

REGULATION OF THE MUNICIPALITY OF PEKALONGAN
NUMBER 9 OF 2022
ON
IMPLEMENTATION OF INVESTMENT

BY THE BLESSINGS OF ALMIGHTY GOD

MAYOR OF PEKALONGAN,

- Considering : a. that in order to create a just society and prosperous based on Pancasila and the 1945 Constitution of the Republic of Indonesia, it is necessary to carry out economic development sustainable based on economic democracy;
- b. that investment is one regional economic driving factors, financing regional development and job creation, so policies need to be created for increase the realization of investment and community welfare by making the Municipality of Pekalongan is an interesting area for investment;
- c. that in order to fulfil legal requirements for the implementation of investment in the region, then adjustments need to be made to the provisions of the 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 Investment.
- Observing: 1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 16 of 1950 on the Establishment of Regions of Regency around the Province of East Java, Central Java, West Java and in The Special Region of Yogyakarta as amended by Law Number 13 of 1954 on the Amendment of Law Number 16 and 17 of 1950 on the Establishment of Small Cities at 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. Law Number 23 of 2014 on Regional Government (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 and recently with Law Number 11 of 2020 on Working Creation (State Gazette of The Republic of Indonesia of 2020 Number 245, Supplement to the State Gazette of the Republic of Indonesia Number 6573);

With the join approval of
THE REGIONAL HOUSE OF REPRESENTATIVES OF THE MUNICIPALITY
OF PEKALONGAN

and
MAYOR OF PEKALONGAN

HAS DECIDED:

To issue : REGIONAL REGULATION ON IMPLEMENTATION OF
INVESTMENT.

CHAPTER I GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Central Government, hereinafter referred to as the Government, means the President of Indonesia holds the power of state government Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia in.
2. Region means the Municipality of Pekalongan.
3. Local Government means Mayor and regional apparatus as elements of the local government administrators.
4. Mayor means the Mayor of Pekalongan.
5. Office means regional apparatus of the Regency of the Municipality of Pekalongan which has task and function that organize government affairs on investment.
6. Capital means assets owned by an investor taking the form of monetary or otherwise non-monetary assets that have economic value.
7. Investors means an individual or a business entity that makes an investment, being either a domestic investor dan/or a foreign investor.
8. Investment means all forms of investing activities by both domestic investors and foreign investors to conduct business in the Region.
9. Domestic Investment, hereinafter abbreviated as PMDN means the activity of investing capital to conduct business in the region carried out by domestic investors with using domestic capital.
10. Foreign Investment, hereinafter abbreviated as PMA means the activity of investing capital to conduct business in the Region carried out by foreign investors, whether completely using foreign capital or in joint venture with domestic investors.
11. Permit means approval of the Government, Provincial Government and/or Local Government for the implementation of mandatory business activities fulfilled by Business Actors before starting the activity of the business.
12. Business Licensing means legality given to Business Actors to start and run the business and/or the activity.

13. Licensing means any form of agreement to do something investment issued by the Government, the Government Provincial and/or Local Governments that have authority in accordance with the provisions of legislation.
14. Non-Licensing means all forms of ease of service, fiscal facilities and information regarding investment, in accordance with the provisions of legislation.
15. Investment Activity Report means a periodic report related to the development of investment companies.
16. One-Stop Integrated Service, hereinafter abbreviated to PTSP means the activity of carrying out licensing and non-licensing who receives delegation or delegation of authority from institutions or agencies that have licensing authority and non-licensing, the management process of which starts from stage application until the stage of issuance of the document done in one place.
17. Online Single Submission System hereinafter referred to as the OSS System means integrated electronic system managed and hosted by OSS Institution for the implementation of Based Business Licensing Risk.
18. Delegation of authority means the handing over of duties, rights, licensing and non-licensing obligations and responsibilities including its signature on behalf of the authorizer.
19. Provision of incentives means fiscal policy support from the Local Government to investors to increase investment capital in the region.
20. Ease of Investment means the provision of non-fiscal facilities from the Local Government to investors to ease every investment activity and for increase investment in the region.

Article 2

Investment is organized based on the following principles:

- a. legal certainty;
- b. transparency;
- c. accountability;
- d. equal treatment and non-discrimination of country of origin;
- e. togetherness;
- f. justice efficiency;
- g. sustainability;
- h. environment-oriented;
- i. independence; and
- j. balance of progress and unity of the Regional economy.

Article 3

The purposes of implementing Investment are:

- a. to increase growth of the regional economy;
- b. to create job opportunities;
- c. to increase the development of sustainable economy and environmentally friendly;
- d. to increase the ability of competitiveness in the regional business;

- e. to increase the capacity and the potential of regional technology;
- f. to encourage the development of the people's economy and creative economy;
- g. to encourage the economic potential to be the real economic strength by using the fund which comes from both domestic and foreign source;
- h. strengthening partnerships and social responsibility; and
- i. to increase the people's welfare.

Article 4

The targets of investment are:

- a. increasing conducive investment climate;
- b. increasing means to support investment;
- c. increasing human resource capabilities;
- d. increasing number of investors; and
- e. increasing realization of investment.

Article 5

The scope of regulation in this Regional Regulation includes:

- a. General Plan of Regional Investment;
- b. Development of the Investment Climate;
- c. Incentives and Ease of doing Investment;
- d. Investment Promotions;
- e. Investment Services;
- f. Licensing;
- g. Rights, Obligations and Responsibilities of Investors;
- h. One-Stop Integrated Services;
- i. Investment Guidance and Supervision;
- j. Data Management and Investment Information Systems;
- k. Dissemination of Investment; and
- l. Public Participation.

CHAPTER II

GENERAL PLAN OF REGIONAL INVESTMENT

Article 6

- (1) The Local Government sets basic investment policies during a certain period to:
 - a. encourage the creation of a business climate in the region that is conducive to investment to strengthen economic competitiveness area; and
 - b. accelerate the increase in investment in the region.
- (2) The basic policy as referred to in section (1) is embodied in form of General Regional Investment Plan, which refers on the Government's General Investment Plan and Plans General Provincial Investment.
- (3) Further provisions regarding the General Investment Plan Areas are regulated in Mayor Regulations.

CHAPTER III DEVELOPMENT OF THE INVESTMENT CLIMATE

Article 7

Local government authority in investment matters includes:

- a. development of the Investment Climate;
- b. Investment Promotions;
- c. Investment services;
- d. Investment guidance and supervision; and
- e. data management and investment information systems.

Article 8

- (1) Development of the Investment Climate as referred to in Article 7 point a is carried out by:
 - a. provision of Facilities/Incentives and Ease of Investment which is a Local Authority; and
 - b. making a Regional Investment Potential and Opportunities Map.
- (2) Execution of Investment Climate Development as referred to in section (1) is carried out by the Local Government through:
 - a. synergy with the Central Government, Provincial Government and/or
 - b. collaboration with other Regency/Municipal Governments and third parties.
- (3) Implementation of Investment Climate Development can be carried out by the Office independently in accordance with prevailing legislation.

Article 9

- (1) Map of Regional Investment Potential and Opportunities as referred to in article 8 section (1) point b, includes:
 - a. potential and opportunities for investment in the region;
 - b. distribution of investment in the regions; and/or
 - c. investment zoning in the region.
- (2) Further provisions regarding potential maps and investment opportunities areas as referred to in section (1) points a and b, are regulated in a Mayor Regulation.

CHAPTER IV INCENTIVES AND EASE OF INVESTMENT

Article 10

- (1) Local Government can provide investment incentives in the forms of:
 - a. reduction, relief or exemption from local taxes;
 - b. reduction, relief or exemption from local levies;
 - c. providing Capital assistance to micro, small enterprises and/or cooperatives in the region;
 - d. assistance for research and development for micro-, small enterprises and/or cooperatives in the region;

- e. assistance with vocational training facilities for micro, small enterprises and/or cooperatives in the regions; and/or
- f. low loan interest.
- (2) Local Government can provide ease of planting capital in the forms of:
 - a. provision of facilities and infrastructure; and/or
 - b. provision of land or location.
- (3) Local Government provides incentives and/or ease of investment by looking at regional capabilities and conditions in accordance with the provisions of legislation.

Article 11

Incentives and/or ease of Investment are provided to Investors who meet criteria of:

- a. contributing to increasing community income;
- b. absorbing a lot of local workers;
- c. using mostly local resources;
- d. contributing to improving public services;
- e. contributing to increasing regional domestic product gross;
- f. keeping and maintaining a sustainable environment;
- g. being included in regional high priority scale;
- h. building infrastructure for the public interest;
- i. carrying out technology transfer;
- j. being a pioneer industry;
- k. carrying out research, development and innovation activities;
- l. carrying out partnerships or collaborations with micro, small enterprises, or cooperative; and/or
- m. using manufactured capital goods, machines, or equipment domestically.

Article 12

Further provisions regarding procedures for the provision of incentives and ease of investment as referred to in Article 10 and Article 11 are regulated in the Mayor's Regulation.

CHAPTER V INVESTMENT PROMOTIONS

Article 13

- (1) Local Governments can carry out promotions to support investment in the Region.
- (2) The Promotions as referred to in section (1), can be carried out at domestic and/or abroad for potential investment.
- (3) The promotions as referred to in section (2), can be carried out both as a participant and as an organizer.
- (4) The promotions as referred to in section (2), can be implemented independently or jointly with the Government, Provincial Government, other Regency/Municipal Governments and/or third parties.

- (5) The Promotions as referred to in section (2), can be implemented offline or online.

CHAPTER VI INVESTMENT SERVICES

Part One Type of Business Field

Article 14

- (1) All business fields or types of business are open for activities investment, except for business fields that are declared closed or activities that can only be carried out by the central government in accordance with the provisions of legislation.
- (2) This type of investment business must pay attention to values religious and/or cultural traditions of the surrounding community.

Part Two Forms of Business Entity

Article 15

- (1) Investment in the region can be done in either form PMDN or PMA.
- (2) PMDN as referred to in section (1), can be carried out in the forms of:
 - a. business entities in the form of legal entities; or
 - b. business entities that are not legal entities or businesses individual.
- (3) PMA as referred to in section (1), must be in form Limited Liability Company based on Indonesian law and domiciled within the territory of the Republic of Indonesia, except otherwise determined by law.
- (4) Ratification of the establishment of PMDN and PMA business entities is carried out in accordance with the provisions of the applicable legislation.

Part Three Position of the Business Entity

Article 16

Investors who invest in the Region must has a branch or representative office in the Region.

Part Four Investment Location

Article 17

The Local Government determines the location of investment based on Detailed Spatial Plan as an elaboration of the Spatial Plan Region.

Part Five
Investment Period

Article 18

The investment period is in accordance with regulatory provisions applicable legislation.

CHAPTER VII
PERMISSIONS

Article 19

- (1) Every investor who invests his capital in the Region, must have business permits in accordance with the provisions applicable laws.
- (2) To obtain business permits as referred to in section (1), investors must fulfil the requirements Business Licensing.
- (3) Fulfilment of requirements and procedures for Business Licensing applications are carried out in accordance with applicable legislation.

CHAPTER VIII
RIGHTS, OBLIGATIONS AND RESPONSIBILITIES OF
INVESTORS

Article 20

Every investor is entitled to obtain:

- a. legal certainty and protection;
- b. transparent information regarding the business sector it operates; and
- c. services, including incentives and various forms of facilities convenience in accordance with applicable Legislation.

Article 21

Every investor is obligated to:

- a. apply the principles of good corporate governance;
- b. carry out corporate social and environmental responsibilities;
- c. respect the cultural traditions and religious values of the surrounding community location of investment business activities;
- d. prioritize workers from the Region, as long as they meet required skill criteria;
- e. create and submit reports on investment activities periodically in accordance with applicable legislation.

Article 22

- (1) Any investor who violates the provisions of Article 21, sanctions are imposed in the forms of:
 - a. written warning;
 - b. restrictions on business activities;
 - c. freezing of business activities and/or investment facilities; or

- d. revocation of business permits and/or investment facilities.
- (2) Apart from being subject to administrative sanctions as referred to in section (1), business entities or individual businesses may be subject to other sanctions in accordance with the provisions of the applicable legislation.

Article 23

Each investor is responsible for:

- a. guaranteeing the availability of capital originating from sources that are not contrary to the provisions of applicable legislation;
- b. creating a business climate of healthy competition, preventing practices monopoly, and other things that are detrimental to the Region;
- c. creating safety, health, comfort, and worker welfare;
- d. maintaining environmental sustainability;
- e. bearing and settling all obligations, if the grower capital to stop or abandon or abandon one-sided business activities; and
- f. complying with all provisions of applicable legislation.

CHAPTER IX ONE-STOP INTEGRATED SERVICE

Article 24

- (1) One Stop Integrated Service (PTSP) include:
 - a. licensing and non-licensing services;
 - b. incentive and ease services; and
 - c. public complaint service.
- (2) In implementing PTSP, the Mayor can delegate authority to grant licensing and non-licensing Regional authority to the Office.
- (3) Investment licensing and non-licensing services through PTSP is implemented using an OSS system and services electronically.

CHAPTER X INVESTMENT GUIDANCE AND SUPERVISION

Article 25

- (1) Guidance and supervision of implementation of investment carried out in a coordinated manner between the Central Government, Provincial Government and Local Government in accordance with that fall under their respective jurisdiction.
- (2) Implementation of coaching as referred to in section (1), done by:
 - a. counselling on the implementation of investment provisions;
 - b. providing consultancy and guidance on planting implementation capital in accordance with the provisions of the permits that have been obtained; and/or

- c. assistance and facilitation in solving problems/obstacles faced by investors in realizing activities capital investment.
- (3) Implementation of supervision as referred to in section (1), done by:
 - a. investment activity reports; and
 - b. field inspection
- (4) Further provisions regarding procedures for implementing coaching and supervision as referred to in section (2) and section (3) regulated in a Mayor Regulation.

CHAPTER XI DATA MANAGEMENT AND INVESTMENT INFORMATION SYSTEM

Article 26

Data management and investment information system, including investment licensing and non-licensing services through PTSP implemented using the OSS system and service system electronically.

CHAPTER XII DISSEMINATION OF INVESTMENT

Article 27

- (1) Dissemination of investment, including:
 - a. dissemination of investment, including:
 - b. investment policy;
 - c. investment promotions;
 - d. licensing services;
 - e. guidance and supervision of investment; and
 - f. investment information system.
- (2) Implementation of dissemination of investment as follows referred to in section (1), is carried out by the Office.

CHAPTER XIII PUBLIC PARTICIPATION

Article 28

- (1) The community has the same and broadest opportunities to participate in the implementation of investment by:
 - a. implementation of supervision; and
 - b. conveying information on regional potential.
- (2) Community participation as referred to in section (1) includes:
 - a. monitoring related to the implementation of business activities; and
 - b. submission of public complaints.
- (3) The public participation as referred to in section (2) aims to:
 - a. realize sustainable investment;
 - b. prevent violations of legislation;

- c. prevent negative impacts as a result of investment;
and
 - d. foster togetherness between the public and investor.
- (4) To support the implementation of public participation as referred to in section (2) and section (3), the Office organizes activities and facilitate public participation.

CHAPTER XIV CLOSING PROVISIONS

Article 29

Implementing regulations for this Regional Regulation are issued not later than 1 (one) year after this Regional Regulation is promulgated.

Article 30

At the time this Regional Regulation comes into force, Regulation of the Municipality of Pekalongan Number 8 of 2012 on Investment (Regional Gazette of the Municipality of Pekalongan 2012 Number 8) is repealed and declared ineffective.

Article 31

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 Pekalongan.

Issued in Pekalongan
on 3 November 2022
MAYOR OF PEKALONGAN,

signed

ACHMAD AFZAN ARSLAN DJUNAID

Promulgated in Pekalongan
on 3 November 2022
REGIONAL SECRETARY,

signed

SRI RUMININGSIH

REGIONAL GAZETTE OF THE MUNICIPALITY OF PEKALONGAN OF 2022
NUMBER 9

Jakarta, 2 January 2025
Has been translated as an Official Translation
on behalf of the Minister of Law
of the Republic of Indonesia
DIRECTOR GENERAL OF LEGISLATION,



DHAHANA PUTRA

ELUCIDATION
OF
REGULATION OF THE MUNICIPALITY OF PEKALONGAN
NUMBER 9 OF 2022
ON
IMPLEMENTATION OF INVESTMENT

I. GENERAL

One of the Concurrent Government Affairs which falls under the authority of the Local Government is to carry out Mandatory Government Affairs which are not related to Basic Services, namely Investment as regulated in Article 12 section (2) point I of Law Number 23 of 2014 on Local Government. Investment or investment is one instrument to obtain capital or a source of income and financing for the implementation of regional development.

The number of investment activities is one of them indicator of success of efforts to increase growth economy and investment attractiveness. Therefore as a region which is characterized by cities, investment becomes a very important thing important for economic growth, especially in the Municipality of Pekalongan. In this case, Municipality of Pekalongan needs to make concrete efforts attract investment in order to increase economic growth significant as an effort to improve welfare community, improve services and develop democracy and increasing equitable development.

The Central Government has issued a number of regulations new legislation to improve investment conditions in Indonesia. The promulgation of several of the legislation mentioned above has implications for the legal basis and substance of the norms regulated in the Regulation of the Municipality of Pekalongan on Investment in the Municipality of Pekalongan. Therefore, to fulfil the requirements for harmonization and synchronizing regulations in the investment sector in the Municipality of Pekalongan, then the existence of regional regulations needs to be implemented studies on two things, namely: the legal basis and some of the substance of regional regulations are harmonized with related legislation.

The enactment of Law Number 11 of 2020 on Job Creation has resulted in a shift in the role and mission of the Central Government, Provincial Government, Regency/Municipal Government in the formulation and implementation national policy in the field of Investment.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Point a

The term "principle of legal certainty" means the principle in a legal state that lays down the law and the provisions of applicable legislation as the basis for every policy and action in investment sector.

Point b

The term "principle of openness" means a principle that is open to the community's right to obtain correct, honest and non-discriminatory information about investment activities.

Point c

The term "principle of accountability" means the principle that determines that every activity and final result of the implementation of investment must be accountable to the community or people as the holder of the highest sovereignty of the state in accordance with the provisions of the legislation.

Point d

The term "the principle of equal treatment, not discriminating against the origin of investors" means the principle of non-discriminatory service treatment based on provisions of legislation, both between domestic investors in the Region and others originating from outside the region and foreign investors as well between investors from one foreign country and investors from another foreign country.

Point e

The term "principle of togetherness" means a principle that encourages the role of all investors collectively together in their business activities to realize people's welfare.

Point f

The term "principle of fair efficiency" means the principle underlying the implementation of capital investment by prioritizing fair efficiency in business to create a fair, conducive and business climate competitive.

Point g

The term "sustainable principle" means a principle that is planned to ensure its implementation development process through capital investment for guarantee prosperity and progress in all aspect's life, both now and in the future come.

Point h

The term "environmentally sound principles" means the principle of investment carried out while still paying attention to and prioritizing protection and environmental maintenance.

Point i

The term "principle of independence" means the principle of permanent capital investment prioritizing the potential of the nation and state without closing itself to the entry of foreign capital for the sake of its realization economic growth.

Point j

The term "the principle of balanced progress and regional economic unity" means a principle that seeks to maintain a balance of economic progress between regions in the region Regions in national economic unity.

Article 3

Sufficiently clear.

Article 4

Point s

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Through investment activities, it is hoped that this can be achieved creating employment opportunities thereby

encouraging improving the quality and competence of the workforce's human resources.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Sufficiently clear.

Article 7

Sufficiently clear.

Article 8

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

The term third parties means academics, consultants, and/or non-governmental organizations.

Section (3)

Sufficiently clear.

Article 9

Sufficiently clear.

Article 10

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Ayat (3)

Sufficiently clear.

Article 11

Incentives and/or ease can be given to investors who meet at least one of the criteria as referred in point a to point m.

Article 12

Sufficiently clear.

Article 13

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Article 14

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Article 15

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Article 16

Sufficiently clear.

Article 17

The term a detailed spatial plan includes:

1. The National Strategic Area Zoning Plan (RZ KSN), is a plan prepared to determine the direction of Marine Space Utilization in KSN.
2. The Zoning Plan for Certain National Strategic Areas (RZ KSNT) is a plan prepared to determine the direction of Marine Space Utilization in KSNT.
3. Detailed Spatial Planning Plan (RDTR), is a detailed plan regarding the spatial layout of a district/city area which is equipped with district/city zoning regulations.
4. Building and Environmental Management Plan (RTBL), is a design guide for an area to control space utilization which contains the main material for building and environmental program provisions, general plans and design guidelines, investment plans, provisions control plans, and control guidelines implementation.

Article 18

Sufficiently clear.

Article 19

Sufficiently clear.

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 20

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Article 21

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e
Sufficiently clear.

Point f
Sufficiently clear.

Article 22

Section (1)
Sufficiently clear.

Section (2)
Sufficiently clear.

Article 23

Point a
Sufficiently clear.

Point b
Sufficiently clear.

Point c
Sufficiently clear.

Point d
Sufficiently clear.

Point e
Sufficiently clear.

Point f
Sufficiently clear.

Article 24

Section (1)
Sufficiently clear.

Section (2)
Sufficiently clear.

Section (2)
Sufficiently clear.

Article 25

Section (1)
Sufficiently clear.

Section (2)
Sufficiently clear.

Section (3)
Sufficiently clear.

Section (4)
Sufficiently clear.

Article 26

Sufficiently clear.

Article 27

Section (1)
Sufficiently clear.

Section (2)
Sufficiently clear.

Article 28

Section (1)
Sufficiently clear.

Section (2)
Sufficiently clear.

Section (3)
Sufficiently clear.

Section (4)
Sufficiently clear.

Article 29

Sufficiently clear.

Article 30

Sufficiently clear.

Article 31

Sufficiently clear.

SUPPLEMENT TO REGIONAL GAZETTE OF THE MUNICIPALITY OF
PEKALONGAN NUMBER 9