



REGENT OF NGANJUK
EAST JAVA PROVINCE

REGIONAL REGULATIONS OF NGANJUK DISTRICT
NUMBER 9 OF 2024
ABOUT
THE IMPLEMENTATION OF SHOPPING CENTERS AND SUPERMARKET
STORES

WITH THE GRACE OF GOD ALMIGHTY

REGENT OF NGANJUK,

- Weigh : a. that Shopping Centers and Supermarkets are trading facilities that can increase regional economic growth in order to encourage the creation of community welfare;
- b. that in order to optimize the function of Shopping Centers and Supermarkets in the Regions as a means of Trade, it is necessary to develop, empower and improve the quality of management and development, arrangement and coaching which provides more opportunities, support and development of the people's economy which includes cooperatives and micro, small and medium enterprises;
- c. that Nganjuk Regency Regional Regulation Number 7 of 2019 concerning the Implementation of Shopping Centers and Supermarkets needs to be adjusted to developments in laws and regulations and the legal needs of the community;
- d. that based on the considerations as referred to in letters a, b and c, it is necessary to stipulate Regional Regulations concerning the Organization of Shopping Centers and Supermarkets;
- Remember : 1. Article 18 Paragraph (6) The 1945 Constitution of the Republic of Indonesia;
2. Law Number 12 of 1950 concerning Formation of District Areas within the Province of East Java (State Gazette of the Republic of Indonesia 1950 Number 41) as amended by Law Number 2 of 1965 concerning Changes to the Boundaries of the City of Surabaya and the Level II Region of Surabaya by Amending Law Number 12 of 1950 concerning the Formation of District Areas within the Province of East Java and Law Number 16 of 1965 concerning the Formation of Large City Areas within the Provinces of East Java, Central Java, West Java and the Special Region of Yogyakarta (State Gazette of the Republic of Indonesia 1965 Number 19, Supplement to the State Gazette of the Republic of Indonesia Number 2730);
3. Law Number 12 of 2011 concerning the Formation of Legislation (State Gazette of the Republic of Indonesia 2011 Number 82, Supplement to the State Gazette of the Republic

- of Indonesia Number 5234) as amended several times last with Law Number 13 of 2022 concerning the Second Amendment to Law Number 12 of 2011 concerning the Formation of Legislation (State Gazette of the Republic of Indonesia 2022 Number 143, Supplement to the State Gazette of the Republic of Indonesia 6801);
4. Law Number 7 of 2014 concerning Trade (State Gazette of the Republic of Indonesia 2014) Number 45, Supplement to the State Gazette of the Republic of Indonesia Number 5512) as amended several times, most recently by Law Number 6 of 2023 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation into Law (State Gazette of the Republic of Indonesia 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
 5. Law Number 23 of 2014 concerning Regional Government (State Gazette of the Republic of Indonesia 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times, most recently by Law Number 6 of 2023 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation into Law (State Gazette of the Republic of Indonesia 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
 6. Government Regulation Number 5 of 2021 concerning the Implementation of Risk-Based Business Licensing (State Gazette of the Republic of Indonesia 2021 Number 15, Supplement to the State Gazette of the Republic of Indonesia Number 6617);
 7. Government Regulation Number 29 of 2021 concerning the Implementation of the Trade Sector (State Gazette of the Republic of Indonesia 2021 Number 39, Supplement to the State Gazette of the Republic of Indonesia Number 6641);
 8. Regulation of the Minister of Home Affairs Number 80 of 2015 concerning Formation Regional Legal Products (State Gazette of the Republic of Indonesia 2015 Number 2036) as amended by Regulation of the Minister of Home Affairs Number 120 of 2018 about Amendment to the Regulation of the Minister of Home Affairs Number 80 of 2015 concerning Formation Regional Legal Products (State Gazette of the Republic of Indonesia 2019 Number 157);
 9. Regulation of the Minister of Trade Number 21 of 2021 concerning Guidelines for the Development and Management of Trade Facilities (State Gazette of the Republic of Indonesia 2021 Number 277);
 10. Regulation of the Minister of Trade Number 23 of 2021 concerning Guidelines for the Development, Arrangement, and Guidance of Shopping Centers and Supermarkets (State Gazette of the Republic of Indonesia 2021 Number 279) as amended by Regulation of the Minister of Trade Number 18 of 2022 concerning Amendments to Regulation of the Minister of Trade Number 23 of 2021 concerning Guidelines

for the Development, Arrangement, and Guidance of Shopping Centers and Supermarkets (State Gazette of the Republic of Indonesia 2022 Number 435);

11. Regional Regulation of Nganjuk Regency Number 2 of 2021 concerning the Spatial Planning Plan of Nganjuk Regency for 2021-2041 (Regional Gazette of Nganjuk Regency 2021 Number 2);

By Mutual Consent
Regional People's Representative Council Of Nganjuk District
And
REGENT OF NGANJUK

DECIDE:

Establish : REGIONAL REGULATIONS ON THE ORGANIZATION OF SHOPPING CENTERS AND SUPERMARKET STORES.

CHAPTER I GENERAL PROVISIONS

Article 1

In this Regional Regulation, the following terms are defined:

1. The area is Nganjuk Regency.
2. The Regional Government is the Regent as an element of the regional government administration that leads the implementation of government affairs that are the authority of the autonomous region.
3. The Regent is the Regent of Nganjuk.
4. Trade is a system of activities related to transactions of goods and/or services within the country and beyond national borders with the aim of transferring rights to goods and/or services to obtain rewards or compensation.
5. Business actors are individuals or business entities that carry out business and/or activities in a particular field.
6. Goods are any object, whether tangible or intangible, whether movable or immovable, whether consumable or non-consumable, and can be traded, used, utilized or utilized by consumers or Business Actors.
7. Services are all services and work performance in the form of work or work results achieved, which are traded by one party to another party in society to be utilized by consumers or Business Actors.
8. A market is an economic institution where buyers and sellers meet, either directly or indirectly, to carry out trade transactions.
9. A shopping center is a specific area consisting of one or more buildings constructed vertically or horizontally, which are sold or rented to business actors or managed independently to carry out goods trading activities.

10. A shop is a building with a business function that is used to sell goods and consists of only one seller, including supermarkets and traditional retail stores.
11. A self-service store is a store with a self-service system, selling various types of goods in retail in the form of minimarkets, supermarkets, department stores, hypermarkets or wholesalers in the form of grocery stores.
12. Micro Enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria for micro enterprises as regulated in Government Regulations governing the facilitation, protection and empowerment of cooperatives and micro, small and medium enterprises.
13. Suppliers are Business Actors who regularly supply Goods to Supermarkets with the aim of reselling them through business cooperation.
14. Partnership is cooperation in business relations, either directly or indirectly, based on the principle of mutual need, trust, strengthening and benefit involving micro, small and medium enterprises with large businesses.
15. Trading Terms are the terms and conditions in a cooperation agreement between a Supermarket and/or Supermarket chain manager and a supplier relating to the supply of Goods traded in the Supermarket.
16. Business Licensing is the legality granted to Business Actors to start and run their business and/or activities.
17. Risk-Based Business Licensing is business licensing based on the risk level of business activities.
18. A franchise is a special right owned by an individual or business entity to a business system with distinctive business characteristics in order to market goods and/or services that have been proven successful and can be utilized and/or used by other parties based on a franchise agreement.
19. Distribution is the activity of distributing goods directly or indirectly to consumers.
20. Basic Necessities are goods that relate to the livelihoods of many people with a high scale of needs and are a supporting factor for community welfare.
21. Important Goods are strategic goods that play an important role in determining the smooth running of development.
22. Trade Promotion is an activity to display, demonstrate, introduce and/or disseminate information about the production results of goods and/or services to attract consumer interest in buying, both domestically and abroad, within a certain period of time to increase sales, expand the market and seek trade relations.
23. Domestic Products are goods made and/or services provided by Business Actors in Indonesia.
24. Standards are technical requirements or something that is standardized, including procedures and methods that are drawn up based on the consensus of all parties/Governments/international decisions related to paying attention to safety, security, health, environmental requirements, developments in science and technology, experience and developments in the present and future to obtain the greatest possible benefits.

25. A region is a space that is a geographical unit along with all related elements whose boundaries and systems are determined based on administrative and/or functional aspects.
26. The Regional Spatial Planning Plan, hereinafter abbreviated as RTRW, is the result of spatial planning in a region which is a geographical unit along with all related elements whose boundaries and systems are determined based on administrative aspects.
27. The Detailed Regional Spatial Planning Plan is a detailed plan regarding the spatial planning of the Nganjuk City area which is equipped with regional zoning regulations.
28. Zoning Regulations are provisions that regulate the requirements for the use of space and the provisions for its control and are drawn up for each block/zone of allocation whose zoning is determined in the detailed spatial planning plan.
29. A person is an individual or a body, whether a legal entity or not.
30. The Indonesian Standard Classification of Industrial Fields, hereinafter abbreviated as KBLI, is a classification code regulated by a non-ministerial government agency that organizes government affairs in the field of statistics.

Article 2

The operation of shopping centers and supermarkets is carried out based on the following principles:

- a. Regional interests;
- b. legal certainty;
- c. fair and healthy;
- d. business security;
- e. accountable and transparent;
- f. independence;
- g. partnership;
- h. usefulness;
- i. simplicity;
- j. togetherness; and
- k. environmentally conscious.

Article 3

The regulations regarding the operation of Shopping Centers and Supermarkets aim to:

- a. increase regional economic growth;
- b. increasing use and trade of products within the region;
- c. increasing business opportunities and creating jobs;
- d. ensure smooth distribution and availability of basic necessities and important goods;
- e. improving trade facilities, infrastructure and means;
- f. enhancing partnerships between large businesses and cooperatives, micro, small and medium enterprises, as well as the government and the private sector;

- g. increase the competitiveness of regional products and businesses;
- h. improving product image within the Region, market access, and national exports;
- i. increasing trade in creative economy-based products;
- j. enhance consumer protection;
- k. increasing the use of Indonesian National Standards (SNI);
- l. increasing protection of natural resources; And
- m. increase supervision of traded goods and/or services.

Article 4

The scope of the material in this Regional Regulation includes:

- a. types of Shopping Centers and Supermarkets;
- b. establishment of Shopping Centers and Supermarkets;
- c. Goods management and sales system;
- d. Partnership and business responsibility;
- e. development of business cooperation and cooperation agreements;
- f. operating hours;
- g. licensing;
- h. stabilization of Basic Necessities and/or Important Goods;
- i. redevelopment of Shopping Centers; And
- j. coaching and supervision.

CHAPTER II

TYPES OF SHOPPING CENTERS AND SUPERMARKET STORES

Article 5

- (1) Shopping Centers can take the form of:
 - a. shops;
 - b. mall; and
 - c. plaza.
- (2) Supermarkets can take the form of:
 - a. mini Market;
 - b. supermarket;
 - c. *department store*;
 - d. *hypermarket*; And
 - e. Wholesaler/Grocery store in the form of a shop with a self-service system.
- (3) The supermarkets referred to in paragraph (2) have sales floor area limitations with the following provisions:
 - a. mini Market, up to 400 m² (four hundred square meters);
 - b. supermarket, above 400 m² (four hundred square meters) up to 5,000 m² (five thousand square meters);
 - c. *department store*, at least 400 m² (four hundred square meters);
 - d. *hypermarket*, above 5,000 m² (five thousand square meters); and
 - e. Wholesalers/Wholesale businesses in the form of shops with a self-service system, at least 2,000 m² (two thousand square meters) and for cooperative

wholesalers/wholesale businesses in the form of shops with a self-service system, at least 1,000 m² (one thousand square meters).

CHAPTER III ESTABLISHMENT OF SHOPPING CENTERS AND SUPERMARKET STORES

Article 6

- (1) The establishment of Shopping Centers and Supermarkets must take into account the socio-economic conditions of the community, the existence of People's Markets, and Micro Enterprises in the local zone or area or region.
- (2) Shopping Center Managers and Supermarket Business Actors must provide at least:
 - a. parking area;
 - b. facilities that ensure Shopping Centers and Supermarkets are clean, healthy (hygienic), safe and orderly; and
 - c. comfortable public space.
- (3) The location of the establishment of Shopping Centers and Supermarkets refers to:
 - a. RTRW; or
 - b. Detailed Regional Spatial Planning Plan.
- (4) The Regent determines the zoning of locations for the establishment of Shopping Centers and Supermarkets which are included in the Regional Spatial Planning Detail Plan.
- (5) In the event that the Regional Spatial Planning Detail Plan as referred to in paragraph (3) is not yet available, the determination of the zoning of the location for the establishment of Shopping Centers and Supermarkets will be carried out based on the RTRW.

Article 7

- (1) Self-service shop business actors as referred to in Article 5 paragraph (2) may establish minimarkets, supermarkets, hypermarkets and wholesalers/grocery stores in the form of shops with a stand-alone self-service system or integrated with shopping centers that have a business license and/or other buildings or areas.
- (2) In the case of a department store-type supermarket, the establishment of the department store by a Business Actor who is:
 - a. Foreign investment must be integrated with Shopping Centers that have Business Licenses; or
 - b. Domestic investment can be done independently or integrated with Shopping Centers that already have Business Licenses and/or other buildings or areas.

- (3) Business actors can have their own supermarket outlets which they own and manage themselves in accordance with the provisions of laws and regulations.

Article 8

The provisions as referred to in Article 5 paragraph (1) and paragraph (2) do not apply to Supermarkets if they are integrated with Shopping Centers that already have Business Permits, trade centers, and/or other buildings or areas.

Article 9

Determination of zoning for the location of the establishment of Shopping Centers and Supermarkets as referred to in Article 6 paragraph (4) and paragraph (5) is carried out by taking into account:

- a. the socio-economic conditions of the local community and the existence of People's Markets and Micro Enterprises in the local zone or area or region;
- b. utilization of space in order to maintain a balance between the number of People's Markets and Shopping Centers and Supermarkets;
- c. the distance between the Shopping Center and the Traditional Market or traditional retail stores; and
- d. Technical standards for spatial planning for Shopping Centers and Supermarkets in accordance with statutory regulations.

Article 10

The socio-economic conditions of the local community as referred to in Article 9 letter a include:

- a. population structure by livelihood and education;
- b. household economic income level;
- c. population density and growth rates in the Region according to the Central Statistics Agency's census data from the last year;
- d. potential for Partnership with Micro Enterprises;
- e. potential for employment;
- f. resilience and growth of People's Markets as a means for Micro Enterprises;
- g. availability of social facilities and public facilities;
- h. the positive and negative impacts of the establishment of Shopping Centers and Supermarkets on existing Traditional Markets or retail stores; and
- i. corporate social responsibility plan aimed at empowering the management of the People's Market and/or traditional retail stores in the surrounding area.

Article 11

- (1) The distance between Shopping Centers and Supermarkets and Traditional Markets is set at a minimum of 500 m (five hundred meters) taking into account:
 - a. the level of population density and growth in the Region according to the Central Statistics Agency census data from the last year;
 - b. local economic potential;
 - c. new residential development;
 - d. area accessibility (traffic flow);
 - e. security support and infrastructure availability;
 - f. local community life patterns; and/or
 - g. operating hours of Shopping Centers and Supermarkets that are synergistic and do not kill the traditional retail businesses in the surrounding area.
- (2) The distance between Shopping Centers and Supermarkets and Traditional Markets as referred to in paragraph (1) is excluded for Shopping Centers and Supermarkets whose buildings are integrated with Traditional Markets.

Article 12

- (1) Business actors can only have a maximum of 150 (one hundred and fifty) self-owned and managed supermarket outlets.
- (2) In the event that a Business Actor already has 150 (one hundred and fifty) Supermarket outlets and will add further Supermarket outlets, the Business Actor is required to franchise each Supermarket outlet added or enter into a joint venture or profit sharing with a Micro Business in accordance with the provisions of laws and regulations.

CHAPTER IV PRODUCT MANAGEMENT AND SALES SYSTEM

Article 13

- (1) The sales system and types of merchandise that must be implemented in a supermarket include:
 - a. Minimarkets, supermarkets and hypermarkets sell various types of consumer goods, especially food products and/or other household products, which can be in the form of building materials, furniture, electronics and other forms of special products;
 - b. *department stores* selling various types of consumer goods at retail, especially clothing and accessories, arranged based on gender and/or age of the consumer; and
 - c. Wholesale/Grocery in the form of a self-service system sells large/non-retail various consumer goods.

- (2) In addition to the types of goods sold as referred to in paragraph (1), supermarkets may sell goods supporting the main business amounting to a maximum of 10% (ten percent) of the total number of goods sold at supermarket outlets/stalls.

Article 14

- (1) Every Shopping Center and Supermarket Business Actor as referred to in Article 7 paragraph (1) is obliged to:
- a. submit periodic reports on business activities every 6 (six) months, showing the conditions per month, including:
 1. number of outlets owned;
 2. sales turnover of all outlets;
 3. the number of Micro Businesses that are partners and their partnership patterns; and
 4. the number of workers absorbed.
 - b. report any changes related to the company no later than 30 (thirty) days from the date of the change;
 - c. set aside part of its profits from annual net profit to be allocated as corporate social responsibility costs to the People's Market, traditional retail stores and/or the community in the area surrounding its business location; and
 - d. comply with the provisions contained in the permit.
- (2) Other obligations of a Supermarket Manager are:
- a. improve service quality and ensure consumer comfort;
 - b. maintaining security and order in the business premises;
 - c. maintaining cleanliness, beauty of the location and environmental sustainability of the business premises;
 - d. prevent any person from carrying out gambling activities and other acts that violate morality and public order at their place of business;
 - e. prevent the use of business premises for the distribution/sale/use of alcoholic beverages, illegal drugs and other prohibited goods that do not comply with the provisions of laws and regulations;
 - f. provide health facilities, waste and drainage facilities, bathrooms and toilets and worship facilities for employees and consumers;
 - g. provide opportunities for employees and consumers to perform religious duties;
 - h. comply with agreements and ensure the safety, health and welfare of employees;
 - i. provide ready-to-use fire extinguishers and prevent the possibility of fire hazards in the business premises;
 - j. List all prices of the goods traded clearly, easily read and seen by consumers in rupiah; and

- k. provide a place for re-measurement posts and consumer complaints.
- (3) In addition to the obligations as referred to in paragraph (1) and paragraph (2), Supermarket Business Actors who manage supermarkets are prohibited from:
 - a. exercising control over the production and/or control of goods and/or services through monopolistic practices;
 - b. hoarding and/or storing basic community necessities in warehouses in quantities exceeding reasonable levels for speculative purposes that will harm the interests of the community;
 - c. hoarding and/or storing goods whose nature and type are dangerous to health and safety;
 - d. selling goods that do not comply with the provisions of laws and regulations;
 - e. changing or adding business facilities without permission;
 - f. using underage workers;
 - g. using foreign workers without permission in accordance with statutory regulations;
 - h. selling goods outside the floor area of the building used for selling;
 - i. selling goods by means of marketing around the area; and
 - j. using single-use plastic bags.
- (4) The report as referred to in paragraph (1) is submitted to the Regional Apparatus in charge of Industry and Trade affairs.

Article 15

- (1) Supermarkets are required to provide merchandise produced locally.
- (2) In terms of using the Supermarket's own brand, the Supermarket Business Actor is required to:
 - a. responsible for the goods being traded, they have complied with the provisions of laws and regulations in the field of intellectual property; and
 - b. fostering product development and own brands for Merchandise for Micro Enterprises.
- (3) Supermarkets are required to display the prices of goods clearly, easily read and easily seen.
- (4) Supermarkets are required to ensure that standards for weight and size (measurement procedures) are in accordance with and use measuring tools, scales, weights and equipment in accordance with nationally applicable standards.
- (5) In the case of a supermarket selling non-halal goods, it is mandatory to place them in a separate place and provide a label/information board that is easy for consumers to see.

Article 16

- (1) The sales system for goods in convenience stores such as minimarkets, supermarkets and hypermarkets uses a retail mechanism.
- (2) The sales system for goods in grocery stores uses a wholesale mechanism with sales transactions for goods that can only be carried out to business actors and/or retail traders who have membership cards.
- (3) Supermarkets are prohibited from providing food and/or beverage sales services that are consumed directly by buyers at the sales location unless they have a permit in accordance with the provisions of laws and regulations.
- (4) The sales system for goods in supermarkets can use cash and/or non-cash transactions.
- (5) Minimarket type supermarkets are prohibited from:
 - a. selling fresh products in bulk; and
 - b. selling alcoholic beverages.

CHAPTER V PARTNERSHIP AND BUSINESS RESPONSIBILITY

Article 17

- (1) In order to develop Micro Enterprises, Shopping Center and Supermarket Managers are required to enter into Partnerships with General Trading and/or Franchise patterns in accordance with the provisions of laws and regulations.
- (2) Partnerships with a general trade pattern as referred to in paragraph (1) can be carried out in the form of:
 - a. marketing cooperation;
 - b. provision of business location; and/or
 - c. supply provision.

Article 18

- (1) Marketing cooperation as referred to in Article 17 paragraph (2) letter a can be carried out in the form of marketing goods produced by Micro Businesses which are packaged or repackaged with the brand of the owner of the goods, the brand of the Supermarket, or another agreed brand in order to increase the selling value of the goods.
- (2) Supermarkets, when selling goods using their own Supermarket brand, prioritize goods produced by Micro Businesses and goods produced in the Region.
- (3) Supermarket Business Actors who market goods produced by Micro Businesses under their own Supermarket brand are required to include the name of the Micro Business that produces the goods.

Article 19

- (1) Provision of business locations as referred to in Article 17 paragraph (2) letter b, is carried out in the form of:
 - a. provide business space in the Shopping Center area to Micro Business actors in accordance with the agreed designation;
 - b. provision of display cases/outlets/sales areas in Supermarkets with the provision of at least 2% (two percent) of the sales floor area in each Supermarket outlet.
- (2) Provision of business locations as referred to in paragraph (1) is carried out by Supermarket business actors without charging fees to Micro Businesses.

Article 20

- (1) Shopping Center Managers are required to provide and/or offer:
 - a. strategic and proportional business space within the framework of Partnership with selling prices or rental fees according to the capabilities of Micro and Small Businesses; and/or
 - b. strategic and proportional promotional space and/or business space for branding and/or marketing of domestic products with domestic brands.
- (2) The strategic business space as referred to in paragraph (1) letter a is in a location that is easily accessible to visitors.
- (3) Obligation to provide business space and/or promotional space in Shopping Centers for Micro Businesses and/or marketing of Domestic Products with domestic brands at least 30% (thirty percent) of the area of the Shopping Center in accordance with the provisions of laws and regulations.
- (4) In implementing the provision and/or offering of business space as referred to in paragraph (1), the Regional Government will provide technical assistance and guidance to Micro Businesses that partner with Shopping Center managers based on the provisions of statutory regulations.

Article 21

Provision of supplies as referred to in Article 17 paragraph (2) letter c is carried out in the form of provision of Goods from Suppliers to Shopping Centers and Supermarkets.

Article 22

- (1) In developing Partnerships between Shopping Centers and Supermarkets with Micro Enterprises, this can be done in the form of providing facilities in the form of:

- a. training;
 - b. consultation;
 - c. supply of goods;
 - d. capitalization; and/or
 - e. other forms of assistance.
- (2) Further provisions regarding the facilitation as referred to in paragraph (1) are regulated in the Regent's Regulation.

CHAPTER VI DEVELOPMENT OF BUSINESS COOPERATION AND COOPERATION AGREEMENT

Part One Development of Business Cooperation

Article 23

- (1) The cooperative relationship between Supermarkets and Suppliers must pay attention to and follow the provisions regarding Trade requirements, payment mechanisms, and imposition of administrative fees for registering Goods as regulated in the provisions of laws and regulations.
- (2) Supermarket Business Actors who cooperate in supplying goods are required to involve Micro Business Actors.
- (3) The supply of goods as referred to in paragraph (2) must prioritize domestic production.
- (4) The cooperative relationship for the supply of goods between suppliers and supermarket business actors is made by means of a written agreement in Indonesian and is subject to Indonesian law.
- (5) In the case of a written agreement as referred to in paragraph (1) containing Trade Conditions, these must be clear, reasonable, fair and mutually beneficial and agreed to by both parties without pressure.
- (6) To ensure the implementation of the principle of healthy competition, the Regional Government carries out monitoring and supervision of the preparation of agreements and implementation of cooperation as referred to in paragraph (2).

Article 24

- (1) In developing business cooperation between Micro Business suppliers and Supermarket Business Actors, the trade requirements as referred to in Article 23 are carried out with the provisions of Supermarket Business Actors:
 - a. does not charge administration fees for registering Goods from Micro Business suppliers; and
 - b. pay Micro Business suppliers in cash, or for certain technical reasons can be done within a maximum period

of 15 (fifteen) days after all billing documents are received.

- (2) Payments as referred to in paragraph (1) letter b may be made in non-cash form if based on calculations of risk costs and interest it does not harm the Micro Business supplier.

Part Two
Cooperation agreement

Article 25

- (1) The cooperation agreement between the Supplier and the Supermarket must contain Trade Terms regarding at least:
- a. Suppliers may only be charged costs directly related to the sale of Goods;
 - b. the amount of the fees charged as referred to in letter a, is a maximum of 15% (fifteen percent) of the total costs of the Trade requirements excluding regular discounts;
 - c. Suppliers and Supermarkets jointly make promotional plans, both for new and old goods for an agreed period of time;
 - d. the use of Supermarket distribution services may not be forced on Suppliers who can distribute their own Goods as long as they meet the criteria (time, quality, price of Goods, quantity) agreed upon by both parties;
 - e. Suppliers may be subject to fines if they do not meet the quantity and timeliness of supplies;
 - f. Supermarkets may be subject to fines if they do not make payments on time;
 - g. the fines referred to in letters e and f are imposed according to the agreement of both parties;
 - h. Supermarkets can return newly marketed goods to suppliers without being subject to sanctions as long as after being evaluated within a period of 3 (three) months they do not meet the targets that have been jointly set; and
 - i. Supermarkets must provide written information at least 3 (three) months in advance to Suppliers if they intend to carry out a stop order delisting or reduce the types of goods or stock keeping units (SKUs) of the Supplier.
- (2) The fees that may be charged as referred to in paragraph (1) letter a are:
- a. Regular discounts do not apply to Suppliers who implement a net price system that is published transparently to all Supermarkets and agreed upon with the Supermarkets;
 - b. Fixed discounts are given periodically for a maximum of 3 (three) months, at most 1% (one percent);
 - c. the amount of the regular discount is determined based on a percentage of the sales transaction from the

Supplier to the Supermarket, either at the time of the transaction or periodically;

- d. special discounts given by the Supplier from the total net purchase including returns of Goods, if the Supermarket can achieve sales according to the trade agreement, with the following sales criteria:
 - 1) reaching the target amount according to the agreement of 100% (one hundred percent) will receive a special discount of up to 1% (one percent);
 - 2) exceeding the targeted amount by 101% (one hundred and one percent) to 115% (one hundred and fifteen percent), the excess will receive a special discount of a maximum of 5% (five percent); or
 - 3) exceeding the targeted amount of 115% (one hundred and fifteen percent), the excess will receive a special discount of up to 10% (ten percent).
- e. promotional discounts are given to customers or end consumers within a limited time as agreed between the Supermarket and the Supplier;
- f. Promotion costs charged to Suppliers by Supermarkets as agreed by both parties, consisting of:
 - 1) promotional costs through mass media or print such as brochures or mailers, which are set transparently and fairly in accordance with media rates and other creative costs;
 - 2) Promotion costs at local Stores are charged only for promotional areas outside the Store's regular displays or displays such as floor displays, promotional gondolas, block shelving, cashier areas, wing gondolas, billboards inside and outside the Store, and other places used for promotional purposes;
 - 3) promotional costs to promote the Supplier's goods such as sampling, product demonstrations, gifts, games, etc.;
 - 4) costs deducted or cut for promotional activities are carried out no later than 3 (three) months after the event based on confirmation from both parties; and
 - 5) Unused promotional costs must be used for other promotional activities both in the relevant period and for the following period within a period of 3 (three) months as agreed by both parties.
- g. costs incurred for promoting new goods are included in the promotional costs as referred to in letter f;
- h. other costs outside the costs referred to in letter f are not permitted to be charged to the Supplier;
- i. Goods registration administration fee only for new goods with the following fee:
 - 1) for hypermarkets a maximum of IDR 150,000.00 (one hundred and fifty thousand rupiah) for each

- type of Goods in each outlet with a maximum fee of IDR 10,000,000.00 (ten million rupiah) for each type of Goods in all outlets;
- 2) for supermarkets a maximum of Rp. 75,000.00 (seventy five thousand rupiah) for each type of Goods in each outlet with a maximum fee of Rp. 10,000,000.00 (ten million rupiah) for each type of Goods in all outlets; and
 - 3) for minimarkets, a maximum of IDR 50,000.00 (fifty thousand rupiah) for each type of goods in each outlet with a maximum fee of IDR 20,000,000.00 (twenty million rupiah) for each type of goods in all outlets.
- j. Changes in the administrative costs for registering Goods as referred to in letter i may be adjusted annually based on inflation developments.

Article 26

The cooperation agreement between the Supplier and the department store must contain trade terms that meet the following requirements:

- a. does not impose any Trading requirement fees; and
- b. Suppliers of goods to department stores are only charged a margin fee and may be subject to additional fees as agreed by both parties.

Article 27

Shopping Centers and Supermarkets must act fairly and reasonably in providing services to business partners, whether as owners, tenants of business space, or as Suppliers, in accordance with the agreement between both parties.

Article 28

- (1) The business cooperation agreement for the supply of goods between the Supplier and the Supermarket Business Actor and the rental or sale and purchase agreement between the Shopping Center and the owner or lessee of business space in the Shopping Center must be made in Indonesian and in Rupiah currency and based on Indonesian law.
- (2) In the case of a cooperation agreement as referred to in paragraph (1) involving a foreign party, the cooperation agreement must also be written in a foreign language or English.

CHAPTER VII OPERATING HOURS

Article 29

- (1) Supermarkets, hypermarkets, and department stores are required to comply with operating hour requirements.
- (2) The operating hours of supermarkets, hypermarkets and department stores as referred to in paragraph (1) are:
 - a. for Monday to Friday from 10.00 to 22.00 WIB; and
 - b. for Saturday and Sunday from 10.00 to 23.00 WIB.
- (3) For religious holidays or national holidays, as well as other specific days or conditions, the Regent may determine the operating hours of supermarkets, hypermarkets and department stores other than the operating hours as referred to in paragraph (1).

CHAPTER VIII PERMITS

Article 30

- (1) To start and carry out business activities, Business Actors in Shopping Centers and Supermarkets are required to fulfill:
 - a. basic requirements for business licensing; and/or
 - b. Business Licensing.
- (2) Business Licensing as referred to in paragraph (1) letter b, includes:
 - a. Risk-Based Business Licensing; and
 - b. Business Licensing to support business activities.
- (3) The basic requirements for Business Licensing as referred to in paragraph (1) letter a include:
 - a. suitability of space utilization activities;
 - b. environmental approval;
 - c. building approval; and
 - d. certificate of functional suitability.
- (4) Risk-Based Business Licensing as referred to in paragraph (2) letter a includes the following regulations:
 - a. related KBLI/KBLI code, KBLI title, scope of activities, Risk parameters, Risk level, Business Licensing, time period, validity period, and Business Licensing authority;
 - b. requirements and/or obligations for Risk-Based Business Licensing;
 - c. Risk-Based Business Licensing guidelines; and
 - d. business activity standards and/or product standards.
- (5) The provisions regarding basic requirements for Business Licensing and Business Permits as referred to in paragraph (1) refer to the provisions of statutory regulations.

CHAPTER IX
STABILIZATION OF BASIC NEEDS
AND/OR IMPORTANT ITEMS

Article 31

- (1) The Regional Government is tasked with controlling the availability, price stability and distribution of basic necessities and/or important goods in the region.
- (2) Determination of the types of Basic Necessities and/or Important Goods as referred to in paragraph (1) is carried out in accordance with the provisions of statutory regulations.
- (3) In order to implement control over the availability, price stability and/or distribution of basic necessities and/or important goods as referred to in paragraph (1), the Regional Government has the authority to:
 - a. increase and protect production;
 - b. develop production facilities;
 - c. develop infrastructure;
 - d. fostering entrepreneurs;
 - e. develop Trading Facilities;
 - f. monitor and supervise prices and stocks;
 - g. develop commodity information;
 - h. manage stock and logistics;
 - i. facilitating Micro Businesses in Distribution to obtain easy access to supplies of raw materials, auxiliary materials, basic necessities, important goods and/or other merchandise from distributors or other producers;
 - j. improve the smoothness of distribution flow; and
 - k. conducting market operations in the Region.
- (4) Further provisions regarding the control of availability, price stability and/or distribution of basic necessities and/or important goods as referred to in paragraph (1) are regulated in the Regent's Regulation.

CHAPTER X
SHOPPING CENTER REDEVELOPMENT

Article 32

In the event that a Shopping Center is rebuilt for any reason, the Shopping Center manager is required to give priority to cooperatives and Micro Enterprises registered as Traders in the Shopping Center to own or rent a new location of the rebuilt Shopping Center at an affordable utilization price.

CHAPTER XI GUIDANCE AND SUPERVISION

Article 33

- (1) The Regent has the authority to provide guidance on the management of Shopping Centers and Supermarkets in the Region.
- (2) The authority to carry out coaching as referred to in paragraph (1) is delegated to the Regional Apparatus in charge of Trade.
- (3) The guidance as referred to in paragraph (1) can be implemented in the form of:
 - a. facilitation for Micro Business actors to be able to meet the quality standards of the goods traded;
 - b. facilitating the implementation of partnerships between retail business actors and micro business actors;
 - c. facilitation of Trade and Industrial Business Actors in order to fulfill compliance with obligations and prohibitions;
 - d. facilitation for Trade and Industrial Business Actors in order to improve product quality; and
 - e. other forms of guidance in accordance with the provisions of laws and regulations.

Article 34

- (1) In order to ensure that trade and industrial activities are carried out in an orderly and responsible manner and in accordance with laws and regulations, the Regent has the authority to supervise the implementation of Shopping Centers and Supermarkets in the Region.
- (2) The authority to carry out supervision as referred to in paragraph (1) is delegated to the Regional Apparatus that carries out government affairs in the Trade sector.
- (3) Supervision as referred to in paragraph (1) can be implemented in the form of:
 - a. field inspection;
 - b. market operations;
 - c. examination of administrative documents; or
 - d. other forms of supervision in accordance with the provisions of laws and regulations.
- (4) In carrying out supervision as referred to in paragraph (1), a field supervision team may be formed consisting of:
 - a. person responsible;
 - b. chairman;
 - c. secretary; and
 - d. member.
- (5) The field supervision team as referred to in paragraph (3) is determined by the Regent's Decree.

Article 35

Further provisions regarding guidance and supervision are regulated in the Regent's Regulation.

CHAPTER XII
ADMINISTRATIVE SANCTIONS

Article 36

- (1) Every Business Actor/Manager of a Supermarket and/or Shopping Center who violates the provisions of Article 12 paragraph (2), Article 14 paragraph (1), paragraph (2), paragraph (3), Article 15, Article 16 paragraph (3), paragraph (5), Article 17 paragraph (1), Article 18 paragraph (3), Article 20 paragraph (1), paragraph (3), Article 23 paragraph (2), paragraph (3), Article 29 paragraph (1), Article 30 paragraph (1) and Article 32 shall be subject to administrative sanctions.
- (2) Administrative sanctions as referred to in paragraph (1) include:
 - a. verbal warning;
 - b. written warning;
 - c. temporary suspension of activities;
 - d. permanent cessation of activities;
 - e. temporary revocation of permit;
 - f. permanent revocation of permit;
 - g. government coercion;
 - h. administrative fines; and/or
 - i. other administrative sanctions in accordance with the provisions of laws and regulations.
- (3) Further provisions regarding the procedures for imposing administrative sanctions are regulated in the Regent's Regulation.

CHAPTER XIII
TRANSITIONAL PROVISIONS

Article 37

Shopping Centers and Supermarkets that have been established, are operating and have not implemented a partnership program, are required to implement a partnership program within a maximum of 1 (one) year from the time this Regional Regulation comes into effect.

CHAPTER XIV
CLOSING PROVISIONS

Article 38

The implementing regulations for this Regional Regulation must be stipulated no later than 1 (one) year from the date this Regional Regulation is enacted.

Article 39

At the time this Regional Regulation comes into effect, Nganjuk Regency Regional Regulation Number 7 of 2019 concerning the Implementation of Shopping Centers and Supermarkets (Nganjuk Regency Regional Gazette 2020 Number 2, Supplement to Nganjuk Regency Regional Gazette Number 16), is revoked and declared invalid.

Article 40

This Regional Regulation shall come into force on the date of promulgation.

In order for everyone to know, we order the promulgation of this Regional Regulation by placing it in the Nganjuk Regency Regional Gazette.

Established in Nganjuk
on December 13, 2024

Acting Regent of NGANJUK,

ttd.

SRI HANDOKO TARUNA

Enacted in Nganjuk
on December 13, 2024

REGIONAL SECRETARY
NGANJUK DISTRICT

ttd.

Drs. NUR SOLEKAN, M.Sc.