
AUTHORIZED TRANSLATION



MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

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

NUMBER 74/M-DAG/PER/9/2015

CONCERNING

INTERISLAND TRADE OF REFINED CRYSTAL SUGAR

UPON GRACE OF THE ONE ALMIGHTY GOD

THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA,

- Considering:
- a. that the Government has issued the Decree of the Minister of Industry and Trade Number 61/MPP/Kep/4/2004 concerning Interisland Trade of Sugar, as has been amended with the Decree of the Minister of Industry and Trade Number 334/MPP/Kep/9/2004;
 - b. that the arrangement in the Decree of the Minister of Industry and Trade Number 61/MPP/Kep/4/204 concerning Interisland Trade of Sugar, as has been amended with the Decree of the Minister of Industry and Trade Number 334/MPP/Kep/9/2004, is considered no more relevant;

- c. that based on the considerations, as meant in letter a and letter b, and in the framework of guaranteeing the supply and stability of the sugar price, it is necessary to reregulate the provisions for the interisland trade of sugar, particularly refined crystal sugar;
- d. that based on the considerations as meant in letter a, letter b, and letter c, it is necessary to determine the Regulation of the Minister of Trade concerning Interisland Trade of Refined Crystal Sugar.

- In view of:
- 1. Law Number 8 of 1999 concerning Consumer Protection (State Gazette of the Republic of Indonesia of 1999 Number 22, Supplement to the State Gazette of the Republic of Indonesia Number 3821);
 - 2. 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);
 - 3. Law Number 18 of 2012 concerning Food (State Gazette of the Republic of Indonesia of 2012 Number 227, Supplement to the State Gazette of the Republic of Indonesia Number 5360);
 - 4. Law Number 7 of 2014 concerning Trade (State Gazette of the Republic of Indonesia of 2014 Number 45, Supplement to the State Gazette of the Republic of Indonesia Number 5512);
 - 5. Law Number 23 of 2014 concerning Local Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587);
 - 6. Law Number 30 of 2014 concerning Government Administration (State Gazette of the Republic of Indonesia of 2014 Number 292,

Supplement to the State Gazette of the Republic of Indonesia Number 5601);

7. Government Regulation Number 69 of 1999 concerning Food Label and Advertisement (State Gazette of the Republic of Indonesia of 1999 Number 131, Supplement to the State Gazette of the Republic of Indonesia Number 3867);
8. Government Regulation Number 68 of 2002 concerning Food Security (State Gazette of the Republic of Indonesia of 2002 Number 142, Supplement to the State Gazette of the Republic of Indonesia Number 4254);
9. Government Regulation Number 28 of 2004 concerning Food Security, Quality and Nutrition (State Gazette of the Republic of Indonesia of 2004 Number 207, Supplement to the State Gazette of the Republic of Indonesia Number 4424);
10. Presidential Decree Number 57 of 2004 concerning Determination of Sugar as Product under Control;
11. Presidential Decree Number 121/P of 2014 concerning Formation of Ministries and Appointment of Minister of the Working Cabinet for the Period of 2014 – 2019;
12. Presidential decree Number 79/P of 2015 concerning Replacement of Several Ministers of the Working Cabinet for the Period of 2014 – 2019;
13. Presidential Regulation Number 7 of 2015 concerning Organization of the State Ministry;
14. Presidential Regulation Number 48 of 2015 concerning Ministry of Trade;

15. Presidential Regulation Number 71 of 2015 concerning Determination and Storage of Basic Needs and Important Goods;
16. Regulation of the Minister of Trade Number 20/M-DAG/PER/5/2009 concerning Provisions and Procedure of Goods and/or Service Control;
17. Regulation of the Minister of Trade Number 31/M-DAG/PER/7/2010 concerning Organization and Work Procedure of the Ministry of Trade, as has been amended with the Regulation of the Minister of Trade Number 57/M-DAG/PER/8/2012.

HAS DECREED :

To determine: **THE REGULATION OF THE MINISTER OF TRADE CONCERNING INTERISLAND TRADE OF REFINED CRYSTAL SUGAR.**

Article 1

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

1. Refined Crystal Sugar is sugar that is used as the production process raw material, which is included Tariff Post/HS 1701.99.11.00 and 1701.99.19.00.
2. Refined Crystal Sugar Producer is the company that carries out the raw sugar processing process and/or local sugarcane into Refined Crystal Sugar.
3. User Industry is the food and beverage industry, pharmacy industry, herbal industry, and other industries, as well as large, medium and small industries, which uses Refined Crystal Sugar as the production raw material and is in possession of the license from the authorized agency.

4. Interisland Trade of Refined Crystal Sugar is the activity of distributing Refined Crystal Sugar performed by the Refined Crystal Sugar Producer with the User Industry from one island to another island or interregional in one island, which transportation is carried out by sea.
5. The Letter of Approval for Interisland Trade of Refined Crystal Sugar, hereinafter referred to as SPPAGKR, is the letter of approval for the Refined Crystal Sugar Producer to carry out the Interisland Trade of Refined Crystal Sugar.
6. Minister is the minister who organizes the administration affairs in the trade sector.

Article 2

- (1) Refined Crystal Sugar may be traded interisland.
- (2) Refined Crystal Sugar may be traded interisland covering domestic produced Refined Crystal Sugar with the following raw materials:
 - a. Sugarcane; and
 - b. Raw crystal sugar/rough sugar.

Article 3

Refined Crystal Sugar, as meant in Article 2 paragraph (2), may only be traded with the User Industry as raw material and is prohibited to be traded at the retail market.

Article 4

Refined Crystal Sugar originating from import is prohibited to be traded interisland.

Article 5

- (1) Refined Crystal Sugar, as meant in Article 2 paragraph (2), may only be traded interisland by the Refined Crystal Sugar Producer.
- (2) The Refined Crystal Sugar Producer that carries out the interisland trade of Refined Crystal sugar should possess the SPPAGKR as the document of transportation.

Article 6

- (1) In order to obtain the SPPAGKR, as meant in Article 5 paragraph (2), the Refined Crystal Sugar Producer should submit the request to the Minister through the Trade Integrated Service Unit (UPTP) by attaching the evidence of request from User Industry in the area of destination.
- (2) The evidence of request from the User Industry in the area of destination, as meant in paragraph (1), should contain the data on the following:
 - a. Name and address of the User Industry; and
 - b. Amount of Refined Crystal Sugar to be traded interisland.
- (3) The Minister issues the SPPAGKR within not later than 3 (three) working days effective as of the date of request, as meant in paragraph (1), is received completely and correctly.
- (4) The SPPAGKR contains minimum the information on the type, amount, name and address of the Refined Crystal Sugar industry, including the name of the user/recipient industrial company in the area of destination.

Article 7

The SPPAGKR is valid for 2 (two) months effective as of the date of issuance.

Article 8

- (1) The validity term of the SPPAGKR, as meant in Article 7, may be extended for maximum 30 (thirty) days.
- (2) In order to obtain the extension of the SPPAGKR validity term, as meant in paragraph (1), the Refined Crystal Sugar Producer should submit the request in accordance with the provision as meant in Article 6 paragraph (1).

Article 9

- (1) The Minister holds the authority to issue the SPPAGKR, as meant in Article 6.
- (2) The Minister delegates the authority to issue the SPPAGKR, as meant in paragraph (1), to the Director General of Domestic Trade.
- (3) The Director General of Domestic Trade provides the mandate to the Director who handles the basic materials and strategic products sector to sign the SPPAGKR.

Article 10

- (1) The Refined Crystal Sugar Producer who distributes Refined Crystal Sugar to the User Industry should have the cooperation agreement with the User Industry.
- (2) The cooperation agreement, as meant in paragraph (1), should minimum contain the clause on the cooperation term, price, amount and value of transaction, product specification and shipment schedule.

Article 11

- (1) The User Industry that obtains the Refined Crystal Sugar from the Refined Crystal Sugar Producer should possess the Industrial Business License (IUI) document for large industry or Industrial Registration Identity (TDI) for the small and medium industries.
- (2) The User Industry, as meant in paragraph (1), is prohibited to sell Refined Crystal Sugar that is distributed by the Refined Crystal Sugar Producer.

Article 12

- (1) The Refined Crystal Sugar that is distributed until the User Industry should use the packing with the size of minimum 50 kg (fifty kilograms) and is prohibited to be repacked.
- (2) The Refined Crystal Sugar packing, as meant in paragraph (1), should be affixed with the label or information in accordance with provisions of the legislative regulations in the food sector.

Article 13

- (1) The Refined Crystal Sugar Producer is prohibited to sell Refined Crystal Sugar to User Industry through the distributor and/or retailer.
- (2) The Refined Crystal sugar Producer may in certain condition distribute Refined Crystal sugar through the distributor for the need of small and medium industries and/or other needs based on the assignment from the Minister.
- (3) The certain condition, as meant in paragraph (2), is namely the condition of increasing demand for the need of Refined Crystal Sugar from small and medium industries or for other needs in

the framework of facing national religious holidays in a certain area and in a certain period.

- (4) The distribution of Refined Crystal Sugar for the need of small and medium industries, as meant in paragraph (2), is carried out based on the recommendation from the ministry that organizes the administration affairs in the industrial sector and/or ministry that organizes the administration affairs in the cooperative and small and medium scale enterprise sector.

Article 14

The Refined Crystal Sugar is responsible for its Refined Crystal Sugar that is distributed to the User Industry.

Article 15

- (1) The Refined Crystal Sugar Producer should submit the report on the realization of the Refined Crystal Sugar distribution to the Director General of Domestic Trade once every 1 (one) month.
- (2) The realization report, as meant in paragraph (1), is submitted within not later than the 10th day of the following month by using the format as contained in the Appendix, which is an inseparable part of this Regulation of the Minister.

Article 16

- (1) The guidance and control on the Refined Crystal Sugar Producer in distributing Refined Crystal Sugar is carried out by the Minister individually or jointly with the related technical agency at the central and/or regional level.
- (2) The guidance and control, as meant in paragraph (1), is carried out by the Director General of Domestic Trade, Director General of Standardization and Consumer Protection, and Governor or Bupati/Mayor in accordance with their respective duties and functions.

Article 17

This Regulation of the Minister is the guideline for the Local Government in carrying out the guidance and control on the interisland trade of Refined Crystal Sugar.

Article 18

- (1) The Refined Crystal Sugar Producer who violates the provisions of Article 3, Article 4, Article 12 and Article 13 paragraph (1) should withdraw the Refined Crystal Sugar from the circulation in the discovered area within not later than 1 (one) month as of the issuance date of the Withdrawal Order from the Minister or appointed Official.
- (2) The Refined Crystal Sugar who disregards the provision, as meant in paragraph (1), is imposed the administrative sanction in form of withdrawal of the SPPAGKR and/or freezing of the Import Approval.

Article 19

- (1) The Refined Crystal Sugar Producer who does not submit the realization report, as meant in Article 15, is imposed the administrative sanction in form of written warning from the Director who handles that basic materials and strategic products sector.
- (2) The written warning, as meant in paragraph (1), is provided maximum 2 (two) times consecutively with the grace period of 5 (five) working days.
- (3) The Refined Crystal Sugar Producer who disregard the written warning, as meant in paragraph (2), is imposed the sanction in form of the SPPAGKR withdrawal.

Article 20

The User Industry who violates the provision in Article 11 paragraph (2) is imposed the sanction of the business license withdrawal by the authorized official based on the recommendation from the Minister or the appointed official.

Article 21

At the time this Regulation of the Minister commences applicable, the Decree of the Minister of Industry and Trade Number 6/MPP/Kep/4/2004 concerning the Interisland Trade of Sugar, as has been amended with the Decree of the Minister of Industry and Trade Number 334/MPP/Kep/9/2004, is withdrawn and declared not applicable.

Article 22

This Regulation of the Minister commences applicable on the date of enactment.

So that it is known by everyone, the enactment of this Regulation of the Minister is instructed with its placement in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta

On 28 September 2015

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

signed

THOMAS TRIKASIH LEMBONG

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

signed and sealed

LASMININGIH

APPENDIX
REGULATION OF THE MINISTER OF TRADE OF THE REPUBLIC OF
INDONESIA
NUMBER 74/M-DAG/PER/9/2015
CONCERNING
INTERISLAND TRADE OF REFINED CRYSTAL SUGAR

FORMAT OF REALIZATION REPORT ON THE DISTRIBUTION
OF REFINED CRYSTAL SUGAR

COMPANY LETTERHEAD

Number : Date, month, year

Enclosure :

Subject :

To

Director General of Domestic Trade

Att: Director of Basic Materials

and Strategic Products

Ministry of Trade

Jl. M.I. Ridwan Rais No. 5

JAKARTA

Month :

Year :

I. GENERAL INFORMATION

Name of Company :

Address of Company :

Telephone Number :

Facsimile Number :

II. REALIZATION OF REFINED CRYSTAL SUGAR DISTRIBUTION TO THE USER INDUSTRY

| NO. | Name and Address of User Industry | Total Contract with User Industry (ton) | Total Distribution (ton) | Date, month, year of Distribution | Balance | Remarks |
|-----|-----------------------------------|---|--------------------------|-----------------------------------|---------|---------|
| 1 | 2 | 3 | 4 | 5 | 6 = 3-4 | 7 |
| | | | | | | |

This report is made by us truthfully and in case it appears afterwards to be incorrect, then we are willing to receive the sanction in accordance with the applicable provisions of the legislative regulations.

Company Seal
signed
(Company Management)

Copy to:
Director General of Foreign Trade
Ministry of Trade

MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

signed

THOMAS TRIKASIH LEMBONG

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

signed and sealed

LASMININGSIH

Translated from Indonesian Language
Jakarta, September 30, 2016
Authorized and Sworn Translator,

FIKRI SAID OBED