

REGULATION OF THE REGENCY OF KARANGASEM  
NUMBER 2 OF 2024  
ON  
PROVISION OF INCENTIVES AND EASE OF INVESTMENT  
BY THE BLESSINGS OF ALMIGHTY GOD

REGENT OF KARANGASEM,

- Considering : that in order to implement the provisions of Article 7 of Government Regulation Number 24 of 2019 on Provision of Incentives and Ease of Investment in Regions, it is necessary to issue a Regional Regulation on the Provision of Incentives and Ease of Investment;
- Observing : 1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 69 of 1958 on Establishment of Level II Regions within Level I Regions of Bali, West Nusa Tenggara and East Nusa Tenggara (State Gazette of the Republic of Indonesia of 1958 Number 122, Supplement to the State Gazette of the Republic of Indonesia Number 1655);
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);
4. Law Number 12 of 2011 on Legislation Making (State Gazette of the Republic of Indonesia of 2011 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 5234) as amended several times, last by Law Number 13 of 2022 on Second Amendment to Law Number 12 of 2011 on Legislation Making (State Gazette of the Republic of Indonesia of 2022 Number 143, Supplement to the State Gazette of the Republic of Indonesia Number 6801);
5. Law Number 23 of 2014 on Local Governments (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 6687) as amended several times, last by law Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation to Become Law (State Gazette of the Republic of Indonesia of 2023 Number 41, Supplement to the Republic of Indonesia Number 6856)

6. Law Number 1 of 2022 on Financial Relations between the Central Government and Local Governments (State Gazette of the Republic of Indonesia of 2022 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6757);
7. Law Number 15 of 2023 on Province of Bali (State Gazette of the Republic of Indonesia of 2023 Number 62, Supplement to the State Gazette of the Republic of Indonesia Number 6871);
8. Government Regulation Number 24 of 2019 on Provision of Incentives and Ease of Investment in Regions (State Gazette of the Republic of Indonesia of 2019 Number 63, Supplement to the State Gazette of the Republic of Indonesia of 2012 Number 6330);
9. Presidential Regulation Number 16 of 2012 on General Investment Plan (State Gazette of the Republic of Indonesia of 2012 Number 42);
10. Presidential Regulation Number 10 of 2021 on Business Sector for Investment (State Gazette of the Republic of Indonesia of 2021 Number 61) as amended by Presidential Regulation Number 49 of 2021 on Amendment to Presidential Regulation Number 10 of 2021 on Business Sector for Investment (State Gazette of the Republic of Indonesia of 2021 Number 128);
11. Regulation of the Minister of Home Affairs Number 52 of 2012 on Guidelines for the Management of Local Government Investment (State Gazette of the Republic of Indonesia of 2012 Number 754);
12. Regulation of the Minister of Home Affairs Number 80 of 2015 on Establishment of Regional Legal Products (State Bulletin of the Republic of Indonesia of 2015 Number 2036) as amended by Regulation of the Minister of Home Affairs Number 120 of 2018 on Amendment to Regulation of the Minister of Home Affairs Number 80 of 2015 on Establishment of Regional Legal Products (State Bulletin of the Republic of Indonesia of 2018 Number 157);
13. Regional Regulation Number 8 of 2023 on Local Taxes and Local Levies (Regional Gazette of the Regency of Karangasem of 2023 Number 8, Supplement to the Regional Gazette of the Regency of Karangasem Number 6);

With the Joint Approval of  
THE REGIONAL HOUSE OF REPRESENTATIVES OF THE REGENCY OF  
KARANGASEM  
and  
THE REGENT OF KARANGASEM

HAS DECIDED:

To Issue : REGULATION ON PROVISION OF INCENTIVES AND EASE  
OF INVESTMENT.

## CHAPTER I GENERAL PROVISIONS

### Article 1

In this Regional Regulation:

1. Region means the Regency of Karangasem.
2. Local Government means the Government of the Regency of Karangasem.
3. Regent means the Regent of Karangasem.
4. Regional House of Representatives hereinafter abbreviated as DPRD, means the Regional House of Representatives of the Regency of Karangasem.
5. Regional Apparatus means the Regional Apparatus within the Local Government.
6. Office means the regional apparatus administering government affairs in the fields of investment and licensing services.
7. Provision of Incentives means fiscal policy support from the Local Government to the community and/or investors to increase investment in the Region.
8. Provision of Ease means the provision of non-fiscal facilities by the Local Government to the community and/or investors to ease any investment activities and to increase investment in the Region.
9. Investment means all forms of investing activities by both domestic investors and foreign investors to conduct business in the Region.
10. Community means individuals or groups of people who are citizens of the Republic of Indonesia who own and/or conduct business activities in accordance with the provisions of the legislation.
11. Investor means an individual or a business entity that makes an investment, being either a domestic investor or a foreign investor.
12. Cooperative means a legal entity established by individuals or cooperative legal entities, with the separation of the members' assets as capital to run a business, fulfilling the shared aspirations and needs in the economic, social, and cultural fields according to Cooperative values and principles.
13. Micro Enterprise means a productive business owned by individuals and/or individual business entities that meet the criteria for Micro Enterprises.
14. Industrial Designated Area means a stretch of land designated for industrial activities based on the regional spatial plan established in accordance with the provisions of the legislation.
15. Verification and Assessment Team means the team appointed by the Regent to conduct verification, assessment, provide recommendations, and carry out monitoring and evaluation regarding the Provision of Incentives and Provision of Ease of Investment.

Article 2

- (1) This Regional Regulation is intended as a guideline for Regional Apparatus in the Provision of Incentives and Provision of Ease of Investment in the Region.
- (2) The objectives of Provision of Incentives and Provision of Ease of Investment include:
  - a. creating attractiveness and competitiveness for Investors and potential Investors;
  - b. expanding business access to investment data and information;
  - c. increasing and developing Industrial Designated Areas;
  - d. increasing economic growth in the Region;
  - e. creating job opportunities;
  - f. improving community welfare;
  - g. encouraging increased Investment; and
  - h. enhancing business partnerships.

CHAPTER II  
CRITERIA FOR THE PROVISION OF INCENTIVES AND  
EASE OF INVESTMENT

Article 3

- (1) The Local Government provides incentives and/or ease of investment to the Community and/or Investors in the Region who meet the criteria.
- (1) The criteria as referred to in section (1) consist of:
  - a. conducting business activities in line with the Region's priority programs;
  - b. enhancing economy in the Region and community income;
  - c. partnering with Micro Enterprises, Small Enterprises, and/or Cooperatives;
  - d. employing local workers;
  - e. prioritizing the use of local raw materials;
  - f. being environmentally friendly and promoting sustainable development;
  - g. developing infrastructure;
  - h. conducting research, development, and innovation activities;
  - i. being export-oriented;
  - j. contributing to the improvement of public services;
  - k. contributing to the increase of gross regional product;
  - l. conducting technology transfer;
  - m. engaging in pioneer industries; and/or
  - n. utilizing domestically produced capital goods, machinery, or equipment.
- (2) The Provision of Incentives and/or Provision of Ease of Investment is adjusted to capabilities and authority of the Region.

### CHAPTER III TYPES OF BUSINESS OR INVESTMENT ACTIVITIES

#### Article 4

- (1) The types of business or investment activities that may receive incentives and/or ease of investment include those that are the focus of development and policy priorities in the Region.
- (2) The types of business or investment activities as referred to in section (1) consist of:
  - a. Micro Enterprises and/or Cooperatives;
  - b. businesses that are subject to partnership requirements;
  - c. businesses that are subject to capital ownership requirements;
  - d. businesses that are subject to specific location requirements;
  - e. Businesses that are subject to special licensing requirements;
  - f. businesses open for investment that prioritize advantages of the Region;
  - g. businesses that have received investment facilities from the Central Government; and/or
  - h. other businesses in accordance with the provision of legislation.
- (2) The Local Government may provide incentives and/or ease of investment for sectors other than those referred to in section (2) based on studies that consider the Region's potential and added value.

### CHAPTER IV FORMS OF INCENTIVES AND EASE OF INVESTMENT

#### Article 5

- (1) The forms of Provision of Incentives as referred to in Article 3 may include:
  - a. reduction, relief, or exemption of taxes in the Region;
  - b. reduction, relief, or exemption of levies in the Region;
  - c. support for research and development for Micro Enterprises and/or Cooperatives in the Region;
  - d. support for vocational training facilities for Micro Enterprises and/or Cooperatives in the Region; and/or
  - e. Facilitation to banking or financial institutions to obtain low-interest loans intended for Micro Enterprises and/or Cooperatives in the Region in accordance with the provisions of legislation.
- (1) Further provisions regarding the forms and details of the incentives as referred to in section (1) are regulated in a Regent Regulation.

#### Article 6

- (1) The forms of Provision of Ease of Investment may include:

- a. provision of data and information on Investment opportunities;
  - b. provision of facilities and infrastructure;
  - c. facilitation of land or location provision;
  - d. provision of technical assistance;
  - e. simplification and acceleration of licensing through a one-stop service;
  - f. ease of market access for production result;
  - g. ease of direct construction investment;
  - h. ease of investment in strategic areas established by legislation that have potential for development of the Region;
  - i. ensuring comfort and security for investment in the Region;
  - j. simplification of certification and standardization processes in accordance with the provisions of legislation;
  - k. ease of access to ready and skilled worker;
  - l. ease of access to raw material supplies; and/or
  - m. facilitation of promotion in accordance with the Region's authority.
- (2) Further provisions regarding the forms of Provision of Ease of Investment as referred to in section (1) are regulated in a Regent Regulation.

## CHAPTER V PROCEDURES FOR PROVISION OF INCENTIVES AND EASE OF INVESTMENT

### Article 7

- (1) The Community or Investors submit a written application for the Provision of Incentives and/or Provision of Ease of Investment to the Regent through the Head of the Office.
- (2) The Community or Investors as referred to in section (1) include:
  - a. New Community or Investors who will start a business, submitting an application containing:
    - 1. Company profile;
    - 2. Business plan; and
    - 3. The type of incentives and/or ease requested.
  - b. Existing Community or Investors who will expand their business, submitting an application containing:
    - 1. company performance;
    - 2. business development;
    - 3. business scope; and
    - 4. the type of incentives and/or ease requested.
- (3) The provisions as referred to in section (2) do not apply to Micro Enterprises and Cooperatives, who may simply submit a letter of application outlining the need for incentives and/or Ease of Investment.
- (4) Further provisions regarding the procedures for applying for the Provisions of Incentives and Provision

of Ease of Investment as referred to in section (1) are regulated by a Regent Regulation.

#### Article 8

- (1) Applications for the Provision of Incentives and/or Provision of Ease of Investment as referred to in Article 7 section (1) are verified by the Verification and Assessment Team.
- (2) The membership of the Verification and Evaluation Team as referred to in section (1) consists of relevant Regional Apparatuses and is coordinated by the Head of the Office.
- (3) The formation of the Verification and Assessment Team as referred to in section (1) is determined by a Regent's Decision.

#### Article 9

- (1) The Verification and Assessment Team as referred to in Article 8 has the following duties:
  - a. conduct verification and evaluation of applications for the Provision of Incentives and Provision of Ease of Investment;
  - b. conduct field inspections;
  - c. assess the implementation of Investment activities by the Community and/or Investors in accordance with criteria based on assessment variables;
  - d. determine the form and amount of Provision of Incentives and/or Provision of Ease of Investment based on the assessment results;
  - e. provide recommendations on the recipients of Incentives and/or Ease of investment to the Regent;
  - f. monitor and evaluate the implementation of the Provision of Incentives and the Provision of Ease in the Region; and
  - g. report the results of monitoring and evaluation of the implementation of the Provision of Incentives and Provision of Ease of Investment at least 1 (one) a year to the Regent.
- (2) Further provisions regarding the verification and assessment procedures based on the assessment variables as referred to in section (1) point a and point c are regulated by a Regent Regulation.

#### Article 10

- (1) The Regent determines the recipients of incentives and ease of investment based on the recommendations of the Verification and Assessment Team as referred to in Article 9 section (1) point e.
- (2) The recipients as referred to in section (1) are determined by a Regent's Decision.
- (3) The Regent's Decision as referred to in section (2) at least contains:
  - a. name;
  - b. address of the recipient;

- c. business or investment activity sector;
  - d. form of incentives and ease;
  - e. duration of the incentives; and
  - f. rights and obligations of the recipients of incentives and ease of investment.
- (2) In the event that the application for the Provision of Incentives and Provision of Ease of Investment is rejected, the Office provides a written notification along with reasons for the rejection to the applicant.

## CHAPTER VI DURATION AND FREQUENCY OF THE PROVISION OF INCENTIVES AND PROVISION OF EASE OF INVESTMENT

### Article 11

The Provision of Incentives and the Provision of Ease of Investment is conducted within a specific period and frequency.

### Article 12

- (1) The Provision of Incentives and Provision of Ease of Investment to new Investors is a maximum of 2 (two) times.
- (2) The Provision of Ease of Investment to existing investors is a maximum of 1 (one) time.
- (3) In the event that existing Investors as referred to in section (2) experience losses and/or difficulties in increasing capital, the Provision of Incentives as referred to in section (2) may be granted for a maximum of 2 (two) times.

### Article 13

Further provisions regarding the duration and frequency as referred to in Article 11 and Article 12 are regulated by a Regent Regulation.

## CHAPTER VII EVALUATION AND REPORTING OF THE PROVISION OF INCENTIVES AND PROVISION OF EASE OF INVESTMENT

### Article 14

- (1) The Community and/or Investors receiving incentives and ease of investment are obligated to submit a report to the Regent at least once a year.
- (2) The report as referred to in section (1) contain the use and/or utilization of the Provision of Incentives and Provision of Ease of Investment received.
- (3) Investors who receive incentive and Provision of Ease of Investment and fail to fulfil the obligations as referred to in section (1) are subject to administrative sanctions in the forms of:
  - a. written warning; and/or
  - b. revocation of their rights as recipients of incentive and ease of investment.



- (2) The written warning as referred to in section (3) point a is imposed for a maximum of 3 (three) times.
- (3) Further provisions regarding the procedure for imposing administrative sanctions as referred to in section (3) are regulated in the Regent's Regulation.

#### Article 15

- (1) The Office, together with the Verification and Assessment Team, conducts an evaluation of the Provision of Incentives and Provision of Ease of Investment periodically at least once a year.
- (2) The Provision of Incentive and Provision of Ease of Investment may be reviewed if, based on the evaluation results as referred to in section (1), the Investment activities are deemed not to meet the criteria as referred to in Article 3 section (2) and/or are not in accordance with the provisions of legislation.
- (3) The evaluation results as referred to in section (1) is submitted by the Office to be discussed and followed up with the Verification and Assessment Team.
- (4) Further provisions regarding the evaluation procedure as referred to in section (1) are regulated in the Regent's Regulation.

#### Article 16

The Regent submits a report to the Governor regarding the implementation of the Provision of Incentives and Provision of Ease of Investment in the Region periodically once a year.

### CHAPTER VIII COACHING AND SUPERVISION

#### Article 17

- (1) The Regent, through the Head of the Office conduct coaching and supervision over the implementation of the Provision of Incentive and Provision of Ease of Investment in the Region.
- (2) The coaching and supervision as referred to in section (1) include supervision of the utilization of the Provision of Incentive and Provision of Ease of Investment as well as the obstacles encountered.

### CHAPTER IX CLOSING PROVISIONS

#### Article 18

This Regional Regulation comes 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 Karangasem.

Issued in Amlapura  
on 2 May 2024

REGENT OF KARANGASEM,

signed

I GEDE DANA

Promulgated in Amlapura  
on 2 May 2024

SECRETARY OF THE REGION OF KARANGASEM REGENCY,

signed

I KETUT SEDANA MERTA

REGIONAL GAZETTE OF THE REGENCY OF KARANGASEM OF 2024  
NUMBER 2

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

Dr. DHAHANA PUTRA

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 Karangasem.

Issued in Amlapura  
on 2 May 2024

REGENT OF KARANGASEM,

signed

I GEDE DANA

Promulgated in Amlapura  
on 2 May 2024

SECRETARY OF THE REGION OF KARANGASEM REGENCY,

signed

I KETUT SEDANA MERTA

REGIONAL GAZETTE OF THE REGENCY OF KARANGASEM OF 2024  
NUMBER 2

Jakarta, 21 Oktober 2025

Has been translated as an Official Translation  
on behalf of Minister of Law

of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION,

DEAHANA PUTRA



ELUCIDATION  
OF  
REGULATION OF THE REGENCY OF KARANGASEM  
NOMOR 2 TAHUN 2024  
ON  
PROVISION OF INCENTIVES AND PROVISION OF EASE OF INVESTMENT

I. GENERAL

Investment Activities in The Region Are part of efforts to enhance economic growth, increase Community income, create job opportunities, empower local resources, promote sustainable economic development, encourage people's economic development, and realize community welfare. given the significant influence of investment activities on the economy in this area, the government must create a conducive investment climate to encourage increased Investment.

To promote the growth of investors in the Region and implement the provisions of Article 7 of Government Regulation Number 24 of 2019 on the Provision of Incentives and Provision of Ease of Investment in the Region, it is necessary to establish the Regional Regulation of the Regency of Karangasem on the Provision of Incentives and Provision of Ease of Investment. This Regional Regulation can serve as a guideline for the implementation of the Provision of Incentives and Provision of Ease of in the Regency of Karangasem.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Sufficiently clear.

Article 3

Section (1)

Sufficiently clear.

Section (2)

Point a

The term " Region's priority " means the sectors that are considered superior according to the Regional Medium-Term Development Plan (RPJMD, *Rencana Pembangunan Jangka Menengah Daerah*).

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

The term "local workers" means workers who hold a Resident Identity Card (*Kartu Tanda Penduduk*) from the Regency of Karangasem.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

Sufficiently clear.

Point j

Sufficiently clear.

Point k

Sufficiently clear.

Point l

The term "conducting technology transfer" means an Investor who provides opportunities to the Local Government and the community to enhance their knowledge and application of the technology used by the Investor.

Point m

Sufficiently clear.

Point n

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 4

Sufficiently clear.

Article 5

Section (1)

Point a

Reduction, relief, or exemption from local taxes includes the following:

- a. Adjustment of the Non-Taxable Sale Value of Taxable Objects (NJOPTKP, *Nilai Jual Objek Pajak Tidak Kena Pajak*) and the Sale Value of Taxable Objects (NJOP, *Nilai Jual Objek Pajak*) of land and buildings;
- b. Granting reduction, relief, or exemption in certain cases on the principal of local taxes and/or their sanctions;
- c. Granting reduction, relief, or exemption of Land and Building Acquisition Duty (BPHTB, *Bea Perolehan Hak atas Tanah dan Bangunan*); and
- c. Instalment payment of local taxes.

Point b

Reduction, relief, or exemption from local levies includes, among others, building permit levies for public housing for low-income communities.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Section (2)

Sufficiently clear.

Article 6

Section (1)

Point a

The term Provision of ease in the form of data and information on investment opportunities includes, among others:

- a. website [dpmpstsp.karangasemkab.go.id](http://dpmpstsp.karangasemkab.go.id); and
- b. investment potential assessment reports.

Point b

The provision of facilities and infrastructure includes, among others:

- a. public transportation networks;
- b. wastewater and waste management systems;
- a. clean water supply networks;
- c. telecommunications networks; and
- b. information and publication networks.

Point c

The term provision of land or location includes, among others:

- a. information on the regional spatial planning;
- b. technical assistance for land acquisition;
- a. Acceleration of land acquisition; and/or
- c. Provision of co-working spaces for information technology-based creative economies.

Point d

Sufficiently clear.

Point e

The simplification and acceleration of licensing through One-Stop Integrated Services aim to shorten the time, reduce costs, and ensure procedures are accurate and quick, supported by an online information system, including:

- a. independent online single submission service;
- b. assisted online single submission service;
- a. priority services; and
- c. business outreach services.

Point f

The term ease of access to marketing production results, includes:

- a. participation in exhibitions and promotional activities;
- a. connecting with online promotional media; and
- b. provision and updating of market information.

Point g

Sufficiently clear.

Point h

The term Ease of Investment in Strategic Areas designated by legislation that has the potential for regional

development includes Strategic Areas in accordance with the Regional Spatial Planning.

Point i

Sufficiently clear.

Point j

The term ease of the certification and standardization process in accordance with the provisions of legislation, includes:

- a. assistance and/or facilitation of Intellectual Property Rights (IPR);
- b. assistance and/or facilitation of Halal Certification;
- a. assistance and/or facilitation of Indonesian National Standards (SNI); and
- c. assistance and/or facilitation of Household Industrial Food Production Certification, *Sertifikat Produksi Pangan Industri Rumah Tangga* (SPPIRT).

Point k

The term ease of access to ready and skilled worker, includes:

- a. provision of data on available worker for business activities; and
- b. provision of training centers for specific skills.

Point l

The term ease of access to raw material supplies, includes:

- a. connecting with raw material suppliers; and
- b. providing information on alternative substitute raw materials.

Point m

The term facilitation in the form of investment promotion, includes:

- a. involving participation in exhibitions held in the Region;
- b. providing technical assistance to expand market reach; and/or
- c. providing venue facilities for conducting promotions.

Section (2)

Sufficiently clear.

Article 7

Sufficiently clear.

Article 8

Sufficiently clear.

Article 9

Sufficiently clear.

Article 10

Sufficiently clear.

Article 11

The term "specific period and frequency" means the determination of the duration and frequency set by the authorized officials based on the type of incentives and ease provided to the Community and/or Investors.

Article 12

Section (1)

The term "New Investor" means an Investor who has been operating a business for up to 5 (five) years.

Section (2)

The term "existing Investor" means an investor who has been operating a business for more than 5 (five) years.

Section (3)

The term "experiencing losses and/or capital difficulties" means being proven by the company's financial statements.

Article 13

Sufficiently clear.

Article 14

Sufficiently clear.

Article 15

Sufficiently clear.

Article 16

Sufficiently clear.

Article 17

Sufficiently clear.

Article 18

Sufficiently clear.