

REGULATION OF THE PROVINCE OF WEST NUSA TENGGARA
NUMBER 8 OF 2016
ON
FACILITIES AND EASE OF LOCAL TAXES AND RETRIBUTIONS
IN MANDALIKA SPECIAL ECONOMIC ZONE

BY THE BLESSINGS OF ALMIGHTY GOD

GOVERNOR OF WEST NUSA TENGGARA,

Considering : that to implement the provisions of Article 22 section (3) of Government Regulation Number 96 of 2015 on Facilities and Ease in Special Economic Zones, it is necessary to establish Regional Regulations on Facilities and Ease of Local Taxes and Retributions in Mandalika Special Economic Zone;

Observing : 1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 64 of 1958 on Formation of Level I Regions of Bali, West Nusa Tenggara and East Nusa Tenggara (State Gazette of the Republic of Indonesia in 1958 Number 115, Supplement to the State Gazette of the Republic of Indonesia Number 1649);
3. Law Number 13 of 2003 on Manpower (State Gazette of the Republic of Indonesia of 2003 Number 39, Supplement to the State Gazette of the Republic of Indonesia Number 4279);

4. Law Number 28 of 2009 on Local Taxes and Retributions (State Gazette of the Republic of Indonesia of 2009 Number 130, Supplement to the State Gazette of the Republic of Indonesia Number 5049);
5. Law Number 39 of 2009 on Special Economy Zones (State Gazette of the Republic of Indonesia of 2009 Number 147, Supplement to the State Gazette of the Republic of Indonesia Number 5066);
6. Law Number 12 of 2011 on Legislation-Making (State Gazette of the Republic of Indonesia of 2012 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 5495);
7. Law Number 23 of 2014 on Local Governance (State Gazette of the Republic of Indonesia in 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times and last by Law Number 9 of 2015 on Second Amendment to Law Number 23 of 2014 on Local Governance (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679);
8. Government Regulation Number 52 of 2014 on Mandalika Special Economic Zone (State Gazette of the Republic of Indonesia of 2014 Number 146, Supplement to the State Gazette of the Republic of Indonesia Number 5551);
9. Government Regulation Number 96 of 2015 on Facilities and Ease in Special Economic Zones (State Gazette of the Republic of Indonesia of 2015 Number 309, Supplement to the State Gazette of the Republic of Indonesia Number 5783);
10. Regional Regulation Number 1 of 2011 on Local Taxes (Regional Gazette of West Nusa Tenggara Province in 2011 Number 34, Supplement to the Regional Gazette of the Province of West Nusa Tenggara Number 64) as amended by Regional Regulation Number 8 of 2013 on Amendment to Regulation of the Province of West Nusa Tenggara Number 1 of 2011 on Local Taxes (Regional Gazette of the Province of West Nusa Tenggara 2013 Number 8);

11. Regional Regulation Number 10 of 2013 on Retributions for Extending Permits to Employ Foreign Workers (Regional Gazette of the Province of West Nusa Tenggara of 2013 Number 10 of Supplement to the Regional Gazette of the Province of West Nusa Tenggara Number 96);

With the Joint Approval of
THE PROVINCIAL HOUSE OF REPRESENTATIVES OF
WEST NUSA TENGGARA
and
GOVERNOR OF WEST NUSA TENGGARA

HAS DECIDED TO:

To issue : REGIONAL REGULATION ON FACILITIES AND EASE OF LOCAL TAXES AND RETRIBUTIONS IN MANDALIKA SPECIAL ECONOMIC ZONE.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Region means the Province of West Nusa Tenggara.
2. Provincial Government means the Provincial Government of West Nusa Tenggara.
3. Governor means the Governor of West Nusa Tenggara.
4. Agency means the Regional Working Unit that carries out affairs in the area of Local Taxes and Retributions.
5. Local Government means the Governor and Regional Apparatus as the organizer of local governance.
6. Special Economic Zone, *Kawasan Ekonomi Khusus* hereinafter referred to as KEK, means a zone with certain limits in the jurisdiction of the Unitary State of the Republic of Indonesia which is determined to carry out economic functions and obtain certain facilities.
7. Mandalika Special Economic Zone, *Kawasan Ekonomi Khusus Mandalika* hereinafter referred to as the Mandalika KEK, means a zone located in the Pujut Sub district, Central Lombok Regency, the Province of West Nusa Tenggara.

8. Local Tax, hereinafter referred to as Tax, means a mandatory contribution to the Region which is taxable by an individual or entity that is of a nature based on the Law, by not receiving direct compensation and being used for Regional needs for the greatest prosperity of the people.
9. Local Retribution, hereinafter referred to as Retribution, means a local retribution as a payment for services or the granting of certain special permits provided and/or granted by the Local Government for the benefit of individuals or Agencies.
10. Business Entity means any legal entities in the form of State-Owned Enterprises, Local-Owned Enterprises, cooperatives, private companies, and joint ventures to conduct business activities in KEK.
11. Business Actor means any companies in the form of legal entities, not legal entities, or businesses of individuals who carry out business activities in KEK.
12. Motor Vehicle Tax, *Pajak Kendaraan Bermotor* hereinafter referred to as PKB, is a tax on ownership and/or possession of vehicles.
13. Motor Vehicle Transfer Fee, *Bea Balik Nama Kendaraan Bermotor* hereinafter referred to as BBNKB, means a tax on the transfer of ownership rights of motor vehicles as a result of a two-party agreement or unilateral act or situation that occurs due to buying and selling, exchange, grant, inheritance, or income into a business entity.
14. Surface Water Tax, *Pajak Air Permukaan* hereinafter referred to as PAP, means a tax on the collection and/or utilization of surface water.
15. Extension Retribution Permit to Employ Foreign Workers, hereinafter referred to as IMTA Extension Retribution, means payment for the granting of an IMTA Extension by the Governor or a designated Officer to the employer of foreign workers.
16. Payable Tax means a tax that must be paid at a time, in the Tax Period, in the Tax Year, or in the Tax Year Section in accordance with the provisions of local tax laws.

17. Deduction of Local Taxes and Retributions means a deduction in the determination of Local Taxes and retribution payable;
18. Relief of Local Tax and retributions means relief for the determination of local taxes and retributions payable.
19. The BBN-KB Exemption of second submission and so on means the exemption from principal, fine and/or administrative sanctions in accordance with the provisions of the applicable Legislation.

CHAPTER II BUSINESS SECTORS

Article 2

- (1) Business sectors that can obtain facilities and Ease of Local Taxes and Retributions consist of:
 - a. business sector which is the main activity of tourism KEK; and
 - b. business sector which is another activity outside the main tourism KEK civities.
- (2) Business sectors which are other activities outside the main tourism KEK activities as referred to in section (1) point b are:
 - a. micro, small, medium and cooperative businesses;
 - b. businesses that partner with micro, small, medium and cooperative businesses;
 - c. business in infrastructure;
 - d. business in investment sectors; or
 - e. business required by special licensing.

CHAPTER III FORM OF PROVIDING FACILITIES AND EASE

Article 3

- (1) The Governor provides facilities and ease for Local Taxes and Retributions in accordance with his authority to Business Entities or Business Actors in the Mandalika KEK.

- (2) Provision of facilities and Ease for Local Taxes and Retribution as referred to in paragraph (1) is in the form of:
 - a. deduction;
 - b. relief; and
 - c. exemption.
- (3) Deduction, relief and exemption from Local Taxes and Retribution as referred to in section (2) are to:
 - a. PKB;
 - b. BBN-KB;
 - c. PAP; and
 - d. IMTA Extension Retribution.

CHAPTER IV
FACILITIES AND EASE OF LOCAL TAXES

Part One
Local Tax Deduction

Paragraph 1
Motor Vehicle Tax

Article 4

- (1) Business Entities or Business Actors are given a deduction in PKB.
- (2) The amount of the deduction in PKB as referred to in section (1) is equal to 50% (fifty percent) of the determination of the principal of the payable tax.

Paragraph 2
Motor Vehicle Transfer Fee

Article 5

- (1) Business Entities or Business Executors are given a deduction in BBNKB.
- (2) The amount of deduction in BBNKB as referred to in section (1) is equal to 50% (fifty percent) of the determination of the principal of the payable tax and administrative sanctions.

Paragraph 3
Surface Water Tax

Article 6

- (1) Business Entities or Business Actors are given a deduction in PAP.
- (2) The amount of the deduction in PAP as referred to in section (1) is 50% (fifty percent) of the determination of the principal of the payable tax.

Part Two
Local Tax Relief

Paragraph 1
Motor Vehicle Tax

Article 7

- (1) A Business Entity or Business Actor is given a discount on PKB.
- (2) The amount of the PKB waivers as referred to in section (1) is equal to 50% (fifty percent) of the determination of the principal of the payable tax and administrative sanctions.

Paragraph 2
Motor Vehicle Transfer Fee

Article 8

- (1) Business Entities or Business Actors are given relief in BBNKB.
- (2) The amount of relief of BBNKB as referred to in section (1) is equal to 50% (fifty percent) of the determination of the principal of the payable tax and administrative sanctions.

Paragraph 3
Surface Water Tax

Article 9

- (1) Business Entities or Business Actors are given relief in PAP.
- (2) The amount of PAP relief as referred to in section (1) is equal to 50% (fifty percent) of the determination of the principal of the payable tax and administrative sanctions.

Part Three
Exemption from Motor Vehicle Transfer Fee

Article 10

- (1) Business Entity or Business Actor is granted exemption from BBNKB.
- (2) Exemption from BBNKB as referred to in section (1) for BBN-KB for the transfer of ownership due to transfer of Motor Vehicles from outside the region, which includes:
 - a. exemption from BBN-KB principal; and
 - b. exemption from administrative sanctions.

CHAPTER V
FACILITIES AND EASE OF LOCAL RETRIBUTION

Article 11

- (1) Business Entities or Business Actors are given relief of IMTA Extension Retribution.
- (2) A Business Entity or Business Actor as referred to in section (1) is a Business Entity or Business Actor that employs foreign workers who possess the expertise required by the Local Government.
- (3) The amount of deduction on the IMTA Extension Retribution as referred to in section (1) is equal to 50% (fifty percent) of the principal amount payable for retributions and administrative sanctions.
- (4) Further provisions regarding the type of Business Entity or Business Actor and the qualifications of foreign workers as referred to in section (2) are regulated in the Governor Regulation.

CHAPTER VI
PROCEDURES FOR GIVING FACILITIES AND EASE OF LOCAL
TAXES AND RETRIBUTIONS

Article 12

- (1) To obtain facilities and ease of Local Taxes and Retributions as referred to in Article 3 section (2), Business Entities or Business Actors submit an application to the Governor.
- (2) Application as referred to in section (1) contains:
 - a. Taxpayer/Retribution Name;
 - b. type or field of business;
 - c. management composition and performance;
 - d. copy of the legality document of the Business Entity or Business Actor;
 - e. copy of the principle license of the Business Entity or Business Actor;
 - f. a copy of the resident identity card or legal identity of the applicant;
 - g. identity of the object of local tax/retribution. h. foreign work identity card.
- (3) The Governor issues a decision on the application as referred to in section (1) not later than 14 (fourteen) work days after the application is received.
- (4) Further provisions regarding the procedure for submitting the proposed application as referred to in section (1) are regulated in the Governor Regulation.

Article 13

- (1) Provisions of facilities and ease of Local Taxes and Retributions are be granted for a period of 3 (three) years after the Business Entity or Business Actor operates.
- (2) Further provisions concerning the period as referred to in section (1) are regulated in the Governor Regulation.

CHAPTER VII
TERMINATION OF PROVIDING FACILITIES AND EASE

Article 14

- (1) Termination of providing facilities and ease of Local Taxes and Retributions if the business entity or business actor:
 - a. no longer carries out activities in the Mandalika KEK;
 - b. does not submit a report;
 - c. does not show his business in progress;
 - d. is bankrupt;
 - e. is involved in a crime.
- (2) Termination of providing facilities and ease as referred to in section (1) is based on recommendations from the Technical Regional Working Unit.
- (3) The procedure for terminating the provision of facilities and the ease of Local Taxes and Retributions is further regulated in the Governor Regulation.

CHAPTER VIII
GUIDANCE AND SUPERVISION

Article 15

- (1) Guidance and supervision of Business Entities or Business Actors in KEK that obtain facilities and ease for Local Taxes and Retributions are coordinated by the leaders of Regional Working Unit.
- (2) Guidance and supervision as referred to in section (1) in the form of:
 - a. visit to the location of a Business Entity or Business Actor in KEK
 - b. conduct checks to test compliance with compliance with local tax obligations and obligations for local Retributions.
- (3) Taxpayers or Retributions Payers examined must:
 - a. show and/or lend documents related to tax objects or payable retribution objects;

- b. provide an opportunity to enter a place or room that is deemed necessary and provide assistance for the smooth examination; and / or
 - c. provide the necessary information.
- (4) In carrying out the guidance and supervision as referred to in section (1), the leadership of Regional Working Unit coordinates with the relevant Regional Working Unit.

CHAPTER VIII REPORTING AND EVALUATION

Article 16

- (1) Business Entities or Business Actors in the Mandalika KEK that obtain facilities and ease for Local Taxes and Retributions as referred to in Article 3 section (2) are required to submit reports to the Governor at least 1 (one) year.
- (2) The report as referred to in section (1) at least contains the management of business and/or business activities.

Article 17

- (1) The Governor evaluates the Business Entity and Business Actors who obtain facilities and ease of Local Taxes and Retributions at least 1 (one) time in a year.
- (2) Evaluation as referred to in section (1) is carried out by technical Regional Working Unit.
- (3) Evaluation as referred to in section (2) is carried out on the basis of:
- a. reports of Business Entities or Business Actors in KEK that obtain facilities and ease for Local Taxes and Retributions as referred to in Article 15 section (1); and/or
 - b. visits to the location of Business Entities or Business Actors in KEK that obtain facilities and ease for Local Taxes and Retributions.
- (4) The results of the evaluation as referred to in section (3) are the basis for guidance and supervision.

CHAPTER X
CLOSING PROVISIONS

Article 18

The implementing regulations of this Regional Regulation must be issued not later than 6 (six) months as of the promulgation of this Regional Regulation.

Article 19

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 provincial regulation by its placement in the Regional Gazette of the Province of West Nusa Tenggara.

Issued in Mataram
on 8 November 2016
GOVERNOR OF WEST NUSA TENGGARA,

signed.

H. M. ZAINUL MAJDI

Promulgated in Mataram
on 9 November 2016
LOCAL SECRETARY OF THE PROVINCE OF WEST NUSA TENGGARA,

signed.

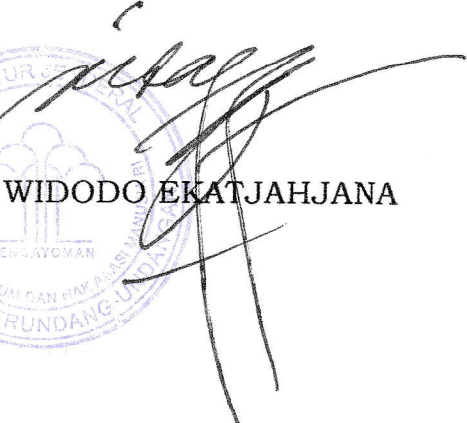
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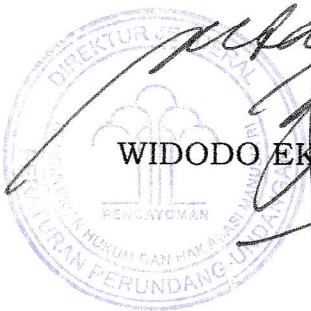
REGIONAL GAZETTE OF THE PROVINCE OF WEST NUSA TENGGARA OF
2016 NUMBER 8

Jakarta, 01 April 2019

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,


WIDODO EKATJAHJANA



ELUCIDATION OF
REGULATION OF THE PROVINCE OF WEST NUSA TENGGARA
NUMBER 8 OF 2016
ON
FACILITIES AND EASE OF LOCAL TAX AND RETRIBUTIONS IN MANDALIKA
SPECIAL ECONOMIC ZONE

I. GENERAL

In order to accelerate the development of economic activities in the West Nusa Tenggara Province that are strategic for the development of the national economy, especially in the Central Lombok Regency, the Government has established the Mandalika KEK located in Pujut Sub district, Central Lombok Regency based on Government Regulation Number 52 of 2014 on Mandalika Special Economic Zone.

The development of the Mandalika region as a Special Economic Zone has the potential and excellence in geo-economics and geostrategic. The geo-economic superiority of the Mandalika region is to have marine tourism objects supported by white sand beaches and exotic and natural beauty. Whereas the geostrategic advantage of the Mandalika region is to have a concept of tourism development that is environmentally sound with the development of solar power plants and located close to Lombok International Airport.

Given that the Mandalika KEK is a support for accelerating national economic development as well as regional economic development, one of the efforts of the Regional Government in accelerating development in this region is to encourage increased investment into the Mandalika KEK. For that according to regional authority and regional economic development policies that are guided by legislation, the Local Government of West Nusa Tenggara Province needs to issue the provision

of facilities and ease in the form of deduction, relief and exemption from Local Taxes and Retributions to Business Entities and/or Perpetrators Business in Mandalika KEK.

In addition, the provision of deductions, relief and exemptions from Local Taxes and Retributions to Business Entities and/or Business Actors in the Mandalika KEK is also intended as a follow-up to the provisions of Article 22 of Government Regulation Number 96 of 2015 on Facilities and Ease in Special Economic Zones that Regional Governments can provide facilities and facilities in the form of deductions, relief, and exemptions from Local Taxes and Retributions to Business Entities and/or Business Actors in KEK. The provisions regarding the form, quantity, and procedures for reduction, relief, and exemption of Local Taxes and Retributions for Business Entities and/or Business Actors the business in the KEK is issued by Regional Regulation.

Regional Regulations concerning the provision of deductions, relief and exemptions for Local Taxes and Retributions in the Mandalika KEK are intended to ensure business certainty and legal certainty for investors, especially Business Entities and Business Actors who invest or carry out business activities in the Mandalika KEK.

In this Regional Regulation, the form of Local Taxes and Retributions given for deduction, relief and exemption for Business Entities and/or Business Actors in the Mandalika KEK are Local Taxes and Retributions collected and authorized by Provincial Governments including PKB, BBNKB, PAP and IMTA Extension Retribution.

This Regional Regulation basically regulates the form and amount of deduction, relief, and exemption from Local Taxes and Retributions for Business Entities and/or Business Actors in the Mandalika KEK; procedures for deduction, relief, and exemption from Local Taxes and Retributions; criteria for business sectors for Business Entities and/or Business Actors in Mandalika KEK which can obtain deductions, relief, and exemptions from local Taxes and Retributions; and the reporting and evaluation mechanism for Business Entities and/or Business Actors in the Mandalika KEK who obtain deductions, relief, and exemptions from Local Taxes and Retributions.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Section (1)

Point a

Business field which is the main activity of KEK tourism is determined by the National Council of KEK

Point b

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 3

Sufficiently clear.

Article 4

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Sufficiently clear.

Article 7

Sufficiently clear.

Article 8

Sufficiently clear.

Article 9

Sufficiently clear.

Article 10

The exemption of BBNKB from the transfer of ownership or transfer of Motor Vehicles from outside the area to the Mandalika KEK is intended to curb the administration of registration of motor vehicles from outside the Region operating in the West Nusa Tenggara Province.

On the other hand, the exemption of BBNKB is also to accelerate the change in ownership of motor public transport vehicles and/or public transportation of personal property or business entities in accordance with the provisions of legislation, so as to become an object of PKB and increase public awareness of paying motor vehicle tax.

Article 11

Sufficiently clear.

Article 12

Sufficiently clear.

Article 13

Sufficiently clear.

Article 14

Sufficiently clear.

Article 15

Section (1)

The report submitted to the Governor is a report on the provision of facilities for deduction, relief, or exemption from Local Taxes and Retributions obtained by the Agency Businesses and Business Actors in Mandalika KEK.

Article 16

Sufficiently clear.

Article 17

Sufficiently clear.

Article 18

Sufficiently clear.

Article 19

Sufficiently clear.

SUPPLEMENT TO THE PROVINCIAL GAZETTE OF WEST NUSA TENGGARA
NUMBER 131.