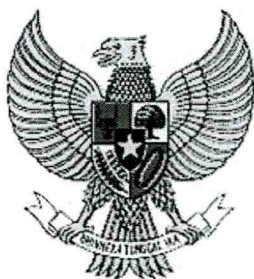


AUTHORIZED TRANSLATION



Minister of Trade of the Republic of Indonesia

REGULATION OF

MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

NUMBER: 32/M-DAG/PER/8/2008

REGARDING

MANAGEMENT OF TRADE BUSINESS ACTIVITY BY DIRECT SELLING SYSTEM

BY THE MERCY OF THE ONE SUPREME GOD

THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

Considering : a. that to arrange, increase business orderliness, protect consumer, provide legal certainty, and create a conducive business climate to support the increase in investment in the trade sector, it is necessary to regulate the management of trading activities by a direct selling system;

b. that in this respect, it is necessary to stipulate the Regulation of the Minister of Trade;

Recalling: : 1. *Bedrijfsreglementerings Ordonantie* 1934 (State Gazette of 1938 Number 86);

2. Law Number 7 Drt of 1955 regarding Economic Crime Investigation, Prosecution, and Justice (State Gazette of the



Republic of Indonesia of 1955 Number 27, Supplement Number 801) as already amended several times, recently by the Government Regulation in Lieu of Law Number 1 of 1971 (State Gazette of the Republic of Indonesia of 1971 Number 55, Supplement of State Gazette of the Republic of Indonesia Number 2966);

3. Law of the Republic of Indonesia Number 3 of 1982 regarding Company Register (the State Gazette of the Republic of Indonesia of 1982 Number 7, Supplement of State Gazette of the Republic of Indonesia Number 3214);
4. Law of the Republic of Indonesia Number 5 of 1999 regarding Prohibition of Monopoly Practice and Unfair Business Competition (State Gazette of the Republic of Indonesia of 1999 Number 33, Supplement of State Gazette of the Republic of Indonesia Number 3817);
5. Law of the Republic of Indonesia Number 8 Of 1999 regarding Consumer Protection (State Gazette of the Republic of Indonesia Of 1999 Number 42, Supplement of State Gazette of the Republic of Indonesia Number 3821);
6. Law of the Republic of Indonesia Number 32 of 2004 regarding Regional Government (State Gazette of the Republic of Indonesia of 2004 Number 125, Supplement Number 4437) as already amended several times, recently by the Law of the Republic of Indonesia Number 12 of 2008 (State Gazette Indonesia of 2008 Number 59, Supplement of State Gazette of the Republic of Indonesia Number 4844);
7. Law of the Republic of Indonesia Number 25 of 2007 regarding Investment (State Gazette of the Republic of Indonesia of 2007 Number 67, Supplement of State Gazette of the Republic of Indonesia Number 4724);
8. Law of the Republic of Indonesia Number 40 of 2007 regarding Limited Liability Company (State Gazette of the Republic of Indonesia of 2007 Number 106, Supplement of State Gazette of the Republic of Indonesia Number 4756);



9. Government Regulation of the Republic of Indonesia Number 1 of 1957 regarding Company Distribution (State Gazette of the Republic of Indonesia of 1957 Number 7, Supplement Number 1144), as already amended several times, recently by the Government Regulation of the Republic of Indonesia Number 53 of 1957 (State Gazette of the Republic of Indonesia of 1957 Number 150, Supplement of State Gazette of the Republic of Indonesia Number 1467);
10. Government Regulation of the Republic of Indonesia Number 38 of 2007 regarding Distribution of Governmental Affairs between the Government, the Provincial Government and District Government (State Gazette of the Republic of Indonesia of 2007 Number 82, Supplement of State Gazette of the Republic of Indonesia Number 4737);
11. Decree of the President of the Republic of Indonesia Number 187/M of 2004 regarding Establishment of Indonesia Bersatu Cabinet, as already amended several times, recently by the Decree of the President of the Republic of Indonesia Number 171/M of 2005;
12. Regulation of the President of the Republic of Indonesia Number 9 of 2005 regarding Position, Task, Function, Organizational Structure and Work System of the Ministry of the Republic of Indonesia as already amended several times, recently by the Regulation of President of the Republic of Indonesia Number 20 of 2008;
13. Regulation of the President of the Republic of Indonesia Number 10 of 2005 regarding Organization Unit and Task of Echelon I of State Ministries of the Republic of Indonesia as already amended several times, recently by the Regulation of President of the Republic of Indonesia Number 21 of 2008;
14. Regulation of the President of the Republic of Indonesia Number 76 of 2007 regarding Criteria and Requirement of Preparation of Closed and Open Business Sector with the Requirements in Investment Sector;



15. Regulation of the President of the Republic of Indonesia Number 77 of 2007 regarding List of Closed and Open Business Sector with the Requirements in Investment Sector as already amended by the Regulation of the President of the Republic of Indonesia Number 111 of 2007 regarding Amendment to Regulation of the President of the Republic of Indonesia Number 77 of 2007 regarding List of Closed and Open Business Sector with the Requirements in Investment Sector;
16. Regulation of the Minister of Trade of the Republic of Indonesia Number 01/M-DAG/PER/3/2005 on Organization and Administration of the Ministry of Trade as several times amended the latest by Regulation of Ministry of Trade Republic of Indonesia Number 34/M-DAG/PER/8/2007;
17. Regulation of the Minister of Trade of the Republic of Indonesia Number 36/M-DAG/PER/9/2007 regarding Issue of Trade Business Permit;

HAS DECIDED:

To Stipulate : **REGULATION OF MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA REGARDING MANAGEMENT OF TRADE BUSINESS ACTIVITY BY DIRECT SELLING SYSTEM**

**CHAPTER I
GENERAL PROVISIONS**

Article 1

In this Regulation by:

1. Direct Selling shall mean a method of selling goods and/or certain service through a marketing network developed by business partners working on commission and/or bonuses basis based on the proceeds to the consumers outside the permanent retail location.



2. Goods shall mean any objects whether tangible or intangible, movable or immovable, can be used up or not, that can be traded, utilized, used, or made use by the consumers.
3. Services shall mean any services in terms of work or achievements for use by consumers.
4. Business partners shall mean independent members of the marketing or sales network in terms of corporate body or an individual and not part of the organizational structure of the company marketing or selling goods and/or services to end consumers directly to gain return in terms of fee and/or bonuses for the sale.
5. Fee for Sale shall mean the fee given by the company to business partners at amount calculated based on the result of real work, according to the volume or value of the proceeds of goods and/or service sale, both individually and by network.
6. Bonus for sales shall mean the extra fee provided by the company to the business partners for their success in exceeding the sales target of goods and/or services fixed by the company.
7. Consumer shall mean any person using goods and/or service, whether in the interest of himself, his family, others, as well as other living things and not for sale.
8. Marketing Plan shall mean a company's program in marketing of goods and/or services that will be implemented and developed by business partners through its marketing network to form a single-or multi-level marketing.
9. Company shall mean a business entity in terms of a corporate body whose activities are trading of goods and/or service by using a direct selling system.
10. Direct Selling Business License hereinafter referred to as SIUPL shall mean a permit to carry out trading activities by using a direct selling system.
11. Application for Direct Selling Business License hereinafter Referred to as P-SIUPL shall mean the form of application for



permit filled out by the company that contains company's data to obtain Provisional or Permanent SIUPL.

12. Banned marketing network shall mean any business activity in any term or name where the participation of business partners is based on the consideration that there is opportunity to obtain the return from or obtained especially from the participation of others joining later or after the joining of these business partners, and not from the proceeds of goods sale and/ or service.
13. Director for Business Development and Company Registration hereinafter referred to as Director for Binus and PP shall mean the Director with duties and responsibilities in the community development efforts and registration company, Director General of Domestic Trade, Ministry of Trade.
14. Director General for Domestic Trade hereinafter referred to as the Director General for PDN shall mean the Director General with duties and responsibilities in the domestic trade, the Ministry of Trade.
15. Minister is the Minister of Trade.

CHAPTER II

REQUIREMENTS OF TRADE ACTIVITIES BY USING DIRECT SELLING SYSTEM

Article 2

The Company shall meet the following requirements:

- a. Having or controlling office with the correct, permanent, and clear domicile;
- b. Conducting selling of goods and/or service and recruiting business partners through the network system;
- c. Having clear, transparent, rational, marketing program and not in form a prohibited network marketing scheme;
- d. Having code of conduct and company's regulation commonly applicable in the direct selling business;



- e. Having real and clear goods and/or service at reasonable and fair price;
- f. Complying with prevailing regulations on quality standards of goods and/or service;
- g. Granting fees, bonuses, and other rewards based on the goods sales and/or services activities conducted by business partners and its network in accordance with the agreement;
- h. Giving true, clear, and honest information about the condition and security of goods and/or service as well as giving explanations on their use, repair, and maintenance;
- i. Determining the price of goods and/or service being sold in Indonesia Rupiah (IDR) and applicable to business partners and consumers;
- j. Ensuring quality and after-sale service to consumers for goods sold and/or service provided;
- k. Providing starter kit to each business partner that at least contains information about the goods and/or services, marketing programs, codes of conduct, and/or company's regulation;
- l. Giving grace period of 10 (ten) business days to the prospective business partners to decide to become a partner or cancel the registration by returning the starter kit already obtained in its original conditions;
- m. Giving grace period of 7 (seven) business days to business partners and consumers to return the goods if in fact they failed to meet the agreement;
- n. Buying back the goods, promotional materials (brochures, catalogs, or leaflets), and starter kit in condition feasible for sale from the initial purchasing price to the business partners less the administrative costs of maximum 10% (ten percent) and merit of any benefits received by business partners relating to the purchase of goods, if the business partner resign or is dismissed by the company;



- o. Providing compensation in terms of payment for loss and/or reimbursement for damages resulting from the use, consumption, and utilization of goods and/or services traded, due to company's negligence as evidenced by the agreement;
- p. Providing compensation in terms of payment for loss and/or replacement, if the goods and/or services received or used are inconsistent with the agreement;
- q. Providing building and training to improve skills and knowledge of the business partners to allow them to act correctly, honestly, and responsibly;
- r. Giving equal opportunity to all business partners to be successful in marketing goods and/or service;
- s. applying for registration of goods and/or services that will marketed with the competent authority, according to legislation; and
- t. Mentioning the name of the company conducting marketing by direct selling system on each product's label.

Article 3

Marketing programs as referred to in article 2 item c shall meet at least the following provisions:

- a. Having clear distribution channel of goods and/or service from company up to the end-consumers, and
- b. Proportion of fee and/or bonuses for their proceeds given to all business partners and marketing network beneath maximum 40% (forty percent) of total proceeds from goods and/or service to business partners.

Article 4

- (1) The trading business activities by direct selling system shall be made based on a written agreement between the company and business partners by complying with the code of conduct and company's regulations.



- (2) The code of conduct and company's regulation as referred to in paragraph (1) shall contain at least the following provisions:
- a. requirements to become a partner;
 - b. rights and obligations of the parties;
 - c. building, training programs, and facilities provided by the company, and/or marketing networks to business partners;
 - d. term of the agreement;
 - e. termination and renewal of the agreement;
 - f. buy-back guarantee;
 - g. compensation for the goods and/or service failing to meet the quality and type of the agreement;
 - h. provisions on granting of fees, bonuses, and other return; and
 - i. dispute settlement.
- (3) The agreement and code of conduct as referred to in paragraph (1) shall be in Indonesian and governed by Indonesian law.

Article 5

Any companies directly or through business partners shall provide information verbally or in writing correctly to the prospective business partners and/or consumers at least about:

- a. identity of the company;
- b. quality and specification of goods and/or service to be marketed;
- c. marketing programs of goods and/or service; and
- d. codes of conduct and company's regulations.

Article 6

- (1) Any companies running in trading activities by adopting a direct selling system shall be incorporated in Indonesia in form of the Limited Liability Company.



- (2) Trade by direct selling system can be carried out by the company within the framework of domestic or foreign investment in accordance with legislation on investment.

Article 7

- (1) Any domestic investment companies as referred to in Article 6 (2) shall have capital investment of at minimum Rp. 2,000,000,000.00 (two billion rupiah).
- (2) Any foreign investment Companies as referred to in Article 6 paragraph (2) shall have capital of minimum Rp. 5,000,000,000, - (five billion rupiah) and employ at least 1 (one) Indonesian National as Directors and 1 (one) Indonesian National as a Commissioner.

Article 8

The companies as referred to in Article 7 shall:

- a. Secure the availability of goods in accordance with market needs; and
- b. Have product that will be marketed at least 2 (two) types of product.

CHAPTER III

DIRECT SELLING BUSINESS LICENSE (SIUPL)

Article 9

- (1) Every company shall have SIUPL.
- (2) SIUPL as referred to in paragraph (1) shall be applicable throughout the territory of the Republic of Indonesia.
- (3) Any companies newly conducting trade by the direct selling system shall be provided with Provisional SIUPL with validity term of 1 (one) year.



- (4) Provisional SIUPL as referred to in paragraph (3) may be increased to Permanent SIUPL with validity term as long as the company still runs its business, if the company has conducted business activities in accordance with the marketing program, code of conduct, and company's regulation.
- (5) Increase of Provisional SIUPL to Provisional SIUPL shall be submitted 30 (thirty) business days prior to expiry thereof or within not later than within 14 (fourteen) business days prior to expiry of SIUPL validity period.
- (6) Any Companies already obtaining Permanent SIUPL as referred to in paragraph (4) shall apply for re-registration every 5 (five) years.

CHAPTER IV AUTHORITY

Article 10

- (1) The Minister shall have authority to regulate the trading business activities by using direct selling system.
- (2) The Minister shall delegate his authority to issue SIUPL to the Director General of Domestic Investment.
- (3) Director General of Domestic Investment shall delegate his authority to issue SIUPL to the Director Binus and PP.

CHAPTER V BUILDING and SUPERVISION

Article 11

- (1) DG of Dom shall carry out building and supervision as well as evaluation to the implementation of trading business by using direct selling system.



- (2) Building as referred to in paragraph (1) shall be carried out by counseling, consultation, education, and training.
- (3) Supervision as referred to in paragraph (1) shall be conducted in accordance with the technical guidance on supervision.
- (4) Evaluation as referred to in paragraph (1) shall be based on the company's annual reports on business activities submitted by the company and the results of the review to the company's site.

CHAPTER VI

PROCEDURES and REQUIREMENTS FOR ISSUING SIUPL

Article 12

- (1) Application for obtaining Provisional SIUPL, Permanent SIUPL, and application for re-registration shall be submitted to the Director of Binus and PP by filling out the form of P-SIUPL or Form of Application for Re-registration of Direct selling Business License (P-PUSIUPL) as per Appendix I hereto.
- (2) The application as referred to in paragraph (1) shall be signed by the President Director or person in charge of the company over a revenue stamp.
- (3) Arrangement for Application for obtaining Provisional SIUPL, Permanent SIUPL, and re-registration of Permanent SIUPL may be made by any third parties by producing duly stamped Power of Attorney signed by the President Director or person in charge of the company.
- (4) The arrangement for Application for obtaining Provisional SIUPL, Permanent SIUPL, and re-registration of Permanent SIUPL as referred to in paragraph (1) shall be free from administrative charge.



Article 13

- (1) Application for obtaining Provisional SIUPL as referred to in Article 12 (1) shall be furnished with documents as follows:
 - a. Photocopy of deed of company establishment;
 - b. Photocopy of deed of the recent amendment to company's capital and composition of Boards of Directors or Board of Commissioners;
 - c. Photocopy of the Decree of the Minister of Justice and Human Rights regarding ratification of legal entity of the Limited Liability Company;
 - d. Photocopy of licenses or other registration letters issued by the technical agency for certain types of goods in accordance with the legislation;
 - e. Photocopy of the cooperation contract or letter of appointment, if the company obtains goods and/or service from other company (manufacturers or suppliers);
 - f. Photocopy of the identity of the President Director or person in charge of the company;
 - g. colored photographs of the President Director or person in charge of the company 4 x 6 cm, 2 (two) pieces; and
 - h. Draft of compensation program for business partner, code of ethics, and company's regulations.
- (2) When submitting the photocopy of documents as referred to in paragraph (1), the applicant shall produce the original documents to examine their validity that will be returned to the applicant after the examination.
- (3) Within not later than 3 (three) business days as of the Provisional P-SIUPL and documents as referred to in paragraph (1) are declared correct and complete, the Director for Binus and PP shall request the applicant to make a presentation regarding the identity of the company, goods and/or service to be sold, the business partner compensation programs, code of conducts, and company's regulation.



- (4) Within not later than 3 (three) business days as of the Provisional P-SIUPL received:
- a. Is declared correct and complete, with presentation result in accordance with this Regulation of the Minister, the Director for Binus and PP shall issue the Provisional SIUPL using the form as per Appendix II hereto; or
 - b. Is declared incorrect and/or incomplete, the Director for Binus and PP SIUPL make a denial letter in accordance with the minutes of field observation and incomplete requirements.

Article 14

- (1) Application for obtaining Permanent SIUPL as referred to Article 12 (1) shall be furnished with the following documents:
 - a. Photocopy of deed of the recent amendment to company's capital and composition of Boards of Directors or Board of Commissioners (if any);
 - b. colored photographs of the President Director or person in charge of the company 4 x 6 cm, 2 (two) pieces; and
 - c. compensation program for business partners, code of ethics, and company's regulations
- (2) After the application for Permanent SIUPL is accepted, the Director for Binus and PP or officer so appointed shall carry out site observation and inspect the business activities of the company being applicant for Permanent SIUPL as evidenced by the minutes.
- (3) Within not later than 3 (three) business days as of the Permanent P-SIUPL and documents as referred to in paragraph (1) are declared correct and complete, if necessary, the Director for Binus and PP may request the applicant to make a presentation regarding the identity of the company, goods and/or service to be sold, the business partner compensation programs, code of conducts, and company's regulation.



- (4) Within not later than 3 (three) business days as of the Permanent P-SIUPL received:
 - a. Is declared correct and complete, with presentation result in accordance with this Regulation of the Minister, the Director for Binus and PP shall issue the Provisional SIUPL using the form as per Appendix III hereto; or
 - b. Is declared incorrect and/or incomplete, the Director for Binus and PP SIUPL make a denial letter in accordance with the minutes of field observation and incomplete requirements

Article 15

- (1) Application for re-registration of Permanent SIUPL as referred to in Article 12 (1) shall be furnished with the documents as follows:
 - a. original Permanent SIUPL;
 - b. the recent company's balance sheet; and
 - c. marketing programs, code of conducts, and company's regulation.
- (2) Within not later Than 3 (three) business days as of the receipt of application and documents as referred to in paragraph (1), the Director for Binus and PP shall issue a statement on re-registration of SIUPL.

Article 16

- (1) If there is a change of data on company rendering changes of data or information on SIUPL, the company shall submit an application for a change of SIUPL.
- (2) The Director for Binus and PP shall issue Amended SIUPL, based on the application as referred to in paragraph (1), with a validity period in accordance with the amended SIUPL.



- (3) In case of addition and/or decrease in the types of goods and/or service marketed, the company shall submit an application for revision of the list of appendices of products on SIUPL.
- (4) The Director for Binus and PP shall issue the change of list of Appendices of product on SIUPL based application as referred to in paragraph (3).

Article 17

- (1) In the case SIUPL is lost or damaged, the company shall submit the application for the duplicate thereof to the Director for Binus and PP by attaching the following documents:
 - a. application letter;
 - b. statement on loss issued by the police (for lost SIUPL);
 - c. original SIUPL (for damaged SIUPL); and
 - d. Colored photographs of the President Director or person in charge company size 4x6 cm 2 (two) pieces.
- (2) Within not later than 3 (three) business days after the receipt of application as referred to in paragraph (1) and complete and correct supporting documents, the Director for Binus and PP issue the Duplicate of SIUPL.

Article 18

SIUPL shall be declared invalid if:

- a. The validity term of SIUPL expires; or
- b. The company ceases its business activities.

Article 19

- (1) For any cooperation contract or appointment letter as referred to in Article 13 (1) item e terminated unilaterally by the manufacturer or supplier before the expiry of the effectiveness



term of the contract or appointment letter, the manufacturer or supplier shall not point a new company before attaining agreement in the dispute resolution by the parties hereto (clean break) or within not later than 6 (six) months after termination of the contract or appointment letter.

- (2) The new company as referred to in paragraph (1) may be granted with SIUPL, if there is already agreement by the parties hereto or within not later than 6 (six) months after termination of the contract or appointment letter and already fulfilling the requirements according to this regulation.

CHAPTER VII

OPENING OF COMPANY'S BRANCH OFFICE

Article 20

- (1) Any companies intending to open a branch office shall report in writing to the Head of District /Municipal Trade Department with carbon copy to the Agency issuing SIUPL and Head of Provincial Trade Department in the company's branch office.
- (2) The written report as referred to in paragraph (1) shall be furnished with the following documents:
 - a. Photocopy of SIUPL of the company's head office already legalized by State issuing SIUPL;
 - b. Photocopy of the documents of the company's branch office opening;
 - c. Photocopy of identity card of the person in charge of the company's branch office;
 - d. Photocopy of Certificate of Registered Company (TDP) of the branch office;
 - e. company marketing plan; and
 - f. brochures, leaflets, and a list of prices of goods and/or service being sold;
- (3) Within not later than 3 (three) days as of the receipt of the written report and requirements document as referred to in



paragraphs (1) and (2) in complete and correctly, the Head of District /Municipal Trade Department shall record in the register of the company's branch office opening and put their hands and the seal unto the cover of photocopy of SIUPL of the company's head office.

- (4) The photocopy of SIUPL of the company's head office already signed and sealed as referred to in paragraphs (3) shall be valid as SIUPL of the company's branch office.

CHAPTER VIII

PROHIBITION

Article 21

Any companies having SIUPL shall be prohibited from engaging in activities as follows:

- a. offering, promoting, advertising goods and/or service improperly, different, or contradictory to the real condition;
- b. offering goods and/or services by coercion or other manner that may cause interference, whether physical or psychological against the consumer;
- c. offering goods and/or service by making or mentioning the standard clause in the document and/or agreements that does not comply with the provisions of legislation in the consumer protection aspect;
- d. selling goods and/or services without registration mark from Technical Agency in charge, especially for goods and/or service that must be registered according to legislation;
- e. Drawing and/or gaining benefits through membership dues or registration as business partners unfairly;
- f. Receiving membership registration as business partners with the same name more than 1 (one);



- g. Obliging or by compelling a business partner to buy goods and/or service for sale or own use in large quantities exceeding its ability to sell;
- h. selling or marketing their goods and/or services listed in SIUPL outside the direct selling system;
- i. trade business related to the public funding;
- j. establishing prohibited marketing networks in any name or forms;
- k. trading business outside SIUPL issued;
- l. selling and/or marketing goods and/or services that are not listed in SIUPL; and/or
- m. selling and/or marketing of goods of which product label is without name of company conducting marketing by using direct selling system.

CHAPTER IX REPORTING

Article 22

- (1) The Company shall submit annual reports on the company's business activities to the Director for Binus and PP by using the form as per Appendix IV hereto.
- (2) Reports as referred to in paragraph (1) shall be submitted within not later than March 31 of the subsequent year.

Article 23

If required, the company shall submit reports, information, data or other information relating to its business activities to the Director for Binus and PP or the designated State .

Article 24

- (1) Any companies no longer adopting direct selling system in their business shall submit a report in writing to the Director for Binus and PP within not later than 3 (three) months as of



the date of its business activities cessation by attaching supporting documents and original SIUPL.

- (2) Based on the report in writing as referred to in paragraph (1), the Director for Binus and PP shall issue a certificate of business activities cessation by using the form as per Appendix V to this regulation.

Article 25

The company shall submit a written report to the Director for Binus and PP, if the company changes the composition of the Board of Directors, Commissioners, company's identity, and marketing plan, codes of conduct and company's regulation, and the addition or reduction of type or type and/or brands of goods and/or service being marketed.

CHAPTER X SANCTION

Article 26

- (1) The Company breaching the provisions as referred to in article 2 item a, item b, item c, d items, items e, g items, item i, item k, item l, item m, item n, item o, item p, item q, item r, or item t, Article 9 paragraph (6), Article 20 paragraph (1), Article 21 item e, item f, item g, item h, item i, item j, item k, item l, or item m, Article 22, Article 23, Article 24 paragraph (1), or Article 25, shall be subjected to the administrative sanction in terms of written warning by the officer issuing SIUPL
- (2) The written warning as referred to in paragraph (1) shall be issued maximum 3 (three) times consecutively within stay of 2 (two) weeks as of the written warning date, by using the form as per Appendix VI hereto.



Article 27

- (1) The Company failing to comply with the provisions in the written warning as referred to in Article 26 paragraph (2), shall be subjected administrative sanction in terms of suspension of SIUPL within period of maximum 1 (one) month.
- (2) The suspension of SIUPL as referred to in paragraph (1) shall be made by the State issuing SIUPL by using the form as per Appendix VII hereto.
- (3) SIUPL subjected to suspension as referred to in paragraph (1) can be reactivated, if the relevant company has fulfilled the provisions as referred to in the third written warning.

Article 28

- (1) If the company fails to fulfill the provisions in the written warning and the decision of suspension as referred to in Article 26 and Article 27, it shall be subjected to administrative sanction in terms of revocation of SIUPL.
- (2) The revocation of SIUPL as referred to in paragraph (1) shall be made by the State issuing SIUPL by using the form as per Appendix VIII hereto.

Article 29

The company breaching the provisions as referred to in Article 2 item f, item h, item j, or item s, Article 9 paragraph (1), or Article 21 item a, item b, item c, or item d, shall be subjected to sanction as set forth in the legislation.

CHAPTER XI MISCELLANY

Article 30

The Trade Business Permit (SIUP) shall not apply as permit to carry out the trade business activity by direct selling system.



Article 31

The technical direction of implementation hereof shall further be regulated by the Dirjen PDN.

CHAPTER XII TRANSITIONAL PROVISIONS

Article 32

- (1) SIUPL issued before the stipulation hereof shall be declared remain effective until expiry of its validity term.
- (2) The issue of SIUPL hereunder shall be implemented within not later than 6 (six) months as of the stipulation hereof.
- (3) The mentioning of company's name on every product label as referred to in article 2 item t, shall be made within not later than 6 (six) months as of the stipulation hereof.

CHAPTER XIII CLOSING

Article 33

Upon effectiveness hereof, the Regulation of the Minister of Trade of the Republic of Indonesia Number 13/M-DAG/PER/3/2006 regarding Provisions and Procedure of Issue of SIUPL shall be revoked and declared null and void.



Article 34

This Regulation of Minister shall become effective as of the date of stipulation.

For public cognizance, it is instructed to publicize this Regulation of Minister by inserting the same in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

on August 21, 2008

MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

signed

MARI ELKA PANGESTU



**ATTACHMENT TO REGULATION OF MINISTER OF TRADE OF THE
REPUBLIC OF INDONESIA.**

Number : 32/M-DAG/PER/8/2008

Date : August 21, 2008

LIST OF APPENDICES

- Attachment I : Form of Application for Provisional SIUPL, Permanent SIUPL, and Re-registration of Permanent SIUPL
- Attachment II : Form of Provisional SIUPL
- Attachment III : Form of Permanent SIUPL
- Attachment IV : Form of Business Activity Annual Report
- Attachment V : Form of Certificate of Termination of Business Activities
- Attachment VI : Form Written Warning
- Attachment VII : Form of Decision on Suspension of SIUPL
- Attachment VIII : Form of Decision on Revocation of SIUPL

MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

signed

MARI ELKA PANGESTU



COMPANY LETTERHEAD

.....(dated)

To.

Director for Business Development and
Company Registration

Directorate General of Domestic Trade

Ministry of Trade of the Republic of
Indonesia

in -

Jakarta

I, the signatory, hereby submit the Application for (Provisional SIUPL/Permanent SIUPL/Re-registration of Permanent SIUPL*) as referred to in the Regulation of Minister of Trade of the Republic of Indonesia Number .../M-DAG/PER/.../2008.

I. Identity of Management/Person in Charge

1. Name :
2. Position :
3. Address :
4. Place/Date of Birth :
5. Phone/Fax Number :
6. KTP/Passport Number :
7. Nationality :

II. Company's Identity

1. Company :
2. Address :
3. Phone/Fax Number: :
4. Province: :
5. District/City/Municipal :



6. Sub District: :
7. Village/Desa :
8. Status : Foreign Investment/Domestic Investment/etc**)
9. Zip Code: :

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III. Company's Legality

1. Deed of establishment
- a. Number & Date of Deed :
- b. Number & Date of :
- Ratification of the
Ministry of Law and
Human Rights:
2. Deed of Amendment
- a. Number & Date of Deed :
- b. Number & Date of :
- Ratification of the
Ministry of Law and
Human Rights:

IV. Capital and Shares

1. Authorized Capital :
2. Subscribed Capital :
3. Paid Up Capital :
4. Number of shares; :
5. Shares Ownership
Percentage: :
6. National
- a. Foreign : %
- b. Total investment,
consisting of: : %
7. Total investment of :
- a.



- b.
- c.
- d.
- e.

V. Goods/Service

- 1. Type or sort and Mark of Trade Commodities :
and/or Service
- 2. Name and Country of Origin of Producer/Supplier :

VI. Relation with Bank

- 1. Domestic Bank
Name :
Address :
- 2. Foreign Bank
Name :
Address :

In witness whereof this Application is truly made and if in fact untrue or false data/information and remarks is found, we declared that we are prepared to be subjected to revocation of and claim for SIUPL already issued according to the legislation.

Name and Signature of
President Director/Person in Charge of Company
company's seal and duly stamped

Notes:

- *) chose one
- **) delete as appropriate
- ***) if insufficient, make it in appendix



MINISTRY OF TRADE OF THE REPUBLIC OF INDONESIA
DIRECTOR GENERAL OF DOMESTIC TRADE
DIRECTORATE OF BUSINESS DEVELOPMENT and COMPANY REGISTRATION

PROVISIONAL DIRECT SELLING BUSINESS PERMIT (SIUPL)

NUMBER	:
VALID UNTIL	:
Name of Company	:
Address	:
Phone	:
Fax	:
Email	:

Name of Person in charge :
Position :
Address :
Phone :
Fax :
Email :

Type of Commodities/Service :

The validity term of this Provisional SIUPL shall be for 1 (one) year and application for increase to Permanent SIUPL can be submitted within 30 (thirty) business days or within not later than 14 (fourteen) business days before the expiry of validity term

Pas Photo
(4 x 6 cm)

Jakarta,

STATE ISSUING SIUPL



MINISTRY OF TRADE OF THE REPUBLIC OF INDONESIA
DIRECTOR GENERAL OF DOMESTIC TRADE
DIRECTORATE OF BUSINESS DEVELOPMENT and COMPANY REGISTRATION

PERMANENT DIRECT SELLING BUSINESS PERMIT (SIUPL)

NUMBER	:
Name of Company	:
Address	:
Phone	:
Fax	:
Email	:
Name of Person in charge	:
Position	:
Address	:
Phone	:
Fax	:
Email	:
Type of Commodities/Service:	:
<ul style="list-style-type: none"> - The validity term of this SIUPL shall be as long as the company carries out the business activity by direct selling system; - Permanent SIUPL shall remain submit the application for re-registration by every 5 (five) year; - The owner of Permanent SIUPL shall submit the Annual Report of Business Activity within not later than every March 31, 	

Pas Photo
(4 x 6 cm)

Jakarta,

STATE ISSUING SIUPL



ANNUAL REPORT ON COMPANY'S BUSINESS ACTIVITY

PERIOD:

1. Company :
2. Address :
3. Number of SIUPL :

No.	Name, Type or Sort of Goods/Service Traded	Merk	Sale Volume	Sale Value (Rp)	Total Manpower (Persons)		Counterpart/Distributor/Member		Remarks/Problem
					Local	Foreign	Total (Person)	Total (persons) Fee/Bonus (Rp)	

Place, Date

Name and Signature of

President Director/Person in Charge

(.....)

Attachment:

1. Annual Balance Sheet of Company describing:
 - a. Authorized Capital, Subscribed Capital, Paid-Up Capital;
 - b. Number of Shares and (Par) Value of Shares;
 - c. Shareholding Percentage between National and Foreign;
 - d. Total Investment and Usage Details;
2. List and Address of Branch Office.
3. List and Address of Stockiest



**MINISTRY OF TRADE OF THE REPUBLIC OF INDONESIA
DIRECTOR GENERAL OF DOMESTIC TRADE
DIRECTORATE OF BUSINESS DEVELOPMENT and COMPANY REGISTRATION**

CERTIFICATE OF TERMINATION OF BUSINESS ACTIVITY

NUMBER :

According to a letter from PT ... Number ... Date ... Regarding ..., explaining that PT ... has ceased the its business activity by direct selling system and has returned the original SIUPL Number ... Date ...

In this respect, then all responsibilities and obligations of the company relating to the property trade intermediary business activity with the relevant parties shall remain become the responsibility and obligation of the relevant company.

In witness whereof, this certificate is issued for proper cognizance.

Jakarta,

**DIRECTOR FOR BUSINESS
DEVELOPMENT AND COMPANY
REGISTRATION,**

Cc:

1. Dirjen PDN (as report);
2. Head of Provincial Agency of ...;
3. Head of District/Municipal Agency of ...;



MINISTRY OF TRADE OF THE REPUBLIC OF INDONESIA
DIRECTOR GENERAL OF DOMESTIC TRADE
DIRECTORATE OF BUSINESS DEVELOPMENT and COMPANY REGISTRATION

Number : /PDN-2/...../..... Jakarta,
Attachment :
Re : (...) th Warning on To.
Implementing Provisions
on Direct Selling Business
Activity (SIUPL)
in
.....

According to the Direct Selling Business Permit (SIUPL) Number
Dated at the name of PT ..., and after the research and examination, in
fact your Company fails to fulfill the provisions as provided for in the
Regulation of the Minister of Trade of the Republic of Indonesia Number/
M-DAG/PER/2008 among others:

1.
2.
3.
4.

In this respect, within not later than 2 (two) weeks as of this Warning
Letter, you should have been fulfilled the prevailing provisions on direct
selling business activity and report the same to us in the first chance.

Thank you for your attention.

**DIRECTOR FOR BUSINESS DEVELOPMENT AND COMPANY
REGISTRATION,**

Cc:

1. Dirjen PDN (as report);
2. Head of Provincial Agency of ...;
3. Head of District/Municipal Agency of ...;



MINISTRY OF TRADE OF THE REPUBLIC OF INDONESIA
DIRECTOR GENERAL OF DOMESTIC TRADE
DIRECTORATE OF BUSINESS DEVELOPMENT and COMPANY REGISTRATION

DECISION OF
DIRECTOR FOR BUSINESS DEVELOPMENT AND COMPANY REGISTRATION
NUMBER:
REGARDING
SUSPENSION OF DIRECT SELLING Business Permit THE DIRECTOR FOR BUSINESS
DEVELOPMENT AND COMPANY REGISTRATION

Considering : a. whereas according to the result research and examination of the implementation of direct selling business activity as contained in the Direct Selling Business Permit (SIUPL) Number ... dated at the name of PT. ..., having its domicile at, in fact fails to fulfill the terms and conditions already stipulated, therefore the relevant SIUPL should be suspended:
b. that in this respect, it is necessary to stipulate the Decision of Director For Business Development And Company Registration

Recalling : Regulation of Minister of Trade of the Republic of Indonesia Number ... /M-DAG/PER/.../2008 regarding Management of Trade Business Activity By Direct Selling System;

Taking into account: : 1. Third Written Warning
2.;

HAS DECIDED :

To Stipulate: :
FIRST : To suspend SIUPL Number ... dated ... in the name of PT
SECOND : The suspension of SIUPL as referred to in the First Dictum



shall be maximum 1 (one) month as of the stipulation date hereof and the relevant company shall not carry out the trade business activity by direct selling system.

THIRD : This Decision shall become effective as of the stipulation date.
Stipulated in Jakarta

Issued in Jakarta

on

**DIRECTOR FOR BUSINESS
DEVELOPMENT AND COMPANY
REGISTRATION**

Copy of this Decision of Director For Business Development and Company Registration to:

1. Dirjen PDN;
2. Head of Provincial Agency of ...;
3. Head of District/Municipal Agency of ...;



MINISTRY OF TRADE OF THE REPUBLIC OF INDONESIA
DIRECTOR GENERAL OF DOMESTIC TRADE
DIRECTORATE OF BUSINESS DEVELOPMENT and COMPANY REGISTRATION

DECISION OF
DIRECTOR FOR BUSINESS DEVELOPMENT AND COMPANY REGISTRATION
NUMBER:

REGARDING
REVOCATION OF DIRECT SELLING BUSINESS PERMIT THE DIRECTOR FOR
BUSINESS DEVELOPMENT AND COMPANY REGISTRATION

- Considering : a. whereas according to the result research and examination of the implementation of direct selling business activity as contained in the Direct Selling Business Permit (SIUPL) Number ... dated at the name of PT. ..., having its domicile at, in fact fails to fulfill the obligation as referred to in the Decision of Director For Business Development And Company Registration Number ... regarding Suspension of Trade Business Activity By Direct Selling System;
- b. that in this respect, it is necessary to stipulate the Decision of Director For Business Development And Company Registration
- Recalling : Regulation of Minister of Trade of the Republic of Indonesia Number ... /M-DAG/PER/.../2008 regarding Management of Trade Business Activity By Direct Selling System;
- Taking into account : 1. Third Written Warning
2. Decision of Director For Business Development And Company Registration Number ... regarding Suspension of Company Registration Business Permit
3.



HAS DECIDED:

- To Stipulate: :
- FIRST : To revoke SIUPL Number ... dated ... in the name of PT ...,
having its domicile at...
- SECOND : By revocation of SIUPL as referred to in the First Dictum, the
relevant company shall not carry out the business activity by
direct selling system.
- THIRD : This Decision shall become effective as of the stipulation date.

Issued in Jakarta

on

**DIRECTOR FOR BUSINESS
DEVELOPMENT AND COMPANY
REGISTRATION**

Copy of this Decision of Director For Business Development and Company Registration to:

1. Dirjen PDN;
2. Head of Provincial Agency of ...;
3. Head of District/Municipal Agency of ...;

Translated from Indonesian Language
Jakarta, October 1, 2010
Authorized and Sworn Translator,

FIKRI SAID OBED

