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UPDATE ON OSS RBA: SEVERAL CHANGES UNDER GR NO. 28/2025





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Overview

To support a more streamlined and investor-friendly licensing, the Indonesian government has enacted Government Regulation No. 28 of 2025 ("**GR 28/2025**") concerning the Implementation of Risk-Based Business Licensing, officially replacing Government Regulation No. 5 of 2021 ("**GR 5/2021**"). This new regulation took effect on 5 June 2025 and forms the updated legal foundation for Indonesia's Online Single Submission – Risk-Based Approach (OSS-RBA) system.

GR 28/2025 refines existing mechanisms for business licensing by introducing more detailed classifications of business risk, redefining the division of authority between national and regional institutions, and enhancing integration and oversight. With these changes, the government aims to deliver clearer procedures, stronger legal certainty, and faster licensing outcomes across sectors.

Key Highlights of GR 28/2025

1. Expanded Key Sectoral Coverage

One of the key developments introduced under GR 28/2025 is the extension of sectoral coverage within the risk-based business licensing framework. While GR 5/2021, limited the application of OSS-RBA procedures to designated 16 sectors, such as agriculture, trade, tourism, and environmental or forestry management, the new regulation broadens that scope to encompass 22 sectors in total.

This regulatory expansion reflects the government's intention to deepen standardization and streamline licensing across more economic domains. Pursuant to GR 28/2025, several additional sectors are now formally brought under the OSS-RBA regime, including:

- Legal Metrology;
- Creative Economy;
- Geospatial Information;
- Cooperatives;
- Investment; and
- Electronic Systems and Transaction Operations.

2. Centralized Licensing Portal & New Subsystem

GR 28/2025 mandates that all licensing applications, including PB, PB UMKU, PL, KKPR, and PBG, must now be submitted exclusively through the OSS system. Unlike under GR 5/2021, which allowed some permits to be processed via individual ministry or agency platforms, GR 28/2025 fully centralizes licensing submission into a single digital entry point, ensuring consistency and supervision.

Furthermore, GR 28/2025 establishes several new subsystems as stipulated under Article 188 paragraph (3) GR 28/2025, namely:

- (i) the Basic Requirements Subsystem;
- (ii) the Investment Facilities Subsystem; and
- (iii) the Partnership Subsystem.

The Basic Requirements Subsystem provides information related to: (i) Spatial Use Appropriateness (*Kesesuaian Kegiatan Pemanfaatan Ruang/KKPR*), (ii) Environmental Approvals (*Persetujuan Lingkungan/PL*), and (iii) Building Approvals (*Persetujuan Bangunan Gedung/PBG*) or Certificates of Proper Functionality (*Sertifikat Laik Fungsi/SLF*), as stipulated in Article 217 paragraph (2) of GR 28/2025.

Meanwhile, the Investment Facilities Subsystem offers services including: (i) applications for import duty exemptions on machinery, goods, and materials used for the establishment or expansion of industrial activities as part of investment projects, and (ii) applications for corporate income tax reduction facilities, as provided under Article 235 paragraph (2) of GR 28/2025.

The Partnership Subsystem, as referred to in Article 236 paragraph (2) of GR 28/2025, shall contain at minimum the following components: (i) partnerships as governed under the prevailing laws and regulations in the field of investment, (ii) other forms of partnership required under specific statutory provisions, (iii) voluntary partnerships initiated by business actors; and (iv) mechanisms for monitoring and evaluating the implementation of partnership commitments.

The OSS system must adjust its licensing features no later than 5 October 2025, as stipulated under Article 551 of Government Regulation No. 28 of 2025.

3. Processing Time Limits for Technical and Environmental Approvals

Pursuant to GR 28/2025, the government sets clear maximum processing times for technical and environmental approvals (commonly referred to as *Pertimbangan Teknis* or *Pertek*) following the submission of complete and accurate documentation. Specifically, the regulation provides that the review of wastewater and emission quality standards must be completed within 30 business days. For hazardous and toxic waste (B3) management approvals, the process must not exceed 16 business days. In the case of traffic impact analyses (*Analisis Mengenai Dampak Lalu Lintas*), the timeline varies based on projected traffic intensity: up to 23 business days for activities generating high to medium traffic, and up to 3 business days for low-traffic-generating activities. This enhancement marks a notable departure from the previous

regime under GR 5/2021, which did not impose any binding time limits for these types of approvals.

With these additions, GR 28/2025 enhances legal uniformity and operational clarity for business actors whose sectors were previously outside the formal coverage of OSS-RBA licensing procedures.

4. Centralized Monitoring and Sanctions

GR 28/2025 introduces a more centralized and enforceable compliance framework by mandating that all business licensing processes — including environmental approvals — be conducted entirely through the OSS-RBA system. This replaces the previously fragmented approach, where certain ministries and agencies operated their own platforms, often leading to inconsistencies in enforcement and monitoring.

In line with this centralized approach, GR 28/2025 also sets forth a structured regime for administrative sanctions against business actors who fail to comply with basic requirements, business licenses (PB), or supporting licenses (PB UMKU). These sanctions are now applied in a tiered manner, proportionate to the severity and persistence of the non-compliance, and are imposed exclusively through the OSS-RBA platform by authorized officials (such as ministers, governors, or heads of regional authorities). The types of administrative sanctions available pursuant to Article 355 paragraph 2 GR 28/2025 include:

- (i) Formal Warnings;
- (ii) Temporary Suspension of Business Activities;
- (iii) Imposition of Administrative Fines, serving both as a penalty and deterrent;
- (iv) Application of Police Enforcement Measures;
- (v) Revocation of Licences, Certificates, or Approvals; and
- (vi) Revocation of Basic Requirements, PB, and/or PB UMKU.

This graduated enforcement mechanism represents a shift toward greater regulatory discipline and accountability, ensuring that business actors adhere to their licensing obligations throughout the lifecycle of their operations. It also underscores the government's commitment to enhancing transparency and compliance without compromising the integrity of the licensing system.

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