

## **Law Enforcement on Ownership of Business Identification Numbers Against Micro, Small and Medium Enterprises in Bukit Merapin Village**

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### **Abstract**

*This study aims to examine the legal enforcement of Business Identification Number (NIB) ownership among Micro, Small, and Medium Enterprises (MSMEs) in Bukit Merapin Urban Village. Although the government has introduced a risk-based licensing system through the Online Single Submission (OSS) platform, in practice, most business actors in the area still do not possess an NIB. This research adopts an empirical juridical approach with a descriptive qualitative method, supported by observations, interviews, and official data from relevant institutions. The findings reveal that the low rate of NIB ownership is primarily caused by limited legal literacy, insufficient access to digital technology, and the lack of active socialization by local government authorities. This situation highlights a gap between the normative framework of licensing regulation and the actual legal practice at the grassroots level. NIB should not merely be seen as an administrative requirement, but rather as a legal instrument that ensures protection and economic empowerment for small-scale entrepreneurs. Therefore, affirmative actions such as legal education, OSS technical assistance, and simplified licensing facilitation are urgently needed to promote administrative justice and equitable legal recognition for MSMEs.*

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## **1. INTRODUCTION**

Productive businesses owned by individuals and/or individual business entities, provided that they meet the criteria as stipulated in this Law, are defined as Micro Enterprises in Article 1 number 1 of Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises. Referring to Article 1 number 2, the definition of Small Enterprises is a form of business that is oriented towards productive economic activities, which is independently established, run by individuals or business entities, and does not have the status of a subsidiary or branch of a Medium Enterprise or Large Enterprise that is owned, controlled, or affiliated directly or indirectly, according to the criteria stated in this Law. Meanwhile, Article 1 number 3 provides an explanation that Medium Enterprises are businesses that have similar characteristics in terms of operational independence, managed by individuals or business entities, and are not connected as subsidiaries or branches of Small Enterprises or Large Enterprises, with the amount of net assets or annual income as stipulated in applicable regulations.

*Online Single Submission* is one of the government's efforts to improve public services. *Online Single Submission*, or what is often referred to as Integrated Online Licensing, is one of the innovative steps introduced by the government to improve public services. The

implementation of the Business Identification Number (NIB) plays a role in providing legal certainty and facilitating business operations. In Indonesia, MSMEs play a strategic role in creating jobs, distributing income, and accelerating local and national economic growth. However, despite their significant contribution, most MSMEs still face various challenges, one of which is limitations in business legality, particularly in obtaining a Business Identification Number (NIB).

The Business Identification Number (NIB) is the identity of a Business Actor in the context of carrying out business activities and is valid for as long as the business activities are carried out in accordance with statutory provisions. Business Identification Number, hereinafter abbreviated as NIB, is defined as an administrative instrument with two main functions, namely as proof of registration or registration of Business Actors and as an official identity in carrying out their business activities. The provisions of this definition are regulated in Article 1 number 12 of Government Regulation Number 28 of 2025 concerning the Implementation of Risk-Based Business Licensing. Therefore, the Business Identification Number is used as a legal identity for business actors as regulated in Article 206 paragraph (1) of Government Regulation Number 28 of 2025 concerning the Implementation of Risk-Based Business Licensing, confirming that every business actor must have a NIB. In the era of globalization and digitalization, business legality is one of the important factors that determine the sustainability and growth of MSMEs. The NIB is not only an administrative requirement, but also opens access for business actors to various facilities such as financing, training, legal protection, and government assistance programs.

Although regulations have clearly regulated the obligation to register a NIB for business actors, in reality, many MSMEs are still found to have this legality. Based on data from the Bukit Merapin sub-district of Pangkalpinang City in early 2025, of the total 1,608 MSME actors registered in the Bukit Merapin area, there is a division in the total number of MSME actors, where for the micro business category there are 1,388 business actors, small as many as 137 business actors, and medium as many as 77 business actors. NIB ownership in Bukit Merapin Sub-district is not yet fully evenly distributed. Therefore, researchers are interested in studying factual data in the field related to MSME actors who do not have a NIB. Therefore, the implementation of this research study is directed at producing data that has high relevance to legal instruments, which is based on empirical facts in the field. The data is expected to be able to provide a basis for clear and firm provisions, as well as form procedures that are in line with the context of the problems and obstacles to the implementation of NIB in the Bukit Merapin Sub-district area.

## 2. METHOD

This research applies empirical juridical methods of *empirical law research* with the aim of reaching the complexity of social and legal dynamics directly in the field. Empirical research identifies and explains living *law in society* through observation of practices, behaviors, and actions carried out by the community. The type of research model in this study applies a descriptive qualitative method by citing data obtained through observations and interviews from the field, to document in detail the implementation of the Business Identification Number (NIB) policy among MSMEs in Bukit Merapin Village. Field data obtained through interviews and observations are used as concrete evidence in revealing the reality of NIB law enforcement, especially in the Bukit Merapin area. The empirical research approach provides a critical analytical framework to assess the gap between regulatory provisions and practices in the field. Meanwhile, data validation is carried out through document reviews to ensure the depth, accuracy, and clarity of evidence that supports the findings of this study.

### 3. RESULTS AND DISCUSSION

#### 1. Research results on MSME actors from MSME data from the Bangka Belitung Islands Province, Bukit Merapin Village and field observations in Bukit Merapin Village

Through field observation and interviews conducted by researchers together with MSME business actors in Bukit Merapin Village, and by referring to MSME data from the Bangka Belitung Islands Province and village administrative data, information was obtained that can be processed into a scientific article that examines the conditions and dynamics of the implementation of Business Identification Numbers (NIB) at the regional level, as explained below:

##### a) Results of MSME Data in the Bangka Belitung Islands Province

According to MSME data released by the Bangka Belitung Islands Provincial Government, the number of businesses in Bukit Merapin Village is approximately 1,664, spread across various sectors. The details of the distribution of these business sectors can be seen in Figure 1:

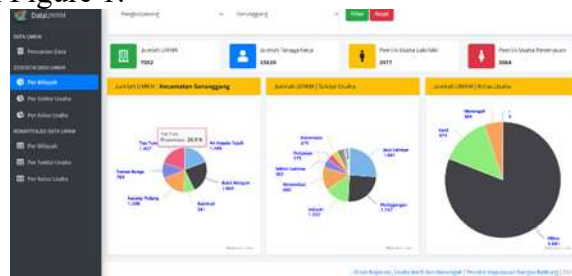


Figure 1.

Based on available data, of the 1,664 businesses registered in Bukit Merapin Village, ownership of a Business Identification Number (NIB) is not evenly distributed across all businesses. Therefore, supporting data sources are needed for more specific results. Specifically, in the trade sector, the number of MSMEs in the area reaches approximately 335 businesses, as visualized in Figure 2:



Figure 2.

In the trade sector, Bukit Merapin Village is home to 335 businesses. This indicates a high level of community participation in establishing MSMEs in the area, placing Bukit Merapin second only to Tua Tunu Village in terms of the number of businesses established. Adequate regulatory support is needed for sustainable MSME development.

##### b) Bukit Merapin Subdistrict Data Results

Based on data obtained from Bukit Merapin Village, five business sectors have been recorded as having a Business Identification Number (NIB) as a form of legal licensing. This information is attached in Figure 3:

**DATA INDUSTRI DI KELURAHAN BUKIT MERAPIN**

NO	SUBSEKTOR	NAMA USAHA	ALAMAT	JENIS USAHA	NOMOR NIB
1.	USAHA MIKRO INDUSTRI KULUPUR, KEMUNG, PETER DAN SEKITARNYA	YAN ANAPANI	S. MELANGOR RT.012 RW.001	USAHA PERORANGAN	29112100010004
2.	KROKANTANAN ARUTAN	GALIN DESKA	S. RAMBUTAN NO. 91 R RT. 001 RW. 001	USAHA PERORANGAN	000180404340
3.	KROKANTANAN AR	IT BROS COLLECTION	S. RAMBUTAN NO. 91 R RT. 001 RW. 001	USAHA PERORANGAN	000200000000
4.	USAHA MIKRO INDUSTRI BUKU-BAGAS	DEDAH REZKI	S. MELANGOR RT.012 RW.001	USAHA PERORANGAN	290720000000
5.	USAHA MIKRO INDUSTRI KULUPUR, KEMUNG, PETER DAN SEKITARNYA	JAMRIANG NENI	S. MELANGOR RT.012 RW.001	USAHA PERORANGAN	000180000000

Figure 3.

Based on data obtained from Bukit Merapin Village, only five business sectors have officially reported and obtained business permits in the form of a Business Identification Number (NIB) to the local government, specifically Bukit Merapin Village. This finding indicates a low level of business reporting by MSMEs to the village government. This condition reflects the relatively low awareness of MSMEs in this area regarding the importance of business registration and reporting. Ownership of a NIB not only serves as proof of business legality but also serves as an instrument for monitoring and enforcing administrative law. This lack of awareness can hamper the process of data collection, coaching, and provision of facilities that MSMEs should receive from the government.

c) Field Data of MSMEs in Bukit Merapin Village

Based on direct field observations and interviews with Micro, Small, and Medium Enterprises (MSMEs) in the Bukit Merapin sub-district, 59 businesses were identified as the subjects of the study. Of these, only 14 MSMEs had obtained legal business registration in the form of a Business Identification Number (NIB), while the remaining 45 did not yet have a business permit. Interview results indicate that most business owners do not yet fully understand the meaning, benefits, and procedures for obtaining a Business Identification Number (NIB) or business permits in general. This issue indicates that the role of local governments, such as the Bukit Merapin Village, still requires optimization. One strategic step includes ongoing outreach activities regarding the importance of business legality, accompanied by facilitation and assistance in obtaining a NIB for MSMEs that do not yet have one.

## 2. Discussion on Business Identification Number

From the perspective of State Administrative Law, licensing holds a strategic position as an instrument of control and oversight of community activities by the government. Philipus M. Hadjon views licensing as a form of order or a state administrative decision of high significance. According to him, a permit is a decision issued by the government to implement certain prohibitions, which stipulate that citizens or legal entities can only engage in certain activities if they obtain official permission. The government has positioned business licensing system reform as a policy focus, aimed at simplifying and streamlining the permit-obtaining process, particularly for MSMEs.

A business license is a form of legal recognition officially granted to business actors as legitimacy to legally conduct their business activities. Through Government Regulation Number 24 of 2018 concerning Electronically Integrated Business Licensing Services, the state establishes a legal basis for the implementation of Electronically Integrated Business Licensing Services, which is the main reference for

the implementation of business legality in Indonesia. The issuance of business permits, as stipulated in this regulation, is carried out in the name of the minister, head of an institution, governor, or regent/mayor. The permit is stated in an electronic document that is recognized as legally valid in accordance with the provisions of laws and regulations in the field of information and electronic transactions. One of the main instruments of this licensing system is the Business Identification Number (NIB), which functions as the official identity of a business and is the basis for business actors to obtain business permits, operational permits, and commercial permits. Another function of the NIB is as a substitute for several old licensing documents, for example, the Company Registration Certificate (TDP), Trade Business License (SIUP), and Importer Identification Number (API), in addition to providing access rights to customs facilities. Thus, the NIB not only facilitates licensing administration, but also serves as a legal instrument that simplifies the process of business formalities in Indonesia. Without a NIB, a business is considered to be illegal and is at risk of receiving administrative sanctions, including business closure, fines or restrictions on access to public services.

Legally, a NIB is valid as long as the business actor operates in accordance with regulatory requirements. The existence of a NIB serves as formal legal proof that the business actor has been officially registered and recognized by the government, thus providing legal protection and certainty regarding business operations in the designated location. The process of creating a NIB through the Online Single Submission (OSS) platform is designed to be simple and integrated, covering the basic permits required for a business. The registration process is carried out online through the *Online Single Submission* (OSS) system which can be accessed through the official government website at [oss.go.id](http://oss.go.id), with administrative stages that have been regulated in detail in the relevant implementing regulations.

Before gaining access to the issuance of a Business Identification Number (NIB) through the Online Single Submission (OSS) system, business actors are first required to create an account on the OSS platform, which serves as a digital identity in the business licensing process. Registration is carried out using the Population Identification Number (NIK) for individuals or company data for business entities. After successful registration, the system automatically provides credentials to access the OSS dashboard as a licensing data management center. The next step is to fill in the business actor's data. The information entered includes personal or legal entity identification, such as business address, business form, business field, business classification, and other relevant supporting documents. Once all data has been filled in completely and passed system verification, the OSS will issue a Business Identification Number. This issuance can be accompanied by supporting documents such as the Company's Taxpayer Identification Number (NPWP), a Standard Certificate (if required), and certain operational permits according to the business's characteristics. The issued NIB can be downloaded as an electronic document (PDF) and serves as proof of the legality of the officially registered business. The NIB is valid as long as the business actor carries out its activities in accordance with statutory provisions. As a modernization of public services, the OSS system also provides facilities for online updates, data changes, and further permit applications, eliminating the need for businesses to visit government offices. This mechanism reflects the principles of efficiency, transparency, and legal certainty in business licensing governance in Indonesia.

### **3. Business Identification Number Licensing as business legality for MSMEs**

Based on the results of data compilation from the Cooperatives and MSMEs Office of the Bangka Belitung Islands Province together with the Bukit Merapin Village, it can be identified that the level of ownership of a Business Identification Number (NIB) among Micro, Small, and Medium Enterprises (MSMEs) is still in the low category when compared to the total number of active business actors in the region. This phenomenon is in line with field findings from observations and interviews, which indicate low knowledge among MSMEs regarding digital-based licensing procedures through the system. *Online Single Submission* (OSS). The lack of outreach from local governments and related agencies has exacerbated this obstacle.

Normatively, the NIB has a strategic legal standing. This document not only serves as an official business identification but also establishes legal status for business entities, whether individuals or legal entities. This provision is explicitly regulated in Government Regulation Number 5 of 2021 concerning the Implementation of Risk-Based Business Licensing, which is the implementing regulation of Law Number 11 of 2020 concerning Job Creation. The NIB's dual function encompasses both legal legitimacy and administrative access, including opportunities to obtain development facilities, capital support, and empowerment programs from the government.

The NIB letter contains a 13-digit NIB number, several business actor identities, business fields, a legal statement to do business, and is signed electronically by the BKPM (Ministry of Investment/Investment Coordinating Board) which has security in it. However, field findings in Bukit Merapin Village indicate that the majority of MSMEs still operate conventionally without formal legality. Most of them consider legality relevant only for large-scale businesses.

Low legal literacy and digital skills are key inhibiting factors. Several business owners admitted they did not understand the importance of the NIB and experienced difficulty accessing the OSS online services. This situation indicates a significant gap between state regulatory policies and the socio-economic realities of society. The government has provided an OSS system to streamline licensing, but its effectiveness depends heavily on business owners' ability to access and understand applicable procedures. Therefore, ongoing mentoring, legal education, and administrative assistance are urgently needed.

The lack of a Business Identification Number (NIB) for MSMEs places them in a legally weak position, thus limiting their access to legal protection, financing facilities, and formal recognition from the government, business partners, and consumers. This condition contradicts the principles of legal certainty and protection of small businesses as stipulated in Article 33 of the 1945 Constitution and Law Number 20 of 2008 concerning MSMEs. Therefore, NIB ownership cannot be viewed as merely an administrative issue, but rather a form of state recognition of citizens' constitutional rights to do business legally, safely, and sustainably. Efforts to increase NIB ownership in Bukit Merapin Village must be seen as an integral part of enforcing fair administrative law and supporting people's economic empowerment.

#### 4. COVER

##### 1. Conclusion

This study highlights a significant gap between the ideals of legal norms and the sociological reality regarding the ownership of a Business Identification Number (NIB) by Micro, Small, and Medium Enterprises (MSMEs) in Bukit Merapin Village. Although the government has established a relatively progressive legal framework through Government Regulation Number 5 of 2021 concerning the Implementation of Risk-Based Licensing and the implementation of the Online Single Submission (OSS) system,

the reality on the ground shows that the majority of MSMEs in the region do not yet have the business legality required by the regulation.

The low level of NIB ownership is not only caused by administrative or technical constraints, but also by a number of fundamental factors such as weak legal literacy, limited mastery of digital technology, and minimal active government involvement in ongoing outreach and mentoring. This situation indicates that law enforcement has not fully addressed the factual needs of small business owners comprehensively. Within the legal framework, NIBs serve not only to fulfill administrative obligations but also as a manifestation of the state's recognition of citizens' constitutional rights to conduct business activities legally and protected.

Having a NIB opens access to various facilities, including legal protection, easy financing, training programs, and business empowerment programs provided by the government and other strategic partners. Conversely, the lack of a NIB places MSMEs in a legally, economically, and socially vulnerable position, potentially hindering their involvement in the broader business ecosystem. Based on the findings of this study, the successful implementation of the NIB policy is largely determined by the synergy between a legally based normative approach and a structural empowerment strategy.

The ideal role of the state is not limited to its regulatory function, but also as a facilitator and educator capable of bridging the gap between the modern legal system and the actual conditions of society. With a participatory, inclusive, and adaptive approach to local social dynamics, law enforcement in the field of business licensing will be more effective in encouraging compliance and increasing the competitiveness of MSMEs. As a consequence, this study recommends that local governments develop affirmative strategies, including intensifying legal education, technical assistance in the use of the OSS (Online Business Registration System), and simplifying the licensing administration process. These steps are expected to ensure that business legality through the NIB is not only understood as a legal obligation but also as a strategic instrument in building sustainable and competitive businesses in the market.

## 2. Suggestion

To encourage increased ownership of Business Identification Numbers (NIB), local governments need to provide more intensive and ongoing outreach to MSMEs. This activity should not only involve providing information but also direct assistance in using the Online Single Submission (OSS) system. Providing assistance with NIB registration through the OSS at the sub-district or village level can be a practical solution for MSMEs, simplifying business legality management without having to face complex administrative procedures or limited access to technology.

Furthermore, collaboration with universities and community organizations is crucial to expand legal literacy and digital skills among MSMEs. This collaboration can help provide more innovative and tailored assistance to the community's needs. This research is expected to serve as a reference for optimizing NIB law enforcement for MSMEs, thus identifying the best methods for increasing NIB ownership while strengthening MSMEs' position within the national legal system and economy.

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### LEGISLATION

Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises. Law Number 11 of 2020 concerning Job Creation.

Government Regulation Number 24 of 2018 concerning Electronically Integrated Business Licensing Services.



Government Regulation Number 5 of 2021 concerning the Implementation of Risk-Based Business Licensing.  
Government Regulation Number 28 of 2025 concerning the Implementation of Risk-Based Business Licensing.