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Optimizing the Utilization of Online Business Licensing to Accelerate Business Licensing Services for Micro Businesses

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Abstract

Micro business owners need legal permits, such as a Business Identification Number (NIB), which can be obtained through the OSS RBA (Online Single Submission Risk-Based Approach) system. However, many lack awareness of its importance and accessibility. To address this, a community service program in Kebojongan Village aims to educate and assist local entrepreneurs in using OSS, simplifying business licensing, and supporting economic growth. With an NIB, micro businesses can obtain additional permits like legal certification, Indonesian National Standards (SNI), and Halal Product Guarantee Certificates. The program includes interviews, counseling, mentoring, and evaluations on OSS RBA and NIB registration. Challenges faced include forgotten account passwords and cases where a National Identity Number (NIK) was registered by someone else, restricting access. This initiative is expected to accelerate business licensing for micro businesses in Kebojongan Village, fostering their development and sustainability.

Keywords: Business Licensing, Micro Enterprises, OSS RBA System

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) in Indonesia have a very important role in growth economy, especially in his contribution to Product Gross Domestic Product (GDP) reaching 61.1% in 2023. This contribution is equivalent to IDR 9,580 trillion of the total GDP of IDR 20,892.4 trillion. In addition, MSMEs also absorb a large number of workers, namely around 97.1% of the total workers in Indonesia or around 117 million people out of a total of 140 million workers. MSMEs also play a role in national exports, contributing around 14.4%, with the number of business actors reaching 66 million, an increase of 1.52% compared to 2022.

Compared to large companies, MSMEs have a much greater contribution to Indonesia's economic growth. The existence of MSMEs or Small and Medium Enterprises (SMEs) is considered very vital in strengthening the national economy. In accordance with Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises, MSMEs are defined as productive economic enterprises run by individuals or business entities that are not affiliated with subsidiaries or branches of large businesses, and meet certain criteria.

In Law 20/2008, micro-enterprises are defined as productive activities owned by individuals or business entities with maximum assets of IDR50,000,000 and annual turnover of no more than IDR300,000,000. Small businesses have assets ranging from IDR50,000,000 to IDR500,000,000 and turnover of IDR300,000,000 to IDR2,500,000,000. While medium-sized businesses have assets between IDR500,000,000 to IDR10,000,000,000 and annual turnover of IDR2,500,000,000 to IDR50,000,000,000.

Although MSMEs have a significant role in the Indonesian economy, they still face various challenges in their development. Some of the problems that often arise are related to innovation and the use of technology, where only around 30% or around 22 million MSMEs have joined the digital ecosystem. In addition, other obstacles include digital literacy, increasing productivity, legality or licensing, access to financing, marketing, human resources, certification and standardization, coaching and training, to the availability of a single database.

Legality or business licensing plays a crucial role for MSMEs, namely as an official document issued by the relevant authorities that provides legitimacy to individuals or business entities to run a particular business or activity. With a business license, business actors get legal

protection, certainty in running a business, and the comfort and security they deserve. This allows them to contribute more to increasing the added value of production, providing goods and services needed by the community, absorbing labor, and encouraging entrepreneurial growth. In accordance with Article 12 of Law Number 20/2008, the business licensing aspect aims to simplify the procedures and types of business licenses through the One-Stop Integrated Service (PTSP) system, as well as freeing licensing fees for micro businesses and providing cost relief for small businesses.

The Ministry of Investment/Investment Coordinating Board (BKPM) has confirmed its commitment to simplifying the business licensing process for MSMEs through the PTSP system. One of the innovations developed is the Online Single Submission (OSS), which aims to accelerate the business licensing process for business actors, including MSMEs. Through OSS, MSMEs no longer have to face a long and complex bureaucratic process to obtain a business license. This system has undergone various developments until now it is able to implement Risk-Based Licensing, which groups companies based on their risk level, namely low, medium low, medium high, and high. This licensing is based on risk factors, business scale, and land area in accordance with government regulations. In this system, low-risk MSMEs only need a Business Identification Number (NIB) which functions as a single permit that covers all business activities. Another advantage of having a NIB is easy access to funding, including People's Business Credit (KUR) with low interest rates subsidized by the government, so that MSMEs are only charged 3% interest. As part of the economic recovery efforts due to the Covid-19 pandemic, the government has implemented various policies, one of which is the National Economic Recovery Program (PEN) Supporting MSMEs in 2021. This program offers various forms of stimulus with a total budget of IDR 96.21 trillion, including interest subsidies for KUR and non-KUR, placement of government funds in partner banks to expand working capital credit, MSME credit guarantees, and various other forms of assistance such as Micro Business Productive Assistance (BPUM) and cash assistance for Street Vendors (PKL) and stalls. Until the end of 2021, the total realization of this program reached IDR 83.19 trillion, involving around 34.59 million MSME debtors.

To register a business in the OSS system, MSMEs need to analyze the level of risk and scale of their business activities. For businesses with a low risk level, it is sufficient to register to obtain a NIB. Meanwhile, businesses with a medium-low risk level require a NIB and a Standard Certificate, while businesses with a medium-high risk level require a NIB and a Standard Certificate with certain additional requirements. As for businesses with high risk, a NIB and Business License are required. The NIB also has additional functions, namely as the Indonesian National Standard (SNI) and a halal guarantee statement. Determining the risk level of a business is based on the Indonesian Standard Classification of Business Fields (KBLI), which is a classification system for economic activities in Indonesia to ensure uniformity of concepts and definitions in national economic development. In addition to being a business identity, the NIB also functions as a Company Registration Certificate (TDP), Import Identification Number (API), and customs access for export and import activities. Ownership of a NIB also opens up various opportunities for MSMEs, such as access to bank financing, opportunities to participate in training, and opportunities to participate in government procurement of goods and services.

Kebojongan Village, located in Comal District, Pemalang Regency, Central Java Province, has an area of 178 m² and is divided into three hamlets, namely Kebojongan Hamlet, Sitemu Hamlet, and Kebukuran Hamlet. Several MSMEs operating in this village include convection businesses, bread production, and cracker making. In running their businesses, MSME actors need various types of permits, one of which is NIB. Therefore, it is necessary to increase the understanding and ability of the community in managing business permits. The community service program carried out in Kebojongan Village aims to increase the knowledge and skills of MSME actors in understanding the OSS system and business licensing procedures in order to facilitate the process of legalizing their businesses.

METHOD

The method of implementing this community service is carried out with several stages of activities. The implementation of community service aims to improve the knowledge and skills of the community, especially MSME actors in Kebojongan Village, in utilizing the OSS system for business license registration. With direct assistance from the community service team, it is hoped that the business licensing process for MSME actors can be accelerated and contribute to economic growth in Kebojongan Village.

The first step in this activity is an interview. The community service team asked questions to Kebojongan Village officials regarding the existence of micro, small, and medium enterprises (MSMEs) in the village. The questions asked included the number of MSMEs, the business fields they are engaged in, current operational conditions, and ownership of a Business Identification Number (NIB) or other

business permits that support their business activities. The data obtained from this interview was then used as a basis for the counseling session.

The next step is counseling. In this stage, the service team gave a presentation to the residents of Kebojongan Village about the importance of having a NIB to accelerate business growth, and explained the steps in obtaining a NIB through OSS.

The next stage is mentoring. Villagers, especially small business actors, are encouraged to create an account on OSS and complete the registration process to obtain a NIB.

The procedure for registering a business and obtaining a NIB through OSS is as follows: First, users access the site www.oss.go.id and select the registration option. Users will be directed to a page that provides two options, namely Micro and Small Enterprises (UMK) or non-Micro and Small Enterprises (Non-UMK). Furthermore, the registration process will direct users to complete data to gain access to OSS. The information required includes the Population Identification Number (NIK) for individuals or the deed of establishment number for non-individual business entities. After this process is complete, registrants will receive a verification email to activate the OSS account. After the account is active, registrants are asked to complete business entity data and related documents before the business license can be issued.

In the process, the service team provides direct guidance to MSME actors to understand and carry out the MSME business permit registration procedure through the Online Single Submission (OSS). In addition, MSME actors can also classify their business risk levels based on the Indonesian Standard Classification of Business Fields (KBLI).

The final step in this activity is an evaluation of the implementation of community service. After all stages of introduction regarding the importance of NIB ownership for MSMEs and other business licensing processes have been carried out, villagers are asked to provide input regarding the counseling that has been provided. This evaluation includes aspects of understanding obtained and obstacles faced during the process.

RESULTS AND DISCUSSION

As an effort to support legal certainty in the business world, the government has issued Presidential Regulation Number 91 of 2017 concerning the Acceleration of Business Implementation. This regulation aims to create a faster, more efficient, and less complicated licensing system, so that it can improve the investment climate and accelerate economic growth. In its implementation, efforts to accelerate business implementation are divided into two stages.

The first stage includes several strategies, such as the formation of a Task Force (Satgas) which is responsible for overseeing and resolving obstacles that may arise in the implementation of the business. This Task Force plays an important role in overcoming bureaucratic obstacles which are often the main obstacles for business actors in obtaining permits. In addition, the government also establishes a licensing mechanism based on requirements or checklists that are applied in several special areas, such as Free Trade Areas, Industrial Areas, Free Ports (KBPBP), National Tourism Strategic Areas (KSPN), and Special Economic Zones (KEK). This stage also includes the implementation of data sharing that covers areas outside the areas that are already running.

The second stage focuses more on changes and simplification of business licensing by implementing an integrated electronic-based licensing system, namely Online Single Submission (OSS). This OSS system is designed so that the licensing process can be carried out more efficiently and transparently, where entrepreneurs only need to access one system to obtain various business licenses needed. The implementation of this OSS is also combined with services at the One-Stop Integrated Service (PTSP) office, making it easier for business actors to take care of their permits.

The main function of this licensing system covers several important aspects, including to control or direct certain activities, prevent potential harm to the environment, protect certain objects, and share limited resources fairly. Thus, although the licensing system has undergone many simplifications, business licenses remain an important instrument in managing the business sector in society.

The OSS service implemented in the Investment and PTSP Offices throughout Indonesia is expected to provide convenience for business actors, both in the permit application process and in monitoring their permit status. Given that Indonesian people have very diverse social and economic backgrounds, innovation in OSS services is needed to ensure that all business actors can access this service easily. Therefore, PTSP organizers provide three types of services in the OSS system, namely self-service, assistance services, and priority services. Self-service is intended for business actors who are able to take care of their own permits through the OSS system. Meanwhile, assistance services are provided to those who have difficulty in understanding and accessing the system, while priority services are provided for business actors with strategic interests that require faster handling.

Based on Government Regulation Number 24 of 2018 Article 20, the implementation of business licensing through OSS includes several stages, starting from registration, issuance of Business Licenses, issuance of Commercial or Operational Licenses based on commitments, fulfillment of licensing

commitments, payment of fees, facilitation, validity period of the license, to supervision of the implementation of the license. The implementation of the risk-based OSS system aims to provide ease of doing business for business actors, so that it is expected to increase investment in Indonesia. With the ease of managing licensing, the government hopes to attract more investors, both from within and outside the country, to invest in Indonesia. The existence of this investment is very important for the national economy because it can create jobs, increase technology and knowledge transfer, and increase the country's foreign exchange. In addition, increased investment will also have an impact on the growth of people's purchasing power, which will ultimately drive overall economic growth.

Business actors are the parties most affected by regulatory changes related to business licensing. They are the parties who deal directly with the licensing system, so it is very important to ensure that the implementation of the risk-based OSS system really provides convenience for them. Therefore, socialization and assistance are needed for business actors so that they can understand and utilize the OSS system optimally.

As part of an effort to provide a better understanding of the OSS system to micro-entrepreneurs, a community service activity was held on June 10, 2024 in Kebojongan Village, Comal District, Pemalang Regency. This activity was attended by a community service team consisting of several academics and students, namely Sang Ayu Putu Rahayu, Rahayu Fery Anitasari, Dina Silvia Puteri, and three students, namely Anak Agung Ayu Diah Setyawati, Kukuh Satria Wiratama, and Pramestya Raharjanti. In this activity, as many as 30 micro-entrepreneurs participated to gain further understanding of the importance of the OSS system in business licensing.

This community service activity began with a presentation session explaining the importance of understanding the OSS RBA system to obtain business permits for MSMEs. The community service team provided an explanation of the benefits of having a Business Identification Number (NIB) and the consequences that may be faced if business permits are not processed through the OSS system. In the discussion session, micro business actors were given the opportunity to ask questions and share their experiences regarding the obstacles faced in processing business permits.

In the mentoring session, it was found that some business actors already had NIB, but many of them did not know their OSS account or had difficulty accessing it. In fact, having access to an OSS account is very important to support the development of their business in the future. Several other problems that emerged in this activity included errors in the Population Identification Number (NIK) data that had been registered even though it had never been used to register for OSS, as well as technical obstacles such as unstable internet access. Despite facing several challenges, this mentoring activity went smoothly, and the business actors who attended received assistance in the registration process and downloading their NIB through the OSS RBA system.

With this assistance, it is hoped that micro-business actors in Kebojongan Village can better understand the importance of legal business licensing and can access OSS services independently. The implementation of an appropriate licensing system will facilitate their business activities and contribute to driving the overall economic growth of the village. With the increasing number of micro-businesses that have business legality, it is hoped that the wheels of the economy in Kebojongan Village will grow rapidly and be able to compete in a wider market.

CONCLUSION

The community service program in Kebojongan Village is designed to bridge the knowledge gap and overcome various technical challenges faced by MSMEs in understanding and utilizing the OSS RBA system, especially in obtaining business permits such as NIB. Through education, consultation, and direct assistance, this initiative aims to simplify the licensing process, making it easier for local business actors to meet legal requirements. Although there are obstacles such as difficulty accessing accounts and forgetting passwords, various solution steps such as socialization, ongoing assistance, and cooperation with local governments are being attempted so that the transition to the OSS RBA system can run more effectively. Ultimately, this program is expected to contribute to driving economic growth and increasing business sustainability in Kebojongan Village by creating a more legally aware and competitive MSME community.

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