

LAW OF THE REPUBLIC OF INDONESIA
NUMBER 8 YEAR 1999
CONCERNING
CONSUMER PROTECTION
UPON THE MERCY OF GOD THE ALMIGHTY
President of the Republic of Indonesia,

FORE WORD

When we talk about consumers' rights, whether we like it or not we have to enter legal territory " The problem is that up to a short time ago there was not one law which accommodated consumers' rights in an integrated and comprehensive way: it did not exist in substantive law (civil law, criminal law and state administration law), it also did not exist in procedural law which is in force positively in Indonesia.

Thus the presence of Law No. 8 of 1999 concerning Consumer Protection is like a breath of fresh air to society - the majority of whom can be called "consumers" - including those who have been concerned about this matter for a long time. What they hoped for, which is the hope of us all, is that the interests of the consumer community would be accommodated in the 15 clauses stipulating the rights and obligations of consumers, prohibitions for business owners, institutions, guidance and supervision, settlement of disputes, investigation, penalties, etc.

Optimizing the objective of the Consumer Protection Law has been done by introducing several (new) institutions, such as the formation of the National Consumer Protection Body (BPKN), the creation of the Consumer Disputes Settlement Body (BPSK), and acknowledgment of non-government organizations which in fact already existed to promote consumers' rights. On the other hand, the Consumer Protection Law has made a legal breakthrough by allowing "shifting of the burden of proof" by the accused party in civil/criminal cases, and legitimizing class action by consumers who feel they have suffered a loss.

It can be said that this regulation - in its idealism - endeavours directly to raise the value of every consumer of goods/services in community life. Thus, with the coming into force of this Consumer Protection Law the position of consumers in the business world which was often sidelined is expected to now be equal to business owners, in other words, consumers who up to now were merely "objects" will be positioned as "subjects" in the economic world.

This change of position clearly requires a shift in culture and behaviour by all parties: the institutions concerned, business owners and in particular the consumers themselves, to adapt to the new regulations. Here we understand the reason why this legal instrument will only come into force on 20 April 2000 (one year after it was legislated) in order to give the highest priority to empowering consumers.

Why consumers, not business owners? The main factor in the weakness of consumers up to now is their low awareness of their rights, so that efforts to empower (read: educate) consumers are greatly needed. Meanwhile it is still difficult to make business owners aware, because it is second nature to them to adhere to the economic principle: "the greatest possible gain and the least possible loss" which is in direct confrontation with the interest of consumers.

Setting out from the above similarity of vision, the publisher considers it important to socialize the content of the Consumer Protection Law in a book. Practicality of its use is the main factor, so that apart from appearing in two languages, it also contains the official explanation of the law beside each of its clauses. So that it is always functional, because it can be continuously added to with other materials/articles, the book is presented in loose leaf form in a ring binder.

Other articles as mentioned above are several supplements which we will publish. They include a commentary on the content of the Consumer Protection Law which is the result of studies by a group of experts to clarify the background and identify aspects of the law which are considered potentially likely to give rise to new problems. Another supplement is various legislative regulations the content of which concerns protecting the interests of consumers in certain sectors (such as: government, health, companies, etc.), as well as regulations for the implementation of the Consumer Protection Law.

Finally, in line with the aim of the Consumer Protection Law, the publisher hopes that consumers will become more empowered in striving for their

interests. This does not mean wanting to kill the business of entrepreneurs, but on the contrary encouraging a healthy business climate in a competitive atmosphere, which in turn will make our economy flourish in a positive way.

The Publisher

**LAW OF THE REPUBLIC OF INDONESIA
NUMBER 8 YEAR 1999
CONCERNING
CONSUMER PROTECTION
UPON THE MERCY OF GOD THE ALMIGHTY
President of the Republic of Indonesia,**

Considering:

- a. that the objective of national development in an economic democracy era based on Pancasila and the 1945 Constitution is to create a just and prosperous society for equal distribution of material and spiritual welfare;
- b. that the national economic development in a global era must be able to support the growth of the business sector in order to produce all kinds of goods/or services with technological contents to improve the public welfare in general while at the same time obtaining security of the goods and/or services from trading transactions without causing any damages to the consumers;
- c. that the increased opening of the national market as a result of the globalization process of the economy must be able to guarantee the improvement of public welfare and security of the quality, number and safety of the goods and/or services obtained from the market;
- d. that in order to improve their dignities and values, the consumers need to enhance their awareness, knowledge, concern, ability and independence to protect themselves and to create and develop a responsible behavior on the part of the entrepreneurs;
- e. that the legal provisions protecting the consumers' interests in Indonesia are not yet adequate;
- f. that based on the aforementioned considerations, the law must create a balance of protection between the consumers' interests and entrepreneurs' interests in order to create a healthy economy is needed;

g. that for that objective it is deemed necessary to endorse a law on
Consumer protection.

Bearing in mind:

Bearing in mind: Article 5 Section (1) Article 21 section (1), Article 27, and
33 of the 1945 Constitution

**Upon the Approval
OF THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC
OF INDONESIA
HAS DECIDED:
To enact: THE LAW ON CONSUMER PROTECTION.**

**CHAPTER I
GENERAL PROVISIONS**

Article I

In this law, that which is intended by:

1. Consumers protection is all means which guarantee the legal security to protect the consumers.
2. Consumer is each individual user goods and/or services available in society, for the benefit of them-selves, family members, other people, and other living creatures and which are not for trading
3. Entrepreneur is an individual person or a company, in the form of a legal or non-legal entity established and domiciled or engaged in activities within the legal territory of the Republic of Indonesia, conducting various kinds of business activities in the economic sector through contracts, both individually or collectively.
4. Goods is any object tangible or insufficiently tangible, movable or immovable, consumable or inconsumable, which can be traded, used, consumed, or utilized by the consumers.
5. Services is any service in the form of work or performance traded in the society to be used by the consumers.

6. Promotion is any activity of introducing or spreading the information on certain goods and/or services to attract the consumers to buy the goods and/or services being traded.
7. Importing goods is an activity of bringing goods into the customs office.
8. Importing services is any activity of supplying foreign service to be used within the territory the Republic of Indonesia.
9. The Indonesian Consumers Foundation is a non government foundation registered and recognized by the Government engaging in consumer protection activities.
10. Standard Clause is any regulations or provisions and conditions unilaterally prepared and predetermined by the entrepreneurs in the form of a document and/or an agreement which is binding and must be met by the consumers.
11. Consumer Dispute Settlement Agency is an agency responsible for handling and settling the disputes between entrepreneurs and consumers.
12. National Consumer Protection Agency is an agency established to help develop consumers protection.
13. Minister is a minister whose scope of duties and responsibilities are within the field of trading.

CHAPTER II

PRINCIPLE AND OBJECTIVES

Article 2

Consumer protection is based on the principles of benefit, justice, balance, security, safety and legal security of the consumers.

Article 3

The objectives of consumers protection are:

- a. to improve the awareness, ability and independence of the consumers to protect themselves
- b. to enhance the integrities and values of the consumers by avoiding negative excess of using the goods and/or services;
- c. to improve the ability of the consumers to select, determine and claim their rights as consumers,
- d. to create a consumers protection system containing legal security and information transparency and access to information;
- e. to develop entrepreneur's awareness on the importance of consumers protection. thus creating an honest and responsible behavior in conducting their business;
- f. to improve the quality of the goods and/or services which will guarantee the business will continue producing goods and/or services, conforming to health, comfort, Security and safety to the consumers;

CHAPTER III
RIGHTS AND OBLIGATIONS
Part One
Rights and Obligations of the Consumers
Article 4

The rights of the consumers are:

- a. to obtain comfort, security and safety in using or consuming the goods and/or service;
- b. to choose the goods and/or services and obtain Point b the said goods and/or services in accordance with the promised conversion value and condition and warranty;
- c. to obtain correct, clear and honest information on the condition and warranty of the goods and/or services;
- d. to be heard in expressing opinion and complaints on the goods and/or services they use or consume;
- e. to obtain proper advocacy, protection and settlement in the consumer's protection dispute;
- f. to obtain consumer's training and education;
- g. to receive proper and honest and nondiscriminatory treatment or service,
- h. to obtain compensation, redress and/or substitution, if the goods and/or services received are not in accord with the agreement or not received as requested,
- i. to obtain rights as regulated in the other provisions of the law.

Article 5

The obligations of the consumers:

- a. to read or follow the information instructions and application or usage procedures of the goods and/or services for security of safety
- b. to act in good faith in conducting the transaction of purchasing the goods and/or services;

- c. to pay for the price in accordance with the agreed conversion value;
- d. to follow the proper legal settlement of consumer's protection dispute.

Part Two
Rights and Obligations of the
Entrepreneurs
Article 6

The rights of the entrepreneurs are:

- a. to receive the payment in accordance with the sales agreement on the conditions and conversion value of the goods and/or services;
- b. to obtain legal protection from the consumer's acts of bad faith;
- c. to conduct proper self-defense in the legal settlement of the consumer's dispute;
- d. to rehabilitate its good reputation if legally proven that the consumer's damage is not caused by the goods and/or services purchase;
- e. to obtain rights as regulated in the other provisions of the law.

Article 7

The obligations of the entrepreneurs:

- a. to act in good faith in conducting the business;
- b. to provide correct, clear and honest information with regard to the condition and warranty of the goods and/or services and provide explanation on the use, repair and maintenance;
- c. to treat and serve the consumers properly and honestly and non-discriminatively;
- d. to guarantee the goods and/or services produced and/or traded based on the prevailing quality standard provisions of the goods and/or services;
- e. to provide the opportunity to the consumers to test and/or try on certain goods and/or services and provide warranty and/or guarantee on the produced and/or traded goods;

- f. to provide compensation, redress and/or substitution for the damages caused by the use, consumption and application of the goods and/ or services;
- g. to provide compensation, redress and/or substitution if the goods and/ or services received or used do not accord with the agreement

CHAPTER IV

PROHIBITION IMPOSED ON THE ENTREPRENEURS

Article 8

- (1) The entrepreneurs are not allowed to produce and/or trade goods and/or services which:
 - a. do not meet or accord with the required standard and provisions of the law;
 - b. do not accord with the net weight net volume, and the total amount as stated on the label of the said goods;
 - c. do not accord with the actual size, measurement and total amount;
 - d. do not accord with the condition, guarantee, speciality or efficacy as stated on the label or information of the said goods and/or services;
 - e. do not accord with certain quality degree, composition, process, style, mode, or use as stated on the label or information of the said goods and/or services;
 - f. do not accord with the promise as stated on the label information, advertisement or sales promotion of the goods and/or services;
 - g. do not mention expiry dates or best before for the use of the said goods and/or services;
 - h. do not follow halal production processes for products with halal label;

- i. do not have labels explaining the name, size net weight/volume, composition, directions, product dates, side effect, name and address of the company or other information required to be labelled or made by the law;
 - j. do not include information and/or directions on the use of the goods in Indonesian language to conform with the prevailing provisions of the law.
- (2) Entrepreneurs are prohibited from trading damaged, defective or used and tainted goods without providing complete and correct information.
 - (3) Entrepreneurs are prohibited from trading damaged, defective or used and tainted pharmaceutical or food products with or without providing complete and correct information.
 - (4) Entrepreneurs who violate Section 1 and Section 2 above are prohibited from trading the said products and/or services and must pull the products from the circulation.

Article 9

- (1) Entrepreneurs are prohibited from misleadingly offering, promoting advertising certain goods and/or services if:
 - a. the goods have been discounted, have special prices and/or have not met certain quality standard, certain style or mode, certain characteristic, certain historical or use;
 - b. the goods are not in good and/or new condition;
 - c. the goods and/or services have obtained and/or had a sponsor, approval, certain features, certain advantages, certain working characteristics or accessories;
 - d. the goods and/or services are made by the company which has a sponsor, approval or affiliation,
 - e. the goods and/or services are not available;
 - f. the goods and/or services have hidden defect;

- g. the goods and/or services are features of a certain goods;
 - h. the goods come from a certain area;
 - i. directly or indirectly disparaging other goods and/or services;
 - j. using exaggerated words, such as safe, not harmful, not risky, no side effect without complete information,
 - k. offering something containing unsecured promise.
- (2) The goods and/or services mentioned in Section 1 above are prohibited from being traced.
- (3) Entrepreneurs who violate Section 1 above are not allowed to continue offering, promoting and advertising the said goods and/or services

Article 10

In offering the goods and/or services for trading, entrepreneurs are prohibited from offering, promoting, advertising or providing incorrect or misleading statements regarding :

- a. the price or rate of a certain goods and/or services;
- b. the use of the goods and/or services;
- c. the condition, warranty, guarantee, rights or compensation on certain
- d. goods and/or services;
- e. the discount or attractive prizes offered;
- f. the danger of using the goods and/ or services.

Article 11

In conducting trading through sales or auction, entrepreneurs are prohibited from deceiving/misleading the consumers by:

- a. stating that the goods and/or services meet certain standard quality;
- b. stating that the goods and/or services do not have hidden defect
- c. not intending to sell the offered goods, but with the intention to sell other goods;

- d. not supplying the goods in certain and/or sufficient numbers or amount with the intention to sell other goods;
- e. not supplying services in certain capacities or in sufficient amount with the intention to sell other services;
- f. increasing the prices or rates of the goods and/or services before selling goods on sales.

Article 12

Entrepreneurs are prohibited from offering, promoting or advertising the goods and/or services on special prices or rates within a certain period of time and in a certain number, if the entrepreneurs do not intend to implement during that designated period of time or according to the amount or numbers to be offered, promoted or advertised.

Article 13

- (1) Entrepreneurs are prohibited from offering, promoting or advertising certain goods and/or services by promising to give prizes in the form of other goods and/or services free of charge with the intention of not giving them or to give them but not in accordance with the promised plan.
- (2) Entrepreneurs are prohibited from offering promoting or advertising the medicines, traditional medicines, food supplements, health equipment and health services by promising to give prizes in the form of other goods and/or services.

Article 14

In offering the goods and/or services for trading by giving prizes through lottery, the entrepreneurs are not allowed:

- a. to trade the goods without drawing the lottery on the date the lottery is due to be drawn,
- b. to announce the result of the lottery without using mass media;
- c. to give the prizes not in accordance with the promised prizes;
- d. to substitute the prizes with goods not equal in value with the promised prizes.

Article 15

Entrepreneurs are prohibited from offering goods and/or services by using force or any other methods which can cause either physical or psychological annoyance to the consumers.

Article 16

In offering goods and/or services through order, the entrepreneurs are prohibited from:

- a. breaking the ordering and/or agreement at the time of settlement of the agreed ordering,
- b. breaking the promise on certain services and/or performance.

Article 17

- (1) Entrepreneurs in the advertising business are prohibited from producing advertisements which:
 - a. deceive the consumers on the quality, quantity, ingredients, use and prices of the goods and/or rates of the services and the punctuality of receiving the goods and/or services;
 - b. deceive the guarantee on certain goods and/or services;
 - c. provide incorrect, wrong or inaccurate information on the goods and/or services;
 - d. do not provide information on the risks of using the goods and/or services,

- e. exploit the incident and/or someone without the permission from the authorized officials or the approval of the person concerned;
 - f. violate the ethics and/or legal provisions on advertising.
- (2) Entrepreneurs in the advertising business are prohibited from continuing the advertisement circulation which has violated the provisions on Section 1.

CHAPTER V
PROVISION TO INCLUDE
STANDARD CLAUSE
Article 18

- (1) In offering the goods and/or services for trading, the entrepreneurs are prohibited from making or including a standard clause on each document and/or agreement if:
- a. it states the transfer of the entrepreneurs, responsibility;
 - b. it states that the entrepreneurs reserve the right to refuse to receive back the goods already purchased by the consumer;
 - c. it states that the entrepreneurs reserve the right to refuse to refund for the goods and/or services already purchased by the consumer;
 - d. it states that it gives the authority to the entrepreneurs from the consumers to carry out directly or indirectly all unilateral actions with regards to the goods purchased on instalment the consumers;
 - e. it regulates concerning the authentication to forfeit the use of the goods or the benefits of the services purchased by the consumers;
 - f. it gives rights to the entrepreneurs to reduce the benefits of the services or reduce the properties of the consumers as the object of services trading,
 - g. it states that the consumers are subject to the new regulation, additional regulation, continued regulation and/or continuous

- change of regulation made unilaterally by entrepreneurs during the period the consumers are using the services they purchased;
- h. it states that the consumers give authority to the entrepreneurs to impose mortgage, pledge or guarantee against the goods purchased on installment by the consumer.
- (2) Entrepreneurs are prohibited from including a standard clause at the place or in the form which is difficult to see or cannot be read clearly, or under the statement which is difficult to understand:
 - (3) Each standard clause stipulated unilaterally by the entrepreneur in the document or contract which falls under the provisions as intended by Section 1 and Section 2 above shall be declared invalid by operation of law.
 - (4) Entrepreneurs are obligated to adjust the standard clause which contravenes this law.

CHAPTER VI

ENTREPRENEURS' OBLIGATIONS

Article 19

- (1) Entrepreneurs are obligated to give compensation for the damage, taint and/or losses the consumers suffer as a result of using or consuming the goods and/or services produced or traded by the entrepreneurs.
- (2) Compensation as intended by Section 1 above can be in the form of refund or goods and/or services of the same type or has equal value, or in the form of health care and/or insurance coverage in accord with the prevailing law.
- (3) Compensation shall be given within the period of 7 (seven) days after the date of transaction.
- (4) Compensation as intended by Section 1 and Section 2 above shall not exclude the possibility of a criminal charge based on further evidence of the existence of a fault.

- (5) The provisions as intended by Section 1 and Section 2 above shall not be valid if the entrepreneurs can prove that the consumer is at fault.

Article 20

Entrepreneurs in the advertising business are responsible for the advertisement they produce and all the consequences caused by the advertisement.

Article 21

- (1) An importer of goods bears responsibility similar to that of a producer of the imported goods if the goods are not imported by an agent or representative of the foreign producer.
- (2) An importer of services bears responsibility similar to that of a foreign services provider if the availability of the said foreign services is not made by an agent or representative of the foreign services provider.

Article 22

Proof of any faults in the criminal case as intended by Article 19 Section 4, Article 20, and Article 21 above shall be the burden and responsibility of the entrepreneurs, without excluding the possibility for the Public Prosecutor to prove it.

Article 23

Entrepreneurs who refuse and/or do not respond and/or do not provide compensation to the consumers' claim as intended by Article 19 Section 1, Section 2 Section 3, and Section 4 above, can be sued through the Consumer Disputes Settlement Agency or brought to court at the domicile of the consumers.

Article 24

- (1) Entrepreneurs who sell goods and/or services to other entrepreneurs are responsible for the compensation claims and/or consumer's suit if:
 - a. the other entrepreneurs sell to the consumers without making any changes to the said goods and/or services;
 - b. the other entrepreneurs, in the trading transaction do not know that changes have been made to the goods and/or services by the entrepreneurs or the goods and/or services are not in compliance with the sample, quality and compositions.
- (2) Entrepreneurs as referred to in Section 1 above shall be exempted from any responsibilities or compensation claims and/or consumer's suit if the other entrepreneurs purchasing the goods and/or Services resell to the consumers after making changes to the said goods and/or services.

Article 25

- (1) Entrepreneurs who produce goods which can be used for at least 1 {one) year or more are obligated to provide spare parts and/or after sales facilities and are obligated to honor the guarantee or warranty based on the agreed contract;
- (2) Entrepreneurs as referred to by Section 1 above are responsible for any compensation claims and/or consumer's suit if the said entrepreneurs:
 - a. do not provide or fail to provide spare parts and/or repair facilities;
 - b. do not honor or fail to honor the guarantee and/or warranty based on the agreed contract.

Article 26

Entrepreneurs who are trading services are obligated to honor the agreed and/or contracted guarantee.

Article 27

Entrepreneurs who produce the goods are exempted from being responsible for the damages suffered by the consumers, if:

- a. it is proven that the said goods should not be circulated or are not intended to be circulated;
- b. the defect occurs afterwards;
- c. the defect occurs due to lack of adherence to the rules on the goods qualifications;
- d. negligence caused by the consumers;
- e. has exceeded the claim period of 4 years since the purchase of the goods or has exceeded the claim period as agreed.

Article 28

The giving of evidence of faults in the compensation claims as referred to by Articles 19, 22 and 23 shall be the burden and responsibility of the entrepreneurs.

CHAPTER VII

DEVELOPMENT AND SUPER VISION

Part One

Development

Article 29

- (1) The government is responsible for developing the implementation of consumers protection which guarantee the rights of the consumers and entrepreneurs and the implementation of the obligations of the consumers and entrepreneurs.
- (2) Development to implement the consumers protection as intended by Section 1 above shall be carried out by the Minister and/or the technically related ministers.

- (3) The ministers as intended by Section 2 above shall coordinate the implementation of the consumers protection.
- (4) Development to implement the consumers protection as intended by Section 2 above shall include the efforts to:
 - a. create the business climate and to develop a healthy relationship between the entrepreneurs and consumers;
 - b. develop non-governmental consumer protection foundations;
 - c. to improve the quality of the human resources and to increase the research and development activities in the consumers protection sector.
- (5) Provisions regarding the development to implement consumers protection shall be further regulated by Government Regulations.

Part Two Supervision Article 30

- (1) Supervision for the implementation of the consumers protection and application of the legal provisions shall be carried out by the government, public, and non-government consumer protection foundations.
- (2) Supervision by the government as intended by Section 1 above shall be carried out by the Minister and/or technically related ministers.
- (3) Supervision by the public and nongovernmental consumer protection foundations shall be carried out against the goods and/or services circulating in the market.
- (4) If the results of the supervision as intended by Section 3 above prove to have violated the prevailing legal provisions and are harmful to the consumers, the Minister and/or technically related ministers shall take measures pursuant to the prevailing law.
- (5) The results of the supervision carried out by the public and non governmental consumer protection foundations can be spread to the

public and can be submitted to the Minister and the technically related ministers.

- (6) Provisions to implement the supervision responsibility as intended by Section 1, Section 2 and Section 3 above shall be regulated by a government regulation.

**CHAPTER VIII
NATIONAL CONSUMER
PROTECTION
AGENCY
Part One
Name, Domicile, Function and Duties
Article 31**

In order to develop consumer protection efforts, a national consumer protection agency shall be set up.

Article 32

The national consumer protection agency will be domiciled in the capital city of the Republic of Indonesia and shall be responsible to the President.

Article 33

The National consumer protection agency functions to provide suggestions and considerations to the government in the framework of developing consumers' protection in Indonesia.

Article 34

- (1) In order to implement the function as intended by Article 33 above, the national consumer protection agency function are:

- a. to provide suggestions and recommendation to the government in the framework of preparing the policies for consumer protection;
 - b. to conduct surveys and studies of the prevailing legal provisions in the consumers' protection sector;
 - c. to conduct surveys of the goods and/or service regarding the consumers safety;
 - d. to encourage the development of non-governmental consumer protection foundations,
 - e. to spread information through the media regarding consumers' proand to socialize the attitude of siding with the consumers;.
 - f. to receive complaints regarding consumers' protection from the public, non-governmental consumer protection foundations or the entrepreneurs;
 - g. to conduct survey regarding the consumers needs.
- (2) In implementing its duties as intended by Section 1 above, the national consumer protection agency can cooperate with international consumer organizations.

Part Two
Organizational Structure and
Membership
Article 35

- (1) The national consumer protection agency will consist of one chairman serving concurrently as a member, a vice chairman serving concurrently as a member, and at least 15 (fifteen) members and at the most 25 (twenty-five) members representing all elements
- (2) Members of the national consumer protection agency shall be appointed and terminated by the President upon the recommendation by the Minister, after cansultation with the House of Representatives of the Republic of Indonesia.

- (3) The terms of office of the chairman, vice chairman and members of the national consumer protection agency shall be 3 (three) years and can be reappointed for one more office term.
- (4) The Chairman and vice chairman of the national consumer protection agency shall be selected by the members.

Article 36

Membership of the national consumer protection agency shall come from elements of the:

- a. government.
- b. entrepreneurs;
- c. non-governmental consumer protection foundations;
- d. academicians and
- e. experts.

Article 37

The membership requirements of the national consumer protection agency, shall be as follows:

- a. be a citizen of the Republic of Indonesia;
- b. be in good health,
- c. be of good behavior;
- d. have never been convicted for crime;
- e. have knowledge and experience in the field of consumers protection and
- f. be at least 30 (thirty) years of age.

Article 38

Membership of the national consumer protection agency ends, because of:

- a. death;

- b. resignation upon own request,
- c. domicile outside the territory of the Republic of Indonesia;
- d. inflicted by illness for a long period of time;
- e. the end of membership office term, or
- f. being dismissed.

Article 39

- (1) For a smooth implementation of its duties, the national consumer protection agency shall be assisted by a secretariat.
- (2) The secretariat as intended by Section 1 above shall be chaired by a secretary appointed by the chairman of the national consumer protection agency.
- (3) The functions, duties and work ethics of the secretariat as intended by Section 1 above shall be regulated by a decision made by the chairman of the national consumer protection agency.

Article 40

- (1) If it is deemed necessary, the national consumer protection agency can establish a representative in the capital city of the provinces to assist in implementing its duties.
- (2) The establishment of the representatives as intended by Section 1 above shall be further determined by a decision made by the chairman of the national consumer protection agency.

Article 41

In implementing its duties, the national consumer protection agency shall work based on the work ethics regulated in the decision by the chairman of the national consumer protection agency.

Article 42

Funding for the implementation of the duties of the national consumer protection agency shall be borne by the state budget and revenues and other sources permitted under the existing law.

Article 43

Provisions regarding the establishment of the national consumer protection agency shall be further regulated by government regulations

CHAPTER IX NON-GOVERNMENTAL CONSUMER PROTECTION FOUNDATIONS

Article 44

- (1) The government recognizes the nongovernmental consumer protection foundations that meet the requirements.
- (2) The non-governmental consumer protection foundations have the opportunity to play an active role in implementing the consumers protection.
- (3) Duties of the non-governmental consumer protection foundations shall consist of the following activities:
 - a. to spread information in order to improve public awareness of their rights and obligations and cautions in consuming or using the goods and/or services;
 - b. to give suggestions to the consumers who need their services;
 - c. to cooperate with the related agencies to implement consumers protection;
 - d. to assist the consumers in fighting their rights, including accommodating their complaints;
 - e. to conduct joint supervision with the government and the public for the implementation of consumers protection.

- (4) Provisions regarding duties of nongovernmental consumer protection foundations as intended by Section 3 above shall be further regulated by Government Regulations.

CHAPTER X SETTLEMENT OF DISPUTES

Part One

General

Article 45

- (1) Every consumer who has suffered damages may file charges against the entrepreneurs through the foundation which is responsible for settling the disputes between the consumer and entrepreneurs or through a court under the jurisdiction of general court
- (2) Settlement of the consumers' disputes can be conducted in a court or outside the court based on the voluntary choice of the disputed parties.
- (3) Settlement of the disputes outside the court as intended by Section 2 above shall not forfeit the penal responsibility as regulated in the law.
- (4) If efforts to settle the consumers disputes outside the court has been made, charges can only be filed in the court if the said efforts are declared unsuccessful by one of the parties or by both of the parties in dispute.

Article 46

- (1) Charges against violations by the entrepreneurs can be filed by:
 - a. a consumer who has suffered damages or his/her heir;
 - b. a group of consumers who have common interests;
 - c. a non-governmental consumer protection foundation which has met the requirements, both in the form of a legal entity or foundation, whose articles of association clearly mention that the objective of the establishment of the said organization is to protect

- the consumers and has conducted activities pursuant to its articles of association;
- d. the government and/or related agency if the goods and/or services consumed or used have caused great material damages and/or many casualties.
- (2) Charges filed by a group of consumers, by a non governmental consumer protection foundation or the government as intended by Section 1 point b, point c or point d above shall be submitted to the general court.
- (3) Provisions regarding a great amount of material damages and/ or many casualties as intended by Section 1 point d above shall be further regulated by government regulations.

Part Two
Settlement of Disputes Outside the Court
Article 47

Settlement of disputes outside the court shall be conducted in order to reach an agreement regarding the type and amount of compensation and/or regarding certain measures that must be taken to ensure that no such damages should occur again to the consumers.

Part Three
Settlement of Disputes in Court
Article 48

Settlement of disputes in court shall refer to the provisions on the prevailing general court with due regard to the provisions in Article 45.

CHAPTER XI
CONSUMER DISPUTE SETTLEMENT
AGENCY
Article 49

- (1) The government shall establish consumer dispute settlement agencies in the Level II Administrative Regions to settle consumer disputes outside the court.
- (2) In order to be eligible to be appointed as members of a consumer dispute settlement agency, one must meet the following requirements:
 - a. be a citizen of the Republic of Indonesia;
 - b. be healthy;
 - c. have a good behavior;
 - d. have never been convicted for crime;
 - e. have knowledge and experience in the field of consumers protection;
 - f. be atleast 30 (thirty) years of age.
- (3) The members as intended by Section 2 above can be from either the government, consumers and entrepreneurs.
- (4) The number of members from each group as intended by Section 3 above shall be at least 3 (three) people and at the most 5 (five) people.
- (5) The appointment and dismissal of members of a consumer dispute settlement agency shall be regulated by the Minister.

Article 50

A consumer dispute settlement agency as intended by Article 49 Section 1 above consists of:

- a. a, a chairman serving concurrently as a member;
- b. a vice chairman serving concurrantly as a member;
- c. members.

Article 51

- (1) In implementing its duties to settle consumer disputes the consumer dispute settlement agency shall be assisted by a secretariat.
- (2) The secretariat of a consumer dispute settlement agency shall consist of a chairman and members of the secretariat.
- (3) The appointment and dismissal of the chairman and members of the secretariat of the consumer dispute settlement agency shall be regulated by the Minister.

Article 52

Duties and authorities of the consumer dispute settlement agency shall be:

- a. to handle and settle consumer disputes through mediation or arbitration or conciliation,
- b. to provide consultation for consumer protection;
- c. to conduct supervision against the inclusion of standard clause;
- d. to report to the public investigators if there are any violations to the provisions of this law;
- e. to receive written or oral complaints from the consumers regarding the violations against the consumers' protection.
- f. to investigate and examine the consumers' protection disputes;
- g. to summon the entrepreneurs who are alleged to have violated against the consumers' protection;
- h. to summon and bring witnesses, witness experts and/or each and every one considered to have known that there has been violation against this law;
- i. to request assistance from the investigators to bring the entrepreneurs, witnesses, witness experts or each and every one intended by points g and h above who are not willing to fulfil the summon by the consumer dispute settlement agency;

- j. to obtain examine and/or evaluate the letters, documents or other evidence to be used for investigation and/or examination;
- k. to decide and determine if the consumer has suffered any damages or not;
- l. to notify the decision to the entrepreneurs who have violated against consumers' protection,
- m. to impose administrative sanctions against the entrepreneurs who have violated this law.

Article 53

Provisions regarding the implementation of the duties and authorities of the consumer dispute settlement agency in the Level II of Administrative Region shall be further regulated by a Minister's regulation.

Article 54

- (1) In order to handle and settle consumer disputes, the consumer dispute settlement agency shall establish a committee.
- (2) The number of committee members as intended by Section 1 above must be uneven numbers and must consist of at least 3 (three) members representing all elements as intended by Article 49 Section 3, and shall be assisted by a registrar.
- (3) The decision by the committee shall be final and binding.
- (4) Technical provisions regarding the implementation of the committee's duties shall be further regulated by a Ministers regulation.

Article 55

The consumer dispute settlement agency is obligated to render a decision at the latest within 21 (twenty-one) days after the charge is received.

Article 56

- (1) At the latest within 7 (seven) days upon receiving the decision by the consumer dispute settlement agency as intended by Article 55 above, the entrepreneurs are obligated to implement the said decision.
- (2) The parties may submit an appeal to the District Court at the latest within 14 (hurteen) working days after receiving the notification of the said decision.
- (3) Entrepreneurs who do not submit an appeal within the period as intended by Section 2 above shall be considered to have accepted the decision by the consumer dispute settlement agency.
- (4) If the provisions as intended by Section 1 and Section 3 above are not implemented by the entrepreneurs, the consumer dispute settlement agency shall hand over the said decision to the investigators to conduct an investigation pursuant to the prevailing provisions of the law.
- (5) The decision by the consumer dispute settlement agency as intended by Section 3 above shall be sufficient to be considered as initial evidence for the investigators to conduct an investigation.

Article 57

The decision by the committee as intended by Article 54 Section 3 above shall be requested by the District Court to be enforced at the jurisdiction of the consumer who has suffered damages.

Article 58

- (1) The District Court is obligated to make a decision regarding the appeal as intended by Article 56 Section 2 above at the latest within the period of 21 (twenty-one) days upon receiving the appeal.

- (2) Against the decision by the District Court as intended by Section 1 above, at the latest within the period of 14 (fourteen) days, the parties may submit a cassation to the Supreme Court of the Republic of Indonesia.
- (3) The Supreme Court of the Republic of Indonesia is obligated to render a decision at the latest within a period of 30 (thirty) days upon receiving the cessation petition

CHAPTER XII

INVESTIGATION

Article 59

- (1) Apart from the police officers of the Republic of Indonesia, certain civil servants within the government agency whose scope of duties and responsibility fall under the field of consumers protection shall also be given special authority to become investigators as intended by the prevailing law on criminal legal procedures.
- (2) Civil servant investigators as intended by Section 1 above shall be authorized:
 - a. to conduct an investigation on the reportor information with regard to the criminal acts against consumers' protection.
 - b. to conduct an investigation against a person or a legal entity who is alleged to have committed a crime against consumers' protection,
 - c. to request information and evidence from the person or legal entity with regard to criminal acts against consumers' protection;
 - d. to conduct an investigation of the bookkeeping, records and other documents with regard to criminal acts against consumers' protection;
 - e. to conduct an investigation at certain places where evidence has been allegedly found and confiscate any materials or goods resulting from the violation to be used as hard evidence in the crime case against consumers' protection,

- f. to request assistance from experts in order to investigate criminal acts against consumers' protection.
- (3) The civil servant investigators as intended by Section 1 above shall notify about the starting of the investigation and results of their investigation to the Police Investigators of the Republic of Indonesia.
- (4) The civil servant investigators as intended by Section 1 above shall submit the results of their investigation to the Public Prosecutors through the Police Investigators of the Republic of Indonesia.

CHAPTER XIII
SANCTION
Part One
Administrative Sanction
Article 60

- (1) The consumer dispute settlement agency shall be authorized to impose an administrative sanction to the entrepreneurs who violate Article 19 Section 2 and Section 3, Article 20, Article 25 and Article 26.
- (2) The administrative sanction shall be determined in maximum amount of Rp. 200, 000,000 (two hundred million rupiah).
- (3) Procedure of determining an administrative sanction as intended by Section 1 above shall be further regulated by the Law.

Part Two
Criminal Sanction
Article 61

Criminal charges can be filed against the entrepreneurs and/or their administrators.

Article 62

- (1) Entrepreneurs who violate the provisions as intended by Article 8, Article 9, Article 10, Article 13 Section 2 Article 15, Article 17 Section 1 point a, point b, point C point e
- (2) and Section 2, and Article 18 shall face a maximum criminal penalty of 5 (five) years imprisonment or a maximum fine of Rp. 2000,000,000,- (two billion rupiah).
- (3) Entrepreneurs who violate the provisions as intended by article 11 Article 12 Article 13, Section 1, Article 14, Article 16 and Article 17 Section 1 point d and point f shall face a maximum criminal penalty of 2 (two) years imprisonment or a maximum fine of Rp. 500,000,000 (five hundred million rupiah).
- (4) Violations causing serious injury, serious sickness, permanent physical handicap or death shall be subject to the provisions of the prevailing law.

Article 63

Apart from the criminal penalty as intended by Article 62 above, additional penalties can also be imposed in the form of:

- a. confiscation of certain goods;
- b. announcement of judge's decision;
- c. payment for damages;
- d. injunction to stop certain activities that cause damages to the consumers;
- e. the obligation to pull out goods from circulation; or
- f. revocation of business permit

CHAPTER XIV
PROVISIONS ON TRANSITION
Article 64

All provisions of the law aimed to protect the consumers which had existed at the time this law was promulgated shall remain in force as long as they are not specifically regulated and/or not contravening the provisions in this law.

CHAPTER XV
CONCLUDING PROVISIONS
Article 65

This law shall be enforceable after 1 (one) year counted from the date it is promulgated.

In order that all persons may be informed thereof, the promulgation of this law is ordered by placement in the State Gazette of the Republic of Indonesia.

Ratified in Jakarta
On 20 April 1999

PRESIDENT
OF THE REPUBLIC OF INDONESIA

BACHARUDDIN JUSUF HABIBIE

Promulgated in Jakarta
on 20 April 1999

MINISTER OF THE STATE SECRETARIAT
REPUBLIC OF INDONESIA

ttd
AKBAR TANJUNG