

REGULATION OF THE MUNICIPALITY OF BUKITTINGGI
NUMBER 4 OF 2019
ON
EMPOWERMENT AND DEVELOPMENT OF MICRO ENTERPRISES

BY THE BLESSINGS OF ALMIGHTY GOD

MAYOR OF BUKITTINGGI,

- Considering :
- a. that the regional economy is built on the basis of economic democracy with the principles of cooperation, efficiency with justice, sustainability, environmental insight, independence, and by maintaining a balance of progress and economic unity;
 - b. that the regional economic development carried out through the empowerment and development of Micro Enterprises is able to increase the position, role and potential of Micro Enterprises in the context of realizing economic growth, equity and increasing community income, creating job opportunities, and alleviating poverty in the City of Bukittinggi;
 - c. that in order to provide legal certainty in the empowerment and development of Micro Enterprises, it is necessary to regulate it in a Regional Regulation;
 - d. that based on the considerations as referred to in point a, point b, and point c, it is necessary to stipulate a Regional Regulation on Empowerment and Development of Micro Enterprises;

- Observing : 1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 9 of 1956 on Establishment of Autonomous Regions for Big Cities within the Province of Central Sumatra (State Gazette of the Republic of Indonesia of 1956 Number 20);
3. 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);
4. 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 9 of 2015 on the Second Amendment to Law Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679);
5. 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);

With the Joint Approval of:

THE MUNICIPAL HOUSE OF REPRESENTATIVES

and

THE MAYOR OF BUKITTINGGI

HAS DECIDED:

To issue : REGIONAL REGULATION ON MICRO BUSINESS EMPOWERMENT AND DEVELOPMENT.

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Regional Regulation:

- 1 Region means the City of Bukittinggi.
- 2 Local Government is the Mayor as an element of regional government organizers who leads the implementation of government affairs which are the authority of the autonomous region.
- 3 Mayor is the Mayor of Bukittinggi.
- 4 Regional Apparatus is the supporting element of the Mayor and the Regional House of Representatives of the City of Bukittinggi in the administration of government affairs which are under the authority of the Region.
- 5 Micro Enterprise means productive businesses owned by individuals and/or individual business entities that meet the criteria for micro-enterprises as regulated in the legislation.
- 6 Small Enterprise means a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or not branches of companies that are owned, controlled, or become part either directly or indirectly of a medium or large enterprises that meets the small enterprises criteria as regulated in the legislation.
- 7 Medium Enterprise means productive economic businesses that stand alone, which are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become part of either directly or indirectly with small businesses or large businesses with total net assets or annual sales results as regulated in the legislation.
- 8 Large Enterprise means a productive economic business carried out by a business entity with a net worth or annual sales proceeds greater than that of a medium-sized business, which includes state-owned or private national businesses, joint ventures, and foreign businesses conducting economic activities in Indonesia.

- 9 Business World means Micro, Small, Medium and Large Enterprises that carry out economic activities in Indonesia and are domiciled in Indonesia.
- 10 Micro Enterprise Empowerment means an effort made by the Local Government through data collection, partnerships, licensing facilities, and institutional strengthening so that Micro Enterprises are able to grow and develop into strong and independent businesses.
- 11 Micro Enterprise Development means an effort made by the Local Government to empower Micro Enterprises through the provision of facilities, guidance, assistance, and strengthening assistance to grow and improve the capabilities and competitiveness of Micro Enterprises.
- 12 Financing means the provision of funds by the Local Government, Business World, and the community through banks, cooperatives, and non-bank financial institutions, to develop and strengthen Micro Business capital.
- 13 Collateral means the provision of collateral for Micro Enterprises loans by credit collateral institutions as support to increase the opportunity to obtain loans in order to strengthen their capital.
- 14 Partnership means cooperation in business linkages, either directly or indirectly, based on the principles of mutual need, trust, strengthening, and benefit involving micro enterprises.
- 15 Micro and Small Enterprises Permit (Izin Usaha Mikro dan Kecil), hereinafter abbreviated as IUMK, is a sign of legality to a person or business actor/certain activity in the form of a micro and small enterprises license in the form of one sheet.
- 16 Micro Enterprises Actors (Pelaku Usaha Mikro), hereinafter abbreviated as PUM, are micro business actors in Bukittinggi City.
- 17 Camat means the head of the sub-district who is under and responsible to the mayor through the regional

secretary, who in carrying out his or her duties obtains the delegation of government authority from the mayor to handle some regional autonomy affairs, and carries out general government duties.

- 18 Subdistrict means the working area of the Camat as a regional apparatus for the City of Bukittinggi.

Article 2

- (1) The Local Government is authorized to carry out the empowerment and development of Micro Enterprises based on the provisions of legislation.
- (2) The Micro Enterprises Empowerment as referred to in section (1) is carried out through:
 - a. data collection;
 - b. partnership;
 - c. licensing;
 - d. institutional strengthening; and
 - e. Coordination with stakeholders.
- (3) The Micro Enterprises Development as referred to in section (1) is carried out with the orientation of increasing the scale of Micro Enterprises to become small enterprises.

Article 3

Principles of Empowerment and Development of Micro Enterprises:

- a. growing independence, cooperation, and entrepreneurship of Micro Enterprises, to work on their own initiative;
- b. realization of transparent, accountable, and fair public policies;
- c. business development based on regional potential and market oriented in accordance with the competence of Micro Enterprises;
- d. increasing the competitiveness of Micro Enterprises; and
- e. implementation of planning, implementation, and control in an integrated manner.

Article 4

Objectives of Micro Enterprises Empowerment and Development:

- a. realize a balanced, developing, and just regional economic structure;
- b. grow and develop the ability of Micro Enterprises, to become a strong and independent business; and
- c. increasing the role of Micro Enterprises in regional development, job creation, income distribution, economic growth, and alleviating people in the regions from poverty.

Article 5

- (1) Micro Business Criteria include:
 - a. has a maximum net worth of Rp50,000,000.00 (fifty million rupiah) excluding land and buildings for business premises; or
 - b. have annual sales of a maximum of Rp300,000,000.00 (three hundred million rupiah).
- (2) Micro Enterprises Criteria as referred to in section (1), the nominal value can be changed in accordance with the provisions of the legislation.

CHAPTER II

MICRO BUSINESS EMPOWERMENT

Part One

Data collection

Article 6

Micro Enterprises Data Collection aims to:

- a. create a database so that integrated Micro Enterprises data management can be created and produce quality, complete and accurate data;
- b. knowing the number and condition of the development of Micro Enterprises in the Regions;
- c. support the planning, implementation, and evaluation of programs/activities for the Empowerment and

Development of Micro Enterprises by the Local Government;

Article 7

- (1) Micro Enterprise data collection is carried out by an officer appointed by the Camat.
- (2) In carrying out the data collection as referred to in section (1), the sub-district head coordinates with the regional apparatus that carries out government affairs in the field of cooperatives and micro-enterprises that function as data coordinator at the city level.
- (3) Data collection on Micro Enterprises as referred to in section (1) is carried out continuously and data is updated, at least once a year and can be accounted for.

Article 8

Data collection on Micro Enterprises at leasts contain:

- a. PUM identity;
- b. type of business;
- c. business location;
- d. startup capital;
- e. the technology used;
- f. type of training/education that has been followed;
- g. capital assistance ever received; and
- h. sign of business legality.

Article 9

For Micro-Enterprises whose data collection has been carried out, a proof of data collection shall be affixed with the signature and stamp of the Camat.

Article 10

- (1) Data on Micro Enterprises in the Regions can be presented using printed media and/or electronic media in accordance with the provisions of legislation.
- (2) The presentation of data as referred to in section (1) is carried out once every 1 (one) year.

Part Two
Partnership

Article 11

- (1) Local Governments facilitate Partnerships between Micro and Small Enterprises, Medium Enterprises, and Large Enterprises.
- (2) The partnership as referred to in section (1) aims to:
 - a. realizing partnerships between Micro Enterprises;
 - b. create partnerships between Micro, Small, Medium and Large Enterprises;
 - c. encourage mutually beneficial relationships in the implementation of business transactions between Micro Enterprises;
 - d. encourage mutually beneficial relationships in the implementation of business transactions between Micro, Small, Medium and Large Enterprises;
 - e. develop cooperation to improve the bargaining position of Micro Enterprises;
 - f. encourage the formation of a market structure that ensures the growth of fair business competition and protects consumers; and
 - g. prevent the occurrence of market domination and concentration of business by certain individuals or groups that are detrimental to Micro Enterprises.

Article 12

- (1) Partnership between Micro and Small Enterprises, Medium Enterprises and Large Enterprises, is implemented by taking into account the principles of Partnership and upholding sound business ethics.
- (2) The Principles of Partnership as referred to in section (1) include:
 - a. need each other;
 - b. mutual trust;
 - c. mutually reinforcing; and

- d. win-win solution.
- (3) In implementing the Partnership, the parties have equal legal standing and Indonesian law applies to them.

Article 13

- (1) The partnership includes the transfer of skills in the fields of production and processing, marketing, capital, human resources, and technology in accordance with the partnership pattern.
- (2) The partnership pattern as referred to in section (1) includes:
 - a. nucleus-plasma;
 - b. subcontract;
 - c. franchise;
 - d. general trading;
 - e. distribution and agency;
 - f. profit sharing;
 - g. operational cooperation;
 - h. joint venture;
 - i. outsourcing; and
 - j. other forms of partnership.
- (3) Micro, Small, Medium Enterprises, or large enterprises in implementing the Partnership pattern as referred to in section (2) are prohibited from unilaterally severing legal relations.
- (4) The partnership pattern as referred to in section (2) is implemented in accordance with the provisions of the legislation.

Article 14

- (1) The Local Government facilitates micro-enterprises to establish partnership relationships in various forms of business fields.
- (2) The forms of facilitation provided by the Local Government in realizing partnerships between Micro Enterprises include:
 - a. partnership meeting;

- b. trade contact; and
 - c. promotion facilitation.
- (3) Forms of facilitation provided by local governments in creating a partnership between the Micro, Small, Medium Enterprises and Large Enterprises include:
- a. provision of data and information for Small, Medium, and/or Large Enterprises that are ready to partner with Micro Enterprises;
 - b. encourage Small Enterprises, Medium Enterprises and Large Enterprises that carry out trading activities to be able to market products from Micro Enterprises in the Regions;
 - c. encourage Small Enterprises, Medium Enterprises and Large Enterprises that carry out industrial activities to receive raw materials originating from Micro Enterprises in the Regions; and/or
 - d. encourage State-Owned Enterprises (BUMN), Local-Owned Enterprises (BUMD) and Private Companies to implement partnerships with micro-enterprises.
- (4) The forms of facilitation provided by the Local Government in developing cooperation to improve the bargaining position of Micro Enterprises include:
- a. research and development;
 - b. education and training; and
 - c. guidance and supervision.

Part Three
Permissions

Paragraph 1
General

Article 15

- (1) In carrying out its activities, PUM must have a sign of business legality in the form of IUMK.
- (2) The granting of IUMK for PUM aims to:
 - a. get certainty and protection in doing business in a

- predetermined location;
 - b. get assistance for business development;
 - c. get easy access to financing to bank and non-bank financial institutions; and
 - d. get facilities in empowerment from the Local Government and/or other institutions.
- (3) PUM who do not have IUMK referred to in section (2) is subject to administrative sanctions in the form of:
- a. verbal warning;
 - b. written warning;
 - c. closure of place of business; and/or
 - d. police coercion.
- (4) Procedure for granting licenses made in accordance with the provisions of legislation.
- (5) Further provisions regarding administrative sanctions are regulated by a Mayor Regulation.

Article 16

The granting of IUMK to PUM is not subject to fees, levies, and/or other levies.

Paragraph 2

PUM's Rights and Obligations

Article 17

PUM has the right to:

- a. carry out business activities;
- b. obtain information and dissemination or notification related to business activities;
- c. obtain guidance and facilities in empowerment from the Local Government; and
- d. get easy access to financing to bank financial institutions and non-bank financial institutions.

Article 18

- (1) PUM is obligated to:
- a. run its business in accordance with the IUMK; and

- b. comply with the provisions of legislation.
- (2) PUM that does not run its business in accordance with the IUMK as referred to in section (1) point a is subject to administrative sanctions in the form of:
 - a. verbal warning;
 - b. written warning; and/or
 - c. revocation of IUM.
- (3) Further provisions regarding the procedure for imposing administrative sanctions as referred to in section (2) are regulated by a Mayor Regulation.

Part Four
Institutional

Article 19

In terms of strengthening the institutions of Micro Enterprises in the Regions, the Local Government may:

- a. facilitate PUM to establish a forum or joint forum in the form of a community organization with a legal entity as an association; and/or
- b. establishing and/or encouraging the establishment of an entrepreneurial incubator organizing agency and facilitating funding for an Entrepreneurial incubator organizing agency.

Article 20

- (1) The forum or joint forum in the form of a mass organization incorporated as an association aims to:
 - a. as a means of solving problems experienced by Micro Enterprises in the Regions; and
 - b. to channel the aspirations and partnerships of Micro Enterprises in the Regions with Medium and Large Enterprises.
- (2) The facilitation provided by the Regional Government to PUM to establish a forum or joint forum in the form of a community organization incorporated as an association as referred to in Article 19 point a can be in the form of:

- a. providing information;
 - b. fulfillment of requirements for establishment;
- (3) The provision of information as referred to in section (2) letter a can be submitted through:
- a. dissemination;
 - b. printed media; and/or
 - c. electronic media.
- (4) The dissemination as referred to in section (3) point a is carried out by the Regional Apparatus that carries out government affairs in the field of cooperatives and Micro Enterprises.
- (5) The fulfillment of the requirements for establishment as referred to in section (2) point b is carried out based on the provisions of the legislation.

Article 21

The implementation of the Entrepreneurial incubator by the Regional Government as referred to in Article 19 point b, is carried out through the Regional Apparatus that carries out government affairs in the field of cooperatives and Micro Enterprises.

Article 22

The implementation of the entrepreneurial incubator aims to realize:

- a. growth of a strong and independent PUM in the Region;
- b. increasing PUM productivity; and
- c. creation of new job opportunities;

Article 23

The implementation of the Entrepreneurial Incubator by the Local Government as referred to in Article 21 is carried out in accordance with the provisions of the legislation.

Article 24

- (1) The Local Government through the regional apparatus that carries out government affairs in the field of cooperatives and Micro Enterprises coordinates the Empowerment and Development of Micro Enterprises.
- (2) The coordination as referred to in section (1) can be carried out with other relevant agencies, institutions/business entities, and/or regional apparatus.

CHAPTER III

BUSINESS DEVELOPMENT

Part One

General

Article 25

- (1) In the context of developing Micro Enterprises, the Local Government facilitates business development for Micro Enterprises that already have a permit.
- (2) The facilitation of Micro Enterprises Development as referred to in section (1) for Micro Enterprises is carried out in the fields of:
 - a. production and processing;
 - b. marketing;
 - c. human resources; and
 - d. design and technology.

Part Two

Production and Processing

Article 26

Facilitation of Micro Enterprises development in the field of production and processing as referred to in Article 25 point a, is carried out by:

- a. improve production and processing techniques and management capabilities for Micro Enterprises;

- b. provide convenience in the procurement of facilities and infrastructure, production and processing, raw materials, auxiliary materials, and packaging for Micro Enterprises products;
- c. encourage the application of standardization in the production and processing processes;

Article 27

Improvement of production and processing techniques as well as management capabilities for Micro Enterprises as referred to in Article 26 point a is carried out by:

- a. facilitation of product standardization and processing;
- b. improved production management;
- c. use of appropriate technology;
- d. the development of innovation; and/or
- e. the help of modern packaging tools.

Article 28

Ease of procurement of facilities and infrastructure, production and processing, raw materials, auxiliary materials and packaging for Micro Enterprises products as referred to in Article 26 point b, is carried out by:

- a. optimizing the availability of raw materials for PUM, so that they can continue to produce;
- b. facilitation of relations between raw material providers and PUM; and/or
- c. provision of business raw material information data that can be accessed by PUM.

Article 29

The application of standardization in the production and processing processes as referred to in Article 26 point c, is carried out by:

- a. use of quality raw materials and auxiliary materials;
- b. apply good production and processing methods; or
- c. development of product types that meet quality assurance criteria.

Part Three
Marketing

Article 30

Facilitating the development of Micro Enterprises in the marketing sector, as referred to in Article 25 point b, which is carried out by:

- a. disseminate market information;
- b. improvement of management capabilities and marketing techniques for PUM;
- c. provide marketing tools;
- d. organize an exhibition of Micro Business products in the Regions; and/or
- e. provide product promotion, marketing and distribution network support;

Part Four
Human Resources

Article 31

- (1) The facilitation of the development of Micro Enterprises in the field of human resources as referred to in Article 25 point c, is carried out by providing education and training for PUM human resources through educational and training institutions established by the Local Government.
- (2) The provision of education and training for PUM human resources as referred to in section (1) aims to improve the knowledge, skills, attitudes, and behavior of PUM human resources.
- (3) The development in the field of human resources as referred to in section (1) is carried out intensively and sustainably in accordance with the type of Micro Enterprises.

Article 32

- (1) The implementation of education and training for PUM human resources includes the following stages:
 - a. preparation;
 - b. implementation; and
 - c. evaluation.
- (2) The preparation stage as referred to in section (1) point a consists of:
 - a. determination of participants;
 - b. determination of instructors/trainers;
 - c. preparation of education and training guidelines, modules, and schedules; and
 - d. determination of the place of implementation.
- (3) The implementation stage as referred to in section (1) point b is carried out classically and non-classically.
- (4) The evaluation stage as referred to in section (1) point c is an evaluation activity on the results, benefits, and impacts of education and training on PUM.

Article 33

- (1) Types of education and training for PUM human resources include:
 - a. entrepreneurship education and training;
 - b. technical skills education and training; or
 - c. managerial education and training.
- (2) Entrepreneurship education and training as referred to in section (1) point a includes self-potential development, motivation, preparation of business proposals, sources of financing, business development tips and strategies and others
- (3) Technical skills education and training as referred to in section (1) point b includes training to improve product quality and added value, increase competitiveness, improve market access, technology.
- (4) The managerial education and training as referred to in section (1) point c includes production management, quality and quality management, marketing management, financial management, human resource management and

others.

- (5) Each of the education and training as referred to in section (1) is carried out in stages in various levels and/or levels.

Article 34

- (1) Regional Apparatuses that carry out government affairs in the field of cooperatives and micro-enterprises determine the priority of PUM as participants in education and training.
- (2) Determination of priorities for education participants as referred to in section (1) based on the results of data collection on Micro Enterprises;

Part Five

Design and Technology

Article 35

Technology development is carried out by identifying, discovering, mastering, disseminating, and providing technical assistance on appropriate new technologies.

Article 36

Facilitating the development of Micro Enterprises in the field of design and technology as referred to in Article 25 point d is carried out by:

- a. improving capabilities in the fields of design and technology as well as quality control;
- b. facilitating and encouraging the implementation of technology transfer that supports the development and improvement of product quality;
- c. enhancing cooperation and technology transfer;
- d. providing incentives to Micro Enterprises that develop technology and preserve the environment;
- e. encouraging and facilitating Micro Enterprises to obtain certificates of intellectual property rights; and/or
- f. disseminating equipment specifications with appropriate

technology according to the type of business.

CHAPTER IV FINANCING

Article 37

- (1) The Local Government provides financing in the context of empowering and developing Micro Enterprises sourced from the Local Budget.
- (2) The Local Government and the Business World may provide grants, and seek other legal and non-binding sources of financing for Micro Enterprises and/or forums or joint forums in the form of community organizations incorporated as associations in the Region in accordance with the provisions of legislation.

Article 38

To increase access to financing for Micro Enterprises, the Local Government seeks to:

- a. grow, develop, and expand the network of non-bank financial institutions;
- b. grow, develop, and expand the reach of credit guarantee institutions;
- c. facilitating capital sourced from corporate social responsibility funds/partnership and environmental development programs; and/or
- d. provide convenience and facilitation in fulfilling the requirements to obtain financing.

CHAPTER V COACHING, MONITORING, EVALUATION, AND REPORTING

Part One Coaching

Article 39

- (1) The Local Government provides guidance on the

Empowerment and Development of Micro Enterprises in the Regions in the form of:

- a. intensive dissemination of Micro Enterprises in the Regions regarding the licensing of Micro Businesses in the Regions; and/or
 - b. awards.
- (2) Intensive dissemination of Micro Enterprises in the Regions as referred to in section (1) point a is carried out by the Regional apparatus that carries out government affairs in the field of cooperatives and Micro-enterprises.
- (3) The awarding referred to in section (1) point b can be in the form of:
- a. certificate of merit;
 - b. announcements in printed and/or electronic media; and/or
 - c. incentives in the form of ease of licensing requirements, reduction of tariffs for facilities and infrastructure, and other forms of incentives in accordance with the provisions of legislation to the business world that provides financing for Micro Enterprises.

Part Two

Monitoring and Evaluation

Article 40

- (1) In the Empowerment and Development of Micro Enterprises, the Mayor monitors and evaluates the implementation of the program:
- a. development of Micro Enterprises organized by the Local Government, the Business World, and the community in the fields of production and processing, marketing, human resources, and design and technology;
 - b. financing for Micro Enterprises;
 - c. business partnership development; and
 - d. granting IUM to PUM in the Region.

- (2) The monitoring and evaluation as referred to in section (1) are carried out at least 2 (two) times a year and/or at any time if necessary.

Part Three
Reporting

Article 41

- (1) The Regional Apparatus that carries out government affairs in the field of cooperatives and Micro Enterprises submits a report on the implementation of activities in the context of Empowerment and Development of Micro Enterprises in the Region to the Mayor.
- (2) The Mayor submits a report on the results of the IUM grant and the results of Empowerment and Development of Micro Enterprises in the Region to the Governor.
- (3) The submission of reports as referred to in section (1), section (2) and section (3) is carried out at least 2 (two) times a year.

CHAPTER VI
TRANSITIONAL PROVISION

Article 42

- (1) PUM which already has a permit prior to the enforcement of this Regional Regulation, is declared to remain in effect until the expiration of the permit validity period.
- (2) PUM that already has a permit but the validity period of the permit has expired before the enforcement of this Regional Regulation, must apply for a new permit in accordance with the provisions of the legislation.
- (3) At the time this Regional Regulation comes into force, PUM which has been carrying out its business activities and does not yet have a permit, must arrange for a permit within a maximum time limit of 1 (one) year.

CHAPTER VII

CLOSING PROVISION

Article 43

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

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 Municipal Gazette of Bukittinggi..

Issued in Bukittinggi
on 6 May 2019
MAYOR OF BUKITTINGGI,
signed
M. RAMLAN NURMATIAS

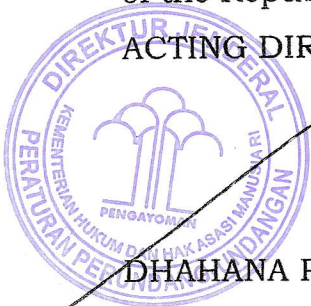
Promulgated in Bukittinggi
on 7 May 2019
REGIONAL SECRETARY
OF MUNICIPALITY OF BUKITTINGGI,
signed
YUEN KARNOVA

MUNICIPAL GAZETTE OF BUKITTINGGI OF 2019 NUMBER 4

Jakarta, 6 June 2022

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

ACTING DIRECTOR GENERAL OF LEGISLATION,



DHAHANA PUTRA