

UNOFFICIAL TRANSLATION

LAW NO. 8/1999
CONCERNING ON
CONSUMERS' PROTECTION

BY THE GRACE OF GOD THE ALMIGHTY
THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Considering:

- a. that national development is aimed at translating into reality a just and prosperous community which shall be materially and spiritually equitable in an era of economic democracy on the basis of Pancasila and the Constitution of 1945;
- b. that the development of national economy in the era of globalization must be able to support the growth of the business world so that it shall be capable of producing a variety of goods and/or services which shall possess technological content and may promote the welfare of the community at large and at the same time obtain certainty about the goods and/or services which are acquired from trade without inflicting losses to consumers;
- c. that greater opening up of the national market as a result of the process of economic globalization must continue to assure the promotion of the community's welfare and the certainty of the quality, quantity, and comfort of the goods and/or services acquired in the market;
- d. that to promote the dignity of consumers, it is necessary to enhance the awareness, knowledge, care, capability and independence of consumers to protect themselves and nurture a responsible attitude of business agents;
- e. that the legal stipulations protecting the interests of consumers in Indonesia are not adequate;
- f. that on the basis of the consideration referred to above it is necessary to have sets of laws to translate into reality the balance in the protection of the consumers' interests and those of the business agents so that a sound economy shall be established;
- g. that to this end, it is necessary To establish the law on consumers' protection.

In view of:

Article 5 sub-article (1), Article 21 sub-article (1), Article 27 and Article 33 of the Constitution of 1945.

With the approval of

THE HOUSE OF PEOPLE'S REPRESENTATIVES OF THE REPUBLIC OF INDONESIA

DECIDES

To stipulate:

THE LAW ON CONSUMERS' PROTECTION

CHAPTER
GENERAL PROVISIONS
Article 1

Referred to in this law as:

1. Consumers' protection shall be every effort made to guarantee legal certainty aimed at providing protection to the consumers.
2. A consumer shall be anybody using goods and/or services which are available in the community, both for his own purpose, for the purpose of his family and other people as well as other living creatures and which are not to be traded.
3. A business agent shall be any individual or business company, either in the form of a statutory body or otherwise, set up and domiciled or undertaking activities in the jurisdiction of the state of the Republic of Indonesia, both individually and jointly through agreements on the running of business activities in various economic areas;
4. Goods shall be anything which is either tangible or otherwise, which is either movable or otherwise or which can be used up or otherwise and which can be traded, put on, used or utilized by consumers.
5. A service shall be any service in the form of a job or an achievement which is made available to the community in order to be utilized by consumers.
6. Promotion shall be an activity of identifying or dissemination of information of particular goods and/or services to draw the consumers' interest to purchase goods and/or services which shall be and are being traded.
7. The import of goods shall be an activity of importing goods into a customs area.
8. The import of services shall be an of providing foreign service to be territory of the Republic of Indonesia.
9. A non-governmental institute of consumers' protection shall be a non-governmental institute which is registered and recognized by the government and whose activities shall be the handling of consumers' Protection.
10. A standard clause shall be every regulation or provision and requirements already prepared and stipulated earlier unilaterally by a business agent and set forth in a document and/or an agreement which shall be binding to a consumer and which. he shall be obligated to fulfill.
11. The Agency for the Settlement of Consumers' Disputes shall be an agency assigned to handle and settle disputes between business agents and consumers.
12. The National Agency for Consumers' Protection shall be an agency set up to help efforts to develop consumers' protection.
13. The Minister shall be the minister whose scope of duties and responsibility shall encompass the trade area.

CHAPTER II
PRINCIPLE AND AIMS
Article 2

The protection of consumers shall be based on the principle of benefit, justice, balance, security and safety on the part of consumers and legal certainty.

Article 3

The protection of consumers shall be aimed at:

- a. promoting the consciousness, capability and independence of consumers to protect themselves;
- b. raising the dignity and self-respect of consumers by means of averting the negative excesses of the use of goods and/or services from them;
- c. promoting the empowerment of consumers in choosing, determining and demanding their rights as consumers;
- d. creating a system of consumers' protection which shall contain the element of legal certainty and information transparency as well as an access to obtain information;
- e. nurturing the consciousness of business agents regarding the significance of consumers' protection so that an honest and responsible attitude in doing business shall be fostered;
- f. raising the quality of goods and/or services which shall guarantee the sustainability of the production of goods and/or services and consumers' health, comfort, security and safety.

CHAPTER III
RIGHTS AND OBLIGATIONS
First Part
Rights and obligations of consumers
Article 4

The rights of consumers shall be:

- a. the right to comfort, security and safety in using goods and/or services;
- b. the right of choosing goods and/or services and obtaining the said goods and/or services in accordance with the exchange value and condition and guarantee pledged;
- c. the right to correct, clear and honest information about the condition and guarantee of the goods and/or services;
- d. the right that their opinions and complaints about goods and/or services used should be listened to;
- e. the right of obtaining advocacy, protection and an endeavor to properly settle disputes over consumers' protection;
- f. the right of obtaining consumers' fostering and education;
- g. the right of being correctly, honestly and indiscriminatory treated and served;
- h. the right of obtaining compensation and or refund if the goods and/or services received do not conform to the agreement or are not as they should be;
- i. the rights regulated in other laws.

Article 5

The obligations of consumers shall be:

- a. reading or following information guidelines and procedure of using or utilizing goods and/or services for the sake of safety and security;
- b. being well meaning in conducting transactions in the purchase of goods and/or services;

- c. paying in conformity with the exchange value agreed upon;
- d. following efforts to properly and legally settle disputes over consumers' protection.

Second Part
Rights and Obligations of Business Agents
Article 6

The rights of business agents shall be:

- a. the right of receiving payment in conformity with the agreement on the condition and the exchange value of goods and/or services traded;
- b. the right of obtaining legal protection from the acts taken by consumers without a good intention;
- c. the right of making a proper self defense in the legal settlement of consumers' disputes;
- d. the right to the rehabilitation of reputation if it is legally proven that the losses sustained by consumers are not caused by the goods and/or services traded;
- e. the rights regulated in other laws.

Article 7

The obligations of business agents shall be:

- a. having a good intention in conducting business activities;
- b. providing correct, clear and honest information about the condition and guarantee of goods and/or services and providing explanation about uses, repair and maintenance;
- c. treating or serving consumers correctly and honestly and indiscriminately;
- d. guaranteeing the quality of the goods and/or services produced and/or traded on the basis of the prevailing standard provisions on the quality of goods and/or services;
- e. providing an opportunity to consumers to test and/or try certain goods and/or services and providing an assurance and/or a guarantee for the goods made and/or traded;
- f. giving compensation and or refund for the losses caused by the use, application and utilization of goods and/or services traded;
- g. giving compensation and/or refund if the goods and/or services received or utilized are not up to the agreement.

CHAPTER V
PROHIBITED ACTS TO BUSINESS AGENTS
Article 8

(1) Business agents shall be prohibited to produce and/or trade goods and/or services which:

- a. do not fulfill or conform to the standard required and the laws;
- b. do not conform to the net weight, net volume or the quantity in units counted as expression the label of the goods concerned;
- c. do not conform to the size, measurement, weight and quantity in the units counted in accordance with the real measurement;

- d. do not conform to the condition, guarantee, superiority or efficacy as stated in the label or description of the said goods and/or services;
 - e. do not conform to certain quality, level, composition, processing, style, mode or use as stated in the label or description of the said goods and/or services;
 - f. do not conform to the promise stated in the label, description, advertisement or sales promotion of the said goods and/or services;
 - g. do not mention the expiration date or the period of best use utilization of certain goods;
 - h. do not comply with the provision on production in a manner permitted by the religion as stated by the word "*halal*" (permitted by the law) set forth on the label;
 - i. do not place a label or provide an explanation of the goods containing the name of the goods, the size, the net weight/volume, the composition, the direction of use, the manufacturing date, the side effects, the name and the address of the business agent and other information but the use which pursuant to the stipulation must be provided/made;
 - j. do not mention the information and/or direction of use of the goods in the Indonesian language pursuant to the prevailing laws.
- (2) A business agent shall be prohibited from trading goods which are damaged, flawed or used and contaminated without providing full and correct information about the said goods.
- (3) A business agent shall be prohibited from trading pharmaceutical preparations which are damaged, flawed or used, and contaminated, with or without full and correct information being provided.
- (4) A business agent violating the provisions in sub-articles (1) and (2) shall be prohibited from trading the said goods and/or services and shall be obligated to withdraw them from distribution.

Article 9

- (1) A business agent shall be prohibited from offering, promoting and advertising particular goods and/or services falsely, and/or as if:
- a. the said goods fulfilled and/or had discounts, special prices, certain quality standard, certain style or mode, certain characteristics, and certain history or uses.
 - b. the said goods were in a good and/or brand-new condition:
 - c. the said goods and/or services had obtained and/or had sponsors, agreements, certain equipment, certain profits, and certain working characteristics or accessories;
 - d. the said goods and/or services were made by a company with a sponsor, agreement or affiliation;
 - e. the said goods and/or services were available:
 - f. the said goods did not contain a hidden flaw;
 - g. the said goods were complementary to certain other goods:
 - h. the said goods hailed from certain areas;
 - i. other goods and/or services were directly or indirectly relegated;
 - j. excessive words such as safe, harmless, without any risk or side effects were used without complete explanation;
 - k. something containing an uncertain promise were offered.
- (2) It is prohibited to trade the goods and/or services as meant in sub-article (1).

- (3) A business agent violating sub-article (1) shall be prohibited from proceeding with his offer, promotion and advertising of the said goods and/or services.

Article 10

In offering goods and/or services intended for trading, it is prohibited to offer, promote, advertise or make an incorrect and misleading statement about:

- a. the price or tariff of particular goods and/or services;
- b. the usefulness of particular goods and/or services;
- c. the condition, guarantee, right or compensation regarding certain goods and/or services;
- d. offered discounts or attractive prizes;
- e. the hazard of using goods and/or services.

Article 11

In the event of a sale or an auction, a business agent shall be prohibited to cheat/mislead consumers in the following way:

- a. stating as if the said goods and/or services had fulfilled a certain quality standard;
- b. stating as if the said goods and/or services had no hidden flaw;
- c. not intending to sell the goods offered but rather other goods;
- d. not supplying goods in a certain quantity and/or in a sufficient quantity with a view to selling other goods;
- e. not providing services in a certain capacity or in a sufficient quantity with a view to selling other services;
- f. raising the price or tariffs of goods and/or services prior to conducting a sale.

Article 12

A business agent shall be prohibited to offer, promote or advertise certain goods and/or services at a special price or tariff in a certain period of time and quantity if the said business agent does not mean to implement this in accordance with the period of time and quantity offered, promoted or advertised.

Article 13

- (1) A business agent shall be prohibited to offer, promote or advertise certain goods and/or services by means of promising the awarding of prizes in the form of goods and/or services free of charge with a view to not awarding them or awarding them not as promised.
- (2) A business agent shall be prohibited to offer, promote or advertise medicines, traditional medicines, food supplement, health equipment and health services by means of promising the awarding of prizes in the form of other goods and/or services.

Article 14

In offering goods and/or services intended to be traded with prizes to be given through a lottery, a business agent shall be prohibited to:

- a. draw the lottery for the prizes after the period of time promised;
- b. announce the result not through the mass media;
- c. award prizes not in accordance with those promised;
- d. replace the prizes with other things not compatible in value with those promised.

Article 15

In offering goods and/or services, a business agent shall be prohibited to resort to coercion or other ways that may lead to physical and psychical disturbance to the consumers.

Article 16

In offering goods and/or services through an order, a business agent shall be prohibited:

- a. not to comply with the order and/or agreement on the time of settlement in accordance with what is promised;
- b. not to fulfill a promise regarding a certain service and/or achievement.

Article 17

(1) An advertising business agent shall be prohibited to produce advertisements which:

- a. cheat consumers regarding the quality, quantity, materials, uses and prices of goods and/or tariffs of services;
- b. cheat consumers in respect of the guarantee given to goods and/or services,
- c. contain misleading, wrong or inappropriate information about goods and/or services;
- d. do not contain information about the risks entailed in using the goods and/or services;
- e. exploit an event and/or a person without permission from the authority or agreement from the person concerned;
- f. violate ethics and/or laws on advertising.

(2) An advertising business agent shall be prohibited to continue the circulation of advertisements violating the provisioning sub-article (1).

CHAPTER V PROVISION ON SETTING FORTH OF STANDARD CLAUSE

Article 18

(1) In offering goods and/or services intended to be traded, a business agent shall be prohibited to set forth a standard clause on each document and/or agreement if:

- a. this shall be concerned with the transfer of responsibility of the business agent;
- b. it is stated that a business agent shall reserve the right to reject the return of the goods already purchased by consumers;

- c. it is stated that a business agent shall reserve the right to reject the return of the money already paid by consumers for the goods and/or services they have purchased;
 - d. it states the granting of proxy from a consumer to a business agent, either directly or indirectly, to conduct all unilateral acts related to the goods already purchased by consumers by installments;
 - e. it regulates matters related to proving the loss of use of the goods or utilization of the services purchased by consumers;
 - f. it bestows the right to a business agent to reduce the benefit of the services or reduce the assets of consumers which are the objects of the transaction of services;
 - g. it states consumers' compliance with new regulations, supplementary regulations, further regulations and/or further amendment made unilaterally by a business agent during the period in which consumers make use of the services they purchase.
 - h. it states that consumers bestows proxy to a business agent for the purpose of conveying mortgage, the right of pawning or the collateral right on the goods purchased by a consumer by installments.
- (2) A business agent shall be prohibited to set forth a standard clause whose position and form is difficult to see or which cannot be clearly read or whose expression is difficult to understand.
 - (3) Every standard clause stipulated by a business agent on the document or agreement fulfilling the provisions as meant in sub-articles (1) and (2) shall be declared as having been canceled by the law.
 - (4) A business agent shall be obligated to adjust the standard clause contradicting this law.

CHAPTER VI
RESPONSIBILITY OF A BUSINESS AGENT
Article 19

- (1) A business agent shall be responsible to provide compensation on the damage, contamination, and/or losses sustained by consumers as a result of using the goods and/or services produced or traded.
- (2) The compensation as meant in sub-article (1) may be in the form of cash refund or replacement by goods and/or services which are of a similar type or of a comparable value, or health maintenance and/or the provision of compensation pursuant to the prevailing laws.
- (3) The provision of compensation shall be undertaken within an interval of 7 (seven) days as from the date of transactions.
- (4) The provision of compensation as meant in sub-articles (1) and (2) shall not abolish the possibility of a criminal lawsuit on the basis of further verification of a mistake.
- (5) The provisions as meant in sub-articles (1) and (2) shall not apply if the business agent can prove that the said mistake is that of the consumer.

Article 20

An advertising business agent shall be responsible for the advertisements produced and also for all consequences brought about by the said advertisements.

Article 21

- (1) An importer of goods shall be responsible as the manufacturer of the goods imported if the importation of the said goods is not conducted by the overseas agent or representative of the producer.
- (2) An importer of services shall be responsible as the provider of foreign services if the said provision of foreign services is not conducted by an agent or representative of the provider of foreign services.

Article 22

Verification of whether or not there is a mistake in a criminal case as meant in Article 19 sub-article (4), Article 20 and Article 21 shall constitute the burden and responsibility on the part of a business agent regardless of the likelihood on the part of the prosecutor to undertake verification.

Article 23

A business agent rejecting and/or failing to respond to and/or make a compensation for the demand made by a consumer as meant in Article 19 sub-articles (1), (2), (3) and (4) may be sued through an agency for the settlement of consumers' disputes or taken to a judiciary agency at the domicile of the consumer.

Article 24

- (1) A business agent selling goods and/or services to another business agent shall be responsible for the demand for compensation and/or lawsuit filed by a consumer if:
 - a. other business agents sell the said goods and/or services without any changes introduced to the said goods and/or services;
 - b. other business agents do not know during the transaction that a change has been introduced to the goods and/or services by a business agent or that the said goods and/or services do not conform to the specimen, the quality and the composition.
- (2) The business agent as meant in sub-article (1) shall be exempted from the responsibility for a demand for compensation made by and/or lawsuit filed by the consumer if other business agents purchasing goods and/or services re-sell the said goods and/or services to the consumer after introducing changes to the said goods and/or services.

Article 25

- (1) A business agent producing goods whose utilization shall be continued within a period of at least 1 (one) year shall be obligated to provide spare parts and/or after sales services and fulfill the guarantee in accordance with what is agreed upon.
- (2) A business agent as meant in sub-article (1) shall be responsible for the demand for compensation and/or lawsuit from a consumer if the said business agent:
 - a. fails or neglects to provide spare parts and/or repair facilities;
 - b. does not or fail to fulfill the guarantee agreed upon.

Article 26

A business agent trading services shall be obligated to fulfill the guarantee agreed upon and/or promised.

Article 27

A business agent producing goods shall be exempted from the responsibility for losses sustained by consumers if:

- a. the said goods prove to be those which should not have been distributed or intended to be distributed;
- b. the flaw of the goods emerge on a later day;
- c. the flaw emerges as a result of compliance with the provision on the qualification of the goods;
- d. the passage of the claiming period 4 (four) years after the purchase of the goods or the passage of the period agreed upon.

Article 28

Verification of whether or not there is a mistake in the lawsuit for compensation as meant in Articles 19, 22 and 23 shall constitute the burden and responsibility of a business agent.

CHAPTER VII FOSTERING AND SUPERVISION First Part Fostering Article 29

- (1) The government shall be responsible for fostering of the provision of consumers' protection which guarantee that the consumers and the business agent shall enjoy their rights and that the obligations of consumers and business agents shall be performed.
- (2) Fostering by the government in respect of the provision of consumers' protection as meant in sub-article (1) shall be undertaken by the Minister and/or technically relevant minister.
- (3) The Minister as meant in sub-article (2) shall undertake coordination regarding the provision of consumers' protection.
- (4) Fostering of the provision of consumers' protection as meant in sub-article (2) shall encompass the following efforts:
 - a. the creation of a business climate and the growth of healthy relationships between business agents and consumers;
 - b. the development of non-governmental consumers' protection institutes
- (5) Further provisions regarding fostering of the provision of consumers' protection shall be regulated in a government regulation.

Second Part Supervision Article 30

- (1) Supervision over the provision of consumers' protection and the application of the laws shall be undertaken by the government, the community and non-governmental institutions for consumers' protection.
- (2) Supervision by the government as meant in sub-article (1) shall be undertaken by the Minister and/or technically relevant ministers.
- (3) Supervision by the community and non-governmental institutions for consumers' protection shall be undertaken over goods and/or services distributed in the market.
- (4) If the result of the supervision as meant in sub-article (3) turns out to deviate from the prevailing laws and harm the consumers, the Minister and/or technically relevant ministers shall take action pursuant to the prevailing laws.
- (5) The result of the supervision undertaken by the community and non-governmental institutions for consumers' protection may be disseminated to the community and may be conveyed to the Minister and technically relevant ministers.
- (6) The provision on the implementation of the supervision task as meant in sub-articles (1), (2) and (3) shall be stipulated in a gover