

REGULATION OF THE REGENCY OF KARAWANG  
NUMBER 1 OF 2024  
ON  
INVESTMENT ADMINISTRATION

BY THE BLESSINGS OF ALMIGHTY GOD

REGENT OF KARAWANG,

- Considering : a. that in order to realize the ease of Investment, it is necessary to carry out sustainable economic development in creating a conducive investment climate and achieving prosperity, it is necessary to facilitate business certainty that is fair and has legal certainty;
- b. that the investment administration in order to increase Regional economic growth for the greatest prosperity of the people of Karawang Regency;
- c. that the investment administration has been regulated in Regulation of the Regency of Karawang Number 12 of 2014 on Regional Investment Administration, but in its development it is no longer in accordance with the development of business actors, community needs and changes in new legislation, so 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 Investment administration;

- Observing : 1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;

2. Law Number 14 of 1950 on Regency Government within the Province of West Java (State Bulletin of the Republic of Indonesia of 1950 Number 8) as amended by Law Number 4 of 1968 on Establishment of Purwakarta Regency and Subang Regency by amending Law Number 14 of 1950 on Establishment of Regency Areas within the Province of West Java (State Gazette of the Republic of Indonesia of 1968 Number 31, Supplement to the State Gazette of the Republic of Indonesia Number 2851);
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 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 (State Gazette of the Republic of Indonesia of 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6841);
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 the 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 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 (State Gazette of the Republic of Indonesia of 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6841);

6. Law Number 1 of 2022 on Financial Relations between 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. 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 Number 6330);
8. Government Regulation Number 35 of 2023 on General Provisions for Local Taxes and Local Levies (State Gazette of the Republic of Indonesia of 2023 Number 85, Supplement to the State Gazette of the Republic of Indonesia Number 6881);
9. Presidential Regulation Number 16 of 2012 on General Plan of Investment (State Gazette of the Republic of Indonesia of 2012 Number 42);
10. Presidential Regulation Number 97 of 2014 on Implementation of One Stop Service (State Gazette of the Republic of Indonesia of 2014 Number 221);
11. Presidential Regulation Number 10 of 2021 on Investment Business Sector (State Gazette of the Republic of Indonesia of 2021 Number 61) as amended by Presidential Regulation Number 49 of 2021 on Amendments to Presidential Regulation Number 10 of 2021 on Investment Business Sector (State Gazette of the Republic of Indonesia of 2021 Number 128);
12. Regulation of the Minister of Home Affairs Number 80 of 2015 on Regional Legislation Making (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 Regional Legislation Making (State Bulletin of the Republic of Indonesia of 2018 Number 157);

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

HAS DECIDED:

To issue : REGIONAL REGULATION ON INVESTMENT  
ADMINISTRATION.

CHAPTER I  
GENERAL PROVISIONS

Part One  
Definition

Article 1

In this Regional Regulation:

1. Regency Area means Karawang Regency Area.
2. Regency Government means the Regent as the organizing element of the Local Government who leads the implementation of government affairs which are the authority of the autonomous Region.
3. Regent means the Regent of Karawang.
4. Regional Apparatus means an auxiliary element of the Regent and the Regional House of Representatives in the administration of government affairs which are the regional authorities.
5. Office means a Regional Apparatus administering government affairs in the field of investment and one stop service under the authority of the Local Government.
6. Capital means assets owned by an investor taking the form of monetary or otherwise non-monetary assets that have economic value.

7. Domestic capital means the capital owned by the state of the Republic of Indonesia, an individual of Indonesian nationality, or a business entity, whether incorporated or unincorporated.
8. Foreign capital means the capital owned by a foreign country, an individual of foreign nationality, a foreign business entity, a foreign legal entity, and/or an Indonesian legal entity whose capital is partly or wholly owned by a foreign party.
9. Investment means all forms of investing activities by both domestic investors and foreign investors to conduct business in the territory of Regional area.
10. Investor means an individual or a business entity that makes an investment, being either a domestic investor or a foreign investor.
11. Business Actor means individual, business entity, representation offices, and foreign business entity that engages in business and/or activities in specific fields.
12. Domestic Investment (*Penanaman Modal Dalam Negeri*) hereinafter abbreviated as PMDN means an investing activity for running business within the territory of the Republic of Indonesia, made by any domestic investor using domestic capital.
13. Foreign Investment means any individual foreign citizen, foreign business entity, or foreign government making investment within the territory of the Republic of Indonesia.
14. Business Licensing means the legality granted to Business Actors to start and run their business and/or activities.
15. Supervision means an effort to ensure the implementation of business activities in accordance with the standards for the implementation of business activities carried out through a risk-based approach and obligations that must be fulfilled by Business Actors.
16. Online Single Submission System, hereinafter referred to as the OSS System, means an integrated electronic system

managed and organized by the OSS institution for the implementation of Risk-Based Business Licensing.

17. One Stop Integrated Service (*Pelayanan Terpadu Satu Pintu*), hereinafter abbreviated as PTSP, means an integrated service in a unified process starting from the application stage to the stage of completing one-stop integrated service products.
18. Regency Investment General Plan (*Rencana Umum Penanaman Modal Kabupaten*), hereinafter abbreviated as RUPMK, means a Regency investment planning document prepared and determined by the Regency Government in accordance with the Provincial Investment General Plan and regency potential development priorities.
19. Investment Climate Development means all activities in order to improve a policy environment, institution, and behavior, both current and expected conditions.
20. Investment Facility means all forms of fiscal and non-fiscal incentives and ease of Investment services, in accordance with the provisions of legislation.

## Part Two Principles

### Article 2

Investment is organized based on the principles of:

- a. legal certainty;
- b. transparency;
- c. accountability;
- d. equal treatment without discriminating the country of origin;
- e. cooperation;
- f. impartial efficiency;
- g. sustainability;
- h. environmentally oriented;
- i. independence; and
- j. balance of progress and national economic unity.

## Part Three

### Purposes

#### Article 3

Investment Administration aims to:

- a. increase national economic growth;
- b. create jobs;
- c. increase sustainable economic development;
- d. improve the competitiveness of the national business world;
- e. increase national technological capacity and capability;
- f. encourage people's economic development;
- g. realize economic potential into real economic power by using funds originating from within the country and from abroad; and
- h. improve people's welfare.

## Part Four

### Scopes

#### Article 4

The scopes of this Regional Regulation are:

- a. authority of the Local Government;
- b. the basis of investment policy;
- c. planning;
- d. rights and obligations;
- e. investment services;
- f. information systems and data processing;
- g. business empowerment;
- h. control of investment administration;
- i. incentives and ease of investment;
- j. investment promotion;
- k. public participation; and
- l. complaint.

## CHAPTER II DUTIES AND AUTHORITY

### Article 5

- (1) Local Governments have duties and authority in the investment administration, including:
  - a. policy establishment in the investment administration;
  - b. provision of incentives and/or ease in the field of Investment;
  - c. drafting and determining RUMPK;
  - d. making maps of Investment potentials;
  - e. investment administration promotion;
  - f. business licensing and non-licensing services in an integrated 1 (one) stop in the field of Investment;
  - g. development and capacity building of Human Resources of apparatuses;
  - h. fostering of Investors;
  - i. conduct communication, coordination and synergy with the provincial and central governments;
  - j. development of interregional cooperation and partnerships;
  - k. integrated management of business licensing and non-licensing data and information;
  - l. improvement and development of technology in service; and
  - m. control of the investment administration.
- (2) The technical implementation of duties and authorities as referred to in section (1) is delegated to the Office.

## CHAPTER III BASIC INVESTMENT POLICY

### Article 6

- (1) The Local Government establishes investment administration policies that are directed as Region that is



worthy of being the main investment destinations, through efforts to:

- a. encourage the creation of a conducive Regional business climate for investment to strengthen Regional economic competitiveness;
  - b. accelerate the increase in investment based on the authority, needs and capabilities of the Region.
- (2) Investment administration policies as referred to in section (1), must be supported by policies that include:
- a. spatial planning;
  - b. infrastructure;
  - c. security of the Investment site from potential natural disasters;
  - d. manpower;
  - e. local taxes and local levies;
  - f. risk-based business licensing;
  - g. distribution of goods and services;
  - h. environmental management and protection;
  - i. land;
  - j. ease of funding sources; and
  - k. clean, competent, and responsive bureaucratic apparatus.
- (3) In implementing the direction of Regional Investment policy as referred to in section (1), the Local Government is obligated to:
- a. give equal treatment to Investors;
  - b. ensure legal certainty;
  - c. ensure business certainty;
  - d. provide ease of doing business;
  - e. ensure the safety of business; and
  - f. develop and provide protection and/or Investment opportunities to Cooperatives and micro-enterprises.

#### Article 7

- (1) The spatial policy as referred to in Article 6 section (2) point a becomes a guideline in the Investment implementation activities.

- (2) Every Investment is required to utilize space for business places in accordance with its designation stipulated in the spatial plan.
- (3) The spatial policy as referred to in section (1) includes:
  - a. spatial plans with legal certainty;
  - b. safe, comfortable, productive and sustainable use of space;
  - c. not taking advantage of potentially catastrophic spaces;
  - d. adding value to the space; and
  - e. providing reasonable reimbursement in terms of utilizing the space associated with land acquisition.
- (4) The obligation as referred to in section (2) is evidenced by the approval document for the Conformity of Spatial Utilization Activities issued by the authorized agency.

#### Article 8

- (1) The policy of infrastructure provision by the Local Government as referred to in Article 6 section (2) point b is implemented based on:
  - a. Regional Long-Term Development Plan, Regional Medium-Term Development Plan, and Local Government Work Plan;
  - b. spatial plan;
  - c. infrastructure development programs; and
  - d. regional financial capabilities.
- (2) The infrastructure development program as referred to in section (1) point c, includes:
  - a. roads and their supporting infrastructure;
  - b. electricity;
  - c. telecommunications;
  - d. clean water;
  - e. waste management; and
  - f. other means and infrastructures that support Investment.
- (3) The infrastructure development program as referred to in section (2) can be cooperated by the Local Government with other parties.

#### Article 9

Investment site security policies from potential natural disasters as referred to in Article 6 section (2) point c, Local Government is obligated to:

- a. designate disaster-prone locations;
- b. not approve the Conformity of Spatial Utilization Activities in disaster-prone locations;
- c. establish disaster mitigation.
- d. guarantee the fulfillment of the rights of people affected by disasters in accordance with minimum service standards;
- e. protect communities from the effects of disasters;
- f. reduce disaster risk and integrate of disaster risk reduction with development programs;
- g. allocate disaster management funds in an adequate Regional Revenue and Expenditure Budget; and
- h. include Investors to be involved in the implementation of disaster mitigation.

#### Article 10

- (1) The manpower policy as referred to in Article 6 section (2) point d is aimed at creating jobs in accordance with the needs of Investment.
- (2) Local governments are required to implement:
  - a. mapping and data collection of prospective workers;
  - b. empowerment and utilization of labor optimally and humanely;
  - c. increase of the competence of prospective workers through job training;
  - d. equitable distribution of job opportunities and provision of labor in accordance with investment needs;
  - e. increased technology transfer;
  - f. protection to the workers in realizing welfare; and
  - g. improving the welfare of the workers and their families.

#### Article 11

- (1) Local tax and local levy policies as referred to in Article 6 section (2) point e are implemented to finance development in the Region.
- (2) Local Government is obligated to implement:
  - a. rational, objective regulation of local taxes and local levies in accordance with regulations in the field of local taxation and local levies; and
  - b. guarantee of policies on payment obligation that do not burden investors and do not cause high-cost economics.

#### Article 12

- (1) The risk-based Business Licensing policy as referred to in Article 6 section (2) point f is implemented to ensure more certainty, ease of management, simplification in procedures and the use of information technology.
- (2) Local Government is obligated to set up clearer, more complete, and operational business licensing to ensure legality in Investment.
- (3) The setup of the licensing as referred to in section (2) is regulated in the Regional Regulation on business licensing.

#### Article 13

The policy of guaranteeing the security of the distribution of goods and services as referred to in Article 6 section (2) point g, for Investors is directed at guaranteeing the certainty, safety and security of the delivery of goods or products from producers to markets or consumers.

#### Article 14

- (1) Environmental Management and Protection Policy as referred to in Article 6 section (2) point h is implemented with sustainably and environmentally -oriented principles.
- (2) Environmentally friendly Investment Policy includes:
  - a. the existing legislation in the field of environments, which is clear, complete, and operational;

- b. efforts to foster, assist Investors to comply with the Norms, Standards, Procedures, and Criteria for company establishment and operations;
- c. guarantee the internalization of environmental funds in the company's budget;
- d. assurance of environmentally friendly raw materials, processing, and technology; and
- e. law enforcement against environmental violators.

#### Article 15

Land policy as referred to in Article 6 section (2) point i states that the Local Government is obligated to carry out communication and coordination with the National Land Agency in the context of land utilization for Investors.

#### Article 16

- (1) The policy of ease of funding sources as referred to in Article 6 section (2) point j is directed to provide opportunities for micro enterprises and cooperatives in providing funding sources.
- (2) Local Government is obligated to implement:
  - a. information on funding sources;
  - b. communication and coordination with funding sources;
  - c. funding sources that avoid loan shark; and
  - d. build a savings and loan system that can ease an business person of micro entrepreneurs and Cooperatives to obtain funding sources for Investment.

#### Article 17

- (1) The policy of a clean, competent, and responsive bureaucratic apparatus as referred to in Article 6 section (2) point k is directed at improving the quality, capacity, and integrity of the bureaucracy serving Investment.
- (2) Local Government is required to implement:
  - a. capacity building for the Investment administering apparatuses;

- b. provision of professional, integrity, friendly, and ethical apparatuses, with adequate numbers;
- c. development of an international standard service system; and
- d. development of cooperation and partnership in an effort to improve the ability to master technology and information.

## CHAPTER IV

### INVESTMENT CLIMATE PLANNING AND DEVELOPMENT

#### Part One

##### Investment Planning

#### Article 18

- (1) Investment planning is stipulated in the RUPMK.
- (2) The RUPMK as referred to in section (1) is the direction, strategy and policy of Investment in the Region.
- (3) The RUPMK as referred to in section (1) is prepared based on:
  - a. General Plan of National Investment;
  - b. Provincial Investment General Plan;
  - c. regional long-term development plans;
  - d. Regional Medium-Term Development Plan; and
  - e. Regional Potential Development Priorities.
- (4) Further provisions regarding RUPMK as referred to in section (1) are regulated by a Regent Regulation.

#### Part Two

##### Investment Climate Development

#### Article 19

- (1) In order to develop the Regional Investment climate, the Local Government provides:
  - a. determination of the provision of facilities/incentives in the field of investment which is the authority of the regency region; and

- b. Investment potential map.
- (2) The Potential Map as referred to in section (1) point b in its implementation, at least contains:
  - a. investment development that is relatively easy and fast to produce;
  - b. acceleration of infrastructure development;
  - c. development of creative economy industries; and
  - d. knowledge and technology-based economic development.
- (3) Further provisions regarding the investment potential map as section (1) are regulated in a Regent Regulation.

## CHAPTER V

### RIGHTS AND OBLIGATIONS

#### Part One

#### Rights

#### Pasal 20

Every Investor is entitled to:

- a. obtain ease of service in Investment;
- b. obtain easy access to complete, true, accurate, and up-to-date information regarding Investment;
- c. get legal protection in the form of:
  - 1. the right to do business;
  - 2. the right to choose and determine the type of business;
  - 3. the right to choose and appoint business partners; and
  - 4. the right to set and choose a business strategy.
- d. participate and play a role in the investment administration;
- e. obtain incentives; and
- f. other various forms of facilities in accordance with the provisions of legislation.

Part Two  
Obligations

Article 21

- (1) Each Investor is obligated to:
  - a. carry out obligations, orders and responsibilities as stipulated in legislation and business licensing;
  - b. assist and support Local Government programs in the investment administration;
  - c. report every business activity periodically to the Office in charge of Investment;
  - d. prioritize the use of environmentally friendly technology;
  - e. prioritize the utilization of human resources domiciled in the Region while still paying attention to professionalism;
  - f. prioritize the utilization of resources and/or raw materials available in the Region;
  - g. prioritize mutually beneficial business cooperation with Local-Owned Enterprises, micro, small, medium enterprises and Cooperatives registered in the Region; and
  - h. maintain rule, order, and peace in conducting business on the basis of ethics, culture, traditions, and good habits, which live and develop in the Region.
- (2) Investors who violate the obligations as referred to in section (1) point c, point f, point g and point h are subject to administrative sanctions in the form of:
  - a. a written warning;
  - b. restrictions on business activities;
  - c. suspension of business activities and/or investment facilities; and
  - d. revocation of business activity licenses and/or investment facilities.
- (3) Further provisions regarding procedures for imposing administrative sanctions as referred to in section (2) are stipulated in a Regent Regulation.



#### Article 22

- (1) Investment Companies are obligated to provide protection, wages and work safety in accordance with the provisions of legislation.
- (2) Local government facilitates fair, fast and efficient industrial relations dispute resolution procedures and systems.
- (3) Investment companies that fail to carry out the obligations as referred to in section (1) are subject to sanctions in accordance with the provisions of legislation.

### CHAPTER VI INVESTMENT SERVICES

#### Part One General

#### Article 23

Investment Services in the Region include:

- a. business field;
- b. investors and forms of business entities; and
- c. workers.

#### Part Two Business Field

#### Article 24

- (1) All business fields are open for Investment activities, except the business fields that are:
  - a. declared closed for Investment; or
  - b. for activities that can only be carried out by the Central Government.
- (2) Business fields that are declared closed for Investment as referred to in section (1) point a are business fields that cannot be conducted.

#### Article 25

The open business fields as referred to in Article 24 section (1) consist of:

- a. priority business areas;
- b. business fields allocated or partnerships with cooperatives and micro, small, and medium enterprises; and
- c. business fields with certain requirements.

#### Part Three

##### Investor and Form of Business Entity

#### Article 26

- (1) Investment in the Region can be carried out by individuals or business entities which include:
  - a. PMDN; and
  - b. Foreign Investment, (PMA, *Penanaman Modal Asing*).
- (2) The PMDN as referred to in section (1) point a is carried out by a business entity that is incorporated, not incorporated or an individual business.
- (3) The PMA as referred to in section (1) point b is required to be in the form of a limited liability company based on Indonesian law and domiciled in the territory of the Republic of Indonesia unless otherwise stipulated by Law.

#### Part Four

##### Workforce

#### Article 27

- (1) Investors in meeting labor needs must prioritize workers in the Region.
- (2) Investors are required to improve the competence of Indonesian Citizens as referred to in section (1) through job training and apprenticeship in accordance with the provisions of legislation.
- (3) Investors who employ foreign workers are obligated to conduct training and transfer technology to Indonesian Citizens as referred to in section (1) in accordance with the provisions of legislation.

- (4) Investors who violate the provisions as referred to in section (1) to section (3) are subject to administrative sanctions.
- (5) The administrative sanctions as referred to in section (4) are:
  - a. a written warning;
  - b. restrictions on business activities;
  - c. suspension of business activities and/or investment facilities; and/or
  - d. revocation of business activity licenses and/or investment facilities in accordance with regional authorities.
- (6) Further provisions regarding procedures for imposing administrative sanctions as referred to in section (5) are regulated in a Regent Regulation.

## CHAPTER VII

### INFORMATION AND DATA PROCESSING SYSTEMS

#### Article 28

- (1) Local Government builds, develops and maintains Investment information systems, which are integrated with Government and Local Government Investment information systems.
- (2) The Investment information systems as referred to in section (1), include:
  - a. database of Investment potential and opportunities;
  - b. data on Investment business activities; and
  - c. realization of Investment.
- (3) Data processing and Investment information systems are carried out by the Office.
- (4) The implementation of data processing and information systems as referred to in section (3) is carried out electronically through:
  - a. OSS RBA application; and/or
  - b. electronic information service system by the Office.

CHAPTER VIII  
BUSINESS EMPOWERMENT

Article 29

- (1) The Local Government empowers businesses in Regional Investment.
- (2) Business empowerment in Investment as referred to in section (1) includes:
  - a. facilitation of the implementation of business management fostering;
  - b. facilitation of partnership implementation with PMA and/or PMDN companies; and
  - c. facilitation of business capacity building related to Investment.

Article 30

- (1) Facilitation of the implementation of business management fostering as referred to in Article 29 section (2) point a, is carried out through:
  - a. coordination of implementation, evaluation and reporting of business management fostering to micro entrepreneurs related to the empowerment of Investment with Local Government; and
  - b. capacity building of production management, financial management and marketing.
- (2) Facilitation of the implementation of business management fostering related to Investment as referred to in section (1) is carried out to raise the micro business scale class to become a large business and is ready to be partnered with PMA and/or PMDN companies throughout Indonesia in accordance with the provisions of legislation.

Article 31

- (1) Facilitation of partnership implementation with PMA and/or PMDN companies as referred to in Article 29 section (2) point b, is carried out through:

- a. facilitating Business Partnerships between micro and large enterprises; and
  - b. preparation, implementation, evaluation and reporting of Business Partnerships between micro and large enterprises.
- (2) Facilitation of the implementation of micro business partnerships with PMA and/or PMDN companies as referred to in section (1) is carried out to achieve equitable economic improvement partnership agreements.

#### Article 32

- (1) Facilitation of business capacity building related to Investment as referred to in Article 29 section (2) point c is carried out through:
- a. implementation and reporting on facilitation of micro enterprise capacity building; and
  - b. suggestions, views, thoughts, considerations, recommendations and problems from the national business world at the regional level.
- (2) Facilitation of capacity building of micro enterprises related to Investment as referred to in section (1) is carried out to provide solutions in business improvement to be ready to be partnered with PMA and/or PMDN companies throughout Indonesia in accordance with the provisions of legislation.

### CHAPTER IX

#### CONTROL OF INVESTMENT ADMINISTRATION

#### Article 33

Investment administration control activities include:

- a. monitoring;
- b. fostering;
- c. supervision; and
- d. evaluation.

#### Article 34

- (1) Monitoring activities as referred to in Article 33 point a are carried out to determine the progress of Investment realization and problems faced by Business Actors.
- (2) The implementation of monitoring as referred to in section (1) is carried out by:
  - a. compilation;
  - b. verification; and
  - c. evaluation of Investment activity reports.

#### Article 35

- (1) The implementation of fostering as referred to in Article 33 point b is carried out through the following activities:
  - a. counseling on legislation in the field of Investment;
  - b. providing consultation and guidance on the Investment administration in accordance with the provisions of Business Licensing and Investment approval that has been obtained;
  - c. assistance and facilitation in solving problems or obstacles faced by Investors in realizing their investment activities;
  - d. dissemination guidance, workshops, technical guidance, or regular dialogue on Investment; and
  - e. facilitation of accelerating project investment realization in the form of ease of doing business for Business Actors.

#### Article 36

- (1) The implementation of supervision as referred to in Article 33 point c is carried out through the activities of:
  - a. research and evaluation of information on the Investment administration provisions and facilities that have been provided;
  - b. examination and verification;
  - c. reporting of supervisory results;
  - d. follow-up of supervisory results; and
  - e. law enforcement.

#### Article 37

- (1) The Local Government conducts an evaluation as referred to in Article 33 point d on the Investment administration.
- (2) The implementation of the evaluation as referred to in section (1) is carried out through the following activities:
  - a. inventory and identification of information materials;
  - b. analysis of information;
  - c. qualification of analysis results;
  - d. correction; and
  - e. recommendations.

#### Article 38

Investment control activities as referred to in Article 33 to Article 37 are carried out by the Office in coordination with relevant Regional Apparatuses in accordance with the provisions of legislation.

### CHAPTER X

#### INCENTIVES AND EASE OF INVESTMENT

##### Part One

##### General

#### Article 39

- (1) Local Government can provide incentives and/or ease of Investment to the Community and/or Investors in the Region according to their authority.
- (2) The provision of incentives and/or ease of Investment to the Community and/or Investors in the Region as referred to in section (1) is carried out to encourage an increase in Investment in accordance with the authority, conditions, and capabilities of the Region.
- (3) The provision of incentives and ease as referred to in section (2) is carried out based on the principles of:
  - a. legal certainty;
  - b. equality;
  - c. transparency;

- d. accountability; and
- e. effectiveness and efficiency.

## Part Two

### Criteria for Providing Incentives and Ease of Investment

#### Article 40

The provision of incentives and/or ease is given to the Community and/or investors who meet the following criteria:

- a. contribute to the increase in people's income;
- b. absorbing labor;
- c. use mostly local resources;
- d. contribute to the improvement of public services;
- e. contribute to the increase in gross regional domestic product;
- f. environmentally sound and sustainable;
- g. infrastructure development;
- h. transfer technology;
- i. conducting pioneer industries;
- j. carry out research, development, and innovation activities;
- k. partner with micro, small enterprises, or cooperatives;
- l. industries that use Capital goods, machinery, or domestically produced equipment;
- m. conducting business activities in accordance with national and/or regional priority programs;
- n. export-oriented; and/or
- o. active participation in the program of corporate environmental social responsibility activities in the Region.

## Part Three

### Forms of Incentives and Ease of Investment

#### Article 41

- (1) The form of incentive as referred to in Article 39 section (1) can be:
  - a. reduction, relief, or exemption from local taxes in accordance with the provisions of legislation;



- b. reduction, relief, or exemption of local levies in accordance with the provisions of legislation;
  - c. provision of Capital assistance to micro enterprises, and/or cooperatives in the region;
  - d. assistance for research and development for micro-enterprises, and/or cooperatives in the region;
  - e. assistance for vocational training facilities for micro enterprises, and/or cooperatives in the region; and/or
  - f. low loan interest.
- (2) The form of providing facilities as referred to in Article 39 section (1) can be:
- a. provision of data and information on investment opportunities;
  - b. provision of means and infrastructures;
  - c. facilitation of land or location provision;
  - d. provision of technical assistance;
  - e. simplification and acceleration of licensing through PTSP;
  - f. ease of access to marketing of production products;
  - g. ease of direct Investment of construction;
  - h. ease of Investment in strategic areas stipulated in legislation that have the potential for Regional development;
  - i. providing comfort and security in Regional Investment;
  - j. ease of certification and standardization process in accordance with the provisions of legislation;
  - k. ease of access to ready-made and skilled labor;
  - l. ease of access to raw material supply; and/or
  - m. facilitation of promotion in accordance with regional authorities.
- (3) The provision of Incentives and/or Ease as referred to in section (1) and section (2) is given in accordance with the capabilities of the Region and legislation.

Part Four  
Types of Businesses that Get Incentives  
and Ease of Investment

Article 42

- (1) Local Government can prioritize the provision of Incentives and/or ease for certain types of businesses or certain activities.
- (2) Certain types of businesses or certain activities as referred to in section (1) consist of:
  - a. micro-enterprises, and/or cooperatives;
  - b. required undertakings with partnerships;
  - c. business for which capital ownership is required;
  - d. required undertakings with specific locations;
  - e. required business with special licenses;
  - f. open business in the context of investment that prioritizes Regional excellence;
  - g. businesses that have obtained investment facilities from the Central Government; and/or
  - h. other businesses in accordance with the provisions of legislation.

Part Five  
Procedures for Providing Incentives and Ease of Investment

Article 43

- (1) The Regent establishes standard operating procedures for the Provision of Incentives and/or ease to the community and/or investors.
- (2) The Regent verifies the provision of incentives and/or Ease to the Community and/or Investors.
- (3) Verification as referred to in section (2) is coordinated by the Office.
- (4) Further provisions regarding procedures for providing Incentives and ease of Investment as referred to in section (1) are regulated in a Regent Regulation.

## Part Six

### Period and Frequency of Incentives and Ease of Investment

#### Article 44

- (1) The Local Government determines the period and frequency of providing incentives and/or providing ease of investment.
- (2) Further provisions regarding the determination of the period and frequency of providing incentives and/or providing ease of investment as referred to in section (1) are regulated in a Regent Regulation.

## Part Seven

### Evaluation and Reporting of Provision of Incentives and Ease of Investment

#### Article 45

- (1) The Regent evaluates the effectiveness of the implementation of incentives and/or ease that have been provided to the community and/or investors.
- (2) The evaluation as referred to in section (1) is carried out at least 1 (one) time a year.
- (3) The provision of incentives and/or ease can be reviewed if based on the evaluation it no longer meets the criteria as referred to in Article 40 or conflicts with the provisions of legislation.
- (4) The Regent submits a report on the implementation of incentives and/or ease in his/her area to the governor every 1 (one) year.

## CHAPTER XI

### INVESTMENT PROMOTION

#### Article 46

- (1) The Local Government promotes investment in the Region.
- (2) Investment promotion as referred to in section (1) is carried out by the Office.

- (3) Investment promotion in the Region as referred to in section (1) is carried out in accordance with the provisions of legislation.

## CHAPTER XII PUBLIC PARTICIPATION

### Article 47

- (1) The community has broad and equal opportunities to participate in the Investment administration by:
  - a. take an active role in creating a conducive and competitive business climate;
  - b. participate in helping the smooth Investment administration; and/or
  - c. delivery of information on regional potential.
- (2) Participation as referred to in section (1) aims to:
  - a. realize the sustainability of Investment;
  - b. support the prevention of violations of legislation;
  - c. support the prevention of negative impacts as a result of Investment; and
  - d. fostering cooperation between the community and Investors.
- (3) To support the implementation of public participation as referred to in section (1) and section (2), it is facilitated and managed by the Office.

## CHAPTER XIII COMPLAINT

### Article 48

- (1) Any person has the right to file a complaint to the Office in the event that:
  - a. Investment policies that are suspected of causing uncertainty that results in losses;
  - b. public services that are not in accordance with service standards;

- c. Investment activities that have the potential to harm the community, environment, spatial planning, and/or cultural heritage; and/or
  - d. the occurrence of violations by the apparatus and/or by the Investor.
- (2) Further provisions regarding the procedure for complaints as referred to in section (1) are stipulated in a Regent Regulation.

#### CHAPTER XIV TRANSITIONAL PROVISION

##### Article 49

- (1) Investment licenses and non-licenses that have been issued before the enforcement of this Regional Regulation remain valid until they expire.
- (2) Investment licenses and non-licenses that are still in the process of being completed at the time this Regional Regulation comes into force are adjusted to this Regional Regulation.

#### CHAPTER XV CLOSING PROVISIONS

##### Article 50

At the time this Regional Regulation comes into force, all implementing regulations of Regional Regulation Number 12 of 2014 on Regional Investment Administration are declared to remain in effect as long as they do not conflict with the provisions in this Regional Regulation.

##### Article 51

At the time this Regional Regulation comes into force, Regulation of the Regency of Karawang Number 12 of 2014 on Regional Investment Administration (Regional Gazette of the Regency of Karawang of 2014 Number 12), is repealed and declared ineffective.

Article 52

The implementing regulations of this Regional Regulation must be issued not later than 1 (one) year from the promulgation of this Regional Regulation.

Article 53

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 Karawang.

Issued in Karawang  
on 15 January 2024

REGENT OF KARAWANG,

signed

AEP SYAEPULOH

Promulgated in Karawang  
on 15 January 2024

REGIONAL SECRETARY OF THE REGENCY OF KARAWANG,

signed

ACEP JAMHURI

REGIONAL GAZETTE OF THE REGENCY OF KARAWANG OF 2024 NUMBER 1

Jakarta, 10 July 2025

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

DIRECTOR GENERAL OF LEGISLATION,



ELUCIDATION  
ON  
REGIONAL REGULATION OF THE REGENCY OF KARAWANG  
NUMBER 1 OF 2024  
ON  
INVESTMENT ADMINISTRATION

I. GENERAL

Investment activities are part of economic development which is placed as an effort to increase economic growth, create new jobs, increase sustainable development, increase capacity and technological progress, support people's economic development and in order to realize business actors or investors who are increasingly prosperous and just.

The Local Government together with stakeholders, both private and government, must focus more on developing potential opportunities for the Region, as well as in coordinating the promotion and service of Investment, especially in carrying out Investment affairs (mandatory affairs) based on the principle of Regional Autonomy and the Task of Assistance or Deconcentration. Therefore, the improvement of coordination between these institutions must be measured by the speed and accuracy in providing services and facilities in the field of Investment, especially services in the field of Licensing.

Regarding the field of Investment Services, in order for Karawang Regency to become an Investment destination area, it is necessary to improve Regional competitiveness and a more conducive business climate through the Online Single Submission System. In order to provide legal



certainty and increase competitiveness in the Region as well as to provide balance and fairness in business services in the Region, it is expected to increase the realization of Investment. Therefore, the Local Government took a policy to regulate Investment in a Regional Regulation, by replacing Regulation of the Regency of Karawang Number 12 of 2014 on Regional Investment Administration, but it was considered no longer in accordance with the needs and changes in the existence of new legislation so that amendments and updates needed to be made with the preparation of this Regional Regulation.

## II. ARTICLE BY ARTICLE

### Article 1

Sufficiently clear.

### Article 2

#### Point a

The term "principle of legal certainty" means a principle in a legal state that lays down legislation as the basis for every policy and action in the field of investment.

#### Point b

The term "principle of transparency" means a principle that is open to the right of the community to obtain true, honest, and non-discriminatory information about investment activities.

#### Point c

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

#### Point d

The term "principle of equal treatment without discriminating the country of origin" means the principle of nondiscrimination 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 cooperation" means a principle that encourages the role of all investors together in their business activities to realize the welfare of the people.

Point f

The term "principle of impartial efficiency" means the principle that underlies the Investment administration by prioritizing equitable efficiency in an effort to create a fair, conducive, and competitive business climate.

Point g

The term "principle of sustainability "means a principle that plans to carry out the development process through investment to ensure welfare and progress in all aspects of life, both for the present and the future.

Point h

The term "principle of environmentally oriented" means the principle of investment carried out while still paying attention to and prioritizing environmental protection and maintenance.

Point i

The term "principle of independence" means the principle of investment carried out while still prioritizing the potential of the nation and state by not closing itself to the entry of foreign capital in order to realize economic growth.

Point j

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

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.

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Sufficiently clear.

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Sufficiently clear.

Article 25

Sufficiently clear.

Article 26

Sufficiently clear.

Article 27

Sufficiently clear.

Article 28

Sufficiently clear.

Article 29

Sufficiently clear.

Article 30

Sufficiently clear.

Article 31

Sufficiently clear.

Article 32

Sufficiently clear.

Article 33

Sufficiently clear.

Article 34

Sufficiently clear.

Article 35

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

Sufficiently clear.

Article 38

Sufficiently clear.

Article 39

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Point a

The term "legal certainty" means the principle that lays down legislation as the basis for the Local Government in every policy and action in Providing Incentives and/or Providing Ease of Investment.

Point b

The term "equality" means equal treatment of Investors without taking sides and benefiting a particular class, group, or scale of business.

Point c

The term "transparency" means information disclosure in Provision of Incentives and/or Provision of Ease to the Public and/or Investors.

Point d

The term "accountability" means a form of accountability for the Provision of Incentives and/or the Provision of Ease of Investment.

Point e

The term "effectiveness and efficiency" means rational and economical considerations and guarantees that have an impact on increasing productivity and public services.

Article 40

Sufficiently clear.

Article 41

Sufficiently clear.

Article 42

Sufficiently clear.

Article 43

Sufficiently clear.

Article 44

Sufficiently clear.

Article 45

Sufficiently clear.

Article 46

Sufficiently clear.

Article 47

Sufficiently clear.

Article 48

Sufficiently clear.

Article 49

Sufficiently clear.

Article 50

Sufficiently clear.

Article 51

Sufficiently clear.

Article 52

Sufficiently clear.

Article 53

Sufficiently clear.

SUPPLEMENT TO THE REGIONAL GAZETTE OF THE REGENCY OF KARAWANG  
NUMBER 16.