

REGULATION OF THE MUNICIPALITY OF TANGERANG  
NUMBER 7 OF 2022  
ON  
PROTECTION AND EMPOWERMENT OF MICRO ENTERPRISES

BY THE BLESSINGS OF ALMIGHTY GOD

THE MAYOR OF TANGERANG,

- Considering :
- a. that micro enterprises, have a strategic position and role in improving the regional economy, supporting the economic resilience of the community and improving the welfare of the people;
  - b. that to develop and improve competitiveness, business productivity for micro enterprises, in order to become resilient and independent, it is necessary to play the role of local governments, the business world and the community optimally, proportionally and mutually beneficial in order to be efficient and successful;
  - c. that with the promulgation of Law Number 11 of 2020 on Job Creation, which regulates the amendment to Law Number 20 of 2008 on Micro, Small and Medium Enterprises and the development of current conditions, it is necessary to adjust the regulation regarding the Protection and Empowerment of Micro Enterprises in the Regions;
  - 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 Protection and Empowerment of Micro Enterprises;

- 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 20 of 2008 on Micro, Small and Medium Enterprises (State Gazette of the Republic of Indonesia of 2008 Number 74, Supplement to the State Gazette of the Republic of Indonesia Number 3611) as amended by Law Number 11 of 2020 on Job Creation (State Gazette of the Republic of Indonesia of 2020 Number 245, Supplement to the State Gazette of the Republic of Indonesia Number 6573);
  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 2015 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 Number 5679);
  5. 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);
  6. Government Regulation Number 7 of 2021 on Ease, Protection and Empowerment of Cooperatives and Micro, Small and Medium Enterprises (State Gazette of the Republic of Indonesia of 2021 Number 17, Supplement to the State Gazette of the Republic of Indonesia Number 6619);
  7. Government Regulation Number 8 of 2021 on Authorized Share Capital and Incorporation Registration, Changes and Dissolution that Meet the Criteria for Micro and Small Enterprises (State Gazette of the Republic of Indonesia of 2021 Number 18, Supplement to the State Gazette of the Republic of Indonesia Number 6620);

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

HAS DECIDED:

To issue: REGIONAL REGULATION ON PROTECTION AND EMPOWERMENT  
OF MICRO ENTERPRISES.

## 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 Governments that leads the implementation of government affairs which are the authority of the autonomous region.

3. Mayor means the Mayor of Tangerang.
4. Regional House of Representatives, hereinafter referred to as the DPRD, means a Regional People's Representative Institution whose position is an element of Local Government administration.
5. Regional Office means a Regional Apparatus in charge of affairs in the fields of trade, industry, Cooperatives, and Micro, Small and Medium Enterprises
6. Micro Enterprise means a productive business owned by individuals and/or individual business entities that meet the criteria for micro enterprises.
7. Business actor means any individual or business entity, whether in the form of a legal entity or non-legal entity established and domiciled in the region or carrying out activities in the region, either individually or jointly through an agreement to carry out micro business activities in various fields of the people's economy.
8. Business world means a micro enterprise that carries out economic activities in Indonesia and is domiciled in Indonesia
9. Empowerment means an effort made synergistically by the Government, Local Governments, the business world, and the community in the form of climate growth and business development for micro enterprises so that they can grow and develop into resilient and independent businesses.
10. Protection means all efforts that ensure legal certainty to provide protection to Micro Enterprises to avoid monopolistic practices and concentration of economic power by business actors.
11. Development means an effort made by the Government, Local Governments, the business world, and the community to empower micro enterprises through the provision of facilities, guidance, assistance, and strengthening to grow and improve the ability and competitiveness of micro-enterprises.
12. Financing means the provision of funds by the Government, Local Governments, the business world, and the community through banks, cooperatives, and non-bank financial institutions, to develop and strengthen micro enterprise capital.
13. Guarantee means the provision of micro business loan guarantees by credit guarantee institutions as support to increase opportunities to obtain loans in order to strengthen their capital.
14. Business Licensing means the legality given to Micro Business Actors to start and run a Micro Business.
15. Partnership means cooperation in business linkages, either directly or indirectly, on the basis of the principle of mutual need, trust, strengthening, and benefit involving micro entrepreneurs with large businesses.

#### Article 2

The scope of this Regional Regulation:

- a. Protection and empowerment of micro enterprises
- b. partnerships;
- c. convenience and incentives;
- d. provision of financing for micro-enterprises;
- e. incubation; and
- f. management of special allocation funds.

### CHAPTER II

## PROTECTION AND EMPOWERMENT OF MICRO ENTERPRISES

#### Part One

#### Ease of Micro Business

#### Paragraph 1

#### Micro Business Criteria

#### Article 3

- (1) Micro enterprises are grouped according to the following criteria:
  - a. business capital; and
  - b. annual sales revenues.
- (2) The criteria for business capital as referred to in section (1) are used for the establishment or registration of business activities.
- (3) The criteria for business capital as referred to in section (2) are having a working capital of up to a maximum of Rp1,000,000,000.00 (one billion Rupiah) excluding land and buildings for business premises.
- (4) The criteria for sales proceeds as referred to in section (1) are used to facilitate the empowerment and protection of Micro Enterprises.
- (5) The criteria for sales results as referred to in section (4) are to have annual sales revenues up to a maximum of Rp.2,000,000,000.00 (two billion Rupiah).
- (6) In the event that business actors have carried out business activities before this Regional Regulation comes into force, the provision of facilities for empowerment and protection of Micro Enterprises is given to Micro Enterprises that meet the criteria for annual sales revenues as referred to in section (5).
- (7) The nominal value of the criteria as referred to in section (3) and section (5) may be changed in accordance with the provisions of legislation.

#### Paragraph 2

#### Risk-Based Business Licensing

#### Article 4

- (1) Micro Enterprises in carrying out their business activities must have a Business License.
- (2) Business Licensing for Micro Enterprises is granted based on the level of risk of business activities in the form of:

- a. business identification number, for low risk business activities;
  - b. business Identification number and standard certificate, for medium low and medium high risk business activities; and
  - c. business Identification number and license, for high risk business activities.
- (3) In the event that business activities carried out by Micro Enterprises are included in business activities with medium risk or high risk levels, in addition to being required to have a Business License as referred to in section (2), business actors must have a certificate of product standards and/or business standards in accordance with the provisions of legislation.

#### Article 5

- (1) In the event that business activities carried out by micro enterprises have a low risk, a business identification number is given which is also valid as a single license.
- (2) Business identification number for micro enterprises that have low risk as referred to in section (1) applies as identity and legality in carrying out business activities.
- (3) The Local Government through the Regional Office may facilitate micro enterprises to obtain a business identification number as an identity and legality in carrying out business activities as referred to in section (2).
- (4) Further provisions regarding the sole licensing of standard certification in accordance with legislation.

#### Article 6

- (1) The Local Government provides assistance for Micro Enterprises that have obtained a business identification number.
- (2) Assistance as referred to in section (1) is carried out to:
  - a. increase knowledge of the application of Indonesian national standards and halal product assurance certification for Micro Enterprises that have just obtained a business identification number; and/or
  - b. meet the requirements for obtaining a standard certificate and/or permit.
- (3) Assistance as referred to in section (1) is at least carried out through the facilitation of technical guidance, consultation, and/or training.

#### Part Two

#### Micro Business Protection

#### Paragraph 1

#### Provision of Legal Assistance and Assistance Services for Micro Enterprises

#### Article 7

- (1) Local Governments provides legal assistance and assistance services to Micro Enterprises

- (2) Legal assistance and assistance services to Micro Enterprises as referred to in section (1) are free of charge
- (3) Legal assistance and assistance services as referred to in section (1) include:
  - a. legal counseling
  - b. legal consultation;
  - c. mediation;
  - d. preparation of legal documents; and/or
  - e. out-of-court assistance
- (4) Legal assistance and assistance services to Micro Business actors as referred to in section (3) point d are carried out by the Local Government through the Legal Division of the Regional Secretariat.
- (5) The Local Government provides adequate budget for the fulfillment of legal assistance and assistance services to Micro Enterprises.

#### Article 8

- (1) To obtain legal assistance and assistance services as referred to in Article 7, Micro Enterprises must:
  - a. submit a written application to the local government through the Agency;
  - b. have a business identification number; and
  - c. submit documents related to the case
- (2) In the event that the requirements have been met, then the Office submit a recapitulation of the application as referred to in section (1) to the legal section of the Regional Secretariat for facilitation.

#### Article 9

Efforts to provide legal assistance and assistance services to Local Government Micro Enterprises at least;

- a. identify legal problems faced by Micro Enterprises;
- b. disclose information to Micro Enterprises regarding the form and how to access legal assistance and assistance services;
- c. improve legal literacy;
- d. allocate a budget for the implementation of programs and activities of legal assistance and assistance services; and
- e. cooperate with relevant institutions of universities and/or legal professional organizations.

#### Article 10

Micro Business legal assistance as referred to in articles 7 to 9 is carried out by the Regional Apparatus in charge of providing legal assistance and assistance services in accordance with the authority.

#### Article 11

Further provisions related to the provision of legal assistance and assistance services to Micro Enterprises are regulated in a Mayor Regulation.

Paragraph 2  
Micro Business Recovery

Article 12

- (1) In the event of certain emergencies, the Local Government seeks the recovery of Micro Enterprises including:
  - a. credit restructuring;
  - b. business reconstruction;
  - c. capital assistance; and/or
  - d. other forms of assistance
- (2) Business Recovery as referred to in section (1) is prioritized to affected micro-enterprises for the recovery of the community's economy.

Article 13

Local governments are active in providing protection and security to maintain the competitiveness of Micro Enterprise products in the Domestic Market.

Part Three  
Micro Business Empowerment

Paragraph 1

Provision of places for promotion and development of micro businesses in Public Infrastructure

Article 14

- (1) Local Governments, Regional-Owned Enterprises, and/or private business entities are obligated to provide places for promotion and development of Micro Enterprises of at least 30% (thirty percent) of the total land area of commercial areas, shopping terraces, and/or strategic promotional places on public infrastructure.
- (2) Public infrastructure as referred to in section (1) includes:
  - a. terminal;
  - b. airports;
  - c. railway stations;
  - d. rest areas and toll road services;
  - e. shopping malls; and
  - f. other public infrastructure determined by the Local Government in accordance with its authority.
- (3) The provision of places for promotion and development of Micro Enterprises as referred to in section (1) is carried out by taking into account safety and security aspects and maintaining order in public infrastructure services.

Article 15

- (1) The management of places for promotion and development of Micro Enterprises in public infrastructure is carried out by the Local Government, regional-owned enterprises, or private business entities as public infrastructure operators.
- (2) In managing the place of promotion and development of Micro Enterprises as referred to in section (1), public infrastructure operators may hand over their management and development to the Cooperatives.

- (3) Cooperatives as referred to in section (2) have priority as managements of places for promotion and development of Micro Enterprises in public infrastructure.
- (4) Cooperatives as referred to in section (2) are granted the right to manager the place of promotion and development of Micro Enterprises after selection by the Office.

#### Article 16

Public infrastructure operators set the rental fee for the promotion and development of Micro Enterprises at most 30% (thirty percent) of the commercial rental price.

#### Paragraph 2

#### Integrated Management of Micro Enterprises

#### Article 17

- (1) Local governments encourage the implementation of integrated management of micro enterprises;
- (2) Integrated management of Micro Enterprises as referred to in section (1) is implemented in synergy with the central government and relevant stakeholders through cluster structuring.
- (3) Provisions regarding the integrated management of micro enterprises are guided by legislation.

#### Paragraph 3

#### Capital and Financing

#### Article 18

- (1) Local Governments provide convenience for Micro Enterprises in obtaining financing quickly, precisely, cheaply, and non-discriminatory.
- (2) Local Governments increase access of Micro Enterprises to sources of financing by:
  - a. growing and expanding the network of non-bank financial institutions;
  - b. growing and expanding the reach of credit guarantee institutions;
  - c. provide convenience and facilitation for micro enterprises in meeting the requirements to obtain financing; and
  - d. improve the function and role of Bank Partner Financial Consultants in mentoring and advocating for Micro Enterprises.
- (3) The business world and the community actively participate in increasing Micro Enterprises' access to loans or credit by:
  - a. improving the ability to compile business feasibility studies;
  - b. increasing knowledge of credit or loan application procedures; and
  - c. improving understanding and technical skills as well as business management.



Paragraph 4  
Program Credit Guarantee

Article 19

- (1) Micro business activities can be used as program credit collateral.
- (2) Program credit guarantees as referred to in section (1) may be:
  - a. work order;
  - b. invoices;
  - c. purchase order;
  - d. intellectual property rights;
  - e. chip/barcode for proof of ownership of movable objects; and or
  - f. employment agreement contract.

Paragraph 5  
Procurement of Goods and Services

Article 20

- (1) Regional Apparatus is obligated to use Micro Business goods/services from Regional production in the procurement of Local Government goods/services.
- (2) The Regional Apparatus as referred to in section (1) allocates at least 40% (forty percent) of the budget value of the Local Government's goods/services expenditure.
- (3) The allocation as referred to in section (2) is carried out by the procurement of goods/services of the Local Government in accordance with the provisions of legislation regarding the procurement of government goods/services.
- (4) Large business providers and medium enterprises that carry out work must carry out business cooperation in the form of partnerships with Micro Enterprises that have capabilities in the relevant fields.
- (5) Regional Apparatus facilitates micro enterprises to participate in online procurement services.

Article 21

The Regional Apparatus expands the participation of micro enterprises by listing the goods/services produced by micro enterprises in the electronic catalog.

Article 22

- (1) The Regional Apparatus in accordance with its authority is obligated to include the goods/services budget plan as referred to in Article 20 section (2) in the General Plan of Procurement Information System no later than November of the current year for the next year's budget plan.
- (2) The next year's budget plan as referred to in section (1) is integrated with a single data information system.

Article 23

- (1) The Mayor is obligated to supervise the allocation and implementation of the procurement of goods/services for Micro Enterprises through the internal supervision

- apparatus at the Local Government.
- (2) Supervision as referred to in section (1) includes the activities of:
    - a. audit;
    - b. review;
    - c. monitoring;
    - d. evaluation; and/or
    - e. implementation of a whistleblowing system.
  - (3) The scope of supervision of Micro Business involvement in procurement includes:
    - a. Fulfillment of the allocation obligation of 40% (forty percent) for Micro Business products and services; and
    - b. Realization of budget on Micro Business goods and services.
  - (4) The results of supervision are used to control the implementation of the procurement of goods/services.

#### Paragraph 6

#### Financial Recording/Bookkeeping Statement Application System

##### Article 24

- (1) The Local Government through the Office facilitates training and assistance in utilizing the Micro Business financial recording/bookkeeping application system.
- (2) The Micro Business financial recording/bookkeeping application system as referred to in section (1) is guided by accounting standards applicable to Micro Enterprises.
- (3) Accounting standards as referred to in section (2) consider simplicity and convenience for Micro Enterprises.
- (4) Facilitation of the provision of a simple financial recording/bookkeeping application system for Micro Enterprises is free of charge.
- (5) Local governments in providing training facilities and assistance in financial recording/bookkeeping for Micro Enterprises can cooperate with universities and associations.

#### Part Four

#### Micro Business Development

##### Article 25

- (1) Local Governments develop Micro Enterprises.
- (2) Micro Business Development as referred to in section (1) is carried out through:
  - a. data collection and identification of potential and problems faced by micro enterprises;
  - b. preparation of coaching and development programs according to current potential problems; and
  - c. implementation of coaching and development programs; and
  - d. monitoring and controlling program implementation.
- (3) Micro Business Development as referred to in section (1) is carried out through the following approaches:
  - a. cooperatives;
  - b. centers;

- c. cluster and/or;
- d. group.
- (4) The implementation of Micro Business Development as referred to in section (2) is coordinated by the Office.
- (5) The implementation of Micro Business Development as referred to in section (4) can also be carried out by the community, educational institutions and the business world.
- (6) Development of Micro Enterprises is carried out in the form of:
  - a. production and processing;
  - b. marketing;
  - c. human resources;
  - d. design and technology; and
  - e. provision of promotional venues

#### Article 26

Development in the field of production and processing as referred to in article 25 section (6) point a is carried out by:

- a. improving production and processing techniques and management capabilities for Micro Enterprises;
- b. providing convenience in the procurement of production and processing facilities and infrastructure, raw materials, auxiliary materials, and packaging for Micro Business products;
- c. utilizing raw materials derived from local resources in accordance with regional potential;
- d. developing cooperation between regions through the unification of resources owned by several regions and utilize them optimally as raw materials for the processing of Micro Enterprise products;
- e. encouraging the use of renewable raw material sources in production processing in order to better ensure the lives of future generations independently;
- f. encouraging the application of standardization in production and processing processes.

#### Article 27

Development in the field of marketing, as referred to in Article 25 section (6) point b is carried out by providing:

- a. facilitation to Micro Enterprises in the field of marketing domestically and abroad;
- b. facilitation of the marketing field in question including trade contacts, product exhibitions and promotions;
- c. means and infrastructure that support the marketing of Micro Business products outside the network and in the network;

#### Article 28

- (1) The Local Government along with the business world forms a marketing institution for superior products in the Micro Enterprises region.
- (2) Regional superior product marketing institutions as referred to in section (1) in the form of Micro Business Regional Superior Product Marketing Committees.

- (3) The Micro Business Regional Superior Product Marketing Committee consists of elements of the government, the business world and academics.

#### Article 29

The Marketing Committee of Micro Business Regional Superior Products as referred to in article 28 section (2) has the following duties to:

- a. carry out marketing research and assessment;
- b. disseminate market information;
- c. improve management capabilities and marketing techniques for micro-enterprises;
- d. provide facilities and infrastructure which include conducting market trials, marketing institutions, providing trading houses and promoting Micro Enterprises;
- e. provide product promotion, network marketing and distribution support; and
- f. providing professional consultants in the field of marketing.

#### Article 30

Development in the field of human resources as referred to in article 25 section (6) point c is carried out by;

- a. Local Government facilitates to building an entrepreneurial culture, fostering business motivation and creativity, improving technical skills and business management;
- b. Human resource development efforts as referred to in point a are carried out through educational and training institutions organized by local governments, the business world and the community;
- c. Education and training institutions as referred to in point b organize the field of education and training according to the needs of Micro Enterprises and must have competence in accordance with legislation;
- d. Education and training as referred to in point c, can be carried out by:
  1. Education and training centers owned by local governments;
  2. individuals as experts/consultants/micro business assistants; or
  3. Education and training institutions include foundations, private legal entities, State-Owned Enterprises, Local-Owned Enterprises, schools, higher education institutions and community organizations.

#### Article 31

- (1) Human resource development for Micro Business actors, aims at improving capabilities in accordance with the business field and/or having competence in certain business fields.
- (2) To improve competence in certain business fields as referred to in section (1), education and training institutions organize Competency-Based Education and Training.

#### Article 32

Development in the field of design and technology as referred to

in article 25 section (6) point d is carried out by:

- a. Local governments, businesses and communities provide facilitation, support and convenience for micro businesses to gain mastery of appropriate technology.
- b. Facilitation of appropriate technology as referred to in section (1) is carried out in order to improve the quality of Micro Business products.
- c. Facilitation of appropriate technology provided through training, mentoring, and provision of production equipment.

#### Part Five

### Coordination and Control of Micro Business Protection and Empowerment

#### Article 33

- (1) The Mayor coordinates with government and non-government institutions in the implementation of Micro Business Empowerment and Development.
- (2) Coordination as referred to in section (1) includes the process of:
  - a. planning;
  - b. implementation;
  - c. supervision; and
  - d. reporting.

#### Article 34

- (1) Planning and implementation of programs in the field of Micro Business Empowerment and Development as referred to in Article 33 section (2) point a and point b, are integrated with Government policy.
- (2) Coordination as referred to in Article 33 section (2) includes coordination between the Office and regional officials in charge of Micro, Small and Medium Enterprises affairs in districts and provinces.
- (3) Coordination is carried out in order to integrate the formulation of policies for the implementation of programs for protection, empowerment, monitoring and evaluation activities.
- (4) Further provisions regarding Coordination and Control, Protection and Empowerment of Micro Enterprises are under legislation.

### CHAPTER III PARTNERSHIP

#### Article 35

- (1) Micro Enterprises can work with other parties based on the principle of partnership and uphold healthy business competition.
- (2) The principle of partnership as referred to in section (1) includes the principle of:
  - a. mutual need;
  - b. trusting each other;
  - c. mutually reinforcing each other; and
  - d. mutual benefit.

- (3) Micro Business Partnership is intended to:
  - a. realize partnerships between Micro Enterprises and Small, Medium and Large Enterprises;
  - b. prevent the occurrence of things that harm Micro Enterprises in the implementation of transactions of small businesses, medium enterprises and large enterprises;
  - c. develop means to improve the bargaining position of Micro Enterprises;
  - d. prevent the formation of market structures that lead to unfair competition in the form of monopolies, oligopolies and monopsony; and
  - e. prevent market control and business concentration by individuals or certain groups that harm Micro Enterprises.

#### Article 36

- (1) The Regional Office facilitates Micro Enterprises to carry out partnership relationships in various forms of business fields.
- (2) The business world and the community provide the widest possible opportunity for Micro Enterprises to carry out partnership relationships in various forms of business fields.
- (3) The form of business fields as referred to in section (1) and section (2) includes the fields of production and processing, marketing, capital, human resources, and technology in accordance with the Partnership pattern.
- (4) In realizing the partnership as referred to in section (1), the Regional Office acts as a facilitator and stimulator.

#### Article 37

- (1) Micro Business Partnership can be implemented with the following patterns of:
  - a. core-plasma;
  - b. subcontracting;
  - c. franchising;
  - d. general trading;
  - e. distribution and agency;
  - f. profit-sharing;
  - g. joint operational work;
  - h. joint ventures;
  - i. outsourcing; and
  - j. other forms of partnership.
- (2) In the implementation of the partnership pattern as referred to in section (1), Micro Enterprises are prohibited from owning and or controlling Micro Enterprises of their business partners.
- (3) The partnership pattern as referred to in section (1) is carried out in accordance with the provisions of legislation.

#### Article 38

- (1) Micro Enterprises can form business networks in order to strengthen their interests against other parties.
- (2) The business network as referred to in section (1) includes

business fields that covers fields agreed by the parties and do not conflict with legislation, public order and morals.

- (3) The establishment of a business network as referred to in section (1) is reported to the Agency.
- (4) Further provisions regarding partnership are under legislation.

CHAPTER IV  
EASE AND INCENTIVES  
Article 39

- (1) Local governments can provide appreciation in the form of incentives to business entities that provide places for promotion and development of Micro Enterprises.
- (2) Incentives as referred to in section (1) may be in the form of subsidies, local levy fee waivers, facilities for ease, and/or other awards in accordance with the provisions of legislation.

Article 40

- (1) Local governments provide incentives and ease of doing business in the framework of partnerships between medium enterprises with large enterprises and Micro Enterprises in accordance with the provisions of legislation.
- (2) Incentives as referred to in section (1) are given to Micro Enterprises in the form of:
  - a. Local tax reductions or reliefs;
  - b. Reduction or relief of local levies;
  - c. Provision of capital assistance to Micro Enterprises;
  - d. Assistance for research and development of Micro Enterprises;
  - e. Micro Enterprise vocational training facilities; and/or
  - f. Loan interest subsidies on Program credit;
- (3) Incentives as referred to in section (1) are given to Medium Enterprises and Large Enterprises, in the form of:
  - a. Local tax reductions or reliefs; and/or
  - b. Reduction or relief of local levies.
- (4) Incentives to Medium Enterprises and Large Enterprises as referred to in section (3) are provided that:
  - a. innovating and developing export-oriented products;
  - b. absorbing local labors;
  - c. using appropriate and environmentally friendly technology;
  - d. organizing education and training for Micro Enterprises;
  - e. providing assistance for Micro Enterprises; and
  - f. involving Micro Enterprises in expanding market access.
- (5) Ease of doing business in the framework of partnership as referred to in section (1) is in the form of:
  - a. funding quickly, precisely, cheaply, and non-discriminatory;
  - b. procurement of infrastructure, production and processing, raw materials, auxiliary materials, and packaging;
  - c. licensing and tariff relief for facilities and infrastructure;
  - d. facilitation in meeting the requirements for obtaining financing; and/or
  - e. obtaining funds, places of business, fields and business activities, or procurement of goods and services for the government.

Article 41

To carry out its role in Micro Enterprise partnerships, Local Governments:

- a. provide data and information on Micro, Small and Medium Enterprises that are ready to partner;
- b. develop partnership pilot projects;
- c. facilitate policy support; and
- d. coordinate the formulation of policies and programs for implementation, monitoring, evaluation, and general control of the implementation of partnerships.

Article 42

- (1) Micro enterprises are given incentives in the form of reductions, reliefs, or exemptions from local taxes and/or local levies as referred to in Article 40 in accordance with the provisions of legislation.
- (2) Micro enterprises that can be given incentives as referred to in section (1) must meet the following criteria of:
  - a. just started production or operation;
  - b. business circulation of a maximum of Rp7,500,000,000.00 (seven billion five hundred million rupiah) per year;
  - c. carrying out business in the sectors of agriculture, plantations, animal husbandry, industry, services, transportation/transportation, 1-star hotels/budget hotels/hostels/homestays/guest houses, boarding houses, campgrounds/provision of other short-term accommodation, restaurants/shops/stalls; and/or
  - d. participating in the electronic procurement of government goods/services.
- (3) Incentives as referred to in section (1) include:
  - a. land and building tax for rural and urban sectors;
  - b. duties on acquisition of land and building rights; and/or
  - c. local levies.
- (4) Further provisions related to incentives as referred to in section (1) are regulated in a Mayor Regulation.

Article 43

- (1) Taking into account the financial capacity of the region, the Local Government may provide:
  - a. capital assistance to Micro Enterprises with innovative products that have market potential, commercial value, technology-based, for business development and/or incubation;
  - b. assistance for research and development of Micro Enterprises; or
  - c. providing Micro Business vocational training facilities.
- (2) Further provisions regarding assistance as referred to in section (1) are regulated in a Mayor Regulation.



CHAPTER V  
PROVISION OF FINANCING AND CAPITAL FOR MICRO  
ENTERPRISES

Article 44

In order to increase the source of financing for Micro Enterprises, the Local Government seeks to do:

- a. development of financing sources from bank credit and non-bank financial institutions;
- b. development of venture capital institutions;
- c. institutionalization of factoring transactions;
- d. increased cooperation between Micro, Small and Medium Enterprises;
- e. provision and distribution of revolving funds; and/or
- f. development of other sources of financing in accordance with the provisions of legislation.

Article 45

- (1) Local Governments provide ease for Micro Enterprises in obtaining financing quickly, precisely, cheaply, and non-discriminatory.
- (2) Local Governments increase access of Micro Enterprises to sources of financing by:
  - a. growing and expanding the network of non-bank financial institutions;
  - b. growing and expanding the reach of credit guarantee institutions;
  - c. providing convenience and facilitation for micro enterprises in meeting the requirements to obtain financing; and
  - d. improving the function and role of Bank Partner Financial Consultants in mentoring and advocating for Micro Enterprises.
- (3) The business world and the community actively participate in increasing Micro Enterprises' access to loans or credit by:
  - a. improving the ability to compile business feasibility studies;
  - b. increasing knowledge of credit or loan application procedures; and
  - c. improving understanding and technical skills as well as business management.

Article 46

- (1) The local government allocates financing from the Local Budget for the empowerment of Micro Enterprises.
- (2) State-Owned Enterprises and Regional-Owned Enterprises provide financing from the allowance of the annual profit share allocated to Micro Enterprises in accordance with the provisions of legislation.
- (3) Agencies/Agencies and the business world may provide financing to Micro Enterprises through grants, foreign aid, and other legal and non-binding sources of financing.
- (4) The Local Government coordinates the implementation of Micro Business financing as referred to in section (2) and section (3).

Article 47

- (1) The allocation of financing as referred to in Article 46 section (1) is used for Micro Business capital strengthening activities through the Regional Public Service Agency managing revolving funds.
- (2) Further provisions regarding the Regional Public Service Agency are regulated in accordance with the provisions of legislation.

Article 48

The Local Government guarantees Micro Enterprises in an effort to obtain financing through Regional Credit Guarantee Institutions.

Article 49

Further provisions regarding coordinating procedures and procedures for financing stages are regulated by the Mayor's Regulation guided by the provisions of legislation.

CHAPTER VI  
INCUBATION

Article 50

- (1) Incubation can be carried out by the Local Government.
- (2) Incubation as referred to in section (1) through activities includes:
  - a. Education;
  - b. Training; and
  - c. Assistance to business actors.
- (3) Education as referred to in section (2) point a is carried out through entrepreneurship education.
- (4) Training as referred to in section (2) point b by providing training and management.
- (5) Assistance to business actors as referred to in section (2) point c provides assistance to entrepreneurial activities to Micro Business actors to increase production.

Article 51

- (1) The Local Government through the Office facilitates training and assistance as referred to in Article 50 in utilizing the Micro Business financial bookkeeping/recording application system.
- (2) The Micro Business financial bookkeeping/recording application system as referred to in section (1) is guided by accounting standards applicable to Micro Enterprises.
- (3) Accounting standards as referred to in section (2) consider simplicity and convenience for Micro Enterprises.
- (4) Facilitation of the provision of a simple financial bookkeeping/recording application system for Micro Enterprises is free of charge.

CHAPTER VII  
TRANSITIONAL PROVISIONS

Article 52

Applications for Micro Business Licenses that have been submitted before this Regional Regulation comes into force, remain to be carried out in accordance with the provisions of legislation before this Regional Regulation comes into force;

CHAPTER VIII  
CLOSING PROVISIONS

Article 53

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 of this Regional Regulation by its placement in the Regional Gazette of the Municipality of Tangerang.

Issued in Tangerang  
on 4 July 2022

MAYOR OF TANGERANG

signed

ARIEF R. WISMANSYAH

Promulgated in Tangerang  
on 4 July 2022

REGIONAL SECRETARY  
OF THE MUNICIPALITY OF TANGERANG

signed

HERMAN SUWARMAN

REGIONAL GAZETTE OF THE MUNICIPALITY OF TANGERANG OF 2022  
NUMBER 7

Jakarta, 4 December 2024  
Has been translated as an Official Translation  
on behalf of Minister of Law  
of the Republic of Indonesia

DIRECTOR GENERAL FOR LEGISLATION,



ELUCIDATION  
OF  
REGULATION OF THE MUNICIPALITY OF TANGERANG  
NUMBER 7 OF 2022  
ON  
EMPOWERMENT AND PROTECTION OF MICRO ENTERPRISES

I. GENERAL

Based on the provisions of Law Number 23 of 2014 on Local Government as amended several times most recently by Law Number 9 of 2015 on Second Amendment to Law Number 23 of 2014 on Local Government juncto Law Number 20 of 2008 on Micro, Small and Medium Enterprises, one of the mandatory government affairs under the authority of the Local Government is cooperative affairs and sub-affairs of micro business empowerment. In addition, Micro Enterprises are business activities that are able to expand employment and provide broad economic services to the community, and can play a role in the process of equitable distribution and increase in community income, encourage economic growth, and play a role in realizing national stability.

In the implementation of regional autonomy, local governments have a greater role to manage resources for the welfare of the people and economic justice. The role of the Government in the Protection and Empowerment of Micro Enterprises is to develop and increase competitiveness, business productivity for micro enterprises, in order to become resilient and independent, it needs the role of Local Governments, the business world and the community in an optimal, proportional and mutually beneficial manner to be effective and successful.

To strengthen and grow Micro Enterprises, as one of the main pillars in encouraging the regional economy, local government policies must not only protect but also empower Micro Enterprises. Based on the above considerations, it is necessary to form a Regional Regulation on the Protection and Empowerment of Micro Enterprises

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Sufficiently clear.

Article 3

Sufficiently clear.

Article 4  
Sufficiently clear.

Article 5  
Sufficiently clear.

Article 6  
Sufficiently clear.

Article 7  
Sufficiently clear.

Article 8  
Sufficiently clear.

Article 9  
Sufficiently clear.

Article 10  
Sufficiently clear.

Article 11  
Sufficiently clear.

Article 12  
Section (1)  
Certain emergencies include disasters, outbreaks, or other  
conditions established by authorized officials.  
Section (2)  
Sufficiently clear.

Article 13  
Sufficiently clear.

Article 14  
Sufficiently clear.

Article 15  
Sufficiently clear.

Article 16  
Sufficiently clear.

Article 17  
Sufficiently clear.

Article 18  
Sufficiently clear.

Article 19  
Sufficiently clear.

Article 20  
Sufficiently clear.

Article 21  
Sufficiently clear.

Article 22  
Sufficiently clear.

Article 23  
Sufficiently clear.

Article 24  
Sufficiently clear.

Article 25  
Sufficiently clear.

Article 26  
Sufficiently clear.

Article 27  
Sufficiently clear.

Article 28  
Sufficiently clear.

Article 29  
Sufficiently clear.

Article 30  
Sufficiently clear.

Article 31  
Sufficiently clear.

Article 32  
Sufficiently clear.

Article 33  
Sufficiently clear.

Article 34  
Sufficiently clear.

Article 35  
Sufficiently clear.

Article 36  
Sufficiently clear.

Article 37  
Sufficiently clear.

Article 38  
Sufficiently clear.

Article 39  
Sufficiently clear.

Article 40  
Sufficiently clear.

Article 41  
Sufficiently clear.

Article 42  
Sufficiently clear.

Article 43  
Sufficiently clear.

Article 44  
Sufficiently clear.

Article 45  
Sufficiently clear.

Article 46  
Sufficiently clear.

Article 47  
Sufficiently clear.

Article 48  
Sufficiently clear.

Article 49  
Sufficiently clear.

Article 50  
Sufficiently clear.

Article 51  
Sufficiently clear.

Article 52  
Sufficiently clear.

Article 53  
Sufficiently clear.