear

## Letter l

Other service is intended to anticipate the need and developments of trade in the future.

## Paragraph (3)

Sufficiently clear

## Article 5

Sufficiently clear

## Article 6

## Paragraph (1)

“Indonesian-language label” means every information about goods in the form of writing in the Indonesian language, combination of pictures and

writing in the Indonesian language, or other form containing information about goods and information about business communities, as well as other information affixed to goods, included into, labeled to goods, printed in goods and/or constituting a part of goods.

## Paragraph (2)

Sufficiently clear

## Article 7

## Paragraph (1)

Indirect distribution means the distribution of goods which is executed by distributor to consumers through general distribution chain so that every distributor may obtain:

- a. margin (distributor, sub-distributor, producer, supplier, retailer and mobile trader); and/or
- b. commission (agent, sub-agent and mobile trader).

“Direct Distribution” means the distribution of goods by direct sales system or using special distribution system.

Distributor means business communities distributing goods in the country and to other countries, among others, distributor, agent, exporter, importer, producer, supplier, sub-distributor, sub-agent and retailer.

## Paragraph (2)

Sufficiently clear

## Paragraph (3)

Direct sales is a special selling system of goods through marketing network developed by business partners that work on the basis of commission and/or bonus, which is based on the proceeds of sales to consumers outside retail location.

Single-level direct sales mean the sales of specified goods not through hierarchical marketing network.

Multi-level direct sales mean the sales of specified goods through hierarchical marketing network developed by business partners working on the basis of commission and/or bonus, which is based on the selling proceeds of goods to consumers.

## Article 8

Exclusive distribution right means a right to distribute goods owned by only one company in Indonesian territory, which is obtained from agreement with the owner of the trade mark or ownership on trade mark.

## Article 9

Pyramid scheme means a term/name of business activity not resulting from the sales of goods. The business activity utilizes participation opportunity of business partner to secure compensation or income, especially from the participation cost of other people that join later or following the involvement of the business partner.

## Article 10

Economic and business ethic means economic and business principle and behavior of distributors can result in an economic condition and reality having characteristic of fair and just competition as well as boosting the growth of economic morale and competitiveness in a bid to create an atmosphere conducive to economic empowerment, which favors smallholders through sustainable policy.

## Article 11

Sufficiently clear

## Article 12

## Paragraph (1)

## Letter a

Smallholder market is a business place arranged, built and managed by the government, regional government, private, state-owned business entity and/or regional administration-owned business entity, which may be in the form of shops, kiosks, stalls and tents owned/managed by small and medium-scale businesses, self-managed communities or cooperatives as well as micro, small and medium-scale businesses with the sales and purchase of goods executed through bargaining.

## Letter b

Shopping center means a specified area consisting of one or several buildings established vertically or horizontally, which is sold or rent to business

communities or managed directly for the trade of goods.

Letter c

Supermarket means a shop having independent service system, selling various kinds of goods by retail, which is in the form of minimarket, supermarket, department store, hypermarket, grocery in the form of wholesales.

Letter d and Letter e

Sufficiently clear

Letter f

Commodity Auction Center is a physical market organized for sellers and buyers in order to execute transactions of commodities through auction system with the delivery of commodities.

Letter g

Future commodity exchange is a system and/or instrument of the sales and purchase of commodities on the basis of future contract, sharia derivative contract and/or other derivative contract.

Letter h

Other trading instruments are in the form of agribusiness terminal, regional distribution center, provincial distribution center or other trading facilities as a transaction center or storage center of goods

which grows in accordance the growth of era in the future.

Paragraph (2)

Sufficiently clear

Article 13

Sufficiently clear

Article 14

Paragraph (1)

Supplier is a business community supplying regularly goods to retailer with a view of re-sales through business cooperation.

Retailer is individual or business entity with the main activity selling directly to end consumer.

Paragraph (2)

Spatial management is a form of spatial structure and pattern as meant in the law regarding spatial management.

Paragraph (3)

Sufficiently clear

Article 15

Sufficiently clear

Article 16 up to Article 19

Sufficiently clear

## Article 20

## Paragraph (1)

Competent technician is technical officer providing specified service, who is required to have certificate in accordance with his/her expertise on the basis of the provision of legislation.

## Paragraph (2) and Paragraph (3)

Sufficiently clear

## Article 21 through Article 23

Sufficiently clear

## Article 24

## Paragraph (1)

Trade licensing includes business license, special license, recognition and approval.

## Paragraph (2)

Sufficiently clear

## Paragraph (3)

The exception from the obligation to have licensing in the trade sector is granted to micro business.

## Paragraph (4)

Sufficiently clear

## Article 25

## Paragraph (1)

Goods constituting basic need are goods related to livelihood of the public at large with the high scale of fulfillment of the need as well as becoming a factor supporting the people's welfare such as rice, sugar, cooking oil, butter, beef, chicken meat, egg, milk, corn, soybean and ionized salt.

Important goods mean strategic goods playing important role in determining the smooth execution of national development, such as fertilizer, cement, as well as fuel oil and gas.

Adequate quantity means the quantity of goods constituting basic needs and/or important goods, which are needed by communities, is available throughout the territory of the Unitary State of the Republic of Indonesia.

## Paragraph (2) and Paragraph (3)

Sufficiently clear

## Article 26

## Paragraph (1) and Paragraph (2)

Sufficiently clear

## Paragraph (3)

Stipulation of price policy means a guidance of the government in stipulating price at the level of producers and consumers.

## Article 27

Sufficiently clear

## Article 28

Other source means budget obtained from grant or assistance not binding assistance and not affecting state sovereignty.

## Article 29

## Paragraph (1)

The prohibition is intended to avoid the hoarding of goods which would irk consumers to obtain goods constituting basic needs and/or important goods.

## Paragraph (2) and Paragraph (3)

Sufficiently clear

## Article 30 and Article 31

Sufficiently clear

## Article 32

## Paragraph (1)

## Letter a

Registration of goods is only applied to products other than food, beverage, medicine, cosmetic, household medical logistics (PKRT), medical appliance and excisable goods because the goods have been regulated on the basis of other legislation.

## Letter b

Goods distributed in the country without labeling the registration identity are withdrawn from the distribution because the goods constitute illegal

goods.

## Paragraph (2) and Paragraph (3)

Sufficiently clear

## Paragraph (4)

The recognized standards or technical specifications other than SNI are, among others, part of SNI requirements, , Standard of International Organization for Standardization (ISO) or International Electro technical Commission (IEC) and other international standards/guidance related to food security, which is issued by CODEX Alimentarius.

## Paragraph (5) and Paragraph (6)

Sufficiently clear

## Article 33 up to Article 38

Sufficiently clear

## Article 39

## Letter a

Cross border supply means the provision of service from a country to another country, such as on-line purchase (in network) or call center.

## Letter b

Consumption abroad is the provision of service in the territory of a country to serve consumer from other country, such as lecture abroad or hospital treatment abroad.

## Letter c

Commercial presence means the provision of service by service provider from a country through commercial presence in the territory of other country, such as foreign bank opening branch in Indonesia or foreign hotel establishing joint venture business with Indonesian business communities to open hotel in Indonesia.

## Letter d

Movement of natural persons is the provision of service by individual citizen coming into territory of other country tentatively, such as Indonesian citizen departing to other country to become security officer, nurse or worker in the construction sector.

## Article 40

Sufficiently clear

## Article 41

## Paragraph (1)

Force majeure is among other war, riot and natural disaster.

## Paragraph (2)

Sufficiently clear

## Article 42

## Paragraph (1)

Exporter excluded from the obligation to secure the application as exporter is among others rep-

resentative of foreign country, government institution for the humanitarian purpose, sample of goods for exhibition or marketing, and goods for research interest.

## Paragraph (2)

Sufficiently clear

## Article 43

## Paragraph (1)

Exporter responsible fully for the exported goods mean the exporter is responsible for the whole consequences arising from the exported goods.

In the practice, exporter may export through agent or involve other party in exporting goods but responsibility for the exported goods continues to reside on the business community already stipulated as exporter by the minister.

## Paragraph (2)

Exporter not responsible for the exported goods means the exporter not exporting goods in accordance with contract.

## Paragraph (3)

Sufficiently clear

## Article 44

to be continued

(R)

# TRADE

(Law Number 7 Year 2014 dated March 11, 2014)  
[Continued from Business News No. 8557 page 35-48]

## Article 44

Sufficiently clear

## Article 45

### Paragraph (1)

Sufficiently clear

### Paragraph (2)

In certain condition means the import is not destined to the trade or transfer and is not executed continually.

### Paragraph (3)

Sufficiently clear

## Article 46

### Paragraph (1)

Importer responsible fully for the imported goods means importer is deemed as producer of the imported goods so that the importer is responsible for the whole consequences arising from the exported goods.

In the practice, importer may import through agent or involve other party in importing goods but responsibility for the imported goods still resides on

business community having identity as importer.

Paragraph (2) and Paragraph (3)

Sufficiently clear

## Article 47

### Paragraph (1)

Sufficiently clear

### Paragraph (2)

In certain condition means goods needed by business communities in the form of non-new capital goods have not been fulfilled from the domestic source thus needing to be imported in the framework of the production of industry for the development of export, enhancement of the competitiveness, business efficiency, investment and relocation of industry, infrastructure development and/or re-export. Apart from that, in the case of the occurrence of natural disaster, non-new goods or equipment as well as non new goods for other purpose in accordance with the provision of legislation being needed in the framework of restoration and re-construction

Paragraph (3) and Paragraph (4)

Sufficiently clear

Article 48 up to Article 52

Sufficiently clear

Article 53

Paragraph (1)

Sufficiently clear

Paragraph (2)

Unless otherwise stipulated by the minister means the minister may make an excuse in stipulating measure other than destruction or re-exported, such as goods stipulated as goods controlled by the state.

Article 54 up to Article 64

Sufficiently clear

Article 65

Paragraph (1) up to Paragraph (4)

Sufficiently clear

Paragraph (5)

Other dispute settlement mechanism is among other consultation, negotiation, conciliation, mediation, or arbitration in accordance with the provision of legislation.

Paragraph (6)

Sufficiently clear

Article 66 and Article 67

Sufficiently clear

Article 68

Paragraph (1)

Defense means a measure taken to protect and secure domestic industry from any threat of regulation, unfair trade accusation and/or accusation of the surge of import from trade partner country against national exported goods.

Paragraph (2)

Sufficiently clear

Article 69 up to Article 72

Sufficiently clear

Article 73

Paragraph (1)

Sufficiently clear

Paragraph (2)

The granting of facility means the granting of facilities to cooperatives as well as micro, small and medium-scale businesses to facilitate business, such as the improvement of shops or kiosk, the granting of trade carriage, cool box and tent. In this case, the incentive is among others the acceleration of the granting of business license, relief of registration cost of intellectual property right, halal certificate as well as exhibition facilities in the country and abroad.

Technical counseling is counseling granted to cooperatives as well as micro, small and medium-scale businesses in a bid to enhance technical knowledge

and capability to develop products and their business, among others in the field of packaging, financial management, entrepreneurship and export training.

Promotion and marketing assistance is among others involving cooperatives as well as micro, small and medium-scale businesses in exhibition, business gathering between cooperatives and micro, small and medium-scale businesses and supermarkets / buyers, as well as trade mission activities.

#### Paragraph (3)

Other party means university, business communities, business association and other stakeholders.

#### Paragraph (4)

Sufficiently clear

#### Article 74

##### Paragraph (1) up to Paragraph (3)

Sufficiently clear

#### Paragraph (4)

Other party means university, business communities, business association and other stakeholders.

#### Paragraph (5)

Sufficiently clear

#### Article 75

Sufficiently clear

#### Article 76

Coordinating means an activity notifying and discussing the implementation or participation in trade promotion abroad with representative of the Republic of Indonesia abroad in the country where the trade promotion is executed, starting from the phase of planning, organization, execution and evaluation in order to facilitate the trade promotion.

#### Article 77

Sufficiently clear

#### Article 78

##### Paragraph (1)

Facility is a facility which may be provided by the government and/or regional governments to facilitate the implementation of trade exhibition. The facility may be in the form of place, data, trade payment information, provision of credit and connectivity.

Relief means a measure of the government and/or regional governments which is granted to facilitate the implementation of trade exhibition. The relief is among others the relief in obtaining approval of the implementation of trade exhibition and export approval for the promoted goods, if necessary.

##### Paragraph (2)

Sufficiently clear

##### Paragraph (3)

Mutually supporting means cooperation between the government and regional government to

provide mutual support in the execution of trade exhibition.

#### Article 79

##### Paragraph (1)

Indonesia imaging campaign is intended to build image of the state in nation branding and for the purpose, the implementation coordinates with the minister and may be done simultaneously with coordination of trade exhibition.

##### Paragraph (2) up to Paragraph (4)

Sufficiently clear

#### Article 80

##### Paragraph (1)

The establishment of trade promotion board abroad is intended to promote goods and/or service of Indonesian products as well as drive up investment and tourism.

##### Paragraph (2)

Related ministers are the minister of foreign affairs, minister in charge of financial affairs as well as minister in charge of the empowerment of state apparatuses and bureaucratic reforms.

##### Article 81 up to Article 83

Sufficiently clear

#### Article 84

##### Paragraph (1) up to Paragraph (3)

Sufficiently clear

##### Paragraph (4)

Deliberation in the framework of making decision on international trade agreement in the House of Representatives is executed by commission in charge of trading affairs and the approval is executed through a plenary meeting of the House of Representatives.

##### Paragraph (5) up to Paragraph (7)

Sufficiently clear

##### Article 85 up to Article 88

Sufficiently clear

#### Article 89

##### Paragraph (1)

Sufficiently clear

##### Paragraph (2)

Data and/or information about domestic trade and foreign trade include supply and price of goods constituting basic needs and/or important goods, market opportunities in the country and abroad, export, import, profile of business communities, potential of regional trade, products and licensing.

Paragraph (3)

Sufficiently clear

Article 90 up to Article 100

Sufficiently clear

Article 101

Paragraph (1)

Sufficiently clear

Paragraph (2)

Business organization is an organization regulated by law.

Paragraph (3)

Sufficiently clear

Article 102 up to Article 122

Sufficiently clear

SUPPLEMENT TO STATUTE BOOK OF  
THE REPUBLIC OF INDONESIA NUMBER 5512

(R)