



REGULATION OF THE REGENCY OF MAGELANG
NUMBER 12 OF 2024
ON
INVESTMENT

BY THE BLESSINGS OF ALMIGHTY GOD

REGENT OF MAGELANG,

- Considering : a. that regional economic development based on economic democracy aims to realize a just and prosperous society founded on Pancasila and the 1945 Constitution of the Republic of Indonesia;
- b. that the implementation of investment in the region is one of the factors shaping regional economic development as an effort to drive the regional economy, regional development financing, job creation and increase regional competitiveness in order to improve community welfare;
- c. that Regulation of the Regency of Magelang Number 8 of 2013 on Investment is no longer aligned with the dynamics of legal development and the needs of community, thereby it needs to be repealed and replaced;
- 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 Investment;
- 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, as amended by Law Number 9 of 1965 on Establishment of Level II Regions of Batang by amending Law Number 13 of 1950 on 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 Number 2757);
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 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation to Become Law (State Gazette of the Republic of Indonesia

- of 2022 Number 238, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
4. 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 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation to Become Law (State Gazette of the Republic of Indonesia of 2022 Number 238, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
 5. Law Number 11 of 2023 on the Province of Central Java (State Gazette of the Republic of Indonesia of 2023 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 6867);

With the Joint Approval of
THE REGIONAL HOUSE OF REPRESENTATIVES OF THE REGENCY OF
MAGELANG
and
THE REGENT OF MAGELANG

HAS DECIDED:

To issue : REGIONAL REGULATION ON INVESTMENT.

CHAPTER I
GENERAL PROVISIONS
Article 1

In this Regional Regulation:

1. Region means the Regency of Magelang.
2. Local Government means the Regent as the administering element of the Local Government who leads the implementation of government affairs which becomes the authority of the autonomous region.
3. Regent means the Regent of Magelang.
4. Regional Apparatus means the assisting element of the Regent and the Regional House of Representatives in administering government affairs that become the authority of the Region.
5. Investment and One-Stop Integrated Service Office (*Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu*), hereinafter referred to as DPMPTSP, means a Regional Apparatus responsible for carrying out government duties and function in the field of investment under the authority of the Region.
6. Central Government means the President of the Republic of Indonesia who holds the power of government of the Republic of Indonesia assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
7. Capital means an asset in the form of money or other forms which is not money that has economic value owned by investors.
8. Domestic Capital means capital owned by the Republic of Indonesia, individual as Indonesian citizen, or

- incorporated or unincorporated business entities
9. 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 owned partially or entirely by foreign party
 10. Investment means any kinds of investing activity by both domestic and foreign investors for running business within the territory of the Republic of Indonesia
 11. Investor means any individual or a business entity that makes an investment in the form of either domestic investors or a foreign investor.
 12. Domestic Investor (*Penanam Modal Dalam Negeri*), hereinafter abbreviated as PMDN, 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 Regional territory.
 13. Foreign Investor (*Penanam Modal Asing*), hereinafter abbreviated as PMA, means an individual of foreign nationality, a foreign business entity, and/or a foreign government that makes an investment in the Regional territory.
 14. Business Licensing means the legality granted to business actors to start and run their business and/or activities
 15. Risk-Based Business Licensing means Business Licensing based on the level of risk of the business activity.
 16. Business Licensing to Support the Business Activities means the legality given Business Actors to support business.
 17. Online Single Submission System, hereinafter referred to as the OSS System, means an integrated electronic system managed and organized by the OSS Institution for the implementation of Risk-Based Business Licensing.
 18. Micro, Small, and Medium Enterprises, hereinafter abbreviated as MSMEs, mean micro, small, and medium enterprises as referred to in Law Number 6 of 2023 on Enactment of Government Regulations in Lieu of Law Number 2 of 2022 on Job Creation to Become Law.
 19. Investment Activity Report (*Laporan Kegiatan Penanaman Modal*), hereinafter abbreviated as LKPM, means a report on the development of the realization of Investment and the problems faced by Business Actors who are Investors that must be made and submitted periodically.
 20. Business Actors means individuals or business entities running businesses and/or activities in certain fields.
 21. General Plan of Investment (*Rencana Umum Penanaman Modal*), hereinafter abbreviated as RUPM, means a regional investment planning document prepared and determined by the Regent that refers to the general plan of national investment, the general plan of investment in the Province of Central Java, the regional long-term development plan, the regional medium-term development plan and regional potential development priorities.
 22. Business Sector means any form of business activity carried out to produce goods or services in economic

sectors.

23. Investment Climate Development means all activities undertaken to improve the policy, institutional, and behavioral environment, both current and expected conditions.
24. Investment Promotion, hereinafter referred to as Promotion, means any form of communication used to inform and/or persuade stakeholders, both domestic and foreign, regarding the potential, opportunities, and investment climate.
25. Supervision means the effort to ensure that business activities are carried out in accordance with the applicable business activity implementation standards, conducted through a risk-based approach and the obligations that must be fulfilled by Investors.
26. Community means an individual or group of individuals who are citizens of the Republic of Indonesia and who own and/or conduct business activities in accordance with the provisions of legislation.

Article 2

Investment is organized based on the following principles:

- a. legal certainty;
- b. transparency;
- c. accountability;
- d. equality and no discrimination by national origin;
- e. togetherness;
- f. fairness-based efficiency;
- g. sustainability;
- h. environmental orientation;
- i. independence; and
- j. balance in the advancement and unity of the national economy.

Article 3

The implementation of Investment aims to:

- a. increase the growth of the regional economy;
- b. create job opportunities;
- c. increase sustainable economic development;
- d. increase the competitiveness of national businesses;
- e. increase the capacity and capability of national technology;
- f. encourage the development of a people's economy;
- g. manage economic potential to become real economic strength using funds from both domestic and foreign sources; and
- h. improve public welfare.

Article 4

The scope of regulation in this Regional Regulation includes:

- a. Investment policy;
- b. Investment planning in the Region;
- c. Investment services in the Region;
- d. Development of Investment Climate;
- e. Promotion;
- f. rights, obligations, and responsibilities; and

g. Investment Supervision.

Article 5

- (1) The Local Government in the implementation of Investment has the authority to:
 - a. determine the provision of facilities/incentives in the field of Investment that falls under the authority of the Region;
 - b. create a map of Regional investment potential;
 - c. organize the Promotion that falls under the authority of the Region;
 - d. grant Business Licensing and Non-licensing in an integrated one-stop service in the field of Investment that falls under the authority of the Region;
 - e. control the Investment implementation that falls under the authority of the Region; and
 - f. manage integrated Business Licensing and Non-Licensing data and information at the Regional level.
- (2) In establishing the authority as referred to in section (1), the Local Government determines an Investment policy.

CHAPTER II
INVESTMENT POLICY

Article 6

- (1) The determination of the Investment policy as referred to in Article 5 section (2) is carried out to:
 - a. encourage the creation of a conducive Regional business climate for improving the competitiveness of the Regional economy; and
 - b. accelerate the increase in investment and ease of investment.
- (2) The Investment Policy as referred to in section (1) is implemented through:
 - a. providing equal treatment for Investors with due regard to the interests of the Region;
 - b. ensuring legal certainty, business certainty, and business security for Investors from the licensing process until the termination of the Investment activity in accordance with the provisions of legislation;
 - c. developing and providing protection and/or Investment opportunities to MSMEs and cooperatives;
 - d. efficient and effective promotion of investment;
 - e. optimizing the processing, presentation and utilization of data and information in the electronically integrated Business Licensing service system and other service systems;
 - f. increasing the orientation of environmentally aware investment activities; and
 - g. implementing corporate social responsibility policies toward the surrounding community and Local Government in accordance with the provisions of legislation.
- (3) The Investment Policy as referred to in section (1) is

embodied in the RUPM.

CHAPTER III REGIONAL INVESTMENT PLANNING

Article 7

- (1) Regional Investment Planning is formulated in the form of RUPM.
- (2) The RUPM as referred to in section (1), contains the strategy and direction of the Investment policy in the Region.
- (3) The RUPM as referred to in section (1) is adjusted by considering:
 - a. national RUPM;
 - b. Central Java RUPM; and
 - c. priorities for the development of Regional potential.
- (4) Further provisions regarding RUPM as referred to in section (1) are regulated by a Regent Regulation.

CHAPTER IV REGIONAL INVESTMENT SERVICES

Part One General

Article 8

Regional Investment Services include:

- a. Business Sector;
- b. Investors and forms of business entities; and
- c. manpower.

Part Two Investment Business Sector

Article 9

- (1) All Business Sectors are open for Investment activities, except Business Sectors:
 - a. which are declared closed for Investment; or
 - b. for activities that can only be carried out by the Central Government.
- (2) Business Sectors declared closed for Investment or Business Sectors for activities that can only be carried out by the Central Government as referred to in section (1) in accordance with the provisions of legislation.

Article 10

- (1) Business sectors that are open for Investment activities include:
 - a. Priority Business Sectors;
 - b. Business Sectors allocated for or in partnership with Cooperatives and MSMEs;
 - c. Business Sectors with certain requirements; and
 - d. Business Sectors that are not included in point a, point b, and point c.
- (2) Business Sectors as referred to in section (1) is a commercial Business Sectors.

- (3) Business Sectors as referred to in section (1) point d may be undertaken by all Investors.

Article 11

- (1) Priority Business Sectors as referred to in Article 10 section (1) point a are Business Sectors that meet the following criteria:
 - b. national strategic programs/projects;
 - c. capital-intensive;
 - d. labor-intensive;
 - e. high-technology;
 - f. pioneering industries;
 - g. export orientation; and/or
 - h. orientation in research, development, and innovation activities.
- (2) The list of Business Sectors that meet the criteria as referred to in section (1) is in accordance with the provisions of legislation.

Article 12

- (1) Business Sectors allocated for or in partnership with Cooperatives and MSMEs as referred to in Article 10 section (1) point b include:
 - a. Business Sector allocated for cooperatives and MSMEs; and
 - b. Business Sectors open to large businesses that partner with cooperatives and MSMEs.
- (2) Business Sector allocated for Cooperatives and MSMEs as referred to in section (1) point a is determined based on the following criteria:
 - a. business activities that do not use technology or that use simple technology;
 - b. business activities that involve specialized process, are labor-intensive, and/or possess unique and hereditary cultural heritage; and/or
 - c. the business capital of the activities that does not exceed Rp10,000,000,000.00 (ten billion rupiah), excluding the value of land and buildings.
- (3) Business Sectors that are open for large businesses in partnership with cooperatives and MSMEs as referred to in section (1) point b are determined based on the following criteria:
 - a. Business Sectors that are widely operated by cooperatives and MSMEs; and/or
 - b. Business Sectors encouraged to be integrated into the supply chains of large enterprises.
- (4) The list of Business Sectors allocated for or in partnership with Cooperatives and MSMEs as referred to in section (1) is in accordance with the provisions of the legislation.

Article 13

- (1) Business Sector with certain requirements as referred to in Article 10 section (1) point c is a Business Sector that can be undertaken by all Investors including cooperatives and MSMEs that meet the following requirements:
 - a. Investment requirements for PMDN;

- b. Investment requirements with restrictions on foreign capital ownership;
 - c. Investment requirements with special licensing; or
 - d. other Investment requirements which are Business Sectors strictly limited and supervised, and regulated under separate legislation on the control and supervision of alcoholic beverages.
- (2) The list of Business Sectors with specific requirements as referred to in section (1) is in accordance with the provisions of the legislation.

Part Three Investors and Forms of Business Entities

Article 14

Investment in the Region is carried out by individuals or business entities, including:

- a. PMDN; dan
- b. PMA

Article 15

- (1) PMDN as referred to in Article 14 point a is carried out by incorporated business entities, unincorporated business entities, or by individual enterprises, in accordance with the provisions of the legislation.
- (2) PMA as referred to in Article 14 point b, is the form of a limited liability company under the laws of Indonesia and domiciled in the territory of the Republic of Indonesia, unless otherwise provided by law.

Article 16

PMA as referred to in Article 15 section (2) can only carry out business activities in large businesses with an investment value of more than Rp10,000,000,000.00 (ten billion rupiah) excluding the value of land and buildings.

CHAPTER V DEVELOPMENT OF INVESTMENT CLIMATE

Article 17

- (1) Local Government is authorized to develop the Investment climate.
- (2) The authority as referred to in section (1) include:
 - a. drafting and implementing policies and/or legislation for the Development of Investment Climate;
 - b. compiling a map of potential Investment and Investment opportunities in the Region; and
 - c. facilitating the development of business management, business partnerships, and capacity building of small and medium enterprises related to Capital Investment.

Article 18

Development of Investment Climate at least regulate:

- a. deregulation of Investment;
- b. development of Investment potential and opportunities;

- and
- c. business empowerment.

Article 19

- (1) Investment Deregulation as referred to in Article 18 point a, includes:
 - a. preparation of policy proposals and/or legislation related to Investment and evaluation of its implementation;
 - b. preparation of policy proposals for incentive systems, facilities, and investment facilities;
 - c. preparation of proposals for simplifying business ease policies, simplifying procedures, time and costs for licensing and non-licensing; and
 - d. dissemination of information on policies and/or legislation related to Investment.
- (2) The development of Investment potential and opportunities in the Region, as referred to in Article 18 point b, includes:
 - a. identification of potential Investment in the Region;
 - b. mapping Investment opportunities in the Region; and
 - c. documentation of the results of mapping Regional Investment Opportunities into the regional investment potential information system.
- (3) Business empowerment as referred to in Article 18 point c, includes:
 - a. the facilitation of business management guidance for small and medium entrepreneurs in relation to Investment empowerment;
 - b. the facilitation of the implementation of small and medium business partnerships with PMA/PMDN companies; and
 - c. the facilitation of capacity building for small and medium enterprises in relation to Investment.

Article 20

Further provisions regarding the Development of Investment Climate as referred to in Article 17, Article 18, and Article 19 are regulated in a Regent Regulation.

CHAPTER VI INVESTMENT PROMOTION

Article 21

- (1) Local Governments carry out Investment Promotions to attract PMA and/or PMDN.
- (2) Promotions as referred to in section (1) include:
 - a. formulation of the Promotion strategy;
 - b. provision of Promotion facilities;
 - c. implementation of Promotion activities; and
 - d. coordination of the Promotion.

Article 22

- (1) The formulation of the Promotion strategy as referred to in Article 21 section (2) point a, is carried out through:
 - a. preparation of analysis of foreign capital source

- countries; and
 - b. preparation of analysis of competing countries.
- (2) In addition to the strategic formulation of the Promotion as referred to in section (1), the Local Government formulates a Promotion strategy for PMDN.

Article 23

The provision of promotional facilities as referred to in Article 21 section (2) point b is carried out through several stages including:

- a. identification of the scope of the material for the Promotion;
- b. coordination with relevant units and agencies for the collection and updating of data/information from the identified scope of Promotional materials, for the preparation of Promotional materials;
- c. preparation of Promotional materials;
- d. determination of the format of Promotional materials in print and/or electronic form based on the results of the compilation of Promotional material;
- e. the creation of Promotional material designs in printed and electronic media based on the predetermined format; and
- f. provision of Promotional materials and preparation of an evaluation report on the provision of Promotional materials.

Article 24

Promotional Activities as referred to in Article 21 section (2) point c include:

- a. publication of information through Promotional materials;
- b. organization and/or participation in Investment exhibitions;
- c. Investment seminars, business forums, and/or face-to-face meetings;
- d. acceptance of mission and/or assistance to Investors; and
- e. follow-up on all promotion activities.

Article 25

- (1) Local Government coordinates the Promotion as referred to in Article 21 section (2) point d with Central Java Government and the Central Government.
- (2) Coordination as referred to in section (1) is carried out to:
 - a. align the Promotion process; and
 - b. encourage increased interest in Investment.
- (3) The coordination as referred to in section (1) is carried out by DPMPTSP.

Article 26

Further provisions regarding the Promotion as referred to in Article 21 to Article 25 are regulated in a Regent Regulation.

CHAPTER VII RIGHTS, OBLIGATIONS, AND RESPONSIBILITIES

Article 27

- (1) Every investor is entitled to obtain:

- a. certainty of rights, law, and protection;
 - b. transparent information about the Business Sectors they run;
 - c. right to services; and
 - d. various forms of facilities in accordance with the provisions of legislation.
- (2) In addition to the rights as referred to in section (1), every Investor has the right to use foreign experts for certain positions and areas of expertise in accordance with the provisions of legislation.

Article 28

Every Investor is obligated to:

- a. implement the principles of good corporate governance;
- b. implement social and environmental responsibility in accordance with the provisions of the legislation;
- c. create LKPM and deliver through the OSS system;
- d. respect the cultural traditions of the community around the location of the investment business activities; and
- e. improve the competence of Indonesian workers, especially those with resident status in the Region, through job training in accordance with the provisions of legislation;
- f. organize training and technology transfer to Indonesian workers, especially those with resident status in the Region, in accordance with the provisions of legislation for companies employing foreign workers;
- g. allocate funds in stages for the restoration of location that meet environmental feasibility standards for companies that exploit non-renewable natural resources, the implementation of which is in accordance with the provisions of legislation; and
- h. prioritize Indonesian citizens who are residents of the Region in fulfilling labor needs; and
- i. comply with all provisions of legislation.

Article 29

- (1) The fulfillment of workers needs as referred to in Article 28 section (1) point h is regulated as follows:
- a. at least 30% (thirty percent) of the requirement for workers with specific expertise;
 - b. at least 70% (seventy percent) of the requirement for workers without specific expertise; and
 - c. at least 1% (one percent) of the total workers is allocated for persons with disabilities.
- (2) In the event that the fulfillment of local workers consisting of residents of the Region as referred to in section (1) cannot be met, the worker requirement may be fulfilled by employing workers from outside the Region.

Article 30

Every Investor is responsible to:

- a. ensure the availability of capital originating from sources that do not conflict with the provisions of the legislation;
- b. assume and settle all obligations and losses in the event that the Investor unilaterally terminates, abandons, or neglects their business activities, in accordance with the

- provisions of legislation;
- c. create a fair competitive business climate, prevent monopolistic practices, and other actions that are detrimental to the State and the Region;
- d. preserve the environment; and
- e. ensure the safety, health, comfort, and welfare of workers.

Article 31

The Local Government is responsible for:

- a. providing certainty of rights, law, and protection;
- b. providing transparent information regarding the business sector in which they run;
- c. providing non-discriminatory services; and
- d. providing various forms of investment incentives and ease in accordance with the provisions of legislation.

Article 32

- (1) Investors who do not fulfill the obligations as referred to in Article 28 are subject to administrative sanctions.
- (2) The administrative sanctions as referred to in section (1) consist of:
 - a. written warning;
 - b. administrative fines;
 - c. temporary suspension of business activities;
 - d. suspension of business activities;
 - e. revocation of Business Licensing; and/or
 - f. revocation of Business Licensing to Support Business Activities.
- (3) The imposition of sanctions as referred to in section (2) is in accordance with the provisions of legislation.
- (4) In the event that an Investor in violation continues to carry out business activities after being subject to the sanctions as referred to in section (2), the Local Government impose a sanction in the form of government coercion.
- (5) Further provisions regarding the imposition of sanctions in the form of government coercion as referred to in section (4) are regulated by a Regent Regulation.

CHAPTER VIII SUPERVISION

Article 33

The DPMPTSP carries out Supervision of the implementation of Investment in accordance with the provisions of legislation.

Article 34

- (1) Investment Supervision in the Region is carried out in an integrated and coordinated manner among ministries/institutions, Central Government of, and Local Governments through the Supervision subsystem within the OSS System.
- (2) Supervision as referred to in section (1) is coordinated by DPMPTSP.
- (3) The DPMPTSP submits the results of the coordination as referred to in section (2) to the Regent.

Article 35

- (1) The Supervision subsystem as referred to in Article 34 section (1) is used as a means to carry out Supervision of:
 - a. standards and/or obligations for the implementation of business activities; and
 - b. progress of Investment realization as well as the provision of facilities, incentives, and ease for Investment and/or partnership obligations
- (2) Further provisions regarding the Supervision subsystem as referred to in section (1) are implemented in accordance with the provisions of legislation.

CHAPTER IX
CLOSING PROVISIONS

Article 36

At the time this Regional Regulation comes into force, the Regent Regulation which serves as the implementing regulation of Regulation of the Regency of Magelang Number 8 of 2013 on Investment in Magelang Regency (Regional Gazette of the Regency of Magelang of 2013 Number 8) is declared to remain effective to the extent not contrary to the provisions of this Regional Regulation.

Article 37

At the time this Regional Regulation comes into force, Regulation of the Regency of Magelang Number 8 of 2013 on Investment in Magelang Regency (Regional Gazette of the Regency of Magelang of 2013 Number 8), is repealed and declared ineffective.

Article 38

The Implementing Regulations of this Regional Regulation must be issued not later than 1 (one) year from the date of promulgation of this Regional Regulation.

Article 39

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 Law by its placement in the Regional Gazette of the Regency of Magelang

Issued in the City of Mungkid
on 6 September 2024

REGENT OF MAGELANG
AD INTERIM,

signed

SEPYO ACHANTO

Promulgated in the City of Mungkid
on 6 September 2024

REGIONAL SECRETARY OF
THE REGENCY OF MAGELANG,

signed

ADI WARYANTO

REGIONAL GAZETTE OF THE REGENCY OF MAGELANG OF 2024 NUMBER
12

Jakarta, 8 October 2025

Has been translated as an Official Translation
on behalf of the Minister of Law
of the Republic of Indonesia
DIRECTOR GENERAL OF LEGISLATION,



DHANANA PUTRA

ELUCIDATION OF
REGULATION OF THE REGENCY OF MAGELANG
NUMBER 12 OF 2024
ON
INVESTMENT

I. GENERAL

Investment has an important role in accelerating the economic development of a region, not only encouraging economic growth but also resulting in increased employment opportunities and reducing poverty. Investment is a crucial factor for the continuity of sustainable development or long-term economic growth. Production activities create employment opportunities and increase community income, which in turn stimulates a rise in market demand.

The important role of investment in development must be supported by a comprehensive and implementable legal product of legislation, covering all stages from upstream to downstream, which accommodates investment activities. In addition to the regulatory system, ease of doing business is one of the important pillars for increasing investment.

Investment development is a policy that generates broad economic impacts, including an increase in the production of goods and services, value creation, utilization of labor and other economic resources, improvement in community income, as well as serving as a source of regional revenue through taxes and levies.

During this time, the Regency of Magelang has enacted Regional Regulation Number 8 of 2013 on Investment in the Regency of Magelang as a legal umbrella and to provide legal certainty in the administration of investment in the Regency of Magelang. With the enactment of Law Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation to Become Law, as amending several provisions in Law Number 25 of 2007 on Investment, it has had a broad impact on efforts to organize existing regulations, including existing regulations in the region in relation to investment. Thus, the Regional Regulation is no longer in accordance with the dynamics of the development of legislation and not applicable.

The scope of regulation in this Regional Regulation includes the authority of the Local Government; investment policy; investment planning in the Region; development of investment potential and opportunities in the Region; investment services in the Region; business empowerment; rights, obligations and responsibilities; provision of investment incentives and ease; promotion of investment; investment cooperation; and supervision of investment.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Point a

The term "principle of legal certainty" means the principle in a law-based state that places law and the provisions of 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 fairness-based efficiency" means the principle underlying the implementation of investment by prioritizing fairness-based 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 environmental orientation" 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 advancement 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
Sufficiently clear.

Article 6
Sufficiently clear.

Article 7
Section (1)
Sufficiently clear.
Section (2)
Sufficiently clear.

Section (3)
Point a
Sufficiently clear.
Point b
Sufficiently clear.
Point c
The term priority of Regional potential development includes:
1. Regional long-term development plan;
2. Regional medium-term development plan; and
3. Regional spatial plan.
Section 4
Sufficiently clear.

Article 8
Sufficiently clear.

Article 9
Point a
The term Business Sector that is declared closed for Investment includes:
1. Business Sector that cannot be operated as Business Sectors listed in Article 12 of Law Number 25 of 2007 on Investment as amended by Law Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation to Become Law; and
2. Alcoholic Beverages Industry (KBLI 11010), Alcoholic Beverages Industry: Wine (KBLI 11020), and Malt Beverages Industry (KBLr 1 1031).
Point b
Business sectors for activities that may only be conducted by the Central Government are those related to public services or to strategic defense and security interests, which cannot be carried out or cooperated on with any other parties.

Article 10
Sufficiently clear.

Article 11
Sufficiently clear.

Article 12
Sufficiently clear.

Article 13
Sufficiently clear.

Article 14
Sufficiently clear.

Article 15
Sufficiently clear.

Article 16
Sufficiently clear.

Article 17
Sufficiently clear.

Article 18
Sufficiently clear.

Article 19
Section (1)
Sufficiently clear.
Section (2)
Point a
Sufficiently clear.

Point b
Sufficiently clear.

Point c
The term Regional Investment Potential Information System or abbreviated as SIPID is a website-based Information System that serves to provide information on Investment Potential and Investment Opportunities in the development of Regional potential.

Section (3)
Sufficiently clear.

Article 20
Sufficiently clear.

Article 21
Sufficiently clear.

Article 22
Sufficiently clear.

Article 23
Sufficiently clear.

Article 24

Sufficiently clear.

Article 25

Sufficiently clear.

Article 26

Sufficiently clear.

Article 27

Point a

The term "certainty of rights" means the Local Government's guarantee to investors that investors will obtain their rights as long as they have fulfilled the specified obligations.

The term "certainty of law" means the Local Government's guarantee to place law and the provisions of legislation as the main basis for every measure and policy taken or made in relation to the investors.

The term "certainty of protection" means the Local Government's guarantee to investors that investors will obtain protection in carrying out the investment activities.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Article 28

Sufficiently clear.

Article 29

Section (1)

Point a

The term "specific expertise" means that it is proven by competency certification, which serves as a formal recognition of workers who possess the skills and knowledge, as well as work attitude in accordance with the required competency standards and the relevant business sector.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 30

Sufficiently clear.

Article 31

Sufficiently clear.

Article 32

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

The term "government coercion" means a sanction imposed by the Local Government, which may take the form of enforcement and/or termination of the Investor's business activities due to the continued operation of business activities.

Section (5)

Sufficiently clear.

Article 33

The term "provisions of legislation" means the Regulation of the Investment Coordinating Board regulating the Guidelines and Procedures for Risk-Based Business Licensing Supervision.

Article 34

Sufficiently clear.

Article 35

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

Sufficiently clear.

Article 38

Sufficiently clear.

Article 39

Sufficiently clear.