



# INDONESIA: DIRECT SELLING INDUSTRY

GUIDELINES FOR SETTING UP DIRECT SELLING COMPANIES

# STAKEHOLDERS

## MINISTRY OF TRADE

- Companies establishment licenses and other related required legal entities documentation

## THE INVESTMENT COORDINATING BOARD (BKPM)

- Investment Principle License
- SIUPL (Direct Selling License)

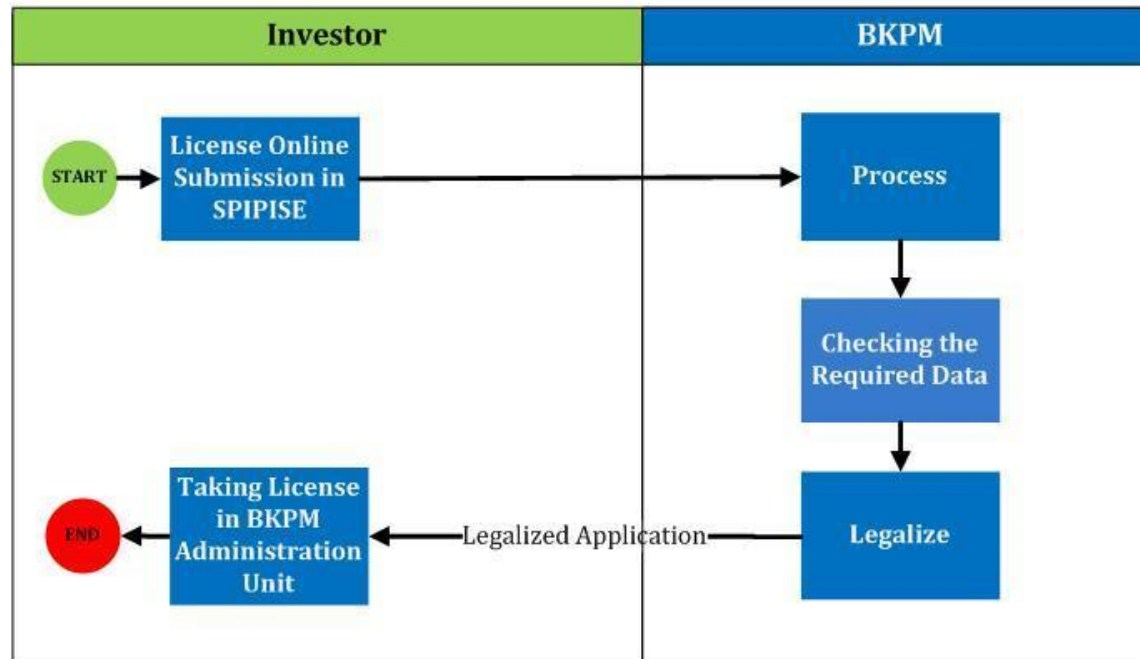
## TECHNICAL MINISTRIES AND/OR INSTITUTION/ASSOCIATION

- Product License: MOH, BPOM, etc
- APLI: applying for membership



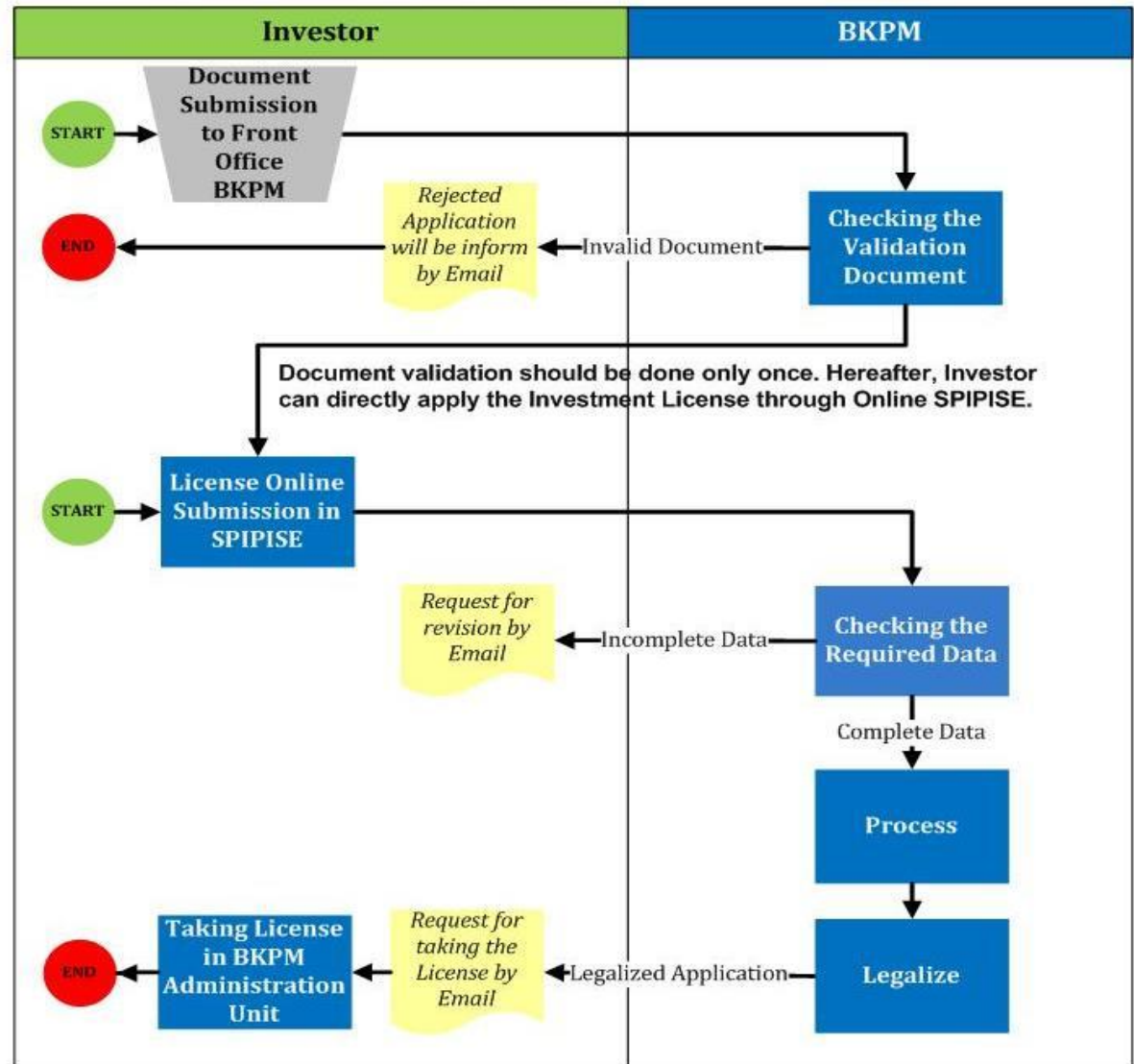
# BKPM: Investment Principle License

*Flow Process for Investment Principle License  
(Companies that have not obtained legal entities)*



# BKPM: Investment Principle License

*Flow Process for Investment Principle License  
(Companies that have obtained legal entities)*



# Obtains Direct Selling License (SIUPL)

- **Submit application to BKPM with cc to Ministry of Trade**
- **Present marketing plan presentation at BKPM**
  - Attended by representatives from BKPM, Ministry of Trade and APLI as panel
  - APLI will assess the marketing plan with focus on: allowed marketing system including but not limited to the implementation of company's conduct of ethic
  - After presentation, APLI should be able to provide recommendation to BKPM on whether a SIUPL should be granted or not

# Obtains Direct Selling License (SIUPL)

- **Field Inspection**

Whilst SIUPL application is in process at BKPM, Ministry of Trade will conduct field inspection to the company

## What to prepare?

- Copy of existing legal entities documentations
- Technical permits, i.e. product licenses from related ministry
  - BPOM: TMHS and Food products
  - MOH: Medical devices
  - etc
- Provides product samples [for verification purposes against the existing provided certification / product licenses]

# Obtains Direct Selling License (SIUPL)

- **Field Inspection [continued]**

Inspection will also includes physical check / observation on the office building, including but not limited to presentation room, warehouse, storage and other related supporting buildings.

- **Inspection Report**

Ministry of Trade recorded all finding during the inspection and will provide report and/or recommendation to BKPM to grant a SIUPL (or not)

- **BKPM Issues SIUPL**

# Time Management

Depending on documentation completeness, scheduling, etc, timeline to set up business is different from one application and another.

## The five giants of Asean



	 URBAN POPULATION Of total	 ANNUAL GDP GROWTH RATE	 CORRUPTION RANKING Out of 175 countries globally	 EASE OF DOING BUSINESS June 2015 data out of 189 countries	 FIXED BROADBAND SUBSCRIPTIONS Per 100 population
INDONESIA	53%	5%	107	109th	1.19
MALAYSIA	74%	6%	50	18th	10.14
THAILAND	49%	0.9%	85	49th	8.21
PHILIPPINES	44%	6.1%	85	103th	23.22
VIETNAM	33%	6%	119	90th	6.48

NOTE: All data for year 2014 unless otherwise specified

Source: J.L. WORLD BANK, TRANSPARENCY INTERNATIONAL, FOCUS-ECONOMICS, ST GRAPHICS



*Thank You*

