

THE DELEGATION OF AUTHORITY TO THE HEAD OF THE PALU SPECIAL ECONOMIC ZONE ADMINISTRATOR TO ISSUE PERMITS WITHIN THE FRAMEWORK OF INVESTMENT (Regulation of the Head of the Investment Coordinating Board No. 5/2016 dated June 1, 2016)

BY THE GRACE OF ALMIGHTY GOD
THE HEAD OF THE INVESTMENT COORDINATING BOARD OF
THE REPUBLIC OF INDONESIA,

Considering :

That to implement provisions in Article 44 of Government Regulation No. 2/2011 concerning the Operation of Special Economic Zones and support the development of Palu Special Economic Zone set forth in Government Regulation No. 31/2014 concerning Palu Special Economic Zone, it is necessary to stipulate Regulation of the Head of the Investment Coordinating Board concerning the Delegation of Authority to the Head of the Palu Special Economic Zone Administrator to Issue Permits within the Framework of Investment;

In view of :

1. Law No. 25/2007 concerning Investment (Statute Book of the Republic of Indonesia of 2007 No. 67, Supplement to Statute Book of the Republic of Indonesia No. 4724);
2. Law No. 25/2009 concerning Public Services (Statute Book of the Republic of Indonesia of 2009 No. 112, Supplement to Statute Book of the Republic of Indonesia No. 5038);
3. Law No. 39/2009 concerning Special Economic Zone (Statute Book of the Republic of Indonesia of 2009 No. 147, Supplement to Statute Book of the Republic of Indonesia No. 5066);
4. Government Regulation No. 38/2007 concerning the Distribution of Government Affairs between the Central Government, Provincial Governments and Regency/Municipal Governments (Statute Book of the Republic of Indonesia of 2007 No. 82, Supplement to Statute Book of the Republic of Indonesia No. 4737);
5. Government Regulation No. 2/2011 concerning the Operation of Special Economic Zones (Statute Book

- of the Republic of Indonesia of 2011 No. 3, Supplement to Statute Book of the Republic of Indonesia No. 5186);
6. Government Regulation No. 96/2012 concerning the Implementation of Law No. 25/2009 concerning Public Services (Statute Book of the Republic of Indonesia of 2012 No. 215, Supplement to Statute Book of the Republic of Indonesia No. 5357);
 7. Government Regulation No. 31/2014 concerning Palu Special Economic Zone (Statute Book of the Republic of Indonesia of 2014 No. 105, Supplement to Statute Book of the Republic of Indonesia No. 5536);
 8. Government Regulation No. 96/ 2015 concerning Facilities in Special Economic Zone (Statute Book of the Republic of Indonesia of 2015 No. 309, Supplement to Statute Book of the Republic of Indonesia No. 5783);
 9. Presidential Regulation No. 90/2007 concerning the Investment Coordinating Board as already amended the latest by Presidential Regulation No. 86/2012 (Statute Book of the Republic of Indonesia of 2012 No. 120);
 10. Presidential Regulation No. 33/2010 concerning the National Council and Regional Councils of Special Economic Zones as already amended the latest by Presidential Regulation No. 124/2012 concerning Amendment to Presidential Regulation No. 33/2010 concerning the National Council and Regional Councils of Special Economic Zones (Statute Book of the Republic of Indonesia of 2012 No. 289);
 11. Presidential Regulation No. 39/2014 concerning List of Business Fields Closed and Open with Certain Requirements in the Field of Investment (Statute Book of the Republic of Indonesia of 2014 No. 93);
 12. Presidential Regulation No. 97/2014 concerning the Realization of One-Stop Integrated Services (Statute Book of the Republic of Indonesia of 2014 No. 221);
 13. Regulation of the Tourism Minister No. 2/2014 concerning One-Stop Integrated Services in the Fields of Tourism and Creative Economy at the Investment Coordinating Board as already amended by Regulation of the Tourism Minister No. 1/2015 concerning Amendment to Regulation of the Tourism Minister No. 2/2014 concerning One-Stop Integrated Services in the Fields of Tourism and Creative Economy at the Investment Coordinating Board Services (State Gazette of the Republic of Indonesia of 2015 No. 108);
 14. Regulation of the Industry Ministry No. 122/MIND/PER/12/2014 concerning the Delegation of Authority to the Head of the Investment Coordinating Board to Issue Industrial Permits Within the Framework of One-Stop Integrated Services (State Gazette of the Republic of Indonesia of 2014 No. 1911);
 15. Regulation of the Manpower Minister No. 25/2014 concerning the Realization of One-Stop Integrated Services in the Manpower Field at the Investment Coordinating Board (State Gazette of the Republic of

- Indonesia of 2014 No. 1934);
16. Regulation of the Communication and Informatics Minister No. 40/2014 concerning the Delegation of Authority to the Head of the Investment Coordinating Board to Realize One-Stop Integrated Services in the Communication and Informatics Fields (State Gazette of the Republic of Indonesia of 2014 No. 1947);
 17. Regulation of the Health Minister No. 93/2014 concerning the Realization of One-Stop Integrated Services in the Health Field at the Investment Coordinating Board (State Gazette of the Republic of Indonesia of 2014 No. 1955);
 18. Regulation of the Energy and Mineral Resources Minister No. 35/2014 concerning the Delegation of Authority to the Head of the Investment Coordinating Board to Issue Business Permits in the Electricity Sector within the Framework of One-Stop Integrated Services (State Gazette of the Republic of Indonesia of 2014 No. 1970);
 19. Regulation of the Trade Minister No. 96/MDAG/PER/12/2014 concerning the Delegation of Authority in the Trade Field within the Framework of One-Stop Integrated Services to the Head of the Investment Coordinating Board as already amended by Regulation of the Trade Minister No. 10/MDAG/PER/1/2015 concerning the Delegation of Authority in the Trade Field within the Framework of One-Stop Integrated Services to the Head of the Investment Coordinating Board concerning the Amendment to Regulation of the Trade Minister No. 96/M-DAG/PER/12/2014 concerning the Delegation of Authority in the Trade Field within the Framework of One-Stop Integrated Services to the Head of the Investment Coordinating Board (State Gazette of the Republic of Indonesia of 2014 No. 155);
 20. Regulation of the Agriculture Minister No. 70/Permentan/PD.200/6/2014 concerning Guide to Licensing Horticultural Farming Business (State Gazette of the Republic of Indonesia of 2014 No. 836);
 21. Regulation of the Minister of Agrarian Affairs and Spatial Layout/Head of the National Land Agency No. 15/ 2014 concerning Technical Guide to Realizing One-Stop Integrated Services in the Agrarian, Spatial Layout and Land Affairs within the Framework of Investment (State Gazette of the Republic of Indonesia of 2014 No. 2004);
 22. Regulation of the Public Works and Public Housing Minister No. 22/PRT/M/2014 concerning the Delegation of Authority to Issue Business Permits in the Field of Public Works and Public Housing within the Framework of One-Stop Integrated Services at the Investment Coordinating Board (State Gazette of the Republic of Indonesia of 2014 No. 2053);
 23. Regulation of the Finance Minister No. 256/PMK. 011/2014 concerning the Realization of One-Stop Integrated Services in the Financial Field at the Investment Coordinating Board (State Gazette of the Republic

- of Indonesia of 2014 No. 2042);
24. Regulation of the Education and Culture Minister No. 69/2014 concerning Permits to Organize Non-Formal Education with Foreign Investment (State Gazette of the Republic of Indonesia of 2014 No. 1133);
 25. Regulation of the Environment and Forestry Minister No. P.97/MENHUT-II/2014 concerning the Delegation of Authority to the Head of the Investment Coordinating Board to Issue Permits and Non-Permit Facilities in the Environment and Forestry Field within the Framework of One-Stop Integrated Services as already amended by Regulation of the Environment and Forestry Minister No. P.1/MENHUT-II/2015 concerning Amendment to Regulation of the Environment and Forestry Minister No. P.97/MENHUT-II/2014 concerning the Delegation of Authority to the Head of the Investment Coordinating Board to Issue Permits and Non-Permit Facilities in the Environment and Forestry Field within the Framework of One-Stop Integrated Services (State Gazette of the Republic of Indonesia of 2015 No. 141);
 26. Regulation of the Maritime Affairs and Fisheries No. 3/PERMEN-KP/2015 concerning the Delegation of Authority to the Head of the Investment Coordinating Board to Issue Business Permits in the Field of Fish Farming within the Framework of One-Stop Integrated Services (State Gazette of the Republic of Indonesia of 2015 No. 61);
 27. Regulation of the Energy and Mineral Resources Minister No. 23/ 2015 concerning the Delegation of Authority to the Head of the Investment Coordinating Board to Issue Permits in the Oil and Gas Field within the Framework of One-Stop Integrated Services (State Gazette of the Republic of Indonesia of 2015 No. 1135);
 28. Regulation of the Energy and Mineral Resources Minister No. 25/2015 concerning the Delegation of Authority to the Head of the Investment Coordinating Board to Issue Permits in the Field of Mineral and Coal Mining within the Framework of One-Stop Integrated Services (State Gazette of the Republic of Indonesia of 2015 No. 1187);
 29. Regulation of the Transportation Minister No. PM. 03/2015 concerning the Realization of One-Stop Integrated Services in the Transportation Field at the Investment Coordinating Board (State Gazette of the Republic of Indonesia of 2015 No. 22);
 30. Decision of the Indonesian National Police Chief No. SKEP/638/XII/2009 concerning the Delegation of Authority to Issue Permits in the Field of Security Service within the Framework of One-Stop Integrated Services at the Investment Coordinating Board;
 31. Decree of the Agriculture Minister No. 1312/Kpts/ KP.340/12/2014 concerning the Delegation of Authority to the Head of the Investment Coordinating Board to Issue Permits in the Agricultural Field within the

Framework of One-Stop Integrated Services at the Investment Coordinating Board;

32. Regulation of the Head of the Investment Coordinating Board No. 90/SK/2007 concerning the Organization and Work Procedure of the Investment Coordinating Board as already several times amended the latest by Regulation of the Head of the Investment Coordinating Board No. 1/2011 concerning the Second Round of Amendment to Regulation of the Head of the Investment Coordinating Board No. 90/SK/2007 concerning the Organization and Work Procedure of the Investment Coordinating Board (State Gazette of the Republic of Indonesia of 2011 No. 120);
33. Regulation of the Head of the Investment Coordinating Board No. 6/2011 concerning Procedure of Realizing, Developing and Reporting One-Stop Integrated Services in the Investment Field (State Gazette of the Republic of Indonesia of 2011 No. 443);
34. Regulation of the Head of the Investment Coordinating Board No. 4/2014 concerning Electronic Investment Information and Licensing Services (State Gazette of the Republic of Indonesia of 2014 No. 1617);
35. Regulation of the Head of the Investment Coordinating Board No. 14/2015 concerning Guide to/Procedure of issuing Investment In-principle Permits (State Gazette of the Republic of Indonesia of 2015 No. 1478);
36. Regulation of the Head of the Investment Coordinating Board No. 15/2015 concerning Guide to and Procedure of Investment Licensing and Non-licensing (State Gazette of the Republic of Indonesia of 2015 No. 1479);
37. Regulation of the Head of the Investment Coordinating Board No. 17/2015 concerning Guide to and Procedure of Controlling the Realization of Investment (State Gazette of the Republic of Indonesia of 2015 No. 1481);

DECIDES :

To stipulate :

REGULATION OF THE HEAD OF THE INVESTMENT COORDINATING BOARD CONCERNING THE DELEGATION OF AUTHORITY TO THE CHIEF OF THE PALU SPECIAL ECONOMIC ZONE ADMINISTRATOR TO ISSUE PERMITS WITHIN THE FRAMEWORK OF INVESTMENT.

Article 1

Referred to in this Regulation as :

1. Investment Coordinating Board, hereinafter abbreviated into BKPM, is a Non-ministerial Institution which is

responsible for the investment field and is led by a head who is seconded and responsible directly to the President.

2. Palu Special Economic Zone, hereinafter called KEK Palu, is a zone which covers an area of 1,500 ha (one thousand, five hundred hectares) in the territory of Tawaeli Sub-district, Palu City, Central Sulawesi Province, with coordinate borders as attached to Government Regulation No. 31/2014 concerning Palu Special Economic Zone.
3. Zone Council is a council, which is formed at a provincial level to assist the National Zone in operating KEK.
4. Palu Special Economic Zone Administrator, hereinafter called Administrator, is part of the Zone Council which is formed for each KEK to assist the Zone Council in operating KEK Palu.
5. Investment is all kinds of investment activities which are carried out by either domestic investors or foreign investors to carry out businesses in the territory of the Republic of Indonesia.
6. Production-ready is a condition in which at least 80% of main machines of the company's production activities in the production field has been installed in the project location.
7. Operation-ready is a condition in which a company in the business field other than industry has prepared all facilities and infrastructures to carry out its business activities.
8. Business permit is a permit from the Government, Provincial Government, Regency/Municipal Government which must be held by a company to start production/operation to produce goods or services, except otherwise stipulated by the sectoral law and regulation.
9. Business expansion permit is a permit which must be held by a company to start production/operation to produce goods or services as a result of business expansion, except otherwise stipulated by the sectoral law and regulation.
10. Business alteration permit is a business permit which must be held by a company to legalize a change in the realization of investment set earlier.
11. Business merger permit is a business permit which must be held by a company as a result of merger to start production/operation to produce goods or services.
12. Electronic Information and Investment Licensing Service System, hereinafter abbreviated into SPIPISE, is an electronic licensing and non-licensing service system which is integrated between the Government as the holder of licensing and non-licensing authority and regional governments.

Article 2

The BLM Head shall delegate authority which is part of the Government's authority to the Chief of

Administrator to issue business permits based on substitution right within the framework of making investment in KEK Palu.

Article 3

The authority delegated as referred to in Article 2 consists of authority to issue business permits, business expansion permits, business alteration permits, business merger permits and to revoke them.

Article 4

(1) The authority delegated as referred to in Article 2 consists of :

- a. Investment containing foreign investment;
- b. Investment that becomes the authority of the Government based on the law and regulation concerning the distribution of government affairs between the Government, Provincial Government and Regency/ Municipal Government.

(2) The authority delegated as referred to in paragraph (1):

- a. in the industrial field, does not cover industrial permits and/or expansion permits and change thereof for the types of industries as follows:
 - 1. alcoholic drink industry;
 - 2. valuable paper industry;
 - 3. arms and ammunition industry;
 - 4. industry processing and producing toxic and hazardous materials (B3) and strategic, high-technology industry; and
 - 5. industry which is high priority on a national scale in accordance with Regulation of the Industry Minister concerning high priority industry;
- b. in the energy and mineral resources field, does not cover in-principle permits to invest in the Upstream Oil and Gas Industry which is the authority of the technical ministry concerned;
- c. in the trade field, does not cover importer's identification numbers (API) and direct sale permit (SIUPL); and
- d. does not cover the banking field and other financial services.

Article 5

The authority delegated to the Chief of Administrator as referred to in Article 4 based on this Regulation

of the BKPM Head is realized by One-Stop Integrated Service in KEK Palu in accordance with provisions in Article 23 paragraph (2) of Law No. 39/ 2009 concerning Special Economic Zone.

Article 6

Provisions on open business fields with requirements in the investment field are not applicable, except those reserved for micro small and medium businesses and cooperatives.

Article 7

To realize the authority as referred to in Article 4, the Chief of Administrator shall:

- a. report the realization of one-stop integrated services in the investment field to the BKPM Head every year no later than February in the following year;
- b. pay attention to :
 1. The List of Business Fields Closed and Business Fields Open with Requirements in the Investment Field;
 2. Regulations stipulated by the BKPM Head, including :
 - a) Regulation of the Head of the Investment Coordinating Board No. 4/2014 concerning Electronic Investment Information and Licensing Services and its amendment;
 - b) Regulation of the Head of the Investment Coordinating Board No. 14/2015 concerning Guide to/ Procedure of issuing Investment In-principle Permits and its amendment;
 - c) Regulation of the Head of the Investment Coordinating Board No. 15/2015 concerning Guide to and Procedure of Investment Licensing and Non-licensing and its amendment; and
 - d) Regulation of the Head of the Investment Coordinating Board No. 17/2015 concerning Guide to and Procedure of Controlling the Realization of Investment and its amendment;
 3. Technical regulations and provisions stipulated by Ministers/Heads of Non-Ministerial Government Institutions and regulations of the relevant region; and
- c. can consult BKPM and other technical agencies.

Article 8

Copies of business permits, business expansion permits, business alteration permits, business merger permits issued by the One-Stop Integrated Service in KEK Palu and the revocation of the permits, shall be addressed to the BKPM Head through the Head of the Investment Data and Information Processing Center at BKPM and other technical agencies.

Article 9

The Chief of Administrator shall report developments in the realization of investment in KEK Palu and the evaluation of the developments to the BKPM Head through the Head of the Investment Data and Information Processing Center at BKPM at the end of every calendar year no later than the January 15 of the following year.

Article 10

In implementing provisions in this Regulation of the BKPM Head, the BKPM Head can place an assignment official at the KEK Palu Administrator.

Article 11

To maintain the continuation of investment services, BKPM can process business permits, business expansion permits, business alteration permits, business merger permits and the revocation of the permits from companies located in KEK Palu no later than 6 (six) months after this Regulation of the BKPM Head is stipulated.

Article 12

This Regulation of the BKPM Head shall come into force as from the date of promulgation.

For public cognizance, this Regulation of the BKPM Head shall be promulgated by placing it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

On June 6, 2016

THE HEAD OF THE INVESTMENT COORDINATING
BOARD OF

THE REPUBLIC OF INDONESIA,

sgd.

FRANKY SIBARANI

Promulgated in Jakarta

On June 6, 2016

THE DIRECTOR GENERAL OF
LAWS AND REGULATIONS AT
THE LAW AND HUMAN RIGHTS MINISTRY OF
THE REPUBLIC OF INDONESIA,

sgd.

WIDODO EKATJAHJANA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA
OF 2016 NO. 828

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