

REGULATION OF THE MUNICIPALITY OF SURABAYA  
NUMBER 1 OF 2023  
ON  
TRADE AND INDUSTRIAL AFFAIRS

BY THE BLESSINGS OF ALMIGHTY GOD

THE MAYOR OF SURABAYA,

- Considering : a. that the implementation of trade and industrial affair is a public economic right that can increase the economic growth within the Region in order to encourage the creation of good quality of life and the promotion of general welfare;
- b. that the implementation of trade and industrial affair in the Region has not been carried out optimally due to weak guidance and arrangement of trade and industrial facilities and infrastructure in the Region;
- c. that the implementation of trade and industrial affair as regulated in the Regulation of the Municipality of Surabaya Number 1 of 2010 on Implementation of Business in the Field of Trade and Industry is no longer in accordance with legal requirements and developments in conditions and community demands, thus requiring a review;
- d. that based on the considerations as referred to in point a, point b, and point c, it is necessary to issue Regional Regulation on Trade and industrial Affair;
- Observing : 1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 16 of 1950 on Establishment of Large City Regions within the Provinces of East Java, Central Java, West Java and the Special Region of Jogjakarta (State Bulletin of the Republic of Indonesia of 1950 Number 45), as amended by Law Number 2 of 1965 on Changes in the Boundaries of Surabaya Municipal Areas and Surabaya Level II Regions by Amending Law Number 12 of 1950 on Establishment of Large City Regions within the Provinces of East Java, Central Java, West Java and the Special Region of Jogjakarta (State Gazette of the Republic of Indonesia of 1965 Number 19, Supplement to the State Gazette of the Republic of Indonesia Number 2730);

3. Law Number 2 of 1981 on Legal Metrology (State Gazette of 1981 Number 11 Supplement to the State Gazette Republic of Indonesia Number 3193);
4. Law Number 5 of 1999 on Prohibition of Monopolistic Practices and Unfair Business Competition (State Gazette of the Republic of Indonesia of 1999 Number 33, Supplement to the State Gazette Republic of Indonesia Number 3817);
5. Law Number 8 of 1999 on Consumer Protection (State Gazette Republic of Indonesia of 1999 Number 42 Supplement to the State Gazette of the Republic of Indonesia Number 3821);
6. Law Number 11 of 2008 on Information and Electronic Transactions (State Gazette of the Republic of Indonesia of 2008 Number 58, Supplement to the State Gazette Republic of Indonesia Number 4843) as amended by Law Number 19 of 2016 on Amendment to Law Number 11 of 2008 on Information and Electronic Transactions (State Gazette of the Republic of Indonesia of 2016 Number 251 Supplement to the State Gazette of the Republic of Indonesia Number 5952);
7. Law Number 14 of 2008 on Public Information Transparency (State Gazette Republic of Indonesia of 2008 Number 61, Supplement to the State Gazette of the Republic of Indonesia Number 4846);
8. Law Number 20 of 2008 on Micro, Small and Medium Enterprises (State Gazette of the Republic of Indonesia of 2008 Number 93, Supplement to the State Gazette of the Republic of Indonesia Number 4866);
9. Law Number 12 of 2011 on Legislation Making (State Gazette of the Republic of Indonesia of 2011 Number 82, Supplement to the State Gazette Republic of Indonesia Number 5234) as amended several times, last by Law Number 13 of 2022 on Second Amendment to Law Number 12 of 2011 on Legislation Making (State Gazette of the Republic of Indonesia of 2022 Number 183 Supplement to the State Gazette of the Republic of Indonesia Number 6801);
10. Law Number 3 of 2014 on Industrial Affairs (State Gazette of the Republic of Indonesia of 2014 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 5492);
11. Law Number 7 of 2014 on Trade (State Gazette Republic of Indonesia of 2014 Number 45 Supplement to the State Gazette of the Republic of Indonesia Number 5512);
12. Law Number 20 of 2014 on Standardization and Conformity Assessment (State Gazette of the Republic of Indonesia of 2014 Number 216, Supplement to the State Gazette of the Republic of Indonesia Number 5584);
13. Law Number 23 of 2014 on Local Governments (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times, last Law Number 9 of 2015 on Second Amendment to Law Number 23 of 2014 on Local Governments (State Gazette

- of the Republic of Indonesia of 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679);
14. Government Regulation Number 2 of 1985 on Obligations and Exemptions for Measuring and/or Re-Measuring and Requirements for Measuring, Measuring, Weighing Instruments and Equipment (State Gazette of the Republic of Indonesia of 1985 Number 4 Supplement to State Gazette of the Republic of Indonesia Number 3283) ;
  15. Government Regulation Number 102 of 2000 on National Standardization (State Gazette of the Republic of Indonesia of 2000 Number 1999, Supplement to the State Gazette of the Republic of Indonesia Number 4020);
  16. Government Regulation Number 42 of 2007 on Franchising (State Gazette of the Republic of Indonesia of 2007 Number 90 Supplement to State Gazette of the Republic of Indonesia Number 4742);
  17. Government Regulation Number 61 of 2010 on Implementation of Law Number 14 of 2008 on Public Information Transparency (State Gazette of the Republic of Indonesia of 2010 Number 99, Supplement to the State Gazette of the Republic of Indonesia Number 5149);
  18. Government Regulation Number 107 of 2015 on Industrial Business Permits (State Gazette of the Republic of Indonesia of 2015 Number 329 Supplement to the State Gazette of the Republic of Indonesia Number 5797);
  19. Government Regulation Number 142 of 2015 on Industrial Estates (State Gazette of the Republic of Indonesia of 2015 Number 365 Supplement to State Gazette of the Republic of Indonesia Number 5806);
  20. Government Regulation Number 2 of 2017 on Development of Industrial Facilities and Infrastructure (State Gazette of the Republic of Indonesia of 2017 Number 9 Supplement to the State Gazette of the Republic of Indonesia Number 6016);
  21. Government Regulation Number 12 of 2017 on Development and Supervision of Administration Local Government (State Gazette of the Republic of Indonesia of 2017 Number 73 Supplement to the State Gazette of the Republic of Indonesia Number 6041);
  22. Government Regulation Number 33 of 2019 on Imposition of Administrative Sanctions to Warehouse Owners that Do Not Register Warehouses (State Gazette of the Republic of Indonesia of 2019 Number 90, Supplement to the State Gazette of the Republic of Indonesia Number 6346);
  23. Government Regulation Number 71 of 2019 on Implementation of Electronic Systems and Transactions (State Gazette of the Republic of Indonesia of 2019 Number 185, Supplement to the State Gazette of the Republic of Indonesia Number 6400);
  24. Government Regulation Number 5 of 2021 on Implementation of Risk-Based Business Licensing (State Gazette of the Republic of Indonesia of 2021 Number 15, Supplement to the State Gazette of the Republic of Indonesia Number 6617);

25. Government Regulation Number 6 of 2021 on Implementation of Business Licensing in Regions (State Gazette of the Republic of Indonesia of 2021 Number 16, Supplement to the State Gazette of the Republic of Indonesia Number 6618);
26. Government Regulation Number 7 of 2021 on Facilitation, Protection and Empowerment of Cooperatives and Micro, Small and Medium Enterprises (State Gazette of the Republic of Indonesia of 2021 Number 17, Supplement to the State Gazette of the Republic of Indonesia Number 6619);
27. Government Regulation Number 28 of 2021 on the Implementation of the Industrial Affairs (State Gazette of the Republic of Indonesia of 2021 Number 38, Supplement to the State Gazette of the Republic of Indonesia Number 6640);
28. Government Regulation Number 29 of 2021 on the Implementation of the Trade Sector (State Gazette of the Republic of Indonesia of 2021 Number 39, Supplement to the State Gazette of the Republic of Indonesia Number 6641);
29. Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation (State Gazette of the Republic of Indonesia of 2022 Number 238, Supplement to the State Gazette of the Republic of Indonesia Number 6841);
30. Presidential Regulation Number 74 of 2013 on Control and Supervision of Alcoholic Beverages (State Gazette of the Republic of Indonesia of 2013 Number 190);
31. Presidential Regulation Number 87 of 2014 on Implementing Regulation of Law Number 12 of 2011 on Legislation Making (State Gazette of the Republic of Indonesia of 2014 Number 199) as amended by Presidential Regulation Number 76 of 2021 on Amendments to Presidential Regulation Number 87 of 2014 2014 on Implementing Regulations of Law Number 12 of 2011 on the Formation of Legislation (State Gazette of the Republic of Indonesia of 2021 Number 186);
32. Presidential Regulation Number 71 of 2015 on Determination and Storage of Primary Needs and Essential Goods (State Gazette of the Republic of Indonesia of 2015 Number 138) as amended by Presidential Regulation Number 59 of 2020 on Amendment to Presidential Regulation Number 71 of 2015 on Determination and Storage of Primary Needs and Essential Goods (State Gazette of the Republic of Indonesia of 2020 Number 100);
33. Regulation of the Minister of Trade Number 20/M-DAG/PER/4/2014 on Control and Supervision of the Procurement, Distribution and Sale of Alcoholic Beverages as amended several times last by Regulation of the Minister of Trade Number 25 of 2019 on Sixth Amendment to Regulation of the Minister of Trade Number 20 /M-DAG/PER/4/2014 on Control and Supervision of the Procurement, Distribution and Sale of Alcoholic Beverages (State Bulletin of the Republic of Indonesia of 2019 Number 341);

34. Regulation of the Minister of Trade Number 90/M-DAG/PER/12/2014 on Warehouse Arrangement and Development as amended by Regulation of the Minister of Trade Number 16/M-DAG/PER/3/2016 on Amendments to Regulation of the Minister of Trade Number 90/M-DAG/PER/12/2014 on Warehouse Arrangement and Development (State Bulletin of the Republic of Indonesia of 2016 Number 460);
35. Regulation of the Minister of Home Affairs Number 80 of 2015 on Formation of Regional Legislation (State Bulletin of the Republic of Indonesia of 2015 Number 2036) as amended by Regulation of the Minister of Home Affairs Number 120 of 2018 on Amendment to Regulation of the Minister of Home Affairs Number 80 of 2015 on Formation of Regional Legislation (State Gazette of the Republic of Indonesia of 2018 Number 157);
36. Regulation of the Minister of Trade Number 47/M-DAG/PER/6/2016 on Increasing the Use of Domestic Products (State Bulletin of the Republic of Indonesia 2016 Number 958);
37. Regulation of the Minister of Industry Number 64/M-IND/PER/7/2016 on Number of Workers and Investment Value for Industrial Business Classification (State Bulletin of the Republic of Indonesia of 2016 Number 1089);
38. Regulation of the Minister of Trade Number 68 of 2018 on Calibration and Re-calibration of Measuring, Gauging, Weighing Instruments and Their Equipment (State Bulletin of the Republic of Indonesia of 2018 Number 812);
39. Regulation of the Minister of Industry Number 2 of 2019 on Procedures for Submitting Industrial Data, Industrial Area Data, Other Data, Industrial Information and Other Information Through the National Industrial Information System (State Bulletin of the Republic of Indonesia of 2019 Number 192);
40. Regulation of the Minister of Industry Number 45 of 2019 on Procedures for Granting Industrial Area Business Permits and Industrial Area Expansion Permits within the Framework of Electronically Integrated Business Licensing Services (State Bulletin of the Republic of Indonesia of 2019 Number 1554);
41. Regulation of the Minister of Trade Number 61 of 2019 on Approval of Organizing Trade Exhibitions (State Bulletin of the Republic of Indonesia of 2019 Number 904);
42. Regulation of the Minister of Trade Number 71 of 2019 on Implementation of Franchises (State Bulletin of the Republic of Indonesia of 2019 Number 1007);
43. Regulation of the Minister of Trade Number 20 of 2021 on Import Policies and Regulations (State Bulletin of the Republic of Indonesia of 2021 Number 299) as amended by Regulation of the Minister of Trade Number 25 of 2022 on Amendments to Regulation of the Minister of Trade Number 20 of 2021 on Import Policies and Regulations (State Bulletin of the Republic of Indonesia of 2022 Number 482);
44. Regulation of the Minister of Trade Number 21 of 2021 on

- Guidelines for the Development and Management of Trade Facilities (State Bulletin of the Republic of Indonesia of 2021 Number 277);
45. Regulation of the Minister of Trade Number 22 of 2021 on Procedures for Reporting Distribution of Primary Needs and Essential Goods (State Bulletin of the Republic of Indonesia of 2021 Number 278);
  46. Regulation of the Minister of Trade Number 23 of 2021 on Guidelines for Development, Arrangement and Development of Shopping Centers and Supermarkets (State Bulletin of the Republic of Indonesia of 2021 Number 279);
  47. Regulation of the Minister of Trade Number 26 of 2021 on Determination of Standards for Business Activities and Products in the Implementation of Risk-Based Business Licensing in the Trade Sector (State Bulletin of the Republic of Indonesia of 2021 Number 282);
  48. Regulation of the Province of East Java Number 3 of 2008 on Protection, Empowerment of Traditional Markets and Arrangement of Shopping Centers in the Province of East Java (Regional Gazette of the Province of East Java Province of 2008 Number 2 Series E);
  49. Regulation of the Municipality of Surabaya Number 12 of 2014 on Regional Spatial Plan of the Municipality of Surabaya for 2014-2034 (Regional Gazette of the Municipality of Surabaya of 2014 Number 12, Supplement to the Regional Gazette of the Municipality of Surabaya Number 10);
  50. Regulation of the Municipality of Surabaya Number 14 of 2016 on Formation and Structure of Regional Apparatus of the Municipality of Surabaya (Regional Gazette of the Municipality of Surabaya of 2016 Number 12 Supplement to the Regional Gazette of the Municipality of Surabaya Number 10) as amended by Regulation of the Municipality of Surabaya Number 3 of 2021 Amendment to Regulation of the Municipality of Surabaya Number 14 of 2016 on Formation and Composition of Regional Apparatus of the Municipality of Surabaya on Formation and Composition of Regional Apparatus of the Municipality of Surabaya (Regional Gazette of the Municipality of Surabaya of 2021 Number 3 Supplement to Regional Gazette of the Municipality of Surabaya Number 3);
  51. Regulation of the Municipality of Surabaya Number 8 of 2018 on Detailed Spatial Plan and Zoning Regulations for the Municipality of Surabaya (Regional Gazette of the Municipality of Surabaya of 2018 Number 8 Supplement to the Regional Gazette of the Municipality of Surabaya Number 8).

With the Joint Approval of  
The House of Representatives of the Municipality of SURABAYA  
and MAYOR OF SURABAYA

HAS DECIDED:

To issues : REGIONAL REGULATION ON TRADE AND INDUSTRIAL  
AFFAIRS.

CHAPTER I  
GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Region means the Municipality of Surabaya.
2. Local Government means the Government of the Municipality of Surabaya.
3. Mayor means the Mayor of Surabaya.
4. Trade means a sequence of activities related to transactions of Goods and/or Services within the country and beyond national borders with the aim of transferring rights to Goods and/or Services to obtain rewards or compensation.
5. Business Actor means individuals or business entities that carry out business and/or activities in certain fields.
6. Good means any object, either tangible or intangible, either movable or immovable, either expendable or non-expendable and can be traded, used, utilized or exploited by consumers or Business Actors.
7. Service means every service and performance in the form of work or work results achieved, which are traded by one party to another party in society to be utilized by consumers or Business Actors.
8. Market means an economic institution where buyers and sellers meet, either directly or indirectly, to carry out trade transactions.
9. People's Market means business premises that are organized, built and managed by the Government, Local Government, private sector, state-owned enterprises and/or local-owned enterprises, which can be in the forms of shops/kiosks, stalls, expanses/bases/*jongkos* and tents owned/managed by small and medium traders, non-governmental organizations, or cooperatives and micro businesses with a process of buying and selling goods through bargaining.
10. Shopping Center means a certain area consisting of one or several buildings constructed vertically or horizontally, which are sold or rented to Business Actors or managed by themselves to carry out goods trading activities.
11. Shop means a building with a business function that is used to sell goods and consists of only one seller, including supermarkets and traditional retail shops.
12. Supermarket means shops with an independent service

system, selling various types of goods at retail in the form of Minimarkets, Supermarkets, Department Stores, Hypermarkets or Wholesalers.

13. Micro Enterprises means productive businesses owned by individuals and/or individual business entities that meet the criteria for micro enterprises in accordance with the provisions of legislation.
14. Partnership means cooperation in business relationships, both direct and indirect, based on the principles of mutual need, trust, strengthening and benefit, involving micro, small and medium enterprises and large enterprises.
15. Warehouse means a closed and/or open immovable room with the aim not to be visited by the public, but to be used specifically as a place to store goods that can be traded and not for your own needs.
16. Non-Receipt System Warehouse means warehouses owned by the central government and/or local governments which are closed and are needed to guarantee the availability of primary needs.
17. Closed Warehouse means a warehouse that is a closed building that uses refrigeration or does not use refrigeration.
18. Open Warehouse means a warehouse which is an open area with certain boundaries.
19. Franchise means a special right owned by an individual or business entity to a business system with business characteristics in order to market goods and/or services that have been proven successful and can be exploited and/or used by other parties based on a Franchise agreement.
20. Franchisor means an individual or business entity who grants the right to exploit and/or use the franchise he/she owns to the Franchisee.
21. Franchisee means an individual or business entity who is given the right by the Franchisor to utilize and/or use the Franchise owned by the Franchisor.
22. Distribution means the activity of distributing goods directly or indirectly to consumers.
23. Trading Facilities means facilities in the forms of public markets, non-receipt system warehouses, and distribution centers, to support the smooth flow of distribution of goods.
24. Distribution Center means a trading facility that functions as a buffer stock for primary needs and important (strategic) goods to support the smooth flow of distribution of goods either between provinces or between regency/cities for domestic market purposes and/or foreign markets.
25. Primary Needs means goods that concern the livelihoods of many people on a high scale of meeting needs and are supporting factors for community welfare.
26. Essential Goods means strategic goods that play an important role in determining the smooth running of development.
27. Availability of Goods means the level of sufficiency of



Primary Needs and Essential Goods in accordance with the level of consumption required by the community at a certain time with good quality and affordable prices.

28. Trade Promotion means the activity of showing, demonstrating, introducing and/or disseminating information on the production of goods and/or services to attract consumer buying interest, both domestically and abroad, within a certain period of time to increase sales, expand markets and seek trade relations.
29. Trade Exhibition means activities carried out by exhibition organizers to display, demonstrate, introduce and/or disseminate goods/services and improve the image of products to potential buyers and exhibition visitors both from within the country and abroad by the aim of obtaining direct and/or indirect trade transactions.
30. Domestic Product means goods made and/or services provided by Business Actors in Indonesia.
31. Standard means technical requirements or something that is standardized, including procedures and methods prepared based on the consensus of all parties/ Government/ international decisions related to taking into account the requirements of safety, security, health, the environment, developments in science and technology, experience and developments in the past, now and in the future to obtain maximum benefits.
32. Standardization means the process of formulating, establishing, implementing, maintaining, enforcing and monitoring Standards which are carried out in an orderly manner and in collaboration with all parties.
33. Indonesian National Standards (*Standar Nasional Indonesia*) hereinafter abbreviated as SNI means standards set by institutions that carry out development and training in the field of standardization.
34. Calibration and Re-calibration of Measuring, Gauging, Weighing Instruments and Their Equipment (*Alat-alat Ukur, Takar, Timbang, dan Perlengkapannya*) hereinafter abbreviated as UTTP means tools that must be calibrated and re-calibrated in accordance with the provisions of legislation.
35. Calibration means a matter of marking with valid calibration marks or invalid calibration marks or providing written information with valid calibration marks or invalid calibration marks, carried out by the calibrator based on tests carried out on UTTP that has not been used.
36. Re-calibration means a matter of periodically marking with valid or invalid calibration markings or providing written information marked with valid calibration or invalid calibration, carried out by the calibrator based on tests carried out on the UTTP that has been stamped.
37. Trade Information System means an order, procedures and mechanisms for collecting, processing, conveying, managing and disseminating integrated trade data and/or information to support trade policies and control.

38. Direct Seller of Alcoholic Beverages for drinking on the spot, hereinafter referred to as Direct Seller means a company that sells Alcoholic Beverages to end consumers for drinking directly at a designated location.
39. Industrial Affairs means the order and all activities related to industrial activities.
40. Industry means all forms of economic activity that process raw materials and/or utilize industrial resources to produce goods that have added value or higher benefits, including industrial services.
41. Raw Material means raw materials, semi-finished goods, or finished goods that can be processed into semi-finished goods or finished goods that have higher economic value.
42. Industrial Service means service businesses related to industrial activities.
43. Industrial Company means any person carrying out activities in the industrial business sector domiciled in Indonesia.
44. Industrial Estate Company means a company that undertakes the development and management of Industrial Estates.
45. Industrial Area means an area where industrial activities are concentrated, equipped with supporting facilities and infrastructure developed and managed by an industrial area company.
46. Standard Classification of Indonesian Business Fields, hereinafter abbreviated as KBLI means a classification of economic activities in Indonesia determined by the head of the institution that carries out government affairs in the field of statistics.
47. Business Identification Number (*Nomor Induk Berusaha*) hereinafter abbreviated as NIB means proof of registration/registration of Business Actors to carry out business activities and as an identity for Business Actors in carrying out their business activities.
48. Warehouse Registration Certificate (*Tanda Daftar Gudang*) hereinafter abbreviated as TDG means proof of warehouse registration given to the warehouse owner.
49. Franchise Registration Certificate (*Surat Tanda Pendaftaran Waralaba*) hereinafter abbreviated as STPW means proof of registration of the franchise offer prospectus for the Franchisor and/or Continuing Franchisor as well as proof of registration of the franchise agreement for the Franchisee and/or Continuing Franchisee, which is given after fulfilling the specified registration requirements.
50. Certificate of Direct Seller of Alcoholic Beverages (*Surat Keterangan Penjual Langsung Minuman Beralkohol*) hereinafter abbreviated as SKPL-MB means a permit to carry out trading business activities specifically for alcoholic beverages.
51. Industrial Expansion, hereinafter referred to as Expansion means the addition of production capacity for the same 5 (five) digit Standard Classification of Indonesian Business Fields as stated in the IUI.

52. Industrial Area Expansion, hereinafter referred to as Area Expansion means the addition of the Industrial Area land area and land area as stated in the IUKI.
53. Space means a container that includes land space, sea space and air space, including space within the earth as a unified territory, where humans and other creatures live, carry out activities and maintain their survival.
54. Area means a space which means a geographical unit along with all related elements whose boundaries and systems are determined based on administrative and/or functional aspects. In this case, the area in question is the entire area within the city of Surabaya.
55. Regional Spatial Plan (*Rencana Tata Ruang Wilayah*) hereinafter abbreviated as RTRW means the result of spatial plan for a region which is a geographical unit and all related elements whose boundaries and systems are determined based on administrative aspects.
56. Detailed regional spatial plan means a detailed plan regarding the spatial layout of the City of Surabaya which is equipped with city zoning regulations.
57. Zoning Regulation means a set of rules governing the requirements for land use and its control, established for each specific block or zone as designated in the detailed spatial plan.
58. Person means an individual or entity, whether a legal entity or not a legal entity.
59. Wrapped Good (*Barang Dalam Keadaan Terbungkus* ), hereinafter referred to as BDKT means Goods which are placed in packaging, either fully or partially closed, and to use them you must open the packaging, damage the packaging or packaging seal, and the quantity of which is determined before being distributed, sold, offered or exhibited.
60. Calibrator means a Civil Servant who is given full duties, responsibilities, authority and rights by the authorized official to carry out information.
61. Metrology Supervisor means a Civil Servant who are given full duties, responsibilities, authority and rights by authorized officials to supervise Legal Metrology.
62. Calibration Observer means a Civil Servant who are given full duties, responsibilities, authority and rights by authorized officials to carry out calibration observations.

## CHAPTER II PRINCIPLES, OBJECTIVES AND SCOPE

### Article 2

The implementation of trade and industrial affairs are carried out based on the following principles of:

- a. regional and community interests;
- b. legal certainty;
- c. justice;
- d. healthy business competition;
- e. equal distribution of business;

- f. business security;
- g. accountability;
- h. transparency;
- i. independence;
- j. partnership;
- k. benefit;
- l. simplicity;
- m. comfort;
- n. togetherness; and
- o. environmentally friendly.

#### Article 3

The regulations regarding the implementation of trade and industrial affairs in this Regional Regulation aim to:

- a. improve the quality of trade and industrial affairs;
- b. creating order in trade and industrial activities; and
- c. ensure legal certainty in the administration of trade and industrial affairs.

#### Article 4

The scope of this Regional Regulation is as follows:

- a. Local Government authority in trade and industrial affairs;
- b. trade facilities;
- c. licensing and non-licensing services;
- d. trade promotions;
- e. stabilization of primary needs and/or essential goods;
- f. standardization and consumer protection;
- g. trade and industrial affairs information systems; and
- h. Development and Supervision.

### CHAPTER III

#### LOCAL GOVERNMENT AUTHORITY IN TRADE AND INDUSTRIAL AFFAIRS

#### Article 5

In carrying out trade and industrial affairs, the Local Government has the authority to:

- a. issue business permits in the trade and industrial sectors according to authority;
- b. provide guidance to managers of community trade distribution facilities in the Region;
- c. inspect hazardous materials storage facilities;
- d. supervising the distribution, packaging and labeling of hazardous materials in the Region;
- e. carrying out calibration, re-calibration and supervision of measuring, gauging, weighing Instruments and their equipment in the Region; and
- f. other authorities in accordance with the provisions of legislation .

## CHAPTER IV TRADE FACILITIES

### Part One General

#### Article 6

- (1) The implementation of trade activities in the Region can be carried out by utilizing trade facilities and other trade facilities developed by the Local Government and/or Business Actors individually or jointly.
- (2) The Trade facilities as referred to in section (1) can be in the forms of:
  - a. People's Market;
  - b. shopping center;
  - c. supermarket;
  - d. traditional retail stores; and/or
  - e. warehouse.
- (3) The other trade facilities as referred to in section (1), can be in the forms of:
  - a. Franchise business activities;
  - b. Retail trade in alcoholic beverages; and/or
  - c. Direct Sales of Alcoholic Beverages.

#### Article 7

- (1) Business Actors who sell goods in trade facilities as referred to in Article 6 section (2) must fulfill:
  - a. SNI that has been enforced compulsorily; or
  - b. technical requirements that have been enforced compulsorily.
- (2) Business Actors are prohibited from domestically trading Goods that do not comply with SNI that has been compulsorily implemented or technical requirements that have been compulsorily implemented.
- (3) For Goods to which SNI has been applied compulsorily, inclusion of Indonesian language labels follows the markings specified in SNI.

### Part Two People's Market

#### Article 8

- (1) The People's Market as referred to in Article 6 section (2) point a is prioritized to be built based on the prototype of the people's market which consists of:
  - a. Main People's Market Prototype; and
  - b. Selected People's Market Prototype.
- (2) The Main People's Market prototype as referred to in section (1) point a is a People's Market prototype which has the following criteria:
  - a. being operated every day;
  - b. has a minimum number of traders of 300 (three

- hundred) people;
  - c. building area of at least 4,400 m<sup>2</sup> (four thousand four hundred square meters); and
  - d. land area of at least 22,000 m<sup>2</sup> (twenty two thousand square meters).
- (3) The selected People's Market prototype as referred to in section (1) point b is a People's Market prototype which has the following criteria:
- a. Type A People's Market with criteria:
    - 1. being operated every day;
    - 2. has a minimum number of traders of 400 (four hundred) people; and
    - 3. has a land area of at least 5,000 m<sup>2</sup> (five thousand square meters).
  - b. People's Market type B with the following criteria:
    - 1. operates every day;
    - 2. has a minimum number of traders of 275 (two hundred and seventy five) people; and
    - 3. has a land area of at least 4,000 m<sup>2</sup> (four thousand square meters);
  - c. Type C People's Market with criteria:
    - 1. being operated every day;
    - 2. has a minimum number of traders of 200 (two hundred) people; and
    - 3. has a land area of at least 3,000 m<sup>2</sup> (three thousand square meters).
  - d. People's Market type D with the following criteria:
    - 1. being operated every day;
    - 2. has a minimum number of traders of 100 (one hundred) people; and
    - 3. has a land area of at least 2,000 m<sup>2</sup> (two thousand square meters).
  - e. type E which is a market with the following criteria:
    - 1. being operated every day;
    - 2. has a maximum number of traders of 100 (one hundred) people; and
    - 3. has a land area not exceeding 2,000 m<sup>2</sup> (two thousand square meters).
- (4) People's Markets other than the People's Market Prototype as referred to in section (1) can be People's Markets with certain thematics, provided that:
- a. building area of at least 6,000 m<sup>2</sup> (six thousand square meters);
  - b. the type of goods traded is not for daily needs;
  - c. has historical value that needs to be maintained;
  - d. has a contribution to regional gross domestic product;
  - e. adapt to the culture and needs of the trading space;
  - f. is a People's Market that is affected by natural disasters, non-natural disasters, fires, and/or social conflicts;
  - g. as an effort to optimize the absorption of the Assistance Task Fund budget; and/or
  - h. is the result of budget efficiency (refocusing).

- (5) The People's Market as referred to in section (1) can be built and managed by:
  - a. Local Government;
  - b. Local-owned Enterprises; and/or
  - c. business/private actors.

Paragraph 1  
Establishment

Article 9

- (1) Local Government can carry out development, empowerment and management quality improvement of People's Markets.
- (2) Development, empowerment and management quality improvement of People's Markets as referred to in section (1) can be carried out in the forms of:
  - a. construction and/or revitalization of the People's Market;
  - b. implementation of professional People's Market management;
  - c. facilitating access to the supply of Goods with good quality and competitive prices;
  - d. facilitating access to financing for traders at the People's Market; and/or
  - e. facilitating the use of information and communication technology in the management and transaction process at the People's Market.

Article 10

- (1) The development and/or revitalization of the People's Market as referred to in Article 9 section (2) point a includes:
  - a. physical construction;
  - b. management;
  - c. economy; and
  - d. social.
- (2) Physical construction and/or revitalization as referred to in section (1) point a is carried out by referring to the People's Market SNI and the provisions of legislation relating to buildings which, among other things, include:
  - a. the physical condition of the building is based on the standard design of the People's Market prototype;
  - b. zoning of traded Goods;
  - c. hygiene, health, security and environmental facilities;
  - d. easy access to transportation; and
  - e. information and communication technology facilities.
- (3) Physical development and/or revitalization as referred to in section (2) applies to People's Markets which are built through the state budget, local budget, and/or other legal sources in accordance with the provisions of legislation.
- (4) Management development and/or revitalization as referred

to in section (1) point b is carried out based on the People's Market SNI by considering at least:

- a. increasing management professionalism;
  - b. empowerment of Business Actors;
  - c. monitoring Goods for compliance with provisions of legislation; and/or
  - d. implementation of standard operational procedures for management and services at the People's Market.
- (5) Development and/or Revitalization of Trading Facilities in the form of People's Markets through economic revitalization as referred to in section (1) point c is an attempt to improve upstream to downstream intermediation of People's Markets, through:
- a. implementation of the provisions that traded products must be free from hazardous substances;
  - b. increasing access to supplies of goods, especially primary needs;
  - c. increasing price stabilization instruments, especially for primary needs; and
  - d. smart consumers development program.
- (6) The social development and/or revitalization as referred to in section (1) point d is an attempt to repair and improve the social and cultural interaction system between stakeholders, between traders at the People's Market and consumers, and to develop street vendors to create a conducive and comfortable People's Market.

#### Article 11

- (1) The development and/or revitalization of the People's Market as referred to in Article 9 section (2) point a can be financed through the regional budget, and/or other legal sources in accordance with the provisions of legislation.
- (2) The development and/or revitalization of the People's Market uses regional budgets based on the prevailing provisions and must meet the following requirements:
  - a. already has the embryo of the People's Market;
  - b. is located strategically and supported by easy transportation access;
  - c. socio-economic conditions of the community, including UMKM, in the local area; and
  - d. the role of the People's Market in the Distribution chain.
- (3) The People's Market embryo as referred to in section (2) point a has the following criteria:
  - a. is an area or place that is fixed and does not move;
  - b. there is an interaction of buying and selling merchandise that is done continuously;
  - c. there are sellers with at least 30 (thirty) people; and
  - d. the building is not yet in permanent or semi-permanent form.
- (4) In the event that the construction of a People's Market experiences a disaster, it may be exempted from the criteria and requirements as referred to in section (2).
- (5) Local Government can collaborate with the private sector, cooperatives, state-owned enterprises, and/or local-owned



enterprises in building and/or revitalizing People's Markets in accordance with provisions.

- (6) In the event that the Local Government collaborates with the private sector, cooperatives, state-owned enterprises, and/or local-owned enterprises in building and/or revitalizing the People's Market, ownership of the People's Market is regulated in accordance with the provisions of legislation.
- (7) Further provisions regarding the criteria and requirements as referred to in section (2) are regulated in the Mayor Regulation.

#### Article 12

- (1) Local Governments can receive grants for People's Markets built with the state budget not later than 1 (one) year after the construction and/or revitalization is conducted.
- (2) The maintenance, management and empowerment of the People's Market which have been granted as referred to in section (1) are carried out by the Local Budget.
- (3) The Local Government is obligated to apply insurance for the People's Market which has been granted as referred to in section (1).

#### Article 13

- (1) Implementation of professional People's Market management as referred to in Article 9 section (2) point b can be carried out in collaboration with the private sector, state-owned enterprises, local-owned enterprises, and/or cooperatives and/or appointing Regional apparatus.
- (2) Implementation of the management of the People's Market as referred to in section (1) is carried out through the application of the provisions of the People's Market SNI.

#### Article 14

Facilitating access to the supply of Goods with good quality and competitive prices as referred to in Article 9 section (2) point c can be done by:

- a. facilitating partnerships between traders and Producers and/or Distributors;
- b. provide information about sources of supply of Goods that meet Goods quality standards; and/or
- c. facilitating the formation of associations, communication forums, cooperatives, and/or other forums in the context of providing goods.

#### Article 15

Facilitating access to financing for traders at the People's Market as referred to in Article 9 section (2) point d can be done by:

- a. facilitating sources of financing from bank loans and/or non-bank financial institutions with easy processes and affordable interest rates;
- b. facilitating other sources of financing in accordance with

- c. the provisions of legislation ; and/or increasing cooperation between People's Market managers and traders at People's Markets through cooperatives and/or associations.

Paragraph 2  
Development, Arrangement, Guidance and Management

Article 16

- (1) The location of the People's Market establishment must refer to:
  - a. regional spatial plan; or
  - b. detailed regional spatial planing.
- (2) The People's Market as referred to in section (1) is regulated with the following provisions:
  - a. main People's market:
    - 1. is located on a road network with arterial function and road class I (one);
    - 2. is a distribution center that stores agricultural and/or livestock products that can be purchased by wholesale level traders;
  - b. selected People's market:
    - 1. criteria:
      - a) People's Markets type A and type B are located on a road network with a function of at least collector and road class II (two);
      - b) People's Markets type C and type D are located on a road network with a function of at least local and road class III (three); and
      - c) People's Market type E is located on a road network with a function of at least environment and road class III (three).
    - 2. is a trading facility that sells daily needs, including primary needs, essential goods, clothing and/or services.
  - c. People's markets with certain themes
    - 1. People's Markets with certain themes are located on a road network with a function of at least collector and road class III (three); and
    - 2. is a market where traded goods are special, thematic or specifically not for basic daily needs.
- (3) The People's Market as referred to in section (1) can provide services to at least 30,000 (thirty thousand) people by considering:
  - a. population density;
  - b. population growth; and
  - c. growth of new settlements.
- (4) The operating hours of the People's Market as referred to in section (4) consist of:
  - a. main people's markets can operate 24 hours and people's markets with certain themes can operate from 06.00 WIB to a maximum of 18.00 WIB.
  - b. people's market of choice, for the following criteria:
    - 1. Type A and type B can operate as follows:

- a) morning market, starting at 04.00 WIB until 13.00 WIB; or
  - b) night market, starting at 16.00 WIB until 22.00 WIB.
2. Type C, type D and type E can operate as morning markets, starting at 04.00 WIB until not later than 13.00 WIB.
- (5) The operational hours as referred to in section (4) are market opening and closing hours when trade transactions occur, excluding preparation, cleaning and other activities.
  - (6) In the event of a disaster or other emergency, the Local Government may limit the operational hours of the People's Market other than as regulated in section (4).

#### Article 17

Provisions regarding the development and/or revitalization of People's Markets apply *mutatis mutandis* to People's Markets which are organized, built, and/or managed by private companies, state-owned enterprises, local-owned enterprises, and/or cooperatives.

#### Article 18

The Local Government and the community play an active role in promoting the People's Market to encourage increased trade transactions at the People's Market.

#### Article 19

- (1) In the event that a People's Market which has been organized, built, managed and/or owned by the Minister and/or Local Government experiences a natural disaster, non-natural disaster and/or social disaster, the rebuilding of the People's Market is carried out by the Minister and/or Local Government.
- (2) The Local Government is obligated to give priority to cooperatives and micro-enterprises registered as traders at People's Markets experiencing disasters as referred to in section (1) to obtain shops/kiosks, stalls, expanses/bases/jongkos, and/or tents at affordable utilization prices.

#### Paragraph 3

#### Goods Sales Criteria and System

#### Article 20

- (1) Every manager and/or trader at the People's Market prioritizes selling domestically produced goods.
- (2) The domestically produced goods as referred to in section (1) must meet the following criteria:
  - a. good quality;
  - b. meet good and healthy quality standards;

- c. hygienic; and
- d. competitive price.

#### Article 21

The goods sales system at People's Market uses:

- a. bargaining mechanism; and
- b. cash or non-cash transactions

#### Paragraph 4

Obligations, Responsibilities, and Prohibitions For Managers

#### Article 22

Every person or entity that manages the People's Market is obligated to:

- a. provide public market facilities that are clean, healthy (hygienic), safe, orderly and comfortable public spaces;
- b. dividing blocks of business premise according to the classification of types of merchandise, with complete and adequate funding systems, lighting and air circulation, both artificial and natural;
- c. provide supporting facilities;
- d. facilitate the realization of quality and quantity of traded goods from a health perspective including food safety, sizes and scales as well as halal goods for Muslim consumers;
- e. provide equal opportunities to traders without discrimination;
- f. guarantee the fulfillment of the rights and obligations of traders in the people's markets they manage;
- g. supervising traders in the people's markets they manage;
- h. providing guidance and empowerment to traders in the people's markets it manages;
- i. submit reports on their business activities to the Mayor through the head of the department in charge of trade, including:
  - 1. annual turnover of all traders;
  - 2. monthly price data for primary needs;
  - 3. data on trader names based on addresses in the market and commodities sold; and
  - 4. data on market supply needs.
- j. report any changes related to the company not later than 30 (thirty) days from the change;
- k. fulfill SNI provisions in the field of People's Markets;
  - 1. comply with the provisions of the prevailing legislation;
- m. comply with legislation and/or government policies in disaster management and mitigation; and
- n. comply with the conditions stated in the permit.

#### Article 23

- (1) The annual turnover report from all traders as referred to in article 22 point i point 1 is carried out in stages in a monthly basis.
- (2) The Head of the Department in charge of Trade submits a report on his/her business activities as referred to in

Article 22 point i to the Minister in accordance with the provisions of legislation.

#### Article 24

Every person or body that manages the People's Market is responsible for:

- a. providing business space that can be rented and/or sold to traders in the people's market area in accordance with the provisions of legislation.
- b. providing supporting facilities and infrastructure, including:
  1. management office;
  2. toilets (separated for men and women);
  3. re-measurement post;
  4. security posts;
  5. breastfeeding room;
  6. health room;
  7. prayer room;
  8. fire fighting facilities and access;
  9. parking lot;
  10. availability of waste bins at every market facility and temporary waste storage areas;
  11. waste water treatment facilities;
  12. clean water facilities;
  13. electrical installation; and
  14. access to enter and exit of the vehicle.
- c. apart from fulfilling the provisions in point b, the main people's markets and selected people's markets type A to fulfill the provisions of SNI regulations, including:
  1. low temperature wet food storage/refrigerator;
  2. communal/multi-purpose areas;
  3. market digitalization;
  4. information and communication technology facilities;
  5. area for loading and unloading of goods and can be equipped with bridge weighing facilities;
  6. access and facilities for disabilities;
  7. separate vehicle entry and exit access; and
  8. carry out regular testing of clean water and liquid waste.
- d. carry out guidance, mentoring, and supervision for traders;
- e. ensure suitability of weight and measure standards (measuring order);
- f. carry out food retail activity by implementing good food retail practices;
- g. adding supply quantity of goods in order to stabilize prices;
- h. fostering, managing and supervising street vendors selling around the market area; and
- i. submit periodic reports to the Local Government.

#### Article 25

Any person or body that manages a people's market is prohibited from:

- a. building kiosks in places other than those designated by

- the Local Government;
- b. adding or changing the form of construction of an existing kiosk building without permission; and/or
- c. threatening/imposing desires that could harm the interests of traders.

Paragraph 5  
Obligations and Prohibitions for Traders

Article 26

- (1) People's Market traders who use and/or own business premise or trade in the market area are required to have a permit to use their business premise and a certificate of the right to use their business premises issued by the People's Market management.
- (2) In the event that a trader who has a permit to use a business premises and a certificate of the right to use a business premises as referred to in section (1) wishes to transfer his business premises to another party, he first is obligated to obtain written approval from the People's Market Manager.

Article 27

- (1) Every trader at the People's Market is obligated to:
  - a. maintain security and order in business premises, placing and arranging merchandise and inventory in an orderly manner, so as not to disrupt the movement of people and goods;
  - b. maintain the cleanliness of the place and merchandise and provide designated garbage places;
  - c. fulfill payment obligations on time based on provisions of legislation ;
  - d. provide fire extinguishers and prevent possible fire hazards in their respective business premises;
  - e. open and close the place of business at the specified time;
  - f. comply with legislation and/or government policies in disaster management and management; and
  - g. implement the prevailing provisions of the use of the premise and other obligations that are set.
- (2) In addition to the obligations as referred to in section (1), every trader at Pasar Rakyat is prohibited from:
  - a. remodeling, adding, changing and expanding the business premises;
  - b. changing the type of sales and/or types of merchandise that is contrary to the established requirements;
  - c. unlawfully connecting electricity, water, gas and telephone;
  - d. residing, staying or sleeping in the market outside market operating hours;
  - e. carrying out acts of abuse of narcotics and alcohol, engaging in gambling or similar activities, engaging in

- activities that can disturb and endanger security and public order in the market;
  - f. committing immoral acts in the market;
  - g. polluting, damaging facilities or buildings and inventory items; and
  - h. placing vehicles and transportation equipment outside the designated place.
- (3) Further provisions regarding obligations and prohibitions for People's Market traders as referred to in section (1) and section (2) are regulated in the People's Market rules and regulations stipulated by the People's Market management.

#### Article 28

Further provisions regarding the establishment of a People's Market, obligations and prohibitions for managers and traders are regulated in a Mayor Regulation.

### Part Three Shopping Center

#### Article 29

The Shopping centers as referred to in Article 6 section (2) point b can take the form of:

- a. shops;
- b. shopping mall; and
- c. plaza.

### Paragraph 1 Establishment

#### Article 30

- (1) The establishment of a Shopping Center must take into account the socio-economic conditions of the community, the existence of People's Markets and micro enterprises in the local zone or area.
- (2) Shopping Center Managers must provide at least:
  - a. parking area;
  - b. facilities that ensure the Shopping Center is clean, healthy (hygienic), safe and orderly; and
  - c. comfortable public space.
- (3) The location for the establishment of the Shopping Center is based on legislation with reference to:
  - a. regional spatial plan; and/or
  - b. Detailed regional spatial plan and zoning regulations.
- (4) The mayor determines the zoning of the location for the establishment of the shopping center which is included in the detailed city spatial plan.
- (5) In the event that a detailed city spatial plan as referred to in section (3) is not yet available, the zoning of the location for the establishment of the shopping center is determined

based on the city area spatial plan.

#### Article 31

Designation of the location zoning for the establishment of a shopping center as referred to in article 30 section (4) and section (5) is carried out by considering:

- a. The socio-economic conditions of the local community as well as the existence of people's markets and micro businesses in the local zone or area;
- b. Utilization of space in order to maintain balance between the number of public markets and shopping centers and supermarkets;
- c. the distance between shopping centers and people's markets or traditional retail stores; and
- d. Technical standards for spatial plan for shopping centers in accordance with statutory provisions.

#### Article 32

The socio-economic conditions of local communities as referred to in Article 31 point a include:

- a. population structure according to livelihood and education;
- b. household economic income level;
- c. the level of population density and growth in the area according to the latest year's Statistics Indonesia's census data;
- d. partnership plans with micro businesses;
- e. potential for employment;
- f. resilience and growth of people's markets as a means for micro businesses;
- g. availability of social facilities and public facilities;
- h. positive and negative impacts of the establishment of a shopping center on the People's Market or pre-existing retail stores; and
- i. corporate social responsibility (CSR) plan which is directed at assisting the management of the People's Market and/or traditional retail shops in the surrounding area.

#### Article 33

- (1) The distance between the Shopping Center and the People's Market is set at least 500 m (five hundred meters) considering:

- a. the level of density and population growth of the Region according to the latest year's Statistics Indonesia's census data;
- b. local regional economic potential;
- c. development of new settlements;
- d. area accessibility (traffic flow);
- e. security support and infrastructure availability;
- f. local community life patterns; and/or
- g. Shopping Center operating hours that are synergistic



and do not shut down traditional retail stores in the vicinity.

- (2) The distance between the Shopping Center and the People's Market as referred to in section (1) is excluded for shopping Centers whose buildings are integrated with the People's Market.

## Paragraph 2 Goods Management and Sales System

### Article 34

- (1) The Shopping Centers as referred to in Article 29 are required to provide proportional and strategic business space for marketing goods with domestic brands on certain floors.
- (2) Shopping centers must prioritize domestically produced merchandise.
- (3) The Shopping Centers as referred to in sections (1) and (2) must act fairly and fairly in providing services to business partners, both as tenants of business space and as owners in accordance with the agreement.
- (4) The goods sales system in Shopping Centers uses retail and/or wholesale mechanisms.
- (5) The system for selling goods at Shopping Centers can use cash and/or non-cash transactions.

### Article 35

- (1) Every shopping center business actor as referred to in article 34 section (1) is obligated to:
  - a. submit reports on its business activities periodically every 6 (six) months by indicating the conditions per month, including:
    1. number of outlets owned;
    2. sales turnover of all outlets;
    3. number of partnering Micro Enterprises and their partnership patterns; and
    4. the number of workers employed.
  - b. report any changes related to the company not later than 30 (thirty) days since the change takes place;
  - c. comply with statutory regulations and/or government policies in disaster management and management;
  - d. prioritize employment from residents of the Region;
  - e. set aside some of the profits of net profit per year to be allocated as corporate social responsibility costs (CSR) to People's Market, traditional retail shops and/or the community in the area around the business location;
  - f. comply with the conditions stated in the permit; and
  - g. comply with other legislation.
- (2) In establishing legislation and/or government policies for disaster management and mitigation as referred to in section (1) point c, the Local Government is obligated to maintain the continuity of economic activities at Shopping

Centers.

Paragraph 3  
Partnership and Business Responsibility

Article 36

- (1) Shopping Center Managers can enter into partnerships with other parties through written agreements.
- (2) The partnership as referred to in section (1) is implemented with the principles of mutual benefit, clarity, fairness, justice and transparency.

Article 37

- (1) Shopping Center Managers are obligated to empower micro Business Actors through business partnerships in accordance with the provisions.
- (2) Partnerships in developing micro businesses in shopping centers can be carried out using the patterns of general trading and/or franchise.
- (3) Partnerships with general trading patterns as referred to in section (2) can be carried out in the forms of:
  - a. marketing cooperation;
  - b. provision of business premise; and/or
  - c. provision of supplies.
- (4) The marketing cooperation as referred to in section (3) point a can be carried out in the form of marketing goods produced by micro Business Actors.
- (5) Shopping Center Managers are obligated to provide and/or offer:
  - a. strategic and proportional business space within the framework of a partnership with a selling price or rental fee according to the capabilities of micro businesses; and/or
  - b. proportional and strategic promotional space and/or business space for imaging and/or marketing domestic products with domestic brands.

Article 38

- (1) Strategic business space as referred to in Article 37 section (5) point a is in a location that is easily accessible to visitors.
- (2) Obligation to provide business space and/or promotional space for micro businesses and/or marketing domestic products with domestic brands of at least 30% (thirty percent) of the shopping center area in accordance with the provisions of legislation.
- (3) In implementing the provision and/or offering of business space as referred to in section (1), the Local Government provides technical assistance and development of micro businesses in partnership with Shopping Center managers based on the prevailing provisions.

#### Article 39

Provision of supplies as referred to in Article 37 section (3) point c is carried out in the form of supply of goods from Suppliers to People's Markets, Shopping Centers and Supermarkets.

#### Article 40

Partnership development between Shopping Centers with micro businesses is carried out by providing facilitation in the forms of:

- a. training;
- b. consultation;
- c. supply of goods;
- d. funding; and/or
- e. other forms of assistance.

#### Article 41

Further provisions regarding the implementation of the business partnership pattern as referred to in Article 37, Article 38, Article 39 and Article 40 are regulated in the Mayor Regulation.

### Paragraph 4 Operating Hours

#### Article 42

- (1) Shopping Center Managers are obligated to comply with the provisions on operating hours for business activities in accordance with the business permit granted.
- (2) Shopping center business activities as referred to in section (1) can carry out business every day as determined as follows:
  - a. Monday to Friday, from 10.00 WIB to 22.00 WIB; and
  - b. Saturdays and Sundays as well as religious holidays and national holidays, from 10.00 WIB to 23.00 WIB.
- (3) Shopping Centers can carry out business activities beyond the operational hours of business activities as referred to in section (2) after obtaining written approval from the Mayor.
- (4) In the event of disaster conditions, the Local Government can limit the operational hours of Shopping Centers other than as regulated in section (2).

### Part Four Supermarkets

#### Article 43

- (1) The Supermarkets as referred to in Article 6 section (2) point c can be in the forms of:
  - a. minimarket;
  - b. supermarket;

- c. department store;
  - d. hypermarket; and
  - e. Wholesaler/Wholesale in the form of a shop with an independent service system.
- (2) The Supermarkets as referred to in section (1) have sales floor area limits with the following provisions:
- a. minimarket, up to 400 m<sup>2</sup> (four hundred square meters);
  - b. supermarket, more than 400 m<sup>2</sup> (four hundred square meters) up to 5,000 m<sup>2</sup> (five thousand square meters);
  - c. department store, at least 400 m<sup>2</sup> (four hundred square meters);
  - d. hypermarket, more than 5,000 m<sup>2</sup> (five thousand square meters); and
  - e. Wholesaler/Wholesale in the form of a shop with a self-service system, at least 2,000 m<sup>2</sup> (two thousand square meters) and for wholesale/grocery cooperatives in the form of shops with a self-service system of at least 1,000 m<sup>2</sup> (one thousand square meters).

Paragraph 1  
Establishment

Article 44

- (1) The establishment of a Supermarket as referred to in Article 43 must take into account the socio-economic conditions of the community, the existence of People's Markets and micro businesses in the local zone or area..
- (2) Supermarket Business Managers must provide at least:
  - a. proportional parking area;
  - b. facilities that ensure Supermarkets are clean, healthy (hygienic), safe and orderly; and
  - c. comfortable public space.
- (3) Business Actors can set up minimarkets, supermarkets, hypermarket, and wholesale/grocery in the form of shops with a self-service system that stand alone or are integrated with Shopping Centers that already have business permits and/or other buildings or areas.
- (4) In the event that a Supermarket Store in the form of department store, the establishment of department store by Business Actors who are:
  - a. foreign investors must be integrated with Shopping Centers that already have Business Licensing; or
  - b. domestic investors can be done independently or integrated with shopping centers that already have Business Licensing and/or buildings or other areas..
- (5) Business Actors can have supermarket outlets that are owned and managed by themselves in accordance with the provisions of legislation.
- (6) The provisions as referred to in section (1) and section (2) do not apply to Supermarkets if they are integrated with

- Shopping Centers that already have Business Permits, Commercial Centers, and/or other buildings or areas.
- (7) The location of the Supermarket establishment is based on the prevailing regulations with reference to:
    - a. regional spatial plan; and/or
    - b. detailed regional spatial plan and zoning regulations.
  - (8) The Mayor designates the zoning of the location for the establishment of a supermarket which is included in the detailed Regional spatial plan in accordance with the provisions.
  - (9) In the event that a detailed city spatial plan as referred to in section (3) is not yet available, the zoning for the location of the supermarket establishment will be determined based on the regional spatial plan in accordance with the provisions.
  - (10) Designation of the location zoning for the establishment of a supermarket as referred to in sections (7) and (8) is carried out by considering:
    - a. The socio-economic conditions of the local community as well as the existence of people's markets and micro businesses in the local zone or area;
    - b. Utilization of space in order to maintain balance between the number of people's markets and supermarkets;
    - c. the distance between supermarkets and people's markets or traditional retail stores; and
    - d. Technical standards for spatial plan for supermarkets are in accordance with provisions of legislation.
  - (11) Designation of the location zoning of the establishment as referred to in section (10) is excluded for supermarkets integrated with Shopping Centers that already have Business Permits, Commercial Centers, and/or other buildings or areas;

#### Article 45

The socio-economic conditions of the local community as referred to in Article 44 section (10) point a include:

- a. population structure according to livelihood and education;
- b. household economic income level;
- c. the level of population density and growth in the area according to the latest year's Statistics Indonesia's census data;
- d. partnership plans with micro businesses;
- e. labor force absorption potential that prioritizes labor from the Region;
- f. resilience and growth of people's markets as a means for micro businesses;
- g. availability of social facilities and public facilities;
- h. positive and negative impacts of the establishment of supermarkets on the People's Market or previously existing retail stores; and
- i. corporate social responsibility plan (CSR) which is directed at assisting the management of the People's Market and/or

traditional retail shops in the surrounding area.

#### Article 46

Utilization of space in the Designation of Location Zoning of the supermarket establishment, as referred to in Article 44 Section (10) point b is adjusted to the Regulations on Detailed Spatial Plan and Regional Zoning Regulations.

#### Article 47

- (1) The distance between Supermarkets and Public Markets is designated to be at least 500 (five hundred meters).
- (2) The distance provisions as referred to in section (1) are excluded for:
  - a. Supermarkets which were previously in the form of traditional grocery/retail stores, were established/managed by cooperatives/individuals and were not networked supermarkets;
  - b. Supermarkets that are integrated with Shopping Centers that already have Business Licensing, Commercial Centers, and/or other buildings or areas.
- (3) Supermarkets as referred to in section (2) point a can only have a maximum of 3 (three) Supermarket outlets which are owned and managed by themselves, if they wish to carry out the addition of more number of Supermarket outlets, they are obligated comply with the stipulated provisions.
- (4) The mayor can determine restrictions on supermarkets by considering:
  - a. Distance between supermarkets;
  - b. the level of population density and growth in the environment around the location where the supermarket is established according to the latest year's Statistics Indonesia' census data;
  - c. economic potential in the Region and/or local environment;
  - d. development of new settlements;
  - e. area accessibility (traffic flow).
  - f. security support and infrastructure availability;
  - g. local community life patterns; and/or
  - h. Synergistic supermarket operations that do not shut down traditional retail stores in the vicinity.

#### Paragraph 2

#### Goods Management and Sales System

#### Article 48

- (1) The sales system and types of merchandise that must be implemented in a Supermarket include:
  - a. minimarkets, supermarkets and hypermarkets retail various types of consumer goods, especially food products and/or other household products which can be building materials, furniture, electronics and other

- forms of special products;
  - b. department stores retail various types of consumer goods, especially clothing and equipment, arranged based on gender and/or age level of consumers; and
  - c. Wholesaler/Wholesale in the form of an independent service system selling wholesale or non-retail various consumption items.
- (2) Apart from the types of goods sold as referred to in section (1), supermarkets can sell main business supporting goods of a maximum of 10% (ten percent) of the total number of Goods sold at supermarket outlets/stores.

#### Article 49

- (1) The cooperation between supermarkets and suppliers must pay attention to and follow the provisions regarding trading terms, payment mechanism, imposition of administrative fees for goods registration (listing fee) which is regulated in the provisions of legislation.
- (2) Supermarket Business Actors who conduct cooperation on the supply of Goods are obligated to include micro Business Actors.
- (3) The supply of goods as referred to in section (2) must prioritize domestic production.
- (4) The cooperation relationship in the business of supplying goods between the supplier and the Supermarket Business Actor is made with a written agreement in Indonesian and Indonesian law applies to it.
- (5) In the event that the written agreement as referred to in section (1) contains trading terms, it must be clear, reasonable, fair and mutually beneficial and agreed upon by both parties without pressure.
- (6) To ensure the implementation of the principles of fair competition in an orderly and consistent manner, the Local Government can monitor and supervise the preparation of agreements and implementation of cooperation as referred to in section (2).

#### Paragraph 3 Partnership

#### Article 50

- (1) Supermarkets are obligated to establish partnerships with micro businesses.
- (2) Partnerships in developing micro businesses in supermarkets can be carried out using general trading and/or franchise patterns.
- (3) Partnerships with general trading patterns as referred to in section (1) can be carried out in the form of:
  - a. Marketing cooperation;
  - b. Provision of business premise;
  - c. Provision of supplies; and/or
  - d. Providing facilitation.
- (4) Partnership with a franchise pattern as referred to in

section (1) is carried out based on legislation regarding franchising.

#### Article 51

- (1) Marketing cooperation as referred to in article 50 section (2) point a can be carried out in the form of marketing goods produced by micro businesses which are packaged or repackaged with the goods owner's brand, supermarket brand, or other agreed brands in order to increase the selling value of the goods.
- (2) Supermarkets, in selling Goods using the Supermarkets' own brand, prioritize Goods produced by micro businesses and Goods produced in Indonesia and follow the provisions of legislation in the fields of environmental security, health and safety, intellectual property rights, goods in a packaged condition and/or other statutory goods provisions.
- (3) Supermarkets are prohibited from forcing micro business producers who will market their products in supermarkets to use the supermarket's brand on the production of micro businesses that already have their own brand.
- (4) Supermarket Business Operators who market Goods produced by micro businesses under their own supermarket brand are obligated to include the name of the micro business producing the goods.

#### Article 52

- (1) Providing a business location as referred to in article 50 section (3) point b can be carried out through the provision of a storefront/outlet/sales place with the provision of at least 2% (two percent) of the sales floor area at each supermarket outlet.
- (2) The provision of business premises as referred to in section (1) is carried out by Supermarket business actors without charging fees from micro businesses.

#### Article 53

- (1) Provision of supplies as referred to in article 50 section (2) point c is carried out in the form of supply of goods from suppliers to supermarkets;
- (2) In developing business cooperation between micro business suppliers and Supermarket Business Actors, it is carried out with the provisions of Supermarket Business Actors:
  - a. does not charge administration fees for Goods registration from micro business suppliers; and
  - b. paying micro business suppliers in cash, or for certain technical reasons, can be done not later than 15 (fifteen) days after all billing documents are received.
- (3) Payment as referred to in section (1) point b can be made non-cash if based on risk and interest cost calculations it is not detrimental to the micro business supplier.



#### Article 54

In developing partnerships between supermarkets and micro businesses, this is carried out in the form of providing facilitation as referred to in article 50 section (2) point d, which can be in the form of:

- a. Training;
- b. Consultation;
- c. Supply of goods;
- d. Business funding; and/or
- e. Other forms of assistance.

#### Article 55

Business Actors can have supermarket outlets that are owned and managed by themselves in accordance with the provisions of legislation.

#### Article 56

- (1) Supermarkets are obligated to provide domestically produced merchandise.
- (2) In the event that using their own Supermarket Brand, Supermarket Business Actors are obligated to:
  - a. be responsible for the merchandise having complied with the provisions of legislation in the field of intellectual property; and
  - b. fostering the development of own products and brands for merchandise for micro businesses.
- (3) Supermarkets are obligated to list the prices of goods clearly, easily read and easily seen.
- (4) Supermarkets are obligated to ensure compliance with weight and measurement standards (orderly measurements) and use measuring, gauging, weighing instruments and its equipment in accordance with nationally applicable standards.
- (5) In the event that a supermarket sells goods that are not halal, they are required to be placed in a separate place and given a label/information board that is easily visible for consumers.

#### Article 57

- (1) The sales system in supermarkets in the forms of minimarket, supermarket, and hypermarket is using retail mechanisms.
- (2) The sales system in wholesale type supermarkets uses a wholesale mechanism with goods sales transactions which can only be carried out to business actors and/or retailers who have membership cards.
- (3) Supermarkets are prohibited from providing sales services for food and/or beverages that are consumed directly by buyers at the sales location unless they have a permit in accordance with provisions of legislation.
- (4) The goods sales system in Supermarkets can use cash

and/or non-cash transactions.

- (5) Supermarket type supermarkets are prohibited from:
  - a. selling fresh products in bulk form; and
  - b. selling alcoholic beverages.

#### Article 58

- (1) Every person or entity that manages a supermarket is obligated to:
  - a. submit regular business activity reports every 6 (six) months, including:
    - 1. number of outlets owned;
    - 2. sales turnover of all outlets;
    - 3. amount micro business partners and their partnership patterns; and
    - 4. the number of workers employed.
  - b. report any changes related to the company not later than 30 (thirty) days from the change;
  - c. establish partnerships with micro businesses;
  - d. comply with the conditions stated in the permit;
  - e. comply with legislation and/or government policies in disaster management and management;
  - f. comply with other legislation;
  - g. improve service quality and ensure consumer comfort;
  - h. maintain security and order in business premises;
  - i. maintain the cleanliness, beauty of the location and environmental sustainability of the business premises;
  - j. prevent anyone from carrying out gambling activities and other acts that violate decency and public order at their place of business;
  - k. prevent the use of business premises for distribution/sale/use of alcoholic beverages, illegal drugs and other prohibited items which are not in accordance with the provisions of legislation;
  - l. providing health facilities, waste and drainage facilities, bathrooms and toilets as well as worship facilities for employees and consumers;
  - m. provide opportunities for employees and consumers to carry out worship;
  - n. comply with agreements and ensure employee safety, health and welfare;
  - o. provide ready-to-use fire extinguishers and prevent possible fire hazards in business premises;
  - p. include all prices of traded goods clearly, easily read and seen by consumers in rupiah;
  - q. providing a place for re-measurement posts and consumer complaints;
  - r. prioritize employment from the surrounding environment and/or regional residents; and
  - s. sets aside a portion of its profits from net profit per year to be allocated as corporate social responsibility costs to People's Market, traditional retail stores and/or the community in the environment around its business premise.

- (2) In addition to the obligations as referred to in section (1), every person or entity managing a supermarket is prohibited from:
- a. exercise control over the production and/or control of goods and/or services using monopolistic practices;
  - b. stockpiling and/or storing people's primary needs in warehouses in quantities exceeding reasonable amounts for speculative purposes which will be detrimental to the interests of the community;
  - c. stockpiling and/or storing goods whose nature and type endanger health and safety;
  - d. selling goods that do not comply with the provisions legislation;
  - e. changing or adding to business premises without permission;
  - f. employing underage labor;
  - g. using foreign workers without permission in accordance with provisions of legislation;
  - h. selling goods outside the floor area of the building used for selling; and
  - i. selling goods through door-to-door marketing.

#### Paragraph 4 Operating Hours

##### Article 59

- (1) Supermarket store managers are obligated to comply with the provisions on operating hours for business activities in accordance with the business permit granted.
- (2) The operational hours of business activities as referred to in section (1) are determined as follows:
  - a. Supermarkets, Department Stores, Hypermarkets and Wholesalers/Grocery shops with a self-service system:
    1. Monday to Friday, from 10.00 WIB to 22.00 WIB; and
    2. Saturdays and Sundays as well as religious holidays and national holidays, from 10.00 WIB to 23.00 WIB.
  - b. mini Market :
    1. Monday to Sunday, from 08.00 WIB to 24.00 WIB, except for minimarkets located on the arterial road network which can operate 24 (twenty four) hours; and
    2. for Minimarkets that are integrated with Shopping Centers that already have Business Licensing, Commercial Centers, and/or other buildings or areas can operate 24 (twenty four) hours.
- (3) In the event of a disaster and/or other emergency, the Local Government may limit the operational hours of Supermarkets other than as regulated in section (2).

Paragraph 5  
Traditional Retail Store

Article 60

- (1) Traditional retail shops are shops that sell primary needs or similar goods.
- (2) Traditional retail shops as referred to in Article 6 section (2) point d can be:
  - a. in the forma of shops, grocery stores, kiosks, and/or stalls that are not located in a market location;
  - b. managed by individuals, families or close relatives using traditional/non-independent service patterns; and
  - c. classified on a micro business scale.
- (3) The Local Government has the authority to carry out empowerment of traditional retail shop Business Actors in the Region, including:
  - a. data collection;
  - b. business development, and/or
  - c. partnership.
- (4) Data collection as referred to in section (3) point a includes:
  - a. identity of business actor;
  - b. location of business actor;
  - c. type of business premise;
  - d. business fields;
  - e. the amount of business capital, and
  - f. business turnover
- (5) Business development as referred to in section (3) point b includes facilitation in the areas of:
  - a. service and management sector;
  - b. marketing field;
  - c. human resources field; and
  - d. field of technology use.
- (6) Partnerships between traditional retail shop businesses and large or medium businesses as referred to in section (3) point c include the process of transferring skills/knowledge in the areas of management, marketing, capital, human resources and technology in accordance with the partnership pattern.
- (7) Traditional retail shop entrepreneurs are prohibited from:
  - a. carrying out illegal goods and/or services trading activities; and
  - b. carrying out business activities that are contrary to the provisions of laws and regulations.

Part Five  
Warehouse

Article 61

- (1) The warehouse as referred to in Article 6 section (2) point d consists of:
  - a. closed warehouse; and
  - b. open warehouse.
- (2) The closed warehouses as referred to in section (1) point a are classified as:
  - a. category A closed warehouse, with the following criteria:
    1. area of 100 m<sup>2</sup> (one hundred square meters) up to 1,000 m<sup>2</sup> (one thousand square meters); and/or
    2. storage capacity between 360 m<sup>3</sup> (three hundred and sixty cubic meters) to 3,600 m<sup>3</sup> (three thousand six hundred cubic meters).
  - b. closed warehouse category B, with the following criteria:
    1. area more than 1,000 m<sup>2</sup> (one thousand square meters) up to 2,500 m<sup>2</sup> (two thousand five hundred square meters); and/or
    2. storage capacity more than 3,600 m<sup>3</sup> (three thousand six hundred cubic meters) up to 9,000 m<sup>3</sup> (nine thousand cubic meters).
  - c. closed warehouse category C, with the following criteria:
    1. area more than 2,500 m<sup>2</sup> (two thousand five hundred square meters); and/or
    2. storage capacity more than 9,000 m<sup>3</sup> (nine thousand cubic meters).
  - d. category D closed warehouse, with the following criteria:
    1. Silo or Tank-shaped warehouse; and/or
    2. storage capacity of at least 762 m<sup>3</sup> (seven hundred and sixty-two cubic meters) or 400 tons (four hundred tons).
- (3) The open warehouse as referred to in section (1) point b with the criteria for an area of at least 1,000 m<sup>2</sup> (one thousand square meters).
- (4) Warehouse with a total area of under 100 m<sup>2</sup> can be granted TDG by following the provisions of prevailing legislation .
- (5) The Government and/or Local Government can build and/or manage non-Warehouse Receipt System Warehouses which belongs to closed warehouse category and are necessary to ensure the availability of primary needs in accordance with the provisions of legislation.

Paragraph 1  
Warehouse Registration Certificate

Article 62

- (1) Every warehouse owner is obligated to have a TDG from the Mayor.
- (2) TDG as referred to in section (1) is issued according to the address of the warehouse location/domicile.
- (3) TDG as referred to in section (1) applies as long as the warehouse is used to store traded goods.
- (4) In the event of damage and/or changes to the information data contained in the TDG, the TDG holder is obligated to submit a request for a replacement or change to the TDG.
- (5) Provisions regarding Warehouse registration are exempted from:
  - a. Warehouses located in bonded storage areas;
  - b. Warehouses located in storage areas under the supervision of the directorate general in charge of customs; and
  - c. Warehouse attached to a retail business used as a temporary storage place for retail Goods, or Warehouse attached to a production site.
- (6) Further provisions regarding the requirements and mechanisms for issuing and changing TDG as referred to in section (1) and section (4) are regulated in the Mayor's Regulation.

Article 63

Every TDG holder is obligated to:

- a. comply with the provisions stated in the TDG;
- b. report to the Mayor regarding warehouse management cooperation agreements with other parties when starting to carry out business activities;
- c. comply with legislation and/or government policies in disaster management and mitigation; and
- d. comply with other legislation

Paragraph 2  
Warehouse Management System

Article 64

- (1) Every warehouse manager is obligated to maintain warehouse administration records regarding the type and quantity of goods stored, those entering and leaving the warehouse.
- (2) Administrative recording as referred to in section (1) is excluded for:
  - a. Warehouse used to store goods with a Warehouse Receipt System; and
  - b. A warehouse used as a temporary storage place for goods delivery services.
- (3) Administrative recording as referred to in section (1) is

carried out in the form of a book or electronic warehouse administration system.

- (4) The warehouse administration book or electronic system as referred to in section (3) contains at least the following:
  - a. owner of goods;
  - b. NIB of the owner of the goods
  - c. type/category of goods;
  - d. date of entry of goods
  - e. origin of goods
  - f. the amount of goods;
  - g. date of release of goods;
  - h. destination of goods; and
  - i. remaining goods stored in the warehouse (stock)
- (5) Administrative records in the form of a book or electronic warehouse administration system as referred to in section (3) must be shown to the supervisor when supervision is carried out by the Local Government.
- (6) In the event that the warehouse manager is a business actor in the distribution of Primary Needs and Essential Goods, the warehouse manager is obligated to submit a complete and correct Bapokting (Primary Needs and Essential Goods) Distribution Report periodically every month, not later than the 15th (fifteenth) of the following month. Business Actors are referred to as Distributors in accordance with the KBLI for Wholesale Trade.
- (7) The Bapokting Distribution Report as in section (6) contains the procurement and distribution of at least:
  - a. Initial stock of Primary Needs and Essential Goods;
  - b. Procurement of Primary Needs and Essential Goods;
  - c. Distribution of Primary Needs and Essential Goods;
  - d. Final stock of Primary Needs and Essential Goods; and
  - e. Selling prices for Primary Needs and Essential Goods.
- (8) Types of Primary Needs and Essential Goods in accordance with the provisions of legislation regarding the determination and storage of Primary Needs and Essential Goods.

## Part Six Franchise Business

### Article 65

- (1) Franchise businesses must meet the following criteria:
  - a. has business characteristics;
  - b. proven to provide profitability;
  - c. have standards for offered services and goods and/or services that are stipulated in written documents;
  - d. easy to teach and apply;
  - e. there is continuous support; and
  - f. Registered Intellectual Property Rights (IPR).
- (2) The criteria as referred to in section (1) point b are met in the event that the franchisor has at least 5 (five) years of experience and has business tips for overcoming business problems, which in this case is proven by the survival and

- development of the franchisor's business profitably.
- (3) The criteria as referred to in section (1) point d are met in the event that franchisees who do not have experience or knowledge regarding similar businesses can still carry them out properly in accordance with the operational and management guidance provided by the franchisor.
  - (4) The criteria as referred to in section (1) point e constitute continuous support from the franchisor to the franchisee, which is provided, among other things, in the forms of operational guidance, training and promotion.
  - (5) The criteria as referred to in section (1) point f include Intellectual Property Rights (IPR) related to business such as brands and/or copyrights and/or patents and/or licenses and/or trade secrets that have been registered and have a certificate or are in the process of registration with the authorized institution.

#### Article 66

Individuals or business entities are prohibited from using the term and/or franchise name for their business name and/or activities, if they do not meet the criteria as referred to in Article 65.

#### Article 67

Franchise Operators consist of:

- a. Foreign Franchisors;
- b. Domestic Franchisors;
- c. Advanced franchisors from foreign franchises;
- d. Advanced franchisors from domestic franchises;
- e. Franchisees from overseas franchises;
- f. Franchisees from domestic franchises;
- g. Advanced franchisees from overseas franchises; and
- h. Advanced franchisees from domestic franchises.

#### Part Seven

##### Retail trade and Direct Sales of Alcoholic Beverages

#### Article 68

Alcoholic Beverages originating from domestic production or originating from imports are categorized into the following categories:

- a. Class A alcoholic beverages are beverages that contain ethyl alcohol or ethanol ( $C_2H_5OH$ ) at levels up to 5% (five percent);
- b. Class B alcoholic beverages are beverages that contain ethyl alcohol or ethanol ( $C_2H_5OH$ ) with levels of more than 5% (five percent) up to 20% (twenty percent); and
- c. Class C alcoholic beverages are beverages that contain ethyl alcohol or ethanol ( $C_2H_5OH$ ) with levels of more than 20% (twenty percent) up to 55% (fifty five percent).



#### Article 69

- (1) Retailers and Direct Sellers of alcoholic beverages are prohibited from distributing or selling alcoholic beverages with ethanol content (C<sub>2</sub>H<sub>5</sub>OH) more than 55% (fifty five percent).
- (2) Sales of alcoholic beverages for drinking directly on-site can only be sold at:
  - a. hotels, restaurants, bars in accordance with the provisions of legislation; and
  - b. other specific places determined by the Mayor.
- (3) Retail trade in alcoholic beverages can only be sold at:
  - a. Supermarkets and hypermarkets for class A alcoholic beverages;
  - b. certain places designated by the mayor for class B and class C alcoholic beverages; and
- (4) Taking into account regional characteristics and local culture, The Mayor can determine restrictions on the distribution of Alcoholic Beverages in places as referred to in section (2) and section (3).
- (5) Sales of Alcoholic Beverages are carried out separately from other sales items.
- (6) Retail trade in alcoholic beverages:
  - a. is prohibited for drinking directly at the sales location.
  - b. can only be served by officers/saleswomen.
- (7) Every company is prohibited from trading alcoholic beverages as referred to in article 68 in locations and/or places close to:
  - a. youth arenas, street vendors, terminals, stations, small kiosks, youth accommodation and campsites;
  - b. places of worship, schools, hospitals and residential areas; and
  - c. other specific places determined by the Mayor.
- (8) Alcoholic beverage sales services are prohibited from being provided to buyers under the age of 21 (twenty one) years as proven by an Identity Card in accordance with the provisions of legislation.
- (9) Every Company that trades Alcoholic Beverages is prohibited from advertising Alcoholic Beverages in any form in any mass media.
- (10) The distance between adjacent locations and/or places as referred to in section (7) is at least 100 (one hundred) meters as measured based on the accessibility distance between the two locations.

#### Article 70

Every holder of a Business Licensing for the retail trade of alcoholic beverages and direct sales of alcoholic beverages is required to:

- a. submit reports on the realization of sales of alcoholic beverages every 3 (three) months to the Mayor or Head of Regional Apparatus in charge of trade;
- b. comply with the conditions stated in the permit; and
- c. comply with the provisions of legislation.

## CHAPTER V LICENSING AND NON-LICENSING SERVICES

### Part One General

#### Article 71

- (1) To start and carry out business activities, Business Actors in the trade and industrial sectors are obligated to fulfill:
  - a. Basic requirements for business licensing; and/or
  - b. Business Licensing.
- (2) Business Licensing as referred to in section (1) point b, includes:
  - a. Risk-Based Business Licensing; and
  - b. Business Licensing to Support Business Activities
- (3) The basic requirements for Business Licensing as referred to in section (1) point a include suitability for space utilization activities, environmental approval, building approval, and a certificate of functional feasibility.
- (4) Risk-Based Business Licensing as referred to in section (2) point a includes the following regulations:
  - a. related KBLI/KBLI code, KBLI title, scope of activities, Risk parameters, Risk level, Business Licensing, time period, validity period and Business Licensing authority;
  - b. requirements and/or obligations for Risk-Based Business Licensing;
  - c. guidelines for Risk-Based Business Licensing; and
  - d. business activity standards and/or product standards.
- (5) Provisions regarding the basic requirements for Business Licensing and Business Licensing as referred to in section (1) refer to the provisions of legislation.

### Part Three Industrial Sector Business Licensing

#### Paragraph 1 Industrial Business

#### Article 72

- (1) Business Licensing in the industrial sector includes business activities:
  - a. Operation of industries that process raw materials and/or utilize industrial resources; and
  - b. Industrial estate.
- (2) Business Licensing for industrial operating business activities that process raw materials and/or utilize industrial resources as referred to in section (1) point a which is determined based on the results of the risk level analysis of business activities consists of:
  - a. activities that produce goods with added value or

- higher profits; and/or
- b. activities that provide industrial services
- (3) Business Licensing for industrial estate business activities as referred to in section (1) point b which is determined based on the results of the risk level analysis of business activities consisting of industrial area business activities.
- (4) Industrial business activities as referred to in section (1) point a are classified into:
  - a. Small industry;
  - b. Medium industry; and
  - c. Big industry.
- (5) Management, Development and Establishment of Industry in Regions is further regulated in separate Regional Regulations in accordance with the provisions of Legislation.

#### Article 73

The Business Licensing as referred to in Article 72 section (1) point a must contain at least:

- a. company identity;
- b. taxpayer number;
- c. form of business licensing;
- d. investment value;
- e. industrial site land area;
- f. Industrial class in accordance with the Standard Classification of Indonesian Business Fields (KBLI); and
- g. installed production capacity for Industries that produce goods or service capacity for Industrial Services.

#### Article 74

- (1) Every 1 (one) Business License as referred to in Article 72 is only valid for 1 (one) Industrial Company which:
  - a. has an Industrial business with 1 (one) business class in accordance with the 5 (five) digit of KBLI and is located in 1 (one) Industrial location;
  - b. has several Industrial businesses which constitute 1 (one) integrated production unit with different 5 (five) digit KBLI in 1 (one) Industrial Area; or
  - c. has several Industrial businesses with 1 (one) business group in accordance with the same 5 (five) digit KBLI and located in several locations within 1 (one) Industrial Area.
- (2) In the event that an Industrial Company has an Industrial business outside the provisions as referred to in section (1), the Industrial Company is obligated to have a new NIB.

#### Article 75

Business Licensing is valid as long as the Industrial Company carries out industrial business activities.

#### Article 76

In the event that there is an addition or reduction in the number of workers and/or investment value which results in a change in the classification of industrial business activities, the Industrial Company is obligated to make adjustments to the Business Licensing data in accordance with the provisions of legislation.

#### Article 77

The Business Licensing as referred to in Article 72 also applies as a permit for storage of machines/equipment, Raw Materials, auxiliary materials, and/or production results, provided that:

- a. the storage place as referred is related to the activities and/or production interests of the relevant Industrial Company which is inseparable from its Industrial activities and is located in 1 (one) Industrial business premise; and
- b. the storage area as referred is not rented or commercialized.

#### Article 78

Industrial Companies that already have a Business Licensing as referred to in Article 72 are obligated to:

- a. carry out industrial business activities in accordance with the NIB owned;
- b. guarantee the safety and security of equipment, processes, production results, storage and transportation;
- c. comply with the conditions stated in the permit; and
- d. comply with the provisions of prevailing legislation.

#### Article 79

Industrial Companies that already have business licensing for business activities as referred to in Article 72 can expand industrial business activities in terms of increasing installed production capacity.

#### Article 80

Further provisions regarding the implementation of industrial businesses and the issuance of business licensing as referred to in Article 72 and Article 75 are regulated in the Mayor Regulation.

#### Paragraph 2

#### Industrial Estate Business

#### Article 81

- (1) Every Industrial Estate Business Activity as referred to in Article 72 section (1) point b which will carry out Industrial Estate business activities in the Region is required to have a Business Licensing.

- (2) Business licensing for industrial estate business activities as referred to in section (1) are granted only to non-individual Business Actors, state-owned enterprises, local-owned enterprises, cooperatives and limited liability companies, which are located in industrial designated areas in accordance with the national, provincial, or regional spatial plan.
- (3) Non-individual Business Actors as referred to in section (2) who have obtained a Business License for industrial estate business activities are industrial area companies.
- (4) The company that will apply for Business Licensing for industrial area business activities as referred to in section (1) is obligated to fulfill the following provisions:
  - a. carrying out the preparation of Industrial Estate land until it can be used with the land area in accordance with the provisions of legislation;
  - b. build some of the basic infrastructure of the Industrial Estate;
  - c. establish an Industrial Estate manager; and
  - d. build a management building.
- (5) Some of the basic infrastructure of Industrial Estate as referred to in section (3) point b includes the availability of road networks, drainage channels and raw water treatment installations.

#### Article 82

Business Licensing for industrial area business activities as referred to in Article 81 is only given to areas of land that are ready to be used and controlled by Industrial Estate Companies whose ownership or control can be proven in accordance with the provisions of legislation.

#### Article 83

Business Licensing for industrial estate business activities is valid as long as the Industrial Area Company carries out industrial area development and management activities.

#### Article 84

Industrial Companies that already have Business Licensing for industrial area business activities as referred to in Article 81 are obligated to:

- a. comply with the conditions stated in the permit; and
- b. comply with the provisions of prevailing legislation.

#### Article 85

Industrial Estate Companies that already have business licensing as referred to in Article 81 can adjust Business Licensing data when adding installed production capacity.

Article 86

Further provisions regarding the operation of industrial areas and the issuance of Business Licensing for industrial estate business activities as referred to in Article 81 and Article 85 regulated in the Mayor Regulations.

CHAPTER VI  
STABILIZATION OF PRIMARY NEEDS AND/OR ESSENTIAL  
GOODS

Article 87

- (1) The Local Government has the authority to control the availability, price stability and/or distribution of primary needs and/or essential goods in the Region.
- (2) Determination of the types of primary needs and/or essential goods as referred to in section (1) is carried out by referring to the provisions of statutory regulations.
- (3) In order to control the availability, price stability and/or distribution of primary needs and/or essential goods as referred to in section (1), the Local Government has the authority to:
  - a. increase and protect production;
  - b. developing production facilities;
  - c. developing infrastructure;
  - d. fostering business actors;
  - e. developing trading facilities;
  - f. perform price and stock monitoring and surveillance;
  - g. developing commodity information;
  - h. managing stock and logistics;
  - i. facilitate distribution micro businesses to obtain easy access to supplies of raw materials, auxiliary materials, primary needs, essential goods and/or other merchandise from distributors or other producers;
  - j. improve the smooth flow of distribution; and
  - k. carry out market operations in the Region.
- (4) Further provisions regarding controlling the availability, price stability and/or distribution of primary needs and/or essential goods as referred to in section (1) are regulated in a Mayor Regulation.

CHAPTER VII  
TRADE PROMOTIONS

Article 88

- (1) Local Governments have the authority to assist export development efforts to expand market access for goods and services produced in the Region.
- (2) Expanding market access for goods and services produced in the Region as referred to in section (1) is prioritized for micro Business Actors in the Region.
- (3) In the context of expanding market access for goods and

- services produced in the Region as referred to in section (1), the Local Government carries out activities of:
- a. organizing domestic trade promotions; and/or
  - b. participate in trade promotions domestically and/or abroad;
- (4) The implementation of trade promotions as referred to in section (2) point a can take the forms of:
- a. trade shows; and/or
  - b. trade mission.
- (5) Further provisions related to export development efforts to expand market access for goods and services produced in the Region as referred to in section (1) are regulated in a Mayor Regulation.

## CHAPTER VIII STANDARDIZATION AND CONSUMER PROTECTION

### Article 89

- (1) The Local Government has the authority to carry out calibration, re-calibration and supervision of measuring instruments, gauging instruments or weighing instruments and their equipment and BDKT in the Region.
- (2) The implementation of calibration, re-calibration and supervision as referred to in section (1) is carried out to:
  - a. guarantee standardization of measuring, gauging or weighing results; and
  - b. guarantee protection for consumers in the Region.
- (3) The implementation of calibration, re-calibration and supervision of measuring instruments, gauging instruments or weighing instruments and their equipment as referred to in section (1) is carried out for instruments which are directly or indirectly used or stored in a ready-to-use condition for the purposes of determining measurement, gauging or weighing results for:
  - a. public interest;
  - b. business;
  - c. deliver or receive goods;
  - d. determine levies or wages;
  - e. determine the final product within the company;
  - f. implement statutory regulations.

### Article 90

- (1) Calibration and Re-calibration are carried out on:
  - a. domestically produced measuring instruments, gauging instruments or weighing instruments and their equipment; and
  - b. imported measuring instruments, gauging instruments or weighing instruments and their equipment.
- (2) Calibration is required to be carried out on domestically produced and imported measuring instruments, gauging instruments or weighing equipment and their equipment

before being offered, sold, rented, handed over or held as inventory.

- (3) Re-calibration is required to be carried out on measuring instruments, gauging instruments or weighing instruments and their equipment which:
  - a. validity period is expired;
  - b. calibration sign is damaged and/or the seal wire is broken;
  - c. corrections or changes are made that may affect the appointment; and
  - d. the appointment deviates from the technical requirements for measuring instruments, gauging instruments or weighing instruments and their equipment.

#### Article 91

- (1) Calibration and Re-calibration activities include:
  - a. inspection;
  - b. testing; and
  - c. affixing the Calibration mark.
- (2) Inspection and testing is carried out on measuring instruments, gauging instruments or weighing instruments and their equipment before being marked with Calibration mark.
- (3) Tests on measuring instruments, gauging instruments or weighing instruments and their equipment as referred to in section (2) are carried out using predetermined measurement standards.
- (4) Inspection, testing and affixing of Calibration marks as referred to in section (1) are carried out based on the technical requirements of measuring instruments, gauging instruments or weighing instruments and their equipment.

#### Article 92

Every business actor is prohibited from:

- a. possessing, placing, exhibiting, using or ordering to use:
  1. measuring instruments, gauging instruments or weighing instruments and their equipment marked as void;
  2. measuring instruments, gauging instruments or weighing instruments and their equipment which do not bear a valid calibration mark or are not complimented by legal validation information, unless otherwise specified in the provisions of the laws and regulations;
  3. measuring instruments, gauging instruments or weighing instruments and their equipment in which the markings are damaged;
  4. measuring instruments, gauging instruments or weighing instruments and their equipment which have been repaired or changed which may affect the length, content, weight or indication, and which have



- not been authorized before being reused;
- 5. measuring instruments, gauging instruments or weighing instruments and their equipment in which the length, content, weight or indication deviates from the proper value other than as permitted under the provisions of statutory regulations;
- 6. measuring instruments, gauging instruments or weighing instruments and their equipment which have special markings which enable people to determine measurements, gauge or weight according to other bases and designations other than those regulated in the provisions of statutory regulations; and/or
- 7. measuring instruments, gauging instruments or weighing instruments and their equipment for purposes other than those intended in the provisions of legislation.
- b. offer to buy, sell, offer to rent, lease, arrange for sale, lease or transfer or trade:
  - 1. measuring instruments, gauging instruments or weighing instruments and their equipment marked as void;
  - 2. measuring instruments, gauging instruments or weighing instruments and their equipment which do not bear a valid calibration mark or are not complimented by legal validation information unless otherwise specified in the provisions of legislation; and/or
  - 3. measuring instruments, gauging instruments or weighing instruments in which the guarantee marks are damaged.
- c. install measuring instruments, gauging instruments or weighing instruments and their equipment in addition to measuring instruments, gauging instruments or weighing instruments that have been calibrated or have been re-calibrated; and/or
- d. use or order to use in certain places based on the provisions of legislation:
  - 1. measuring instruments, gauging instruments or weighing instruments and their equipment in other ways or in other positions than they are intended for;
  - 2. measuring instruments, gauging instruments or weighing instruments and their equipment for measuring, gauging or weighing exceeding its maximum capacity;
  - 3. measuring instruments, gauging instruments or weighing instruments and their equipment for measuring, gauging, weighing or determining measurements less than the lowest limit specified in the provisions of legislation.

Article 93

- (1) Legal Metrology Supervision is carried out on UTPP, BDKT and Units of Measure.
- (2) UTPP, BDKT and Units of Measure as referred to in section (1) include:
  - a. Domestically Produced UTPP and imported UTPP;
  - b. Domestically Produced BDKT and imported BDKT;
  - c. Units of measurement, in the form of the writing of units and SI unit symbols or the writing of units and other unit symbols in accordance with legislation.

Article 94

- (1) UTPP supervision as referred to in Article 93 section (2) point a is carried out to ensure:
  - a. Use of UTPP in accordance with the provisions;
  - b. Correctness of measurement, gauging, and weighing results; and
  - c. Existence of calibration mark or written certificate replacing the valid mark and the void mark.
- (2) Supervision of BDKT as referred to in Article 93 section (2) point b is carried out to ensure the appropriateness of labeling and correctness of measurements.
- (3) Supervision of Units of Measure as referred to in Article 93 section (2) point c is carried out to ensure the use, the writing of units and forewords as well as unit symbols are in accordance with prevailing legislation.

Article 95

- (1) Supervision is carried out by the Metrological Supervisor.
- (2) In carrying out Legal Metrology Supervision, Metrology Supervisors can be assisted by Calibration Observers.

Article 96

- (1) Regulations regarding BDKT are carried out to ensure the inclusion of quantity labeling and quantity conformity.
- (2) The regulations regarding BDKT as referred to in section (1) apply to BDKT in which the nominal quantity is expressed in weight, volume, length, width or number of counts which are:
  - a. Domestic production;
  - b. Import; and
  - c. Domestically produced or imported goods or commodities packaged in the territory of the Republic of Indonesia.
- (3) The BDKT regulation as referred to in section (1) is excluded for wrapped or packaged sales items containing food or beverages which in reality are easily spoiled or cannot last more than 7 (seven) days.
- (4) Business Actors who package or wrap goods, produce or import BDKT for trade are required to state the quantity on the packaging and/or label.
- (5) The inclusion of quantity on the BDKT packaging and/or label as referred to in section (4) includes at least net contents, net weight, number of counts, complete weight, length and/or width.

- (6) The inclusion of quality on the BDKT packaging and/or label as referred to in section (5) is accompanied by the inclusion of the unit of measurement, unit symbol, or calculation in accordance with legislation.

#### Article 97

- (1) Business Actors who package or wrap goods, produce or import BDKT for trade are obligated to guarantee the correctness of the quantity stated on the packaging and/or label.
- (2) The correctness of the BDKT quantity as referred to in section (1) is given tolerance according to the limits in accordance with the provisions of legislation.

#### Article 98

Further provisions regarding calibration, re-calibration and supervision of UTTP and BDKT are regulated in the Mayor Regulation.

### CHAPTER IX

#### TRADE AND INDUSTRIAL AFFAIRS INFORMATION SYSTEM

#### Article 99

- (1) Local Government establishes and develops trade and industrial affairs information systems.
- (2) For the purposes of the establishment and development of the information system as referred to in section (1), every trade and industrial business actor in the Region is obligated to submit accurate, complete and timely data periodically to the Mayor.
- (3) The submission of data as referred to in section (2) is carried out at the following levels:
  - a. establishment/development before commercial operation; and
  - b. business activities have been operating.
- (4) The data as referred to in section (2) contains:
  - a. investment value;
  - b. total workforce;
  - c. KBLI classification; and
  - d. turnover/production value.
- (5) Apart from the contents as referred to in section (4), industrial Business Actors are obligated to provide data/information including:
  - a. industrial site land area;
  - b. installed production capacity;
  - c. raw material requirements;
  - d. implementation of development;
  - e. use of machines/equipment;
  - f. energy and raw water requirements;
  - g. production;
  - h. marketing; and
  - i. environmental management facilities and

infrastructure.

#### Article 100

The information system as referred to in Article 99 is integrated with the electronic business licensing system which is managed by the Regional Apparatus which carries out government affairs in the areas of licensing and investment.

#### Article 101

Further provisions regarding the trade and industrial affairs information system as referred to in Article 99 are regulated in the Mayor Regulation.

### CHAPTER X CONSTRUCTION AND SUPERVISION

#### Article 102

- (1) The Mayor has the authority to provide guidance on the implementation of trade and industrial affairs in the Region.
- (2) The authority to carry out guidance as referred to in section (1) is delegated to Regional Apparatus in charge of Trade and Industrial Affairs.
- (3) The guidance as referred to in section (1) can be carried out in the forms of:
  - a. facilitation for micro Business Actors so that they can meet the quality standards of traded goods;
  - b. facilitating the implementation of partnerships between retail Business Actors and micro Business Actors;
  - c. facilitation for trade and industrial Business Actors in fulfilling compliance with obligations and prohibitions;
  - d. facilitation for trade and industrial Business Actors in order to improve product quality; and
  - e. other forms of guidance in accordance with legislation.

#### Article 103

- (1) In order to ensure that the implementation of trade and industrial activities is carried out in an orderly and responsible manner and in accordance with legislation, the Mayor has the authority to supervise the implementation of trade and industrial affairs in the Region.
- (2) The authority to carry out supervision as referred to in section (1) is delegated to the Regional Apparatus in charge of Trade and Industrial Affairs.
- (3) The supervision as referred to in section (1) can be carried out in the forms of:
  - a. field inspection;
  - b. market operations;

- c. examination of administrative documents; or
  - d. other forms of supervision in accordance with legislation.
- (4) In carrying out supervision as referred to in section (1), an on-site supervisory team may be formed consisting of:
- a. person in charge;
  - b. chief;
  - c. secretary; and
  - d. member.
- (5) The field supervisory team as referred to in section (3) is determined by a Mayor's Decree.

#### Article 104

Further provisions regarding guidance and supervision as referred to in Article 102 and Article 103 are regulated in the Mayor Regulation.

### CHAPTER XI ADMINISTRATIVE SANCTIONS

#### Article 105

- (1) Every person or entity who violates provisions of Article 7 section (2), Article 22, Article 25, Article 26 section (1), Article 27, Article 35 section (1), Article 37, Article 42, Article 50 section (1), Article 51 section (3) , Article 51 section (4), Article 56, Article 57 section (3), Article 57 section (5), Article 58, Article 59, Article 60 section (7), Article 62 section (1), Article 62 section (4), Article 63, Article 64 section (1), Article 64 section (5), Article 64 section (6), Article 66, Article 69, Article 70, Article 71 section (1), Article 76, Article 78, Article 81, Article 84, Article 92, Article 97 section (1), Article 99 section (2), and/or Article 99 section (5) are subject to administrative sanctions.
- (2) Administrative sanctions as referred to in section (1) can be:
- a. written warning;
  - b. government coercion;
  - c. forced money;
  - d. administrative fines;
  - e. temporary suspension of activities;
  - f. suspension of permits, registration certificates or approvals;
  - g. revocation of permits, registration marks, or approvals; and/or
  - h. blacklisting.
- (3) The imposition of administrative sanctions as referred to in section (2) can be carried out in stages or not in stages.

Article 106

Further provisions regarding the procedures for imposing administrative sanctions as referred to in Article 105 are regulated by a Mayor Regulation.

CHAPTER XII.  
PROVISIONS OF INVESTIGATION

Article 107

- (1) Civil Servant Investigators within the Local Government are authorized to carry out investigations into violations of this Regional Regulation.
- (2) Investigators as referred to in section (1) in carrying out their duties have the authority to:
  - a. receive a report or complaint from someone regarding a criminal act of violating a Regional Regulation;
  - b. perform first actions and inspections at the scene;
  - c. order someone to stop and check the suspect's identification;
  - d. attach seal marks, line marks or other marks;
  - e. confiscate objects or letters;
  - f. take fingerprints and photograph a person;
  - g. summon people to be heard and examined as suspects or witnesses;
  - h. bring necessary members in connection with the examination of the matter;
  - i. terminate the investigation after receiving instructions from investigators from the Indonesian National Police that there is not enough evidence or that the incident does not constitute a criminal act and then through the investigator inform the public prosecutor, the suspect or his family; and
  - j. perform other actions according to the law that can be held accountable.
- (3) In the event of carrying out an investigation, Civil Servant Investigators are obligated to notify and submit the results of the investigation to the public prosecutor at the local District Attorney's Office through the Indonesian National Police Investigator.
- (4) Civil Servant Investigators as referred to in section (1), make minutes of every action in the event of:
  - a. examination of suspects;
  - b. entering the house and/or other closed places;
  - c. confiscation of goods;
  - d. witness examination;
  - e. inspection of the scene;
  - f. taking fingerprints and photographing.

## CHAPTER XIII CRIMINAL PROVISIONS

### Article 108

- (1) Apart from being subject to administrative sanctions as referred to in Article 105 section (1), every person or entity that violates the provisions of Article 7 section (2), Article 22, Article 25, Article 26 section (1), Article 27, Article 35 section (1), Article 37, Article 42, Article 50 section (1), Article 51 section (3), Article 51 section (4), Article 56, Article 57 section (3), Article 57 section (5), Article 58, Article 59, Article 60 section (7), Article 62 section (1), Article 62 section (4), Article 63, Article 64 section (1), Article 64 section (5), Article 64 section (6), Article 66, Article 69, Article 70, Article 71 section (1), Article 76, Article 78, Article 81, Article 84, Article 92, Article 97 section (1), Article 99 section (2), and/or Article 99 section (5) may be subject to criminal sanctions.
- (2) The criminal sanction as referred to in section (1) is in the form of imprisonment for a maximum of 3 (three) months and/or a maximum fine of Rp. 50,000,000.00 (fifty million rupiah).
- (3) The criminal act as referred to in section (1) is a violation.

## CHAPTER XIV MISCELLANEOUS PROVISIONS

### Article 109

- (1) All licensing and non-licensing service activities in this Regional Regulation are carried out through electronic licensing and non-licensing services in accordance with legislation.
- (2) Licensing and non-licensing services as referred to in section (1) are coordinated by the Head of Regional Apparatus who carries out government affairs in the fields of licensing and investment.

### Article 110

All of the Mayor's authority in the field of trade and industrial affairs as regulated in this Regional Regulation can technically be exercised by the Head of Regional Apparatus who carries out government affairs in the field of trade and industrial affairs, except for licensing and non-licensing services as referred to in Article 109.

## CHAPTER XV TRANSITIONAL PROVISIONS

### Article 111

- (1) All forms of licensing or non-licensing for trade and industrial business activities that have been issued before

the enactment of this Regional Regulation, are declared to remain valid until the expiration date.

- (2) Supermarket Business Actors who have carried out business/activities and have not owned a Supermarket Business Permit before this Regional Regulation was promulgated, may be permitted to carry out business activities if the location of the Supermarket is in accordance with the spatial plan;
- (3) Business Actors as referred to in section (2) are obligated to apply for permits in accordance with prevailing provisions not later than 6 (six) months after this Regional Regulation is promulgated.

## CHAPTER XVI CLOSING PROVISIONS

### Article 112

At the time this Regional Regulation comes into force, then:

- a. Regulation of the Municipality of Surabaya Number 1 of 2010 on Implementation of Business in the Field of Trade and Industrial Affairs (Regional Gazette of the Municipality of Surabaya of 2010 Number 1 Supplement to the Regional Gazette of the Municipality of Surabaya Number 1);
  - b. Regulation of the Municipality of Surabaya Number 8 of 2014 on Arrangement of Supermarkets in the City of Surabaya (Regional Gazette of the Municipality of Surabaya 2014 Number 8 Supplement to the Regional Gazette of the Municipality of Surabaya Number 8);
  - c. Regulation of the Municipality of Surabaya Number 1 of 2015 on Management and Empowerment of People's Markets (Regional Gazette of the Municipality of Surabaya 2015 Number 6 Supplement the Regional Gazette of the Municipality of Surabaya Number 5)
- are repealed and declared ineffective.

### Article 113

This Regional Regulation comes into force on the date of its promulgation.



In order that every person may know hereof, it is ordered to promulgate this Regional Regulation by its placement in the Regional Gazette of the Municipality of Surabaya.

Issued in Surabaya  
on 14 February 2023  
MAYOR OF SURABAYA,

signed

ERI CAHYADI

Promulgated in Surabaya  
on 14 February 2023  
REGIONAL SECRETARY OF THE MUNICIPALITY OF SURABAYA,

signed

Dr. Ikhsan, S.Psi., M.M.  
Pembina Utama Muda  
NIP 19690809 199501 1 002

REGIONAL GAZETTE OF THE MUNICIPALITY OF SURABAYA OF 2023 NUMBER  
1

Jakarta, 20 February 2025  
Has been translated as an Official Translation  
on behalf of the Minister of Law  
of the Republic of Indonesia  
DIRECTOR GENERAL OF LEGISLATION,



ELUCIDATION OF  
REGULATION OF THE MUNICIPALITY OF SURABAYA  
NUMBER 1 OF 2023  
ON  
TRADE AND INDUSTRIAL AFFAIRS

I. GENERAL

That the trade and industrial sectors have a strategic role in economic and social development efforts and encourage acceleration in efforts to implement development in the Region. Therefore, the Local Government needs to make arrangements regarding the implementation of trade and industrial business activities in the Region so that they can run in a directed and sustainable manner.

That in order to realize legal certainty and ease of doing business in carrying out trade and industrial business activities in the Region, Regulation of the Municipality of Surabaya Number 1 of 2010 on Implementation of Business in the Field of Trade and Industry has been stipulated, which regulates that trade and industrial business activities carried out in the Region can run in an orderly manner.

That in its current development, several provisions related to the implementation of trade and industry which have been regulated in the Regulation of the Municipality of Surabaya Number 1 of 2010 on Implementation of Business in the Field of Trade and Industry, are no longer in accordance with the development of conditions and provisions of provisions of legislation, so that Regional Regulation Number 1 of 2010 on Business Conduct in the Field of Trade and Industry needs to be reviewed.

II. ARTICLE BY ARTICLE ELUCIDATION

Article 1

Sufficiently clear.

Article 2

Point a

The term "the principle of regional and community interests" means that every trade and industrial policy must prioritize the interests of the Region and the people of the Region above other interests.

Point b

The term "principle of legal certainty" means laying down provisions of legislation as the basis for every policy and control in the fields of trade and industrial affairs .

Point c

The term "principle of justice" means the existence of equality of opportunity and position in business activities between producers, traders, other Business Actors and industrial companies to create a conducive business climate so as to guarantee certainty and equal business opportunities.

Point d

The term "the principle of healthy business competition" means that competition among Business Actors in carrying out production and/or marketing activities of goods and/or services is carried out honestly and in accordance with the provisions of legislation.

Point e

The term "the principle of equal distribution of business" means an effort to realize the implementation of trade and industry throughout the Region in accordance with the potential resources possessed.

Point f

The term "principle of business security" means the existence of security guarantees for all Business Actors at every stage of trade and industrial activities, starting from preparation for carrying out trade and industrial activities to the implementation of trade and industrial activities.

Point g

The term "principle of accountability" is that the implementation of trade and industrial activities must be accountable to the public in accordance with the provisions of legislation.

Point h

The term "principle of transparency" means that the implementation of trade and industrial activities must be open to the public, making it easier for the public to know and obtain information about trade and industrial affairs.

Point i

The term "principle of independence" means that every trade and industrial activity is carried out without much dependence on other parties.

Point j

The term "principle of partnership" means the existence of cooperation in business relationships in the field of Trade, both directly and indirectly, based on the principles of mutual need, trust, strengthening and benefit involving cooperatives as well as micro, small and medium enterprises with large enterprises and between Local Government and the private sector.

Point k

The term "principle of benefit" means that all policies arrangements and trade and industrial control must be beneficial, especially in realizing the ideals of general welfare.

Point l

The term "principle of simplicity" means providing ease of service to Business Actors or industrial companies as well as ease in providing correct information to the public.

Point m

The term " principle of comfort " means that the implementation of trade and industrial affairs must be able to provide comfort for the public.

Point n

The term "principle of togetherness" means the implementation of Trade carried out jointly by the Local Government, Business Actors, industrial companies and the public.

Point o

The term " principle of environmentally friendly " means trade and industrial policies carried out with due regard to environmental sustainability and sustainable development.

Article 3

Sufficiently clear.

Article 4

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Sufficiently clear.

Article 7

Sufficiently clear.

Article 8

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear

Section (4)

The term "People's Market with a certain thematic" includes, among others, Fish Market, Bird Market, Plant Market, Used Goods Market or the like.

Section (5)

Sufficiently clear.

Article 9

Sufficiently clear.

Article 10

Sufficiently clear.

Article 11

Sufficiently clear.

Article 12

Sufficiently clear.

Article 13

Sufficiently clear.

Article 14

Sufficiently clear.

Article 15

Sufficiently clear.

Article 16

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear

Point c

The term "People's Market with a particular thematic" includes fish market, bird market, plant market, used goods market or the like.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)  
Sufficiently clear.

Article 17  
Sufficiently clear.

Article 18  
Sufficiently clear.

Article 19  
Sufficiently clear.

Article 20  
Sufficiently clear.

Article 21  
Sufficiently clear.

Article 22  
Sufficiently clear.

Article 23  
Sufficiently clear.

Article 24  
Sufficiently clear.

Article 25  
Sufficiently clear.

Article 26  
Sufficiently clear.

Article 27  
Sufficiently clear

Article 28  
Sufficiently clear.

Article 29  
Sufficiently clear.

Article 30  
Sufficiently clear

Article 31  
Sufficiently clear.

Article 32  
Sufficiently clear.

Article 33  
Sufficiently clear.

Article 34  
Sufficiently clear.

Article 35  
Section (1)  
Point a  
Sufficiently clear.

Point b  
Sufficiently clear

Point c  
Sufficiently clear

Point d  
The aim of prioritizing workers from regional residents is to increase the absorption of regional workers in business premises in the Region

Point e  
Sufficiently clear.

Point f  
Sufficiently clear

Point g  
Sufficiently clear

Article 36  
Sufficiently clear

Article 37  
Sufficiently clear.

Article 38  
Sufficiently clear.

Article 39  
The term "Supplier" means a business actor with priority from Regional micro enterprises.

Article 40  
Sufficiently clear.

Article 41  
Sufficiently clear.

Article 42  
Sufficiently clear

Article 43  
Sufficiently clear.

Article 44  
Sufficiently clear.

Article 45  
Sufficiently clear

Article 46  
Sufficiently clear.

Article 47  
Section (1)  
Distance is measured by the accessibility radius.

Section (2)  
Point a  
Sufficiently clear.

Point b  
The Commerce Center is an integrated area for trade and other commercial businesses which has a manager to regulate the use of space and Business Actors in the Commerce Center (estate management) and have accessibility in each facility (centered, direct, mixed).

Section (3)  
Sufficiently clear.

Section (4)  
Sufficiently clear.

Article 48  
Sufficiently clear

Article 49  
Sufficiently clear.

Article 50  
Sufficiently clear.

Article 51  
Sufficiently clear.

Article 52  
Section (1)  
Provision of a business location is given to Micro Business Actors who are located in the area around supermarkets.

Section (2)  
Sufficiently clear.

Article 53  
Sufficiently clear.

Article 54  
Sufficiently clear.



Article 55  
Sufficiently clear.

Article 56  
Sufficiently clear.

Article 57  
Sufficiently clear.

Article 58  
Sufficiently clear.

Article 59  
Section (1)  
Sufficiently clear.

Section (2)  
Point a  
Sufficiently clear

Point b

Point 1  
Sufficiently clear

Point 2  
The term " other buildings or areas"  
includes educational facilities, public  
transportation facilities, apartments,  
hotels, hospitals or offices.

Section (3)  
Sufficiently clear

Article 60  
Sufficiently clear.

Article 61  
Sufficiently clear.

Article 62  
Sufficiently clear.

Article 63  
Sufficiently clear.

Article 64  
Sufficiently clear.

Article 65  
Sufficiently clear.

Article 66  
Sufficiently clear.

Article 67  
Sufficiently clear.

Article 68  
Sufficiently clear.

Article 69  
Sufficiently clear.

Article 70  
Sufficiently clear.

Article 71  
Sufficiently clear.

Article 72  
Sufficiently clear.

Article 73  
Point a  
The term "company identity" includes, among other things, company name, company address, industrial location, name of company owner.

Point b  
Sufficiently clear.

Point c  
Sufficiently clear.

Point d  
Sufficiently clear.

Point e  
Sufficiently clear.

Point f  
Sufficiently clear.

Point g  
The term "installed production capacity" means the maximum production capacity per year

Article 74  
Section (1)

Point a  
The term "1 (one) Industrial location" means the location for carrying out Industrial activities (factory) which is located within 1 (one) stretch of land which is not separated by a divider, for example a road or a river.

Point b

The term "one integrated production unit" means a series of production processes consisting of several production nodes, each of which produces one product and/or service which is used to produce one final product.

Point c

Sufficiently clear.

Article 75

Sufficiently clear.

Article 76

Sufficiently clear.

Article 77

Sufficiently clear.

Article 78

Sufficiently clear.

Article 79

Sufficiently clear.

Article 80

Sufficiently clear.

Article 81

Sufficiently clear.

Article 82

Sufficiently clear

Article 83

Sufficiently clear.

Article 84

Sufficiently clear.

Article 85

Sufficiently clear.

Article 86

Sufficiently clear.

Article 87

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

The term "Micro Business" includes cooperatives.

The term "Other producers" includes the products of farmers or breeders.

Point j

Sufficiently clear.

Point k

Sufficiently clear.

Article 88

Sufficiently clear.

Article 89

Sufficiently clear.

Article 90

Sufficiently clear.

Article 91

Sufficiently clear.

Article 92

Sufficiently clear.

Article 93

Sufficiently clear.

Article 94

Sufficiently clear.

Article 95  
Sufficiently clear.

Article 96  
Sufficiently clear.

Article 97  
Sufficiently clear.

Article 98  
Sufficiently clear.

Article 99  
Sufficiently clear.

Article 100  
Sufficiently clear.

Article 101  
Sufficiently clear.

Article 102  
Section (1)  
Sufficiently clear  
  
Section (2)  
Sufficiently clear  
  
Section (3)  
Point a  
Sufficiently clear  
  
Point b  
Sufficiently clear  
  
Point c  
Sufficiently clear  
  
Point d  
Sufficiently clear  
  
Point e  
The term "other Forms of Guidance" means training,  
consultation and/or field visits.

Article 103  
Sufficiently clear.

Article 104  
Sufficiently clear.

Article 105  
Sufficiently clear.

Article 106  
Sufficiently clear.

Article 107  
Sufficiently clear.

Article 108  
Sufficiently clear.

Article 109  
Sufficiently clear.

Article 110  
Sufficiently clear.

Article 111  
Sufficiently clear.

Article 112  
Sufficiently clear.

Article 113  
Sufficiently clear

SUPPLEMENT TO THE REGIONAL GAZETTE OF THE MUNICIPALITY OF  
SURABAYA NUMBER 1