

Franchise Regulation

In order to implement the provisions of Government Regulation No. 42 of 2007 the Minister of Trade has issued Regulation No. 31/M-DAG/PER/8/2008. This Regulation sets out the provisions for the management and administration of franchising in Indonesia.

The basic criteria for a franchise are:

- That the franchise possesses special business characteristics;
- That there are proven benefits;
- That there are proper standards for service and goods and that these are in writing;
- That the franchise is easy to learn and apply;
- That there is support for the franchise; and
- That the associated IPR is already registered.

The parties in a franchise agreement are the franchisor and the franchisee. The Regulation then sets out the obligations that must be fulfilled by both parties. These obligations include, among others, the provision of a prospectus and the franchise agreement to be in writing and signed.


All franchises are to be registered. The Regulation sets out the procedures for registration and for how the necessary documents that prove registration are to be obtained.

The Regulation includes provisions for administrative sanctions and fines. The administrative fines available under the Regulation range up to IDR 100 million.

Any technical implementing regulations that are required will be issued by the Director General of Domestic Trade.

The Regulation repeals Minister of Trade Regulation No. 12/M-DAG/PER/3/2006.

The Regulation includes 12 Attachments. These attachments are all the standard forms that are required to be completed in order to comply with the provisions of the Regulation.

The Regulation has been in force since 21 August 2008. 

❖ Past Issues

- ✍ National Policy on the Restriction of Mineral Mining (Issue 910 - 27/08/2008)
- ✍ Licensing Services, Recommendations, and Product Certification - National Single Window (Issue 909 - 26/08/2008)
- ✍ Cost Recovery in Upstream Oil & Gas Business Activities (Issue 908 - 25/08/2008)
- ✍ Duties on Export Goods (Issue 907 - 22/08/2008)

❖ Documents

The Minister of Trade Regulation No. 31/M-DAG/PER/8/2008
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