

REGULATION OF THE REGENCY OF DEMAK

NUMBER 7 OF 2023

ON

IMPLEMENTATION OF BUSINESS LICENSING

BY THE BLESSINGS OF ALMIGHTY GOD

THE REGENT OF DEMAK,

- Considering
- a. that the implementation of business licensing is a series of systematic, planned and integrated activities carried out to improve the investment ecosystem and business activities based on Pancasila and the 1945 Constitution of the Republic of Indonesia;
 - b. that to improve services to the community as business actors in order to realize business licensing services in the Region that are fast, simple, easy, cheap and transparent;
 - c. that in order to provide legal certainty in the implementation of business licensing services in the regions, it is necessary to regulate the implementation of business licensing in the regions;
 - d. that based on the considerations as referred to in point a, point b and point c, it is necessary to issue a Regional Regulation on Implementation of Business Licensing;

- Observing : 1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 13 of 1950 on Formation of the Regions of the Regency in the scope of the Province of Central Java (State Bulletin of the Republic of Indonesia of 1950 Number 42);
3. Law Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times, last by Law Number 6 of 2023 on the Enactment of Government Regulations in Lieu of Law Number 2 of 2022 on Job Creation to Become Law (State Gazette of the Republic of Indonesia of 2023 Number 41 , Supplement to the State Gazette of the Republic of Indonesia Number 6856);
4. Law Number 11 of 2023 on Central Java Province (State Gazette of the Republic of Indonesia of 2023 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 6867);
5. 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);
6. Government Regulation Number 6 of 2021 on the Implementation of Business Licensing in Regions (State Gazette of the Republic of Indonesia of 2021 Number 16, Supplement to the State Gazette of the Republic of Indonesia Number 6618);

With the Joint Approval of
THE REGIONAL HOUSE OF REPRESENTATIVES OF
THE REGENCY OF DEMAK
and
REGENT OF DEMAK
HAS DECIDED:

To issue : REGIONAL REGULATION ON IMPLEMENTATION OF BUSINESS
LICENSING.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Region means the Regency of Demak.
2. Regent means the Regent of Demak.
3. Local Government means the Regent as an element of the Local Government administrator who leads the implementation of government affairs which are the authority of the autonomous region.
4. Regional Apparatus means elements that assist the Regent and the Regional House of Representatives in administering Government Affairs which become the authority of the Region.
5. Business Actor means an individual or a business entity that carries out business and/or activities in certain fields.
6. Permit means approval from the Central Government or Local Government for the implementation of business

activities which is required to be fulfilled by Business Actors before carrying out their business activities.

7. Risk means the potential for injury or loss from a hazard or a combination of the possibility and consequences of a hazard.
8. Implementation of Business Licensing means a business licensing activity whose management process is electronic starting from the application stage to the issuance of documents which is carried out in an integrated manner through one door.
9. Business Licensing means the legality given to Business Actors to start and run their business and/or activities.
10. Risk-Based Business Licensing means Business Licensing based on the level of risk of business activities.
11. Business Licensing to Support Business Activities means legality given to Business Actors to support business activities.
12. Non-licensing means all forms of ease of service, fiscal facilities and information in accordance with the provisions of legislation.
13. Standard Certificate means a statement and/or proof of compliance with standards for implementing business activities.
14. Standard Classification of Indonesian Business Fields (*Klasifikasi Baku Lapangan Usaha Indonesia*), hereinafter abbreviated to KBLI, is a classification code regulated by non-ministerial government institutions in charge of government affairs in the field of statistics.
15. Norms, Standards, Procedures and Criteria (Norma, Standar, Prosedur dan Kriteria), hereinafter abbreviated as NSPK, mean legislation issued by the Central Government as guidelines in the

implementation of concurrent Government Affairs which are the authority of the Central Government and which are the authority of the Regions.

16. Electronically Integrated Business Licensing System (Online Single Submission), hereinafter referred to as the OSS System, means an integrated electronic system managed by the OSS Institution for implementation Risk-Based Business Licensing.
17. OSS Management and Organizing Institution, hereinafter referred to as OSS Institution, means a government institution that carries out government affairs in the field of investment coordination.
18. One Stop Integrated Service and Investment Service (Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu), hereinafter abbreviated to DPMPSTP, means a Regional Apparatus which has the task of carrying out regional government affairs in the field of investment.
19. Access Right means a right granted by the Government Republic of Indonesia through the OSS Institution in the form of an access code.
20. Supervision means an effort to ensure that the implementation of business activities is in accordance with standards for the implementation of business activities carried out through a risk-based approach and obligations that must be fulfilled by business actors.
21. Business Identification Number (*Nomor Induk Berusaha*), hereinafter abbreviated to NIB, means proof of registration/registration of Business Actors to carry out business activities and as an identity for Business Actors in carrying out their business activities.

Article 2

- (1) The implementation of Business Licensing is intended to provide legal certainty and guidance in business activities.
- (2) The implementation of Business Licensing aims to:
 - a. realize legal certainty in business activities;
 - b. improve the investment ecosystem and business activities;
 - c. increase regional economic growth;
 - d. improve the management of Business Licensing issuance services more effectively and simply;
 - e. improve supervision of business activities that are structured, transparent, accountable in accordance with the provisions of legislation; and
 - f. encourage Business Licensing services in the Region in integrated manner electronically.

Article 3

The scope of regulations for the implementation of Business Licensing includes:

- a. Local Government authority;
- b. licensing services;
- c. Risk-Based Business Licensing;
- d. Risk-Based Business Licensing through OSS system services;
- e. supervision of Risk-Based Business Licensing;
- f. resolving problems and obstacles to Risk-Based Business Licensing;
- g. reporting on the implementation of business licensing;

- h. synergy; and
- i. funding.

CHAPTER II

LOCAL GOVERNMENT AUTHORITY

Article 4

- (1) The Local Government carries out the implementation of Business Licensing in the Region in accordance with its authority based on the provisions of legislation.
- (2) The implementation of Business Licensing in the Region as referred to in section (1) is delegated to DPMPTSP.

Article 5

Apart from carrying out Business Licensing in the Region as referred to in Article 4, DPMPTSP provides Non-Licensing services.

Article 6

To support the implementation of licensing in the Region, the Local Government has the authority to:

- a. develop a supporting system for the implementation of the OSS System in accordance with the NSPK determined by the Central Government; and
- b. impose levies in accordance with provisions of legislation.

Article 7

- (1) The delegation of authority as referred to in Article 4 section (2) includes:
 - a. administering Business Licensing which is the authority of the Local Government in accordance with the provisions of legislation; And
 - b. implementation of Business Licensing which is the authority of the Central Government which is delegated to the Regent based on the principle of co-administration duties.
- (2) In carrying out the authority as referred to in section (1), DPMPTSP has responsibilities includes:
 - a. acceptance and/or rejection of application documents;
 - b. issuance of Risk Based Business Licensing, Business Licensing to Support Business Activities, and Non-Licensing documents;
 - c. submission of documents for Risk-Based Business Licensing, Business Licensing to Support Business Activities and Non-Licensing; And
 - d. revocation and cancellation of Risk-Based Business Permits, Business Licensing to Support Business Activities and Non-Licensing in accordance with Regional authority.

CHAPTER III

LICENSING SERVICES

Part One

General

Article 8

- (1) The implementation of Business Licensing in the Region is carried out to improve the investment ecosystem and business activities.
- (2) The improvement of the investment ecosystem and business activities as referred to in section (1) includes:
 - a. Risk-Based Business Licensing;
 - b. basic requirements for Business Licensing; and
 - c. Sector Business Licensing and convenience investment requirements.

Part Two

Business Licensing

Article 9

- (1) Every Business Actor is obligated to have a Business License.
- (2) The business licensing as referred to in section (1) is obtained through the implementation of business licensing services by DPMPTSP.
- (3) There is no charge for Business Actors in obtaining Business Licensing services in the Region as referred to in section (2).
- (4) The Business Actors who do not have a Business License as referred to in section (1) is subject to administrative sanctions in the forms of:
 - a. verbal warning;

- b. written warning;
 - c. temporary suspension of activities;
 - d. permanent cessation of activities;
 - e. temporary revocation of permits according to authority;
 - f. permanent revocation of permits according to authority; and/or
 - g. administrative fines.
- (5) Further provisions regarding the administrative sanctions as referred to in section (4) are regulated in a Regent Regulation

Part Three

Non-licensing

Article 10

- (1) The Non-licensing services as referred to in Article 5 consist of:
- a. education sector;
 - b. health sector;
 - c. public works and public housing;
 - d. trade industry;
 - e. transportation;
 - f. agriculture;
 - g. youth and sports;
 - h. land;
 - i. financial, income and asset management;
 - j. creative economy;

- k. social; And
 - l. tourism and culture.
- (2) The types of non-licensing services as referred to in section (1) is stipulated by the Regent.

Part Four

Implementation Management

Article 11

- (1) Implementation of Business Licensing in the Region implemented by DPMPTSP.
- (2) DPMPTSP carries out one-stop integration of services between Regional Apparatus and vertical agencies in the Region in accordance with its authority.

Article 12

- (1) DPMPTSP in carrying out Business Licensing services is obligated to implement management of Implementation of Business Licensing in the Region.
- (2) The management of the Implementation of Business Licensing in the Regions as referred to in section (1) includes:
- a. implementation of services;
 - b. management of public complaints;
 - c. information management;
 - d. counselling to the community;
 - e. consulting services; and
 - f. legal assistance.

Article 13

- (1) The implementation of services as referred to in Article 12 section (2) point a is in accordance with the provisions of legislation regarding the Implementation of Business Licensing.
- (2) Implementation of Business Licensing services in the Region is required to use the OSS System.
- (3) The implementation of Business Licensing services in the Regions as referred to in section (2) is equipped with special services for vulnerable groups, the elderly and people with disabilities in obtaining Business Licensing services.

Article 14

- (1) OSS System Services for Business Licensing in Regions carried out independently by Business Actors.
- (2) The independent services as referred to in section (1) are carried out with their own equipment/facilities or those provided by DPMPTSP.
- (3) In the event that OSS System services cannot be implemented independently, DPMPTSP conducts:
 - a. assisted services; and/or
 - b. mobile service.
- (4) The assisted services as referred to in section (3) point a are carried out interactively between DPMPTSP and Business Actors.
- (5) The mobile services as referred to in section (3) point b are carried out by bringing service affordability closer to

Business Actors by using transportation or other means.

Article 15

- (1) The assisted services as referred to in Article 14 section (3) point a is also done when service OSS System:
 - a. not yet available; or
 - b. a technical problem occurred.
- (2) The assisted services as referred to in section (1) are carried out in accordance with the provisions of legislation.

Article 16

- (1) For Business Actors in areas that do not yet have adequate accessibility, applications for Business Licensing can be submitted at the sub-district office or rural/urban village office.
- (2) Apart from submitting at the sub-district office or rural/urban office as referred to in section (1), Business Actors can submit applications for Business Licensing for mobile services organized by DPMPTSP.
- (3) The applications for Business Licensing as referred to in section (1) and section (2) are registered in the OSS System by sub-district officials or rural/urban village officials using the access rights owned by Business Actors no later than 3 (three) Days after receipt from Business Actors who authorize the application for Business Licensing in the Region.

Article 17

- (1) The implementation of Business Licensing services by DPMPTSP as referred to in Article 12 section (2) point a is free of charge.
- (2) Certain Business Licensing at DPMPTSP is subject to local levies in accordance with the provisions of legislation.
- (3) DPMPTSP is not burdened with a local levy revenue target as referred to in section (2).
- (4) In the event that the implementation of Business Licensing services as referred to in section (1) and section (2) causes a reduction in original regional income, the Central Government provides budget incentive support to the Regions in accordance with the provisions of legislation.

Article 18

- (1) The management of public complaints as referred to in Article 12 section (2) point b is carried out quickly, precisely, transparently, fairly, non-discriminatory and free of charge.
- (2) The management of public complaints as referred to in section (1) is carried out in stages:
 - a. receiving and providing receipts;
 - b. checking the completeness of documents;
 - c. classifying and prioritizing solutions;
 - d. examining and responding;
 - e. administering;
 - f. reporting results; and
 - g. monitor and evaluate.

- (3) The duration of time for processing complaints as referred to in section (1) is regulated in accordance with the provisions of legislation
- (4) The implementation of public complaint management as referred to in section (1) is integrated with ministries/institutions and Regional Apparatus through the OSS System.

Article 19

- (1) DPMPTSP is obligated to provide complaint facilities to manage public complaints regarding Business Licensing services.
- (2) The complaint facilities as referred to in section (1) must be easily accessible and reachable by the public by making efforts to use information and communication technology.
- (3) In the event that DPMPTSP does not provide complaint facilities as referred to in section (1) subject to a verbal warning or written warning by the Regent.

Article 20

- (1) The information management as referred to in Article 12 section (2) point c, is carried out openly and is easily accessible to the public.
- (2) The implementation of information management as referred to in section (1), at least:
 - a. receiving information service requests; And
 - b. providing and delivering related information Business Licensing services

Article 21

- (1) The provision of information as referred to in Article 20 section (2) point b is carried out through the information service subsystem in the OSS System.
- (2) In addition to the information services as referred to in section (1), the Local Government can provide and give information as referred to in Article 20 section (2) point b through the supporting information services subsystem in the OSS System.
- (3) Apart from the information services as referred to in section (1), the Local Government can provide and provide other information, containing at least:
 - a. institutional profile of regional apparatus;
 - b. Business Licensing service standards in the regions; And
 - c. one-stop integrated service performance assessment.
- (4) The information services as referred to in section (1) carried out through electronic media and print media.
- (5) Providing of information to the public no charge.
- (6) The provision of information is carried out in accordance with the provisions of legislation.

Article 22

- (1) The outreach to the public as referred to in Article 12 section (2) point d, covering:
 - a. the rights and obligations of the Local Government and the community regarding Business Licensing services;
 - b. benefits of Business Licensing for the community;

- c. requirements and mechanisms for Business Licensing services;
 - d. time and place of service; And
 - e. level of risk of business activities.
2. The outreach to the public carried out through:
- a. electronic media;
 - b. print media; and/or
 - c. meeting.
3. The implementation of counselling as referred to in section (1) and section (2) is carried out by DPMPTSP in coordination with regional technical apparatus on a periodic basis

Article 23

- (1) The Consultation services as referred to in Article 12 section (2) point e, at least:
- a. technical consultation on types of Business Licensing services;
 - b. consultation on legal aspects of Business Licensing; and
 - c. technical assistance.
- (2) The consultation services as referred to in section (1) are carried out in the consultation room provided and/or online.
- (3) The consultation services as referred to in section (1) are carried out by DPMPTSP in coordination with regional technical apparatus in an interactive manner.

Article 24

- (1) The legal assistance as referred to in Article 12 section (2) point f is carried out in the event that there are legal problems in the licensing process and implementation involving DPMPTSP.
- (2) The legal assistance as referred to in section (1) is carried out by regional officials in charge of law.

CHAPTER IV

RISK BASED BUSINESS LICENSING

Article 25

- (1) The Risk-Based Business Licensing as referred to in Article 8 section (2) point a is carried out based on determining the risk level and scale ranking of business activities.
- (2) The basic requirements for Business Licensing as referred to in Article 8 section (2) point b include:
 - a. suitability of space utilization activities;
 - b. environmental approval; And
 - c. building approval and certificate of worthiness function.
- (3) The Sector Business Licensing as referred to in Article 8 section (2) point c which is held in the Region consists of the following sectors:
 - a. maritime affairs and fisheries;
 - b. agriculture;
 - c. environmental and forestry;
 - d. energy and mineral resources;
 - e. nuclear power;
 - f. industry;

- g. trading;
 - h. public works and public housing;
 - i. transportation;
 - j. health, medicine and food;
 - k. education and culture;
 - l. tourist;
 - m. religion;
 - n. postal, telecommunications, broadcasting, and electronic systems and transactions;
 - o. defense and security; and
 - p. employment.
- (4) The Risk-Based Business Licensing in each sector as referred to in section (1) includes regulations:
- a. related KBLI/KBLI code, KBLI title, scope of activities, Risk parameters, Risk level, Business Licensing, time period, validity period and Business Licensing authority;
 - b. requirements and/or obligations for Risk-Based Business Licensing;
 - c. Risk Based Licensing guidelines; and
 - d. business activity standards and/or product standards.
- (5) The religious nuclear energy and defense and security sectors as referred to in section (3) point e, point m and point o are the authority of the Central Government whose licensing process is integrated with Regional Business Licensing services.
- (6) In order to improve the investment ecosystem and business activities in the sector as referred to in section (3), Business Actors are provided with ease of investment requirements and Business Licensing in

accordance with the provisions of legislation regarding the implementation of Risk-Based Business Licensing.

- (7) Risk-Based Business Licensing, basic requirements for Business Licensing, and sector Business Licensing and ease of investment requirements are implemented in accordance with the provisions of legislation regarding the implementation of Risk-Based Business Licensing and legislation in the field of spatial planning, living environment and building construction

Article 26

- (1) The determination of the Risk level as referred to in Article 25 section (1) is carried out based on the results of the Risk analysis.
- (2) The Risk analysis as referred to in section (1) is required to be carried out in a transparent, accountable manner and prioritizing the precautionary principle based on data and/or professional assessment.
- (3) The Risk Level as referred to in section (1) determines the type of Business Licensing.

Article 27

- (1) Based on the level of Risk as referred to in Article 26, business activities are classified into:
 - a. business activities with a low level of risk;
 - b. business activities with a medium level of risk;
 - c. business activities with a high level of risk.
- (2) The business activities with medium risk level as referred to in section (1) are divided into:
 - a. low medium Risk level; And
 - b. medium high-Risk level.

Article 28

- (1) The Business Licensing for business activities with a low level of risk as referred to in Article 27 section (1) point a, in the form of NIB which is the identity of the Business Actor as well as the legality for carrying out business activities
- (2) NIB as referred to in section (1) for business activities with a low level of risk carried out by Micro and Small Enterprises (UMK), also applies as:
 - a. Indonesian National Standards (SNI) as referred to in legislation in the field of standardization and conformity assessment; and/or
 - b. halal guarantee statement as referred to in legislation in the field of halal product guarantees.

Article 29

- (1) The Business Licensing for business activities with medium to low level of Risk as referred to in Article 27 section (2) point b is in the form of:
 - a. NIB; and
 - b. Standard Certificate.
- (2) The Standard Certificate as referred to in section (1) point b constitutes the legality for carrying out business activities in the form of a statement by Business Actors to fulfil business standards in order to carry out business activities provided through the OSS System.
- (3) Business Licensing as referred to in section (1) is the basis for Business Actors to carry out preparation, operational and/or commercial business activities.

- (4) The standards for implementing business activities as referred to in section (2) is required to be fulfilled by Business Actors when carrying out business activities.

Article 30

- (1) After obtaining the NIB as referred to in Article 29 in section (1) point a, Business Actors make statements through the OSS System to meet standards implementation of business activities in the context of carrying out business activities and the ability to be verified by the Local Government according to its authority.
- (2) Regarding the statement as referred to in section (1), the OSS Institution issues a Standard Certificate that has not been verified.
- (3) The Standard Certificates that have not been verified as referred to in Article 29 section (2) are the basis for Business Actors to carry out preparations for business activities.
- (4) The NIB as referred to in Article 29 section (1) point a and the verified Standard Certificate as referred to in Article 29 section (2) constitute a Business License for Business Actors to carry out operational and/or commercial business activities.
- (5) In the event that Business Actors:
 - a. do not obtain the Standard Certificate as referred to in section (2) according to the time period specified in the norms, standards, procedures and criteria; and
 - b. based on the results of Supervision, do not carry out the business activity within 1 (one) year since the issuance of NIB, the OSS Institution cancels

the Standard Certificates that have not been verified as referred to in section (4)

Article 31

- (1) Business Licensing for business activities with a high level of Risk as referred to in Article 27 section (1) point c is in the forms of:
 - a. NIB; and
 - b. permit.
- (2) The permit as referred to in section (1) point b is the approval of the Central Government or Local Government for the implementation of business activities which is required be fulfilled by Business Actors before carrying out its business activities.
- (3) Before obtaining the permit as referred to in section (2), Business Actors can use NIB to prepare business activities.
- (4) The NIB as referred to in section (1) point a and the permit as referred to in section (2) are Business Permits for Business Actors to carry out operational and/or commercial business activities.
- (5) In the event that business activities with a high level of risk require compliance with business standards and/or product standards, the Local Government in accordance with its authority issues a business Standard Certificate and a product Standard Certificate based on the results of verification of standard compliance

CHAPTER V

RISK BASED BUSINESS LICENSING VIA OSS SYSTEM SERVICES

Part One

General

Article 32

- (1) Implementation of Risk-Based Business Licensing is carried out electronically and integrated through the OSS system
- (2) The OSS system as referred to in section (1) consists of above:
 - a. information service subsystem;
 - b. Business Licensing subsystem; and
 - c. Supervision subsystem.

Part Two

Information Services Subsystem

Article 33

- (1) The information service subsystem as referred to in Article 32 section (2) point a provides information on obtaining Risk-Based Business Licensing as well as other information related to the implementation of Risk-Based Business Licensing.
- (2) The information as referred to in section (1) contains:
 - a. KBLI based on Risk level;
 - b. spatial plan;
 - c. provisions on capital investment requirements;
 - d. Business Licensing requirements and/or obligations, time period, standards for

implementing business activities and supporting business activities, and other provisions in norms, standards, procedures and criteria for all business sectors, guidelines and procedures for submitting NIB, Standard Certificates and Permits;

- e. basic requirements include suitability of activities space utilization, building approval and certificate of functional suitability as well as environmental approval;
 - f. provisions for incentives and investment facilities;
 - g. Supervision of Business Licensing and reporting obligations;
 - h. Business Licensing service simulation, guide OSS System users, OSS System dictionaries and frequently asked questions (FAQ);
 - i. public complaint services; and
 - j. other information determined by the decision of the OSS Institution.
- (3) The Information Services Subsystem as referred to in section (1) is implemented in accordance with the provisions of legislation.

Part Three

Business Licensing Subsystem

Article 34

- (1) The process of issuing Risk-Based Business Licensing is carried out through the Business Licensing subsystem as referred to in Article 32 section (2) point b.

- (2) The Business Licensing Subsystem as referred to in section (1) covers the stages of the Business Licensing issuance process:
 - a. account registration/Access Rights;
 - b. risk business licensing classification process. Risk low in the form of NIB;
 - c. Low medium risk consists of:
 - 1) NIB; and
 - 2) Standard Certificate.
 - d. Medium risk consists of:
 - 1) NIB; and
 - 2) Standard Certificate.
 - e. High risk consists of:
 - 1) NIB; and
 - 2) permit.
- (3) The stages of the Business Licensing subsystem as referred to in section (2) are implemented in accordance with the provisions of legislation.

Part Four

Supervision Subsystem

Article 35

- (1) The Supervision Subsystem as referred to in Article 32 section (2) point c is used as a means to carry out Risk-Based Business Licensing Supervision.
- (2) The Supervision Subsystem as referred to in section (1) contains at least:
 - a. annual field inspection planning;

- b. periodic reports from Business Actors and data development of business activities;
 - c. Supervision work equipment;
 - d. assessment of compliance with the Implementation of Business Licensing;
 - e. complaints against Business Actors and Supervisory implementers and their follow-up actions; and
 - f. coaching and sanctions.
- (3) The Supervision work equipment as referred to in section (2) point c consists of:
- a. existing data, profiles and information on Business Actors on OSS Systems;
 - b. letter of assignment for field inspection executor;
 - c. notification letter of visit;
 - d. investigation report;
 - e. list of questions for Business Actors regarding compliance with standards for implementing business activities and obligations; and/or
 - f. other work equipment required to support the implementation of Supervision.
- (4) The supervision subsystem as referred to in section (1) is implemented in accordance with the provisions of legislation.

CHAPTER VI

BUSINESS LICENSING SUPERVISION RISK BASED

Article 36

- (1) Supervision of Risk-Based Business Licensing is carried out by the Local Government in accordance with its authority.
- (2) Supervision is carried out with due consideration Business Actor compliance level.
- (3) Indicators in the Supervision as referred to in section (1) include:
 - a. building layout and building standards;
 - b. health, safety and/or environmental standards life;
 - c. standards for implementing business activities;
 - d. requirements and obligations regulated in the NSPK; and
 - e. obligation to submit reports and/or utilize incentives and investment facilities.
- (4) The Supervision of Risk-Based Business Licensing as referred to in section (1) is carried out in an integrated and coordinated manner in accordance with its duties and authority.
- (5) The implementation of Risk-Based Business Licensing Supervision as referred to in section (1) is coordinated by DPMPTSP.

Article 37

- (1) The Supervision of licensing as referred to in Article 36 is carried out by considering the level of compliance of Business Actors.
- (2) The Supervision as referred to in Article 36 carried out with the aim of:
 - a. ensuring compliance with requirements and obligations by Business Actors;

- b. collecting data, evidence, and/or reports on the occurrence of dangers to safety, health, the environment, and/or other dangers that can arise from the implementation of business activities; and
 - c. guidance on guidance and imposition of administrative sanctions for Business Licensing violations
- (3) Any person is prohibited from obstructing Supervision activities as referred to in section (1)
- (4) Any person who violates the provisions as referred to in section (3) will be subject to administrative sanctions and/or criminal in accordance with the provisions of legislation.

Article 38

Supervision as referred to in Article 36 and Article 37 is carried out in accordance with the provisions of legislation.

CHAPTER VII

PROBLEM SOLVING AND OBSTACLES RISK BASED BUSINESS LICENSING

Article 39

- (1) The Regent is obligated to resolve obstacles and problems and obstacles to Business Licensing in accordance with the provisions of legislation.
- (2) In the event that the legislation does not regulate matters for resolving obstacles and problems, the Regent has the authority to make decisions and/or take necessary actions in order to resolve the obstacles and problems as long as they are in accordance with the general principles of good governance.

Article 40

In the event that there are reports and/or complaints from the public to the Regent regarding irregularities or abuses in the implementation of business licensing, resolution is carried out by prioritizing the administrative process in accordance with the provisions of legislation in the field of government administration.

CHAPTER VIII

REPORTING THE IMPLEMENTATION OF BUSINESS
LICENSES

Article 41

- (1) The Regent submits a report on the Implementation of Business Licensing in the Region to the Governor every 3 (three) months on a regular basis.
- (2) The report as referred to in section (1) contains at least:
 - a. number of permits issued;
 - b. investment plans and realization; and
 - c. obstacles and solutions

CHAPTER IX

SYNERGITY

Article 42

- (1) In administering Business Licensing, the Local Government can synergize with the Government, Provincial Government and other Local Governments.
- (2) The synergy as referred to in section (1) is carried out for:

- a. increasing the human resource capacity of state civil servants within the Local Government in the context of implementation of Business Licensing;
- b. improving the quality of the implementation of Business Licensing;
- c. evaluation of the implementation of Business Licensing;
- d. facilitation of internal control and coaching implementation of Business Licensing;
- e. facilitation in solving problems in implementation of Business Licensing; and
- f. needs and other requirements in the context of implementation of Business Licensing in accordance with provisions of legislation.

CHAPTER IX

FUNDING

Article 43

Funding for the implementation of Business Licensing in Local Governments is borne by:

- a. local Budget; and
- b. other legitimate sources and not binding based on the provisions of the legislation.

CHAPTER XI

CLOSING PROVISION

Article 44

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 Regency of Demak.

Issued in Demak

on 21 July 2023

REGENT OF DEMAK,

signed

EISTI'ANAH

Promulgated in Demak

on 21 July 2023

REGIONAL SECRETARY OF THE REGENCY OF DEMAK,

signed

AKHMAD SUGIHARTO

REGIONAL GAZETTE OF THE REGENCY OF DEMAK OF 2023 NUMBER 7

Jakarta, 16 August 2024

Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION AD INTERIM,



ASEP N. MULYANA

ELUCIDATON
OF
REGULATION OF THE REGENCY OF DEMAK
NUMBER 7 OF 2023
ON
IMPLEMENTATION OF BUSINESS LICENSING

I.GENERAL

The aim of promulgating Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation which was prepared using the Omnibus Law method is to resolve regulatory disharmony in Indonesia, including:

- a. overcoming conflicts of laws and regulations both vertically and horizontally quickly, effectively and efficiently;
- b. uniforming government policies both at the central and regional levels Regions to support the investment climate;
- c. streamlining licensing processing to make it more integrated, efficient and effective;
- d. being able to break the chain of convoluted bureaucracy;
- e. increasing coordination relations between related agencies because it has been regulated in an integrated omnibus regulation policy; and

- f. there is a guarantee of legal certainty and legal protection for parties policy maker.

With regard to the aim of reducing the processing of Business Licensing, especially in the Region, adjustments and amendment to legislation are needed that can support licensing arrangements. The content of the Regulations regarding the implementation of Business Licensing must be truly based on the principles of justice, certainty, usefulness, sustainability with an environmental perspective, strengthening regional autonomy, coordination and fair law enforcement. The Regency of Demak has important interest to form a Regional Regulation that regulates the implementation of Business Licensing which is the basis and reference for business activities and capital investment with greater certainty, convenience and simplification of procedures. However, it must still be maintained and committed to improving the welfare of of the Regency of Demak residents, providing decent employment opportunities, increasing regional income, and providing a competent, honest, responsive and responsible bureaucracy. This is all done in an effort to improve the investment ecosystem which is very much needed for the development of conducive, healthy, competitive and legitimate business activities.

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

Non-Licensing consists of:

- a. The education sector with types of permits, namely:
 1. Kindergarten Establishment Permit;
 2. Non-Formal Education Establishment Permit;
 3. Permit to establish a Community Reading Garden, *Taman Bacaan Masyarakat/Tbm*;
 4. Permit to establish a play group/care center Children/Similar Educational Units;
 5. Kindergarten Operational Permit;
 6. Non-Formal Education Operational Permit;
 7. Playgroup/care center operational permit Children/Similar Educational Units;
 8. Skills Education Institution License;
 9. Research Permit.
- b. The health sector with types of permits, namely:
 1. Pharmacist Practice License, *Surat Izin Praktek Apoteker (SIPA)*;

2. License to Practice for Pharmaceutical Technical Personnel, *Surat Izin Praktek Tenaga Teknis Keparmasian* (SIPTTK);
3. Dentist License;
4. Physiotherapy Practice License, *Surat Izin Praktek Fisioterapi* (SIPF);
5. Radiographer Work Permit, *Surat Izin Kerja Radiografer* (SIKR);
6. Medical Laboratory Technology Expert Practice License, *Surat Izin Praktek Ahli Teknologi Laboratorium Medik* (SIP ATLM);
7. Doctor's Practice License, *Surat Izin Praktek Dokter* (Doctor's SIP);
8. Nursing Practice License, *Surat Izin Praktek Perawat* (*Nurse SIP*);
9. Midwife Practice License, *Surat Izin Praktek Bidan* (SIP Midwife);
10. Nutrition Worker Work Permit, *Surat Izin Kerja Tenaga Gizi* (SIKTGZ);
11. Dental Nurse Practice License, *Surat Izin Praktek Perawat Gigi* (SIPPG);
12. Nurse Anesthesia Practice License, *Surat Izin Praktek Perawat Anestesi* (SIPPA);
13. Sanitarian Work Permit, *Surat Izin Kerja Tenaga Sanitarian* (SIKTS);
14. Optical Operational License;
15. Recording Practice License;
16. Optician Refractions Practice License;
17. Public Health Worker Practice License;
18. Blood Service Technician Practice License;

19. Acupuncture Practice License;
 20. Electromedical Practice License;
 21. Speech Therapy Practice License;
 22. Occupational Therapy Practice License;
 23. Prosthetic Orthotic Practice License;
 24. Clinic Establishment Permit.
- c. Public works and public housing with types of permits namely:
1. Building Approval, *Persetujuan Bangunan Gedung* (PBG);
 2. Certificate of Functionality, *Sertifikat Laik Fungsi* (SLF).
- d. Trade, industry with types of permits, namely:
1. Market Trader Approval Permit;
 2. Special Job Fair;
 3. Shopping Center Business License, *Izin Usaha Pusat Perbelanjaan* (IUPP);
 4. Supermarket Business License, *Surat Izin Usaha Toko Swalayan* (IUTS);
 5. Franchise Registration Certificate, *Surat Tanda Pendaftaran Waralaba* (STPW).
- e. The relationship with the types of permits is:
1. Transport Route Permit;
 2. Supervision Card Permit for the Issuance of Transport Route Permits;
 3. Online Ojek Operational Permit;
 4. Road Closure Permit;
 5. Excavation Permit.
- f. Agriculture with types of permits, namely:
1. Livestock Business Permit;

2. Veterinary Medical Personnel License;
 3. Animal Health Veterinary Paramedic License;
 4. License for Artificial Insemination Veterinary Paramedic Personnel;
 5. License for Veterinary Paramedic for Pregnancy Examination;
 6. License for Veterinary Paramedic Technical Assistance Reproduction;
 7. Animal Health Services Unit Permit.
- g. Youth and Sports with the types of permits, namely:
1. Recreational Place, Sports Hall and Building Permits Multipurpose;
 2. Permit to rent the Pancasila Building/Koni Building and Stadium Pancasila.
- h. Land with the type of permit, namely Conformity Approval Space Utilization Activities, *Persetujuan Kesesuaian Kegiatan Pemanfaatan Ruang* (PKKPR).
- i. Financial, income and asset management with the type of permit, namely Advertising Permit.
- j. Creative economy with licensing types in accordance with statutory provisions.
- k. Social with the type of licensing in accordance with provisions of legislation.
- l. Tourism and culture with types of permits in accordance with provisions of legislation.

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

Section (1)

The term Risk level means taking into account the scale of the Risk Aspects that are taken into account including:

1. safety aspects;
2. health aspects;
3. environmental aspects (K2L);
4. aspects of resource utilization and management; and
5. other aspects adapted to the nature of business activities referred to.

Section (2)

Sufficiently clear.

Section (3)

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

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.