



REGENT OF BLORA,
CENTRAL JAVA
PROVINCE

REGIONAL REGULATION OF BLORA
REGENCY NUMBER 18 OF 2017

ON

PROVIDING INCENTIVES AND PROVIDING INVESTMENT FACILITIES

BY THE GRACE OF GOD ALMIGHTY

REGENT OF BLORA,

- Considering : that in order to implement the provisions of Article 7 of Government Regulation Number 45 of 2008 concerning Guidelines for Providing Incentives and Granting Investment Facilities in the Regions, it is necessary to establish Regional Regulations on the Providing Incentives and Provision of Investment Facilities;
- Observing : 1. Article 18 paragraph (6) of the Constitution of the Republic of Indonesia Year 1945;
2. Law Number 13 of 1950 concerning the Establishment of Regency Areas within the Province of Central Java (State Gazette dated August 8, 1950) as amended by Law Number 9 of 1965 concerning the Establishment of Level II Batang Areas by amending Law Number 13 of 1950 concerning the Establishment of Regency Areas within the Province of Central Java (State Gazette of the Republic of Indonesia of 1965 Number 52, Supplement to the State Gazette of the Republic of Indonesia No. 2757);

3. Law Number 23 of 2014 concerning Local Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as last amended several times by Law Number 9 of 2015 concerning the Second Amendment to Law Number 23 of 2014 concerning Regional Government (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679);
4. Government Regulation Number 45 of 2008 concerning Guidelines for Providing Incentives and Providing Investment Facilities in the Regions (State Gazette of the Republic of Indonesia of 2008 Number 88, Supplement to the State Gazette of the Republic of Indonesia Number 4861);

With the Joint Approval

REGIONAL PEOPLE'S REPRESENTATIVE COUNCIL OF BLORA REGENCY

and THE

REGENT OF

BLORA DECIDED:

To issue: RULES AREA ABOUT INCENTIVES
AND GIFT FACILITIES INVESTMENT .

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Regional Regulation, what is meant by:

1. The region is Blora Regency.

2. The Regional Government is the Regent as the organizing element of the Regional Government who leads the implementation of government affairs which are the authority of the autonomous Region.
3. The Regent is the Regent of Blora.
4. Regional Apparatus is an auxiliary element of the Regent and Regional People's Representative Council in the administration of government affairs which are the authority of the Region.
5. Investment is all forms of investment activities both by domestic investors and foreign investors to do business in the territory of the Republic of Indonesia.
6. Investors are individuals or business entities that make investments which can be in the form of domestic investors and foreign investors.
7. One-Stop Integrated Service, hereinafter abbreviated as PTSP, is an integrated service in a unified process starting from the application stage to the stage of completing service products through one door.
8. Micro Enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro Enterprises as stipulated in Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises.
9. Small Business is a productive economic business that stands alone, carried out by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or become part either directly or indirectly of Medium Enterprises or Large Enterprises that meet the criteria for Small Businesses as stipulated in Law Number 20 of 2008 concerning Micro Enterprises, Small, and Medium.

10. Medium Enterprises are productive economic businesses that stand alone, carried out by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or become part either directly or indirectly of Small Businesses or Large Enterprises with total net worth or annual sales proceeds as stipulated in Law Number 20 of 2008 concerning Micro Enterprises, Small, and Medium.
11. A cooperative is a business entity consisting of a person or legal entity by basing its activities on the cooperative principle as well as a people's economic movement based on the principle of kinship.
12. Regional tax is a mandatory contribution to the region owed by an individual or entity that is coercive based on the Law, with no direct compensation and used for regional purposes for the greatest prosperity of the people.
13. Regional Levy is a Regional levy as payment for certain services or permits specifically provided and/or granted by the Regional Government for the benefit of private persons or entities.
14. Incentive is support from the Regional Government to Investors in order to encourage increased Investment in the Regions.
15. Provision of Facilities is the provision of facilities from the Regional Government to Investors to facilitate every natural investment activity in order to encourage an increase in Investment in the Regions.

Article 2

The provision of incentives and investment facilities is carried out based on the principles of:

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

CHAPTER II
TYPE OF BUSINESS AND CRITERIA FOR PROVIDING INCENTIVES
AND PROVIDING FACILITIES

Part One Type of
Business

Article 3

- (1) Types or fields of business that can Obtaining incentives and facilities include:
- a. micro, small, medium enterprises, and cooperatives;
 - b. required undertakings with partnerships;
 - c. business for which capital ownership is required;
 - d. required undertakings with specific locations; and
 - e. required business with special licensing.
- (2) Further provisions regarding the type of business or business field as referred to in paragraph (1) are regulated in the RUPM.

Part Two Criteria

Article 4

The provision of incentives and/or investment facilities for the type of business or business field as referred to in Article 3 must meet one of the following criteria:

- a. contribute to the increase in people's income;
- b. absorb a lot of local labor;
- c. use mostly local resources;
- d. contribute to the improvement of public services;
- e. give contribution in an Increased product domestic regional bruto;
- f. have a sustainable environmental vision;
- g. include in a high priority scale;
- h. include in the infrastructure development;
- i. accomplish transfer technology;

- j. conducting pioneer industries;
- k. be at the area of remote, under developed and border region.
- l. accomplish research, development, and innovation activities;
- m. partner with Micro Enterprises, Small Enterprises, Medium Enterprises or Cooperatives; or
- n. industries that apply capital goods, machinery, or domestically produced equipment.

Article 5

The criteria for contributing to increasing community income as referred to in Article 4 letter a, apply to business entities or investors that have a multiplier impact in the Regions.

Article 6

The criterion of absorbing a lot of local labor as referred to in Article 4 letter b is a comparison between the number of local workers and the number of workers employed.

Article 7

The criteria for using most of the local resources as referred to in Article 4 letter c is a comparison between local raw materials and raw materials taken from outside the region used in business activities.

Article 8

The criterion for contributing to the improvement of public services as referred to in Article 4 letter d is the implementation of corporate social responsibility in the provision of public services.

Article 9

The criteria for contributing to the increase in Gross Regional Domestic Product as referred to in Article 4 letter e are applied to Investors whose business activities optimize the utilization of potential local natural resource .

Article 10

- (1) The criteria for environmental and sustainable insight as referred to in Article 4 letter f apply to Investors who have environmental impact analysis documents.
- (2) The criteria referred to in paragraph (1) apply the principles of balance and fairness in the use of natural resources and obey the regional spatial plan.

Article 11

Criteria including a high priority scale as referred to in Article 4 point g are applied to Investors whose business is located and/or in accordance with:

- a. regional spatial plan;
- b. regional long-term development plan;
- c. Regional medium-term development plan; and
- d. The strategic fast growing area.

Article 12

The criteria including infrastructure development as referred to in Article 4 letter h apply to Investors whose business activities support the Regional Government in providing the required infrastructure or infrastructure.

Article 13

Criteria for transferring technology as referred to in Article 4 letter i is applied to Investors whose business activities provide opportunities for Regional Governments and communities to apply the technology.

Article 14

The criteria for conducting a pioneer industry as referred to in Article 4 letter j apply to Investors who open new types of businesses by:

- a. extensive interconnection of business activities;
- b. add value and take into account high externality;
- c. introduce new technologies; and
- d. has strategic value in supporting the development of superior regional products.

Article 15

- (1) The criteria for being in remote areas, under developed areas, or border areas as referred to in Article 4 letter k apply to Investors who are willing and able to develop their business activities in the Regional area.
- (2) The criteria referred to in paragraph (1) are areas with very limited accessibility, and low availability of facilities and infrastructure.

Article 16

The criteria for carrying out research, development, and innovation activities as referred to in Article 4 letter l apply to Investors whose business activities are engaged in research and development, technological innovation in managing regional potential.

Article 17

The criteria for partnering with Micro Enterprises, Small Enterprises, Medium Enterprises, and Cooperatives as referred to in Article 4 letter m apply to investors whose business activities are in partnership with micro, small, medium and cooperative entrepreneurs.

Article 18

Industry criteria that use capital goods, machinery, or equipment produced domestically as referred to in Article 4 letter n apply to investors who use machinery or equipment with local content and produced domestically.

CHAPTER III
FORMS OF INCENTIVES AND FACILITIES

Part One

Forms of Incentive Provision

Article 19

- (1) Provision of Incentives in the form of:
 - a. reduction, relief, or exemption from Billboard Tax up to 100% (one hundred percent) during 1 (one) tax year; and/or
 - b. reduction, relief, or exemption from Groundwater Tax up to 100% (one hundred percent) for 1 (one) tax year.
- (2) Provisions regarding procedures for providing incentives as referred to in paragraph (1) are regulated in the Regent Regulation.

Part Two

Forms of Provision of Convenience

Article 20

The provision of facilities may take the form of:

- a. provision of data and information on investment opportunities;
- b. provision of facilities and infrastructure;
- c. provision of land or location;
- d. provision of technical assistance; and/or
- e. acceleration of licensing grants.

Article 21

- (1) Provision of Convenience in the form of providing data and information on Investment opportunities as referred to in Article 20 letter a, among others:
 - a. map of the economic potential of the Region;
 - b. regional spatial planning; and
 - c. strategic plan and regional priority scale.

- (2) In providing convenience as referred to in paragraph (1) The Regional Government shall provide easy access in obtaining data and information through facilities and infrastructure in accordance with the capabilities of the Region.

Article 22

Gift Facilities in the form of providing facilities of infrastructure as referred to in Article 20 point b among others are:

- a. power grid;
- b. road;
- c. transportation;
- d. telecommunications networks; and
- e. clean water system.

Article 23

- (1) The provision of facilities in the form of land or location provision as referred to in Article 20 point c is directed to:
 - a. areas that are priorities for regional economic development; and/or
 - b. in accordance with its provisions.
- (2) The provision of facilities as referred to in paragraph (1) is guided by the provisions of laws and regulations.

Article 24

- (1) The provision of facilities in the form of providing technical assistance as referred to in Article 20 letter d is addressed to Micro Enterprises, Small Enterprises, Medium Enterprises and Cooperatives.
- (2) The provision of facilities as referred to in paragraph (1) may be:
 - a. technical guidance;
 - b. Training;
 - c. experts resource;
 - d. Study; and/or
 - e. qualification studies.

Article 25

- (1) The provision of facilities in the form of accelerating the granting of permits as referred to in Article 20 letter e is carried out through the Regional Apparatus that organizes PTSP.
- (2) PTSP as referred to in paragraph (1) is carried out to shorten the time, at a low cost, procedures appropriately and quickly, supported by *an online* information system.

CHAPTER IV

PROCEDURES FOR PROVIDING INCENTIVES AND PROVIDING FACILITIES

Article 26

- (1) To obtain incentives and ease of investment, investors submit proposals to the Regent through the Head of Regional Apparatus in charge of Investment.
- (2) The proposal referred to in paragraph (1) shall be implemented with the following conditions:
 - a. for micro enterprises, small enterprises, medium enterprises, and cooperatives simply by conveying the need for ease of investment; and
 - b. For non-microenterprises, small enterprises, medium enterprises, and cooperatives, the proposal includes:
 1. scope of business;
 2. management performance; and
 3. business development.

Article 27

- (1) The Regent establishes a Verification and Assessment Team for Incentive and Investment Facility Activities.
- (2) The composition of Team membership as referred to in paragraph (1) consists of:
 - a. Head : Regional Secretary;
 - b. Secretary : section heads at the Regional Secretariat who in charge of the economy;

- c. Member : 1. head of Regional Apparatus in charge of Investment;
2. head institution that publish licensing in the business sector;
3. chairman of the Indonesian Chamber of Commerce Regional (KADINDA); and
4. Academy.

- (3) The team as referred to in paragraph (2) has the following duties:
- a. verify proposals and check the completeness of requirements that must be met;
- b. assess each criterion measurably;
- c. use assessment matrices to determine the form and amount of Incentives and Investment Facilities;
- d. determine the order of Investors who will receive Investment incentives and/or facilities;
- e. determine the form and amount of incentives to be given;
- f. submit recommendations to the Regent to be designated as recipients of incentives and/or investment facilities; and
- g. Monitoring and evaluating the implementation of investment activities that receive investment incentives and/or facilities.

Article 28

The Regent determines Investors who obtain investment incentives and/or facilities based on the recommendations of the Team as referred to in Article 27.

Article 29

Further provisions regarding procedures for providing incentives and providing investment facilities are regulated by Regent Regulations.

CHAPTER V
ASSESSMENT BASIS

Article 30

- (1) The Regent through the Team as referred to in Article 27 verifies the Investor's proposal and assesses the criteria as referred to in Article 4.
- (2) The assessment of the criteria referred to in paragraph (1) is determined based on the number of criteria met.
- (3) Further provisions regarding assessment procedures and assessment bases are regulated in the Regent Regulation.

CHAPTER VI
REPORTING AND EVALUATION

Article 31

- (1) Investors who receive Investment incentives and facilities submit reports to the Regent through the Regional Secretary at least once every 1 (one) year.
- (2) The report referred to in paragraph (1) shall at least contain:
 - a. reports on the use of incentives and/or facilities;
 - b. business management; and
 - c. business activity plan.
- (3) The Regent submits progress reports on the provision of incentives and/or facilities in the regions to the Governor periodically every 1 (one) year.
- (4) Provisions regarding procedures for submitting reports are regulated in the Regent Regulation.

Article 32

- (1) The Regent through the Regional Apparatus in charge of Investment carries out an evaluation of Investment activities that obtain incentives and/or facilities.
- (2) The evaluation as referred to in paragraph (1) is carried out at least once every 1 (one) year.

- (3) The provision of incentives and/or facilities can be reviewed if based on the results of the Investment evaluation it no longer meets the criteria as referred to in Article 4 or conflicts with the provisions of laws and regulations.
- (4) Further provisions regarding the implementation of the evaluation are regulated in the Regent Regulation.

CHAPTER VII

CONSTRUCTION AND SURVEILLANCE

Article 33

- (1) Development and supervision of the Provision of Incentives and Provision of Investment Facilities are carried out by the Regent or appointed officials.
- (2) Guidance and supervision as referred to in paragraph (1) include supervision of the use of Incentives and/or Investment Facilities and the obstacles faced.

CHAPTER VIII

TRANSITIONAL PROVISIONS

Article 34

- (1) The provision of Investment Incentives that have been determined through cooperation agreements or other forms before this Regional Regulation comes into force, is declared to remain valid until the period of the incentive expires.
- (2) Applications for Incentives and Facilities that are in the process of being submitted and until the entry into force of this Regional Regulation have not been granted, are implemented based on this Regional Regulation.

CHAPTER IX
CONCLUDING PROVISIONS

Article 35

The implementing regulations of this Regional Regulation must be determined no later than 1 (one) year from the promulgation of this Regional Regulation.

Article 36

This Regional Regulation shall enter into force on the date of promulgation. In order for everyone to know it, it was ordered to promulgate this Regional Regulation by its placement in the Regional Gazette of Blora Regency.


Issued in Blora
on August 28, 2017 THE
REGENT OF BLORA,
Ttd Stamp.
JOKO NUGROHO

Enacted in Blora
on 28 August 2017
REGIONAL SECRETARY OF BLORA
REGENCY,
Ttd Stamp
BONDAN SUKARNO

REGIONAL GAZETTE OF BLORA REGENCY IN 2017 NUMBER 18

NOREG REGIONAL REGULATION OF BLORA REGENCY, CENTRAL JAVA
PROVINCE: (18 /2017)

True to the original
Head of Legal Section of Setda Kab. Blora


A. KAIDAR ALL. SH. MH.
NIP. 19610103 198608 1 001

Blora, 03 June 2024
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TOP
EXPLANATION
REGIONAL REGULATION OF BLORA
REGENCY NUMBER 18 OF 2017

ON

PROVIDING INCENTIVES AND PROVIDING INVESTMENT FACILITIES

I. COMMON

Investment has an important role for development in the region, especially in realizing community welfare. In this era of Regional Autonomy, Regional Governments are required to be more creative in realizing economic growth, among others through increasing capital investment. The Blora Regency Government, which has abundant natural resources but has limitations in managing them, needs to partner with the private sector so that it can run optimally. Therefore, it is necessary to provide incentives and facilities for investors who are interested in opening a business and will expand their business in Blora Regency.

Investment activities are expected to increase people's income, reduce unemployment by absorbing local labor, increase Gross Regional Domestic Product and cause *a multiplier effect* for other activity sectors. In accordance with the mandate of Government Regulation Number 45 of 2008 concerning Guidelines for Providing Incentives and Providing Investment Facilities in the Regions, it is necessary to further regulate with Regional Regulations, so that it can be used as a legal basis for Regional Governments to provide incentives and / or facilities in the field of investment.

This Regional Regulation basically regulates the types of businesses that can be given incentives and / or investment facilities, Forms and Criteria for providing incentives and investment facilities, Procedures for providing incentives and providing investment facilities, Basic Assessment of incentives and investment facilities, Reporting and Evaluation as well as guidance and supervision.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Letter a

What is meant by "legal certainty" is the principle that lays down laws and regulations as the basis for local governments in every policy and action in providing incentives and providing investment facilities.

Letter b

What is meant by "equality" is equal treatment of investors without taking sides and benefiting a certain group, group or scale of business

The letter c

What is meant by "transparency" is information disclosure in providing incentives and / or facilities to Investors and the wider community.

The letter d

What is meant by "accountability" is a form of accountability for the provision of incentives and / or Investment

The letter e

What is meant by "effective and efficient" is rational and economical considerations and guarantees that have an impact on increasing productivity and public services.

Article 3

Sufficiently Clear

Article 4

Sufficiently Clear

Article 5

Sufficiently Clear

Article 6

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Article 7

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Article 8

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ADDITIONAL REGIONAL GAZETTE OF BLORA REGENCY NUMBER 18