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#### 1. Introduction

Food is the most essential human need, fulfillment of which is a basic human right guaranteed by the 1945 Constitution of the Republic of Indonesia. As such, the Republic of Indonesia ("Indonesia" or the "Government") is responsible for ensuring the availability, affordability and sufficiency of safe, wholesome and nutritionally balanced food to individuals within its entire territory, while relying upon local resources, institutions and cultures to the maximum extent possible at all times.

Indonesian food safety is governed by various legislation, including laws on goods and product quality, food safety, and consumer rights protection.

In this newsletter, we focus on the most direct laws and regulations on food safety in Indonesia, as follows:

- a) Law No. 18 of 2012 on Food ("Law No. 18") as amended by Law No. 11 of 2020 on Job Creation ("Law No. 11");
- b) Law No. 33 of 2014 on Halal Products Guarantee ("Law No. 33") as amended by Law No. 11;
- c) Government Regulation No. 86 of 2019 on Food Safety ("GR No. 86");
- d) Regulation of the Minister of Health No. 33 of 2012 on Food Additives ("Reg No. 33");
- e) Regulation of the Minister of Agriculture ("MOA") No. 55 of 2016 on the Supervision of Food Safety against the Importation of Fresh Food of Plant Origin (Reg No. 55);
- f) Regulation of the Head of the National Agency of Drug and Food Control ("**BPOM**") No. 11 of 2019 on Food Additives ("**Reg No. 11**");
- g) Regulation of the BPOM No. 23 of 2016 on Labeling and Advertising of Information for Non-Additive Food (as amended) ("Reg No. 23");

- h) Decision of the Director of Processed Food Standardization No. HK.02.02.51.511.06.21.21 Year 2021 on the Public Service Standard in the Directorate Processed Food Standardization ("Food Standardization Regulation"); and
- i) Decision of the Director General of Drug and Food Control No. 02592/B/SK/VIII/91 on the Use of Food Additives ("**Decision No. 02592**").

Law No. 8 and GR No. 86 mainly describe the rights and obligations of organizations and individuals in respect of food safety; conditions to ensure the safety of food for manufacturing, doing business in food, and importing, exporting food; labeling food; food sanitation; control of food additives; control of genetically engineered food products; control of food irradiation; food packaging standards; food quality and food safety assurance; and Halal product assurance.

The main authorities who supervise the food safety are the Minister of Health ("MOH") and the National Agency of Drug and Food Control ("BPOM").

#### 2. Food and Food-related Definitions

Law No. 18 defines "**Food**" as anything that comes from biological sources via agricultural, plantation, forestry, fishery, animal farming, waters (*perairan* in Indonesian language – including freshwater, brackish, and salt waters (sea)), and water (*air* in Indonesian language) products, whether processed or unprocessed, which is designated as food or beverage for human consumption, including additives, raw materials, and other materials used in the preparation, processing and/or production of food or beverages.

In Indonesia, orchestration of food-related policies and processes is:

- (1) implemented based on the principles of: a. sovereignty; b. self-sufficiency; c. security; d. safety; e. benefit; f. equality; g. sustainability; and h. equity; and
- (2) implemented to fulfill humans' basic needs in a equitable and sustainable manner while maintaining Food Sovereignty, Food Self-Sufficiency and Food Security.

The aims of the legislation are as follows:

- independently increase capacity for Food production;
- provide diverse Food and comply with safety, quality and nutrition requirements for consumption;
- achieve Food sufficiency level, especially staple Food with reasonable and affordable prices according to public needs;
- facilitate or improve Food access for the people, especially for people with Food and nutrition insecurity;
- increase added value and competitiveness of Food commodities in domestic and foreign markets;
- increase knowledge and awareness of the people concerning Food safety, quality and nutrition for public consumption;
- improve welfare for farmers, fishers, fish farmers and Food business operators; and
- protect and develop national Food resources.

#### Nishimura & Asahi

The prevailing laws and regulations further provide the definitions of sub-categories of foods, including "local foods", "fresh foods", "processed foods", "food irradiation", and "Genetically Engineered food products". In particular:

Local foods <sup>1</sup>	Food that is consumed by the local community in accordance with local potential and wisdom.
Fresh foods <sup>2</sup>	Food that has not been processed and may be consumed directly and/or which may be used as raw material of Food processing.
Processed foods <sup>3</sup>	Food or beverage that is processed in a certain way or method with or without additives.
Food Irradiation <sup>4</sup>	A Food handling method, either by using radioactive substances or accelerators, to prevent rot and damage, free Food from pathogenic microorganisms, and prevent shoot growth.
Genetically Engineered food products <sup>5</sup>	Food produced or using raw materials, Food additives and/or other materials resulting from genetic engineering processes.

## 3. Basic Principles of Food Safety

Under Law No. 18, "Food Safety" is implemented to ensure Food is safe, hygienic, wholesome, nutritious and does not conflict with cultural or religious beliefs, and to prevent food from biological, chemical and physical contamination that can interfere with, harm or endanger human health.

In Indonesia, the implementation of Food Safety is conducted through the following methods:

## • Food Sanitation<sup>6</sup>

Food Sanitation is implemented in activities or processes of Food production, storage, transport and/or distribution (the "Food chain") so that Food is safe for consumption.

Law No. 18 in conjunction with GR No. 86 stipulate that any person involved in the Food chain is obligated to control Food risk, whether it originates from materials, equipment, production facilities or from individuals, so that Food safety is guaranteed. Furthermore, any person implementing

<sup>&</sup>lt;sup>1</sup> Law No. 18, Article 1.17.

<sup>&</sup>lt;sup>2</sup> Law No. 18, Article 1.18.

<sup>&</sup>lt;sup>3</sup> Law No. 18, Article 1.19.

<sup>&</sup>lt;sup>4</sup> Law No. 18, Article 1.32.

<sup>&</sup>lt;sup>5</sup> Law No. 18, Article 1.33.

<sup>&</sup>lt;sup>6</sup> Law No. 18 defines the Food Sanitation as an effort to create and maintain a healthy and hygienic Food condition that is free from the dangers of contamination of biological, chemical, and other objects.

activities or processes of Food production, storage, transport and/or distribution is obligated: (i) to meet the Food sanitation requirements; and (ii) to ensure the Food safety and/or human safety.

The Food sanitation requirements include the following:

- (i) avoidance of the use of materials that can threaten Food safety along the Food chain;
- (ii) Food Contaminant<sup>7</sup> compliance;
- (iii) process control along the Food chain;
- (iv) material traceability system implementation; and
- (v) prevention of decrease or loss of nutritional content.

Any person who fails to meet the requirements hereunder shall be subject to administrative sanction in the form of: (i) fine; (ii) temporary suspension of activities, production, and/or distribution; (iii) recall of Food from distribution by producers; (iv) obligation to compensate effected individuals; and/or (v) revocation of business licensing.

### • Control of Food additives

In a general sense, Food additives are any substances added to Food to affect the characteristics and/or shape of the Food.

• Control of Genetically Engineered Food Products

Based on Law No. 18 in conjunction with GR No. 86, every person is prohibited from:

- (i) producing Food involving Food Genetic Engineering;8 and
- (ii) carrying out Food Production activities or processes which use raw materials, Food additives, and/or other materials resulting from Food Genetic Engineering,

that has not fulfilled the business licensing requirements of, and received such license from, the Government.

Any person violating the provisions herein shall be subject to administrative sanctions in the form of: (i) fine; (ii) temporary suspension from activity, production and/or distribution; (iii) recall of Food from distribution by producer; (iv) obligation to compensate effected individuals; and/or (v) revocation of license.

Control of Food Irradiation<sup>9</sup>

<sup>&</sup>lt;sup>7</sup> GR No. 86 defines Food Contaminant as material that incidentally and/or undesirably enters Food from the environment or as a result of processes along the Food chain, including biological contaminants, chemical heavy metals contaminants, mycotoxins, radioactive substances, and other chemical contaminants, residues of pesticides and veterinary medicines and other substances that can disrupt, harm, and endanger human health.

<sup>&</sup>lt;sup>8</sup> Law No. 18 defines Food Genetic Engineering as a process that involves transferring genes (trait carriers) from one biological type to a different or the same biological type to obtain a new type capable of producing a superior Food.

<sup>&</sup>lt;sup>9</sup> Law No. 18 defines Food Irradiation as a Food handling method, by using radioactive substances or accelerators to prevent rot and damage, free Food from pathogenic microorganisms, and prevent shoot growth.

As a general rule, Food Irradiation can be conducted using radioactive substances as well as accelerators to prevent spoilage and decomposition, eliminate foodborne pathogens, and inhibit the germination of root crops.

Law No. 18 stipulates that the Food Irradiation is carried out only under business licensing from the Government.

Based on GR No. 86, the use of radioactive substances or accelerators for Food Irradiation is required to be carried out in an irradiation facility which has a "utilization license for ionizing radiation sources" issued by the head of a non-ministerial government institution that carries out tasks in the field of nuclear energy control.

The utilization license of ionizing radiation sources is granted after fulfilling certain requirements concerning the following:

- a. health;
- b. techniques and equipment;
- c. construction of buildings or facilities;
- d. waste management and hazard mitigation of radioactive substances;
- e. occupational safety; and
- f. environmental sustainability.

The food business operator who carries out the Food Irradiation is obligated to meet the requirements which shall at least include: (i) radiation sources; (ii) the maximum absorbed dose; (iii) food and packaging types that can be irradiated; (iv) the purpose of irradiation; (v) good practices in food irradiation; and (v) reporting and monitoring.

## Establishment of Food Packaging standards

Generally, Food packaging is aimed at preventing food spoilage and decomposition, protecting products from contamination and eliminating foodborne pathogens.

Based on Law No. 18 in conjunction with GR No. 86, any person producing packaged food is obligated to use Food packaging materials that do not endanger human health and must use food packaging materials that are both safe and meet migration limits.

Furthermore, any person producing Food for distribution is prohibited from using any material that can release hazardous substances that endanger human health as Food packaging and Food packaging for distribution shall be conducted according to procedures that avoid damage and/or contamination.

Any person violating these provisions shall be subject to administrative sanctions in the form of: (i) fine; (ii) temporary suspension from activity, production and/or distribution; (iii) recall of Food from distribution by producer; (iv) compensation; and/or (v) revocation of license.

The following are the requirements related with the Food packaging procedures under GR No. 86 which must be observed by any person who packs Food: 10

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<sup>&</sup>lt;sup>10</sup> GR No. 86, Article 27.

- a. protect and maintain Food quality;
- b. the Food packaging (procedures) must be strong enough to withstand treatment during processing, Food transportation and Food distribution;
- c. protect Food from contaminants, prevent damage, and provide suitable labelling; and
- d. Food packaging materials must be stored and handled in a hygienic condition and apart from raw materials and final product.

## Issuance of Food Quality and Safety assurance

Law No. 18 requires any person producing and trading Food to comply with Food Safety and Food Quality standards.

Compliance with Food Safety and Food Quality Standards requires implementing a Food Safety and Food Quality assurance system evidenced by a Food Safety and Food Quality assurance certificate issued by the Government and/or certification bodies accredited by the Government.

Based on Law No. 18 in conjunction with GR No. 86, all persons are prohibited from trading Food that is not in accordance with the Food Safety and Quality standards written on Food labeling.

Any person violating these provisions shall be subject to administrative sanctions in the form of: (i) fine; (ii) temporary suspension from activity, production and/or distribution; (iii) recall of Food from distribution by producer; (iv) obligation to compensate effected individuals; and/or (v) revocation of license.

# Halal product assurance

Law No. 18 stipulates that the control over Halal Products<sup>11</sup> will be conducted by the Government and the Regional Government.

Under Law No. 33, the halal certification process will be conducted by the Halal Products Guarantee Provider ("BPJPH"), which is the agency established by the Government to organize the halal products guarantee. 12

Generally, based on Law No. 33, Products<sup>13</sup> (which includes Foods) that enter, are circulated or traded in the territory of Indonesia shall be obligated to acquire halal certification in the form of a halal certificate issued by BPJPH based on the written halal fatwa issued by the MUI. 14

The purposes of the halal products guarantee are to provide comfort, security, safety, and certainty of availability of Halal Products for the community and to improve added value for any business actors to produce and sell Halal Products.

The organizer of the halal products guarantee is the Minister of Religion ("MOR") of the Republic of Indonesia through the Halal Products Guarantee Provider (Badan Penyelenggara Jaminan Produk *Halal* / **BPJPH**) which is established by the MOR and has the following authorities, among others:

<sup>11</sup> Law No. 33 defines "Halal Products" as the Products that have been declared halal in accordance with Islamic Law.

<sup>&</sup>lt;sup>12</sup> Law No. 33 defines the Halal Products Guarantee as the legal certainty as to the halal status of a Product as proven with a Halal Certificate.

<sup>13</sup> Law No. 33 defines "Products" as goods and/or services related to food, drinks, medicines, cosmetics, chemical products, biological products, genetically engineered products, as well as purpose goods that are worn, used, or utilized. <sup>14</sup> MUI is a discussion forum of the Islamic clerks, *zuama*, and Muslim scholars.

- to formulate and determine policy of the halal products guarantee;
- to determine the norms, standards, procedures, and criteria of the halal products guarantee;
- to issue and revoke Halal Certificate and Halal Label of Products;
- to carry out registration of Halal Certificate of foreign Products;
- to carry out dissemination, education, and publication of Halal Products;
- to carry out supervision of the halal products guarantee;
- to carry out cooperation with domestic and foreign agencies in the field of organization of the halal products guarantee.

In order to secure a halal certificate, a business entity is required to submit the application to the BPJPH along with the following documents:

- data of the business entity;
- name and types of Products;
- list of Products and ingredient used; and
- fabrication process of Products.

In addition to the above, the business entity shall also be obliged to fulfill the following:

- to provide the information correctly, clearly and honestly;
- to separate the location, slaughter place and tool, processing, storage, packaging distribution, sales, as well as presentation between halal and non-halal products;
- to have a halal supervisor; and
- to report the change of composition of ingredients to BPJPH.

Once the business entity secures the halal certificate, the business entity shall be obligated to:

- a. include halal labeling on the Products that have obtained halal certificates in the Products packaging, certain part of the Products, and/or certain point on the Products;
- b. maintain the halal status of Products that have obtained halal certificate;
- c. separate the location, slaughter place and tool, processing, storage, packaging, distribution, sales, as well as presentation between halal and non-halal products;
- d. renew the halal certificate if the validity period of halal certificate expires; and
- e. report the change of composition of ingredient to BPJPH.

The failure of the business entity to comply with the above obligations shall cause the business entity to be subject to administrative sanctions in the form of: (i) written warning; (b) administrative fine; or (c) revocation of the halal certificate.

# 4. Key Provisions of the Food Business Operators

The prevailing laws and regulations in Indonesia define "Food Business Operators" as any person that is engaged in one or more food agribusiness subsystem, including supplier of production input, production process, processing, marketing, trading and supporting.

As one of the key stakeholders of the food industry and with the decisive role in ensuring food quality and safety at an early stage, Food Business Operators are prohibited from hoarding or storing staple Foods in excess of the maximum quantities determined by the Government.

Food Business Operators that violate this requirement are subject to administrative sanctions in the form of: (a) fine; (b) temporary suspension of activity, production and/or distribution; and (c) revocation of license.

Apart from the above, Food Business Operators also have the following key obligations:

- Food Business Operators must apply norms, standards, procedures and criteria for Food Safety as explained in Point 3 above; and
- in the event of safety, quality, and nutrition control of any Processed Food that is made domestically or imported to be traded in retail packaging, Food Business Actors are required to obtain Business Licensing from the Government or Regional Governments.

## 5. Food Distribution Requirements

Law No. 18 in conjunction with GR No. 86 define the Food Distribution as any activity or series of activities in the framework of distributing Food to the community, whether traded or not.

As a rule of thumb, in addition to the following halal products guarantee requirements (for Halal Products), any food business operator who implements Food Distribution activities is also obliged:

- (i) to meet the Food sanitation requirements; and
- (ii) to ensure the Food safety and/or human safety.

The Food sanitation requirements include as follows:

- avoidance of the use of materials that can threaten Food safety along the Food chain;
- Food Contaminant compliance;
- process control along the Food chain;
- material traceability system implementation; and
- prevention of decrease or loss of nutritional content.

Any party who fails to comply with the above requirements that result in victims/damage to health, safety, security, and the environment shall be sentenced to a maximum imprisonment of 2 (two) years or a maximum fine of Rp.4,000,000,000.00 (four billion rupiah).

Based on the foregoing, one may say that as long as the Food to be distributed has followed the halal product guarantee requirements (for Halal Products) and the Food sanitation requirements, and remain in accordance with the Food safety and/or the human safety guidelines, the Food is free to be traded.

With regard to the Food Distribution, in addition to complying with the above requirements, Food Business Operators also must put the labels on, in or as part of Food packages, written or printed in the Indonesian language, Arabic figures and Latin letters.

## 6. General Regulations on Food Additives and Pesticide for Food Safety

## Food Additives

Generally, under Reg No. 11, Food Additives (*Bahan Tambahan Pangan*) are not consumed as food and are not a food raw material; however, Reg No. 33 provides that basic food additives can be used in food, provided that the food additives satisfy the following conditions:

- (a) Food additives are not meant to be consumed directly and/or not to be treated as raw ingredients (bahan baku pangan);
- (b) Food additives may or may not possess nutritional value, are intentionally added to food for a technological purpose in the production, processing, treatment, packing, packaging, storage and/or transportation of food to create or with the intention to create a component or affect the properties of the food, whether directly or indirectly; and
- (c) Food additives do not include contaminants or substances that are added to food to fortify or increase the nutritional value.

Law No. 18 in conjunction with GR No. 86 stipulate that any person carrying out Food production for the purpose of distribution is prohibited from using as Food additives: (i) Food additives in excess of the maximum limit, and/or (ii) prohibited materials.

Food additives are regulated by the MOH and BPOM, where the MOH is responsible for determining the list and types of food additives permitted to be used in foods in general, while BPOM is responsible for setting the permissible use limits in specific foods as well as for monitoring of use and enforcement aspects.

The maximum limit of Food Additives includes the Food Additives functional class, types of Food Additives, Food categories, specifications, and maximum limits which are basically determined by considering technological function and Food safety risk in each class of Food Additives and Food category.

Based on GR No. 86 in conjunction with Reg No. 11, the functional class of the Food Additives shall include: 15

a. antifoaming agent; k. gelling agent; u. stabilizer;

b. anticaking agent; l. foaming agent; v. colour retention agent;

c. antioxidant; m. acidity regulator; w. flavouring;

d. carbonating agent n. preservative; x. flour treatment agent;

e. emulsifying salt; o. raising agent; y. colour;

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<sup>&</sup>lt;sup>15</sup> A similar list is also found under Reg No. 33.

f. Packaging gas; p. emulsifier; z. propellant, and g. humectant; q. thickener; aa. sequestrant.

h. glazing agent; r. firming agent; i. sweetener; s. flavour enhancer; j. carrier; t. bulking agent;

Separately GR No. 86 also provides that the use of the Food Additives is prohibited from exceeding the maximum limit of use in the Food category as determined by the Head of the BPOM. Here, the BPOM has issued specific regulations on the maximum level requirement for each category, such as under BPOM Regulation No. 21 of 2013 on the Maximum Limit of **Colour Retention Agent** as Food Additive and BPOM Regulation No. 11 of 2013 on the Maximum Limit of **Raising Agent** as Food Additive.

The following are samples of the maximum limit of use of the Food Additives per Food:

Food Category Name	Maximum Limit (mg/kg)
Milk and Buttermilk (Plain)	4000 unless for fresh milk
Fermented Milk and Dairy Products Result of Renin Enzyme Hydrolysis (Plain)	5000
Sterilized or UHT cream, "whipping" or "whipped" cream, and low-fat cream (Plain)	5000
Frozen fish, fish filets and fishery products including molluses, crustaceans and echinoderms	20000, only for surface layer

#### Further:

(A) the following are samples of the permitted Food Additives as determined by Reg No. 11:

## Antifoaming agent types

- Calcium alginate;
- Mono and di-glycerides of fatty acids;

## Anticaking agent types

- Tricalcium orthophosphate;
- Microcrystalline cellulose;
- Powdered cellulose;
- Myristic, palmitic & stearic acids and their salts;
- Magnesium stearate;
- Sodium carbonate;

## Antioxidant types

- Ascorbic acid;
- Calcium ascorbate;
- Potassium ascorbate;

### Carbonating agent types

• Carbon dioxide;

## Emulsifying salt types

- Sodium dihydrogen citrate;
- Trisodium citrate;
- Potassium dihydrogen citrate.
- (B) A negative list of substances prohibited to be used as food additives are included in Attachment II of Reg 33, which includes:
  - Boric acid and its derivates;
  - Salicylic acid and its salts;
  - Diethylpyrocarbonate (DEPC);
  - Dulcin;
  - Formaldehyde;
  - Potassium bromate:
  - Potassium chlorate;
  - Chloramphenicol;
  - Brominated vegetable oils;
  - Nitrofurazone:

- Dulcimer;
- Cocaine;
- Nitrobenzene;
- Cinnamyl anthranilate;
- Dihydrofolate;
- Tonka bean:
- Calamus oil;
- Tansy oil; and
- Sassafras oil.

Reg No. 11 stipulates that the use of other the Food Additives other than those determined under Reg No. 11, is only permitted after obtaining written approval from the Head of BPOM.

Any person violating the provisions herein shall be subject to administrative sanctions in the form of: (i) fine; (ii) temporary suspension from activity, production and/or distribution; (iii) recall of Food from distribution by producer; (iv) obligation to compensate effected individuals; and/or (v) revocation of license.

#### **Pesticides**

Generally, the Government, under Law No. 18, provides that food safety and sanitation are necessary for the safe consumption of food. Specifically, Reg No. 55 sets out the maximum residue limits ("MRL") for pesticides for fresh foods of plant origin (including fruits, vegetables, cereal, and legumes).

The MOA also issued Joint Decree No. 881/Menkes/SKB/VIII/1996 - 711/Kpts/TP.270/8/96 with the MOH on the MRL for Pesticides in Agriculture Products ("**Joint Decree MOA-MOH**"). Regarding pesticide residues, the Joint Decree MOA-MOH states that:

- (a) The maximum allowable residue for agricultural products, which include food crops, horticulture, animal husbandry, fishing and plantation, either directly or indirectly consumed by humans is as per the appended list to the Joint Decree MOA-MOH. For example, the MRL of Abamectin in meat shall be 0.01 mg/kg.
- (b) Agricultural products circulated in Indonesia, whether locally produced or imported, are not permitted to contain higher levels of pesticide than those in the list.
- (c) Agricultural products imported with greater than the allowed pesticide residue must be rejected.
- (d) Tests for pesticide residue are to be conducted in a laboratory appointed by MOH or MOA.
- (e) The MOH and MOA will monitor and enforce the Joint Decree according to their tasks and functions.

The list appended to the joint decree includes 149 pesticides and a number of potentially contaminated agricultural products for each pesticide.

# 7. General Regulations on Novel Foods in Indonesia

There is no specific regulation or definition of "novel food" (produk baru) in Indonesia.

Generally, the Food Standardization Regulation which governs the standardization process in the review for, among other things, the safety, nutrients, benefits and labeling of processed food. It includes the process for the application of the approved "food ingredients" (*bahan pangan*). "Food ingredient" is defined under the Food Standardization Regulation as the basic fresh or processed ingredients that can be used to produce food. Based on this, "novel food" refers to any food ingredient which is not yet approved by the BPOM.

## **Application process**

In order to apply for the food safety assessment (including new "food ingredients" or "novel food"), the applicant may do it online through the e-Food Standard platform at e-standarpangan.pom.go.id.

## **Application requirements**

Considering that "novel food" specifically is not regulated, it is advisable that the applicant first consult with BPOM's Directorate of Processed Food Standardization to identify the data requirements for the application. For example, the Food Standardization Regulation differentiates the data required for the application of a new food ingredient (read: "novel food") as:

- (a) food ingredients sourced from plants or animals, which application must be completed with details of the parts of plant or animal used and chemical and/or nutritional content of ingredients; and
- (b) food ingredients in the form of food substances, mixtures of substances, mixtures of food ingredients, or other ingredients, which application must be completed with the physicochemical properties.

BPOM will then check the application to verify its completeness, and will contact the applicant to confirm that the submission is complete or to direct the applicant to rectify any deficiencies.

## Application timing

Once all requirements have been fulfilled, BPOM will review the application within 85 working days.

#### 8. Prohibited acts and sanctions

## 8.1 Prohibited acts relating to food safety

By law, the following acts, among other things, are prohibited for ensuring food safety:

- using Food additives that exceed the maximum limit; and/or prohibited materials as Food additives;
- producing Food resulting from Food Genetic Engineering that does not fulfil the requirements for a business licensing from the Government;
- using raw materials, Food additives, and/or other materials resulting from Food Genetic Engineering that does not fulfil the business licensing requirements of the Government;
- using any materials that can release hazardous substances that endanger human health as food packaging;
- opening final Food packaging to be repacked for trade;
- distributing contaminated Food;
- trading Food that is not in accordance with Food safety and quality that is written on Food labeling;
- erasing, retracting, covering, changing labels, relabeling and/or exchanging expiry date, month and year on distributed Food;
- providing information and statements that are false and/or misleading on labels.

## 8.2 Sanctions and compulsory remedial measures

In addition to the prohibited acts as stated above, any violations of the food safety regulations must be handled in accordance with law. Depending on the nature of and severity of non-compliance, violators might be subject to administrative or criminal liabilities.

#### Administrative liabilities

The types of violations are quite extensive. They basically include (i) violations against the requirement to store the staple Foods in accordance with the maximum quantity determined by the Government; (ii) violations against the Food processing procedures; (iii) violations against the conditions for assurance of safety of food products; (iv) violations against food safety conditions in production, trading and supply of foods; (v) violations against the conditions on the use of the Food additives; (vi) violations against food safety requirements applied to imported and exported

foods and other violations against food safety conditions in production, trading and supply of foods; and (vii) violations against regulations on advertisement of food safety.

For the violations above, the forms of the administrative sanctions are as follows:

- (a) fine;
- (b) temporary suspension from activity, production and/or distribution;
- (c) recall of Food from distribution by producer;
- (d) obligation to compensate effected individuals; and/or
- (e) revocation of license.

#### Criminal liabilities

Apart from the administrative sanctions above, violators also may be subject to criminal liabilities if such violations result in victims/damages to health, safety, security or the environment, i.e.

- every person who carries out certain Processed Food production to be traded, and who intentionally does not apply Food processing procedures capable of inhibiting the decrease or loss of Nutritional content of Food raw materials used and that result in victims/damage to health, safety, security, or the environment shall be sentenced to a maximum imprisonment of 1 (one) year or a maximum fine of Rp2,000,000,000.00 (two billion rupiah);
- every person who carries out activities or processes of Food production, storage, transportation, and/or distribution that do not fulfill the Food Sanitation Requirements and that result in victims/damage to health, safety, security, or the environment shall be sentenced to a maximum imprisonment of 2 (two) years or a maximum fine of Rp.4,000,000,000.00 (four billion rupiah).

Above are our general notes for your understanding of Indonesia's basic issues of food safety regulations only. Should you need further detailed information on food safety regulations in Indonesia, please contact us.

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