

Consumer & Retail

Versi Bahasa Indonesia

Enforcement Date

7 November 2016

Related ILB

- House Passes Standardization and Compliance Assessment Bill
- Mandatory SNI for Infant Clothing Revised
- Mandatory Indonesian National Standard (SNI) for Two-Wheeled Bicycles
- Appointment of Conformity Assessment Agencies for SNI of 58 Industrial Products
- Guidelines for the Imposition of Mandatory SNI

Provisions on the Standardization of Goods and Services Updated

The Minister of Trade ("Minister") has issued Regulation [No. 24/M-DAG/PER/4/2016](#) on Standardization Within the Trade Sector ("2016 Regulation").

The 2016 Regulation aims to improve protection for consumers by redefining provisions on the standardization of goods/services which are traded in Indonesia. To this end, the 2016 Regulation sets provisions on the following matters:

- a. Formulation and implementation of Indonesian National Standard ("SNI"), Technical Requirements¹ and/or the Qualifications and Competency of Personnel ("Qualification and Competency Requirement")² for goods or services within the trade sector;³
- b. Pre-market surveillance of goods which are subject to mandatory SNI and/or Technical Requirements;
- c. Registration of the Compliance Assessment Institution (*Lembaga Penilaian Kesesuaian*-"LPK"), which is responsible for examining the compliance of goods with the SNI or Technical Requirement; and
- d. Development of standardization within the trade sector.

Due to the broad scope of the 2016 regulation, this edition of Indonesian Legal Brief (ILB) will limit its discussion to points (a) and (b) above.

Previously, these matters were regulated under Ministry Regulation [No. 14/M-DAG/PER/3/2007](#), which was most recently amended by Ministry Regulation [No. 72/M-DAG/PER/9/2015](#) ("2007 Regulation").

The 2016 Regulation is of relevance to businesses involved in the provision of goods and services, as well as manufacturers, exporters, importers and the public.

Standardization of Services

The Standardization of services within the trade sector is implemented through the setting of SNI, Technical Requirements, and/or Qualification and Competency Requirements for individuals who will ultimately render the service in question to the public.

¹ Technical Requirements are part of the SNI parameters and other standards [Art. 1 (3), 2016 Regulation].

² Qualifications or Personal Competency are formulations of standardized work skills which include knowledge and skills, as well as work ethos and skills qualifications [Art. 1 (4), 2016 Regulation].

³ The services described in the 2016 Regulation refer to business, distribution, and other types of services [Art. 2 (2), 2016 Regulation].

Consumer & Retail

SNI are formulated by the technical committee appointed by the Directorate General of Standardization and Quality Control at the Ministry ("Directorate General"), and validated by the National Standardization Agency ("BSN").⁴ Meanwhile, Technical Requirements are formulated and enforced by a related authority.⁵ The Qualification and Competency Requirements are formulated by a technical committee formed by the Minister and chaired by the Director General for Consumer Protection and Trade Arrangements.⁶

The Minister may declare that certain types of service must comply with the SNI, Technical Requirements, and/or Qualification and Competency Requirement on a mandatory basis. Further detailed provisions on the enactment and supervision of SNI, Technical Requirements, and/or Qualification and Competency Requirements for services are set out in the Ministry Regulation.⁷

Standardization of Goods

The standardization of goods is implemented through the application of the SNI and Technical Requirements to the goods that are to be traded. The SNI and Technical Requirements are to be formulated by the technical committee appointed by the relevant minister, before being validated by the BSN.⁸

Due to safety, healthy, security, and/or environmental factors, the Minister may mandate that certain goods must adhere to the SNI or Technical Requirements on a mandatory basis.⁹ If this is the case, then there are two main obligations which have to be met by importers, producers, or distributors of such goods, namely:

1. Secure Product Registration Number (NRP) for domestic goods, and Goods Registration Number (NPB) for imported goods. These are issued by the Directorate General for the purpose of pre-market surveillance (see discussion below); and¹⁰
2. Secure Product Certificate for the Utilization of SNI Signs (SPPT SNI) and Certificate of Conformity (*Sertifikat Kesesuaian*) from an appointed LPK, as proof of compliance with the mandatory SNI and/or Technical Requirements.¹¹

Businesses are prohibited from selling or distributing goods which do not comply with the mandatory SNI and/or Technical Requirements. Furthermore, imported goods which do not adhere to the mandatory SNI and/or Technical Requirements must be either re-exported or destroyed by the business in question.¹²

⁴ Art. 12 (1) (2), and 13, 2016 Regulation.

⁵ Art. 22 (1) (c), Ministry Regulation [No. 20/M-DAG/PER/5/2009 TAHUN 2009](#) on Provisions and Supervisory Procedures for Goods and/or Services ("2009 Regulation").

⁶ Art. 1 (7) and 14 (1), 2016 Regulation.

⁷ Art. 17 and 18, 2016 Regulation.

⁸ Art. 3 and 1 (2), 2016 Regulation.

⁹ Art. 4, 2016 Regulation.

¹⁰ Art. 5, 2016 Regulation.

¹¹ Art 7 (2), (3), 2016 Regulation.

¹² Art. 7 (1) and 8, 2016 Regulation.

Consumer & Retail

Pre-market Surveillance: NRP and NPB

A process of pre-market surveillance is undertaken by the Ministry in order to ensure the conformity of certain goods with the mandatory SNI or Technical Requirements, prior to the goods in question entering the marketplace (with the exception of consumable goods, drugs, cosmetics and medical goods).¹³

The pre-market surveillance process set out under the 2016 Regulation mandates that the producer, distributor, and/or importer of goods should secure an NRP (for domestic goods) or an NPB (for imported goods). The securing of either an NRP or an NPB allows the Ministry to undertake regular or random sample examinations of the goods.¹⁴

Applications to secure NRPs or NPBs must be submitted by a business or importer to the Directorate General and should also enclose the following documents:¹⁵

NRP	NPB
<ol style="list-style-type: none"> 1. Copy of a Trade Permit ("SIUP"); 2. Copy of a Company Certificate ("TDP"); 3. Copy of an SPPT SNI or other conformity certificate; 4. Affidavit stating a commitment to keep technical documents based on national or international agreements on standardization; 5. Copy of a Taxpayer Identity Number ("NPWP"); 6. Deed of establishment (if any); and 7. Design/or photo of the placement of SNI and/or technical requirement, or NRP signs on the goods. 	<ol style="list-style-type: none"> 1. Copy of an Import Identification number ("API"); 2. Copy of an SNI Certificate ("SPPT SNI") or other conformity certificate; 3. Design/or photo of the placement of the SNI and/or technical requirement, or NRP signs on the goods; and 4. Affidavit stating a commitment to keep technical documents based on national or international agreements on standardization.

The Directorate General then has three days after taking receipt of a completed application to grant the relevant NRP or NPB to a business or importer.¹⁶ The validity period of an NRP and NPB will follow the validity period of the SPPT-SNI, Certificate of Conformity, or be in accordance with the prevailing laws and regulations.¹⁷

The 2007 Regulation stipulated different supporting documents for the securing of NRPs and NPBs. Previously, businesses were required to enclose registration or license notifications relating to the goods in question and which were issued by a related authority in order to secure an NPB. Furthermore, business were also only required to enclose a copy of a conformity certificate and marketing information

¹³ Art. 5 (2), 19, and 20, 2016 Regulation.

¹⁴ Art. 9, 2016 Regulation.

¹⁵ Art. 22 and 27, 2016 Regulation.

¹⁶ Art. 23 and 28, 2016 Regulation.

¹⁷ Art. 33, 2016 Regulation.

Consumer & Retail

in order to secure an NRP.¹⁸ Also, the validity period of an NRP was set at three years and could be extended.¹⁹

The 2016 Regulation repeals and replaces the 2007 Regulation.

The 2016 Regulation was issued on 7 April 2016 and comes into force on 7 November 2016.

¹⁸ Art. 11 (1) and 18 (1), 2007 Regulation.

¹⁹ Art. 10, 2007 Regulation.

RECENTLY PUBLISHED ILB

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- Principal Investment-Licensing Provisions Amended
- BI Regulates the Implementation of Sharia-Hedging Transactions
- Electrical Support-Service Activity Undertaken by Incorporated Business Entities Regulated

RECENT REGULATION

- Minister of Transportation [No. PM 49 of 2016](#) on Amendment to Minister of Transportation Regulation No. KM 16 of 2010 on Civil-Aviation Safety Regulations Part 63 - Licensing of Flight-Crew Members Other than Pilots, Flight-Operation Officers, and the Certification of Flight Attendants
- Minister of Transportation [No. PM 50 of 2016](#) on Third Amendment to Minister of Transportation Decree No. KM 42 of 2001 on the Certification of Pilots and Flight Instructors
- Minister of Transportation [No. PM 51 of 2016](#) on Second Amendment to Minister of Transportation Regulation No. KM 57 of 2010 on Civil Aviation Safety Regulation Part 141 - Certification and Operational Requirements for Pilot Schools