

REGULATION OF THE MUNICIPALITY OF TANGERANG
NUMBER 3 OF 2023
ON
PROVISION OF INCENTIVES AND EASE OF INVESTMENT

BY THE BLESSINGS OF ALMIGHTY GOD

MAYOR OF TANGERANG,

Considering :

- a. that the provision of Incentives and Ease of Investment is one of the driving factors for increasing regional economic growth in line with the state's objectives to promote general welfare;
- b. that the provision of Incentives and Ease of Investment is one of the efforts to attract domestic and foreign investors to invest and to increase the value of investment realization in Regions;
- c. that in order to implement the provisions of Article 278 section (2) of Law Number 23 of 2014 on Local Government and the provisions of Article 7 section (1) of Government Regulation Number 24 of 2019 on the Provision of Incentives and Ease of Investment in Regions, it is necessary to issue a Regional Regulation;
- d. that based on the considerations as referred to in point a, point b, and point c, 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. Law Number 2 of 1993 on Establishment of Level II Region Municipality of Tangerang (State Gazette of the Republic of Indonesia of 1993 Number 18 Supplement to the State Gazette of the Republic of Indonesia Number 3518);
- 3. Law Number 25 of 2007 on Capital Investment (State Gazette of the Republic of Indonesia of 2007 Number 67, Supplement to the State Gazette of the Republic of Indonesia 4724);
- 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 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 5887), as amended several times and last by Law Number 1 of 2022 on Financial Relations between 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);
6. Law Number 1 of 2022 on Financial Relations between 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 24 of 2019 on Provision of Incentives and Ease of Investment in Regions (State Gazette of the Republic of Indonesia of 2015 Number 345, Supplement to the State Gazette of the Republic of Indonesia Number 5802);
 8. Regulation of the Minister of Home Affairs Number 64 of 2012 on Guidelines for Implementation of Provision of Incentives and Ease of Investment in Regions (State Gazette of the Republic of Indonesia of 2012 Number 930);

With the Join Approval
THE REGIONAL HOUSE OF REPRESENTATIVES
OF THE MUNICIPALITY OF TANGERANG
and
THE MAYOR OF TANGERANG

HAS DECIDED:

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

CHAPTER I GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Region means the Municipality of Tangerang.
2. Local Government means the Mayor as the administering element of the local government who leads the implementation of government affairs which are the authority of the autonomous region.
3. Mayor means the Mayor of Tangerang.
4. Regional Apparatus means an assisting element of the Mayor and the Regional House of Representatives in the administration of government affairs which are the regional authorities.
5. Regional Office means a Regional Apparatus that administers local government affairs in the field of Investment.
6. Investors mean individual investors or business entities that make investments which can be in the form of domestic investors and foreign investors.

7. Community means a person or group of people who are citizens of the Republic of Indonesia who have and/or carry out business activities in accordance with the provisions of legislation.
8. Investment means all forms of investment activities, both by domestic investors and foreign investors to do business in Regions.
9. Provision of Incentive means fiscal policy support from the Local Government to the Community and/or Investor to increase Investment in the Region.
10. Provision of Ease means the provision of non-fiscal facilities from the Local Government to the Community and/or Investors to facilitate every Investment activity and to increase Investment in the Region.
11. Capital means an asset in the form of money or other forms that are not money owned by Investors that have economic value.
12. Micro Business means a productive business owned by individuals and/or individual business entities that meet the criteria for Micro Enterprises.
13. Cooperative means a legal entity established by an individual or a cooperative legal entity, with the separation of the wealth of its members as capital to run a business, which meets common aspirations and needs in the economic, social, and cultural fields in accordance with the values and principles of the cooperative.
14. Local Tax, hereinafter referred to as Tax, means a mandatory contribution to the Region payable by an individual or entity that is coercive under the Law, without getting direct compensation and used for purposes of the Region for the greatest prosperity of the people.
15. Local Levy means a local levy as payment for certain services or permits specifically provided and/or granted by local governments for the benefit of individuals or entities.
16. Licensing means all forms of approval to make Investment issued by the Government and Local Government that have the authority in accordance with the provisions of legislation.

Article 2

The scope of regulation in this Regional Regulation includes:

- a. criteria;
- b. form;
- c. type of business;
- d. procedures for giving and/or providing ease;
- e. period and frequency;
- f. reporting and evaluation; and
- g. coaching and supervision.

CHAPTER II CRITERIA

Article 3

- (1) Local Government provides incentives and/or ease to

communities and/or investors in the Region that meet the criteria.

- (2) The criteria as referred to in section (1) consist of:
 - a. contributing to the increase in income of the Community;
 - b. absorbing local labor;
 - c. using mostly local resources;
 - d. contributing to the improvement of public services;
 - e. contributing to the increase in regional gross domestic product;
 - f. having environmentally and sustainable insights;
 - g. infrastructure development;
 - h. performing technology transfers;
 - i. conducting pioneer industries;
 - j. carrying out research, development, and innovation activities;
 - k. partnering with micro enterprises and/or cooperatives;
 - l. industries that use capital goods, machinery, or equipment produced domestically;
 - m. conducting business activities in accordance with national and/or regional priority programs; and/or
 - n. export oriented.

CHAPTER III FORMS

Article 4

- (1) The provision of incentives may take the forms as referred to in Article 3 section (1):
 - a. reduction, relief, or exemption from Local Taxes;
 - b. reduction, relief, or exemption of Local Levies;
 - c. provision of capital assistance to micro enterprises and/or cooperatives in the Region;
 - d. assistance for research and development for micro enterprises and/or cooperatives in the Region;
 - e. assistance for vocational training facilities for micro enterprises and/or cooperatives in the Region; and/or
 - f. low loan interest.
- (2) The forms of incentive as referred to in section (1) are adjusted to the authority, financial capacity, and policies of Local Government.
- (3) Further provisions regarding the form and details of the Incentive as referred to in section (1) are regulated in a Mayor Regulation.

Article 5

- (1) The provision of Ease as referred to in Article 3 section (1) may take the form of:
 - a. provision of data and information on investment opportunities;
 - b. provision of means and infrastructures;
 - c. facilitation of provision land or location;
 - d. provision of technical assistance;

- e. simplification and acceleration of licensing through one-stop integrated services;
 - f. ease of access to marketing of production products;
 - g. ease of direct investment in construction;
 - h. ease of investment in strategic areas stipulated in legislation that have the potential for the development of the Region;
 - i. providing comfort and security for investing in the Region;
 - j. ease of certification and standardization process in accordance with the provisions of legislation;
 - k. ease of access to ready-to-work and skilled workforce;
 - l. ease of access to raw material supply; and/or
 - m. facilitation of promotions in accordance with the authority of the Region.
- (2) The form of Provision of Ease as referred to in section (1) is adjusted to the authority, financial capacity, policies of the Local Government, and legislation.
- (3) Further provisions regarding the form and details of the provision of Ease as referred to in section (1) are regulated in a Mayor Regulation.

CHAPTER IV TYPE OF BUSINESS

Article 6

- (1) Local Government may prioritize the provision of Incentives and/or Ease for certain types of businesses or certain activities.
- (2) Certain types of businesses or certain activities as referred to in section (1) consist of:
- a. Micro and/or Cooperative Enterprises;
 - b. business required by partnership;
 - c. the business required for capital ownership;
 - d. business required with a particular location;
 - e. business required with special licenses;
 - f. open business in the framework of Investment that prioritizes the excellence of the Region;
 - g. businesses that have obtained Investment facilities from the Central Government; and/or
 - h. other businesses in accordance with the provisions of legislation.
- (3) Types of businesses that are open in the framework of Investment that prioritize the excellence of the Region as referred to in section (2) point f include sectors:
- a. energy;
 - b. creative economy;
 - c. education;
 - d. health;
 - e. food;
 - f. trade and services;
 - g. industry;
 - h. infrastructure; and
 - i. tourism.

- (4) Local Government may provide incentives and/or ease other than sectors as referred to in section (3) are based on studies that consider the potential of the Region and the added value of the Region.

CHAPTER V PROCEDURES FOR PROVIDING INCENTIVES AND/OR PROVIDING EASE

Article 7

- (1) The Mayor establishes standard operating procedures for the implementation of Incentives and/or Provision of Ease to the Community and/or Investors.
- (2) In the implementation of the Provision of Incentives and/or Provision of Ease to the Community and/or Investment, the Mayor verifies it.
- (3) Verification as referred to in section (2) is coordinated by the Regional Apparatus in charge of investment affairs.

Article 8

- (1) The implementation of providing Incentives and/or providing Ease to the community and/or investors is determined by a Mayor decision.
- (2) The Mayor decision as referred to in section (1) at least contains the name, address of the applicant, the field of business or investment activity, the form of incentives and/or ease, the period of incentives and the rights and obligations of recipients of incentives and/or ease of investment.

Article 9

Further provisions regarding procedures for providing incentives and/or providing ease as referred to in Article 7 and Article 8 are regulated in the Mayor Regulation.

CHAPTER VI PERIOD AND FREQUENCY

Article 10

- (1) Incentives and/or Provision of Ease are provided for a maximum period of 2 (two) years.
- (2) Incentives and/or Ease are provided to new Investors for a maximum of 2 (two) times.
- (3) Incentives to existing investors are provided for a maximum of 2 (two) times as the business experiences losses and/or capital difficulties.
- (4) Ease to existing Investors is provided for a maximum of 1 (one) time.
- (5) Further provisions regarding the provision of incentives and/or ease as referred to in section (1), section (2), section (3), and section (4) are regulated in a Mayor Regulation.

CHAPTER VII REPORTING AND EVALUATION

Article 11

- (1) The public and/or investors who receive incentives and/or ease submit reports to the Mayor through the Regional Office.
- (2) The report as referred to in section (1) at least contains:
 - a. reports on the use of incentives and/or ease;
 - b. business management; and
 - c. Business activity plan.
- (3) The Mayor submits a progress report on the provision of incentives and/or ease to the Governor every 1 (one) year.

Article 12

- (1) The Mayor through the Office evaluates the effectiveness of the implementation of the Incentives and/or Ease that have been provided to the Community and/or Investors.
- (2) The evaluation as referred to in section (1) is carried out at least once in 1 (one) year.

Article 13

The provision of incentives and/or ease can be reviewed if based on the results of the evaluation as referred to in Article 12, the investment activities are considered no longer to meet the criteria as referred to in Article 3 section (2) and/or are not in accordance with the provisions of legislation.

Article 14

Further provisions regarding reporting and evaluation as referred to in Article 11 and Article 12 are regulated in a Mayor Regulation.

CHAPTER VIII GUIDANCE AND SUPERVISION

Article 15

- (1) The Mayor through the Office carries out guidance and supervision of the provision of incentives and/or ease.
- (2) Further provisions regarding the guidance and supervision of the provision of incentives and/or ease as referred to in section (1) are regulated in a Mayor Regulation.

CHAPTER IX CLOSING PROVISIONS

Article 16

The implementing regulation of this Regional Regulation must be issued no later than 1 (one) year from the promulgation of this Regional Regulation.

Article 17

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 Tangerang.

Issued in Tangerang
on 3 February 2023

MAYOR OF TANGERANG,

signed

ARIEF R. WISMANSYAH

Promulgated in Tangerang
on 3 February 2023

REGIONAL SECRETARY OF TANGERANG CITY,

signed

HERMAN SUWARMAN

REGIONAL GAZETTE OF THE MUNICIPALITY OF TANGERANG CITY OF 2023
NUMBER 3

Jakarta,
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 TANGERANG
NUMBER 3 OF 2023
ON
PROVISION OF INCENTIVES AND EASE OF INVESTMENT

I. GENERAL

Investment activities in the Region are part of efforts to increase stability and sustainable economic growth, increase community income, create jobs, empower local resources, encourage people's economic development, and realize community welfare. With the great influence in Investment activities for the economy in the Region, the Local Government must create a conducive investment climate to encourage an increase in Investment / Investment.

The purpose of the establishment of this Regional Regulation is to realize legal certainty and as a guideline in the Provision of Incentives and Ease of Investment in the Region.

The objectives of the establishment of this Regional Regulation on the Provision of Incentives and Ease of Investment are to:

- a. increase investment in the Region;
- b. increase regional economic growth;
- c. create jobs;
- d. improve regional capabilities and competitiveness;
- e. encourage people's economic development;
- f. realize community welfare;
- g. promote sustainable economic development;
- h. process the potential economy into real economic strength by using funds originating both from within the country and from abroad; and
- i. attract Investors to make Investment.

In addition to encouraging the growth of investors in the Region and implementing the provisions of Article 7 of Government Regulation Number 24 of 2019 on Provision of Incentives and Ease of Investment in the Region, it is necessary to compile a Regulation of the Municipality of Tangerang on the Provision of Incentives and Ease of Investment.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently Clear

Article 2

Sufficiently Clear

Article 3

section (1)

Sufficiently Clear

section (2)

Point a

Sufficiently Clear

Point b

The term local labor means residents who are at least 18 (eighteen) years old as evidenced by an Identity Card.

Point c

The term using most of the local resources means investors who use production factors such as land, labor, and capital from the administrative area of the Municipality of Tangerang which is used in economic activities to produce service goods, and distribute them.

Point d

Sufficiently Clear

Point f

Sufficiently Clear

Point a

Sufficiently Clear

Point f

Sufficiently Clear

Point g

Sufficiently Clear

Point h

Sufficiently Clear

Point i

Sufficiently Clear

Point j

Sufficiently Clear

Point k

Sufficiently Clear

Point l

Sufficiently Clear

Point m

The term "regional policy priorities" means sectors, activities, locations, which are featured in accordance with regional development planning documents such as Regional Medium-Term Development Plan (RPJMD, *Rencana Pembangunan Jangka Menengah Daerah*), Regional Spatial Plan (RTRW, *Rencana Tata Ruang Wilayah*), Environmental Protection and Management Plan (RPPLH, *Rencana Perlindungan dan Pengelolaan Lingkungan Hidup*), City Industrial Development Plan (RPIK), General Investment Plan (RUPM, *Rencana Umum Penanaman Modal*), and other planning documents.

Point n

Sufficiently Clear

Article 4

Sufficiently Clear

Article 5

Sufficiently Clear

Article 6

section (1)

Sufficiently Clear

section (2)

Sufficiently Clear

section (3)

The term point a to point i means sectors and/or activities that become global, national, regional, local strategic issues, which have an impact on the sustainability of development in Indonesia, especially in the Region.

Point a

the energy sector, prioritized for renewable energy waste sector.

Point b

the creative economy sector prioritized for the information technology-based creative industry and supports exports.

Point c

the education sector, prioritized in businesses that support human resource development.

Point d

Sufficiently Clear

Point e

the food sector prioritized for those that can support the stabilization of food prices in the Region.

Point f

the trade and service sector prioritized for those which are export oriented and supports the marketing of micro enterprises and cooperative products.

Point g

Sufficiently Clear

Point h

Sufficiently Clear

Point i

Sufficiently Clear

section (4)

The term “consider the potential of the Region and the added value of the Region” means an effort to study, examine, investigate, think about, test, examine, about existing resources in the municipality of tangerang that can be utilized to increase the value of these resources after going through various production and or marketing processes

Article 7

Sufficiently Clear

Article 8

Sufficiently Clear

Article 9

Sufficiently Clear

Article 10

Sufficiently Clear

Article 11
Sufficiently Clear

Article 12
Sufficiently Clear

Article 13
Sufficiently Clear

Article 14
Sufficiently Clear

Article 15
Sufficiently Clear

Article 16
Sufficiently Clear

Article 17
Sufficiently Clear

SUPPLEMENT TO THE REGIONAL GAZETTE THE MUNICIPALITY OF
TANGERANG NUMBER 3