

REGULATION OF THE REGENCY OF GROBOGAN
NUMBER 11 OF 2022
ON
IMPLEMENTATION OF BUSINESS LICENSING AND INVESTMENT

BY THE BLESSINGS OF GOD ALMIGHTY

REGENT OF GROBOGAN,

- Considering : a. that the Local Government responsible in an effort to improve the economy and social welfare in line with the goals of the state as stated in the preamble to the 1945 Constitution of the Republic of Indonesia;
- b. that in improving the economy and community welfare as referred to in point a, the Local Government strives to ensure the realization of an investment ecosystem, increase ease of doing business, and accelerate national and regional strategic projects;
- c. that as an effort to ensure the realization of an investment ecosystem, increase ease of doing business, and accelerate national and regional strategic projects as referred to in point b, it is necessary to make changes to various Regulation of the Regency of Grobogan which do not yet support the realization of synchronization in ensuring the acceleration of ease of doing business, so that legal breakthroughs are needed to be able resolve various problems in several Regional Regulations into 1 (one) Regional Regulation comprehensively;
- 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 Implementation of Business Licensing and 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 Regencies within the Province of Central Java (State Gazette of the Republic of Indonesia of 1950 Number 42);
3. Law Number 28 of 2002 on Buildings (State Gazette of the Republic of Indonesia of 2002 Number 134, Supplement to State Gazette of the Republic of Indonesia Number 4247) 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 25 of 2007 on Investment (State Gazette of the Republic of Indonesia of 2007 Number 67, Supplement to 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);
 5. Law Number 10 of 2009 on Tourism (State Gazette of the Republic of Indonesia of 2009 Number 11, Supplement to State Gazette of the Republic of Indonesia Number 4966) 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);
 6. Law Number 23 of 2014 on Local Governments (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to 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 2020 Number 245, Supplement to the State Gazette of the Republic of Indonesia Number 6573);
 7. Government Regulation Number 24 of 2019 on Provision of Incentives and Ease of Investment in Regions (State Gazette of the Republic of Indonesia of 2019 Number 63, Supplement to the State Gazette of the Republic of Indonesia Number 6330);
 8. Government Regulation Number 5 of 2021 on Implementation of Risk-Based Business Licensing (State Gazette of the Republic of Indonesia of 2021 Number 15, Supplement to the State Gazette of the Republic of Indonesia Number 6617);
 9. 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);
 10. 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);
 11. Government Regulation Number 16 of 2021 on Implementing Regulations of Law Number 28 of 2002 on Buildings (State Gazette of the Republic of Indonesia of 2021 Number 26, Supplement to the State Gazette of the Republic of Indonesia Number 6628);

With Joint Approval of
THE REGIONAL HOUSE OF REPRESENTATIVES OF THE REGENCY OF
GROBOGAN
and
THE REGENT OF GROBOGAN

HAS DECIDED:

To issue : REGIONAL REGULATIONS ON THE IMPLEMENTATION OF
BUSINESS LICENSING AND CAPITAL INVESTMENT.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Region means the Regency of Grobogan.
2. Regent means the Regent of Grobogan.
3. Local Government means the Regent as an administering element of the Local Government who leads the implementation of government affairs which are the authority of the autonomous region.
4. Regional Apparatus means a supporting element of the Regent and the Regional House of Representatives in administration of Government Affairs under the authority of the Region.
5. Investment means any form of activity of investing Capital, either by Domestic Investors or Foreign Investors, to run business in the territory of the Republik of Indonesia.
6. Investor means an individual or a business entity that carries out Investment, which can be in the form of Domestic Investors or Foreign Investors, hereinafter referred to as the Business Actor.
7. Domestic Investment (*Penanaman Modal Dalam Negeri*), hereinafter abbreviated to as PMDN, means any investing activity for running business within the territory of the Republic of Indonesia, made by any Business Actors using domestic capital.
8. Foreign Investment (*Penanaman Modal Asing*), hereinafter abbreviated to as PMA, means an activity of investing capital to conduct business in the territory of the Republic of Indonesia carried out by foreign investors, either using foreign capital entirely or jointly with domestic investors.
9. Business Actor means individuals or business entities running business activities and/or activities in certain fields.
10. Business Licensing means the legality granted to Business Actors to start and run their business and/or activities.
11. Risk means potential of damage or loss which is caused by danger or the combination of the probability and the consequences of the danger.
12. Risk-Based Business Licensing means Business Licensing based on the level risk of the business activities.
13. Supervision means an effort to ensure the implementation of business activities in accordance with the standards for the implementation of business activities, carried out through a risk-based approach and obligations that must be fulfilled by business actors.
14. Online Single Submission System hereinafter referred to as the OSS System means an integrated electronic system managed and organized by the OSS institution for the implementation of Risk-Based Business Licensing.

15. Business Identification Number (*Nomor Induk Berusaha*), hereinafter abbreviated to as NIB, means a proof of registration/registration of Business Actors to carry out business activities and as an identity for Business Actors in carrying out their business activities.
16. Standard Certificate means a statement and/or a proof of compliance with standards for implementing business activities.
17. License means the approval of the central government or Local Government on the activity of running business which must be owned by Business Actors before starting the activity of the business.
18. Regional General Plan of Investment (*Rencana Umum Penanaman Modal Daerah*), hereinafter abbreviated to as RUPM, means the document of the Long-Term Capital Investment plan in the Region.
19. Investment Facilities mean all forms of fiscal and non-fiscal incentives as well as conveniences in Investment services in accordance with provisions of legislation.
20. Incentive means support from the Local Government to Investors in order to encourage increased Investment in the Region.
21. Ease means the provision of facilities from the Local Government to Investors in order to encourage increased Investment in the Region.
22. Access Right means a right granted by the Government of the Republic of Indonesia through the OSS Institution in the form of an access code.
23. Report of Investment (*Laporan Kegiatan Penanaman Modal*), hereinafter abbreviated to as LKPM, means a report on the improvement of realization of Investment and difficulties that are faced by Business Actors which is required to be made and submitted periodically.
24. Inspection Minutes mean the results of field inspections carried out regarding the implementation of Investment activities.
25. Online Single Submission Management and Organizing Institution, hereinafter referred to as OSS Institution, means a government institution administering government affairs in the field of Investment coordination.
26. Central Government means the President of the Republic of Indonesia who holds the power of the 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.
27. One Stop Integrated Services and Investment Service (*Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu*), hereinafter abbreviated as DPMPSTP, means a Regional Apparatus which has the task of carrying out Local Government affairs in the field of investment.
28. Building means a physical form resulting from construction work that is integrated with its location, partly or wholly on and/or in the ground and/or water, which functions as a place for humans to carry out their activities, whether for housing or residence, religious

activities, business activities, social, cultural and special activities.

29. Green Building (*Bangunan Gedung Hijau*), hereinafter abbreviated to as BGH, means Buildings that meet building technical standards and have significant measurable performance in saving energy, water and other resources through the application of BGH principles in accordance with the function and classification at each stage of their implementation.
30. Building Height (*Ketinggian Bangunan Gedung*), hereinafter abbreviated to as KBG, means the maximum number of floors of a building permitted.
31. Community means individuals, groups, legal entities or businesses and institutions or organizations whose activities are in the field of building construction, as well as customary law communities and expert communities, which have an interest in the construction of buildings.
32. Proof of Building Ownership (*Surat Bukti Kepemilikan Bangunan Gedung*), hereinafter abbreviated to as SBKBG, means a point of proof of rights to the status of Building ownership.
33. Preservation means the maintenance, restoration and upkeep of buildings and their surroundings to restore the reliability of the building to its original shape or condition according to the desired period.
34. Building Utilization means the activity of utilizing a building in accordance with its designated function, including regular upkeep , maintenance and inspection activities.
35. Demolition means the activity of dismantling or tearing down all or part of a building, components, building materials, and/or infrastructure and facilities.
36. Building Owner, hereinafter referred to as Owner, means a person, legal entity, group of people, or association, who according to law is valid as the Building Owner.
37. Management means an organizational unit, or business entity that is responsible for building operational activities, carrying out operations and maintenance in accordance with procedures established efficiently and effectively.
38. Building User, hereinafter referred to as User, means owner and/or non-owner based on an agreement with the owner, who uses and/or manages Buildings or parts of Buildings in accordance with the specified functions.
39. Building Management means a construction activity that includes the technical planning process and construction implementation, as well as utilization, preservation and demolition activities.
40. Maintenance means the activity of repairing and/or replacing building parts, components, building materials, and/or infrastructure and facilities so that the building remains functional.
41. Building Approval (*Persetujuan Bangunan Gedung*), hereinafter abbreviated as PBG, means a permit given to building owners to build new, change, expand, reduce and/or maintain buildings in accordance with building technical standards.

42. Building Functional Worthiness Certificate (*Sertifikat Laik Fungsinya*), hereinafter abbreviated as SLF, means a certificate given by the Local Government to certify the building's functional suitability before it can be used.
43. Data collection means the activity of collecting data on a building by the Central Government or Local Government which is carried out jointly with the PBG process, SLF process, and building demolition, as well as recording and registering existing buildings.
44. Professional Expert means someone who has met competency standards and is determined by an institution accredited by the Central Government.
45. Regional Spatial Plan (*Rencana Tata Ruang Wilayah*), hereinafter abbreviated to as Regional RTRW, means a policy direction and strategy for regional spatial utilization which serves as a guideline for regional spatial planning which is the basis for preparing development programs.
46. Detailed Spatial Plan (*Rencana Detail Tata Ruang*), hereinafter abbreviated as RDTR, means a detailed plan regarding the Regional RTRW which is equipped with zoning regulations.
47. Building and Environmental Management Plan (*Rencana Tata Bangunan dan Lingkungan*), hereinafter abbreviated to as RTBL, means a design guide for an area to control space utilization which contains the main material for building and environmental program provisions, general plans and design guidelines, investment plans, plan control provisions and implementation control guidelines.
48. Technical Plan for Building Demolition (*Rencana Teknis Pembongkaran*), hereinafter abbreviated as RTB, means a document containing the results of identifying the condition of the building and its surroundings, demolition methodology, mitigation of demolition risks, drawings of the technical plan for demolition, and the demolition implementation schedule.
49. Applicant means the Owner of the Building or who is authorized to apply for the publication of PBG, SLF, RTB, and/or SBKBG.
50. Building Technical Standard, hereinafter referred to as Technical Standard, means a reference that contains provisions, criteria, quality, methods, and/or procedures that must be fulfilled in the building construction process in accordance with the function and classification of the building.
51. One-Stop Integrated Service (*Pelayanan Terpadu Satu Pintu*), hereinafter abbreviated to as PTSP, means an integrated service within a unified process starting from the application stage to the completion of the service product through a single stop.
52. Implementation of Business Licensing in Regions means a Business Licensing activity whose electronic management process starts from the application stage to the issuance of documents which is carried out in an integrated manner through one door.
53. Coaching means a systematic and continuous effort to increase commitment, legal awareness and better

- performance in carrying out obligations and orders in business licensing in accordance with technical standards and legislation.
54. Reporting means a document submitted as an accountability for the implementation of tasks in a certain period.
 55. Statement of Capability for Environmental Management and Monitoring (*Surat Pernyataan Kesanggupan Pengelolaan dan Pemantauan Lingkungan Hidup*), hereinafter referred to as SPPL, means a statement of the capability of the person in charge of the Business and/or Activity to carry out Environmental Management and monitoring of the Environmental Impact of the Business and/or its activities outside of the Business and/or Activity that requires Amdal or UKL-UPL.
 56. Environmental Management Efforts and Environmental Monitoring Efforts, hereinafter referred to as UKL-UPL, mean a series of Environmental management and monitoring processes outlined in standard form to be used as prerequisites for decision making and included in Business Licensing, or approval from the Central Government or Local Government.
 57. Cooperative means a business entity consisting of individuals or cooperative legal entities that bases its activities on cooperative principles and also as a people's economic movement based on the principle of kinship.
 58. Small Enterprise means productive business owned by individuals and/or individual business entities, which meet the criteria for Small Enterprise as regulated in Government Regulation Number 7 of 2021 on Ease, Protection and Empowerment of Cooperatives and Micro, Small and Medium Enterprises.
 59. Environment means the unity of space with all objects, forces, conditions and living creatures, including humans and their behavior, which influence nature itself, the continuity of life, and the welfare of humans and other living creatures.
 60. Tourism means a travel activity carried out by a person or group of people by visiting certain places for the purposes of recreation, personal development, or studying the uniqueness of the tourist attraction visited within a temporary period.
 61. Tourist means a person who travels.
 62. Tourism Affair means a variety of tourist activities and is supported by various facilities and services provided by the community, entrepreneurs, the Government and Local Government.
 63. Tourism Activity means all activity related to tourism which is multidimensional and multidisciplinary which emerge as a manifestation of the needs of each person and country as well as interactions between tourists and local communities, fellow tourists, the Government, Local Government and entrepreneurs.
 64. Tourism Business means a business that provides goods and/or services to fulfill the needs of tourists and organize Tourism.

65. Tourism entrepreneur(s) means person or groups of people who carry out tourism business activities.
66. Tourism Destination Area, hereinafter referred to as Tourism Destination, means geographical area located in one or more administrative regions in which there are tourist attractions, public facilities, tourism facilities, accessibility, and communities that are interrelated and complement the realization of tourism.
67. Tourism Product means various types of tourist attraction components, tourism facilities and accessibility provided for and/or sold to tourists, which support each other synergistically in a unified system for the realization of tourism.
68. Tourism Marketing means an effort to introduce, promote and sell tourism products and destinations at home and abroad.
69. Competency means a set of knowledge, skills and behavior that must be possessed, internalized and mastered by tourism workers to develop work professionalism.
70. Competency Certification in Tourism means the process of granting A competency certificate in the Tourism Activity which is carried out systematically and objectively through competency tests in accordance with the Indonesian National Job Competency Standards, international standards and/or special standards.
71. Tourism Business Standard Certificate means a formulation of Tourism business qualification and/or Tourism Business classification which covers aspects of tourism products, services and management of tourism businesses.
72. Day means a workday.

Article 2

This Regional Regulation is managed based on the following principles:

- a. equal rights;
- b. legal certainty;
- c. ease of doing business;
- d. togetherness; and
- e. independence.

Article 3

The objectives of making this Regional Regulation include:

- a. increasing ease, protection and empowerment for Cooperatives and Small Enterprises as well as industry and trade;
- b. encouraging increased investment in the Region;
- c. contributing to increase Local Government income in realizing community welfare;
- d. as a means of support for the Community and/or Investors to facilitate every investment activity and to increase investment in the Region;
- e. increasing investment to expand manpower as wide as possible;

- f. exploring and developing economic, entrepreneurial, social, cultural and communication technology potential through tourism activities;
- g. optimizing the utilization of local, regional and national production;
- h. realizing the utilization of tourism development results in order to increase the welfare and prosperity of the community; and
- i. making adjustments to various regulatory aspects relating to alignment, strengthening and protection for Cooperatives and Small Enterprises as well as industry and trade as well as improving the investment ecosystem, ease of doing business and acceleration of national strategic projects in the Regions.

Article 4

In achieving the objectives as referred to in Article 3, the scope of this Regional Regulation regulates strategic policies for Ease of Doing Business which include:

- a. Implementation of Business Licensing in Regions;
- b. Implementation of Risk-Based Business Licensing;
- c. Basic Licensing requirements; and
- d. Implementation of Investment.

CHAPTER II

IMPLEMENTATION OF BUSINESS LICENSING IN REGION

Part One

Regional Authority

Article 5

The Local Government carries out Business Licensing in the Region in accordance with its authority based on the provisions of legislation.

Article 6

- (1) The Regent delegates the authority to administer Business Licensing in the Region to the Head of DPMPTSP.
- (2) Delegation of authority by the Regent as referred to in section (1) includes:
 - a. administering Business Licensing which is the authority of the Local Government in accordance with the provisions of the provisions of legislation; And
 - b. implementation of Business Licensing which is the authority of the Central Government which is delegated to the Regent in accordance with the provisions of the provisions of legislation.
- (3) Delegation of authority for the Implementation of Business Licensing in the Region to the Head of DPMPTSP is further regulated in a Regent Regulation.

Part Two
Implementation of Business Licensing

Paragraph 1
General

Article 7

- (1) Implementation of Business Licensing is conducted to improve the investment ecosystem and business activities.
- (2) Improvement of ecosystem investment 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 determining the risk level and business scale ranking of business activities.
- (4) The basic requirements for Business Licensing as referred to in section (2) point b are carried out by the Local Government in accordance with the authority under the provisions of legislation.
- (5) The sector Business Licensing as referred to in section (2) point c consists of the following sectors:
 - a. agriculture and animal husbandry;
 - b. fishery affairs;
 - c. environment and forestry;
 - d. industrial affairs;
 - e. trade;
 - f. public works and public housing;
 - g. transportation;
 - h. health, medicine and food;
 - i. education and culture;
 - j. tourism; and
 - k. manpower.
- (6) In order to improve the investment ecosystem and business activities in the sector as referred to in section (5), Business Actors are provided ease of investment requirements and Business Licensing in accordance with the the provisions of legislation.

Paragraph 2
Implementation Management

Article 8

- (1) Implementation of Business Licensing is carried out by DPMPTSP.
- (2) DPMPTSP carries out PTSP integration between Regional Apparatus and vertical agencies in the Region according to its authority.

Article 9

- (1) DPMPTSP in carrying out Business Licensing services implements Business Licensing Management.
- (2) Business Licensing Management as referred to in section (1) includes:
 - a. implementation of services;

- b. management of public complaints;
- c. information management;
- d. dissemination to the community;
- e. consulting services; And
- f. legal assistance.

Article 10

- (1) The implementation of Business Licensing services by DPMPTSP as referred to in Article 9 section (2) point a uses the OSS System.
- (2) The implementation of Business Licensing services as referred to in section (1) is equipped with special services for vulnerable groups, the elderly and persons with disabilities.
- (3) Local Government may develop support systems for implementing the OSS System in accordance with applicable norms, standards, procedures and criteria.
- (4) In the event that the DPMPTSP does not provide Business licensing services as referred to in section (1) within the specified time period, the authority to issue permits is taken over by the OSS Institution in accordance with the provisions of legislation regarding the Implementation of Risk-Based Business Licensing.

Article 11

- (1) OSS System Services for Business Licensing are carried out independently by Business Actors with their own equipment/facilities or those provided by DPMPTSP.
- (2) In the event that OSS System services have not been able to be implemented independently, DPMPTSP carries out:
 - a. assisted services; and/or
 - b. mobile services.
- (3) The assisted services as referred to in section (2) point a are carried out interactively between DPMPTSP and Business Actors.
- (4) Mobile services as referred to in section (2) point b are carried out by bringing services closer to Business Actors by using transportation or other means.

Article 12

- (1) Assisted services as referred to in Article 11 section (2) point a are carried out if the OSS System services:
 - a. are not yet available; or
 - b. have a technical problem.
- (2) In the event that assisted services are required as referred to in section (1), DPMPTSP coordinates with the OSS Institution so that services continue.
- (3) In the event that OSS System services are not yet available as referred to in section (1) point a, assisted services are carried out in stages:
 - a. Business Actors submit applications for Business Licensing offline to DPMPTSP officers;
 - b. DPMPTSP officers connect offline Business Licensing applications as referred to in point a to the OSS System at DPMPTSP; and

- c. approval or rejection of the issuance of Business Licensing documents is informed to Business Actors through communication means.
- (4) In the event that OSS System services have a technical problem as referred to in section (1) point b, assisted services must be available no later than 1 (one) Day after the technical problem is declared.
- (5) A statement of the occurrence of technical problems with OSS System services as referred to in section (4) is conveyed to the public by the Head of DPMPTSP.

Article 13

- (1) For Business Actors in areas that do not have adequate accessibility, applications for Business Licensing can be submitted at the district office or sub-district/village office.
- (2) In addition to submitting at the district office or sub-district/village office as referred to in section (1), Business Actors may submit applications for Business Licensing for mobile services organized by DPMPTSP.
- (3) Applications for Business Licensing as referred to in section (1) and section (2), are registered in the OSS System by district officials or sub-district/village officials using the access rights owned by the Business Actor no later than 3 (three) Days after being received from the Business Actor giving a proxy to submit the application for Business Licensing.

Article 14

- (1) The implementation of Business Licensing services by DPMPTSP as referred to in Article 9 section (2) point a is free of charge.
- (2) Certain Business Licensing at DPMPTSP are imposed on regional levies in accordance with the provisions of legislation.
- (3) DPMPTSP is not burdened with a local levy revenue target as referred to in section (2).

Article 15

- (1) Management of public complaints as referred to in Article 9 section (2) point b, is carried out quickly, precisely, transparently, fairly, in a non-discriminatory manner and free of charge.
- (2) Management of public complaints as referred to in section (1) is carried out in stages of:
 - a. receiving and providing receipts;
 - b. checking the completeness of documents;
 - c. classifying and prioritizing solutions;
 - d. examining and responding;
 - e. administering;
 - f. reporting results; and
 - g. monitoring and evaluating.
- (3) The duration of complaint management as referred to in section (1) is regulated in accordance with the provisions of legislation.

- (4) Implementation of public complaint management as referred to in section (1) is integrated with Regional Apparatus through the OSS System.

Article 16

- (1) DPMPTSP is obliged to provide a complaint facility to manage public complaints regarding Business Licensing services.
- (2) The complaint facilities as referred to in section (1) must be easily accessible and reachable by the public by striving to use technology, information and communication.

Article 17

- (1) Information management as referred to in Article 9 section (2) point c, is carried out openly and is easily accessible to the public.
- (2) Implementation of information management as referred to in section (1), at least are:
 - a. receives information service requests; And
 - b. provides and gives information related to Business Licensing services.

Article 18

- (1) Providing and giving information as referred to in Article 17 section (2) point b are carried out through the information service subsystem in the OSS System
- (2) In addition to the information services as referred to in section (1), Local Government may provide and give other information, which includes:
 - a. institutional profile of Regional Apparatus;
 - b. Business Licensing service standards; and
 - c. PTSP performance assessment.
- (3) Information services as referred to in section (1) are carried out through electronic media and printed media.
- (4) Providing and providing information to the public is free of charge.

Article 19

- (1) Dissemination to the community as referred to in Article 9 section (2) point d, includes:
 - a. the rights and obligations of the Local Government and the community regarding Business Licensing services;
 - b. benefits of Business Licensing for the community;
 - c. requirements and mechanisms for Business Licensing services;
 - d. time and place of service; and
 - e. level of risk of business activities.
- (2) Organizing Dissemination to the community is carried out through:
 - a. electronic media;
 - b. printed media; and/or
 - c. meeting.
- (3) The implementation of dissemination as referred to in section (1) and section (2) is carried out by DPMPTSP in

coordination with technical Regional Apparatus periodically.

Article 20

- (1) Consulting services as referred to in Article 9 section (2) point e, at least are:
 - a. technical consultation on types of Business Licensing services;
 - b. consultation on legal aspects of Business Licensing; and
 - c. technical assistance.
- (2) Consultation services as referred to in section (1) are carried out in the consultation room provided and/or online.
- (3) Consultation services as referred to in section (1) are carried out by DPMPTSP in coordination with technical Regional Apparatus in an interactive manner.

Article 21

- (1) Legal assistance as referred to in Article 9 section (2) point f is carried out in the event that there are legal problems in the licensing process and implementation involving DPMPTSP.
- (2) Legal assistance as referred to in section (1) is carried out by Regional Apparatus in charge of law.

Paragraph 3

Facilities and Infrastructure

Article 22

- (1) The implementation of Business Licensing at DPMPTSP must be equipped with facilities and infrastructure according to service standards.
- (2) The facilities and infrastructure as referred to in section (1) at a minimum include:
 - a. front office;
 - b. back office;
 - c. support space; and
 - d. supporting tools/facilities.
- (3) Facilities and infrastructure for providing electronic services, at least are:
 - a. internet connection;
 - b. data center and application server;
 - c. communication tools; and
 - d. information and communication technology security systems.

Paragraph 4

Apparatus Human Resources

Article 23

The implementation of Business Licensing at the DPMPTSP must be supported by state civil servants who are the implementers of the duties and functions of Business Licensing services which are provided proportionally to support the performance of the DPMPTSP.

Article 24

- (1) State civil servants assigned to the DPMPTSP must meet the specified qualification and competency standards.
- (2) The competency of state civil servants as referred to in section (1) can be improved through competency development.
- (3) Civil servants who carry out the duties and functions of Business Licensing services at the DPMPTSP can be transferred in accordance with the provisions of the provisions of legislation after receiving a recommendation from the Head of the DPMPTSP.

Paragraph 5

Work Relations Procedure

Article 25

DPMPTSP in carrying out its duties has a working relationship which includes:

- a. DPMPTSP working relationship with the Government institution that carries out government affairs in the field of investment coordination as the OSS Institution; And
- b. DPMPTSP working relationship with Regional Apparatus, including districts and sub-districts/villages.

Article 26

- (1) The working relationship between The DPMPTSP and the OSS Institution as referred to in Article 25, point a, is carried out functionally in implementing Business Licensing in the Region.
- (2) The functional employment relationship as referred to in section (1) includes:
 - a. assistance in the implementation of Business Licensing;
 - b. verification of Business Licensing proposals;
 - c. development of human resource competencies;
 - d. the procurement of hardware and software to support the implementation of the OSS System; and
 - e. handling of Business Licensing service complaints.

Article 27

- (1) The working relationship between the DPMPTSP and Regional Apparatus as referred to in Article 25, point b is carried out in a functionally and coordinatively in the Implementation of Business Licensing in the Region.
- (2) The functional and coordinative working relationship as referred to in section (1) includes:
 - a. the implementation of Business Licensing in accordance with the authority;
 - b. verification of Business Licensing;
 - c. Monitoring and evaluation in of the context of supervising Business Licensing;
 - d. facilitating the resolution of Business Licensing problems; and
 - e. synergy of Business Licensing programs and activities.

Part Three
Reporting on the Implementation of Business Licensing

Article 28

- (1) The Regent submits a report on the Implementation of Business Licensing in the Region to the Governor as the representative of the Central Government, which should contain at least:
 - a. number of permits issued;
 - b. investment plans and realizations;
 - c. obstacles and solutions.
- (2) The report as referred to in section (1) is carried out periodically every 3 (three) months.

Part Four
Financing

Article 29

- (1) Financing for the Implementation of Business Licensing in the Region is charged to the local budget.
- (2) In addition to the financing as referred to in section (1), the implementation of business licensing in the Region may be sourced from:
 - a. state budget;
 - b. local budget of Central Java Province; and/or
 - c. other sources that are legal and non-binding based on the provisions of legislation.

CHAPTER III
THE IMPLEMENTATION OF RISK-BASED BUSINESS
LICENSING

Part One
Regional Authority

Article 30

Regional authority in the implementation of Risk-Based Business Licensing includes:

- a. Regulation of Risk-Based Business Licensing;
- b. the norms, standards, procedures and criteria for Risk-Based Business Licensing;
- c. Risk-Based Business Licensing through the OSS System services;
- d. procedures for the supervision of Risk-Based Business Licensing;
- e. evaluation and reform of Risk-Based Business Licensing policies;
- f. funding for Risk-Based Business Licensing;
- g. the settlement of issues and obstacles in Risk-Based Business Licensing; and
- h. sanction.

Part Two
Policy Reform

Article 31

The Local Government supports the implementation of the policy reforms on Risk-Based Business Licensing as stipulated by the Central Government by:

- a. providing inputs related to the implementation of Risk-Based Business Licensing; and/or
- b. providing data and/or information on the implementation of Risk-Based Business Licensing, in accordance with the Regional authority.

Part Three

Risk-Based Business Licensing

Paragraph 1

General

Article 32

The implementation of Risk-Based Business Licensing covers the following sectors:

- a. agriculture and animal husbandry;
- b. fisheries;
- c. environment affairs and forestry;
- d. industry;
- e. trade;
- f. public works and public housing;
- g. transportation;
- h. health, pharmaceuticals and food;
- i. education and culture;
- j. tourism; and
- k. manpower.

Paragraph 2

Risk Analysis

Article 33

- (1) Risk-Based Business Licensing is carried out based on the determination of the risk level and the rating of the business activity scale.
- (2) The determination of the Risk level as referred to in section (1) is carried out based on the results of the Risk analysis, through:
 - a. identification of the business activities;
 - b. assessment of the level of hazards;
 - c. assessment of the potential occurrence of hazards;
 - d. determination of the Risk levels and business scale rankings; and
 - e. determination of the type of Business Licensing.
- (3) Risk analysis as referred to in section (2) must be carried out in a transparent, accountable manner and prioritize the precautionary principle based on data and/or professional assessment.

Article 34

Based on the assessment of the level of hazard, assessment of the potential occurrence of hazard, Risk level, and the business activity scale rating, business activities are classified into:

- a. business activities with a low level of Risk;
- b. business activities with a medium level of Risk, consisting of:
 - 1. low medium Risk level; and
 - 2. high medium Risk level.
- c. business activities with a high level of Risk.

Article 35

- (1) Business Licensing for business activities with a low level of Risk as referred to in Article 34, point a in the form of NIB which constitutes the identity of the Business Actor as well as the legality for carried out business activities.
- (2) The NIB as referred to in section (1) for business activities with a low level of Risk carried out by Cooperatives and Small Enterprises, also serve as:
 - a. Indonesian National Standards as referred to in the provisions of legislation in the field of standardization and conformity assessment; and/or
 - b. halal assurance statement as referred to in the provisions of legislation in the field of halal product assurance.

Article 36

Business Licensing for business activities with a lower-medium level of Risk as referred to in Article 34, point b number 1, in the form of:

- a. the NIB; and
- b. Standard Certificate, which constitutes the legal authorization for carrying out business activities in the form of a declaration by Business Actors affirming compliance with business standards for the purpose of carrying out business activities, as issued through the OSS System.

Article 37

- (1) Business Licensing for business activities with a medium high-Risk level as referred to in Article 34, point b number 2, in the form of:
 - a. NIB; dan
 - b. Standard Certificate.
- (2) The Standard Certificate as referred to in section (1) point b constitutes a Standard Certificate for the implementation of business activities issued by the Local Government in accordance with its authority based on the verification results of the fulfillment of business activity implementation standards by the Business Actors.
- (3) Upon obtaining the NIB as referred to in section (1) point a, the Business Actor make a declaration through the OSS System to meet the standards for implementing business activities in order to carry out business activities and the ability to be verified by the Local Government according to its authority.
- (4) Regarding the declaration as referred to in section (3), the OSS Institution shall issue an unverified Standard Certificate.

- (5) The unverified Standard Certificate as referred to in section (4) is the basis for Business Actors to carry out preparations for business activities.
- (6) The NIB as referred to in section (1) point a and the verified Standard Certificate as referred to in section (2) constitute Business Licensing granted to Business Actors to carry out operational and/or commercial business activities.

Article 38

- (1) Business Licensing for business activities with a high-Risk level as referred to in Article 34, point c in the form of:
 - a. NIB; dan
 - b. License.
- (2) The License as referred to in section (1) point b is the approval of the Local Government for the implementation of business activities which must be fulfilled by Business Actors before carrying out its business activities in the Region.
- (3) Before obtaining the License as referred to in section (2), Business Actors can use the NIB for the preparation of business activities.
- (4) The NIB as referred to in section (1) point a and the License as referred to in section (2) are Business Licensing for Business Actors to carry out the operational and/or commercial business activities.
- (5) In the event that high-Risk business activity requires the fulfilment of business standards and/or product standards based on the results of standard-compliance verification, the Local Government, in accordance with its authority, issues a Business Standard Certificate and a Product Standard Certificate.

Article 39

- (1) Verification as referred to in Article 37 section (2) and Article 38 section (5) is carried out by the Local Government accordance with its authority.
- (2) DPMPTSP provides a notification of the verification results as referred to in section (1).

Article 40

- (1) In the event that the DPMPTSP does not provide a notification of the verification result to the OSS System, the OSS System shall automatically indicate that the Standard Certificate has been verified.
- (2) Business Actor may print Standard Certificate which has included the information on having been verified as referred to in section (1).

Article 41

- (1) Prior to conducting any business activity classified as having a high level of Risk, Business Actors shall be required to possess a NIB issued through the OSS System.
- (2) Upon obtaining NIB, Business Actor as referred to in section (1) are required to fulfill the licensing requirements in accordance with the provisions of the provisions of

legislation, prior to carrying out operational and/or commercial activities.

- (3) Fulfillment of the Licensing requirements as referred to in section (2) shall be submitted by Business Actors through the OSS System, and shall subsequently be forwarded to DPMPTSP for verification.
- (4) Verification as referred to in section (3), is carried out by DPMPTSP within a period of time in accordance with applicable norms, standards, procedures and criteria.
- (5) Based on the verification results, DPMPTSP delivers notification to the OSS System regarding whether the requirements are fulfilled or not requirements.
- (6) In carrying out verification as referred to in section (4) DPMPTSP can collaborate with certified or accredited institutions or professional experts in accordance with the provisions of the provisions of legislation.

Article 42

In the event that DPMPTSP does not provide a notification of verification results to the OSS System, the OSS System issues a License.

Article 43

- (1) In the event that business activity is included in the medium high Risk level, after fulfilling the completeness of the NIB data, the Business Actor fills out a statement of ability to meet business activity standards through the OSS System.
- (2) In the event that business activity is categorized as being required comply with the UKL-UPL standards, apart from filling out a statement of ability to meet business activity standards as referred to in section (1), Business Actors fill in the UKL-UPL form available in the OSS System to obtain the NIB and the Standard Certificate indicating an unverified status.
- (3) In the event that business activity is not required to obtain UKL-UPL, apart from filling out a statement of ability to meet business activity standards as referred to in section (1), the Business Actor fills in the SPPL form available in the OSS System to obtain the NIB and Standard Certificate indicating that such certificate has not yet been verified.
- (4) After obtaining the NIB and Standard Certificate indicating an unverified status as referred to in section (2) or section (3), Business Actors fulfill business activity standards within the prescribed period in accordance with the applicable norms, standards, procedures and criteria through the OSS System.
- (5) Fulfillment of business activity standards as referred to in section (4) is forwarded by the OSS System to DPMPTSP for verification.
- (6) Verification as referred to in section (5) is carried out by DPMPTSP within a time period in accordance with applicable norms, standards, procedures and criteria.
- (7) Based on the verification results, DPMPTSP submit a notification to the OSS System indicating whether the requirements have been fulfilled or not.

- (8) In carrying out verification as referred to in section (5) and section (6), DPMPTSP can collaborate with certified or accredited expert institutions or professional experts in accordance with the provisions of legislation.

Article 44

- (1) DPMPTSP in accordance with its authority to carrying out verification of the fulfillment business activity standards within the timeframe stipulated under the applicable norms, standards, procedures and criteria to be notified to the OSS System.
- (2) In the event that the fulfilment of business activity standards submitted by the Business Actor is approved, the DPMPTSP in accordance with its authority submit a notification of approval to the Business Actor through the OSS System.
- (3) In the event that the fulfillment of business activity standard certification submitted by the Business Actor is rejected, the DPMPTSP, in accordance with its authority, submit a rejection notification to the Business Actor through the OSS System.

Article 45

In the event that high-risk business activities require the fulfillment of business activity standards and/or product standards, Business Actors submit the fulfillment of such business activity standards and/or product standards through the OSS System in accordance with applicable norms, standards, procedures and criteria.

Article 46

- (1) For business activities that are included in high Risk which:
 - a. located within an industrial estate; or
 - b. included as part of the national strategic projects,DPMPTSP, in accordance with its authority, immediately issue the License.
- (2) The License as referred to in section (1) is a Business Licensing to carry out preparatory and operational activities.
- (3) Provisions regarding fulfillment of Licensing requirements as referred to in Article 41 apply mutatis mutandis to the business activities as referred to in section (1), except for those included as national strategic projects.
- (4) In the event that the Business Actor does not submit the fulfillment of the requirements as referred to in section (3), the DPMPTSP, in accordance with its authority, shall revoke the License already issued as referred to in section (1) through the OSS System.

Article 47

- (1) In the event that business activities carried out by Cooperatives and Small Enterprises have a low Risk, the Cooperatives and Small Enterprises actor obtain a NIB through the OSS System, which serves as the business identity and legality.

- (2) In the event that business activity entails medium or high Risk, in addition to the NIB, Cooperative and Small Enterprises actors are required to obtain a Standard Certificate and/or License.
- (3) Cooperatives and Small Enterprises Actors as referred to in section (2) submit an application to obtain a Standard Certificate and/or a License through the OSS System.
- (4) The OSS system forwards the applications submitted by Cooperatives and Small Enterprises actors as referred to in section (3) to the DPMPTSP.
- (5) Provisions regarding the issuance of Standard Certificates and/or Licenses for Cooperative and Small Enterprises actors follow the provisions concerning the issuance of Business Licensing for medium low, medium high and high-risk business activities and shall apply *mutatis mutandis*.

Part Four

Electronically Integrated Business Licensing System Services (Online Single Submission)

Paragraph 1

General

Article 48

- (1) Implementation of Risk-Based Business Licensing is carried out electronically and in an integrated manner through the OSS System.
- (2) The OSS system consists of:
 - a. information service subsystem;
 - b. Business Licensing subsystem; and
 - c. Supervision subsystem.
- (3) The OSS System as referred to in section (1) shall be mandatorily used by:
 - a. Local government; and
 - b. Business Actor.

Paragraph 2

Information Service Subsystem

Article 49

- (1) The information service subsystem as referred to in Article 48 section (2) point a provide information in obtaining Risk-Based Business Licensing as well as other information related to the implementation of Risk-Based Business Licensing.
- (2) The information as referred to in section (1) contain:
 - a. KBLI based on Risk level;
 - b. spatial plan;
 - c. provisions concerning Investment requirements;
 - d. The requirements and/or obligations for Business Licensing, the time period, the standards for the implementation of business activities and supporting business activities, and other provisions under the norms, standards, procedures and criteria of all business sectors, as well as the guidelines and

- procedures for the submission of the NIB, Standard Certificate and License;
 - e. The basic requirements include the conformity of spatial utilization activities, the building approval and certificate of worthiness as well as environmental approval;
 - f. provisions on incentives and Investment facilities;
 - g. Supervision of Business Licensing and reporting obligations;
 - h. Business Licensing service simulation, the OSS System user manual, the OSS System glossary and frequently asked matters;
 - i. public complaint services; and
 - j. other information as determined by a decision of the OSS Institution.
- (3) The information as referred to in section (2) can be accessed by the general public without using access rights.

Paragraph 3

Business Licensing Subsystem

Article 50

- (1) The issuance process of Risk-Based Business Licensing is carried out through the Business Licensing subsystem as referred to in Article 48 section (2) point b.
- (2) The Business Licensing Subsystem as referred to in section (1) includes the stages of the Business Licensing issuance process:
- a. registration of access right accounts;
 - b. low Risk in the form of a NIB;
 - c. medium low Risk consists of:
 - 1. NIB; and
 - 2. Standard Certificate.
 - d. Medium high Risk consists of:
 - 1. NIB; and
 - 2. Standard Certificate.
 - e. High Risk consists of:
 - 1. NIB; and
 - 2. License.
- (3) The Regional Business Licensing Subsystem is accessed by using access rights by:
- a. Business Actor; and
 - b. DPMPTSP.

Article 51

- (1) The Applicant of Business Licensing through the Business Licensing subsystem as referred to in Article 48 section (2) point b consist of Business Actors:
- a. individual;
 - b. business entity;
 - c. representative office; and
 - d. foreign business entity.
- (2) Further provisions regarding the Applicant as referred to in section (1) are implemented in accordance with the the provisions of legislation.

Paragraph 4
Access Rights

Article 52

- (1) Business Actors granted access rights as referred to in Article 50 section (3) point a include:
 - a. individual;
 - b. directors/persons responsible of the Business Actors;
or
 - c. management in the event that the Business Actor takes the form of a cooperative or a foundation.
- (2) The access rights for DPMPTSP as referred to in Article 50 section (3) point b are granted to the access rights administrator designated by the head of DPMPTSP.
- (3) The access rights manager as referred to in section (2) can grant derivative access rights in accordance with authority and necessity.

Article 53

The access rights to Business Actors as referred to in Article 50 section (3) point a is granted for:

- a. submitting an application for Business Licensing including its amendments and revocation;
- b. submitting an investment activity report;
- c. submitting a complaint; and/or
- d. submitting a business facility application.

Article 54

The access rights to DPMPTSP as referred to in Article 50 section (3) point b is granted for:

- a. conduct technical verification and notify the fulfillment of Risk Based Business Licensing requirements;
- b. implementation of the Supervision schedule; and
- c. submission of the results of Supervision/minutes of inspection on the implementation of business activities.

Paragraph 5
Conformity of Space Utilization Activities

Article 55

- (1) The OSS system carries out inspections of business locations submitted by Business Actors which include:
 - a. land areas; and/or
 - b. forest areas.
- (2) Inspection of business locations as referred to in section (1) point a is carried out based on the availability of the Regional detailed spatial plan in the system of the ministry administering affairs in the spatial planning sector, which is integrated with the OSS System.
- (3) In order to examining the conformity of space utilization activities:
 - a. for business activities whose locations are already in accordance with the Regional detailed spatial plan, the OSS System automatically issues confirmation of space utilization in accordance with the business activities; or

- b. For business activities whose locations are not accordance with the Regional detailed spatial plan, the OSS System issue a notification of spatial non-compliance and the NIB application cannot be proceeded.

Article 56

- (1) In the event that RDTR is not yet available, site inspection is carried out based on:
 - a. national spatial plan;
 - b. island/archipelago spatial plan;
 - c. national strategic area spatial plan;
 - d. provincial spatial plan; and/or
 - e. Regional spatial plan (RTRW).
- (2) In order to verifying the conformity of space utilization activities in areas where the RDTR has not yet available, as referred to in section (1), it is carried out in accordance with the provisions of legislation.

Article 57

- (1) The permits for the utilization and use of road sections constitutes a legal authorization granted to road users to employ the said road sections to carry out non-commercial as well as commercial activities.
- (2) Utilization of the road benefit space, the road reserve space and the road control space for purpose other than their designation must obtain the approval of the road administrator in accordance with its authority.
- (3) Utilization of the road benefit space that requires special treatment of road and bridge construction must obtain dispensation from the road administrator in accordance with its authority.
- (4) Issuance of a permit for the utilization of road supervisory space for the construction of buildings and other structures that do not interfere with road users safety and road construction security by Regional Apparatus in accordance with their authority must obtain a recommendation from the road administrator.

Paragraph 6 Supervision Subsystem

Article 58

- (1) Supervision of the implementation of the fulfilment of standards that are technical in nature and require certain specific competencies can be carried out through collaboration with certified or accredited institutions or professional experts as Supervisory in accordance with the provisions of legislation.
- (2) In of the event that the Supervision, collaborate with certified or accredited institutions or professional experts as referred to in section (1), the involvement of certified institutions or professions is incorporated into the Supervision planning.
- (3) In the event that based on Supervision, a violation committed by a Business Actor, the certified or accredited institutions or professional experts submit a report to the

Local Government within a period of no later than 3 (three) Days as of date on which the certified or accredited institution or professional experts discovers the violation committed by the Business Actor.

- (4) The Local Government shall terminate the violation in order to prevent further impacts within a period of no later than 1 (one) Day upon receipt of a report from a certified or accredited institutions or professional experts as referred to in section (3).

Article 59

- (1) The Supervision Subsystem as referred to in Article 48 section (2) point c is used as a means to implement Supervision:
 - a. standards and/or obligations for implementation of business activities; And
 - b. development of investment realization as well as the granting of facilities, incentives and convenience for investment, and/or partnership obligations.
- (2) The Supervision Subsystem as referred to in section (1) contains at least:
 - a. annual field inspection planning;
 - b. Supervision working equipment;
 - c. periodic reports from Business Actors;
 - d. guidance and sanctions;
 - e. assessment of compliance with the implementation of Business Licensing;
 - f. complaint against Business Actors and Supervision implementers as well as their follow-up; and
 - g. administrative measures based on an application submitted by Business Actor or court decision.
- (3) The Supervision Subsystem can be accessed and followed up by:
 - a. Business Actors;
 - b. OSS Institutions;
 - c. ministries/institutions;
 - d. provincial local government; and
 - e. Local government.

Article 60

Further provisions regarding procedures for Risk-Based Business Licensing Supervision in Region are implemented in accordance with the provisions of legislation.

Paragraph 7

Coordinator for the Implementation of Risk-Based Business Licensing Supervision

Article 61

- (1) Supervision of Risk-Based Business Licensing is carried out in an integrated and coordinated manner among ministries/institutions, provincial Local Governments, and Local Governments through the Supervision subsystem of the OSS System.
- (2) The implementation of Supervision of Risk-Based Business Licensing as referred to in section (1) is coordinated by

DPMPTSP to the implementation of Risk-Based Business Licensing which is the authority of the Local Government.

Part Five
Discretion

Article 62

In the event that laws and regulations providing options are not regulated, incomplete, unclear, and/or in the occurrence governmental stagnation, the Regent may exercise discretion to resolve concrete problems in the administration of governmental affairs related to Risk-Based Business Licensing.

Part Six
Implementation of Sector Business Licensing

Paragraph 1
General

Article 63

- (1) The sector Business Licensing as referred to in Article 7 section (2) point c consists of the following sectors:
 - a. agriculture and animal husbandry;
 - b. fisheries;
 - c. environment and forestry;
 - d. industry;
 - e. trade;
 - f. public works and public housing;
 - g. transportation;
 - h. health, pharmaceuticals and food;
 - i. education and culture;
 - j. tourism; and
 - k. manpower.
- (2) The implementation of sector business licensing as referred to in section (1) is carried out in accordance with the the provisions of legislation.

Article 64

- (1) To optimize the Tourism sector in the Region, in the implementation of Business Licensing for the tourism sector, in addition to adhering to the provisions of legislation, it is also complied with the provisions governing the implementation of tourism in the Region.
- (2) Provisions for organizing tourism in the Region as referred to in section (1) include:
 - a. types of tourism business;
 - b. implementation of Tourism Business;
 - c. human resource training, standardization, certification and labor; and
 - d. rights, obligations and prohibitions.

Paragraph 2
Tourism Business

Article 65

Tourism businesses include:

- a. tourist attractions;
- b. tourism areas;
- c. tourist transportation services;
- d. tourism travel services;
- e. food and beverage services;
- f. accommodation provision;
- g. entertainment and recreation event organization;
- h. meetings, incentive trips, conferences, and exhibitions;
- i. tourist information services;
- j. tourism consultancy services;
- k. tour guide services;
- l. water tourism;
- m. spa services; and
- n. other Tourism Business in accordance with the provisions of legislation.

Article 66

Further provisions regarding types of Tourism Business are regulated in Regent Regulations in accordance with the provisions of legislation.

Paragraph 3

Implementation of Tourism Business

Article 67

To be able to carry out a Tourism Business as referred to in Article 65, Tourism Entrepreneurs are required to fulfill Business Licensing from the Central Government or Local Government in accordance with their authority based on norms, standards, procedures and criteria determined by the Central Government.

Article 68

- (1) Tourism products, services and business management have business standard certificates.
- (2) The business standard certificate as referred to in section (1) is carried out by fulfilling the provisions of Business Licensing.

Article 69

Further provisions regarding Business Licensing in the Tourism sector are regulated in Regent Regulations in accordance with the provisions of legislation.

Paragraph 4

Human Resources Training, Standardization, Certification, and Labor

Article 70

Training of tourism human resources in the Region is organized in accordance with the provisions of the provisions of legislation.

Article 71

- (1) Workers in the Tourism Activity sector must have competency standards.

- (2) Competency standards as referred to in section (1) are carried out through competency certification.
- (3) Competency certification as referred to in section (2) is carried out by a professional certification body that has received a license in accordance with the provisions of legislation.

Article 72

Further provisions regarding human resource training, standardization, certification and labor are regulated in Regent Regulations.

Paragraph 5

Rights, Obligations and Prohibitions

Article 73

The Local Government has the right to regulate and manage Tourism Activity in accordance with the provisions of legislation.

Article 74

- (1) Every person is entitled to:
 - a. get the opportunity to fulfill Tourism needs;
 - b. carrying out Tourism business;
 - c. become a Tourism Affair worker/laborer; and/or
 - d. participate in the Tourism Activity development process.
- (2) Every person and/or community within and surrounding Tourism Destination have priority rights to:
 - a. become a worker/laborer;
 - b. consignment; and/or
 - c. management.

Article 75

- (1) Every Tourist is entitled to:
 - a. accurate information regarding Tourism attractions;
 - b. Tourism Activity services in accordance with standards;
 - c. legal protection and security;
 - d. health services;
 - e. protection of personal rights; and
 - f. insurance protection for high-risk Tourism Affair.
- (2) Further provisions regarding the rights of tourist as referred to in section (1) are regulated in a Regent Regulation.

Article 76

Tourists with physical limitations, children and the elderly is entitled to receive special facilities according to their needs.

Article 77

Every Tourism Entrepreneur is entitled to:

- a. obtain equal opportunities to conduct business in the Tourism Activity sector;
- b. establish and become a member of a Tourism Activity association;
- c. obtain legal protection in conducting business; And

- d. obtain facilities in accordance with the the provisions of legislation.

Article 78

Local Governments are obliged to:

- a. provide Tourism Activity information, legal protection, as well as security and safety to Tourists;
- b. create a conducive environment for the development of Tourism Business which includes opening up equal opportunities in business, facilitating and providing legal certainty;
- c. maintain, develop and preserve Regional assets that are Tourism attractions and potential assets that have not yet been utilized;
- d. supervise and control Tourism Activities in order to prevent and mitigate various negative impacts on the wider community;
- e. create a Tourism Business reservation policy for micro, small, medium enterprises as well as Cooperatives; and
- f. Facilitate partnerships between micro, small, medium – enterprises and Cooperatives with large scale businesses.

Article 79

Every person is obligated to:

- a. maintain and preserve Tourism attractions; and
- b. contribute to the creation of a safe, orderly, clean atmosphere, behave politely, and safeguard environmental sustainability within Tourism Affair destinations.

Article 80

- (1) Every Tourist is obligated to:
 - a. uphold and respect religious norms, customs, culture values and prevailing values existing within the community;
 - b. maintain and preserve the environment;
 - c. participate in maintaining public order and environmental security; and
 - d. participate in preventing any acts of indecency and activities that violate the law.
- (2) Every Tourist who does not carry out the obligations as referred to in section (1), is subject to administrative sanctions in the form of a verbal warning accompanied by notification regarding matters that must be fulfilled.
- (3) In the event that a Tourist has been given a warning as referred to in section (2) and is not heeded, the Tourist concerned may be expelled from the Tourism Affair site.

Article 81

- (1) Every Tourism Entrepreneur is obligated to:
 - a. maintaining and respect religious norms, customary practices, culture and values that live in the local community;
 - b. giving accurate and responsible information;
 - c. giving non-discriminatory services;
 - d. giving comfort, hospitality, security protection and safety for Tourists;

- e. giving insurance protection to Tourism Business with high-risk activities;
 - f. developing partnerships with micro, small enterprises and Cooperative that need each other, strengthen and benefit each other;
 - g. prioritizing the use of local community products, domestic products, and providing opportunities for local workers;
 - h. increasing worker competence through training and education;
 - i. actively participate in efforts to develop infrastructure and community empowerment programs;
 - j. participate in preventing all forms of acts that violate morality and activities that violate the law in the environment where the business is located;
 - k. maintaining a healthy, clean and sustainable environment;
 - l. maintaining the preservation of the natural and cultural environment;
 - m. responding to and/or resolve any objections regarding the impact of activities submitted by the surrounding community;
 - n. maintaining the image of the State and the Indonesian nation through responsible tourism business activities;
 - o. implement business standards and competency standards in accordance with the provisions of legislation; and
 - p. fulfilling the provisions of Business Licensing in accordance with the provisions of legislation.
- (2) Every Tourism Entrepreneur who does not carry out the obligations as referred to in section (1) point a to point o is subject to administrative sanctions, in the form of:
- a. written warning;
 - b. temporary suspension/temporary closure of activities;
 - c. permanent suspension/permanent closure of activities;
 - d. temporary revocation of license; and/or
 - e. permanent revocation of license.
- (3) Specifically, Tourism Entrepreneurs who does not carry out the obligations as referred to in section (1) point p is subject to administrative sanctions in the form of:
- a. written warning; and/or
 - b. permanent suspension/permanent closure of business activities.
- (4) Further provisions regarding the imposition of administrative sanctions are regulated in a Regent Regulations.

Article 82

- (1) Every person is prohibited from damaging part or all of the physical features of Tourism attraction.
- (2) Physically damaging a Tourism attraction as referred to in section (1) is the act of changing the color, changing the shape, eliminating certain species, polluting the

environment, moving, taking, destroying a tourist attraction resulting in the reduction or loss of the uniqueness, beauty and authentic value of a tourist attraction that has been determined by the Local Government.

- (3) Every Tourism Entrepreneurs is prohibited from conducting business activities outside the specified operational hours.
- (4) Nightclubs, Discotheques, bars, pubs and karaoke are prohibited from accepting visitors under the age of 18 (eighteen) years.
- (5) Every Tourism Business organizer for the type of nightclub business, Discotheques, bars, pubs, karaoke, massage parlors and spas is prohibited from employing children in accordance with the provisions of legislation.
- (6) Nightclubs, discotheques, bars, pubs, and karaoke, it is prohibited to operate its business activities during the holy month of Ramadan and major religious days.
- (7) Every tourism organizer is prohibited from using the business place for distribution/transaction/use related to immorality activities, alcoholic beverages, gambling, narcotics, psychotropic substances and other illegal drugs as well as other violations of the law.

Article 83

- (1) Every person and/or Tourism Entrepreneurs who violates the prohibition as referred to in Article 82 is subject to administrative sanctions in the form of:
 - a. verbal warning;
 - b. written warning;
 - c. temporary suspension/ closure of activities;
 - d. permanent suspension / closure of activities;
 - e. temporary revocation of permits; and/or
 - f. permanent revocation of permits.
- (2) Further provisions regarding the imposition of administrative sanctions as referred to in section (1) are regulated in a Regent Regulation.

CHAPTER IV BASIC REQUIREMENTS FOR BUSINESS LICENSING

Article 84

- (1) The basic requirements for Business Licensing as referred to in Article 7 section (2) point b include:
 - a. suitability of space utilization activities;
 - b. environmental approval; and
 - c. PBG and SLF.
- (2) The basic requirements for Business Licensing in the form of suitability of space utilization activities and environmental approval are regulated in separate Regional Regulations in accordance with the provisions of legislation.

Article 85

- (1) PBG is carried out for the construction of a New Building or Building infrastructure, change, expansion, reduction,

and/or maintenance of a Building or Building infrastructure.

- (2) The PBG as referred to in section (1) must be submitted by the Owner prior to construction implementation.

Article 86

- (1) PBG as referred to in Article 85 section (1) includes the process of:
 - a. planning consultation; and
 - b. issuance.
- (2) The planning consultation process as referred to in section (1) point a includes:
 - a. registration;
 - b. inspection of compliance with Technical Standards; and
 - c. statement of compliance with Technical Standards.
- (3) The PBG issuance process as referred to in section (1) point b includes:
 - a. determination of the amount of Regional levies;
 - b. payment of Regional levies; and
 - c. PBG issuance.

Article 87

- (1) SLF must be obtained by the Owner before the Building can be utilized.
- (2) The SLF as referred to in section (1) must be extended within a specified time period.
- (3) The specified time period as referred to in section (2) includes:
 - a. 20 (twenty) years for single and row houses; and
 - b. 5 (five) years for other buildings.
- (4) SLF extension as referred to in section (2) is preceded by a functional fitness check.

Article 88

Further provisions regarding PBG and SLF are regulated in a Regent Regulations regarding Building Management.

CHAPTER V IMPLEMENTATION OF INVESTMENT

Part One Principles and Objectives

Article 89

- (1) Capital investment is carried out based on the principles of:
 - a. legal certainty;
 - b. transparency;
 - c. accountability;
 - d. equal treatment and no distinction of country of origin;
 - e. cooperation;
 - f. justice efficiency;
 - g. sustainability;
 - h. environmental awareness;

- i. independence; and
 - j. balance of progress and unity of the Regional economy.
- (2) The objectives of the implementation of investment include:
- a. increasing Regional economic growth;
 - b. creating job opportunities;
 - c. increasing sustainable economic development with an environmental perspective;
 - d. increasing the ability of competitiveness in the Regional business;
 - e. increasing the capacity and the potential of Regional technology;
 - f. supporting the improvement of people's economy;
 - g. processing potential economy to be the real economic strength by using the fund which comes from both domestic and foreign source; and
 - h. increasing the people's welfare.

Part Two
Local Government Authorities

Article 90

- (1) The Local Government has the authority to carry out investment affairs in the Region.
- (2) The authority of the Local Government in implementation of Investment affairs as referred to in section (1) include:
- a. determining facility/incentive provisions related to Investment;
 - b. creating a map of Investment potential;
 - c. organizing investment promotion;
 - d. One-stop integrated services for Licensing and Non-Licensing related to Investment;
 - e. controlling the implementation of Investment; and
 - f. integrated management of Licensing and Non-Licensing data and information.

Part Three
Investment Implementation Policies

Paragraph 1
General

Article 91

- (1) In the framework of implementing the authority of the Local Government as referred to in Article 90, the Local Government determine the policy direction for Investment which including:
- a. determining policies for the Implementation of Investment in the form of a RUPM;
 - b. determining the Regional strategic plan for the development of Regional Investment; and
 - c. formulating and determining guidance and supervision over the implementation of Investment in the Region.

- (2) In determining the policies for the implementation of Investment as referred to in section (1), the Local Government:
 - a. providing equal treatment to each Investor while still paying attention to regional interests and national interests;
 - b. guaranteeing legal certainty, business certainty and business security for Investors from the Licensing process through the termination of Investment activities in accordance with the provisions of the provisions of legislation; and
 - c. providing opportunities for development and affording protection to micro, small, medium enterprises and Cooperatives.
- (3) The policies for the implementation of Investment as referred to in section (2), contain provisions regarding:
 - a. form of business entity and business sector of Investment;
 - b. cooperation of Investment;
 - c. promotion of Investment;
 - d. service of Investment;
 - e. control over the the implementation of Investment;
 - f. management data and information systems of Investment; and
 - g. dissemination, education, and training on Investment.
- (4) The RUPM as referred to in section (1) point a is further regulated by a Regent Regulation.

Paragraph 2

Form of Business Entity and Business Sector of Investment

Article 92

- (1) PMDN can be carried out by business entities in the form of incorporated, unincorporated or by individual businesses in accordance with the provisions of the provisions of legislation.
- (2) PMA are obligated to take the form of a Limited Liability Company under Indonesian law and domiciled within the territory of the Republic of Indonesia, unless it is determined differently by the law.

Article 93

- (1) Every business sector is opened for Investment, except for:
 - a. business sector which is declared closed for Investment; or
 - b. business sector of which activity can only be run by the Central Government.
- (2) Further provisions regarding the business sector as referred to in section (1) are regulated in a Regent Regulations in accordance with the provisions of legislation.

Paragraph 3
Cooperation of Investment

Article 94

- (1) Cooperation for implementation of Investment as referred to in Article 91 section (3) point b, can be carried out by the Local Government with:
 - a. other local governments; and/or
 - b. the private sector.
- (2) cooperation of Investment as referred to in section (1) is carried out on the basis of equality of position and mutual benefit.
- (3) Provisions regarding procedures for implementing Investment cooperation as referred to in section (1) are regulated in Regent Regulations in accordance with the provisions of legislation.

Paragraph 4
Promotion of Investment

Article 95

- (1) Promotion of Investment as referred to in Article 91 section (3) point c is carried out by:
 - a. coordinating, reviewing, formulating and preparing promotional materials for investment;
 - b. providing guidance and facilitation for promotion of investment; and
 - c. carrying out promotion of Investment of the Region's priority sectors both domestically and abroad.
- (2) The Implementation for promotion of Investment as referred to in section (1) is carried out by Regional Apparatus either independently and/or in cooperation with the Central Government, other Local Governments, and/or private institutions.

Paragraph 5
Investment Services

Article 96

The implementation of Business Licensing and Non-Licensing is carried out by DPMPTSP.

Article 97

Further provisions regarding procedures for Business Licensing and Non-Licensing services as referred to in Article 96 is regulated in a Regent Regulations in accordance with the provisions of legislation.

Paragraph 6
Control of Implementation of Investment

Article 98

- (1) Control of the implementation of Investment is carried out by Regional Apparatus through Monitoring, Guidance and Supervision activities.
- (2) Monitoring as referred to in section (1) is carried out by:

- a. data collection;
 - b. verification; and
 - c. evaluation.
- (4) The implementation of Guidance as referred to in section (1) is carried out by:
- a. dissemination of provisions related to Investment;
 - b. provision of consultation and guidance on the implementation of Investment in accordance with the licensing provisions that have been obtained; and/or
 - c. assistance and facilitation in resolving problems encountered by Investors in realizing their investment activities.
- (5) Implementation of Supervision as referred to in section (1) is carried out on:
- a. implementation of obligations of Business Actors;
 - b. fulfillment of responsibilities of Business Actors;
 - c. follow-up to the implementation of monitoring activities; and/or
 - d. follow-up to the evaluation of the implementation of Licenses and/or Business Licensing.
- (6) Further provisions regarding procedures for implementing monitoring, guidance and supervision as referred to in section (3), section (4) and section (5) are regulated in a Regent Regulation.

Paragraph 7

The Processing Data and Information Systems of Investment

Article 99

The processing data and information systems of investment as referred to in Article 91 section (3) point f include Business Licensing and Non-Licensing services in the field of Investment through the PTSP which can be carried out manually or electronically in accordance with the provisions of the provisions of legislation.

Paragraph 8

Dissemination, Education and Training on Investment

Article 100

- (1) Dissemination, education and training on Investment as referred to in Article 91 section (3) point g includes:
- a. fostering and supervising the implementation of the Investment information system;
 - b. coordinating the implementation of the dissemination of policies and planning, development, cooperation, promotion, provision of Business Licensing/Non-Licensing services, control of implementation, and information systems Investment to government officials and the business community; and
 - c. coordinating and implementing education and training on Investment.
- (2) Implementation of dissemination, education and training of Investment as referred to in section (1) is carried out by the DPMPSTP.

Part Three
The Implementation of Investment Facilities

Paragraph 1
General

Article 101

Local Government provides Investment Facility in the form of:

- a. Provision Incentives; and/or
- b. Provision Ease.

Paragraph 2
Authority of Local Government

Article 102

- (1) The authority of the Local Government in providing Investment Facility as referred to in Article 101, includes:
 - a. providing Incentive and/or Ease for Investment in the Region to the Community and/or Investors;
 - b. prioritizing the provision of Incentive and/or Ease for certain types of business or certain activities;
 - c. increasing the distribution of economic and investment activities in the Region by providing Incentive and/or Ease to the Community and/or Investors in accordance with the existing investment potential in the Region; and
 - d. providing fiscal and non-fiscal policies for providing Incentive and/or Ease to the Community and/or Investors in accordance with the existing investment potential in the Region.
- (2) The authority as referred to in section (1) is exercised based on the Regional financial capacity.
- (3) The authority as referred to in section (1) is carried out in accordance with the provisions of legislation.

Paragraph 3
Rights, Obligations and Responsibilities of the Community
and/or Investors

Article 103

- (1) Investors are entitled to:
 - a. obtain information and services related to the providing Incentive and/or ease of Investment;
 - b. obtain incentive and/or ease of Investment in accordance with the established mechanism;
 - c. obtain services related to the process of providing, implementing, supervising and coaching of Investments in the Region;
 - d. obtain information on the results of evaluation regarding the development of Incentive receipts and/or Ease of Investment; and
 - e. obtain various forms of E ase facilities in accordance with the provisions of legislation.
- (2) In carrying out the rights and responsibilities, Community and/or Investors are obligated to:

- a. make reports on the utilization of incentive and/or ease of Investment;
 - b. comply with the provisions of legislation regarding guidelines for providing Incentive and/or Ease of Investment;
 - c. carry out corporate social responsibility;
 - d. make reports on the Investment activities and submit it to DPMPTSP;
 - e. respect local customary traditions surrounding the location of the Investment business activities; and
 - f. maintain a representative office within the Region.
- (3) Every Community and/or Investor is responsible to:
- a. ensure the availability of capital derived from sources that do not conflict with the provisions legislation in the Investment sector;
 - b. bear and settle all obligations and losses in the event that Community and/or Investors unilaterally suspends, abandons or neglects its business activities in accordance with the provisions of legislation in the Investment sector;
 - c. create a healthy and fair business competition climate, preventing monopolistic practices and other acts that may cause losses to the state;
 - d. maintain environmental sustainability, social and cultural of local community;
 - e. ensure the safety, health, comfort and welfare of workers; And
 - f. participate in the improvement regional welfare, especially local communities.

Article 104

- (1) Every Investor who receives Incentive and Ease, but fails to fulfill the obligations as referred to in Article 103 section (2), is subject to administrative sanctions in the form of:
- a. written warning;
 - b. restriction of business activities;
 - c. suspension of business activities and/or Investment facilities; or
 - d. revocation of business activities and/or Investment facilities.
- (2) Further provisions regarding the mechanisms and procedures for the imposition of administrative sanctions as referred to in section (1), are regulated in a Regent Regulation.

Paragraph 4

Criteria for Provision of Incentives and/or Ease

Article 105

Incentives and/or Ease are provided to Community and/or Investors who meets the following requirements:

- a. giving contribution to increase people's income;
- b. using many workers;
- c. using mostly local resources;
- d. giving contribution to the development of public services;

- e. giving contribution to the increasing of gross regional domestic product;
- f. having environmental awareness and being sustainable;
- g. infrastructure development;
- h. doing technology transfer;
- i. doing pioneer industry;
- j. doing research, development and innovation activities;
- k. having partnership with micro, small enterprises or Cooperative;
- l. industries that use capital, machine and equipment which are produced domestically;
- m. doing business activities based on national and/or regional priority programs; and/or
- n. having export oriented.

Article 106

- (1) Local Governments may prioritize the provision of Incentives and/or Ease for certain types of business or certain activities.
- (2) Certain types of business or certain activities as referred to in section (1) consists of:
 - a. micro, small enterprises and/or Cooperative;
 - b. the business which is required by partnership;
 - c. the businesses which are required by capital ownership;
 - d. the businesses which are required with a certain location;
 - e. the businesses which are required with special license;
 - f. an open business related to investment that prioritizes regional advantages;
 - g. businesses that have obtained investment facilities from the Central Government; and/or
 - h. other businesses according to the provisions of legislation.

Paragraph 5

Form of Incentives and/or Ease

Article 107

- (1) Providing incentives can take the form of:
 - a. reduction, relief or exemption of Local taxes.
 - b. reduction, relief, or exemption of Local levies;
 - c. providing capital assistance to micro, small enterprises and/or Cooperatives at Region;
 - d. research and development assistance for micro, small enterprises and/or Cooperatives at Region;
 - e. vocation training facility assistance for micro, small enterprises, and/or Cooperatives in the Region; and/or
 - f. low interest of loan.
- (2) Ease provision can be in the form of:
 - a. providing data and information on Investment opportunity;
 - b. providing means and infrastructure;
 - c. providing facility for land or location;

- d. providing technical support;
 - e. simplifying and accelerating license issuance through PTSP;
 - f. providing access for marketing of product;
 - g. providing ease for direct construction investment;
 - h. providing ease of doing Investment at strategic area which is determined in the provisions of legislation that is prospective for regional development;
 - i. providing comfort and safety to invest at the Region;
 - j. providing facility in certification and standardization process in accordance with the provisions of legislation;
 - k. providing access for ready-to-work and skilled worker;
 - l. providing access for the supply of materials; and/or
 - m. Facility for promotion based on the authority of Region.
- (3) The provision of Incentives and/or Ease as referred to in section (1) and section (2) is provided in accordance with the regional financial capacity and the provisions of legislation.

Article 108

Further provisions regarding the provision of Incentives and/or Ease are regulated in a Regent Regulations.

Paragraph 6

Types of Business or Investment Activities that Obtain
Incentives and/or Facilities

Article 109

- (1) Types of Investment that may be granted Incentives and Ease include:
- a. open business fields;
 - b. closed business fields; and
 - c. business fields that are open subject to certain requirements.
- (2) Details of the type of business as referred to in section (1) are in accordance with the provisions of legislation.
- (3) In addition to the types of business as referred to in section (1), other types of Investment business may obtain ease, namely business types that receive approval from the Regent after obtaining a recommendation from the DPMPTSP.

Paragraph 7

Procedures for Providing Incentives and/or Ease

Article 110

- (1) The Regent follows up on the application for providing Incentives and/or Ease.
- (2) The Regent creates standard operating procedures on provision of Incentives and/or Ease for the Community and/or Investors.
- (3) Local Governments providing Incentives and/or Ease of Investment in Regions based on the Regional RUPM or the

results of a study that takes into account the Regional potential and value added within the Region.

- (4) The Regent establishes a team tasked with preparing a study that takes into account the Regional potential and value added in the Region in accordance with the provisions of legislation.
- (5) The results of the assessment of the Region's potential and the added value generated in the Region arising from the policies adopted in providing Incentives and/or Ease of Investment in the Region are submitted to the Regent.
- (6) The establishment of the team as referred to in section (4) is determined by a Regent's Decree.

Article 111

- (1) The Community and/or Investors submit a written application to the Regent through the Head of DPMPTSP, attaching the following administrative requirements:
 - a. photocopy of the deed of establishment of the company along its amendments;
 - b. photocopy of taxpayer identification number;
 - c. photocopy of location permit/spatial utilization permit;
 - d. photocopy of technical business permit; and
 - e. photocopy of company registration certificate.
- (2) Upon submission of an application for the provision of Incentives and/or Ease to the Community and/or Investors as referred to in section (1), the Regent carries out verification.
- (3) Verification as referred to in section (2) is coordinated by DPMPTSP.
- (4) Verification as referred to in section (2) refers to the standard operating procedures for implementation stipulated by the Regent and the Regional RUPM or results of study that consider Regional potential and added value in the Region.
- (5) In the event that based on the verification results, the application is declared to have fulfilled the administrative requirements as referred to in section (1), the Regent through the DPMPTSP is obligated to give approval.
- (6) In the event that based on the results of the verification, the application is declared not to have fulfilled the administrative requirements as referred to in section (1), the Regent through the Head of the DPMPTSP is obligated to notify the applicant along with the reasons, within a period of 3 (three) working days from the determination of the verification results.

Article 112

- (1) The implementation of providing Incentives and/or Ease to the Community and/or Investors is determined by a Regent's Decree based on the results of the verification.
- (2) The Regent's Decree as referred to in section (1) must contain at least:
 - a. name;
 - b. applicant's address;
 - c. business sector or investment activity;

- d. form of Incentives and/or Ease; and
- e. Incentive period as well as rights and obligations of the recipients of investment Incentives and/or Ease.

Paragraph 8

Period and Frequency of Provision of Incentives and/or Ease in Making Investments

Article 113

- (1) Incentives and/or Ease for making investments in the Region are provided by the Local Government and are valid for 2 period of (two) years.
- (2) The Community and/or Investors can apply for an extension of the Incentives and/or provision of Ease for making investments for 1 (one) time.
- (3) The extension as referred to in section (2) is carried out by submitting an application as in the new application.

Paragraph 9

Evaluation and Report Provision of Incentives and/or Ease

Article 114

- (1) The Regent evaluates the effectiveness of the implementation of provision of Incentives and/or Ease that have been provided for the Community and/or Investors.
- (2) The evaluation as referred to in section (1) is carried out at least once a year.
- (3) Based on the evaluation results as referred to in section (1), the provision of Incentives and/or Ease can be reviewed if it no longer meets the criteria as referred to in Article 105 or is inconsistent with the provisions of legislation.
- (4) The Regent submits a report on the implementation of the provision of Incentives and/or Ease in the Region to the Governor once every 1 (one) year.

Article 115

- (1) Investors who receive investment incentives and ease are required to submit report to the Regent through the DPMPTSP.
- (2) The report as referred to in section (1), at least contains:
 - a. the name of business entity;
 - b. the sector of business;
 - c. the number of permanent employees;
 - d. the type of Incentive obtained;
 - e. the type of Facility obtained;
 - f. the value of sales turnover before and after obtaining the Incentive; and
 - g. the utilization of Incentives.

Paragraph 10

Public Participation

Article 116

- (1) The Community can report the Investors who has obtained investment Incentives and/or Ease of and who commit

violations as referred to in this Regional Regulation to the Local Government.

- (2) Local Governments are obliged to follow up on reports received from the Community and provide answers to these reports in accordance with the provisions of legislation.

Paragraph 11 Financing

Article 117

- (1) Costs related to the implementation of providing of investment Incentives and/or ease to the community and/or investors are charged to the APBD.
- (2) in addition to being charged to the APBD as referred to in section (1), costs related to the implementation of the provision of Investment Incentives and/or Ease can be sourced from:
 - a. state budget;
 - b. Central Java Province regional income and expenditure budget; and/or
 - c. other legitimate and non-binding sources in accordance with the provisions of legislation.

Part Four Reporting on Investment Activities

Article 118

- (1) Investors submit LKPM to the DPMPTSP in accordance with the provisions of legislation.
- (2) Based on the LKPM as referred to in section (1), the Head of DPMPTSP compile and submits a cumulative Investment report to the Regent.
- (3) Provisions regarding procedures for submitting reports, procedures for preparing and submitting LKPM are regulated in Regent Regulations.

Part Five Manpower

Article 119

- (1) In meeting manpower requirements, Investors shall give priority to the employment of local workers.
- (2) The Local Government in cooperation with Investors facilitate efforts to improve and enhance the competence of local workers as referred to in section (1).

Article 120

- (1) Investors can only employ foreign workers who have a plan to use foreign workers that has been approved.
- (2) Investors who employ foreign workers as stated as referred to in section (1) are required to report data on foreign workers to the Regional Apparatus in charge of manpower affairs in accordance with the foreign manpower utilization plan.

Article 121

Investment Companies are obliged to provide protection, remuneration and occupational safety in accordance with the provisions of legislation.

Article 122

- (1) Every investor who violates the provisions as referred to in Article 119, Article 120 and Article 121 is subject to administrative sanctions in the form of:
 - a. written warning;
 - b. restrictions on business activities;
 - c. suspension of business activities and/or Investment facilities; or
 - d. revocation of business license and/or Investment facilities.
- (2) Further provisions regarding the mechanisms and procedures for the imposition of administrative sanctions as referred to in section (1) are regulated in a Regent Regulation.

Article 123

Local Governments can facilitate the resolution of industrial relations disputes fairly, quickly and efficiently in accordance with their authority based on the provisions of legislation.

Part Seven

Community Participation

Article 124

- (1) The Community have equal and extensive chance to participate in the implementation of Investment by:
 - a. submission of suggestions, opinions, proposals, and complaints related to the implementation of Investment in the Region; and/or
 - b. delivering information on Regional potential.
- (2) Community participation as referred to in section (1) aims to:
 - a. realizing sustainable Investment;
 - b. preventing the violation of regulations;
 - c. preventing negative impacts as a consequence of Investment; and/or
 - d. starting cooperation between the Community and Investors.
- (3) DPMPTSP organizes activities and provide to support the realization of community participation as referred to in section (1) and section (2).

CHAPTER VI

PROVISIONS OF INVESTIGATION

Article 125

- (1) Certain Civil Servant Officials (PPNS) within the Local Government may be given the authority to carry out investigations into violations of this Regional Regulation.

- (2) In carrying out investigative duties, investigators as referred to in section (1) are guided by the provisions of legislation.

CHAPTER VII CRIMINAL PROVISIONS

Article 126

- (1) Every tourism entrepreneur who violates the provisions as referred to in Article 67 and Article 81 section (1) and Article 82 section (3), section (4), section (5), section (6) and section (7) shall be punished with a maximum imprisonment of 3 (three) months and/or a maximum fine of IDR 50,000,000.00 (fifty million rupiah).
- (2) The criminal act as referred to in section (1) is a violation.

CHAPTER VIII TRANSITIONAL PROVISIONS

Article 127

At the time this Regional Regulation comes into force, the Incentives and/or Ease to the Community and/or Investors that were provided before this Regional Regulation came into force, are declared to remain in effect until the end of the term.

CHAPTER IX CLOSING PROVISIONS

Article 128

At the time this Regional Regulation comes into force, the implementing regulations of:

- a. Regulation of the Regency of Grobogan Number 4 of 2013 on Buildings (Regional Gazette of the Regency of Grobogan of 2013 Number 4);
- b. Regulation of the Regency of Grobogan Number 18 of 2016 on the Implementation of Tourism (2016 Regional Gazette of the Regency of Grobogan Number 18, Supplement to the 2016 Regional Gazette of the Regency of Grobogan Number 18);
- c. Regulation of the Regency of Grobogan Number 2 of 2019 on the Implementation of Capital Investment (2019 Regional Gazette of the Regency of Grobogan Number 2, Supplement to the 2019 Regional Gazette of the Regency of Grobogan Number 2),

is declared to remain valid as long as it has not been replaced and does not conflict with the provisions of this Regional Regulation.

Article 129

At the time this Regional Regulation comes into force:

- a. Regulation of the Regency of Grobogan Number 4 of 2013 on Buildings (Regional Gazette of the Regency of Grobogan of 2013 Number 4);
- b. Regulation of the Regency of Grobogan Number 9 of 2013 on Construction Services Business Licenses (Regional Gazette of the Regency of Grobogan of 2013 Number 9);

- c. Regulation of the Regency of Grobogan Number 18 of 2016 on the Implementation of Tourism (2016 Regional Gazette of the Regency of Grobogan Number 18, Supplement to the 2016 Regional Gazette of the Regency of Grobogan Number 18);
- d. Regulation of the Regency of Grobogan Number 2 of 2019 on Implementation of Capital Investment (Regional Gazette of the Regency of Grobogan 2019 Number 2, Supplement to Regional Gazette of the Regency of Grobogan 2019 Number 2);

is repealed and declared ineffective.

Article 130

The implementing Regulation on this Regional Regulation is issued no later than 6 (six) months since the promulgation of this Regional Regulation.

Article 131

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 Grobogan.

Issued in Purwodadi
on 23 November 2022

REGENT OF GROBOGAN

signed

SRI SUMARNI

Promulgated in Purwodadi
on 24 November 2022

REGIONAL SECRETARY
OF THE REGENCY OF GROBOGAN,

signed

MOHAMAD SUMARSONO

REGIONAL GAZETTE OF THE REGENCY OF GROBOGAN OF 2022 NUMBER 11

Jakarta, 29 December 2025
Has been translated as an Official Translation
on behalf of the Minister of Law
of the Republic of Indonesia
DIRECTOR GENERAL OF LEGISLATION,



ELUCIDATION OF
REGULATION OF THE REGENCY OF GROBOGAN
NUMBER 11 OF 2022
ON
IMPLEMENTATION OF BUSINESS LICENSING AND CAPITAL INVESTMENT

I. GENERAL

Legal reform with the promulgation of Law Number 11 of 2020 on Job Creation through concepts law to all which significantly changes various provisions in 79 (seventy-nine) laws. The problems faced in increasing investment include a deteriorating investment climate due to expensive and lengthy investment licensing procedures, low legal certainty, weak investment incentives, low quality of human resources and limited infrastructure, no clear policies to encourage technology transfer from investors. foreign.

Legal certainty can provide confidence for every economic actor, because economic actors can predict the expected profits, from the production process to the distribution process, even to the extent that legal support provided for economic activities can be achieved. Special arrangements related to improving the investment ecosystem and business activities in Law Number 11 of 2020 on Job Creation, this is achieved by changing, deleting or establishing new arrangements in several provisions in sectoral laws. In order to realize legal certainty and simplify business licensing, especially in the regions, regulations have been promulgated which are implementing regulations for Law Number 11 of 2020 on Job Creation, including through Government Regulation Number 5 of 2021 on Implementation of Risk-Based Business Licensing and Government Regulation Number 6 2021 on the Implementation of Business Licensing in the Regions.

As an effort to simplify regulations, especially those related to investment and ease of business licensing in the Regions and to encourage improvement in the economic climate in the Regions, it is necessary to have regulations in the form of Regional Regulations that are comprehensive and implementable, in accordance with the dynamics of legal developments and community needs.

The scope of regulation in this Regional Regulation includes; Implementation of Business Licensing in Regions; Implementation of Risk-Based Business Licensing; Basic Licensing Requirements; and organizing capital investment.

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
Sufficiently clear.

Article 13
Sufficiently clear.

Article 14
Section (1)
Sufficiently clear.

Section (2)
Certain types of Business Licensing levies include:
a. building approval levy; and/or
b. levy on the use of foreign workers.
What is meant by "legislative regulations" are statutory regulations regarding regional taxes and regional levies in order to support ease of doing business and regional services.

Section (3)
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
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Article 24
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Article 25
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Article 26
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Article 27
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Article 28
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Article 29
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Article 30
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Article 31
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Article 32
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Article 33
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Article 34
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Article 36
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Article 37
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Article 38
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Article 39
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Article 40
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Article 41
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Article 42
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Article 43
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Article 44
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Article 46
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Article 47
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Article 48
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Article 49
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Article 50
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Article 51
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Article 52
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Article 53
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Article 54
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Article 55

Sufficiently clear.

Article 56

Sufficiently clear.

Article 57

Sufficiently clear.

Article 58

Sufficiently clear.

Article 59

Sufficiently clear.

Article 60

Sufficiently clear.

Article 61

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Article 62

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Article 64

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Article 65

What is meant by:

- a. Tourist attraction is an effort to manage natural tourist attractions, cultural tourist attractions, and/or man-made/man-made tourist attractions.
- b. Tourism area is an area development and/or management effort to meet tourism needs in accordance with statutory regulations.
- c. Tourist transportation services are businesses providing transportation for tourism needs and activities, not regular/public transportation, in accordance with the provisions of statutory regulations.
- d. Tourist travel services are the operation of tourist travel agencies and tourist travel agents.
- e. Food and beverage services are businesses providing food and drinks equipped with equipment and supplies for the process of making, storing and/or serving them.
- f. Providing accommodation is the business of providing lodging services for tourists which can be complemented by other tourism services.
- g. organizing entertainment and recreation activities is a business whose scope of activities is in the form of performing arts businesses, game arenas, karaoke, cinemas, as well as other entertainment and recreation activities aimed at tourism.
- h. services for organizing meetings, incentive trips, conferences and exhibitions are providing services for a meeting of a group of people, organizing trips for employees and business partners as compensation for their achievements, as well as organizing exhibitions in the context of disseminating information and promoting goods and services on a national, regional scale , and international.

- i. Tourism information services are businesses providing data, news, features, photos, videos and research results regarding tourism which are distributed in the form of printed and/or electronic materials.
- j. Tourism consultant services are a business providing advice and recommendations regarding feasibility studies, planning, business management, research and marketing in the tourism sector.
- k. Tour guide services are the business of providing and/or coordinating tour guide staff to meet the needs of tourists and/or the needs of travel agencies.
- l. Water tourism is the business of organizing tourism and water sports, including the provision of facilities and infrastructure as well as other services that are managed commercially in sea waters, beaches, rivers, lakes and reservoirs.
- m. A spa is a treatment business that provides services using a combination of water therapy, massage aromatherapy, spices, healthy food/drink services, and physical activity with the aim is to balance body and soul while still paying attention to the traditions and culture of the Indonesian people.

Article 66

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Article 67

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Article 131

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