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DIREKTORAT JENDERAL PERATURAN PERUNDANG-UNDANGAN
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Nomor : PPE.PP.05.02-3938
Lampiran : 1 (satu) berkas
Perihal : Paraf Persetujuan Penerjemahan Peraturan Perundang-undangan

11 Desember 2024

Kepada Yth.
Sekretaris Daerah
Kabupaten Bandung
Jl. Raya Soreang Km 17 Soreang 40912
Kabupaten Bandung, Jawa Barat

Menindaklanjuti surat Sekretaris Daerah Kabupaten Bandung Nomor: 500.3.10.1/144/3205 tanggal 5 November 2024 perihal Permohonan Penerjemahan Peraturan Daerah Kabupaten Bandung Nomor 2 Tahun 2019, bersama ini kami sampaikan konsep terjemahan resmi peraturan daerah tersebut yang merupakan hasil pembahasan akhir Direktorat Jenderal Peraturan Perundang-undangan Kementerian Hukum dengan Pemerintah Daerah Kabupaten Bandung.

Selanjutnya terjemahan yang kami sampaikan ini untuk mendapatkan paraf persetujuan Pimpinan Tinggi Pratama yang membidanginya pada setiap lembarnya dan dikirimkan kembali dalam jangka waktu yang tidak terlalu lama yang ditujukan kepada Direktur Jenderal Peraturan Perundang-undangan untuk proses/tahapan sebagai terjemahan resmi.

Atas perhatian dan kerjasamanya, diucapkan terima kasih.

Direktur Jenderal
Peraturan Perundang-undangan,

Dr. Dhahana Putra

REGULATION OF THE REGENCY OF BANDUNG

NUMBER 2 OF 20019
ON
INVESTMENT

BY THE BLESSINGS OF ALMIGHTY GOD

THE REGENT OF BANDUNG,

Considering :

a. that in order to realize a just and prosperous society based on Pancasila and the 1945 Constitution of the Republic of Indonesia, it is necessary to implement sustainable economic development grounded in economic democracy;
b. that the enforcement of regional investment is one of thriving keys for a regional economy, regional development financing, creation of job opportunities, and the increase of regional competitiveness. Therefore it is essential to create a conducive and promotional investment circumstances, that provides legal certainty, justice, and efficiency, while remain heading to the national economic interests;
c. that Regency Law Number 13 of 2011 on the Enforcement of Regional Investment in Bandung Regency, as amended by Regency Law Number 13 of 2014 on Amendment to Regency Law Number 13 of 2011 on the Enforcement of Regional Investment in Bandung Regency, is regarded in noncompliance with the needs and provisions of current legislation, and thus needs to be replaced;
d. That based on the considerations referred to in letters a, b, and c, it is necessary to establish a Regency Law on Investment;

Observing:

1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia
2. National Law Number 14 of 1950 on Establishment of Regencies in the West Java Province (State Gazette of 1950) as amended by

3. National Law Number 4 of 1968 on Establishment of Purwakarta Regency and Subang Regency by Amending National Law Number 14 of 1950 on Establishment of Regencies in the West Java Province Environment (State Gazette of the Republic of Indonesia 1968 Number 31, Supplement to the State Gazette of the Republic of Indonesia Number 2851);
4. National Law Number 25 of 2007 on Investment (State Gazette of the Republic of Indonesia 2007 Number 67, Supplement to the State Gazette of the Republic of Indonesia Number 4724);
5. National Law Number 23 of 2014 on Regional Governance (State Gazette of the Republic of Indonesia 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times, most recently by National Law Number 9 of 2015 on Second Amendment to National Law Number 23 of 2014 on Regional Governance (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679);
6. National Law Number 30 of 2014 on Government Administration (State Gazette of the Republic of Indonesia 2014 Number 292, Supplement to the State Gazette of the Republic of Indonesia Number 5601);
7. Central Government Regulation Number 45 of 2008 on Guidelines for the Provision of Incentives and Facilities in Regional Investment (State Gazette of the Republic of Indonesia of 2008 Number 88);
8. Central Government Regulation Number 12 of 2017 on the Enforcement and Supervision of Regional Governance (State Gazette of the Republic of Indonesia of 2017 Number 73, Supplement to the State Gazette of the Republic of Indonesia Number 6041);
9. Central Government Regulation Number 24 of 2018 on Integrated Business License Online Services (State Gazette of the Republic of Indonesia of 2018 Number 90, Supplement to the State Gazette of the Republic of Indonesia Number 6215);
10. Central Government Regulation Number 33 of 2018 on the Performances and Authorities of Governor as the Central Government Representative (State Gazette of the Republic of Indonesia of 2018 Number 109, Supplement to the State Gazette of the Republic of Indonesia Number 6624);
11. President Regulation Number 16 of 2012 on General Plan of Investment (State Gazette of the Republic of Indonesia of 2012 Number 42);
12. President Regulation Number 44 of 2016 on List of Closed Business Fields and Opened Business Fields Regarding the Requirements in Investment Sector (State Gazette of the Republic of Indonesia of 2016 Number 97);
13. President Regulation Number 97 of 2014 on the Enforcement of One-Stop Integrated Services (State Gazette of the Republic of Indonesia of 2014 Number 221);

By the Joint Approval of
THE REGIONAL REPRESENTATIVES OF THE REGENCY OF BANDUNG

and

THE REGENT OF BANDUNG

HAS DECIDED:

To issue: REGIONAL REGULATION ON INVESTMENT.

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Regency means the Regency of Bandung.
2. Regent means the Regent of Bandung.
3. Regency Government means the Regent as the entity of regency government administrator, who leads the administration of government affairs which are under the authority of autonomous region.
4. Regency Apparatus means the elements that assist the Regent and the Regional House of Representatives in delivering governmental affairs that fall under the regency authority.
5. Investment Coordinating Board, hereinafter referred to as BKPM, means a non-departmental government institution responsible for investment sectors, led by a head who reports directly to the President.
6. Capital means an asset in the form of money or other forms which is not money that has economic value, owned by investors.
7. Foreign capital means the capital which is owned by a foreign country, individual as foreign national, foreign business company, foreign legal entity, and/or Indonesian legal entity which the capital is partially or wholly owned by a foreign party.
8. Domestic capital means capital owned by the Republic of Indonesia, individual as Indonesian citizen, or incorporated business entities or not incorporated ones.
9. 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.
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. 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.
14. 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.
15. One-stop integrated service 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.
16. Investment Opportunities means potential investments that are ready to be offered to prospective investors.
17. Licensing means any form of approval for investment issued by the government and local government that the authority in accordance with the provisions of legislation.
18. Non-licensing means all forms of ease of service, fiscal facilities, and information in accordance with the provisions of legislation.
19. Investment Potential means the availability of untapped resources in a region that has economic value.
20. Development of Investment Potential and Opportunities means activities for the identification and mapping of investment potential and opportunities, availability of land, supporting infrastructure for investment, and their documentation, including electronically.
21. Regional Investment Potential Information System, hereinafter referred to as SIPID, means a web-based information system designed to provide information about investment potential and opportunities in regional development.
22. Business Empowerment means efforts to facilitate guidance and outreach, as well as national business services and partnerships with small, medium, and large entrepreneurs.
23. Business Partnership means cooperation in investment activities for business fields that are open under certain conditions, both directly and indirectly, based on the principles of mutual need, trust, strengthening, and mutual benefit involving micro-business actors and large enterprises.
24. Control means the activity of monitoring, fostering, and supervising investors who have obtained investment licensing in order that the implementation of investment is in accordance with the provisions of legislation.
25. Monitoring means activities carried out to collect, evaluate, and present data on the progress of investment realization.
26. Guidance means activities conducted to provide

guidance/socialization of the implementation provisions of investment and to facilitate the resolution of problems in the implementation of investment activities.

27. Investment Activity Report, hereinafter referred to as LKPM, means reports on the progress of investment realization and problems faced by business actors that must be prepared and submitted periodically.
28. Supervision means efforts or activities conducted to check the progress of investment implementation, to prevent and/or reduce deviations from the provisions of investment implementation, including the use of investment facilities.
29. Task Force means a task force formed to enhance services, escorts, resolution of obstacles, simplification, and development of an online system for the acceleration of business licensing, including for micro-enterprises, after obtaining Investment approval.
30. Business Licensing means registration granted to business actors to start and operate businesses and/or activities, provided in the form of approvals expressed in letters/decisions or compliance with requirements and/or commitments.
31. Electronic Investment Licensing and Information Service System, hereinafter referred to as SPIPISE, means an electronic service system for licensing and non-licensing that is integrated between BKPM and non-departmental government ministries/agencies, provincial Governments, and regency/city governments that have licensing and non-licensing authority.

CHAPTER II

BASIC POLICY OF INVESTMENT

Article 2

(1) The Regional Investment Policy is directed to:
   a. encourage the creation of a conducive business climate in the region for investment to strengthen the competitiveness of the regional economy; and
   b. accelerate the increase of investments.

(2) In implementing the direction of the Regional Investment Policy as referred to in section (1), the Regency Government:
   a. provides equal treatment to investors while still considering national interests;
   b. ensures legal certainty, business certainty, and business security for investors from the planning process of investment, implementation, until the completion of investment activities in accordance with the provisions of the legislation; and
   c. develops and provides protection and/or opportunities for investment to micro, small, medium enterprises, and

cooperatives.

CHAPTER III

INSTITUTIONS AND AUTHORITY OF INVESTMENT ADMINISTRATION

Article 3

(1) The Regent manages government affairs in the field of investment and One-Stop Integrated Services (PTSP) in the Region.
(2) The implementation of investment management and PTSP as referred to in section (1), which relates to licensing and non-licensing services, is carried out by the head of the regional apparatus responsible for investment and PTSP.
(3) The execution of licensing and non-licensing services by the head of the regional apparatus responsible for investment and PTSP as referred to in section (2) includes:
    a. the authority to provide licensing and non-licensing services becoming the jurisdiction of the Regency Government Regency in accordance with the provisions of the legislation; and
    b. the authority to provide licensing and non-licensing services that fall under the jurisdiction of the central government or provincial government, which are delegated to the regency government.
(4) Further provisions regarding the implementation and forms of licensing and non-licensing services conducted by the head of the regional apparatus responsible for licensing and non-licensing as referred to in section (2) and section (3) are regulated by a Regent Regulation.

CHAPTER IV
INVESTMENT PLANNING

Article 4

(1) The Regency Government establishes the general plan for regional investment, the regional strategic plan, and the regional investment development plan.
(2) The general plan for regional investment, the regional strategic plan, and the regional investment development plan as referred to in section (1) are prepared in accordance with the national and provincial general investment plans, long-term regional development plans, medium-term regional development plans, regional development programs, and other planning documents in the region.
(3) The annual work plan for regional investment refers to the general plan for Regional Investment as referred to in section (2).
(4) Further provisions regarding the preparation of documents for the general plan for regional investment, the regional strategic plan, and the regional investment development plan as referred to in section (1) are regulated by a Regent Regulation.

CHAPTER V
DEVELOPMENT OF INVESTMENT POTENTIAL AND OPPORTUNITIES

Article 5

The development of investment potential and opportunities includes:

a. identification of investment potential;
b. mapping of investment opportunities; and
c. documentation of the results of mapping investment opportunities in the region into SIPID.

Article 6

The identification of investment potential as referred to in Article 5 point a is conducted through:

a. collection of data and information on investment potential in the form of regional profiles; and
b. analysis of the results of the data and information collection on investment potential.

Article 7

The mapping of investment opportunities in the region as referred to in Article 5 point b is conducted through:

a. verification of the results of the analysis of investment potential;
b. analysis of the results of the verification of investment potential obtained previously, supported by findings from field visits; and
c. preparation of investment opportunity maps.

Article 8

The mapping of investment opportunities in the region as referred to in Article 7 point c includes:

a. collection of data and information on regional investment potential;
b. verification of the results of the collection of data and information on regional investment potential;
c. analysis of the results of the verification of investment potential obtained previously, supported by findings from field visits;
d. preparation of regional investment opportunity maps; and
e. documentation of the results of mapping regional investment opportunities into SIPID.

Article 9

The documentation of the results of mapping regional investment opportunities into SIPID as referred to in Article 5 point c is conducted through recording and updating the mapping results of business potential and data in the form of regional profiles.

CHAPTER VI
INVESTMENT PROMOTION
Article 10

(1) The Regency Government conducts investment promotion to potential investors both domestically and internationally through marketing and communication systems.
(2) Investment promotion as referred to in section (1) is conducted through:
    a. guidance and consultation;
    b. analysis of investment interest;
    c. organization of exhibitions;
    d. business meetings;
    e. investment seminars;
    f. facilitation of investment missions; and
    g. dissemination of investment information through print and electronic media.
(3) In the implementation of investment promotion as referred to in section (1) and section (2), the Regency Government provides facilities and infrastructure.

Article 11

(1) Investment promotion as referred to in Article 10 is conducted with consideration for the development of potential and opportunities for regional investment, as well as the economic developments at the regional, national, and international levels.
(2) Investment promotion as referred to in section (1) may be carried out independently and/or in collaboration with the central government, provincial government, other regency/city governments, and non-governmental organizations.

CHAPTER VII
SCOPE OF INVESTMENT SERVICES

Part One
Business Fields

Article 12

(1) All business fields are open for investment activities, except for business fields or types that are declared closed and those that are open with conditions according to the provisions of the legislation.
(2) Investors intending to engage in investment activities must pay attention to the legislation that specifies which business fields or types are closed and which are open with conditions.

Part Two
Investors and Forms of Business Entities

Article 13

(1) Investment in the region may be conducted by individuals or business

entities, including:
a. Domestic Investment (PMDN); and
b. Foreign Investment (PMA).

(2) Domestic Investment as referred to in section (1) point a may be conducted by legal entities, non-legal entities, or individual businesses
(3) Foreign Investment as referred to in section (1) point b is required to be in the form of a limited liability company under Indonesian law and located within the territory of the Republic of Indonesia.

Part Three
Employment

Article 14

(1) Investors must prioritize Indonesian citizens to meet labor needs.
(2) Investors are obligated to enhance the competencies of Indonesian workers as referred to in section (1) through job training in accordance with the provisions of the legislation.
(3) Investors employing foreign workers are required to provide training and transfer technology to Indonesian workers as referred to in section (1) in accordance with the provisions of the legislation.

Part Four
Investment Services

Article 15

(1) The Regency Government provides investment services that consist of:
a. licensing and non-licensing services;
b. incentive and facilitation services; and
c. community complaint services.

(2) Investment services as referred to in section (1) are implemented through the One-Stop Integrated Services (PTSP).
(3) Investors intending to engage in business activities is obligated to obtain investment licenses, unless otherwise specified in the legislation.
(4) The Regency Government may provide incentives and/or facilities to investors conducting business activities in accordance with the licenses received and meeting the criteria for granting incentives and/or facilities.
(5) Further provisions regarding the types of licensing and non-licensing services, norms, standards, procedures, and criteria for investment licensing as referred to in section (1) are regulated by a Regent Regulation.

CHAPTER VIII

DATA AND INVESTMENT INFORMATION SYSTEM

Article 16

(1) The Regency Government provides investment data and develop, maintain, and preserve an integrated investment information system with the central government, provincial government, and technical regional apparatus.
(2) The investment information system as referred to in section (1) consists of at least:
    a. database of investment potential and opportunities;
    b. data from mapping investment opportunities in the region;
    c. data on investment business activities;
    d. data on licensing and non-licensing services; and
    e. data on investment realization

CHAPTER IX
EMPOWERMENT OF BUSINESSES

Article 17

Business empowerment includes:
a. facilitating management training for small and medium enterprises related to investment empowerment;
b. facilitating partnerships between small and medium enterprises and PMA and/or PMDN companies; and
c. facilitating the capacity building of small and medium enterprises related to investment.

Article 18

(1) The facilitation of management training for small and medium enterprises related to investment as referred to in Article 17 point a is conducted through:
    a. coordination of implementation, evaluation, and reporting of management training for small and medium enterprises related to investment empowerment with the Regency Government; and
    b. enhancement of production management, financial management, and marketing capacities;
(2) The facilitation of management training as referred to in section (1) is conducted to elevate the scale of small and medium enterprises to large enterprises and prepare them for partnerships with PMA and/or PMDN companies throughout Indonesia in accordance with the provisions of the legislation.

Article 19

(1) Facilitation of partnerships between small and medium enterprises related to investment with PMA and/or PMDN companies as referred to in Article 17 letter b is conducted

through:

a. facilitating partnerships between small, medium, and large enterprises; and
b. preparing, implementing, evaluating, and reporting on partnerships between small, medium, and large enterprises;

(2) The facilitation of partnerships between small and medium enterprises with PMA and/or PMDN companies as referred to in section (1) is carried out to achieve partnership agreements for equitable economic development across Indonesia, as regulated in the legislation

Article 20

(1) Facilitation of the capacity building of small and medium enterprises related to investment as referred to in Article 17 letter c is carried out through:

a. implementation and reporting of capacity building facilitation for small and medium enterprises; and
b. gathering input, suggestions, views, thoughts, considerations, recommendations, and issues from the national business community at the regional level;

(2) The facilitation of capacity building for small and medium enterprises as referred to in section (1) is conducted to provide solutions for enhancing businesses to prepare for partnerships with PMA and/or PMDN companies throughout Indonesia in accordance with the provisions of the legislation

CHAPTER X
CONTROL OF INVESTMENT IMPLEMENTATION

Part One
Authority in Controlling Investment Implementation

Article 21

(1) The authority for controlling investment implementation is exercised by the regional apparatus that oversees investment and PTSP for business activities that fall under the authority of the Regency Government, specifically those within the scope of activities in the region.
(2) In cases where investment licensing is issued by the central PTSP at BKPM but falls under the authority of the Regency Government, the control of investment implementation is conducted by the regional apparatus overseeing investment and PTSP.
(3) In specific cases, the regional apparatus overseeing investment and PTSP may directly control investment implementation that falls under BKPM's authority and report the results to BKPM.
(4) In specific cases, the regional apparatus overseeing investment and PTSP may directly control investment implementation that falls under provincial government authority and report the results to the provincial government.
(5) Specific cases referred to in section (3) and section (4) include:

a. requests from authorized technical agencies;
b. requests for assistance from the provincial government;
c. public complaints;
d. complaints from investors; or
e. incidents of environmental pollution and/or other matters that could jeopardize public safety and/or disrupt the national and regional economies.

Part Two
Rights, Obligations, and Responsibilities of Investors

Article 22

Every investor has the right to receive:
a. certainty of rights, law, and protection;
b. open information regarding their business field;
c. service rights; and
d. various forms of facilities in accordance with the provisions of the legislation.

Article 23

(1) Every investor is obligated to:
a. apply the principles of good corporate governance;
b. carry out corporate social and environmental responsibilities through activities that support the programs of the Regency Government;
c. submit the Investment Activity Report (LKPM);
d. respect the cultural traditions of the local community surrounding the investment activity location;
e. enhance the competencies of Indonesian workers through job training in accordance with the provisions of the legislation;
f. conduct training and transfer technology to Indonesian workers in accordance with legislation for companies employing foreign workers;
g. allocate funds gradually for the recovery of locations that meet environmental sustainability standards for companies utilizing non-renewable natural resources, in accordance with legislation; and
h. comply with all provisions of the legislation.
(2) Violations of the provisions as referred to in section (1) may be subject to administrative sanctions.
(3) Administrative sanctions as referred to in section (2) include:
a. verbal warnings;
b. written warnings;
c. temporary cessation of activities;
d. closure of activity locations; and/or
e. administrative fines.
(4) Provisions regarding the procedures for imposing administrative

sanctions as referred to in section (2) are regulated by a Regent Regulation.

Article 24

(1) Every investor is responsible for:
   a. ensuring the availability of capital from sources that do not conflict with the provisions of the legislation;
   b. bearing and resolving all obligations and losses if the investor halts or abandons their business activities;
   c. creating a healthy competitive business climate and preventing monopolistic practices;
   d. maintaining environmental sustainability; and
   e. ensuring the safety, health, comfort, and welfare of workers
(2) Violations of the provisions as referred to in section (1) may be subject to administrative sanctions.
(3) Administrative sanctions as referred to in section (2) include:
   a. verbal warnings; and/or
   b. written warnings
(4) Provisions regarding the procedures for imposing administrative sanctions as referred to in section (2) are regulated by a Regent Regulation.

Part Three
Implementation of Investment Control

Article 25

The scope of investment implementation control includes activities:
   a. Monitoring;
   b. Guidance; and
   c. Supervision.

Article 26

(1) Monitoring activities as referred to in Article 25 point a are conducted to determine the progress of investment realization and issues faced by investors.
(2) Monitoring activities as referred to in section (1) are carried out by collecting, verifying, and evaluating:
   a. LKPM submitted by investors; and
   b. other business activity reports required in accordance with the relevant technical agency regulations.
(3) Monitoring activities are conducted for investments from the time they obtain business licenses.

Article 27

(1) Guidance activities as referred to in Article 25 point b are conducted for investors.
(2) Guidance activities as referred to in section (1) are implemented through:
   a. socialization workshops, technical guidance, or investment

dialogues regarding the implementation regulations of investment on a regular basis;
b. providing consultation on investment control implementation in accordance with the provisions of the legislation;
c. facilitating the resolution of problems faced by investors;
d. facilitating the acceleration of investment project realization by providing ease of doing business for investors; or
e. supporting the acceleration of strategic national projects that already have licenses.

(3) Guidance activities as referred to in section (2) may be conducted in coordination with relevant parties.
(4) Investors may request guidance from the regional apparatus overseeing investment and PTSP regarding issues on investment activity implementation.
(5) The regional apparatus overseeing investment and PTSP or parties in dispute may propose the blocking or opening of access rights to BKPM when disputes among shareholders fail to reach a resolution.

Article 28

(1) Supervision activities as referred to in Article 25 point c are conducted over businesses and/or activities as a follow-up to:
a. evaluations of investment implementation;
b. indications or initial evidence of deviations from the investment implementation regulations or non-compliance with the obligations and responsibilities as referred to in Articles 23 and 24; and
c. the imposition and revocation of sanctions

(2) Supervision activities as referred to in section (1) are conducted by:
a. evaluating and researching reports and information about the implementation of investment, deviations, or violations by companies;
b. conducting direct inspections at investment project locations; and
c. following up on deviations or violations committed by companies based on the provisions of the legislation.

Article 29

The objectives of controlling the implementation of investments include:
a. the availability of data on the progress of investment realization and information on the problems faced by investors;
b. the implementation of guidance and/or socialization of policies in the field of investment control;
c. the facilitation of problem-solving in investment implementation through integrated coordination between the central government, provincial government, and investors; and
d. the realization of certainty in the implementation of investments in accordance with the provisions of the legislation.

Article 30

Further provisions regarding the procedures for implementing

investment control as referred to in Articles 25 to 29 are regulated by a Regent Regulation.

CHAPTER XI
INVESTMENT ACTIVITY REPORTING

Article 31

(1) Every investor is required to submit an Investment Activity Report (LKPM) as referred to in Article 23 point c.
(2) The obligation to submit the LKPM as referred to in section (1) is conducted online at least once every 3 (three) months through SPIPISE for each business activity undertaken by the investor.
(3) Investors referred to in section (2) conducting business activities in any field and/or location with an investment value exceeding Rp 500,000,000.00 (five hundred million rupiah) submit the LKPM.
(4) Investors conducting business activities in any field and/or location with an investment value of up to Rp 500,000,000.00 (five hundred million rupiah) must submit business activity reports to the Regency Government through the regional apparatus overseeing investment and PTSP in accordance with the provisions of the legislation.
(5) The submission of the LKPM means the data and/or changes in business licensing data according to the current period.

(6) Further provisions regarding the procedures for submitting the LKPM as referred to in section (1) to section (5) are regulated by a Regent Regulation.

CHAPTER XII
DISSEMINATION, EDUCATION, AND TRAINING OF INVESTMENT

Article 32

(1) The Regency Government conducts dissemination, education, and training on investment in the region.
(2) Dissemination, education, and training on investment in the region as referred to in section (1) include:
    a. nurturing and overseeing the implementation of investment in investment information;
    b. coordinating the socialization of policies and planning, development, international cooperation, promotion, licensing services, control, implementation, and investment information systems to the Regency Government and the business community; and
    c. coordinating and implementing investment education and training.
(3) The implementation of dissemination, education, and training on investment as referred to in section (1) is carried out by the regional apparatus overseeing investment and PTSP in collaboration with relevant regional apparatus and business associations.

CHAPTER XIII
TASK FORCE FOR INVESTMENT ACCELERATION

Article 33

(1) The Regent establishes a Task Force to enhance services, facilitate, resolve obstacles, simplify, and develop an online system to accelerate the completion of business licensing.
(2) The Regent grants authority to the Task Force to act on behalf of the Regent in taking steps to accelerate and resolve obstacles to business licensing in the region.
(3) The Regent reports the implementation of business licensing in the region and the Task Force's duties to the Minister in charge of governmental affairs in the economic coordination field, with a copy to the provincial task force.
(4) Further provisions regarding the formation, membership composition, duties, and functions of the Task Force as referred to in section (1) to section (3) are determined by a Regent Decision.

CHAPTER XIV
INVESTMENT INCENTIVES AND FACILITIES

Part One
General

Article 34

(1) The Regency Government may provide incentives and facilities to investors to encourage increased investment in accordance with regional authority, conditions, and capacity.
(2) The provision of incentives and facilities as referred to in section (1) is conducted based on the principles of:
    a. legal certainty;
    b. equality;
    c. transparency;
    d. accountability; and
    e. effectiveness and efficiency.

Part Two
Criteria for Providing Investment Incentives and Facilities

Article 35

(1) The provision of incentives and facilities as referred to in Article 34 section (1) must meet at least one of the following criteria:
    a. contributing to increased community income;
    b. absorbing a significant amount of local labor;
    c. utilizing a majority of local resources and raw materials;
    d. contributing to improved public services;

e. contributing to increased regional gross domestic product;
f. being environmentally friendly and sustainable;
g. being classified as high priority;
h. involving infrastructure development;
i. transferring technology;
j. establishing leading industries;
k. being located in remote, disadvantaged, border, and urban areas;
l. conducting research, development, and innovation activities;
m. maintaining environmental sustainability;
n. collaborating with micro, small, and medium enterprises or cooperatives; and/or
o. industries using capital goods and machinery or equipment produced domestically or small and medium enterprises.

(2) The criterion of contributing to increased community income as referred to in section (1) point a applies to businesses or investors that create a multiplier effect in the region.

(3) The criterion of absorbing a significant amount of local labor as referred to in section (1) point b is a comparison between the number of local workers and the total workforce employed.

(4) The criterion of utilizing a majority of local resources and raw materials as referred to in section (1) point c is a comparison between local raw materials and those sourced from outside the region used in business activities.

(5) The criterion of contributing to improved public services as referred to in section (1) point d pertains to the implementation of corporate social responsibility in providing public services.

(6) The criterion of contributing to increased regional gross domestic product as referred to in section (1) point e applies to investors whose business activities optimize the use of local natural resource potential.

(7) The criterion of being environmentally friendly and sustainable as referred to in section (1) point f applies to investors with environmental impact analysis documents.

(8) The criterion of being classified as high priority as referred to in section (1) point g applies to investors whose business activities are aligned with:
a. spatial plan;
b. long-term regional development plans;
c. medium-term regional development plans; and
d. rapidly growing strategic areas

(9) The criterion of involving infrastructure development as referred to in section (1) point h applies to investors whose business activities support the Regency Government in providing necessary infrastructure or facilities.

(10) The criterion of transferring technology as referred to in section (1) point i applies to investors whose business activities provide opportunities for the Regency Government and the community to implement the technology in question.

(11) The criterion of establishing leading industries as referred to in section (1) point j applies to investors opening new types of businesses

with:
a. broad business activity linkages;
b. adding value and considering significant externalities;
c. introducing new technologies; and
d. having strategic value in supporting the development of regional leading products.

(12) The criterion of being located in remote, disadvantaged, border, and urban areas as referred to in section (1) point k pertains to areas with very limited accessibility and low availability of facilities and infrastructure, applicable to investors willing and able to develop their business activities in the region.

(13) The criterion of conducting research, development, and innovation activities as referred to in section (1) point l applies to investors whose business activities are engaged in research and development, and technological innovation in managing regional potential.

(14) The criterion of maintaining environmental sustainability as referred to in section (1) point m applies to investors whose business activities impact environmental sustainability.

(15) The criterion of collaborating with micro, small, and medium enterprises or cooperatives as referred to in section (1) point n applies to investors whose business activities involve partnerships with micro, small, and medium enterprises and cooperatives.

(16) The criterion of industries using capital goods and machinery or equipment produced domestically or by small and medium enterprises as referred to in section (1) point o applies to investors using machinery or equipment with local content produced domestically.

Article 36

The criteria as referred to in Article 35 serve as the basis for assessing the provision of incentives and facilities.

Part Three
Forms of Incentives and Facilities for Investment

Article 37

(1) The forms of incentives as referred to in Article 34 section (1) may include:
a. awards;
b. reductions, exemptions, or waivers of local taxes;
c. reductions, exemptions, or waivers of local levies;
d. provision of stimulus funds for micro, small, medium enterprises, and cooperatives; and/or
e. provision of capital assistance for micro, small, medium enterprises, and cooperatives.

(2) The forms of facilities as referred to in Article 34 section (1) may include:
a. provision of investment data and information;
b. provision of facilities and infrastructure;
c. provision of land or locations;

d. provision of technical assistance; and/or
e. acceleration of investment licensing.

(3) Further provisions regarding the forms of incentives and facilities as referred to in section (1) and section (2) are regulated by a Regent Regulation.

Article 38

The Regency Government may provide one (1) or more incentives and facilities as referred to in Article 37 to investors in the Region.

Part Four
Priority Business Types or Sectors for Receiving Incentives and Facilities

Article 39

The types or sectors of businesses eligible for incentives and facilities include:
a. micro, small, medium enterprises, and cooperatives;
b. businesses that require partnerships;
c. businesses with specific capital ownership requirements;
d. businesses located in specific areas; and/or
e. businesses requiring special licenses.

Part Five
Procedures for Granting Incentives and Facilities for Investment

Article 40

(1) The provision of incentives and facilities for investment is conducted through:
a. investors wishing to receive incentives and facilities must submit proposals to the Regent;
b. proposals as referred to in point a must at least contain:
1. business scope;
2. management performance; and
3. business development.
c. for micro, small, and medium enterprises and cooperatives, proposals may simply state the need for incentives and facilities.

(2) Further provisions regarding the procedures for granting incentives and facilities for investment as referred to in section (1) is regulated by a Regent Regulation.

Article 41

(1) The Regent forms and establishes a verification and assessment team for granting incentives and facilities for investment.
(2) Provisions regarding the formation, membership composition, duties, and functions of the verification and assessment team for granting incentives and facilities for investment as referred to in section (1) is

determined by a Regent Decision.

Part Six
Reporting and Evaluation of the Provision of Incentives and Facilities for Investment

Article 42

(1) Investors receiving incentives and facilities for investment must submit a report to the Regent through the Regional Secretary at least once a year.
(2) The report as referred to in section (1) at least contains:
    a. a report on the use of incentives and/or facilities;
    b. business management; and
    c. business activity plans.
(3) Further provisions regarding the implementation of reporting as referred to in section (1) and section (2) are regulated by a Regent Regulation.

Article 43

(1) The Regent submits a report on the development of the provision of incentives and facilities for investment in the region to the Governor at least once a year.
(2) The Regent evaluates the investment activities that receive incentives and facilities at least once a year.

Part Seven
Supervision of the Provision of Incentives and Facilities for Investment

Article 44

(1) The Regent supervises the utilization of the provision of incentives and facilities for investment.
(2) Supervision of the utilization of the provision of incentives and facilities for investment as referred to in section (1) is coordinated by the regional apparatus overseeing investment and PTSP.

CHAPTER XV
PUBLIC PARTICIPATION AND BUSINESS COMMUNITY

Article 45

(1) The public participates in the formation, organization, management, and development of investment in the region.
(2) The public supports the creation of a safe, orderly, and conducive situation and conditions in the implementation of investment in the region.
(3) The business community participates in the implementation of investment in the region in accordance with the provisions of the legislation.
(4) Further provisions regarding the procedures for public participation and

business community as referred to in section (1) to section (3) are regulated by a Regent Regulation.

CHAPTER XVI
CLOSING PROVISIONS

Article 46

Upon the enactment of this Regional Regulation, all local legal products that are the implementing regulations of Regional Regulation Number 13 of 2011 on Administering Regional Investment in the Regency of Bandung (Regional Gazette of the Regency of Bandung of 2011 Number 13) as amended by Regional Regulation Number 13 of 2014 on Amendment to Regional Regulation Number 13 of 2011 on Administering Regional Investment in the Regency of Bandung (Regional Gazette of the Regency of Bandung of 2014 Number 13) remains effective to the extent not contrary to the provisions of this Regional Regulation.

Article 47

At the time this Regional Regulation comes into force, Regional Regulation Number 13 of 2011 on Organization of Regional Investment in the Regency of Bandung (Regional Gazette of the Regency of Bandung of 2011 Number 13) as amended by Regional Regulation Number 13 of 2014 on Amendment to Regional Regulation Number 13 of 2011 on the Organization of Regional Investment in Bandung Regency (Bandung Regency Gazette of 2014 Number 13) is repealed and declared ineffective.

Article 48

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

Article 49

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 placing it in the Regional Gazette of the Regency of Bandung.

Issued in Soreang
on 21 January 2019

REGENT OF BANDUNG,

signed

DADANG M. NASER

Promulgated in Soreang
on 21 January 2019

REGIONAL SECRETARY
OF THE REGENCY OF BANDUNG,

signed

TEDDY KUSDIANA

REGIONAL GAZETTE OF THE REGENCY OF BANDUNG OF 2019 NUMBER 2

Jakarta,
Has been translated as an Official Translation
on behalf of Minister of Law
of the Republic of Indonesia

DIRECTOR GENERAL FOR LEGISLATION,

DHAHANA PUTRA

ELUCIDATION
OF
REGULATION OF THE REGENCY OF BANDUNG
NUMBER 2 OF 2019
ON
INVESTMENT

I. GENERAL

In order to realize a just and prosperous society based on Pancasila and the 1945 Constitution of the Republic of Indonesia, sustainable economic development must be implemented, grounded in economic democracy. One way to achieve this is through the organization of regional investment. Regional investment serves as a driver of the economy, funding regional development, creating job opportunities, and enhancing regional competitiveness. Therefore, it is crucial to create a conducive, promotional investment climate that provides legal certainty and efficiency, while still considering national economic interests.

Previously, the Local Government of Bandung had issued Regional Regulation Number 13 of 2011 on the Organization of Regional Investment, which was amended by Regional Regulation Number 13 of 2014. However, this regulation is considered no longer suitable for current needs and legal provisions, necessitating an update through the drafting of a new Regional Regulation.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Sufficiently clear.

Article 3

Sufficiently clear.

Article 4

Sufficiently clear.

Article 5
Sufficiently clear.

Article 6
Sufficiently clear.

Article 7
Sufficiently clear.

Article 8
Sufficiently clear.

Article 9
Sufficiently clear.

Article 10
Sufficiently clear.

Article 11
Sufficiently clear.

Article 12
Sufficiently clear.

Article 13
Sufficiently clear.

Article 14
Section (1)
The term "Investor" in fulfilling labor needs must prioritize Indonesian citizens, meaning that in their business activities, investors are required to prioritize the employment of Indonesian labor over foreign labor. Furthermore, among Indonesian workers, priority should be given to those who come from or are residents of Bandung Regency, while still adhering to the relevant legal provisions.

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

Article 15
Sufficiently clear.

Article 16
Sufficiently clear.

Article 17
Sufficiently clear.

Article 18
Sufficiently clear.

Article 19
Sufficiently clear.

Article 20
Sufficiently clear.

Article 21
Sufficiently clear.

Article 22
Sufficiently clear.

Article 23
Sufficiently clear.

Article 24
Sufficiently clear.

Article 25
Sufficiently clear.

Article 26
Sufficiently clear.

Article 27
Sufficiently clear.

Article 28
Sufficiently clear.

Article 29
Sufficiently clear.

Article 30
Sufficiently clear.

Article 31
Sufficiently clear.

Article 32
Sufficiently clear.

Article 33
Sufficiently clear.

Article 34
Sufficiently clear.

Article 35
Section (1)
Sufficiently clear.
Section (2)
Sufficiently clear.
Section (3)
Sufficiently clear.
Section (4)
Sufficiently clear.
Section (5)
Sufficiently clear.
Section (6)
Sufficiently clear.
Section (7)
Sufficiently clear.
Section (8)
The term "Fast-Growing Strategic Areas" means parts of strategic regions that have already developed or have the potential for development due to their advantages in resources and geography, which can stimulate economic growth in the surrounding areas.
Section (9)
Sufficiently clear.
Section (10)
Sufficiently clear.

Section (11)
Sufficiently clear.
Section (12)
Sufficiently clear.
Section (13)
Sufficiently clear.
Section (14)
Sufficiently clear.
Section (15)
Sufficiently clear.
Section (16)
Sufficiently clear.

Article 36
Sufficiently clear.

Article 37
Sufficiently clear.

Article 38
Sufficiently clear.

Article 39
Sufficiently clear.

Article 40
Sufficiently clear.

Article 41
Sufficiently clear.

Article 42
Sufficiently clear.

Article 43
Sufficiently clear.

Article 44
Sufficiently clear.

Article 45

Sufficiently clear.

SUPPLEMENT TO THE REGIONAL GAZETTE OF THE REGENCY OF BANDUNG NUMBER 45