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**THE PRESIDENT
OF THE REPUBLIC OF INDONESIA**

**LAW OF THE REPUBLIC OF INDONESIA
NUMBER 5 YEAR 1999
CONCERNING
PROHIBITION OF MONOPOLISTIC PRACTICES
AND
UNFAIR BUSINESS COMPETITION**

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

- Considering :
- a. whereas development in the field of economy must be directed towards the achievement of social welfare based on Pancasila and the 1945 Constitution;
 - b. whereas democracy in the field of the economy calls for equal opportunity for every citizen to participate in the process of production and marketing of goods and or services, in a fair, effective and efficient business environment, so as to be able to promote the growth of economy and the functioning of a reasonable market economy;
 - c. whereas anyone engaging in business in Indonesia must exist in an atmosphere of fair and natural competition, hence there shall be no concentration of economic power in the hands of certain business actors, notwithstanding the commitments or conventions executed by the State of the Republic of Indonesia with regard to International Conventions;
 - d. whereas in order to achieve the intentions mentioned in letters a, b and c, upon the initiative suggestion of the DPR (People's Legislative Assembly), a Law regarding the Prohibition of Monopolistic Practices and Unfair Business Competition needs to be set forth;
- In view of : Article 5 paragraph (1), Article 21 paragraph (1), Article 27 paragraph (2) and Article 33 of the 1945 Constitution,

With the approval of

THE PEOPLE'S LEGISLATIVE ASSEMBLY OF THE REPUBLIC OF INDONESIA

HAS DECIDED TO:

Stipulate: **LAW CONCERNING THE PROHIBITION OF MONOPOLISTIC PRACTICES AND UNFAIR BUSINESS COMPETITION.**

**CHAPTER I
GENERAL PROVISIONS**

Article 1

Referred to in this Law as:

1. Monopoly shall be the control over the production and or marketing of goods and or over the utilization of certain services by one business actor or by one group of business actors.
2. Monopolistic practices shall be the centralization of economic power by one or more business actors, resulting in the control of the production and or marketing of certain goods and or services thus resulting in unfair business competition and potentially harmful to the interests of the public.
3. The centralization of economic power shall be the actual control of a market by one or more business actors, enabling to determine prices of goods and or services.
4. Dominant position shall be a situation in which a business actor has no substantial competitor in the relevant market in relation to the market segment controlled, or a business actor has the strongest position among its competitors in the relevant market in relation to financial capacity, access capacity to supply or sales, and the capability to adjust supply or demand of certain goods or services.
5. Business actors shall be any individual or business entity, either incorporated or not incorporated as legal entity, established and domiciled or conducting activities within the jurisdiction of the Republic of Indonesia, either independently or jointly based on agreement, conducting various business activities in the economic field.
6. Unfair business competition shall be competition among business actors in conducting activities for the production and or marketing of goods and or services in an unfair or unlawful or anti-competition manner.
7. Agreement shall be the action of one or more business actors for binding themselves to one or more other business actors under whatever name, either in writing or not in writing.

8. Conspiracy or business conspiracy shall be a form of cooperation carried out by one business actor with another with the intention of controlling the relevant market in the interest of the conspiring business actors.
9. Market shall be an economic institution in which sellers and buyers, either directly or indirectly, can conduct trading transactions of goods and or services.
10. The relevant market shall be the market related to a certain marketing scope or area by business actors for goods and or services of the same or similar type or substitutes for such goods and or services.
11. Market structure shall be a market condition comprising of indicators concerning aspects with significant impact on business actors' behavior and market performance, among other things the number of sellers and buyers, barriers to entering and leaving the market, product variety, distribution system and control of market segment.
12. Market behavior shall be acts undertaken by business actors in their capacity as suppliers or buyers of goods and or services in order to achieve the business' objectives, among other things the achievement of profits, growth of assets, sales targets and competition methods applied.
13. Market share shall be the percentage of the value of sales or purchases of certain goods or services controlled by a certain business actor in the relevant market in a certain calendar year.
14. Market price shall be the price paid in transactions of goods and or services in accordance with the agreement reached among the parties concerned in the relevant market.
15. Consumers shall be every user and or utilizer of goods and or services, both for personal use as well as for the interests of other people.
16. Goods shall be any physical objects, either tangible or intangible, movable or immovable, which may be traded, used, utilized or exploited by consumers or business actors.
17. Services shall be services in the form of work or performance traded in society to be utilized by consumers or business actors.
18. Business Competition Supervisory Commission shall be a Commission formed to supervise business actors in conducting their business activities so that they do not conduct monopolistic practices and or unfair business competition.
19. The District Court shall be the courts, as intended in the prevailing laws and regulations, at the legal and business locations of the business actors concerned.

CHAPTER II PRINCIPLES AND PURPOSES

Article 2

Business activities of business actors in Indonesia must be based on economic democracy, with due observance of the equilibrium between the interests of business actors and the interests of the public.

Article 3

The purpose of enacting this Law shall be as follows:

- a. to safeguard the interests of the public and to improve national economic efficiency as one of the efforts to improve the people's welfare;
- b. to create a conducive business climate through the stipulation of fair business competition in order to ensure the certainty of equal business opportunities for large-, middle- as well as small-scale business actors in Indonesia;
- c. to prevent monopolistic practices and or unfair business competition that may be committed by business actors; and
- d. the creation of effectiveness and efficiency in business activities.

CHAPTER III PROHIBITED AGREEMENTS

Part One Oligopoly

Article 4

- (1) Business actors shall be prohibited from entering into agreements with other business actors for jointly controlling the production and or marketing of goods and or services which may potentially cause the occurrence of monopolistic practices and or unfair business competition.
- (2) Business actors may be suspected or deemed to be jointly involved in the control of the production and or marketing of goods and or services, as intended in Article (1), if 2 (two) or 3 (three) business actors or a group of business actors control over 75% (seventy-five per cent) of the market segment of a certain type of goods or services.

Part Two

Price Fixing

Article 5

- (1) Business actors shall be prohibited from entering into agreements with their business competitors to fix the price of certain goods and or services payable by consumers or customers on the same relevant market.
- (2) The provisions intended in paragraph (1) shall not be applicable to the following:
 - a. an agreement entered into in the context of a joint venture; or
 - b. an agreement entered into based on the prevailing laws.

Article 6

Business actors shall be prohibited from entering into agreements forcing a buyer to pay a price which is different from that payable by other buyers for the same goods and or services.

Article 7

Business actors shall be prohibited from entering into agreements with their business competitors to fix prices below market prices, which may potentially result in unfair business competition.

Article 8

Business actors shall be prohibited from entering into agreements with other business actors setting forth the condition that parties receiving goods and or services shall not sell or resupply goods and or services received by them, at a price lower than the contracted price, potentially causing unfair business competition.

Part Three Division of Territory

Article 9

Business actors shall be prohibited from entering into agreements with their business competitors which have the purpose of dividing marketing territory or allocating the market for goods and or services, potentially resulting in monopolistic practices and or unfair business competition.

Part Four Boycott

Article 10

- (1) Business actors shall be prohibited from entering into agreements with their competing business actors which could prevent other business actors from engaging in the same business, either for domestic or overseas market purposes.
- (2) Business actors shall be prohibited from entering into agreements with their competing business actors for refusing to sell any goods and or services from other business actors, so that such act:
 - a. causes a loss or may be suspected of potentially causing a loss to other business actors; or
 - b. limits other business actors in selling or buying any goods and or services from the relevant market.

**Part Five
Cartels**

Article 11

Business actors shall be prohibited from entering into agreements with their competing business actors, with the intention of influencing prices by arranging production and or marketing of certain goods and or services, which may result in monopolistic practices and or unfair business competition.

**Part Six
Trusts**

Article 12

Business actors shall be prohibited from entering into agreements with other business actors for cooperation by establishing a joint company or a larger company, by keeping and maintaining the continuity of each company or its member, with the aim of controlling production and or marketing of goods and or services, with the result that monopolistic practices and or unfair business competition may occur.

**Part Seven
Oligopsony**

Article 13

- (1) Business actors shall be prohibited from entering into agreements with other business actors with the aim of jointly controlling the purchase or acquisition of supplies in order to control prices of goods and or services in the relevant market, which may result in monopolistic practices and or unfair business competition.

- (2) Business actors shall be reasonably suspected or deemed to be jointly controlling the purchase or acquisition of supplies as intended in paragraph (1) if 2 (two) or 3 (three) business actors or a group of business actors control over 75% (seventy-five per cent) of the market segment of a certain type of goods or services.

**Part Eight
Vertical Integration**

Article 14

Business actors shall be prohibited from entering into agreements with other business actors with the intention of controlling the production of several goods which are products included in the production chain of certain related goods and or services where each product link is the end product of the production process or of further processing, either in one direct link or indirect link, which may potentially result in unfair business competition and or be harmful to society.

**Part Nine
Closed Agreements**

Article 15

- (1) Business actors shall be prohibited from entering into agreements with other business actors, stipulating that the party receiving the goods and or services shall only resupply or not resupply the aforementioned goods and or services to certain parties and or at a certain place.
- (2) Business actors shall be prohibited from entering into agreements with other parties stipulating that the party receiving certain goods and or services must be prepared to buy other goods and or services of the supplying business actor.
- (3) Business actors shall be prohibited from entering into agreements concerning prices or certain price discounts for goods and or services, stipulating that the business actor receiving goods and or services from the supplying business actor:
 - a. must be prepared to buy other goods and or services from the supplying business actor; or
 - b. shall not buy the same or similar goods and or services from other business actors, competitors of the supplying business actor.

**Part Ten
Agreements With Foreign Parties**

Article 16

Business actors shall be prohibited from entering into agreements with foreign parties setting forth conditions that may result in monopolistic practices and or unfair business competition.

CHAPTER IV PROHIBITED ACTIVITIES

Part One Monopoly

Article 17

- (1) Business actors shall be prohibited from controlling the production and or marketing of goods and or services which may result in monopolistic practices and or unfair business competition.
- (2) Business actors may be reasonably suspected or deemed to control the production and or marketing of goods and or services as intended in paragraph (1) in the following events:
 - a. there is no substitute available yet for the goods and or services concerned; or
 - b. causing other business actors to be unable to enter into business competition for the same goods and or services; or
 - c. one business actor or a group of business actors controls over 50% (fifty per cent) of the market segment of a certain type of goods or services.

Part Two Monopsony

Article 18

- (1) Business actors shall be prohibited from controlling the acquisition of supplies or from acting as sole buyer of goods and or services on the relevant market which may potentially result in monopolistic practices and or unfair business competition.
- (2) Business actors shall be reasonably suspected or deemed to control the acquisition of supplies or acting as sole buyer as intended in paragraph (1) if one business actor or a group of business actors controls over 50% (fifty per cent) of the market segment of a certain type of goods or services.

Part Three Market Control

Article 19

Business actors shall be prohibited from engaging in one or more activities, either individually or jointly with other business actors, which may result in monopolistic practices and or unfair business competition, in the following forms :

- a. reject and or impede certain other business actors from conducting the same business activities in the relevant market; or
- b. bar consumers or customers of their competitors from engaging in a business relationship with such business competitors; or
- c. limit the distribution and or sales of goods and or services in the relevant market; or
- d. engage in discriminatory practices towards certain business actors.

Article 20

Business actors shall be prohibited from supplying goods and or services by selling while making a loss or by setting extremely low prices with the aim of eliminating or ruining the business of their competitors in the relevant market which may result in monopolistic practices and or unfair business competition.

Article 21

Business actors shall be prohibited from engaging in unfair practices in determining production cost and other costs as part of the price component of goods and or services which may potentially result in unfair business competition.

Part Four Conspiracy

Article 22

Business actors shall be prohibited from entering into conspiracies with other parties in order to determine awardees of tenders which may result in unfair business competition.

Article 23

Business actors shall be prohibited from conspiring with other parties to obtain information regarding the business activities of their competitors classified as company secrets which may result in unfair business competition.

Article 24

Business actors shall be prohibited from conspiring with other parties in order to impede the production and or marketing of goods and or services of their competitors with the aim of causing the goods and or services offered or supplied to the relevant market to become less, either in quantity, quality or in timeliness required.

CHAPTER V DOMINANT POSITION

Part One General

Article 25

- (1) Business actors shall be prohibited from using dominant position either directly or indirectly to:
 - a. determine the conditions of trading with the intention of preventing and or barring consumers from obtaining competitive goods and or services, both in terms of price and quality; or
 - b. limiting markets and technology development; or
 - c. bar other potential business actors from entering the relevant market.

- (2) Business actors shall have a dominant position as intended in paragraph (1) in the following events:
 - a. if one business actor or a group of business actors controls over 50% (fifty per cent) of the market segment of a certain type of goods or services; or
 - b. if two or three business actors or a group of business actors control over 75% (seventy-five per cent) of the market segment of a certain type of goods or services.

Part Two Multiple Positions

Article 26

A person concurrently holding a position as a member of the Board of Directors or as a commissioner of a company, shall be prohibited from simultaneously holding a position as a member of the Board of Directors or a commissioner in other companies, in the event that such companies:

- a. are in the same relevant market; or

- b. have a strong bond in the field and or type of business activities; or
 - c. are jointly capable of controlling the market share of certain goods and or services,
- which may result in monopolistic practices and or unfair business competition.

**Part Three
Share Ownership**

Article 27

Business actors shall be prohibited from owning majority shares in several similar companies conducting business activities in the same field on the same market, or establishing several companies with the same business activities on the same market, if such ownership causes:

- a. one business actor or a group of business actors to control over 50% (fifty per cent) of the market share of a certain type of goods or services;
- b. two or three business actors or a group of business actors to control over 75% (seventy-five per cent) of the market share of a certain type of goods or services.

**Part Four
Mergers, Consolidations and Acquisitions**

Article 28

- (1) Business actors shall be prohibited from conducting mergers or consolidations of business entities resulting in monopolistic practices and or unfair business competition.
- (2) Business actors shall be prohibited from conducting the acquisition of shares in other companies if such action may result in monopolistic practices and or unfair business competition.
- (3) Further provisions regarding the prohibition of mergers or consolidations of business entities as intended in paragraph (1) and provisions concerning the acquisition of shares in companies as intended in paragraph (2) shall be set forth in a Government Regulation.

Article 29

- (1) The Commission must be notified of mergers or consolidations of business entities, or acquisition of shares as intended in Article 28 resulting in asset value and or sales value thereof exceeding a certain amount, by no later than 30 (thirty) days from the date of such merger, consolidation or acquisition.

- (2) Provisions regarding the determination of the asset value and or the selling price as well as the procedure for giving notice as intended in paragraph (1) shall be stipulated in a Government Regulation.

**CHAPTER VI
BUSINESS COMPETITION SUPERVISORY COMMISSION**

**Part One
Status**

Article 30

- (1) For the supervision of the implementation of this Law, a Business Competition Supervisory Commission shall be formed, hereinafter referred to as the Commission.
- (2) The Commission shall be an independent institution free from the Government's and other parties' influence and authority.
- (3) The Commission shall be responsible to the President.

**Part Two
Membership**

Article 31

- (1) The Commission shall consist of a Chairperson acting concurrently as member, a Deputy Chairperson acting concurrently as member, and not less than 7 (seven) members.
- (2) Members of the Commission shall be appointed and dismissed by the President upon the approval of the People's Legislative Assembly.
- (3) The Members of the Commission shall be appointed for a term of office of 5 (five) years and they shall be eligible for reappointment for 1 (one) subsequent term of office.
- (4) If due to the expiration of the term of office a vacancy occurs in the Commission's membership, the term of office of members may be extended until a new member appointed.

Article 32

Requirements for membership in the Commission shall be as follows:

- a. citizen of the Republic of Indonesia, at least 30 (thirty) years of age and not older than 60 (sixty) years at the time of appointment;
- b. loyal to Pancasila and the 1945 Constitution;
- c. believes in and devoted to The Almighty God;
- d. honest, fair and having good conduct;
- e. residing within the territory of the Republic of Indonesia;
- f. experienced in the field of business or possessing knowledge and expertise in the field of law and or economics;
- g. has never been convicted of a crime;
- h. has never been declared bankrupt by a court of justice; and
- i. is not affiliated with a particular business entity.

Article 33

Membership in the Commission shall terminate due to the following reasons:

- a. demise;
- b. resignation upon own request;
- c. residing outside the territory of the State of the Republic of Indonesia;
- d. continuous physical or mental illness;
- e. expiration of term of membership in the Commission; or
- f. dismissal.

Article 34

- (1) The formation of the Commission and its organizational structure, duties and functions shall be stipulated by a Presidential Decree.
- (2) For the uninterrupted implementation of its duties, the Commission shall be assisted by a secretariat.
- (3) The Commission may form a working group.

- (4) Provisions regarding the organizational structure, duties and functions of the secretariat and working group shall be further regulated by a decision of the Commission.

**Part Three
Duties**

Article 35

The duties of the Commission shall include the following:

- a. evaluate agreements that may result in monopolistic practices and or unfair business competition as set forth in Article 4 up to and including Article 16;
- b. evaluate business activities and or actions of business actors which may result in monopolistic practices and or unfair business competition as stipulated in Article 17 up to and including Article 24;
- c. evaluate the existence or nonexistence of misuse of dominant position which may result in monopolistic practices and or unfair business competition as set forth in Article 25 up to and including Article 28;
- d. undertake actions in accordance with the authority of the Commission as set forth in Article 36;
- e. provide advice and opinion concerning Government policies related to monopolistic practices and or unfair business competition;
- f. prepare guidelines and or publications related to this Law;
- g. submit periodic reports on the results of the Commission's work to the President and the People's Legislative Assembly (DPR).

**Part Four
Authority**

Article 36

The Commission's authority shall include the following:

- a. receive reports from the public and or business actors regarding allegations of the existence of monopolistic practices and or unfair business competition;
- b. conduct research concerning the possibility of the existence of business activities and or actions of business actors which may result in monopolistic practices and or unfair business competition;

- c. conduct investigations and or hearings on allegations of cases of monopolistic practices and or unfair business competition reported by the public or by business actors or discovered by the Commission as a result of its research;
- d. make conclusions regarding the results of its investigations and or hearings as to whether or not there are any monopolistic practices and or unfair business competition;
- e. summon business actors suspected of having violated the provisions of this law;
- f. summon and invite witnesses, expert witnesses and any person deemed to have knowledge of violations of the provisions of this law;
- g. seek the assistance of investigators to invite business actors, witnesses, expert witnesses, or any persons as intended in sub-articles e and f, who are not prepared to appear upon the Commission's invitation;
- h. request the statements of Government institutions related to the investigations and or hearings about business actors who violate the provisions of this Law;
- i. obtain, examine and or evaluate letters, documents or other instruments of evidence for investigations and or hearings;
- j. determine and stipulate the existence or non-existence of losses on the parts of business actors or society;
- k. announce the Commission's decisions to business actors suspected of having engaged in monopoly practices and or unfair business competition;
- l. impose administrative sanctions on business actors violating the provisions of this Law.

**Part Five
Funding**

Article 37

Expenses related to the performance of the duties of the Commission shall be charged to the State Revenue and Expenditure Budget and or other sources permissible by virtue of the applicable laws and regulations.

**CHAPTER VII
CASE HANDLING PROCEDURE**

Article 38

- (1) Any person having knowledge of the occurrence of or reasonably suspecting that a violation of this Law has occurred, can report it in writing to the Commission with a clear statement concerning the occurrence of violation, attaching the identity of the reporting party.
- (2) A party suffering losses as a result of violations of this Law may file a written report to the Commission with a complete and clear statement regarding the occurrence of violation and the losses inflicted, attaching the identity of the reporting party.
- (3) The identity of the reporting party intended in paragraph (1) must be kept confidential by the Commission.
- (4) The reporting procedure as intended in paragraph (1) and paragraph (2) shall be further stipulated by the Commission.

Article 39

- (1) Based on the report as intended in Article 38 paragraph (1) and paragraph (2), the Commission shall be obligated to conduct a preliminary investigation, and within 30 (thirty) days after receiving the report concerned, the Commission shall be obligated to determine whether or not further investigation is required.
- (2) In further investigation, the Commission shall be obligated to examine the business actors against whom the report was submitted.
- (3) The Commission shall be obligated to keep confidential the information obtained from business actors classified as company secrets.
- (4) If deemed necessary, the Commission may hear the testimony of witnesses, expert witnesses and or other parties.
- (5) In conducting activities as intended in paragraph (2) and paragraph (4), members of the Commission shall be provided with warrants.

Article 40

- (1) The Commission may conduct investigations of business actors if there is an allegation of the occurrence of violations of this Law even though no report is filed.
- (2) Investigations as intended in paragraph (1) shall be conducted in compliance with the procedure stipulated in Article 39.

Article 41

- (1) Business actors and or other parties examined shall be required to submit instruments of evidence required in the investigation and or hearing.
- (2) Business actors shall be prohibited from refusing to be heard, from refusing to provide information required for investigations and or hearings, or from impeding the investigation and or hearing processes.
- (3) Violations of the provisions of paragraph (2) shall be submitted by the Commission to investigators for conducting investigations in accordance with the prevailing provisions.

Article 42

Instruments of evidence in investigations by the Commission shall be in the form of:

- a. witness testimonies,
- b. expert testimonies,
- c. letters and or documents,
- d. information,
- e. statement by business actors.

Article 43

- (1) The Commission shall be obligated to complete a follow-up investigation within 60 (sixty) days from the start of the follow-up investigation as intended in Article 39 paragraph (1).
- (2) If required, the time frame for a follow-up investigation as intended in paragraph (1) may be extended by not more than 30 (thirty) days.
- (3) The Commission shall be obligated to determine whether or not a violation of this Law occurred within 30 (thirty) days from the completion of the follow-up investigation as intended in paragraph (1) or paragraph (2).
- (4) The decision of the Commission as intended in paragraph (3) must be read out in a hearing open to the public and the business actor concerned must be notified forthwith thereof.

Article 44

- (1) Within 30 (thirty) days from the time the business actor concerned receives notice about the Commission's decision as intended in Article 43 paragraph (4), the

business actor concerned shall be obligated to implement such decision and to submit an implementation report to the Commission.

- (2) Business actors may appeal to the District Court by no later than 14 (fourteen) days after receiving notification of the aforementioned decision.
- (3) Business actors not appealing within the time frame as intended in paragraph (2) shall be deemed to have accepted the Commission's decision.
- (4) In the event that the provisions of paragraph (1) and paragraph (2) are not implemented by the business actor concerned, the Commission shall submit such decision to an investigator for conducting an investigation in accordance with the provisions of prevailing laws and regulations.
- (5) Decisions of the Commission as intended in Article 43 paragraph (4) shall serve as initial evidence sufficient for investigators to conduct investigations.

Article 45

- (1) The District Court concerned must examine objections by business actors as intended in Article 44 paragraph (2) within 14 (fourteen) days from the receipt of such objections.
- (2) The District Court must make a decision within 30 (thirty) days from the commencement of the hearing of the aforementioned appeal.
- (3) A party filing an appeal in respect of the decision of the District Court as intended in paragraph (2), may appeal to the Supreme Court of the Republic of Indonesia within 14 (fourteen) days.
- (4) The Supreme Court must make a decision within 30 (thirty) days from the time the appeal is received.

Article 46

- (1) In the event that there is no appeal, the decision of the Commission as intended in Article 43 paragraph (3) shall have permanent legal force.
- (2) The execution of the decision of the Commission as intended in paragraph (1) shall be requested of the District Court.

CHAPTER VIII SANCTIONS

Part One Administrative Measures

Article 47

- (1) The Commission shall be authorized to impose sanctions in the form of administrative measures against business actors violating the provisions of this Law.
- (2) Administrative measures as intended in paragraph (1) may be in the following forms:
 - a. stipulation declaring agreements as intended in Article 4 up to and including Article 13, Article 15 and Article 16 as null and void; and or
 - b. order to business actors to stop vertical integration as referred to in Article 14; and or
 - c. order to business actors to stop activities proven to have been causing monopolistic practices and or unfair business competition and or being harmful to society; and or
 - d. ordering business actors to stop the misuse of dominant position; and or
 - e. stipulation of the cancellation of mergers or consolidations of business entities and acquisition of shares as intended in Article 28; and or
 - f. stipulation of compensation payment; and or
 - g. imposition of a minimum fine of Rp. 1,000,000,000,- (Rupiah one billion) and a maximum fine of Rp. 25,000,000,000,- (Rupiah twenty-five billion).

Part Two Basic Criminal Sanctions

Article 48

- (1) Violations of the provisions of Article 4, Article 9 up to and including Article 14, Article 16 up to and including Article 19, Article 25, Article 27, and Article 28 shall be subject to the criminal sanction of a fine of minimum Rp. 25,000,000,000,- (Rupiah twenty-five billion) and maximum Rp. 100,000,000,000,- (Rupiah one hundred billion), or the criminal sanction of imprisonment as a replacement of a fine for no longer than 6 (six) months.
- (2) Violations of the provisions of Article 5 up to and including Article 8, Article 15, Article 20 up to and including Article 24, and Article 26 of this Law shall be subject to the criminal sanction of a fine of minimum Rp. 5,000,000,000,- (Rupiah five billion) or maximum Rp. 25,000,000,000,- (Rupiah twenty-five billion), or a

criminal sanction of imprisonment as replacement of a fine for no longer than 5 (five) months.

- (3) Violations of the provisions of Article 41 of this Law shall be subject to a fine of minimum Rp. 1,000,000,000,- (Rupiah one billion) and maximum Rp. 5,000,000,000,- (Rupiah five billion) or the criminal sanction of imprisonment as replacement of a fine for no longer than 3 (three) months.

Part Three Additional Criminal Sanctions

Article 49

In compliance with the provisions of Article 10 of the Criminal Code, in addition to the sanctions set forth in Article 48, additional criminal sanctions may be imposed in the form of:

- a. revocation of business licenses; or
- b. prohibition of business actors proven to have violated this law from filling the positions of director or commissioner for at least 2 (two) years and for no longer than 5 (five) years; or
- c. orders to stop certain activities or actions resulting in losses to other parties.

CHAPTER IX MISCELLANEOUS PROVISIONS

Article 50

Excluded from the provisions of this law shall be the following:

- a. actions and or agreements intended to implement applicable laws and regulations; or
- b. agreements related to intellectual property rights, such as licenses, patents, trademarks, copyright, industrial product design, integrated electronic circuits, and trade secrets as well as agreements related to franchise; or
- c. agreements for the stipulation of technical standards of goods and or services which do not inhibit, and or impede competition; or
- d. agency agreements which do not stipulate the resupply of goods and or services at a price level lower than the contracted price; or

- e. cooperation agreements in the field of research for the upgrading or improvement of the living standard of society at large; or
- f. international agreements ratified by the Government of the Republic of Indonesia; or
- g. export-oriented agreements and or actions not disrupting domestic needs and or supplies; or
- h. business actors of the small-scale group; or
- i. activities of cooperatives aimed specifically at serving their members.

Article 51

Monopoly and or concentration of activities related to the production and or marketing of goods and or services affecting the livelihood of society at large and branches of production of a strategic nature for the state shall be stipulated in a law and shall be implemented by State-Owned Enterprises and or institutions formed or appointed by the Government.

CHAPTER X TRANSITIONAL PROVISIONS

Article 52

- (1) As from the effectiveness of this Law, all laws and regulations stipulating or related to monopolistic practices and or business competition shall be declared as remaining in effect insofar as not contradictory or not superseded by new ones by virtue of this Law.
- (2) Business actors having entered into agreements and or conducting activities and or undertaking actions not complying with the provisions of this law shall be given 6 (six) months from this Law's coming into effect to make adjustments.

CHAPTER XI CLOSING PROVISIONS

Article 53

This Law shall become effective within 1 (one) year as from its promulgation.

For public cognizance, it is hereby ordered that this Law be announced in the State Gazette of the Republic of Indonesia.

Stipulated in **Jakarta**

on **March 5, 1999**

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

sgd.

BACHARUDDIN JUSUF HABIBIE

Promulgated in **Jakarta**

On **March 5, 1999**

STATE MINISTER SECRETARY OF STATE
OF THE REPUBLIC OF INDONESIA

sgd.

AKBAR TANDJUNG

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 1999 NUMBER 33

Issued as true copy

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Head of the Legislature Bureau I

[signed and stamped, stamp reads:

**CABINET SECRETARIAT OF THE REPUBLIC OF
INDONESIA]**

Lambock V. Nahattands