

REGULATION OF THE REGENCY OF SAMBAS
NUMBER 4 OF 2021
ON
PROVISION OF INCENTIVES AND EASE OF INVESTMENT IN SAMBAS
REGENCY

BY THE BLESSINGS OF ALMIGHTY GOD

REGENT OF SAMBAS,

Considering : that to implement the provisions of Article 7 section 1 of Regional Regulation Number 24 of 2019 on Provision of Incentives and Ease of Investment in Region, it is necessary to issue a Regional Regulation on Provision of Incentives and Ease of Investment;

Observing : 1. Article 18 section (6) the 1945 Constitution of the Republic of Indonesia;

2. Law Number 27 of 1959 on Establishment of Emergency Law Number 3 of 1953 on Establishment of Level II of Government Area in Kalimantan (State Gazette of the Republic of Indonesia Number 9 of 1959, Supplement to the State Gazette of the Republic of Indonesia Number 352) as Law (State Gazette of the Republic of Indonesia Number 72 of 1959, Supplement to the State Gazette of the Republic of Indonesia Number 1820);

3. Law Number 25 of 2007 on Investment (State Gazette of the Republic of Indonesia Number 67 of 1959, Supplement to the State Gazette of the Republic of Indonesia Number 4724);

4. Law Number 28 of 2009 on Local Taxes and Retributions (State Gazette of the Republic of Indonesia Number 30 of 2009, Supplement to the State Gazette of the Republic of Indonesia Number 5049);
5. Law Number 12 of 2011 on Legislation Making (State Gazette of the Republic of Indonesia Number 82 of 2011, Supplement to the State Gazette of the Republic of Indonesia Number 5234) as amended by Law Number 15 of 2019 on Amendment to Law number 12 of 2011 on Legislation Making (State Gazette of the Republic of Indonesia Number 183 of 2019, Supplement to the State Gazette of the Republic of Indonesia Number 6398);
6. Law Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia Number 244 of 2014, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended for several times, and last by Law Number 9 of 2015 on Second Amendment to Law number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia Number 58 of 2015, Supplement to the State Gazette of the Republic of Indonesia Number 5679);
7. Government Regulation Number 24 of 2019 on Provision of Incentives and Ease of Investment on Region (State Gazette of the Republic of Indonesia Number 63 of 2019, Supplement to the State Gazette of the Republic of Indonesia Number 6330);
8. Government Regulation Number 5 of 2021 on Administration of Risk-Based Business License (State Gazette of the Republic of Indonesia Number 15 of 2021, Supplement to the State Gazette of the Republic of Indonesia Number 5173);
9. Government Regulation Number 6 of 2021 on Administration of Business License in Region (State Gazette of the Republic of Indonesia Number 16 of 2021, 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 Cooperative and Micro, Small, and Medium Enterprises (State Gazette of the Republic of Indonesia Number 17 of 2021, Supplement to the State Gazette of the Republic of Indonesia Number 6619);

11. Government Regulation Number 10 of 2021 on Local Taxes and Retributions in Order to Support Ease of Doing Business and Regional Services (State Gazette of the Republic of Indonesia Number 20 of 2021);
12. Presidential Regulation Number 16 of 2012 on Global Planning of Investment (State Gazette of the Republic of Indonesia Number 42 of 2012);
13. Presidential Regulation Number 97 on 2014 on Implementation of One Stop Service (State Gazette of the Republic of Indonesia Number 221 of 2014);
14. Presidential Regulation Number 10 on 2021 on Business and Investment Sector (State Gazette of the Republic of Indonesia Number 61 of 2021);
15. Regulation of the Regency of Sambas Number 8 on 2010 on Local Taxes (State Gazette of the Regency of Sambas Number 2 of 2011, Supplement to the State Gazette of the Regency of Sambas Number 1) as amended for several times, and last by the Regulation of the Regency of Sambas Number 1 on 2019 on Second Amendment to Regulation of the Regency of Sambas Number 8 on 2010 on Local Taxes (State Gazette of the Regency of Sambas Number 1 of 2019, Supplement to the State Gazette of the Regency of Sambas Number 49);
16. Regulation of the Regency of Sambas Number 11 on 2011 on Retribution on Certain Licenses (State Gazette of the Regency of Sambas Number 12 of 2011) as amended for second times, and last by Regulation of the Regency of Sambas Number 2 on 2018 on Second Amendment to Regulation of the Regency of Sambas Number 11 of 2011 on Retribution of Certain Licenses (State Gazette of the Regency of Sambas Number 2 of 2018, Supplement to the State Gazette of the Regency of Sambas Number 41);

17. Regulation of the Regency of Sambas Number 2 on 2012 on Investment (State Gazette of the Regency of Sambas Number 5 of 2012);

With the Joint Approval of
THE REGIONAL HOUSE OF REPRESENTATIVES
and
THE REGENT OF SAMBAS

HAS DECIDED:

To issue : REGIONAL REGULATION ON PROVISION OF INCENTIVES
AND EASE OF INVESTMENT IN SAMBAS REGENCY.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this regional regulation:

1. Region means the Regency of Sambas.
2. Local Government means Regent as elements of local government administration leading the implementation of government affairs which become the authority of the region.
3. Regent means the Regent of Sambas.
4. Regional House of Representatives of the Regency of Sambas as abbreviated to as DPRD means the Regional House of Representatives holding the position as the administrator of local Government affairs.
5. Regional Apparatus means elements that assist the Regent and the Regional House of Representatives in Administering Government Affairs Which Become the Authority of the Region.
6. Local Office means Regional Apparatus administering Affairs in Investment Sector in Region.
7. Investment means all kind of activities of investing the capital, by either Local Investors or Foreign Investors to do business in the territory of the Republic of Indonesia.

8. Investor means an individual or enterprise that does the Investment by means of Local Investors and Foreign Investors.
9. Provision of Incentives means the support for fiscal policy from Local Government to the community and/or Investors to Increase the Investment in Region.
10. Provision of Ease means Provision of Non Fiscal Facilities from Local Government to the Society and/or Investors to give ease and to increase the Investment activities in Region.
11. Local Tax means the Compulsory Contribution to the owed by Personal or Agencies that Coercive be Based on Law by not getting the direct reward and used for the Region Need to the Profuse of prosperity of society.
12. Local Retribution hereinafter abbreviated to as Retribution means a Local Levy as Payment of Service or Provision of the Certain License Particularly served and/or given by Local Government to personal interests or Agencies.
13. Partnership means Kind of Cooperation in Order to Relate the Business provided by the Investment with the Local Entrepreneur in particular for micro, small, and medium enterprises and cooperative.
14. Verification Team means Team consisting of Technical Region Apparatus related to Investment Sector to do the verification and study about provision of incentives application and ease of Investment in the Regency of Sambas and all at once to do the supervision and fostering in implementation.

CHAPTER II

PURPOSE AND OBJECTIVES

Article 2

The Purposes of Provision of Incentives and Ease of Investment to encourage the Investment and ease of doing business and increase the Growth of Economic in Region Development.

Article 3

The objectives of provision of incentives and ease of Investment:

- a. increase the Investment in Region;
- b. increase the Region Economic Growth;
- c. increase the Capabilities and Regional Competitiveness;
- d. increase the Job Field;
- e. increase the business partnership and development of people's economy; and
- f. increase the public welfare.

CHAPTER III PRINCIPLE AND SCOPE

Article 4

Provision of incentive and ease of Investment based on:

- a. legal certainty;
- b. equality;
- c. transparency;
- d. accountability; and
- e. effectiveness and efficiency.

Article 5

Provisions Scope in this regional regulation consist of:

- a. local government authority;
- b. criteria, form and type of business;
- c. procedures for providing incentives and ease;
- d. reporting and evaluation; and
- e. guidance and supervision.

CHAPTER IV LOCAL GOVERNMENT AUTHORITY

Article 6

Local Government is authorized to provide the incentive and ease of Investment to the Investors based on the Authority

with Regard to condition and capability of Region in accordance with the provision of legislation.

CHAPTER V
CRITERIA, FORM AND TYPE OF BUSINESS

Part One
Criteria

Article 7

Provision of incentives and ease of Investment is given to Investors that fulfill the following criteria for:

- a. giving the contribution to increase the community income;
- b. absorbing labor;
- c. using the most of the local resources;
- d. contributing in the increase of the public services;
- e. increasing the gross regional domestic product;
- f. environmental and sustainable concept;
- g. infrastructure development;
- h. transferring technology;
- i. doing pioneer industry;
- j. carrying out research, development, and innovation activities;
- k. partnership with micro, small, and medium enterprises or cooperative.
- l. industries that use the capital goods, machine, or domestically produced equipment;
- m. doing the business activities in accordance to the national priority program and/or Local; and/or
- n. export orientation.

Part Two
Form of Incentives and ease of Investment

Paragraph One
Incentive of Investment

Article 8

Provision of Incentive is in the form of:

- a. reduction, relief or exemption of Local taxes;
- b. reduction, relief or exemption of Local retributions;
- c. provision of capital support to micro enterprises and/or cooperative;
- d. assistance to research and development of micro enterprises and/or cooperative; and/or
- e. assistance to facilitate the vocational training for micro enterprises and/or cooperative.

Paragraph Two
Ease of Investment

Article 9

Provision of ease can be in the form of:

- a. availability of data and information about potential and investment opportunities;
- b. availability of facilities and infrastructure;
- c. facilitate to provision of land and location;
- d. provision of technical support;
- e. simplification and acceleration of provision of license in one stop service based on authority; and/or
- f. ease of marketing access for production result;

Article 10

The form of provision of incentive and/or ease as referred to in the Article 8 and Article 9 in accordance with Regional financial capability and the Provision of legislation.

Part Three
Type of Business

Article 11

- (1) Local Government can prioritize the provision of incentives and/or provision of ease to certain type of business or activities;
- (2) Type of Business as referred to in section (1) consists of:
 - a. micro enterprises and/or cooperative;
 - b. required business with partnership;
 - c. required business with capital ownership;
 - d. required business with certain location;
 - e. required business with the specific legal;
 - f. open business in Investment that prioritizes the regional eminence;
 - g. business that gets the Investment facility from the Central Government; and/or
 - h. another business in accordance to the provisions of legislation;

Article 12

Further provisions regarding Criteria, Form, and Type of Business as referred to in Article 7, Article 8, Article 9, and Article 11 are regulated with a Regent Regulation.

CHAPTER VI
PROCEDURES FOR PROVIDING INCENTIVES AND EASE

Article 13

- (1) Investors that want to get the incentives and/or ease of Investment must apply to the Regent.
- (2) Apply as referred to in section (1) contain:
 - a. Investors that start to open the business can apply the proposal contain at least:
 1. company profile; dan
 2. kind of requested easiness.
 - b. Investors that will do the business expansion, apply

the proposal contain at least:

1. business scope;
2. management performance;
3. growth of business; and
4. form of incentives and/or the requested easiness.

Article 14

Excluded from the provision as referred to in Article 13 section (2) to the micro enterprises and cooperative it is enough to submit the letter of application that contain the incentive need and/or ease of Investment.

Article 15

- (1) Request for incentive and/or ease of Investment as referred to in article 13 section (1) be processed by Verification Team.
- (2) Team Forming as referred to in section (1) is determined by the decision of the Regent.

Article 16

Verification Team as referred to in Article 15 have the following duties of:

- a. doing the verification to the proposal and check the completeness of the requirements that need to be fulfilled.
- b. doing the evaluation to each criteria measurably;
- c. using the Evaluation Matrix to determine the form and amount of incentive and/or ease of Investment;
- d. determining the order of priority scale of Investment that apply is granted;
- e. determining the form and amount of incentive that will be given;
- f. forwarding the recommendation to Regent to be appointed as the incentive and/or ease of Investment recipient; and
- g. doing the observation and evaluation to the implementation of Investment activities that receive the incentive and/or ease of Investment;

Article 17

- (1) Regent determines the incentive and/or ease of Investment recipient in accordance with the recommendation of Verification Team with the Decision of Regent.
- (2) In the event that the rejected apply of provision of incentives and/or ease of Investment, then the rejection is reasonable.

Article 18

- (1) Providing of ease is given to the new Investors at the first time in doing the Investment.
- (2) Provisions regarding incentive include ease to Investors which have been operational.

Article 19

Further provisions regarding procedures for providing incentive and/or ease of Investment are regulated by a Regent Regulation.

CHAPTER VII

REPORTING AND EVALUATION

Article 20

- (1) Investors that receive the incentive and/or ease of Investment are required to deliver the report to the Regent through the Local Department.
- (2) Report as referred to in section (1) contains the using of incentive and ease of Investment received.

Article 21

- (1) Local Department delivers the progress report of the provision of incentives and/or ease of Investment to the Regent periodically at least once (1) in a year.
- (2) Regent delivers the progress report of the provision of incentives and/ or ease of Investment to the Governor of West Kalimantan at least once (1) in a year.

Article 22

- (1) Regent does the evaluation to the Investment Activities that receive the Incentive and/or ease.
- (2) Evaluation as referred to in section (1) is implemented by Local Department at least once (1) in a year.

CHAPTER VIII
GUIDANCE AND SUPERVISION

Article 23

- (1) Guidance and supervision to the provision of incentive and/or ease of investment are done by Local Department.
- (2) Guidance and supervision as referred to in section (1) are done by the use of provision of incentive and/or ease of investment and the obstacles encountered.

CHAPTER IX
CLOSING PROVISIONS

Article 24

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 of the Regency of Gazette of Sambas.

Issued in Sambas
on 20 August 2021

REGENT OF SAMBAS,

signed

SATONO

Promulgated in Sambas
on 20 August 2021

REGIONAL SECRETARY OF
THE REGENCY OF SAMBAS,

signed

FERY MADAGASKAR

REGIONAL GAZETTE OF THE REGENCY OF SAMBAS OF 2021 NUMBER 4

Jakarta, 22 June 2022

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


DHAHANA PUTRA

ELUCIDATION
OF
REGULATION OF THE REGENCY OF SAMBAS
NUMBER 4 OF 2021
ON
PROVISION OF INCENTIVE AND EASE OF INVESTMENT IN THE REGENCY OF
SAMBAS

I. General

Investment activities have become part of the national economy implementation and placed as an effort to increase the growth of the national economy and the regional economy. Investment activities in Sambas Regency so far have played an important role, among others, in increasing community income, absorbing local workers, empowering local resources, improving public services, increasing Gross Regional Domestic Product, as well as developing micro, small and cooperative businesses.

Arrangements for the provision of incentives and ease of investment in the regions are regulated in Law Number 23 of 2014 on Local Government and Government Regulation Number 24 of 2019 concerning Provision of Incentives and ease of Investment in the Regions. Article 278 section (2) of Law Number 23 of 2014 on Local Government states that in order to encourage the participation of the community and the private sector in regional development, local government administrators can provide

incentives and/or facilities to the public and/or investors as regulated in the Regulations. Regions based on the provisions of legislation and Article 7 section (1) of Government Regulation Number 24 of 2019 on Provision of Incentives and Ease of Investment in the Regions state that the provision of incentives and/or the provision of facilities to the public and/or investors are regulated by a Regional Regulation. Based on these matters, the Government of Sambas Regency needs to stipulate a Regional Regulation on the Provision of Incentives and Ease of Investment.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Sufficiently clear.

Article 3

Sufficiently clear.

Article 4

Point a

The term "legal certainty" means principle to put provisions and regulation as the basis for local government in every policy and action in providing incentives and providing investment facilities.

Point b

The term "equality" means equal treatment of investors without taking sides and benefiting a particular class, group, or scale of business.

Point c

The term "transparency" means information disclosure in

providing incentives and facilities to investors and the public.

Point d

The term “accountability” means a form of accountability for the provision of incentives and/or the provision of investment facilities.

Point e

The term “effective and efficient” means rational and economic considerations as well as guarantees that have an impact on increasing productivity and public services.

Article 5

Sufficiently clear.

Article 6

Sufficiently clear.

Article 7

Point a

The term “the criteria for giving the Contribution to increase the community income” means business entities or investors that cause a multiplier impact in the region.

Point b

The term “the criteria for absorbing labor” means the use of labor as seen from the comparison between the number of local workers and the number of workers employed.

Point c

The term “the criteria for using the most of the local resources” means comparison between local raw materials and raw materials taken from outside the area that used in business activities.

Point d

The term “the criteria for contribute in increasing the public services” is implementation of corporate social and environmental responsibilities in the provision of public services.

Point e

The term “the criteria for increasing the Gross Regional Domestic Product” means an investor whose business activities optimize the utilization of local natural resource potential.

Point f

The term “the criteria for environmentally sound and sustainable” means investors who have an environmental impact analysis document by applying the principles of balance and justice in the use of natural resources and complying with the regional spatial plan.

Point g

The term “the criteria for infrastructure development” means investors whose business activities support local government in providing the required facilities or infrastructure.

Point h

The term “the criteria for transferring technology” means investors whose business activities provide opportunities for local government and the public to apply the technology meaning.

Point i

The term “the criteria for doing pioneer industry” means investors who start the new types of business by:

- a. linkages of broad business activity;
- b. provide added value and count into high externalities;
- c. introduce new technology; and
- d. has strategic value in supporting the development of regional superior products.

Point j

The term “the criteria for carry out research, development, and innovation activities” means investors whose business activities are in research and development area, technological innovation in managing regional potential.

Point k

The term “the criteria for partnership with micro, small, and medium enterprises or Cooperative” means investors whose business activities are in partnership with micro, small entrepreneurs or cooperatives.

Point l

The term “the criteria for industries that use the capital goods, machine, or domestically produced equipment” means investors who use machines or equipment with local content and produced domestically.

Point m

The term “the criteria for doing the business activities in accordance to the national priority program and/or Local” means investors whose business activities are in a particular area.

Point n

The term “the criteria for export orientation” means investors whose business activities produce goods of high export value.

Article 8

Point a

The term “reduction, relief or exemption of Local Taxes” means reduction, relief or exemption of Local Taxes among others in:

- a. adjustment of Sales Value of Non-Taxable Tax Objects (NJOPTKP) and Sales Value of Taxable Objects (NJOP) of land and buildings;

- b. granting of reduction, relief, or exemption in certain cases on the principal of regional tax and/or its sanctions;
- c. granting of reduction, relief, or exemption from Duty on the Acquisition of Rights on Land and Buildings (BPHTB); and
- d. gradual payment of local taxes.

Point b

The term “reduction, relief or exemption of Regional Levies” is reduction, relief or exemption of Regional Levies in the form of license retribution for building public houses for low-income people.

Point c

The term “provision of capital support to micro enterprises and/or cooperative” means grant in the context of strengthening capital, sustainability and development to improve micro-enterprises, and/or cooperative.

Point d

The term “assistance to research and development of micro enterprises and/or cooperatives” means assistance and cooperation for research in the context of developing micro-enterprises and/cooperatives.

Point e

The term “assistance to facilitate the vocational training for micro enterprises and/or cooperative” means providing vocational training to improve the knowledge and skills of micro-enterprises, and/or cooperatives.

Article 9

Point a

The term “availability of data and information about potential and investment opportunities” means providing the ease in the

form of data and information availability on potential and investment opportunities, including:

- a. potential and investment opportunities;
- b. access to information on regional spatial planning; and
- c. access to information on strategic plans and regional priority scales.

Point b

The term “availability of facilities and infrastructure” means the provision of facilities in the form of the availability of facilities and infrastructure includes:

- a. electrical network;
- b. road;
- c. transportation;
- d. telecommunications network; and
- e. clean water network.

Point c

The term “facilitate to provision of land and location” is providing the ease in processing land ownership, providing data and information related to land or location, and mediating dispute resolution. Data and information of land or location include:

- a. an area that become priority for regional economic development; and
- b. in accordance with the Regional Spatial Plan.

Point d

The term “provision of technical support” means the provision of assistance can be in the form of technical guidance, training and experts.

Point e

The term “simplification and acceleration of provision of license in one stop service based on authority” means:

- a. the provision of facilities in the form of accelerated licensing services is carried out by the Regional Apparatus that administers the licensing.
- b. acceleration of licensing services is intended to shorten the time, low cost, precise and fast procedures supported by an online information system.

Point f

The term “ease of marketing access for production result” is assistance provided by the Regional Government to investors to open and expand business networks and for business products at both national and international levels.

Article 10

Sufficiently clear.

Article 11

Sufficiently clear.

Article 12

Sufficiently clear.

Article 13

Sufficiently clear.

Article 14

Sufficiently clear.

Article 15

Sufficiently clear.

Article 16

Sufficiently clear.

Article 17

Sufficiently clear.

Article 18

Sufficiently clear.

Article 19

Sufficiently clear.

Article 20

Sufficiently clear.

Article 21

Sufficiently clear.

Article 22

Sufficiently clear.

Article 23

Sufficiently clear.

Article 24

Sufficiently clear.