

REGULATIONS ON PRICES, FEES AND RUPIAH PAYMENT REQUIREMENT COME INTO EFFECT

Mar 24, 2014

On 29 July 2013, the Indonesian Minister of Trade (**MOT**) issued Regulation No. 35/M-DAG/PER/7/2013 on Affixing Retail Prices and Tariffs to Goods and Services (**Reg. 35**). The Regulation came into effect 6 months as of its enactment, i.e. on 29 January 2014. It is an implementing regulation of Law Number 8 of 1999 on Consumer Protection. Two of its provisions will have a significant impact on businesses in Indonesia. First, goods traded at retail and services provided to consumers must have affixed clear, readable and easily visible prices/service fees. Micro-businesses are exempt, unless the relevant micro-businesses choose to comply with Reg. 35. A microbusiness is defined under Law No. 20 of 2008 on Micro, Small and Medium Businesses as a productive business of an individual and/or individual-owned business entity which has a net asset value of less than Rp. 50 million (excluding land and buildings) or having annual revenue of less than Rp. 300 million. Secondly, and unless specified under other regulations, prices for goods and service fees must be quoted in Rupiah currency. Reg. 35 also covers online shops which must provide price information that is easily accessible to consumers.

The information on service fees charged must include the formula used to determine the fees based on time, distance, capacity, etc. Information on the prices/fees of goods and services offered must include whether the price/fees include taxes and/or other charges. The prices of goods and fees for services quoted in the electronic media must also be clear and easily accessible to and understood by consumers.

Violations of the above are subject to up to 3 written warnings with 1 month between each warning followed by revocation of the business license in the absence of a satisfactory response to the warnings. The Director-General of Standardization and Consumer Protection will provide guidelines for and supervise the prices affixed to goods and the fees provided for services.

