
AUTHORIZED TRANSLATION



Minister of Trade of the Republic of Indonesia

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

NUMBER: 53/M-DAG/PER/12/2008

REGARDING

**GUIDELINE ON ARRANGEMENT AND DEVELOPMENT OF TRADITIONAL
MARKET, SHOPPING CENTER AND MODERN STORE**

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

- Considering : a. that to implement the provisions in Article 14 of the Regulation of President of the Republic of Indonesia Number 112 of 2007 regarding Arrangement and Development of Traditional Market, Shopping Center and Modern Store, it is necessary to regulate the Guideline on Arrangement and Development of Traditional Market, Shopping Center and Modern Store;
- b. that in this respect in letter a, it is necessary to stipulate the Regulation of the Minister of Trade.

- In view of : 1. *Bedrijfsreglementerings Ordonantie* (BRO) of 1934 (State Gazette of 1938 Number 86);



2. Law of the Republic of Indonesia Number 3 of 1982 regarding Company Register (State Gazette of 1982 Number 7, Supplement to State Gazette of the Republic of Indonesia Number 3214);
3. Law of the Republic of Indonesia Number 23 of 1997 regarding Environmental Management (State Gazette of the Republic of Indonesia of 1997 Number 68, Supplement to State Gazette of the Republic of Indonesia Number 3699);
4. Law of the Republic of Indonesia No. 5 of 1999 regarding Ban on Monopoly Practices and Unfair Business Competition (State Gazette of the Republic of Indonesia of 1999 Number 33, Supplement to State Gazette of the Republic of Indonesia Number 3817);
5. Law Number 32 of 2004 regarding Regional Government (State Gazette of the Republic of Indonesia of 2004 Number 125, Supplement to State Gazette of the Republic of Indonesia Number 4437) as already amended by the Law of the Republic of Indonesia Number 12 of 2008 (State Gazette of the Republic of Indonesia of 2008 Number 59, Supplement of State Gazette of the Republic of Indonesia Number 4844);
6. Law of the Republic of Indonesia Number 25 of 2007 regarding Investment (State Gazette of the Republic of Indonesia of 2007 Number 67, Supplement to State Gazette of the Republic of Indonesia Number 4724);
7. Law of the Republic of Indonesia Number 29 of 2007 regarding the Provincial Government of Special Region Jakarta Capital as the Capital of the Republic of Indonesia (State Gazette of the Republic of Indonesia of 2007 Number 93, Supplement to State Gazette of the Republic of Indonesia Number 4744);
8. Law of the Republic of Indonesia Number 20 of 2008



regarding Micro, Small and Medium Scale Business (State Gazette of the Republic of Indonesia of 2008 Number 93, Supplement to State Gazette of the Republic of Indonesia Number 4866);

9. Government Regulation of the Republic of Indonesia Number 44 of 1997 regarding Partnership (State Gazette of the Republic of Indonesia of 1997 Number 91, Supplement to State Gazette of the Republic of Indonesia Number 3718);
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 to State Gazette of the Republic of Indonesia Number 4737);
11. Regulation of the President of the Republic of Indonesia Number 77 of 2007 regarding List of Closed Business Line and Open Business Line with Requirements in Investment as already amended by the Regulation of President of the Republic of Indonesia Number 111 of 2007;
12. Regulation of the President of the Republic of Indonesia Number 112 of 2007 regarding Arrangement and Development of Traditional Market, Shopping Center and Modern Store;
13. Regulation of the President of the Republic of Indonesia Number 9 of 2005 regarding Position, Task, Function, Organizational Composition 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;
14. 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 the President of the Republic of Indonesia Number 21 of 2008;

15. Decree of the President of the Republic of Indonesia Number 187/M of 2004 regarding Establishment of Indonesia Bersatu Cabinet, as already several times recently amended by the Decree of the President of the Republic of Indonesia Number 171/M of 2005;
16. Regulation of the Minister of Trade of the Republic of Indonesia Number 01/M-DAG/PER/3/2005 regarding Organization and Work System of the Ministry of Trade as amended several times recently by the Regulation of Ministry of Trade Republic of Indonesia Number 34/M-DAG/PER/8/2007;
17. Government Regulation of the Republic of Indonesia Number 36/M-DAG/PER/9/2007 regarding Issue of Trade Operation Permit;

HAS DECIDED:

To Stipulate : **REGULATION OF THE MINISTER OF TRADE OF THE
REPUBLIC OF INDONESIA REGARDING GUIDELINE ON
ARRANGEMENT AND DEVELOPMENT OF TRADITIONAL
MARKET, SHOPPING CENTER AND MODERN STORE.**

**CHAPTER I
GENERAL PROVISIONS**

Article 1

In this Regulation of the Minister, by:

1. Market shall mean the area as the place of sale and purchase of goods with total sellers of more than one whether those



called Shopping Center, Traditional Market, shops, mall, plaza, center of trade or other names.

2. Traditional Market shall mean a market built and managed by the Government, Regional Government, Private, State-Owned Company and Regional-Owned Company, including in cooperation with the private the places of business in terms of shop, kiosk, stall and tent owned/managed by a small, medium traders, non-government organization or cooperatives with small-scale business, small capital and with the process of sale and purchase of commodities through bargaining.
3. Shopping Center shall mean a certain area consisting of one or several buildings built vertically or horizontally, which sold or leased to the Business Actor or managed their own to conduct the trade of goods.
4. Store shall mean the building with business function used to sell the goods and consisting of only one seller.
5. Modern Store shall mean a store with self-service system, selling various types of goods on retail basis in form of Minimarket, Supermarket, Department Store, Hypermarket or Grocery Wholesaler.
6. Minimarket Network Management shall mean the business actor conducting business activity in Minimarket sector through an integral part of management and distribution system of goods to the outlets constituting its chain.
7. Supplier shall mean the Business Actor who regularly supplying the goods to the Modern Store for resale through the business cooperation.
8. Micro, Small and Medium Business hereinafter referred to as UMKM shall mean the micro, small and medium -scale economic activities as referred to in the Law Number 20 of 2008 regarding Micro, Small and Medium Business.
9. Partnership shall mean a business cooperation between a small business and medium business and large scale



businesses furnished with the building and development of medium and large scale businesses by taking into account the mutual need, mutual strengthening and mutual benefit principles, as referred to in the Government Regulation Number 44 of 1997 regarding Partnership.

10. Trading terms shall mean the terms in the cooperation agreement between the Supplier and Modern Store/Minimarket Network Management relating to the supply of products traded in the relevant Modern Store.
11. Traditional Market Management Business Permit hereinafter referred to as IUP2T, Shopping Center Business permit hereinafter referred to as IUPP and Modern Store Business Permit hereinafter referred to as IUTM shall mean the permit to be able to carry out the business management of Traditional Market, Shopping Center and Modern Store issued by the local Regional Government.
12. Zoning Regulation shall mean the provisions of the Local Regional Government regulate the utilization of space and control elements prepared for every designation zone according to a spatial layout detail plan.
13. Official Issuing Traditional Market Management Business Permit, Shopping Center Business Permit and Modern Store Business Permit, hereinafter referred to as Issuer Official shall mean the District Head/Mayor or Governor for the Government of Special Region Jakarta Capital Province.
14. Application shall mean a letter requesting the issue of Traditional Market Management Business Permit, Shopping Center Business Permit and Modern Store Business Permit.
15. Minister shall mean the Minister with task and responsibility in the trade sector.



CHAPTER II

ESTABLISHMENT OF TRADITIONAL MARKET, SHOPPING CENTER AND MODERN STORE

Article 2

- (1) The location for establishment of Traditional Market, Shopping Center and Modern Store shall refer to the Spatial Lay Out Plan of the District/Municipal Area and Spatial Lay Out Detail Plan of the District/Municipal Area, including its zoning regulation.
- (2) District/Municipal not yet having the Spatial Lay Out Plan of the District/Municipal Area and Spatial Lay Out Detail Plan of the District/Municipal Area shall not issue the site permit for development of Traditional Market, Shopping Center and Modern Store.

Article 3

- (1) The establishment of Traditional Market or Shopping Center or Modern Store other than Minimarket shall fulfill the requirements in the legislation and shall carry out the analysis of community's socio-economic condition, existence of Traditional Market and UMKM in the relevant area.
- (2) Analysis of the community's socio-economic condition and existence of Traditional Market and UMKM as referred to in paragraph (1) cover:
 - a. Structure of population according to means of livelihood and education;
 - b. Level of domestic economic income;



- c. Population density;
 - d. Population growth;
 - e. Partnership with local UMKM;
 - f. Local employment;
 - g. Resilience and growth of Traditional Market as facilities for local UMKM;
 - h. Existence of social facilities and public facilities already available;
 - i. Positive and negative impacts caused by the distance between the Hypermarket and Traditional Market already available previously, and
 - j. Corporate Social Responsibility.
- (3) The determination of distance as referred to in paragraph (2) item I shall take into account:
- a. Location of establishment of Hypermarket or Traditional Market with the existing Hypermarket or Traditional Market;
 - b. Healthy business climate between the Hypermarket and Traditional Market;
 - c. Area accessibility (traffic flow);
 - d. Support/availability of infrastructure, and
 - e. Development of new settlements.
- (4) Analysis of community's socio-economic condition as referred to in paragraph (2), in terms of a study conducted by the competent independent agency/institution.
- (5) The independent agency/institution as referred to in paragraph (4) shall carry out the analysis of the community's socio-economic condition in the relevant area.
- (6) The result of analysis of community's socio-economic condition as referred to in paragraph (2) constitutes a complementary document inseparable with the terms in submitting the Application for:
- a. Permit of establishment of Traditional Market or



Shopping Center or Modern Store other than Minimarket;
or

b. Business permit of Traditional Market or Shopping Center or Modern Store other than Minimarket.

- (7) Modern Store integrated to Shopping Center or other building shall have the requirement as referred to in paragraph (2).
- (8) Modern Store as referred to in paragraph (7) shall be excluded from Minimarket.
- (9) The establishment of Minimarket stand-alone or integrated to the Shopping Center or other building shall take into account:
 - a. Population density;
 - b. Development of new settlement;
 - c. Area accessibility (traffic flow);
 - d. Support/availability of infrastructure, and
 - e. Existence of Traditional Market and stall/shop in the surrounding area smaller than such Minimarket.
- (10) The establishment of Minimarket as referred to in paragraph (9) shall be prioritized to be given to the business actor with domicile in accordance with the location of such Minimarket.

Article 4

- (1) Traditional Market or Shopping Center or the Modern Store shall make available the sufficient parking area and other public facilities.
- (2) The provision of parking facilities as referred to in paragraph (1) can be made based on the cooperation with the other parties.



CHAPTER III

BUSINESS PARTNERSHIP

Article 5

- (1) The partnership with the general trade pattern can be made in form of marketing cooperation, provision of business location, or receipt of supply from the Supplier to the Modern Store conducted openly.
- (2) The marketing cooperation as referred to in paragraph (1) can be done in form of:
 - a. Market of UMKM product packaged or repackaged with the brand of goods owner, Modern Store or other brand agreed to increase the selling value of goods; or
 - b. Market the products of UMKM through display window or outlet of Modern Store.
- (3) The provision of business location as referred to in paragraph (1) shall be made by the management of Shopping Center and Modern Store to UMKM by providing the business space in the area of Shopping Center or Modern Store.
- (4) UMKM as referred to in paragraph (3) shall utilize the business space according to the designation agreed.

Article 6

- (1) The business cooperation in form of receipt of goods supply from the Supplier to the Modern Store shall be made in the mutual benefit, clear, fair, equitable and transparent principles.
- (2) The Modern Store shall prioritize the supply of goods produced by national UMKM as long as such goods meet the requirements or standards stipulated by the Modern Store.



- (3) The Supplier of goods included in the criteria of Micro, Small scale Business shall be exempted from the imposition of administrative charge of goods registration (listing fee).
- (4) The business cooperation of partnership between UMKM and Modern Store can be made in form of commercial cooperation in form of provision of business place/space, building/education or capital or other form of cooperation.
- (5) The cooperation as referred to in paragraph (1) and paragraph (2) shall be made in the Indonesian written agreement based on the Indonesian law agreed by both parties without any duress, that at least containing the rights and obligations of each party as well as procedure and place of dispute settlement.

Article 7

- (1) Without prejudice to the contract freedom principle, the terms of trade between the Supplier and Modern Store shall be clear, fair, equitable, and mutually beneficial as well as agreed by both parties without any duress.
- (2) To materialize the principle as referred to in paragraph (1), the following guidelines shall be fulfilled:
 - a. Regular discount in form of price discount provided by the Supplier to the Modern Store in every sale-purchase transaction. This regular price discount does not apply to the Supplier applying the net price system published transparently to all Modern Stores and agreed with the Modern Store;
 - b. Fixed rebate in form of price discount given by the Supplier to the Modern Store without associated to the sale target, conducted periodically maximum 3 (three) months at amount maximum 1% (one percent);
 - c. The amount of regular discount or fixed rebate shall be determined based on the percentage of the sale



transaction of supplier to Modern Store whether upon transaction or periodically;

- d. Conditional rebate in form of price discount given by the Supplier, if the Modern Store is able to achieve or exceed the sale target according to the trade agreement, with the sale criteria:
 - 1. Achieving the targeted amount according to the agreement of 100% (One Hundred percent) shall obtain conditional rebate of maximum 1% (one percent);
 - 2. Exceeding the targeted amount of 101% (One Hundred one percent) to 115% (One Hundred fifteen percent), then the excess shall obtain conditional rebate of maximum 5% (five percent);
 - 3. Exceeding the targeted amount above 115% (One Hundred fifteen percent), then the excess shall obtain the conditional rebate of maximum 10% (ten percent).
- e. Promotion Discount is provided by the Supplier to the Modern Store for promotion activities conducted by the Supplier or Modern Store provided to the customer or end consumer within the restricted period according to the agreement between the Modern Store and Supplier;
- f. The Promotion Cost is the cost charged to the Supplier by the Modern Store according to the agreement of both parties consisting of:
 - 1. Promotion cost through mass or printed media such as brochure or mailer, stipulated transparently and fairly according to price tariff of the media and other creative costs;
 - 2. Promotion cost in the Local Stores (In-Store Promotion) shall be imposed upon only for the promotion area outside the display window of



- regular shop such as floor display, promotion gondola, block shelving, Check-out Counter, wing gondola, billboard within and outside the store, and other places that are used for promotion;
3. Cost for promotion made in cooperation with the supplier to carry out the activity to promote the supplier's product such as sampling, product demonstration, gift, game, etc;
 4. Cost reduced or deducted over the promotion activity shall be made maximum 3 (three) months after the event based on the confirmation of both parties. The unused promotion cost shall be used for other promotion activity both in the relevant period and for subsequent period.
- g. Other costs other than those as referred to in item f shall not be charged to the Supplier;
 - h. The cost incurred for the promotion of new product already included in the Promotion Cost as referred to in item f;
 - i. Supplier and Modern Store shall jointly make a promotion planning for the new product or existing product for the agreed period;
 - j. The use of distribution service of Modern Store shall not be imposed upon the Supplier who is able to distribute the goods themselves as long as fulfilling the criteria (time, quality, product price, quantity) agreed by both parties;
 - k. Cost for goods registration administration (Listing Fee) shall only for the new product at amount as follows:
 1. Hypermarket Category maximum 150,000.00 (one Hundred fifty thousand rupiah) for every type of product of every outlet at cost of maximum 10,000,000.00 (ten million rupiah) for every type of



- product in all outlets;
2. Supermarket category maximum Rp 75,000.00 (seventy-five thousand rupiah) for every type of product of every outlet at cost of maximum Rp 10,000,000.00 (ten million rupiah) for every type of product in all outlets;
 3. Minimarket Category maximum Rp 5,000.00 (five thousand rupiah) for every type of product of every outlet at cost of maximum 20,000,000.00 (twenty million rupiah) for every type of product in all outlets.
- I. Change of administration fee of goods registration as referred to in item k can be adjusted by annually based on the inflation development;
 - m. The Modern Store may return the new product to the Supplier without the imposition of sanction if after evaluation for 3 (three) months, it had no sale prospect;
 - n. The Modern Store shall submit at least 3 (three) month-prior written notification to the Supplier if intending to perform the stop order delisting or decrease the product item or SKU (Stock Keeping Unit) of the Supplier;
 - o. The Shopping Center and Modern Store shall be fair in providing service to the business partner both as the owner/tenant of business space as well as a supplier;
 - p. The Modern Store shall not make sale promotion with the price lower than the price at the nearest Traditional Market for the community's staple commodities.

Article 8

- (1) The payment of goods from Modern Store to the Supplier of Micro and Small Scale Business shall be made in cash for the supply value up to 10,000,000 00 (ten million rupiah) or within



supply value up to 10,000,000 00 (ten million rupiah) or within 15 (fifteen) days after all billing documents are received.

- (2) The provisions as referred to in paragraph (1) shall be effective for 1 (one) outlet or 1 (one) business network.

CHAPTER IV

LIMITATION OF MODERN STORE SALE FLOOR AREA

Article 9

- (1) The limitation of Modern Store sale floor area shall be as follows:
- a. Minimarket, less than 400 m² (four hundred square meters);
 - b. Supermarket, 400 m² (four hundred square meters) to 5,000 m² (five thousand square meters);
 - c. Hypermarket, more than 5,000 m² (five thousand square meters);
 - d. Department Store, more than 400 m² (four hundred square meters); and
 - e. Grocery, more than 5,000 m² (five thousand square meters).
- (2) Modern Store Business with domestic capital of 100% (one hundred percent) shall be:
- a. Minimarket with the sale floor area of less than 400 m² (four Hundred square meters);
 - b. Supermarket with the sale floor area of less than 1,200 m² (one thousand two hundred square meters); and
 - c. Department Store with the sale floor area of less than 2,000 m² (two thousand square meters).



CHAPTER V

TYPE AND AUTHORITY TO ISSUE PERMIT

Article 10

The Business Actor who will carry out the business activity in the Traditional Market, Shopping Center and Modern Store sectors shall have:

- a. IUP2T for Traditional Market;
- b. IUPPs for Shops, Mall, Plaza and Trade Center;
- c. IUTM for Minimarket, Supermarket, Department Store, Hypermarket and Grocery.

Article 11

- (1) The Business Permit as referred to in Article 10 shall be issued by the District Head/Mayor or Governor of Special Region Jakarta Capital.
- (2) The District Head/Mayor other than the Governor of Special Region Jakarta Capital shall delegate the authority to issue:
 - a. IUP2T to the Agency/Unit Head responsible in the trade sector or in the building of Traditional Market or One-Stop Integrated Service;
 - b. IUPP or IUTM to the Agency/Unit Head responsible in the trade sector or official responsible in the implementation of the local One-Stop Integrated Service.
- (3) Governor of Special Region Jakarta Capital shall delegate the authority to issue:
 - a. IUP2T to the Agency/Unit Head responsible in the trade sector or in the building of Traditional Market or One-Stop Integrated Service;
 - b. IUPP or IUTM to the Agency/Unit Head responsible in



the trade sector or official responsible in the implementation of the local One-Stop Integrated Service.

Article 12

- (1) The application for business permit as referred to in Article 10 shall be submitted to the Official Issuing Business Permit.
- (2) The requirements to obtain IUP2T for Traditional Market stand-alone or IUTM for Modern Store stand-alone or IUPP for Shopping Center shall cover:
 - a. Requirements of IUP2T shall attach the following documents:
 1. Copy of Agreement in Principle from the District Head/Mayor or Governor of Special Region Jakarta Capital;
 2. Result of Analysis of Community's Social Economic Condition as well as recommendation from the competent agency;
 3. Copy of Site Permit from the National Land Board (BPN);
 4. Copy of Hindrance Act (HO);
 5. Copy of Building Construction Permit (IMB);
 6. Copy of the Company's Deed of Establishment and its ratification; and
 7. Statement on capability to carry out and comply with the prevailing provisions.
 - b. Requirements of IUPP and IUTM shall attach the following documents:
 1. Copy of Agreement in Principle from the District Head/Mayor or Governor of Special Region Jakarta Capital;



2. Result of Analysis of Community's Social Economic Condition as well as recommendation from the competent agency;
 3. Copy of Site Permit from the National Land Board (BPN);
 4. Copy of Hindrance Act (HO);
 5. Copy of Building Construction Permit (IMB);
 6. Copy of the Company's Deed of Establishment and its ratification; and
 7. A plan of partnership with the Micro and Small Scale Business; and
 8. Statement on capability to carry out and comply with the prevailing provisions.
- (3) Requirements to obtain IUP2T for Traditional Market or IUTM for Modern Store integrated to the Shopping Center or other buildings consists of:
- a. Result of analysis of community's socio-economic condition as referred to in Article 3 paragraph (2);
 - b. Copy of IUPP of Shopping Center or other building as the place of establishment of Traditional Market or Modern Store;
 - c. Copy of the Company's Deed of Establishment and its ratification; and
 - d. Statement on capability to carry out and comply with the prevailing provisions
 - e. A plan of partnership with the Micro and Small Scale Business; and
- (4) The application as referred to in paragraph (1) shall be submitted to the Official Issuing Business Permit by filling out the Application Form as per Appendix I hereto forming integral part hereof, by attaching the requirement documents as referred to in paragraph (2).



- (5) The application as referred to in paragraph (1) shall be signed by the company's owner or person in charge or management.
- (6) For the application as referred to in paragraph (1), submitted correctly and in complete, the Official Issuing Business permit is able to issue the Business Permit within not later than 5 (five) business days as of the receipt date of Application.
- (7) If the Application as referred to in paragraph (1) is value not yet true and complete, the Official Issuing Business Permit shall notify the denial in writing furnished with the reasons to the applicant within not later than 3 (three) business days as of the receipt date of Application .
- (8) The Companies of which the application is denied may re-submit his Application for Business Permit furnished with the completeness of the requirement documents correctly and in complete.
- (9) A plan of partnership as referred to in paragraph (2) item b point 7 shall be as per Appendix II hereto.
- (10) The arrangement of application for business shall be free of charge.

Article 13

- (1) The Official Issuing Business Permit as referred to in Article 12 paragraph (1) shall be as follows:
 - a. The Issuer of IUP2T as referred to in Article 10 item a, the District/Municipal Agency responsible in the trade sector or in the development of Traditional Market or the local One-Stop Integrated Service;
 - b. The Issuer of IUPP and IUTM as referred to in Article 10 items b and c, the District/Municipal Agency responsible in the trade sector or the local One-Stop Integrated Service;



- c. The issue of business permit as referred to in item a and item b shall be according to the delegation of authority from the District Head/Mayor or Governor for the Provincial Government of Special Region Jakarta Capital as referred to in Article 11.
- (2) If the issue of IUP2T by:
- a. Agency responsible in the development of Traditional Market or One-Stop Integrated Service, then the recommendation as referred to in Article 12 paragraph (2) item a point 2 shall be issued by the Agency responsible in the trade sector;
 - b. The Agency responsible in the trade sector, the recommendation as referred to in Article 12 paragraph (2) item a point 2 on the feasibility of issue of business permit to the relevant company shall be made by the Agency responsible in the trade sector.
- (3) If the issue of IUPP or IUTM by:
- a. The Agency responsible in the trade sector, the recommendation as referred to in Article 12 paragraph (2) item b point 2 on the feasibility of issue of business permit to the relevant company shall be made by the Agency responsible in the trade sector.
 - b. One-Stop Integrated Service, then the recommendation as referred to in Article 12 paragraph (2) item b point 2 shall be issued by the Agency responsible in the trade sector.

Article 14

- (1) The Company managing the Traditional Market, Shopping Center and Modern Store already obtaining Permit as referred to in Article 10 shall not be obliged to obtain the Trade Operation Permit (SIUP).



- (2) In case of transfer of business location of the Traditional Market, Shopping Center, and Modern Store, the company's management/person in charge shall submit the application for new permit.
- (3) The Business Permit as referred to in Article 10 shall be effective:
 - a. only for 1 (one) business location;
 - b. as long as still carrying out the business in the same location.
- (4) The Business Permit as referred to in paragraph (3) item b shall be subjected to re-registration in every 5 (five) years.

CHAPTER VI REPORTING

Article 15

- (1) The Official Issuing Business Permit as referred to in:
 - a. Article 11 paragraph 2 item a shall submit the report on implementation of the issue of business permit to the District Head/Mayor, with carbon copy to the Provincial Agency Head responsible in trade sector or in building of Traditional Market or local One-Stop Integrated Service, every July of the relevant year for the first semester and January of the next year for the second semester;
 - b. Article 11 paragraph (2) item b shall submit the report on implementation of the issue of business permit to the District Head/Mayor with carbon copy to the Provincial Agency Head responsible in the trade sector or local One-Stop Integrated Service, every July of the relevant year for the first semester and January of the next year for the second semester;
 - c. The Provincial Agency Head as referred to in item b shall submit the report to the Governor, with carbon



copy to the Director General of Domestic Trade, every July of the relevant year for the first semester and January of the next year for the second semester;

- d. Article 11 paragraph (3) shall submit the report on implementation of the issue of business permit to the Governor of Special Region Jakarta Capital with the carbon copy to the Director General of Domestic Trade, every July of the relevant year for the first semester and January of the next year for the second semester;

- (2) The report on implementation of the issue of business permit as referred to in paragraph (1) item a shall cover:

- a. Number and type of business permit issued;
- b. Turnover of every outlet;
- c. Number of UMKM partnered;
- d. Total manpower hired.

Article 16

- (1) The business actor as referred to in Article 10 shall submit the report in form of:

- a. Number of outlet owned;
- b. Turnover of all outlets;
- c. Number of UMKM partnered and the partnership pattern;
- d. Total manpower hired.

- (2) The Report as referred to in paragraph (1) shall be submitted every semester to:

- a. Agency Head responsible in the District/Municipal trade sector except for the Government of the Special Region Jakarta Capital;
- b. Provincial Agency responsible in the trade sector for the Provincial Government of Special Region Jakarta Capital.



- (3) The submission of report as referred to in paragraph (2) shall be made every July of the relevant year for the first semester and January of the next year for second semester.

CHAPTER VII

TRADITIONAL MARKET EMPOWERMENT

Article 17

- (1) The management of Traditional Market can be made by the State Owned Company (BUMN), Regional Owned Company (BUMD), cooperatives, private, government, or regional government.
- (2) The Government and/or regional government severally or jointly shall carry out the empowerment of management of Traditional Market based on the professional management system.

CHAPTER VIII

BUILDING and SUPERVISION

Article 18

- (1) The Minister shall stipulate the policy on building and supervision of the management of Traditional Market, Shopping Center, and Modern Store.
- (2) The Minister shall assign the Director General of Domestic Trade to coordinate the implementation of building and supervision as referred to in paragraph (1).
- (3) The implementation of building, supervision and evaluation of the management of Traditional Market, Shopping Center, and Modern Store shall be conducted by the District Head/Mayor or Governor for the Provincial Government of Special Region Jakarta Capital.



Article 19

- (1) The building as referred to in Article 18 paragraph (1) shall be in terms of creation of market management system, training of human resources, consultation, cooperation facilitation, development and improvement of market facilities and infrastructure.
- (2) The supervision as referred to in Article 18 paragraph (1) shall be made to the business management of Traditional Market, Shopping Center and Modern Store.

Article 20

The Governor and/or District Head/Mayor shall make coordination to:

- a. anticipate the possibility of problem in the management of Traditional Market, Shopping Center and Modern Store;
- b. take the measures required to settle the problem as the consequence of establishment of Traditional Market, Shopping Center and Modern Store.

CHAPTER IX
SANCTION

Article 21

- (1) The Business Actor violating the provisions as referred to in:
 - a. Article 7 paragraph (2), Article 8, Article 14 paragraph (4), Article 16 shall be subjected to administrative sanction;
 - b. Article 10 shall be subjected to sanction according to the provisions in the legislation.
- (2) The administrative sanction as referred to in paragraph (1) item a shall be in form of:



- a. Freezing of Business permit;
 - b. Revocation of Business Permit.
- (3) The freezing of business permit as referred to in paragraph (2) item a if the written warning has been issued for 3 (three) times consecutively with the grace period of maximum 1 (one) month.
- (4) The revocation of business permit as referred to in paragraph (2) item b shall be made if the Business Actor fails to comply with the warning as referred to in paragraph (3).

CHAPTER X

TRANSITIONAL PROVISIONS

Article 22

- (1) The Shopping Center or Modern Store already operated and has obtained the Trade Operation Permit (SIUP) before the stipulation hereof shall submit the application for IUPP or IUTM within not later than 1 (one) year as of the effectiveness date hereof.
- (2) Shopping Center or Modern Store already operated and has obtained the Modern Market Business Permit (IUPM) before the stipulation hereof shall be equalized to IUPP or IUTM as long as do contradictory to this Regulation of the Minister.
- (3) The management permit owned by the Traditional Market before effectiveness hereof shall be equalized to IUP2T as long as not contradictory to this Regulation of the Minister.
- (4) Traditional Market, Shopping Center or Modern Store not yet operated and not yet obtaining Management Permit or SIUP before the effectiveness hereof shall submit the application for IUP2T or IUPP or IUTM according to this Regulation of the Minister.



- (5) The Traditional Market, Shopping Center or Modern Store already having the site permit issued by the District Head/Mayor or Governor for the Provincial Government of Special Region Jakarta Capital, and not yet carrying out the development before the effectiveness hereof shall adjust to the regulation of the Minister.
- (6) The Shopping Center or Modern Store already operated before the effectiveness hereof and not yet implementing the partnership program, shall implement the partnership program within not later than 1 (one) year as of the effectiveness date hereof.
- (7) The business cooperation agreement between the Supplier and Grocery Store, Hypermarket, Department Store, Supermarket and Minimarket Network Management already carried out upon effectiveness hereof shall remain effective until the expiry hereof.
- (8) Shopping Center or Modern Store other than Minimarket as referred to in Article 3 paragraph (1) that just having the agreement in principle from the District Head/Mayor or Governor of Special Region Jakarta Capital and does not yet built upon the effectiveness hereof, shall adjust to this Regulation of the Minister within not later than 1 (one) year.

Article 23

- (1) IUPM as referred to in Article 22 paragraph (2) or management permit as referred to in Article 22 paragraph (3) shall be re-registered as referred to in Article 14 paragraph (4).
- (2) The re-registration of IUPM or Management Permit as referred to in paragraph (1) shall be made if the permit obtained has exceeding 5 (five) years as of the issue date.



CHAPTER XI

MISCELLANY

Article 24

- (1) If deemed necessary, the Minister may establish the Communication Forum with the members consisting of representatives of the stakeholders in the Traditional Market, Shopping Center and Modern Store sector, each acting for and on behalf of the individual professionally.
- (2) The Communications Forum as referred to in paragraph (1) shall be assigned to provide recommendation to the Minister for building and development of Traditional Market, Shopping Center and Modern Store.

Article 25

- (1) Every Business Actor shall not carry out the monopoly practice and unfair business competition.
- (2) The assessment and settlement of violation of monopoly practice and unfair business competition as referred to in paragraph (1) both between the fellow Supplier or fellow Modern Store as well as between the Supplier and Modern Store shall be made by the Commission for Business Competition Supervisory (KPPU).

Article 26

The implementing direction hereof shall further be stipulated by the Director General of Domestic Trade.

CHAPTER XII

CLOSING

Article 27

Upon effectiveness hereof :

1. Joint Decree of Minister of Industry and Trade and Minister of



Home Affairs Number 145/MPP/Kep/5/1997 and Number 57 Year 1997 regarding Arrangement and Building of Market and Shops;

2. Decree of the Minister of Industry and Trade Number 261/MPP/Kep/7/1997 regarding Establishment of Arrangement and Building Team of Market and Shops;
3. Decree of the Minister of Industry and Trade Number 420/MPP/Kep/10/1997 regarding Guideline on Arrangement and Building of Market and Shops;
4. Decree of the Minister of Industry and Trade Number 107/MPP/Kep/2/1998 regarding Provisions and Procedure of Issue of Modern Market Business Permit;

shall be revoked and declared null and void.

Article 28

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

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

Stipulated in Jakarta
on December 12, 2008

MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

signed

MARI ELKA PANGESTU

Copy corresponds with the original



Secretariat General of

Ministry of Trade

Plt. Head of Legal Bureau,

signed

Rahayubudi



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

NUMBER : 53/M-DAG/PER/12/2008

DATE : December 12, 2008

LIST OF APPENDICES

1. APPENDIX I : FORM OF APPLICATION FOR IUP2T, IUPP AND IUTM
2. APPENDIX II : PLAN OF PARTNERSHIP WITH UMKM

MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

signed

MARI ELKA PANGESTU

Copy corresponds with the original

Secretariat General of

Ministry of Trade

Plt. Head of Legal Bureau,

signed

Rahayubudi



**FORM OF APPLICATION FOR MANAGEMENT BUSINESS PERMIT OF
TRADITIONAL MARKET/SHOPPING CENTER/MODERN STORE**

Number :
Encl. : 1 (one file)
Re. : Application for Management To:
Business Permit of Traditional ISSUER OFFICIAL
Market/Shopping Center/Modern In
Store *)

I, the undersigned, hereby submit the application for Business Management permit of Traditional Market (IUP2T)/ Modern Store Business Permit (IUTM)/Shopping Center Business Permit (IUPP *):

I. IDENTITY OF APPLICANT

1. Name :
2. Position in Company :
3. Residential address :
4. Postal code :
5. Phone/Fax Number :
6. ID Card/Passport Number :
7. Nationality :

II. COMPANY'S IDENTITY

1. Company :
2. Director/Person in Charge :
3. Address :
4. Phone/Fax Number :
5. Village/Desa :
6. Sub-district :
7. Zip code :



8. District/City/ Municipality :
9. Province :

III. COMPANY's LEGALITY

1. Company's Form : Limited Liability
Company/Cooperatives/CV/Firm *)
2. Copy of Deed of Establishment :
3. Copy Deed of Amendment (if any); :

IV. SHARE AND CAPITAL OWNERSHIP

1. Capital :
2. Shares (especially for investor)
a. Total Value of Share :
b. Composition of Share Ownership
b.1. National : % (Percent)
b.2. Foreign : % (Percent).
3. Company's Status : PMDN/PMA/Non Domestic/Non-PMA *)

V. IDENTITY OF TRADITIONAL MARKET/SHOPPING CENTER/MODERN STORE

1. Name of Traditional Market/Shopping Center/Modern Store:
.....
2. Area of land/building : Land..... m2, Building m2
3. Sale Floor area : m2
4. Parking lot area : m2
5. Parking Capacity : Four-Wheel car
6. Address :
.....
7. Village of/Desa :
8. Sub-district of :
9. Postal code :
10. District of/City :



11. Province :

Special Addition to Shopping Center:

1. Total Traders : Traders
 - a. UKM : Traders
 - b. Major Tenant : Traders

Anchor Tenant (if any)
2. Major Tenant/Anchor Tenant
 - a., Sale Floor Area M2
 - b., Sale Floor Area M2
 - c., Sale Floor Area M2

VI. LEGALITY OWNED (attached)

1. Copy of Agreement in Principle of establishment issued by the District Head/Mayor or Governor for the Special Region Jakarta Capital;
2. Result of Analysis of Community's Socio-Economic Condition;
 - a. Name of Consultant :
 - b. Address of Consultant :
3. Copy of Site Permit from the National Land Board (BPN);
4. Copy of Hindrance Act (HO);
5. Copy of Building Construction Permit (IMB);
6. Copy of Building Use Right (HGB);
7. Copy of Company Registration (TDP);
8. Ownership of Modern Store by foreign company shall attach the copy of permit from the Investment Coordinating Board (BKPM);
9. Plan of Partnership with UMKM and Cooperatives;
10. Statement on truth of requirement document of application for Shopping Center Business Permit (IUPP);
11. Statement on capability to perform according to the prevailing Legislation.

Especially for Traditional Market and Modern Store integrated in the Shopping Center:

0



1. Result of Analysis of Community's Socio-Economic Condition;
 - a. Name of Consultant :
 - b. Address of Consultant :
2. Copy of IUPP of Shopping Center or other building as the place of establishment of Traditional Market or Modern Store;
3. Copy of Company Registration (TDP);
4. Copy of Deed of Establishment of the Company and its ratification;
5. Statement on truth of requirement document of application for Traditional Market Management Business Permit (IUP2T) or Modern Store Business Permit (IUTM);
6. Plan of Partnership with Micro or Small Scale Business for Shopping Center or Modern Store;
7. Statement on capability to perform and comply with the prevailing provisions;

In witness whereof, this application is truly made and in case of error or false data or information and remarks found herein, we declare that we are prepared to be subjected to revocation of permit already issued and subjected to claim according to the prevailing legislation.

....., 200

Name and Signature of the
Company's Person in charge
Company's seal and duly stamp

.....

Note:

*) delete as appropriate.



PLAN OF PARTNERSHIP WITH MICRO AND SMALL SCALE BUSINESS

1. Name and address of each party :
.....
.....
2. Form and scope of business activity :
.....
3. Partnership pattern used :
.....
4. Rights and obligations of each party :
.....
5. Sanction in case of failure to perform
the content of agreement already
agreed :
.....
6. Effectiveness term of agreement :
7. Procedure of Dispute Resolution :
.....
8. Form of building made to Micro and
Small Scale Business; :
.....
9. Payment term :
.....

.....

Person in charge
Company's seal and duly stamp

.....

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

