

REGULATION OF THE REGENT OF KENDAL
NUMBER 10 Of 2025
ON

THE REGULATION OF THE IMPLEMENTATION ON THE REGULATION OF THE
REGENCY OF KENDAL NUMBER 5 OF 2023 ON PROVISION OF INCENTIVES
AND/OR PROVISION OF EASE OF INVESTMENT

BY THE BLESSINGS OF ALMIGHTY GOD

THE REGENT OF KENDAL,

Considering : that in order to implement the provisions of Article 5 section (2), Article 8 section (4), Article 14, and Article 16 of Regulation Of The Regency Of Kendal Number 5 of 2023 on Provision of Incentives and/or Provision of Ease of Investment, it is necessary to issue the Regulation of The Regent on the Regulation of The Implementation on the Regulation of the Regency of Kendal Number 5 Of 2023 On Provision Of Incentives and/or Provision Of Ease Of Investment

Observing : 1. Article 18 section (6) of The 1945 Constitution of the Republic of Indonesia;
2. Law Number 13 of 1950 on Formation of Regency Areas in the Province of Central Java as amended by Law Number 9 of 1965 on Formation of the Level II Region of Batang by amending Law Number 13 of 1950 on Establishment of Regency Areas in The Province of Central Java (State Gazette of The Republic of Indonesia of 1965 Number 52, Supplement to State Gazette of the Republic of Indonesia Number 2757);
3. Law Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times, last by Law Number 6 of 2023 on Enactment of Government Regulations in Lieu of Law Number 2 of 2022 on Job Creation to become law (State Gazette of the Republic of Indonesia Number 41 of 2023, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
4. Government Regulation Number 32 of 1950 concerning The Determination of the Entry into Force of Law Number 12,13, 14, and 15 of 1950 from the Establishment of Regions districts in East / Central/ West Java and The Special Region of Yogyakarta;
5. Government Regulation Number 16 of 1976 on Expansion of the Semarang Level II Regional Municipality (State Gazette of the Republic of Indonesia of 1976 Number 25, Supplement to the State Gazette of the Republic of Indonesia Number 3079);

6. 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);
7. Regulation of the Regency of Kendal Number 5 Of 2023 On Provision of Incentives and/or Provision of Ease of Investment (Regional Gazette of the Regency of Kendal of 2023 Number 5).

HAS DECIDED:

To Issue : The Regulation of the Implementation on the Regulation of the Regency of Kendal Number 5 Of 2023 on Provision of Incentives and/or Provision of Ease of Investment

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Regulation of Regent:

1. Region means The Regency of Kendal
2. Regent means The Regent of Kendal
3. Local Government means the Regent as an element of the Local Government administrator who leads the implementation of government affairs which are the authority of the Autonomous Region.
4. Investment and One-Stop Integrated Services Office (*Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu*), hereinafter abbreviated as DPMPTSP, means the Investment and One-Stop Integrated Services Office of the Regency of Kendal
5. Community means a person or group of people who is a citizen of the Republic of Indonesia who has and / or carries out business activities in accordance with the provisions of legislation.
6. Capital means an asset in the form of money or other forms which is not money that has economic value, owned by investors.
7. Investment means all kinds of activities of investing the capital, by either local investors or foreign investors to conduct business in the territory of the Republic of Indonesia.
8. Investor means an individual investor or business entity that makes an investment in the forms of a domestic investor and foreign investor.
9. Provision of incentives means the support for fiscal policy from the Local Government to the Community and/or Investors to increase an investment in the Region.
10. Provision of Ease of Investment means the provision of non-fiscal facilities from the Local Government to the Community and/or Investors to give ease and to increase investment activities in the Region.
11. Investment Activity Report (*Laporan Kegiatan Penanaman Modal*), hereinafter abbreviated as LKPM, means a report on the progress of investment realization and issues faced by business actors. This report must be prepared and submitted periodically.
12. Day means a workday as determined by the Investment Services Office, in accordance with the provisions of legislation.

Article 2

- 1) The purpose of this Regulation of The Regent is to serve as an implementing regulation for the Provision of Incentives and/or Provision of Ease of Investment.
- 2) The purpose of this Regent Regulation is to provide clarity and legal certainty to the Community and/or Investor regarding Provision of Incentives and/or Provision of Ease of Investment.

Article 3

The scope of the regulation in this Regent Regulation includes:

- a. the form of Provision of Incentives and/or Provision of Ease of Investment;
- b. procedures for submitting application, verification, and implementation of Provision of Incentives and/or Provision of Ease of Investment;
- c. responsibility, obligation, and the imposition of the administrative sanctions;
- d. the time frame and frequency of implementation of Provision of Incentives and/or Provision of Ease of Investment; and
- e. financing.

CHAPTER II FORMS OF PROVISION OF INCENTIVES AND / OR PROVISION OF EASE OF INVESTMENT

Article 4

- (1) Incentives can be in the form of:
 - a. reduction, relief, or exemption from local taxes;
 - b. reduction, relief, or exemption from local levy;
 - c. provision of capital assistance to micro, small, and/or cooperative businesses in the Region;
 - d. assistance for research and development for micro, small, and/or cooperative businesses in the Region;
 - e. assistance with vocational training facilities for micro, small, and/or cooperative businesses in the Region; and/or
 - f. low interest loans.
- (2) The Provision of Incentives as referred to section (1) are conducted based on local policies and financial capabilities in accordance with the provisions of legislation.

Article 5

- (1) The Provision of Ease of Investment may be in the forms of:
 - a. provision of data and information on investment opportunities, including:
 1. the DPMPTSP website; and/or
 2. results of Investment potential studies.
 - b. provision of means and infrastructure, including:
 1. public transportation networks;
 2. wastewater and waste networks;
 3. clean water networks;
 4. telecommunications networks; and/or
 5. information and publication networks.
 - c. facilitation of provision of land or location, including:
 1. information on local spatial plans; and/or
 2. provision of shared workspaces for the information technology-based creative economy.
 - d. provision of technical assistance, including:
 1. technical guidance;

2. experts; and/or
3. training.
- e. simplification and acceleration of the provision of licensing in a one stop integrated service, to follow precise and fast procedures at the short time, supported by an online information system, including:
 1. independent Online Single Submission services;
 2. Online Single Submission assistance services;
 3. priority services; and/or
 4. business pickup services.
- f. ease of access to product marketing, including:
 1. participation in exhibitions and promotional activities;
 2. connecting with online promotional media; and/or
 3. provision and updating of market information.
- g. ease of direct investment in construction, including:
 1. issuance of permits in the form of building permits in accordance with the provisions of legislation; and/or
 2. technical support in obtaining building permits and certificates of functionality.
- h. ease of investment in strategic areas determined by legislation that have the potential for development in the Region, including through the designation of strategic areas based on the Spatial Plan in the Region;
- i. Provision of comfort and security for investing in the Region through the formulation of policies for investment management in the Region, which include:
 1. feasibility assessments and providing recommendations to investors;
 2. monitoring the implementation of investment in the Region;
 3. continuous evaluation of the financing and profitability of investment implementation in the Region; and/or
 4. coordination with relevant agencies in the provision of infrastructure and other areas in accordance with the provisions of legislation.
- j. facilitating the certification and standardization process in accordance with the provisions of legislation, which includes:
 1. assistance and/or facilitation of halal certification;
 2. assistance and/or facilitation of Indonesian National Standards;
 3. assistance and/or facilitation of food production certification for home industries; and/or
 4. assistance and/or facilitation of intellectual property rights.
- k. ease of access to a ready-to-work and skilled workforce, which includes:
 1. provision of ready-to-work workforce data for business activities; and/or
 2. provision of job training centers for general skills.
- l. The ease of access to raw material supplies, which includes:
 1. connecting with raw material suppliers; and/or
 2. providing information on alternative raw material substitutes.

- m. facilitating promotions in accordance with the local authority of the Region, which includes:
 - 1. participating in exhibitions held in the region;
 - 2. providing technical assistance to expand market reach; and/or
 - 3. providing facilities for holding promotions.
- n. facilitating information services on opportunities and potential, as well as information on business partnerships.

(2) The provision of Ease as referred to in section (1) is based on regional policies and financial capabilities in accordance with legislation.

Article 6

- (1) The Provision of Incentives and/or Provision of Ease of Investment as referred to in Articles 4 and 5 are granted to the community and/or investors who meet the following criteria of:
 - a. contributing to increasing community income;
 - b. expanding workers;
 - c. utilizing a significant portion of local resources;
 - d. contributing to improving public services;
 - e. contributing to increasing regional gross domestic product;
 - f. being environmentally conscious and sustainable;
 - g. developing infrastructure;
 - h. conducting technology transfer;
 - i. conducting pioneer industries;
 - j. conducting research, development, and innovation activities;
 - k. partnering with at least two micro, small, or cooperative enterprises in the Regency of Kendal and being registered in the Information System owned by the Kendal Regency Government;
 - l. industries that use domestically produced capital goods, machinery, or equipment;
 - m. conducting business activities in accordance with national and/or local priority programs;
 - n. export-oriented; and/or
 - o. located in a special economic zone.
- (2) Provisions regarding assessment variables against the criteria as referred to in section (1) are listed in Annex, which is an integral part of this Regent Regulation.

Article 7

- (1) Local Government may prioritize the provision of incentives and/or Ease of investment for certain types of businesses or certain activities.
- (2) The priorities as referred to in section (1) are based on local investment policies.
- (3) The specific types of businesses or certain activities as referred to in section (1) consist of:
 - a. micro, small, and/or cooperative enterprises;
 - b. businesses requiring partnerships;
 - c. businesses requiring capital ownership;
 - d. businesses requiring specific locations;
 - e. businesses requiring special licensing;
 - f. businesses open for Investment that prioritize Regional excellence;
 - g. businesses that have received investment facilities from the central government; and/or

- h. other businesses in accordance with the provisions of legislation.
- (4) The types of investments and certain types of businesses or certain activities as referred to in section (1) are determined by a Decision of Regent.

CHAPTER III

PROCEDURES FOR SUBMITTING APPLICATIONS, VERIFICATION, AND IMPLEMENTATION OF PROVISION OF INCENTIVES AND/OR PROVISION OF EASE OF INVESTMENT

Part One Procedures for Submitting an Application

Article 8

- (1) The application for the Provision of Incentives and/or Provision of Ease of Investment is submitted by the company's head or their proxy to the Regent through the Head of the DPMPTSP.
- (2) The application for the Provision of Incentives and/or Provision of Ease of Investment:
 - a. for new Investors, the applicant submits a written application letter, accompanied by:
 1. a photocopy of the applicant's Resident Identity Card/KTP or valid proof of identity;
 2. a company profile containing at least: the company's vision, mission, scope of business, board of directors and management, number of local and foreign employees, and photocopies of the company's legal documents;
 3. an investment business plan;
 4. the form of incentive and/or ease of investment requested;
 5. a duly-stamped power of attorney if the application is made by proxy;
 6. a photocopy of the Resident Identity Card/KTP or valid proof of identity of the authorized representative if the application is made by proxy; and
 7. proof of partnership with micro, small, or cooperative enterprises, evidenced by, among other things, a cooperation agreement and proof of purchase transactions.
 - b. for investors planning to expand their business, the applicant submits a written application, attached to:
 1. a photocopy of the applicant's Resident Identity Card (KTP) or other valid proof of identity;
 2. a company profile containing at least: the company's vision, mission, scope of business, board of directors and management, number of local and foreign employees, and photocopies of the company's legal documents;
 3. the company's performance/balance sheet for the last 2 (two) years and the company's loss and profit statement for the last 2 (two) years;
 4. business development, including annual business capacity and product marketing for the last 2 (two) years;
 5. business scope, including the type and capacity of the current and planned business expansion;
 6. Investment Activity Report;

7. the form of incentives and/or Ease of investment requested;
8. A duly-stamped power of attorney if the application is submitted by proxy;
9. A photocopy of the Resident Identity Card/KTP or other valid proof of identity of the authorized person if the application is submitted by proxy; and
10. proof of partnership with micro, small, or cooperative enterprises, evidenced by, among other things, a cooperation agreement and proof of purchase transactions.

c. for investors intending to develop their business, the applicant submits a written application letter, accompanied by:

1. a photocopy of the Resident Identity Card/KTP or other valid proof of identity of the applicant;
2. a company profile containing at least: the company's vision, mission, scope of business, board of directors and management, number of local and foreign employees, and photocopies of the company's legal documents;
3. The company's performance/balance sheet for the last 2 (two) years and the company's loss and profit statement for the last 2 (two) years;
4. business development, including business capacity and annual product marketing for the last 2 (two) years;
5. Business scope, including the type and capacity of the current and future business;
6. business scope containing the current type and capacity of the business and that which will be developed;
7. Investment Activity Report;
8. form of incentive and/or ease of investment requested;
9. Power of attorney with sufficient duly-stamped power of attorney if the application is submitted by proxy;
10. photocopy of Resident Identity Card/KTP or other valid proof of identity of the authorized person if the application is submitted by proxy; and
11. proof of partnership with micro, small, or cooperative enterprises, evidenced by, among other things, a cooperation agreement and proof of purchase transactions.

Part Two
Procedures for Verification and Implementation of Incentives
and/or Ease of Investment

Paragraph 1
Verification Procedures

Article 9

- (1) The Head of the DPMPTSP verifies the submitted application as referred to in Article 8.
- (2) In carrying out the verification as referred to in section (1), the Head of the DPMPTSP forms a verification team.

- (3) In carrying out the verification as referred to in section (1), the Head of the DPMPTSP involves the relevant Regional apparatuses.
- (4) The relevant Regional apparatuses as referred to in section (3) carries out technical verification in accordance with the government affairs they manage.

Paragraph 2

Implementation of Incentives and/or Ease of Investment

Article 10

- (1) The verification team as referred to in Article 9 section (2) examines the administrative requirements submitted by applicants for incentives and/or ease of investment within a maximum of 2 (two) work days of receiving the application files.
- (2) If the examination of the administrative requirements as referred to in section (1) reveals deficiencies or errors, the application files for incentives and/or investment facilities are returned for correction.
- (3) If the administrative requirements as referred to in section (1) are declared complete and in accordance with the provisions, the verification team convenes a coordination meeting with the relevant Regional apparatuses.
- (4) The verification team, along with the relevant Regional apparatuses, can visit the business location of the applicant for incentives and/or investment facilities based on the results of the coordination meeting as referred to in section (3).
- (5) The verification team submits the results of the coordination meeting as referred to in section (3) and/or the visit to location as referred to in section (4) to the Head of the DPMPTSP.
- (6) The Head of the DPMPTSP submits a proposal to the Regent to determine which investors will receive incentives and/or ease of investment based on the results of the coordination meeting and/or visit to location submitted by the verification team.
- (7) Based on the proposal from the Head of the DPMPSP as referred to in section (6), the Regent determines which investors will receive incentives and/or ease of investment by means of a Decision of the Regent.
- (8) Decision of the Regent as referred to in section (7) contains at least:
 - a. name;
 - b. applicant's address;
 - c. business field or investment activity;
 - d. form of incentive and/or ease of investment;
 - e. period of incentive and/or ease of investment; and
 - f. rights and obligations of recipients of incentives and/ease of or investment.

Part Three

Procedures and Format for Reports and Evaluations

Paragraph 1

General

Article 11

- (1) The Community and/or investors who receive Provision of Incentives and/or Provision of Ease of investment submit

a report to the Regent through the Head of the DPMPTSP at least once a year.

- (2) The report as referred to section (1) is submitted not later than 31 January of the following year.
- (3) The report as referred to section (2) contains the use and/or utilization of the received Provision of incentives and/or Provision of Ease of Investment for managing businesses/business activities.

Article 12

- (1) The Head of the DPMPTSP periodically evaluates the implementation of the Provision of Incentives and/or Provision of Ease of Investment at least once a year.
- (2) In carrying out the evaluation as referred to section (1), the Head of the DPMPTSP forms an evaluation team.
- (3) In carrying out the evaluation as referred to section (1), the Head of the DPMPTSP involves relevant Regional apparatuses according to the government affairs they manage.
- (4) The procedures for evaluating the implementation of the Provision of Incentives and/or Provision of Ease of Investment as referred to section (1) are as follows:
 - a. the Head of the DPMPTSP, through an evaluation team, evaluates the implementation of the Provision of Incentives and/or Provision of Ease of Investment based on:
 - 1. reports from recipients of incentives and/or ease of investment; and/or
 - 2. visits to business locations and/or recipients of incentives and/or ease of investment.
 - b. the evaluation team submits the evaluation results as referred to point a to the Head of the DPMPTSP for follow-up.
- (5) If the evaluation results as referred to section (4) point b indicate that the criteria are still met and the period for the Provision of Incentive and/or Provision of Ease of Investment has not yet expired, the Provision of Incentive and/or Provision of Ease of Investment still continue.
- (6) If the evaluation results as referred to section (4) point b indicate that the criteria are no longer met and the period for the Provision of Incentive and/or Provision of Ease of Investment has not yet expired, the Provision of Incentive and/or Provision of Ease of Investment are revoked.
- (7) If the evaluation results as referred to section (4) point b state that the criteria are still met and the period for the Provision of Incentives and/or Provision of Ease of Investment will soon end, the Community and/or Investors may apply for an extension of the Provision of Incentives and/or Provision of Ease of Investment 1 (one) time.
- (8) The revocation and extension of the Provision of Incentives and/or the Provision of Ease of Investment as referred to section (6) and section (7) are determined by a Regent Decision.

Paragraph 2 Guidance and Supervision

Article 13

- (1) The DPMPTSP provides guidance and supervision in the implementation of the Provision of Incentives and/or the Provision of Ease of Investment.

- (2) Guidance as referred to section (1) is implemented through:
 - a. dissemination, workshops, technical guidance, or Investment dialogue regarding the provisions for implementing Investment periodically;
 - b. providing consultation on controlling the implementation of the Investment in accordance with the provisions of legislation;
 - c. notification regarding the obligation to submit the LKPM to recipients of incentives and/or Ease of investment through letters, print media, or other electronic media;
 - d. facilitating the resolution of problems faced by recipients of incentives and/or ease of investment;
 - e. facilitating the acceleration of Investment realization in the form of Ease of business for recipients of incentives and/or ease of investment; and/or
 - f. monitoring the acceleration of the realization of national strategic projects in the Region that already have permits.
- (3) Supervision as referred to section (1) is carried out on:
 - a. the implementation of obligations by recipients of incentives and/or ease of investment;
 - b. the fulfilment of responsibilities by recipients of incentives and/or ease of investment;
 - c. follow-up on the implementation of monitoring activities; and/or
 - d. follow-up on evaluations of the implementation of permits and/or business licensing carried out by the State Ministries/Institutions, related agencies, and/or Local Governments in accordance with the provisions of legislation.
- (4) In each supervisory activity, the DPMPTSP appoints a supervisory officer in writing in a letter of assignment signed by the Head of the DPMPTSP.
- (5) The DPMPTSP, as referred to section (4), have the right to obtain explanations and information and/or request necessary supporting data related to the recipients of incentives and/or ease of investment who are the object of supervision.

Article 14

If supervision is carried out due to a violation or failure to fulfill the obligations and responsibilities of recipients of incentives and/or Ease of investment, supervision is carried out without prior notification to the management of the company/ the person in charge.

CHAPTER IV RESPONSIBILITIES, OBLIGATIONS, AND IMPOSITION OF ADMINISTRATIVE SANCTIONS

Part One Obligations and Responsibilities

Paragraph 1 Obligations

Article 15

Every recipient of incentives and/or ease of investment is obligated to:

- a. comply with the provisions of legislation regarding guidelines for the Provision of Incentives and/or Provision of Ease of Investment;
- b. carry out corporate social responsibility;
- c. prepare reports on investment activities and submit them to the Regional apparatuses that handle government affairs in the investment sector;
- d. respect the cultural traditions of the local community around the location of the investment business activity; and
- e. have an office and/or representative office in the Region.

**Paragraph 2
Responsibility**

Article 16

Every recipient of incentives and/or ease of investment is responsible for:

- a. ensuring the availability of capital from sources that do not conflict with the provisions of legislation;
- b. bearing and settling all obligations and losses if the Community and/or Investor unilaterally ceases, relinquishes, or abandons their business activities in accordance with the provisions of legislation in the investment sector;
- c. creating a healthy competitive business climate, preventing monopolistic practices and other matters that could harm the state;
- d. preserving the environment, social, and cultural well-being of the local Community;
- e. ensuring the safety, health, comfort, and welfare of workers; and
- f. contributing to improving the welfare of the regional community, especially the local Community.

**Part Two
Imposition of Administrative Sanctions**

Article 17

- (1) Any recipient of Incentives and/or Ease of Investment who violates the provisions as referred to Article 15 shall be subject to administrative sanctions in the form of:
 - a. a written warning; and/or
 - b. termination of the Provision of Incentives and/or Ease of Investment.
- (2) The administrative sanctions as referred to section (1) shall be imposed by the Regent.
- (3) The imposition of administrative sanctions as referred to section (1) can be delegated to the Head of the DPMPTSP.

Article 18

- (1) The written warnings as referred to Article 17 section (1) point a shall be imposed for a maximum of 3 (three) consecutive times, with a deadline of 15 (fifteen) days each from the date the first written warning letter is sent.
- (2) In response to the written warnings as referred to section (1), recipients of incentives and/or ease of investment shall:
 - a. fulfill the obligations and other provisions as stated in the written warning letter; and
 - b. provide a response to the written warning letter.

(3) If the evaluation of the fulfillment of obligations and the response of the recipient of incentives and/or ease of investment as referred to section (2) is satisfactory, the written warning is declared void.

Article 19

(1) If the recipient of incentives and/or ease of investment:

- fails to fulfill their obligations by the third written warning as referred to Article 18 section (1); and
- is found to have discrepancies after the evaluation results regarding the response of the recipient of incentives and/or Ease of investment as referred to in Article 18 section (2) point b;

then the recipient concerned will be subject to administrative sanctions in the form of termination of the Provision of Incentives and/or Provision of Ease of Investment as referred to Article 17 section (1) point b.

(2) Administrative sanctions for termination of the Provision of incentives and/or Provision of Ease of investment as referred to in section (1) may include:

- non-extension of the Provision of Incentives and/or Provision of Ease of Investment; or
- cancellation of the Provision of Incentives and/or Provision of Ease of Investment before the end of the specified period.

CHAPTER V PERIOD AND FREQUENCY OF IMPLEMENTATION OF INCENTIVES AND/OR EASE OF INVESTMENT

Article 20

The Provision of Incentives and/or The Provision of Ease of Investment are granted within a specific timeframe and frequency based on the evaluation results of the verification team.

Article 21

The Provision of Incentives and/or The Provision of Ease of Investment are granted for a maximum period of 2 (two) years and may be extended for another 1 (one) year.

Article 22

- Incentives may be provided to new investors for a maximum of 2 (two) times.
- Incentives may be provided to existing investors for a maximum of 1 (one) time when expanding and/or developing their business.

Article 23

- The Provision of Ease of Investment may be granted to new investors a maximum of 2 (two) times.
- The Provision of Ease of Investment may be granted to existing investors a maximum of 1 (one) time when expanding and/or developing their business.

Article 24

Specifically, incentives in the form of local tax reductions and/or local levies for Communities and/or investors operating in Special Economic Zones are granted for a maximum period of three years.

CHAPTER VI FINANCING

Article 25

Costs required for the implementation of the Provision of Incentives and/or the Provision of Ease of Investment to the Community and/or Investors are borne by:

- a. the Local Budget; and/or
- b. other legitimate and non-binding sources based on the regulations of legislation.

CHAPTER VII MISCELLANEOUS PROVISIONS

Article 26

- (1) Communities and/or investors operating their businesses within Special Economic Zones are provided incentives in the form of a 50% (fifty percent) reduction in local taxes and/or levies.
- (2) The reduction in local taxes and/or levies as referred to in section (1) is implemented in accordance with the provisions of legislation.

CHAPTER VIII CLOSING PROVISIONS

Article 27

This Regulation of the Regent 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 Bulletin of the Regency of Kendal.

Issued in Kendal
on 12 March 2025

REGENT OF KENDAL,

signed

DYAH KARTIKA PERMANASARI

Promulgated in Kendal
on 12 March 2025

Acting REGIONAL SECRETARY OF THE REGENCY OF KENDAL

signed

AGUS DWI LESTARI

REGIONAL BULLETIN OF THE REGENCY OF KENDAL 2025 NUMBER 10

Jakarta, 16 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,

DHAHANA PUTRA



ANNEX TO
REGULATION OF THE REGENT OF KENDAL
NUMBER 10 OF 2025
ON
IMPLEMENTING REGULATION ON REGIONAL REGULATION
NUMBER 5 OF 2023 CONCERNING INCENTIVES AND/OR
INVESTMENT FACILITIES

A. INVESTMENT IN BUSINESS PREMISES OUTSIDE SPECIAL ECONOMIC ZONES

Assessment Variables, Indicators, Parameters, and Values (scores).

NUMBER	VARIABLES	INDICATORS	PARAMETERS*)	VALUES*)
1.	Contribute to increasing Community income	Investors/capital investors can have an impact on increasing the average income of the community	a. The average monthly employee income is lower than the City Minimum Wage (UMK). b. The average monthly employee income is equal to the City Minimum Wage (UMK). c. The average monthly employee income is higher than the City Minimum Wage (UMK).	1 2 3
2.	Absorbing workforce	Investors/capital investors carry out their business by absorbing local labor	a. Absorption of local labor up to 25% (twenty-five percent) b. Absorption of local labor more than 25% (twenty-five	1 2

			percent) up to 50% (fifty percent)	
			c. Absorption of local labor more than 50% (fifty percent)	3
3.	Using mostly local resources	Investors/capital investors use more local raw materials than raw materials from outside the region used in their business activities.	a. The use of local raw materials is less than 10% (ten percent) of total raw material requirements.	1
			b. The use of local raw materials is more than 10% (ten percent) - 30% (thirty percent).	2
			c. The use of local raw materials is more than 30% (thirty percent) of total raw material requirements.	3
4.	Contribute to improving public services	Investors/capital investors carry out social responsibility in providing public services	a. There is no social responsibility contribution to the provision of public services.	1
			b. There is a partial but unprogrammed contribution to implementing social responsibility to the provision of public services.	2

			c. There is a full and programmed contribution to implementing social responsibility to the provision of public services.	3
5.	Contributing to increasing regional gross domestic product	Increase in total investment production, both planned and realized	a. There has been no growth in the total value of investment production.	1
			b. The growth in the total value of investment production has increased by up to 5% (five percent) per year.	2
			c. The growth in the total value of Investment production increased by more than 5% (five percent) per year.	3
6.	Environmentally aware and sustainable	<p>a. Investors/capital investors apply the principles of balance and justice, as well as the utilization of (natural) resources and comply with established spatial plans;</p> <p>b. Meet current and future needs and comply with spatial planning provisions by</p>	<p>a. The investor does not have environmental documents</p> <p>b. The investor has environmental documents</p> <p>c. The investor has environmental documents and complies with and reports in accordance with regulations</p>	<p>1</p> <p>2</p> <p>3</p>

		<p>fulfilling the criteria for suitability of spatial use patterns; and</p> <p>c. Comply with the intensity of spatial use in their permits and processing of certificates of functional feasibility.</p>		
7.	Infrastructure development	<p>Investors/capital investors who support the Regional Government in providing the facilities and infrastructure needed by the community</p>	<p>a. Investors/capital investors whose business does not include the construction of social facilities and public facilities</p> <p>b. Investors/capital investors whose business includes the construction of social and public facilities and obtains financial support from the APBD (Regional Revenue and Expenditure Budget)</p> <p>c. Investors/capital investors whose business includes the construction of social and public facilities</p>	<p>1</p> <p>2</p> <p>3</p>
8.	Conducting technology transfer	<p>Investors/capital investors provide knowledge and application of the technology</p>	<p>a. There has been no technology transfer to the Regional Government or to</p>	<p>1</p>

		used by their businesses to local governments and the community.	the Community	
			b. Technology transfer to Regional Governments and Communities is carried out with government funding support.	2
			c. Technology transfer to local governments and communities is carried out with full financing from investors.	3
9.	Conducting pioneering industry	Investors/capital investors who open new types of businesses that are broadly connected to business activities, provide added value, take into account externalities, introduce new technologies, and have strategic value in supporting the development of superior regional products.	<p>a. The investor's business is not a new type of business and does not have extensive business activity links (forward and backward linkages) and does not support the development of superior regional products.</p> <p>b. Investor/capital investor business is a new type of business that has extensive business activity links (forward and backward linkages) but does not support the development of superior regional products.</p>	<p>1</p> <p>2</p>

			c. Investor/Capital Investor Business is a new type of business that has broad business activity links (forward and backward linkages) and supports the development of superior regional products.	3
10.	Carrying out research, development and innovation activities	Investors/capital investors who carry out research, development and technological innovation activities	a. There are no research, development and innovation activities to increase the added value of superior regional products. b. There are research, development and innovation activities but they do not support increasing the added value of superior regional products. c. There are research, development and innovation activities as well as support for increasing the added value of superior regional products.	1 2 3
11.	Partnering with Micro,	Investors/capital investors who	a. Investors/capital investors	1

	Small Businesses or Cooperatives	enter into partnerships with micro, small or cooperative entrepreneurs	have not yet entered into a partnership b. Investors/capital investors enter into partnerships during both the construction and commercial phases with a transaction value of 50-100 million per year starting from the submission period.	2
			c. Investors/capital investors enter into partnerships during both the construction and commercial phases with a transaction value of more than 100 million per year calculated from the submission period.	3
12.	Industries that use capital goods, machinery, or equipment that are produced domestically	Investors/capital investors whose business activities use capital goods, machines or equipment produced domestically	a. Investors/capital investors have not used capital goods, machinery or equipment produced domestically b. Investors/capital investors use capital goods, machinery or equipment	1 2

			produced domestically up to 50% (fifty percent)	
			c. Investors/capital investors use capital goods, machinery or equipment produced domestically more than 50% (fifty percent)	3
13.	Carrying out business activities in accordance with national and/or regional priority programs	Investors/capital investors whose business activities are in accordance with national and/or regional priority programs	a. Investors/capital investors have not carried out business activities in accordance with national and/or regional priority programs	1
			b. Investors/capital investors carry out some business activities in accordance with national and/or regional priority programs.	2
			c. Investors/capital investors have carried out business activities in accordance with national and/or regional priority programs	3
14.	Export oriented	Investors/capital investors whose business activities are export-oriented	a. Investors/capital investors have not yet carried out export activities	1
			b. Investors/capital investors	2

		have carried out export activities to 1 (one) country	
	c. Investors/capital investors have carried out export activities in more than 1 (one) country	3	

DESCRIPTION:

- a. The total score of the variables is the basis for classifying priorities in Incentive Granting.
- b. The priority classification consists of:
 1. Low priority with a total score of less than 23.
 2. Medium priority with a total score of 23 to 31.
 3. High priority with a total score above 31.

B. Form of Incentives and Priority Scale.

NUMBER	FORM OF INCENTIVE	LOW PRIORITY	MEDIUM PRIORITY	HIGH PRIORITY	DESCRIPTION
	reduction, relief, or exemption from regional taxes	not given incentives	provision based on the Regent's policy and the amount of the incentive in the form of a maximum reduction of	The incentive is in the form of a maximum reduction of 50% (fifty percent).	in accordance with the financial capabilities of the region and the provisions of laws and regulations

			25% (twenty five percent)		
	reduction, relief or exemption from regional levies	not given incentives	The provision of incentives is based on the Regent's policy and the amount of the incentive is a maximum reduction of 25% (twenty five percent).	The incentive is in the form of a maximum reduction of 50% (fifty percent).	in accordance with the financial capabilities of the region and the provisions of laws and regulations
	providing capital assistance to micro, small and/or cooperative businesses in the region	not given incentives	The provision of incentives is based on the Regent's policy and the amount of the incentive is a maximum reduction of 25% (twenty five percent).	The incentive is in the form of a maximum reduction of 50% (fifty percent).	in accordance with the financial capabilities of the region and the provisions of laws and regulations
	assistance for research and development for micro, small and/or cooperative businesses in	not given incentives	The provision of incentives is based on the	The incentive is in the form of a maximum	in accordance with the financial capabilities of the

	the Region		Regent's policy and the amount of the incentive is a maximum reduction of 25% (twenty five percent).	reduction of 50% (fifty percent).	region and the provisions of laws and regulations
	assistance with vocational training facilities for micro, small and/or cooperative businesses in the Region	not given incentives	The provision of incentives is based on the Regent's policy and the amount of the incentive is a maximum reduction of 25% (twenty five percent).	The incentive is in the form of a maximum reduction of 50% (fifty percent).	in accordance with the financial capabilities of the region and the provisions of laws and regulations
	low loan interest	not given incentives	The provision of incentives is based on the Regent's policy and the amount of the incentive is a maximum	The incentive is in the form of a maximum reduction of 50% (fifty percent).	in accordance with the financial capabilities of the region and the provisions of laws and regulations

			reduction of 25% (twenty five percent).		
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B. INVESTMENT WITH BUSINESS PREMISES IN SPECIAL ECONOMIC ZONES.

There is only one variable in this assessment: business location within a Special Economic Zone. This variable is based on the provisions of Article 100 paragraph (1) of Government Regulation Number 40 of 2021 concerning the Implementation of Special Economic Zones, which states, "Regional Governments are required to determine reductions, relief, and exemptions from regional taxes and/or regional levies for Business Entities and/or Business Actors in SEZs in accordance with the provisions of laws and regulations regarding regional taxes and regional levies." Based on the provisions of Article 100 paragraph (4) of Government Regulation Number 40 of 2021 concerning the Implementation of Special Economic Zones in conjunction with Article 9 of Kendal Regency Regulation Number 5 of 2023 concerning the Provision of Incentives and/or Investment Facilitation, the amount of incentives in the form of reductions in regional taxes and/or regional levies is set at 50% (fifty percent).

Therefore, the Community and/or Investors operating within the Special Economic Zone are provided with incentives in the form of a 50% (fifty percent) reduction in regional taxes and/or regional levies.

REGENT OF KENDAL

signed

DYAH KARTIKA PERMANASARI