

REGULATION OF THE REGENCY OF BANYUMAS

NUMBER 3 OF 2021

ON

THE FIRST AMENDMENT OF REGULATION OF THE REGENCY

NUMBER 2 OF 2013 ON INVESTMENT IN BANYUMAS DISTRICT

BY THE BLESSINGS OF ALMIGHTY GOD,

REGENT OF BANYUMAS

- Considering :
- a. that in order to bring a fair and prosperous society based on Pancasila and the 1945 Constitution of The Republic of Indonesia, it is necessary to implement sustainable economic development which is based on Economic democracy;
 - b. that investment is one of the factors driving the regional economy, regional development and creating jobs, so that it is necessary to create a conducive investment climate, promoting, providing legal certainty, justice, and efficiently paying attention to National Economic Interests;
 - c. that to implement Government Regulation of Republic of Indonesia Number 24 of 2019 article 7 concerning Providing Incentives and Ease of investment in Region, then The Regulation of The Regency of Banyumas Number 2 of 2013 concerning in Investment in Banyumas is no longer appropriate, therefore it needs amendment;
 - d. that based on the considerations as referred to in point a, point b and point c, it is necessary to issue a Regional Regulation on the first amendment of Regulation of The Regency Number 2 of 2013 on Investment in Banyumas District;
- Observing :
1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
 2. Law Number 13 of 1950 on Establishment of Regency Areas within the Province of Central Java ;
 3. Law Number 5 of 1960 concerning Basic Agrarian Principles Regulations (State Bulletin of the Republic of Indonesia of 1960 Number 104, Supplement to the State Gazette of the Republic of Indonesia Number 2043);
 4. Law Number 5 of 1984 concerning Industry (State Gazette of the Republic of Indonesia 1984 Number 22, Supplement to the State Gazette Republic of Indonesia Number 3274);

- 5 Law Number 25 of 1992 concerning Cooperatives (State Gazette of the Republic of Indonesia 1992 Number 116, Supplement to the State Gazette Republic of Indonesia Number 3502);
- 6 Law Number 13 of 2003 concerning Employment (State Gazette of the Republic Indonesia Number 39 of 2003, Supplement State Gazette of the Republic of Indonesia Number 4279), as amended by Law Number 11 of 2020 concerning Job Creation Act (State Gazette Republic of Indonesia Number 6573);
- 7 Law Number 25 of 2007 on Investment (State Gazette of the Republic of Indonesia of 2007 Number 6, Supplement to the State Gazette of the Republic of Indonesia Number 4675) as amended by Law Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law on Job Creation to Become Law (State Gazette of the Republic of Indonesia of 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6573);
- 8 Law Number 26 of 2007 concerning Spatial Planning (State Gazette of the Republic Indonesia 2007 Number 68, Supplement State Gazette of the Republic of Indonesia Number 4846); as amended by Law Number 11 of 2020 of Law 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);
- 9 Law Number 40 of 2007 concerning Limited Liability Company (State Gazette of the Republic Indonesia 2007 Number 106, Supplement State Gazette of the Republic of Indonesia Number 4852);as amended by Law Number 11 of 2020 of Law 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);
- 10 Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises (State Gazette Republic of Indonesia Year 2008 Number 93, Supplement to the State Gazette of the Republic of Indonesia Number 4866);as amended by Law Number 11 of 2020 of Law 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);
- 11 Law Number 23 of 2014 concerning Regional Government (State Gazette of The Republic of Indonesia Number 244 of 2014, Supplement State Gazette Number 5587) as stated it has been amended by Law Number 11 of 2020 concerning Omnibus Law (State Gazette of The Republic of Indonesia Number 248 of 2020 , Supplement to the State Gazette of The Republic of Indonesia Number 6573);
- 12 Government Regulation Number 24 of 1986 concerning Term of Foreign Investment Permit (State Gazette of the Republic of Indonesia 1986 Number 32, Supplement to the State Gazette of the Republic Indonesia Number 3335); as amended by Government Regulation Number 9 of 1993 concerning amendments to Government Regulation Number 24 of 1986 on Period of Foreign Investment (State Gazette of The Republic of Indonesia Number 13 of 1993, Supplement to the State Gazette of The Republic of Indonesia Number 3515);

- 13 Government Regulation Number 27 of 2014 concerning Management Of State/ Regional Property (State Gazette of Republic of Indonesia Number 92 of 2014, Supplement to the State Gazete of The Republic of Indonesia Number 5533) as amended by Government Regulation Number 28 of 2020 concerning amendments to Government Regulation Number 27 of 2014 concerning Management of Property Country/ Region (State Gazette of The Republic of Indonesia Number 142 of 2020, Supplement to the State Gazette of Republic of Indonesia Number 6523);
- 14 Government Regulation Number 24 of 2019 concerning Provision of Incentives and Ease of Investment in The Region (State Gazette of The Republic of Indonesia Number 63 of 2019, Supplement State Gazette of The Republic of Indonesia Number 6330);
- 15 Government Regulation Number 63 of 2019 concerning Investment of Government (State Gazette of The Republic of Indonesia Number 166 of 2019, Supplement State Gazette of The Republic of Indonesia Number 6385);
- 16 Presidential Regulation Number 16 of 2012 on General Plan of Investment (State Gazette of the Republic of Indonesia of 2012 Number 42);
- 17 Presidential Regulation Number 97 of 2014 concerning One Stop Integrated Service(State Gazette of The Republic of Indonesia Number 221 of 2014);
- 18 Presidential Regulation Number 44 of 2016 concerning List of Closed Business Fields and Open Business Fields with Requirements in the Investment of Fields (State Gazette of The Republic of Indonesia Number 97 of 2016);
- 19 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)
- 20 Regional Regulation of Banyumas Regency Number 2 of 2013 on Investment of Banyumas District (Regional Gazette of The Regency of Banyumas of 2008 Number 5 Series E);

With The Joint Approval of
THE REGIONAL HOUSE OF REPRESENTATIVES
and
THE REGENT OF BANYUMAS

HAS DECIDED:

To Issue : REGULATION OF THE REGENCY OF BANYUMAS ON THE FIRST AMENDMENT OF REGULATION OF THE REGENCY NUMBER 2 OF 2013 ON INVESTMENT IN BANYUMAS DISTRICT

Article I

Several Provisions in the Regulation of The Regency of Banyumas on The First Amendment of Regulation of The Regency Number 2 of 2013 on Investment in Banyumas District (Banyumas Regency Regional Gazette Number 2 series 3 of 2013) amended as follows :

1. The provisions of article 1 are amended to read as follows :

Article 1

In this Regional Regulation:

1. Region means the Regency of Banyumas.
2. Local Government means Regent and Regional Apparatus as elements of regional government administrators.
3. Regent means the Regent of Banyumas.
4. Regional Apparatus means the supporting element of the Regent and the Regional House of Representatives in the administration of government affairs which are under the authority of the region.
5. Office means Regional Apparatus of the Regency of Purbalingga which has task and function that organize government affairs on investment which is under the authority of the Region.
6. Capital means assets owned by an investor taking the form of monetary or otherwise non-monetary assets that have economic value.
7. Domestic capital means the capital owned by the state of the Republic of Indonesia, an individual of Indonesian nationality, or a business entity, whether incorporated or unincorporated.
8. Foreign capital means the capital owned by a foreign country, an individual of foreign nationality, a foreign business entity, a foreign legal entity, and/or an Indonesian legal entity whose capital is partly or wholly owned by a foreign party
9. Investor means an individual or a business entity that makes an investment, being either a domestic investor or a foreign investor
10. Investment means all forms of investing activities by both domestic investors and foreign investors to conduct business in the territory of the Region
11. Domestic investor means an individual of Indonesian nationality, an Indonesian business entity, the state of the Republic of Indonesia, or a region that makes an investment in the Region
12. Foreign investor means an individual of foreign nationality, a foreign business entity, and/or a foreign government that makes an investment in the territory of the Region
13. Investment license is any form of approval issued by the Regional Government based on Regional Regulations or other legislation which is proof of the legality of the statement legality or permission for a person or entity to carry out business or certain activities.
14. License means the approval of Local Government on the activity of running business which is required to be owned by Business Actors before starting the activity of the business.
15. Non-Licensing means all forms of ease of services, fiscal facilities and information in accordance with the provisions of legislation.

16. The Report of Investment Activities means a report which contains an update realization on the Investment activities
17. One Stop Integrated Service is a service which is integrated to be one unity of process starting from the application period until the finishing period of the product of one stop integrated service
18. Provision of Incentives means the support for fiscal policy from Local Government to the public and/or investors to Increase Investment in the region.
19. Provision of Ease means provision of non-fiscal facilities from Local Government to the public and/or investors to give ease and to increase the investment activities in region.

2. The title of Chapter V has been amended to read as follows:

CHAPTER V
PROVISION OF INCENTIVE AND EASE DOING FOR INVESTMENT

3. The provisions of article 23 are amended to read as follows :

Article 23

The Local Government may provide incentive and/or ease of doing Investment to the Investor according to its authority in accordance with regional capabilities and legislation.

4. Between article 23 and 24, 1 (one) article is inserted, namely article 23A so it reads as follows:

Article 23A

Provision of Incentive and/or Ease is based on the principles:

- a. legal certainty;
- b. equality;
- c. transparency;
- d. accountability; and
- e. effective and efficient.

5. The provisions of article 24 are amended to read as follows:

Article 24

1. The provision of incentive and/or ease for Investment is given to Public and/or Investor at least meets one of the following criteria:
 - a. giving contribution to the increase of income of the public;
 - b. absorbing local workers;
 - c. mostly using local resources;
 - d. giving contribution for the improvement of public service;
 - e. giving contribution for the increase of regional gross domestic product;
 - f. having environmental awareness and being sustainable;
 - g. infrastructure development;
 - h. doing technology transfer;
 - i. doing pioneer industry;
 - j. doing research, development, and innovation activities;
 - k. having partnership with Micro, Small , and medium Enterprises or Cooperatives;

- l. industries that use capital, machine or equipment which are produced locally;
 - m. doing business activities based on national and/or Regional priority programs; and/or
 - n. having export oriented
6. Between articles of 24 and 25, 6 (six) articles were inserted, namely articles 24A, 24B, S4C, 24D, 24E, 24F so it reads as follows:

Article 24A

- (1) The provision of Incentive is in the forms of:
 - a. reduction, relief, or exemption from local tax;
 - b. reduction, relief, or exemption of local levies;
 - c. providing capital assistance for Micro, Small, and Medium Enterprises and/or cooperatives in Region;
 - d. assistance for research and development for Micro, Small, and Medium Enterprises and/or Cooperatives in Region;
 - e. assistance for vocational training facilities for Micro, Small, and Medium Enterprises and/or Cooperatives in Region; and/or
 - f. low loan interest.
- (2) The provision of Ease of Investment is in the forms of:
 - a. provision of data and information on opportunities of Investment;
 - b. provision of means and infrastructures;
 - c. facilitation of land or location provision;
 - d. provision of technical assistance;
 - e. simplification and acceleration of issuing license through one-stop integrated services;
 - f. ease of access to marketing of products;
 - g. ease of direct investment in construction;
 - h. ease of investment in strategic areas stipulated in legislation that have the potential for development at Region;
 - i. provision of comfort and security in doing Investment at Region;
 - j. ease of certification and standardization process in accordance with the provisions of the legislation
 - k. ease of access to ready-to-work and skilled workers;
 - l. ease of access to raw material supply; and/or;
 - m. facilitation for promotion according to Regional authority.
- (3) Provision of incentive and/or ease of Investment in the forms is conducted according to the financial capacity of the Region and the provisions of legislation.
- (4) Further provisions regarding the procedure for providing incentive and/or ease to Investor are regulated in a Regent Regulation.

Article 24B

- (1) Local Government can prioritize providing incentives and/or providing ease of Investment for certain types of business or certain activities.
- (2) Local Government in providing Incentives and/or the ease of investment as intended in section (1), is guided by regional investment plan or study results which consider the regional potential and added value in local government.

- (3) Certain types of business or certain activities as referred to in section (1) consists of :
- a. micro, small, medium enterprises and/or cooperative;
 - b. business required by partnership;
 - c. business that require capital ownership;
 - d. business required by certain locations;
 - e. business required by special license;
 - f. business that are opened for investment that prioritize regional excellence;
 - g. business that have obtained investment from the Central Government;
 - h. priority tourism sector business developing tourist attractions and/or;
 - i. other business in accordance with provision of legislation.

Article 24C

Further provisions regarding the provision of incentives and/or of ease to types of tourism sector business as referred to in article 24B section (3) point h, regulated by Regulation of Regency.

Article 24D

- (1) The regional head sets standard operating procedures for the implementation of Provision of Incentives and/or Provision of Ease for Public and Investor
- (2) In the implementation of Providing Incentives and/or Provision of Ease to the Public and/or Investor, Regent carries out the verification.
- (3) Verification as referred to in section (2) coordinated by regional apparatus in charge of investment.

Article 24E

Further provisions regarding the procedure for providing incentive and/or ease to are regulated in a Regent Regulation.

Article 24F

- (1) Period of Investment and Frequency of Providing Capital Incentives for Investment can be given a maximum of 4 (four) times within a period of 5 years since operating business for new investors, and can be given for new investors, and can be given a maximum of 2 (two) times during the investors suffer a loss and/or experiences bankruptcy for old investors.
- (2) Period of Investment and Frequency of Providing Ease of Investment can be provided a maximum of 5 (five) times within a term 5 years from operating the business for new investors, and can be given a maxim of 2 (two) times per 5 (five) years after 3 (three) years of operation for existing Investors.

7. The Provisions of article 25 are amended to read as follows :

Article 25

- (1) The Regent evaluates the effectiveness of implementation Providing Incentives and/or Ease that have been provided given to the Community and/or Investors

- (2) The evaluation as referred to in section (1) is carried out at most at least once a year.
- (3) The Regent submits a report on the implementation of Providing Incentives and/or Ease in the region to the Governor once every 1 (one) year.

8. Between Article 25 and 26 , 1 (one) article is inserted, namely Article 25A so it reads as follows:

Article 25A

Provision of Incentives and/or Provision of Ease can be reviewed in return if based on the evaluation, it no longer meets the criteria or contrary to the Provisions of Legislation.

Article II

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 Regency of Banyumas.

Issued in Banyumas
on 17 March 2021
REGENT OF BANYUMAS,

signed

ACHMAD HUSEIN

Promulgated in Banyumas
on 17 March 2021

REGIONAL
SECRETARY OF THE
REGENCY OF
BANYUMAS

signed

WAHYU BUDI SAPTONO

ELUCIDATION OF
REGULATION OF THE REGENCY OF BANYUMAS

NUMBER 3 OF 2021

ON

THE FIRST AMENDMENT OF REGULATION OF THE REGENCY

NUMBER 2 OF 2013 ON INVESTMENT IN BANYUMAS DISTRICT

I. GENERAL

The Provision of Incentives and Ease of Investment to increase investment and ease of business, support economic growth, and encourage participation of society and the private sector in regional development, has been regulated in Regional Regulation Number 2 of 2013 concerning Investment in Banyumas Regency. In development, Government Regulation Number 24 of 2019 concerning Provision of Incentives and Ease of Investment in Regions that revokes Government Regulation Number 45 of 2008 concerning Guidelines for Providing Incentives and Ease of Investment in Regions that have become consideration considering Regional Regulation Number 2 of 2013 concerning Investment in Banyumas Regency.

In connection with this, it is necessary to amend several provisions in Regulation of The Regency of Banyumas Number 2 of 2013 on Investment in Banyumas.

II. ARTICLE BY ARTICLE

Article I

Sufficiently clear.

Article II

Sufficiently clear.

SUPPLEMENT GAZETTE OF BANYUMAS REGENCY NUMBER 49