

REGULATION OF THE REGENCY OF PEMALANG
NUMBER 9 OF 2020
ON
IMPLEMENTATION OF INVESTMENT

BY THE BLESSINGS OF ALMIGHTY GOD

THE REGENT OF PEMALANG,

- Considering :
- a. that investment is an effort to increase economic growth, foster investment and regional competitiveness, create new job opportunities, increase sustainable development, increase capacity and technological progress, supporting the development of a people's economy in order to realize a more prosperous society;
 - b. that in order to implement the provisions of Article 25 of Law Number 25 of 2007 on Investment, it is necessary to implement integrated Business Licensing services electronically in the Regency of Pemalang;
 - c. that Regulation of the Regency of Pemalang Number 14 of 2009 on Investment is no longer in accordance with the needs and provisions of legislation so that it needs to be reviewed;

- 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 of the Regency of Pematang 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 Regency Regions within the Province of Central Java (State Bulletin of the Republic of Indonesia of 1950 Number 42);
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);
5. Law Number 23 of 2014 on Local Governments (State Gazette of 2014 Number 244, Supplement to the State Gazette Number 5587) as amended several times last by Law Number 9 of 2015 on Second Amendment to Law Number 23 of 2014 on Local Governments (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679);
6. Government Regulation Number 32 of 1950 on Determination of the Entry into Force of Law Number 13 of 1950;
7. Government Regulation Number 24 of 2018 on Electronically Integrated Licensing Services (State Gazette of the Republic of Indonesia of 2018 Number 90, Supplement to the State Gazette of the Republic of Indonesia Number 6215);
8. Government Regulation Number 24 of 2019 on Provisions of Incentives and Ease of Doing Investment in the Regions (State Gazette of the Republic of

Indonesia of 2019 Number 63, Supplement to the State Gazette of the Republic of Indonesia Number 6330);

9. Regulation of the Regency of Pemalang Number 1 of 2018 on Regional Spatial Plan of the Regency of Pemalang 2018-2038 (Regional Gazette of the Regency of Pemalang of 2018 Number 1, Supplement to the Regional Gazette of the Regency of Pemalang Number 1);

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

HAS DECIDED:

To issue : REGIONAL REGULATION ON IMPLEMENTATION OF INVESTMENT.

CHAPTER I GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Central Government means the President of the Republic of Indonesia who holds the power of government of the Republic of Indonesia assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
2. Provincial Government means the Government of the Province of Central Java.
3. Governor means the Governor of Central Java.
4. Region means the Regency of Pemalang.
5. Regent means the Regent of Pemalang.
6. Local Government means the administration of government affairs by the local government and the

Regional House of Representatives according to the principles of autonomy and assistance tasks with the principle of the widest possible autonomy within the system and principles of the Unitary State of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.

7. Local Government means the Regent as a part of the administrators of Local Government who leads the government affairs which is under the authority of the autonomous region.
8. One Stop Integrated Service (*Pelayanan Terpadu Satu Pintu*), hereinafter referred to as PTSP, means the activity of administering licensing and non-licensing service under delegation or transfer of authority from Agency or institution that having the licensing and non-licensing authority with all stages of the administrative procedure from the application to the issuance of the document carried out in one place.
9. Entity means a group of people and/or capital that constitutes a unity both conducting business and not conducting business which includes limited liability companies, *commanditaire vennotschap*, other companies, State-Owned Enterprises or Local-Owned Enterprises by name in any form, firms, partnerships, cooperatives, pension funds, fellowships, associations, foundations, mass organizations, socio-political organizations, or similar organizations, institutions, permanent establishments and other forms of entities.
10. Business Sector means any form of business activity carried out to produce goods or services in economic sectors.
11. Open Business Sector means a Business Sector conducted without any requirements in the context of Investment.
12. Closed Business Sectors means a certain Business Sector that is prohibited to be made as an Investment activity.

13. Capital means an asset in the form of money or other forms which is not money that has economic value owned by investors.
14. Domestic Capital means capital owned by the Republic of Indonesia, individual as Indonesian citizen, or incorporated or unincorporated business entities.
15. Foreign Capital means capital owned by any foreign country, individual as foreign citizen, foreign business entity, foreign legal entity, and/or Indonesian legal entity which have capital owned partially or entirely by foreign party.
16. Investor means any individual or business entity that makes investment in the form of either domestic investors or foreign investors.
17. Investment means any kinds of investing activity by both domestic and foreign investors for running business within the territory of the Republic of Indonesia.
18. Domestic Investor means any individual Indonesian citizen, Indonesian business entity of the Republic of Indonesia or any region making investment within the territory of the Republic of Indonesia.
19. Foreign Investor means any individual as foreign citizen, foreign business entity, and/or foreign government making investment within the territory of the Republic of Indonesia.
20. Investment Business Permit means a license granted to an investor in the context of implementing investment.
21. Investment Activity Report means a periodic report related to investment.
22. Service simplification means an effort to shorten the time, procedure, and cost of granting licensing and non-licensing.
23. Permit means a document issued by the Local Government based on regional regulations or other regulations that is proof of legality, stating the legality

or permissibility of a person or entity to carry out certain businesses or activities.

24. Licensing means the granting of legality to a person or business actor/activity, either in the form of a permit or a business registration mark.
25. Non-licensing means the granting of legality to a person in the form of a register or administrative mark.
26. Electronic integrated business licensing or online single submission, hereinafter referred to as OSS, means a business licensing issued by the OSS Institution for and on behalf of the Regent to business actors through an integrated electronic system.
27. Society means a person or group of people who are citizens of the Republic of Indonesia who have and or conduct business activities in accordance with the provisions of legislation.
28. Provision of Incentives means the support for fiscal and non-fiscal policy from Local Government to investors to increase investment in Region.
29. Provision of Ease means the provision of non-fiscal facilities from the Local Government to investors to facilitate each investment activity and to increase investment in the Region.
30. Commitment means a statement of the business actors to fulfil the requirements for business permit and/or commercial or operational permit.
31. Protected area means an area designated with the main function of protecting the preservation of the environment which includes natural resources artificial resources and historical and cultural values of the nation in the interests of sustainable development, such as protected forests, mangrove forests, and so on.

Article 2

Investment is implemented based on the following principles:

- a. legal certainty;
- b. transparency;

- c. accountability;
- d. equal treatment and no distinction of region/country of origin;
- e. cooperation;
- f. justice efficiency;
- g. sustainability;
- h. environmental awareness;
- i. independence; and
- j. balance of progress and economy unity of the Region.

Article 3

The regulation of investment implementation is intended to:

- a. provide a legal basis in the implementation of investment;
- b. encourage the creation of a business climate that conducive to investment; and
- c. accelerate the increase of investment realization.

Article 4

The implementation of investment is to:

- a. increase economic growth in the Region;
- b. create job vacancies;
- c. improve the sustainable economic development;
- d. improve the competitiveness of the business world of the Region;
- e. increase the capacity and capability on technology in the Region;
- f. encourage the development of people's economy;
- g. process the potential economy into real economic strength using the fund from both domestic and foreign sources; and
- h. improve the prosperity of society.

CHAPTER II FUNDAMENTAL INVESTMENT POLICY

Article 5

- (1) Fundamental investment policy of the Region is directed to:
 - a. provide equal treatment and opportunities for investors;
 - b. guarantee legal certainty, business certainty and business security for investors since the licensing process until the termination of the investment activity in accordance with the provisions of legislation;
 - c. provide opportunities for the development and protection of micro-enterprises and cooperatives.
- (2) The policy as referred to in section (1) is realized in the form of a Regional Investment General Plan (*Rencana Umum Penanaman Modal Daerah*, RUPMD) which is regulated by a Regent Regulation.

CHAPTER III FORMS OF BUSINESS ENTITY AND INVESTMENT POSITION

Article 6

- (1) Domestic Investments may be made by a business entity, whether incorporated or unincorporated, or a sole proprietorship.
- (2) Foreign Investments are required to be in the form of a Limited Liability Company, *Perseroan Terbatas* (PT) incorporated under the Indonesian law and domiciled in Indonesia.
- (3) Domestic and foreign investors that make an investment in the form of a limited liability company may invest by means of:
 - a. subscribing for the shares of the limited liability company upon its establishment;

- b. purchasing the shares; and
- c. investing in any other manner in accordance with the provisions of legislation.

CHAPTER IV BUSINESS SECTORS OF INVESTMENT

Part One Business Sectors

Article 7

- (1) Business Sectors in Investment activity consist of:
 - a. Open Business Sectors;
 - b. Closed Business Sectors; and
 - c. Open Business Sectors with Requirements.
- (2) The Open Business Sectors as referred to in section (1) point a and point c referring to the provisions of legislation.
- (3) The Closed Business Sectors as referred to in section (1) point b is a certain business sector that is prohibited to be made as an investment activity referring to the provisions of legislation.

Part Two Investors

Article 8

- (1) Domestic Investors can be made by:
 - a. limited liability company, *perseroan terbatas* (PT);
 - b. *commanditaire vennotschap* (CV);
 - c. firm (FA);
 - d. cooperative;
 - e. foundation;
 - f. public service agency, *badan layanan umum* (BLU);
 - g. state-owned enterprises, *badan usaha milik negara* (BUMN);

- h. local-owned enterprises, *badan usaha milik daerah* (BUMD);
 - i. permanent establishment, *badan usaha tetap* (BUT);
 - j. civil partnership;
 - k. other legal entities; and
 - l. investors who are not incorporated or individual.
- (2) Foreign Investors can be carried out by:
- a. foreign citizens and/or foreign legal entities and/or Foreign Investors, and
 - b. foreign legal entities and/or Foreign Investors in joint venture with Indonesian citizens and/or Indonesian legal entities.

CHAPTER V BUSINESS LOCATION

Article 9

- (1) The Local Government determines the location of business development investment based on spatial plan of the Region includes:
- a. cultivation areas, and
 - b. protected area.
- (2) The business development as referred to in section (1) is in accordance with the provisions of legislation.

Article 10

The cultivation areas as referred to in Article 9 section (1) point a includes the following designated area:

- a. production forest;
- b. agriculture;
- c. fishery;
- d. industry;
- e. tourism;
- f. settlement;
- g. harbour.

Article 11

Protected areas as referred to in Article 9 section (1) point b include:

- a. Areas that provide protection for their subordinate areas;
- b. local protected areas;
- c. nature reserve, nature conservation, and cultural heritage areas;
- d. geological protected areas; and
- e. other protected areas.

CHAPTER VI

PLANNING, DEVELOPMENT AND PROMOTION OF INVESTMENT

Part One

Planning of Investment

Article 12

- (1) The Local Government plans and formulates policies and arrange need of business sectors for investment.
- (2) Planning mechanism as referred to in section (1) is regulated in a Regent Regulation

Part Two

Development of Investment

Article 13

- (1) Local Government develops investment to increase investment activities.
- (2) The development of investment as referred to in section (1) is carried out through efforts:
 - a. implementation of domestic and foreign promotion;
 - b. giving services on licensing and non-licensing of investment in easy, fast, and precise manner;

- c. facilitating services to resolve problems or obstacles to investment;
 - d. facilitating to foster openness of investment data and information;
 - e. preparing and implementing plans for investment business sectors in the Region;
 - f. coordinating and formulating investment potential in the Region;
 - g. encouraging, implementing, and facilitating business partnership in the context of investment in the Region;
 - h. coordinating and preparing materials and implementation of investment promotion;
 - i. facilitating domestic and foreign cooperation in the field of investment in the Region;
 - j. developing an investment information system in the Region that is integrated with the provincial and central investment information system.
- (3) Development of investment is also directed at equalizing development and providing job opportunity.
- (4) The investment development efforts as referred to in section (2) are based on the Regional Long, Medium, and Annual Development Programs.

Part Three

Development of Micro Business Investment

Article 14

- (1) The Local Government conducts micro business development through business partnerships, increasing competitiveness, encouraging innovation and expanding market and disseminating information as widely as possible.
- (2) In the context of micro business development in the Region, micro entrepreneurs can apply for a micro business permit through OSS.

- (3) The micro business permit as referred to in section (2) is intended for businesses that have a business capital of up to a maximum of Rp500.000.000,00 (five hundred million rupiah).

Part Four Promotion of Investment

Article 15

- (1) The Local Government promotes actively the Region's potential and investment opportunities for the development of the business world.
- (2) Overseas promotion of the Region's potential and investment opportunities can be carried out independently and/or facilitated by the Central Government and/or the Provincial Government.
- (3) The implementation of the promotion of the Region's potential as referred to in section (1) and section (2) may cooperate with Third Parties.

CHAPTER VII INVESTMENT SERVICES

Part One Business Licensing

Article 16

- (1) Investors who will invest in the Region are obligated apply for business licensing through:
 - a. OSS system; and
 - b. system determined and developed by the Regional Apparatus in charge of PTSP in accordance with the provisions of legislation.
- (2) The business licensing as referred to in section (1) consists of:
 - a. Business permit, and
 - b. Commercial or operational permit.

Article 17

- (1) The business licencing as referred to in Article 16 section (1) are required to fulfil commitments.
- (2) The commitments as referred to in section (1) include business infrastructure commitments and operational/commercial permit commitments.
- (3) The Business infrastructure commitments as referred to in section (2) include:
 - a. location permit:
 - b. water location permit,
 - c. environment permit, and/or
 - d. Building Permit, *Izin Mendirikan Bangunan* (IMB).
- (4) The operational/commercial permit commitments as referred to in section (2) are required to be fulfilled in accordance with the business sectors.

Article 18

- (1) Services and facilitation to obtain Business Licensing as referred to in Article 16 and Article 17 are organized by the Regional Apparatus in charge of PTSP.
- (2) The procedures for Business Licensing Application as referred to in section (1) are regulated in a Regent Regulation.

Part Two

Business Licensing Fee

Article 19

- (1) Implementation of business licensing is subjected to tax and/or levies.
- (2) Provisions regarding the types and amounts of taxes and/or levies as referred to in section (1) are in accordance with the provisions of legislation.

CHAPTER VIII
RIGHTS, OBLIGATIONS AND RESPONSIBILITIES OF
INVESTORS

Article 20

Every investor is entitled to receive:

- a. legal certainty;
- b. transparent information about the business sector of the business it carries on; and/or
- c. incentive and/or ease facilities.

Article 21

Every investor is obligated to:

- a. implement the principles of good corporate governance;
- b. implement corporate social responsibility;
- c. prepare a report on Investment Activities; and
- d. respect the cultural traditions of the community around the location of investment business activities.

Article 22

Every investor is responsible for:

- a. ensuring the availability of capital derived from sources that are not contrary to the provisions of legislation;
- b. assuming and discharging all obligations and losses if the investor unilaterally terminates or abandons or neglects their business activities in accordance with the provisions of legislation;
- c. creating a business climate of fair competition, preventing monopolistic practices, and other things that may cause losses to the Region;
- d. maintaining environmental sustainability;
- e. creating the workers safety, health, comfort, and welfare of workers; and
- f. complying with all provisions of legislation.

Article 23

- (1) Investor as referred to in Article 8 who violate the provisions as referred to in Article 21 and Article 22 are subject to administrative sanctions in the forms of:
 - a. written warning;
 - b. restriction of business activities;
 - c. Temporary suspension of their business activities and/or investment facilities; or
 - d. revocation of their business permit and/or commercial/operational permit.
- (2) The administrative sanctions as referred to in section (1) are imposed by the authorized institution or agency in accordance with the provisions of legislation.

CHAPTER IX

INCENTIVES OF INVESTMENT

Part One

General

Article 24

Local Government may provide incentives and/or ease to Investors who invest in the Region.

Part Two

Principles of Provisions of Incentives and/or Provisions of Ease

Article 25

Provisions of Incentives and/or Ease is carried out based on principles of:

- a. legal certainty;
- b. equality;
- c. transparency;
- d. accountability; and
- e. effectiveness and efficiency.

Part Three
Incentive Criteria

Article 26

- (1) Provisions of incentives and/or Ease as referred to in Article 24 given for investors that fulfil one of the following criteria of:
 - a. contributing to the increase of community income;
 - b. absorbing a lot of local work force;
 - c. using most of the local resources;
 - d. contributing to the improvement of public services;
 - e. contributing to the increase of gross regional domestic product;
 - f. having an environmentally and sustainable insights;
 - g. conducting business activities in accordance with national and/or priority programs in the Region;
 - h. including infrastructure development;
 - i. doing transfer of technology;
 - j. conducting pioneer industry;
 - k. being export-oriented;
 - l. carrying out research, development, and innovation activities;
 - m. making partnership with micro-enterprises or cooperatives; and/or
 - n. industries that use capital goods, machinery, or equipment produced domestically.
- (2) The Local Government provides incentives and/or ease in accordance with the authority, conditions and capabilities of the Region which are implemented in accordance with the provisions of legislation.
- (3) The Local Government guarantees business certainty and legal certainty for investors who invest in the Region.
- (4) Determination of the provisions of incentives and/or provisions of ease of investment to an investor is stipulated by a Regent Decision.

- (5) The Regent Decision as referred to in section (4) at least contain the name and address of the investment business entity, type of business or investment activity, form, period, and rights as well as obligations of the recipient of investment incentives and/or ease.

Part Four

Basis for Assessment of Provisions of Incentives and/or Provisions of Ease

Article 27

- (1) Assessment of Provisions of Incentives and/or Provisions of Ease is based on measuring one of the criteria as referred to in Article 26.
- (2) Further provisions regarding the basis for the assessment of Provisions of Incentives and/or Provisions of Ease as referred to in section (1) are regulated in a Regent Regulation.

Part Five

Forms of Incentives and/or Ease

Article 28

- (1) Investors may be provided Incentives and/or Ease.
- (2) Provisions of Incentives as referred to in section (1) may be in the forms of:
 - a. reduction, relief or exemption from Local taxes;
 - b. reduction, relief or exemption from Local levies; and/or
 - c. information on the results of studies for business development.
- (3) Provision of Ease as referred to in section (1) may be in the forms of:
 - a. provision of facilities and infrastructure;
 - b. provision of land or location facilities;
 - c. provision of technical assistance;

- d. simplification and acceleration of licensing through one-stop integrated services;
 - e. ease of access to marketing of production results;
 - f. ease of direct investment in construction;
 - g. ease of investment in strategic areas stipulated in legislation that have the potential for development in the Region;
 - h. provision of convenience and security to invest in the Region;
 - i. ease of certification and standardization process in accordance with the provisions of legislation;
 - j. ease of access to ready-to-work and skilled workforce;
 - k. ease of access to raw material supply; and/or
 - l. facilitation of promotion in accordance with the authority of Region.
- (4) The Local Government may prioritize the Provisions of Incentives and/or Provisions of Ease for certain types of businesses or certain activities consisting of:
- a. micro businesses and/or cooperatives;
 - b. businesses required by partnership;
 - c. businesses that are required to have capital ownership;
 - d. businesses that are required with certain locations;
 - e. businesses that are required with special licensing;
 - f. open business in the context of Investment that prioritizes the Region's excellence;
 - g. businesses that have received Investment facilities from the Central Government; and/or
 - h. other businesses in accordance with the provisions of legislation.

Part Six

Procedures of Provisions of Incentives and/or Ease

Article 29

- (1) The procedures for provisions of incentives and/or provisions of ease are as follows:
 - a. there is an application submission from an investor who meets the criteria;
 - b. based on the application, the Regent assigns the Technical Team of the Integrated Licensing Service to conduct research or evaluation, the results of which become material for the Regent's recommendation, and
 - c. the Regent grants or refuses to provide incentives and/or ease to the investor.
- (2) Further provisions regarding the procedures for providing incentives and/or provisions of ease as referred to in section (1) are regulated in a Regent Regulation.

Part Seven

Time Period of Provisions of Incentives and/or Provisions of Ease for Investment

Article 30

- (1) Incentives and/or provision of ease on investment are given by taking into account the types and forms of business.
- (2) Incentives and/or provision of ease on investment are given for a certain period of time.
- (3) Further provisions regarding the period of providing incentives and/or ease are regulated in a Regent Regulation.

Part Eight
Evaluation and Reporting on Provisions of Incentives
and/or Provisions of Ease

Article 31

- (1) The Regent evaluates and reports the implementation of the provisions of incentives and/or provisions of ease that have been given to the investors.
- (2) The evaluation as referred to in section (1) is carried out at least once a year.
- (3) Provisions of Incentives and/or Provisions of Ease may be reviewed if the provision no longer meets the criteria as referred to in Article 26 or is contrary to the provisions of legislation.
- (4) The reporting as referred to in section (1) is submitted to the governor once every 1 (one) year.

CHAPTER X
INVESTMENT COOPERATION

Article 32

- (1) The Local Government may conduct investment cooperation with other regions and/or the private sector.
- (2) Cooperation as referred to in section (1) includes:
 - a. investment planning;
 - b. investment promotion;
 - c. investment services;
 - d. investment development;
 - e. monitoring and evaluation; and
 - f. other investment activities.
- (3) The Local Government may conduct investment cooperation with other countries and/or foreign legal entities through the coordination of the Provincial Government and the Central Government.

- (4) The cooperation mechanism as referred to in section (2) and section (3) is implemented in accordance with the provisions of legislation.
- (5) The implementation of investment that requires the support of Central Government and Provincial Government programs is carried out in the form of investment synergy.
- (6) The investment synergy as referred to in section (5) is set forth in an agreement document that binds the parties.

CHAPTER XI

CONTROL OF INVESTMENT IMPLEMENTATION

Article 33

- (1) Control of investment activities is carried out by the Regional Apparatus in charge of Investment.
- (2) Investment control activities are carried out through the mechanism of Investment Activity Report (*Laporan Kegiatan Penanaman Modal* /LKPM).
- (3) LKPM as referred to in section (2) uses the Online Investment Activity Report system through the OSS website which is integrated with the Central Government, Provincial Government, and Local Government.
- (4) Further provisions regarding the procedures for control and reporting as referred to in section (1) and section (2) are regulated in a Regent Regulation.

CHAPTER XII

PUBLIC PARTICIPATION

Article 34

- (1) The public has same and widest opportunity to participate in the implementation of investment by:
 - a. giving suggestions;

- b. giving information on the potential of the Region;
and
 - c. giving aspirations.
- (2) The participation as referred to in section (1) aims to:
- a. realizing sustainable investment;
 - b. preventing violations of legislation,
 - c. preventing negative impacts as a result of investment, and
 - d. fostering togetherness between the public and the investor.

CHAPTER XIII GUIDANCE AND SUPERVISION

Article 35

- (1) Guidance, control, and supervision of investment are carried out by the Regent.
- (2) Further provisions regarding the Guidance, control, and supervision of investment as referred to in section (1) are regulated in a Regent Regulation.

CHAPTER XIV TRANSITIONAL PROVISIONS

Article 36

All investment business approvals and permit that have been issued remain in effect until the expiration of the permit validity period and are required to be adjusted the licensing to this Regional Regulation for a maximum of 1 (one) year after this regional regulation is issued.

CHAPTER XV
CLOSING PROVISIONS

Article 37

At the time this Regional Regulation comes into force, Regulation of the Regency of Pemalang Number 14 of 2009 on Investment (Regional Gazette of the Regency of Pemalang of 2009 Number 14), is repealed and declared ineffective.

Article 38

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 Pematang.

Issued in Pematang,

on 19 November 2020

REGENT OF PEMALANG,

signed

JUNAEDI

Promulgated in Pematang

on 19 November 2020

REGIONAL SECRETARY OF THE REGENCY OF PEMALANG,

signed

MOHAMAD ARIFIN

REGIONAL GAZETTE OF THE REGENCY OF PEMALANG OF 2020 NUMBER
9

Jakarta,

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

DIRECTOR GENERAL OF LEGISLATION AD INTERIM,



ELUCIDATION OF
REGULATION OF THE REGENCY OF PEMALANG
NUMBER 9 OF 2020
ON
IMPLEMENTATION OF INVESTMENT

I. GENERAL

Investment is an effort to increase economic growth, foster investment and competitiveness of the Region, create new job opportunity, increase sustainable development, increase capacity and technological progress. In connection with that, the policy in the field of investment licensing needs to be reorganized so that the policy becomes a supporter and not otherwise an obstacle to business development and/or activities. The reorganization of policies in the field of investment is carried out on service systems, and regulations in accordance with the demands of the business world, technological developments, and global competition.

The reorganization of investment and business regulations needs to be carried out in order to provide a legal basis for the issuance of Business Licensing which are carried out in an integrated and electronic manner. The reorganization of the service system is carried out especially at the One Stop Integrated Service (PTSP). This is considering that based on Article 25 section (4) of Law Number 25 of 2007 on Investment, investment companies that will conduct business and/or activities are obligated to obtain permit in accordance with the provisions of legislation from institutions that have the authority, unless otherwise specified in the law. Furthermore, section (5) regulates that the service for the permit to conduct business and/or activities is conducted through PTSP.

The reorganization of the investment field for Business Actors includes basic policies in investment in the Regency of Pematang which are directed to encourage the creation of a conducive business climate to investment and to accelerate the increase in investment realization in the Region. Affirmation of the rights, obligations and responsibilities of investors, investment planning and promotion, investment services, incentives and ease in investment, investment cooperation and policies for controlling the implementation of investment in the Region.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Section (1)

Point a

The term " principle of legal certainty" means the principle in a state of law that puts the laws and the provisions of the legislation as the basic guidance for every policy and action in the investment sector.

Point b

The term " principle of openness" means the principle that is opened related to the right of the society to obtain correct, honest, and non-discriminative information on investment activities.

Point c

The term " principle of accountability" means the principle that determines that every activity and the final result of implementation of an investment must be accountable to the society or the people of the country as the holder of the highest authority in the state in according to the provisions of the legislation.

Point d

The term " principle of equal treatment and not differentiate the origin of the investor" means the principle of non-discriminatory treatment of services based on the provisions of legislation, both between domestic investors domestic investors in the Region as well as those from outside the Region and foreign investors, as well as between investors from one foreign country and investors from other foreign country.

Point e

The term "the principle of togetherness" means the principle that encourages the role of all investors together in their business activities to achieve the prosperity of the society.

Point f

The term "the principle of efficiency with justice" means the principle which becomes the fundamental principle of the implementation of investment by prioritizing justice efficiency on the effort to create a fair, conducive, and competitive business climate.

Point g

The term "sustainable principle" means the principle which has been planned to strive for the development process through investment to guarantee prosperity and progress in all aspects of life, both in the present and in the future.

Point h

The term "environmentally sound principle" means the principle of investment which is done by considering and prioritizing the protection and maintenance of the environment.

Point i

The term " principle of independence" means the principle of investment which is done by prioritizing the potency of the nation and the state and not being close itself off from foreign investment in order to achieve economic growth.

Point j

The term "the principle of balance of progress and unity of the Regional economy" means the principle which strives to maintain the balance of regional economic progress between regions in Regions within the national economic unity.

Article 3

Sufficiently clear.

Article 4

Sufficiently clear.

Article 5

Sufficiently clear

Article 6

Sufficiently clear

Article 7

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point b

List of Open Business Sectors with Requirements: those reserved or partnership with Micro Enterprises and Cooperatives based on the provisions of legislation as stated in Presidential Regulation Number 44 of 2016 on List of Closed Business Sectors and Open Business Sectors With Requirements in the Field of Investment.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 8

Sufficiently clear.

Article 9

Section (1)

Point a

Sufficiently clear.

Point b

protected areas are intended for certain business sector in accordance with the provisions of legislation.

Section (2)

Sufficiently clear.

Article 10

The term "Cultivation Area" means an area designated with the main function to be cultivated on the basis of the condition and potential of natural resources, human resources, and artificial resources, which are utilized in a planned and directed manner so that they can be effective and effective for human life consisting

of agricultural cultivation areas, industrial areas, and production forest areas. and non-agricultural cultivation areas.

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.

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.

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 38

Sufficiently clear.

Article 37

Sufficiently clear.

Article 38

Sufficiently clear.

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