

REGULATION OF THE PROVINCE OF SOUTH SULAWESI
NUMBER 7 OF 2019
ON
EMPOWERMENT OF COOPERATIVE SOCIETIES AND SMALL ENTERPRISES

BY THE BLESSINGS OF ALMIGHTY GOD

GOVERNOR OF SOUTH SULAWESI,

- Considering :
- a. that Cooperative Societies and Small Enterprises have a strategic role in sustaining the community's economy, increasing economic growth, opening up employment opportunities and alleviating poverty;
 - b. that the strategic role of cooperative societies and Small Enterprises needs to be optimized in order to realize conducive business development, business giving, support, protection, and broadest development, so as to be able to increase their position, role and potential in advancing development and realizing economic growth in the community;
 - c. that the management of cross-regency/municipality cooperative and the empowerment of Small Enterprises is the authority of the Province as regulated in the attachment to Law Number 23 of 2014 on Local Government point Q;
 - 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 Empowerment of Cooperative Societies and Small Enterprises;

- Observing :
1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
 2. Law Number 47 Prp. of 1960 on Establishment of South East Sulawesi Province and Level I Region of North Central Sulawesi (State Gazette of the Republic of Indonesia of 1960 Number 151, Supplement to the State Gazette of the Republic of Indonesia Number 2102) *Juncto* Law 13 of 1964 on Establishment of Government Regulation in Lieu of Law Number 2 of 1964 on Formation of First Level Region of Central Sulawesi and the First Level Region of Southeast Sulawesi by Amending Law Number 47 Prp. of 1960 on Formation of First Level Region of North Central Sulawesi and First Level Region of South East Sulawesi into Law (State Gazette of the Republic of Indonesia of 1964 Number 94, Supplement to the State Gazette of the Republic of Indonesia Number 2687);
 3. Law Number 1 of 1987 on Chamber of Commerce and Industry (State Gazette of the Republic of Indonesia of 1987 Number 8, Supplement to the State Gazette of the Republic of Indonesia Number 3346);
 4. Law Number 25 of 1992 on Cooperative (State Gazette of the Republic of Indonesia of 1992 Number 116, Supplement to the State Gazette of the Republic of Indonesia Number 3502);
 5. Law Number 5 of 1999 on Prohibition of Monopolistic Practices and Unfair Business Competition (State Gazette of the Republic of Indonesia Number 33 of 1999, Supplement to the State Gazette of the Republic of Indonesia Number 3817);
 6. Law Number 20 of 2008 on Micro, Small and Medium Enterprises (State Gazette of the Republic of Indonesia Number 93 of 2008, Supplement to the State Gazette of the Republic of Indonesia Number 4866);
 7. Law Number 12 of 2011 on Legislation Making (State Gazette of the Republic of Indonesia of 2011 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 5234);

8. Law Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia Number 244 of 2014, Supplement to the State Gazette of the Republic of Indonesia Number 5587), as amended several times, and last by Law Number 9 of 2015 on Second Amendment to Law Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679);
9. Government Regulation Number 9 of 1995 on Savings and Loan Activities by Cooperative Societies (State Gazette of the Republic of Indonesia Number 19 of 1995, Supplement to the State Gazette of the Republic of Indonesia Number 3591);
10. Government Regulation Number 44/1997 on Partnership (State Gazette of the Republic of Indonesia No. 91/1997, Supplement to the State Gazette of the Republic of Indonesia Number 3718);
11. Government Regulation Number 17 of 2013 on Implementation of Law Number 20 of 2008 on Micro, Small and Medium Enterprises (State Gazette of the Republic of Indonesia Number 40 of 2013, Supplement to the State Gazette of the Republic of Indonesia Number 5404);
12. Government Regulation Number 12 of 2017 on Fostering and Supervision of Local Government Administration (State Gazette of the Republic of Indonesia of 2017 Number 73, Supplement to the State Gazette of the Republic of Indonesia Number 6041);
13. Government Regulation Number 24 of 2018 on Electronically Integrated Business Services (State Gazette of the Republic of Indonesia of 2018 Number 90, Supplement to the State Gazette of the Republic of Indonesia Number 6215);
14. Regulation of the Minister of Home Affairs Number 32 of 2011 on Guidelines for Providing Grants and Social Assistance sourced from Regional Budget (State Gazette of the Republic of Indonesia of 2011 Number 450) as amended

several times, and last by Regulation of the Minister of Home Affairs Number 13 of 2018 on Third Amendment to Regulation of the Minister of Home Affairs Number 32 of 2011 on Guidelines for Providing Grants and Social Assistance sourced from Regional Budget (State Gazette of the Republic of Indonesia 2018 Number 465);

15. Regulation of the Minister of Cooperative Societies and Small and Medium Enterprises Number 9 of 2018 on Operation and Fostering of Cooperative Societies (State Gazette of the Republic of Indonesia of 2018 Number 833);

With the Joint Approval of
THE PROVINCIAL HOUSE OF REPRESENTATIVES
and
THE GOVERNOR OF SOUTH SULAWESI

HAS DECIDED:

To issue : REGIONAL REGULATION ON EMPOWERMENT OF
COOPERATIVE SOCIETIES AND SMALL ENTERPRISES.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. The Region means the Province of South Sulawesi.
2. Local Government means the Governor as the administrator of the Local Government who leads the implementation of government affairs which are the authority of the Region.
3. Governor means the Governor of South Sulawesi.
4. Regional House of Representatives (Dewan Perwakilan Rakyat Daerah), hereinafter abbreviated as DPRD means the Regional House of Representatives of South Sulawesi Province.
5. Regency/municipal Government means regency/municipal Government in the Region.

6. Regional Apparatus means a work unit within the scope of the Local Government.
7. Service means the Regional Apparatus that carries out government functions in the field of Cooperative of Small and Medium Enterprises in the Province.
8. Regency/municipality Regional Apparatus means a work unit in the Regency/Municipal Government that has the task and function of developing Cooperative Societies, Micro Enterprises, Small Enterprises and Medium Enterprises in its activity sector.
9. Cooperative Societies means a business entity whose members are individuals or legal entities by basing its activities based on principles of Cooperative Societies as well as a people's economic movement based on the principle of brotherhood.
10. Savings and Loan Cooperative Societies are Cooperative whose activities are carried out to raise funds and distribute it through savings and loan business activities from and for members of the Cooperative concerned, prospective members of the Cooperative concerned, other Cooperative Societies and/or their members.
11. Micro Enterprise means productive business owned by individuals and /or individual business entities that meet the criteria for Micro Enterprise.
12. Small Enterprise means a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or non-branch companies that are owned, controlled, or become a part either directly or indirectly of Medium Enterprises or Large Enterprises that meet Small Enterprise criteria.
13. Medium Enterprise means a productive economic business that stands alone, which is carried out by an individual or business entity that is not a subsidiary or branch of a company that is owned, controlled, or becomes a part either directly or indirectly with a Small Enterprise or Large Enterprise with the amount of wealth net or annual sales results as regulated in this Regional Regulation.

14. Big Business means productive economic business carried out by business entities with net assets or annual sales results greater than medium-sized businesses, which include national or private-owned national businesses, joint ventures, and foreign businesses that carry out economic activities in Indonesia.
15. Business World means a cooperative, micro, small, medium and large enterprise that carries out economic activities in Indonesia and is domiciled in Indonesia.
16. Empowerment means an effort made by the Local Government/Regency/municipal Government, business world, and the Community in synergy in the form of climate growth and business development towards cooperative societies, micro, small and medium-sized businesses so that they are able to grow and develop into a business that is strong, healthy and independent.
17. Independence means an ability to stand alone, without relying on other parties based on trust in their own considerations, decisions, abilities and efforts.
18. Intellectual Property Right (*Hak Kekayaan Intelektual*), hereinafter abbreviated as HKI, means wealth arising from human intellectual abilities which can be in the form of works in the fields of technology, science, art, and literature.
19. Facilitation of Obtaining Licensing, Standardization and Certification is the granting of licenses for cooperative, micro, small, medium enterprises, HKI, and others to fulfill aspects of business legality.
20. Certification means a series of conformity assessment activities related to the provision of written guarantees that goods, services, systems, processes or personal meet standards and/or regulations.
21. Assistance means task carried out by a facilitator or a business actor's assistant in various program activities.
22. Business Climate means a condition that is sought by the Local Government to empower cooperative societies and Small Enterprises in synergy through the establishment of

various legislation and policies in various aspects of economic life so that cooperative societies and Small Enterprises obtain partiality, certainty, opportunity, protection, and business support that is as wide as possible.

23. Development means an effort made by the Local Government by involving the Regency/municipal Government, Business World, and the Public to empower cooperative societies and Small Enterprises through the provision of facilities, guidance, assistance, and reinforcement assistance to grow and improve the capabilities and competitiveness of cooperative societies and small enterprises.
24. Financing means the provision of funds by the Local Government, Business World, and the Community through banks, cooperative societies, and non-bank financial institutions, to develop and strengthen the capital of cooperative societies and small enterprises.
25. Guarantee means the provision of loan guarantees to cooperative societies and small enterprises by credit guarantee institutions as a support to increase opportunities to obtain loans in order to strengthen their capitals.
26. Corporate Social Responsibility (*Tanggung Jawab Sosial Perusahaan*), hereinafter referred to as TSP, means a social responsibility inherent in every company to continue to create harmonious, balanced, and appropriate relationships with the environment, values, norms, and culture of the community.
27. Grant means the granting of money/goods or services from the Local Government to the Public and community organizations, which have been specifically designated as intended, are not mandatory and not binding, and are not continuously aimed at supporting the implementation of the Local Government's affairs.
28. Partnership means cooperation in the business relationship, both directly and indirectly, on the basis of the

principle of mutual need, trust, strengthen and benefit involving Cooperative Societies and Small Enterprises with Micro, Medium Enterprises and Large Enterprises.

29. Business Protection means any effort that guarantees legal certainty to provide protection to businesses to avoid monopolistic practices and concentration of economic power by business actors.
30. Business Actors means every 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, both individually and jointly through an agreement to carry out activities of Micro Enterprise, Small, and Medium Enterprises in various fields of the people's economy.
31. Cluster means a company agglomeration that forms strategic and complementary cooperation and has intensive relations.
32. Industry means an economic activity that processes raw materials, basic materials, semi-finished goods and/or finished goods into goods of higher value.
33. Industrial Estate means an area where the concentration of Industrial activities is completed with supporting facilities and infrastructure developed and managed by an Industrial Estate company that has an Industrial Estate permit.
34. Business Network means a collection of businesses that are in the same or different industries that are related to one another and have the same interests.
35. Regional Budget (*Anggaran Pendapatan dan Belanja Daerah*), hereinafter referred to as APBD, means the regional budget of South Sulawesi Province.
36. Chamber of Commerce and Industry (*Kamar Dagang dan Industri*), hereinafter referred to as Kadin, means a forum for entrepreneurs and engaged in the economy.
37. Indonesian Cooperative Council (*Dewan Koperasi Indonesia*), hereinafter referred to as Dekopin, means a forum for Cooperative Societies in the economic field.

38. South Sulawesi Micro, Small and Medium Enterprises Association (Dewan Asosiasi Usaha Mikro, Usaha Kecil, dan Usaha Menengah Sulawesi Selatan), hereinafter referred to as the South Sulawesi UMKM Association Board, means an organization that is representative of micro, small and medium enterprises associations in the Region.
39. Gender Mainstreaming means the optimal and proportional involvement of men and women in the empowerment of cooperative societies and small enterprises.
40. Public means an individual from a community that carries out business activities or is concerned with the empowerment of cooperative and small enterprises.
41. Incentive means a mean or facility provided to the business world in encouraging the development of activities of cooperative societies and small enterprises in the form of material and nonmaterial.
42. Online Single Submission, hereinafter abbreviated as OSS, means a Business Licensing issued by the OSS Institution for and on behalf of ministers, institutional leaders, governors, or regents/mayors to business actors through an integrated electronic system.
43. Human Resource Development (*Pengembangan Sumber Daya Manusia*), hereinafter referred to as HRD, means an ongoing effort to improve the quality of human resources in the broadest sense, through education, training, and fostering.
44. Financing Institution means a business entity that conducts financing in the form of providing funds or capital goods.
45. Financial Institution means an institution/business entity engaged in financial services, which collects assets in the form of funds from the public and then distributes these funds to finance economic activities.

Article 2

Empowerment of cooperative societies and Small Enterprises is based on:

- a. brotherhood;
- b. economic democracy;
- c. togetherness;
- d. fair efficiency;
- e. sustainable;
- f. environmentally friendly;
- g. balance of progress; and
- h. national economic unity.

Article 3

Empowerment is based on the principle that is:

- a. effective;
- b. efficient;
- c. integrated;
- d. continuous;
- e. professional;
- f. fair;
- g. transparent;
- h. accountable;
- i. Independence;
- j. business ethics;
- k. environmentally consciousness; and
- l. Gender Mainstreaming.

Article 4

This Regional Regulation is established with the intention of guiding Local Governments in growing and developing businesses in the framework of building a national economy based on economic democracy that respects equal rights and obligations in doing business.

Article 5

This Regional Regulation was established with the aim to be a guide for the Local Government in:

- a. realizing an economic structure in South Sulawesi that is balanced, developed, and just;

- b. increasing community and business participation to grow cooperative and Small Enterprises;
- c. increasing productivity, competitiveness, and market share of cooperative societies and Small Enterprises;
- d. fostering an entrepreneurial spirit among the Public, especially for cooperative societies and Small Enterprises;
- e. increasing access to productive resources and wider markets;
- f. enhancing the role of cooperative societies and Small Enterprises as strong, professional and independent economic actors as a basis for populist economic development that is based on equitable market mechanisms, based on natural resources and human resources that are productive, independent, advanced and competitive, environmentally sound, as well as sustainable;
- g. increasing the role of cooperative societies and Small Enterprises in regional development, job creation, income distribution, economic growth, and alleviating people from poverty;
- h. facilitating the acquisition of Certification of products and services of Cooperative Societies and Small Enterprises, which aims to provide protection for products or services of cooperative and Small Enterprises so that they have added value and a better bargaining position; and
- i. enhancing the role of Gender Mainstreaming in Empowering Cooperative Societies and Small Enterprises.

CHAPTER II

COOPERATIVE SOCIETIES AND SMALL ENTERPRISES

Part One

Cooperative Societies

Article 6

The cooperative Societies have the following criteria:

- a. business entity in the form of an Indonesian legal entity;
- b. having members, management and supervisory bodies;

- c. owning capital and/or external capital;
- d. having permanent legal domicile;
- e. standing alone, is not a subsidiary or branch of a company that is owned, controlled or affiliated, either directly or indirectly with a Medium or Large Enterprises; and
- f. its business activities with priority to those directly related to the interests and welfare of members.

Part Two

Form and Type of Cooperative Societies

Article 7

- (1) The Form of Cooperative Societies, including:
 - a. Primary Cooperative Society, namely cooperative societies established by and consisting of individuals; and
 - b. Secondary Cooperative Societies are cooperative societies established by and composed of legal cooperative societies.
- (2) The Type of Cooperative Societies based on the similarity of activities and interests of its members, including:
 - a. Savings and Loans Cooperative Societies, consisting of:
 - 1. Conventional Savings and Loans Cooperative Societies; and
 - 2. Sharia Savings and Loans Cooperative Societies.
 - b. Producer's Cooperative Societies;
 - c. Consumer Cooperative Societies;
 - d. Marketing Cooperative Societies; and/or
 - e. Services Cooperative Societies.

Part Three

Small Enterprise

Article 8

The Small Enterprise has the following criteria:

- a. having a net asset of more than Rp50,000,000.00 (fifty million rupiah) up to Rp500,000,000.00 (five hundred million rupiah) excluding land and buildings for business premises; or
- b. having annual sales results of more than Rp.300,000,000.00 (three hundred million rupiah) up to Rp2,500,000,000.00 (two billion five hundred million rupiah).

CHAPTER III PLANNING AND IMPLEMENTATION

Part One Empowerment Planning

Article 9

- (1) Cooperative Societies and Small Enterprises Empowerment Planning is intended to provide direction, guidance and controlling for the achievement of Empowerment objectives.
- (2) The Planning as referred to in section (1) is carried out annually by the Service.

Part Two Empowerment Implementation

Article 10

The Empowerment Implementation of Cooperative Societies and Small Enterprises is carried out by Local Governments, Business World, Kadin, Dekopin, Board of Association of South Sulawesi UMKM, training institutions, and Public.

Article 11

- (1) In the event of Empowerment carried out by the Local Government, it is carried out by the Agency together with the relevant Regional Apparatus.
- (2) The Empowerment Implementation as referred to in Article 10, must coordinate with the Office.

Article 12

- (1) In the event of Empowerment as referred to in Article 11 section (1), the Local Government provides funds from the APBD in each fiscal year.
- (2) State/regional/private-owned Enterprises can provide financing from the allowance for a portion of the annual profit allocated to cooperative societies and Small Enterprises in the form of loans, guarantees, and other forms of financing and grants.
- (3) Local Governments can provide awards and/or incentives to the Business World that provides Financing for Cooperative Societies and Small Enterprises.
- (4) Local Governments provide facilities to strengthen the capital of cooperative societies and Small Enterprises and develop financial institutions for cooperative societies and Small Enterprises.

CHAPTER IV
EMPOWERMENT FORM

Part One
Cooperative Society Empowerment

Article 13

Cooperative Society Empowerment is carried out in the form of:

- a. training facilitation;
- b. facilitation of technical guidance;
- c. facilitation in strengthening capital;
- d. management fostering;
- e. product marketing facilitation;
- f. facilities and infrastructure facilitation;
- g. Partnership facilitation;
- h. Cooperative Societies health assessment;
- i. supervision and inspection;
- j. facilitation of Development of Cooperative Societies business networks;

- k. Facilitation of Obtaining Licensing, Standardization and Certification;
- l. facilitation of involvement in government procurement of goods and services;
- m. facilitation of business management assistance;
- n. facilitation of Assistance and advocacy; and
- o. facilitation and use of information technology.

Part Two

Small Enterprise Empowerment

Article 14

Small Enterprise Empowerment, is carried out in the form of:

- a. capital facilitation;
- b. promotion and marketing facilitation;
- c. Partnership facilitation;
- d. facilitation of business management assistance;
- e. facilitation of support for ease of obtaining raw materials and supporting facilities in the production process;
- f. training facilitation to improve managerial skills and other capabilities that can support Small Enterprise Empowerment;
- g. Facilitation of involvement in government procurement of goods and services;
- h. Facilitating trade shows to expand domestic and foreign market access;
- i. Facilitation of Obtaining Licensing, Standardization and Certification; and
- j. facilitation of the use of information technology.

Article 15

Provisions regarding the Empowerment procedure for Cooperative Societies and Small Enterprises are regulated in a Governor Regulation.

Article 16

- (1) Every form of Empowerment needs to be supported by Business Assistance activities that can be carried out by the Local Government, Business World, and training institutions.
- (2) To support the implementation of Business Assistance activities, as referred to in section (1), the Office prepares and publishes guidelines for Business Assistance activities which can be used as references by the Business World and training institutions.
- (3) Provisions regarding the guidelines as referred to in section (2) are further regulated in a Governor Regulation.

CHAPTER V

APPROACH OF GROUP, CENTER AND CLUSTER

Article 17

- (1) To accelerate, expand and streamline the empowerment of Small Enterprises, a group, center and cluster approach is used.
- (2) The group approach as referred to in section (1) is applied at the level of new entrepreneurial growth, covering several types of commodities by utilizing available resources selectively.
- (3) The center approach as referred to in section (1) is applied at the stage of increasing similar businesses focused on one superior commodity by utilizing available resources selectively in sufficient quantities.
- (2) The Cluster Approach as referred to in section (1) is applied to Small Enterprises that are a priority for industrial development in the regions.
- (3) Provisions regarding the planning, implementation and evaluation of group, center and cluster approaches are further regulated in the Governor Regulation.

Article 18

Clusters can be further developed into an Industrial Estate in accordance with legislation.

Article 19

In each Industrial Estate in the Region, companies in the Industrial Estate must provide land for Cooperative Societies and Small Enterprise activities.

CHAPTER VI

CLIMATE CREATION AND BUSINESS PROTECTION

Part One

Business Climate Creation

Article 20

The Local Government facilitates the creation of a Business Climate that supports the empowerment of Cooperative Societies and Small Enterprises, by setting regulations and policies, which include aspects of:

- a. funding;
- b. infrastructure and means;
- c. business information;
- a. Partnership;
- b. business licensing;
- c. business opportunity;
- d. trade promotion;
- e. institutional support; and
- f. design and technology.

Article 21

Funding aspects as referred to in Article 20 point a, are intended to:

- a. expand funding sources and facilitates cooperative societies and Small Enterprises to be able to access bank credit and public service agencies;

- b. establish a public service Financing agency that can be accessed by cooperative societies and Small Enterprises;
- c. provide convenience in obtaining funding in a quick, accurate, cheap, and non-discriminatory manner in services in accordance with legislation; and
- d. assist cooperative societies and Small Enterprises to obtain financing and other financial products/services provided by banks and non-bank financial institutions, both by using conventional and sharia patterns with guarantees provided by the Government.

Article 22

The facilities and infrastructure aspects as referred to in Article 20 point b, are intended to:

- a. provide public infrastructure that can encourage the growth of cooperative societies and Small Enterprises; and
- b. provide tariff relief for certain infrastructure and means for cooperative societies and Small Enterprises.

Article 23

The aspect of business information as referred to in Article 20 point c, is intended to:

- a. establish and facilitate the utilization of data banks and business information networks;
- b. procure and disseminate information on markets, sources of financing, commodities, guarantees, design and technology, and quality; and
- c. guarantee transparency and equal access for all Cooperative Societies and Small Enterprise actors to all business information.

Article 24

The Partnership Aspect as referred to in Article 20 point d, is intended to:

- a. realize Partnership between Cooperative Societies and Small Enterprises with Micro and Medium Enterprises;

- b. realize Partnership between cooperative societies and Small Enterprises with large Enterprises;
- c. encourage mutually beneficial relations in the conduct of business transactions between Cooperative Societies and Small Enterprises with Micro and Medium Enterprises;
- d. encourage mutually beneficial relations in the conduct of business transactions between Cooperative Societies and Small Enterprises with Large Enterprises;
- e. develop cooperation to improve the bargaining position of cooperative societies and Small Enterprises;
- f. encourage the formation of market structures that guarantee the growth of fair business competition and protect consumers; and
- g. prevent market domination and centralization of business by individuals or certain groups that are detrimental to the Cooperative Societies and Small Enterprises.

Article 25

- (1) The aspects of business licensing as referred to in Article 20 point e, are intended to:
 - a. facilitate the ease of obtaining permits through OSS; and
 - b. issue recommendations for issuing permits.
- (2) Further provisions regarding the requirements and procedures for applying for a business permit for a Small Enterprise are regulated in accordance with legislation.

Article 26

- (1) The business opportunity aspect as referred to in Article 20 point f point f, is intended to:
 - a. facilitate the arrangement of business premises which includes locations in markets, locations of shopping spaces, locations of Industrial Centers, locations of smallholder agriculture, locations of community mining, suitable locations for street vendors, and other locations;

- b. facilitate the determination of time allocation for Small Enterprises in the retail trade subsector;
 - c. facilitate the provision of fields and types of business activities that have specific processes, are labor intensive, and have special and hereditary cultural heritage;
 - d. facilitate the determination of business fields that are reserved for Cooperative Societies and Small Enterprises as well as business fields that are open to Large Enterprises on the condition that they must cooperate with Cooperative Societies and Small Enterprises;
 - e. facilitate strategic business protection for Cooperative Societies and Small Enterprises;
 - f. facilitate the use of products produced by Cooperative Societies and Small Enterprises through direct procurement;
 - g. prioritize the procurement of goods or services and chartering the work of the Local Government; and
 - h. provide legal assistance and advocacy.
- (2) The implementation of the provisions referred to in section (1) is carried out by supervision and control by the Local Government.

Article 27

- (1) The aspect of trade promotion as referred to in Article 20 point g, is intended to:
- a. increase the promotion of Cooperative Society and Small Enterprise products at home and abroad;
 - b. expand funding sources for the promotion of Cooperative Society and Small Enterprise products at home and abroad; and
 - c. provide incentives for cooperative societies and Small Enterprises that are able to provide funding independently in product promotion activities at home and abroad.

- (2) The promotion as referred to in section (1) is carried out by the Local Government.

Article 28

The institutional support aspect as referred to in Article 20 point h, is intended to develop and improve the functions of the incubator, business development service institutions, and cooperation of integrated business service centers, and other similar professional institutions as supporting institutions for Cooperative Societies and Small Enterprise Development.

Article 29

The design and technology aspects as referred to in Article 20 point i, are intended to:

- a. improve capabilities in the fields of design and technology as well as quality control;
- b. enhance collaboration and technology transfer;
- c. improve the ability of cooperative Societies and Small Enterprises in the field of research to develop new designs and technologies;
- d. provide incentives for Cooperative Societies and Small Enterprises that develop technology and preserve the environment; and/or
- e. facilitate and encourage Cooperative Societies and Small Enterprises to obtain HKI certificates.

Part Two

Business Protection

Article 30

- (1) The Local Government, Business World, Kadin, Dekopin, the Board of Association of South Sulawesi UMKM and the Community provide Business Protection to Cooperative Societies and Small Enterprises.
- (2) Business Protection as referred to in section (1) is an effort directed at ensuring the survival of cooperative and Small Enterprises in partnership with Large Enterprises.

- (3) The forms of business protection as referred to in section (1) are:
 - a. prevention of control of upstream and downstream markets and centralization of business by individuals or certain groups that are detrimental to cooperative and Small Enterprises;
 - b. protection of certain strategic businesses for cooperative and Small Enterprises from efforts, especially monopolies/monopsonies and oligopolies/oligopsonies, and other unfair business competition;
 - c. protection from acts of discrimination in the provision of Cooperative Society and Small Enterprise Empowerment services; and
 - d. provision of legal consultation assistance for cooperative and Small Enterprises by involving the participation of College.
- (4) Business protection for cooperative societies and Small Enterprises as referred to in section (1) to section (3) is further regulated in a Governor Regulation

CHAPTER VII BUSINESS DEVELOPMENT

Article 31

- (1) The Local Government facilitates the development of Cooperative Societies and Small Enterprises in order to improve productivity, product quality, and competitiveness, including in the fields of:
 - a. basic material;
 - b. production technology;
 - c. product design and packaging;
 - d. marketing; and
 - e. human resources.

- (2) Regional/Private-Owned Enterprises, Business World, Kadin, Dekopin, South Sulawesi UMKM Association Board, training institutions, and the community actively participate in carrying out Development as referred to in section (1).

Article 32

The development in the field of basic materials as referred to in Article 31 section (1) point a, is carried out by:

- a. providing facilities in the procurement of basic materials, infrastructure and production facilities and supporting materials for the processing of Cooperative Society and Small Enterprise products;
- b. optimizing the utilization of the potential of Regional resources to be used as raw materials for processing Cooperative and Small Enterprise products;
- c. developing cooperation between regions through pooling of resources owned by several regions and optimally utilizing them as basic materials for processing Cooperative Societies and Small Enterprise products; and
- d. encouraging the use of renewable basic material sources to better guarantee the lives of future generations independently.

Article 33

Development in the field of production technology as referred to in Article 31 section (1) point b, is carried out by:

- a. enhancing collaboration and technology transfer;
- b. improving the ability of Cooperative Societies and Small Enterprises in the field of research to develop new designs and technologies;
- c. providing incentives for Cooperative Societies and Small Enterprises that develop technology and preserve the environment; and

- d. facilitating and encouraging Cooperative Societies and Small Enterprises to obtain HKI certificates at home and abroad.

Article 34

Development in the field of product design and packaging as referred to in Article 31 section (1) point c, is carried out by:

- a. improving capabilities in the field of product and packaging design;
- b. providing consulting services, training, guidance, and direct Assistance to Cooperative Societies and Small Enterprises to increase knowledge and capabilities in the field of product and packaging design; and
- c. paying attention to and develop the cultural diversity of the Public through creative processes to enrich the variety of product designs.

Article 35

Development in the field of marketing, as referred to in Article 31 section (1) point d, are carried out by:

- a. carrying out research and marketing studies;
- b. disseminating market information;
- c. improving management skills and marketing techniques;
- d. providing marketing means which include conducting market trials, marketing institutions, providing trading houses, and promoting Cooperative Societies Products and Small Enterprises;
- e. providing product promotion, marketing and distribution support;
- f. providing professional consultants in the field of marketing; and
- g. facilitating Business Actors for export-oriented products.

Article 36

Development in the field of human resources as referred to in Article 31 section (1) point e, is carried out by:

- a. popularizing and cultivating entrepreneurship;
- b. improving technical and managerial skills;
- c. establishing and developing training institutions to conduct training, counseling, business motivation and creativity, and the creation of new entrepreneurs; and
- d. facilitating of SDM Development in order to increase product competitiveness.

Article 37

The development facilitation as referred to in Article 31 to Article 36 can be done to Micro Enterprise Actors whose business is cross Regency/municipality.

Article 38

Further provisions regarding business development procedures as referred to in Article 31 to Article 37, are regulated in a Governor Regulation.

CHAPTER VIII

FINANCING AND GUARANTEE

Part One

Cooperative Societies Financing and Guarantee

Article 39

Local Government empowers Cooperative Societies in the field of Financing and Guarantee by:

- a. facilitating and encourage improvement of working capital and investment Financing through expansion of sources and patterns of Financing, access to capital markets, and other Financing institutions;
- b. developing credit guarantee institutions and other guarantee institutions and enhancing the functions of export guarantee institutions; and

- c. facilitating national and foreign Large Enterprises to provide Financing allocated as a CSR budget to Cooperative businesses in the form of loans, guarantees, grants, and other Financing.

Part Two
Funding and Guarantee of
Small Enterprise

Article 40

- (1) The Local Government provides financing, grants, investment capital, other financing and guarantees for Small Enterprises.
- (2) Regional/private-owned companies provide financing from the allowance for a portion of the annual profit allocated to Small Enterprises in the form of loans, guarantees, grants, and other legal financing.
- (3) National and foreign big businesses provide funding allocated as CSR funds to Small Enterprises in the form of loans, guarantees, grants and other financing.
- (4) Local Governments and Business World can provide Grants, seek foreign assistance, and seek other sources of legal funding that are not binding for Small Enterprises.
- (5) Local Governments can provide Incentives in the form of ease of licensing requirements, infrastructure facility tariff relief, and other forms of Incentives that are in accordance with legislation to the Business World that provides Financing for Small Enterprises.

Article 41

In order to increase the source of Small Enterprise Financing, the Local Government makes efforts:

- a. Development of funding sources from bank loans and non-bank financial institutions;
- b. Development of venture capital institutions;
- c. institutionalization of factoring transactions;

- d. increase of cooperation between Micro and Small Enterprises through Savings and Loans Cooperative Societies and Cooperative Societies of conventional and sharia financial services;
- e. Provision and distribution of revolving funds; and
- f. Development of other funding sources in accordance with legislation.

Article 42

- (1) To improve Small Enterprise access to Financing sources as referred to in Article 41, Local Government:
 - a. develops and expands the network of non-bank financial institutions;
 - b. develops and expands the coverage of financial institution guarantees;
 - c. provides convenience and facilitation in meeting the requirements for obtaining Financing; and
 - d. improves the function and role of integrated business service centers in Assistance and advocacy for Small Enterprises to obtain Financing.
- (2) Regionally-owned Enterprises, Business World, training institutions, Dekopin, the Association of South Sulawesi UMKM Association and the Community actively participate in increasing the access of Small Enterprises to loans or credit as intended in section (1) is carried out by:
 - a. improving the ability to prepare business feasibility studies;
 - b. increase knowledge about the procedure for applying for credit or loans; and
 - c. improving understanding and technical and managerial skills of the business.

CHAPTER IX
PARTNERSHIP AND BUSINESS NETWORKING

Part One
Partnership

Article 43

Cooperative Societies and Small Enterprises can do business cooperation with other parties in the form of partnership based on equality.

Article 44

The partnership as referred to in Article 43 is intended to:

- a. realize Partnership between Cooperative Societies and Small Enterprises with other businesses;
- b. realize mutual cooperation that needs, complements, and benefits; and
- c. develop cooperation to improve the bargaining position of Cooperative Societies and Small Enterprises.

Article 45

- (1) The Local Government facilitates Cooperative Societies and Small Enterprises to conduct partnerships in various forms of business fields.
- (2) Regional/Private-Owned Enterprises, Business World, Chamber of Commerce and Society provide the widest opportunity for cooperative and Small Enterprises to conduct partnerships in various business fields.
- (3) In realizing the Partnership as referred to in Article 43, the Local Government shall play the role of facilitator and stimulator.

Article 46

- (1) The partnership as referred to in Article 43 can be implemented with the pattern:

- a. intiplasma;
 - b. subcontracting;
 - c. general trading;
 - d. franchise;
 - e. distribution and agency; and
 - f. other forms.
- (2) Further provisions regarding the partnership pattern for cooperative and Small Enterprises as referred to in section (1) are regulated in a Governor Regulation.

Part Two
Business Network

Article 47

- (1) Every Cooperative Societies and Small Enterprises may form a Business Network.
- (2) Business Network as referred to in section (1), covers business fields that cover fields agreed upon by the parties and do not conflict with the provisions of the legislation, public order, and decency.
- (3) Small Enterprises can form a legal entity of Cooperative Societies among Small Enterprises in similar business activities.

CHAPTER X
MONITORING, EVALUATION AND REPORTING

Article 48

Every Cooperative Society and Small Enterprise that has obtained Empowerment from the Local Government must submit a performance report no later than 1 (one) month after the periodization to the Office.

Article 49

The procedures for planning, implementing, monitoring, evaluating and reporting on the implementation of Cooperative Societies and Small Enterprises are regulated further by a Governor Regulation.

CHAPTER XI
PROHIBITION

Article 50

Every Cooperative Societies and Small Enterprises are prohibited from:

- a. falsifying documents and/or information provided that is not in accordance with applicable rules and regulations and/or misuse the Empowerment facilities it receives;
- b. conduct business that is contrary to the principles of cooperative and Small Enterprises;
- c. conduct monopolistic/monopsony, oligopoly /oligopsony practices and unfair business competition;
- d. do moneylender practices for Cooperative Societies; and
- e. inclusion of halal logos and Home Industry Food that has not been certified.

CHAPTER XII
ADMINISTRATIVE SANCTIONS

Article 51

- (1) Every business entity, cooperative society and small enterprise which violates the provisions of Article 19, Article 48 and Article 50 is subject to administrative sanctions.
- (2) Administrative sanctions referred to in section (1) in the form of:
 - a. written warning;
 - b. decrease in the level of health of a Savings and Loan Cooperative Societies or Savings and Loan unit;
 - c. dismissal of facilitation assistance that has been given;

- d. temporary dismissal or revocation of recommendations for opening branch offices, sub-branch offices, and Savings and Loan Cooperative Societies cash offices or Savings and Loan units; and/or
 - e. compensation.
- (3) The procedures for imposing administrative sanctions as referred to in section (2) are further regulated in a Governor Regulation.

CHAPTER XIII INVESTIGATION

Article 52

- (1) Regional Civil Servant Investigators within the Local Government are given special authority by the Law conducts an investigation of violations of the provisions in this Regional Regulation.
- (2) Regional Civil Servant Investigators as referred to in section (1) are authorized to:
- a. conduct an examination of the truth of a report or statement relating to criminal offenses in the field of Cooperative Society and Small Enterprise Empowerment;
 - b. conduct an examination of everyone suspected of committing criminal offenses in the field of Cooperative Society and Small Enterprise Empowerment;
 - c. request information and evidence from everyone regarding criminal acts in the area of Cooperative Society and Small Enterprise Empowerment;
 - d. examine books, records and other documents relating to criminal offenses in the field of Cooperative Society and Small Enterprise Empowerment;
 - e. carry out checks in certain places that are suspected to contain evidence, books, records and other documents;
 - f. confiscate material and goods resulting from violations that can be used as evidence in criminal cases in the

area of Cooperative Society and Small Enterprise Empowerment;

- g. ask for assistance from experts in the framework of carrying out the task of investigating criminal offenses in the field of Cooperative Society and Small Enterprise Empowerment;
- h. stop the investigation;
- i. enter certain places, take photographs and/or make audio-visual recordings; and/or
- j. conduct a search of the body, clothing, room, and/or other places suspected of being the place of criminal activity.

CHAPTER XIV CRIMINAL PROVISIONS

Article 53

- (1) Every person who benefits himself, another person and/or corporation by claiming or using the name of a Cooperative Society and Small Enterprise so as to obtain convenience to participate in the procurement of goods/services carried out by Government agencies, obtain raw materials, funds, places of business, business fields and business activities intended for Cooperative and Small Enterprises as referred to in Article 13 letter l, Article 14 point e, Article 14 point g, Article 26 point a, is sentenced with imprisonment for a maximum of 3 (three) months or fined up to Rp50,000,000.00 (fifty million rupiah).
- (2) Every person who benefits himself or others by claiming and/or using the name of a Cooperative Societies and Small Enterprise so as to incur losses on State/Regional finances, in addition to being sanctioned as referred to in section (1) may also be sanctioned in accordance with the provisions of legislation.

CHAPTER XV
CLOSING PROVISIONS

Article 54

- (1) At the time this Regional Regulation comes into force, Regulation of the Province of South Sulawesi Number 1 of 2006 on Fostering and Development of Cooperative, Micro, Small, and Medium Enterprises (South Sulawesi Provincial Gazette of 2006 Number 1) is repealed and declared ineffective.
- (2) Implementing Regulations of the Provincial Regulation of South Sulawesi Province Number 1 of 2006 remain effective to the extent not contrary to the provisions of this Regional Regulation.

Article 55

The Governor Regulation as the implementation of this Regional Regulation has been issued not later than 6 (six) months since the promulgation of this Regional Regulation.

Article 56

This regional regulation comes into force on the date its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Regional Regulation by its placement in Regional Gazette of the Republic of Indonesia.

Issued in Makassar

On 31 December 2019

GOVERNOR OF SOUTH SULAWESI,

signed

M. NURDIN ABDULLAH

Promulgated in Makassar

On 31 December 2019

PROVINCIAL SECRETARY OF
SOUTH SULAWESI PROVINCE,

signed

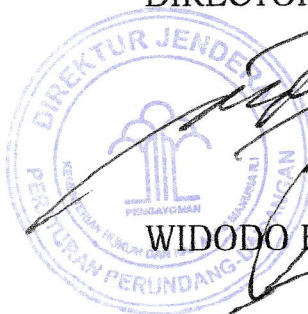
ABDUL HAYAT

PROVINCIAL GAZETTE OF SOUTH SULAWESI 2019 NUMBER 7

Jakarta, 21 September 2020

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,



[Handwritten signature]
WIDODO EKATJAHJANA

ELUCIDATION OF
REGULATION OF THE PROVINCE OF SOUTH SULAWESI
NUMBER 7 OF 2019
ON
EMPOWERMENT OF COOPERATIVE SOCIETIES AND SMALL ENTERPRISES

I. GENERAL

The implementation of regional autonomy must be filled with the spirit to realize economic justice for all Indonesian people. With the implementation of regional autonomy, the Local Government and Regency/Municipal Governments have a greater role to manage resources for the welfare of the people. The Local Government continues to exploit the potential of abundant local economic resources to realize prosperity and economic justice.

Economic prosperity and justice is one indicator of local economic growth that can direct the policies and strategies of the Local Government to side with the people. Indicators of economic growth can be seen parameters of the realization of a climate conducive to business, increased employment, and reduced people who are on the poverty line.

Therefore, the level of success of the Local Government in achieving these parameters reflects how much effort the Local Government has in bringing prosperity and economic justice to the people.

Cooperative Societies and Small Enterprises as the majority of economic actors at the national, regional and local level have a strategic role in creating jobs, alleviating poverty and encouraging the growth of non-oil and gas export values. However, Cooperative Societies and Small Enterprises still have some internal and external obstacles to be able to compete. Internal constraints can be in the form of limited capital, difficulties in raw materials, low production capacity and product quality, and weak market access, while external

constraints that are felt to hamper the development of Cooperative Societies and Small Enterprises are the threat of foreign products.

The basic principles of empowerment for micro, Small, and medium enterprises have been regulated in Law Number 20 of 2008 on Micro, Small and Medium Enterprises. In the Regions, in the existence of Law Number 20 of 2008, Regulation of the Province of South Sulawesi Number 1 of 2006 on Fostering and Development of Cooperative Societies, Micro, Small, and Medium Enterprises needs to be improved.

To respond to current situations and conditions, empowerment of Cooperative Societies and Small Enterprises requires regional regulations that are more focused and able to meet the needs of Cooperative Societies and Small Enterprises. In addition, Regional Regulations must also explicitly disclose the need for comprehensive, sustainable and cross-sectoral Cooperative Societies and Small Enterprise empowerment programs. Related to this, the Local Government established the South Sulawesi Provincial Regulation concerning Empowerment of Cooperative Societies and Small Enterprises to become the legal basis for the empowerment of Cooperative Societies and Small Enterprises in South Sulawesi.

Regulation of the Province of South Sulawesi concerning Empowerment of Cooperative Societies and Small Enterprises is a manifestation of the commitment of the South Sulawesi Provincial Government's partiality to small-scale economic actors so that the issuance of this Regional Regulation is expected to encourage the realization of prosperity and economic justice in South Sulawesi. In practice, the issuance of this Regional Regulation is expected to be able to provide breakthroughs in empowering Cooperative Societies and Small Enterprises that encourage growth and enhance competitiveness.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Point a

The term "Brotherhood principle" means the principle that underpins efforts to empower Cooperative Societies and Small

Enterprises as part of the national economy which is based on economic democracy with the principles of togetherness, equitable efficiency, sustainability, environmental awareness, independence, balance of progress, and national economic unity for the welfare of all the people of Indonesia.

Point b

The term "the principle of economic democracy" means the empowerment of Cooperative Societies and Small Enterprises carried out as a unity of national economic development to realize the prosperity of the people.

point c

The term "principle of togetherness" means a principle that encourages the role of all Cooperative Societies and Small Enterprises and the business world together in its activities to realize the welfare of the people

Point d

The term "the principle of just efficiency" means the principle that underlies the empowerment of Cooperative Societies and Small Enterprises by promoting fair efficiency in an effort to create a fair, conducive and competitive business climate.

Point e

The term "the principle of sustainability" means a principle that planned the development process through the empowerment of Cooperative Societies and Small Enterprises that are carried out continuously to form a strong and independent economy.

Point f

The term "the principle of environmentally friendly" means the principle of empowering Cooperative Societies and Small Enterprises which is carried out while still paying attention to and prioritizing environmental protection and maintenance.

Point g

The term "the principle of balance of progress" means the principle of empowering Cooperative Societies and Small Enterprises that seek to maintain the balance of regional economic progress in the unity of the national economy.

Point h

The term "the principle of national economic unity" means the principle of empowering Cooperative Societies and Small Enterprises which is part of the development of national economic unity.

Article 3

Point a

The term "effective" means the empowerment of Cooperative Societies and Small Enterprises must be in accordance with the needs and can provide the maximum benefit in accordance with the targets set.

Point b

The term "efficient" means the empowerment of Cooperative Societies and Small Enterprises must be endeavored by using limited resources to achieve the targets set in the shortest possible time and can be accounted for.

Point c

The term "integrated" means the empowerment of Cooperative Societies and Small Enterprises must be carried out through coordination to avoid overlapping.

Point d

The term "sustainable" means the empowerment of Cooperative Societies and Small Enterprises must have a relationship with the empowerment done before or in the future.

Point e

The term "professional" means the empowerment of Cooperative Societies and Small Enterprises must be carried out by parties who have adequate competence and experience in their fields according to needs.

Point f

The term "fair" means the empowerment of Cooperative Societies and Small Enterprises must provide the same treatment for all prospective Small Enterprises who want to be empowered and does not lead to give benefits to certain parties in any way and on basis.

Point g

The term "transparent" means the empowerment of Cooperative Societies and Small Enterprises must be done openly, especially in selected Small Enterprises and other parties in general.

Point h

The term "accountable" means that the empowerment of Cooperative Societies and Small Enterprises must achieve physical, financial and benefit targets in accordance with the principles of empowerment.

Point i

The term "independence" is the empowerment of Cooperative Societies and Small Enterprises that must be relied on and supported by strength internal resources managed by a populist economic system so it does not depend on economic strength outside the people's economy itself and may not be the object of mercy but placed as a mercy object economic agents.

Point j

The term "business ethics" is the empowerment of Cooperative Societies and Small Enterprises that can foster awareness of sporting business behavior through healthy competition, a high work ethic and discipline.

Point k

The term "environmentally conscious" is the empowerment and development of Cooperative Societies and Small Enterprises in addition to striving to provide maximum benefits to the economy and welfare of the public, it must also always preserve the environment, pay attention to the principles of sustainable development, the local culture of the community and spatial planning.

Point l

The term "gender mainstreaming" means an effort to reduce the gap between men and women in obtaining benefits from Cooperative Society and Small Enterprise development policies and programs.

Article 4

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Point a

Sufficiently clear.

Point b

The term "cooperative societies member" means a person or legal entity cooperative society who has paid the principal savings, mandatory savings and has been registered in the member book.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Article 7

Section (1)

Sufficiently clear.

Section(2)

Point a

Savings and Credit Cooperative Societies are Cooperative Societies whose activities are only savings and loan businesses.

Point 1

Sufficiently clear.

Point 2

Syariah Pattern Savings and Credit Cooperative Societies are Cooperative Societies whose business activities include savings, loans and financing in accordance with sharia principles.

Point b

Producer Cooperative Societies are Cooperative Societies with members (producers of goods).

Point c

Consumer Cooperative Societies are Cooperative Societies whose members are consumers by carrying out their activities of buying and selling consumer goods.

Point d

Marketing Cooperative Societies are Cooperative Societies that carry out the distribution function of goods or services produced by their members to reach consumers.

Point e

Service Cooperative Societies are Cooperative Societies that provide services needed by members, for example: savings and loans, insurance, transportation, and so on.

Article 8

Sufficiently clear.

Article 9

Sufficiently clear.

Article 10

Sufficiently clear.

Article 11

Sufficiently clear.

Article 12

Section (1)

Sufficiently clear.

Section (2)

The term "provision of other financing" includes but is not limited to sharia financing (share results), factoring and venture capital.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 13

Point a

The form of training can be in the form of cooperative business management training, training in improving the competence and capabilities of cooperative society human resources.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

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

Sufficiently clear.

Point n

Sufficiently clear.

Point o

Sufficiently clear.

Article 14

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

The form of training can be in the form of small enterprise management training, product design training, export-import training, and information technology.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

Forms of facilitation provided in the form of insight development, provisioning and facilitation in order to obtain licensing, standardization, and certification.

Point j

Sufficiently clear.

Article 15

Sufficiently clear.

Article 16

Section (1)

Business assistance activities are aimed at strengthening institutional capacity building and business capacity for Small Enterprises in relation to the forms of empowerment obtained.

Section (2)

Preparation of Business Assistance Guidelines by Service involving regency/municipal governments and related

stakeholders.

Section (3)

Sufficiently clear.

Article 17

Sufficiently clear.

Article 18

Sufficiently clear.

Article 19

Provision of this land is carried out in accordance with legislatio.

Article 20

Sufficiently clear.

Article 21

Point a

The term "Public Service Agency" means a non-bank financial institution prepared by the Local Government to serve Cooperative Societies and Small Enterprises.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Article 22

Point a

Sufficiently clear.

Point b

The term "providing tariff relief" means the differentiation of tariff treatment based on the provisions of the Government and Local Governments, both directly and indirectly by providing incentives.

Article 23

Point a

The term "Data banks and business information networks" means various business data centers and business information systems owned by the Government or the private sector.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Article 24

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

The term "bargaining position" means in conducting business cooperation with other parties having an equal and mutually beneficial position.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Article 25

Section (1)

Point a

The term "simplifying the procedures and types of licensing", means to provide facilities and licensing requirements as well as the widest possible information.

The term "one-stop integrated service system" means the process of managing business licensing starting from the

application stage to the issuance phase of documents, carried out in one place based on the following service principles:

1. simplicity in process;
2. clarity in service;
3. certainty completion time;
4. cost certainty;
5. security of service places;
6. the responsibilities of service officers;
7. completeness of service facilities and infrastructure;
8. ease of service access; and
9. discipline, courtesy, and friendliness of service.

Point b

Sufficiently clear.

Section (2)

Sufficiently clear

Article 26

Section (1)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

The term "strategic business" means business that influences the regional economy such as inflation and employment opportunities.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Section (2)

Sufficiently clear.

Article 27

Sufficiently clear.

Article 28

The term "incubator" means an institution that provides new entrepreneurial growth services and strengthened access to business progress resources for small and medium-sized businesses as their business partners. The incubators developed include: technology, business and other incubators in accordance with the potential and resources of the local economy.

The term "business development service institutions (business development services-providers)" mean institutions that provide consulting and advisory services to develop small and medium-sized businesses.

The term "bank partner financial consultants" are consultants at business development institutions whose job is to carry out consultations and assistance to small and medium-sized businesses to be able to access bank credit and/or financing from financial institutions other than banks.

Article 29

Sufficiently clear.

Article 30

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Point a

The upstream market is the supply market, while the downstream market is the market for products and services.

Point b

The term monopoly means the control over the production and/or use of certain services by one business actor or a

group of business actors.

The term monopsony means control of supply or being the sole buyer of goods and/or services.

The term oligopoly means that some business actors make agreements to jointly control the production and/or marketing of goods and/or services that can result in monopolistic practices and/or unfair business competition.

The term oligopsony means that some business actors make agreements that aim to jointly control the purchase of supplies in order to control the prices of goods and/or services in the relevant market, which can result in monopolies and/or unfair business competition.

Point c

Sufficiently clear

Point d

Sufficiently clear

Section 4

Sufficiently clear

Article 31

Section 1

Point a

The term "basic material" means the main ingredient of a product.

The term "supporting material" means supporting material from raw materials.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Section 2

Sufficiently clear.

Article 32

Sufficiently clear.

Article 33

Sufficiently clear.

Article 34

Sufficiently clear.

Article 35

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

The term cross-Regency/Municipal businesses includes businesses that produce, distribute, and market their business products to several Regencies/Cities.

Article 38

Sufficiently clear

Article 39

Point a

Sufficiently clear.

Point b

The term other guarantor institutions or institutions means the Credit Guarantee Public Corporation that is regulated by the Government

Point c

Sufficiently clear.

Article 40

Sufficiently clear.

Article 41

Point a

Sufficiently clear.

Point b

The term "Venture capital institution" (Venture Capital Company) means a business entity that carries out business of financing/equity participation in a company that receives financing assistance (Investee Company) for a certain period of time in the form of equity participation, investment through purchase of convertible bonds, and/or financing based on the distribution of operating results.

Point c

The term "factoring transactions" is a financing activity in the form of the purchase of short-term trade receivables of a company and the handling of these receivables.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

In the framework of implementing financing activities for Cooperative Societies and Small Enterprises, financial institutions can be developed as other sources of financing for Cooperative Societies and Small Enterprises in accordance with legislation.

Article 42

Sufficiently clear.

Article 43

Sufficiently clear.

Article 44

Sufficiently clear.

Article 45

Sufficiently clear.

Article 46

Section (1)

Point a

The term "plasma core pattern" means a partnership relationship among Small Enterprises and Medium Enterprises or Large Enterprises, in which Medium Enterprises or Large Enterprises act as the core, and Small Enterprises as plasma. The core company carries out fostering from providing production facilities, technical guidance, to marketing the products.

Point b

The term "sub-contract pattern" is a partnership relationship between Small Enterprises and Medium Enterprises or Large Enterprises, in which Small Enterprises produce components needed by medium or Large Enterprises as part of their production.

Point c

The term "general trading patterns" means a partnership relationship between Small Enterprises and Medium Enterprises or Large Enterprises, in which Medium Enterprises or Large Enterprises market the products of Small Enterprises, or Small Enterprises supplying the needs needed by Medium Enterprises or Large Enterprise partners.

Point d

The term "franchise pattern" is a partnership relationship, in which the franchiser grants the right to use the license, trademark, and distribution channel of his company to the franchisee with the help of management guidance.

Point e

The term "distribution patterns and agency" means a partnership relationship, in which Small Enterprises are given special rights to market the goods and services of Medium Enterprises or Large Enterprise partners.

Point f

The term "other form patterns" can be in the form of profit

sharing, operational cooperation, joint ventures, outsourcing or new patterns that will arise in the future.

Section (2)

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.

Article 54

Sufficiently clear.

Article 55

Sufficiently clear.

Article 56

Sufficiently clear.