

REGULATION OF THE MUNICIPALITY OF METRO
NUMBER 1 OF 2023
ON
IMPLEMENTATION OF BUSINESS LICENSING
BY THE BLESSINGS OF ALMIGHTY GOD
MAYOR OF METRO,

Considering: that in order to implement the provisions of Article 2 and Article 31 section (1) of Government Regulation Number 6 of 2021 on Implementation of Business Licensing in the Region, it is necessary to issue a 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 12 of 1999 on Establishment of Dati II Way Kanan Regency, Dati II East Lampung Regency and Dati II Metro Municipality (State Gazette of the Republic of Indonesia of 1999 Number 46, Supplement to the State Gazette of the Republic of Indonesia Number 3825);
3. 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 amended by Law Number 13 of 2022 (State Gazette of the Republic of Indonesia of 2022 Number 143, Supplement to the State Gazette of the Republic of Indonesia Number 6801);
4. Law Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) has been amended several times, last by Law Number 1 of 2022 (State Gazette of the Republic of Indonesia Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6757);
5. Law Number 30 of 2014 on Government Administration (State Gazette of the Republic of Indonesia of 2014 Number 292, Supplement to the State Gazette of the

Republic of Indonesia Number 5601) as amended by Law Number 6 of 2023 (State Gazette of the Republic of Indonesia of 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856);

6. 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);
7. 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);
8. Government Regulation Number 6 of 2021 on Implementation of Business Licensing in Regions (State Gazette of the Republic of Indonesia of 2021 Number 16, Supplement to the State Gazette of the Republic of Indonesia Number 6618);

With the Joint Approval of:

REGIONAL HOUSE OF REPRESENTATIVES OF THE MUNICIPALITY OF
METRO

and

MAYOR OF METRO

HAS DECIDED:

To issue : REGIONAL REGULATION ON IMPLEMENTATION OF
BUSINESS LICENSING.

CHAPTER 1

GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Central Government means the President of the Republic of Indonesia who holds the government power of the Republic of Indonesia assisted by the Vice President and Ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
2. Region means Municipality of Metro.
3. Local Government means a Mayor as the organizing element of the Local Government who leads the

implementation of government affairs which fall under the authority of the autonomous region.

4. Mayor means the Mayor of Metro.
5. Regional Apparatus means supporting elements for the Mayor and the Regional House of Representatives in administering government affairs which fall under the authority of the Region.
6. Implementation of Business Licensing means a business licensing activity where the managing process is begun electronically from the proposing phase to the issuance of documents which are conducted in integrated manner through one door.
7. Business Licensing means the legality given to business actors to start and run their business and/or activities.
8. Risk-Based Business Licensing means business licensing based on the level of risk of the business activities.
9. 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.
10. One Stop Integrated Services and Investment Office (*Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu*), hereinafter abbreviated to DPMPTSP, means a Regional Apparatus whose duties and functions to administer government affairs in the field of investment which is under the authority of the Region.
11. One-Stop Integrated Service (*Pelayanan Terpadu Satu Pintu*), hereinafter abbreviated as PTSP, means an integrated service in one unified process started from the proposing phase to the completion phase of the one-stop integrated service product.
12. Business Actor means individuals or business entities that carry out business and/or activities in certain fields.
13. State Civil Apparatus (*Aparatur Sipil Negara*), hereinafter abbreviated as ASN, means a profession for civil servants and government employees by working agreements who work for government institutions.

Article 2

The purpose of the issuance of this Regional Regulation is to provide a basis for authority for the Local Government and legal certainty in the Implementation of Business Licensing.

Article 3

The aim of the issuance of this Regional Regulation is to improve the investment ecosystem and business activities and to provide a Business Licensing service process that is fast, easy, transparent, has legal certainty, simple, affordable, professional, has integrity and fulfils people's rights.

Article 4

The scope of the implementation of Business Licensing as regulated in this Regional Regulation includes:

- a. authority to Implementation of Business Licensing;
- b. implementation of Business Licensing;
- c. reporting;
- d. construction and supervision;
- e. funding; and
- f. administrative sanctions.

CHAPTER II

AUTHORITY TO THE IMPLEMENTATION OF BUSINESS LICENSING

Article 5

- (1) The Mayor organizes Business Licensing.
- (2) The Mayor delegates Business Licensing as referred to in section (1) to the head of DPMPTSP.

CHAPTER III

IMPLEMENTATION OF BUSINESS LICENSING

Part One

General

Article 6

- (1) Every Business Actor is obligated to have a Business Licensing.
- (2) There is no charge for business actors to obtain Business Licensing as referred to in section (1).

Article 7

- (1) The Business Licensing as referred to in Article 5 includes:
 - a. Risk-Based Business Licensing;
 - b. basic requirements for Business Licensing; and
 - c. Sectors of Business Licensing and ease of investment requirements.
- (2) Apart from the Business Licensing as referred to in section (1), the Local Government can issue other permits based on the provisions of legislation.
- (3) Further provisions regarding other licensing as referred to in section (2) are regulated in a Mayor Regulation.

Article 8

- (1) The Risk-Based Business Licensing as referred to in Article 7 section (1) point a is applied based on determining the risk level and business scale ranking of business activities.
- (2) The risk level as referred to in section (1) includes:
 - a. low;
 - b. lower secondary;
 - c. medium high; and
 - d. high.
- (3) The basic requirements for Business Licensing as referred to in Article 7 section (1) point b include, among others:
 - a. suitability of space utilization activities;
 - b. environmental approval; and
 - c. building approval and function feasibility certificate.
- (4) Sectors of Business Licensing and ease of investment requirements as referred to in Article 7 section (1) point c consist of sectors:
 - a. fishery;
 - b. agriculture;
 - c. environment and forestry;
 - d. energy and mineral resources;
 - e. nuclear power;
 - f. industry;
 - g. trade;

- h. public works and public housing;
 - i. transportation;
 - j. health, medicine and food;
 - k. education and culture;
 - l. tourism;
 - m. religion;
 - n. postal, telecommunications, broadcasting and electronic systems and transactions;
 - o. defence and security; and
 - p. employment.
- (5) The nuclear energy, religious and defense and security sectors as referred to section (4) point e, point m and point o are the authority of the Central Government whose licensing process integrated with the Business Licensing service.
- (6) In order to improve the investment to ecosystem and business activities in the sector as referred to in section (4), Business Actors are provided with ease of investment requirements and Business Licensing in accordance with the provisions of legislation regarding the implementation of Risk-Based Business Licensing.
- (7) Risk-Based Business Licensing, basic requirements for Business Licensing, and Sectors of Business Licensing and ease of investment requirements are implemented in accordance with the provisions of legislation regarding the implementation of Risk-Based Business Licensing and legislation in the field of spatial planning, living environment and buildings.

Article 9

Implementation of Business Licensing as referred to in Article 7 includes:

- a. management of implementation;
- b. PTSP integration;
- c. facilities and infrastructure;
- d. apparatus human resources;
- e. work relation procedures; and
- f. developing support systems for the implementation of the OSS System.

Part Two
Management of Implementation

Paragraph 1
General

Article 10

- (1) DPMPTSP carries out Business Licensing services by applying management of the Implementation of Business Licensing.
- (2) Management of the Implementation of Business Licensing as referred to in section (1) includes:
 - a. implementation of services;
 - b. information management;
 - c. public dissemination;
 - d. consulting services;
 - e. management of public complaints; and
 - f. legal assistance.

Paragraph 2
Implementation of Services

Article 11

- (1) The implementation of Business Licensing services uses the OSS System which is managed by the Central Government starting from the time the OSS System becomes effective in accordance with the provisions of legislation regarding the implementation of Risk-Based Business Licensing.
- (2) 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.
- (3) The Local Government develops a support system for the implementation of the OSS System in accordance with the norms, standards, procedures and criteria stipulated by Legislation.
- (4) Further provisions regarding the development of supporting systems for the implementation of the OSS

System as referred to in section (3) are regulated in a Mayor Regulation.

Article 12

- (1) OSS System Services for Business Licensing are performed independently by Business Actors.
- (2) Independent services as referred to in section (1) are performed with their own equipment/facilities or those provided by DPMPTSP.
- (3) In the event that OSS System services cannot be implemented independently, DPMPTSP carries out:
 - a. assisted services; and/or
 - b. mobile service.

Article 13

- (1) Assisted services as referred to in Article 12 section (3) point a are also performed in the event that Business Actors are unable to carry out Business Licensing based on the OSS System independently due to technical glitch.
- (2) In the event that there is a technical glitch in the OSS System service as referred to in section (1), assisted services must be available not later than 1 (one) work day after the technical glitch is declared to have occurred.
- (3) A statement of the occurrence of technical glitch with OSS System services as referred to in section (1) is conveyed to the public by the head of DPMPTSP.

Article 14

Mobile services as referred to in Article 12 section (3) point b are carried out by bringing service affordability closer to Business Actors by using transportation or other means.

Paragraph 3

Information Management

Article 15

- (1) Information management as referred to in Article 10 section (2) point b is carried out openly, is free of charge, and is easily accessible to the public.
- (2) Information management as referred to in section (1) takes the form of:

- a. receiving information service requests; and
- b. provision and dissemination of information to the public.

Article 16

- (1) The provision and dissemination of information to the public as referred to in Article 15 section (2) point b is carried out through the information service subsystem in the OSS System.
- (2) In addition to providing and disseminating information as referred to in section (1), DPMPTSP provides and disseminates information regarding at least:
 - a. institutional profile of Regional Apparatus;
 - b. Business Licensing service standards in the Region; and
 - c. PTSP performance assessment.

Article 17

Further provisions regarding the implementation of information management as referred to in Article 15 are regulated in a Mayor Regulation.

Paragraph 4

Dissemination to Public

Article 18

- (1) Dissemination to the public as referred to in Article 10 section (2) point c includes providing information regarding:
 - a. the rights and obligations of the Local Government and the community regarding Business Licensing services;
 - b. benefits of Business Licensing for the public;
 - c. requirements and mechanisms for Business Licensing services;
 - d. time and place of service; and
 - e. level of risk of business activities.
- (2) Dissemination to the public is carried out through:
 - a. electronic media;
 - b. print media; and/or

- c. meeting.
- (3) The dissemination as referred to in section (1) and section (2) is carried out by DPMPTSP in coordination with the relevant Regional Apparatus periodically.

Paragraph 5

Consultation Services

Article 19

- (1) Consultation services as referred to in Article 10 section (2) point d include at least:
 - a. technical consultation on types of Business Licensing services;
 - b. consultation on legal aspects of Business Licensing; and
 - c. technical assistance.
- (2) The consultation services as referred to in section (1) are carried out:
 - a. in the consultation room provided; and/or
 - b. online.
- (3) The consultation services as referred to in section (1) are carried out by DPMPTSP and in coordination with technical Regional Apparatus interactively.

Paragraph 6

Management of Public Complaints

Article 20

- (1) Management of public complaints as referred to in Article 10 section (2) point e is carried out through the OSS System which includes:
 - a. receiving and providing receipts;
 - b. checking the completeness of documents;
 - c. classifying and prioritizing solutions;
 - d. examining and responding;
 - e. administering;
 - f. reporting results; and
 - g. monitoring and evaluating.

- (2) The management of public complaints as referred to in section (1) is carried out in accordance with the provisions of legislation.

Paragraph 7

Legal Assistance

Article 21

- (1) The legal assistance as referred to in Article 10 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 section (1) is carried out by Regional Apparatus or work units that administer government affairs in the field of legal.

Part Three

One Stop Integrated Service Integration

Article 22

DPMPTSP implements PTSP integration between regional apparatus and vertical institutions in the region in accordance with its authority.

Part Four

Facilities and Infrastructure

Article 23

- (1) DPMPTSP provides facilities and infrastructure according to service standards.
- (2) The facilities and infrastructure as referred to in section (1) are at least:
 - a. front office;
 - b. back office;
 - c. support space; and
 - d. supporting tools/facilities.
- (3) Facilities and infrastructure for providing electronic services, at least:
 - a. internet connection;
 - b. data center and server application;

- c. smartphone; and
- d. information and communication technology security systems.

Part Five

Human Resources Apparatus

Article 24

- (1) ASN assigned to DPMPTSP must meet the qualification and competency standards set by technical ministries/non-ministerial government institutions.
- (2) The ASN competency as referred to in section (1) can be improved through competency development by technical ministries/non-ministerial government institutions.
- (3) Civil servants who carry out the duties and functions of Business Licensing services in regions at the DPMPTSP can be transferred in accordance with the provisions of legislation after receiving a recommendation from the head of the DPMPTSP.

Article 25

In order to improve the performance of Business Licensing Implementation services, the Mayor can provide additional employee income to ASN at the DPMPTSP in accordance with the Regional financial capacity and the provisions of legislation.

Article 26

- (1) DPMPTSP can include ASN in sub-districts or urban villages to improve the quality, coverage and wider access of Business Licensing services to the public.
- (2) DPMPTSP carries out dissemination or technical guidance to ASN in urban villages as referred to in section (1).

Part Six

Work Relation Governance

Article 27

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

- a. work relation with government institutions that carry out Government Affairs in the field of investment coordination as OSS Institutions;
- b. work relation with Regional Apparatus, including sub-districts and urban villages; and
- c. work relation with DPMPTSP of the Province of Lampung.

Article 28

- (1) The DPMPTSP work relation with the OSS Institution as referred to in Article 27 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 implementing 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 complaints about Business Licensing services.

Article 29

- (1) Work relation between the DPMPTSP and Regional Apparatus as referred to in Article 27 point b is carried out functionally and coordinatively in the Implementation of Business Licensing.
- (2) The functional and coordinative work relationship as referred to in section (1) includes:
 - a. implementation of Business Licensing in accordance with their respective authority;
 - b. Business Licensing verification;
 - c. monitoring and evaluation in the framework of supervision of Business Licensing;
 - d. facilitating the resolution of Business Licensing problems; and
 - e. synergy of Business Licensing programs and activities.

Article 30

In addition to the work relation as referred to in Article 29 section (1), DPMPTSP's work relations with Regional Apparatus is conducted in the context of providing Business Licensing support in sub-district and urban villages areas.

Article 31

- (1) The relation between DPMPTSP and DPMPTSP of the Province of Lampung as referred to in Article 27 point c, is carried out functionally and coordinatively.
- (2) The functional and coordinative work relationship as referred to in section (1) includes:
 - a. facilitating the resolution of Business Licensing problems; and
 - b. supervision of Business Licensing.

CHAPTER IV

GUIDANCE AND SUPERVISION

Article 32

- (1) The Mayor applies guidance and supervision of the DPMPTSP in implementation of Business Licensing.
- (2) Guidance and Supervision as referred to in section (1) is to ensure that the Implementation of Business Licensing is carried out in accordance with provisions of legislation.

CHAPTER V

REPORTING

Article 33

- (1) The Mayor submits a report on the Implementation of Business Licensing periodically every 3 (three) months to the Governor.
- (2) The report as referred to in section (1) is prepared by DPMPTSP.
- (3) The report as referred to in section (2) must contain at least:
 - a. number of permits issued;
 - b. investment plans and realization; and
 - c. obstacles and solutions.

Article 34

- (1) The report as referred to in Article 33 section (2) is prepared through stages:
 - a. planning;
 - b. data inventory;
 - c. performance evaluation;
 - d. preparation of reports; and
 - e. submission to the Mayor.
- (2) Further provisions regarding the implementation of report preparation as referred to in section (1) are regulated in a Mayor Regulation.

CHAPTER VI

FUNDING

Article 35

Funding for the Implementation of Business Licensing comes from the Regional income and expenditure budget, and other sources that are legal and/or non-binding in accordance with the provisions of legislation.

CHAPTER VII

TRANSITIONAL PROVISIONS

Article 36

- (1) Provisions for implementing Business Licensing as regulated in this Regional Regulation are excluded for Business Actors whose Business Licensing has been approved and is effective before this Regional Regulation comes into force, including requirements that have been fulfilled, unless the provisions in this Regional Regulation are more profitable for Business Actors.
- (2) Business Actors who have obtained a Business Licensing but which has not yet become effective before this Regional Regulation comes into force, the Business Licensing is processed in accordance with the provisions of this Regional Regulation.

CHAPTER IX
CLOSING PROVISIONS

Article 37

At the time this Regional Regulation comes into force, the implementing regulations relating to Business Licensing are declared to remain effective insofar they have not been replaced and the extent not contrary to this Regional Regulation.

Article 38

The implementing regulations for this Regional Regulation are issued not later than 6 (six) months since the promulgation of this Regional Regulation.

Article 39

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 Metro.

Issued in Metro

On 18 July 2023

MAYOR OF METRO,

signed

W A H D I

Promulgated in Metro

On 18 July 2023

REGIONAL SECRETARY OF THE MUNICIPALITY OF METRO,

signed

BANGKIT HARYO UTOMO

REGIONAL GAZETTE OF THE MUNICIPALITY METRO OF 2023 NUMBER 1

Jakarta, 13 February 2024

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

DIRECTOR GENERAL OF LEGISLATION,



ASEP N. MULYANA

ELUCIDATION
OF
REGULATION OF THE MUNICIPALITY OF METRO
NUMBER 1 OF 2023
ON
IMPLEMENTATION OF BUSINESS LICENSING

I. GENERAL

Law Number 11 of 2020 on Job Creation provides a new regulation that business licensing is undertaken on a (a) risk-based basis; (b) norms, standards, procedures and criteria established by the central government and in accordance with the provisions of legislation; (c) use an electronic business licensing system managed by the central government; and (d) provide opportunities for Local Governments to develop supporting systems for implementing the OSS system in accordance with the provisions of legislation.

As derivative regulations from the Job Creation Law, the government issued Government Regulation Number 6 of 2021 on Business Licensing in the Regions and Government Regulation Number 5 of 2021 on Risk-Based Business Licensing which provides the basis for conducting risk-based business. In the two Government Regulations which emphasize that the Mayor establishes Regional Regulations in the context of implementation business licensing in the region. Apart from that, the implementation of business licensing in the regions is undertaken by the Regional Apparatus administering government affairs in the field of investment and one-stop integrated services.

Based on the regulations above, there is a need for follow-up of regulations in the Municipality of Metro in the form of Regional Regulations which accommodate new provisions related to business licensing in the Region which includes the authority for Implementing Business Licensing in the Region, Implementing Business Licensing, Controlling Risk-Based Business Licensing, and Reporting And Funding. In general, by applying this Regional Regulation, it is hoped that it can improve the investment ecosystem and business activities and embody fast, easy, transparent, certain, simple, affordable, professional Business Licensing service process with integrity and optimally fulfils people's rights in the Municipality of Metro.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear

Section 2

Sufficiently clear

Article 3

Sufficiently clear

Article 4

Sufficiently clear

Article 5

Sufficiently clear

Article 6

Sufficiently clear

Article 7

The term "Licensing" means the provision of documents and proof of legality of approval from the government to a person or certain Business Actor/activity in accordance with the provisions of legislation.

Article 8

Sufficiently clear

Article 9

Sufficiently clear

Article 10

Sufficiently clear

Article 11

Section (1)

Sufficiently clear

Section (2)

The term "vulnerable groups" include Business Actors who do not have the facilities/tools to access the OSS System.

Section (3)

Sufficiently clear

Article 12

Sufficiently clear

Article 13

Section (1)

The term "technical glitch" means disruption of the OSS System or disruption of the internet network in accessing the OSS System.

Section (2)

Sufficiently clear

Section (3)

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

Section (1)

The term "vertical institutions in the regions" include the Ministry of Law and Human Rights, the Food and Drug Supervisory Agency, the Primary Tax Service Office, and the National Land Office.

Section (2)

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

The term "providing support for Business Licensing in urban villages areas" includes assistance activities for micro and small scale individual business actors.

Article 31

Sufficiently clear

Article 32

Sufficiently clear

Article 33

Sufficiently clear

Article 34

Sufficiently clear

Article 35

Sufficiently clear

Article 36

Sufficiently clear

Article 37

Sufficiently clear

Article 38

Sufficiently clear

Article 39

Sufficiently clear