

REGULATION OF THE MUNICIPALITY OF MEDAN
NUMBER 4 OF 2024
ON
PROVISION OF INCENTIVES AND EASE OF INVESTMENT

BY THE BLESSINGS OF ALMIGHTY GOD

MAYOR OF MEDAN,

Considering: that in order to implement the provisions of Article 7 section (1) of Government Regulation Number 24 of 2019 on Provision of Incentives and Ease of Investment in Regions, it is necessary to issue a Regional Regulation on Provision of Incentives and Ease of Investment.

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

2. Emergency Law Number 8 of 1956 on Establishment of Autonomous Regions of Large Cities within the Province of North Sumatra (State Gazette of the Republic of Indonesia of 1956 Number 56, Supplement to the State Gazette of the Republic of Indonesia Number 1092);

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 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 9 of 2025 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 56790;

5. Law Number 1 of 2022 on Financial Balance Between the Central Government and Local Governments (State Gazette of the Republic of Indonesia 2022 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6757);
6. Law Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation to Become Law (State Gazette of the Republic of Indonesia 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
7. Law Number 8 of 2023 on Province of North Sumatra (State Gazette of the Republic of Indonesia 2023 Number 55, Supplement to the State Gazette of the Republic of Indonesia Number 6864);
8. Government Regulation Number 24 of 2019 on Provision of Incentives and Ease of Investment Regions (State Gazette of the Republic of Indonesia 2019 Number 63, Supplement to the State Gazette of the Republic of Indonesia Number 6330);
9. Government Regulation Number 5 of 2021 on Implementation of Risk-Based Business Licensing (State Gazette of the Republic of Indonesia 2021 Number 15, Supplement to the State Gazette of the Republic of Indonesia Number 6617);
10. Government Regulation Number 6 of 2021 on Implementation of Business Licensing in Regions (State Gazette of the Republic of Indonesia 2021 Number 16, Supplement to the State Gazette of the Republic of Indonesia Number);
11. Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 64 of 2012 on Guidelines for the Implementation of Provision of Incentives and Provision of Ease of Investment in Regions (State Bulletin of the Republic of Indonesia 2012 Number 930);
12. Regional Regulation Number 1 of 2022 on Spatial Planning Plan of the Municipality of Medan for 2022-2042 (Regional Gazette of the Municipality of Medan of 2022 Number 1,

Supplement to Regional Gazette of the Municipality of Medan
Number 1);

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

HAS DECIDED:

To issue: REGIONAL REGULATION ON PROVISION OF INCENTIVES AND EASE
OF INVESTMENT.

CHAPTER 1 GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Region means the Municipality of Medan.
2. Central Government means the President of the Republic of Indonesia who holds the power to govern the Republic of Indonesia, assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
3. Provincial Government means the Governor of North Sumatra as an element of the Local Government administrator who leads the implementation of Government affairs that falls under the Authority of the Autonomous Region.
4. Local Government means the head of the Region as an element of the Local Government administrator who leads the implementation of Government affairs that falls under the Authority of the Autonomous Region.
5. Mayor means the Mayor of Medan.
6. Governor means the Governor of North Sumatra.
7. Office means a Regional Apparatus that carries out government affairs in the field of Investment and One-Stop Integrated Services.

8. Regional Apparatus means an element that assists the Mayor and the Regional House of Representatives in carrying out government affairs that falls under the authority of the Region.
9. Capital means assets owned by an investor taking the form of monetary or otherwise non-monetary assets that have economic value.
10. Investment Incentive, hereinafter referred to as Incentive, means all policy efforts provided by the Local Government to attract the interest of Investors to invest in the Region.
11. Ease of Investment, hereinafter referred to as Ease, means support from the Local Government that can simplify and expedite Investment activities.
12. Provision of Investment Incentives in Region, hereinafter referred to as Provision of Incentives, means fiscal policy support from the Local Government to the Community and/or Investors to increase investment in the Region.
13. Provision of Ease of Investment in Region, hereinafter referred to as Provision of Ease, means the provision of non-fiscal facilities from the Local Government to the Community and/or Investors to ease every investment activity and to increase investment in the Region.
14. Investment in the Region means all forms of investing activities by both domestic investors and foreign investors to conduct business in the Region.
15. Investor hereinafter referred to as Investor means individual or business entity who carries out Investments in the forms of domestic Investments and/or foreign Investments that receive Incentives and/or Ease.
16. Business Location Area means each sub-district in the Region which is classified based on the distribution of Investment which is calculated based on the components determined in the investment general plan in the Region.
17. Micro Enterprise means a productive enterprises owned by an individual and/or individual business entity that has a net worth for a maximum of Rp,1.000.000.000,00 (one billion rupiah) excluding land and buildings where the

business is located or has annual sales results for a maximum of Rp,2.000.000.000.00 (two billion rupiah) meeting the criteria for a micro enterprise.

18. Small Enterprise means an independent productive enterprise, which is run by individuals or a company which is not a branch companies owned, controlled,, or affiliated directly or indirectly with a medium or large enterprises that has net assets of more than Rp.1,000,000,000.00 (one billion rupiah) up to a maximum of Rp5,000,000,000.00 (five billion rupiah) excluding land and buildings where the business is located or has annual sales results of more than Rp 2,000,000,000.00 (two billion rupiah) up to a maximum of Rp15,000,000,000.00 (fifteen billion rupiah).
19. Cooperative means a legal entity established by individuals or cooperative legal entities, with the separation of the wealth of its members as capital to run a business, which fulfils shared aspirations and needs in the economic, social and cultural fields in accordance with cooperative values and principles.
20. Pioneer Industry means an industry that has broad linkages, provides high added value and externalities, introduces new technology, and has strategic value for the national economy.
21. One-Stop Integrated Services (*Pelayanan Terpadu Satu Pintu*), hereinafter abbreviated to PTSP, means an activity for organizing licensing and non-licensing, the management process of which, from the application stage to the document issuance stage, is carried out in one place.
22. Verification Team for the Assessment of the Provision of Investment Incentives and Ease, hereinafter referred to as Verification Team, means a team that carries out verification, assessment, provides recommendations, and monitors and evaluates the Provision of incentives and/or Ease of Investment in the Region.
23. Guidance means an activity of providing guidance to investors to realize their investment and facilitating the

resolution of problems/obstacles in the implementation of Investment activities.

24. Supervision means an effort or activity carried out to prevent and reduce the occurrence of deviations in the implementation of Investment and the imposition of sanctions for violations/deviations of the provisions of legislation.

CHAPTER II

INTENTION, PURPOSE AND PRINCIPLES

Article 2

The provision of Incentives and/or Provision of Ease is intended to attract or stimulate Investors to invest their Capital in the Region.

Article 3

Provision of Incentives and/or Provision of Ease aim to:

- a. increase economic growth and equality in the Region;
- b. creating job opportunity;
- c. increase sustainable and environmentally aware economic development;
- d. increase competitiveness in the Region;
- e. increasing the capacity and capability of technology in the Region;
- f. encourage the development of people's economy;
- g. turn economic potential into real economic strength using funds from both domestic and foreign sources;
- h. improves public welfare and prosperity.

Article 4

Provision of Incentives and/or Provision of Ease based on the principles:

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

- e. effective and efficient.

CHAPTER III

FORMS OF INCENTIVES AND EASE OF INVESTMENT

Article 5

- (1) The Provision of Incentives may be in the forms of:
 - a. Tax reduction, relief or exemption;
 - b. reduction, relief or exemption from Levies;
 - c. provision of Capital assistance to Micro, Small Enterprises and/or Cooperative in the Region;
 - d. assistance for research and development for Micro, Small, and Medium Enterprises, and/or Cooperatives in the Region;
 - e. assistance with vocational training facilities for Micro, Small Enterprises and/or Cooperatives in the area; and/or
 - f. low interest rate.
- (2) Provision of Ease may be in the forms of:
 - a. provision of data and information on Investment opportunities;
 - b. provision of facilities and infrastructure,
 - c. facilitation the provision of land or location;
 - d. provision of technical assistance;
 - e. simplification and acceleration of Licensing through PTSP;
 - f. ease of access to marketing of production results,
 - g. ease of direct investment in construction;
 - h. ease of investment in strategic areas determined in legislation that have the potential for development in the Region;
 - i. provision of comfort and security for investment in the Region;
 - j. ease of access to ready-to-use and skilled worker;
 - k. ease of access to raw material supplies; and/or
 - l. facilitation of promotion in accordance with regional authority.

- (3) Further provisions regarding the details of the form of Provision of Incentives and/or Provision of Ease as referred to in section (1) and section (2) are determined in a Mayor Regulation.

Article 6

- (1) The Local Government may provide one or more forms of Incentives and/or Ease as referred to in Article 5 section (1) and section (2) to each Investor.
- (2) The Provision of Incentives and/or Provision of Ease as referred to in section (1) is provided in accordance with the authority, conditions, financial capabilities of the Region and legislation.

CHAPTER IV

CRITERIA FOR PROVIDING INCENTIVES AND EASE OF INVESTMENT

Article 7

- (1) Incentives and/or Ease provided by the Local Government to new Investors or business development.
- (2) Provisions of Incentives and/or Ease are given to Investors who at least fulfil one of the following criteria:
 - a. contributing to the increase of community income;
 - b. absorbing local manpower;
 - c. using mostly local resources,
 - d. contributing to improve public services;
 - e. contributing to increase regional gross domestic product;
 - f. environmentally sound and sustainable;
 - g. infrastructure development;
 - h. conducting technology transfer;
 - i. conducting Pioneer Industry;
 - j. carrying out research, development, and innovation activities,
 - k. partnering with Micro, Small Enterprises, or Cooperative

- l. industries that use capital goods, machinery, or equipment produced domestically;
- m. carrying out business activities in accordance with priority programs in the Region; and/or
- n. being export oriented.

CHAPTER V
TYPES AND SECTORS OF BUSINESS OR INVESTMENT
ACTIVITIES THAT ARE PRIORITIZED TO OBTAIN
INCENTIVES AND EASE OF INVESTMENT

Part One

Types and Fields of Business or Investment Activities that are
Prioritized to Obtain Incentives and Ease of Investment

Article 8

Types of Business or Investment Activities that are prioritized to receive Incentives and/or Ease include:

- a. Pioneer Industry
- b. Micro, Small Enterprises and/or Cooperative;
- c. business that requires partnership;
- d. business that is required to have Capital ownership;
- e. business that requires a specific location;
- f. businesses that are required to employ a certain number of workers;
- g. businesses that are open for Investment purposes that prioritize superior products in the Region;
- h. businesses that have received Investment facilities from the Government;
- i. businesses that are carried out in collaboration with the Local Government; and/or
- j. environmentally sound business.

Article 9

The Pioneer Industry as referred to in Article 8 point a, applies to businesses that meet the following criteria:

- a. having extensive business connections;
- b. providing high added value;
- c. introducing new technologies; and
- d. having strategic value for the economy.

Article 10

Micro, Small Enterprises and Cooperatives as referred to in Article 8 point b, apply to Micro, Small Enterprises and/or cooperatives that have a Business Licensing with the following criteria:

- a. producing products which are characteristic/excellent for the Region; or
- b. potential for business growth.

Article 11

Businesses that are required to have partnerships as referred to in Article 8 point c, apply to Investors who enter into partnerships with Micro, Small Enterprises and/or Cooperatives.

Article 12

Businesses that are required to have Capital as referred to in Article 8 point d, apply to Investors with the criteria of having Capital in a certain amount as determined.

Article 13

- (1) Businesses that are required to have a specific location as referred to in Article 8 point e, apply to Investors who carry out this type of business in the Business Location Area in accordance with regional spatial planning and businesses in border locations of the Region.
- (2) The Local Government determines the classification of Business Location Areas as referred to in section (1), including:
 - a. Developed areas;
 - b. developing areas; and
 - c. underdeveloped areas.

- (3) The Local Government prioritizes the Provision of Incentives and/or Provision of Ease of Investment in underdeveloped areas as referred to in section (2) point c.
- (4) The classification of Business Location Areas as referred to in section (2) is determined by the Mayor Regulation.

Article 14

Businesses that are required to employ a certain number of workers as referred to in Article 8 point f, apply to Investors who employ workers with the specified number of criteria.

Article 15

- (1) Businesses that is open for investment purposes that prioritize superior regional products as referred to in Article 8 point g, apply to businesses whose capital Ownership is open.
- (2) The business as referred to in section (1) is a business that produces products that are characteristic/excellent in the Region.

Article 16

Businesses that have received Investment facilities from the Government as referred to in Article 8 point h, apply to Investors who receive Capital participation from the Central Government, Provincial Government, and/or Local Government.

Article 17

Business that carried out in collaboration with the Local Government as referred to in Article 8 point i, applies to Investors who carry out business utilizing regional assets in accordance with the provisions of legislation.

Article 18

Environmentally sound business as referred to in Article 8 point j, applies to investors who carry out environmental

conservation efforts including prevention and reduction of environmental pollution with the following criteria:

- a. implementing a reduction or replacement of fossil fuel use for transportation, electricity, or industrial equipment into new and renewable energy; or
- b. implementing carbon trading.

Article 19

Further provisions regarding the criteria parameters for types or business activities certain priority areas for obtaining incentives and/or Ease are regulated in a Mayor Regulation.

Part Two

Business Sectors or Investment Activities Prioritized to Obtain Incentives and Ease of Investment

Article 20

- (1) Business sectors or investment activities that are prioritized to receive incentives and/or ease are high priority business sectors in the Region.
- (2) High priority business sectors in the Region as referred to in section (1) include:
 - a. food sector;
 - b. infrastructure sector;
 - c. energy sector; and
 - d. trade sector.
- (3) Changes to the high priority business sectors of the Region as referred to in section (2) are determined based on the general plan for investment in the Region.

Article 21

- (1) Businesses or Investment activities in the food sector as referred to in Article 20 section (2) point a, are businesses or activities that carry out the development of agricultural and plantation product processing industries.

- (2) Businesses or Investment activities in the infrastructure sector as referred to in Article 20 section (2) point b, are businesses or activities that carry out:
 - a. development or expansion of health infrastructure and vocational and professional education;
 - b. development or expansion of tourism infrastructure;
- (3) Businesses or Investment activities in the energy sector as referred to in Article 20 section (2) point c, are businesses or activities that carry out:
 - a. development or expansion of energy resources for electricity needs of the Region; or
 - b. construction or development of new and renewable energy resources to support environmental preservation;
- (4) Businesses or Investment activities in the trade sector as referred to in Article 20 section (2) point d, are businesses or activities that carry out:
 - a. development/increase in local product trade transactions;
 - b. stabilizing the distribution and availability of basic necessities at affordable prices; or
 - c. trade by utilizing innovative information technology.

Article 22

- (1) Provision of ease in the form of provision of facilities and infrastructure is prioritized for businesses in the food and energy sectors as referred to in Article 20 section (2) point a and point c.
- (2) In addition to the provision of facilities and infrastructure as referred to in section (1), the provision of land or locations is prioritized for food sector businesses.

CHAPTER VI
PROCEDURE FOR PROVIDING INCENTIVES AND EASE OF
INVESTMENT

Article 23

- (1) Investors who wish to obtain incentives and/or Ease submit an application to the Mayor through the Office.
- (2) The application as referred to in section (1) is submitted by attaching the following requirements:
 - a. a copy of the applicant's identity;
 - b. a copy of Business Licensing,
 - c. a copy of taxpayer identification number;
 - d. information and/or data supporting the criteria for Provision of Incentives and/or Provision of Ease as referred to in Article 7 section (2).
- (3) Further provisions regarding the requirements and procedures for submitting applications for Incentives and/or Ease are regulated by a Mayor Regulation.

Article 24

- (1) The Mayor assesses applications for Incentives and/or Ease as referred to in Article 23.
- (2) In carrying out the assessment as referred to in section (1), the Mayor forms a Verification Team.
- (3) The duties of the Verification Team as referred to in section (2) consist of:
 - a. verifying the completeness of the proposal requirements that must be met;
 - b. carrying out an assessment of each criterion in a measurable manner;
 - c. carrying out an assessment to determine the form and/or amount of the Provision of Incentives and/or Provision of Ease;
 - d. submitting the assessment results in the form of recommendations to the Mayor through the Office.

- (4) The Verification Team as referred to in section (2) is coordinated by the Office.
- (5) The Verification Team as referred to in section (2) is determined by a Mayor Decision.

Article 25

- (1) In carrying out the assessment, the Verification Team coordinates with the relevant Regional Apparatus.
- (2) In the event of deficiencies in the application requirements as referred to in Article 23 section (2), the Verification Team will notify the applicant.
- (3) The applicant must complete the deficient requirements as referred to in section (2), not later than 3 (three) days after being notified.
- (4) The results of the Verification Team's assessment are submitted to the Mayor in the form of a recommendation for approval or rejection.
- (5) In the event that the assessment results in the form of recommendations are approved, this must be accompanied by a proposal for the form and/or amount of Incentives and/or Ease to be provided.
- (6) In the event that the assessment results in the form of a recommendation are rejected, the files will be returned to the applicant accompanied by the reasons for the rejection.
- (7) The recommendations as referred to in section (4) are determined not later than 6 (six) days after the application as referred to in Article 23 section (1), or the deficiency of requirements as referred to in section (3) is received.

Article 26

- (1) The Mayor determines the Provision of Incentives and/or Provision of Ease based on the assessment results as referred to in Article 25 section (5).

- (2) The Provision of Incentives and/or Provision ease as referred to in section (1) is determined by a Mayor Decision.
- (3) The Mayor decision as referred to in section (2) is determined not later than 6 (six) work days from the date the Verification Team's recommendation is received by the Mayor.
- (4) The Mayor Decision as referred to in section (1) contain at least:
 - a. name of applicant;
 - b. applicant address,
 - c. business or activity;
 - d. form of Incentives and/or Ease;
 - e. the period of the Incentive and/or Ease; and
 - f. rights and obligations of recipients of Incentives and/or Ease.
- (5) Further provisions regarding standard operating procedures for implementing the Provision of Incentives and/or Provision of Ease are determined in a Mayor Regulation.

CHAPTER VII

PERIOD FOR PROVISION OF INCENTIVES AND EASE OF INVESTMENT

Article 27

- (1) The period for Provision of Incentives and/or Provision of Ease to Investors is a maximum of 5 (five) years.
- (2) Investors who receive Incentives and/or Ease that have exceeded the time period as referred to in section (1) may re-submit an application for Incentives and/or Ease.

CHAPTER VIII

REPORTING AND EVALUATION

Part One

Reporting

Article 28

- (1) Investors who receive Incentives and/or Ease must submit a report to the Office at least once a year.
- (2) The report as referred to in section (1) contains developments in the use of Incentives and/or Ease.
- (3) If the Investor does not carry out the reporting as referred to in section (1), the Mayor may stop the Provision of Incentives and/or Provision of Ease based on the proposal of the agency.
- (4) Recipients whose Incentives and/or Ease as referred to in section (3) are terminated cannot reapply for Incentives and/or Ease for the same business.

Article 29

- (1) The Office reports the results of the implementation of the Provision of Incentives and/or Ease to the Mayor.
- (2) The report on the implementation of Provision of Incentives and/or Ease as referred to in section (1) at least contains:
 - a. data on Incentive Recipients and/or Ease Recipients;
 - b. form of Incentives and/or Ease provided;
 - c. existing recipients of Incentives and/or Ease based on reports as referred to in Article 28 section (1).
- (3) Report on the result of the Provision of Incentives and/or Ease as referred to in section (1) are carried out periodically, not later than once every 3 (three) months.

Article 30

The Mayor submits a report on the progress of the Provision of Incentives and/or Ease to the Governor periodically once a year.

Part Two

Evaluation

Article 31

- (1) The Office evaluates the effectiveness and efficiency of the implementation of the Provision of Incentives and/or Provision of Ease that have been provided to Investors.
- (2) The evaluation as referred to in section (1) involves the relevant Regional Apparatus.
- (3) The Office submits a report on the results of the evaluation as referred to in section (2) to the Mayor.
- (4) The evaluation as referred to in section (1) is carried out at least once a year.

Article 32

- (1) The Mayor may review the Provision of Incentives and/or Provision of Ease based on the evaluation result report as referred to in Article 31.
- (2) The review as referred to in section (1) may take the form of:
 - a. Changes to the high priority business sectors of the Region as referred to in Article 20 section (2); and/or
 - b. Reduction, addition, or termination of Incentives and/or Ease.
- (3) The reduction or addition of Incentives and/or Ease as referred to in section (2) point b, is determined according to the Region's capabilities.
- (4) Termination of Incentives and/or Ease is determined in the event that the recipient of the Incentive and/or Recipient of Ease no longer meets the criteria as referred to in Article 7 section (2) or is in conflict with the provisions of legislation.
- (5) Reduction, addition or termination of Incentives and/or Ease as referred to in section (2) point b, is determined by the Mayor Decision.

CHAPTER IX GUIDANCE AND SUPERVISION

Article 33

- (1) Guidance regarding the implementation of the Provision of Incentives and/or Ease is carried out by the Mayor.
- (2) The development activities as referred to in section (1) are carried out through:
 - a. dissemination, workshops, technical guidance and/or investment dialogue regarding the provisions for implementing Investment;
 - b. providing consultation on controlling the implementation of investment in accordance with the provisions of legislation; and
 - c. facilitating the resolution of problems faced by Investors in realizing Investment.
- (3) The guidance as referred to in section (1) may be delegated to the Office.

Article 34

- (1) Supervision of Investors receiving Incentives and Ease is carried out by the Business Licensing Supervision Team.
- (2) The supervision procedures as referred to in section (1) are further regulated by the Mayor Regulation.

CHAPTER X CLOSING PROVISIONS

Article 35

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 Medan.

Issued in Medan
on 1 July 2024
MAYOR OF MEDAN,

signed

MUHAMMAD BOBBY AFIF
NASUTION

Promulgated in Medan
on 1 July 2024
Acting SECRETARY OF THE MUNICIPALITY OF MEDAN,

signed

TOPAN OBAJA PUTRA GINTING
REGIONAL GAZETTE OF THE MUNICIPALITY OF MEDAN OF 2024 NUMBER 4

Jakarta, 19 March 2025
Has been translated as an Official Translation
on behalf of the Minister of Law
of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION,



PUTRA

ELUCIDATION OF
REGIONAL REGULATION OF THE MUNICIPALITY OF MEDAN
NUMBER 4 OF 2024

ON
PROVISION OF INCENTIVES AND EASE OF INVESTMENT

1. GENERAL ELUDICATION

Investment activities have an important role in increasing national economic growth and regional economy which leads to community welfare, in the last period the regional economy has decreased as seen from the amount of investment that cannot reach the set target. The Covid-19 pandemic is the main cause of the decline in the amount of investment in the Municipality of Medan, resulting in an increase in unemployment and destitute people in the Municipality of Medan.

The Local Government needs to make efforts to increase Investment in the Region, in order to increase community income, local worker absorption, empower local resources, improve public services, increase Gross Regional Domestic Product, and develop micro, small, and cooperative enterprise. Regional efforts to increase investment through providing incentives and/or ease for investors are the right steps to stimulate Investors to want to invest their Capital in the Municipality Medan.

The Central Government has issued a regulation in the form of Government Regulation Number 24 of 2019 on the Guidelines for Providing Incentives and Ease of Investment in the Regions. Based on this regulation, the Local Government is authorized to provide incentives and facilities to investors who invest their capital in the region. in the event that the Local Government intends to provide

incentives and ease of investment, the regulations must be established in a Regional Regulation. Until now, the regulation of providing incentives and ease of investment in the region has not been set in a Regional Regulation. Therefore, the establishment of a Regional Regulation on the provision of incentives and ease of investment is very important, not only to fulfil the mandate of the law but also to serve as the legal foundation for its implementation, in order to prevent the abuse of authority.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Sufficiently clear.

Article 3

Sufficiently clear.

Article 4

Point a

The term the principle of legal certainty means the principle that places laws and provisions of legislation as the basis for the Local Government in every policy and action in the Provision of Incentives and/or Provision of Ease of Investment.

Point b

The term the principle of equality means equal treatment of investors without favouring and benefiting one particular group, group or scale of business.

Point c

The term the principle of transparency means openness of information in the provision of incentives and/or provision of ease to the public and/or investors.

Point d

The term the principle of accountability means the form of responsibility for the provision of incentives and/or provision of ease of investment.

Point e

The term the principle of effectiveness and efficiency means rational and economic considerations and

guarantees that have an impact on increasing productivity and public services.

Article 5

Section (1)

Point a.

Sufficiently clear.

Point b.

Sufficiently clear.

Point c.

Sufficiently clear.

Point d.

Sufficiently clear.

Point e.

The term vocational training means all activities to provide, obtain, improve and develop work competencies, productivity, discipline, attitude and work ethic at a certain level of skills and expertise in accordance with the level and qualifications of the position or job for work and/or entrepreneurship.

Point f.

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 6

Sufficiently clear.

Article 7

Sufficiently clear.

Article 8

Sufficiently clear.

Article 9

Point a.

The term having extensive business connections means that the existence or products produced by the business influence/are needed by other businesses.

Point b.

The term by high added value means that it can produce very useful products from raw materials that are easy to obtain.

Point c.

The term by introducing new technologies means that the business uses technology from its own innovation or technology that has never been used by other businesses in the region.

Point d.

The term by having strategic value for the economy means that the business in question has an impact on increasing the income of the community and the government.

Article 10

Point a

The term by a product that means a characteristic/regional advantage is a product in the form of goods or services that are produced and then known to originate from the Municipality of Medan.

Point b.

The term by potential for business growth means based on an assessment that the business or activity will be able to increase from a micro business to a small business, a small business to a medium business or the development of cooperatives based on an increase in the number of members, the amount of capital or the expansion of the cooperative business.

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

Point a,

The term by fossil energy means a natural resource containing hydrocarbons which are formed due to the natural process of decomposition of dead organisms, examples of fossil energy are coal, petroleum, and natural gas.

Point b

The term by carbon trading means the activity of buying and selling carbon credits in accordance with the provisions of legislation.

Article 19

Sufficiently clear.

Article 20

Sufficiently clear.

Article 21

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

The term by vocational education means secondary education that prepares students primarily to work in a particular field.

The term by vocational education means secondary education that prepares students primarily for work and/or entrepreneurship in certain fields and higher education that prepares students for work and/or entrepreneurship with certain applied expertise.

Section (3)

Sufficiently clear.

Section (4)

Point a

Sufficiently clear.

Point b.

The term by basic needs goods are goods that concern the lives of many people with a high scale of fulfilment of needs and become a supporting factor for the welfare of the community.

Point c.

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.