

REGULATION OF THE REGENCY OF SUKOHARJO
NUMBER 2 OF 2021
ON
INVESTMENT

BY THE BLESSINGS OF ALMIGHTY GOD

REGENT OF SUKOHARJO,

- Considering :
- a. that in order to bring prosperity for society, it is necessary to perform sustainable economic development based on economic democracy according to Pancasila and the 1945 Constitution of the Republic of Indonesia;
 - b. that investment in the region area is a driving force of the regional economy, supporting regional development, creating job vacancies and increasing regional competitiveness, it is necessary to create an investment atmosphere which is conducive, promotive, legal certainty, justice, and efficient as well as considering regional economic interests;
 - c. that Regulation of the Regency of Sukoharjo Number 5 of 2011 on Investment in the Regency of Sukoharjo, is considered to be not appropriate to the development of legislation and the needs of the society so that it is necessary to be amended;
 - 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 Investment;

- Observing : 1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 13 of 1950 on the Establishment of Regency Areas at the Territories of Province of Central Java;
3. Law Number 25 of 2007 on Investment (State Gazette of the Republic of Indonesia of 2007 Number 67, Supplement to the State Gazette of the Republic of Indonesia Number 4724 as amended by Law Number 11 of 2020 on Job Creation (State Gazette of the Republic of Indonesia of 2020 Number 245, Supplement to the State Gazette of the Republic of Indonesia Number 6573);
4. Law Number 23 of 2014 on Local Government (State Gazette of the Republic of 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 11 of 2020 on Job Creation (State Gazette of the Republic of Indonesia of 2020 Number 245, Supplement to the State Gazette of the Republic of Indonesia Number 6573);
5. Government Regulation Number 24 of 2019 on Provision of Incentives and Ease of Investment in the Regions (State Gazette of the Republic of Indonesia of 2019 Number 63, Supplement to the State Gazette of the Republic of Indonesia Number 6330);
6. Presidential Regulation Number 16 of 2012 on General Investment Plan (State Gazette of the Republic of Indonesia of 2012 Number 42);
7. Presidential Regulation Number 97 of 2014 on the Implementation of One Stop Services (State Gazette of the Republic of Indonesia of 2014 Number 221);
8. Presidential Regulation Number 10 of 2021 on the Investment Business Sector (State Gazette of the Republic of Indonesia of 2021 Number 61) as amended several times, last by Presidential Regulation Number 49 of 2021 on Amendments to Presidential Regulation

Number 10 of 2021 on the Investment Business Sector
(State Gazette of the Republic of Indonesia of 2021
Number 128);

With the Joint Approval of
THE REGIONAL HOUSE OF REPRESENTATIVE
AND
THE REGENT OF SUKOHARJO

HAS DECIDED:

To issue : REGIONAL REGULATION ON INVESTMENT.

CHAPTER I
GENERAL PROVISIONS

Part One
Definition

Article 1

In this Regional Regulation:

1. Region means Regency of Sukoharjo.
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. Provincial Government means the Government of the Province of Central Java.
4. Regent means the Regent of Sukoharjo.
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. Capital means an asset in the form of money or other forms which is not money that has economic value, owned by investors.
7. Foreign capital means the capital which is owned by a foreign country, individual as foreign national, foreign

business company, foreign legal entity, and/or Indonesian legal entity which the capital is partially or wholly owned by a foreign party.

8. Domestic capital means capital owned by the Republic of Indonesia, individual as Indonesian citizen, or incorporated business entities or not incorporated ones.
9. Investment means all kinds of activities of investing the capital, by either Local Investors or Foreign Investors to do business in the territory of the Republic of Indonesia.
10. Investor means an individual or enterprise that does the Investment by means of Local Investors and Foreign Investors.
11. Domestic Investor means an individual as Indonesian citizen, an Indonesian business entity, the Republic of Indonesia, or a Region conducting Investment in the territory of the Republic of Indonesia.
12. Foreign Investor means an individual foreign citizen, foreign business entity, and/or foreign government conducting Investment in the territory of the Republic of Indonesia.
13. Domestic Investment (*Penanaman Modal Dalam Negeri*), hereinafter abbreviated as PMDN, means the activity of investment to run business in the territory of the Republic of Indonesia which is carried out by Domestic Investors using Domestic Capital.
14. Foreign Investment (*Penanaman Modal Asing*), hereinafter abbreviated as PMA, means the activity of investment to run business in the territory of the Republic of Indonesia which is done by Foreign Investors, both those who use their own Foreign Capital or those who join with Domestic Investors.
15. Information System of Potency and Opportunity of Regional Investment means a site-based Information System that is used to provide information on the potency and opportunity of investment for the development of Regional potency.
16. Potency of Investment means the availability of unexploited resources in a certain area with economic value.
17. Opportunity of Investment means the potency of Investment that are ready to be offered to the candidate of investors.

18. Empowerment means an effort made by the Government, Local Government, the Business World, and the society synergically in the form of climate growth and business development for Micro, Small, and Medium Enterprises so that they are able to grow and develop into strong and independent businesses.
19. Business Partnership means cooperation in investment activities for opened business fields with requirement either directly or indirectly, based on the principles of mutual need, trust, strengthening, and benefit for each other which involves micro, small, and medium with large enterprises.
20. Control means the activity of monitoring, fostering, and supervising Investors who have obtained License and/or Business License so their implementation will be in accordance with the provisions of legislation.
21. Monitoring means the activity of collecting, evaluating, and presenting data about the progress of the realization of Investment.
22. Coaching means the activity which is done to provide guidance/internalization of the provisions for the implementation of Investment and to provide facility to solve problem for the realization of Investment.
23. Supervision means an effort or activity which is done to check the progress of the realization of Investment, to prevent and/or to reduce the occurrence of violation of the provisions for the implementation of Investment, including the use of the facilities of Investment, since the issuance of the license and/or Business License.
24. Investment General Plan (*Rencana Umum Penanaman Modal*), hereinafter abbreviated as RUPM, means a planning document for long-term investment.
25. Provision of Incentives means the support for fiscal policy from Local Government to the Community and/or Investors to Increase Investment in Region.
26. 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.

Part Two
Principles, Purpose and Goal

Section 2

- (1) Investment is done based on the following principles:
 - a. legal certainty;
 - b. openness;
 - c. accountability;
 - d. equal treatment and not differentiate the origin of the country;
 - e. togetherness;
 - f. justice efficiency;
 - g. sustainability;
 - h. environmental awareness;
 - i. independence; and
 - j. the balance between the progress and the unity of national economy.
- (2) The organization of investment in this Regional Regulation is for guidance for the Local Government and stakeholders in organizing Investment in the Region.
- (3) The organization of investment in Region is to:
 - a. increase economic growth in the Regions;
 - b. create job vacancies;
 - c. improve the sustainable economic development in the region;
 - d. improve the competitiveness of the business world;
 - e. increase the capacity and capability of technology;
 - f. encourage the development of people's economy;
 - g. process the potential economy into real economic strength using the fund from investors; and
 - h. improve the prosperity of society.

CHAPTER II
TARGET AND SCOPE

Article 3

The target of Investment in the Region:

- a. creating a conducive climate for investment;
- b. providing supporting infrastructure facilities for investment;
- c. increasing the potency of human resources;
- d. increasing number of investors;
- e. achieving the realization of investment; and
- f. increasing the growth of economy in the Region.

Article 4

The scope of regulation in this Regional Regulation includes:

- a. investment basic policy;
- b. institutional and authority for the implementation of investment in the Region;
- c. investment planning;
- d. development of the potency and opportunity of the investment in the Region;
- e. investment services;
- f. data and information system of investment;
- g. business empowerment;
- h. rights, obligations and responsibilities of investors;
- i. controlling the implementation of investment;
- j. incentives and ease for investment;
- k. promotion of investment; and
- l. the provisions of penalty.

CHAPTER III

INVESTMENT BASIC POLICY

Article 5

- (1) Local Government determines the investment basic policy.
- (2) The determination of the investment basic policy as referred to in section (1) is done for the purpose as below:
 - a.. to encourage creating conducive business climate for investment in the region in order to strengthen the competitiveness of the regional economy;
 - b. to bring the balance, progress and unity of the regional economy;

- c. to accelerate the increasing and distribution of Investment; and
 - d. to increase investment which creates job vacancies and environment awareness.
- (3) In determining the investment basic policy as referred to in section (1), the Local Government:
- a. gives equal treatment to every Investor by considering regional and national interests;
 - b. guarantees legal certainty, business certainty, and business security for investors since the process of getting license until the end of Investment activities according to the provisions of legislation; and
 - c. opens up opportunities for development and providing shelter for micro, small, medium enterprises and cooperatives.
- (4) The investment basic policy as referred to in section (1) and section (2) is realized in the form of General Plan of Investment (hereinafter abbreviated as RUPM).

CHAPTER IV
INSTITUTIONS AND AUTHORITIES OF
THE IMPLEMENTATION OF INVESTMENT IN THE REGION

Article 6

- (1) The Regent administers government affairs in the field of Investment in the Region.
- (2) The administration of government affairs in the field of Investment as referred to in section (1), which is related to Licensing and Non-licensing services, is done by the Head of Regional Apparatus administering Government affairs in the field of Investment and one-stop integrated service.
- (3) Further provisions regarding the implementation and procedure of Licensing and Non-licensing services carried out by the Head of Regional Apparatus administering Government affairs in the field of investment and one-stop integrated services as referred to in section (2) are regulated in a separate Regional Regulation.

CHAPTER V
INVESTMENT PLANNING

Article 7

- (1) The Local Government determines the Regional RUPM.
- (2) The Local Government prepares the RUPM as referred to in section (1) referring to the National RUPM, Provincial RUPM, and regional potential development priorities.
- (3) The RUPM as referred to in section (1) becomes a reference for Local Government in formulating policies related to investment activities.
- (4) Further provisions regarding RUPM as referred to in section (1) are regulated in the Regent Regulation.

CHAPTER VI
DEVELOPMENT OF POTENCY AND OPPORTUNITIES OF
INVESTMENT IN THE REGIONS

Article 8

The development of potency and opportunities of investment in the Regions includes:

- a. identification of the Potency of Investment;
- b. mapping of Investment Opportunities; and
- c. documenting the results of mapping the opportunities of Investment in Region into Potential Information and Regional Investment Opportunity System.

Article 9

Identification of the potency for investment as referred to in Article 8 point a, is done through:

- a. collecting data on information about the potency for investment such as regional profiles (geographical, demographic, economic conditions, supporting facility and infrastructure for investment and the best commodities); and
- b. analysing the result of data collection of the potency for Investment.

Article 10

The mapping of the opportunities of Investment in the Regions as referred to in Article 8 point b, is done through:

- a. verification of the result of investment potential analysis;
- b. analysis of the results of the verification of investment potential that has been obtained previously supported by the results of studies obtained based on field visits; and
- c. preparation of Investment opportunities mapping in the Region.

Article 11

Mapping of Regional Investment Opportunities as referred to in Article 8 point b, covers:

- a. collecting data on information about the potency of Regional Investment;
- b. verifying of the results of data collection on regional investment potential;
- c. analyzing the result of verification of investment potential that has been obtained previously supported by the results of studies obtained based on field visits;
- d. making a map of Regional Investment opportunities; and
- e. the results of mapping the Regional Investment Opportunities are recorded into the Information System of Potency and Opportunity of Regional Investment.

Article 12

Recording the results of mapping of the opportunity of Regional Investment into the Information System of Potency and Opportunity of Regional Investment as referred to in Article 8 point c, is done through recording and updating the result of mapping of potency of business and data such as the profile of the region.

CHAPTER VII
INVESTMENT SERVICES

Part One
General

Article 13

Regional Investment Services in Region includes:

- a. business fields;
- b. investors and form of business entity; and
- c. employment.

Part Two
Business Sector

Article 14

- (1) All business sectors are opened for investment activities, except for the following business fields:
 - a. which are declared closed for Investment; or
 - b. for activities that may only be done by the Central Government.
- (2) Business sectors which are declared closed for Investment as referred to in section (1) point a are business sectors that cannot be cultivated.
- (3) The business sectors which are closed for investment as referred to in section (1) point a include:
 - a. cultivation and industry of narcotics class I;
 - b. all forms of gambling and/or casino activities;
 - c. catching fish species listed in Annex I of the Convention on International Trade in Endangered Species of Wild Fauna and Flora;
 - d. consumption or extraction of coral and consumption or extraction of coral from nature which are used for building materials/limestone/calcium, aquarium, and souvenirs/jewellery, as well as live or dead coral from nature;

- e. chemical weapons manufacturing industry; and
 - f. the industry of chemical substances for industry and the industry of ozone depleting layer.
- (4) The business sectors for activities that can only be done by the Central Government as referred to in section (1) point b are activities that are in the form of service or in term of defensive action and security that are strategic and cannot be carried out or cooperated with other parties.

Article 15

- (1) The opened business sectors as referred to in Article 14 section (1), consist of:
- a. Priority line of business;
 - b. Business sectors which are allocated or becoming partner with Cooperative and micro, small and medium enterprises;
 - c. Business sectors with certain requirements; and
 - d. Business sectors that are not included in point a, point b, and point c.
- (2) The line of business as referred to in section (1) point d, can be managed by all Investors.
- (3) Further provisions regarding the opened business sector as referred to in section (1) are regulated in a Regent Regulation.

Part Three

Investors and Forms of Business Entities

Article 16

- (1) Investment in Region can be done by individual or business entities which include:
- a. PMDN; and
 - b. PMA.
- (2) PMDN as referred to in section (1) point a, is done by an incorporated business entity, non-incorporated business entity or an individual business.

- (3) PMA as referred to in section (1) point b, is required to be in the form of a limited company based on Indonesian law and stay in the territory of the Republic of Indonesia unless it is determined differently by the Law.

Part Four
Employment

Article 17

- (1) Investors are obligated to recruit Indonesian citizens for the priority when they need workers.
- (2) Investors are obligated to develop the competency of Indonesian workers as referred to in section (1) through job training according to the provisions of legislation.
- (3) Investors who employ foreign workers are obligated to organize training and transfer technology to Indonesian workers as referred to in section (1) according to the provisions of legislation.
- (4) Investors who violate the provisions as referred to in section (1) to section (3) are imposed administrative sanctions.
- (5) The administrative sanctions as referred to in section (4) are in the form of:
 - a. written warning;
 - b. limitation of business activities;
 - c. stopping business activities and/or investment facilities; and/ or
 - d. revocation of license for business activities and/or investment facilities according to the authority of the Region .
- (6) Further provisions regarding the procedure for imposing administrative sanctions as referred to in section (5) are regulated in a Regent Regulation.

CHAPTER VIII
DATA AND INFORMATION SYSTEM OF INVESTMENT

Article 18

- (1) Local Government provides data and information system of investment which is integrated to the Central Government and Provincial Governments.
- (2) The data and information system of investment as referred to in section (1) at least contains:
 - a. The database about probability and opportunity for investment;
 - b. data from the result of mapping of Regional Investment opportunities;
 - c. data of Investment business activity;
 - d. data of Licensing and Non-licensing service; and
 - e. data of Investment realization.

CHAPTER IX
BUSINESS EMPOWERMENT

Article 19

- (1) Local Government does business empowerment on Investment in the Region.
- (2) Business empowerment on Investment as referred to in section (1) consist of:
 - a. providing facility for the implementation of business management supervision for micro, small, and medium entrepreneurs related to investment empowerment;
 - b. providing facility for the implementation of micro, small and medium business partnerships with PMA and/or PMDN companies; and
 - c. providing facility to increase the capacity of micro, small and medium enterprises related to investment.

Article 20

- (1) Providing facility for the development of business management for micro, small and medium entrepreneurs

who are related to investment empowerment as referred to in Article 19 section (2) point a, is done through:

- a. building coordination of the implementation, evaluation and report of the development of business management for micro, small, and medium entrepreneurs who are related to investment empowerment, with the Local Government; and
 - b. increasing the capacity of production management, financial management and marketing.
- (2) Providing facility for the development of business management related to Investment as referred to in section (1) is done to increase the class of micro, small, and medium scale of enterprises to become large enterprises and to be ready partnering with Foreign Investment (PMA) and/or Domestic Investment (PMDN) companies at all Indonesia Territories according to the provisions of legislation.

Article 21

- (1) Providing facility for the partnership of micro, small and medium business with PMA and/or PMDN companies as referred to in Article 19 section (2) point b, is done through:
 - a. providing facility for Business Partnership among micro, small, medium and large enterprises; and
 - b. doing preparation, implementation, evaluation and report on Business Partnerships among micro, small, medium and large enterprises.
- (2) Providing facility for the partnership of micro, small, and medium business with PMA and/or PMDN companies as referred to in section (1) is done to reach a partnership agreement based on equitable economic development.

Article 22

- (1) Providing facility for the capacity building of micro, small and medium enterprises related to Investment as referred to in Article 19 section (2) point c, is done through:

- a. implementation and report of providing facility for capacity building of micro, small and medium enterprises; and
 - b. extracting inputs, suggestions, views, thoughts, considerations, recommendations and problems from the national business world at the regional level.
- (2) Providing facility for capacity building of micro, small, and medium enterprises related to Investment as referred to in section (1) is done to provide solutions in business development to be ready in partnership with PMA and/or PMDN companies at all Indonesia Territories according to the provisions of legislation.

CHAPTER X
RIGHTS, OBLIGATIONS, AND RESPONSIBILITIES
OF INVESTORS

Article 23

Every Investor has right for:

- a. certainty of rights, law and protection;
- b. opened information regarding the line of business it carries out;
- c. service; and
- d. various forms of ease facilities according to the provisions of legislation.

Article 24

- (1) Every Investor is obligated:
- a. apply the principles of good corporate governance;
 - b. do social and environmental responsibilities such as activities that can support Local Government programs;
 - c. submit Investment Activity Report;
 - d. respect the cultural traditions of the society around the location of Investment business activities;
 - e. allocate funds in stages for the restoration of locations that meet environmental feasibility standards for

- companies operating non-renewable natural resources, that the implementation of which is according to the provisions of legislation; and/or
- f. obey the provisions of legislation.
- (2) Investors who violate the provisions as referred to in section (1) are imposed by administrative sanctions.
- (3) The administrative sanctions as referred to in section (2) consist of:
- a. written warning;
 - b. limitation of business activities;
 - c. stopping of business activities and/or investment facilities; and/ or
 - d. revocation of business activity license and/or investment facility.
- (4) Further provisions regarding the procedure for imposing administrative sanctions as referred to in section (3) are regulated in a Regent Regulation.

Article 25

Every Investor is responsible for:

- a. ensuring the availability of capital which the sources do not contradict to the provisions of legislation;
- b. accepting and finishing all obligations and losses if the Investor terminates or abandons their business activities;
- c. creating a fair competition business climate and preventing monopolistic practices;
- d. maintaining environmental sustainability; and
- e. creating safety, health, comfort, and welfare of workers.

CHAPTER XI

CONTROL OF THE IMPLEMENTATION OF INVESTMENT

Article 26

- (1) The Local Government has authority to control the Implementation of Investment in Region.
- (2) The control of the implementation of Investment as referred to in section (1) is done by the Regional Apparatus

administering Government affairs on investment and one-stop integrated services.

- (3) The control of the implementation of Investment in the Regions as referred to in section (1) is done according to the provisions of legislation.

CHAPTER XII INCENTIVES AND EASE FOR INVESTMENT

Part One General

Article 27

- (1) The Local Government may provide incentives and/or ease for Investment to the society and/or Investors in Region according to their authority.
- (2) Provision of Incentives and/or ease for Investment to the society and/or Investors in Region as referred to in section (1) is done to encourage the increasing of Investment according to the authority, condition and capacity of the Region.
- (3) Provision of Incentives and/or ease as referred to in section (2) is done based on the following principles:
 - a. legal certainty;
 - b. equality;
 - c. transparency;
 - d. accountability; and
 - e. effective and efficient.

Part Two

Criteria for Provision of Incentives and Ease for Investment

Article 28

Provisions of Incentives and/or ease as referred to in Article 27 section (1) have to follow at least one of the following criteria:

- 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.

Part Three

Forms of Provision of Incentives and Ease for Investment

Article 29

- (1) Forms of Provision of Incentives as referred to in Article 27 section (1) are:
 - a. reduction, relief, or exemption from local tax;
 - b. reduction, relief, or exemption of regional levies;
 - c. providing capital assistance for micro, small enterprises and/or cooperative in regions;
 - d. assistance for research and development for micro, small enterprises and/or cooperatives in regions;
 - e. assistance for vocational training facilities for micro, small enterprises and/or cooperative in regions; and/or
 - f. low loan interest.
- (2) The forms of provision of ease as referred to in Article 27 section (1) are:

- a. providing data and information on investment opportunities;
 - b. providing facilities and infrastructure;
 - c. facilitation of land or location provision;
 - d. providing technical assistance;
 - e. simplifying and accelerating of issuing license through one-stop integrated services;
 - f. ease of access to marketing of products;
 - g. ease of direct investment in construction;
 - h. ease of Investment in strategic areas stipulated in legislation that have the potential for regional development;
 - i. providing comfort and security in Regional Investment;
 - j. ease of certification and standardization process in accordance with the provisions of legislation;
 - k. ease of access to ready-made and skilled workforces;
 - l. ease of access to raw material supply; and/or
 - m. providing facilities for promotion according to regional authority.
- (3) Provision of Incentives and/or Provision of Ease as referred to in section (1) and section (2) are provided according to the capacity of the region and legislation.

Part Four

Types of Business that Obtain Incentives and Ease

Article 30

- (1) The Local Government may prioritize the provision of incentives and/or the provision of ease for certain types of businesses or certain activities.
- (2) Certain types of business or certain activities as referred to in section (1) consist of:
 - a. micro, small, medium enterprises and/or cooperatives;
 - b. the business which is required by the partnership;
 - c. the business which is required by capital ownership;
 - d. the business which is required with a certain location;
 - e. the business which is 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 business according to the provisions of legislation.

Part Five

Procedures for Provision of Incentives and Ease for Investment

Article 31

- (1) The Regent creates standard operating procedures on Provision of Incentives and/or ease for the society and/or investors.
- (2) The Regent verifies the implementation of provision of incentives and/or ease for the Society and/or Investors.
- (3) The verification as referred to in section (2) is coordinated by the Regional Apparatus that deals with Government affairs on investment sector and one-stop integrated services.
- (4) Further provisions regarding the procedure of Provision of Incentives and/or ease for Investment as referred to in section (1) are regulated in a Regent Regulation.

Part Six

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

Article 32

- (1) Local Government determines the period and frequency of Provision of Incentives and/or ease for making investments.
- (2) Further provisions regarding the determination of the period and frequency of provision of incentives and/or ease for making investments as referred to in section (1) are regulated in a Regent Regulation.

Part Seven
Evaluation and Report Provision of Incentives
and/or Ease

Article 33

- (1) The Regent evaluates the effectiveness of the implementation of provision of incentives and/or ease that have been provided for the society and/or investors.
- (2) The evaluation as referred to in section (1) is done at least once a year.
- (3) Provision of incentives and/or ease can be reconsidered if according to the evaluation it is appropriate to the criteria as referred to in Article 28 or contradicted to the provisions of legislation.
- (4) The Regent submits the report on the implementation of provision of incentives and/or ease in the region to the governor once every 1 (one) year.

CHAPTER XIII
PROMOTION OF INVESTMENT

Article 34

- (1) Local Government carries out investment promotion in the Region.
- (2) The promotion of investment as referred to in section (1) is done by the Regional Apparatus administering Government affairs on investment and one-stop integrated services sector.
- (3) The promotion of investment in the Regions as referred to in section (1) is done according to the provisions of legislation.

CHAPTER XIV
CLOSING PROVISIONS

Article 35

At the time this Regional Regulation comes into force, all legislation which are implementing regulation of the Regulation

of Regency of Sukoharjo Number 5 of 2011 on Investment (Regional Gazette of the Regency of Sukoharjo of 2011 Number 5, Supplement to the Regional Gazette of the Regency of Sukoharjo Number 185), are declared to remain effective to the extent not contrary to the provisions of this Regional Regulation.

Article 36

At the time this Regional Regulation comes into force, the Regulation of Regency of Sukoharjo Number 5 of 2011 on Investment (Regional Gazette of the Regency of Sukoharjo of 2011 Number 5, Supplement to the Regional Gazette of the Regency of Sukoharjo Number 185) is repealed and declared ineffective.

Article 37

This Regional Regulation comes into force on the date its promulgation.

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

Issued in Sukoharjo
on 16 August 2021

THE REGENT OF SUKOHARJO REGENCY,

signed

ETIK SURYANI

Promulgated in Sukoharjo
on 16 August 2021

REGIONAL SECRETARY
SUKOHARJO REGENCY

signed

WIDODO

REGIONAL GAZETTE OF SUKOHARJO REGENCY OF 2021 NUMBER 2

Jakarta, 23 February 2023

Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION AD INTERIM,



ELUCIDATION
ON
REGULATION OF THE REGENCY OF SUKOHARJO
NUMBER 2 OF 2021 ON INVESTMENT

I. GENERAL

To realize a justice and prosperous society based on Pancasila and the 1945 Constitution of the Republic of Indonesia, it is necessary to perform sustainable economic development based on economic democracy, one of them is making investment in the regions. The implementation of regional investment is one of the driving forces of the regional economy, regional development support, creating job opportunities and increasing regional competitiveness, so it is necessary to create a conducive, promotive, providing legal certainty, justice, and efficient investment climate by still considering the interests of the national economy.

Previously, the Regional Government of the Regency of Sukoharjo has issued Regulation of the Regency of Sukoharjo Number 5 of 2011 on Investment in the Regency of Sukoharjo, but it is considered to be not appropriate to the needs and the provisions of the legislation, so it is necessary to be updated by formulating this Regional Regulation.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Section (1)

Point a

The term "principle of legal certainty" means the principle in a state of law that puts the laws and the provisions of the legislation as the basic guidance for every policy and action in the investment sector.

point b

The term "principle of openness " means the principle that is opened related to the right of the society to obtain correct, honest and non-discriminative information on investment activities.

Point c

The term "principle of accountability" means the principle that determines that every activity and the final result of the implementation of an investment must be accountable to the society or the people of the country as the holder of the highest authority in the state according to the provisions of the legislation.

Point d

The term "principle of equal treatment and not differentiate the origin of the country " means the principle of non-discriminatory treatment of services based on the provisions of legislation, both between domestic investors and foreign investors as well as between investors from one foreign country and investors from another foreign country.

point e

The term "the principle of togetherness" means the principle that encourages the role of all investors together in their business activities to achieve the prosperity of the society.

point f

The term "principle of justice efficiency" means the principle which becomes the fundamental principle of the implementation of investment by prioritizing justice efficiency on the effort to create a fair, conducive and competitive business climate.

point g

The term "principle of sustainability " means the principle which has been planned to strive for the development

process through investment to guarantee prosperity and progress in all aspects of life, both in the present and in the future.

point h

The term "principle of environmental awareness" means the principle of investment which is done by considering and prioritizing the protection and maintenance of the environment.

Point i

The term "principle of independence" means the principle of investment which is done by prioritizing the potency of the nation and the state and not being close itself off from foreign investment in order to achieve economic growth.

point j

The term "principle of balance of progress and unity of the national economy" means the principle which strives to maintain the balance of regional economic progress within the unity of the national economy.

Section (2)

Sufficiently clear.

Section (3)

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

Sufficiently clear.

Article 15

Sufficiently clear.

Article 16

Sufficiently clear.

Article 17

Sufficiently clear.

Article 18

Section (1)

The term "investment data" means data which is integrated with investment supervision and control.

The term "investment information system" means system which is integrated with Potential Information and Regional Investment Opportunity System.

Section (2)

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.

Article 25

Sufficiently clear.

Article 26

Sufficiently clear.

Article 27

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Point a

The term "legal certainty" means the principle which puts the laws and the provisions of the legislation as the basis guidance for the Local Government in making policy and

action in the Provision of Incentives and/or Provision of Ease for Investment.

Point b

The term "equality" means the equal treatment of Investors without taking sides and giving benefit for a certain class, group, or business scale.

Point c

The term "transparency" means the disclosure of information in the Provision of Incentives and/or Ease to the Society and/or Investors.

point d

The term "accountability" means a form of responsibility for the Provision of Incentives and Ease for Investment.

point e

The term "effective and efficient" means rational and economic considerations and guarantees which creates increasing productivity and public services.

Article 28

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

Sufficiently clear.

Point j

Sufficiently clear.

Point k

The term "micro and small enterprises " means individuals or business entities which has business criteria as referred to in the law on micro, small and medium enterprises.

Point l

Sufficiently clear.

point m

Sufficiently clear.

point n

Sufficiently clear.

Article 29

Section (1)

Point a

Reduction, relief, or exemption of local taxes, are such as below:

- a. adjustment of Selling Value of Non-Taxable Object (*Nilai Jual Objek Pajak Tidak Kena Pajak/ 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 local taxes and/or the penalties;
- c. granting of reduction, relief, or exemption of Duty on the Acquisition Duty of Right on Land and Building (*Bea Perolehan Hak atas Tanah dan Bangunan / BPHTB*); and
- d. gradual payment of local taxes.

Point b

Reduction, relief, or exemptions of regional levies are such as levies on building permit of public houses for low-income people.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

The term “providing facilities and infrastructure” means ease to obtain supporting facilities and infrastructure, such as public infrastructures, providing drinking water and sanitation facilities, firefighter, health services, waste management, and providing industrial and supporting infrastructure.

Point c

The term "facilitation of land or location provision " among other ease on the processing land ownership, providing data and information related to land and location, and mediating dispute resolution.

Point d

Sufficiently clear.

point e

Simplification and acceleration of issuing license through one-stop integrated services is done step by step using an electronically integrated business licensing system.

point f

Sufficiently clear.

point g

Sufficiently clear.

point h

Sufficiently clear.

Point i

Sufficiently clear.

point j

Sufficiently clear.

point k

Sufficiently clear.

Point l

Sufficiently clear.

point m

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 30

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

The term "certain locations" among others businesses located in remote areas, underdeveloped regions, border areas, and/or located in certain strategic areas according to the provisions of legislation.

point e

The term "special license" among others businesses which requires license from certain ministries/institutions according to the provisions of legislation.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Article 31

Sufficiently clear.

Article 32

Sufficiently clear.

Article 33

Sufficiently clear.

Article 34

Sufficiently clear.

Article 35

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

Sufficiently clear.

SUPPLEMENT TO REGIONAL GAZETTE OF THE REGENCY OF SUKOHARJO
NUMBER 29