

REGULATION OF THE REGENCY OF PEMALANG
NUMBER 12 OF 2022

ON

AMENDMENT TO REGULATION OF THE REGENCY OF PEMALANG
NUMBER 9 OF 2020 ON IMPLEMENTATION OF INVESTMENT

BY THE BLESSINGS OF ALMIGHTY GOD

THE REGENT OF PEMALANG,

- Considering :
- a. that in order to realize the welfare of the community, it is necessary to implement sustainable economic development based on economic democracy based on Pancasila and the 1945 Constitution of the Republic of Indonesia;
 - b. that investment is an effort to increase economic growth, foster investment and regional competitiveness, create new job opportunities, increase sustainable development, increase capacity and technological progress, support the development of a people's economy in order to realize a more prosperous society;
 - c. that in order to implement the provisions of Law Number 11 of 2020 on Job Creation, several provisions in Regulation of the Regency of Pemalang Number 9 of 2020 on Implementation of Investment need to be adjusted;

- d. that based on the considerations as referred to in point a, point b, and point c, it is necessary to issue a Regulation of the Regency of Pemalang on Amendment to Regulation of the Regency of Pemalang Number 9 of 2020 on Implementation of Investment;

Observing :

1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 13 of 1950 on Establishment of Regency Regions within the Province of Central Java (State Gazette of the Republic of Indonesia of 1950 Number 42);
3. Law Number 25 of 2007 on Investment (State Gazette of the Republic of Indonesia of 2007 Number 67, Supplement to the State Gazette of the Republic of Indonesia Number 4724) 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 Government (State Gazette of the Republic of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times last 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);
5. Government Regulation Number 32 of 1950 on Determination of the Entry into Force of Law Number 13 of 1950;
6. Regulation of Regency of Pemalang Number 9 of 2020 on the Implementation of Investment (Regional Gazette of the Regency of Pemalang of 2020 Number 9, Supplement to the Regional Gazette of the Regency of Pemalang Number 9);

With the Joint Approval of

THE REGIONAL HOUSE OF REPRESENTATIVES OF
THE REGENCY OF PEMALANG
and
REGENT OF PEMALANG

HAS DECIDED:

To issue: REGIONAL REGULATION ON AMENDMENT TO REGULATION
OF THE REGENCY OF PEMALANG NUMBER 9 OF 2020 ON
IMPLEMENTATION OF INVESTMENT.

Article I

Several provisions in Regulation of the Regency of Pemalang Number 9 of 2020 on Implementation of Investment (Regional Gazette of the Regency of Pemalang of 2020 Number 9, Supplement to the Regional Gazette of the Regency of Pemalang Number 9) are amended as follows:

1. The provisions of point 8, point 18, point 19, point 21, point 23, and point 26 of Article 1 are amended, point 20, point 22, point 24, point 25, point 30 of Article 1 are deleted, and three new points are added after point 31 of Article 1, namely point 32, point 33 and point 34, so that it reads as follows:

Article 1

In this Regional Regulation:

1. Central Government means the President of the Republic of Indonesia who holds the power of government of the Republic of Indonesia assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
2. Provincial Government means the Government of the Province of Central Java.
3. Governor means the Governor of Central Java.
4. Region means the Regency of Pemalang.
5. Regent means the Regent of Pemalang.
6. Local Governance means the administration of government affairs by the local government and the

Regional House of Representatives according to the principle of the widest possible autonomy and assistance tasks with the principle of autonomy within the system and principle of the Unitary State of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.

7. Local Government means the Regent as an element of local government administration who leads the implementation of government affairs which are the authority of the autonomous region.
8. One Stop Integrated Service (*Pelayanan Terpadu Satu Pintu*), hereinafter abbreviated to PTSP, means an integrated service in one-unit process starting from the application stage to the completion stage of the one-stop integrated service product.
9. Entity means a group of people and/or capital that constitutes a unity both conducting business and not conducting business which includes limited liability companies, *commanditaire vennotschap*, other companies, State-Owned Enterprises or Local-Owned Enterprises by name in any form, firms, partnerships, cooperatives, pension funds, fellowships, associations, foundations, mass organizations, socio-political organizations, or similar organizations, institutions, permanent establishments and other forms of entities.
10. Business Sector means any form of business activity carried out to produce goods or services in economic sectors.
11. Open Field Business Sector means a Business Sector conducted without any requirements in the context of Investment.
12. Closed Business Sector means a certain Business Sector that is prohibited to be made as an Investment activity.
13. Capital means an asset in the form of money or other forms which is not money that has economic value owned by investors.

14. Domestic Capital means capital owned by the Republic of Indonesia, individual as Indonesian citizen, or incorporated or unincorporated business entities.
15. Foreign Capital means capital owned by any foreign country, individual as foreign citizen, foreign business entity, foreign legal entity, and/or Indonesian legal entity which have capital that is owned partially or entirely by foreign party.
16. Investors means any individual or business entity that makes investment in the forms of either domestic investors or foreign investors.
17. Investment means any kinds of investing activity by both domestic and foreign investors for running business within the territory of the Republic of Indonesia.
18. Domestic Investment is an investment activity to conduct business in the territory of the Republic of Indonesia carried out by business actors using domestic capital.
19. Foreign Investment is an investment activity to conduct business in the territory of the Republic of Indonesia carried out by foreign investors, both those who use foreign capital entirely or jointly with domestic investors.
20. Deleted.
21. Investment Activity Report means a report on the development of investment realization and problems faced by business actors that is required to be made and submitted periodically.
22. Deleted.
23. Permit means the approval of the Central Government or local government for the implementation of business activities that is required to be fulfilled by business actors before conducting their business activities.
24. Deleted.
25. Deleted.

26. Electronically integrated business Licensing system (Online Single Submission), hereinafter referred to as the OSS System, means an integrated electronic system managed and organized by the management institution and organizer of the Online Single Submission for the implementation of Risk-Based Business Licensing.
27. Society means a person or group of people who are citizens of the Republic of Indonesia who have and or conduct business activities in accordance with the provisions of legislation.
28. Provision of Incentives means the support for fiscal and non-fiscal policy from Local Government to Investors to increase investment in Region..
29. Provision of Ease means the provision of non-fiscal facilities from the Local Government to investors to ease each investment activity and to increase investment in the Region.
30. Deleted.
31. Protected area means an area designated with the main function of protecting the preservation of the environment which includes natural resources artificial resources and historical as well as cultural values of the nation in the interests of sustainable development, such as protected forests, mangrove forests, and so on.
32. Business Licensing means legality given to business actors to start and run their business and/or activities.
33. Risk means potential for injury or loss from a hazard or a combination of possibilities and consequences of a hazard.
34. Risk-based business licensing means business licensing based on the level of risk of business activities.

2. The provisions of section (2) point b of Article 13 are amended to read as follows:

Article 13

- (1) The Local Government develops investment to increase Investment activities.
- (2) Investment development as referred to in section (1), is carried out through efforts:
 - a. implementation of domestic and foreign promotion;
 - b. giving business licensing in an easy, fast, and precise manner;
 - c. facilitating services to resolve problems or obstacles to investment;
 - d. facilitating to foster openness of investment data and information;
 - e. preparing and implementing plans for investment business sectors in the Region;
 - f. coordinating and formulating investment potential in the Region;
 - g. encouraging, implementing, and facilitating business partnership in the context of investment in the Region;
 - h. coordinating and preparing materials and implementation of investment promotion;
 - i. facilitating domestic and foreign cooperation in the field of investment in the Region;
 - j. developing an investment information system in the Region that is integrated with the provincial and central investment information system.
- (3) development of investment is also directed at equalizing development and providing employment.
- (4) Investment development efforts as referred to in section (2), are based on the Regional Long, Medium, and Annual Development Programs.

3. The provisions of section (3) of Article 14 are amended to read as follows:

Article 14

- (1) The Local Government conducts micro business development through business partnerships,

increasing competitiveness, encouraging innovation and market expanding as well as disseminating information as widely as possible.

- (2) In the context of micro business development in the Region, Micro entrepreneurs can apply for a micro business permit through OSS.
 - (3) The micro business permit as referred to in section (2) is intended for businesses that have a business capital of up to a maximum of Rp1.000.000.000,00 (one billion rupiah) excluding the land and building of the business premises.
4. The provisions of section (1) of Article 16 are amended and section (2) of Article 16 is deleted, to read as follows:

Article 16

- (1) Investors who will invest in the Region apply for business licensing through:
 - a. OSS system; and
 - b. system determined and developed by the Regional Apparatus in charge of PTSP in accordance with the provisions of legislation.
 - (2) Deleted.
5. The provisions of Article 17 are amended, so that Article 17 reads as follows:

Article 17

- (1) The implementation of Business Licensing in the Region is carried out to improve the investment ecosystem and business activities.
- (2) The improvement of the investment ecosystem and business activities as referred to in section (1) includes:
 - a. Risk-based business licensing;
 - b. Basic requirements for business licensing; and
 - c. Sector business licensing and ease of investment requirements.

- (3) Risk-based business licensing as referred to in section (2) point a is carried out based on the determination of the level of risk and business scale of business activities.
- (4) The basic requirements for business licensing as referred to in section (2) point b include:
 - a. suitability of space utilization activities;
 - b. environmental approval; and
 - c. building approval and certificate of function.
- (5) Sector business licensing as referred to in section (2) point c which is organized in the Region consists of sectors:
 - a. marine and fisheries;
 - b. agriculture;
 - c. environment and forestry;
 - d. energy and mineral resources
 - e. nuclear;
 - f. industry;
 - g. trade;
 - h. public works and public housing;
 - i. transportation;
 - j. health, medicine, and food;
 - k. education and culture;
 - l. tourism;
 - m. religion;
 - n. post, telecommunications, broadcasting, and electronic systems and transactions;
 - o. defense and security; and
 - p. employment.
- (6) The nuclear, religious, and defense and security sectors as referred to in section (5) point e, point m and point o are the authority of the Central Government whose licensing process is integrated with business licensing services in the region.
- (7) In order to improve the investment ecosystem and business activities in the sectors as referred to in section (5), business actors are given ease of investment

requirements and business licensing in accordance with the provisions of legislation regarding the implementation of risk-based business licensing.

- (8) Risk-based business licensing, basic requirements for business licensing, and sector business licensing and ease of investment requirements are carried out in accordance with the provisions of legislation regarding implementation of risk-based business licensing and legislation in the field of space, environment, and building.

Article II

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 Regency of Pemalang.

Issued in Pemalang,
on 23 December 2022

Acting REGENT OF PEMALANG
VICE OF THE REGENT OF PEMALANG,
signed

MANSUR HIDAYAT

Promulgated in Pemalang
on 23 December 2022

Acting REGIONAL SECRETARY OF THE REGENCY OF PEMALANG
HEAD OF THE MANPOWER OFFICE,

signed
MOH. SIDIK

REGIONAL GAZETTE OF THE REGENCY OF PEMALANG OF 2022 NUMBER 12

Jakarta,
Has been translated as an Official Translation
on behalf of the Minister of Law and Human Rights
of the Republic of Indonesia
DIRECTOR GENERAL OF LEGISLATION AD INTERIM,



ELUCIDATION OF
REGULATION OF THE REGENCY OF PEMALANG
NUMBER 12 OF 2022
ON
AMENDMENT TO REGULATION OF THE REGENCY OF PEMALANG NUMBER
9 OF 2020 ON IMPLEMENTATION OF INVESMENT

I. GENERAL

Law Number 11 of 2020 on Job Creation (Law on Job Creation) was promulgated in order to support job creation which requires adjustments to various regulatory aspects related to the ease, protection, and empowerment of cooperatives and micro, small and medium enterprises, improvement of investment ecosystem and acceleration of national strategic projects, including increase of the workers' welfare protection.

Investment is an effort to increase economic growth, foster investment and competitiveness of the region, create new job opportunity, increase sustainable development, increase capacity and technological progress. In connection with that, the policy in the field of investment licensing needs to be reorganized so that the policy becomes a supporter and not otherwise an obstacle to business development and/or activities. The reorganization of policies in the field of investment is carried out on service systems, and regulations in accordance with the demands of the business world, technological developments, and global competition.

The reorganization of investment and business regulations needs to be carried out in order to provide a legal basis for the issuance of Business Licensing which are carried out in an integrated and electronic manner. The reorganization of the service system is carried out especially at the One Stop Integrated Service (PTSP). This is considering that based on Law Number 11 of 2020 on Job Creation, Local Government needs to improve facilities and ease for investment in accordance with the provisions of legislation.

Therefore, to improve business services and acceleration and make investors easier to do business in the Regency of Pemalang, then Regulation of the Regency of Pemalang Number 9 of 2020 on

Implementation of Investment needs to be adjusted to the provisions of legislation.

Based on the considerations as mentioned above, it is necessary to issue the Regulation of the Regency of Pemalang on Amendment to Regulation of the Regency of Pemalang Number 9 of 2020 on Implementation of Investment.

II. ARTICLE BY ARTICLE

Article I

Point 1

Article 1

Sufficiently clear.

Point 2

Article 13

Sufficiently clear.

Point 3

Article 14

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

The maximum capital of Rp1,000,000,000.00 (one billion rupiah) is business capital in the form of fresh funds.

Point 4

Article 16

Sufficiently clear.

Point 5

Article 17

Sufficiently clear.

Article II

Sufficiently clear.

SUPPLEMENT TO THE REGIONAL GAZETTE OF THE REGENCY OF PEMALANG
NUMBER 12