

PRESIDENTIAL DECREE  
NUMBER 41, YEAR 1996  
CONCERNING  
INDUSTRIAL ZONE

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Considering : that in order to speed up development of Industrial zone, it is necessary to restructure the regulation concerning Industrial Zone.

- In view of :
1. Article 4 paragraph (1) Constitution 1945;
  2. Law Number 5 Year 1960 concerning Agrarian Law (State Gazette Year 1960 Number 104, Additional State Gazette Number 2043);
  3. Law Number 1 Year 1967 concerning Foreign Investments (State Gazette Year 1967 Number 1, Additional State Gazette Number 2818) as have been altered with Law Number 11 Year 1970 (State Gazette Year 1970 Number 46, Additional State Gazette Number 2943);
  4. Law Number 6 Year 1968 concerning Domestic Investments (State Gazette Year 1968 Number 33, Additional State Gazette Number 2853) as have been altered with Law Number 12 Year 1970 (State Gazette Year 1970 Number 47, Additional State Gazette Number 2944);
  5. Law Number 5 Year 1974 concerning Governance (State Gazette Year 1974 Number 38, Additional State Gazette Number 3037);
  6. Law Number 4 Year 1982 concerning Environment Management (State Gazette Year 1982 Number 12, Additional State Gazette Number 3215);
  7. Law Number 5 Year 1984 concerning Industry (State Gazette Year 1984 Number 22, Additional State Gazette Number 3274);
  8. Law Number 10 Year 1995 concerning Custom (State Gazette Year 1995 Number 75, Additional State Gazette Number 3612);
  9. Government Regulation Number 17 Year 1986 concerning Authority to govern Industrial Development (State Gazette Year 1986 Number 23, Additional State Gazette Number 3330);

10. Government Regulation Number 51 Year 1993 concerning Analysis Environmental Impact (State Gazette Year 1993 Number 84, Additional State Gazette Number 3538);
11. Government Regulation Number 13 Year 1995 concerning Industry Business License (State Gazette Year 1995 Number 25, Additional State Gazette Number 3596).

H A S D E C I D E D :

To stipulate : PRESIDENTIAL DECREE CONCERNING INDUSTRIAL ZONE

CHAPTER I  
GENERAL PROVISION

Article 1

Referred to this Decree as:

1. Industrial Zone is zone which is a centre of industrial activity provided with infra structure and supporting facilities which is developed and managed by Industry zone company owned Business License of Industrial zone.
2. Industry is industry as mentioned in Law Number 5 Year 1984 concerning Industry.
3. Industrial Zone Company is company laboring development and/or management of Industrial Area.
4. Zone of Industrial Allotment is unfolding the land which allotment for industrial activity pursuant to Plan of Planology of Region stipulated by Local Major/Regent
5. Minister is Minister of Industry and trade.

Article 2

Industrial Area Development is intended to:

- a. speed up industrial growth in region;
- b. give amenity for industrial activity;
- c. push industrial activity for having location in Industrial Area;
- d. improve industry development effort which is with vision of environment.

Article 3

- (1) Authority to arrange, guide and develop Industrial Zone is in the Minister.
- (2) In order to smooth the effort to provide industrial plot and/or the building ready for use, Minister conduct coordination in the case of:
  - a. Land allocation, plan and requirements of development and management of Industrial Zone, provide infra structure and supporting facilities, advantage;
  - b. Industrial Zone development and operation.

Article 4

Development of Industrial Area does not lessen farmland and not conducted above land of having function protect experienced resource and the cultural heritage

CHAPTER II  
COMPANY OF INDUSTRIAL AREA

Article 5

- (1) Company of Industrial Area is in form of legal body existing under the law of the Republic of Indonesia and domicile in Indonesia.
- (2) Company of Industrial Area can the in form of:
  - a. Body of Effort Public Ownership (BUMN) Or Body of Effort Region Property (BUMD);
  - b. Co-Operation;
  - c. Private Enterprise National;
  - d. Company in order to Foreign Capital Cultivation;
  - e. Body of Joint Venture usher body of effort mentioned in point a, point b, point c, and point d.

Article 6

- (1) Each Industrial Zone Company is obliged to obtain business license of Industrial Zone.
- (2) Business License of Industrial Zone for Industrial Zone Company which its capital is not foreign investment/Domestic investment will be granted by Minister.

- (3) Business license of Industrial Zone which is investment based on Law Number 1 Year 1967 concerning Foreign Investments as have been amended with Law Number 11 Year 1970, and the Law Number 6 Year 1968 concerning Domestic Investments as have been amended with Law Number 12 Year 1970, will be granted by State's Minister of Investment Fund Activator/Head of Investment Coordinating Board.
- (4) Business license of Industrial Area Company which has status as non Foreign Investment/Domestic Investment and which have status as Foreign Investment/Domestic Investment valid continuously as long as such Industrial Zone Company still manage the Industrial Zone and for the Industry Area Company which have status of Foreign Investment valid for 30 year, as long as meet law and regulation.

## Article 7

- (1) Industrial Zone Company is obliged to conduct activity of development and management of Industrial Zone.
- (2) Activity development of Industrial Zone covered activity as mentioned in Article 8 and Article 10.
- (3) Activity management of Industrial Zone covered activity of operation and/or maintenance of infra structure and supporting facility of Industrial Zone, inclusive of services activities for industrial company in Industrial Zone.

## Article 8

- (1) Industrial Zone Company is obliged to conduct activity:
  - a. Providing/handling land
  - b. compilation plan land tread;
  - c. technical plan of zone;
  - d. compilation Analyze of Environmental Impact;
  - e. compilation regulation of Industrial Zone;
  - f. land maturation;
  - g. marketing of industrial plot of land;
  - h. development and also procurement of infra structure and supporting facility inclusive to install installation/equipment which is needed.

- (2) Before conducting activity as mentioned Paragraph (1), Industrial Zone Company has to obtain Principal Approval, with condition as follows:
  - a. for Industrial Zone Company which has status Non Foreign Investment/Domestic Investment will be granted by Minister;
  - b. for Industrial Zone Company has its capital based on to Law Number 1 Year 1967 concerning Foreign Investment as have been amended with Law Number 11 Year 1970, and Law Number 6 Year 1968 concerning Domestic Investments as have been amended with Law Number 12 Year 1970, will be granted by State's Minister of Minister of Investment Fund Activator/Head of Investment Coordinating Board.

## Article 9

- (1) Industrial Zone Company which has obtained Principal Approval is obliged to obtain Location of Industrial Zone License with applying to Head of Land Office in such local mayor/regent
- (2) Granting of Location license Industrial Zone Company is pursuant to Plan of Planology of Region determined by a Local Government.

## Article 10

To conduct activity of sale and/or rent of plot of industrial land and/or building which already build, Industrial Area Company is obliged to own License of Industrial Zone.

## Article 11

- (1) To conduct the activity development of Industrial Area, the Industrial Zone Company has obtained Business Industrial Zone License can apply for the Main Rights Utilize Building for the land which already owned and developed
- (2) The Main Rights Utilize Building of Industrial Zone can be separated into Rights Utilize Building to each plot of land respectively.
- (3) In Case Main Rights Utilize Building of Industrial Zone not yet been issued, Industrial Zone Company in Industrial Zone can apply Rights Utilize Building for plot of land which already owned.
- (4) Terms and Procedures of granting of Main Rights Utilize Building for the Industrial Zone and the Rights Utilize Building to each plot of land respectively will be further governed furthermore by State Minister of Agrarian/Head of National Land Agency.

Article 12

- (1) Industry Zone Company which already conducted development activity and have owned Business Industrial Zone License can apply Industrial Area Extension License.
- (2) Industrial Zone Extension License as mentioned to paragraph (1) will be granted pursuant to Region Plano logy Plan determined by Local Government.
- (3) Extension License for Industry Zone Company which has status as Foreign Investment under Law Number 1 Year 1967 concerning Foreign Investments as have been amended with Law Number 11 Year 1970, and the Law Number 6 Year 1968 concerning Domestic Investment as have been amended with Law Number 12 Year 1970, will be granted by will be granted by State's Minister of Minister of Investment Fund Activator/Head of Investment Coordinating Board.

Article 13

Terms concerning procedure and requirements of granting of Principal Approval of Business Industrial Zone License and Industrial Zone Extension License, will be further governed by Minister

Article 14

Industry Zone Company which and have owned Business Industrial Zone License and also have provided infra structure, other supporting facility could transfer Industrial Zone management to Industrial Zone Organizer Company based terms and conditions agreed.

CHAPTER III  
TERMS OF INDUSTRIAL COMPANY IN INDUSTRIAL ZONE

Article 15

- (1) Every Industrial Company in Industrial Zone is obliged to fulfill all terms of license which is applicable.
- (2) Notice of Approval of President for Industrial Company established in order of Foreign Investment or Letter of Approval for Investment from Investment Coordinating Board for Industrial Company in order of Domestic Investment or Business License from technical department for Industrial Company non Foreign Investment Company/Domestic Investment Company, for industrial company located in Industrial Zone is declared valid as license required to conduct activities development and production

Article 16

Industrial Company in Industrial Zone is obliged to obey terms concerning environment and Discipline of Industrial Area.

Article 17

- (1) Land owned by one company or some companies which is at least 10 (ten) of hectare in Area of Industrial Allotment matching with Plan of Regional Plano logy and also have been exploited for the industrial activity, can be specified as Industrial Zone.
- (2) Company as referred to in paragraph (1) having same rights and obligations with Company of Industrial Area.
- (3) Terms and procedures determination of Industrial Area as referred to in paragraphs (1) and (2) stipulate by Minister.

CHAPTER IV  
TRANSITIONAL

Article 18

- (1) Principal Approval of Industry Zone owned by Industrial Zone Company before enforcement this Presidential Decree is declared still valid and could be used to obtain Business Industrial Zone license pursuant to this Presidential Decree.
- (2) Permanent Industry Zone License Which already owned by Industrial Zone Company before the enforcement of this Presidential Decree become license of Industrial Zone pursuant to this Presidential Decree.

CHAPTER V  
CLOSING PROVISION

Article 19

Further terms are needed for this Presidential Decree implementation is governed by Minister, with considering the applicable laws and regulations.

Article 20

- (1) With the enforcement this Presidential Decree, Presidential Decree Number 53 Year 1989 concerning Industrial Zone as amended with Presidential Decree Number 98 Year 1993 become null and void.

## AKBAR & AKBAR

Law Office

- (2) All Presidential Decree implementation regulation Number 53 Year 1989 and the Presidential Decree Number 98 Year 1993 still come into effect as long as not interfere in or not yet been arranged pursuant to this Presidential Decree.

### Article 21

This Presidential Decree shall come into force at date of stipulation.

Stipulated in Jakarta

On June 4, 1996

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Signed

SOEHARTO