

Assistance for SMEs in Obtaining Business Legality through OSS RBA in Cimahi City West Java

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Abstract

Purpose: This research investigates the impact of the COVID-19 pandemic on Micro, Small, and Medium Enterprises (MSMEs) in Cimahi City, West Java, and evaluates government efforts to support their recovery by simplifying the business legality process through the Online Single Submission Risk Based Approach (OSS-RBA) application.

Method: Employing a mixed-methods approach, quantitative data on MSMEs' pandemic impact and qualitative insights into the OSS-RBA application's efficacy are collected via surveys, reports, interviews, and focus groups. Analysis involves statistical techniques and thematic analysis.

Practical Applications: The study informs policymakers, stakeholders, and MSMEs on leveraging digital solutions like OSS-RBA for smoother permit acquisition. It suggests refining support mechanisms and targeted interventions to bolster MSME resilience amidst challenges.

Conclusion: Government support, coupled with digital solutions like OSS-RBA, is crucial for MSME recovery post-pandemic. Recommendations aim to enhance the business environment and foster sustainable local development.



Introduction

Every entrepreneur, whether large or small scale, certainly desires their business to grow, especially after the passing of COVID-19 (Akmal & Arifa, 2023; Ramadona et al., 2023). The opportunity to enhance businesses is widely open with various offers and assistance programs provided by the government for Micro, Small, and Medium Enterprises (MSMEs). According to (Nadia, 2023; Perdana et al., 2023), MSMEs are independent productive business units run by individuals or business entities in all economic sectors. The presence of MSMEs has a significant impact on economic movements.

Every MSME actor is expected to operate their business orderly, and one aspect of this orderliness is to possess a business permit or business registration number as one of the legalities in conducting their business. Business legality is a permit in the form of authorization or permission granted by the authority responsible for business activities (Hulu & Mendrofa, 2023). Business legality is crucial for MSME actors because it can serve as an identity that legitimizes or authorizes a business activity, thus recognized by society, institutions, and the government.

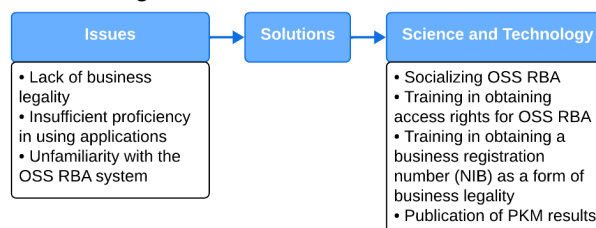
The legality of a business also benefits MSME actors as a means of legal protection, evidence of compliance with the law, a promotional platform, facilitating MSMEs in obtaining relations, and as a business development tool (Indrawati & Rachmawati, 2021; Krisnawati et al., 2022). When MSMEs choose the right business legality, it adds value to the business being conducted. There are several types of legalities, one of which is a business permit or business registration number, where obtaining a business permit nowadays can be done easily. Entrepreneurs no longer must go to government offices for their administration. Everything can be done online through digital devices. It is all within an application issued by the government, namely the Online Single Submission Risk Base Approach (OSS RBA). The Online Single Submission Risk Base Approach (OSS RBA) is a business licensing given to entrepreneurs to start and conduct their business activities assessed based on the level of risk of the business activities, as regulated in Government Regulation Number 5 of 2021 concerning the Implementation of Risk-Based Business Licensing (Octavian et al., 2023).

Cimahi City is one of the cities located in West Java, where the MSME sector has significant potential in the city's economy. Until now, the number of existing MSMEs in Cimahi City has exceeded 7,000 (Abdullah, 2018). As a form of compliance and support for government programs, MSMEs are also expected to register in the OSS RBA system to obtain their business permits. Based on field data, some MSME actors are familiar with OSS in version 1.1, and there are still few MSME actors who are familiar with OSS RBA. MSME actors who have access or business permits from the old OSS version are also required to migrate their data to OSS RBA to determine the risk level of the businesses they operate. Therefore, training for MSMEs in Cimahi City is necessary so that MSME actors can have business legality as recommended by the government.

Method

In this digital era, all activities are already carried out using online systems; therefore, every individual, including every MSME, must be able to enhance their skills in science and technology. The issues faced by MSME participants will be addressed through a science and technology approach.

Figure 1. Problems and Solutions



Based on figure 1, the service team offers solutions to training participants as follows:

Training in operating the Online Single Submission Risk Base Approach (OSS RBA) system for MSME actors is conducted by the service team in collaboration with the Cimahi City Chamber of Commerce. It is hoped that by having access rights to OSS RBA, every MSME actor can register their business to obtain business permits in the form of business registration numbers, halal certificates, and S-PIRT certificates. Because these business permits are beneficial for MSME actors to operate their businesses orderly, to be recognized by society, institutions, and the government.

The OSS RBA training activities in Cimahi City have reached session 10, and each session is always attended with enthusiasm by MSME actors. The interest of MSME actors in obtaining access rights and business permits through OSS RBA in Cimahi City is very high. The OSS RBA training in Cimahi City is conducted by the service team at the Techno Park Cimahi location. In this activity, understanding is given to MSME actors both theoretically and practically, starting from the things that participants need to prepare, as well as the steps for obtaining access rights and business permits through OSS RBA. The following are the requirements that must be provided by OSS RBA training participants when registering for OSS RBA:

1. National Identity Card (NIK)
2. Taxpayer Identification Number (NPWP)
3. WhatsApp number/email
4. KBLI code (Indonesian Standard Industrial Classification)

Each training participant must have an integrated National Identity Card (NIK) with the online system, and the NIK of each participant can only be used for one registration or to obtain one account to enter the OSS RBA system. If a participant has already used that NIK to register for OSS in version 1.1, then that NIK cannot be used to register in OSS RBA. Instead, the participant must migrate data from OSS version 1.1 to OSS RBA.

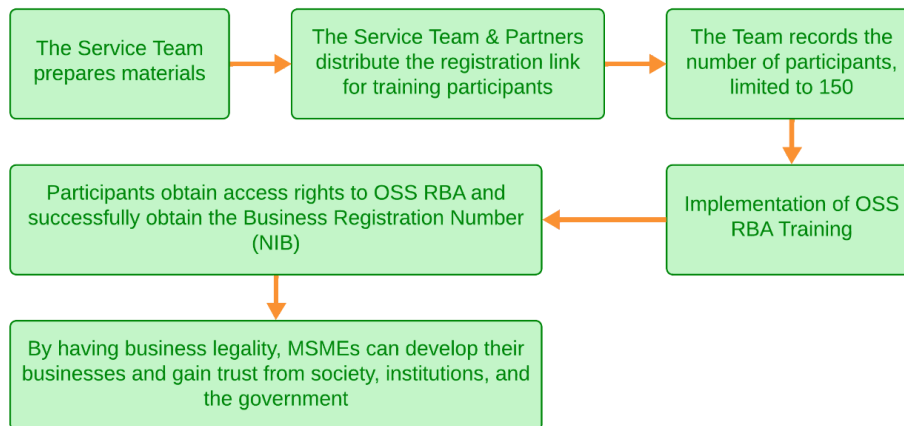
For MSME participants with individual businesses with low-risk levels, the Taxpayer Identification Number (NPWP) is not mandatory. However, for individual businesses with medium and high-risk levels, participants are required to have an NPWP. Participants need not worry because the OSS RBA application also includes facilities for applying for NPWP. Regarding the WhatsApp number or email address, participants may choose either to register using their WhatsApp number or email address. The function of the WhatsApp number or email address is to receive verification codes to proceed with the registration in the OSS RBA system.

To facilitate business actors in determining the Business Field category to be developed in Indonesia, the government through the Central Bureau of Statistics (BPS) has created the Indonesian Standard Industrial Classification (KBLI) as a reference in determining the types of business activities for MSME actors. KBLI is a classification of economic activities in Indonesia that produce products/outputs, whether goods or services, based on business fields to provide uniformity in concepts, definitions, and classifications of business fields in the development and shifting of economic activities in Indonesia (oss.go.id).

The business permit process can proceed smoothly when supported by the OSS RBA application that is running smoothly or is not in trouble or maintenance, as well as complete requirements. If these two conditions run smoothly, then the business permit or business registration number can be printed and taken home by training participants. The process of planning MSME training activities in obtaining business legality through OSS RBA can be seen in the following flow diagram.

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Figure 1. Flow of PKM OSS RBA Training Activities



Result

The community service activity in the Online Single Submission Risk Base Approach (OSS RBA) training in the city of Cimahi by the team from Pasim National University has been successful. The Cimahi City Chamber of Commerce, as a partner, cooperated well in implementing the OSS RBA training activities for MSMEs in Cimahi City. This training activity has been ongoing since October 2021 until March 2022.

The training was conducted at the Cimahi Techno Park Building in Cimahi City, West Java, starting with the introduction of OSS RBA, the importance of OSS RBA for MSME actors, up to the registration of OSS RBA and the processing of business permits (business registration number/NIB). There was also a session on migrating from MSMEs with OSS version 1.1 accounts to OSS RBA.

Figure 2. OSS RBA Training Activities for MSMEs in Cimahi City



The training activities for creating access rights and business permits or business registration numbers through OSS RBA were conducted at the Techno Park Building in Cimahi City, West Java, attended by 115 MSME participants with individual and corporate business types. With an average low risk level, 80% of training participants were able to take home their Business Registration Numbers printed during the training, along with training certificates, while the remaining 20% were hindered by administrative issues with population records that were not integrated with the system, as well as some participants who wanted to migrate from OSS version 1.1 to OSS RBA but forgot their old account usernames and passwords.

For participants who faced obstacles in this first session, they could continue the training at their respective homes or attend the upcoming OSS RBA training sessions. It is hoped that for entrepreneurs who have obtained these business registration numbers, they can develop their businesses by utilizing the legality they possess. Furthermore, it is

expected that MSME actors in the food sector will complement their business legality with halal certificates, which can also be obtained through the OSS RBA system.

Every MSME actor must be astute in seizing every opportunity, especially in the digital era like today. Anyone, anywhere, can become an entrepreneur with just a smartphone and internet access. The opportunity to start a business in the digital age is wide open, and it is essential for all business actors to understand that running a business should begin with sincerity, openness, keeping up with the times, and adhering to the regulations in place.

Discussion

The community service activity in the form of MSME training to obtain business legality in the city of Cimahi is one effort to facilitate MSMEs in developing their businesses. Additionally, it assists the government in promoting the importance of using the Online Single Submission Risk Base Approach (OSS RBA) to MSMEs. OSS RBA provides convenience in obtaining business permits. Providing facilities for business actors to connect with relevant parties to obtain permits safely, quickly, and in real-time. OSS RBA provides the right facilities for business actors to report and store licensing data under one identity, namely the Business Registration Number (NIB) (Badina et al., 2022; Marthalina & Khairina, 2022).

For MSMEs with low and medium-low risks, the business licensing process can be completed through the Online Single Submission (OSS) system without requiring verification or approval from ministries or local government agencies. Meanwhile, for MSMEs with medium-high and high risks, verification or approval from ministries, agencies, or local governments is required.

The purpose of licensing can be seen from two perspectives: from the government's perspective, it serves two benefits. First, to implement regulations, whether the provisions contained in the regulations are in line with reality in practice or not, and to regulate order. Secondly, as a source of local revenue. From the community's perspective, it is to obtain legal certainty, rights certainty, and to gain trust from investors. The presence of MSMEs is known to play a significant role in promoting economic resilience (Anton et al., 2023; Christian & Sisca, 2021). Its movement is very strategic in creating economic growth and job opportunities, assisting in income distribution.

Conclusion

The Community Service Activity with the theme of MSME training in obtaining Business Legality through the Online Single Submission Risk Base Approach (OSS RBA) has been successfully implemented. Each participant was able to access the system and input data according to the type of business they operate. Outputs achieved during the community service activity include activity videos, service articles, and the implementation of training for participants. Training on OSS RBA needs to be conducted again until all MSME actors can access and obtain business permits, halal certificates, and S-PIRT through OSS RBA. Every MSME actor must be open and adapt to every change in hopes that their business will continue to grow and not be left behind.

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