

## Online Single Submission and Legal Certainty for Foreign Investors in Indonesia

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<b>Abstract</b>	<p>The Online Single Submission (OSS) system was introduced by the Indonesian government as part of a regulatory reform aimed at simplifying business licensing, especially for foreign investors. This article critically examines two interrelated legal issues. First, it analyzes the normative framework governing OSS in the context of foreign investment, including its legal foundation under the Job Creation Law, Government Regulation No. 5 of 2021, and relevant ministerial regulations. The study explores the authority of OSS in issuing permits for foreign direct investment (FDI) and evaluates its position within Indonesia's legal system. Second, the article assesses the extent to which OSS provides legal certainty for foreign investors under Indonesian positive law. This includes an analysis of transparency, procedural clarity, and regulatory consistency. Using a normative juridical method, the research identifies unresolved legal inconsistencies between OSS and sectoral or regional regulations. Findings suggest that while OSS strengthens administrative efficiency, its capacity to offer full legal certainty remains limited due to the fragmented regulatory environment and implementation gaps. The article concludes with recommendations for harmonizing legal instruments to enhance Indonesia's investment climate from a juridico-regulatory perspective whereas it is imperative that the central government intensify intergovernmental coordination, institutional oversight, and legal alignment to ensure the uniform application of OSS standards through systematic consolidation to fully operationalize a legally certain, transparent, and competitive investment regime on a national scale.</p>
<b>Keywords</b>	OSS system, investment law, foreign investmentm, job creation law

## INTRODUCTION

OSS) system, launched in 2018 via Government Regulation No. 24/2018 and later supported by the Omnibus Law (Law No. 11/2020). OSS aims to centralize and streamline business licensing processes critical for foreign investors seeking efficient and clear legal pathways. Indonesia's economic reform agenda in recent years has centered on improving the investment climate through regulatory simplification and digitalization. A key milestone in this journey is the Online Single Submission

However, concerns about legal certainty persist. Foreign investors frequently encounter regulatory overlaps, inconsistent licensing enforcement between central and local authorities, and uncertainties regarding the legal standing of digitally issued licenses. These issues motivate a critical juridical examination: has OSS truly delivered the transparency, predictability, and enforceability promised?

Several recent academic contributions shed light on OSS implementation, with mixed findings:<sup>1</sup>critically examines OSS in Indonesia and confirms that the system significantly "simplifies licensing processes, enhances procedural certainty, and reduces corruption and licensing overlap. However, the study relies primarily on administrative data and does not conduct a normative legal-analysis of how OSS-issued licenses withstand judicial or administrative review."<sup>2</sup> in International Journal of Social Science and Human Research, provide a socio-legal assessment of OSS in Bali, concluding that OSS offers certainty in "requirements, timeframes, costs, and procedural steps" yet they do not analyze the hierarchy of laws or digital enforcement mechanisms.<sup>3</sup> explore the OSS system's role in "unlocking Indonesia's investment potential" and confirm its effectiveness in easing foreign investment registration. Still, their study remains oriented toward administrative and economic outcomes, without examining legal enforceability in local courts.<sup>4</sup> offers a juridical analysis of the OSS risk-based license system, highlighting enhanced "transparency, accountability, fairness," but also raising legal concerns such as data privacy and cybersecurity fundamental to trust and legal certainty but stops short of exploring enforcement gaps.

Collectively, these studies affirm OSS's contribution to administrative reform, procedural clarity, and investment facilitation. However, none delve into whether OSS-issued licenses hold solid legal weight, are consistently enforceable, or immune to subordination by conflicting sectoral or regional regulations. The juristic examination of

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<sup>1</sup> Marbun, E. C. A. (2022). Mengkaji kepastian hukum dan perlindungan hukum terhadap investasi di Indonesia melalui lembaga perizinan Online Single Submission (OSS). *Dharmasiswa: Jurnal Fakultas Hukum Universitas Indonesia*, 1(8), pp. 1750-1755.

<sup>2</sup> Ujianti, N. M. M., Utama, I. M., & Karyawati, M. N. A. (2024). The implementation of Online Single Submission Risk-Based Approach system in business licensing services in Bali Province. *International Journal of Social Science and Human Research*, 7(1), 199–205

<sup>3</sup> Cahyanto, H., & Setyono, D. (2023). Unlocking Indonesia's investment potential through Online Single Submission system. *Jurnal Rechts Vinding: Media Pembinaan Hukum Nasional*, 12(1), 55–68

<sup>4</sup> Wiranti, F. E. (2023). Legal certainty of business licensing using risk-based approach through Online Single Submission system in Indonesia. *International Journal of Law Reconstruction*, 7(2), 239–250.

digital licensing mechanisms, regulatory hierarchy, and administrative appeals remains largely unexplored especially from the viewpoint of foreign investors who demand binding legal protection.

## Research Method

To address this gap, this article adopts a normative juridical approach. It systematically analyzes primary or judicial legal documents Government Regulation No. 24/2018, its revision under Regulation No. 5/2021 implementing OSS-RBA, Law No. 11/2020 (Omnibus Law) its revision under Law No. 6/2023 (Cipta Kerja), Law No. 23/2014 on regional autonomy, and applicable ministerial regulations. Secondary sources include peer-reviewed legal analyses and empirical reports cited above. Interpretation and legal analysis are applied to evaluate:

1. Regulatory coherence: How OSS regulations integrate with or conflict with sectoral and regional norms.
2. Legal enforceability: Whether digitally issued OSS licenses are legally binding and enforceable through administrative mechanisms.
3. Protection of investor rights: The extent to which OSS aligns with international investment law principles such as transparency, non-arbitrariness, and stable legal framework.

## ANALYSIS & DISCUSSION

### The Impact of OSS System Regulation in Indonesia's Investment Law Framework on Foreign Investors

In Indonesia, efforts to improve the welfare and prosperity of the community are one of the main objectives of the state as stated in the Preamble of the Constitution of the Republic of Indonesia. Especially in the fourth amendment, the third and fourth paragraphs, it is emphasized that by the grace of God Almighty and a strong national spirit, the Indonesian nation declares its independence. After that, a government was formed that has the responsibility to protect all the people and territory of Indonesia, as well as to promote general welfare, improve the quality of the nation's education, and contribute to creating a world order based on independence, lasting peace and social justice.<sup>5</sup>

Foreign Direct Investment (FDI) or foreign investment plays a vital role in supporting the development of a country, including Indonesia. Apart from being a source of capital, foreign investment also brings with it various development projects that can accelerate the pace of economic growth and help improve national infrastructure. This makes FDI one of

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<sup>5</sup> Hernawati, R. A. S., & Suroso, J. T. (2020). Kepastian hukum dalam hukum investasi di Indonesia melalui Omnibus Law. *Jurnal Ilmiah Manajemen, Ekonomi, & Akuntansi (MEA)*, 4(1), pp.392–408

the key factors in strengthening the economic foundation and opening up new job opportunities and technologies for Indonesians.

There are a number of important factors that influence foreign investors' interest in investing in Indonesia. These factors include stable and conducive political conditions, well-maintained security, sufficient availability of natural resources, quality and experienced workforce, supportive economic policies, and a rigid and trustworthy financial institution system. All of these factors create an attractive and competitive investment environment in the eyes of foreign investors.<sup>6</sup>

The presence of foreign investment in Indonesia has proven to have a significant impact in accelerating national economic growth. For a long time, the Indonesian government has established regulations governing foreign investment to provide legal certainty and protection for investors. These regulations were first enacted in 1967 and then underwent an important update in 2007 through Law Number 25 Year 2007 on Investment. The law is very important as a legal foundation that regulates all investment activities, both from foreign and domestic parties. This regulation is designed to direct investment so that it can provide optimal benefits for regional development and overall community welfare. In addition, this regulation also aims to maintain the integrity and unity of the Indonesian nation so that development can run in harmony with the principles of nationalism and state integrity.

With a clear and firm legal umbrella, foreign investors get legal certainty in carrying out their business activities in various regions in Indonesia, both in urban and rural areas. This legal certainty is very important to create a healthy and stable business climate, so that investors can be more confident to invest and contribute to national development in a sustainable manner.<sup>7</sup>

The Indonesian government has made various reforms to ease the business process with the aim of creating a more conducive investment climate. These efforts aim to enable new businesses to grow and expand more rapidly in the country. In addition, these measures are also aimed at increasing investment and accelerating the pace of overall economic growth, while improving good governance to be more effective and transparent. As part of the initiative, the government issued Government Regulation Number 5 of 2021 on the Implementation of Risk-Based Business Licensing. This regulation forms the basis for the launch of the Risk-based Online Single Submission (OSS-RBA) system, which is designed to simplify and accelerate the business licensing process in Indonesia, making it easier for businesses to obtain the necessary licenses to run their business activities.<sup>8</sup>

Investment challenges in Indonesia often center on three main issues: licensing, land acquisition, and regulation. The licensing process is often perceived as complicated and

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<sup>6</sup> Violita, C. W., Isnainul, O. K., Pakpahan, E. F., Hadlen, M., Michael, M., & Danniell, D. (2020). Peranan investasi asing dalam percepatan pertumbuhan ekonomi di Indonesia. *Jatistwara*, 35(3), pp 241-253

<sup>7</sup> David, K. (2013). Aspek hukum penanaman modal asing di Indonesia. Jakarta: Kencana, pp. 10.

<sup>8</sup> Angkareda, M. (2025). Perizinan usaha berbasis risiko dan dampaknya bagi masa depan investasi di Indonesia. *Perspektif Administrasi Publik dan Hukum*, 2(1), pp. 58–76

time consuming, which can hinder smooth investment. Convoluting procedures and long processing times are also common complaints among investors. In addition, land acquisition is also a significant obstacle due to the lengthy process, especially when disputes arise. This can hamper the legal certainty that investors desperately need. Land disputes can delay or even cancel investment projects. Furthermore, overlapping regulations and policies create confusion and uncertainty on the ground. This overlap complicates investment implementation and increases risks for investors.

Bureaucratic efficiency is key to attracting foreign investment to Indonesia. An efficient bureaucracy increases investor confidence and creates a more conducive investment climate. The government needs to simplify the licensing process to reduce the administrative burden for investors. Harmonization of regulations and policies is needed to avoid overlaps and create a clear framework. By addressing these challenges, Indonesia can improve its competitiveness as an investment destination. Smooth investment will drive economic growth and create jobs.

According to Prajudi Atmosudirdjo, a license or *vergunning* is a form of stipulation granted as an exception to a prohibition prescribed by law. Usually, the prohibition is stated in the article of the law with formulations such as "it is prohibited without permission to do ..." and so on.<sup>9</sup> In order to obtain such an exception, the applicant must meet a number of specific requirements and criteria that are described in detail in the provision, as well as follow the procedures and implementation guidelines that have been established for the authorized administrative official. In practice, the most questionable aspect of licensing is its legal certainty. Legal certainty in licensing, especially in relation to business activities, is very important. The business world is very vulnerable to uncertainty, ranging from the possibility of profit or loss, business success, to the continuity of the business itself. Due to the risky nature of the business world, business actors rely heavily on certainty in aspects that can be regulated, including licensing.

The transformation of licensing services in the investment sector in Indonesia has undergone fundamental changes in line with advances in information technology. The licensing process that was previously manual-based has now shifted to an electronic system that is more efficient and transparent. This change is the answer to various bureaucratic problems that have often become obstacles in the national investment climate. One of the important innovations in this public service reform is the presence of Online Single Submission (OSS), a system that integrates licensing processes throughout Indonesia, both at the central and regional levels. With the OSS system, stakeholders, including investors, can access and verify licensing status in real time. This guarantees legal certainty and legal protection for investors who wish to or have invested in Indonesia. In an effort to support the acceleration and increase of investment, the government introduced the Electronic Integrated Business Licensing system or better known as Online Single Submission (OSS). OSS is a business licensing system issued by the OSS Institution on behalf of the minister,

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<sup>9</sup> Prajudi Atmosudirdjo. (1983). *Hukum Administrasi Negara*. Jakarta: Ghalia Indonesia.

head of institution, governor, or regent/mayor. This system allows business actors to register and manage the issuance of Business Licenses and Commercial and/or Operational Licenses in an integrated manner. Both central and local governments can issue licenses submitted by business actors through OSS.

In Government Regulation No. 24/2018, the provisions regarding:

- a. Types, Applicants, and Issuers of Business Licenses;
- b. Implementation of Business Licensing;
- c. Business Licensing Reform Sector;
- d. OSS System;
- e. OSS Institution;
- f. OSS Funding;
- g. Incentives or Disincentives for the implementation of Business Licensing through OSS;
- h. Settlement of problems and obstacles to Business Licensing through OSS;
- i. Sanctions.

The presence of the PP brings major changes in business establishment procedures. Previously, the One Stop Integrated Service (PTSP) system had been implemented, but it was considered not effective enough. Therefore, the government through the Coordinating Ministry for Economic Affairs launched a more efficient OSS. OSS is expected to facilitate license processing, accelerate reporting, connect businesses with related parties quickly and securely, and store all license data in a Business Identification Number (NIB).

As part of bureaucratic reform, the Indonesian government launched the Online Single Submission (OSS) system on July 8, 2018 to simplify business licensing procedures. Through OSS, businesses can now obtain licenses more quickly, efficiently, and transparently. Prior to OSS, businesses faced various obstacles such as complicated bureaucracy, overlapping regulations between central and local governments, and high licensing costs. In addition, the lack of certainty and legal protection for licenses that have been obtained has caused many investors to hesitate to invest in Indonesia. The OSS system is here to answer these problems by providing legal certainty and speeding up the licensing process. Now, business actors no longer need to come directly to various government agencies, because the licensing process is carried out online and integrated. Through OSS, business actors can start their business activities while completing implementation documents such as location permits, building construction permits, environmental permits, and fulfillment of other standards. such as Indonesian National Standards (SNI). The system has also been connected to the Directorate General of General Legal Administration of the Ministry of Law and Human Rights and the Directorate General of Taxes of the Ministry of Finance, thus accelerating data synchronization and licensing processes across institutions. More than just an information platform, OSS also provides complaints and grievance channels, making it a public service instrument that is responsive to the needs of the

business world. With the OSS, it is expected that the investment climate in Indonesia will be more conducive and able to boost national economic growth in a sustainable manner.

OSS is not only a technical instrument, but also a legal and policy instrument that strengthens Indonesia's position as an investment destination. This system requires licensing products issued by the central and local governments to meet the principles of legality, accountability, and efficiency. The regulations underlying this system are structured in such a way as to provide a sense of security and legal comfort for domestic and foreign investors.<sup>10</sup> Business and investment licenses should not be issued arbitrarily. Each license must go through a careful administrative process and in accordance with procedures. Errors in issuing licenses can lead to lawsuits, including at the State Administrative Court (PTUN). Therefore, the central government and local governments need to uphold the precautionary principle in the process of issuing licenses.

Investors, in making business decisions, need confidence that the state is able to provide legal certainty, legal protection, and stability of political and economic conditions. These three elements are the main indicators in analyzing the feasibility of investing. Internal political conflicts, both among the elite and between community groups, can be a negative signal that weakens investor confidence in the investment situation in Indonesia. Political factors, if stable, will support the growth of the national economy. When policies are consistent and unchanging, it is easier for investors to make long-term plans. In this case, political stability and social order determine the success of investment-based economic development. However, legal certainty is not enough to be provided only through investment rules. Investors also pay attention to cross-sector regulations, such as provisions in the field of taxation, labor, environment, and land. All these aspects form a comprehensive investment law ecosystem. If all these regulations are clear, consistent, and supportive of the business climate, then Indonesia will become the top choice for global investors. As a real effort to answer these challenges, the government presents the risk-based OSS system (OSS-RBA), which assesses licenses based on the risk scale of business activities.

OSS-RBA accelerates the licensing process for low-risk businesses and provides strict supervision on high-risk activities. This approach is legally regulated in Law No. 6 of 2023, which replaces Law No. 11 of 2020 on Job Creation (UUCK). UUCK is an important milestone in Indonesia's economic regulatory history. It unifies various sectoral regulations that previously overlapped and confused businesses. It simplifies thousands of articles from dozens of sectoral laws into one comprehensive legal framework. In the investment and ease of doing business cluster, UUCK offers business certainty, elimination of unnecessary licenses, and stronger legal protection for investors. Implementing regulations of the UUCK, such as Government Regulations (PP) and Presidential Regulations (Perpres), are being developed to ensure that their implementation is in line with the original objectives of regulatory reform. The UUCK also provides a strong legal basis for the OSS to become more

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<sup>10</sup> Marbun, E. C. A. (2022), *Op. Cit.*

responsive and adaptive to the dynamics of the business world. Along with that, improving the quality of state civil apparatus (ASN) and human resources (HR) in the licensing sector is very important. Fast and quality services can only be achieved if supported by human resources who are professional, have integrity, and understand the principles of good governance. OSS implementation promises time efficiency in license processing. Processes that previously took weeks can now be completed in a matter of hours. According to the Ministry of Investment/BKPM, the average licensing processing time through OSS only ranges from 30 minutes to one hour. This speed does not mean sacrificing legality, as the system is equipped with automated monitoring and validation of documents and requirements. The presence of OSS and UUCK gives a positive signal to the business world.

Investors not only feel more legally secure, but also feel valued and facilitated by the state. This encourages a large influx of investment, both domestic and foreign, which in turn has a direct impact on job creation and economic growth. UUCK also pays attention to labor as a party affected by investment activities. The legal certainty stipulated in the UUCK does not only target business actors, but also guarantees the rights of labor to remain protected. This means that the presence of investment is not only for the benefit of business actors, but also creates a fair social and economic balance.

UUCK has a strategic role in eradicating licensing corruption. Complex regulations and complicated bureaucracy have been a loophole for corrupt practices within ministries, institutions, and local governments. With UUCK and the fully automated OSS system, the potential for direct interaction between license applicants and government officials can be significantly reduced. This automatically closes the space for bribery and gratification in the licensing process. As a regulation that touches many sectors, UUCK mandates that the government develop implementing regulations in the form of PP and Perpres carefully and participatively. The process of formulating these regulations must involve various elements of society, business actors, academics, and supervisory institutions in order to reflect the real needs in the field. Ultimately, the successful implementation of the OSS-based licensing system and the enactment of UUCK depends heavily on the commitment of the government, both at the central and regional levels. The government is required to harmonize policies across sectors, increase bureaucratic capacity, and provide a healthy dialogue space between the state and business actors. In closing, modernizing the investment licensing system in Indonesia is a strategic step in creating a conducive investment climate. The presence of OSS and the strengthening of regulations through UUCK emphasize that Indonesia is serious in carrying out structural reforms to boost economic growth. encourage economic growth. Commitment to legal certainty, legal protection, and licensing transparency are important foundations in building an inclusive and sustainable future for the national economy.

## **The Principle of Legal Certainty in the OSS System**



Online Single Submission (OSS) is one of the Government's efforts to reform and simplify licensing in Indonesia. This OSS-based licensing service provides convenience to business actors to obtain business licenses in Indonesia which are expected to increase investment and business activities in Indonesia which have an impact on accelerating national economic growth. Investment licensing services have changed the pattern and form of manual services to electronic-based services.<sup>11</sup>

Through the OSS system, all stakeholders can ensure that the licensing products issued are able to provide legal certainty in investing and legal protection to investors who invest in Indonesia. The regulations issued must be able to guarantee this to provide comfort in investing in this country. Investment licenses issued by the Government and local governments must be able to meet the needs of legal certainty in investing for every investor. The decision to grant licenses must also include provisions for legal protection for investors.

The existence of a legal system that can provide justice, as well as legal certainty in investing and doing business makes foreign investors not shift their capital to other countries. Some important things that must be fulfilled to attract foreign capital to a country include: (a) fixed and consistent regulations or policies that do not change too quickly and can guarantee legal certainty, because the absence of legal certainty will make it difficult for their long-term business planning; (b) uncomplicated licensing procedures that can lead to high costs; (c) guarantees for their investment and legal protection of investor property rights; and (d) facilities and infrastructure that can support the implementation of their investment properly.

In providing convenience to investors, especially for foreign investors, it is necessary to carry 3 fundamental principles in the licensing process through the OSS system, namely related to the principles of transparency, convenience and clarity of procedures to provide legal protection. From a business perspective, data transparency can help build customer and stakeholder trust. By being transparent about how they collect, use and share data, companies can demonstrate their commitment to ethical business practices.<sup>12</sup> It can also help mitigate potential risks associated with data breaches or the misuse of personal information. Many companies have implemented policies and practices to improve data transparency.

The principle of convenience in the OSS system can be seen from the implementation of the simplification of the licensing process which is very different from before the launch of the OSS system. Prior to the implementation of the OSS system, business actors did not obtain legal certainty in investing in Indonesia, handling complicated bureaucracy, overlapping regulations between the Government and the Regional Government and the high cost of licensing that must be incurred by business actors were complaints that were

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<sup>11</sup> *Ibid.*

<sup>12</sup> Fisyawal, M. Z., Adriani, Z., & Dewi, E. (2025). Penerapan sistem Online Single Submission (OSS) dalam meningkatkan transparansi dan akuntabilitas pelayanan perizinan. *Jurnal Inovasi Manajemen, Kewirausahaan, Bisnis dan Digital*, 2(2), pp. 64–72

always conveyed by investors to the Government. Business actors also do not receive legal protection against business and investment licenses obtained. The long time span of the licensing process and overlapping authorities have caused investors to rethink doing business in Indonesia.<sup>13</sup>

After the launch of the OSS system, it aims to facilitate the business licensing process in Indonesia in order to realize the legal certainty of investing in Indonesia by no longer having to visit various ministries/agencies or regional apparatus authorized to grant licenses to take care of multiple permits. Business actors may be able to immediately start the production process simultaneously while completing other implementation documents. Through OSS, legal protection for investors can be realized because all certainty of requirements and procedures have been met, thus avoiding licensing disputes.

On the other side, principles related to clarity of procedures in the OSS system are very important so that investors and business actors feel confident and legally protected. In order to socialize legal provisions related to licensing and permit processing through OSS-RBA, technical guidance for business actors is needed. This technical guidance aims to provide business actors with a deeper understanding of the procedures and mechanisms that must be followed in managing business licenses through the OSS-RBA system.<sup>14</sup> This includes an explanation of the procedures for filling out the forms, the documents required, the stages of the process from submission to issuance of the license, and the procedures for overcoming obstacles that may arise during the license processing process. Thus, investors and business actors feel calmer because their rights are guaranteed and processed in accordance with existing regulation.<sup>15</sup>

The idea of legal certainty was originally introduced by Gustav Radbruch in his book entitled "Einführung in die Rechtswissenschaften". Radbruch wrote that in the law there are 3 (three) basic values, namely: (1) Justice (Gerechtigkeit); (2) Benefit (Zweckmassigkeit); and (3) Legal Certainty (Rechtssicherheit). The principle of legal certainty is actually interpreted as a situation where the law is certain because of the existence of concrete strength for the law concerned. The existence of the principle of legal certainty is a form of protection. The statement is in line with what Van Apeldoorn said that legal certainty has two aspects, namely the establishment of law in concrete matters and legal security. This means that the party seeking legal certainty wants to know what the law is in a particular matter before he starts a case and legal protection to obtain justice.<sup>16</sup>

Legal certainty is a characteristic that cannot be separated from the law, especially for unwritten legal norms. Law without certainty value will lose its meaning, because it can

<sup>13</sup> Erni, & Jaya, F. (2022). Efektivitas perizinan berusaha berbasis risiko dalam rangka kemudahan berusaha. *Wajah Hukum*, 6(2). Pp 248-253.

<sup>14</sup> Rokhman, B., Tobirin, Rokhman, A., & Kurniasih, D. (2024). Penyelenggaraan perizinan berusaha berbasis risiko melalui sistem Online Single Submission (OSS). *Journal of Social and Economics Research*, 6(1), pp, 1562-1580

<sup>15</sup> Mukarramah, N., & Ilmi, M. F. (2023). Analisis prosedur pendaftaran perusahaan secara elektronik melalui lembaga OSS. *Fundamental: Jurnal Ilmiah Hukum*, 12(2).pp, 537-547

<sup>16</sup> Apeldoorn, van L. J. (2015). *Pengantar Ilmu Hukum*. Jakarta: Balai Pustaka, pp. 10.

no longer be used as a behavioral guide for everyone. against arbitrary actions, which means that a person will and can get something expected in certain circumstances.<sup>17</sup> The element of legal certainty is closely related to order in society, because legal certainty is the essence of order itself. The existence of order causes people to live with certainty, because they can carry out activities needed in social life.<sup>18</sup> Legislation issued by the Government starting from Law Number 25 of 2007 (UUPM), Law Number 11 of 2020 (UUCK), PP Number 24 of 2018 and other implementing regulations are expected to provide legal certainty for investing in Indonesia, as well as provide legal protection.

Law No. 25/2007 on Investment has attempted to provide legal certainty for investors. This law guarantees legal protection for investors, including the right to transfer profits, the right to use foreign labor, and the right to obtain equal treatment with domestic investors. In addition, the law also regulates investment dispute resolution mechanisms through arbitration or courts. However, the implementation of investment regulations in Indonesia still faces various challenges, such as overlapping regulations, complex bureaucracy, and weak law enforcement. These challenges can reduce legal certainty for investors, and hinder investment in Indonesia. Therefore, the government needs to continuously strive to improve the legal system and enhance the investment climate, so that Indonesia can become an attractive and competitive investment destination.

The synchronization of laws and regulations is a very important effort to ensure harmony and conformity between legal norms that apply in Indonesia. This harmonization process involves various elements in the national legal system and is the key to achieving an effective, efficient and equitable legal system. In the context of the formation of laws and regulations in Indonesia, harmonization has the main objective of creating harmony between higher and lower regulations, as well as between regulations that have the same hierarchy.<sup>19</sup>

Online Single Submission (OSS) is regulated nationally through Law Number 11 of 2020 on Job Creation and Government Regulation Number 5 of 2021 on Risk-Based Business Licensing, which affirms OSS as the main system in business licensing. However, as licensing authority remains shared between the central and regional governments in accordance with the Regional Government Law, regional governments still play an important role in implementing licensing in their regions.

Juridically, OSS does not replace regional authority, but rather provides a framework for local governments to support the implementation of OSS in accordance with the norms, standards, and procedures set by the central government. This means the need for good synchronization between OSS and local regulations to avoid overlapping or conflicting

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<sup>17</sup> Margono. (2019). *Asas keadilan, kemanfaatan, dan kepastian hukum dalam putusan hakim*. Jakarta: Penerbit Sinar Grafika, pp. 105.

<sup>18</sup> Kusumaatmadja, M., & Shidarta, A. B. (2000). *Pengantar Ilmu Hukum: Suatu Pengenalan Pertama Ruang Lingkup Berlakunya Ilmu Hukum*. Bandung: Alumni, pp. 49.

<sup>19</sup> Cahyani, E. D., Noerwianto, F., & Pangestu, D. A. (2025). Tantangan dan strategi proses harmonisasi peraturan perundang-undangan di Indonesia. *Jurnal Soedirman Law Review*, 7(1).

regulations that can lead to legal uncertainty for business actors, especially for foreign investors. However, in practice, this synchronization is still less than optimal, with some regions still applying rules that are not fully in line with the OSS, which has the potential to hamper the licensing process and create uncertainty.<sup>20</sup>

Technical constraints are also one of the obstacles in synchronization, as happened in DKI Jakarta, where the OSS system has not been fully integrated with the regional licensing system. Differences in service standards and the quality of human resources managing OSS at the central and regional levels cause data that has been recorded in the regional licensing system not to be automatically synchronized with OSS. As a result, business actors have to re-input data, which of course leads to inefficiency and inconvenience.

From a juridical perspective, disharmony between the OSS and sectoral or local regulations can reduce legal certainty, which is the main purpose of the OSS. If local regulations still have different procedures or requirements from the OSS, businesses risk facing administrative problems, permit delays, or even permit denials that are inconsistent with permits already issued through the OSS. Therefore, the central government through BKPM and related ministries needs to strengthen coordination and supervision of OSS implementation in the regions and encourage the revision of local regulations that are not in accordance with OSS principles, in order to create uniformity and legal certainty for investors.

Then, Government Regulation Number 5 of 2021 also emphasizes the provision of administrative sanctions to regional heads who do not provide business licensing services or do not use the OSS-RBA system in accordance with the provisions. This shows that the central government is trying to ensure that the implementation of OSS runs consistently in all regions of Indonesia, in order to reduce the potential for licensing dualism that can interfere with legal certainty for business actors and investors.

## CONCLUSION

Indonesia's implementation of the Online Single Submission (OSS) system constitutes a significant legal and administrative reform aimed at enhancing the investment climate through the reinforcement of legal certainty, procedural transparency, and regulatory efficiency. Anchored in foundational statutes such as the Investment Law and the Job Creation Law (UUCK), the OSS framework transitions the licensing process from a fragmented and manual model to a centralized, digitized, and risk-based system. This institutional modernization addresses long-standing impediments to investment—namely bureaucratic inefficiency, overlapping regulations, and high compliance costs—while simultaneously reflecting the state's commitment to fostering sustainable economic

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<sup>20</sup> Yunizar, D., Saptomo, P., & Wulandari, R. (2024). Kewenangan dan pelaksanaan perizinan berusaha Online Single Submission Risk-Based Approach (OSS-RBA) oleh pemerintah daerah. *Nestor: Tanjungpura Journal of Law*, 2(2)

growth, investor protection, and good governance. The integration of streamlined procedures and accountability mechanisms within OSS is intended to promote a more predictable and secure environment for both domestic and foreign investors.

Nonetheless, the realization of OSS's intended legal certainty is impeded by enduring inconsistencies between central and regional regulatory frameworks. Divergent local procedures, lack of system integration, and variations in administrative capacity among regional authorities contribute to legal and procedural uncertainty, thereby diminishing the system's credibility and undermining investor confidence. From a juridico-regulatory perspective, such fragmentation challenges the coherence of Indonesia's legal infrastructure and contradicts the very objective of regulatory harmonization. Accordingly, it is imperative that the central government intensify intergovernmental coordination, institutional oversight, and legal alignment to ensure the uniform application of OSS standards. Only through such systematic consolidation can Indonesia fully operationalize a legally certain, transparent, and competitive investment regime on a national scale.

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