

REGULATION OF THE REGENCY OF BATANG
NUMBER 3 OF 2023
ON IMPLEMENTATION OF INVESTMENT

BY THE BLESSINGS OF ALMIGHTY GOD

THE REGENT OF BATANG

- Considering : a. that in order to realize the welfare and prosperity of the people and accelerate economic development in the Regency of Batang, it is necessary to increase efforts in the Investment sector based on Pancasila and the 1945 Constitution of the Republic of Indonesia;
- b. that in order to develop investment in various fields as an economic driver in the Regency of Batang, it is necessary to create a conducive business climate while taking into account regional economic interests;
- c. that Regional Regulation Number 2 of 2013 on Investment is no longer in accordance with the development of the law and the needs of the community, so that it needs to be replaced;
- d. that based on the considerations as referred to in point a, point b, and point c, it is necessary to issue a Regional Regulation on Implementation of Investment;
- Observing : 1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 13 of 1950 on Establishment of Regencies within the Province of Central Java (State Bulletin on 8 August, 1950) as amended by Law Number 9 of 1965 on Establishment of Batang Region Level II by amending Law Number 13 of 1950 on Establishment of Regencies within the Province of Central Java (State Gazette of the Republic of Indonesia of 1965 Number 52, Supplement to the State Gazette of the Republic of Indonesia Number 2757);
3. Law Number 25 of 2007 on Investment. (State Gazette of the Republic of Indonesia of 2007 Number 67, Supplement to the State Gazette of the Republic of Indonesia Number 4724 as amended by Law Number 6 of 2023 on Determination of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation into Law (State Gazette of the Republic of Indonesia of 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856);

4. Law Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587), as amended several times last by Law Number 6 of 2023 on Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation into Law (State Gazette of the Republic of Indonesia of 2023. Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
5. Law Number 11 of 2023 on Central Java Province (State Gazette of the Republic of Indonesia of 2023 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 6867);
6. Government Regulation Number 21 of 1988 on Changes in Boundaries of Pekalongan Municipality, Pekalongan Regency, and Batang Regency (State Gazette of the Republic of Indonesia of 1988 Number 42, Supplement to the State Gazette of the Republic of Indonesia Number 3381);

With the Joint Approval of

REGIONAL HOUSE OF REPRESENTATIVE
OF THE REGENCY OF BATANG
and
REGENT OF BATANG

HAS DECIDED:

To issue : REGIONAL REGULATIONS ON THE IMPLEMENTATION OF INVESTMENT.

CHAPTER I GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Region means Regency of Batang.
2. Local Government means the Regent as an organizing element of the Local Government who leads the implementation of government affairs which fall under the authority of the autonomous Region.
3. Regent means the Regent of Batang.
4. Regional Apparatus means an assisting element of the Regent and the Regional House of Representative in the implementation of the government affairs that fall under the authority of the Region.
5. Capital means an asset in the form of money or other forms that are not money owned by investors var has economic value.
6. Investment means all forms of capital activities, both by domestic investors and foreign investors, to conduct business in the country of the Republic of Indonesia.
7. Investors mean individuals or business entities conducting Investment which can be in the form of domestic investors and foreign investors.

8. Domestic Investment, hereinafter abbreviated as PMDN (*Penanaman Modal Dalam Negeri*), means an investment activity to conduct business in the territory of the Republic of Indonesia conducted by Domestic Investors using Domestic Capital.
9. Foreign Investment, hereinafter abbreviated as PMA (*Penanaman Modal Asing*), means an investment activity to conduct business in the territory of the Republic of Indonesia carried out by Foreign Investors, either fully using Foreign Capital or in partnership with Domestic Investors.
10. Control means the activity of guidance and supervision of Investors who have obtained Business Licenses and/or Permits so that their implementation is in accordance with the provisions of legislation.
11. Supervision means an effort or activity conducted in order to check the progress of Investment realization, prevent and/or reduce the occurrence of deviations from the provisions of Investment implementation, including the use of Investment Facilities, since the granting of Business Licenses and/or Permits.
12. The Regional Investment General Plan, hereinafter abbreviated as RUPMD (*Rencana Umum Penanaman Modal Daerah*), means a Regional investment planning document prepared and stipulated by the Regent that refers to the National Investment General Plan, the Central Java Province Investment General Plan, the Regional Long-Term Development Plan, the Regional Medium-Term Development Plan, the Regional Development Plan and the priority development of Regional potential.

Article 2

Investment is organized based on the principles of:

- a. legal certainty;
- b. openness;
- c. accountability;
- d. equal treatment and no distinction of national origin;
- e. togetherness;
- f. equitable efficiency;
- g. sustainability;
- h. environmentally sound;
- i. independence; and
- j. balance of progress and national economic unity.

Article 3

The implementation of Investment aims to:

- a. increase regional economic growth;
- b. create employment opportunities;
- c. increase sustainable economic development;
- d. increase the competitiveness of the Regional business world;
- e. increase the capacity and capability of technology;
- f. encourage the development of the people's economy;
- g. transform the potential economic into real economic power by using funds from both domestic and foreign sources; and
- h. improve the welfare of the community.

Article 4

Investment Objectives:

- a. improving a conducive investment ecosystem;
- c. improving the ability of human resources;
- b. improving supporting infrastructure for Investment;
- d. increasing the number of investors; and
- e. increasing the realization of Investment.

Article 5

The scope of regulation in this Regional Regulation includes:

- a. the authority of the Local Government;
- b. investment policy;
- c. investment planning;
- d. investment promotion;
- e. investment;
- f. investment of development climate;
- g. rights, obligations, and responsibilities of Investment;
- h. supervision
- i. investment of data and information system;
- j. investment dissemination, education, and training;
- k. incentives and ease of investment; and
- l. community participation

CHAPTER II LOCAL GOVERNMENT AUTHORITY

Article 6

- (1) The Local Government has an authority to organize the Investment in the Region.
- (2) The authority of the Local Government as referred to in section (1) includes:
 - a. Determination of the provision of facilities/incentives in the field of Investment;
 - b. making maps of potential;
 - c. organizing promotion;
 - d. granting of Business Licenses and Non-Licenses in the field of Investment which is the authority of the Region;
 - e. controlling the implementation of Investment; and
 - f. integrated management of data and information on Business Licensing and Non-Licensing.
- (3) In exercising the authority as referred to in section (2), the Local Government determines the Investment policy.

CHAPTER III INVESTMENT POLICY

Article 7

- (1) Determination of Investment policy as referred to in Article 6 section (3) is carried out to:
 - a. encourage the creation of a business climate in the region conducive to investment to strengthen the competitiveness of the Regional economy;
 - b. realize the balance, progress and unity of the Regional economy;
 - c. accelerate the increase of Investment; and equalization
 - d. increase Investment that encourages the creation of new jobs and is environmentally sound.

- (2) Investment Policy as referred to in section (1) is implemented through:
 - a. providing equal treatment for Investors;
 - b. guaranteeing legal certainty, business certainty, and business security for Investors since the licensing process until the end of Investment activities in accordance with the provisions of legislation;
 - c. developing and providing protection and/or Investment opportunities to Micro Enterprises, and cooperatives;
 - d. provision of pro-Investment regulations;
 - e. efficient and effective Investment promotion;
 - f. optimization of processing, presentation and utilization of data and information of the electronic integrated Business Licensing service system;
 - g. increasing the orientation of environmentally sound Investment activities; and
 - h. the implementation of corporate social responsibility policies to the surrounding community and Local Government around the location of Investment.
- (3) The basic policies of Investment as referred to in section (1) and section (2) are realized in the form of RUPMD.

CHAPTER IV INVESTMENT PLANNING

Article 8

- (1) Investment planning is prepared in the form of RUPMD.
- (2) RUPMD as referred to in section (1), contains the strategy and direction of Regional Investment policy.
- (3) RUPMD as referred to in section (1) is prepared by considering:
 - a. national RUPM;
 - b. central java province RUPM;
 - c. Regional long-term development plan;
 - d. Regional medium-term development plan;
 - e. the regional spatial plan; and
 - f. priority development of Regional potential.
- (4) Further provisions regarding the RUPMD as referred to in section (1) are regulated by Regent Regulations.

CHAPTER V INVESTMENT PROMOTION

Article 9

- (1) Investment Promotion is carried out through Investment Promotion which is the authority of the Local Government.
- (2) Investment promotion as referred to in section (1) is carried out by the Regional Apparatus that organizes Government affairs in the field of investment or in collaboration with the central government, other regional governments, or non-governmental organization.
- (3) Further provisions regarding the procedures for Investment promotion in the Region are stipulated in a Regent Regulation.

CHAPTER VI INVESTMENT

Part One General

Article 10

Investment in the Region includes:

- a. business field;
- b. investment and form of business entity; and
- c. employment.

Part Two Field of Business

Article 11

- (1) All lines of business are open for Investment activities, except for lines of business:
 - a. which is declared closed for Investment; or
 - b. for activities that can only be carried out by the Central Government.
- (2) Line of business declared closed for Investment as referred to in section (1) point a is a line of business that cannot be cultivated.
- (3) The open line of business as referred to in section (1) is a line of business that is commercial in nature.
- (4) Line of business which is closed for investment (as referred to in section (1) point a includes:
 - a. cultivation and industry of narcotics class I;
 - b. all forms of gambling and/or casino activities;
 - c. catching of fish species listed in Annex I of the Convention on International Trade in Endangered Species of Wild Fauna and Flora;
 - d. utilization or collection of coral and utilization of or collection of coral from nature used for building materials/lime/calcium, aquariums, and souvenirs/jewelry, as well as live coral or dead coral from nature;
 - e. chemical weapons manufacturing industry; and
 - f. industrial chemical industry and ozone layer depleting material industry.
- (5) Lines of business for activities that can only be carried out by the Central Government as referred to in section (1) point b are activities in the form of services or in the context of defense and security that are strategic in nature and cannot be carried out or cooperated with other parties.

Article 12

- (1) Open business fields as referred to in Article 11 section (1), consist of:
 - a. priority line of business;
 - b. business fields that are allocated or in partnership with Cooperatives and micro, small, and medium enterprises;

- c. line of business with certain requirements; and
 - d. other lines of business that are not included in point a, point b, and point c.
- (2) The line of business as referred to in section (1) point d, may be operated by all Investors.
 - (3) Further provisions regarding the open business fields as referred to in section (1) are stipulated in a Regent Regulation.

Part Three Investment and Form of Business Entity

Article 13

- (1) Investment in Regions can be implemented by individuals or business entity covers:
 - a. PMDN (Domestic Investment); and
 - b. PMA (Foreign Investment).
- (2) PMDN as referred to in section (1) point a, is implemented by business legal entity, non-legal entity or private business.
- (3) PMA as referred to in section (1) point b is in the form of limited liability company based on Indonesian law and domiciled in the territory of Republic of Indonesia otherwise determined by Laws.

Part Four Employment

Article 14

- (1) Investment in meeting labor needs must prioritize the labor of Indonesian citizens who have the status of Regional residents.
- (2) Investors are obligated to improve the competence of Indonesian Citizen workers as referred to in section (1) through job training in accordance with the provisions of legislation.
- (3) An investor employing foreign workers is obligated to organize training and transfer technology to Indonesian citizen workers as referred to in section (1) in accordance with the provisions of legislation.
- (4) Investors who violate the provisions as referred to in section (2) and section (3) are subject to administrative sanctions in accordance with the provisions of legislation.

CHAPTER VII DEVELOPMENT OF INVESTMENT CLIMATE

Article 15

- (1) The Local Government is authorized to develop an Investment climate.
- (2) The authority as referred to in section (1) includes:
 - a. preparation of policy proposals and/or legislation related to Investment and evaluation of their implementation;

- b. preparation of policy proposals for incentive systems, facilities and Investment facilities; policies;
 - c. preparation of proposals for simplification of ease of doing business, simplification of procedures, time and costs of licensing and non-licensing; and
 - d. the delivery of information on policies and/or legislation related to Investment to the Central Government, Provincial Government, regency/municipality governments, the business world, and other Investment stakeholders.
- (3) Further provisions regarding Investment Climate Development as referred to in section (1) are regulated by a Regent Regulation.

CHAPTER VII RIGHTS, OBLIGATIONS, AND RESPONSIBILITIES OF INVESTORS

Article 16

Every Investor is entitled to:

- a. certainty of rights, law and protection;
- b. open information regarding the field of business they are running;
- c. services; and
- d. various forms of facilities in accordance with the provisions of legislation.

Article 17

- (1) Every investor is obligated to:
- a. apply the principles of good corporate governance;
 - b. carry out corporate social and environmental responsibilities in the form of activities that can support Local Government programs;
 - c. submit an Investment Activity Report and submit it to the Investment Coordinating Board;
 - d. respecting the cultural traditions of the community around the location of the Investment business activities;
 - e. allocating funds gradually for site restoration that meets environmental feasibility standards for companies that cultivate non-renewable natural resources, the implementation of which is in accordance with the provisions of legislation; and
 - f. comply with all provisions of legislation invitation.
- (2) Investors who violate the provisions as referred to in section (1) are subject to administrative sanctions in accordance with the provisions of legislation.

Article 18

Every investor is responsible for:

- a. guarantee the availability of capital from sources that are not contrary to the provisions of legislation;
- b. bearing and settle all obligations and losses if the investor unilaterally stops or abandons or neglects its business activities in accordance with the provisions of legislation;

- c. creating a business climate of fair competition, prevent monopolistic practices, and other things that harm the state;
- d. preserving the environment;
- e. creating worker safety, health, comfort, and welfare; and
- f. complying with all provisions of legislation.

CHAPTER IX SUPERVISION

Article 19

- (1) The Local Government has the authority to supervise Investment in the Region in accordance with its authority.
- (2) Investment Supervision as referred to in section (1) is carried out by the Regional Apparatus that organizes Government affairs in the field of investment.
- (3) Investment Supervision in the Region as referred to in section (1) is carried out in accordance with the provisions of legislation.
- (4) Further provisions regarding the Supervision as referred to in section (1) are stipulated by a Regent Regulation.

Article 20

- (1) Supervision of Investment in the Region as referred to in Article 19 section (1) is carried out in an integrated and coordinated manner among ministries/institutions, the Local Government of Central Java Province, the Local Government, special economic zone administrators and/or free trade area and free port business entities, through the Supervision subsystem in the OSS System.
- (2) Supervision as referred to in section (1) is carried out by considering the level of compliance of Business Actors.
- (3) The supervision as referred to in section (1) is coordinated by the Regional Apparatus that organizes Government affairs in the field of investment.
- (4) The Regional Apparatus that organizes Government affairs in the investment sector submits the results of coordination as referred to in section (2) to the Regent.

CHAPTER X DATA AND INFORMATION SYSTEM OF INVESTMENT

Article 21

- (1) Investment Data and Information System are implemented through integrated Management of Data and Information on Licensing and Non-Licensing of Investment at the Local Government level.
- (2) Data Processing and Investment Information System as referred to in section (1) are carried out through:
 - a. OSS RBA (Online Single Submission Risk Based Approach) application; and
 - b. Electronic Information Service System by the Regional Apparatus organizing the Government in the field of investment. government affairs in the field of investment.

CHAPTER XI INVESTMENT DISSEMINATION, EDUCATION AND TRAINING

Article 22

Investment dissemination, education and training are carried out by the Regional Apparatus that organizes Government affairs in the field of investment and related Regional Apparatus within the Local Government.

Article 23

- (1) Dissemination of Investment as referred to in Article 22 is carried out through:
 - a. socialization of Investment policies;
 - b. dissemination of information; and
 - c. data dissemination.
- (2) Investment education and training as referred to in Article 22 are implemented through coordination with:
 - a. Government;
 - b. Provincial Government;
 - c. Academics; and
 - d. Education and training institutions on the implementation of education and training.

CHAPTER XII INCENTIVES AND THE EASE OF INVESTMENT

Article 24

- (1) The Local Government may provide incentives and/or ease of Investment to the community and/or Investors in the Region in accordance with their authority.
- (2) Provision of incentives and/or ease of Investment to the community and/or Investors in the Regional as referred to in section (1) are carried out to encourage the increase of Investment in the Region.
- (3) Criteria for Granting Incentives and/or Providing Ease as referred to in (1) to Investors include:
 - a. contributing to the increase of community income;
 - b. absorb labor and preferably be residents of the Region.
 - c. uses most of the local resources contributes to the improvement of public services;
 - d. contributing to the increase of public services;
 - e. contributing to the increase of gross regional domestic product;
 - f. environmentally sound and sustainable;
 - g. infrastructure development;
 - h. conducting technology transfer;
 - i. conduct pioneer industries;
 - j. carry out research, development, and innovation activities;
 - k. partnering with micro, small, or cooperative enterprises;

- l. industries that use Capital goods, machinery, or equipment produced domestically;
 - m. conduct business activities in accordance with national and/or regional priority programs; and/or
 - n. export-oriented.
- (4) Provision of incentives as referred to in section (1) in accordance with the provisions of legislation.

CHAPTER XIII PUBLIC PARTICIPATION

Article 25

- (1) The public participation in the implementation of Investment in the Region, through:
- a. playing an active role in creating a conducive business climate
 - b. can play a role in supervision
 - c. submission of information on Regional potential; and
 - b. submission of complaints from Business Actors.
- (2) To support the implementation of community participation as referred to in section (1), the Regional Apparatus that organizes government affairs in the field of Investment organizes activities and facilitates community participation, among others:
- a. provision of Investment infrastructure; and/or
 - b. provision of channels for the delivery of information/complaints Investors

CHAPTER XIV CLOSING PROVISIONS

Article 26

When this Regional Regulation comes into force, all implementing regulations of the Regulation of the Regency of Batang Number 2 of 2013 on Investment in the Regency of Batang (Regional Gazette of the Regency of Batang of 2013 Number 2, Supplement to the Regional Gazette of the Regency of Batang Number 2), are declared to remain in effect insofar they are not contrary to the provisions in this Regional Regulation.

Article 27

When this Regional Regulation comes into force, Regional Regulation Number 2 of 2013 on Investment in the Regency of Batang (Regional Gazette of the Regency of Batang of 2013 Number 2, Supplement to the Regional Gazette of the Regency of Batang Number 2), is repealed and declared ineffective.

Article 28

Regent Regulations as implementing regulations of this Regional Regulation is stipulated not later than 1 (one) year as of the promulgation of this Regional Regulation.

Article 29

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

In order that every person may know hereof, it is ordered to promulgate this Regional Regulation by its placement in the Regional

Gazette of the Regency of Batang.
Issued in Batang

on 13 October 2023

Pj. REGENT OF BATANG,

Signed

LANI DWI REJEKI

Promulgated in Batang
on 13 October 2023

Pj. REGIONAL SECRETARY OF THE REGENCY OF BATANG,

Signed

ARI YUDIANTO

REGIONAL GAZETTE OF THE REGENCY OF BATANG OF 2023 NUMBER 3

Jakarta, 9 December 2024
Has been translated as an Official Translation
on behalf of the Minister of Law
of the Republic of Indonesia
DIRECTOR GENERAL OF LEGISLATION,



ELUCIDATION
OF REGIONAL REGULATION OF THE REGENCY OF BATANG
NUMBER 3 OF 2023
ON
IMPLEMENTATION OF INVESTMENT

I. GENERAL

To realize a just and prosperous society based on Pancasila and the 1945 Constitution of the Republic of Indonesia, it is necessary to implement sustainable economic development based on economic democracy, one of which is by organizing regional investment. The implementation of regional investment is a policy that has a wide economic impact, namely an increase in the number of goods and services, the creation of added value, the use of labor, and other economic resources, an increase in community income, as well as a source of regional income in the form of taxes and levies, so that it is necessary to create a conducive investment climate, promotive, providing legal certainty, justice and efficiency while taking into account the interests of the national economy.

The scope of regulation in this Regional Regulation covers the authority of the Local Government; Investment policy; Investment planning; Investment promotion; Investment; investment climate development; rights, obligations, and responsibilities of Investment; supervision; Investment data and information system; investment dissemination, education, and training; Investment incentives and eases; and community participation.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Section (1)

Point a

The term of "principle of legal certainty" means the principle in a state of law that places the law and the provisions of legislation as the basis in every policy and action in the field of investment.

Point b

The term "principle of openness" means the principle that is open to the public's right to obtain correct, honest, and non-discriminatory information about investment activities.

Point c

The term "accountability principle" means the principle that determines every activity and final result of the implementation of investment must be accountable to the community or the people as the highest sovereignty holder of the state in accordance with the provisions of legislation.

Point d

The term "the principle of equal treatment and non-discrimination of national origin" means the principle of non-discriminatory service treatment based on the provisions of legislation, both between domestic investors and foreign investors and between investors from one foreign country and investors from other foreign countries.

Point e

The term " principle of togetherness" means the principle that encourages the role of all investors Together in their business activities to realize people's welfare.

Point f

The term " principle of equitable efficiency" means the principle underlying the implementation of investment by prioritizing equitable efficiency in an effort to realize a fair, conducive, and competitive business climate.

Point g

The term "sustainable principle" means the principle that in a planned manner strives for the process of development through investment to ensure prosperity and progress in all aspects of life, both for the present and the future.

Point h

The term "environmentally sound principle" means the principle of investment carried out with due regard to and prioritizing the protection and maintenance of the environment. Point i

The term "the principle of independence" means the principle of investment carried out by continuing to prioritize the potential of the nation and state by not closing itself to the entry of foreign capital for the realization of economic growth.

Point j

The term "the principle of balance of progress and national economic unity" means a principle that seeks to maintain a balance of regional economic progress within the national economic unity.

Article 3

Sufficiently clear.

Article 4

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Sufficiently clear.

Article 7
Sufficiently clear.

Article 8
Sufficiently clear.

Article 9
Sufficiently clear.

Article 10
Sufficiently clear.

Article 11
Sufficiently clear.

Article 12
Sufficiently clear.

Article 13
Section (1)
The term "prioritizing Indonesian citizen workers who are residents of the Region" means residents of the Region who have and meet the required competency requirements and prioritizing residents in the location around the company.
Section (2)
Sufficiently clear.
Section (3)
Sufficiently clear.

Article 14
Sufficiently clear.

Article 15
Sufficiently clear.

Article 16
Sufficiently clear.

Article 17
Sufficiently clear.

Article 18
Sufficiently clear.

Article 19
Sufficiently clear.

Article 20
Sufficiently clear.

Article 21
Sufficiently clear.

Article 22
Sufficiently clear.

Article 23
Sufficiently clear.

Article 24
Sufficiently clear.

Article 25
Sufficiently clear.

Article 26
Sufficiently clear.

Article 27
Sufficiently clear.

Article 28
Sufficiently clear.

Article 29
Sufficiently clear.

SUPPLEMENT TO THE REGIONAL GAZETTE OF THE REGENCY OF BATANG
NUMBER 3