

REGULATION OF THE PROVINCE OF EAST JAVA
NUMBER 5 OF 2023
ON
AMENDMENT TO REGIONAL REGULATION
NUMBER 2 OF 2019 ON INVESTMENT

BY THE BLESSINGS OF ALMIGHTY GOD

GOVERNOR OF EAST JAVA,

- Considering : a. that the implementation of investment is aimed at realizing the public welfare, achieved through sustainable economic development within the framework of economic democracy based on Pancasila and the 1945 Constitution of the Republic of Indonesia;
- b. that to support the implementation of investment, it is necessary to adjust the types and authorities of business licensing as well as the form and criteria for providing incentives and ease in the implementation of investment within the region;
- c. that in regard to the enactment of Law Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation to Become Law and its implementing regulations, the provisions in the Regional Regulation of the Province of East Java Number 2 of 2019 on Investment need to be adjusted;
- 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 Amendment to Regional Regulation Number 2 of 2019 on Investment;
- Observing : 1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
2. 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 4725) as amended by Law Number 6 of 2023 on 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 of 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
3. 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) as amended several times, last by Law Number 13 of 2022 on Second Amendment to the Law Number 12 of 2011 on Legislation Making (State Gazette of the Republic of Indonesia of 2022 Number 143, Supplement to the State Gazette of the Republic of Indonesia Number 6801);
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 6 of 2023 on 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 of 2023 Number 49, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
 5. Law Number 30 of 2014 on Government Administration (State Gazette of the Republic of Indonesia of 2014 Number 292, Supplement to the State Gazette of the Republic of Indonesia Number 5601) as amended by Law Number 6 of 2023 on 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 of 2023 Number 49, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
 6. Law Number 12 of 2023 on the Province of East Java (State Gazette of the Republic of Indonesia of 2023 Number 59, Supplement to the State Gazette of the Republic of Indonesia Number 6868);
 7. Government Regulation Number 5 of 2021 on Implementation of Risk-Based Business Licensing (State Gazette of the Republic of Indonesia of 2021 Number 15, Supplement to the State Gazette of the Republic of Indonesia Number 6617);
 8. Government Regulation Number 6 of 2021 on Implementation of Business Licensing in the Region (State Gazette of the Republic of Indonesia of 2021 Number 16, Supplement to the State Gazette of the Republic of Indonesia Number 6618);
 9. Presidential Regulation Number 10 of 2021 on Investment Business Sectors (State Gazette of the Republic of Indonesia of 2021 Number 61) as amended by Presidential Regulation Number 49 of 2021 on Amendments to Presidential Regulation Number 10 of 2021 on Investment Business Sectors (State Gazette of the Republic of Indonesia Year 2021 Number 128);
 10. Regulation of the Province of East Java Number 2 of 2019 on Investment (Regional Gazette of the Province of East Java of 2019 Number 2 Series D, Supplement to the Regional Gazette of the Province of East Java Number 90);

With the Joint Approval of
THE PROVINCIAL HOUSE OF REPRESENTATIVES
and
THE GOVERNOR OF EAST JAVA

HAS DECIDED:

To issue : REGIONAL REGULATION ON AMENDMENT TO REGIONAL
REGULATION NUMBER 2 OF 2019 ON INVESTMENT.

Article I

Several provisions in the Regional Regulation of the Province of East Java Number 2 of 2019 on Investment (Regional Gazette of the Province of East Java of 2019 Number 2 Series D, Supplement to the Regional Gazette of the Province of East Java Number 90) are amended as follows:

1. The provisions of Article 1 are amended to read as follows:

Article 1

In this Regional Regulation:

1. Central Government, hereinafter referred to as the Government, means the President of the Republic of Indonesia who holds the governing authority of the State of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.
2. Region means the Province of East Java.
3. Governor means the Governor of East Java.
4. Regional House of Representatives (*Dewan Perwakilan Rakyat Daerah*), hereinafter abbreviated to DPRD, means the Regional House of Representatives of the Province of East Java.
5. Provincial Government means the Government of the Province of East Java.
6. Regency/Municipality means the Regencies and Municipalities in East Java.
7. Investment and Integrated One-Stop Office (*Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu*), hereinafter abbreviated to DPMPSTP, means the Investment and Integrated One-Stop Service Office of the Province of East Java.
8. Legal Bureau means the Legal Bureau of the Secretariat of the Province of East Java.
9. Investment means all forms of investing activities by both domestic investors and foreign investors to conduct business in the territory of the Republic of Indonesia in the Region.
10. Investor means individuals, business entities, representative offices, and foreign entities engaging in business activities and/or specific sectors.
11. Business Sectors mean all types of business activities conducted to produce goods or services in the economic sector.
12. Domestic Investment (*Penanaman Modal Dalam Negeri*), hereinafter abbreviated to PMDN means an

investing activity performed by a domestic investor to conduct business in the Region using domestic capital.

13. Domestic Investor means an individual of Indonesian nationality, an Indonesian business entity, the state of the Republic of Indonesia, or a region that makes an investment in the Region.
14. Foreign Investment (*Penanaman Modal Asing*), hereinafter abbreviated to as PMA, means an investing activity performed by a foreign investor to conduct business in the Region whether by using full foreign capital or by establishing a joint venture with a domestic investor.
15. Foreign Investor means an individual of foreign nationality, a foreign business entity, and/or a foreign government that makes an investment in the Region.
16. Capital means assets owned by an investor taking the form of monetary or otherwise non-monetary assets that have economic value.
17. Domestic Capital means the capital owned by the state of the Republic of Indonesia, an individual of Indonesian nationality, or a business entity, whether incorporated or unincorporated.
18. Foreign Capital means the capital owned by a foreign country, an individual of foreign nationality, a foreign business entity, a foreign legal entity, and/or an Indonesian legal entity whose capital is partly or wholly owned by a foreign party.
19. General Investment Plan (*Rencana Umum Penanaman Modal*), hereinafter abbreviated to RUPM, means a document on investment planning in the Region.
20. Business Licensing means the legality granted to business actors to initiate and conduct their business and/or activities.
21. Implementation of Business Licensing in the Region means the business licensing activities which managed electronically, starting from the application stage to the issuance of documents, that conducted in an integrated manner through a single window.
22. Risk-Based Business Licensing means Business Licensing based on the risk level of business activities.
23. Integrated Electronic Business Licensing means business licensing through an integrated electronic system for the implementation of Risk-Based and Sectoral Business Licensing.
24. Integrated One-Stop Service (*Pelayanan Terpadu Satu Pintu*), hereinafter referred to as PTSP, means an integrated service in a unified process, starting from the application stage to the completion stage of service products through a single window.
25. Investment Climate Development means all activities aimed at improving the policy, institutional, and

behavioural environment, both current conditions and expected conditions.

26. Investment Facilities means all forms of fiscal and non-fiscal incentives and ease of Investment service, in accordance with the provisions of legislation.
27. Investment Deregulation means all activities aimed at simplifying changes to legislation and policies related to investment.
28. Legalization of Foreign Worker Utilization Plan means the approval of the use of foreign worker sanctioned by the authorized official in accordance with the provisions of legislation.

2. The provisions of Article 8 are amended to read as follows:

Article 8

- (1) All Business Sectors are open for Investment activities, except for Business Sectors:
 - a. declared closed for Investment; or
 - b. for activities that can only be carried out by the Government.
- (2) The open Business Sectors as referred to in section (1) consist of:
 - a. Priority Business Sectors;
 - b. Business Sectors allocated or in partnership with Cooperatives and SMEs;
 - c. Business Sectors with specific requirements; and
 - d. Business sectors not included in point a, point b, and point c.
- (3) The Business Sectors declared closed for Investment as referred to in section (1) point a are:
 - a. Business Sectors that cannot be operated as specified in the legislation regulating on Investment; and
 - b. alcoholic beverage industry containing alcohol (KBLI 11010), alcoholic beverage industry: wine (KBLI 11020), and alcoholic beverage industry containing malt (KBLI 11031).
- (4) The Business Sectors for activities that can only be carried out by the Central Government as referred to in section (1) point b are activities that involve services or are related to strategic defence and security, which cannot be executed or collaborated with other parties.

3. Between Article 8 and Article 9, a new article, namely Article 8A, is inserted and so that it reads as follows:

Article 8A

- (1) The Governor may propose changes to open Business Sectors and closed Business Sectors to the Central Government.
- (2) The Proposals for changes to Business Sectors as referred to in section (1) are made with the aim of

protecting local entrepreneurs, taking into account the priorities and directions of investment policies in the Region, as well as the specific conditions and/or local wisdom of the Region.

- (3) The Regency/Municipal Governments may propose open Business Sectors and closed Business Sectors to the Governor in accordance with the specific conditions and/or local wisdom in their Regencies/Municipalities.
- (4) The Governor submits proposals for open Business Sectors and closed Business Sectors as referred to in section (3) to the Central Government.

4. The Provisions of Article 11 are amended to read as follows:

Article 11

- (1) Every Investor intending to conduct business activities is obligated comply with Business Licensing based on the norms, standards, procedures, and criteria set by the Government.
- (2) Business Licensing as referred to in section (1) includes:
 - a. Risk-Based Business Licensing; and
 - b. Sectoral Business Licensing under the authority of the Region.
- (3) The types of Risk-Based Business Licensing as referred to in section (2) point a adheres to the provisions of legislation governing Risk-Based Business Licensing.
- (4) Sectoral Business Licensing under the authority of the Region as referred to in section (2) point b, organized in the Region, consists of the following sectors:
 - a. spatial planning;
 - b. health;
 - c. public works for roads;
 - d. public works for water resources;
 - e. transportation;
 - f. social;
 - g. employment;
 - h. small and medium business cooperatives;
 - i. culture and tourism;
 - j. agriculture and food security;
 - k. animal husbandry;
 - l. marine and fisheries;
 - m. forestry;
 - n. energy and mineral resources;
 - o. industry and trade;
 - p. environment;
 - q. plantations; and
 - r. education.
- (5) Further provisions regarding the procedures for implementing Sectoral Business Licensing under the authority of the Region are regulated in a Governor Regulation.

5. Between Article 11 and Article 12, a new article, namely Article 11A, is inserted and so that it reads as follows:

Article 11A

- (1) The Governor organizes Business Licensing in accordance with the authority of the Region.
 - (2) The Governor delegates the authority of the Region in the Implementation of Business Licensing as referred to in section (1) to the Head of DPMPSTP.
 - (3) The delegation of authority by the Governor as referred to in section (2) includes:
 - a. the organization of Business Licensing under the authority of the Region in accordance with the provisions of legislation; and
 - b. the organization of Business Licensing under the authority of the Central Government delegated to the Governor based on the principles of deconcentration and support tasks.
 - (4) Further provisions regarding the organization of Business Licensing under the authority of the Region as referred to in section (3) point a are regulated in a Governor Regulation.
 - (5) Types of Business Licensing under the authority of the Region are organized through the Regional Business Licensing System based on the Governor Regulation and/or government policies as set by the relevant technical ministries.
6. Article 12 is deleted.
7. Article 13 is deleted.
8. Article 14 is deleted.
9. Article 15 is deleted.
10. Article 16 is deleted.
11. The provisions of section (1) and section (3) of Article 17 are amended to read as follows:

Article 17

- (1) The Provincial Government establishes PTSP standards in accordance with the provisions of legislation in the field of public services.
- (2) The service standards as referred to in section (1) includes:
 - a. legal basis;
 - b. requirements;
 - c. systems, mechanisms, and procedures;
 - d. completion time;
 - e. fees/tariffs;
 - f. service products;
 - g. infrastructure and facilities;

- h. implementing competence;
 - i. internal supervision;
 - j. handling of complaints, suggestions, and input;
 - k. number of implementers;
 - l. service guarantees;
 - m. security and safety service guarantees; and
 - n. performance evaluation.
- (3) The service standards as referred to in section (1), are established by the Decision of the Head of DPMPTSP.

12. Article 23 is amended to read as follows:

Article 23

- (1) In order to enhance Investment in the Region, the Provincial Government may provide Investment Facilities in accordance with the authority, conditions, and capabilities of the Region, that implemented based on the provisions of legislation.
- (2) The Investment facilities as referred to in section (1) consist of:
 - a. Incentives; and
 - b. ease.

13. The provisions of Article 24 are amended to read as follows:

Article 24

- (1) The provision of incentives as referred to in Article 23 section (2) point a can be in the forms of:
 - a. reduction, relief, or exemption from local taxes;
 - b. reduction, relief, or exemption from local levies;
 - c. providing Capital aid to micro, small enterprises and/or cooperatives in the region;
 - d. assistance for research and development for micro, small enterprises, and/or cooperatives in the region;
 - e. assistance for vocational training facilities for micro, small enterprises, and/or cooperative in the region; and/or
 - f. low-interest loan rates.
- (2) The provision of ease as referred to in Article 23 section (2) point b can be in the forms of:
 - a. providing data and information on Investment opportunities;
 - b. providing infrastructure and facilities;
 - c. facilitating the provision of land or locations;
 - d. providing technical assistance;
 - e. simplifying and expediting licensing through integrated one-stop services;
 - f. ease of access to the marketing of production results;
 - g. ease of direct construction investment;
 - h. ease of investment in strategically designated areas in accordance with the provisions of

legislation that have the potential for regional development;

- i. providing convenience and security for investment in the region;
- j. ease of the certification and standardization process in accordance with the provisions of legislation;
- k. ease of access to ready and skilled workforces;
- l. ease of access to raw material supplies; and/or
- m. facilitating promotion in accordance with the authority of the region.

14. The provision of Article 25 is amended to read as follows:

Article 25

Incentives and ease are provided to Investors who meet the following criteria:

- a. absorbing significant number of workers;
- b. be part of the high priority scale;
- c. involving in infrastructure development;
- d. engaging in technology transfer;
- e. engaging in pioneer industries;
- f. located in remote areas, underdeveloped areas, border areas, or other areas deemed necessary;
- g. maintaining environmental sustainability;
- h. carrying out research, development, and innovation activities;
- i. partnering with micro, small, medium- enterprises, or cooperatives;
- j. industries that use capital goods, or machinery, or equipment produced domestically; and/or
- k. be a part of tourism business development.

15. The provisions of Article 26 are amended to read as follows:

Article 26

- (1) The criteria for absorbing significant number of workers as referred to in Article 25 point a is given to Investors whose business activities utilize Indonesian citizens as workers with the ratio of the number of workers as regulated in a Governor Regulation.
- (2) The criteria of be part of in the high priority scale as referred to in Article 25 point b apply to Investors whose business activities align with:
 - a. regional long-term development plans;
 - b. regional medium-term development plans;
 - c. the work plan of the Provincial Government; and
 - d. the general plan of investment.
- (3) The criteria of involving in infrastructure development as referred to in Article 25 point c apply to Investors whose business activities support the Provincial Government in providing infrastructure or facilities needed by the public.

- (4) The criteria of technology transfer as referred to in Article 25 point d apply to Investors whose engaged in the transfer of capabilities to utilize and master knowledge and technology in their business activities to the Provincial Government, micro, small, medium enterprises, and cooperatives, businesses entity, and/or the public in the Region.
- (5) The criteria for pioneering industries as referred to in Article 25 point e apply to Investors whose business activities introduce new types of businesses that have:
 - a. broad relevance;
 - b. provide high added value and take into account occurring externalities;
 - c. introduce new technologies; and
 - d. have a strategic value for the economy in the Region by enhancing the potential of the Region becoming a leading Region.
- (6) The criteria for being in remote areas, underdeveloped areas, border areas, or other areas deemed necessary as referred to in Article 25 point f apply to Investors whose business activities are carried out in remote areas, underdeveloped areas, border areas, or other areas deemed necessary in the Region where the accessibility or ease of reachability by people to a service object or environment is very limited.
- (7) The criteria for preserving the environment as referred to in Article 25 point g apply to Investors that:
 - a. manage and protect the environment in accordance with the provisions of legislation in the field of environmental protection and management; and/or
 - b. utilizing renewable natural resources.
- (8) The criteria for conducting research, development, and innovation as referred to in Article 25 point h apply to Investors whose business activities are in the field of research and development, technological innovation in managing the potential of the Region.
- (9) The criteria for partnering with micro, small, medium enterprises, and cooperatives as referred to in Article 25 point i apply to Investors whose business activities involve partnerships with micro, small, medium enterprises, or cooperatives.
- (10) The criteria for industries that using domestic capital goods, machinery, or equipment as referred to in Article 25 point j apply to Investors whose business activities use:
 - a. capital goods in the form of local materials or content;
 - b. local or domestically produced machinery; or
 - c. equipment that produced domestically
- (11) The criteria for tourism business development as referred to in Article 25 point k apply to Investors whose business activities are in the tourism sector.

16. The provisions of section (2), section (3), and section (6) of Article 36 are amended to read as follows:

Article 36

- (1) In order to improve the business climate, the Provincial Government promotes Investment.
 - (2) The Investment promotion as referred to in section (1) can be implemented collaboratively with DPRD and/or other parties.
 - (3) In the event that the promotion is carried out in collaboration with the Regency/Municipal Government, the Provincial Government may facilitate the implementation of collaborative promotion.
 - (4) The implementation of Investment promotion as referred to in section (1) is carried out through:
 - a. exhibitions;
 - b. seminars;
 - c. business meetings; and/or
 - d. dissemination of investment information through print and electronic media.
 - (5) The target of investment promotion as referred to in section (1) is aimed at increasing the interest of potential Investors for investing their capital in the Region.
 - (6) Further provisions regarding the form of Provincial Government facilitation for the collaborative promotion as referred to in section (3) are regulated in a Governor Regulation.
17. The provisions of section (3) and section (5) of Article 38 are amended, and section (4) and section (6) of Article 38 are deleted to read as follows:

Article 38

- (1) Investment Companies must prioritize hiring Indonesian citizens for their worker need.
 - (2) Investment companies are entitled to employ foreign workers for specific positions and expertise in accordance with the provisions of legislation.
 - (3) Investment companies that employ foreign workers is obligated to apply for the Legalization of the Foreign Worker Utilization Plan.
 - (4) Deleted.
 - (5) The Legalization of the Foreign Worker Utilization Plan as referred to in section (3) is carried out in accordance with the provisions of legislation.
 - (6) Deleted.
18. The provisions of Article 45 are amended to read as follows:

Article 45

- (1) Investment activities that form partnerships with small, medium enterprises and cooperatives are

carried out based on the principles of mutual need, trust, strengthening, and benefit.

- (2) In forming partnerships as referred to in section (1), the Investor is obligated to conduct the transfer of skills in the fields of production and processing, marketing, financing, human resources, and technology.

19. The provisions of Article 47 are amended to read as follows:

Article 47

- (1) The Governor provides additional income to State Civil Apparatus who carry out Investment Affairs in the Region.
- (2) The provision of additional income as referred to in section (1) aims to:
 - a. improving welfare; and
 - b. enhancing the performance of the State Civil Apparatus in Investment services in the Region.
- (3) The provision of additional income as referred to in section (1) is based on the monthly performance achievements of state civil apparatus, workload, and/or other objective considerations.
- (4) The amount of additional income provided is in accordance with the financial capacity of the Region.
- (5) Further provisions regarding additional income as referred to in section (1) are regulated in a Governor Regulation.

20. The provision of Article 53 is amended to read as follows:

Article 53

The Provincial Government controls the implementation of Investment through:

- a. guidance; and
- b. supervision.

21. Article 55 is deleted.

22. The provisions of Article 56 are amended to read as follows:

Article 56

- (1) The supervision as referred to in Article 53 point b is carried out on:
 - a. the implementation of business licensing in Regencies/Municipalities; and
 - b. the implementation of Risk-Based Business Licensing under the authority of the Provincial Government.
- (2) The supervision as referred to in section (1) point a is carried out in accordance with the provisions of legislation.

- (3) The supervision as referred to in section (1) point b is coordinated by the Head of DPMPTSP.

23. The provisions of Article 57 are amended to read as follows:

Article 57

- (1) Supervision of the implementation of Investment as referred to in Article 56 section (1) is carried out by a supervisory team involving relevant Regional Apparatus.
- (2) The supervisory team as referred to in section (1) is appointed by the Decision of the Head of DPMPTSP.

24. Article 58 is deleted.

25. The provisions of Article 59 are amended to read as follows:

Article 59

- (1) Any Investor conducting Investment activities without a business licensing or violating the provisions and/or obligations in the business licensing as referred to in Article 11 section (1), Article 35 section (1), Article 38 section (3), Article 39 sections (1) and (2), Article 42 sections (1) and (2), and Article 45 section (2) is subject to administrative sanctions.
- (2) The administrative sanctions as referred to in section (1) include:
 - a. written caution;
 - b. restriction of business activities;
 - c. termination of investment facilities;
 - d. cessation of business activities; and
 - e. revocation of the license.
- (3) Further provisions regarding the procedures for imposing administrative sanctions as referred to in section (1) are regulated in a Governor Regulation.

26. The provisions of Article 62 are amended to read as follows:

Article 62

- (1) Business licensing that have been submitted by Investors before the enforcement of this Regional Regulation, whether for new applications or extensions, and have not been issued, is processed through an Integrated Electronic Business Licensing system in accordance with the provisions of the legislation.
- (2) In the event that the Integrated Electronic Business Licensing System as referred to in section (1) is not yet available, Business Licensing services is conducted through a system implemented by the DPMPTSP.

Article II

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 Province of East Java.

Issued in Surabaya
on 11 December 2023

GOVERNOR OF EAST JAVA,

signed

KHOFIFAH INDAR PARAWANSA

Promulgated in Surabaya
on 11 December 2023

REGIONAL SECRETARY OF THE PROVINCE OF EAST JAVA,

signed

ADHY KARYONO, A.K.S., M.A.P

REGIONAL GAZZETE OF THE PROVINCE OF EAST JAVA OF 2023 NUMBER 3
SERIES D.

Jakarta, 4 April 2024

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,

ASEP N. MULYANA



ELUCIDATION
OF
REGULATION OF THE PROVINCE OF EAST JAVA
NUMBER 5 OF 2023
ON
AMENDMENT TO REGIONAL REGULATION
NUMBER 2 OF 2019 ON INVESTMENT

I. GENERAL

In accordance with the mandate of Article 33, section (1) of the 1945 Constitution of the Republic of Indonesia, it is stated that the economy is structured as a joint effort based on the principle of kinship. On the other hand, Article 33, section (4) of the 1945 Constitution of the Republic of Indonesia also stipulates that the national economy is organized based on the principles of economic democracy, emphasizing togetherness, fairness-based efficiency, justice, sustainability, environmental awareness, self-reliance, and by maintaining the balance of progress and the unity of the national economy. One form of economic implementation is investment, which is one of the most important pillars of economic growth. Investment aims to enhance economic growth, increase national and regional competitiveness, create job opportunities, and promote the welfare of the people. Therefore, it is the obligation of the state to create a conducive, promotive investment climate, to provide legal certainty, justice, and efficiency while still considering national economic interests.

From the perspective of regional autonomy as regulated in Article 18 of the 1945 Constitution of the Republic of Indonesia, local government also have the authority to organize investment as one of the mandatory concurrent affairs not related to basic services, according to the provisions in Article 12, section (2) of Law Number 23 of 2014 on Local Governments. Therefore, organizing investment in the region is based on legal certainty, transparency, accountability, non-discrimination, togetherness, , fair efficiency, sustainability, environment-oriented, and equitable distribution in accordance with the provisions of Article 3 of Law Number 25 of 2007 on Investment.

With the enactment of Law Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation to Become Law and its implementing regulations in the field of investment, amendment to the provisions regarding business licensing have been made. Consequently, several provisions in the Regulation of the Province of East Java Number 2 of 2019 on Investment are no longer applicable and cannot serve as the legal basis for organizing investment in Province of East Java. Therefore, Regulation of the Province of East Java Number 2 of 2019 on Investment needs to be amended by making changes, deletions, and additions to several articles in the aforementioned Regional Regulation.

II. ARTICLE BY ARTICLE

Article I

Point 1

Article 1

Sufficiently clear.

Point 2

Article 8

Sufficiently clear.

Point 3

Article 8A

Section (1)

Proposals for changes to Business Sectors can be made for:

- a. Open Business Sectors to be closed Business Sectors; and
- b. Closed Business Sectors to be opened Business Sectors with certain conditions or Open Business Sectors.

Section (2)

Sufficiently clear.

Section (3)

See elucidation of section (1).

Section (4)

Sufficiently clear.

Point 4

Sufficiently clear.

Article 11

Sufficiently clear.

Point 5

Article 11A

Sufficiently clear.

Point 6

Article 12

Deleted.

Point 7

Article 13

Deleted.

Point 8

Article 14

Deleted.

Point 9

Article 15

Deleted.

Point 10

Article 16
Deleted.

Point 11

Article 17
Sufficiently clear.

Point 12

Article 23
Sufficiently clear.

Point 13

Article 24
Sufficiently clear.

Point 14

Article 25
Sufficiently clear.

Point 15

Article 26
Section (1)
Sufficiently clear.

Section (2)

Point a
Sufficiently clear.

Point b
Sufficiently clear.

Point c
Sufficiently clear.

Point d
The term 'general investment plan' means a document planning of the investment in the Region.

Section (3)
Sufficiently clear.

Section (4)
Sufficiently clear.

Section (5)
Sufficiently clear.

Section (6)
Sufficiently clear.

Section (7)
Sufficiently clear.

Section (8)
Sufficiently clear.

Section (9)
Sufficiently clear.

Section (10)
Sufficiently clear.

Section (11)
Sufficiently clear.

Point 16

Article 36

Section (1)

The term “investment promotion” means an effort by the province to inform and influence prospective investors or other parties to be interested in existing potentials and resources.

Section (2)

The term “can be carried out collaboratively with DPRD” means that the DPRD of the Province of East Java can be involved in promotional activities both domestically and abroad.

The term “other parties” means the Government, other Provincial Governments, Regency/Municipal Governments, individuals, non-governmental institutions, and/or foreign parties.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Point 17

Article 38

Sufficiently clear.

Point 18

Article 45

Sufficiently clear.

Point 19

Article 47

Section (1)

The term “additional income” means the provision of a certain amount of funds from the Provincial Government to state civil apparatus through the Local Budget allocation based on performance, workload, and/or other objective considerations.

The term “State Civil Apparatus who carry out investment services” means all state civil apparatus in DPMPTSP and state civil apparatus from other regional apparatus who are tasked and assigned to assist DPMPTSP as technical teams or other designations.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Point 20

Article 53
Sufficiently clear.

Point 21

Article 55
Deleted.

Point 22

Article 56
Sufficiently clear.

Point 23

Article 57
Section (1)

The term "related regional apparatus" includes:

- a. regional apparatus who gives the recommendation;
- b. public order enforcers; and
- c. regional apparatus that carry out supporting functions for territorial coordination governance and development.

Section (2)

Sufficiently clear.

Point 24

Article 58
Deleted.

Point 25

Article 59
Sufficiently clear.

Point 26

Article 62
Sufficiently clear.

Article II
Sufficiently clear.