REGULATION OF THE PROVINCE OF BALI
NUMBER 3 OF 2024
ON
PROVISION OF INCENTIVES AND EASE OF INVESTMENT

BY THE GRACE OF ALMIGHTY GOD

THE GOVERNOR OF BALI,

Having considered :

a. that Provision of Incentives and Ease of Investment is carried out to encourage the business activities which supports regional development in accelerating the economy growth and improving people welfare;
b. that Regulation of the Province of Bali Number 1 of 2016 on the Provision of Incentives and/or Ease for Community and/or Investors is no longer in line with recent legal development that is required for business activities, so it needs to be amended;
c. that based on the consideration as referred to in paragraphs a and b, it is necessary to enact a Regional Regulation on the Provision of Incentives and Ease of Investment;

Having Regard to :

1. Article 18 paragraph (6) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 39 of 2009 on the Special Economic Zone (State Gazette of the Republic of Indonesia Year 2009 Number 147, Supplement to the State Gazette of the Republic of Indonesia Number 5066);
3. Law Number 12 of 2011 on the Making of Laws and Regulations (State Gazette of the Republic of Indonesia Year 2011 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 5234) as repeatedly amended and most recently amended by Law Number 13 of 2022 on the Second Amendment to Law Number 12 of 2011 on the Making of Laws and Regulations (State Gazette of the Republic of Indonesia Year 2022 Number 143, Supplement to the State Gazette of the Republic of Indonesia Number 6801);
4. Law Number 23 of 2014 on Local Administration (State Gazette of the Republic of Indonesia Year 2014 Number 244, Supplement the State Gazette of the Republic of Indonesia Number 5587) as repeatedly

amended and most recently amended by Law Number 6 of 2023 on the Enactment of Government Regulation In Lieu of Law Number 2 of 2022 on Job Creation to become Law (State Gazette of the Republic of Indonesia Year 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856);

5. Law Number 15 of 2023 on the Province of Bali (State Gazette of the Republic of Indonesia Year 2023 Number 62, Supplement to the State Gazette of the Republic of Indonesia Number 6871);
6. Government Regulation Number 24 of 2019 on the Provision of Incentives and Ease of Investment in Regions (State Gazette of the Republic of Indonesia Year 2019 Number 63, Supplement to the State Gazette of the Republic of Indonesia Number 6330);
7. Government Regulation Number 40 of 2021 on the Implementation of Special Economic Zone (State Gazette of the Republic of Indonesia Year 2021 Number 50, Supplement to the State Gazette of the Republic of Indonesia Number 6652);
8. Regulation of the Minister of Home Affairs Number 80 of 2015 on Establishment of Regional Legal Products (Official Gazette of the Republic of Indonesia Year 2015 Number 2036) as amended by Regulation of the Minister of Home Affairs Number 120 of 2018 on the Amendment to Regulation of the Minister of Home Affairs Number 80 of 2015 on Establishment of Regional Legal Products (Official Gazette of the Republic of Indonesia Year 2019 Number 157);

With the Joint Approval of
THE REGIONAL HOUSE OF REPRESENTATIVES OF THE PROVINCE OF BALI
and
THE GOVERNOR OF BALI

DECIDES:

To enact : REGIONAL REGULATION ON PROVISION OF INCENTIVES AND EASE OF INVESTMENT

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Province means the Province of Bali.
2. Provincial Government means the Government of the Province of Bali.
3. Governor means the Governor of Bali.
4. Regional House of Representatives (*Dewan Perwakilan Rakyat Daerah*), hereinafter abbreviated to as DPRD, means the regional house of representatives that is positioned as government regional administrator.

5. Regional Apparatus means an element that assists regional leader and DPRD in administering the government affairs that fall under the authority of the Province.
6. Special Economic Zone (*Kawasan Ekonomi Khusus*), hereinafter abbreviated to as KEK means the zone with certain boundaries in the regional area of the legal territory of the Unitary State of the Republic of Indonesia that is designated based on provisions of laws and regulations to conduct economic function and obtain certain facilities.
7. Development and Management Entity (*Badan Usaha Pembangungan dan Pengelola*), hereinafter abbreviated to as BUPP means the legal entity in form of state-owned enterprises, regional-owned enterprises, cooperation, private, and joint venture that conduct business activity in the KEK.
8. Business Actor means any person or legal entity, whether in the form of legal entity and non-legal entity which is established solely or jointly through the agreement of implementation of the business activities.
9. Local Tax, hereinafter referred to as Tax means a mandatory contribution to the region owed by a private individual or an entity that is coercive based on law, with no direct compensation and is used for regional purposes for the greatest prosperity of the people.
10. Local Levy, hereinafter referred to as Levy means a local levy as a payment for certain services or permits specifically provided and/or granted by Provincial Government for the benefits of individuals or entities.
11. Community means a person or a group of people who are citizens of the Republic of Indonesia who own and/or carry out business activities in accordance with the provisions of laws and regulations.
12. Investor means individual investor or business entity that invests, being either a domestic investor and foreign investor.
13. Capital means an asset in the form of money or other forms that has economic value.
14. Provision of Incentives means fiscal policy support from the Provincial Government to the Community and/or Investors in order to increase the investment in the Province.
15. Provision of Ease of Investment means provision of non-fiscal facilities from Provincial Government to the Community and/or Investor to ease every investment and to increase the investment in the Province.
16. Business Licensing means the legality granted to the business actors to start and run their business and/or activities.

Article 2

Provision of Incentives and Ease of Investment based on principles of:

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

Article 3

(1) This Regional Regulation is intended as a guideline for the Provision of Incentives and/or Ease of Investment in order to encourage the improvement of investment in the Province.
(2) This Regional Regulation aims to:
    a. provide legal certainty on the Provision of Incentives and Ease of Investment to BUPP, Business Actors, the Community and/or Investor;
    b. be the basis of Provincial Government Regulation on the Provision of Incentives and/or Ease of Investment to help develop micro, small, medium enterprises, cooperatives; as well as small and medium industries (SMI); and
    c. provide protection for the sustainability of Bali's nature and culture as local resources, be utilized to economic development that is managed by BUPP, Business Actors and/or Investors who are oriented to the welfare improvement of Balinese people (*Krama* Bali).

Article 4

The scope of this Regional Regulation includes:
a. criteria for the Provision of Incentives and/or ease of investment;
b. form of incentives and/or ease of investment that are provided;
c. types of business or investments that receive incentive and/or investment facilitations.
d. procedures for Provision of Incentives and/or ease of investment;
e. the period of Provision of Incentives and/or ease of investment;
f. evaluation and reporting; and
g. coaching and supervision.

CHAPTER II
CRITERIA OF THE PROVISION OF INCENTIVES AND/OR EASE OF INVESTMENT

Article 5

Provision of Incentives and/or Ease of Investment is provided for BUPP, Business Actors, Community and/or Investors who meet the following criteria:
a. contributing to increase Community income;
b. accelerating the job creation and empowering local Balinese workforce;
c. creating 50% (fifty percent) of local Balinese workforce from the employee requirements for business activities.
d. partnering with and developing micro, small, medium enterprises, cooperatives, and small and medium industries (SMI);
e. contributing to improve public services;
f. contributing to increase the regional gross domestic products;

g. being environmentally aware and sustainable;
h. infrastructure development;
i. conducting technology transfer;
j. conducting pioneering industry;
k. conducting the research, development, and innovation activities;
l. industries that use capital goods, machinery, or equipment produced domestically;
m. conducting business activities in accordance with national and/or Provincial priority programs; and/or
n. being export-oriented based on branding of local Balinese products.

CHAPTER III
FORMS OF INCENTIVES AND/OR EASE OF INVESTMENT PROVIDED

Article 6

(1) The Provision of Incentives can be in the form of:
   a. deduction, relief and/or exemption of Tax and/or Levies that fall under the authority of the Province;
   b. provision of capital assistance to micro, small, medium enterprises, cooperatives, and small and medium industries (SMI) in the Province;
   c. assistance for research and development for micro, small, medium enterprises, cooperatives, and small and medium industries (SMI) in the Province; and/or
   d. assistance for vocational training facilities for micro, small, medium enterprises, cooperatives, and small and medium industries (SMI) in the Province.

(2) The Provision of Ease of Investment can be in the form of:
   a. provision of data and information on investment opportunities;
   b. provision of facilities and infrastructures;
   c. facilitating the land or location provision;
   d. provisions of technical assistance;
   e. simplification and acceleration of licensing through one-stop integrated services;
   f. ease of procedure requirements of business development to the BUPP and Business Actors;
   g. ease of access to marketing of production results;
   h. ease of direct construction investment;
   i. provision of comfort and security for investing in the Province;
   j. ease of certification and standardization processes in accordance with laws and regulations;
   k. ease of access to the competent and skilled workforce;
   l. ease of access to raw material supplies; and/or
   m. facilitation of promotion in accordance with the authority of the Province.

(3) Provision of Incentives and/or Ease of Investment as referred to in paragraphs (1) and (2), are provided in accordance with the capabilities of the Province and laws and regulations.

Article 7

Provincial Government provides incentives to the BUPP and Business Actors who carry out the business activities in the KEK in the form of:

a. provision of Tax and/or Levies deduction and/or relief for 50% (fifty percent); and/or
b. provision of Tax and/or Levies deduction and/or relief up to 100% (one hundred percent), in the event of force major/disaster and bankruptcy/collapse.

CHAPTER IV
TYPES OF BUSINESS OR INVESTMENT THAT RECEIVE INCENTIVES AND/OR EASE OF INVESTMENT

Article 8

(1) The Provincial Government may prioritize the Provision of Incentives and/or Ease of Investment for certain types of businesses or certain activities.
(2) Certain types of businesses or activities as referred to in paragraph (1), consist of:
    a. micro, small, medium enterprises, cooperatives, and small and medium industries (SMI);
    b. businesses that require capital ownership;
    c. businesses that require certain location;
    d. businesses that require special licensing;
    e. businesses that are open for investment that prioritize the superiority of the Province;
    f. businesses that have received Ease of Investment from the Central Government;
    g. businesses that are conducted in the KEK;
    h. businesses that are required partnership; and/or
    i. other businesses in accordance with the provisions of laws and regulations.

CHAPTER V
PROCEDURES FOR THE PROVISIONS OF INCENTIVES AND EASE OF INVESTMENT

Article 9

(1) The Provincial Government in providing incentives and/or Ease of Investment to the BUPP, Business Actors, Community, and/or Investors is adjusted to the authority, condition, and capability of the Province which are conducted in accordance with the provisions of laws and regulations.
(2) The Provincial Government guarantees the business and legal certainty for BUPP, Business Actors, Community and/or Investors who invest in the Province.

Article 10

(1) Provincial Government provides incentives and/or ease of investment in the Province as referred to in Article 9 based on the Provincial investment general plan or results of studies that considers the potential and added value in the Province.

(2) Provincial investment general plan as referred to in paragraph (1), is arranged by Regional Apparatus which carry out government affairs in the field of Investment.
(3) Further provisions on Provincial investment general plan as referred to in the paragraph (2), are regulated by a Governor Regulation.

Article 11

BUPP, Business Actors, Community, and/or Investors who wish to obtain the incentives and/or ease of investment submit an application intended to the Governor through Regional Apparatus that carry out government affairs in the field of investment.

Article 12

(1) The Governor determines the standard operating procedures for the implementation of the Provision of Incentives and/or Provisions of Ease of Investment to BUPP, Business Actors, Community, and/or Investor.
(2) In implementing the Provision of Incentives and/or Provision of Ease of Investment to the BUPP, Business Actors, Community, and/or Investors, Governor conducts the verification.
(3) The verification as referred to in the paragraph (1), is coordinated by Regional Apparatus who carries out government affairs in the field of investment and also coordinates with related Regional Apparatus.

Article 13

(1) In carrying out the verification as referred to in Article 12, Governor forms a verification team.
(2) Verification team as referred to in the paragraph (1), is appointed with the Gubernatorial Decree.

Article 14

(1) Incentive Recipients and/or Ease of Investment for BUPP, Business Actors, Community, and/or Investors are appointed with the Gubernatorial Decree.
(2) The Gubernatorial Decree as referred to in the paragraph (1), at least contains:
    a. name;
    b. address of applicant;
    c. business sector and/or investment activities;
    d. incentive forms and/or ease of investment;
    e. incentive period; and
    f. rights and obligations of recipients of Provision of Incentives and/or Ease of Investment.

Article 15

Further provisions on the procedures for the Provisions of Incentives and/or the Provisions of Ease of Investment as referred to in the Article 9 to Article 14, are regulated in a Gubernatorial Regulation.

CHAPTER VI
PERIOD OF THE PROVISION OF INCENTIVES AND/OR EASE OF INVESTMENT

Article 16

The period of the Provisions of Incentives and/or ease of investment to the BUPP, Business Actors, Community, and/or Investors is a maximum of three (3) years.

CHAPTER VII
EVALUATION AND REPORTING

Article 17

(1) Governor evaluates the effectiveness of the implementation of the Provision of Incentives and/or Ease of Investment that have been provided for BUPP, Business Actors, Community and/or Investors.
(2) The evaluation as referred to in the paragraph (1), is conducted a minimum once (1) a year.

Article 18

Provision of Incentives and/or Ease of Investment can be reviewed if based on the evaluation results, they no longer meet the criteria as referred to in the Article 5, and/or is contrary to the provisions of laws and regulations.

Article 19

The governor submits the report on the result of the implementation of the Provision of Incentives and/or Ease of Investment in the Province to the minister administering government home affairs once (1) a year.

CHAPTER VIII
COACHING AND SUPERVISION

Article 20

(1) Governor conducts coaching and supervision of implementation of Provision of Incentives and/or Ease of Investment for BUPP, Business Actors, Community and/or Investors.
(2) Governor conducts coaching and supervision of implementation of Provision of Incentives and/or Ease of Investment that are carried out by Regents/Mayor in accordance with the provisions of laws and regulations.

CHAPTER IX
TRANSITIONAL PROVISION

Article 21

Upon the entry into force of this Regional Regulation, Regulation of the Governor of Bali Number 74 of 2017 on the Implementing Regulation of Regional Regulation Number 1 of 2016 on Provision of Incentives and/or Ease for Community and/or Investors (Regional Official Gazette of the Province of Bali Year 2017 Number 74), is declared to remain in force to the extent

not contrary and have not been replaced in accordance with the provisions of this Regional Regulation.

CHAPTER X
CLOSING PROVISIONS

Article 22

Upon the entry into force of this Regional Regulation, the Regional Regulation Number 1 of 2016 on Provision of Incentive and/or Ease to the Community and/or Investors (Regional Gazette of the Province of Bali Year 2016 Number 1, Supplement to the Regional Official Gazette of the Province of Bali Number 1), is hereby repealed and declared to be no longer in force.

Article 23

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

In order to make this Regional Regulation known to the public, it is hereby ordered that it be promulgated by its publication in the Regional Gazette of the Province of Bali.

Enacted in Denpasar
on 15 August 2024

GOVERNOR OF BALI AD INTERIM,

signed

S. M. MAHENDRA JAYA

Promulgated in Denpasar
on 15 August 2024

REGIONAL SECRETARY OF THE PROVINCE OF BALI,

signed

DEWA MADE INDRA

REGIONAL GAZETTE OF THE PROVINCE OF BALI YEAR 2024 NUMBER 3

Prepared and issued as an official translation

Jakarta, 3 July 2026
DIRECTOR GENERAL OF LEGISLATION
FOR THE MINISTER OF LAW
OF THE REPUBLIC OF INDONESIA,

DHAHANA PUTRA

Official Translation Notice:
This English translation is provided for information and reference purposes only. In the event of any discrepancy, inconsistency, or ambiguity between the English version and the Indonesian version, the Indonesian version shall prevail.

ELUCIDATION
OF
REGULATION OF THE PROVINCE OF BALI
NUMBER 3 OF 2024
ON
PROVISION OF INCENTIVES AND EASE OF INVESTMENT

I. GENERAL

Investment has a significantly role to increase the Provincial economic growth such as: to increase the community revenue, to create local workforce, to empower local resources, to improve public services, to increase gross regional domestic product, and to develop the business activities in the Special Economic Zone (KEK), micro and small enterprises, and cooperatives. In order to implement sustainable development and to face the globalization era, the Provincial Government is necessary to issue the policy in order to accelerate a conducive business climate for investors and to strengthen national economic competitiveness.

Provincial Government efforts to increase the investment through Provision of Incentives and/or Provision of Ease of Investment to BUPP, Business Actors, Community, and/or Investors are still relatively low, and even tend to be counterproductive. This is evidenced by the numerous Regional Regulation on the Local Tax and Local Levies that burden the business actors including investors, resulting in suboptimal provincial and national investment competitiveness.

The provisions of Article 278 paragraph (2) of law Number 23 of 2014 on the Local Administration as repeatedly amended, most recently amended by the Law Number 6 of 2023 on the Stipulation of Government Regulation In Lieu of Law Number 2 of 2022 on the Job Creation to become Law mandates that local government administration involve the participation of community and private sectors in the regional development through Provision of Incentives and/or Ease of Investment to BUPP, Business Actors, Community, and/or Investors as regulated in the Regional Regulation with reference to the provisions of laws and regulations, and Article 7 paragraph (1) of Government Regulation Number 24 of 2019 on the Provision of Incentives and Ease of Investment in the Region.

The provisions of Article 100 of Government Regulation Number 40 of 2021 on the Implementation of Special Economic Zone mandates that local governments are required to determine deduction, relief, and exemptions from Taxes and/or Levies for BUPP and Business Actors who carry out business activities guaranteed by the provisions of laws and regulations in the field of Taxes and Levies.

In this regard, the Provincial Government has established the Regional Regulation as a guideline of Provision of Incentives and/or Provision of Ease of Investment to BUPP, Business Actors, Community and/or Investors. Furthermore, this Regional Regulation is intended to ensure that the

Provision of Incentives and/or Ease of Investment of investors in the Province is on target and achieves equitable distribution of investment in the Province, and does not contradict laws and regulations.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Subparagraph a

The term “legal certainty” means the principle that places laws and provisions of laws and regulations as the basis for Provincial Government in every policy and action in the Provision of Incentives and/or Ease of Investment.

Subparagraph b

The term “equality” means equal treatment to the Investors without favoring or benefiting one particular category, group, or certain business scale.

Subparagraph c

The term “transparency” means information openness in the Provision of Incentives and/or Ease of Investment to the Community and/or Investor.

Subparagraph d

The term “accountability” means a form of responsibility for the Provision of Incentives and/or Ease of Investment.

Subparagraph e

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

Article 3

Self-explanatory.

Article 4

Self-explanatory.

Article 5

Self-explanatory.

Article 6

Paragraph (1)

Self-explanatory

Paragraph (2)

Subparagraph a

Self-explanatory

Subparagraph b

The provisions of “facilities and infrastructures” is a form of facilitation in obtaining supporting facilities and infrastructure, including public services, provisions of drinking water and sanitation facilities, firefighting, healthcares, waste management, and provisions of industrial and supporting infrastructures.

Subparagraph c

The term “facilitating of land and location provisions” includes the form of facilitation in processing the ownership of land, provisions of data and information related to land and location, and mediation of dispute resolution.

Subparagraph d

Self-Explanatory.

Subparagraph e

Simplification and acceleration of licensing through integrated one-stop services are implemented gradually in using an electronically integrated business licensing system.

Subparagraph f

Self-explanatory.

Subparagraph g

Self-explanatory.

Subparagraph h

Self-explanatory.

Subparagraph i

Self-explanatory.

Subparagraph j

Self-explanatory.

Subparagraph k

Self-explanatory.

Subparagraph l

Self-explanatory.

Subparagraph m

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 7

Self-explanatory.

Article 8

Paragraph (1)

Self-explanatory.

Paragraph (2)

Subparagraph a

The term micro, small and medium enterprises, cooperatives and small and medium industries (SMI) means individuals and business entities that have the business criteria as referred to in the laws on the micro, small and medium enterprises, cooperatives and small and medium industries (SMI).

Subparagraph b

Self-explanatory

Subparagraph c

The term “certain location” includes business located in KEK, remote areas, undeveloped areas, border areas, and/ or located in strategic areas in accordance with the provisions of laws and regulations.

Subparagraph d

The term “special licensing” includes businesses that require licensing from certain ministries/institutions in accordance with the provisions of laws and regulations.

Subparagraph e

Self-explanatory.

Subparagraph f

Self-Explanatory

Subparagraph g

Self-Explanatory

Subparagraph h

The Provincial Government provides the Provision of Incentives and/ or Ease of Investment for the implementation of partnership between medium enterprises and large enterprises with the micro and small enterprises, cooperatives, and small and medium industries (SMI) in accordance with the provisions of laws and regulations.

Subparagraph i

Self-explanatory.

Article 9

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 10

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 11

Self-explanatory.

Article 12

Self-explanatory.

Article 13

Self-explanatory.

Article 14

Self-explanatory.

Article 15

Self-explanatory.

Article 16

Self-explanatory.

Article 17

Self-explanatory.

Article 18

Self-explanatory.

Article 19

Self-explanatory.

Article 20
Self-explanatory.

Article 21
Self-explanatory.

Article 22
Self-explanatory.

SUPPLEMENT TO THE REGIONAL GAZETTE OF THE PROVINCE OF BALI NUMBER 3