



COPY

REGENT OF REMBANG
PROVINCE OF CENTRAL JAVA

REGIONAL REGULATION OF REMBANG REGENCY

NUMBER 4 OF 2015

ABOUT

IMPLEMENTATION OF CAPITAL INVESTMENT IN REMBANG DISTRICT

BY THE GRACE OF GOD ALMIGHTY
REGENT OF REMBANG,

- Considering
- a. that in order to accelerate development regional economy, need to increase investment in Rembang Regency; that the increase in Investment as referred to in letter a, requires guidelines as the basis for organizing investment;
 - b. that based on the considerations as referred to in letters a and b, necessary establish a Regional Regulation on Implementation Investment in Rembang Regency;
 - c. that based on the considerations referred to in letters a and b, it is necessary to stipulate a Regional Regulation concerning Implementation of Investment in Rembang Regency;

- In view :
1. Of Article 18 paragraph (6) of the Constitution of the Republic of Indonesia Indonesia in 1945
 2. Law Number 13 of 1950 concerning Establishment of the Regions of the Inner Regency Central Java Province Environment;
 3. Law Number 13 of 2003 concerning Employment (State Gazette of the Republic of Indonesia Year 2003 Number 39, Supplement to the State Gazette Republic of Indonesia Number 4279);
 4. Law Number 25 of 2007 concerning Investment (State Gazette of the Republic of Indonesia Year 2007 Number 67,

- Supplement to the State Gazette Republic of Indonesia Number 4724);
5. Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises (State Gazette of the Republic of Indonesia of 2008 Number 93, Supplement to the State Gazette of the Republic of Indonesia Number 4866);
 6. Law Number 25 of 2009 concerning Public Services (State Gazette of the Republic of Indonesia of 2009 Number 112, Supplement to the State Gazette of the Republic of Indonesia Number 5038);
 7. Law Number 12 of 2011 concerning Formation of Legislation (State Gazette of the Republic of Indonesia of 2011 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 5234);
 8. Law Number 23 of 2014 concerning Regional 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, most recently by Law Number 9 of 2015 concerning the Second Amendment to the Law Number 23 of 2014 concerning Regional Government (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679);
 9. Government Regulation Number 44 of 1997 concerning Partnership (State Gazette of the Republic of Indonesia of 1997 Number 91, Supplement to the State Gazette of the Republic of Indonesia Number 3718);
 10. Government Regulation Number 41 of 2007 concerning Regional Apparatus Organizations (State Gazette of the Republic of Indonesia of 2007 Number 89, Supplement to the State Gazette of the Republic of Indonesia Number 4743);
 11. Government Regulation Number 45 of 2008 concerning Guidelines for Providing Incentives and Facilitation of Investment in the Regions (State Gazette of the Republic of Indonesia of 2008 Number 88, Supplement to the State Gazette of the Republic of Indonesia Number 4861);

12. Presidential Regulation Number 16 of 2012 concerning General Investment Plans (State Gazette of the Republic of Indonesia of 2012 Number 42);
13. Presidential Regulation Number 39 of 2014 concerning List of Business Fields That Are Closed and Business Fields Open With Requirements in the Investment Sector (State Gazette of the Republic of Indonesia of 2014 Number 93);
14. Presidential Regulation Number 97 of 2014 concerning the Implementation of One-Stop Services (State Gazette of the Republic of Indonesia of 2014 Number 221);
15. Regional Regulation of Central Java Province Number 7 of 2010 concerning Investment in Central Java Province (Regional Gazette of Central Java Province of 2010 Number 7, Supplement to Regional Gazette of Central Java Province Number 29);
16. Regional Regulation Number 12 of 2008 concerning Organization and Working Procedures of the Rembang Regency Regional Apparatus (Rembang Regency Regional Gazette of 2008 Number 12, Supplement to Rembang Regency Regional Gazette Number 90) as amended by Rembang Regency Regional Regulation Number 1 of 2012 concerning Amendments to Rembang Regency Regional Regulation Number 12 of 2008 concerning the Organization and Work Procedures of the Rembang Regency Regional Apparatus (Rembang Regency Regional Gazette of 2012 Number 1);
17. Regional Regulation of Rembang Regency Number 12 of 2014 concerning the Implementation of Public Services (Rembang Regency Regional Gazette of 2014 Number 12, Supplement to Rembang Regency Regional Gazette Number 124);

With Mutual Agreement

REGIONAL COUNCIL OF REPRESENTATIVES OF THE REGIONAL
REGENCY OF REMBANG
and
REGENT OF REMBANG

DECIDE:

To stipulate: REGIONAL REGULATION CONCERNING IMPLEMENTATION OF INVESTMENT IN REMBANG REGENCY.

CHAPTER I

GENERAL REQUIREMENTS

In this Regional Regulation what is meant by:

1. The area is Rembang Regency.
2. Regional Government is the head of the region as an element of the Regional Government administrator who leads the implementation of government affairs which become the authority of the autonomous region.
3. Regent is the Regent of Rembang.
4. Regional Apparatuses are Regional Apparatuses of Rembang Regency.
5. Investment Regional Apparatus is a Regional Apparatus that carries out investment affairs.
6. Investment is all forms of investing activities, both by domestic Investors and foreign Investors, to conduct business in the territory of the Republic of Indonesia.
7. Domestic Investment, hereinafter referred to as PMDN, is an investment activity to conduct business in the territory of the Republic of Indonesia carried out by domestic Investors using domestic capital.
8. Foreign Investment, hereinafter referred to as PMA, is an investment activity to carry out business in the territory of the Republic of Indonesia carried out by foreign Investors, either using fully foreign capital or joint ventures with domestic Investors.
9. Investors are individuals or business entities that make investments which can be in the form of domestic Investors and foreign Investors.
10. One Stop Integrated Service, hereinafter abbreviated as PTSP investment, is the activity of administering a Licensing and Non-Licensing that receives delegation or delegation of authority from an institution or agency that has licensing and Non-Licensing authority whose management process starts from the application stage to the issuance stage. documents in one place.

11. Licensing is any form of approval to carry out investments issued by the Government and regional governments that have authority in accordance with the provisions of laws and regulations.
12. Non-licensing is all forms of ease of service, fiscal facilities, and information regarding investment, in accordance with the provisions of laws and regulations.
13. Expansion of investment is the addition of production capacity beyond the permitted production capacity.
14. Investment Permit in Principle, hereinafter referred to as Permit in Principle, is a license to start investment activities in a business sector that can obtain fiscal facilities and in implementing the investment requires fiscal facilities.
15. Implementation Permit is a permit that must be owned by a company to carry out company construction/development activities before the company carries out production/operation activities.
16. Investment Business Permit, hereinafter referred to as Business Permit, is a permit that must be owned by a company to carry out commercial production/operation activities, both the production of goods and services as an implementation of the Investment Permit in Principle, unless otherwise stipulated by the applicable laws and regulations.
17. Investment Activity Report (LKPM) is a periodic report on the development of investment company activities in the form and procedure as stipulated.
18. Incentives are support from the Regional Government to Investors in order to encourage increased investment in the Regions.
19. Facility is a facility from the Regional Government to Investors to facilitate any activities to increase investment in order to encourage an increase in investment in the Region.

CHAPTER II

PRINCIPLES AND OBJECTIVES

Article 2

- (1) Investments are held based on the principles of:
 - a. legal certainty;
 - b. openness;
 - c. accountability;
 - d. equal treatment;
 - e. togetherness;
 - f. fair efficiency;
 - g. sustainable;
 - h. environmentally sound; And
 - i. independence.

- (2) The objectives of implementing investment include:
 - a. increase economic growth;
 - b. creating jobs;
 - c. promote sustainable economic development;
 - d. increasing the competitiveness of the business world;
 - e. increase the capacity and capability of technology;
 - f. encourage the development of the people's economy;
 - g. processing economic potential into real economic power by using funds originating both from within the country and from abroad; And
 - h. improve community welfare.

CHAPTER III

BASIC POLICY OF INVESTMENT

Article 3

- (1) The Regional Government determines the basic investment policy for:
 - a. encouraging the creation of a conducive business climate for investment to strengthen regional economic competitiveness; and
 - b. accelerating the increase in investment.

- (2) In establishing the basic policy as referred to in paragraph (1), the Regional Government:
 - a. provide equal treatment to investors;
 - b. guarantee legal certainty, business certainty and business security for investors from the process of obtaining permits until the end of investment activities in accordance with statutory provisions; And
 - c. opening opportunities for development and providing protection to micro, small, medium enterprises and cooperatives.

- (3) The basic policies referred to in paragraph (1) and paragraph (2) are embodied in the Rembang Regency Investment General Plan.
- (4) The Rembang Regency General Investment Plan shall be stipulated by a Regent's Regulation.

CHAPTER IV

INVESTOR

Part One Rights, Duties and Responsibilities

Article 4

Every Investor is entitled to:

- a. certainty of rights, law, and protection;
- b. open information regarding the line of business being carried out;
- c. licensing service rights;
- d. various forms of facilities, incentives and/or facilities in accordance with the provisions of laws and regulations.

Article 5

Every Investor is obliged to:

- a. increasing the competence of Indonesian citizen workers through job training in accordance with the provisions of laws and regulations;
- b. organizing training and transferring technology to workers of Indonesian citizenship in accordance with statutory regulations for companies that employ foreign workers;
- c. apply the principles of good corporate governance;
- d. carry out corporate social responsibility;
- e. submit LKPM;
- f. respect the cultural traditions of the community around the location of investment business activities;
- g. comply with all provisions of laws and regulations;
- h. allocate funds in stages for the restoration of locations that meet environmental eligibility standards for companies that are exploit non-renewable natural resources, the implementation of which is in accordance with the provisions of laws and regulations;
- i. implement the terms and conditions that apply to investment activities issued by the Regional Government.

Article 6

Every Investor is responsible for:

- a. ensure the availability of capital originating from sources that do not conflict with the provisions of laws and regulations;
- b. bear and settle all obligations and losses if the Investor stops or abandons his business activities;
- c. creating a healthy competition business climate, preventing monopolistic practices and other things that are detrimental to the state;
- d. maintaining environmental sustainability;
- e. create safety, health, comfort, and welfare of workers;
- f. comply with all statutory provisions.

The second part Form of Business Entity

Article 7

- (1) Domestic investors may be in the form of legal entities or non-legal entities, individual businesses, in accordance with the provisions of laws and regulations.
- (2) Foreign Investors must be in the form of a Limited Liability Company (PT) based on Indonesian law and domiciled in the territory of the Republic of Indonesia, unless otherwise stipulated by law.

CHAPTER V

INVESTMENT SERVICES

Part One Organizer

Article 8

- (1) The Regional Investment Devices carry out investment services in the Regions as well as Government affairs in the field of investment assigned to the Regional Government based on statutory regulations.
- (2) Investment services as referred to in paragraph (1) include:
 - a. licensing services; And
 - b. non-licensing service.

- (3) The provision of investment services as referred to in paragraph (2) shall be carried out under the One Stop Service System in the Regional Investment Sector.
- (4) Investment services are processed electronically.
- (5) Further provisions regarding procedures for implementing the One Stop Integrated Service as referred to in paragraph (3) shall be stipulated by a Regent's Regulation.

The second part
Licensing Obligations

Article 9

- (1) Every Investor in the Region is required to have Principle License, Implementation License and Business License.
- (2) Exempted from the obligation referred to in paragraph (1) in the case of laws and regulations that regulate otherwise.

Third Part
Permit Form

Article 10

- (1) A Principle License must be owned by every Investor who will start business activities.
- (2) Principle permits cover business sector permits as follows:
 - a. agricultural sector;
 - b. forestry sector;
 - c. marine and fishery sector;
 - d. industrial sector;
 - e. public works sector;
 - f. trading sector;
 - g. tourism sector and creative economy;
 - h. transportation sector;
 - i. communication and informatics sector;
 - j. the labor and transmigration sector;
 - k. education and culture sector;
 - l. health sector;
 - m. public housing sector; And
 - n. security sector.

Article 11

- (1) An Implementation Permit must be owned by every Investor who will start physical work in the context of carrying out business activities.
- (2) The Implementation Permit as referred to in paragraph (1) includes among others:
 - a. space utilization permit;
 - b. disturbance permit;
 - c. environmental permit; and
 - d. other permits in accordance with statutory provisions.

Article 12

- (1) Every investor who is ready to carry out production/operation must have a business license.
- (2) The business permits as referred to in paragraph (1) are issued separately for each particular sector or business field, in accordance with the provisions of the laws and regulations.
- (3) For companies that are already in the form of legal entities, already have the facilities/infrastructure and the business fields to be carried out meet the requirements, the company can immediately apply for a business license without having to have a principle permit as referred to in paragraph (1).
- (4) Further provisions regarding licensing procedures shall be stipulated by a Regent's Regulation.

Fourth Part Non-licensing

Article 13

- (1) Forms of non-licensing services include the provision of incentives and facilities in accordance with the authorities, conditions and capabilities of the Region.
- (2) The provision of incentives and facilities is carried out based on the principles of legal certainty, equality, transparency, accountability and effectiveness and efficiency.

Article 14

- (1) Incentives and facilities are given to new Investors and Investors expanding into open business fields.
- (2) Types of business or investment activities that are prioritized to obtain incentives and facilities are as follows:
 - a. micro, small and medium enterprises and cooperatives;
 - b. business required by partnership;
 - c. businesses that require capital ownership;
 - d. the required business with a certain location; And
 - e. business required with special permits.

Article 15

Incentives and facilities are given to Investors whose business activities meet at least one of the following criteria:

- a. contribute to increasing people's income;
- b. absorb a lot of labor;
- c. use mostly local resources;
- d. contribute to the improvement of public services;
- e. contribute to the increase in gross regional domestic product;
- f. with the vision of sustainable environmental preservation;
- g. including high priority scale;
- h. including infrastructure development;
- i. transfer technology;
- j. do pioneer industry;
- k. are in sub-districts and villages that are less developed;
- l. carry out research, development and innovation activities;
- m. partnering with Micro, Small and Medium Enterprises;
- n. industries that use locally produced capital goods, machinery or equipment; or
- o. included in the category of micro or small business.

Article 16

- (1) Provision of incentives may take the form of:
 - a. reduction, relief or exemption from regional taxes;
 - b. reduction, relief or exemption from regional levies;
 - c. provision of stimulant funds;
 - d. provision of capital assistance; and/or
 - e. awards.
- (2) Provision of facilities can be in the form of:
 - a. provision of investment opportunity information data;

- b. providing and/or facilitating the provision of facilities and infrastructure;
- c. provision and/or facilitation of provision of land and location;
- d. providing and/or facilitating the provision of technical assistance; and/or
- e. parallel licensing process acceleration.

Article 17

- (1) Investors may apply for incentives and facilitation to the Regent through the Head of the Regional Apparatus.
- (2) Based on the application as referred to in paragraph (1), the Head of the Regional Apparatus shall carry out an assessment according to the criteria as referred to in Article 15.
- (3) If from the results of the assessment as referred to in paragraph (2) the Investor fulfills the predetermined criteria, the Head of the Regional Apparatus shall issue a Decree regarding the granting of incentives and/or facilitation to Investors.
- (4) The decision of the Head of the Regional Apparatus as referred to in paragraph (3) at least contains the name and address of the investment business entity, type of investment business or activity, form, period of time, as well as the rights and obligations of recipients of incentives and/or investment facilities.
- (5) Further provisions regarding non-licensing services are regulated in a Regent's Regulation.

CHAPTER VI

INVESTMENT IMPLEMENTATION CONTROL

Article 18

- (1) Investment Regional Apparatuses carry out investment control.
- (2) Control as referred to in paragraph (1) is carried out through:
 - a. monitoring, namely by carrying out verification, complications and evaluation of investment implementation data to obtain realization data as well as input for guidance and supervision activities;
 - b. coaching, namely by:
 - 1. provide guidance and counseling to Investors who have obtained investment services;

2. provide assistance in solving problems and obstacles faced by Investors;
- c. supervision, namely by:
 1. conduct evaluation and research on reports and information regarding the implementation of Investment, irregularities/violations by Investors;
 2. carry out direct inspections to investment project locations;
 3. follow up on irregularities/violations committed by Investors based on statutory provisions.

(3) Further provisions regarding the procedures for controlling Investment are stipulated by a Regent's Regulation.

CHAPTER VII

EMPLOYMENT

Article 19

- (1) Investors are required to prioritize workers from Indonesian citizens around the business location according to their competence in meeting the demand for manpower.
- (2) Investors may use expert Indonesian citizens who are domiciled outside the Region and/or foreign workers for certain positions and expertise in accordance with the provisions of laws and regulations.
- (3) Investors are required to increase the competence of the workforce through job training in accordance with the provisions of the laws and regulations.
- (4) Investors who employ foreign workers are required to organize training and transfer technology to workers of Indonesian citizenship in accordance with the provisions of laws and regulations.

Article 20

- (1) Settlement of industrial relations disputes must be pursued by deliberation between investors and workers.
- (2) Disputes on industrial relations cannot be resolved by deliberation as referred to in paragraph (1), settlement of industrial relations disputes is carried out through a tripartite mechanism.

- (3) In the event that industrial relations disputes cannot be resolved through the tripartite mechanism referred to in paragraph (2), the industrial relations dispute settlement shall be carried out through the industrial relations court.

CHAPTER VIII

PENALTY

Article 21

- (1) Investors who do not carry out their obligations, do not fulfill their responsibilities, and/or commit deviations from investment permits and non-permits are subject to administrative sanctions in accordance with statutory regulations.
- (2) The administrative sanctions referred to in paragraph (1) are carried out in stages with the following provisions:
- a. written warning;
 - b. the request for an extension of the schedule for the import of machines and/or goods and materials is not served;
 - c. the application for changing the import master list of machines, goods and materials is not served;
 - d. recommendations for reducing the import quota of machines, and/or goods and machines;
 - e. restrictions on business activities;
 - f. freezing of business activities and/or investment facilities; or
 - g. revocation of business activities and/or investment facilities.
- (3) Further provisions regarding administrative sanctions as referred to in paragraph (2) shall be stipulated by a Regent's Regulation.

CHAPTER IX

CLOSING

Article 22

This local regulation are applied at the date stated.
So that everyone can know about it, it is ordered to promulgate this Regional Regulation by placing it in the Regional Gazette of Rembang Regency.

Set in Rembang
on December 31, 2015

Acting REGENT OF REMBANG,

signed

SUKO MARDIONO

Promulgated in Rembang
on December 31, 2015

Acting REGIONAL SECRETARY OF REMBANG DISTRICT

signed

HARI SUSANTO

REGIONAL GAZETTE OF REMBANG REGENCY OF 2015 NUMBER 4

NOREG REGIONAL REGULATION OF REMBANG DISTRICT,
CENTRAL JAVA PROVINCE : (4/2015).