



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

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

**NUMBER 16/M-DAG/PER/3/2017**

**CONCERNING**

**REFINED CRYSTAL SUGAR TRADE**

**THROUGH COMMODITY AUCTION MARKET**

**BY THE GRACE OF THE ALMIGHTY GOD**

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

- Considering : a. that based on provisions of Article 2 of Presidential Decree Number 57 Year 2004 concerning Sugar Stipulation as under Supervision Goods, refined crystal sugar is stipulated as under supervision goods;
- b. that in order to provide equal business opportunity for small and big industries in obtaining refined crystal sugar and supervisions as well as refined crystal sugar distribution, it is necessary to regulate refined crystal sugar trade through commodity auction market; and
- c. that based on considerations as intended in letter a and letter b, it is necessary to stipulate Regulation of the Minister of Trade concerning Refined Crystal Sugar Trade Through Commodity Auction Market;



- In view of :
1. Law Number 32 of 1997 concerning Commodity Periodical Trade (State Gazette of the Republic of Indonesia of 1997 Number 93, Supplementary State Gazette of the Republic of Indonesia Number 3720) as amended with Law Number 10 of 2011 concerning Amendment on Law Number 32 of 1997 on Commodity Periodical Trade (State Gazette of the Republic of Indonesia of 2011 Number 79, Supplementary State Gazette of the Republic of Indonesia Number 5232) ;
  2. Law Number 18 of 2012 concerning Food (State Gazette of the Republic of Indonesia of 2012 Number 227, Supplementary State Gazette of the Republic of Indonesia Number 5360);
  3. Law Number 7 of 2014 concerning Trade (State Gazette of the Republic of Indonesia of 2014 Number 45, Supplementary State Gazette of the Republic of Indonesia Number 5512);
  4. Law Number 68 of 2002 concerning Food Security (State Gazette of the Republic of Indonesia of 2002 Number 142, Supplementary State Gazette of the Republic of Indonesia Number 4254);
  5. Presidential Decree Number 7 of 2015 concerning State Ministry Organization (State Gazette of the Republic of Indonesia of 2015 Number 8);
  6. Presidential Regulation Number 48 of 2015 concerning Trade Ministry (State Gazette of the Republic of Indonesia of 2015 Number 90);
  7. Presidential Decree Number 57 of 2004 concerning Sugar Stipulation as under Supervision Goods (State Gazette of the Republic of Indonesia of 2004 Number 69);
  8. Regulation of the Minister of Trade Number 117/M-DAG/PER/12/2015 concerning Provisions of Sugar Import (State Gazette of the Republic of Indonesia of 2015 Number 2000);
  9. Regulation of the Minister of Trade Number 08/M-DAG/PER/2/2016 concerning Organization and Management of Trade Ministry (State Gazette of the Republic of Indonesia of 2016 Number 202);



HAS DECIDED:

To stipulate : REGULATION OF THE MINISTER OF TRADE CONCERNING REFINED CRYSTAL SUGAR TRADE THROUGH COMMODITY AUCTION MARKET.

Article 1

In this Regulation of the Minister referred to as:

1. Refined Crystal Sugar shall be sugar used as raw materials of production process fulfilling SNI 3140.2-2011.
2. Commodity Auction Market hereinafter referred to as Auction Market shall be organized physical market for sellers and buyers to conduct commodity transaction through online auction system with transaction guarantee and commodity transfer.
3. Organizer of National Refined Crystal Sugar Auction Market hereinafter referred to as Organizer of Refined Crystal Sugar Auction Market shall be auction market company organizing Refined Crystal Sugar Auction Market using National Sugar Trade System electronically.
4. Refined Crystal Sugar Producer shall be company conducting process of raw crystal sugar processing into Refined Crystal Sugar.
5. Micro, Small, and Medium Business Group shall be a group of productive business belongs to individual and corporation.
6. National Sugar Trade System shall be integrated internet-based system using Electronic Barcode as a facility to find out origin, transaction, and registration of Refined Crystal Sugar in Refined Crystal Sugar Auction Market.
7. Electronic Barcode hereinafter referred to e-Barcode shall be special code containing full and accurate information consisting of history regarding to sugar trade from importation process of raw crystal sugar materials, production, selling, or distribution.
8. Periodical Market shall be corporation organizing and providing system and/or facility for commodity trading activity by virtue of



periodical contract, Islamic derivative contract and/or other derivative contracts.

9. Clearing and Auction Market Assurance Institution shall be corporation conducting registration and assurance of settlement occurring in Refined Crystal Auction Market.
10. Floor Price shall be the lowest price stipulated as reference price of bottom limit in trading transaction at Refined Crystal Sugar Auction Market.
11. Ceiling Price shall be the highest price stipulated as reference price of up limit in trading transaction at Refined Crystal Sugar Auction Market.
12. Minister shall be the minister administering governmental affairs in the field of trade.
13. Commodity Periodical Trade Supervision Body hereinafter referred to BAPPEBTI shall be governmental institution with its main duty conducting guidance, arrangement, development, and supervision of Commodity Auction Market.

#### Article 2

Refined Crystal Sugar processed from imported raw crystal sugar can only be traded through Refined Crystal Sugar Auction Market.

#### Article 3

Refined Crystal Sugar as intended in Article 2 shall include:

- a. Refined Crystal Sugar fulfilling SNI 3140.2-2011 with ICUMSA number at the highest 45 IU; and
- b. Refined Crystal Sugar fulfilling SNI 3140.2-2011 with ICUMSA number at the highest 80 IU.

#### Article 4

- (1) Refined Crystal Sugar Trade through Refined Crystal Auction Market as intended in Paragraph 2 can only be organized by the Organizer of Refined Crystal Sugar Auction Market obtaining stipulation by the Minister.



- (2) Requirements to attain stipulation as Organizer of Refined Crystal Sugar Auction Market as intended in paragraph (1), as follows:
- a. company in the form of Limited Liability Company (PT);
  - b. possessing regulation and order of Refined Crystal Sugar Auction Market at least contains:
    1. participant's requirements and application methods as Refined Crystal Sugar Auction Market participant;
    2. transaction mechanism;
    3. transaction completion mechanism; and
    4. sanction towards regulation and order violation of Refined Crystal Sugar Auction Market,
  - c. possessing facility and National Sugar Trade System;
  - d. possessing integrated electronic system including e-Barcode for supervision and distribution documenting raw crystal sugar importation and production, selling, or distribution of Refined Crystal Sugar;
  - e. possessing cooperation with Periodical Market and/or all or half of its stocks are owned by Periodical Market; and
  - f. possessing cooperation with Clearing and Auction Market Assurance Institution.

#### Article 5

Stipulation of Refined Crystal Sugar Auction Market Organizer as intended in Article 4 paragraph (2) shall be conducted in accordance with governmental goods and/or service procurement mechanism as regulated in provisions of laws and legislations.

#### Article 6

Organizer of Refined Crystal Sugar Auction Market shall be obliged to:

- a. organize Refined Crystal Sugar Auction Market properly, orderly, and regularly in accordance with regulation and order of Refined Crystal Sugar Auction Market;
- b. providing facility and National Sugar Trade System containing at least concerning:



1. online system of Refined Crystal Sugar physical market trade for Completion transaction With Spot Time and/or Completion With Forward Time;
  2. online registration and transaction system; and
  3. system of raw crystal sugar importation documentation as well as production, realtime and online selling and purchasing of Refined Crystal Sugar.
- c. fulfilling provisions of Refined Crystal Sugar trade through Commodity Auction Market.

#### Article 7

- (1) Participants of Refined Crystal Sugar Auction Market consist of seller and buyer obtaining approval from the Organizer of Refined Crystal Sugar Auction Market.
- (2) Seller as intended in paragraph (1) is producer of Refined Crystal Sugar obtaining production permit from authorized instances.
- (3) Buyer as intended in paragraph (1), includes:
  - a. big and small and medium industry possessing licensing from supervising technical institution in accordance with its authority;
  - b. cooperation and small and medium business obtaining licensing from supervising technical institution in accordance with its authority; and
  - c. a group of Micro, Small, and Medium Business.

#### Article 8

- (1) Buyer as intended in Article 7 paragraph (3) letter c becoming Refined Crystal Sugar Auction Market participant shall be verified by provincial or regency/city bureau in the field of trade.
- (2) Verification as intended in paragraph (1), at least concerns:
  - a. business activity;
  - b. capacity and need of Refined Crystal Sugar; and
  - c. Refined Crystal Sugar storage.
- (3) Verification result as intended in paragraph (2) shall be delivered to the Head of BAPPEBTI with copy to the Director General of Domestic



Trade, Director General of Foreign Trade, and Director General of Consumer and Commerce Protection.

- (4) Verification as intended in paragraph (1) is not be imposed administrative cost.

#### Article 9

Big and small and medium industry as intended in Article 7 paragraph (3) letter a, cooperation and small and medium business as intended in Article 7 paragraph (3) letter b, and Micro, Small, and Medium Business Group as intended in Article 7 paragraph (3) letter c shall buy Refined Crystal Sugar only for their own needs and prohibited to be distributed to other parties.

#### Article 10

- (1) Refined Crystal Sugar Producer importing raw crystal sugar shall be obliged to sell Refined Crystal Sugar result through Refined Crystal Sugar Auction Market.
- (2) Buyer as intended in Article 7 paragraph (3) can only perform Refined Crystal Sugar purchase through Refined Crystal Sugar Auction Market.

#### Article 11

- (1) The Minister shall stipulate selling Floor Price and Ceiling Price of Refined Crystal Sugar periodically.
- (2) Selling Floor Price and Ceiling Price as intended in paragraph (1) become price limit references in trading transaction at Refined Crystal Sugar Auction Market.

#### Article 12

- (1) In the event of dispute between Auction Market participants in implementing Refined Crystal Sugar auction, the dispute settlement shall be conducted firstly with consensual decision making through dispute settlement facility provided by the Organizer of Refined Crystal Sugar Auction Market.
- (2) In the event of there is no consensual decision as intended in paragraph (1), the disputed participant of Refined Crystal Sugar Auction Market



can settle the dispute through Commodity Periodical Trading Arbitration Board or court of first instance.

#### Article 13

Organizer of Refined Crystal Sugar Auction Market shall be obliged to report Refined Crystal Sugar trade through Refined Crystal Sugar Auction Market to the Minister in this case the Director General of Domestic Trade, the Director General of Foreign Trade, the Director General of Consumer and Commerce Protection, and the Head of BAPPEBTI.

#### Article 14

Interisland and interregional distribution of Refined Crystal Sugar obtained from purchasing in Refined Crystal Sugar Auction Market shall be proved only with Purchasing Letter of Refined Crystal Sugar (SP-GKR) from Auction Market Organizer.

#### Article 15

- (1) The Organizer of Refined Crystal Sugar Auction Market violating provisions of Article 6 and/or Article 13, shall be given written warning maximum 3 (three) times within maximum 30 (thirty) working days for each warning.
- (2) In the event of the Organizer of Refined Crystal Sugar Auction Market after written warning remains to violate obligatory provisions as intended in Article 6 and/or Article 13, the Minister shall cancel the stipulation as Refined Crystal Sugar Auction Market Organizer.
- (3) Before cancelling stipulation as Refined Crystal Sugar Auction Market Organizer as intended in paragraph (2), the Minister shall firstly stipulate the replacement of Refined Crystal Sugar Auction Market Organizer in accordance with provisions as intended in Article 4 and Article 5.

#### Article 16

The Minister delegates guidance and supervision authority towards Organizer of Refined Crystal Sugar Auction Market as intended in Article 4 paragraph





(1), and Article 6, and authority of sanction granting as intended in Article 15 paragraph (1) to the Head of BAPPEBTI.

#### Article 17

- (1) For Refined Crystal Sugar producer possessing selling and marketing agreement or contract of Refined Crystal Sugar to industrial user of Refined Crystal Sugar, shall remain to perform the selling and marketing agreement or contract of Refined Crystal Sugar.
- (2) Selling and marketing agreement or contract of Refined Crystal Sugar as intended in paragraph (1) can be conducted with provisions that Refined Crystal Sugar producer must perform registration upon the selling and marketing agreement or contract of Refined Crystal Sugar to the Organizer of Refined Crystal Sugar Auction Market at the latest 30 (thirty) working days as from Refined Crystal Sugar Auction Market effectively trades Refined Crystal Sugar.
- (3) Organizer of Refined Crystal Sugar Auction Market shall have to conduct selling or marketing agreement or contract verification listed as intended in paragraph (2).

#### Article 18

- (1) Refined Crystal Sugar Producer violating provisions in Article 10 paragraph (1) shall be imposed administrative sanction in the forms of:
  - a. reduce of raw crystal sugar import quota progressively;
  - b. cancellation of approval as Refined Crystal Sugar Auction Market participant; and/or
  - c. is not given approval of raw crystal sugar import.
- (2) Refined Crystal Sugar buyer violating provisions in Article 10 paragraph (2) shall be imposed administrative sanction in approval cancellation as Refined Crystal Sugar Auction market participant.
- (3) Buyer other than buyer as intended in Article 7 paragraph (3) conducting purchasing of Refined Crystal Sugar out of Refined Crystal Sugar Auction Market shall be imposed administrative sanction in the form of business permit revocation by virtue of recommendation from Director



General of Consumer and Commerce Protection to the authorized permit issuing instance.

- (4) Big, small and medium industry, cooperation, small and medium business, and Group of Micro, Small, and Medium Business violating provisions as intended in Article 9 shall be imposed administrative sanction in business permit revocation by virtue of recommendation from Director General of Consumer and Commerce Protection to the authorized permit issuing instance

#### Article 19

Industrial user of raw crystal sugar and Refined Crystal Sugar with facility for Import Simplicity of Export Destination with its production result directed for export, shall be excepted from this Regulation of Minister.

#### Article 20

Technical instruction for the implementation of this Regulation of Minister can be stipulated by Director General of Domestic Trade, Director General of Foreign Trade, Director General of Consumer and Commerce Protection and the Head of BAPPEBTI individually or jointly.

#### Article 21

As this Regulation of Minister comes in effect, provisions concerning Interisland Trade Approval Letter of Refined Crystal Sugar (SPPAGKR) in Regulation of the Minister of Trade Number 74/M-DAG/PER/9/2015 concerning Interisland Trade of Refined Crystal Sugar (State Gazette of the Republic of Indonesia of 2015 Number 1520), shall be revoked and shall be declared null and void.

#### Article 22

This Ministerial Regulation shall come into effect as from the date of its stipulation, except towards provisions of Article 2, Article 6, Article 10, Article 14, and Article 21 shall come into effect 90 (ninety) days as from the date of its stipulation.



For public cognizance, ordering the promulgation of this Ministerial Regulation in the Official Gazette of the Republic of Indonesia.

Stipulated in Jakarta  
on 15 March 2017

THE MINISTER OF TRADE OF RI,

sgd.

ENGGARTIASTO LUKITA

Stipulated in Jakarta  
on 17 March 2017

DIRECTOR GENERAL  
LAWS AND REGULATIONS  
THE MINISTRY OF LAW AND HUMAN RIGHTS  
THE REPUBLIC OF INDONESIA,

sgd.

WIDODO EKATJAHJANA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2017 NUMBER 428

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

M. SYIST

