



GOVERNOR OF CENTRAL JAVA

REGULATION OF THE PROVINCE OF CENTRAL JAVA

NUMBER 12 OF 2022

ON

IMPLEMENTATION OF INVESTMENT

BY THE BLESSINGS OF ALMIGHTY GOD

GOVERNOR OF CENTRAL JAVA,

- Considering :
- a. that in order to bring prosperity for business actors, it is necessary to carry out the development of sustainable economy in creating a conducive investment climate so that it is necessary to create setting on the promoted investment, legal certainty and justice certainty by considering the importance of regional economy;
 - b. that the region has right to establish the policy to manage government affairs which becomes the authority of the region, consequently Regulation of the Province of Central Java Number 7 of 2010 on Investment in the Province of Central Java is not suitable for the development of the legislation and the necessity of the Business Actors, so that it is necessary to be amended;
 - c. that based on the considerations as referred to in point a and point b, it is necessary to issue a Regional Regulation on Implementation of Investment;
- Observing :
1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;

2. Law Number 10 of 1950 on Establishment of the Province of Central Java (Collection of State Regulations of 1950 Page 86-92);
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 12 of 2011 on Legislation Making (State Gazette of the Republic of Indonesia of 2011 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 5234) as amended several times and last by Law Number 13 of 2022 on the Second Amendment to Law Number 12 of 2011 on Legislation Making (State Gazette of the Republic of Indonesia of 2022 Number 143, Supplement to the State Gazette of the Republic of Indonesia Number 6801);
5. Law Number 23 of 2014 on Local Governments (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);
6. 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);
7. Government Regulation Number 24 of 2019 on Provision of Incentives and Ease of Doing Investment in the Regions (State Gazette of the Republic of Indonesia of 2019 Number 63, Supplement to the State Gazette of the Republic of Indonesia Number 6330);

8. 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);
9. Government Regulation Number 6 of 2021 on Implementation of Business Licensing at Region (State Gazette of the Republic of Indonesia of 2021 Number 16, Supplement to the State Gazette of the Republic of Indonesia Number 6618);
10. Government Regulation Number 40 of 2021 on Special Economic Zone (State Gazette of the Republic of Indonesia of 2021 Number 50, Supplement to the State Gazette of the Republic of Indonesia Number 6652);
11. Presidential Regulation Number 16 of 2012 on General Plan of Investment (State Gazette of the Republic of Indonesia of 2012 Number 42);
12. Presidential Regulation Number 97 of 2014 on Implementation of One-Stop Integrated Service (State Gazette of the Republic of Indonesia of 2014 Number 221);
13. Presidential Regulation Number 10 of 2021 on Business Fields of Investment (State Gazette of the Republic of Indonesia of 2021 Number 61) as amended by Presidential Regulation Number 49 of 2021 on Amendment to Presidential Regulation Number 10 of 2021 on Business Fields of Investment (State Gazette of the Republic of Indonesia of 2021 Number 128);
14. Regulation of Minister of Home Affairs Number 80 of 2015 on Regional Legal Products Making (State Bulletin of the Republic of Indonesia of 2015 Number 2036) as amended by Regulation of the Minister of Home Affairs Number 120 of 2018 on Amendment to Regulation of the Minister of Home Affairs Number 80 of 2015 on Regional Legal Products Making (State Bulletin of the Republic of Indonesia of 2018 Number 157);

15. Regulation of the Minister of Home Affairs Number 25 of 2021 on Investment and One Stop Integrated Service Office (State Bulletin of the Republic of Indonesia of 2021 Number 885);

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

HAS DECIDED:

To issue : REGIONAL REGULATION ON IMPLEMENTATION OF INVESTMENT.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Region means the Province of Central Java.
2. Local Government means the Governor as a part of the administrators of Local Government who leads the government affairs which is under the authority of the autonomous Region.
3. Governor means the Governor of Central Java.
4. Regional House of Representatives (*Dewan Perwakilan Rakyat Daerah*) hereinafter abbreviated as DPRD means the House of Representatives of the Province of Central Java.
5. Regency/Municipal Government means the Regency/Municipal Governments at the Province of Central Java.
6. Regional Apparatus means the regional apparatus at the local government area.
7. Office means Regional Apparatus of the Province of Central Java who has task and function that organize government affairs on investment which is under the authorization of the Region.

8. Capital means any asset in the form of money or any forms other than money possessing economic value owned by any investor.
9. Domestic capital means capital owned by the state of the Republic of Indonesia, individual as Indonesian citizen, or corporate or non- corporate business entity.
10. Foreign capital means capital owned by any foreign country, individual as foreign citizen, foreign business entity, foreign legal entity, and/or Indonesian legal entity, which have capital that is owned partially or entirely by foreign party.
11. Investment means any kinds of investing activity by both domestic and foreign investors for running business within the territory of the Region.
12. Investor means any individual or business entity that makes investment in the form of either domestic or foreign investors.
13. Business Actor means individual, business entity, representative office, and foreign business entity which run business and/or activity in certain field.
14. Domestic investor means any individual of Indonesian citizen, Indonesian business entity, the state of the Republic of Indonesia, or any region making investment within the territory of the Republic of Indonesia.
15. Foreign investor means any individual as foreign citizen, foreign business entity, or foreign government making investment within the territory of the Republic of Indonesia.
16. Domestic investment (*Penanaman modal dalam negeri*), hereinafter abbreviated as PMDN means any investing activity for running business within the territory of the Republic of Indonesia, made by any domestic investor using domestic capital.
17. License means the approval of Local Government on the activity of running business which must be owned by Business Actors before starting the activity of the business.

18. Business Licensing means legality given to Business Actors to start and run the business and/or the activity.
19. Implementation of Business Licensing at Region means the activity related to business licensing which the managing process, from the submitting application until issuance of the document is done electronically and integrated in one gate.
20. Risk means potential of damage or loss which is caused by danger or the combination of the probability and the consequence of the danger.
21. Risk-Based Business Licensing means business licensing based on the Risk level of the business activity.
22. Business Licensing to support the business activity means the legality given to Business Actors to support the business.
23. Supervision means the effort to ensure the business activity is done based on the standard of the process of business activity which is done by using risk-based approach, and the responsibility which must be completed by Business Actors.
24. Online Single Submission System, hereinafter referred to as OSS System means the electronic integrated system which is managed and organized by OSS institution for organizing risk-based business licensing.
25. Institution of Administrator and Coordinator of OSS, hereinafter referred to as OSS Institution means a government institution which manages government affairs on the coordination of investment.
26. Report of Investment (*Laporan Kegiatan Penanaman Modal*), hereinafter abbreviated as LKPM means report on the improvement of realization of Investment and difficulties that are faced by Business Actors, which is required to be made and submitted periodically.
27. One Stop Integrated Service (*Pelayanan Terpadu Satu Pintu*) hereinafter abbreviated as PTSP means an integrated service in one unified process starting from the submitting application until the finishing of the service product through one gate.

28. Special Economic Zones (*Kawasan Ekonomi Khusus*), hereinafter abbreviated as KEK means a zone with certain border in the legal area of the Unitary State of the Republic of Indonesia which is determined to manage the economic function and to gain the certain facility.
29. Regional General Plan of Investment (*Rencana Umum Penanaman Modal Daerah*), hereinafter abbreviated as RUPMD means the document of the investment plan at Region.
30. Development of investment climate means all of the activities related to reforming the environment of the policy, institution, and behavior both in the present condition and in the expected one.
31. Investment Facility means all of the fiscal and non-fiscal incentive as well as facility of Investment service in accordance with the provisions of the legislation.
32. Deregulation of investment means all of activities to simplify the amendment to the legislation and the policy related to investment.

Article 2

Investment is managed based on the following principles:

- a. legal certainty;
- b. transparency;
- c. accountability;
- d. equal treatment and no distinction of country of origin;
- e. cooperation;
- f. justice efficiency;
- g. sustainability;
- h. environmental awareness;
- i. independence; and
- j. balance of progress and unity of the Regional economy.

Article 3

The purposes of implementing Investment are:

- a. to increase the growth of the national economy;
- b. to create job opportunities;

- c. to increase the building of sustainable economy;
- d. to increase the ability of competitiveness in the national business;
- e. to increase the capacity and the potential of national technology;
- f. to support the improvement of people's economy;
- g. to create the economic potential to be the real economic strength by using the fund which comes from both domestic and foreign source; and
- h. to increase the people's welfare.

Article 4

The targets of Investment are:

- a. to increase the conducive ecosystem of investment;
- b. to increase the number of supporting means and infrastructure of Investment;
- c. to increase the skill of human resources;
- d. to increase the number of investors; and
- e. to increase the realization of Investment.

Article 5

The scope of this Regional Regulation includes:

- a. the policy of Investment;
- b. the authority of the Local Government;
- c. incentive and ease of doing Investment;
- d. Regional general plan of Investment;
- e. support of Local Government;
- f. guidance and supervision;
- g. public participation; and
- h. imposition of sanction.

CHAPTER II INVESTMENT POLICIES

Article 6

- (1) The Local Government has the authority to determine the policies of Regional Investment in accordance with the provisions of legislation.

- (2) The policies of Investment as referred to in section (1) include:
- a. the Investment of which the activity is across regency/city within 1 (one) province;
 - b. the Investment of which the authority of the Central Government and Local Government is given/delegated from the Government to Governor;
 - c. the Investment which becomes the authority of Local Government is done in accordance with the provisions of legislation; and/or
 - d. Industry which is classified as big industry, except for the type of industry which is under the authority of Central Government.

CHAPTER III
AUTHORITY OF LOCAL GOVERNMENT

Part One
General

Article 7

The authority on Regional Investment includes:

- a. development of Investment climate;
- b. promotion of Investment;
- c. service of Investment;
- d. control of implementation of Investment;
- e. data and information system of Investment; and
- f. dissemination, education, and training on Investment.

Part Two
Development of Investment Climate

Article 8

- (1) Development of Investment climate as referred to in Article 7 point a is carried out by:

- a. determining facility/incentive provisions related to Investment which is under the authority of the Local Government; and
 - b. creating a Map of Regional Investment Potential.
- (2) The implementation of development of investment climate as referred to in section (1) may be independently done by the Regional Apparatus or cooperatively done with Central Government, other Local Governments, of Regency/Municipal governments, academics or Non-government Institution.
 - (3) The process of the development of Investment climate is in accordance with the provisions of legislation.
 - (4) Further provisions regarding the procedure of the development of Investment climate at Region are regulated in Governor Regulation.

Part Three

Promotion of Investment

Article 9

- (1) Promotion of Investment as referred to in Article 7 point b is carried out through the Promotion of Investment which is under the authority of Local Government.
- (2) The implementation of the Promotion of Investment maybe independently done by the Regional Apparatus or cooperatively done with the Government, other Local Governments, the Regency/Municipal Governments or cooperated with Non-Government Institution.
- (3) The implementation of the Promotion of Investment is carried out in accordance with the provisions of legislation.
- (4) Further provisions regarding the procedure of the Promotion of Investment at Region are regulated in Governor Regulation.

Part Four
Service of Investment

Paragraph 1
General

Article 10

The Service of Investment as referred to in Article 7 point c includes:

- a. the Investment of which the scope is across regency/city;
and
- b. the Investment of which in accordance with the provisions of legislation is under the authority of the Region.

Article 11

- (1) The Governor delegates the authority of the Local Government in organizing Business Licensing at Region to the Head of the Office.
- (2) The delegation of authority by the Governor as referred to in section (1) includes:
 - a. the implementation of Business Licensing which is under the authority of the Local Government in accordance with the provisions of legislation;
 - b. the implementation of Business Licensing which is under the authority of the Central Government which is given to the Governor according to the principle of De-concentrating and Support Task.

Paragraph 2
Business Field

Article 12

- (1) All of business fields are opened for investment, except for:
 - a. business field which is declared closed for Investment; or
 - b. business field of which the activity can only be run by the Local Government.

- (2) Opened business field as referred to in section (1) is commercial business field.

Paragraph 3

Risk-Based Business Licensing Service

Article 13

- (1) The implementation of Risk-Based Business Licensing Service consists of:
 - a. the management of Risk-Based Business Licensing Service;
 - b. norms, standards, procedures, and criteria of Risk-Based Business Licensing Service;
 - c. Risk-Based Business Licensing through OSS System;
 - d. procedure for supervising Risk-Based Business Licensing;
 - e. evaluation and reform of policy of Risk-Based Business Licensing;
 - f. fund of Risk-Based Business Licensing;
 - g. resolving problem and difficulties of Risk-Based Business Licensing; and
 - h. sanctions.
- (2) The accomplishment of Risk-Based Business Licensing as referred to in section (1) is in accordance with the provisions of legislation.

Paragraph 4

Rights, Obligations, and Responsibilities of Investor

Article 14

Every Investor is entitled to:

- a. right certainty, legal certainty, and protection;
- b. transparent information on the business field which is run by investor;

- c. service of Investment; and
- d. facility/incentive and ease of doing business in accordance with the provisions of legislation.

Article 15

Every Investor has obligations to:

- a. apply the principle of good company management;
- b. do social responsibility and company environment such as the activity which supports the program of Local Government;
- c. arrange and submit LKPM to the institution of Central Government administering Investment affairs;
- d. respect traditional culture of the society around the location of the business activity of the Investment;
- e. increase the skill of the Indonesian worker through work training in accordance with the provisions of legislation;
- f. prioritize the worker from the Region around the location of the business of the Investment;
- g. hold training and do technological transfer to the Indonesian worker in accordance with the provisions of legislation for the company that employs Foreign Worker;
- h. allocate the fund periodically for the restoration of location that meet environmental eligibility standard for companies that exploit non-renewable natural resources, which the implementation is in accordance with the provisions of legislation; and
- i. obey all of the provisions of legislation.

Article 16

Every Investor is responsible for:

- a. assuring capital availability which is from the source that does not contradict to the provisions of legislation;
- b. being responsible and finishing all of the obligations and losses if the Investor stops or leaves or abandons the business activity unilaterally in accordance with the provisions of legislation;

- c. creating healthy competition business climate, preventing monopoly and other things that causes loss for the Region;
- d. creating and assuring safety, health, comfort, and prosperity of the worker;
- e. maintaining environmental sustainability;
- f. being responsible and finishing all of the obligations if the Investor stops or leaves or abandons the business activity unilaterally; and
- g. obeying all of the provisions of legislation.

Paragraph 5

Location of Investment

Article 17

The Local Government determines the location of Investment in accordance with the provisions of legislation.

Article 18

The Investment can use cultural heritage for the business in accordance with the provisions of legislation.

Article 19

- (1) The Investor can use regional asset for business in accordance with the provisions of legislation.
- (2) Investment which will use the regional asset as referred to in section (1) is required to obtain the recommendation from the Local Government.

Paragraph 6

Service of Complaint for Business Actors

Article 20

Organizing complaint from Business Actors on the service of Licensing and Investment is done through Local Government in accordance with the provisions of legislation.

Paragraph 7

Information on Potential and Opportunity of Investment

Article 21

Information on Potential and Opportunity of Investment for Investor is obtained from the System of Information of Potential and Opportunity of Regional Investment.

Article 22

Further provisions regarding the service of Investment as referred to in Article 12 to Article 21 are regulated in Governor Regulation.

Part Five

Control of Implementation of Investment

Article 23

Control of the implementation of Investment as referred to in Article 7 point d is carried out by the Office on business activity which is under the authority of the Local Government consists of:

- a. PMDN which is the scope of working activity across Regency/City; and
- b. PMDN which is under the authority of the Local Government in accordance with the provisions of legislation.

Article 24

Further provisions regarding control of the implementation of Investment as referred to in Article 23 are regulated in Governor Regulation in accordance with the provisions of legislation.

Part Six
Data and Information System of Investment

Article 25

- (1) Data and Information System of Investment as referred to in Article 7 point e is carried out through the Management of Data and Information on Licensing and Non-license of Investment which is integrated in Local Government level.
- (2) The processing Data and Information System of Investment as referred to in section(1) is carried out through:
 - a. OSS RBA Application (Online Single Submission Risk Based Approach); and
 - b. Electronic Information Service System by the Office.

Part Seven
Dissemination, Education and Training
on Investment

Article 26

Dissemination, education and training on Investment as referred to in Article 7 point f is carried out by the related Office and Regional Apparatus in the Local Government.

Article 27

- (1) The dissemination of Investment as referred to in Article 26 is carried out through:
 - a. dissemination of the policies of Investment;
 - b. information dissemination; and
 - c. data dissemination.
- (2) The education and training on Investment as referred to in Article 26 is carried out through:
 - a. coordination on the implementation of education and training with the Government, Regency/Municipal Government, academics as well as institution of education and training,; and
 - b. licensing service assistance.

CHAPTER IV
INCENTIVE AND EASE OF DOING ON INVESTMENT

Article 28

- (1) The Local Government may give incentive and ease of doing Investment to the Investor.
- (2) Incentive of Investment as referred to in section (1) is in the form of:
 - a. reduction, relief, or exemption of local taxes;
 - b. reduction, relief, or exemption of local levies;
 - c. providing capital assistance to Micro, Small, and Medium Enterprises and/or cooperatives at Region;
 - d. research and development assistance for Micro, Small, and Medium Enterprises and/or cooperatives at Region;
 - e. vocation training facility assistance for Micro, Small, and Medium Enterprises and/or cooperatives at Region; and/or
 - f. low interest of loan.
- (3) The ease of doing Investment as referred to in section (1) may be in the forms of:
 - a. providing data and information for Investment opportunity;
 - b. providing means and infrastructure;
 - c. providing facility for land or location;
 - d. providing technical support;
 - e. simplifying and accelerating license issuance through One-Stop Integrated Service;
 - f. providing access for marketing product;
 - g. providing ease for direct construction investment;
 - h. providing ease of doing Investment at strategic area which is determined in legislation that is prospective for regional development;
 - i. providing comfort and safety to invest at the Region;
 - j. providing facility in certification and standardization process in accordance with the provisions of legislation;

- k. providing access for ready-to-work and skilled worker;
- l. providing access for the supply of materials and energy; and/or
- m. facility for promotion based on the authority of Region.

Article 29

The incentive and/or ease of doing business are provided to Investor who meets the following requirements:

- a. giving contribution in increasing the income of the society;
- b. hiring local worker;
- c. using most of local resources;
- d. giving contribution for increasing public service;
- e. giving contribution in increasing gross regional domestic product;
- f. having environmental awareness and sustainability;
- g. development of infrastructure;
- h. doing technological transfer;
- i. belongs to pioneer industry;
- j. doing research, development, and innovation;
- k. building partnership with Micro, Small, and Medium Enterprises and/or Cooperatives;
- l. industry which use domestic capital stock, machine, or utility.
- m. doing business activity based on the national and/or regional priority program; and/or
- n. exports-oriented.

Article 30

- (1) The incentive and/or ease of doing business for investment which belongs to assistance as referred to in Article 28 and Article 29 is provided according to the financial capacity of the Region and in accordance with the provisions of legislation.

- (2) Further provisions regarding the procedure for providing incentive and/or ease of doing business to Investor are regulated in Governor Regulation.

CHAPTER V
REGIONAL GENERAL PLAN OF INVESTMENT

Article 31

- (1) The Local Government arranges RUPMD which is focused on National General Plan of Investment and the priority of the development of regional potential.
- (2) The RUPMD as referred to in section (1) is determined by the Governor through providing ease of doing business and/or incentive of investment by the Government in accordance with the provisions of legislation.
- (3) The RUPMD as referred to in section (1) is the direction of the strategy and the policies of investment at Region.
- (4) The RUPMD as referred to in section (1) is according to:
 - a. National General Plan of Investment;
 - b. Regional Development Medium-Term Plan; and
 - c. Priority of the Development of Regional Potential.
- (5) The RUPMD as referred to in section (1) is regulated in Governor Regulation in accordance with the provisions of legislation.

CHAPTER VI
SUPPORT OF LOCAL GOVERNMENT

Article 32

The form of support of Local Government on Investment for the development of KEK at least consists of:

- a. providing infrastructure outside KEK according to the authority;
- b. providing incentive such as exemption or relief from Local Taxes and levies;

- c. facility licensing service and ease of doing business which is provided by the administrator of KEK; and
- d. arranging the use of space to support the orderliness around the KEK area.

Article 33

The development of KEK as referred to in Article 32 at least includes:

- a. determination of KEK Development Business Entity;
- b. continuing the land tenure if the suggested land is not yet tenured entirely;
- c. development of facility and infrastructure which are in the area of KEK;
- d. human resources availability for the operational of KEK; and
- e. means and infrastructure availability for the location outside KEK.

CHAPTER VII

GUIDANCE AND SUPERVISION

Article 34

- (1) The Governor is responsible for guidance and supervision in implementing Investment.
- (2) Guidance and supervision as referred to in section (1) is technically carried out by the Office.
- (3) The supervision as referred to in section (1) is generally carried out by the Government Internal Supervision Apparatus.
- (4) Further provisions regarding the procedure of guidance and supervision on Investment as referred to in section (1) are regulated in Governor Regulation.

CHAPTER VIII
PUBLIC PARTICIPATION

Article 35

- (1) Business actors have equal and extensive chance to participate in implementing Investment by:
 - a. participating actively in creating conducive and competitive business climate;
 - b. conducting supervision;
 - c. delivering information of regional potential; and
 - d. submitting complaint of Business Actors.
- (2) The participation as referred to in section (2) is for:
 - a. preventing the violation of legislation;
 - b. preventing negative impact as the consequence of Investment;
 - c. realizing sustainable Investment; and
 - d. starting cooperation between Business Actors and Investors.
- (3) To support the participation of the Business Actors as referred to in section (1) and section (2), the Office may provide the facility.

CHAPTER IX
IMPOSITION OF SANCTIONS

Article 36

- (1) Every Investor who violates the provision as referred to in Article 15 is imposed by administrative sanctions in the form of:
 - a. written warning;
 - b. temporary restriction of business activity;
 - c. revocation of Business Licensing; and/or
 - d. revocation of Business Licensing for supporting business activity.
- (2) Further provisions regarding imposing administrative sanctions as referred to in section (1) are regulated in Governor Regulation.

Article 37

In addition to administrative sanctions as referred to in Article 36 section (1), the Investors can be sentenced with criminal sanctions in accordance with the provisions of legislation.

CHAPTER X
TRANSITIONAL PROVISION

Article 38

- (1) Licensing and Non-licensing Investment which has been issued before the issuance of this Regional Regulation is still effective until the expired date.
- (2) Licensing and Non-licensing Investment which is on the process of finishing when this Regional Regulation comes into force is adapted to the provisions in this Regional Regulation.

CHAPTER XI
CLOSING PROVISIONS

Article 39

At the time this Regional Regulation comes into force, all legislation which are the implementing regulation of the Regional Regulation of the Province of Central Java Number 7 of 2010 on Investment at the Province of Central Java (Regional Gazette of the Province of Central Java of 2010 Number 7, Supplement to the Regional Gazette of the Province of Central Java Number 29), are declared to remain to the extent not contradictory to the provisions of this Regional Regulation.

Article 40

At the time this Regional Regulation comes into force, the Regional Regulation of the Province of Central Java Number 7 of 2010 on Investment at the Province of Central Java (Regional Gazette of the Province of Central Java of 2010 Number 7, Supplement to the Regional Gazette of the Province of Central Java Number 29) is repealed and declared ineffective.

Article 41

The implementing Regulation on this Regional Regulation is prepared in 1 (one) Governor Regulation and issued not later than 3 (three) months since the promulgation of this Regional Regulation.

Article 42

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

In order that every person may know hereof, it is ordered to promulgate this Regional Regulation by its placement in the Regional Gazette of the Province of Central Java.

Issued in Semarang
on 22 December 2022

GOVERNOR OF CENTRAL JAVA,

signed

GANJAR PRANOWO

Promulgated in Semarang
on 22 December 2022

REGIONAL SECRETARY
OF THE PROVINCE OF CENTRAL JAVA

signed

SUMARNO

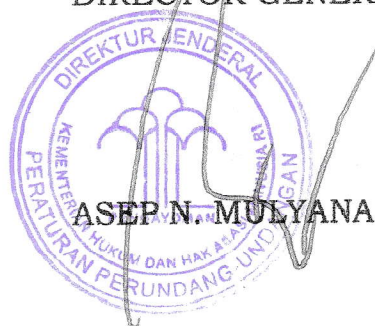
REGIONAL GAZETTE OF THE PROVINCE OF CENTRAL JAVA OF 2022
NUMBER 12

REGISTRATION NUMBER OF THE REGULATION OF THE PROVINCE OF
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Jakarta, 10 April 2023

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,



ELUCIDATON OF
REGULATION OF THE PROVINCE OF CENTRAL JAVA
NUMBER 12 OF 2022
ON
IMPLEMENTATION OF INVESTMENT

I. GENERAL

Investment is a part of economic development which becomes an effort to increase the growth of the economy, to create new job opportunity, to increase the sustainable development, to increase the capacity and the improvement of technology, to support the development of people's economy as well as to make the business actors of Central Java more welfare.

The purpose of implementing investment may be achieved when the factors that can obstruct investment climate can be solved by reforming the legislation on investment affairs and on bureaucratic reform at central and local governments. Moreover, it can be done by driving effective and efficient bureaucratic, legal certainty on investment issue, competitive economic cost, and creating conducive business climate. By reforming those various supporting factors, it is expected that the realization of investment will be significantly better.

The Local Government together with stakeholders both private and government must be more focus on the development of the opportunity of the regional potential and the coordination on promotion and investment service, especially in working on Investment affairs (mandatory) according to the principle of autonomous and support task or de-concentrating. Since the increase of coordination between institutions must be measured according to the quickness and accuracy in giving service on Investment especially for the service on Licensing.

Related to Investment Service, in order to make Central Java to become the destined region for Investment, it is necessary to increase the competitiveness of Region and create more conducive business climate through Online System Submission.

In order to provide legal certainty and to increase competitiveness at region as well as to create balance and justice in business service at region which is expected to increase the realization of Investment, the Local Government formulates a policy to implement Investment in a Regional Regulation.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Point a

The term "principle of legal certainty" means the principle in a state of law that puts the law and the provisions of legislation as the basic guidance for every policy and action in the Investment.

Point b

The term "principle of transparency" means the principle that is transparent to the right of the people to obtain correct, honest and non-discriminative information on Investment activities.

Point c

The term "principle of accountability" means the principle that determines that every activity and the final result of the implementation of an Investment must be accountable to the society or the people of the country as the holder of the highest authority in the state according to the provisions of legislation.

Point d

The term "principle of equal treatment and no distinction of country of origin" means the principle of non-discriminatory treatment of services based on the provisions of legislation, both between domestic investors and foreign investors as well as between investors from one foreign country and investors from other foreign countries.

Point e

The term "the principle of cooperation" means the principle that encourages the role of all investors together in their business activities to achieve the people's welfare.

Point f

The term "principle of justice efficiency" means the principle becomes the fundamental principle of the implementation of Investment by prioritizing justice efficiency on the effort to create a fair, conducive and competitive business climate.

Point g

The term "principle of sustainability" means the principle has been planned to strive for the development process through Investment to guarantee prosperity and progress in all aspects of life, both in the present and in the future.

Point h

The term "principle of environmental awareness" means the principle of Investment is done by considering and prioritizing the protection and maintenance of the environment.

Point i

The term "principle of independence" means the principle of Investment is done by prioritizing the potential of the nation and the state and not being close itself off from foreign Investment in order to achieve economic growth.

Point j

The term "principle of balance of progress and unity of the Regional economy" means the principle strives to maintain the balance of regional economic progress within the unity of the national economy.

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

Sufficiently clear.

Article 11

Sufficiently clear.

Article 12

Sufficiently clear.

Article 14

Sufficiently clear.

Article 15

Sufficiently clear.

Article 16

Sufficiently clear.

Article 17

Sufficiently clear.

Article 18

Sufficiently clear.

Article 19

Sufficiently clear.

Article 20

Sufficiently clear.

Article 21

The term "Investment Potential" means the availability of the resources is not yet explored at a Region which has economic value.

The term "Investment Opportunity" means Investment potential is ready to be offered to the Investors.

Article 22

Sufficiently clear.

Article 23

Sufficiently clear.

Article 24

Sufficiently clear.

Article 25

Sufficiently clear.

Article 26

Sufficiently clear.

Article 28

Sufficiently clear.

Article 29

Sufficiently clear.

Article 30

Sufficiently clear.

Article 31

Section (1)

The term “RUPMD” includes the formulation of the guidelines of guidance and supervision at regional scale, the arrangement of the map of regional resources and the map of investment, the proposal of providing facility for the investor outside national fiscal and non-fiscal.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Article 32

Sufficiently clear.

Article 33

Sufficiently clear.

Article 34

Sufficiently clear.

Article 35

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

Sufficiently clear.

Article 38

Sufficiently clear.

Article 39

Sufficiently clear.

Article 40

Sufficiently clear.

Article 41

Sufficiently clear.

Article 42

Sufficiently clear.

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