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AUTHORIZED TRANSLATION  
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**REGULATION OF THE MINISTER OF TRADE OF THE REPUBLIC OF  
INDONESIA**

**NUMBER: 70/M-DAG/PER/12/2013**

**CONCERNING  
GUIDELINES FOR STRUCTURING AND GUIDANCE OF THE TRADITIONAL  
MARKET, SHOPPING CENTER AND MODERN SHOP**

**BY THE GRACE OF ALLAH THE ONE SUPREME GOD  
THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA,**

- Considering :
- a. that the increasing business growth of the Traditional Market, Shopping Center and Modern Shop is necessary to be followed by the improvement of the business certainty and business orderliness;
  - b. that in order to optimize the structuring and guidance of the Traditional Market, Shopping Center and Modern Shop, it is necessary to regulate the provisions concerning the Traditional Market, Shopping Center and Modern Shop as regulated in the Regulation of the Minister of Trade Number 53/M-DAG/PER/12/2008;
  - c. that based on the considerations as meant in letter a and letter b, it is necessary to enact the Regulation of the Minister of Trade concerning the Guidelines for the Structuring and Guidance of the Traditional Market, Shopping Center and Modern Shop;

- In view of :
1. *Bedrijfsreglementerings Ordonnantie of 1934 (State Gazette of 1938 Number 86);*
  2. Law Number 3 of 1982 concerning Compulsory Company Registration (State Gazette of the Republic of Indonesia of 1982 Number 7, Supplement to the State Gazette of the Republic of Indonesia Number 3214);
  3. Law Number 5 of 1999 concerning Prohibition of Unhealthy Monopoly and Business Competition Practices (State Gazette of the Republic of Indonesia of 1999 Number 33, Supplement to the State Gazette of the Republic of Indonesia Number 3817);
  4. Law Number 32 of 2004 concerning Local Government (State Gazette of the Republic of Indonesia of 2004 Number 125, Supplement to the State Gazette of the Republic of Indonesia Number 4437) as has been amended several times and latest with Law Number 12 of 2008 (State Gazette of the Republic of Indonesia of 2008 Number 59, Supplement to the State Gazette of the Republic of Indonesia Number 4844);
  5. Law Number 25 of 2007 concerning Investment (State Gazette of the Republic of Indonesia of 2007 Number 67, Supplement to the State Gazette of the Republic of Indonesia Number 4724);
  6. Law Number 29 of 2007 concerning Provincial Government of the Jakarta Capital City as Capital City of the Unitary State of the Republic of Indonesia (State Gazette of the Republic of Indonesia of 2007 Number 93, Supplement to the State Gazette of the Republic of Indonesia Number 4744);
  7. Law Number 20 of 2009 concerning Micro, Small and Medium Scale Enterprises (State Gazette of the Republic of Indonesia of 2008 Number 93, Supplement to the State Gazette of the Republic of Indonesia Number 4866);

8. Law Number 39 of 2008 concerning State Ministry (State Gazette of the Republic of Indonesia of 2008 Number 166, Supplement to the State Gazette of the Republic of Indonesia Number 4916);
9. Law Number 32 of 2009 concerning Environmental Protection and Management (State Gazette of the Republic of Indonesia of 2009 Number 140, Supplement to the State Gazette of the Republic of Indonesia Number 5059);
10. Government Regulation Number 38 of 2007 concerning Allocation of Administration Affairs among the Government, Provincial Government and Regency/City Government (State Gazette of the Republic of Indonesia of 2007 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 4737);
11. Presidential Regulation Number 112 of 2007 concerning the Structuring and Guidance of the Traditional Market, Shopping Center and Modern Shop;
12. Presidential Decree Number 84/P of 2009 concerning Formation of the United Indonesia Cabinet II as has been amended with the Presidential Decree Number 59/P of 2011;
13. Regulation of the President of the Republic of Indonesia Number 47 of 2009 concerning Formation and Organization of the State Ministry as has been amended several times and latest with the Regulation of the President of the Republic of Indonesia Number 55 of 2013;
14. Presidential Regulation Number 24 of 2010 concerning the Position, Duties and Functions of the State Ministry and Organization Structure, Duties and Functions of Echelon I of the State Ministry as has been amended several times and latest with the Presidential Regulation Number 56 of 2013;

15. Presidential Regulation Number 36 of 2010 concerning Lists of Closed Business Sectors and Open Business Sectors with Requirements in the Investment Sector;
16. Presidential Regulation Number 24 of 2010 concerning the Position, Duties and Functions of the State Ministry and Organization Structure and Duties of Echelon I of the State Ministry as has been amended several times and latest with the Presidential Regulation Number 56 of 2013;
17. Decree of the Minister of Trade and Industry Number 23/MPP/Kep/1/1998 concerning Trade Business Institutions;
18. Regulation of the Minister of Trade Number 36/M-DAG/PER/9/2007 concerning Issuance of the Trade Business License as has been amended several times and latest with the Regulation of the Minister of Trade Number 39/M-DAG/PER/12/2011;
19. Regulation of the Minister of Trade Number 31/M-DAG/PER/7/2010 concerning Organization and Work System of the Ministry of Trade as has been amended with the Regulation of the Minister of Trade Number 57/M-DAG/PER/8/2012;
20. Regulation of the Minister of Trade Number 53/M-DAG/PER/9/2012 concerning the Organizing of Franchise;
21. Regulation of the Minister of Trade Number 68/M-DAG/PER/10/2012 concerning Franchise for the Modern Shop Business Type;
22. Regulation of the Minister of Trade Number 35/M-DAG/PER/7/2013 concerning Affixing of the Traded Commodity Price and Service Tariff;
23. Regulation of the Minister of Trade Number 48/M-DAG/PER/8/2013 concerning the Development and Management of Trade Distribution Means;

HAS DECIDED:

To Stipulate : THE REGULATION OF THE MINISTER OF TRADE CONCERNING GUIDELINES FOR STRUCTURING AND GUIDANCE OF THE TRADITIONAL MARKET, SHOPPING CENTER AND MODERN SHOP.

## **CHAPTER I GENERAL PROVISIONS**

### **Article 1**

The meaning of the following in this Regulation of the Minister is as follows:

1. Business actor is each individual or business entity, either in form of legal entity or non-legal entity that is established and domiciled or conducts the business activities within the legal territory of the Republic of Indonesia, either individually or jointly through the agreement to implement the business activities in various economic sectors.
2. Market is the buying and selling location area of goods with more than one seller, either which is referred to as the Shopping Center, Traditional Market, Shops Building, Mall, Plaza, Trade Center or others.
3. Traditional Market is the market developed and managed by the Government, Local Government, Private Sector, State Owned Company and Regional Owned Company, including the cooperation with the private sector with the business location in form of Shops, Kiosks, Stalls and Tents that are owned/managed by small or medium scale traders, community self support or cooperatives with small scale business, small capital and with the buying and selling process of traded goods through bargaining.
4. Shopping Center is a certain area consisting of one or several buildings that are vertically or horizontally built

and sold or rented to business actors or that are self managed to implement trading of goods activities.

5. Shop is a building with business function that is used to sell goods and only consists of one seller.
6. Modern Shop is a shop with the self service system, sells various types of goods by way retail and is in form of Minimarket, Supermarket, Department Store, Hypermarket or wholesaler in form of grocery.
7. Management of the Modern Shop Network is the business actor that carries out the business activities through one unit of management and distribution system of goods to the outlets/booths that are the network.
8. Supplier is the business actor that regularly supplies goods to the Modern Shop with the objective to be resold through the business cooperation.
9. Micro, Small and Medium Scale Enterprises, hereinafter referred to as UMKM, are economic activities of micro, small and medium scale, as meant in the Law concerning Micro, Small and Medium Scale Enterprises.
10. Partnership is the cooperation in relation to business, either directly or indirectly, based on the principle of mutual need, trust, strength and profit between micro, small and medium scale business actors and large scale business actors.
11. Trading Terms are terms in the cooperation agreement between the Supplier and Modern shop and/or Modern Shop Network Management, which is associated to the supply of goods traded in the concerned Modern Shop.
12. The Traditional Market Business License, hereinafter referred to as IUPPT, is the license used in order to be able to implement the Traditional Market business management.
13. The Shopping Center Business License, hereinafter

- referred to as IUPP, is the license used in order to be able to implement the Shopping Center business management.
14. The Modern Shop Business License, hereinafter referred to as IUTM, is the license used in order to be able to implement the Modern Shop business management.
  15. The IUPPT, IUPP and IUTM Issuance Official, hereinafter referred to as Issuance Official, is the Governor for the Provincial Government of the Jakarta Capital City Special Area and the Bupati/Mayor.
  16. Minister is the minister who organizes the administration affairs in the Trade sector

## **CHAPTER II**

### **ESTABLISHMENT OF THE TRADITIONAL MARKET, SHOPPING CENTER AND MODERN SHOP**

#### **Article 2**

- (1) The establishment of the Traditional Market, Shopping Center and Modern Shop should follow the guidelines at the Area Spatial Layout and Detailed Area Spatial Layout of the Province/Regency/City, including the Zoning Regulation.
- (2) The Zoning Regulation, as meant in paragraph (1), is determined by the local Governor or Bupati/Mayor by considering the spatial utilization in the framework of maintain the balance among the total Traditional Markets and Shopping Centers and Modern Shops.
- (3) The Composition of each Zoning Regulation should be customized with the allocation of such zone, as contained in the Special Layout Detailed Plan.

#### **Article 3**

- (1) The total Traditional Markets, Shopping Centers and Modern Shops, as well as the distance between the

Shopping Centers and Modern Shops and the Traditional Markets or traditional retail shops is determined by the Local Government.

- (2) The establishment of the Traditional Market, Shopping Center and Modern Shop should follow the provisions determined by the Local Government, as meant in paragraph (1).
- (3) In determining the total and distance, as meant in paragraph (1), the Local Government should consider the following:
  - a. density level and population growth in the respective areas in accordance with the latest year data of the Central Board of Statistics (BPS);
  - b. economic potential of the local area;
  - c. accessibility to the area (traffic flow);
  - d. security support and availability of infrastructures;
  - e. expansion of new settlements;
  - f. life pattern of the local community; and/or
  - g. working hours of the Modern Shops that synergize and not shut down the traditional shop businesses in the surroundings.

#### **Article 4**

- (1) The Business Actor may establish the:
  - a. Stand-alone Shopping Center and Modern Shop; and/or
  - b. Modern Shop that is integrated with the Traditional Market, Shopping Center or other buildings/areas.
- (2) The Business actor, who establishes the Shopping Center and Modern Shop, as meant in paragraph 1 letter a, should complete the analysis documents on the social economic condition of the local community, which include the:
  - a. structure of population according to the livelihood



and education;

- b. economic income level of households;
- c. density and growth rates of the population in the respective areas in accordance with the latest year data of census of the Central Board of Statistics (BPS);
- d. plan of Partnership with UMKM;
- e. absorption of manpower;
- f. resilience and growth of the Traditional Market as means for UMKM;
- g. availability of social facilities and public facilities;
- h. positive and negative impacts due to the establishment of the Shopping Center and Modern Shop toward the already existing Traditional Market or traditional retail shops; and
- i. *corporate Social Responsibility* directed toward the mentoring for the Traditional Market management.

(3) The Business Actor who establishes the Modern Shop that is integrated with the Traditional Market, Shopping Center or other buildings/areas, as meant in paragraph 1 letter b, should complete the analysis documents on the social economic condition of the local community, which includes the:

- a. plan of Partnership with UMKM;
- b. absorption of manpower;
- c. resilience and growth of the Traditional Market as means for UMKM;
- d. positive and negative impacts due to the establishment of the Shopping Center and Modern Shop toward the already existing Traditional Market or traditional retail shops; and
- e. *corporate Social Responsibility* that is directed toward the mentoring for the Traditional Market

management.

- (4) Analysis on the social economic condition, as meant in paragraph (2) and paragraph (3), is carried out by the competent agency/institution.
- (5) The agency/institution, as meant in paragraph (4), may be in form of an education institution, research institution or consultancy institution.

#### **Article 5**

The Business Actor who establishes the Modern Shop in form of *Minimarket* is excluded from the completeness of the analysis documents on the social economic condition of the community, as meant in Article 4, by still considering the density and growth rates of the population in the respective areas in accordance with the latest year census data of the Central Board of Statistics.

#### **Article 6**

The extent of Modern Shop sales floor covers the following:

- a. *Minimarket*, less than 400 m<sup>2</sup> (four hundred square meters);
- b. *Supermarket*, more than 400 m<sup>2</sup> (four hundred square meters);
- c. *Department Store*, more than 400 m<sup>2</sup> (four hundred square meters);
- d. *Hypermarket*, more than 5,000 m<sup>2</sup> (five thousand square meters); and
- e. Grocery, more than 5,000 m<sup>2</sup> (five thousand square meters).

#### **Article 7**

The sales system and types of traded goods that should be applied in the Modern Shop covers the following:

- a. *Minimarket*, *Supermarket* and *Hypermarket* sell by way of

retail various consumption goods, particularly food products and/or other household products, which may be in form of building materials, furniture and electronics;

- b. *Department Store* sells by way of retail various types of consumption goods, particularly clothing and its outfits with the arrangement based on sex and/or age level of the consumers; and
- c. Grocery sells by way of wholesale various types of consumption goods.

### **Article 8**

- (1) The Modern Shop may only sell primary business supporting goods of maximum 10% (ten percent) of the overall total of goods sold in the Modern Shop outlets/stalls.
- (2) The Minister may in certain cases provide the license for selling primary business supporting goods of more than 10% (ten percent) after considering the recommendation from the Structuring and Guidance Communication Forum of Traditional Markets, Shopping Centers and Modern Shops.
- (3) The Communication Forum, as meant in paragraph (2) is formed by the Minister with members consisting of stakeholders in the sectors of Traditional Market, Shopping Center and Modern Shop.

## **CHAPTER III**

### **REQUIREMENTS OF TRADE BETWEEN THE SUPPLIER AND MODERN SHOP**

#### **Article 9**

- 1. The cooperation agreement between the Supplier and Modern Shop should contain the minimum Requirements concerning the following:

- a. the Supplier may only be charged for costs that are directly related to the sales of goods;
- b. the total costs to be charged, as meant in letter a, is maximum 15% (fifteen percent) of the overall trading terms costs but excluding the regular discount, unless otherwise determined based on the agreement commonly agreed upon between the Supplier and Modern Shop;
- c. the Supplier and Modern Shop jointly prepare the promotion plan, either for new goods or old goods for the term already agreed upon;
- d. the use of the distribution service carried out by the Modern Shop may not be forced on the Supplier who may supply the goods by itself as long as it complies with the criteria (time, quality, price of goods, amount) that are agreed upon by both parties;
- e. the Supplier may be imposed a fine in case it does not comply with the amount and supply on time;
- f. the Modern Shop may be imposed a fine in case it does not comply with the payment on time;
- g. the fine, as meant in letter e and letter f is imposed in accordance with the agreement between both parties;
- h. the Modern Shop may return the goods that has just been marketed to the Supplier without being imposed sanction as long as after they have been evaluated, the target commonly agreed upon has not been achieved within the term of 3 (three) months; and
- i. the Modern Shop should provide written information at least 3 (three) before to the Supplier in case it will carry out the *stop order delisting* or reduce the types of goods or SKU (*Stock Keeping Unit*) on the

Supplier.

- (2) The charges that may be imposed, as meant in paragraph (1) letter a, are in form of:
- a. *regular discount*, which does not apply for the Supplier that applies the net price system transparently published to all Modern Shops and agreed upon with the Modern Shop;
  - b. *fixed rebate*, which is periodically carried out for maximum 3 (three) months and maximum 1% (one percent);
  - c. the amount of the *regular discount* or *fixed rebate* is determined based on the percentage of the sales transaction from the Supplier to the Modern Shop, either during the transaction or periodically;
  - d. *conditional rebate*, which is provided by the Supplier from the total *net purchase* including the re-tour of goods, in case the Modern Shop is able to achieve the or exceed the sales target in accordance with the trade agreement, with the sales criteria as follows:
    1. achieving the targeted amount in accordance with the agreement amounting to 100% (one hundred percent) obtains the conditional rebate of maximum 1% (one percent);
    2. in case the targeted amount is exceed to 101% (one hundred one percent) up to 115% (one hundred fifteen), then the excessive amount obtains the conditional rebate of maximum 5% (five percent); or
    3. in case the targeted amount is exceeded to more than 115% (one hundred fifteen percent), then the excessive amount obtains the rebate of maximum 10% (ten percent).
  - e. the *promotion discount* is provided to the customer

or final consumer within a limited period in accordance with the agreement between the Modern Shop and Supplier;

- f. the *promotion cost* charged to the Supplier by the Modern Shop is in accordance with the agreement between both parties, consisting of:
  1. promotion cost through the mass media or printed media, such as brochure or *mailer*, which is transparently and reasonably determined in accordance with the media tariff as well as other creativity costs;
  2. the *in-store promotion* cost is charged only for the promotion area outside the regular *display of the shop*, such as *floor display*, *gondola promotion*, *block shelving*, *checkout counter*, *wing gondola*, advertisement board inside and outside the shop and other places that are used as the promotion locations;
  3. The promotion cost to promote goods owned by the Supplier, such as *sampling*, demo of goods, gifts, *games*, and others;
  4. The costs that are deducted or discounted for the promotion activities is carried out maximum 3 (three) months after the program based on the confirmation of both parties; and
  5. The promotion cost that has not been used yet should be utilized for other promotion activities, either in concerned period or for the following period within the period of 3 (three) months in accordance with the agreement of both parties.
- g. the costs that are incurred for the promotion of new goods are already included in the promotion cost as meant in letter f;

- h. other costs outside the costs as meant in letter f are not allowed to be charged to the Supplier;
- i. The administration *listing fee* is only for new goods with the following amount of cost:
  - 1. maximum Rp. 150,000.- (one hundred fifty thousand rupiah) for *Hypermarket* for each type of goods at each outlet with the maximum cost of Rp. 10,000,000.- (ten million rupiah) for each type of goods at all outlets;
  - 2. maximum Rp. 75,000.- (seventy five thousand rupiah) for Supermarket for each type of goods at each outlet with the maximum cost of Rp. 10,000,000.- (ten million rupiah) for each type of goods at all outlets; and
  - 3. maximum Rp. 5,000.- (five thousand rupiah) for *Minimarket* for each type of goods at each outlet with the maximum cost of Rp. 20,000,000.- (twenty million rupiah) for each type of goods at all outlets.
- j. The change of administration listing fee, as meant in letter I, may be customized annually based on the development of inflation.

#### **Article 10**

The cooperation agreement between the Supplier and the *Department Store* should contain the Trading Terms, covering the following:

- a. The *trading terms* do not apply; and
- b. The Supplier to the *Department Store* is only charged the *margin* cost and may charged other costs in accordance with the agreement between both parties.

#### **Article 11**

The Shopping Center and Modern Shop should be fair and

reasonable in providing services to the business partners, either as owner, business room tenant or as Supplier, in accordance with the agreement between both parties.

#### **Article 12**

The amount of cost that is mentioned in the Rental Agreement or Buying and Selling Agreement between the Shopping Center and the owner or business room tenant inside the shopping center should be stated in the rupiah currency.

#### **Article 13**

- (1) The payment of goods by the Modern Shop to the Supplier that is carried out by the Micro Scale Enterprise and Small Scale Enterprise for the supply value of Rp. 10,000,000.- (ten million rupiah), may be carried out with direct payment in cash on the payment day or within the period of 15 (fifteen) days after all billing documents have been received.
- (2) The provision, as meant in paragraph (1) applies to 1 (one) outlet/stall or in the business network.
- (3) The Micro Scale Enterprise and Medium Scale Enterprise that supplies goods to the Modern Shop are exempted from the administration *listing fee*.

### **CHAPTER IV PARTNERSHIP**

#### **Article 14**

- (1) In conducting business, the Shopping Center and Modern Shop may establish the Partnership based on a written agreement that is agreed upon by both parties.
- (2) The Partnership is established with the principles of mutual profit, clear, reasonable, fair and transparent.
- (3) The Partnership Agreement should be made in the Indonesian language and based on the Indonesian law.



### **Article 15**

- (1) The Partnership in developing the UMKM at the Traditional Market, Shopping Center and Modern Shop may be carried out with the General Trade and/or Franchise pattern.
- (2) The Partnership with the General Trade pattern, as meant in paragraph (1) may be carried in form of:
  - a. marketing cooperation;
  - b. provision of business location; and/or
  - c. provision of supply.
- (3) The marketing cooperation, as meant in paragraph (2) letter a, may be established in form of marketing UMKM products that are packed or repacked with the trade mark of the product owner, trade mark of the Modern Shop or other marks agreed upon in the framework of increasing the sales value of the goods.
- (4) The provision of business location, as meant in paragraph (2) letter b, is carried out in form of providing business space inside the Shopping Center area for the micro scale enterprise and small scale enterprise in accordance with the allocation agreed upon.
- (5) The provision of supply, as meant in paragraph (2) letter c, is carried out in form of providing goods from the Supplier to the Traditional Market, Shopping Center and Modern Shop.
- (6) The partnership with Franchise pattern, as meant in paragraph (1), is carried out based on the legislative regulations concerning Franchise.

### **Article 16**

- (1) The Business Actor may establish the Modern Shop outlets/stalls that are self owned and managed (*company owned outlet*) with the maximum of 150 (one hundred fifty)

outlets/stalls.

- (2) In case the Business Actor has already owned 150 (one hundred fifty) Modern Shop outlets/stalls and is intended to further on add outlets/stalls, then the concerned should establish the Partnership as meant in Article 15.

#### **Article 17**

- (1) The Modern Shop should prioritize the supply of domestic goods that are produced by the UMKM as long as the requirements determined by the Modern Shop are fulfilled.
- (2) The development of Partnership between the Shopping Center and/or Modern Shop and the Traditional Market, is carried out by way of providing facilities in form of:
  - a. training;
  - b. consultation;
  - c. supply of goods;
  - d. capital; and/or
  - e. other forms of assistance.

### **CHAPTER V**

#### **TRADITIONAL MARKET MANAGEMENT**

#### **Article 18**

- (1) The Traditional Market management may be carried out by the Cooperative, Private Sector, State Owned Company (BUMN) and Regional Owned Company (BUMD).
- (2) The Minister, Governor and Bupati/Mayor, either individually or jointly carry out the empowerment of the Traditional Market management in the framework of improving the competition capacity.
- (3) The improvement of competition capacity, as meant in paragraph (2), is carried out in form of:
  - a. renovation or revitalization of the Traditional Market

building;

- b. application of professional management;
- c. provision of trading goods of good quality and with competitive prices; and/or
- d. facilitation of the financing process to the market traders in order to obtain working capital and credit for the business place ownership.

### **Article 19**

- (1) The Traditional Market management have among others the roles in form of:
  - a. adding the total supply of goods in the framework of stabilizing the price;
  - b. ensuring the compatibility of the weight and size standard (size order);
  - c. carrying out the guidance, mentoring and control on the traders; and
  - d. providing the business space for the traders.
- (2) The activities of guiding, mentoring and controlling the traders, as meant in paragraph (1) letter c, are carried out through:
  - a. improvement of services to the consumers, either on the quality of goods, hygiene, dosage, packing, presentation/set up of goods or in utilizing the market facilities;
  - b. the improvement of traders competence through education, training and counseling; and
  - c. formation of the traders' associations/groups in the framework of capturing the aspirations of traders.
- (3) In providing the business space for the traders, as meant in paragraph (1) letter d, the Traditional Market management should take account of the following:
  - a. placement of the traders is carried out fairly and transparently and should provide equal opportunity

- to the traders;
- b. zoning in accordance with the grouping of the traded goods;
  - c. placement of traders is directed to provide the priority scale to old traders who are already registered at the Market Management Office;
  - d. in case of excess or expansion of business place, then the priority scale is provided to:
    - 1. Old traders who are not in possession of the official license; or
    - 2. Traders who rent the business places from the official traders.
  - e. The allocation of the business place area is intended so that the business location of each trader has equal opportunities to be visited; and
  - f. Guidance to, management of and control on street vendors (PKL).

## **CHAPTER VI**

### **ROLES OF SHOPPING CENTER AND MODERN SHOP**

#### **Article 20**

The Shopping Center should provide or offer the “*counter image*” and/or proportional and strategic business spaces for the marketing of goods with domestic trade marks at a certain floor.

#### **Article 21**

- (1) The Modern Shop may market goods with its own trade mark (*private label* and/or *house brand*) by prioritizing the UMKM products.
- (2) The Modern Shop may only market maximum 15% (fifteen percent) of its trade mark goods of the overall traded goods (*stock keeping unit*) that are sold in the

Modern Shop outlets/stalls.

- (3) In marketing its own trade mark goods (*private label* and/or *house brand*), the Modern Shop is responsible to follow the provisions of the legislative regulations in the sectors of security, environmental health and safety (K3L), Right on Intellectual Property, goods in packed condition and/or provisions of other circulated goods.
- (4) The Modern Shop that sells the UMKM products with its own trade mark (*private label* and/or *house brand*) should indicate the name of UMKM that produces the goods.
- (5) The Modern Shop that sells goods with the criteria of not produced in Indonesia, goods with high quality and/or high technology, is excluded from the provision as meant in paragraph (2).

#### **Article 22**

- (1) The Shopping Center and Modern Shop should provide domestic produced trade goods of minimum 80% (eighty percent) of the total and types of the traded goods.
- (2) The Minister may in certain cases provide the license for providing domestic produced trade goods of less than 80% (eighty percent) after considering the recommendation from the Communication Forum for Structuring and Guiding the Traditional Market, Shopping Center and Modern Shop.

#### **Article 23**

The Modern Shop should clearly, easy readable and easy obvious indicate the price of goods.

### **CHAPTER VII LICENSING**

#### **Article 24**

- (1) The Business Actor who carries out the business activities

in the sectors of Traditional Market, Shopping Center and Modern Shop should be in possession of the business license as the legality.

- (2) The business license, as meant in paragraph (1), covers the following:
  - a. IUPPT for the Traditional Market;
  - b. IUPP for the Shop Building, *Mall*, Plaza and Trade Center; or
  - c. IUTM for the *Minimarket*, *Supermarket*, *Department Store*, *Hypermarket* and Grocery.

#### **Article 25**

- (1) The authority to issue the IUPPT, IUPP and IUTM is held by the Minister.
- (2) The Minister delegates the authority to issue the IUPPT, IUPP and IUTM to the Governor for the Provincial Government of the Jakarta Capital City Special Area and Bupati/Mayor.

#### **Article 26**

- (1) The Governor for the Provincial Government of the Jakarta Capital City Special Area and Bupati/Mayor delegate the authority to issue the IUPPT, IUPP and IUTM to the Head of Agency who is responsible in the trade sector or Head of the Local One Roof Integrated Service Unit.
- (2) In case the issuance process of IUPPT, IUPP, and IUTM is implemented by the One Roof Integrated Service Unit, then the Head of the One Roof Integrated Service Unit should submit the notification to the Head of Agency who is responsible in the Trade Sector.

#### **Article 27**

- (1) The request for the business license, as meant in Article

24, is submitted by the Applicant to the Issuance Official by filling in the request form, as contained in Appendix I, which is an inseparable part of this Regulation of the Minister, and should be completed with the requirement documents.

(2) The requirement documents, as meant in paragraph (1), consist of:

a. for self standing IUPPT:

1. photocopy of the principle license from the Governor of Provincial Government of the Jakarta Capital City Special Area or Bupati/Mayor;
2. result of analysis on the social economic condition of the community and recommendation from the authorized agency;
3. photocopy of location permit from the authorized agency;
4. photocopy of the Disturbance Law (HO);
5. photocopy of the Building Permit (IMB); and
6. photocopy of the company's establishment and/or amendment deed and its legalization for Limited Liability companies or Cooperative.

b. for self-standing IUPP and IUTM:

1. photocopy of the principle license from the Governor of the Provincial Government of the Jakarta Capital City Area or Bupati/Mayor;
2. result of analysis on the social economic condition of the community and recommendation from the authorized agency;
3. Photocopy of location permit from the authorized agency;
4. Photocopy of the Disturbance Law (HO);
5. Photocopy of the Building Permit (IMB);

6. Photocopy of the company's establishment and/or amendment deed and its legalization for Limited Liability companies or Cooperative; and
  7. Partnership Plan with Micro Scale Enterprise and Small Scale Enterprise.
- c. For IUPPT and IUTM that are integrated with the Shopping Center or other building/area:
1. result of analysis on the social condition of the community and recommendation from the authorized agency;
  2. Photocopy of IUPP of the Shopping Center or other building where the Traditional market or Modern Shop is located;
  3. Photocopy of the company's establishment and/or amendment deed and its legalization for Limited Liability Company or Cooperative; and
  4. Partnership Plan with Micro Scale Enterprise or Small Scale Enterprise for the Shopping Center or Modern Shop.
- (3) The format of the Partnership Plan, as meant in paragraph (2) letter b point 7 and letter c point 4 and as contained in Appendix II, are inseparable parts of this Regulation of the Minister.
- (4) The request, as meant in paragraph (1), is signed by the owner or responsible person of the company.

#### **Article 28**

- (1) The Issuance Official issues the business license within not later than 5 (five) working days effective as of the date of receiving the request letter and requirement documents correctly and completely by using the format, as contained in Appendix III, which is an inseparable part of this Regulation of the Minister.
- (2) In case the request, as meant in paragraph (1), is



assessed as not yet correct and complete, then the Issuance Official notifies the applicant on the rejection in writing including the reasons within not later than 3 (three) working days as of the date of receiving the request letter.

- (3) The company, which request is rejected, may resubmit the request for its business license accompanied by correct and complete requirement documents.

#### **Article 29**

- (1) The company that manages the Traditional Market, Shopping Center and Modern Shop, which have obtained the business license, as meant in Article 24, is not required to possess the Trade Business License (SIUP).
- (2) In case of change of the business location of the Traditional Market and Modern Shop, then the company's management/responsible person should submit the request for a new license.
- (3) The business license, as meant in Article 23 applies:
  - a. Only for 1 (one) business location; and
  - b. As long as the business activities are still carried at the same location.
- (4) The business license, as meant in paragraph (3) letter b, should be reregistered every 5 (five) years.

#### **Article 30**

The Traditional Market that is managed by the agency that handles market affairs is excluded to possess the IUPPT.

### **CHAPTER VIII REPORTING**

#### **Article 31**

- (1) The Issuance Official, as meant in:
  - a. Article 26 paragraph (1), should submit the report on the implementation of the business license to the

Governor of the Jakarta Capital City Special Area with copy to the Director General of Domestic Trade every month of July of the concerned year for the first semester and the month of January of the following year for the second semester;

- b. Article 26 paragraph (1), should submit the report on the implementation of the business license issuance to the Bupati/Mayor with copy to the Head of Provincial Agency in the sector of trade or Head of the local One Roof Integrated Service every month of July of the concerned year for the first semester and month of January of the following year for the second semester; and
  - c. The Head of the Provincial Agency, as meant in letter b, submits the report to the Governor with copy to the Director General of Domestic Trade every month of July of the concerned year for the first semester and month of January of the following year for the second semester.
- (2) The report on the implementation of the business license issuance, as meant in paragraph (1), covers the following:
- a. Total and types of business license that are issued;
  - b. Sales turnover of each outlet;
  - c. Total of UMKM as partners; and
  - d. Total manpower absorbed.

### **Article 32**

- (1) The business actor who is in possession of IUPPT, IUPP and IUTM should submit the report on:
- a. Total outlets in possession;
  - b. Sales turnover of all outlets;
  - c. Total UMKM as partners and the Partnership pattern; and
  - d. Total manpower absorbed

- (2) The report, as meant in paragraph (1), is submitted every semester to:
  - a. Head of Regency/City Agency in the sector of trade, except for the Provincial Government of the Jakarta Capital City Special Area; and
  - b. Head of the Provincial Agency in the sector of trade for the Provincial Government of the Jakarta Capital City Special Area.
- (3) The report, as meant in paragraph (2), is submitted every month of July of the concerned year for the first semester and every month of January of the following year for the second semester.

## **CHAPTER IX PROHIBITION**

### **Article 33**

- (1) The Modern Shop in form of *Minimarket* is prohibited to sell fresh products in bulk form.
- (2) The Modern Shop in form of *Minimarket*, which location is in the surroundings of settlements, religious service locations, terminals, stations, hospitals, youth centers and schools is prohibited to sell alcoholic drinks.
- (3) The Modern Shop is prohibited to force the UMKM producer, which is intended to market its product in the Modern Shop, to use the trade mark of the Modern Shop on the UMKM products that have its own trade mark.

## **CHAPTER X GUIDANCE AND CONTROL**

### **Article 34**

- (1) The Minister, Governor, and Bupati/Mayor, either individually or jointly, carries out the guidance and control on the management of the Traditional Market, Shopping

Center and Modern Shop.

- (2) The Minister delegates the guidance and control, as meant in paragraph (1) to the Director General of Domestic Trade.
- (3) The Director General of Domestic Trade, in implementing the guidance and control, may conduct the coordination with the related agencies at the central, provincial and regency/city levels.
- (4) Especially for the Province of Jakarta Capital City Special Area, the Governor of the Jakarta Capital City Special Area delegates the authority for the guidance and control, as meant in paragraph (1), in his working area, to the head of Agency who is responsible in the trade sector.
- (5) The Bupati/mayor delegates the authority for the guidance and control, as meant in paragraph (1), in his working area, to the Head of Agency who is responsible in the trade sector.

### **Article 35**

In the framework of guidance, as meant in Article 34, the Governor and Bupati/Mayor may:

- a. facilitate the UMKM so as to be able to comply with the quality standard of goods that are traded in The Modern Shop;
- b. Facilitate the implementation of partnership between the retailers and UMKM;
- c. Encourage the Modern Shop and Shopping Center to develop the marketing of UMKM goods; and/or
- d. Conduct the monitoring/evaluation on the existence of the Traditional Market, Shopping Center and Modern Shop in the region.

### **Article 36**

In the framework of guidance on the management of the

traditional Market, the Minister, Governor and Bupati/Mayor may:

- a. develop good management system for the Traditional Market;
- b. provide training and consultation to the traders at the Traditional Market;
- c. facilitate the cooperation between traders of the Traditional Market and Suppliers; and/or
- d. carry out the development and improvement of the Traditional Market means and infrastructures.

### **Article 37**

The Governor and Bupati/Mayor may conduct the coordination to:

- a. Anticipate the occurrence of problems in the management of the Traditional Market, Shopping Center and Modern Shop; and/or
- b. Take measures in the settlement of problems as impacts of the establishment of the Traditional Market, Shopping Center and Modern Shop.

## **CHAPTER XI SANCTION**

### **Article 38**

- (1) The Business Actors of the Shopping Center and Modern Shop who violates the provisions as meant in Article 8, Article 9, Article 10, Article 13 paragraph (1), Article 16, Article 20, Article 22 paragraph (1), Article 32 and Article 33, are imposed the administrative sanctions.
- (2) The administrative sanctions, as meant in paragraph (1), are provided in form of:
  - a. written warning;
  - b. freezing of business license; and

- c. revocation of business license
- (3) The freezing of the business license, as meant in paragraph (2) letter b, is imposed in case the written warning has been provided 3 (three) times consecutively with the grace period of 7 (seven) working days.
- (4) The revocation of the business license, as meant in paragraph (2) letter c, is carried out in case the Business Actor does not make improvements during the freezing of the business license within the period of maximum 3 (three) months.

#### **Article 39**

The Business Actor who violates the provisions, as meant in Article 23, is imposed the sanction in accordance with the provisions of the legislative regulations.

### **CHAPTER XII OTHER PROVISIONS**

#### **Article 40**

In case the implementation instructions of this Regulation of the Minister are needed, then they may be determined by the Director General of Domestic Trade.

### **CHAPTER XII TRANSITIONAL PROVISIONS**

#### **Article 41**

- (1) The management of the traditional Market, Shopping Center and Modern Shop that are already in operation but not in possession of the business license based on this Regulation of the Minister, should adjust the business license according to its allocation within the period of not later than 6 (six) months as of the effective date of this Regulation of the Minister.

- (2) The business cooperation agreement between the Supplier and Grocery, *Hypermarket*, *Department Store*, *Supermarket* and Minimarket Network Management that is running prior to the effective date of this Regulation of the Minister, remains effective until the expiration of such agreement.
- (3) The Business Actor of the Modern Shop that is already in operation and has more than 150 (one hundred fifty) self owned outlets/stalls prior to the effective date of this Regulation of the Minister, should adjust to the provision on total outlets/shops, as meant in Article 16, within not later than 5 (five) years.
- (4) The Business actor of the Modern Shop that is already in operation and marketing self trade mark goods of more than 15% (fifteen percent) of the overall total of traded goods that are sold in the outlets of the Modern Shop prior to the effective date of this Regulation of Minister, should adjust to this Regulation of the Minister within not later than 2 (two) years.
- (5) The Business Actor of the Shopping Center and Modern Shop that are already in operation and providing domestic sales products of less than 80% (eighty percent) prior to the effective date of this Regulation of the Minister, should adjust to this Regulation of the Minister within not later than 2 (two) years.

### **CHAPTER XIII**

#### **CLOSING PROVISIONS**

##### **Article 42**

At the time this Regulation of the Minister commences effective, the Regulation of the Minister of Trade Number 53/M-DAG/PER/12/2008 concerning the Guidelines for Structuring and Guiding the Traditional Market, Shopping Center and

Modern Shop is withdrawn and declared inapplicable.

**Article 43**

This Regulation of the Minister commences effective 6 (six) months as of the date of enactment.

For public cognizance, it is ordered to promulgate this Ministerial Regulation by publicizing the same in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta

on 12 December 2013

**MINISTER OF TRADE OF THE REPUBLIC OF  
INDONESIA,**

*signed*

**GITA IRAWAN WIRJAWAN**

Copy conforms to original  
Secretariat General  
Ministry of Trade  
Head of Legal Bureau,

**LASMININGSIH**

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Translated from Indonesian Language  
Jakarta, May 5, 2014  
Authorized and Sworn Translator,

**FIKRI SAID OBED**