REGULATION OF THE MUNICIPALITY OF SURAKARTA
NUMBER 6 OF 2022
ON
INVESTMENT

BY THE BLESSINGS OF ALMIGHTY GOD

MAYOR OF SURAKARTA,

Considering:

a. that in order to create a conducive investment climate, it is necessary to create ease of business certainty for investors who invest in the Municipality of Surakarta;
b. that the implementation of investment in the region is expected to be able to increase regional competitiveness, create job opportunities, and empower local resources in increasing the people's welfare;
c. that Regulation of the Municipality of Surakarta Number 8 of 2012 on Investment is no longer in accordance with the provisions of legislation, so an amendment is required;
d. that based on the considerations as referred to in point a, point b, and point c, it is necessary to issue a Regional Regulation on Investment;

Observing:

1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 16 of 1950 on the Formation of Big City Areas within the Provinces of East Java, Central Java, West Java, and the Special Region of Yogyakarta (State Gazette of the Republic of Indonesia of 1950 Number 45);

3. Law Number 25 of 2007 on Investment (State Gazette of the Republic of Indonesia of 2007 Number 67, Supplement to the State Gazette of the Republic of Indonesia Number 4724) as amended by Law Number 11 of 2020 on Job Creation (State Gazette of the Republic of Indonesia of 2020 Number 245, Supplement to the State Gazette of the Republic of Indonesia Number 6573);
4. Law Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times and last by Law Number 11 of 2020 on Job Creation (State Gazette of the Republic of Indonesia of 2020 Number 245, Supplement to the State Gazette of the Republic of Indonesia Number 6573);
5. Government Regulation Number 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);
6. Government Regulation Number 6 of 2021 on Implementation of Business Licensing in the Regions (State Gazette of the Republic of Indonesia of 2021 Number 16, Supplement to the State Gazette of the Republic of Indonesia Number 6618);
7. Presidential Regulation Number 97 of 2014 on One-Stop Service in the Sector of Investment (State Gazette of the Republic of Indonesia of 2014 Number 221);
8. Presidential Regulation Number 10 of 2021 on Investment Business Sector (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 Sector (State Gazette of the Republic of Indonesia of 2021 Number 129);

With the Joint Approval of

THE REGIONAL HOUSE OF REPRESENTATIVES OF THE MUNICIPALITY OF SURAKARTA

and

MAYOR OF SURAKARTA

HAS DECIDED:

To issue: REGIONAL REGULATION ON INVESTMENT.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Region means the Municipality of Surakarta.
2. Local Government means the Mayor as the administering element of the Local Governance who leads the implementation of the governance affairs, which become the authority of the autonomous region.
3. Mayor means Mayor of Surakarta.
4. Regional Apparatuses mean the assisting element of the Head of the Region and the Regional House of Representatives in the implementation of the government affairs, which become the authority of the autonomous Region.
5. One-Stop Service Office of Investment and Service (*Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu*) hereinafter abbreviated to DPMPTSP means a regional

apparatus that has duty and function of carrying out government affairs in the investment sector, which are the region's authority.

6. Capital means assets owned by an investor taking the form of monetary or otherwise non-monetary assets that have economic value.
7. 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.
8. 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.
9. Investment means all forms of investing activities by both domestic investors and foreign investors to conduct business in the territory of the Region.
10. Investor means an individual or a business entity that makes an investment, being either a domestic investor or a foreign investor.
11. 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.
12. Foreign investor means an individual of foreign nationality, a foreign business entity, and/or a foreign government that makes an investment in Region.
13. Business Licensing means the legality granted to Business Actors to start and run their business and/or activities.
14. Risk-based Business Licensing means a Business Licensing based on the risk of business activities.
15. Electronically Integrated Business Licensing System hereinafter referred to as the OSS System (Online Single Submission) means an integrated electronic system

managed and organized by the OSS Institution for the implementation of Risk-based Business Licensing.

16. Micro Enterprise means productive busines owned by individuals and/or individual business entities that meet the criteria for Micro Enterprises as regulated in the Law on Micro, Small, and Medium Enterprises.
17. Cooperative mean legal entities established by individuals or Cooperative legal entities, with the separation of the wealth of its members as capital to run a business, which fulfils common aspirations and needs in the economic, social, and cultural sectors in accordance with the values and principles of cooperatives.
18. Non-licensing means all forms of ease of service, fiscal facilities, and information in accordance with the provisions of legislation.
19. Investment Activity Report (*Laporan Kegiatan Penanaman Modal*) hereinafter abbreviated to LKPM means a report on the development of Investment realization and problems faced by business actors that are required be prepared and submitted periodically
20. One-Stop Integrated Service (*Pelayanan Terpadu Satu Pintu*) hereinafter abbreviated to PTSP means an integrated service in a single process, started from the application stage to the completion of one-stop service products.
21. Business actor means an individual or business entity that carries out business and/or activity in certain sectors.
22. Business Entity means a business entity in the form of a legal entity or non-legal entity established in the territory of the Unitary State of the Republic of Indonesia and conducts business and/or activity in certain sectors.
23. Business sectors mean all forms of business activities carried out to produce goods or services in economic sectors.
24. Investment General Plan (*Rencana Umum Penanaman Modal*) hereinafter abbreviated to RUPM means a

Regional investment planning document formulated and determined by the Mayor referring to the national investment general plan, Central Java Provincial investment general plan, Regional long-term development plan, Regional medium-term development plan, Regional Spatial Planning, and regional potential development priorities

25. Investment Facilities mean all forms of fiscal and non-fiscal incentives as well as ease of Investment services, in accordance with the provisions of legislation.
26. Providing Incentives means fiscal policy support from the Local Government to the public and/or investors to increase investment in the region.
27. Facilitation means the provision of non-fiscal facilities from the Local Government to the public and/or investors to facilitate every investment activity and to increase investment in the region.
28. Supervision means an effort to ensure the implementation of business activities in accordance with the standards for implementing business activities carried out through a risk-based approach and obligation that must be fulfilled by Business Actors.
29. Control means the activity of monitoring, coaching, and supervising investors who have obtained investment licensing so that the implementation of investment is in accordance with the provisions of legislation

Article 2

Investment is organized based on the principles of:

a. legal certainty;
b. transparency;
c. accountability;
d. equality and no discrimination by national origin;
e. togetherness;
f. fairness-based efficiency;
g. sustainability;
h. environment-oriented;

i. independence; and
j. balance in the progress and unity of the national economy.

Article 3

The objectives of implementing Investment are:
a. increasing Regional economic growth;
b. creating job opportunities;
c. increasing sustainable economic development;
d. increasing the competitiveness of the Regional business;
e. increasing the capacity and capability of technology;
f. encouraging the development of a people's economy;
g. turning economic potential into real economic strength using funds from both domestic and foreign sources; and
h. improving public welfare.

CHAPTER II
AUTHORITIES OF LOCAL GOVERNMENT

Article 4

(1) The authority of the Local Government in implementing Investment include:
    a. stipulation of Provision of Facilities/Incentives in Investment sector;
    b. creation of investment potential maps;
    c. organization of Investment promotions;
    d. provision of Business Licensing in Investment, which is the authority of the Region;
    e. control of the Investment implementation; and
    f. integrated management of data and information on Business Licensing and Non-licensing.
(2) In the event that the authority implementation as referred to in section (1) the Local Government issues the Investment policy.

CHAPTER III
MODAL INVESTMENT POLICIES

Article 5

(1) The issue of Investment policy as referred to in Article 4 section (2) is carried out to:
   a. encourage a conducive business climate in the Region for increasing Regional competitiveness;
   b. accelerate Investment increase and ease of investment;
   c. open opportunities for development and provide protection and empowerment to Micro Enterprises and cooperatives; and
   d. encourage the expansion of workforce placement opportunities in the Region.

(2) The Investment Policy as referred to in section (1) is implemented through:
   a. provisions of equal treatment to Investors by taking into account Regional interests;
   b. guaranteeing of legal certainty, business certainty and business security for Investors from the licensing process until the end of Investment activities in accordance with the provisions of legislation;
   c. Investment development and protection and/or opportunities for Micro Enterprises, and cooperatives;
   d. provision of pro-investment regulations;
   e. promotion of efficient and effective investment;
   f. optimization of the processing, presentation, and utilization of data and information on electronically integrated Business Licensing service systems;
   g. increasing in the investment activities orientation with an environmental perspective; and
   h. implementation of corporate social responsibility policies to the surrounding community and the Local Government around the investment location.

(3) Investment Policy as referred to section (1) is stated in the Regional RUPM.

CHAPTER IV
PLANNING AND DEVELOPMENT OF INVESTMENT CLIMATE

Part One
Investment Planning

Article 6

(1) Investment Planning is formulated in the form of Regional RUPM.

(2) The Regional RUPM as referred to in section (1) contains the strategy and policy directions for Investment in the Region.

(3) The Regional RUPM as referred to in section (1) is prepared by considering:
   a. National RUPM;
   b. Central Java Province RUPM;
   c. Regional long-term development plan;
   d. Regional medium-term development plan;
   e. spatial plan in the Region; and
   f. Regional potential development priority.

(4) Further provisions regarding the Regional RUPM as referred to in section (1), are regulated in the Mayor Regulation.

Part Two
Investment Climate Development

Article 7

(1) Investment Climate Development includes:
   a. determination of the provision of Facilities/Incentives in Investment sector;
   b. mapping of Investment potential and opportunities, as well as electronic documentation; and

c. provisions of ease, empowerment, and protection for cooperatives and Micro Enterprises.

(2) Determination of the provision of Facilities/Incentives in the Investment sector as referred to in section (1) point a is carried out in accordance with the provisions of legislation.

(3) The of mapping of investment potential and opportunities as referred to in section (1) point b is carried out by DPMPTSP.

(4) Provisions of facilities as referred to in section (1) point c are carried out by the Regional Apparatuses, which have duties and functions in cooperatives and micro enterprises.

CHAPTER V
INVESTMENT PROMOTION

Article 8

(1) Local Government carries out investment promotions.

(2) The Investment Promotion as referred to in section (1) is all forms of communication used to inform, and/or convince domestic stakeholders about the potential and opportunities as well as the Investment climate.

(3) The Investment Promotion as referred to in section (2) includes:

a. efficient and effective investment promotion strategy innovation;

b. strengthening of image building as an attractive Investment destination by implementing pro-investment policies and formulating image-building action plans for investment locations;

c. increasing the role of investment promotion coordination with the Ministry of Investment/Investment Coordinating Board, other DPMPTSP in the Province, regency/municipality, and related agencies; and

d. strengthening of the facilitation role of the promotional activities results in a pro-active manner to transform Investment interest into Investment realization.

(4) The Investment Promotion as referred to in section (1) is carried out through:

a. guidance and consultation;
b. exhibition;
c. business meeting;
d. investment seminars; and
e. dissemination of Investment information through print and electronic media.

(5) Implementation of the Investment promotion as referred to in section (1) is coordinated by DPMPTSP

CHAPTER VI
INVESTMENT SERVICES AND BUSINESS LICENSING

Part One
Investment Services

Article 9

The implementation of Investment services includes:

a. One-Stop Integrated Services;
b. Business Sectors;
c. Investors;
d. forms of Business Entity; and
e. Workforce

Paragraph 1
One-Stop Integrated Services

Article 10

(1) The implementation of PTSP aims to:

a. provide legal protection and certainty to the community;
b. shorten the service process;

c. realize a service process that is fast, easy, cheap, transparent, certain, and affordable; and
d. provide a wider range of services and bring it closer to the community.

(2) Local Government organizes PTSP for Investment in the form of Risk-based Business Licensing and Non-licensing.

(3) In providing Risk-based Business Licensing and Non-Licensing services, the Mayor delegates the authority to the head of the DPMPTSP.

(4) Risk-based Business Licensing and Non-Licensing as referred to in section (3) is carried out by DPMPTSP.

Paragraph 2
Business Sectors

Article 11

(1) Business Sectors that are open for Investment activities consist of:
a. Priority Business Sectors;
b. Business Sectors allocated or partnerships with cooperatives and Micro Enterprises;
c. Business Sectors with certain requirements; and
d. Business Sectors excluded in point a, point b, and point c.

(2) The Business Sectors as referred to in section (1) point d can be pursued by all Investors

Article 12

(1) The Priority Business Sectors as referred to in Article 11 section (1) point a are Business Sectors that meet the following criteria:
a. national strategic programs/projects;
b. capital intensive;
c. labor intensive;
d. high technology;
e. pioneer industry;

f. export orientation; and/or
g. orientation in research, development, and innovation.

(2) The list of Business Sectors as referred to in section (1) is in accordance with the provisions of legislation.

Article 13

(1) The Business Sectors allocated or partnerships with cooperatives and Micro Enterprises as referred to in Article 11 section (1) point b are:
a. Business Sectors allocated to cooperatives and Micro Enterprises; and
b. Business Sectors that are open to large businesses partnering with cooperatives and Micro Enterprises.

(2) Business Sectors allocated to cooperatives and Micro Enterprises as referred to in section (1) point a are determined based on the following criteria:
a. business activities that do not use technology or that use simple technology;
b. business activities that have process specificities, are labor-intensive in nature, and have a cultural heritage that is special and hereditary; and/or
c. business capital of activities that do not exceed Rp10.000.000.000.00 (ten billion rupiah) excluding the value of land and buildings.

(3) The Business Sectors that are open to large businesses partnering with cooperatives and Micro Enterprises as referred to in section (1) point b are determined based on the following criteria:
a. Business Sectors that are mostly run by cooperatives and Micro Enterprises; and/or
b. Business Sectors that are encouraged to enter the supply chain of large businesses.

(4) The list of Business Sectors allocated or partnerships with cooperatives and Micro Enterprises as referred to in section (1) is in accordance with the provisions of legislation in the field of investment.

Article 14

(1) The Business Sectors with certain requirements as referred to in Article 11 section (1) point c are Business Sectors that can be run by all Investors, including cooperatives and Micro Enterprises that meet the following requirements:
   a. Investment requirements for domestic Investors;
   b. Investment requirements with restrictions on foreign capital ownership;
   c. Investment requirements with special licensing; or
   d. other Investment requirements are Business Sectors, which are strictly restricted, supervised, and regulated in separate legislation in the sector of control and supervision of alcoholic beverages.

(2) The list of Business Sectors with certain requirements as referred to in section (1) is in accordance with the provisions of legislation in the field of investment.

Paragraph 3
Investors

Article 15

Investment in the Region is carried out by individuals or business entities, including:
a. Domestic Investors; and
b. Foreign Investors.

Paragraph 4
Forms of Business Entities

Article 16

(1) The Domestic Investors as referred to in Article 15 point a are carried out by business entities that are legal entities, non-legal entities, or individual businesses.

(2) The Foreign Investors as referred to in Article 15 point b is obligated to in the form of a limited liability company

under Indonesian law and domiciled in the territory of the Republic of Indonesia

Paragraph 5

Workforce

Article 17

(1) Investors in meeting the need for workforce must prioritize Indonesian citizens with resident status in the Region.

(2) The fulfilment of workforce by investors as referred to in section (1) is guided by the provisions of legislation on workforce.

(3) Investors must prioritize local workforce with local resident status in the Region under the following provisions:

a. having certain skills, at least 30% (thirty percent) of the need for workforce with certain skills; and

b. not having certain skills, at least 70% (seventy percent) of the need for workforce without certain skills.

(4) If the number of workforces as referred to in section (3) cannot be fulfilled, the workforce can be obtained from other regions.

(5) Investors are entitled to use foreign citizen experts for certain positions and expertise in accordance with the provisions of the legislation.

(6) Investors are obligated to improve the competence of Indonesian citizen workforce, especially those with local resident status through job training in accordance with the provisions of legislation.

(7) Investors who employ foreign workforce are required to organize training and transfer technology to Indonesian citizen workforce, especially those with local resident status in the Region in accordance with the provisions of legislation.

Article 18

(1) The Investors who do not comply with the manpower provisions as referred to in Article 17 section (3) are imposed administrative sanctions in the forms of:
   a. written warning;
   b. restriction on business activities; or
   c. suspension of business activities and/or Investment Facilities.

(2) In the event of imposition of administrative sanctions as referred to in section (1) is carried out in accordance with the provisions of legislation

Part Two

Business Licensing Service

Article 19

(1) The implementation of Business Licensing is carried out to improve the investment ecosystem and business activities.

(2) Investors who make Investment in the Region as referred to in Article 15 are obligated to fulfil:
   a. Risk-based Business Licensing;
   b. basic requirements for Business Licensing; and
   c. Sector Business Licensing and ease of investment requirements.

(3) The Risk-based Business Licensing as referred to in section (2) point a is carried out based on the determination of the risk level and rating of the business scale of business activities.

(4) The basic requirements for Business Licensing as referred to in section (2) point b include:
   a. suitability of space utilization activities;
   b. environmental approval; and
   c. building approval and proper function certificate.

(5) The Sector Business Licensing as referred to in section (2) point c covers the following sectors:
   a. marine and fishery;

b. agriculture;
c. environment and forestry;
d. energy and mineral Resources;
e. industry;
f. trading;
g. public works and public housing;
h. transportation;
i. health, medicine, and food;
j. education and culture;
k. tourism;
l. post, telecommunications, broadcasting, and electronic and transactions systems; and
m. manpower.

(6) In order to improve the investment ecosystem and business activities in the sectors as referred to in section (5), Business Actors are provided with ease of investment requirements and Business Licensing in accordance with the provisions of legislation.

(7) Risk-based Business Licensing, basic requirements for Business Licensing, and sector Business Licensing and ease of investment requirements are carried out in accordance with the provisions of legislation regarding the implementation of Risk-Based Business Licensing and the provisions of legislation in the sectors of spatial planning, environment, and buildings.

Article 20

(1) Implementation of Business Licensing in the Region is carried out by DPMPTSP.

(2) DPMPTSP performs PTSP integration between Regional Apparatuses and vertical agencies in the Region according to its authority.

Article 21

(1) DPMPTSP in carrying out Business Licensing services is obligated to apply the management of Business Licensing implementation in the Region.

(2) The management of Business Licensing implementation as referred to in section (1) includes:
   a. implementation of services;
   b. management of public complaints;
   c. management of information;
   d. public counselling;
   e. consultation services; and
   f. legal assistance

Article 22

(1) The implementation of the Business Licensing services as referred to in Article 21 section (2) point a is in accordance with the provisions of legislation regarding the implementation of Risk-based Business Licensing.
(2) The implementation of Business Licensing services as referred to in Article 21 section (2) point a are required to use the OSS System.
(3) The implementation of Business Licensing services as referred to in section (1) is complemented by special services for vulnerable groups, the elderly, and persons with disabilities.
(4) Local Government can develop a support system for the implementation of the OSS System in accordance with applicable norms, standards, procedures, and criteria.

Article 23

(1) OSS System services for Business Licensing are carried out independently by Business Actors with their equipment/facilities or those provided by DPMPTSP.
(2) In the event that OSS System services cannot be carried out independently, it can be performed through:
   a. assisted services; and/or
   b. mobile service.
(3) The assisted services as referred to in section (2) point a are carried out interactively between DPMPTSP and Business Actors.

(4) The mobile services as referred to in section (2) point b are carried out by bringing service affordability closer to Business Actors by using transportation or other means

Article 24

(1) The implementation of Business Licensing services as referred to in Article 21 section (2) point a is free of charge.

(2) Certain Business Licensing are subject to local levies in accordance with the provisions of legislation.

(3) DPMPTSP is not burdened with the target of receiving local levies as referred to in section (2).

Article 25

(1) The management of public complaints as referred to in Article 21 section (2) point b, is carried out quickly, accurately, transparently, fairly, non-discriminatively, and is free of charge.

(2) The management of public complaints as referred to in section (1) is carried out in the following stages:
   a. receiving and giving receipts;
   b. checking the completeness of documents;
   c. classifying and prioritizing completion;
   d. reviewing and responding;
   e. administering;
   f. reporting results; and
   g. monitoring and evaluating.

(3) The duration of complaint management as referred to in section (1) is regulated in accordance with the provisions of legislation.

(4) The implementation of public complaints management as referred to in section (1) is integrated with the Regional Apparatuses through the OSS System

Article 26

(1) DPMPTSP is obligated to provide a complaint facility to manage public complaints regarding Business Licensing services.

(2) The complaint facility as referred to in section (1) must be easily accessible to the public by realizing the use of information and communication technology

Article 27

(1) Information management as referred to in Article 21 section (2) point c is carried out openly and easily accessible to the public.

(2) The implementation of information management as referred to in section (1), at least:
   a. receiving requests for information services; and
   b. providing and giving information related to Business Licensing services

Article 28

(1) Providing and giving information as referred to in Article 27 section (2) point b is carried out through the information service subsystem in the OSS System.

(2) In addition to the information services referred to in section (1), the Local Government can provide and give other information, which includes:
   a. institutional profile of Regional Apparatuses;
   b. Business Licensing service standard; and
   c. PTSP performance appraisal.

(3) The information services as referred to in section (1) are carried out through electronic media and print media.

(4) Providing and giving information to the public is free of charge.

Article 29

(1) The public counselling as referred to in Article 21 section (2) point d includes:

a. the rights and obligations of the Local Government and the public towards Business Licensing services;
b. the benefits of Business Licensing for the public;
c. Business Licensing service requirements and mechanisms;
d. time and place of services; and
e. risk level of business activities.

(2) Implementation of public counselling is carried out through:
a. electronic media;
b. print media; and/or
c. meeting.

(3) Implementation of the counselling as referred to in section (1) and section (2) is carried out by DPMPTSP in coordination with technical Regional Apparatus periodically.

Article 30

(1) The consultation services as referred to in Article 21 section (2) point e at least contain:
a. technical consultation for Business Licensing;
b. consultation on legal aspects of Business Licensing; and
c. technical assistance.

(2) The consultation services as referred to in section (1) are carried out in the consultation room provided and/or online.

(3) The consultation services as referred to in section (1) are carried out by DPMPTSP in coordination with technical Regional Apparatuses interactively

Article 31

(1) The legal assistance as referred to in Article 21 section (2) point f is carried out in the event that there are legal issues in the process and implementation of licensing involving DPMPTSP.

(2) The legal assistance as referred to in section (1) is carried out by Regional Apparatuses in charge of law.

Article 32

(1) Business Licensing and implementation of activities within the framework of implementing Investment are carried out based on norms, standards, procedures, and criteria for each Business Sector in accordance with the provisions of legislation.

(2) Business Licensing and implementation of activities within the framework of Investment for the financial Business Sector and the banking Business Sector are carried out in accordance with the provisions of legislation.

CHAPTER VII

BUSINESS PROTECTION AND EMPOWERMENT

Article 33

(1) Local Government in accordance with its authority provides ease, empowerment, and protection for the cooperatives and Micro Enterprises in the implementation of Investment based on the norms, standards, procedures, and criteria set by the Central Government.

(2) The protection and empowerment as referred to in section (1) are in the forms of coaching and development of cooperatives and Micro Enterprises through:
   a. partnership program;
   b. human resources training;
   c. competitiveness improvement;
   d. encouragement for innovation and market expansion;
   e. financing access; and
   f. wide dissemination of information.

(3) Protection and empowerment as referred to in section (2) are administered by the Local Government in accordance

with the authority based on norms, standards, procedures, and criteria set by the Central Government.

CHAPTER VIII
RIGHTS, OBLIGATIONS, AND RESPONSIBILITIES

Article 34

Every investor has the rights to obtain:

a. right, legal, and protection certainty;
b. open information regarding the running Business Sectors;
c. service rights; and
d. various forms of ease facilities in accordance with the provisions of legislation

Article 35

Every Investor is obligated to:

a. apply the principle of good corporate governance;
b. carry out the social and environmental responsibilities;
c. arrange LKPM and submit it to DPMPTSP;
d. respect the cultural traditions of the public surrounding the location of Investment business activities;
e. improve the competence of Indonesian citizen workforce through job training in accordance with the provisions of legislation;
f. administer training and technology transfer to the Indonesian citizen workforce in accordance with the provisions of legislation for the company employing foreign workforce; and
g. comply with all of the provisions of legislation.

Article 36

Every Investor is obligated to:

a. ensure the availability of capital from sources that do not conflict with the provisions of legislation;
b. be under and settle all obligation and loss in the event that the Investors terminate, leave, or abandon their

business activities unilaterally in accordance with the provisions of legislation.

c. create a healthy competitive business climate, and prevent monopolistic practices, and other things that are detrimental to the state and the Region;
d. preserve the environmental sustainability;
e. create the workers' safety, health, comfort, and welfare; and
f. comply with all of the provisions of the legislation

Article 37

(1) Investors who do not carry out their obligations and responsibilities as referred to in Article 35 and Article 36 is imposed administrative sanctions in the form of:
    a. written warning;
    b. restriction on business activities;
    c. suspension of business activities and/or Investment Facilities; or
    d. revocation of business licensing and/or Investment Facilities.
(2) The administrative sanctions as referred to in section (1) are conducted in accordance with the provisions of legislation.

CHAPTER IX
INCENTIVES AND INVESTMENT FACILITIES

Article 38

(1) Local Government provides Incentives and/or Facilities to the Investors under its authority.
(2) Providing Incentives and/or Investment Facilities are guided by RUPM and the results of the study taking into account regional potential and added value in the Region.
(3) Arrangement of providing incentives and/or Investment Facilities is regulated in a separate Regional Regulation.

CHAPTER X
PUBLIC PARTICIPATION

Article 39

Public have equal and wide opportunity to participate in implementing Investment by the following means:

a. playing an active role to create conducive and competitive business climate; and/or

b. supporting the success of the Investment implementation

CHAPTER XI
INVESTMENT SUPERVISION

Article 40

(1) Investment supervision is implemented in an integrated manner and coordinated through the Supervision subsystem on OSS system and other systems.

(2) The Investment Supervision implementation as referred to in section (1) is coordinated by DPMPTSP.

Article 41

(1) Investment Supervision is carried out on the development of Investment realization and the Provision of Facilities, Incentives and Ease for Investment, and/or partnership obligations.

(2) Investment Supervision is carried out for every business activity by setting the frequency of implementation based on the level of risk and level of compliance of Business Actors.

(3) Supervision is carried out since the Business Actor obtains Business Licensing with the aim that the implementation of business activities is in accordance with the provisions of legislation.

(4) Investment Supervision can be carried out through:

a. routine Supervision; and

b. incidental Supervision.

(5) In the event that Business Actors conduct more than 1 (one) business activity with different levels of business activity risk at 1 (one) same location, Supervision is carried out for each level of risk.

Article 42

(1) The routine Supervision as referred to in Article 41 section (4) point a is carried out through:
   a. Business Actor reports; and
   b. field inspection.

(2) The routine supervision through Business Actor reports as referred to in section (1) point a is carried out on reports submitted by Business Actors to DPMPTSP that contain developments in business activities.

(3) The report on the development of business activities as referred to in section (2) contains:
   a. realization of Investment and workforce at the development and commercial stages every 3 (three) months; and
   b. realization of production, social responsibility, and environment of the implementation of business partnership at the commercial stage and technology transfer to Indonesian workforce as assistants at the commercial stage every 1 (one) time in 1 (one) year.

(4) The Business Actor Reports as referred to in section (3) are supervised for:
   a. LKPM, which includes Investment realization, workforce realization, production realization, including export value, partnership obligations, and other obligations related to the implementation of Investment submitted by individual Business Actors and business entities;
   b. report on the activities of Business Actors in the representative office; or
   c. import realization reports submitted by Business Actors.

(5) The field inspection as referred to in section (1) point b is carried out to check the conformity of the data and information presented in the periodic reports with the physical implementation of business activities through:

a. coaching in the form of mentoring and counselling includes facilitating the resolution of problems faced by Business Actors, providing explanations, consultations, and/or technical guidance regarding the provisions for implementing Risk-based Business Licensing; and/or

b. administrative and/or physical inspections include activities such as checking business location, realization of Investment value, workforce, machinery/equipment, buildings, obligations related to Facilities, Incentives, and Investment Facilities, partnership obligations, and/or other obligations related to the implementation of Investment.

(6) Supervision of Risk-based Business Licensing for Micro Business Actors is carried out through coaching, mentoring, or counselling related to business activities

Article 43

(1) The incidental supervision as referred to in Article 41 section (4) point b may be carried out due to certain circumstances, namely:

a. public complaints;

b. complaints and/or needs from Business Actors;

c. indications that Business Actors carry out activities not in accordance with the provisions of legislation; and/or

d. urgent needs in the form of environmental pollution and/or other things that could endanger public safety and/or disrupt the national economy as well as the regional economy.

(2) The incidental supervision as referred to in section (1) is carried out at any time and can be conducted without prior notification to Business Actors.

(3) The Incidental supervision as referred to in section (2) is carried out by field inspection to check the conformity of data and information with the implementation of business activities, through:

a. coaching in the form of mentoring and counselling includes facilitation activities to resolve problems encountered by Business Actors and to provide explanations and/or consultations; and/or

b. administrative and physical inspections include checking business locations, realization of Investment value, workforce, machinery/equipment, buildings, obligations related to Facilities, Incentives, and Investment Facilities, partnership obligations, and/or other obligations related to the implementation of Investment

CHAPTER XII
REPORTING

Article 44

(1) The Mayor submits a report on the implementation of Business Licensing in the Region to the Governor of the Province of Central Java.

(2) The report as referred to in section (1) at least contains:
   a. number of permits issued;
   b. investment plan and realization; and
   c. constraints and solutions.

(3) The report as referred to in section (2) is carried out periodically every 3 (three) months.

(4) The report as referred to in section (3) is used as material for evaluation and guidance to improve DPMPTSP performance.

CHAPTER XIII
TRANSITIONAL PROVISION

Article 45

Investment Licensing and Non-Licensing that have been issued prior to the issuance of this Regional Regulation and are not in conflict with the provisions of legislation remain valid until the validity period expires.

CHAPTER XIV
CLOSING PROVISION

Article 46

At the time this Regional Regulation comes into force, Regulation of the Municipality of Surakarta Number 8 of 2012 on Investment (Regional Gazette of the Municipality of Surakarta of 2012 Number 8, Supplement to the Regional Gazette of the Municipality of Surakarta Number 8) is repealed and declared ineffective.

Article 47

The implementation regulation of the Regional Regulation must be issued no later than 6 (six) months on the date of its promulgation.

Article 48

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 Municipality of Surakarta

Issued in Surakarta
on 12 October 2022
MAYOR OF SURAKARTA,

signed
GIBRAN RAKABUMING RAKA

Promulgated in Surakarta
on 12 October 2022
REGIONAL SECRETARY OF THE MUNICIPALITY OF SURAKARTA,
signed

AHYANI

REGIONAL GAZETTE OF THE MUNICIPALITY OF SURAKARTA OF 2022 NUMBER 6

Jakarta, 14 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,

ASEP N. MULYANA

ELUCIDATION

OF

REGULATION OF THE MUNICIPALITY OF SURAKARTA

NUMBER 6 OF 2022

ON

INVESTMENT

I. GENERAL

Investment plays an essential role in increasing Regional economic growth, including increasing people's income, absorbing local workforce, empowering local resources, improving public services, increasing Gross Regional Domestic Product (*Produk Domestik Regional Bruto*) hereinafter abbreviated to GRDP, and developing Micro Enterprises in the context of implementing sustainable development and facing the globalization era.

The importance of Investment for development must be supported by products of the provisions of legislation from upstream to downstream that accommodate Investment activities. In addition, an efficient bureaucracy is also required, especially in the licensing process and competitive economic costs, so that Investment activities can run well yet within certain limits.

Investment activities in Indonesia and in the Region have been encountering problems of overlapping policies between the central and the Region and many regulations that must be passed, hence low investment climate. As an effort to improve the investment climate, create legal certainty, and align central and Regional policies, the government has made Law Number 11 of 2020 on Job Creation with the aim of creating the widest possible employment opportunities for the Indonesian people equally in order to fulfil a decent life and livelihood.

With the issuance of Law Number 11 of 2020 on Job Creation, it will broadly impact efforts to structure existing regulations, including those in the Region on Investment.

As an Investment destination area, the Municipality Government of Surakarta is necessary to issue policies to create a conducive business climate for Investors and strengthen the competitiveness of the national economy.

This Regional Regulation is a manifestation of the responsibilities of governance administrators in the Region in implementing Investment, increasing regional economic growth, creating jobs, increasing sustainable economic development, increasing the competitiveness of Regional business, increasing technological capacity and capability, and encouraging the development of the people's economy.

The scope of this Regional Regulation includes the authority of the Local Government, Investment policy, planning and development of the Investment climate, Investment promotion, Business Licensing and services, business protection and empowerment, rights, obligations, and responsibilities, Incentives, and Investment Ease, public participation, Investment Supervision, reporting, and manpower.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Point a

The term "principle of legal certainty" means the principle in a rule-of-law state that places the laws and provisions of legislation as the basis for every policy and action in the investment sector.

Point b

The term "principle of transparency" means the principle of being open to the public's right to obtain true, honest, and non-discriminatory information about investment activities.

Point c

The term "principle of accountability" means the principle that every activity and final result of the implementation of

investment is subject to accountability to the public or the people as the holder of the highest sovereignty of the state in accordance with the provisions of legislation.

Point d

The term "principle of equality and non-discrimination of national origin" means the principle of non-discriminatory service treatment based on the provisions of legislation, between a domestic investor and a foreign investor as well as between an investor from one foreign country and an investor from another foreign country.

Point e

The term "principle of togetherness" means the principle that encourages the role of all investors in jointly realizing public welfare in the conduct of their businesses.

Point f

The term "principle of fair-based efficiency" means the principle underlying the implementation of investment by prioritizing fair efficiency in an effort to create a fair, conducive, and competitive business climate.

Point g

The term "principle of sustainability" means the principle that strives to achieve the planned sustainable development through investment to ensure welfare and advancement in all aspects of life, both in the present and the future.

Point h

The term "principle of environment oriented" means a principle that investment is made by paying regard to and prioritizing the protection and conservation of the environment.

Point i

The term "principle of independence" means the principle that investment is made by giving priority to the potential of the nation and state and by not being unreceptive to the inflow of foreign capital to realize economic growth.

Point j

The term "principle of balance in the progress and unity of the national economy " means the principle that strives to maintain a balance in the economic advancement in territories within the national economic unity.

Article 3

Sufficiently clear.

Article 4

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Sufficiently clear.

Article 7

Section (1)

Point a

Sufficiently clear.

Point b

Mapping of potential and investment opportunities is done by:

a. collection of information on potential and opportunities for Investment in the Region, including data and information regarding the availability of land, and investment-supporting facilities and infrastructure;

b. verification of the results of collecting information data on the potential and opportunities for Investment in the Region;

c. analysis of Investment potential verification results that have been obtained previously,

supported by study results obtained based on field visits; and

d. preparation of Regional Investment opportunity maps.

The term “electronic documentation” means the results of mapping the potential and opportunities for Investment in the Region, documented on a website or information system for potential and opportunities for Investment in the Region.

Point c

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 8

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Point a

The term “efficient and effective investment promotion strategy innovations” means promotional innovations carried out by utilizing information technology.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear

Article 9

Sufficiently clear.

Article 10

Sufficiently clear.

Article 11

Sufficiently clear

Article 12

Section (1)

Point a

The term "national strategic programs/projects" means projects and/or programs implemented by the Central Government, Local Government, and/or Business Entities that have a strategic nature for growth and equitable development in an attempt to create jobs and improve people's welfare.

Point b

The term "capital-intensive" means an Industry that requires large capital and uses sophisticated technology. Capital-intensive industries require more sophisticated equipment and a greater number of human workers.

Point c

The term "labor-intensive" means an industry that has a greater number of human workers than machines. The labor-intensive industry in question is an industry that employs at least 300 (three hundred) Indonesian workforce.

Point d

Sufficiently clear.

Point e

The term "pioneer industry" means an industry that has broad links, provides high added value and externality, introduces new technology, and has strategic value for the national economy.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Section (2)

Sufficiently clear

Article 13

Sufficiently clear.

Article 14

Sufficiently clear.

Article 15

Sufficiently clear.

Article 16

Sufficiently clear

Article 17

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Certain skills are proven by competency certification, which is an acknowledgment of workforce who have skills and knowledge as well as work attitudes in accordance with the required work competency standards and business sectors.

Section (4)

The term "unfulfilled" is related to the ownership of workforce competency certification.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Section (7)

Sufficiently clear

Article 18

Sufficiently clear.

Article 19

Sufficiently clear.

Article 20

Sufficiently clear.

Article 21

Sufficiently clear

Article 22

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

The term "vulnerable groups" means groups of people other than the elderly and persons with disabilities, such as people who do not understand information technology.

Section (4)

Sufficiently clear

Article 23

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Assisted services are carried out when technical problems occur in the OSS System service. DPMPTSP coordinates with the OSS Institution so that services continue. Assisted services must be available no later than 1 (one) day after a technical problem is declared.

Section (4)

Sufficiently.

Article 24

Section (1)

Sufficiently clear.

Section (2)

Certain types of Business Licensing levies include:

a. building approval levies;

b. foreign workforce utilization;

c. public mining management;

d. levies for place permit to sell alcoholic beverages;

e. route permit levies; and

f. fishery business permit levies.

The term "the provisions of legislation" means the provisions of legislation on local taxes and local levies in the context of supporting the ease of running business and regional services.

Section (3)

Sufficiently clear.

Article 25

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

The term "administering" means recording the process of serving public complaints in the form of community identity, contents of complaints, etc.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear

Article 26

Sufficiently clear.

Article 27

Sufficiently clear.

Article 28

Sufficiently clear.

Article 29

Sufficiently clear.

Article 30

Sufficiently clear.

Article 31

Sufficiently clear.

Article 32

Sufficiently clear.

Article 33

Sufficiently clear

Article 34

Point a

The term "certainty of rights" means Government guarantee for investors to obtain rights as long as the investors have carried out the stipulated obligations.

The term "legal certainty" means the Government's guarantee to place the laws and provisions of legislation as the fundamental basis for every action and policy for investors.

The term "certainty of protection" is the Government's guarantee for investors to obtain protection in carrying out investment activities.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear

Article 35

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

Sufficiently clear.

Article 38

Sufficiently clear.

Article 39

Point a

The term "playing an active role in creating a conducive and competitive business climate" means Submitting suggestions, complaints, and information on Regional potentials.

Point b

Sufficiently clear.

Article 40

Sufficiently clear.

Article 41

Sufficiently clear.

Article 42

Sufficiently clear.

Article 43

Sufficiently clear.

Article 44

Sufficiently clear.

Article 45

Sufficiently clear.

Article 46

Sufficiently clear.

Article 47

Sufficiently clear.

Article 48

Sufficiently clear

SUPPLEMENT TO THE REGIONAL GAZETTE OF THE MUNICIPALITY OF SURAKARTA, NUMBER 126