

REGULATION OF THE MUNICIPALITY OF MADIUN
NUMBER 8 OF 2023
ON
IMPLEMENTATION OF BUSINESS LICENSING IN THE REGION

BY THE BLESSINGS OF ALMIGHTY GOD

MAYOR OF MADIUN,

Considering : a. that business licensing is an essential factor in creating convenience, protection and empowerment of micro enterprises, investment ecosystem, including the protection and welfare of workers based on the provisions;
b. that in connection with changes in national policies regarding the implementation of business licensing in the regions, it is necessary to synchronize regional policies to achieve their objectives in accordance with the authorities based on the applicable provisions;
c. that in order to provide a legal basis and certainty in the implementation of business licensing in the regions, it is necessary to regulate the implementation of business licensing in accordance with Regional authority based on the provisions of applicable legislation;
d. that based on the considerations as referred to in point a, point b, and point c, it is necessary to issue Regional Regulation on Implementation of Business Licensing in the Region;

Observing : 1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 16 of 1950 on Establishment of Major Cities Within the Provinces of East Java, Central Java, West Java and Within the Special Region of Jogjakarta (State Bulletin of the Republic of Indonesia of 1950 Number 45) as amended by Law Number 13 of 1954 on Amendment of Laws Nos. 16 and 17 of 1950 (Former Republic of Indonesia) on Establishment of Major Cities and Small Cities in Java (State Gazette of the Republic of Indonesia

of 1954 Number 40, Supplement to the State Gazette of the Republic of Indonesia Number 551); 3.

3. Law Number 14 of 2008 on Public Information Transparency (State Gazette of the Republic of Indonesia of 2008 Number 61, Supplement to the State Gazette of the Republic of Indonesia Number 4846);
4. Law Number 25 of 2009 on Public Services (State Gazette of the Republic of Indonesia of 2009 Number 112, Supplement to the State Gazette of the Republic of Indonesia Number 5038);
5. 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);
6. 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 Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation into Law (State Gazette of the Republic of Indonesia of 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856).;
7. Law Number 4 of 2023 on Development and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia of 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);
8. Government Regulation Number 49 of 1982 on Changes in the Boundaries of the Level II Municipality of Madiun (State Gazette of the Republic of Indonesia of 1982 Number 76, Supplement to the State Gazette of the Republic of Indonesia Number 3244);
9. Government Regulation Number 96 of 2012 on Implementation of Law Number 25 of 2009 on Public Services (State Gazette of the Republic of Indonesia of 2012 Number 215, Supplement to the State Gazette of the Republic of Indonesia Number 5357);
10. 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);
11. 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);

12. Government Regulation Number 7 of 2021 on Ease, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises (State Gazette of the Republic of Indonesia of 2021 Number 17, Supplement to the State Gazette of the Republic of Indonesia Number 6619);
13. Government Regulation Number 16 of 2021 on Implementing Regulation of Law Number 28 of 2002 on Buildings (State Gazette of the Republic of Indonesia of 2021 Number 26, Supplement to the State Gazette of the Republic of Indonesia Number 6628);
14. Government Regulation Number 21 of 2021 on Implementation of Spatial Planning (State Gazette of the Republic of Indonesia of 2021 Number 31, Supplement to the State Gazette of the Republic of Indonesia Number 6633);
15. Government Regulation Number 22 of 2021 on Implementation of Environmental Protection and Management (State Gazette of the Republic of Indonesia of 2021 Number 32, Supplement to the State Gazette of the Republic of Indonesia Number 6634);
16. Government Regulation Number 28 of 2021 on Implementation of Industrial Sector (State Gazette of the Republic of Indonesia of 2021 Number 38, Supplement to the State Gazette of the Republic of Indonesia Number 6640);
17. Government Regulation Number 29 of 2021 on Implementation of Trade Sector (State Gazette of the Republic of Indonesia of 2021 Number 39, Supplement to the State Gazette of the Republic of Indonesia Number 6641);
18. Government Regulation Number 30 of 2021 on Implementation of Road Traffic and Transportation Sector (State Gazette of the Republic of Indonesia of 2021 Number 40, Supplement to the State Gazette of the Republic of Indonesia Number 6642);
19. Government Regulation Number 11 of 2023 on Measured Fishing (State Gazette of the Republic of Indonesia of 2023 Number 36, Supplement to the State Gazette of the Republic of Indonesia Number 6853);
20. Government Regulation Number 35 of 2023 on General Provisions of Local Taxes and Levies (State Gazette of the Republic of Indonesia of 2023 Number 85, Supplement to the State Gazette of the Republic of Indonesia Number 6881);

21. 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 Amendment to Presidential Regulation Number 10 of 2021 on Investment Business Sector (State Gazette of the Republic of Indonesia of 2021 Number 128);
22. Regulation of the Minister of Home Affairs Number 80 of 2015 on Formation of Regional Legal Products (State Gazette 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 Formation of Regional Legal Products (State Bulletin of the Republic of Indonesia of 2019 Number 157);
23. Regulation of the Minister of Environment Number 16 of 2012 on Guidelines for Preparation of Environmental Documents (State Bulletin of the Republic of Indonesia of 2012 Number 990);
24. Regulation of the Investment Coordinating Board Number 3 of 2021 on Electronically Integrated Risk-Based Business Licensing System (State Bulletin of the Republic of Indonesia of 2021 Number 271);
25. Regulation of the Investment Coordinating Board Number 4 of 2021 on Guidelines and Procedures for Risk-Based Business Licensing Services and Investment Facilities (State Gazette of the Republic of Indonesia of 2021 Number 272);
26. Regulation of Investment Coordinating Board Number 5 of 2021 on Guidelines and Procedures for Risk-Based Business Licensing Supervision (State Gazette of the Republic of Indonesia of 2021 Number 273);
27. Regulation of the Municipality of Madiun Number 06 of 2011 on Madiun City Regional Spatial Plan for 2010-2030 (Regional Gazette of the Municipality of Madiun of 2011 Number 2/E, Supplement to the Regional Gazette of the Municipality of Madiun Number 5);
28. Regulation of the Municipality of Madiun Number 3 of 2016 on Establishment and Structure of Regional Apparatus (Regional Gazette of the Municipality of Madiun of 2016 Number 1/C) as amended several times, last by Regulation of the Municipality of Madiun Number 7 of 2022 on the Second Amendment to Regulation of the Municipality of Madiun Number 3 of 2016 on Establishment and Structure of Regional Apparatus (Regional Gazette of the Municipality of Madiun of 2022 Number 1/C, Supplement to the Regional Gazette of the Municipality of Madiun Number 106);

29. Regulation of the Municipality of Madiun Number 6 of 2017 on Guidelines for the Formation of Regional Legal Products (Regional Gazette of the Municipality of Madiun of 2017 Number 6/D, Supplement to the Regional Gazette of the Municipality of Madiun Number 40);

With the Joint Approval of
THE REGIONAL HOUSE OF REPRESENTATIVES
OF THE MUNICIPALITY OF MADIUN
and
THE MAYOR OF MADIUN

HAS DECIDED:

To issue : REGIONAL REGULATION ON IMPLEMENTATION OF BUSINESS LICENSING IN THE REGION

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Region means Madiun City.
2. Local Government means the Government of the Municipality of Madiun.
3. Mayor means the Mayor of Madiun.
4. Implementation of Business Licensing means a business licensing activity of which management process is electronic starting from the application stage until the issuance of documents which are carried out in one-stop integrated services.
5. Business Licensing means the legality given to business actors to start and run their business and/or activities.
6. Risk-Based Business Licensing means a business license based on the level of risk of business activities.
7. Electronically Integrated Business Licensing System (Online Single Submission), 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.
8. Electronic Integrated Business Licensing or Online Single Submission, hereinafter abbreviated as the OSS, means a business license issued by the OSS Institution for and on behalf of the Minister, Head of Institution, Governor or Mayor to Business Actors through an integrated electronic system.
9. OSS Management and Implementation Institution, hereinafter referred to as the OSS Institution, means a government Institution administering government affairs in the field of investment coordination.

10. Investment and One-Stop Integrated Service Office (*Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu*), hereinafter abbreviated as DPMPTSP, means the Investment and One-Stop Integrated Service Office of the Municipality of Madiun.
11. One-Stop Integrated Service (*Pelayanan Terpadu Satu Pintu*), hereinafter abbreviated as PTSP, means an integrated service in one unit process starting from the application stage to the completion stage of the one-stop integrated service product.
12. Business Actors mean individuals or business entities conducting business and/or activities in certain fields.
13. Micro, Small and Medium Enterprises, hereinafter abbreviated as MSMEs, mean micro, small and medium enterprises as referred to in the Law on Micro, Small and Medium Enterprises.
14. Indonesian Standard Classification of Business Fields (*Klasifikasi Baku Lapangan Usaha Indonesia*), hereinafter abbreviated as KBLI, means a classification code regulated by a non-ministerial government institution administering government affairs in the field of statistics.
15. Building Approval (*Persetujuan Bangunan Gedung*), hereinafter abbreviated as PBG, means a license given to the owner of the Building to build a new, change, expand, reduce and/or maintain the building.

Article 2

This Regional Regulation is intended to provide a legal basis for the Implementation of Business Licensing in the Region.

Article 3

The implementation of Business Licensing as referred to in Article 2 aims to:

- a. determine the authority in the Implementation of Business Licensing;
- b. regulate a series of mechanisms for the implementation of Risk-Based Business Licensing in the Region;
- c. ensure wider access to the public to obtain excellent service;
- d. increase the ease of doing business and Regional competitiveness; and
- e. enhance the investment ecosystem and business activities.

Article 4

Scope of Implementation of Business Licensing regulated in this Regional Regulation includes:

- a. the authority to Implement Business Licensing;
- b. the Implementation of Business Licensing;

- c. spatial planning policy;
- d. reporting on the Implementation of Business Licensing;
- e. guidance and supervision;
- f. funding; and
- g. administrative sanctions.

CHAPTER II AUTHORITY TO IMPLEMENT BUSINESS LICENSING

Article 5

- (1) The Mayor delegates the authority to implement Business Licensing to the Head of DPMPTSP.
- (2) The delegation of authority as referred to in section (1) is further regulated in a Mayor Regulation.

CHAPTER III IMPLEMENTATION OF BUSINESS LICENSING

Part One General

Article 6

- (1) The implementation of Business Licensing is carried out to improve the investment ecosystem and business activities.
- (2) The improvement of the investment ecosystem and business activities as referred to in section (1) includes:
 - a. Risk-Based Business Licensing;
 - b. basic requirements for Business Licensing; and
 - c. sector Business Licensing and ease of investment requirements.

Part Two Risk-Based Business Licensing

Article 7

- (1) The Risk-Based Business Licensing as referred to in Article 6 section (2) point a is carried out based on the determination of the risk level and business scale rating of business activities including MSMEs and/or large businesses.
- (2) The determination of the risk level as referred to in section (1) is carried out based on the results of a risk analysis.
- (3) The risk analysis as referred to in section (2) is required to be conducted transparently, accountably, and prioritize the principle of prudence based on data and/or professional assessment.
- (4) The risk level as referred to in section (2) determines the type of Business Licensing.

Article 8

The implementation of the Risk analysis as referred to in Article 7 is carried out by the Central Government in accordance with the provisions of applicable legislation.

Article 9

The basic requirements for Business Licensing as referred to in Article 6 section (2) point b include:

- a. suitability of space utilization activities;
- b. environmental approval; and
- c. Building Approval and certificate of function-worthiness.

Article 10

The sector Business Licensing as referred to in Article 6 section (2) point c consists of the following sectors:

- a. fisheries;
- b. agriculture;
- c. environment and forestry;
- d. industry;
- e. trade;
- f. public works and public housing;
- g. transportation;
- h. health, medicine and food;
- i. education and culture;
- j. tourism;
- k. post, telecommunications, broadcasting, and electronic systems and transactions; and
- l. manpower.

Article 11

Business Licensing in each sector as referred to in Article 10 includes the arrangements of:

- a. related KBLI/KBLI code, KBLI title, scope of activities, risk parameters, risk level, Business Licensing, period, validity period and Business Licensing authority;
- b. requirements and/or obligations of Risk-Based Business Licensing;
- c. Risk-Based Business Licensing guidelines; and
- d. business activity standards and/or product standards.

Part Two Management of Implementation

Article 12

- (1) The implementation of Business Licensing is carried out by the DPMPTSP.
- (2) The DPMPTSP integrates PTSP between regional apparatus and vertical agencies in the regions in accordance with their respective authority.

Article 13

- (1) The DPMPTSP in implementing Business Licensing services is obligated to implement management of Business Licensing Implementation.
- (2) The management of Business Licensing Implementation as referred to in section (1) includes:
 - a. service implementation;
 - b. management of public complaints;
 - c. information management;
 - d. public counseling;
 - e. consultation services; and
 - f. legal assistance.
- (3) Further provisions regarding the management of Implementation of Business Licensing as referred to in section (2) are regulated in a Mayor Regulation.

Article 14

- (1) Implementation of Business Licensing Services by DPMPTSP as referred to in Article 13 section (2) point a is in accordance with the provisions of legislation regarding the implementation of Risk-Based Business Licensing.
- (2) Implementation of Business licensing services is required to use the OSS System managed by the Central Government.
- (3) The implementation of Business Licensing services as referred to in section (1) is equipped with special services for vulnerable groups, the elderly and persons with disabilities in obtaining Business Licensing services.
- (4) The Local Government may develop a supporting system for the implementation of the OSS System in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.

Article 15

- (1) The OSS System services for Business Licensing are carried out independently by Business Actors.
- (2) The independent services as referred to in section (1) are carried out with their own devices/facilities or those provided by DPMPTSP.
- (3) In the event that the OSS System service cannot be carried out independently, the DPMPTSP performs:
 - a. assisted services; and/or
 - b. mobile services.
- (4) The mobile services as referred to in section (3) point b are carried out by bringing service affordability closer to Business Actors by using transportation facilities or other means.

- (5) In the event that assisted services as referred to in section (3) point a are required, the DPMPTSP coordinates with the OSS Institution so that the service continues.
- (6) In the event that the OSS System service is technically disrupted as referred to in section (5), the assisted service must be available no later than 1 (one) day since the technical disruption is declared.
- (7) The statement of technical disruption of OSS System services as referred to in section (6) is informed to the public by the head of DPMPTSP.

Article 16

- (1) The implementation of Business Licensing services by DPMPTSP as referred to in Article 13 section (2) point a is free of charge.
- (2) Certain Business Licenses at DPMPTSP are subject to local levy in accordance with the provisions of legislation within the scope of Regional authority.

Article 17

- (1) The management of public complaints as referred to in Article 13 section (2) point b, is carried out in a fast, precise, transparent, fair, non-discriminatory, and free of charge manner.
- (2) The management of public complaints as referred to in section (1) is carried out in the following stages:
 - a. receiving and providing receipts;
 - b. checking the completeness of documents;
 - c. classifying and prioritizing resolution;
 - d. reviewing and responding;
 - e. administration;
 - f. reporting results; and
 - g. monitoring and evaluating.
- (3) The duration of time for managing complaints as referred to in section (1) is regulated in accordance with the provisions of legislation.
- (4) The implementation of management of public complaints as referred to in section (1) is integrated with regional apparatus through the OSS System.

Article 18

- (1) The DPMPTSP is obligated to provide a means of complaints to manage public complaints related to Business Licensing services through:
 - a. face-to-face;
 - b. DPMPTSP website;
 - c. MASS application (Madiun Kota Single Submission);
 - d. DPMPTSP helpdesk; and
 - e. email.

(2) The complaint facilities as referred to in section (1) are provided by the DPMPTSP with the aim of easy access and reach by the public by striving for the use of information and communication technology.

Article 19

(1) The information management as referred to in Article 13 section (2) point c is carried out by DPMPTSP openly and easily accessible to the public.

(2) The implementation of information management as referred to in section (1) at least includes:

- receiving requests for information services; and
- providing information related to business licensing services.

(3) The implementation of information management as referred to in section (2) can be carried out by DPMPTSP through face-to-face and applications which include websites, MASS (Madiun Kota Single Submission), DPMPTSP helpdesk, email, and interactive dialog on electronic media.

Article 20

(1) The provision of information as referred to in Article 19 section (2) point b is carried out through the information service subsystem in the OSS System.

(2) In addition to the information services as referred to in section (1), the DPMPTSP can provide other information, at least containing:

- institutional profile of regional apparatus;
- service standards for Business Licensing in the region; and
- performance assessment of PTSP.

(3) The information services as referred to in section (1) are carried out through electronic and print media.

(4) The provision of information to the public is free of charge.

Article 21

(1) The public counseling as referred to in Article 13 section (2) point d includes:

- rights and obligations of the Local Government and the public towards Business Licensing services;
- the benefits of Business Licensing for the people;
- requirements and mechanisms for Business Licensing services;
- time and place of service; and
- risk level of business activities.

(2) The provision of public counseling is carried out through:

- electronic media;

- b. print media; and/or
- c. meetings.

(3) The counseling service as referred to in section (1) and section (2) is carried out by DPMPTSP in coordination with technical regional apparatus periodically.

Article 22

- (1) The consultation services as referred to in Article 13 section (2) point e at least include:
 - a. technical consultation on the types of Business Licensing services;
 - b. consultation on the legal aspects of Business Licensing; and
 - c. technical assistance.
- (2) The consultation services as referred to in section (1) are conducted in a provided consultation room and/or online.
- (3) The consultation services as referred to in section (1) are carried out by the DPMPTSP in coordination with the technical regional apparatus in an interactive manner.

Article 23

- (1) The legal assistance as referred to in Article 13 section (2) point f is carried out in the event that there are legal problems in the licensing process and implementation involving DPMPTSP.
- (2) The legal assistance as referred to in the section (1) is carried out by the regional apparatus in charge of law.

Part Four Facilities and Infrastructure

Article 24

- (1) The implementation of Business Licensing at DPMPTSP must be equipped with facilities and infrastructure in accordance with the service standards.
- (2) The facilities and infrastructure as referred to in section (1) are at least:
 - a. front office;
 - b. back office;
 - c. supporting spaces; and
 - d. supporting tools/facilities.
- (3) The facilities and infrastructure for organizing services electronically are at least:
 - a. internet connection;
 - b. data center and application server;
 - c. smart phones; and
 - d. information and communication technology security system.

Part Five
Apparatus Human Resources

Article 25

- (1) The implementation of Business Licensing at DPMPTSP must be supported by Civil Services who are the executors of the duties and functions of Business Licensing services which are provided proportionally to support the performance of DPMPTSP.
- (2) In order to improve quality, reach, and wider access for the public, the DPMPTSP can utilize civil services in sub-districts or villages.

Article 26

- (1) The Civil Services assigned to DPMPTSP as referred to in Article 25 section (1) must meet the qualification and standards of competence set by the ministries/technical non-ministerial government agencies.
- (2) The competence of the Civil Services as referred to in section (1) can be improved through competence development by ministries/technical non-ministerial government agencies.
- (3) The Civil Services as the executor of the duties and functions of the Business Licensing service at DPMPTSP may be transferred in accordance with the provisions of legislation after obtaining a recommendation from the head of DPMPTSP.

Article 27

- (1) In order to improve the performance of services for the Implementation of Business Licensing, the Mayor may provide additional employee income to Civil Services at DPMPTSP.
- (2) Further provisions regarding the additional employee income as referred to in section (1) are regulated in a Mayor Regulation.

Part Six
Work Relation Procedure

Article 28

The DPMPTSP in carrying out its duties has a work relation which include:

- a. work relation between DPMPTSP and the government institution administering Government Affairs in the field of investment coordination as the OSS Institution;
- b. work relation with the provincial DPMPTSP; and/or
- c. work relation of DPMPTSP with regional apparatus, including sub-districts and villages.

Article 29

- (1) The work relation of DPMPTSP with the OSS Institution as referred to in Article 28 point a is carried out functionally in implementing Business Licensing.
- (2) The functional work relation as referred to in section (1) includes:
 - a. assistance in the implementation of Business Licensing;
 - b. verification of Business Licensing proposals;
 - c. development of human resource competencies;
 - d. procurement of hardware and software to support the implementation of the OSS System; and
 - e. handling of complaints regarding Business Licensing services.

Article 30

- (1) The work relation of DPMPTSP with the provincial DPMPTSP as referred to in Article 28 point b is conducted functionally and coordinatively.
- (2) The functional and coordinative work relation as referred to in section (1) includes:
 - a. facilitating the problem-solving of Business Licensing activities; and
 - b. supervision of Business Licensing.

Article 31

- (1) The work relation of DPMPTSP with regional apparatus as referred to in Article 28 point c is carried out functionally and coordinatively in the Implementation of Business Licensing.
- (2) The functional and coordinative work relation as referred to in section (1) includes :
 - a. implementation of Business Licensing in accordance with their respective authorities;
 - b. verification of Business Licensing;
 - c. monitoring and evaluation for the purpose of supervision of Business Licensing;
 - d. facilitation of problem-solving in Business Licensing; and
 - e. synergy of programs and activities related to Business Licensing.

Article 32

In addition to the work relation as referred to in Article 31 section (2), the work relation between DPMPTSP and regional apparatus is conducted in providing support for Business Licensing in the areas of sub-districts and villages.

Article 33

The Local Government formulates and establishes regional policies regarding spatial planning that supports the implementation of Business Licensing in the region in accordance with the provisions of applicable legislation.

CHAPTER IV REPORTING ON IMPLEMENTATION OF BUSINESS LICENSING

Article 34

- (1) The Mayor submits a report on Implementation of Business Licensing to the Governor as a representative of the Central Government.
- (2) The report as referred to in section (1) at least contains:
 - a. the number of licenses issued;
 - b. investment plans and realizations; and
 - c. obstacles and solutions.
- (3) The report as referred to in section (2) is conducted periodically every 3 (three) months.

CHAPTER V GUIDANCE AND SUPERVISION

Article 35

- (1) The guidance and supervision of the Implementation of Business Licensing in the Regions are carried out in a coordinated manner between the Central Government and the Local Government.
- (2) The guidance and supervision of the Implementation of Business Licensing in the Regions are carried out by the Governor as the representative of the Central Government in the Regions for general and technical guidance and supervision in accordance with the provisions of legislation.

CHAPTER VI FUNDING

Article 36

Funding for the Implementation of Business Licensing in the Region is charged to:

- a. Local Budget; and/or
- b. other legitimate and non-binding sources.

CHAPTER VII SANCTIONS

Part One Sanctions for Local Government Officials

Article 37

The DPMPTSP fails to provide Business Licensing services as referred to in Article 14 section (1) within the stipulated time, its authority to issue licenses will be taken over by the OSS Institution in accordance with the provisions of legislation regarding the implementation of Risk-Based Business Licensing.

Part Two Sanctions for Business Actors

Article 38

Any business actor violating the provisions of Business Licensing is subject to sanctions in accordance with the provisions of legislation.

CHAPTER VIII CLOSING PROVISIONS

Article 39

The Mayor Regulation as the implementation of this Regional Regulation is issued no later than 6 (six) months from the date of promulgation of this Regional Regulation.

Article 40

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 Municipality of Madiun.

Issued in Madiun
on 26 October 2023

MAYOR OF MADIUN,

signed

H. MAIDI

Promulgated in Madiun
on 26 October 2023

REGIONAL SECRETARY,

signed

SOEKO DWI HANDIARTO

REGIONAL GAZETTE OF THE MUNICIPALITY OF MADIUN OF 2023 NUMBER
6/D

Jakarta, 1 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,



DIAHANA PUTRA

**ELUCIDATION OF
REGULATION OF THE MUNICIPALITY OF MADIUN
NUMBER 6 OF 2023
ON
IMPLEMENTATION OF BUSINESS LICENSING IN THE REGION**

I. GENERAL

The change in the approach to business licensing from being license-based to risk-based is a demand to enhance business security and the investment climate. The level of potential risk and the ranking of business scale in business activities are parameters that indicate that risk is an important reality to consider in the administration of licensing. This is related to the potential emergence of material impacts on security, business, sectors, and the market. The impact of ignoring business risks cannot only pose dangers to health, security, physical safety, but also financial security. Therefore, the demand on the Government, including Local Governments, to regulate risk-based licensing is increasing. The establishment of Law Number 11 of 2020 on Job Creation and its implementing regulations, among others Government Regulation Number 5 of 2021 on Implementation of Risk-Based Business Licensing, and Government Regulation Number 6 of 2021 on Implementation of Business Licensing in the Regions demands the need for changes in regional policy regarding business licensing. Policy changes include regional regulations regarding business licensing and regional regulations regarding spatial planning, including Mayor Regulations.

This Regional Regulation is a derivative of Government Regulation Number 5 of 2021 on Implementation of Risk-Based Business Licensing and Government Regulation Number 6 of 2021 on Implementation of Business Licensing in the Region. The provisions of these two Government Regulations indicate a high level of business security to minimize risks, thus demanding a higher level of responsibility from the Local Government, both in relation to services and the electronic business licensing system. Based on these considerations, it is necessary to issue a Regional Regulation on Implementation of Business Licensing.

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

Point a

Regulations regarding the related KBLI/KBLI code refer to Annex I of Government Regulation Number 5 of 2021 on Implementation of Risk-Based Business Licensing.

Point b

Regulations regarding the requirements and/or obligations of Risk-Based Business Licensing for each sector refer to Annex II of Government Regulation Number 5 of 2021 on Implementation of Risk-Based Business Licensing.

Point c

Regulations regarding the Risk-Based Business Licensing guidelines refer to Annex III of Government Regulation Number 5 of 2021 on Implementation of Risk-Based Business Licensing.

Point d

Regulations regarding the business activity standards and/or product standards for each sector refer to the regulations of the Minister/head of the Institution.

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

Section (1)

Sufficiently clear.

Section (2)

Point a

The front office at least consists of a reception counter, a submission counter, a payment counter, an information service room/place, a complaint service room/place, and a consultation service room.

Point b

The back office at least consists of a meeting room and a processing room.

Point c

The supporting spaces at least consist of a waiting room, a lactation room, a room for people with disabilities and the elderly, an archive room and library, a place of worship, a parking area, and toilets.

Point d

The supporting tools/facilities at least consist of service uniforms, forms, telephone, fax machine, computer equipment, printer, scanner, queuing machine, service satisfaction measurement tool, complaint box, photocopy machine, surveillance camera, internet connection, website/site, electronic mail, uninterruptible power supply, fire [extinguisher], air conditioner, television, brochures, banners, and location directions.

Section (3)

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

Types of violations, administrative sanctions, procedures for the imposition of sanctions, and the period of imposition, including the revocation of sanctions, refer to the legislation regarding the Implementation of Risk-Based Business Licensing.

Article 39

Sufficiently clear.

Article 40

Sufficiently clear.

SUPPLEMENT TO THE REGIONAL GAZETTE OF THE MUNICIPALITY OF
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