

REGULATION OF THE REGENCY OF SUBANG
NUMBER 1 OF 2023
ON
EASE OF INVESTMENT IN THE REGENCY OF SUBANG
BY THE BLESSINGS OF ALMIGHTY GOD
REGENT OF SUBANG,

- Considering : a. that the implementation of business activities within the Regency must provide optimal added value, particularly in the social, economic, cultural, and environmental sectors for the public, and may contribute to the increase of Regional Own-Source Revenue;
- b. that the Local-Owned Enterprises of the Regency of Subang possess the potential and opportunity to collaborate with Cooperatives, Micro, Small and Medium Enterprises, as well as Village-Owned Enterprises (BUMDes);
- c. that in order to optimize regional potential within the Regency, it is necessary to enhance the regional investment ecosystem and facilitate ease of doing business;
- d. that based on the considerations as referred to in point a, point b, and point c, it is necessary to stipulate a Regional Regulation on Ease of Investment in the Regency of Subang;
- Observing : 1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 14 of 1950 on the Establishment of Regencies within the Province of West Java (State Gazette of the Republic of Indonesia of 1950), as amended by Law Number 4 of 1968 on Establishment of Regencies 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 1992 on Cooperatives (State Gazette of the Republic of Indonesia of 1992), as amended several times, last by Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation (State Gazette of the Republic of Indonesia of 2022 Number 238, Supplement to the State Gazette of the Republic of Indonesia Number 6841);

4. Law Number 5 of 1999 on Prohibition of Monopolistic Practices and Unfair Business Competition (State Gazette of the Republic of Indonesia of 1999 Number 33, Supplement to the State Gazette of the Republic of Indonesia Number 3817), as amended several times, last by Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation (State Gazette of the Republic of Indonesia of 2022 Number 238, Supplement to the State Gazette of the Republic of Indonesia Number 6841);
5. 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 Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation (State Gazette of the Republic of Indonesia of 2022 Number 238, Supplement to the State Gazette of the Republic of Indonesia Number 6841);
6. Law Number 20 of 2008 on Micro, Small, and Medium Enterprises (State Gazette of the Republic of Indonesia of 2019 Number 93, Supplement to the State Gazette of the Republic of Indonesia Number 4866), as amended several times, last by Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation (State Gazette of the Republic of Indonesia of 2022 Number 238, Supplement to the State Gazette of the Republic of Indonesia Number 6841);
7. 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 Indonesia Number 6801);
8. 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 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);
9. Government Regulation Number 54 of 2017 on Local-Owned Enterprises (State Gazette of the Republic of Indonesia of 2017 Number 305, Supplement to the State Gazette of the Republic of Indonesia Number 6173);
10. Government Regulation Number 24 of 2019 on Provision of Incentives and Ease of 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);
11. Government Regulation Number 5 of 2021 on Implementation of Risk-Based Business Licensing (State

Gazette of the Republic of Indonesia of 2021 Number 15, Supplement to the State Gazette of the Republic of Indonesia Number 6617);

12. Government Regulation Number 6 of 2021 on Implementation of Business Licensing in the Regions (State Gazette of the Republic of Indonesia of 2021 Number 16, Supplement to the State Gazette of the Republic of Indonesia Number 6618);
13. Presidential Regulation of the Republic of Indonesia Number 87 of 2021 on Acceleration of the Development of the Rebana Metropolitan Area (State Gazette of the Republic of Indonesia of 2021 on 215);
14. Regulation of the Minister of Home Affairs Number 80 of 2015 on Formation 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 Regional Legal Products (State Bulletin of the Republic of Indonesia on 2018 Number 157);

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

HAS DECIDED:

To issue : REGIONAL REGULATION ON EASE OF INVESMENT IN THE
REGENCY OF SUBANG.

CHAPTER I GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Region means the Regency of Subang.
2. Local Government means the Regent of Subang as an administering element of the Local Government, who leads the implementation of Government affairs as the Autonomous Region.
3. Regent means the Regent of Subang.
4. Regional House of Representatives (*Dewan Perwakilan Rakyat Daerah*), hereinafter referred to as the DPRD, means a Regional People's Representative Institution whose position is an element of Local Government administration.
5. Regional Apparatus means an assisting element of Regent and DPRD in administering government affairs that are the authority of the Region.
6. Local Budget (*Anggaran Pendapatan dan Belanja Daerah*) hereinafter abbreviated as the APBD means the annual financial plan of the Regency as stipulated by a Regional Regulation.

7. Investment means all kinds of activities of investing the capital, by either local investors or foreign investors to conduct business in the territory of the Republic of Indonesia.
8. Investor means an individual or business entity that makes an Investment in the forms of a domestic investors and foreign investors.
9. Provision of Ease means provision of non-fiscal facilities from Local Government to the Community and/or Investors to give ease and to increase the investment activities in the Region.
10. Business Actor means an individual or business entities conducting business and/or activities in a particular sector.
11. Cooperatives means a business entity consisting of individuals or legal entities, based on Cooperatives principles, and serves as a people's economic movement grounded in the principle of cooperation.
12. Micro, Small, and Medium Enterprise hereinafter abbreviated as MSME means micro, small, and medium enterprise as regulated in the Law on Micro, Small, and Medium Enterprises.
13. Micro Enterprise means a productive economic enterprise owned by individuals and/or business entities which fulfil the criteria of the micro enterprise as regulated in the provisions of legislation.
14. Small Enterprise means an independent productive enterprise, which is run by individuals or a company which is not a branch companies owned, controlled, or becoming direct or indirect part of the medium or large enterprises fulfilling the criteria of the small enterprises as regulated in the provisions of legislation.
15. Medium Enterprise means an independent productive economic enterprise, which is run by individuals or a company which is not a branch companies owned, run, or becoming direct or indirect part of the small or large enterprises with the amount of net assets or annual sales proceeds as regulated in the provisions of legislation.
16. Local-Owned Enterprise (*Badan Usaha Milik Daerah*) hereinafter abbreviated as BUMD means local-owned enterprise of which its shares are wholly or predominantly owned by the Region.
17. Business Sector of BUMD means the types of businesses conduct by the BUMD in accordance with the Indonesia Standard Industrial Classification (*Klasifikasi Baku Lapangan Usaha Indonesia*, KBLI).
18. Village-Owned Enterprise (*Badan Usaha Milik Desa*), hereinafter abbreviated as BUMDes means a business entity of which its shares are wholly or predominantly owned by the village through direct equity participation derived from separated village assets, established to manage assets, provide services, and conduct other business activities for the greatest benefit of the welfare of the village community.

19. Partnership means business cooperation either directly or indirectly between micro Enterprises and small, medium and/or large Enterprises under the principle of mutual need, strengthening and benefit.
20. Domestic Investment (*Penanaman Modal Dalam Negeri*), hereinafter abbreviated to PMDN means an investing activity performed by a domestic investor to conduct business in the Region using domestic capital.
21. Foreign Investment (*Penanaman Modal Asing*), hereinafter abbreviated as PMA, means an investing activity performed by a foreign Investor to conduct business in the Region whether by using full foreign capital or by establishing a joint venture with a domestic Investor.

CHAPTER II SCOPE, PURPOSES, AND OBJECTIVES

Article 2 Scope

The scope of this Regional Regulation consists of:

- a. Ease of Regional investment facilities within the Regency;
and
- b. Cooperation Partners of Business Actors;

Article 3 Purposes

The purposes of this Regulation are to provide ease of investment for investors conducting business activities within the Regency and to open opportunities for BUMD, Cooperatives, MSMEs, and BUMDes of the Regency of Subang to engage in cooperation.

Article 4 Objectives

The objectives of this Regional Regulation are to establish a regulatory framework that enhances the provision of Ease of Investment within the Regency.

CHAPTER III EASE OF INVESTMENT IN THE REGENCY

Article 5

The Local Government facilitates Business Actors within the Regency by:

- a. providing ease for Business Actors seeking to invest and/or expand their business activities within the Regency;
- b. providing facilitation to meet the operational needs of Business Actors in conducting business activities within the Regency; and
- c. providing the necessary facilities and infrastructure to support Business Actors in carrying out their business activities within the Regency.

Article 6

- (1) The provision of ease as referred to in Article 5 point a include:
 - a. reductions, reliefs, or exemptions of regional taxes in accordance with the provisions of legislation;
 - b. ease of access to a ready and skilled workforce;
 - c. ease of access to the supply of production raw materials;
 - d. ease of access to the marketing of production outputs;
 - e. the provision of data and information on Investment opportunities;
 - f. the implementation of business licensing processes in a more effective and simplified manner in accordance with the provisions of legislation;
 - g. ease of investment within strategic areas designated under the provisions of legislation that have the potential to support regional development; and
 - h. further provisions regarding the assurance of comfort and security for investment within the Regency are regulated by Regent Regulation.
- (2) The provision of ease as referred to in section (1) is provided in accordance with the capacity and authority of the Region, under the provisions of legislation, and is guided by the regional investment master plan or by the results of an assessment that considers regional potential and regional added value.
- (3) Further provisions regarding the provision of ease as referred to in section (1) are regulated by a Regent Regulation.

Article 7

- (1) Business Actors receiving the provision of ease as referred to in Article 6 section (1) must meet the following criteria:
 - a. provide contributions to increasing community income;
 - b. absorb labor;
 - c. utilize predominantly local resources;
 - d. contribute to the improvement of public services;
 - e. contribute to the increase of gross regional domestic product;
 - f. be environmentally sound and sustainable;
 - g. contribute to infrastructure development;
 - h. conduct technology transfer;
 - i. operate pioneer industries;
 - j. conduct research, development, and innovation activities;
 - k. establish partnerships with the BUMD, micro enterprises, small enterprises, medium enterprises, and/or cooperatives;
 - l. operate industries that use domestically produced capital goods, machinery, or equipment;
 - m. carry out business activities aligned with national and/or regional priority programs;
 - n. be export-oriented; and

- o. have fulfilled the basic business requirements and/or risk-based business licensing requirements.
- (2) The business licensing and/or risk-based business licensing requirements as referred to in point o are in accordance with the provisions of legislation.

Article 8

The Business Actors in accordance with their respective business sectors, may provide support and undertake the following actions:

- a. developing creative industry clusters;
- b. cooperating in training, research, and the development of science and technology in the relevant business sector with higher education institutions, research and development institutions, and local vocational education institutions;
- c. developing local leading products;
- d. possessing business legality in accordance with the provisions of legislation.

Article 9

The categories of business activities that may be granted the ease as referred to in Article 6 section (1) comprise:

- a. business activities undertaken in partnership with BUMD;
- b. business activities involving PMDN and/or PMA;
- c. business activities situated in conformity with the Spatial Planning of the Regency of Subang;
- d. further provisions concerning business activities requiring special permits are regulated by a Regent Regulation;
- e. business activities that are open to investment and that prioritize regional competitive advantages;
- f. business activities that have been granted investment facilities by the Central Government; and/or
- g. any other business activities in accordance with the provisions of legislation.

CHAPTER IV

COOPERATION PARTNERS OF BUSINESS ACTORS

Article 10

- (1) Business actors that are operating and/or intend to commence operations within the Regency prioritize potential business cooperation or partnership arrangements with BUMD and business actors located within the Regency of Subang in accordance with their respective business sectors.
- (2) In entering into the partnerships as referred to in section (1), the BUMD may involve Cooperatives, Micro, Small, and Medium Enterprises (MSMEs), and BUMDes, in accordance with their respective business sectors.
- (3) The business cooperation or partnership arrangements as referred to in section (1) are further regulated by a Regent Regulation.
- (4) The potential forms of business cooperation or partnership arrangements as referred to in section (1) may include:

- a. energy and electricity services;
 - b. clean water and drinking water services;
 - c. sanitation, waste management, and non-hazardous waste (non-B3) processing;
 - d. building cleaning and maintenance services;
 - e. logistics and warehousing services;
 - f. public transportation services to/from industrial zones;
 - g. food and beverage/catering services;
 - h. provision of recreational and play facilities;
 - i. provision of creative industry centers;
 - j. construction services;
 - k. parking and security services;
 - l. provision of banking products and financial services;
 - m. provision of human resources;
 - n. supply of materials and food products;
 - o. education and hospital services;
 - p. heavy equipment and transportation mode services;
 - q. hotel and restaurant services;
 - r. information and communication technology services; and
 - s. other services in accordance with the provisions of legislation.
- (5) Further provisions regarding business cooperation or partnership arrangements as referred to in section (1) are regulated by a Regent Regulation.

Article 11

- (1) The business cooperation/ partnership arrangement as referred to in Article 10 section (1) is implemented through:
- a. nucleus-plasma schemes;
 - b. subcontracting;
 - c. franchising;
 - d. general trading;
 - e. distribution and agency arrangements;
 - f. supply chain arrangements; and/or
 - g. other forms of partnership.
- (2) The other forms of partnership as referred to in section (1) point g include:
- a. profit-sharing arrangements;
 - b. operational cooperation (joint operations);
 - c. joint ventures;
 - d. outsourcing; and/or
 - e. infrastructure development (construction).
- (3) The further provisions as referred to in section (1) and section (2) are regulated by a Regent Regulation.

CHAPTER V TRANSITIONAL PROVISIONS

Article 12

Upon the entry into force of this Regional Regulation, all business activities existing prior to its enforcement may continue and are brought into conformity with the provisions of this Regional Regulation.

CHAPTER VI
CLOSING PROVISIONS

Article 13

The 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 Subang.

Issued in Subang
on 5 May 2023

REGENT OF SUBANG,

signed

RUHIMAT

Promulgated in Subang
on 5 May 2023

REGIONAL SECRETARY
OF THE REGENCY OF SUBANG,

signed

ASEP NURONI

REGIONAL GAZETTE OF THE REGENCY OF SUBANG OF 2023 NUMBER 1

Jakarta, 31 December 2025
Has been translated as an Official Translation
on behalf of the Minister of Law
of the Republic of Indonesia
DIRECTOR GENERAL OF LEGISLATION,



DHAHANA PUTRA

ELUCIDATION OF
REGULATION OF THE REGENCY OF SUBANG
NUMBER 1 OF 2023
ON
EASE OF INVESTMENT IN THE REGENCY OF SUBANG

I. GENERAL

As mandated by Law Number 23 of 2014 on Local Governments, as amended several times last by Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation, the government is responsible for enhancing and equalizing economic and investment activities in the regions by providing incentives and/or ease to the public and/or investors in accordance with the investment potential within the region.

Investment plays an important role in improving regional economic growth, among others: increasing community income, absorbing labor, empowering local resources, improving public services, increasing Gross Regional Domestic Product, and developing Micro Enterprises, Small Enterprises, and Cooperatives. In implementing sustainable development and addressing the era of globalization, Local Governments need to establish policies to encourage the creation of a conducive business climate for investors and to strengthen national economic competitiveness.

The efforts of Local Governments to increase investment through the granting of incentives and/or ease to the public and/or investors remain relatively low and tend to be counterproductive. This is reflected in the large number of Regional Regulations on Local Taxes and Local Levies, as well as other charges that burden business actors, including investors, resulting in suboptimal regional and national competitiveness in the field of investment. Article 278 of Law Number 23 of 2014 mandates:

- (1) Local Government Administrators involve public and the private sector participation in regional development.
- (2) To encourage community participation and the private sector as referred to in section (1), Local Government Administrators may provide incentives and/or ease to the public and/or investors, which is regulated in a Regional Regulation in accordance with the provisions of legislation.

The mandate of Article 278 of Law Number 23 of 2014 is further implemented through Government Regulation Number 24 of 2019 on the Provision of Incentives and Ease of Investment in the Regions, which mandates that the Provision of Incentives and/or Ease to the Public and/or Investors are regulated in a Regional Regulation.

Therefore, it is necessary to establish a Regional Regulation as a guideline for Provision of Incentives and/or Ease to the Public and/or Investors. Furthermore, this Regional Regulation is intended to ensure that the Provision of Incentives and/or Ease of Investment in the Regency of

Subang is well-targeted, supports equitable investment distribution in the Province of West Java, and does not contradict the provisions of legislation.

II. ARTICLE BY ARTICLE

Article 1
Sufficiently clear

Article 2
Sufficiently clear

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

SUPPLEMENT TO THE REGIONAL GAZETTE OF THE REGENCY OF SUBANG
NUMBER 1