



Case study

Indonesia

Online submission system – risk-based approach

- 1 Overview
- 2 Indonesia's economy and the importance of the services sector
- 3 GRP commitments in Indonesia's services trade agreements
- 4 Business licensing reforms
- 5 Next steps
- 6 Lessons learned
- 7 Conclusion

Overview

Two decades ago, starting a business in Indonesia meant navigating a maze of paperwork, overlapping rules, and long queues at multiple government offices. Licensing procedures were fragmented across ministries and local authorities, each with its own forms, requirements and timelines. The process was not only slow but also unpredictable, creating barriers for entrepreneurs and investors alike.

Change began to take shape gradually, driven by the government's recognition that a more efficient, transparent and coordinated licensing system was essential for improving the business climate. This momentum culminated in the launch of the Online Single Submission Risk-Based Approach (OSS-RBA), introduced under *Government Regulation No. 5/2021*, as part of the sweeping reforms mandated by *Law No. 11/2020 on Job Creation*. The OSS-RBA marked a pivotal shift towards a unified, digitally integrated framework, replacing much of the old paper-based system and aligning licensing requirements with the risk profile of each business activity.

This case study first examines how GRP elements have been woven into the design of the OSS-RBA framework. It then analyses the platform's key achievements in streamlining procedures and improving service delivery, before addressing the challenges that have so far limited its full effectiveness. Finally, it considers the anticipated regulatory and institutional developments under the evolving OSS-RBA framework and distils the main lessons learned from Indonesia's reform experience.

Indonesia's economy and the importance of the services sector

Indonesia, the largest economy in ASEAN and the world's fourth most populous nation, has demonstrated remarkable resilience and growth since the Asian financial crisis of the late 1990s. Indonesia has emerged as the 10th largest global economy by purchasing power parity, while cutting its poverty rate by more than half between 1999 and 2019.¹ Although the COVID-19 pandemic briefly pushed the country out of the upper-middle-income bracket in 2020, Indonesia regained that status in July 2023, marking a strong recovery and reaffirming its upward economic trajectory.² Indonesia is implementing a

20-year development strategy (2005–2025), which is structured through five-year medium-term phases, with the final phase now focusing on enhancing human capital and global competitiveness to further strengthen the nation's economy.³

In 2024, Indonesia's economy reached a GDP of US\$ 1.4 trillion⁴, with the services sector contributing 43.8 per cent of total value added.⁵ In terms of commercial services, exports totalled US\$ 38.76 billion, led by travel services at US\$ 16.71 billion, followed by other business services at US\$ 15.37 billion and transport services at US\$ 5.51 billion.⁶ On the import side, commercial services totalled US\$ 57.43 billion, with other business services making up US\$ 28.62 billion, transport US\$ 14.33 billion, and travel US\$ 13.46 billion.⁷ Figure 1 illustrates the development of Indonesia's commercial services trade between 2015 and 2024 and its sectoral distribution in 2024.

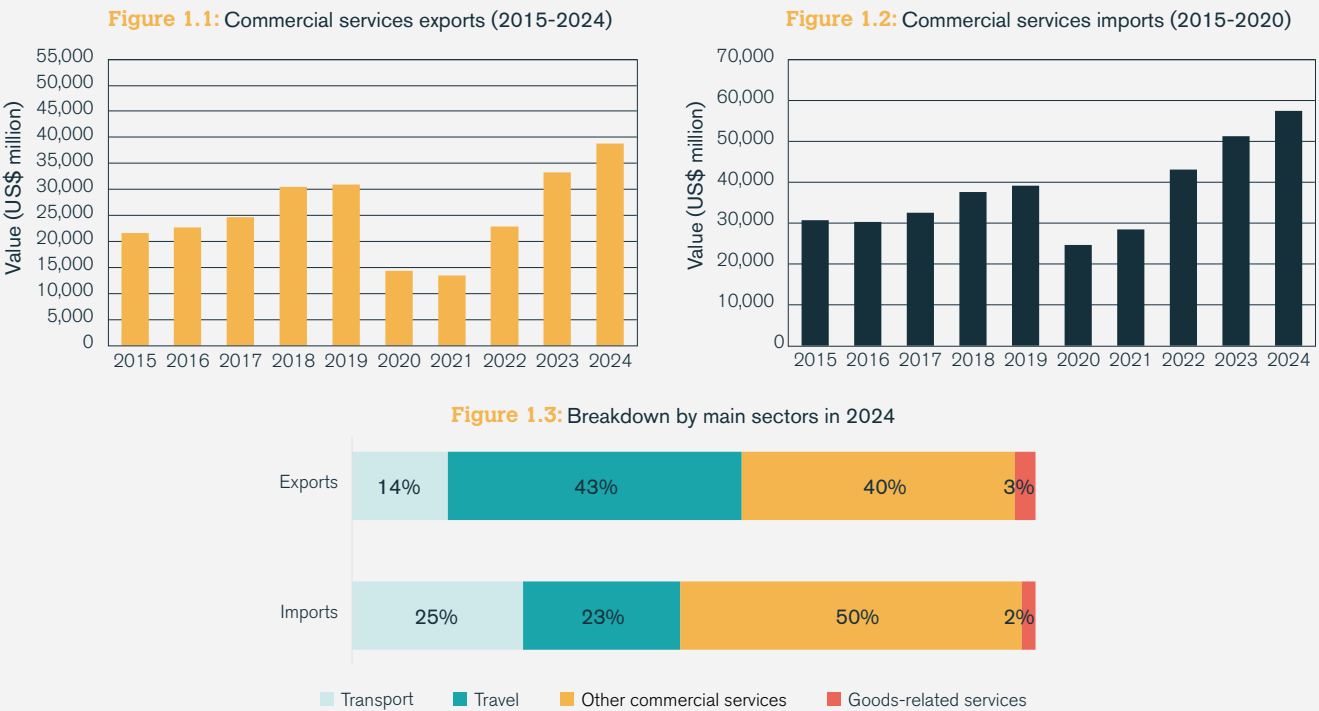
Between 2019 and 2024, digitally delivered services in Indonesia also experienced substantial growth, with both exports and imports more than doubling over the five-year period. Exports rose from US\$ 5.17 billion in 2019 to US\$ 10.94 billion in 2024, driven largely by other business services at US\$ 5.10 billion, computer services at US\$ 2.03 billion, and telecommunications services at US\$ 1.63 billion.⁸ On the import side, the value increased from US\$ 13.35 billion to US\$ 27.10 billion during the same period.⁹ In 2024, imports were dominated by other business services at US\$ 13.19 billion, followed by computer services at US\$ 3.91 billion and financial services at US\$ 3.53 billion.¹⁰ Figure 2 presents the 2015–2024 growth of Indonesia's digitally delivered services and its 2024 sectoral composition.

GRP commitments in Indonesia's services trade agreements

Since joining the WTO in 1995, Indonesia has pursued deeper engagement with regional frameworks that not only promote market access but also encourage the adoption of GRPs across the services sector.

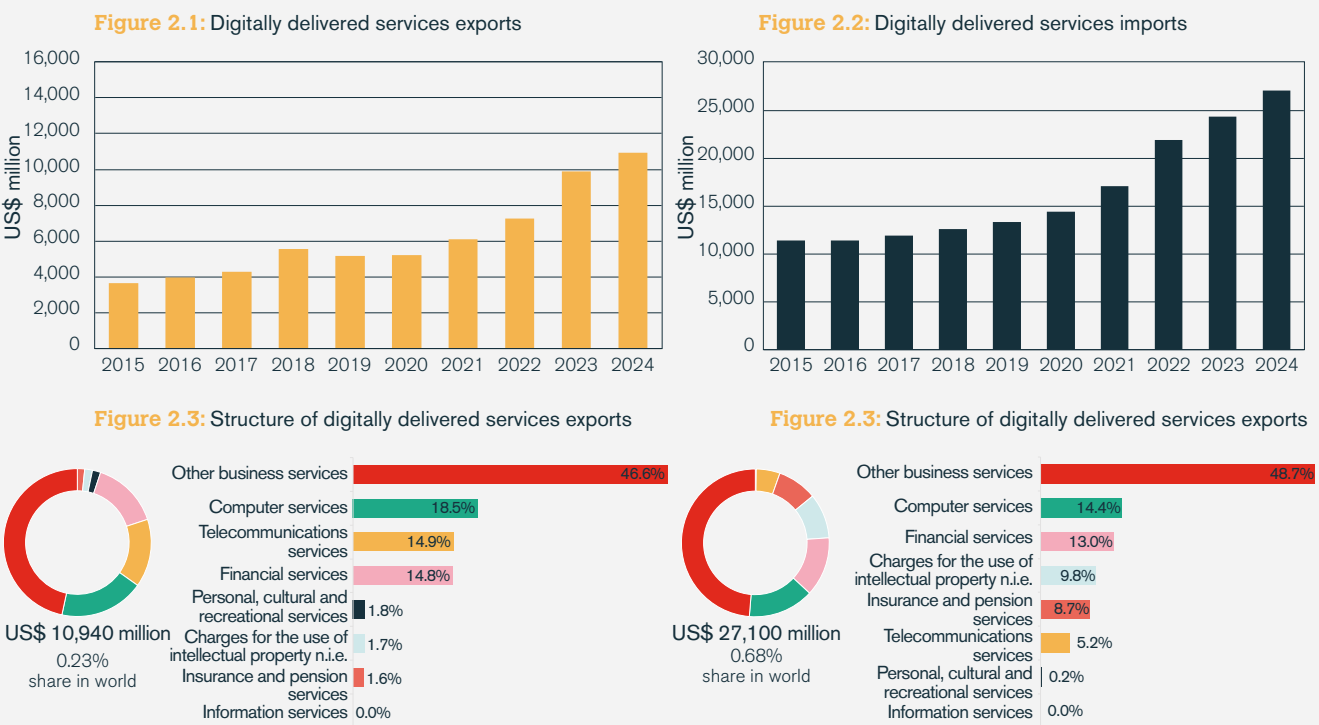
As a member of ASEAN, Indonesia has become increasingly integrated into a wide network of PTAs with key regional partners, including Australia¹¹, China¹², India¹³, Japan¹⁴, New Zealand¹⁵ and the Republic of Korea.¹⁶ In addition, the entry into force of the RCEP in

Figure 1: Commercial services trade between 2015 and 2024, and sectoral composition in 2024



Source: WTO, Statistics – Trade in commercial services.

Figure 2: Digitally delivered services trade between 2015 and 2024, and its sectoral composition in 2024



Source: WTO, Statistics – Digitally delivered services trade dataset.

January 2022¹⁷, of which Indonesia became a member in January 2023, further reinforced the government's commitment to advancing regional economic integration and facilitating trade in services.

Earlier PTAs adopted by economies in the region generally incorporated basic GRP-related obligations, such as the publication of authorization requirements and procedures¹⁸, the communication of decisions to applicants¹⁹, and the use of transparent and objective criteria in authorization processes.²⁰ More recent PTAs, particularly RCEP and some ASEAN+1 PTAs, have expanded the scope of GRP commitments. These include provisions on prescribing timelines for application processing²¹, enabling the use of electronic means for application submission²², and providing stakeholders with reasonable opportunities to comment on proposed legislation.²³

In parallel, Indonesia has actively participated in regulatory reform discussions through the APEC forum. The endorsement by APEC economies of the *2018 Non-binding Principles for Domestic Regulation of the Services Sector* reflects a shared regional aspiration to promote open, efficient and accountable regulatory environments through the implementation of various GRPs for streamlining domestic regulatory frameworks affecting trade in services.²⁴

Business licensing reforms

Prior to the reforms, Indonesia's business licensing framework posed a serious barrier to the improvement of the investment climate. Entrepreneurs faced a maze of overlapping and often inconsistent licensing procedures, both at the national and local levels. Starting a business typically required multiple permits, such as a trading licence, a business registration certificate, building permits and nuisance permits, with the latter two often contingent upon obtaining other approvals.²⁵ According to the World Bank, the process to obtain these core permits in 2011 took an average of 45 days and eight procedural steps, which was longer than the Asia-Pacific region's average of 38 days and seven steps.²⁶ This complexity not only discouraged business formalization but also perpetuated a large informal sector, with more than 30 per cent of micro, small, and medium-sized enterprises (MSMEs) operating without registration.²⁷

The government sought to address these inefficiencies by expanding one-stop shops under the Minister of

Home Affairs Regulation No. 24/2006²⁸ and creating the Electronic Investment Licensing and Information Service System (SPIPISE) under *Presidential Regulation No. 27/2009*.²⁹ The results, however, were mixed. While the one-stop shops helped cut the average time and cost of obtaining core licences by roughly 47 per cent and 44 per cent, respectively, they only had limited authority to issue a small subset of the available permits.³⁰ The SPIPISE, meanwhile, was an early step towards digitalizing licensing procedures specifically in the domain of investment permits, leaving broader business licensing processes mainly out of the scope of application.

Building on earlier reforms, *Presidential Regulation No. 91/2017* mandated the creation of an online submission system as an integrated platform for all business licensing.³¹ Implemented through *Government Regulation No. 24/2018*³², the first iterations of the online submission system – OSS 1.0 and its subsequent enhancement, OSS 1.1 – streamlined procedures by adopting a commitment-based model. Under this system, business licences could be issued immediately upon registration.³³ After obtaining the business licence, companies could undertake preparatory activities (such as acquiring land, procuring equipment and recruiting employees).³⁴

Under this framework, the licence remained conditional and became fully effective only once the company had completed the required commitments, including obtaining location permits, environmental approvals and building permits from the relevant authorities.³⁵ However, this approach did not account for differences in business risk. As a result, enterprises posing minimal regulatory concerns were subjected to the same level of scrutiny as high-risk ventures. By doing so, the system created unnecessary delays and compliance burdens for smaller firms, thereby undermining its objective of fostering a more business-friendly environment.

This framework underwent a fundamental transformation with the enactment of *Government Regulation No. 5/2021 on Implementation of Risk-Based Business Licensing*³⁶, which implemented the government's *Omnibus Law on Job Creation (Law No. 11/2020)*. The new system, also known as the OSS Risk-Based Approach (OSS-RBA), replaced the commitment-based approach with a risk-based classification approach. The following sections examine the key features of the current OSS-RBA system, its operationalization and implementation challenges.

OSS-RBA's key features

The adoption of the OSS-RBA system (accessible via oss.go.id) reflects an institutionalization of GRP principles within the legal design, administrative processes and digital infrastructure of the licensing regime in Indonesia. Beyond serving as a digital service delivery platform, the OSS-RBA operates as a governance instrument aimed at strengthening regulatory quality, enhancing procedural predictability and promoting public accountability. The government agency responsible for managing and administering the OSS-RBA system is the Ministry of Investment/the Indonesian Investment Coordinating Board (BKPM).³⁷

This section examines the core features of the OSS-RBA that operationalize GRP principles in practice, including its modular subsystem architecture, the application of a risk-based licensing methodology, and its integration with other technical approval systems.

Interconnected subsystems for transparent and accountable licensing

A key feature of the OSS-RBA system is its organization around three interconnected subsystems: (i) the information subsystem; (ii) the business licensing subsystem; (iii) and the supervision subsystem.³⁸ Together, these three subsystems form an integrated digital ecosystem that embeds GRP principles into the delivery and enforcement of Indonesia's business licensing framework (see Figure 3).

The information subsystem operationalizes the principle of transparency and accessibility.³⁹ It ensures that business actors and the public have access to comprehensive, up-to-date information on all aspects of the licensing regime. This includes risk-based classifications of business activities under the Indonesian Standard Classification of Business Fields (KBLI). In addition, the subsystem publishes a broad set of information, including land-use and zoning information (RDTR), investment conditions, licensing requirements, application procedures, compliance obligations, simulation tools and public complaints services. The regulation also mandates the public accessibility of this information without requiring user authentication, thereby reinforcing the predictability and openness of the licensing system.

Serving as the core procedural engine of the OSS-RBA is the business licensing subsystem, which

applies to 17 sectors of economic activity.⁴⁰ It incorporates the principles of proportionality and procedural simplification. By operationalizing the differentiated licensing requirements according to risk level⁴¹, the subsystem ensures that regulatory burdens are aligned with the potential harm posed by each business activity. Moreover, the integration of licensing authorities across all levels into a single platform⁴² enhances inter-agency coordination and legal coherence, which are both essential elements of effective regulatory governance.

The third component, the supervision subsystem, supports risk-based enforcement and post-licensing compliance monitoring.⁴³ It embodies the principles of accountability, performance-based oversight and continuous improvement. Through this subsystem, the relevant authorities are empowered to monitor business compliance with licensing conditions, conduct inspections proportionate to risk, require periodic reporting, and impose sanctions or revoke licences where necessary.⁴⁴

Risk-based approach to business licensing

As already mentioned, the principle of risk-based regulation adopted by the OSS-RBA marks a fundamental shift from Indonesia's previous licensing model. By classifying business activities according to their potential risk to public health, safety, environment and resource use, the system embeds the principle of proportionality into the heart of the licensing system. This ensures that the regulatory burden imposed on businesses is commensurate with the level of risk posed by their activities, thereby enhancing both formalization incentives and regulatory compliance. The categorization of business risks is determined in accordance with Annex I of *Government Regulation No. 5/2021*. To illustrate this, Table 1 outlines the classification of business risks in the tourism sector and the associated licensed products.

The risk classification system is legally grounded in Articles 7 to 15 of *Government Regulation No. 5/2021*, which set out the framework for assessing and assigning risk levels to business activities. Four risk categories are established: low, medium-low, medium-high and high risk.⁴⁶ The classification is established by the central government based on a combination of technical criteria, including the hazard profile of the activity and the scale or complexity of the business operation.

Figure 3: The OSS-RBA subsystems⁴⁵

The Information Subsystem	The Business Licensing Subsystem	The Supervision Subsystem
- KBLU by risk level - RDTR - Investment requirements - Licensing requirements and obligations, including: - Validity period - Standards for business activities - Other provisions in the Norms, Standards, Procedures, and Criteria - Guidelines and procedures - Basic requirement, including: - Spatial use conformity - Building approval - Building functionality certificate - Environmental approvals - Investment incentives and facilities - Supervision rules and reporting obligations - Licensing simulation tools, OSS user guides, OSS glossary, FAQ - Public complaints service - Other info	- Account/access registration - Low risk business licensing process: - NIB - Medium-low risk business licensing process: - NIB - Standard Certificate (self-declare) - Medium-high risk business licensing process: - NIB - Standard Certificate (self-declare and verification) - High risk business licensing process: - NIB - Business Licence - Required Standard Certificate	- Annual inspection planning - Business actors' periodic reports and activity data - Supervision work instruments, including: - Business actor profile - Assignment letter for field inspector - Visit notification letter - Inspection report - List of questions for business actor - Other instruments - Compliance assessment (against licensing requirements and standards) - Complaints handling (against businesses or inspectors) and follow-up - Guidance and sanctions

Source: WTO/World Bank, based on relevant provisions of *Government Regulation No. 5/2021*.

Each level of risk triggers a different set of licensing requirements. Low-risk activities require only the issuance of a Business Identification Number (NIB), which serves as an authorization allowing immediate commencement of operations. For low-risk business activities carried out by MSMEs, the NIB also functions as proof of compliance with the Indonesian National Standard and/or Halal assurance declaration under other applicable laws. Medium-low and medium-high risk activities require a self-declared or verified standard certificate, respectively, which attests to compliance with specific business or product standards. High-risk businesses must obtain a formal licence issued by the competent authority before starting their commercial operations.

This tiered structure enables regulators to concentrate oversight resources on activities that present the highest risks, while facilitating rapid market entry for low-risk businesses, particularly MSMEs.

Inter-agency coordination and reduction of policy fragmentation

The design of the OSS-RBA system mandates inter-agency coordination across all levels of government responsible for business licensing. At the normative level, the central government is responsible for formulating and establishing norms, standards, procedures and criteria (NSPK) for risk-based licensing across sectors.⁴⁷ As stipulated in Article 21(2) of *Government Regulation No. 5/2021*, the NSPK serves as a single reference point for both central and local licensing authorities.⁴⁸ By consolidating regulatory standards into a single reference, the OSS-RBA system reduces policy fragmentation and ensures that all actors operate within one coherent legal and procedural framework.

The use of the OSS-RBA system is mandatory for all licensing authorities, including ministries, local

Table 1: Illustration of risk classification in the tourism sector under *Government Regulation No. 5/2021*

No	Business line Parameter			Risk			Business licensing	Time	Validity period	Government authority	
				Parameter		Level				Parameter	National/provincial/Regency/city
	KBLI Code	KBLI Title	Scope	Business scale ⁴⁹	Land area						
4	79111 ⁵⁰	Travel agency activities	Business activities acting as intermediaries for the sale of tour packages, either online or offline, packaged by travel agencies; booking tickets for land, sea and air transportation, for both domestic and international purposes; booking accommodation, restaurants and tickets for cultural performances; arranging visits to tourist attractions; and handling travel documents such as passports, visas or other equivalent documents	Micro, small	N/A	Low	NIB	N/A	As long as the business entity carries out business activities	Regency/City	Regent/Mayor
60	79121 ⁵¹	Travel agency activities	Business activities that involve planning and packaging travel components	Micro, small, medium, and large	N/A	Medium-low	NIB Standard certificate	N/A	As long as the business entity carries out business activities	Regency/City	Regent/Mayor
82	55194 ⁵²	Apartment hotel, with 100–200 guest housing units or 100–200 employees	Business of providing accommodation services for the general public that manages and operates apartments as hotels for temporary residence, with payment calculation according to regulations For example: apartment hotel/condominium hotel (aparthotel/condotel)	Micro, small, medium, and large	> 6,000 – < 10,000 m ²	Medium-high	NIB Standard certificate	5 days	As long as the business entity carries out business activities	Regency/City	Regent/Mayor
103	55194 ⁵³	Apartment hotel, with more than 200 guest housing units or more than 200 employees	Business of providing accommodation services for the general public that manages and operates apartments as hotels for temporary residence, with payment calculation according to regulations For example: apartment hotel/condominium hotel (aparthotel/condotel)	Micro, small, medium, and large	≥ 10,000 m ²	High	NIB Standard certificate Licence	Standard certificate: 5 days Licence: 30 days	As long as the business entity carries out business activities	National	Minister

governments, administrators of Special Economic Zones, and the managing bodies of Free Trade Zones and Free Ports.⁵⁴ This mandate ensures that for sectors covered under *Government Regulation No. 5/2021*, licensing must be processed exclusively through the OSS-RBA, thereby reinforcing the single-window principle.

Beyond licensing, *Government Regulation No. 5/2021* also establishes a framework for integrated and coordinated supervision. As provided in Articles 211(1) and 215(1), oversight responsibilities of relevant government agencies must be carried out and coordinated through the OSS-RBA system itself.⁵⁵ This integrated supervision mechanism allows for real-time data sharing, joint monitoring and harmonized enforcement of regulatory obligations by the various authorities involved.

Integration with critical sectoral systems

Another important feature of the OSS-RBA system is its integration with other systems that are critical to the business licensing process. In accordance with *Government Regulation No. 5/2021*, the issuance of a business permit, regardless of the risk level classification, is contingent upon prior fulfilment of several basic requirements. These include (i) conformity with land-use and zoning regulations (spatial use conformity), (ii) building approval, (iii) building functionality certificate, as well as (iv) environmental approvals, which may take the form of an environmental impact analysis, an environmental management and monitoring plan, or a statement of environmental management and monitoring commitment.⁵⁶ To enable this, the OSS-RBA platform is designed to interoperate with sectoral systems tasked with issuing these approvals.⁵⁷ This digital integration facilitates real-time verification of regulatory compliance, reduces transaction costs and enhances procedural transparency.

The workflows of the OSS-RBA system are illustrated in Figure 4. The platform integrates the full licensing lifecycle through a sequential process of information provision, verification, risk assessment, permit issuance and post-licensing supervision. Business actors can first use the information subsystem to access regulatory guidance and support services and then proceed to the licensing subsystem. Here, the validation stage verifies identity, tax, legal and geospatial data through electronic links with relevant

authorities. The smart engine then determines the applicable requirements and standards based on the business profile, KBLI classification, investment plan and location, while the risk management engine assigns an overall risk level using risk matrices for sector, location and business criteria. The system subsequently generates the appropriate product – from an NIB for low-risk activities to NIB plus standard certificates or licences for higher-risk activities. Once issued, licences are automatically communicated to ministries, institutions and local governments to support coordinated implementation. The supervision subsystem completes the cycle by facilitating risk-based monitoring, profile weighting and enforcement actions where necessary.

Implementation achievements

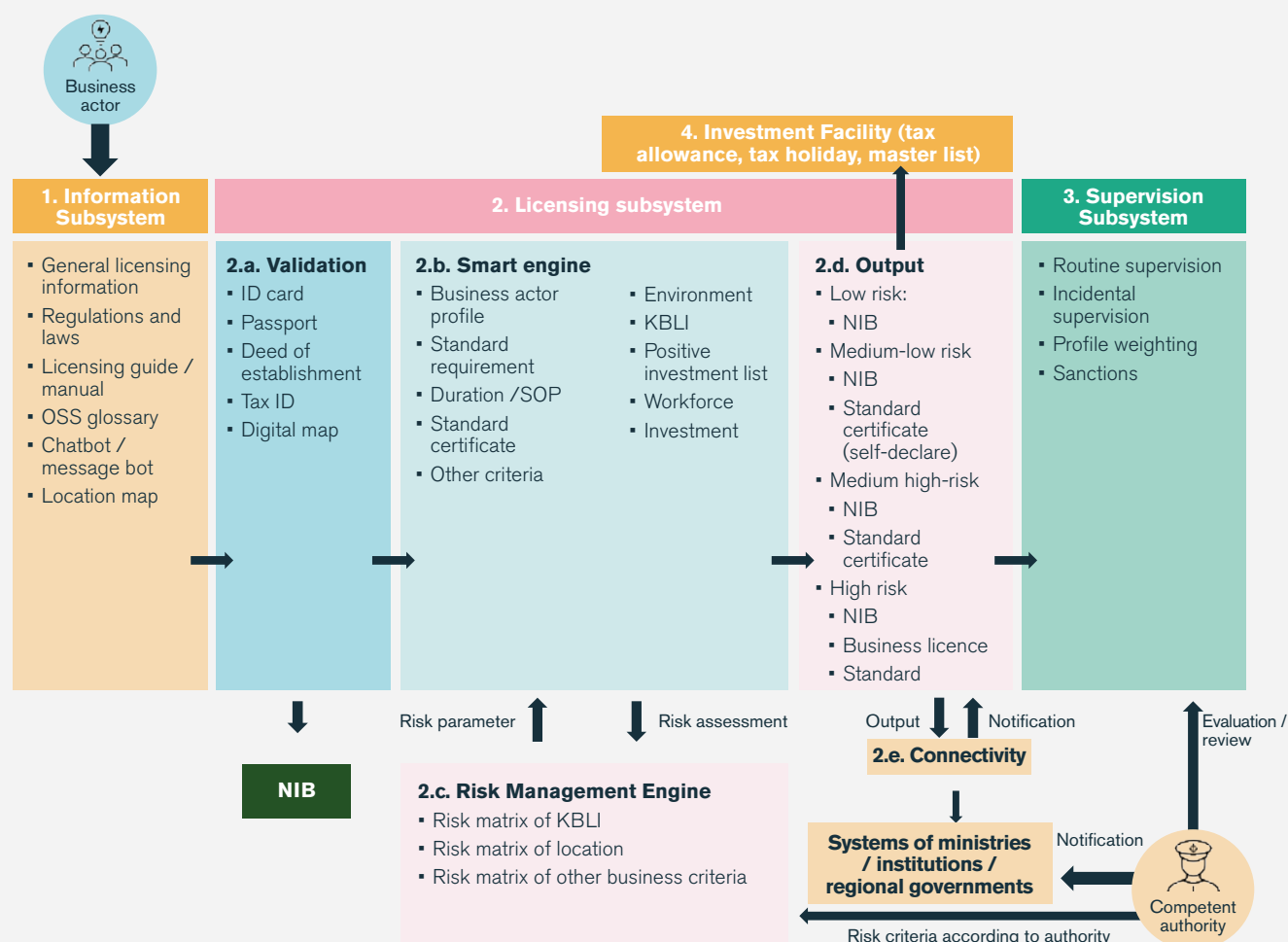
Since its launch in 2021, the OSS-RBA system has been at the forefront of Indonesia's business licensing reform. It has delivered tangible achievements in three key areas: (i) rapid expansion of business formalization; (ii) integration with key technical approval systems; and (iii) provision of robust user support services to facilitate adoption.

Rapid business formalization

After three years of implementation, as of August 2024, the OSS-RBA system had issued a total of 10,000,019 NIBs.⁵⁹ In its first two years, the system had already issued more than five million NIBs, surpassing the total output of the previous OSS system, which had issued only four million NIBs over a three-year period (2018–2021).⁶⁰ The system's momentum accelerated further in its third year, with an additional five million NIBs issued within just 12 months. Notably, between August and December 2023 alone, more than two million NIBs were issued, almost matching the total NIB output recorded during the entire year of 2022.⁶¹ As reported in December 2023, on average, the system was capable of processing between 13,000 and 15,000 NIBs per day. At peak periods, it could issue more than 50,000 in a single day.⁶² These figures underscore the OSS-RBA's expanding operational capacity and its growing role as an efficient platform for business formalization nationwide.

Of the 10 million NIBs issued over the three-year period (August 2021–August 2024), 9,909,900 were granted to micro and small firms, accounting for approximately 99.1 per cent of total registrations. Of the remaining

Figure 4: General Description of the OSS-RBA System⁵⁸



Source: WTO/World Bank, adapted from BKPM materials.

registrations, only 28,303 NIBs (0.28 per cent) were issued to medium enterprises, and 61,816 NIBs (0.62 per cent) to large enterprises (see Figure 5).⁶³ This overwhelming share of micro and small enterprise registrations highlights the OSS-RBA system's critical function in facilitating the formalization of Indonesia's small business sector. By streamlining registration procedures and offering a fully digital process, the system has dramatically lowered barriers and costs to entry and empowered micro and small enterprise actors to integrate more fully into the formal economy.

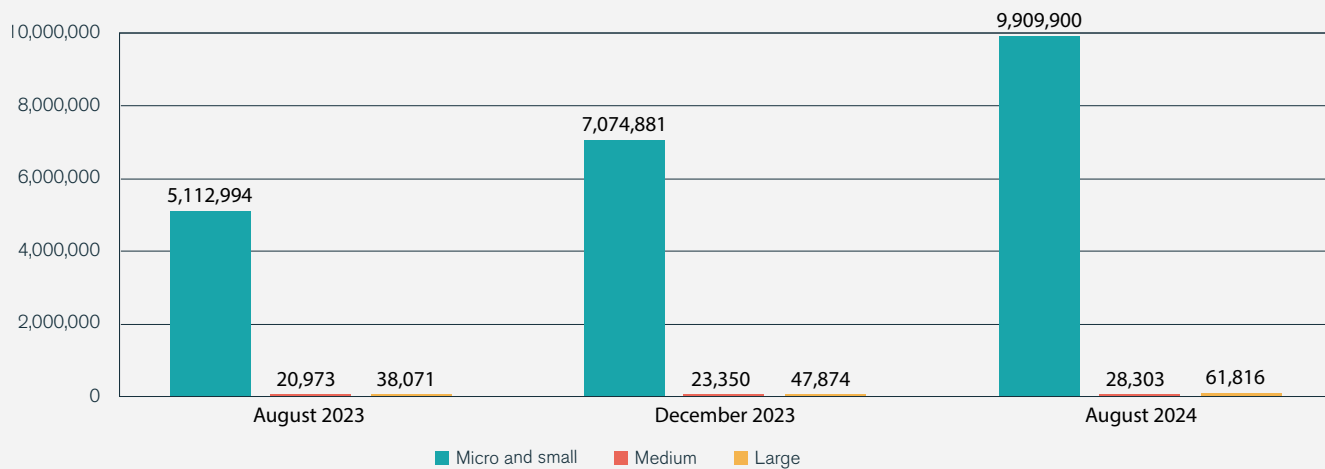
Integration with technical approval systems

As noted earlier, the systems responsible for issuing spatial use conformity, building approvals, building functionality certificates and environmental approvals, play a pivotal role, as these approvals must be obtained before a business licence can be

granted. Ideally, the OSS-RBA system should be fully interoperable with these systems to enable applicants to meet these requirements through a single, unified interface.

Concerning spatial use conformity, the Ministry of Agrarian and Spatial Planning/National Land Agency operates the Geographic Information System for Spatial Planning platform ([GISTARU](#)), which hosts detailed spatial plan maps (RDTR). The OSS-RBA is designed to pull data from GISTARU to automatically issue a spatial use conformity confirmation when a proposed location falls within a zone permitted under an up-to-date RDTR. Integration of RDTR data into the OSS-RBA system has progressed gradually: in December 2022, 108 RDTRs were integrated⁶⁴; this rose to 367 in July 2025⁶⁵; and most recently, as of October 2025, a total of 445 RDTRs had been integrated into the OSS.⁶⁶

Figure 5: Number of NIBs issued through OSS-RBA



Source: BKPM.

For environmental approvals, the Ministry of Environment and Forestry issued a circular letter in March 2024 requiring that, effective 1 April 2024, all new medium-high and high-risk business licence applications be submitted through the OSS-RBA system for obtaining environmental approvals.⁶⁷ In an official update in October 2024, the Ministry noted that **AMDALNET** – the national system for verifying environmental compliance – had been successfully integrated as an information subsystem within the OSS-RBA, and that the integration was functioning effectively.⁶⁸

With respect to building-related requirements, the Ministry of Public Works and Housing's Building Management Information System (**SIMBG**), which issues the building approvals and building functionality certificates, has also been integrated with the OSS-RBA platform as of January 2025.⁶⁹

Multiple support channels for users

An integral component of the OSS-RBA ecosystem is its Contact Centre, which provides technical assistance and user support to business persons navigating the licensing system. Between January and July 2023, the Contact Centre recorded a total of 556,529 user interactions across its various communication channels.⁷⁰ The social media service WhatsApp emerged as the most frequently used platform, accounting for 352,089 interactions or 63.28 per cent of the total. This was followed by e-mail with 127,580 interactions (22.92 per cent), telephone calls with 65,928 interactions (11.84 per cent), and the social media platform Instagram with 10,932 interactions (1.96 per cent).⁷¹

In December 2023, the Contact Centre was handling an average of 500 phone calls, 1,000 WhatsApp messages and 1,000 e-mails per day.⁷² These figures indicated that approximately 15 per cent of NIBs issued were accompanied by some form of user inquiry or support request.⁷³ Importantly, the data also suggest that the vast majority of business persons – around 85 per cent – were able to complete the NIB issuance process independently. This underscored the user-friendly nature of the interface, the completeness and clarity of the information published, as well as the effectiveness of the self-service design of the submission process for the majority of applicants.

Implementation challenges

Despite its achievements, the OSS-RBA system has faced challenges that have limited its ability to function as a fully integrated, nationwide licensing platform. The main issues include: (i) regulatory misalignment; (ii) data migration problems; (iii) institutional coordination gaps; (iv) connectivity limitations; (v) and incomplete integration with technical approval systems.

Regulatory misalignment

According to the Audit Board of Indonesia (BPK), at the time of the OSS-RBA system's launch, there was a lack of harmonization between business licensing regulations at the national and local levels. While *Government Regulation No. 5/2021* provided the overarching framework for risk-based licensing, its implementation was constrained by inconsistencies between its licensing requirements and

those in other legal instruments, such as *Government Regulation No. 17/2019 on Water Resources*, *Government Regulation No. 22/2021 on Environmental Protection and Management*, and *Government Regulation No. 27/2021 on Marine and Fisheries*.⁷⁴ These regulatory inconsistencies prevented the licensing procedures from being fully carried out through the platform at rollout.

Data migration problems

The transition from OSS Version 1.1 to OSS-RBA was hampered by serious data migration issues. The BPK found that, at the end of 2021, 291,112 business licences had an undetermined status due to incomplete or failed data transfers between the two systems.⁷⁵ These unresolved cases not only undermined public confidence in the reliability of the OSS-RBA system but also created legal uncertainty for affected businesses, whose licensing status could not be verified in the new platform. The absence of a robust risk-mitigation and data-validation framework exacerbated these problems.

GAPS in implementing regulations and institutional coordination

By the end of 2021, institutional readiness at both central and local levels had still lagged behind the OSS-RBA's technical deployment. At the central level, the Ministry of Home Affairs had not yet fully formulated policies for licensing service delivery in line with *Law No. 11/2020 on Job Creation* and its implementing regulations, resulting in delays in service delivery at the local level.⁷⁶ The Ministry had also not established standard operating procedures for guiding and supervising local licensing services, making it difficult to properly assess the performance of officials and local units responsible for promoting the ease of doing business.⁷⁷

At the local level, many governments had neither established coordination forums with a structured schedule of activities nor adopted defined procedures for coordination and proper documentation.⁷⁸ Consequently, investment-related problems were not identified or resolved in a timely way.

Connectivity and infrastructure limitations

At its launch, the OSS-RBA system faced operational challenges in regions with limited infrastructure. As acknowledged by the Minister of Investment, in a speech at its launch, not all areas in Indonesia had full electricity coverage, with certain regions receiving power only part

of the day, and internet connectivity remaining inadequate in others.⁷⁹ To address these constraints, the government prepared semi-online licensing options, allowing applications to be processed during available electricity hours, while exploring alternative solutions for areas lacking reliable power and internet access.⁸⁰

Incomplete integration with technical approval systems

The OSS-RBA's effectiveness has been significantly constrained by incomplete interoperability amongst key technical approval and information systems, such as GISTARU (for spatial conformity), SIMBG (for building requirements), and AMDALNET (for environmental approvals). As noted in a study conducted by the Regional Autonomy Implementation Monitoring Committee (KPPOD) in 2023, many entrepreneurs complained that these systems were not properly integrated as originally envisaged.⁸¹ In practice, licensing authorities were often forced to rely on manual verification procedures or operate through parallel platforms, leading to delays and undermining the consistency and efficiency of service delivery.

For example, although 367 RDTRs were integrated into the OSS-RBA as of mid-2025, this represents only a small fraction of the approximately 2,000 RDTRs nationwide.⁸² As a result, when an area does not yet have an RDTR in place, the spatial use conformity cannot be automatically issued through the OSS-RBA system. Instead, applicants must undergo a separate process with the central government, which reviews the request based on the broader regional spatial plan.⁸³ This route adds another layer of bureaucracy, slowing down the overall licensing process and diminishing the one-stop-shop objective of the OSS-RBA platform.

The slow pace of RDTR integration stems from challenges at both local and central government levels. At the local level, delays in RDTR preparation are often linked to insufficient budget allocations for conducting spatial planning studies as well as occasional interference from political interests.⁸⁴ At the central level, the approval process for RDTR substance by the relevant ministry is frequently time-consuming, further hindering timely integration into the OSS-RBA system.⁸⁵

Public impact

Before the launch of the OSS-RBA system, Indonesia's ease of doing business reforms, including the

implementation of the previous commitment-based OSS system, helped the country climb from 129th place in 2012⁸⁶ to 73rd in 2020 in the World Bank's Doing Business index.⁸⁷ Since then, other sources, including the BKPM, reported that the implementation of the OSS-RBA system did help streamline procedures for starting a business in Indonesia.⁸⁸

In the World Bank's *Business Ready (B-Ready) 2024 index*, Indonesia ranks 32nd out of 50 studied economies in the 'Starting a Business' topic, with a score of 65.47/100.⁸⁹ While this position places Indonesia ahead of several emerging economies, it remains well below other ASEAN performers such as Singapore and Viet Nam. One of the main factors constraining Indonesia's performance is the length of time required to establish a business, particularly for foreign investors who may have to wait up to 65 days to complete all entry procedures.

In an attempt to respond to the existing obstacles, the government has identified the simplification of business entry procedures as a top reform priority and aimed to increase Indonesia's rankings in the coming years⁹⁰

Next steps

The Indonesian government is actively pursuing further improvements to its business licensing system to consolidate the gains of the OSS-RBA system and address persisting challenges. As a major milestone, in June 2025, the government enacted *Government Regulation No. 28/2025 on Implementation of Risk-Based Business Licensing*, which supersedes *Government Regulation No. 5/2021*.⁹¹ Pursuant to the transition provisions of *Government Regulation No. 28/2025*, within four months from its enactment date, the OSS-RBA system must be adjusted and the implementing regulations of *Government Regulation No. 28/2025* shall be established.⁹² The effective implementation of this new regulation is expected to further enhance legal certainty, reduce transaction costs, and improve the overall ease of doing business in Indonesia, thereby strengthening the country's competitiveness as an investment destination.

The new framework introduces three core innovations: (i) the statutory adoption of service level agreements (SLAs) for licensing processes, (ii) the positive fiction ('*fiktif positif*') mechanism, and (iii) the establishment of new integrated subsystems within the OSS-RBA platform. These innovations are outlined below.

Service level agreements

Statutory maximum time limits have been imposed on every stage of the licensing process, particularly in the Chapter on Basic Requirements in the OSS-RBA framework. They include document verification, substantive assessment, correction of deficiencies, re-examination of corrected submissions and issuance of final approvals.⁹³

One example of SLA implementation is in the approval process for the spatial use conformity on land. The regulation sets a maximum of 25 working days if documents are complete and correct, or up to 40 working days if improvements and re-verifications are required.⁹⁴ Another example is found in the environmental approval process, where *Government Regulation No. 28/2025* sets clear statutory deadlines: 30 working days for wastewater and emission quality assessments, and 16 working days for assessments of hazardous emissions for the management of hazardous and toxic waste.⁹⁵

This action addresses one of the most persistent complaints from businesses: uncertain and often protracted waiting times. By codifying SLAs into law, licensing authorities are placed under a legal obligation to act within prescribed timelines, thereby enhancing procedural certainty and reducing administrative delays.

Fiktif Positif silent approval mechanism

Unlike *Government Regulation No. 5/2021*, *Government Regulation No. 28/2025* explicitly provides for the application of the *fiktif positif* mechanism. Under this mechanism, if a competent authority fails to act within the SLA, the system will automatically advance the application to the next procedural stage.⁹⁶

The *fiktif positif* mechanism applies to three categories of licensing: (i) basic requirements, (ii) business licensing, and (iii) business licensing to support business activities.⁹⁷ A list of 258 KBLIs has been identified for implementation under this mechanism.⁹⁸

One example of this mechanism is found in the approval process for spatial use conformity on small islands of less than 100 km². Pursuant to Article 35 of the Regulation, the Ministry of Marine Affairs and Fisheries is required to issue a recommendation within 14 working days of receiving complete application documents.⁹⁹ However, if the ministry fails to issue the recommendation within this statutory time limit, the law directs that the application process shall continue without the recommendation.¹⁰⁰

Importantly, the issuance of permits through *fiktif positif* does not remove the obligation of the relevant licensing authorities to verify the accuracy of submitted information.¹⁰¹ Where discrepancies are later identified, such permits may be evaluated and, if necessary, revoked in accordance with applicable laws and regulations.¹⁰² As the government emphasizes, *fiktif positif* is to accelerate, not to ignore accuracy.¹⁰³

Complementing the SLAs, this mechanism aims to reduce bureaucratic inertia and ensure that administrative silence does not disadvantage business actors, while enhancing legal certainty and accelerating licensing processes.

New integrated subsystems

To address persistent integration gaps and broaden the functionality of the OSS-RBA platform, *Government Regulation No. 28/2025* also mandates the introduction of three new subsystems: the basic requirements subsystem, the investment facilities subsystem, and the business partnership subsystem.

Basic requirements subsystem¹⁰⁴: This module integrates pre-licensing approvals – such as spatial conformity, environmental approvals and building permits – directly into the OSS-RBA platform. Previously, these processes were often conducted outside of the OSS-RBA, resulting in fragmented procedures. The reform positions the OSS-RBA as a genuine one-stop platform, enabling foundational clearances to be processed seamlessly alongside licensing applications.

Investment facilities subsystem¹⁰⁵: This subsystem enables investors to apply for government-provided investment incentives, such as tax holidays and import duty exemptions, directly through the OSS-RBA. By combining licensing and incentive facilitation in a single digital window, the system streamlines administrative steps and encourages greater uptake of available fiscal facilities.

Business partnership subsystem¹⁰⁶: Certain sectors regulated under *Law No. 11/2020 on Job Creation* require large-scale investors to establish partnerships with, or otherwise empower, MSMEs. This subsystem provides a centralized digital record of such partnership arrangements within the OSS-RBA database, thereby facilitating compliance monitoring and enforcement.

Lessons learned

Indonesia's OSS-RBA reform offers valuable lessons on the implementation of a digital licensing system within a complex regulatory environment. These lessons relate to the importance of regulatory coherence, inter-agency coordination, technical and infrastructure preparedness, user engagement and continuous policy refinement.

1. Policy coherence and inter-agency coordination are essential

Digital platforms cannot operate effectively without harmonized regulatory frameworks and clearly defined institutional responsibilities. Early misalignments between central and local regulations created bottlenecks that limited the OSS-RBA's intended efficiency.

2. Complete and updated information strengthens accessibility and compliance

Transparent, comprehensive information makes licensing systems more accessible, predictable and compliant. The OSS-RBA puts this into practice through its information subsystem, which makes a broad range of up-to-date data openly available to business actors and the public.

3. Digital systems integration must be matched by institutional capacity and planning

Full interoperability between licensing and technical approval systems requires both technical compatibility and administrative readiness. Incomplete integration with RDTR, building and environmental approval systems undermined the seamless user experience envisioned by the reform.

4. Infrastructure gaps must be addressed early

Connectivity and power supply limitations in certain regions constrained the reach of the OSS-RBA. Provision of semi-online options and infrastructure development are essential for ensuring equitable access to digital licensing platforms.

5. User support services drive efficiency and compliance

The OSS-RBA Contact Centre's multi-channel assistance proved crucial for facilitating compliance,

especially during the early stages of implementation. High responsiveness to user enquiries built confidence in the system and enabled more businesses to transition to the formal sector.

6. Reforms are iterative, not static

The enactment of *Government Regulation No. 28/2025* demonstrates that major regulatory and digital reforms require continuous adjustment. Iterative policy updates allow governments to respond to implementation realities while maintaining reform momentum.

Conclusion

Indonesia's licensing reform trajectory illustrates how embedding GRP principles into digital governance frameworks can substantially improve the ease of doing business. Central to this transformation is the OSS-RBA system, which has enabled the formalization of millions of MSMEs, improved transparency and created a foundation for coordinated, risk-based regulation. By directing oversight efforts to the areas of greatest risk, the system has allowed limited resources to be deployed more strategically, reducing

unnecessary burdens on low-risk businesses while strengthening oversight where it matters most. In this way, regulatory quality and efficiency have advanced together, reinforcing confidence in the system and laying the groundwork for more adaptive and responsive governance.

However, the reform's full potential has yet to be realized. Persistent regulatory fragmentation, uneven system integration, and infrastructure disparities underscore the complexity of translating legal innovation into uniformly effective service delivery. The adoption of *Government Regulation No. 28/2025* with its statutory service level agreements, silent approval mechanism and expanded subsystem integration offers a renewed opportunity to close these gaps.

If implemented effectively, these measures would not only further streamline licensing procedures but also strengthen Indonesia's competitiveness in global markets, improve business confidence, and support sustainable economic growth. The Indonesian case thus provides insightful narratives for other economies seeking to combine regulatory quality with digital transformation in business licensing.

ENDNOTES

1 World Bank, "The World Bank in Indonesia – Overview: Context", <https://www.worldbank.org/en/country/indonesia/overview>.

2 World Bank, "The World Bank in Indonesia – Overview: Context", <https://www.worldbank.org/en/country/indonesia/overview>.

3 World Bank, "The World Bank in Indonesia – Overview: Context", <https://www.worldbank.org/en/country/indonesia/overview>.

4 World Bank, "Indonesia - GDP (current US\$)", <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=ID>.

5 World Bank, "Services, value added (% of GDP) - Indonesia", <https://data.worldbank.org/indicator/NV.SRV.TOTL.ZS?locations=ID>.

6 WTO, "Statistics – Trade in commercial services", https://www.wto.org/english/res_e/statis_e/gstdh_commercial_services_e.htm.

7 WTO, "Statistics – Trade in commercial services", https://www.wto.org/english/res_e/statis_e/gstdh_commercial_services_e.htm.

8 WTO, "Statistics – Digitally delivered services trade dataset", https://www.wto.org/english/res_e/statis_e/gstdh_digital_services_e.htm.

9 WTO, "Statistics – Digitally delivered services trade dataset", https://www.wto.org/english/res_e/statis_e/gstdh_digital_services_e.htm.

10 WTO, "Statistics – Digitally delivered services trade dataset", https://www.wto.org/english/res_e/statis_e/gstdh_digital_services_e.htm.

11 AANZFTA Second Protocol (2025).

12 ASEAN-China Trade in Services Agreement (2007).

13 ASEAN-India Trade in Services Agreement (2015).

14 AJCEP First Protocol (2020).

15 AANZFTA Second Protocol (2025).

16 ASEAN-Republic of Korea Trade in Services Agreement (2009).

17 RCEP (2022).

18 ASEAN-Republic of Korea Trade in Services Agreement (2009), Article 4.2; ASEAN-India Trade in Services Agreement (2015), Article 3.2.

19 ASEAN-China Trade in Services Agreement (2007), Article 5.3; ASEAN-Republic of Korea Trade in Services Agreement (2009), Article 6.3; ASEAN-India Trade in Services Agreement (2015), Article 5.3.

20 ASEAN-China Trade in Services Agreement (2007), Article 5.4; ASEAN-Republic of Korea Trade in Services Agreement (2009), Article 6.4; ASEAN-India Trade in Services Agreement (2015), Article 5.4.

21 AJCEP First Protocol (2020), Article 50.5.5; RCEP (2022), Chapter 8, Article 8.15.7; AANZFTA Second Protocol (2025), Chapter 8, Article 14.7.

22 RCEP (2022), Chapter 8, Article 8.15.7; AANZFTA Second Protocol (2025), Chapter 8, Article 14.7.

23 AJCEP First Protocol (2020), Article 50.4.5; AANZFTA Second Protocol (2025), Chapter 8, Article 15.5.

24 APEC (2021).

25 World Bank (2013).

26 World Bank (2013).

27 World Bank (2013).

28 Government of Indonesia, Ministry of Home Affairs, Regulation No. 24/2006, <https://peraturan.bpk.go.id/Details/195494/permendagri-no-24-tahun-2006> (in Indonesian).

29 Government of Indonesia, Presidential Regulation No. 27/2009, <https://peraturan.bpk.go.id/Details/42307/perpres-no-27-tahun-2009> (in Indonesian).

30 World Bank (2013).

31 Government of Indonesia, Presidential Regulation No. 91/2017, <https://peraturan.bpk.go.id/Details/73180/perpres-no-91-tahun-2017> (in Indonesian).

32 Government of Indonesia, Regulation No. 24/2018 (Government Regulation No. 24/2018), <https://peraturan.bpk.go.id/Details/82994/pp-no-24-tahun-2018> (in Indonesian).

33 Government Regulation No. 24/2018, Article 32.

34 Government Regulation No. 24/2018, Article 38.

35 Government Regulation No. 24/2018, Article 41.

36 Government of Indonesia, Regulation No. 5/2021 (Government Regulation No. 5/2021), <https://peraturan.bpk.go.id/Details/161835/pp-no-5-tahun-2021> (in Indonesian).

37 BKPM (2022), p. 57.

38 Government Regulation No. 5/2021, Article 167.

39 Government Regulation No. 5/2021, Article 168.

40 Government Regulation No. 5/2021, Articles 6.2 and 169;

BKPM, Circular No. 18/2021 (in Indonesian), <https://dpmptsp.bulelengkab.go.id/informasi/download/13-surat-edaran-menteri-investasi-kepala-bkpm.pdf>. Pursuant to Article 6.2 of Government Regulation No. 5/2021, 16 economic sectors covered are: Maritime affairs and fisheries; Agriculture; Environmental and forestry; Energy and mineral resources; Nuclear power; Industry; Trade; Public works and public housing; Transportation; Health, medicine and food; Education and culture; Tourism; Religion; Post, telecommunications, broadcasting, and electronic systems and transaction systems; Defence and security; and Employment. In addition, Circular No. 18/2021 designates finance-related sectors – banking, insurance, financing, pension funds, and financial technology – for which the OSS-RBA only issues the NIB.

41 Government Regulation No. 5/2021, Articles 7-15.

42 Government Regulation No. 5/2021, Article 22.

43 Government Regulation No. 5/2021, Articles 211-212.

44 Government Regulation No. 5/2021, Articles 211-212.

45 Government Regulation No. 5/2021, Articles 168, 169, 211.

46 Government Regulation No. 5/2021, Articles 7-15.

47 Government Regulation No. 5/2021, Article 21.1.

48 Government Regulation No. 5/2021, Article 21.2.

49 Government of Indonesia, Regulation No. 7/2021 (Government Regulation No. 7/2021), <https://peraturan.bpk.go.id/Details/161837/pp-no-7-tahun-2021> (in Indonesian), Article 35.3. Micro enterprises are defined as having capital of up to IDR 1,000,000,000.00 (one billion Indonesian rupiah); small enterprises as having capital of more than IDR 1,000,000,000.00 (one billion rupiah) up to IDR 5,000,000,000.00 (five billion rupiah); and medium enterprises as having capital of more than IDR 5,000,000,000.00 (five billion rupiah) and up to IDR 10,000,000,000.00 (ten billion rupiah) – excluding land and buildings.

50 Government Regulation No. 5/2021, Annex I, p. I.12.A.4, https://jdih.pom.go.id/download/file/1286/13_Lampiran_I_Salinan_PP_Nomor_5_Tahun_2021_Sektor_Pariwisata.pdf (in Indonesian).

51 Government Regulation No. 5/2021, Annex I, p. I.12.A.55, https://jdih.pom.go.id/download/file/1286/13_Lampiran_I_Salinan_PP_Nomor_5_Tahun_2021_Sektor_Pariwisata.pdf (in Indonesian).

52 Government Regulation No. 5/2021, Annex I, p. I.12.A.71, https://jdih.pom.go.id/download/file/1286/13_Lampiran_I_Salinan_PP_Nomor_5_Tahun_2021_Sektor_Pariwisata.pdf (in Indonesian).

53 Government Regulation No. 5/2021, Annex I, p. I.12.A.91, https://jdih.pom.go.id/download/file/1286/13_Lampiran_I_Salinan_PP_Nomor_5_Tahun_2021_Sektor_Pariwisata.pdf (in Indonesian).

54 Government Regulation No. 5/2021, Article 167.3.

55 Government Regulation No. 5/2021, Articles 211.1, 213.1 and 215.1.

56 Government Regulation No. 5/2021, Article 5.

57 OSS, "Basic Requirements", <https://oss.go.id/id/persyaratan-dasar>.

58 BKPM, "Risk-based Business Licensing Mechanism", presentation materials, available at https://gatrik.esdm.go.id/assets/uploads/download_index/files/26d61-bahan-bkpm-ariesta.pdf (in Indonesian).

59 BKPM, "Three Years On, Risk-Based OSS Issues 10 Million Business Identification Numbers", (18 August 2024), <https://www.bkpm.go.id/en/info/press-release/three-years-on-risk-based-oss-issues-10-million-business-identification-numbers> (in Indonesian).

60 BKPM, "Two Years On, Risk-Based OSS Has Issued More Than 5 Million NIBs" (9 August 2023), <https://www.bkpm.go.id/en/info/press-release/genap-dua-tahun-oss-berbasis-risiko-sudah-terbitkan-lebih-dari-5-juta-nib> (in Indonesian).

61 BKPM, "Closing Out 2023, Seven Million NIBs Issued Through OSS" (30 December 2023), <https://www.bkpm.go.id/en/info/press-release/tutup-tahun-2023-tujuh-juta-nib-terbit-melalui-oss> (in Indonesian).

62 BKPM, "Closing Out 2023, Seven Million NIBs Issued Through OSS" (30 December 2023), <https://www.bkpm.go.id/en/info/press-release/tutup-tahun-2023-tujuh-juta-nib-terbit-melalui-oss> (in Indonesian).

63 BKPM, "Three Years On, Risk-Based OSS Issues 10 Million Business Identification Numbers" (18 August 2024), <https://www.bkpm.go.id/en/info/press-release/three-years-on-risk-based-oss-issues-10-million-business-identification-numbers> (in Indonesian).

64 BKPM, "108 RDTR Terintegrasi OSS" (25 December 2022), <https://www.bkpm.go.id/id/info/pengumuman/108-rdtr-terintegrasi-oss> (in Indonesian).

65 Government of Indonesia, Ministry of Agrarian Affairs and Spatial Planning, "90% of Industrial Areas in Spatial Plans Remain Unutilized, Director General of Spatial Planning: Huge Investment Potential" (20 June 2025), <https://www.atrbpn.go.id/berita/ada-90-kawasan-industri-dalam-tata-ruang-belum-dimanfaatkan-dirjen-tata-ruang-peluang-investasi-sangat-besar> (in Indonesian).

66 ANTARA News, "KKPR Investment Reaches IDR 357.17 Trillion, Spatial Planning Becomes the Driver of the National Economy" (28 October 2025), <https://sultra.antaranews.com/berita/522901/investasi-kkpr-capai-rp35717-triliun-tata-ruang-jadi-penggerak-ekonomi-nasional> (in Indonesian).

67 Government of Indonesia, Environmental Agency of Bantul Regency, "Post Integration Environment Approval Process with OSS System" (27 March 2024), <https://dlh.bantulkab.go.id/news/proses-persetujuan-lingkungan-pasca-integrasi-dengan-sistem-oss>.

68 Government of Indonesia, Ministry of Environment and Forestry, "Directorate General of PKTL: Through the Acceleration of Forest Area Stabilization, Nation Development and Preserving Nature United in a Harmonious Symphony" (21 October 2024), <https://www.menlhk.go.id/news/direktorat-jenderal-pktl-melalui-percepatan-pemantapan-kawasan-hutan>

[pembangunan-bangsa-dan-menjaga-kelestarian-alam-bersatu-dalam-simfoni-yang-harmonis/](#) (in Indonesian).

69 PT Simply Dimensi Indonesia, "Getting to Know the Latest SIMBG: How to Implement after Update" (16 January 2025), <https://simplydimensi.com/mengenal-simbg-terbaru-cara-pelaksanaan-setelah-update/> (in Indonesian).

70 BKPM, "Two Years On, Risk-Based OSS Has Issued More Than 5 Million NIBs" (9 August 2023), <https://www.bkpm.go.id/en/info/press-release/genap-dua-tahun-oss-berbasis-risiko-sudah-terbitkan-lebih-dari-5-juta-nib> (in Indonesian).

71 BKPM, "Two Years On, Risk-Based OSS Has Issued More Than 5 Million NIBs" (9 August 2023), <https://www.bkpm.go.id/en/info/press-release/genap-dua-tahun-oss-berbasis-risiko-sudah-terbitkan-lebih-dari-5-juta-nib> (in Indonesian).

72 BKPM, "Closing Out 2023, Seven Million NIBs Issued Through OSS" (30 December 2023), <https://www.bkpm.go.id/en/info/press-release/tutup-tahun-2023-tujuh-juta-nib-terbit-melalui-oss> (in Indonesian).

73 BKPM, "Closing Out 2023, Seven Million NIBs Issued Through OSS" (30 December 2023), <https://www.bkpm.go.id/en/info/press-release/tutup-tahun-2023-tujuh-juta-nib-terbit-melalui-oss> (in Indonesian).

74 BPK (2022), pp 218-219.

75 BPK (2022), p. 217.

76 BPK (2022), p. 218.

77 BPK (2022), p. 218.

78 BPK (2022), p. 220.

79 Pasardana, "OSS Officially Launched, Bahlil Ready to Take Responsibility if Any Trouble Arises", <https://pasardana.id/news/2021/8/10/oss-resmi-diluncurkan-bahlil-siap-pasang-badan-jika-ada-trouble/> (in Indonesian).

80 Pasardana, "OSS Officially Launched, Bahlil Ready to Take Responsibility if Any Trouble Arises", <https://pasardana.id/news/2021/8/10/oss-resmi-diluncurkan-bahlil-siap-pasang-badan-jika-ada-trouble/> (20 August 2021) (in Indonesian).

81 KPPOD, "The Same Old Story of Business Licensing Bottlenecks", <https://www.kppod.org/berita/view?id=1175> (30 January 2023).

82 Government of Indonesia, Ministry of Agrarian Affairs and Spatial Planning, "90% of Industrial Areas in Spatial Plans Remain Unutilized, Director General of Spatial Planning: Huge Investment Potential" (20 June 2025), <https://www.atrbpn.go.id/berita/ada-90-kawasan-industri-dalam-tata-ruang-belum-dimanfaatkan-dirjen-tata-ruang-peluang-investasi-sangat-besar> (in Indonesian).

83 KPPOD, "The Same Old Story of Business Licensing Bottlenecks", <https://www.kppod.org/berita/view?id=1175> (30 January 2023).

84 KPPOD, "The Same Old Story of Business Licensing Bottlenecks", <https://www.kppod.org/berita/view?id=1175> (30 January 2023).

85 KPPOD, "The Same Old Story of Business Licensing Bottlenecks", <https://www.kppod.org/berita/view?id=1175> (30 January 2023).

86 World Bank (2012).

87 World Bank (2020). Note that, in 2021, the World Bank Doing Business project was discontinued and no further rankings were recorded for Indonesia in 2021 and 2022.

88 BKPM (2024).

89 World Bank (2024).

90 BKPM, "Minister Rosan: Next Year B-Ready Score Must Increase" (10 February 2025), <https://www.bkpm.go.id/id/info/siaran-pers/menteri-rosan-tahun-depan-skor-b-ready-harus-meningkat> (in Indonesian).

91 Government of Indonesia, *Regulation No. 28/2025* (Government Regulation No. 28/2025), <https://peraturan.bpk.go.id/Details/319773/pp-no-28-tahun-2025>.

92 *Government Regulation No. 28/2025*, Article 551.

93 *Government Regulation No. 28/2025*, Explanation, p. 2; ARKO, "Indonesia's Government Regulation 28/2025 vs 5/2021: Key Regulatory Changes Explained" (23 July 2025), <https://armilarako.com/insights/indonesia-s-government-regulation-28-2025-vs-5-2021-key-regulatory-changes-explained>.

94 *Government Regulation No. 28/2025*, Articles 20, 21 and 23.

95 *Government Regulation No. 28/2025*, Article 83.1.

96 *Government Regulation No. 28/2025*, Explanation, p. 2.

97 BKPM, "Getting to Know Positive Fiction (FikPos) in Business Licensing" (17 June 2025), <https://www.bkpm.go.id/index.php/id/info/pengumuman/mengenal-fiktif-positif-fikpos-dalam-perizinan-berusaha> (in Indonesian).

98 BKPM, "Getting to Know Positive Fiction (FikPos) in Business Licensing" (17 June 2025), <https://www.bkpm.go.id/index.php/id/info/pengumuman/mengenal-fiktif-positif-fikpos-dalam-perizinan-berusaha> (in Indonesian).

99 *Government Regulation No. 28/2025*, Article 35.

100 *Government Regulation No. 28/2025*, Article 36.

101 BKPM, "Getting to Know Positive Fiction (FikPos) in Business Licensing" (17 June 2025), <https://www.bkpm.go.id/index.php/id/info/pengumuman/mengenal-fiktif-positif-fikpos-dalam-perizinan-berusaha> (in Indonesian).

102 BKPM, "Getting to Know Positive Fiction (FikPos) in Business Licensing" (17 June 2025), <https://www.bkpm.go.id/index.php/id/info/pengumuman/mengenal-fiktif-positif-fikpos-dalam-perizinan-berusaha> (in Indonesian).

103 BKPM, "Getting to Know Positive Fiction (FikPos) in Business Licensing" (17 June 2025), <https://www.bkpm.go.id/index.php/id/info/pengumuman/mengenal-fiktif-positif-fikpos-dalam-perizinan-berusaha> (in Indonesian).

104 *Government Regulation No. 28/2025*, Article 217.

105 *Government Regulation No. 28/2025*, Article 235.

106 *Government Regulation No. 28/2025*, Article 236.



REFERENCES

Asia-Pacific Economic Cooperation (APEC) (2021), *Study on APEC's Non-binding Principles for Domestic Regulation of the Services Sector: A Focus on Domestic Regulations in Trade Agreements*, Singapore: APEC, <https://www.apec.org/publications/2021/08/study-on-apecs-non-binding-principles-for-domestic-regulation-of-the-services-sector>.

Government of Indonesia, Audit Board of Indonesia (BPK) (2022), *Summary of Audit Results for Semester II 2021*, <https://www.bpk.go.id/ihs/2021/II>.

Indonesian Ministry of Investment (BKPM) (2022), *Indonesia Investment Guidebook 2022*, Jakarta: BKPM, <https://bkpm.go.id/storage/file/pdf/1683512273.pdf>.

Indonesian Ministry of Investment (BKPM) (2024), *Performance Report 2023*, <https://ppid.bkpm.go.id/wp-content/uploads/2024/10/LAPORAN-KINERJA-BKPM-TAHUN-2023-GABUNG.pdf>.

World Bank (2013), "Business Licensing: A Key to Investment Climate Reform", <https://www.worldbank.org/content/dam/Worldbank/document/Indonesia-PSD-Newsletter-Jan2013-EN.pdf>.

World Bank (2012), *Doing Business 2012*, Washington, DC: World Bank, <https://archive.doingbusiness.org/content/dam/doingBusiness/media/Annual-Reports/English/DB12-FullReport.pdf>.

World Bank (2020), *Doing Business 2020*, Washington, DC: World Bank, <https://openknowledge.worldbank.org/server/api/core/bitstreams/75ea67f9-4bcb-5766-ada6-6963a992d64c/content>.

World Bank (2024), *Business Ready (B-Ready) 2024: Economy Profile – Indonesia*, <https://www.worldbank.org/content/dam/sites/b-ready/documents/pdf/Indonesia.pdf>.