



BEVERAGE STORE BUSINESS LICENSE REGULATION

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Abstract: This study was conducted to understand the arrangement and licensing mechanism for taverns from a legal perspective. Licensing regulations before the Job Creation Law, especially the licensing process in the regions, could have been more friendly to the business sector. The presence of the Job Creation Law, which changed several articles of the Licensing Law, greatly affected the ease of business licensing. This study uses normative juridical research methods with statutory, conceptual, and historical approaches. The results of this study indicate that the tavern business, which is one of the business sectors in the beverage procurement sector, is a low-risk business, so business licensing is only limited to Business Identification numbers (NIB). Furthermore, regulations related to the requirements for business permits for Beverage Shops with the enactment of PP Number 5 of 2021 revoke the previous regulations regarding the implementation of business licensing services, namely PP No. 24 of 2018 regarding Electronically Integrated Business Licensing Services. In this research, it is hoped that the Central Government will establish regulations that specifically function as *filtering* the tourism sector business, especially the tavern business sector so that the classification of business sectors by sector is in line with the Indonesian Business Field Standard Classification, which is compiled for statistical purposes and establishes business activity standards that apply to businesses with a low level of risk so that they can become rules that can be used as the basis for supervision of the implementation of business licensing.

Keywords: Drink Shop; Business Licensing; Tourism Sector

1. Introduction

World tourism trends show very rapid development from year to year. Job Creation Law No. 11 of 2020 (Job Creation Law) states that tourism entrepreneurs who wish to run a tourism business must obtain a regional or provincial government permit following orders issued based on established standards. Standards, procedures, criteria, and licenses/permits are state administrative regulations that must have a legal basis or legitimacy for issuing permits or the principle of application, which consists of 3 elements: Authority, content, and content procedure.¹ From a commercial perspective, authorization plays an important role, namely as a legal basis, guaranteeing legal certainty, and protecting commercial interests and evidence in litigation processes.²

Licensing regulations prior to the entry into force of the Job Creation Law, especially licensing procedures in the regions, were very anti-business. This is allegedly due to the many overlapping permits. The Job Creation Law aims to facilitate business/commerce through business licensing. One of the concerns of the Job Creation Law is environmental permit regulations for business owners. Various legal regulations have reduced bureaucracy

¹ Vera Rimbawani Sushanty. *Buku Ajar Hukum Perizinan*. (UBHARA Press, Surabaya, 2020), 14.

² Tim Peneliti KPPOD. *Penyederhanaan Perizinan Usaha di Daerah*. (Jakarta: KPPOD, 2016), 1.



in environmental investment.³ Now investment approval is no longer uniform, but risk-based. Likewise, several changes were made to the Amdal assessment process in the Environmental Protection and Management Law No. 32 of 2009, so a permit-based approach is used (license approach) for the application of risk standards and criteria (risk-based).

Law No. 32 of 2009 concerning the Protection and Management of the Environment (UPPLH) does not explicitly regulate the legal relationship between environmental permits and business/activity permits, this relationship is still fragmentary (one permit is not seen to be related to another permit).⁴ As a result, although there are many violations of environmental permits, law enforcement is difficult. The government only gives a warning to entrepreneurs in preserving the environment. It is not the Authority of the government to impose more severe sanctions, such as revocation of traders or business licenses if traders do not heed the warning. The problem is that if a company violates one of the permits (for example an environmental permit), another permit (for example a mining permit) can still be used as a tool to run the company's business.

Before the presence of the Job Creation Law, business licenses in Indonesia were considered not bureaucratic, non-standard and not yet integrated. The existence of the Job Creation Law is intended to overcome this business licensing problem. However, the existence of the Job Creation Law also brings many advantages and disadvantages, such as the existence of a judicial review by several parties regarding the Job Creation Law until the issuance of Decree Number 91/PUU-XVIII/2020 which in essence explains:

"The Job Creation Law violates the 1945 Constitution of the Republic of Indonesia and does not have conditionally binding legal force unless it is stated that "no action is taken within 2 (two) years from the notification of the decision". However, the Job Creation Law is valid until its commencement according to the period specified in the decision. The Job Creation Law will become permanently unconstitutional if corrections are not made in time. In such case, if the parliament cannot complete the review of the Job Creation Law within the stipulated time, the Job Creation Law will be revoked, and, the contents of the law or articles that the previous Job Creation Law did not re-enact will reapply. In addition, the government is also not allowed to issue new implementing regulations for the Job Creation Law".⁵

Online Single Submission (OSS) now used for licensing companies and legal entities. The existence of the OSS system is solely designed to make it easier for entrepreneurs to gain legitimacy. The OSS system enables the electronic registration of traders and issuance of business/trade or operating permits, including the processing of environmental permits and environmental protection and management.

³ Anih Sri Suryani. "Perizinan Lingkungan dalam Undang-Undang Cipta Kerja dan Dampaknya Terhadap Kelestarian Lingkungan". *Info Singkat: Kajian Singkat Terhadap Isu Aktual dan Strategis* Vol. XII, No. 20 (2020), 5.

⁴ Helmi. "Kedudukan Izin Lingkungan Dalam Sistem Perizinan di Indonesia". *Jurnal Ilmu Hukum* Vol.2 No.2 (2011), 7. DOI: 10.30652/jih.v2i02.1013.

⁵ BBC. *Mahkamah Konstitusi Perintahkan DPR Dan Pemerintah Perbaiki UU Cipta Kerja Karena Bertentangan Dengan UUD 1945*. <https://www.bbc.com/indonesia/indonesia-59413391>.

Several provisions of the Tourism Law have been amended by the Job Creation Law, particularly the amendments to Article 6. In that article, sanctions exist for those who intentionally or unintentionally damage or reduce tourist attractions. The Tourism Law stipulates that if a travel agency does not carry out its obligations without registering the company, it will be subject to administrative sanctions, imprisonment, and fines if it deliberately or negligently violates the law and causes additional losses. However, this provision was removed by the Job Creation Law. Revocation of the provisions of this article will impact various issues related to the protection of diversity in tourist destinations, such as Natural, cultural, and manufactured tourist objects. The Tourism Law regulates sanctions against tourism organizers who do not comply and result in their businesses not being registered, namely administrative sanctions and imprisonment, intentional and intentional and unlawful fines. Damaging or degrading the value of tourist attractions.⁶ However, this provision was deleted in the Job Creation Law. The repeal of the provisions of this article aims to protect tourist attractions such as the diversity of natural, cultural and man-made assets that have tourism value.⁷

Implementing a risk-based business license with a one-roof system or OSS uses Indonesia's standard classification of business fields. This differs from the classification of business fields in PP No. 5 of 2021 concerning the Implementation of Risk-Based Business Licensing. These differences will certainly affect legal certainty in implementing business licensing related to the business sector, which is held by the relevant ministries/institutions. For example, the tavern business sector, which is the object of this research in the OSS system, is derived from the classification of accommodation procurement and food and beverage provision. Meanwhile, the technical arrangements for licensing businesses in the tavern business sector, especially those related to business and business activity standards, are regulated based on the Ministry of Tourism Regulations. This difference will undoubtedly affect how the implementation of business licensing, especially still leaves overlapping regulations when faced with the business sector, which is still regulated by an institution or government agency.

The change in the licensing system to try to become risk-based has resulted in a change in the licensing mechanism for the tavern business sector. The change in business licensing to be risk-based places the tavern business in the category of low-risk businesses. As a result of this change, it has created legal ambiguity in the business licensing mechanism for the tavern business sector. This happens because the tavern business sector is based on PPNo. 5 of 2021 concerning the Implementation of Risk-Based Business Licensing; no requirements must be met to obtain a business license. This is also confirmed in the attachment to PP no. 5 of 2021, which does not regulate business activity standards for the tavern business sector, which should be required for issuing business licenses. This is contrary to the legal principle of licensing that licensing is a form of implementing the

⁶ Gledys I. M. Semueil. "Hak Dan Kewajiban Pengusaha Dalam Melakukan Usaha Pariwisata". *Lex Privatum* Vol. I, No.2 (2013), 45. <https://ejournal.unsrat.ac.id/index.php/lexprivatum/article/view/1712>.

⁷ Maria Frianni Lousia Karisoh."Pemberlakuan Sanksi Pidana Terhadap Perbuatan Melawan Hukum Menurut Undang-Undang Nomor 10 Tahun 2009 Tentang Kepariwisata". *Lex Et Societatis* Vol. VII, No. 3 (2019), 203. <https://ejournal.unsrat.ac.id/index.php/lexetsocietatis/article/view/24681/24391>.

government's regulatory and control functions over activities carried out by the community. Regarding the convenience and simplification contained in the Job Creation Law in business licensing, especially in the business sector tourism in the tavern business sector, the authors are interested in analyzing business licensing arrangements from a statutory perspective.

2. Research Methods

This is a form of legal research that is normative legal research because it aims to find legal norms, legal principles, and legal doctrines to answer legal questions.⁸ Regarding normative legal research, it also aims to answer pending legal questions, in this case, the design of concessions in the tourism industry in gastronomy, from a legal or statutory perspective.

3. Discussion

With the passing of Law Number 11 of 2020 concerning Job Creation, the licensing process has undergone many very significant changes. This is due to changes in the licensing mechanism based on Risk Based Approach (RBA). This mechanism is regulated in Articles 6 to 11 of the Job Creation Law. The Job Creation Law regulates matters related to business licenses, including applications for risk-based business licenses, simplifying basic business license requirements, simplifying industry-specific business licenses, and simplifying investment increase requirements. The regulation of these issues aims to develop and improve the quality of the trade and investment ecosystem.

3.1 Arrangement for Business Licensing in the Tourism Business Sector in the Beverage Shop Business Sector in the Perspective of Legislation

Risk-based business activities are regulated in PP no. 5 of 2021 concerning the Implementation of Risk-Based Business Licenses. With the issuance of PP No. 5 of 2021, this regulation replaces the previous regulation regarding the implementation of commercial licensing services, namely PP No. 2 of 2018 concerning Electronically Integrated Business Licensing Services. However, implementing risk-based business licenses is still carried out electronically and in an integrated manner. For example, Article 167 PP No. 5 of 2021 states that the implementation of risk-based business licenses will be carried out online and integrated through a one-stop system or OSS.

a. Arrangement the classification of business fields

Industry Classification Regulations Regarding the Issuance of Risk-Based Permits with Revocation of PP No. 24 of 2018 concerning Electronically Integrated Business Licensing Services and PP No. 5 of 2021, the Government of the Republic of Indonesia concerning the Implementation of Risk-Based Business Licensing has also undergone slight changes. PP no. 24 of 2018 does not mention that the industry classification according to the Indonesian Business Field Standard Classification (KBLI) is part of government regulations. Based on Article 6, paragraphs (3) and (4) PP No. From Article 5/2021 above, it can be seen that implementing a risk-based business license follows KBLI—article 1 Number 20 PP No. Article 5 of 2021 determines what is meant by the Standard Classification of Business Fields in Indonesia, in the future abbreviated as KBLI, which is

⁸ Peter Mahmud Marzuki. *Penelitian Hukum, Cetakan Ke-11*. (Jakarta: Kencana, 2011), 35.

a classification code regulated by a non-ministerial government agency that carries out government affairs in the field of statistics. The Indonesian Business Field Standard Classification used in obtaining risk-based business licenses is the Indonesian Business Field Standard Classification compiled and approved by the Central Bureau of Statistics in 2020. The list of business sector classifications held under the OSS system based on the 2020 KBLI lists 21 categories of fields of activity or economic activity. In the list, it is not found in the tourism sector business sector, which is the central cluster that oversees the beverage shop business sector, which is the object of this research.

In the OSS system, taverns are derived from Provision of Accommodation and Provision of Food and Beverages. Even though the tourism sector is not listed as one of the classifications of business sectors in the administration of business licensing through the OSS system, the regulation for the category of Provision of Accommodation and Provision of Food and Beverages still depends on regulations issued by the Ministry in charge of the tourism business sector. Therefore, one regulatory aspect of the business licensing process in its regulation must be distinct from the Ministry of Tourism Regulations.

The Central Bureau of Statistics revealed that the use of KBLI was intended to be used for statistical purposes. The use of KBLI for licensing and policies outside of statistics must consider the following:

- a) KBLI does not regulate sector development.
- b) The use of KBLI for licensing refers to the Norms, Standards, Procedures, and Criteria (NSPK) established by the department responsible for that field.
- c) KBLI does not discriminate between activities based on the legality of the activity. Government regulations further regulate the legitimacy of activities.
- d) There needs to be filtering to interpret and implement KBLI in other fields, and it cannot be used purely and simply because KBLI refers to ISIC, which is designed for statistical purposes.⁹

As previously mentioned, interpreting the use of KBLI outside of statistical purposes requires a unique interpretation that needs to be regulated in government regulations, especially regulations related to the business sector. Therefore, industry-related licensing agreements mean regulations regarding standards, norms, procedures, and criteria issued by the relevant Ministry or industry/sector regulator.

Specifically for the tourism industry, regulations related to business licensing for the tourism industry are regulated in Permenparekraf No. 4 of 2021 concerning Business Implementation Standards in Implementation. Article 2 of Permenparekraf 4 of 2021 states: "Risk-based business licenses in the tourism sector are carried out through an integrated electronic business permit system." The explanation in the Tourism Law above places taverns as having the same meaning as bars. The tavern category is placed as a type of business activity similar to a bar which is also clearly seen in Permenparekraf No

⁹ *Ibid.*, 40.

23 of 2014 concerning Bar/Drinking House Business Standards. In the Permenparekraf, the term tavern is mentioned as a drinking house. However, the definition proposed for bars or drinking houses in Permenparekraf Number 23 of 2014 concerning Bar/Drinking House Business Standards is different from the definition of drink stalls proposed in the 2020 KBLI, which is the basis for the classification of business fields of risk-based business licensing through the OSS system. The definition of a bar or drinking house, according to Article 1 Number 2 of Permenparekraf Number 23 of 2014, stipulates that "Bar/Drinking House business is a business of providing alcoholic and non-alcoholic drinks equipped with tools and equipment for the process of making, storing and serving it, in 1 (one) fixed place that does not move.

These differences in understanding reveal differences in the classification of business fields between bars or drinking houses as proposed in Article 1 Number 2 of Permenparekraf Number 23 of 2014 with the definition of taverns in the 2020 KBLI. The difference lies in the place of business where the tavern in this study is a business that can be moved or disassembled, while a bar, teahouse, or cafe is a type of business with a place in the form of a permanent building. Therefore, the tavern referred to in this study is a business sector that was not regulated in business licensing arrangements prior to implementing risk-based business licensing through the OSS system.

b. Arrangement of Authority in licensing businesses in the tavern business sector

The Authority of business licensing with the enactment of risk-based business licensing has changed. The changes referred to are marked by Article 29 and Article 30 of the Tourism Law, which was amended through the Job Creation Law. Changes in Authority related to business licensing can be seen in the Authority of the Provincial Government to issue business licenses in Article 29 Paragraph (1) Letter c and the Authority of district/city Governments to issue business permits in Article 30 Paragraph (1) Letter d. Meanwhile, in Law no. 10 of 2009 concerning Tourism, there is no mention of the Authority of the Regional or Regency/City Governments to issue business permits. Meanwhile, in Tourism Law no. 10 of 2009, the Authority of the district government and city government is responsible for registering, registering, and collecting business data in the tourism sector.

An explanation of permits for industrial implementation and exhibitions is regulated in Appendix I of State Council Regulation Number 5 of 2021 concerning the Implementation of Risk-Based Business Permits. Article 6 Paragraph (4) PP Number 5 of 2021 states that the relevant KBLI/KBLI Code, KBLI title, the scope of activity, risk parameters, risk level, business license, period, validity period, and Authority of the bond permitted by Part 3 The letter an above is included in Appendix I which is an integrated part of this Government Regulation

Based on Appendix I of PP Number 5 of 2021, the Authority to issue business licenses in the tavern business sector is the Authority of the Mayor/Regent. This is under the risk parameters, and level stated in the regulation that the tavern business sector is a business sector with a low level of risk. Therefore, the granting of concessions for the beverage shop business is regulated by PP no. 6 of 2021 concerning the Implementation

of Concessions in the Regions. The Authority to make decisions or grant business licenses in areas that fall under the Authority of the mayor/governor is regulated in Article 5 of Government Regulation Number 6 of 2021 concerning the Implementation of Business Permits in the Regions. The article explains that the regent/mayor gives a delegation of Authority to the head of the DPMPTSP for the implementation of business licenses in the district/city area.

The Authority is not only to grant permits but also to carry out supervisory Authority to enforce permits under the provisions of the applicable regulations.¹⁰ Supervision and licensing are the government's way of controlling and protecting the running of ecosystems or business wheels related to potential risks that are likely to occur.¹¹ Article 11 of the Job Creation Law states that each company is supervised by determining the frequency of implementation based on the level of risk and paying attention to the level of compliance of business actors. Supervision of business licensing is also included in efforts to protect and manage the environment. In regulations before the entry into force of risk-based business licenses, aspects of environmental protection and management have been regulated in the form of an Amdal or UKL-UPL for environmental permits per the PPLH Law. Meanwhile, with the enactment of risk-based business licensing, environmental analysis is included in assessing the level of risk. In addition, in the context of supervising the protection and management of the environment, standards for business activities have been prepared, one of which also pays attention to environmental protection and management.

Review low-risk business permits and control mechanisms based on the fulfillment of safety, health, and environmental (K2L) aspects. Monitoring of low-risk companies is only carried out with an incidental system, coaching in the form of training. Random monitoring was carried out based on complaints from the community.¹² The Authority to supervise business licensing is the Authority of the Ministries/Institutions that are the supervisors of the related sector. For the tavern business, which is one of the business fields of the tourism sector, supervision is carried out by the Ministry of Tourism and Creative Economy, Republic of Indonesia.

c. Substance regulation in business licensing in the tavern business sector

The enactment of risk-based business licensing changed the previously applicable business regulations where previously business licensing was applied based on a permit-based approach which was considered complicated and convoluted. Through implementing this risk-based business licensing, business licenses are facilitated in terms of the licensing mechanism and the permit requirements needed as business licensing requirements. The convenience of this risk-based business license can be seen in the tavern sector, which is classified as a low-risk business, so the type of business license needed is only a business identification number (NIB). Aside from being a commercial

¹⁰ Vera Rimbawani Sushanty, *Op.Cit.*, 15.

¹¹ Lampiran III Peraturan Pemerintah Republik Indonesia Nomor 5 Tahun 2021 Tentang Penyelenggaraan Perizinan Berbasis Risiko,1.

¹² *Ibid.*, 19.

entity identity, NIB is also a business license which is proof of legality to carry out commercial activities. Based on the scale of the business, taverns are classified into two groups, namely micro businesses and small businesses, which can be seen in the following table:

Table 1: Comparison of the Scale of Micro and Small Businesses Before and After the Implementation of the Job Creation Law

	Micro business	Small business
Before the Job Creation Act	Maximum Rp. 50 million	More than Rp. 50 million up to you Rp. 500 Million
After the Job Creation Act	Maximum Rp. 1 billion	More than IDR 1 Billion up to you IDR 5 Billion

source: Risk-Based Business Licensing Infographic, OSS Ministry of Investment/BKPM

Based on the table above, the size of businesses that are classified as small and micro businesses has changed after the enactment of the Job Creation Law. Before the enactment of the Job Creation Law, a micro business was a company with a maximum business size of Rp. 50 million, whereas after the enactment of the Job Creation Law, the maximum size of a micro business was Rp. 1 billion. Meanwhile, the size of small businesses before the Job Creation Law ranged from Rp. 50 million to Rp. 500 million, while after the Job Creation Law, it was scaled above Rp. 1 billion - Rp. 5 billion.

NIB on a single permit will be used exclusively for business activities with a low level of risks, such as Micro and Small Enterprises (UMK). The NIB applies as a single permit. Article 176 PP Number 5 of 2021 stipulates that NIB is the minimum type of permit that must be owned by every entrepreneur. NIB is issued by the OSS institution, which provides business licensing services through the OSS system. NIB is an identity for economic actors that proves that the company is registered and has a license to carry out trading activities. Besides being an identity, NIB has other functions: import identification number, customs access, and registration of employment social security and health social security. Before implementing risk-based business licensing, business actors must have SNI certificates and halal guarantees outside of NIB. In addition, import identification numbers, customs access rights, and registration for health social security and employment social security are also distinct aspects of business licensing.

Table 2: Business Licensing Based on Risk Level

	Risk Level			
	Low Risk (R)	Medium Low Risk (MR)	Medium High Risk (MT)	High Risk (T)
Type of Business Licensing	NIB	NIB and Standard Certificate (SS) in the form of an	NIB and Standard Certificate (SS) that Ministries/Institutions/Local	NIB, permits that ministries/agencies/local

		Independent Declaration	Governments must verify	governments must approve, and/or standard certificates (SS) if needed
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Source: UU No. 11 of 2020 About Job Creation

In the table described, business licenses are distinguished based on the level of business risk. Business licenses are grouped into several classes: low risk, low medium, high medium, and high risk. The trading agent requires only NIB against low-risk trading operations. For medium to low-risk commercial activities, trading agents are required to have a NIB and claim to have met the standard certificate. For medium to high-risk trading operations, NIB and verified standards are required for businesses. However, for businesses that have a high risk, business owners or business entities are required to have a NIB and verified permits

d. We are setting procedures for business licensing in the tavern business sector.

Risk-based business licensing procedures will be developed and stipulated by the central government. Article 21 PP No 5 of 2021 states that "the central government compiles and sets standards, standards, procedures and criteria for issuing business licenses based on risk in each sector". Thus, the procedures for business approval are determined based on regulations, standards, processes, and criteria for business approval established by the central government. Relevant government ministries/fields stipulate types of business licenses as forms of support in carrying out their business in the production or sales stage and stipulate them in standards, codes, criteria, and procedures or procedures.¹³

Business licenses for each business sector depend on the level of business risk, so the types of permits and requirements that must be met depend highly on the level of business risk determined by the Central Government. Therefore, the licensing procedure is attempted starting with a risk analysis conducted by the Central Government. Article 7 PP Number 5 of 2021 determines:

- a. Risk-based business licenses are issued based on a risk assessment and rating of business size, including MSEs and companies.
- b. Based on paragraph (1) Determination of the level of risk must be adjusted to the results of the risk analysis.
- c. The risk analysis should be determined based on hedging principles and data. Carried out without covering up or transparent and accountable by prioritizing expert judgment
- d. The type of business license will be granted based on the level of risk referred to in paragraph (2).

¹³ *Ibid*, 11.

Requirements for business licenses and risk-based business license requirements for each sector are regulated in Appendix II PP. 5 of 2021. The attachment shows that these requirements are an integral part of the PP. Appendix II describes the requirements for a trading business license, the deadline for fulfilling the requirements, the obligations for a trading business license, and the deadline for fulfilling obligations. The requirements and obligations for business licensing depend on the type of permit determined based on the risk level of each business sector.

Business licensing procedures for the tavern business sector are determined based on the business risk that is classified as a low-risk level. Appendix I of PP Number 5 of 2021 states that a tavern business with the KBLI code 56304 has the type of business license as a NIB. The validity period of the business is as long as the entrepreneurs run the business, and the issuance authority rests with the regent/mayor. Meanwhile, regarding the requirements and obligations for business licensing in Attachment II to PP Number 5 of 2021, it is stated that there are no business licensing requirements that must be met, and the business licensing obligation for the tavern business sector is only in the form of a K3L Standard Certificate.

The validity period of a business license is one of the aspects regulated in the business licensing procedure. PP Number 5 of 2021 explains that the validity period of a business license can be used as long as the entrepreneur runs his business. Appendix 1 of PP Number 5 of 2021 for the Tourism Sector lists arrangements regarding the validity period for this business license. The provisions for the validity period of this business license have remained the same compared to the past. In particular, business licenses are valid as long as the business entity runs its business and activities. Article 79 of Government Regulation Number 24 of 2018 states that "Business Permits are valid as long as Business Actors carry out their business or activities unless otherwise provided for in the Law". The difference in terms of validity period between the law that applies to the law that regulates business activities and the Job Creation Law can be seen from the determination of the validity period based on the risk level of each business field so that Government Regulation Number 5 of 2021 does not include a particular article that regulates the validity period of business licenses as was the case in PP Number 24 of 2018 prior to the entry into force of the Job Creation Law.

3.2 Business Licensing Mechanisms in the Tourism Business Sector in the Beverage Shop Business Sector in the Perspective of Legislation

The business licensing mechanism in this study processes and work methods that describe the flow of business licensing implementation based on applicable laws and regulations. The process for implementing Commercial Licensing is based on the regulations for Commercial Licensing Services, which are electronically integrated and risk-based as required by the Job Creation Law No.11 of 2020. Implementing Facility business licensing services is in accordance with the objectives of promulgation of the Manpower Law to facilitate the approval process by using the system Online Single Submission (US).

According to PP No. 5 of 2021, Article 21, paragraphs 1 and 2, the mechanism for regulating risk-based business licensing services will be regulated by the central and regional governments. Refers to the rules, standards, procedures, and risk-based business licensing standards for each sector prepared and regulated by the government. As a result, the central government developed and established risk-based business licensing standards, norms, processes, and standards, leading to central regulations for reference within government agencies. The central government and regional governments regulate the service business licensing system for each industry or sector.

PP No 2 of 2018 has been perfected so that licensing services for business entities organized by the central and regional governments become more efficient, comfortable, and modern. One of the most important is providing an integrated business license service system (Online Single Submission/OSS). Through OSS, economic entities centrally register and administer business licenses, business licenses, and work permits, and the central and regional governments issue trade permits submitted by economic entities through OSS.

The one-stop system consists of an information service, business licensing, and monitoring subsystem. The information service subsystem provides information on the application for a risk-based trading license and other information related to implementing a risk-based trading license. Meanwhile, licensing services are sought in the Business Entity Licensing Subsystem, while the Monitoring Subsystem is used to monitor business entity licensing for risk-based business entities. The licensing mechanism for trying to use the OSS system begins with a risk level analysis conducted by the Central Government. The results of the risk level analysis are outlined in the regulations of the relevant sector ministry or agency. Business licensing begins with an application for a business license through the Business Licensing subsystem in the OSS system. Then the business actor applying for a business license registers access rights to the OSS system. Right of access to Business Actors for:

- a. apply for Business Permits, including changes and revocations;
- b. submit investment activity reports;
- c. submit a complaint; and
- d. apply for business facilities.

The business licensing requirements for taverns are described in the following table:

Table 3: Requirements for Licensing for a Beverage Shop Based on Business Scale

No	Information	Scale enterprises	
		Micro business	Small business
1	Land area	Unregulated	Unregulated
2	Risk Level	Low	Low
3	Business Licensing	NIB	NIB
4	Time period	-	-
5	The period of validity	Valid as long as the business actor carries out business activities	It occurs until it no longer carries out its business.
6	Parameter	Regency/City	Regency/City

No	Information	Scale enterprises	
		Micro business	Small business
7	Authority	Regent/Mayor	Minister/Head of Agency, Regent/Mayor
8	Business licensing requirements	There aren't any	There aren't any
9	Requirement fulfillment period	-	-
10	Business licensing obligations	K3L Standard Certificate	There aren't any
11	The period of fulfillment of obligations	-	-

Source: PP No. 5 of 2021 concerning the Implementation of Risk-Based Business Licensing

The mechanism for implementing business licenses/commercial licenses for taverns is as follows:

- a. apply for access rights for OSS RBA oss.go.id
- b. apply for a business license by filling in/entering the applicant's data
- c. Fill in business data.
- d. Fill in the list of business activities.
- e. Verification of requirements and field review as well as output in the form of Approval of requirements from a list of business activities by the Technical Service
- f. verification of business data and Approval of a list of business activities
- g. Obtain and print permits/rejection letters

In addition to analyzing the level of risk to the environment, the central government also has the duty and Authority to set standards, rules, procedures, and criteria for issuing business licenses. The determination of commercial business licensing is intended to monitor the compliance of business entities with licensing regulations. K2L or Safety, Health, and Environment standards are standards for low-risk businesses.

Based on the aspects regulated in the business activity standards above, the monitoring mechanism for tavern business activities with a low level of business risk includes aspects of environmental protection and management. However, the supervision carried out for businesses with a low level of risk is only incidental based on public complaints. So, suppose there are no public complaints. In that case, business actors' compliance is not monitored, so violations against compliance with safety, health, and environment (K2L) aspects, which are aspects of supervision of business licensing for the tavern business sector, cannot be detected.

The results of this study indicate that the enactment of a risk-based business license using OSS has dramatically changed the implementation of business licenses, especially in the tourism sector in the tavern business sector. The tavern business sector is not included in the previous business licensing arrangement. The types of business in the tourism sector regulated in the Tourism Law place taverns as the same business activity as bars. However,

the definition of a bar business as proposed in Permenparekraf Number 22 of 2014 concerning Bar/Drinking House Business Standards is different from the definition of a tavern in the 2020 KBLI, which is the basis for administering risk-based business licensing through the OSS system. Therefore, taverns are a new type of business activity mentioned in the 2020 KBLI and have yet to be regulated for business licensing before entering a business license through the OSS system into force.

PP No. 5 of 2021 authorizes regional leaders to implement codes, standards, procedures, and standards for business licensing stipulated in Regional Leadership Regulations so that local governments have the scope to oversee the enforcement of business licenses. Therefore, the oversight mechanism that is part of the business licensing procedure, especially for businesses with a low level of risk, needs to be regulated in a regional head regulation so that every business actor can be monitored in running his business by paying attention to aspects of business risk, especially in the aspect of protection and management environment. In addition, in the said regional head regulation, it is also necessary to determine sanctions or forms of guidance that need to be applied if business actors violate the conduct of their business in accordance with established rules and business activity standards.

4. Conclusion

Many changes have occurred regarding risk-based business licenses after the entry into force of the Job Creation Law, particularly in the tavern business. Changes in the implementation of business licensing with risk-based business licensing are not only changes in certain aspects. Changes can be seen in the application of the type of business, administrative requirements, and the obligations of the entrepreneur, which are determined based on the risks of the business. Therefore, determining the level of risk determines the mechanism for business licensing in each sector and each business field. The 2020 Indonesian Business Field Standard Classification (KBLI) places the tavern business sector as a separate classification. In contrast, in the previous arrangement in the Tourism Law, it was placed in the same business sector as a bar or tavern. However, the definition put forward in the previous arrangement differs from that of a tavern in the 2020 KBLI. The application of a risk-based business license is also more profitable for the tavern business. As one of the business lines in the beverage supply industry, the tavern business is a low-risk business, so its business license is limited to the Business Identification Number (NIB) level.

Only by accessing OSS the mechanism for implementing business licenses can be carried out by entrepreneurs without having to wait for the Approval of other parties. Even without Approval, the central government has Authority in terms of environmental protection and management. For this reason, the central government determines various legal factors, minimum standards, procedures, and criteria for business permits. This determination is made to monitor commercial entity compliance with commercial licensing regulations. K2L or Safety, Health, and Environment standards are standards for low-risk businesses. However, the supervision carried out for businesses with a low level of risk is only incidental based on public complaints. So, suppose there are no public complaints. In that case,

business actors' compliance is not monitored, so violations against compliance with safety, health, and environment (K2L) aspects, which are aspects of supervision of business licensing for the tavern business sector, cannot be detected.

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