

REGULATION OF THE MUNICIPALITY OF SEMARANG
NUMBER 9 OF 2014
ON
INVESTMENT IN THE MUNICIPALITY OF SEMARANG

BY THE BLESSINGS OF ALMIGHTY GOD
MAYOR OF SEMARANG,

- Considering:
- a. that investment is one of factors which is determined as a driver of the local economy, funding local development, and creating jobs, therefore, it is necessary to create ease in service in order to increase the realization of investment with the purpose is to raise public welfare;
 - b. that with the promulgation of Law Number 25 of 2007 on Investment and Government Regulation Number 38 of 2007 on the Division of Government Affairs between the Government, Provincial Government and Regency/Municipal Government, especially in the area of investment in order to encourage and improve regional economic development, then it is necessary to foster a conducive investment climate in the regions, which can provide guarantees of legal certainty and business continuity as well as improving public prosperity;
 - c. that based on the consideration as referred to in point a and b, it is necessary to establish a Regulation of the Municipality of Semarang on Investment in the Municipality of Semarang;

- Observing:
1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
 2. Law Number 16 of 1950 on the Establishment of Large Municipality Regions within the Provinces of East Java, Central Java, West Java and the Special Region of Yogyakarta;
 3. Law Number 5 of 1960 on Basic Agrarian Principles

4. (State Gazette of the Republic of Indonesia of 1960 Number 104, Supplement to the State Gazette of the Republic of Indonesia Number 2043);
5. Law Number 5 of 1999 on Prohibition of Monopolistic Practices and Unfair Business Competition (State Gazette of the Republic of Indonesia of 1999 Number 33, Supplement to the State Gazette of the Republic of Indonesia Number 3817);
6. Law Number 13 of 2003 on Employment (State Gazette of the Republic of Indonesia of 2003 Number 39, Supplement to the State Gazette of the Republic of Indonesia Number 4279);
7. Law Number 32 of 2004 on Local Government (State Gazette of the Republic of Indonesia of 2004 Number 125, Supplement to the State Gazette of the Republic of Indonesia Number 4437), as amended several times, last by Law Number 12 of 2008 on the Second Amendment to Law Number 32 of 2004 on Local Government (State Gazette of the Republic of Indonesia of 2008 Number 59, Supplement to the State Gazette of the Republic of Indonesia Number 4844);
8. 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);
9. Law Number 26 of 2007 on Spatial Planning (State Gazette of the Republic of Indonesia of 2007 Number 68, Supplement to the State Gazette of the Republic of Indonesia Number 4725);
10. Law Number 40 of 2007 on Limited Liability Companies (State Gazette of the Republic of Indonesia of 2007 Number 106, Supplement to the the State Gazette of the Republic of Indonesia Number 4756);
11. Law Number 20 of 2008 on Micro, Small and Medium Enterprises (State Gazette of the Republic of Indonesia of 2009 Number 93);
12. 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);
13. Law Number 28 of 2009 on Local Taxes and Local Levies (State Gazette of the Republic of Indonesia of 2009 Number 130, Supplement to the State Gazette of the Republic of Indonesia Number 5049);

14. Law Number 32 of 2009 on Environmental Protection and Management (State Gazette of the Republic of Indonesia of 2009 Number 140, Supplement to the State Gazette of the Republic of Indonesia Number 5059);
15. 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);
16. Law Number 3 of 2014 on Industrial Affairs (State Gazette of the Republic of Indonesia of 2014 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 5492);
17. Law Number 7 of 2014 on Industrial Affairs (State Gazette of the Republic of Indonesia of 2014 Number 45, Supplement to the State Gazette of the Republic of Indonesia Number 5512);
18. Government Regulation Number 16 of 1976 on the Expansion of the Semarang Level II Regional Municipality (State Gazette of the Republic of Indonesia of 1976 Number 25, Supplement to the State Gazette of the Republic of Indonesia Number 3079);
19. Government Regulation Number 24 of 1986 on the Period of License for Foreign Investment (State Gazette of the Republic of Indonesia of 1993 Number 13, Supplement to the State Gazette of the Republic of Indonesia Number 3515);
20. Government Regulation Number 50 of 1992 on the Establishment of Districts in the Level II Regional Districts of Purbalingga, Cilacap, Wonogiri, Jepara, and Kendal as well as the Arrangement of Districts in the Level II Regional Municipality of Semarang within the Level I Regional Province of Central Java (State Gazette of the Republic of Indonesia 1992 Number 89);
21. Government Regulation Number 1 of 2007 on Income Tax Facilities for Investment in Particular Business Sector and/or in Particular Regions (State Gazette of the Republic of Indonesia of 2007 Number 1, Supplement to the State Gazette of the Republic of Indonesia Number 4675), as amended several times and last by Government Regulation Number 52 of 2011 (State Gazette of the Republic of Indonesia of 2011 Number 133, Supplement to the State Gazette of the Republic of Indonesia Number 5264);
22. Government Regulation Number 38 of 2007 on

- Division of Government Affairs between the Central Government, Provincial Governments and Regency/Municipal Governments (State Gazette of the Republic of Indonesia of 2007 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 4737);
23. Government Regulation Number 45 of 2008 on Guidelines for Providing Incentives and Ease of Doing Investment at Region (State Gazette of the Republic of Indonesia of 2007 Number 72, Supplement to the State Gazette of the Republic of Indonesia Number 2633);
 24. Government Regulation Number 24 of 2009 on Industrial Estate (State Gazette of the Republic of Indonesia of 2009 Number 47, Supplement to the State Gazette of the Republic of Indonesia Number 4987);
 25. Presidential Regulation Number 27 of 2009 on One Stop Integrated Services in the Investment Sector;
 26. Presidential Regulation Number 16 of 2012 on General Plan of Investment;
 27. Regulation of the Province of Central Java Number 7 of 2010 on Investment in the Province of Central Java (Regional Gazette of the Province of Central Java of 2010 Number 152);
 28. Regulation of the Municipality of Semarang Number 13 of 2006 on Environmental Control (Regional Regulation of Semarang Municipality of 2007 Number 2 Series E, Supplement to the Regional Gazette of the Municipality of Semarang Number 2);
 29. Regulation of the Municipality of Semarang Number 5 of 2008 on Government Affairs which are the authority of the Government of the Municipality of Semarang (Regional Gazette of the Municipality of Semarang of 2008 Number 8, Supplement to the Regional Gazette of the Municipality of Semarang Number 18);
 30. Regulation of Municipality of Semarang Number 6 of 2010 on Long Term Development Plan for the Semarang Municipality Region for 2005-2025 (Regional Gazette of Semarang Municipality of 2010 Number 8, Supplement to the Regional Gazette of the Municipality of Semarang Number 43);
 31. Regulation of the Municipality of Semarang Number 14 of 2011 on Plan of Regional Layout of Semarang Municipality in 2011-2031 (Regional Gazette of the Municipality of Semarang of 2011 Number 14,

Supplement to the Regional Gazette of the Municipality Semarang Number 61);

With the Joint Approval of

THE REGIONAL HOUSE OF REPRESENTATIVES OF THE MUNICIPALITY
OF SEMARANG
and
MAYOR OF SEMARANG

HAS DECIDED:

To issue: REGIONAL REGULATION ON INVESTMENT IN THE MUNICIPALITY OF SEMARANG.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. The Government of Central Java Province means the Governor of Central Java and regional apparatus as element of local government administration.
2. Region means the Municipality of Semarang.
3. Local Government means the Mayor and Regional Apparatus as element of Local Government administration.
4. Mayor means the Mayor of Semarang.
5. Regional House of Representatives (*Dewan Perwakilan Rakyat Daerah*) , hereinafter referred to as *DPRD*, means the Regional House of Representatives of the Municipality of Semarang.
6. Regional Working Unit (*Satuan Kerja Perangkat Daerah*), hereinafter abbreviated to *SKPD*, means *SKPD* which manages investment issue.
7. Investment means all forms of investing activities by both Domestic investors and Foreign investors to conduct business in the territory of the Republic of Indonesia.
8. Domestic investment means an investing activity performed by a domestic investor to conduct business in the territory of the Republic of Indonesia using Domestic capital.
9. Foreign investment means an investing activity performed by a Foreign investor to conduct business in the territory of the Republic of Indonesia whether by using full Foreign capital or by establishing a joint

- venture with a domestic investor.
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 territory of the Republic of Indonesia.
 12. Foreign investor means an individual of foreign nationality, a foreign business entity, and/or a foreign government that makes an investment in the territory of the Republic of Indonesia.
 13. Licensing means any form of approval to carry out investment issued by the Government and/or Regional Government which has the authority in accordance with the provisions of Legislation.
 14. Permit means a document issued by the Local Government based on Regional Regulations or other expansion regulations which is proof of legality, stating that a person or entity is legal or permitted to carry out a certain business or activity.
 15. Investment registration, hereinafter referred to as Registration, mean a form of initial Government approval as a basis for starting a investment plan.
 16. Investment Principle Permit, hereinafter referred to as principle permit, mean a permit to start investment activities in a business sector that can obtain fiscal facilities and in the implementation of investment requires fiscal facilities.
 17. Investment Expansion Principle Permit, hereinafter referred to as expansion principle permit, mean a permit to start a investment expansion plan in a business sector that can obtain fiscal facilities and in the implementation of investment requires fiscal facilities.
 18. Business License mean a permit that a company required to have to carry out commercial production/operation activities, both the production of goods and services as an implementation of its registration/principle permit/ investment approval otherwise determined by the Legislative Regulations.
 19. Expansion Business License means a permit that are required to be obtained by a company to carry out production activities/ commercial operations for additional production capacity beyond the permitted production capacity, as an

implementation of the principle permit for expansion/expansion approval, unless otherwise determined by sectoral Legislation.

20. Change Business Permit mean a permit that are required to be obtained by a company to make changes to the provisions stipulated in the previous business permit/ expansion business permit as a result of changes that occur in the implementation of investment activities.
21. Micro businesses mean productive businesses owned by individuals and/or individual business entities that meet the criteria for micro businesses as regulated in the Law.
22. Non-Licensing mean all forms of ease of service, fiscal facilities and information regarding capital investment, in accordance with the provisions of the Legislative Regulations.
23. Investment Activity Report mean a periodic report on matters relating to the development of an investment company in the form and procedures as stipulated in the provisions.
24. One-stop Integrated Service (*Pelayanan Terpadu Satu Pintu*) hereinafter abbreviated to PTSP means the activity of administering licensing and non-licensing service under delegation or transfer of authority from the competent agency or institution having the licensing and non-licensing authority, with all stages of the administrative procedure from the application to the issuance of the document carried out in one place.
25. Electronic investment information and licensing service system (*Sistem pelayanan Informasi dan perizinan investasi secara elektronik*), hereinafter abbreviated as SPIPISE, means an integrated licensing and non-licensing service system between the Government and Local Government.
26. Delegation of Authority mean the handing over of licensing and non-licensing duties, rights, obligations and responsibilities including signing in the name of the authorizer.

CHAPTER II PRINCIPLE, AIM, AND TARGET

Article 2

An investment is administered based on the following principles:

- a. legal certainty;

- b. transparency;
- c. accountability;
- d. equality;
- e. togetherness;
- f. fairness-based efficiency;
- g. sustainability;
- h. environment-oriented;
- i. independency; and
- j. balance in the progress and unity of the national economy.

Article 3

The purposes of administering investment are:

- a. increasing the growth of regional economy;
- b. creating job opportunities;
- c. increasing sustainable economy development;
- d. increasing the competitiveness of national businesses;
- 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;
- h. improving public welfare; and
- i. developing investment services.

Article 4

Target of investment are:

- a. improving a conducive investment climate;
- b. improving investment support facilities;
- c. increasing human resource capabilities;
- d. increasing the number of investors;
- e. increasing the realization of capital investment.

CHAPTER III INVESTMENT AUTHORITY AND POLICY

Part One General

Article 5

- (1) The authority of the Local Government in the field of investment consists of:
 - a. investment policy in the form of General Plan of Regional Investment; and
 - b. regional scale investment policy.
- (2) The regional investment policy as referred to in section (1) point b includes:
 - a. investment cooperation;
 - b. promotion of investment;

- c. investment services;
- d. controlling the implementation of investment;
- e. managing data and investment information system.

Part Two
General Plan of Regional Investment

Article 6

- (1) Local Government arranges a General Planning of Regional Investment in the form of General Plan of Regional Investment.
- (2) General Plan of Regional Investment as referred to in section (1), is the direction, strategy and Policy for Investment in the Region.
- (3) General Plan of Regional Investment as referred to in section (1) is arranged according to:
 - a. General Plan of National Investment;
 - b. General Plan of Provincial Investment;
 - c. Plan of Regional Long-term Development Plan;
 - d. Plan of Medium-term Development; and
 - e. Priority of Regional Potential Development.
- (4) General Plan of Regional Investment as referred to in section (1) is further regulated by a Mayor Regulation.

Part Three
Investment Cooperation

Article 7

- (1) Local Government is able to facilitate international cooperation in investment sector.
- (2) Regional Government is able to cooperate on investment with Provincial Government, Government of Regency/Municipality and/or the Private Sector.
- (3) The cooperation as referred to in section (1) and section (2) includes:
 - a. investment planning;
 - b. promotion of investment;
 - c. investment services;
 - d. development of investment;
 - e. monitoring and evaluation; And
 - f. other investment activities.

Part Four
Promotion of Investment

Article 8

- (1) The promotion of investment as referred to in Article 7 section (3) point b, is done as below:
 - a. reviewing, formulating and compiling technical policies for the implementation of providing coaching and guidance on promotion of investment;
 - b. coordinating and implementing promotion of regional investment both at the country and abroad;
 - c. coordinating, reviewing, formulating and compiling material of promotion of investment.
- (2) Implementation of promotion of investment as referred to in section (1) is done by *SKPD* which in charge of Investment independently and/or in synergy with the Central Government, related Provincial Services and Non- Governmental Institutions.

Part Five Investment Services

Article 9

Implementation of investment services as referred to in Article 5 section (1) point d includes:

- a. business field;
- b. investor;
- c. form of business entity;
- d. licensing and non-licensing;
- e. investment period;
- f. rights, obligations and responsibilities of investors;
- g. investment location;
- h. one-stop integrated service.

Paragraph 1 Business Field

Article 10

All business fields or type of business are opened for investment activities, except for type of business field or type of business which are declared closed and open with requirements according to the provision of Legislation.

Paragraph 2
Investor

Article 11

- (1) Domestic investment can be done by limited liability companies (PT), *commanditaire vennotschap* (CV), firms (Fa), cooperation, state-owned enterprises (BUMN), regional-owned enterprises (BUMD), foundations and other investment which is not a legal entity or individual.
- (2) Foreign investment can be done by foreign citizen, and/or foreign legal entities and/or foreign investors and/or foreign citizens, foreign legal entities and/or foreign investors which is joined with Indonesian citizens and/or Indonesian legal entity.

Paragraph 3
Form a Business Entity

Article 12

- (1) Domestic investment is done by incorporated business entities, unincorporated business entities, or individual businesses.
- (2) Foreign investment is obligated to be in the form of a limited liability company (PT) based on Indonesian law and located in the territory of the Republic of Indonesia, unless differently determined by law.
- (3) Domestic investors and foreign investors who invest in the form of limited liability companies are done as below
 - a. Taking capital stock at the time of establishing limited liability company;
 - b. Buying capital stock ; and
 - c. doing other methods according to the prevailing Legislation.

Paragraph 4
Licensing and Non-Licensing

Article 13

- (1) Every investor who invests their capital in the Region is required to have a license from the Mayor, except for micro business investor.
- (2) Licensing as referred to in section (1), consists of:
 - a. License of principal investment;
 - b. License of business for various business sectors;
 - c. License of investment expansion;

- d. License of investment expansion for various business sectors;
 - e. License of investment change;
 - f. License of investment change for various business sectors;
 - g. License of permission merging investment companies;
 - h. License of permission merging investment companies for various business sectors;
- (3) License for Investment as referred to in section (2), for Industrial Companies in Industrial Zone are granted based on the provisions of prevailing legislation.
- (4) License for Investment as referred to in section (2), when there is a change, it is required to submitted to the Mayor.

Article 14

Types of Non-Licensing Services include:

- a. Recommended Importer Identification Number (General and Producer);
- b. Recommendations for Registered Exporters of Forestry Industrial Products (*ETPIK*);
- c. Recommendations for Registered Inter-Island Timber Trade (*PKAPT*);
- d. Recommendation for an Industrial Business License, for investments above IDR 10,000,000,000.00 (ten billion rupiah);
- e. Extension of permits to employ foreign workers (IMTA);
- f. Regional Incentives;
- g. Information services and complaint services;

Article 15

Further provision on Licensing and Non-Licensing Investment services is regulated by Mayor Regulation.

Article 16

Besides, license of investment as referred to in Article 13 and Article 14, investor is required to have other licenses which are under the authority of region according to prevailing legislation.

Paragraph 5 Investment Period

Article 17

The investment period is based on the provisions of prevailing legislation.

Paragraph 6

Rights, Obligations and Responsibilities of Investors

Article 18

Every investor has rights as below:

- a. Right certainty, legal certainty, and protection;
- b. open information related to the run business sector;
- c. licensing services;
- d. various forms of incentives and convenience facilities according to legislation.

Article 19

Every Investor has obligations as below:

- a. applying the principles of good corporate governance;
- b. implementing corporate social responsibility;
- c. appreciating the cultural traditions of the community around the location of the investment business activity;
- d. prioritizing local workers as long as having required skill criteria;
- e. creating and submitting report on investment activities;
- f. obeying all provisions of legislation.

Article 20

Each Investor is responsible for:

- a. guarantee the availability of capital originating from sources that do not conflict with the provisions of the Legislation;
- b. bear and settle all obligations and losses, if investors unilaterally stop or leave or abandon their business activities in accordance with the provisions of the Law;
- c. creating a healthy competitive business climate, preventing monopolistic practices, and other things that are detrimental to the Region and the State;
- d. maintain environmental sustainability;
- e. creating worker safety, health, comfort and welfare; and
- f. comply with all provisions of the legislation.

Article 21

Investors who use non-renewable natural resources are required to allocate and periodically restore locations that is appropriated to environmental quality standards which the implementation is regulated according to the provisions of Legislation.

Paragraph 7 Investment Location

Article 22

The Local Government determines investment business development areas based on the Regional Spatial Planning Plan and the provisions of prevailing Legislation.

Paragraph 8 One Stop Integrated Service

Article 23

- (1) The one-stop integrated service is to provide services to investors in obtaining ease and information on investment.
- (2) In implementing *PTSP*, the Mayor delegates the authority to grant licensing and non-licensing for government affairs in the field of investment which is the authority of the Region to the Regional Working Unit (*SKPD*) that deals with investment through *PTSP* which is implemented using *SPIPISE* which is integrated with Central Java Province and the Central Government.
- (3) Procedures for managing are regulated further by Mayor Regulations.

Part Six Control of Investment Organization

Article 24

Control of investment organization is done by the *SKPD* which is in charge of investment through:

- a. monitoring;
- b. coaching; and
- c. supervising.

Article 25

- (1) Organization of monitoring as referred to in Article 24 point a is done as below:
 - a. compilation;

- b. verification of investment organization;
 - c. evaluation of reports on investment activities and from other sources of information.
- (2) Organization of coaching as referred to in article 24 point b is done as below:
- a. Education on the implementation of provision of investment;
 - b. providing consultation and coaching on the implementation of investment according to the provisions of obtained license;
 - c. giving assistance and facility in resolving problems/obstacles faced by investors in the realization of investment activities.
- (3) Organization of supervision as referred to in article 24 point c is done as below:
- a. research and evaluation of information on the implementation of investment provisions and facilities that have been provided;
 - b. inspection of investment project locations;
 - c. following up the abuse of investment provision.
- (4) Procedures for controlling the implementation of investment are further regulated by Mayor Regulation.

Part Seven

Data Management and Information Service Systems and Electronic Investment Licensing

Article 26

Processing Data and Information Services System and Electronic Investment Licensing (*SPIPISE*) as referred to in Article 23 section (2) includes licensing and non-licensing services through *PTSP* is done by using *SPIPISE* which is integrated with the Central Government and Central Java Provincial Government.

CHAPTER IV INVESTMENT DEVELOPMENT

Article 27

- (1) Local Government is obligated to encourage the development of investment.
- (2) Development of Investment as referred to in section (1), is done as below:
- a. issuing investment license which is easy, fast and correct;
 - b. helping to resolve various obstacles and consulting about problems faced by investors in doing investment activities in the region;

- c. facilities for transparency data and information of investment;
- d. formulating and implementing business sector of regional investment planning;
- e. encouraging, improving, implementing and facilitating business partnership related to regional investment;
- f. facilitating cooperation in regional investment sector;
- g. increasing the competitiveness of regional investment;
- h. increasing institutional capacity and quality of human resources in the field of investment.

Article 28

- (1) The society has the similar and the broadest opportunity to participate in the organization of investment as below:
 - a. submission of suggestions, reports; and/or
 - b. submitting information of regional potency.
- (2) The public's role as referred to in section (1) is for the purpose as below:
 - a. realizing sustainable investment;
 - b. supporting the prevention of violations of legislation;
 - c. supporting the prevention of negative impacts as a result of investment; and
 - d. building togetherness between society and investor.
- (3) In order to support the organization of public's role as referred to in section (1) and section (2), the SKPD which is in charge of investment sector gives facility for public's role.

CHAPTER VI INCENTIVES AND EASE OF INVESTMENT

Article 29

- (1) Local Government can provide incentives and facilities for investors who make investments;
- (2) The incentives as referred to in section (1) are in the forms of:
 - a. reduction or relief of local taxes;
 - b. reduction or relief of local levies;
- (3) The incentives as referred to in section (2) are provided based on legislation.
- (4) The facilities as referred to in section (1) are in the forms as below:

- a. facilitating data and information of investment opportunities;
 - b. giving facilities and infrastructure;
 - c. facilitating land or location;
 - d. providing technical assistance; and/or
 - e. acceleration of giving licensing.
- (5) The procedures and criteria for providing incentives and facilities as referred to in section (2) are regulated by a Mayor Regulation.

Article 30

Investors who can receive incentives and ease are those who have head and/or branch offices in the region and at least have one of the following criteria:

- a. giving contribution in increasing the income of society;
- b. using a large number of local workers;
- c. giving contribution in improving public services;
- d. giving contribution in increasing gross regional domestic product;
- e. having environmental awareness and sustainable;
- f. including high priority regional scale;
- g. including infrastructure development;
- h. doing technology transfer;
- i. organizing pioneering industry;
- j. doing research, development and innovation activities;
- k. organizing partnership or collaboration with micro, small, medium enterprises or cooperation;
- l. industry that uses capital goods, machinery or equipment produced domestically.

CHAPTER VII ADMINISTRATIVE SANCTIONS

Article 31

Every investor who makes investment activities that cannot fulfill the obligations as referred to in Article 21, may be subject to administrative sanctions as below:

- a. written warning;
- b. restrictions on business activities;
- c. freezing of business activities and/or investment facilities; And
- d. revocation of business activities and/or investment facilities

CHAPTER VIII
CLOSING PROVISIONS

Article 32

Matters that have not been regulated in this Regional Regulation as far as implementation is concerned will be further regulated by the Mayor of Semarang.

Article 33

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 Semarang.

Issued in Semarang
on 26 September 2014

MAYOR OF SEMARANG
signed

HENDRAR PRIHADI

Promulgated in Semarang
on 26 September 2014
REGIONAL SECRETARY OF THE MUNICIPALITY OF SEMARANG,

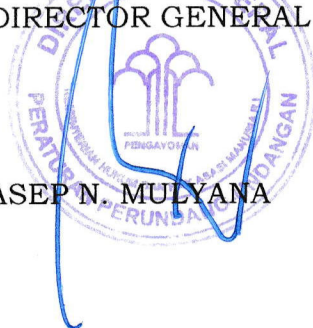
Signed

ADI TRI HANANTO

REGIONAL GAZETTE OF MUNICIPALITY SEMARANG OF 2014 NUMBER 9

Jakarta, 20 February 2024
Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia
DIRECTOR GENERAL OF LEGISLATION,

ASEP N. MULYANA



ELUCIDATION
OF
REGULATION OF THE MUNICIPALITY OF SEMARANG
NUMBER 9 OF 2014
ON INVESTMENT

I.General

Investment is part of economic development which is placed as an effort to increase economic growth, create new jobs, to increase sustainable development, to increase capacity and technological progress, to support public economic development and in order to realize the Semarang society which is prosperous, fair and equitable, especially for the people of Municipality of Semarang and Central Java in general.

The purpose of organizing investment will be achieved if the factors that cause obstacles for the investment climate can be overcome. The efforts that can be done to overcome those various problems include carrying out various reforms and regulations in investment sector and effective and efficient bureaucratic reform both at the central municipality and at the region, ensuring legal certainty in investment sector, creating competitive economic costs, as well as creating a conducive business climate. By doing these various improvement efforts, it is expected that the level of investment realization in the Municipality of Semarang will be better.

The Local Government of the Municipality of Semarang together with stakeholders, both private and government must be more focus on developing regional potential opportunities, as well as in coordinating investment promotion and services, especially in organizing investment sectors (mandatory affairs) based on the principles of regional autonomy and assistance or deconcentrating principle. Therefore, increasing coordination between institutions must be able to be measured according to the speed and accuracy in providing services in the field of investment, especially services in the field of licensing.

Related to the field of investment, in order to become an investment destination area, it is necessary to increase regional competitiveness and a more conducive business climate through the implementation of One Stop Integrated Licensing (*PTSP*) services.

In order to provide legal certainty and increase competitiveness as well as provide balance and fairness in services, it is expected to increase the realization of investment. Therefore, the Local Government takes a policy to organize investment in the Municipality of Semarang 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 rule-of-law state that places law and the provisions of prevailing 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 receptive 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 no discrimination by national origin" means the principle of non-discriminatory treatment in providing services 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

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Article 6

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 7

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Point a

Sufficiently clear.

Point b

Sufficiently clear

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Article 8

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Article 9

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Article 10

Closed and open business fields or types of business with requirements determined by the Government. Local Government can propose changes to closed or open field with particular requirements according to regional conditions. Business fields which become the priority in the regions include superior sectors which are oriented towards increasing regional independence as well as superior sectors oriented towards exports.

Article 11

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Article 12

Section (1)

The term “incorporated business entity” means limited liability company (PT) while the term “unincorporated business entity” are *Commanditaire Vennotschap (CV)*, Firm (Fa), Cooperation, State-Owned Enterprise (*BUMN*), Local-Owned Enterprise (*BUMD*). Investment in the field of education must be done in the form of a incorporated foundation or state-owned legal entity for state-owned educational institutions.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 13

Section (1)

The term “micro business investor” means business that have the following criteria:

- a. has a net worth for a maximum of Rp.50,000,000.00 (fifty million rupiah) excluding land and buildings for business location;
- b. has annual sales proceeds for a maximum of Rp.300,000,000.00 (three hundred million rupiah).

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Article 14

Recommendations are issued by Regional Working Unit according to duty, function and authority.

Article 15

Sufficiently clear.

Article 16

Sufficiently clear.

Article 17

Sufficiently clear.

Article 18

Sufficiently clear.

Article 19

Sufficiently clear.

Article 20

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

The term “preserving the environment” means a systematic and integrated effort which is done to prevent environmental pollution and/or damage according to the provision of law and regulation.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Article 21

The term “renewable” means it is created to be new, has been updated, and/or can be updated.

Article 22

Sufficiently clear.

Article 23

Section (1)

Before the *SPIPISE* service was established, licensing and non-licensing services through *PTSP* could use manual administration.

Section (2)

The term "Investment Licensing and Non-Licensing Services" are licensing and non-licensing services which are under the authority of the region, the Government which is delegated and/or delegated to the region and/or district/Municipality authority which is delegated to the region.

Section (3)

Sufficiently clear.

Article 24

Sufficiently clear.

Article 25

Section (1)

Point a

The term "compilation" means a group which is arranged regularly in the organization of investment monitoring.

Point b

The term "verification" means matching and/or checking the correctness of reports or statements in the organization of investment monitoring.

Point c

Sufficiently clear.

Section (2)
Sufficiently clear.
Section (3)
Sufficiently clear.
Section (4)
Sufficiently clear.

Article 26
Sufficiently clear.

Article 27
Section (1)
Sufficiently clear.
Section (2)
Sufficiently clear

Article 28
Section (1)
Sufficiently clear.
Section (2)
Sufficiently clear.
Section (3)
Sufficiently clear.

Article 29
Section (1)
Sufficiently clear.
Section (2)
Sufficiently clear.
Section (3)
Sufficiently clear.
Section (4)
Sufficiently clear.
Section (5)
Sufficiently clear.

Article 30
Sufficiently clear.

Article 31

Sufficiently clear.

Article 32

Sufficiently clear.

Article 33

Sufficiently clear.

SUPPLEMENT TO REGIONAL GAZETTE OF THE MUNICIPALITY
OF SEMARANG NUMBER 94