

Key Highlights of Government Regulation No. 28 of 2025 on the Implementation of Risk-Based Licensing

On 5 June 2025, the Indonesian Government enacted Government Regulation No. 28 of 2025 on Implementation of Risk-Based Licensing (“**GR No. 28/2025**”), which revokes and replaces Government Regulation No. 5 of 2021 on the Implementation of Risk-Based Licensing (“**GR No. 5/2021**”). GR No. 28/2025 introduces significant changes in system integration, centralizing all business licensing processes through the Online Single Submission (“**OSS**”) system as the main user interface (front-end). Under this framework, all interactions involving business actors are conducted via the OSS system, which forwards data to the relevant ministry or institution systems. However, the final outcomes are still issued through the OSS System.

GR No. 28/2025 marks a comprehensive reform of Indonesia’s risk-based business licensing framework, comprising 552 articles organized into 14 chapters. Based on GR No. 28/2025, the Central Government determines the policy for the implementation of Risk-Based Licensing (*Perizinan Berusaha Berbasis Risiko* – “**PBBR**”), with the scope covering:

- a. basic requirements;
- b. Business Licensing (*Perizinan Berusaha* – “**PB**”), which is the legality given to business actors to start and run their business and/or activities;
- c. Business Licensing to Support Business Activities (*Perizinan Berusaha Untuk Menunjang Kegiatan Usaha* – “**PB UMKU**”), which is the legality given to business actors to support their business activities;
- d. norms, standards, procedures, and criteria;
- e. OSS system services;
- f. supervision;
- g. evaluation and policy reform;
- h. funding;
- i. resolution of problems and obstacles; and
- j. sanctions.

Importantly, PB, as the licensing requirements based on risk level under GR No. 28/2025, remain consistent with those under GR No. 5/2021. As stipulated in Articles 130–134 of GR No. 28/2025, PB is categorized as follows:

- a. Low-risk activities: Require a Business Identification Number (*Nomor Induk Berusaha* – “**NIB**”) only, which is the identity of the business actor, as well as the legality of carrying out business activities;
- b. Medium-low risk activities: Require: (i) NIB; and (ii) a Standard Certificate (*Sertifikat Standar*) in the form of a statement from a business actor to meet business standards in order to carry out business activities;
- c. Medium-high risk activities: Require NIB, a verified Standard Certificate; and
- d. High-risk activities: Require NIB and a Business License (*Izin*).

However, there are several key points of change introduced under GR No. 28/2025, as outlined below:

A. **Business Sectors**

Notably, GR No. 28/2025 expands the scope of PBBR by introducing several new sectors, as set out in Article 5 of GR No. 28/2025. These include creative economy, geospatial information, cooperatives, and investment. The inclusion of these sectors signals the government’s acknowledgment of their growing importance and the need for clearer regulatory frameworks to support their development.

The table below presents a comparison of the business sectors covered under GR No. 5/2021 and GR No. 28/2025:

No.	GR No. 5/2021	GR No. 28/2025
1.	Maritime affairs and fisheries	Maritime affairs and fisheries
2.	Agriculture	Agriculture
3.	Environment and Forestry	Forestry
4.	Energy and mineral resources	Energy and mineral resources
5.	Nuclear power	Nuclear power
6.	Manufacturing	Manufacturing
7.	Trading <i>Note: Based on explanation of GR No. 28/2025, the trading sector includes commodity futures trading, warehouse receipt systems, commodity auction markets, and legal metrology.</i>	Trading and legal metrology
8.	Public works and public housing	Public works and public housing
9.	Transportation	Transportation

No.	GR No. 5/2021	GR No. 28/2025
10.	Health, drugs, and food	Health, drugs, and food
11.	Education and culture	Education and culture
12.	Tourism	Tourism
13.	Religion	Religion
14.	Post, telecommunications, broadcasting and electronic systems and transactions	Post, telecommunications, broadcasting
15.	Defense and security	Defense and security
16.	Manpower	Manpower
17.		Creative Economy
18.		Geospatial Information
19.		Cooperative
20.		Investment
		<i>Note:</i> PB in the investment sector includes business activities that do not yet have, or are not assigned to, a specific ministry or government agency as the supervising authority, which including: law firm; intellectual property consultant office; translator or interpreter office; private libraries and archives; holding company activities; cemeteries and activities related to them; and other management consulting activities.
21.		Electronic systems and transactions
22.		Environment

B. Stages of Business Activities

Articles 7-12 of GR No. 28/2025 clarify stages of business activities, as follows:

No.	Stage	Sub-Stage	Description
1.	Starting a Business	a. Fulfillment of Business Legality	In accordance with the provisions of laws and regulations in the field of business entities.
		b. Fulfillment of Basic Requirements	Includes: a. Suitability of Space Utilization Activities (<i>Kesesuaian Kegiatan Pemanfaatan Ruang – “KKPR”</i>) in the form of KKPR on land or Suitability of Marine Space Utilization Activities (<i>Kesesuaian Kegiatan Pemanfaatan Ruang Laut – “KKPRL”</i>) (if

No.	Stage	Sub-Stage	Description
			<p>the business location is at sea), which is the implementation of a business location assessment by the OSS system.</p> <p>b. Environmental Approval (<i>Persetujuan Lingkungan</i> – “PL”) in the form of Statement of Environmental Management and Monitoring Capability (<i>Surat Pernyataan Kesanggupan Pengelolaan dan Pemantauan Lingkungan Hidup</i> – “SPPL”) for businesses not requiring Environmental Impact Assessment (<i>Analisis Mengenai Dampak Lingkungan Hidup</i> – “AMDAL”) or Environmental Management Efforts and Environmental Monitoring Efforts (<i>Upaya Pengelolaan Lingkungan Hidup dan Upaya Pemantauan Lingkungan Hidup</i> – “UKL-UPL”).</p> <p>Issued through the OSS system by:</p> <ul style="list-style-type: none"> (i) OSS Institution; (ii) OSS on behalf of minister/agency head; (iii) Head of Provincial Investment and Integrated One-Stop Service Agency (<i>Dinas Penanaman Modal dan Pelayanan Terpadu Satu Pintu</i> – “DPMPTSP”) on behalf of governor; and (iv) Head of regency/city DPMPTSP on behalf of regent/mayor. <p><u>Note:</u></p> <p><i>For businesses located in Special Economic Zones (Kawasan Ekonomi Khusus – “KEK”) and Free Trade Zone and Free Port (Kawasan Perdagangan Bebas dan Pelabuhan Bebas – “KBPB”), the authority to issue points (ii), (iii), and (iv) does not apply. Instead, issuance is carried out by the KEK Administrator (in accordance with regulations related to KEK) and the Head of the KBPBP Business Agency (in accordance with regulations in accordance related KBPBP).</i></p> <p><i>Furthermore, the issuance of basic requirements for National Strategic Projects (Proyek Strategis Nasional – “PSN”) must follow the regulations related to PSN, spatial planning, marine affairs, coastal and small island areas, buildings, and environmental management and protection.</i></p>

No.	Stage	Sub-Stage	Description
			<i>In addition, for the energy and mineral resources sector, the obligation to fulfill KPPR as basic requirements is excluded for PB in the survey stage and exploration stage in the new and renewable energy, energy conservation sub-sector, and the exploration activity stage in the mineral and coal sub-sector (Article 143 paragraph (3) GR No. 28/2025).</i>
		c. Obtaining PB or submitting PB based on business activities	Business actors submit requests for obtaining or submitting PB based on business activity.
2.	Running a Business	a. Preparation	Includes activities such as: a. land procurement, including land clearing or opening; b. fulfilling basic requirements, including: (i) PL in the form of AMDAL or UKL-UPL (for businesses and activities that require an AMDAL or UKL-UPL); and (ii) Building Approval (<i>Persetujuan Bangunan Gedung</i> – “ PBG ”) (for business actors who will conduct construction of buildings); c. building construction; d. procurement of equipment; e. recruitment of human resources; f. compliance with business standards; and/or g. fulfillment of PB requirements. <i>Note: a and b may be conducted concurrently.</i>
		b. Operational and/or Commercial	Involves: a. production of goods/services; b. logistics and distribution of goods/services; c. marketing of goods/services; and/or d. other operational and/or commercial activities.

Article 4 of GR No. 28/2025 stipulates that in order to carry out business activities, business actors are required to obtain PB. PB can only be issued after such business entities have fulfilled the basic requirements as mentioned above, unless otherwise specified in GR No. 28/2025. In case where PB must be supplemented by additional licenses to support business operations, the business actor is also required to

obtain PB UMKU. Basic requirements, PB, and PB UMKU are all processed electronically through the OSS system, which has been electronically integrated with the system in the ministry/institution. Detailed information regarding PB and PB UMKU, which each business sector must own, is regulated in the Appendix of GR No. 28/2025.

C. Clearer Licensing Procedures and Timeframes

GR No. 28/2025 provides specific procedures and timeframes from the submission stage to the issuance of the licenses, all of which must be submitted by business actors through the OSS system, including:

- a. KKPR and KKPRL;
- b. PL, which can be provided in the form of:
 - (i) Environmental Feasibility Decree (*Surat Keputusan Kelayakan Lingkungan Hidup*) for businesses and/or activities that have significant environmental impacts and fall under the mandatory AMDAL criteria;
 - (ii) Statement of Environmental Management Commitment (*Pernyataan Kesanggupan Pengelolaan Lingkungan Hidup*) for businesses and/or activities that do not have significant environmental impacts but fall under the mandatory UKL-UPL criteria; or
 - (iii) SPPL for businesses and/or activities that do not have significant environmental impacts and are not subject to mandatory AMDAL or UKL-UPL criteria;
- c. PBG;
- d. Building Construction Worthiness Certificate (*Sertifikat Laik Fungsi* – “SLF”); and
- e. and other relevant licenses, including new license that are not stipulated in GR No. 5/2021, such as (i) principal approval for the utilization of environmental services in nature reserves, nature conservation areas, and hunting parks; (ii) forest area release approval; and (iii) others.

By explicitly regulating the maximum time limits for license issuance, GR No. 28/2025 strengthens the ability of business actors to track license progress.

D. PL

Previously, GR No. 5/2021 did not clearly regulate the procedures for obtaining PL. The detailed provisions on PL were instead governed under Government Regulation No. 22 of 2021 on the Implementation of Environmental Protection and

Management (“**GR No. 22/2021**”). Now, GR No. 28/2025 provides more comprehensive and integrated provisions regarding PL. The main updated provisions regulated under GR No. 28/2025 regarding PL include:

No.	Section	Description
1.	PL Process	Article 78 paragraph (4) and (5) of GR No. 28/2025 mandates that the PL applications and issuance are carried out through the OSS system.
2.	PL for business activities with more than 1 (one) KBLI that are integrated business activities	For business activities with more than 1 (one) KBLI which are integrated business activities located in a single ecosystem of activities, submission and issuance of PL refers to the highest environmental document fulfillment requirements (Article 78 paragraph (6) of GR No. 28/2025).
3.	Technical Approval (<i>Persetujuan Teknis</i>) Exceptions	<p>Article 81 of GR No. 28/2025 outlines that one of the key stages in obtaining PL is the submission of a technical approval application by the business actor. This technical approval may cover one or more of the following aspects:</p> <ul style="list-style-type: none"> (a) compliance with wastewater quality standards; (b) compliance with emission quality standards; (c) management of hazardous and toxic waste (B3 waste); and/or (d) traffic impact analysis. <p>Business actors are required to independently conduct a screening process to determine the need for technical approvals related to items (a), (b), and (c) through the environmental information system, and for item (d) through the traffic information system.</p> <p>If the screening results indicate that the proposed business and/or activities do not affect the water, land, air, and/or traffic generation and attraction, technical approval is not required. Conversely, if the screening results show potential impact to the water, land, air, and/or traffic generation and attraction, the business actor must submit an application for technical approval to the relevant authority.</p> <p>Furthermore, based on Article 103 of GR No. 28/2025, business actors operating within industrial estates, KEK, or KPBPB are not</p>

No.	Section	Description
		required to obtain technical approval if: (a) they do not discharge waste water into water bodies; or (b) dispose of wastewater through wastewater treatment installations provided by the area management.
4.	Simultaneous Submission of Technical Approval and Environmental Approval	Pursuant to Article 84 of GR No. 28/2025, a business actor may submit an application for the issuance of technical approval simultaneously with the application for PL, provided that 2 (two) conditions are met: (a) an assessment of the environmental carrying capacity and assimilative capacity at the proposed business location has been conducted and confirms that the environment can still accommodate the planned activity; and (b) the management of wastewater and hazardous and toxic waste (B3 waste) is conducted by the business actor itself. Additionally, if the proposed business activity is designated as a PSN, the business actor may also apply for technical approval related to environmental and/or traffic management concurrently with the PL application.

E. **PBG and SLF**

Under GR No. 5/2021, the provisions on PBG and SLF were not regulated. Instead, the regulatory framework governing PBG and SLF was set out under Government Regulation No. 16 of 2021 on Implementing Regulations of Law No. 28 of 2002 on Building Construction (“**GR No. 16/2021**”). Further, with the enactment of GR No. 28/2025, the registration for PBG planning consultation and application for the issuance of SLF, is now carried out through the OSS system, which is already integrated with the Building Management Information System (*Sistem Informasi Manajemen Bangunan Gedung – SIMBG*).

F. **PB UMKU**

Under GR No. 28/2025, business licensing related to the implementation of export and import activities, including compliance with export-import prohibitions, restrictions, and commodity balance requirements, is not categorized as part of PB

UMKU. This represents a significant change from GR No. 5/2021, which previously included export-import within the PB UMKU scope. According to Article 135 paragraph (3) of GR No. 28/2025, the issuance of permits for export-import activities and for fulfilling related prohibitions, restrictions, and commodity balance obligations is conducted through the Indonesia National Single Window (“**INSW**”) system, in accordance with applicable trade and commodity balance regulations.

Furthermore, based on Article 135 of GR No. 28/2025, business actors must submit PB UMKU applications through the OSS system, which then forwards the applications to the relevant authorities, ministries/institutions, Regional Governments, KEK Administrators, or KPBPB Business Agency for processing based on their respective jurisdictions. PB UMKU applies to business activities related to:

- a. product distribution, including for business activities in the fields of food and beverages, pharmaceuticals, medicines, medical devices, cosmetics, type testing for vehicles, and defense-related products;
- b. operational feasibility, including for business activities in the fields of transportation, electricity, communications and informatics, public works, and nuclear power;
- c. product/service standardization, including for business activities that require national standards, certification for tourism services, sanitation certification, and telecommunications equipment certification; and/or
- d. smooth business activities other than those referred to in letter a, letter b, and letter c, including for groundwater extraction business activities, provision of special terminals, and warehousing.

G. Sanction and Revocation

To ensure the effective implementation of PBBR, Article 355 of GR No. 28/2025 sets out provisions on the imposition of sanctions. Business actors who violate the basic requirements, PB, and/or PB UMKU may be subject to administrative sanctions, which include: a warning; temporary suspension of business activities; administrative fines; enforcement through coercive measures; revocation of licenses, certifications, or approvals; and/or revocation of the basic requirements, PB, and/or PB UMKU.

The imposition of these administrative sanctions is determined based on the level of compliance identified during supervisory activities. Sanctions are imposed by the relevant authority, either the minister or head of relevant institution, governor,

regent/mayor, head of the KEK Administrator, or head of the KPBPB Business Agency, according to their respective mandates and in accordance with prevailing laws and regulations, through the OSS system.

Furthermore, based on Article 256 of GR No. 28/2025 provides that revocation of basic requirements, PB, and/or PB UMKU can be carried out in the event of:

No.	Event	Revocation
1.	Application by business actors	Application for revocation submitted by business actors through the OSS system.
2.	Application for dissolution of a business entity	
3.	Business actor violate the provisions of laws and regulations related to PBBR	Revocation carried out by the ministry/institution, Regional Government, KEK Administrator, or KPBPB Business Agency through the OSS system.
4.	Court decisions that have permanent legal force	Revocation carried out by the OSS agency based on letter, statement or written information that has permanent legal force from a judicial institution.
5.	Termination of land rights or land allocation above Land Management Rights (<i>Hak Pengelolaan</i>)	Revocation carried out by the OSS agency based on a decree issued by the head of the KPBPB Business Agency in accordance with the provisions of laws and regulations in the field of KPBPB.

In addition to the above, GR No. 28/2025 also outlines the sanctions for violations by businesses in each sector.

Furthermore, the Indonesian Government is also committed to issue the relevant implementing regulations for GR No. 28/2025 and adjusting the OSS and INSW systems to comply with the provisions of GR No. 28/2025 at the latest 5 October 2025.

Further information

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