



REGULATION OF THE PROVINCE OF NORTH SUMATRA
NUMBER 3 OF 2023
ON
PROVISION OF INCENTIVES AND EASE OF INVESTMENT

BY THE BLESSINGS OF ALMIGHTY GOD

GOVERNOR OF NORTH SUMATRA,

Considering : a. that in order to increase investment and ease of doing business, support economic growth, and encourage the public and private sector participation in Regional development, it is necessary to provide incentives and/or ease of investment by the Local Government;

b. that based on Government Regulation Number 24 of 2019 on Provision of Incentives and Ease of Investment in the Region, Regulation of the Province of North Sumatra Number 2 of 2015 on Provision of Incentives and Ease of Investment is no longer appropriate, so it needs to be replaced;

c. that based on the considerations as referred to in point a and point b, it is necessary to stipulate a Regional Regulation on Provision of Incentives and Ease of Investment;

Observing : 1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;

2. Law Number 24 of 1956 on Establishment of the Autonomous Region of Aceh Province and Amendment to Regulation for the Establishment of North Sumatra Province (State Gazette of the Republic of Indonesia of 1956 Number 64, Supplement to the State Gazette of the Republic of Indonesia Number 1103);

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);

4. Law Number 20 of 2008 on Micro, Small and Medium Enterprises (State Gazette of the Republic of Indonesia of 2008 Number 93, Supplement to the State Gazette of the Republic of Indonesia Number 4866);

5. Law Number 25 of 2009 on Public Services (State Gazette of the Republic of Indonesia of 2009 Number

- 112, Supplement to the State Gazette of the Republic of Indonesia Number 5038);
6. Law Number 39 of 2009 on Special Economic Zones (State Gazette of the Republic of Indonesia of 2009 Number 147, Supplement to the State Gazette of the Republic of Indonesia Number 5066);
 7. Law Number 12 of 2011 on Legislation Making (State Gazette of the Republic of Indonesia of 2011 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 5234) as amended several times, last by Law Number 13 of 2022 on the Second Amendment to Law Number 12 of 2011 on Legislation Making (State Gazette of the Republic of Indonesia of 2022 Number 143, Supplement to the State Gazette of the Republic of Indonesia Number 6801);
 8. 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, last by Law Number 9 of 2015 on the Second Amendment to Law Number 23 of 2014 on Local Governments (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679);
 9. Law Number 7 of 2021 on Harmonization of Tax Regulations (State Gazette of the Republic of Indonesia of 2021 Number 246, Supplement to the State Gazette of the Republic of Indonesia Number 6736);
 10. Law Number 1 of 2022 on Financial Relations between the Central Government and Local Governments (State Gazette of the Republic of Indonesia of 2022 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6757);
 11. Law Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation into Law (State Gazette of the Republic of Indonesia of 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
 12. Government Regulation Number 29 of 2012 on Sei Mangkei Special Economic Zone (State Gazette of the Republic of Indonesia of 2012 Number 54, Supplement to the State Gazette of the Republic of Indonesia Number 5287);
 13. Government Regulation Number 17 of 2013 on Implementation of Law Number 20 of 2008 on Micro, Small and Medium Enterprises (State Gazette of the Republic of Indonesia of 2013 Number 40, Supplement to the State Gazette of the Republic of Indonesia Number 5404);
 14. Government Regulation Number 12 of 2019 on Regional Financial Management (State Gazette of the Republic of Indonesia of 2019 Number 42, Supplement to the State Gazette of the Republic of Indonesia Number 6322);
 15. Government Regulation Number 24 of 2019 on Provision of Incentives and Ease of Investment in the Regions

- (State Gazette of the Republic of Indonesia of 2019 Number 63, Supplement to the State Gazette of the Republic of Indonesia Number 6330);
16. Government Regulation Number 5 of 2021 on Implementation of Risk-Based Business Licensing (State Gazette of the Republic of Indonesia of 2021 Number 15, Supplement to the State Gazette of the Republic of Indonesia Number 6617);
 17. Government Regulation Number 6 of 2021 on Implementation of Business Licensing in the Regions (State Gazette of the Republic of Indonesia of 2021 Number 16, Supplement to the State Gazette of the Republic of Indonesia Number 6618);
 18. Government Regulation Number 7 of 2021 on Ease, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises (State Gazette of the Republic of Indonesia of 2021 Number 17, Supplement to the State Gazette of the Republic of Indonesia Number 6619);
 19. Government Regulation Number 10 of 2021 on Local Taxes and Levies in Support of Ease of Doing Business and Regional Services (State Gazette of the Republic of Indonesia of 2021 Number 20, Supplement to the State Gazette of the Republic of Indonesia Number 6622);
 20. Presidential Regulation Number 97 of 2014 on Implementation of One-Stop Integrated Services (State Gazette of the Republic of Indonesia of 2014 Number 221);
 21. Presidential Regulation Number 10 of 2021 on Investment Business Sector (State Gazette of the Republic of Indonesia of 2021 Number 61) as amended by Presidential Regulation Number 49 of 2021 on Amendment to Presidential Regulation Number 10 of 2021 on Investment Business Sector (State Gazette of the Republic of Indonesia of 2021 Number 128);
 22. Regulation of the Minister of Home Affairs Number 80 of 2015 on Formation of Regional Legal Products (State Bulletin of the Republic of Indonesia of 2015 Number 2036) as amended by Regulation of the Minister of Home Affairs Number 120 of 2018 on Amendment to Regulation of the Minister of Home Affairs Number 80 of 2015 on Formation of Regional Legal Products (State Bulletin of the Republic of Indonesia of 2018 Number 157);

With the Joint Approval of
REGIONAL HOUSE OF REPRESENTATIVES
OF THE PROVINCE OF NORTH SUMATRA
and
GOVERNOR OF NORTH SUMATRA

HAS DECIDED:

To issue : REGIONAL REGULATION ON PROVISION OF INCENTIVES
AND EASE OF INVESTMENT.

CHAPTER I GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Region means the North Sumatra Province.
2. Local Governments mean the administration of government affairs by Local Governments and Regional House of Representatives according to the principle of autonomy and assistance duties with the principle of the widest possible autonomy within the system and principles of the Unitary State of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.
3. Local Government means the Regional Head as the administrator of Local Governments leading the government affairs as the authority of autonomous region.
4. Regional Head, hereinafter referred to as the Governor, means the Governor of North Sumatra.
5. Central Government means the President of the Republic of Indonesia who holds the power of government of the Unitary State of the Republic of Indonesia assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
6. Minister means the minister administering domestic government affairs.
7. Investment Coordinating Board of the Republic of Indonesia (*Badan Koordinasi Penanaman Modal Republik Indonesia*), hereinafter abbreviated as BKPM RI, means a Non-Ministerial Government Institution under and responsible to the President.
8. One-Stop Investment and Integrated Service Office (*Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu*), hereinafter abbreviated as DPMPTSP, means a Regional Apparatus administering government affairs in the field of investment and licensing services in an integrated manner.
9. Regional Apparatus means an auxiliary element of the Governor and the Regional House of Representatives in the administration of Government Affairs which fall under the authority of the Region.
10. Provision of Incentives means a fiscal policy support from the Local Government to the public and/or Investors to increase investment in the region.
11. Ease means the provision of non-fiscal facilities from the Local Government to the public and/or investors to facilitate any investment activities and to increase investment in the region.
12. Investment means any form of investment activity, both by domestic investors and foreign investors to conduct business in the region.
13. Investors mean individual or business entities investors that make investments which can be in the form of domestic investors and foreign investors.

14. Capital means an asset in the form of money or other forms that are not money owned by investors that have economic value.
15. Local Taxes, hereinafter referred to as Taxes, mean mandatory contributions to the regions owed by individuals or entities that are compelling based on law, with no direct reward and are used for regional purposes for the greatest prosperity of the people.
16. Local Levy, hereinafter referred to as Levy, means a local levy as payment for services or the granting of certain licenses specifically provided and/or granted by the Local Government for the benefit of individuals or entities.
17. Guidance means an activity of guidance to investors to realize their investment activities and facilitation of problem solving or obstacles in the implementation of investment activities.
18. Supervision means an effort or activity carried out to prevent and reduce the occurrence of deviations from the implementation of investment and the imposition of sanctions for violations/deviations from the provisions of legislation.
19. Micro Enterprise means productive businesses owned by individuals and/or individual business entities that meet the criteria of micro enterprises.
20. Small Enterprise means a stand-alone productive economic business conducted by an individual or business entity that is not a subsidiary or branch of a company that is owned, controlled or affiliated either directly or indirectly with a medium or large enterprises that meets the criteria of a small enterprise.
21. Medium Enterprise means stand-alone productive economic businesses carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part of either directly or indirectly with small or large enterprises that meet the criteria of medium enterprises.
22. Cooperatives mean business entities consisting of individuals or cooperative legal entities by basing their activities on cooperative principles as well as a people's economic movement based on cooperation principles.
23. Verification and Assessment Team for the Provision of Incentives and/or Ease of Investment means a team that verifies, assesses, provides recommendations and conducts monitoring and evaluation of the provision of incentives and ease of investment.

Article 2

Provision of incentives and/or ease is carried out based on the principles of :

- a. legal certainty;
- b. comfort in doing business;
- c. equality;
- d. transparency;
- e. accountability; and
- f. effectiveness and efficiency.

Article 3

The purpose of the establishment of this Regional Regulation is to realize legal certainty and as a guideline in providing incentives and/or ease of investment in the region.

Article 4

Purposes of providing incentives and/or ease are to :

- a. increase investment in the region;
- b. increase economic growth and sustainable economic development in the region;
- c. create jobs;
- d. improve regional capabilities and competitiveness;
- e. encourage the development of the people's economy; and
- f. realize the welfare of society.

CHAPTER II

RIGHTS, OBLIGATIONS AND RESPONSIBILITIES OF INVESTOR

Part One

Rights

Article 5

Investors are entitled to :

- a. obtain information and services on the provision of incentives and/or ease of investment;
- b. obtain incentives and/or ease of investment according to a predetermined mechanism;
- c. obtain services related to, the process of granting, implementing, supervising and fostering regional investment; and
- d. obtain information on the results of the evaluation of the progress of receiving incentives and/or ease of investment.

Part Two

Obligations

Article 6

Investors have the following obligations :

- a. make a report on the use of incentives and/or ease of investment; and
- b. comply with the regulations stipulated regarding the guidelines for providing incentives and/or ease of investment.

Part Three

Responsibilities

Article 7

Every investor is responsible for :

- a. ensuring the availability of capital from sources that do not conflict with the provisions of legislation in the investment sector;

- b. bearing and settling all obligations and losses if the investor unilaterally stops, abandons or neglects its business activities in accordance with the provisions of legislation in the investment sector;
- c. creating a healthy business climate, preventing monopolistic practices and other things that harm the state;
- d. maintaining the environmental, social and cultural sustainability of the local community;
- e. creating worker safety, health, comfort and welfare; and
- f. participating in improving the welfare of the local community.

CHAPTER III CRITERIA FOR PROVIDING INCENTIVES AND/OR EASE

Article 8

The provision of incentives and/or ease of investment is given to the public, and/or investors who meet the following criteria:

- a. contributing to increased community income;
- b. creating job opportunity;
- c. using mostly local resources;
- d. contributing to the improvement of public services;
- e. contributing to the increase regional gross domestic product;
- f. environmentally sound and sustainable;
- g. infrastructure development;
- h. conducting transfer of technology;
- i. doing pioneer industries;
- j. carrying out research, development, and innovation activities;
- k. partnering with micro, small, medium enterprises or cooperatives;
- l. industries that use domestically produced capital goods, machinery, or equipment for production and operation;
- m. conducting business activities in accordance with national and/or regional priority programs; and/or
- n. export-oriented.

CHAPTER IV FORMS OF INCENTIVES AND EASE OF INVESTMENT

Article 9

- (1) Provision of incentives may in the form of :
 - a. Tax reduction, relief, or exemption;
 - b. reduction, relief, or exemption of Levy;
 - c. providing capital assistance to micro, small, medium enterprises and/or cooperatives in the regions;
 - d. assistance for research and development for micro, small, medium enterprises and/or cooperatives in the regions;

- e. assistance for vocational training facilities for micro, small, medium enterprises and/or cooperatives in the regions; and/or
 - f. low loan interest.
- (2) The mechanism of providing incentives as referred to in section (1) is stipulated by a Governor Regulation.

Article 10

- (1) The provision of ease of investment may in the form of:
- a. provision of data and information on investment opportunities;
 - b. provision of facilities and infrastructure;
 - c. facilitation of land or location provision;
 - d. provision of technical assistance;
 - e. acceleration granting licensing through One-Stop Integrated Services;
 - f. easy access to marketing of production products;
 - g. ease of construction direct investment;
 - h. ease of investment in strategic areas stipulated in the provisions of legislation that have the potential for regional development;
 - i. providing comfort and security to invest in the region;
 - j. ease of certification and standardization process in accordance with the provisions of legislation;
 - k. easy access to ready and skilled labor;
 - l. easy access to raw material supply; and/or
 - m. promotion facilitation in accordance with the regional authority.
- (2) The mechanism for providing ease as referred to in section (1) is stipulated by a Governor Regulation.

CHAPTER V

TYPES OF BUSINESS OR INVESTMENT ACTIVITY THAT OBTAIN INCENTIVES AND/OR EASE

Article 11

- (1) The Local Government may prioritize the provision of incentives and/or ease for certain types of businesses or certain activities.
- (2) The Local Government may prioritize the provision of incentives and/or ease for the types of business or investment activities as referred to in section (1) consisting of :
- a. micro, small, medium enterprises and/or cooperatives;
 - b. business required by the partnership;
 - c. a business for which capital ownership is required;
 - d. required business with a specific location;
 - e. business requiring a special license;
 - f. open business in the context of investment that prioritizes regional excellence;
 - g. businesses that have received investment facilities from the Central Government; and/or

- h. other businesses in accordance with the provisions of legislation.

CHAPTER VI
PROCEDURES FOR PROVIDING INCENTIVES
AND/OR EASE OF INVESTMENT

Article 12

The Local Government provides incentives and/or ease of investment in the regions as referred to in Article 9 and Article 10 by referring to the General Plan for Investment in North Sumatra Province or the results of studies that consider regional potentials and added values in the region.

Article 13

- (1) Investors who will obtain incentives and ease submit a written application to the Governor through DPMPTSP for approval, attaching requirements in the form of a business identification number, business license and operational/commercial license.
- (2) Assessment and approval of the application as referred to in section (1) are carried out by the verification and assessment team for the provision of incentives and/or ease of investment.
- (3) In the event that the assessment results as referred to in section (2) have met the requirements of the criteria for providing incentives and ease of investment, incentives and/or ease may be provided which are stipulated by a Governor Decision.

Article 14

- (1) The Governor establishes a verification and assessment team for the provision of incentives and ease of investment by a Governor Decision.
- (2) The team membership as referred to in section (1) may consist of the elements of :
 - a. Local Government;
 - b. business actors; and
 - c. academics.

Article 15

- (1) The verification and assessment team for the provision of incentives and/or ease of investment has the following duties :
 - a. verifying the proposal and checking the completeness of the requirements that must be met;
 - b. assessing each criterion in a measurable way;
 - c. using an assessment matrix to determine the form and amount of incentives and ease of investment;
 - d. determining the order in which investments will receive incentives and ease of investment;
 - e. determining the form and amount of incentives to be provided;

- f. submitting recommendations to the Governor to be designated as recipients of incentives and recipients of ease of investment; and
 - g. monitoring and evaluating the implementation of investment activities that obtain incentives and/or ease of investment.
- (2) In carrying out its duties, the verification and assessment team for providing incentives and/or ease of investment provides recommendations and assessments of applications for incentives and ease of investment based on the provisions of legislation in the investment sector.
- (3) The format of the recommendation and assessment of the team as referred to in section (2) is further regulated in a Governor Regulation.

Article 16

The Governor Decision as referred to in Article 13 section (3) at least contains :

- a. name and address of the business entity;
- b. field of business or investment activity; and
- c. the form, period, and rights and obligations of recipients of incentives and/or ease of investment.

Article 17

- (1) In the event that the application for approval as referred to in Article 13 section (1) is rejected by the Governor, the rejection must be accompanied by clear reasons in writing and at the same time return the application file.
- (2) The rejection as referred to in section (1) is submitted no later than 7 (seven) work days as of the determination of the Governor's rejection based on the results of the consideration of the verification and assessment team for providing incentives and/or ease of investment.

CHAPTER VII

PERIOD FOR PROVIDING INCENTIVES AND/OR PROVIDING EASE OF INVESTMENT

Article 18

The provision of incentives and/or ease of investment as referred to in Article 9 is given at a maximum of 1 (one) time in 1 (one) year, starting from the issuance of a decision on the provision of incentives by the Governor.

CHAPTER VIII

EVALUATION AND REPORTING

Article 19

- (1) The Governor evaluates the effectiveness of the provision of incentives and/or ease of investment that have been provided to the public and/or investors.
- (2) The evaluation as referred to in section (1) is conducted at least once every 6 (six) months.

- (3) The implementation of the evaluation as referred to in section (1) is carried out by a verification and assessment team for the provision of incentives and/or ease of investment.

Article 20

The provision of incentives and/or provision of ease of investment may be reviewed if based on evaluation it no longer meets the criteria as referred to in Article 8 or is contrary to the provisions of legislation.

Article 21

The Governor submits a report on the implementation of provision of incentives and/or ease of investment in the region to the Minister and the Head of BKPM RI once in 1 (one) year.

CHAPTER IX GUIDANCE AND SUPERVISION

Article 22

- (1) The Governor carries out guidance and supervision of the community and/or recipients of the provision of incentives and/or ease of investment.
- (2) The Governor provides guidance and supervises the implementation of providing incentives and/or providing ease of investment to the public and/or investors carried out by the Regent/Mayor in accordance with the provisions of legislation.
- (3) The guidance and supervision as referred to in section (1) and section (2) are carried out and coordinated by the Regional Apparatus in charge of investment affairs.
- (4) The guidance as referred to in section (2) and section (3) includes:
 - a. periodic dissemination, workshops, technical guidance, or investment dialogues on investment implementation provisions;
 - b. providing consultation on investment implementation control in accordance with the provisions of legislation;
 - c. facilitation resolution of problems that faced by business actors; and
 - d. facilitation of the acceleration of project investment realization in the form of ease of doing business for business actors.
- (5) The supervision as referred to in section (2) includes :
 - a. evaluation of investment implementation;
 - b. giving a written warning upon any indication or initial evidence of deviation from the provisions of investment implementation or non-fulfillment of obligations and responsibilities;
 - c. supervisory assistance by BKPM RI to business actors, including :
 1. provision of exemption facilities and/or goods and materials;

2. requests from other units in related technical agencies; and
 3. proposal for revocation of business licenses submitted to BKPM RI by the Provincial DPMPTSP or Regency/ Municipal DPMPTSP for projects that are the authority of the Central Government.
- d. supervision assistance by the Provincial DPMPTSP to business actors, in the context of the proposed revocation of business licenses submitted to DPMPTSP by Regency/ Municipal DPMPTSP for projects that are the authority of the Local Government.

CHAPTER X SANCTIONS

Article 23

Any investor who gets incentives and/or ease, does not carry out the obligations and responsibilities as referred to in Article 6 and Article 7 is subject to administrative sanctions in the form of :

- a. written warning; and
- b. cessation of incentives and/or ease of investment.

CHAPTER XI CLOSING PROVISIONS

Article 24

At the time this Regional Regulation comes into force, Regulation of the Province of North Sumatra Number 2 of 2015 on Provision of Incentives and Ease of Investment (Regional Gazette of the Province of North Sumatra of 2015 Number 2, Supplement to the Regional Gazette of the Province of North Sumatra Number 27) is repealed and declared ineffective.

Article 25

All implementing regulations regarding the Provision of Incentives and Ease of Investment that have existed before this Regional Regulation is issued, remain in effect to the extent that they do not conflict with this Regional Regulation.

Article 26

This Regional Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Regional Regulation by its placement in the Regional Gazette of the Province of North Sumatra.

Issued in Medan
on 19 June 2023

GOVERNOR OF NORTH SUMATRA,

signed

EDDY RAHMAYADI

Promulgated in Medan
on 20 June 2023
REGIONAL SECRETARY
OF THE PROVINCE OF NORTH SUMATRA,

signed

ARIEF S. TRINUGROHO

REGIONAL GAZETTE OF THE PROVINCE OF NORTH SUMATRA OF 2023
NUMBER 3

Jakarta, 24 November 2025
Has been translated as an Official Translation
on behalf of the Minister of Law
of the Republic of Indonesia
DIRECTOR GENERAL OF LEGISLATION,



DIHAHANA PUTRA

ELUCIDATION OF
REGULATION OF THE PROVINCE OF NORTH SUMATRA
NUMBER 3 OF 2023
ON
PROVISION OF INCENTIVES AND EASE OF INVESTMENT

I. GENERAL

Law Number 23 of 2014 on Local Governments as amended several times, last by Law Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation into Law, which in Article 278 states that to encourage the public and the private sector participation in regional development, the Local Government can provide incentives and/or ease to the public and/or investors which are regulated in Regional Regulations guided by the provisions of legislation.

In the context of governance, the Local Government is obligated to realize regional economic development and regional economic growth that is increasingly strong and healthy based on economic democracy. To realize regional economic development and regional economic growth, investment development is needed based on the provisions of legislation. For the implementation of accelerated investment growth, it is necessary to provide legal certainty and protection fairly to parties who develop their investments. Providing Incentives and/or Ease of Investment will be an attraction for investors to put their investment in North Sumatra Province. This legal certainty will be a guideline in an effort to accelerate the realization of investment in North Sumatra Province so as to accelerate regional economic development and growth as well as to further increase regional income.

Local Governments need to increase the equitable distribution of economic and investment activities in the regions by providing incentives and/or ease to the public and/or investors in accordance with the investment potentials in the regions. The important role of investment is to increase public income, create job opportunity, empower local resources, improve public services, increase regional gross domestic product and develop micro, small, medium enterprises and cooperatives. Providing Incentives and/or Providing Ease of Investment in the Region with the principles of legal certainty, equality, transparency, accountability, effectiveness and efficiency, to achieve the expected goals and objectives and does not conflict with the provisions of legislation.

This Regional Regulation regulates the criteria and forms of Providing Incentives and/or Ease of Investment. Providing incentives by the Local Government is in the form of fiscal policy support from the Local

Government to the public and/or investors to increase investment in the region. The fiscal policy support is the use of local budget instruments from the revenue, expenditure, and financing budgets to increase regional investment. The provision of convenience is in the form of providing non- fiscal facilities from the Local Government to the public and/or investors to facilitate any investment activities to increase investment in the Region. In addition, this Regional Regulation regulates provisions regarding the implementation of Providing Incentives and/or Providing Ease, evaluation and reporting of Providing Incentives and/or Providing Ease as well as guidance and supervision in accordance with the provisions of legislation.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Point a

The term "legal certainty" means the principle that places the law and provisions of legislation as the basis for Local Governments in every policy and action in providing incentives and providing ease of investment.

Point b

The term "comfort in doing business" means a guarantee of security and comfort from the Local Government to investors to carry out business activities in various sectors by not distinguishing between small and large investments.

Point c

The term "equality" means equal treatment of investors without favoring and benefiting one particular class, group, or scale of business.

Point d

The term "transparency" means the disclosure of information in providing incentives and ease to investors and the public.

Point e

The term "accountability" means a form of responsibility for the Provision of Incentives and/or the Provision of Ease of Investment.

Point f

The term "effectiveness and efficiency" means rational and economic considerations and guarantees that have an impact on increasing productivity and public services.

Article 3

Sufficiently clear.

Article 4

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Sufficiently clear.

Article 7

Sufficiently clear.

Article 8

Point a

The term "contributing to increased community income" means business activities and business entities or investors who carry out partnership cooperation with micro, small, medium enterprises and cooperatives in the region.

Point b

The term "creating job opportunity for local workforce" means the ratio between the number of local workers and the number of workers employed.

Point c

The term "using mostly local resources" means the use of raw materials with a ratio between local raw materials and raw materials taken from outside the region used in business activities.

Point d

The term "contributing to the improvement of public services" means the implementation and corporate social responsibility in the provision of supporting public services.

Point e

The term "contributing to the increase in Regional Gross Domestic Product" means investment activities of which efforts optimize the utilization of local natural resource potentials.

Point f

The term "environmentally sound and sustainable" means a type of business or investment activity that has an environmental management document, by applying the principles of balance, convenience, justice and relevance in the utilization of natural resources and obeying the established spatial plan and to encourage economic growth while maintaining the environment.

Point g

The term "infrastructure development" means an investment activity of which business supports the Local Government in providing social facilities and/or public facilities.

Point h

The term "conducting transfer of technology" means the implementation of investments of which businesses provide opportunities for the Local Government and the community to transfer technology.

Point i

The term "pioneer industries" means the implementation of investment of which business activities open a new type of business that has :

1. extensive linkages;
2. provide high added value and take into account the externalities that occur;
3. introduce new technology; and
4. has strategic value for the national economy by increasing regional potentials to become regional excellence.

Point j

The term "carrying out research, development and innovation activities" means the implementation of investments of which business activities are in the field of research and development, technological innovation in managing regional potentials.

Point k

The term "partnering with micro, small, medium enterprises and cooperatives" means the implementation of investments of which business activities are in partnership with micro, small, medium entrepreneurs and cooperatives.

Point l

The term "the criteria for industries that use domestically produced capital goods, machinery, or equipment" means the implementation of investments of which business activities use local content of more than 50% (fifty) percents of:

1. capital goods in the form of local materials or content;
2. machine; or
3. domestic produced equipment.

Point m

The term "conducting business activities in accordance with national and/or regional priority program criteria" means the implementation of investments of which business activities are in special areas.

Point n

The term "export-oriented" means a business activity that produces goods with high export value.

Article 9

Sufficiently clear.

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
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.

SUPPLEMENT TO THE REGIONAL GAZETTE OF THE PROVINCE OF
NORTH SUMATRA NUMBER 67