



TECHNIUM
SOCIAL SCIENCES JOURNAL

www.techniumscience.com



Vol. 68/2025
A New Decade for Social Changes

PLUS
COMMUNICATION P



International
Communication & PR

Risk-Based Application of Business Licensing at the One-Stop Investment and Integrated Service Office of Kotamobagu City

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Abstract. The main purpose of this study is to describe and analyze the importance of online business investment activity reports through the Risk-Based Application of Business Licensing and to determine the impact of using the Risk-Based Application of Business Licensing at the Kotamobagu City One-Stop Investment and Integrated Services Office in submitting online business investment activity reports. The approach used in this research is a qualitative descriptive approach. The results showed that the Risk-Based Business Licensing Application is a system used by the Government of the Republic of Indonesia in this case the Ministry of Investment / Investment Coordinating Board of the Republic of Indonesia which aims to simplify and simplify the business licensing process. This system is known as the Online Single Submission Risk Based Approach which was introduced as part of licensing reform through the Job Creation Law (Law No. 11 of 2020). Business Licensing is now issued called the Business Identification Number or NIB, once issued it is used forever by business actors in carrying out their business activities. In the past, when taking care of business licensing, there was something called SITU (Business Place Permit), SIUP (Trade Business License), Hinderordonnantie (HO) or Nuisance Permit and TDP (Company Registration Certificate), all of these forms of business licenses have an expiration date and must be renewed every certain period of the year in accordance with the validity period. With the current business licensing system whose name is Business Identification Number (NIB), business actors no longer need to extend their business licenses because this business license is valid as long as business actors carry out their business activities, business actors are required to submit business activity developments, namely the Online Investment Activity Report (LKPM) through Online Single Submission of the Risk Based Application of Business Licensing (OSS-RBA). Investment Activity Report, hereinafter abbreviated as LKPM, is a report on the development of Investment realization and problems faced by Business Actors which must be made and submitted periodically. The purpose of LKPM Online Reporting is to monitor and evaluate the progress of investment realization carried out by the Company.

Keywords. Risk Based Licensing Application, Business Actors, Investment Activity Report, Online Single Submission

A. Introduction

Law Number 25 Year 2007 concerning on Capital Investment, article 1 paragraph 1 explains that Capital Investment is all forms of investment activities, both by domestic

investment and foreign investment to conduct business in the territory of the Republic of Indonesia (Arliman, 2018) [1].

That in reality the level of awareness of business actors in submitting Investment Activity Reports is still low, this is due to many business actors who do not understand the procedures for submitting Investment Activity Reports (Nababan, 2022) [2].

Domestic Investment (PMDN) is an investment activity to conduct business in the territory of the Republic of Indonesia carried out by domestic investors using domestic capital (Asiyan, 2013) [3]. Meanwhile, Foreign Investment is an investment activity to conduct business in the territory of the Republic of Indonesia carried out by foreign investors, both those who use foreign capital entirely or in partnership with domestic investors (Jufrida et al., 2016) [4].

Individual investors or business entities that make investments can be in the form of domestic investors and foreign investors while what is meant by the Investment Activity Report is a report on the progress of investment realization and problems faced by business actors that must be made and submitted periodically (Hursepuny, 2019) [5].

In terms of conducting investment activities, business actors/investors must certainly fulfill their obligations in accordance with applicable laws and regulations as contained in Article 15 letter c of Law Number 25 Year 2007 concerning Investment which reads “Every investor is obliged to make a report on Investment Activities and submit it to the Investment Coordinating Board” (Putri, 2022) [6].

The obligation to submit an online Investment Activity Report (LKPM) is also contained in the Investment Coordinating Board Regulation Number 5 of 2021 concerning Guidelines and Procedures for Risk-Based Business Licensing Supervision article 5 letter c which reads “Every Business Actor is obliged to submit an Investment Activity Report” and also in Kotamobagu City Regional Regulation Number 3 of 2023 concerning Business Licensing in the Region article 44 paragraph 2 letter D states that “every business actor is obliged to submit an Investment Activity Report”. Based on data available at the Kotamobagu City Investment and One-Stop Integrated Service Office, the number of business actors who have a Business Identification Number (NIB) until 2023 is 5,291 business actors, while business actor data from the Kotamobagu City Trade, Cooperatives and SMEs Office until 2023 totals 7,811. This is certainly a special concern for business actors / investors who already have a Business Identification Number (NIB) if in running a business they must always comply with the rules / regulations that have been stipulated in the law so that in carrying out business activities they get comfort and tranquility.

The main purpose of this study is to describe and analyze the importance of online business investment activity reports through the Risk Based Application of Business Licensing and to determine the impact of using the Risk Based Application of Business Licensing at the Kotamobagu City One-Stop Investment and Integrated Services Office in submitting online business investment activity reports.

B. Method

The type of research approach is descriptive. Descriptive research is research that tries to tell the solution of existing problems based on data (Sugiyono, 2017) [7]. The type of descriptive qualitative research used in this study is intended to obtain information about the effect of online business investment activity reports through risk-based business licensing applications on increasing investment in the regions.

The focus of this research is related to the Risk-Based Application of Business Licensing at the Kotamobagu City Investment and One-Stop Integrated Service Office is on the Online Investment Activity Report (LKPM) using Indicator Analysis: Socialization of Application use, Implementing Apparatus, Reporting Procedures, Application Server, Reporting Time and Business Actor (Operator) Response.

Data collection techniques were observation, interview and document study. The steps of data analysis were carried out using the interactive model of Miles and Huberman (2014) in Wawointana et al. (2019) i.e: data collection, data condensation, data display, and conclusion drawing/verification [8]. Test the validity of the data in this study using the Lincoln and Guba method in Tarore et al. (2023) including the tests of credibility, transferability, dependability, dan confirmability [8].

C. Result and discussion

Risk Based Application of Business Licensing is a system used by the Government of the Republic of Indonesia in this case the Ministry of Investment / Investment Coordinating Board of the Republic of Indonesia which aims to simplify and simplify the business licensing process (Rokhman et al., 2024) [9]. This system is known as the Online Single Submission Risk Based Approach (OSS-RBA) which was introduced as part of licensing reform through the Job Creation Law (Law No. 11 of 2020) (Purnami, 2022) [10]. Business Licensing is now issued called the Business Identification Number or NIB, once issued it is used forever by business actors in carrying out their business activities. In the past, when taking care of business licensing, there was something called SITU (Surat Izin Tempat Usaha), SIUP (Surat Izin Usaha Perdagangan), Hinderordonnantie (HO) or Nuisance Permit and TDP (Tanda Daftar Perusahaan) all of these forms of business licenses have an expiration date and must be extended every certain period of the year in accordance with the validity period (Widya et al., 2019) [11].

With the current business licensing system called the Business Identification Number (NIB), business actors no longer need to extend their business licenses because this business license is valid as long as business actors carry out their business activities, business actors are required to submit business activity developments, namely the Online Investment Activity Report (LKPM) through the Online Single Submission of Risk Based Application of Business Licensing (OSS-RBA) (Syarif et al., 2023) [12]. Investment Activity Report, hereinafter abbreviated as LKPM, is a report on the progress of Investment realization and problems faced by Business Actors that must be made and submitted periodically. The purpose of LKPM Online Reporting is to monitor and evaluate the development of investment realization carried out by the Company. With LKPM Online, the reporting process becomes easier, faster and digitally integrated, supporting efficiency and better supervision of investment activities in Indonesia (Rosidi & Kusbandrijo, 2024) [13].

The basis for LKPM Online reporting is contained in Law Number 25 of 2007 concerning Investment, Investment Coordinating Board Regulation Number 5 of 2021 concerning Guidelines and Procedures for Risk-Based Business Licensing Supervision and Kotamobagu City Regional Regulation Number 3 of 2023 concerning Business Licensing in the Region.

The following is a description of the research results and discussion based on the research indicators, namely: Socialization of Application use, Implementing Apparatus, Reporting Procedures, Application Server, Reporting Time and Response of Business Actors (Operators).

Socialization of Application Use

Table 1 below explains the findings of the Importance of Submitting Reports on Investment Activities of Business Actors Online through the Risk-Based Business Licensing Application at the Kotamobagu City Investment and One-Stop Integrated Service Office seen from the indicator of socialization of application use.

Table 1. Research Findings on Indicator of Socialization of Application Use

Indicator	Findings
Socialization of Application Use	Based on interviews with informants related to the socialization of the use of the Application, both Technical Guidance activities carried out by the Kotamobagu City PMPTSP Office by inviting business actors have been carried out well but business actors are not fully aware of their obligation to submit LKPM Online, there are still business actors who do not respond regarding the period for submitting LKPM Online through the Risk-Based Business Licensing Application, this certainly requires special attention.
	Regarding the use of the Risk-Based Business Licensing application in submitting the Online Investment Activity Report (LKPM), there are still business actors who are stuttering technology, meaning that business actors are less able to use existing technological devices such as laptops and computers, this also requires special handling.
	In the delivery of information on the period of delivery of the Online Investment Activity Report (LKPM) to business actors delivered directly by the Ministry of Investment / BKPM RI via email to business actors, there are still many business actors who do not open the email.

Source: data processed by researchers (2024)

Based on the table of findings on indicator 1, the Socialization of Application Use by the Kotamobagu City PMPTSP Office has been carried out well, but there are still actors who are not fully aware and do not respond regarding the obligation to submit LKPM Online, this certainly requires more effort such as enforcing stricter sanctions in accordance with applicable provisions contained in Law Number 25 of 2007 concerning Capital Investment Article 34 paragraph 1 and BKPM RI Regulation Number 5 of 2021 concerning Guidelines and Procedures for Risk-Based Business Licensing Supervision in Article 46 paragraph I and article 47 paragraph 1, and in terms of further maximizing the submission of online Investment Activity Reports by business actors who are stuttering in technology, it is necessary to provide continuous guidance to business actors and also in optimizing information notification of LKPM Online submission to business actors, they always urge business actors to check email regularly. This is in accordance with Edward III Theory in Langkai (2020) which states that public policy implementation can run effectively if it is influenced by four factors, namely: Communication, Resources, Disposition, Bureaucratic structure [14].

Implementing Apparatus

Table 2 below explains the findings of the Importance of Submitting Reports on Investment Activities of Business Actors Online through the Risk-Based Business Licensing

Application at the Kotamobagu City Investment and One-Stop Integrated Service Office seen from the Implementing Apparatus indicator.

Table 2. Research Findings on Implementing Apparatus Indicator

Indicator	Findings
Implementing Apparatus	Based on interviews with informants related to the Implementing Apparatus, the Implementing Apparatus in charge of the Kotamobagu City One-Stop Investment and Integrated Services Office in terms of assisting business actors in submitting Online Investment Activity Reports (LKPM) through the Risk-Based Business Licensing Application is still limited in terms of personnel because only 4 people, this certainly requires special attention, the more personnel in charge of serving business actors related to submitting LKPM Online, the better and of course supported by facilities such as adequate computers/laptops. Special room / place facilities in serving business actors who have problems in submitting LKPM Online should be further expanded to be more adequate in receiving guests (business actors).

Source: data processed by researchers (2024)

Based on the table of findings on indicator 2, the Implementing Apparatus should carry out the task of assisting business actors who have problems in submitting the Online Investment Activity Report (LKPM), the personnel in charge of the office should be added because this is to further optimize the services at the office, as well as special room / place facilities in serving business actors to be further expanded to make it more adequate in receiving guests (business actors), this is in accordance with the Regulation of the Investment Coordinating Board of the Republic of Indonesia Number 4 of 2021 concerning Guidelines and Procedures for Risk-Based Business Licensing Services and Investment Facilities and in accordance with the theory of Osborn and Plasterik in Erlianti (2019) which defines Services provided by the government are interpreted as an obligation not a right, because they (bureaucrats) are appointed to serve the community, therefore a strong commitment must be built to serve so that services will be responsive to community needs and can design service models that are more creative and efficient [15].

Reporting Procedure

Table 3 below explains the findings of the Importance of Submitting Reports on Investment Activities of Business Actors Online through the Risk-Based Business Licensing Application at the Kotamobagu City Investment and One-Stop Integrated Service Office seen from the Reporting Procedure indicator.

Table 3. Research Findings on Reporting Procedure Indicator

Indicator	Findings
Reporting Procedure	Based on interviews with informants related to the Reporting Procedure, for the Reporting Procedure, the Company appoints an Admin who is in charge of taking care of this, but the problem is constrained by the time given in terms of the period / time period for submitting LKPM Online

which is only 10 days per reporting period, by some business actors convey that the time given is still not enough.

In terms of submitting the Online Investment Activity Report (LKPM) through the Risk-Based Business Licensing Application, there are still business actors who do not fully understand so they need assistance from officers at the Kotamobagu City PMPTSP Office.

Source: data processed by researchers (2024)

Based on the table of findings on Indicator 3 Reporting Procedures, for the reporting procedure from the Company appoints the admin in charge of taking care of this, therefore for the sake of smooth reporting because it takes quite a lot of time in collecting data and information in submitting LKPM Online, hopefully the time given by the relevant parties for 10 days can be extended. This is in accordance with the Regulation of the Investment Coordinating Board of the Republic of Indonesia Number 4 of 2021 concerning Guidelines and Procedures for Risk-Based Business Licensing Services and Investment Facilities and in accordance with Osborn and Plasterik's theory in Erlianti (2019) which defines Services provided by the government are interpreted as an obligation not a right, because they (bureaucrats) are appointed to serve the community, therefore a strong commitment must be built to serve so that services will be responsive to community needs and can design service models that are more creative and efficient.

Application Server

Table 4 below explains the findings of the Importance of Submitting Reports on Investment Activities of Business Actors Online through the Risk-Based Business Licensing Application at the Kotamobagu City Investment and One-Stop Integrated Service Office seen from the Application Server indicator.

Table 4. Research Findings on Application Server Indicator

Indicator	Findings
Application Server	Based on interviews with informants related to Application Servers, the Application Server used in submitting Online Investment Activity Reports (LKPM) uses a server on the Risk-Based Business Licensing Application, this application is a direct application from the Ministry of Investment / Investment Coordinating Board of the Republic of Indonesia, when reporting LKPM Online simultaneously throughout Indonesia results in server performance decreasing and frequent interruptions when accessing the application this has an impact on the submission of LKPM Online by business actors often occurs obstacles.

Source: data processed by researchers (2024)

Based on the table of findings on Indicator 4. Application Server, in submitting LKPM Online using the Risk-Based Business Licensing Application, logging in using the user and password belonging to the business actor obtained when managing his business license, namely the Business Identification Number (NIB). When submitting LKPM Online, the server capability should be further improved because considering the submission of LKPM Online applies throughout Indonesia, this is to anticipate obstacles and disruptions when accessing the

Risk-Based Business Licensing Application in submitting LKPM Online. This is in accordance with the Regulation of the Investment Coordinating Board of the Republic of Indonesia Number 4 of 2021 concerning Guidelines and Procedures for Risk-Based Business Licensing Services and Investment Facilities and in accordance with Osborn and Plasterik's theory in Erlianti (2019) which defines Services provided by the government are interpreted as an obligation not a right, because they (bureaucrats) are appointed to serve the community, therefore a strong commitment must be built to serve so that services will be responsive to community needs and can design service models that are more creative and efficient.

Reporting Time

Table 5 below explains the findings of the Importance of Submitting Reports on Investment Activities of Business Actors Online through the Risk-Based Business Licensing Application at the Kotamobagu City Investment and One-Stop Integrated Service Office seen from the Reporting Time indicator.

Table 5. Research Findings on Reporting Time Indicators

Indicator	Findings
Reporting Time	<p>Based on interviews with informants related to Reporting Time, for the time of submitting Investment Activity Reports through the Risk-Based Business Licensing Application, business actors submit quarterly according to the LKPM Online submission period, but when accessing the application there are frequent interruptions because reporting applies throughout Indonesia, this is certainly a special concern.</p> <p>The reporting time for each reporting period of 10 days given by the Ministry of Investment / Investment Coordinating Board of RI is considered insufficient because the company itself needs time to collect the data required in submitting LKPM online.</p>

Source: data processed by researchers (2024)

Based on the table of findings on Indicator 5. Reporting Time, related to the reporting time given by the Investment Coordinating Board for 10 days is still considered insufficient because the Company is still collecting data and information which will later be inputted in the submission of LKPM Online through the Risk-Based Business Licensing Application, therefore an extension of time in the reporting period is needed in order to obtain complete and valid data and information updates in submitting LKPM Online and also because at the time of LKPM Online reporting this applies throughout Indonesia there are often interruptions in accessing, hopefully future improvements to server capabilities need to be improved again performance. This is in accordance with the Regulation of the Investment Coordinating Board of the Republic of Indonesia Number 4 of 2021 concerning Guidelines and Procedures for Risk-Based Business Licensing Services and Investment Facilities and in accordance with the Theory of Osborn and Plasterik in Erlianti (2019) which defines Services provided by the government are interpreted as an obligation not a right, because they (bureaucrats) are appointed to serve the community, therefore a strong commitment must be built to serve so that services will be responsive to community needs and can design service models that are more creative and efficient.

Business Actor Response

Table 6 below explains the findings of the Importance of Submitting Reports on Investment Activities of Business Actors Online through the Risk-Based Business Licensing Application at the Kotamobagu City Investment and One-Stop Integrated Service Office seen from the Business Actor Response indicator.

Table 5. Research Findings on Business Actor Response Indicator

Indicator	Findings
Business Actor Response	Based on interviews with informants related to the Response of Business Actors, the Response of Business Actors in terms of submitting LKPM Online through the Risk-Based Business Licensing Application is quite good, it's just that when accessing the Risk-Based Business Licensing Application in submitting LKPM Online there are often server problems and also the display on the Application which often changes, this of course requires special handling.

Source: data processed by researchers (2024)

Based on the table of findings on Indicator 6. Business Actor Response, in submitting LKPM Online, the response of business actors is quite good, it's just that when accessing the Risk-Based Business Licensing Application during the reporting period, the application server often experiences interruptions, this of course requires special handling in the future so that server performance can be further improved to maximize service. This is in accordance with the Regulation of the Investment Coordinating Board of the Republic of Indonesia Number 4 of 2021 concerning Guidelines and Procedures for Risk-Based Business Licensing Services and Investment Facilities and in accordance with the Theory of Osborn and Plasterik in Erlianti (2019) which defines Services provided by the government are interpreted as an obligation not a right, because they (bureaucrats) are appointed to serve the community, therefore a strong commitment must be built to serve so that services will be responsive to community needs and can design service models that are more creative and efficient.

Determinants of Submission of Investment Activity Reports through Risk-Based Business Licensing Applications

From the results of the analysis on the 6 indicators above, it was found by researchers that the application server indicator is very influential in the submission of the Online Investment Activity Report (LKPM) through the Risk-Based Business Licensing Application, this is because when the period for submitting the Online Investment Activity Report (LKPM) through the Risk-Based Business Licensing Application arrives, reporting applies simultaneously throughout Indonesia, this causes server performance to often experience problems when accessing by business actors.

D. Conclusion

Based on the results of the research and discussion described above, the results of this research analysis can be concluded as follows:

- 1) The Kotamobagu City Investment and One-Stop Integrated Service Office in terms of assisting business actors who have problems in submitting the Online Investment Activity Report (LKPM) provides facilities in the form of the presence of the Kotamobagu City PMPTSP Online LKPM Clinic.

2) Regarding services at the LKPM Online Clinic, the Kotamobagu City PMPTSP Office provides the best service to business actors and of course the service at the LKPM Online Clinic is free of charge.

3) In order to optimize, improve and provide understanding to business actors related to the submission of LKPM Online through risk-based business licensing applications, the Kotamobagu City PMPTSP Office carries out Socialization and Technical Guidance and Dissemination activities to Business Actors.

4) In order to maximize and disseminate information to business actors related to the LKPM Online submission date period through the risk-based business licensing application, the PMPTSP Office publishes through the social media of the Kotamobagu City PMPTSP Office and sends information to business actors through the WhatsApp numbers of business actors and makes Lieflet related to information about the Online Investment Activity Report (LKPM).

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