

REGULATION OF THE REGENCY OF TUBAN

NUMBER 05 OF 2013

ON

ADMINISTRATION OF BUSINESS IN THE FIELD OF INDUSTRY

BY THE BLESSINGS OF ALMIGHTY GOD

THE REGENT OF TUBAN,

- Considering :
- a. that in accordance with Article 2 and Article 6 of Government Regulation Number 38 of 2007 on Division of Government Affairs between the Government, Provincial Government, and Regency / Municipal Government, and the Regulation of the Minister of Industry Number 41 / M – IND / PER / 6 / 2008 on Provisions and Procedures of Granting the Industrial Business Permit, Expansion Permit, and Industrial Registration Number, Local Government has the authority to regulate the Administration of Business in the Field of Industry.
  - b. that Regulation of the Regency of Tuban Number 11 of 2003 on Levies on Industrial Business Permit is no longer relevant to the development of condition today and needs to be replaced.
  - c. that in accordance with considerations as referred to in point a and b, it is necessary to issue a Regional Regulation on Administration of Business in the Field of Industry.
- Observing :
1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
  2. Law Number 12 of 1950 on formation of Regency area of in the Province East Java as has been amended by Law Number 2 of 1965 (State Gazette of the Republic of

- Indonesia of 1965 Number 19, Supplement to the State Gazette of the Republic of Indonesia Number 2370);
3. Law Number 8 of 1981 on Law of Criminal Procedure (State Gazette of The Republic of Indonesia of 1981 Number 76, Supplement to the State Gazette of The Republic of Indonesia Number 3209);
  4. Law Number 3 of 1982 on Mandatory Company Registration (State Gazette of The Republic of Indonesia of 1982 Number 7, Supplement to the State Gazette of The Republic of Indonesia Number 3214);
  5. Law Number 5 of 1984 on Industrial Affairs (State Gazette of The Republic of Indonesia of 1984 Number 22, Supplement to the State Gazette of the Republic of Indonesia Number 3274);
  6. Law Number 32 of 2004 on Local Government as amended two times by Law Number 12 of 2008 (State Gazette of the Republic of Indonesia of 2008 Number 59, Supplement to the State Gazette of The Republic of Indonesia Number 4844);
  7. 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);
  8. Law Number 25 of 2009 on Public Services (State Gazette of the Republic of Indonesia of 2009 Number 112, Supplement to the State Gazette of the Republic of Indonesia Number 5038);
  9. Law Number 32 of 2009 on Environmental Protection and Management (State Gazette of The Republic of Indonesia of 2009 Number 140, Supplement to the State Gazette of the Republic of Indonesia Number 5059);
  10. Law Number 12 of 2011 on Legislation Making (State Gazette of the Republic of Indonesia of 2011 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 5234);
  11. Government Regulation Number 27 of 1983 on Implementation of Criminal Code Procedure as amended by Government Regulation Number 58 of 2010 (State Gazette of the Republic of Indonesia of

- 2010 Number 90, Supplement to the State Gazette of the Republic of Indonesia Number 5145);
12. Government Regulation Number 13 of 1995 on Industrial Business Permit (State Gazette of the Republic of Indonesia of 1995 Number 25, Supplement to the State Gazette of the Republic of Indonesia Number 3596);
  13. Government Regulation Number 38 of 2007 on Division of Government Affairs between the Government, Provincial Government, and Regency / Municipal Government (State Gazette of the Republic of Indonesia of 2007 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 4737);
  14. Government Regulation Number 24 of 2009 on Industrial Estate (State Gazette of The Republic of Indonesia of 2009 Number 47, Supplement to the State Gazette of the Republic of Indonesia Number 4987);
  15. Presidential Regulation Number 36 of 2010 on List of Business Fields Closed to Investment and Business Fields Open with Requirements to Investment;
  16. Regulation of Minister of Industry Number 07 / M – IND / PER / 5 / 2005 on Stipulation of Types of Industry under the Guidance of Each Directorate General within the Ministry of Industry;
  17. Regulation of Minister of Industry Number 41 / M – IND / PER / 6 / 2008 on Provisions and Procedure of Providing the Industrial Business Permit, Expansion Permit, and Industrial Registration Number;
  18. Regulation of the Minister of Home Affairs Number 53 of 2011 on Formulation of Regional Legal Products;
  19. Decision of the Minister of Industry Number 148 / M / SK / 7 / 1995 on Stipulation of Types of Industry and Commodities whose Production Process Does Not Damage or Harm the Environment and Does Not Use Natural Resources in Excess;
  20. Regulation of the Regency of Tuban Number 01 of 2013 on Regional Regulation Making (Regional Gazette of the Regency of Tuban of 2013 E series Number 20, Supplement to the Regional Gazette of the Regency of Tuban Number 01).

With the Joint Approval of

THE REGIONAL HOUSE OF REPRESENTATIVES OF THE  
REGENCY OF TUBAN  
and  
REGENT OF TUBAN  
HAS DECIDES :

To issue : REGIONAL REGULATION ON ADMINISTRATION OF BUSINESS  
IN THE FIELD OF INDUSTRY.

CHAPTER 1  
GENERAL PROVISIONS  
ARTICLE 1

In this Regional Regulation:

1. Region means the Regency of Tuban.
2. Local Government means the Government of Tuban.
3. Regent means the Regent of Tuban.
4. Regional Work Units (*Satuan Kerja Perangkat Daerah*), hereinafter abbreviated to SKPD means the Regional Works Units in charge of industrial affairs.
5. Head of SKPD, hereinafter means the Head of SKPD in charge of industrial affairs.
6. Permit Issuing Official means an official in charge of or be responsible for issuing Industrial Business Permit.
7. Entity means a group of people and or capital that forms a unity that either conducts business or not, including corporation, limited partnership, state or local – owned enterprise in whatever name and form, firm, joint – venture, cooperative, pension fund, partnership, association, foundation, public organization, social and political organization, or any similar organization, institution, permanent establishment, and any other form of entity.
8. Industry means all forms of economic activities which process raw materials, work in process, semi-finished, and / or finished goods to become goods of added or higher value for their use including design and construction activities and industrial engineering.
9. Industrial business sector refers to the field of activity related to industrial branch or types of industry.
10. Industrial company means any company that conducts activity in the field of industrial business in the form of either individual, business entity, or legal entity and is domiciled in Indonesia.

11. Type of Industry means a part of an industrial branch having similar special characteristics and / or the results are final within a production process.
12. Industrial Commodity means a final product within a production process and is a part of an industrial type.
13. Industrial Company Expansion, hereinafter referred to as expansion means the addition of production capacity that exceeds its permitted production capacity.
14. Industrial Business Permit (*Izin Usaha Industri*), hereinafter abbreviated to IUI means the permit issued to establish an industrial company for any company.
15. Industrial Registration Certificate (*Tanda Daftar Industri*), hereinafter abbreviated to TDI means an industrial registration certificate for a small size industrial company treated equally as IUI.
16. Expansion Permit means the permit granted to conduct expansion exceeding its permitted production capacity.
17. Investment means the whole capital value of a company invested to run an industrial business excluding the business premises.
18. Owner and / or Controller means all parties who act as the owner and / or the controller of industry.
19. Industrial Estate means an estate wherein industrial activities are centralized, completed with supporting facilities and infrastructure which are developed and managed by an Industrial Estate Company that holds Industrial Estate Permit.
20. Bonded Zone means buildings, places, or areas having certain boundaries where activities that take place in those are industrial business activities including the processing of goods and materials, design and construction, engineering, sorting, initial and final inspection, and packaging of imported goods and materials or of the other Indonesian district customs' goods and materials, with the main purpose to export such goods again.
21. Investigation of Criminal Acts means a process that includes a series of investigation actions by Investigators Civil Servant, hereinafter referred to as Investigators, to find and gather the evidence with the evidence it made clear about the crime happened, in terms of industrial activities, to find suspect.
22. Investigator means a police official of the Republic of Indonesia or the particular civil servant officials who are specifically authorized by law to conduct investigation.
23. Civil Servant Investigators (*Penyidik Pegawai Negeri Sipil*), hereinafter, abbreviated to PPNS, means a particular civil servant officials of the Local Government who are specifically authorized by the law to conduct investigation on Regional Regulation infringements.

CHAPTER II  
PURPOSES AND OBJECTIVES

Article 2

- (1) The issuance of this Regional Regulation has the purposes to :
  - a. provide legal basis in terms of implementation, guidance, supervision, control, and development of regional industry in accordance with the provisions of the legislation; and
  - b. provide guidelines in the implementation of permits in the industrial field.
- (2) The arrangement of the administration of business in the field of industry has the objectives to:
  - a. realize conducive business climate;
  - b. guarantee legal certainty in terms of conducting business;
  - c. prevent unfair competition among the regional industry players;
  - d. prevent centralization or industry domination by 1 (one) group or individual in the context of monopolistic practices that are detrimental to the public; and
  - e. improve the progress of industrial growth in the Region in harmony with the progress of environmental sustainability.

CHAPTER III  
SCOPES

Article 3

The scope of the administration of business in the field of industry covers:

- a. industrial arrangement and classification; and
- b. permit provisions.

CHAPTER IV  
ARRANGEMENT AND CLASSIFICATION OF INDUSTRY

Article 4

The arrangement of business in the field of industry includes :

- a. revitalization of Industry;
- b. improvement of Industry; and
- c. development of Industry.

Article 5

The revitalization of Industry as referred to in Article 4 point a is manifested through :

- a. entrepreneurship guidance; and
- b. technical guidance and training.

#### Article 6

The improvement of Industry and development of Industry as referred to in Article 4 point b and point c are carried out through :

- a. transfer of technology /equipment and training facilitation;
- b. promotion and information facilitation;
- c. capital and partnership facilitation; and
- d. marketing access facilitation.

#### Article 7

Industry is classified into several groups including :

- a. upstream Industry or basic Industry group;
- b. downstream Industry group; and
- c. small Industry group.

#### Article 8

The groups of Industry as referred to in Article 7 means that in conducting their business activities based on economic democracy, confidence in own capabilities and strengths, benefits, and environmental sustainability.

### CHAPTER V

#### LICENSING PROVISIONS

##### Part One

##### General

##### Article 9

- (1) Every Industrial Company establishment is obligated to own permit from the Regent.
- (2) The permit granted by the Regent as referred to in section (1) is in accordance with the type of business with investment scale up to Rp. 10.000.000.000,00 (ten billion rupiah), excluding land and building for business.
- (3) The permit as referred to in section (1) is granted to the extent that the type of industry is declared open or open with requirements to investment in accordance with the provisions of legislation.

- (4) The Industrial Companies as referred to in section (1) may be in the forms of individual, partnership, or entity, that are domiciled in Indonesia.
- (5) The Regent may delegate authority for permit issuance to the authorized Permit Issuing Official.

#### Article 10

The permit as referred to in Article 9 section (1) includes:

- a. IUI;
- b. Expansion Permit; and
- c. TDI.

#### Article 11

IUI as referred to in Article 10 point a is required to be owned by the type of industry with investment value above Rp. 200.000.000,00 (two hundred million rupiah).

#### Article 12

The Expansion Permits as referred to in Article 10 point b is required to be owned by Industrial Companies that conduct expansion more than 30% (thirty percent) of their permitted production capacity.

#### Article 13

- (1) TDI as referred to in Article 10 point c is required to be owned by small industrial group with investment value above Rp. 5.000.000,00 (five million rupiah) up to Rp. 200.000.000,00 (two hundred million rupiah), excluding land and building for business.
- (2) TDI as referred to in Article 10 point c is not required for the small industrial group with investment value less than or maximum Rp 5.000.000,00 (five million rupiah), excluding land and building for business unless the owner wishes to hold TDI.

#### Article 14

IUI, Expansion Permit, and TDI are granted to each type of industry based on Indonesia Standard Industrial Classification, Klasifikasi Baku Lapangan Usaha Indonesia (KBLI) 5 (five) digits.

#### Article 15



Industrial Companies that holds IUI or TDI as referred to in Article 11 and Article 13 within the period of 3 (three) months from the date of IUI or TDI issuance are obligated to register in the Company Registry.

#### Article 16

IUI, Expansion Permits, and TDI are valid to the extent that the relevant industrial companies operate business in accordance with the type of industry and the provisions stated in IUI, Expansion Permit, and TDI hold with the obligation of re – registration once every 5 (five) years.

#### Article 17

IUI, Expansion Permit, and TDI apply as a warehouse / storage permit in which the warehouse or storage is located within one inseparable complex of the related industrial business used to store equipment, tools, raw materials, auxiliary materials, and finished goods/ materials for the needs of business activity of the relevant type of industry.

#### Part Two

#### Industrial Business Permit

#### Article 18

The granting of IUI is conducted without In – Principle Approval or with In – Principle approval.

#### Paragraph 1

#### Industrial Business Permit without In – Principle Approval

#### Article 19

IUI without In – Principle Approval is granted to the Industrial Companies with some conditions as follows:

- a. the industrial companies are located in the Industrial Estate/Bonded Zones; or
- b. the industrial company whose type of industry goes through a process that does not damage or harm to the environment, nor does it use the natural resources in excess.

#### Article 20

The applying of IUI without In – Principle Approval is applicable for:

- a. Industrial Companies located in Industrial Estates/Bonded Zones as referred to in Article 19 point a, is carried out by composing a point of statement enclosed with requirements in accordance with the provisions of the legislation and a verification letter from the manager of the Industrial Estate/Bonded Zone; and

- b. Industrial Companies whose type of industry as referred to in Article 19 point b, is carried out by composing a letter of statement enclosed with requirements in accordance with the provisions of legislation.

#### Article 21

Industrial Companies that have obtained IUI are obligated to submit a progress report to the Regent on the work of factory construction and production facility annually not later than 31 January in the ensuing year.

#### Article 22

- (1) IUI as referred to in Article 19 is declared null and void if within 3 (three) years after the permit is issued, the IUI holder:
  - a. does not complete the factory construction and production facility;  
and
  - b. does not fulfil its obligation.
- (2) IUI that is declared null and void as referred to in section (1) can be re – applied with certain requirements.

#### Paragraph 2

#### Industrial Business Permit with In – Principle Approval

#### Article 23

- (1) IUI with In – Principle Approvals are granted to Industrial Companies with conditions as follows:
  - a. are located outside the Industrial Estates/Bonded Zones;
  - b. their types of Industry are other than as referred to in Article 19 point b;
  - c. their types of industry is included in the type of business plan and/or activity in the field of industry required to be completed with Environmental Impact Assessment, *Analisis Mengenai Dampak Lingkungan Hidup* (AMDAL);
  - d. their location directly border with conservation areas.
- (2) IUI with In – Principle Approval as referred to in section (1) is granted to Industrial Companies that fulfil several conditions as follow:
  - a. having Building Permit (IMB);
  - b. having Location Permit;
  - c. having Nuisance Permit;

- d. having Environmental Permit;
- e. having Environmental Impact Assessment (AMDAL) or Environmental Management Effort, *upaya Pengelolaan Lingkungan* (UKL) and Environmental Monitoring Effort, *Upaya Pemantauan lingkungan* (UPL); and
- f. have completed the work of factory construction and the production facility.

#### Article 24

- (1) Industrial Companies submit the application of In – Principle Approval to the Regent.
- (2) In – Principle Approvals are granted to the Industrial Companies to conduct preparation and construction, procurement, equipment installation, and other preparedness needed.
- (3) In – Principle Approvals as referred to in section (3) are not a permit to perform a commercial production.
- (4) Procedures for submitting application of In – Principle Approval as referred to in section (1) are further regulated by a Regent Regulation.

#### Article 25

In case that the application of In – Principle Approval does not meet the complete and proper requirements or the type of industry is categorized into business field that is closed to the investment, the Regent issues a letter of rejection.

#### Article 26

- (1) In – Principle Approval as referred to in Article 24 is valid within 3 (three) years.
- (2) If the in – principle approval holders cannot complete the work of factory construction and production facility within the period as referred to in section (1), they can apply extension of In – Principle Approval for 1 (one) time within a period of no more than 1 (one) year.

#### Article 27

- (1) The Regent issues in – principle of approval if the requirements are complete and appropriate.

- (2) In – principle approval can be changed based on the request of the relevant company.
- (3) Industrial Companies that have obtained in – principle approval are obligated to submit information on the progress of the factory construction and production facility to the Regent once in 1 (one) year not later than 31 January in the ensuing year.

#### Article 28

- (1) Industrial Companies that have completed the work of factory construction and production means as well as fulfilled all the provisions are obligated to submit an IUI application to the Regent.
- (2) Procedures of IUI application are further regulated in a Regent Regulation.

#### Article 29

- (1) The process of IUI issuance, it is preceded by conducting inspection to the location to ensure that the work of factory construction and production means are completed.
- (2) The results of the investigation to the location as referred to in section (1) are outlined in the Investigation Report.
- (3) The Investigation Report as referred to in section (2) becomes a guidance for the Regent either to issue IUI or to postpone its issuance.

### Part Three

#### Expansion Permit

#### Article 30

- (1) Every industrial company that has held IUI may conduct expansion within the scope of the type of industry stated in the IUI of no more than 30% (thirty percent) exceeding its permitted production capacity.
- (2) The Expansion as referred to in section (1) does not require an Expansion Permit to the extent that the type of industry is open or open with conditions, to investment.

#### Article 31

- (1) Every industrial company as referred to in Article 30 to the extent that the type of industry is based on what is stated in the IUI owned, open or open with condition to investment, and the production result is entirely intended for the export market, can increase production capacity above 30% (thirty percent) of its permitted production capacity without preceded by holding an Expansion Permit.
- (2) The Industrial Company as referred to in section (1) are obligated to submit a written notice regarding the production improvement as the result of the expansion activity to the Regent in no more than 5 (five) months at the time the date of the expansion activity starts.

- (3) Within a period of no more than 6 (six) months after the expansion as referred to in section (1), the relevant Industrial Companies are obligated to obtain an Expansion Permit.

#### Article 32

- (1) The Application of Expansion Permit of any Industrial Company that has obtained IUI with In – Principle Approval is carried out by enclosing a document of industrial expansion plan as well as a document of information presentation regarding environmental preservation efforts including:
  - a. Environmental Impact Assessment (AMDAL); or
  - b. Environmental Management Effort (UKL) and Environmental Monitoring Effort (UPL).
- (2) The application of Expansion Permit for any industrial company that has obtained IUI without In – Principle Approval is carried out by enclosing a document of industrial expansion plan.

#### Article 33

- (1) The process of Expansion Permit issuance, it is preceded by conducting inspection to the location to ensure that the industrial expansion activity has been appropriate.
- (2) The results of the inspection to the location as referred to in section (1) are outlined in the investigation report.
- (3) The Investigation Report as referred to in section (2) becomes guidance for the Regent to :
  - a. issue Expansion Permit; or
  - b. postpone Expansion Permit issuance to grant a chance to the relevant company in the period of 14 (fourteen) workdays to complete requirements.

#### Part Four

#### Industrial Registration Certificate

#### Article 34

Small industrial company as referred to in Article 13 section (1) is not required an In – Principle Approval to obtain TDI.

Article 35

- (1) The Application of TDI is submitted to the Regent in accordance with his/her authority by enclosing :
  - a. photocopy of Nuisance Permit; and
  - b. photocopy of Location Permit or other designations may explain.
- (2) The Regent issues TDI in case that the application is declared complete and appropriate.

Part Five

Rejection / Postponement of Application for Industrial Business Permit

Paragraph 1

Rejection / Postponement of Application for Industrial Business Permit

without In – Principle Approval

Article 36

- (1) The Regent rejects the issuance of IUI accompanied by reasons through a letter of rejection in case that the type of industry applied is categorized into the business field that is closed to investment.
- (2) The Regent postpones the issuance of IUI accompanied by reasons through the letter of postponement in case that the application of IUI does not fulfil the form and / or requirements in accordance with the provisions of the legislation.
- (3) In connection with the letter of postponement as referred to in section (2) the applicant is given a chance to complete requirements no later than 14 (fourteen) workdays after the letter of postponement is received.
- (4) If within the period as referred to in section (3), the applicant cannot complete the requirements, the Regent issues the letter of rejection for IUI issuance.

Article 37

- (1) In connection with the letter of rejection for IUI issuance as referred to in Article 36 section (4), the applicant can file an objection not later than 7 (seven) workdays after the letter of rejection is received.
- (2) The Regent accepts or rejects objection as referred to in section (1) in writing accompanied by reasons not later than 15 (fifteen) workdays after the notice of filing objection is received.

- (3) The decision of the Regent to accept or reject the objection is a final decision.

#### Article 38

Any industrial company whose application is rejected as referred to in Article 37 section (2) may submit a new application.

#### Paragraph 2

Rejection / Postponement of Application for Industrial Business Permit  
with In – Principle Approval

#### Article 39

The Regent rejects the IUI issuance if meeting one of the criteria as follows:

- a. the factory location is not in accordance with what is stated in the In – Principle Approval;
- b. the type of industry is not in accordance with what is stated in the In – Principle Approval;
- c. the industrial company does not submit a progress report on the work of factory construction and production facility as referred to in Article 27 section (3), 3 (three) times in a row;
- d. the industrial company does not obey the provisions of the legislation;
- e. the industrial company whose type of industry is categorized into the business field that is closed to investment;
- f. the industrial company is not completed with a document of information presentation regarding environmental preservation efforts including :
  1. Environmental Impact Assessment (AMDAL); or
  2. Environmental Management Effort (UKL) and Environmental Monitoring Effort (UPL).

#### Article 40

- (1) The Regent postpones IUI issuance accompanied by reasons through the letter of postponement if the application does not meet one of these conditions :
- a. the form or the requirements of the IUI issuance to is not yet completed by the applicants;

- b. the industrial company has not fulfilled the obligation in connection with efforts related to equipment security and safety, process and its production results including its transportation.
- (2) In connection with the letter of postponement as referred to in section (1), the relevant Industrial Company is given a chance to complete the requirements not later than 6 (six) months after the letter of postponement is received.

### Paragraph 3

#### Rejection / Postponement of the Application of TDI

### Article 41

- (1) The Regent is obligated to issue a letter of rejection accompanied with reasons if the type of industry stated in the form is different from the application not later than 5 (five) workdays after the application is received.
- (2) The Regent issues a letter of postponement accompanied with reasons to any application that has not completed its forms and / or requirements as stipulated in accordance with legislation not later than 5 (five) workdays after the application is received.
- (3) In connection with the letter of postponement as referred to in section (2), the applicant is given a chance to complete the form and / or the requirements that have not completed yet not later than 14 (fourteen) workdays after the letter of postponement is received.
- (4) If after the period as referred to in section (3), the applicant has not complete the form and / requirements, the Regent issues the letter of rejection for TDI.

### Article 42

- (1) In connection with the issuance of letter of rejection for TDI by the Regent as referred to in Article 41 section (4), the relevant Industrial Company may file an objection not later than 7 (seven) workdays after the letter of rejection for TDI is received.
- (2) The Regent is obligated to accept or reject the objection as referred to in section (1) by written notice accompanied by reasons not later than 15 (fifteen) workdays after the notice of objection is received.



- (3) The decision of the Regent to accept or reject the objection is a final decision.
- (4) The industrial company whose application is rejected as referred to in section (3) can submit a new application.

Part Six  
Industrial Location Transfer  
Article 43

- (1) Industrial location transfer to the area of the Region is required to obtain a written approval from the Regent.
- (2) Industrial location transfer as referred to in section (1) is preceded by an application letter that is submitted to the Regent completed with requirements in accordance with the provisions.
- (3) Not later than 5 (five) workdays after the application of industrial location transfer as referred to in section (2) is received, the Regent issues a written approval.
- (4) The written approval as referred to in section (3) applies as:
  - a. In – Principle Approval in the Region in terms of IUI with In – Principle Approval; or
  - b. Transfer Approval into the Region for TDI or IUI without In – Principle Approval.
- (5) Any industrial company that has obtained a written approval as referred to in section (3) is obligated to submit an application for IUI without In – Principle Approval, IUI with In- Principle Approval, or new TDI in accordance with the provisions of this Regional Regulation.

Part Seven  
Changes of Name, Address, and /or Person in Charge  
Article 44

- (1) Any Industrial Company that has obtained IUI, Expansion Permit, or TDI that conducts changes of name, address, and / or person in charge is obligated, to inform in writing to the Regent not later than 30 (thirty) workdays after the stipulation of the change is received.
- (2) Not later than 5 (five) workdays after the change notice is received as referred to in section (1), the Regent issues the Approval of Change which is an inseparable part of IUI, Expansion Permit or TDI.

Part Eight  
Lost / Broken IUI, Expansion Permit, TDI  
Article 45

- (1) In case that IUI, Expansion Permit, or TDI is lost or broken that it is no longer readable, the relevant Industrial Company may submit an application of replacement for IUI, Expansion Letter, or TDI to the Regent.

- (2) The application of replacement for IUI, Expansion Letter, or TDI that is lost / broken as referred to in section (1) is with requirement as follow:
  - a. For lost IUI, Expansion Permit, or TDI; is accompanied with lost property report from the local police;
  - b. For broken IUI, Expansion Permit, or TDI; is enclosed with the original version of IUI, Expansion Permit, or TDI.
- (3) Not later than 5 (five) workdays after the application of replacement for IUI, Expansion Letter, or TDI as referred to in section (1) is received in appropriate and complete form, the Regent issues IUI, Expansion Permit, or TDI as the replacement of the lost or broken IUI, Expansion Permit, or TDI.

#### Part Nine

#### Re – Registration

#### Article 46

- (1) Regarding the development and evaluation to Industrial Companies in the Region, the Local Government requires a re – registration for IUI, Expansion Permit, or TDI as referred to in Article 16.
- (2) The process of re – registration as referred to in section (1) is carried out in accordance with the provisions of re – registration and is not a process of permit application renewal.
- (3) Industrial Company submits requirements based on the provisions to be held evaluation and verification on the company’s documents by SKPD.
- (4) Evaluation and verification on company’s documents as referred to in section (2) is by provisions as follow:
  - a. for Industrial Companies that increase production capacity up to 30 % (thirty percent) beyond their permitted production capacity, re – registration can be processed to the extent that the type of industry is declared open or open with conditions to investment; and
  - b. for Industrial Companies that increases production company more than 30 % (thirty percent) beyond their permitted production capacity, are not required to hold a re – registration process, but is obliged to own Expansion Permit in accordance with the provisions of this Regional Regulation.
- (5) Evaluation and verification on company’s documents as referred to in section (2) are also conducted towards other relevant things needed in accordance with the provisions.

Part Ten  
Obligations of Permit Holder  
Article 47

- (1) Industrial Companies that have obtained IUI or Expansion Permit are obligated to submit industrial information concerning its business activity periodically to the Regent through the Head of SKPD based on the permit issued with the following schedule:
  - a. the first semester of the relevant year not later than July 31<sup>st</sup> ; and
  - b. 1 (one) year not later than 31 January in the ensuing year.
- (2) Industrial Companies that have obtained TDI submit industrial information to the Regent through the Head of SKPD annually not later than 31 January in the ensuing year.
- (3) Small Industrial Group as referred to in Article 13 section (2) is exempted from the obligation of submitting industrial information.

Article 48

In accordance with IUI, Expansion Permit or TDI obtained, Industrial Companies are obligated to:

- a. carry out efforts of natural resources balance and preservation and prevent environmental damage as well as pollution as the results of the industrial activities operated by implementing Environmental Impact Assessment (AMDAL); or Environmental Management Effort (UKL) and Environmental Monitoring Effort (UPL) or composing a Letter of Statement of Environmental Management (SPPL), that is applicable for the types of industry as stipulated.
- b. manage efforts that are related to the equipment security or safety, raw materials and auxiliary material, process, production results, transportation as well as work safety.

CHAPTER VI  
GUIDANCE, REPORTING, AND SUPERVISION

Part One  
Guidance  
Article 49

Local Government conducts guidance in terms of mentorship and counselling concerning implementation of efforts related to equipment security and safety, process, and production results including transportation.

Article 50

Regarding industrial arrangement, guidance, and development, and to avoid unfair business competition or economic power centralization of one company, group, or individual that is detrimental to the community, the Regent can reject the application of In – Principle Approval, IUI, and Expansion Permit.

Part Two

Reporting

Article 51

- (1) The Head of SKPD is obligated to compile and submit a report of industrial development to the Regent every semester during the relevant year with schedules as follows :
  - a. every 15 July for the first semester; and
  - b. every 15 January for the second semester.
- (2) The Reports as referred to in section (1) are submitted to the Governor as a report material to the Minister.
- (3) The Reports as referred to in section (1) are preparational materials for improvement and development policy as well as industrial promotion.

Part Three

Supervision

Article 52

- (1) Supervision to the administration of IUI, Expansion Permit, or TDI in the Region is conducted by SKPD.
- (2) The supervision as referred to in Section (1) includes the implementation of:
  - a. supervision of production development;
  - b. supervision of transfer of location / address;
  - c. supervision of transfer of person in charge; and
  - d. supervision of other things as deemed necessary.
- (3) The supervision results as referred to in section (1) are reported to the Regent as evaluation materials of the administration of IUI, Expansion Permit, or TDI.

CHAPTER VII

ADMINISTRATIVE SANCTIONS

Article 53

- (1) Industrial companies are given a written warning if it meets one of conditions as follow:
  - a. it conducts expansion without holding an expansion permit;
  - b. it does not register into the Company Registry as referred to in Article 15;

- c. it conducts expansion with production results is not aimed for export as referred to in Article 31, and yet to be marketed throughout domestic market;
  - d. it conducts a business activity that is not according to the provisions stated in the IUI or TDI has been obtained;
  - e. it conducts industrial location transfer without written approval from the Regent as referred to in Article 43 section (1);
  - f. it does not conduct re – registration as referred to in Article 46;
  - g. it does not submit industrial information as referred to in Article 47 or intentionally submits information confirmed inauthentic; or
  - h. There are reports or complaints found by the authorized officials or Intellectual Property Rights (HAKI) holder that the relevant industrial company commits an infringement upon HAKI.
- (2) A written warning as referred to in section (1) is addressed to the relevant Industrial Company for maximum of 3 (three) consecutive times with a respective period of 1 (one) month.
- (3) A written warning as referred to in section (1) is carried out in accordance with the provisions of legislation.

#### Article 54

- (1) IUI, Expansion Permit, or TDI are suspended if the Industrial Companies:
- a. do not conduct improvement within the warning period as referred to in Article 53 section (2);
  - b. are reported or complained by the authorized officials that it utilizes woods confirmed as the result of illegal logging / utilizes work in process whose procurement is confirmed as the result of smuggling and / or as the result of criminal acts; or
  - c. are being put on a trial in a court, charged with an infringement on HAKI.
- (2) The suspension of IUI, Expansion Permit and TDI as referred to in Section (1) is conducted by the Regent by issuing a stipulation letter of suspension in accordance with the provisions of legislation.
- (3) The stipulation letter of suspension for IUI, Expansion Permit, and TDI as referred to in :
- a. section (1) point a and point b is valid within 6 (six) months after the date of the stipulation letter of suspension is issued; or

- b. section (1) point c and point d is valid until a sentence that has a permanent legal force is issued or the investigation by investigators is stopped.
- (4) The Industrial Companies as referred to in Section (3) point b are obligated to report its monthly production activity, procurement of woods and / or industrial work in process to the Regent through the Head of SKPD.
- (5) To the company as referred to in section (4), it can be conducted supervision by SKPD until a sentence that has a permanent legal force is issued.
- (6) The obligation to report as referred to in section (4) is not applicable if the relevant company is not proven of committing infringement based on the sentence that has a permanent legal force.
- (7) IUI, Expansion Permit, and TDI that are suspended as referred to in:
- a. section (3) point a can be reapplied if the relevant Industrial Company undertakes efforts of improvement in accordance with the provisions; or
  - b. section (3) point b can be reapplied if the relevant Industrial Company is not proven of committing infringement based on the sentence that has a permanent legal force.

#### Article 55

- (1) IUI, Expansion Permit, and TDI are revoked if :
- a. IUI, Expansion Permit and TDI issued are based on information or data that is inauthentic or falsified by the relevant company;
  - b. Industrial companies that are under an investigation process or trial as referred to in Article 54 section (1) point c or point d has been sentenced as proven to commit infringement based on the sentence that has a permanent legal force;
  - c. do not conduct improvement based on the applicable provisions after transcending the period of suspension as referred to in Article 55 section (3) point a;
  - d. within 1 (one) year after the issuance of IUI, Expansion Permit, or TDI, the relevant Industrial Company does not operate;
  - e. Industrial Companies produce and / or distribute products that do not meet or not in accordance with Indonesian National Standard (SNI) that is enforced compulsorily; or

- f. Industrial Companies violate the provisions of legislation concerning business permit revocation sanctions.
- (2) The revocation of IUI, Expansion Permit, or TDI as referred to in section (1) is conducted by the Regent without a written warning.

#### Article 56

- (1) Every Industrial Company that violate the provisions of Article 9 section (1) is subject to administrative sanctions in the form of:
  - a. written warning for 3 (three) consecutive times with each respective period of 1 (one) month;
  - b. temporary suspension of business activity for maximum of 3 (three) months;
  - c. closure of business activity.
- (2) Any industrial company that violate the provisions of Article 47 is subject to administrative sanctions in forms of :
  - a. written warning for 3 (three) consecutive times with each respective period of 1 (one) month;
  - b. temporary suspension of business activity for maximum of 3 (three) months;
  - c. fines of maximum Rp10.000.000,00 (ten million rupiah)

### CHAPTER VIII

#### PROVISIONS OF INVESTIGATION

#### Article 57

- (1) Particular Civil Servant Officials in the area of Local Government are given special authority as Investigators to conduct criminal investigation in the field of industry as referred to in the applicable Criminal Law Procedures Code.
- (2) The investigators as referred to in section (1) is a particular official of Civil Servant in the area of Regional Government that is appointed by the authorized officials in accordance with the provisions of legislation.
- (3) The investigators' authority as referred to in section (1) include:
  - a. receiving, searching, gathering and researching information or report concerning any criminal act in the field of Industry in order that it becomes more complete and clearer;

- b. researching, searching, and gathering information about individual or entity concerning truth of the deed that has been committed related to a criminal act in the field of industry;
  - c. asking for information and proof material from individual or entity related to criminal act in the field of industry;
  - d. checking books, notes, and other documents concerning criminal act in the field of industry;
  - e. conducting search and examination to get items of evidence in terms of bookkeepings, recordings, and other documents, and conducting confiscation on such items of evidence;
  - f. bringing an expert required in relation to examination of criminal acts in the field of industry;
  - g. stopping and / or prohibiting every person from leaving the room or place during the ongoing examination and checking one's identity or documents brought as referred to in point e;
  - h. taking one's photos related to criminal acts in the field of industry;
  - i. summoning a person to examine and hear his/ her information as a suspect or witness;
  - j. stopping the investigation; and
  - k. conducting other actions as deemed necessary for the importance of investigation on criminal acts related to industry in accordance with the provisions of legislation.
- (4) The investigator as referred to in section (1) announce the start of investigation and submit the result of investigation to the Public Prosecutor through the official investigator of Indonesian National Police in accordance with the provisions of Criminal Law Procedures Code.

## CHAPTER IX CRIMINAL PROVISIONS

### Article 58

- (1) Industrial Companies that intentionally commit infringement on provisions of Article 48 point a that contributes to pollution is subject to crime according to the provisions of the Article 98 section (1) of Law Number 32 of 2009 on Environmental Protection and Management.



- (2) Industrial Companies that intentionally commit infringement on provisions of Article 48 point a that contributes to pollution causing injuries to people and / or threatening people's health is subject to crime according to the provisions of Article 98 section (2) of Law Number 32 of 2009 on Environmental Protection and Management.
- (3) Industrial Companies that intentionally commit infringement on provisions of Article 48 point a that contribute to pollution causing people to die and / or seriously injured is subject to crime according to the provisions of Article 98 section (3) of Law Number 32 of 2009 on Environmental Protection and Management.

#### Article 59

- (1) Industrial Companies that due to their negligence commit infringement on provisions of Article 48 point a that contribute to pollution is subject to crime according to the provisions of Article 99 section (1) of Law Number 32 of 2009 on Environmental Protection and Management.
- (2) Industrial Companies that due to their negligence commit infringement on provisions of Article 48 point a that contribute to pollution causing injuries to people and / or threatening people's health is subject to crime according to the provisions of Article 99 section (2) Law Number 32 of 2009 on Environmental Protection and Management.
- (3) Industrial Companies that due to their negligence commit infringement on provisions of Article 48 point a that contribute to pollution causing people to die and / or seriously injured is subject to crime according to the provisions of Article 99 section (3) of Law Number 32 of 2009 on Environmental Protection and Management.

#### Article 60

Industrial Companies that commit infringement on provisions of Article 48 point b are convicted according to the provisions of Article 186 section (1) Law Number 13 of 2003 on Manpower

### CHAPTER X

#### TRANSITIONAL PROVISIONS

#### Article 61

- (1) IUI, Expansion Permit, or TDI that have been issued before this Regional Regulation comes into force remain valid in accordance with this Regional Regulation, to the extent that the relevant company operates in accordance with permits granted.

- (2) Towards IUI, Expansion Permit, or TDI's re - registration period has expired, it is required to conduct re - registration in accordance with the provision of this Regional Regulation.
- (3) The In - Principle Approval that has been issued before this Regional Regulation comes into force remain valid as a stage to obtain IUI in accordance with this Regional Regulation.

#### Article 62

The Application of In - Principle Approval, IUI, Expansion Permit or TDI and / or the changes which are still in an ongoing process of completion is required to be conducted in accordance with this Regional Regulation.

### CHAPTER XI CLOSING PROVISIONS

#### Article 63

At the time this Regional Regulation comes into force, the Regional Regulation of the Regency of Tuban Number 11 of 2003 on Levies on Industrial Business Permit (Regional Gazette of the Regency of Tuban of 2003 B series Number 02) is repealed and declared ineffective.

#### Article 64

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

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

Issued in Tuban  
On 28 June 2013  
THE REGENT OF TUBAN,

signed

H. FATHUL HUDA

Promulgated in Tuban  
On 8 July 2013  
REGIONAL SECRETARY,

signed

HERI SISWORO

REGIONAL GAZETTE OF THE REGENCY OF TUBAN OF 2013 E SERIES  
NUMBER 24

Jakarta, 20 August 2024

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

DIRECTOR GENERAL OF LEGISLATION AD INTERIM



ELUCIDATION  
OF  
REGIONAL REGULATION OF THE REGENCY OF TUBAN  
NUMBER 05 OF 2013  
ON  
ADMINISTRATION OF BUSINESS IN THE FIELD OF INDUSTRY

I. GENERAL

That the activity of development in industrial sector is a part of potential economy in the Region which really needs to be prepared as well as directed in order to develop, to be efficient, and effective in the process of achieving the independence of industrial sector in the Region. Regarding this matter, business Licensing deserve to obtain more attention in the framework of guidance, arrangement, supervision, and control of industrial business activity to grow industrial development in the Region.

That in accordance with Government Regulation Number 38 of 2007 ON Division of Government Affairs between the Government, Provincial Government, and Local Government of Regency / Municipality and the Regulation of the Minister of Industry Number 41 / M - IND / PER / 6 / 2008 on the Provisions and Procedure of Providing the Industrial Business Permit, Expansion Permit, and Industrial Registration Certificate, the Local Government has the authority to regulate the Administration of Business in the Field of INDUSTRY especially in terms of licensing in order to realize a healthy industrial climate for industrial growth throughout the Region.

That to implement the authority in industrial business operation, it is necessary to establish a Regional Regulation on Administration of Business in the Field of Industry as a guidance for the community in terms of conducting activities in the field of industry.

## II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Sufficiently clear.

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Article 3

Sufficiently clear.

Article 4

Sufficiently clear.

Article 5

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Article 6

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Article 27

Sufficiently clear.

Article 28

Sufficiently clear.

Article 29

Sufficiently clear.

Article 30

Section (1)

Sufficiently clear.

Section (2)

The term “type of industry which is open or open with conditions, to investment” means the type of industry which is open or open with conditions, to capital investment as referred to in Presidential Regulation Number 36 of 2010 on List of Business Fields Closed to Investment and Business Fields Open, with Conditions, to Investment.

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

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Article 64

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