MEMORANDUM OF UNDERSTANDING BETWEEN

THE KOREA FOOD AND DRUG ADMINISTRATION OF THE REPUBLIC OF KOREA

AND

THE NATIONAL AGENCY OF DRUG AND FOOD CONTROL

OF THE REPUBLIC OF INDONESIA

REGARDING THE SAFETY AND QUALITY OF PROCESSED FOOD,

MEDICINAL PRODUCTS, TRADITIONAL MEDICINES, COSMETICS

AND FOOD SUPPLEMENT

The National Agency of Drug and Food Control ("NADFC") of the Republic of Indonesia and the Korea Food and Drug Administration ("KFDA") of the Republic of Korea (hereinafter referred to as "the Parties"),

DESIRING to strengthen friendly relations existing between the two countries,

INTENDING to promote the benefits of mutual interest in the field of controlling the safety and quality of the processed foods, medicinal products (including Active Pharmaceutical Ingredient (API), vaccines and biological products), traditional medicine, cosmetics and food supplement, (hereinafter referred to as "the subject of cooperation"),

REFERRING to the Agreement Regarding Economic and Technical Cooperation and Trade Promotion Between the Republic of Indonesia and the Republic of Korea, signed at Jakarta, on 24 April 1971;and

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PURSUANT to the prevailing laws, standards and regulations of the two countries,

HAVE COME to the following Understanding:

Article 1 Objective

The objective of this Memorandum of Understanding is to create and consolidate cooperation in the field of safety and quality control of the subject of cooperation.

Article 2 Areas of Cooperation

The Parties:

- will exchange information on the relevant laws, regulations, and standards of each country as well as other information related to safety and quality control of the subject of cooperation;
- will cooperate in the areas of regulations, standards, evaluation and examination techniques for the subject of cooperation of the Parties;
- c. where a safety problem occurs in the imported products of the subject of cooperation which poses a significant risk to consumer health of the Parties will notify other Party of the product information. When providing such notification, relevant information including the name of the product, potential risk detected, inspection methods and results, manufacturer, exporter, manufacturing date, lot/batch code and import and export dates will be provided;
- d. upon the receipt of notification by the importing Party of safety and quality problems detected in imported products of the subject of cooperation, the exporting Party will conduct an investigation promptly, take corrective measures, and so notify the importing Party. If needed, a joint on-site inspection on the company where the problem occurred may be conducted with the mutual consent of the Parties in accordance

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- with international best practices principles;
- may hold symposiums and/or offer joint training courses and also peer inspection, subject to the availability of the funds and resources of each Party.

Article 3

Implementation

The Parties agreed to conclude a Plan of Action for a period of 2 (two) years. Upon signing the Memorandum of Understanding, the Plan of Action will be defined by specific items of cooperation, financial aspects, and other necessary implementation arrangements. Monitoring and evaluation for the implementation of the Plan of Action will be done by Parties periodically.

Article 4

Limitation of Personnel

Each Party will provide assurance that each personnel engaged in the programs under this Memorandum of Understanding will not involve in any political affairs and/or any commercial ventures or activities in both countries outside the programs of cooperation under this Memorandum of Understanding.

Article 5

Financial Arrangements

- 1. Each Party will bear its own costs arising from cooperative activities under this Memorandum of Understanding;
- 2. Unless otherwise jointly decided by the Parties, the Party that requests assistance under this Memorandum of Understanding will bear all costs of any assistance provided by the other party.

Article 6

Disclosure of Information

Neither Party may disclose or distribute to any third party any confidential information transmitted by the other Party ("the disclosing Party") in the process of cooperative activities under this Memorandum of Understanding, except as and to the extent authorized in writing to do so by the disclosing Party.

Article 7

Resolution of Disputes

Any disputes arising from the interpretation and/or implementation of this Memorandum of Understanding will be resolved amicably through consultations or negotiations between the Parties.

Article 8

Amendments and Review

This Memorandum of Understanding can be reviewed or amended at any time by mutual written consent by the Parties. Such revisions or amendments will come into effect on such date as may be determined by the Parties and will form as an integral part of this Memorandum of Understanding.

Article 9

Validity and Termination

- This Memorandum of Understanding will come into effect on the date of its signing;
- 2. This Memorandum of Understanding will remain in effect for a period of 3 (three) years and may be renewed for subsequent period of 2 (two) years, unless it is denounced in writing by either Party, 6 (six) months prior to the expiration of this Memorandum of Understanding;
- The termination of this Memorandum of Understanding will not affect the duration or validity of any on-going cooperative activities arranged prior to this Memorandum of Understanding.

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Signed in duplicate in Jakarta, on 12 July 2012, in the English, Indonesian and Korean languages, each version being equally valid. In case of any divergence of interpretation, the English text will prevail.

FOR THE KOREA FOOD AND DRUG ADMINISTRATION
OF THE REPUBLIC OF KOREA

FOR THE NATIONAL AGENCY OF DRUG AND FOOD CONTROL OF THE REPUBLIC OF INDONESIA

H.S.-LEE

Hee- Sung Lee
Commissioner of the KFDA

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Dra. Lucky S. Slamet, M.Sc
Head of the NADFC