

HOW GOVERNMENT REGULATION NO. 6 OF 2021 ARTICLES 7 AND 38 INFLUENCES THE IMPLEMENTATION OF BUSINESS LICENSING IN INDONESIAN REGIONS

Nana Sugiarti¹, Harun², Nunik Nurhayati³, Arief Budiono⁴

Universitas Muhammadiyah Surakarta, Surakarta, Indonesia

E-mail: nana.sugiarti@gmail.com¹, harun.dr@gmail.com², nn123@ums.ac.id³, ab368@ums.ac.id^{4*}

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Abstract

This study examines the legal implications of Articles 7 and 38 of Government Regulation No. 6 of 2021 on the Implementation of Business Licensing in the Regions and their influence on regional business licensing administration in Indonesia. The research aims to analyze how these provisions reshape the institutional framework for implementing risk-based business licensing through the establishment of Independent One-Stop Integrated Service Agencies at the provincial and regency/city levels. The authors utilized a socio-legal approach combining doctrinal and empirical legal research methods through statutory analysis, literature review, field observations, and interviews with relevant government officials, using Karanganyar Regency as a case study. The findings demonstrate that the Regulation requires regional governments to reorganize their licensing institutions by separating Independent One-Stop Integrated Service Agencies from other governmental affairs, standardizing organizational structures, and integrating licensing services with the Online Single Submission (OSS) system. These reforms are intended to enhance legal certainty, administrative efficiency, transparency, and investment facilitation while ensuring consistency with the hierarchy of Indonesian legislation. The study concludes that Government Regulation No. 6 of 2021 has significantly strengthened regional business licensing governance by providing a clear legal framework for institutional restructuring and improving the effectiveness of investment services across regional governments.

Keywords: Regional Regulation, Business Licensing, Government Regulation, Indonesia.

INTRODUCTION

Regional apparatuses assist the Regional Head and the Regional People's Representative Council in administering government affairs within the region's authority. Regional apparatuses play a crucial role in assisting the Regional Head in administering regional government, both for government administration purposes, government programs, and activities (Abdurrasyid, Hasanah, & Jiwantara, 2022). Therefore, the formation of regional apparatuses must prioritize public service, thereby achieving orderly regional governance and public welfare, in accordance with the objectives of regional governance (Effendi, Mursalin, & Sonaji, 2021).

The existence of government affairs that need to be handled is the primary basis for establishing regional apparatuses. However, this does not mean that each governmental matter must be established as a separate organization (Sapri, Abidin, & Puspitasari, 2024). The size of a regional apparatus should at least take into account factors such as financial capacity, regional needs, scope of duties, including the objectives to be achieved, the type and number of tasks, the size of the working area and geographic conditions, population density, regional potential related to the affairs to be handled, and supporting facilities and infrastructure. Therefore, the need for regional apparatuses varies from region to region (Baihaki, 2021).

Since the reform era of 1999, the organization of Regional Apparatuses has experienced intense dynamics in line with changes to the law on regional government (Sartono, 2021). In accordance with the mandate of Article 18 of the 1945 Constitution of the Republic of Indonesia (amendment), the structure and procedures for the implementation of regional government are regulated by law (Samsuri, Juanda, Atmoko, & Juanda, 2023). The Regional Apparatus Organization has undergone changes 4 (four) times starting from Government Regulation Number 84 of 2000 concerning Guidelines for Regional Apparatus Organizations, Government Regulation Number 8 of 2003 concerning Guidelines for Regional Apparatus Organizations, Government Regulation Number 41 of 2007 concerning Regional Apparatus Organizations and Government Regulation Number 18 of 2016 concerning Regional Apparatus. Fundamental changes in the bureaucratic structure in Indonesia since the reform have reconstructed the

structure of the regional government bureaucracy starting from Law (UU) Number 22 of 1999, Law Number 32 of 2004, and most recently Law Number 23 of 2014 concerning Regional Government (Putri & Tan, 2022). The arrangement of the regional government bureaucracy is part of social engineering (social re-engineering) to face the dynamics of the rapidly developing political life of government (Santoso, 2015). A central issue of public concern today is the need for public bureaucratic reform in managing government with appropriate functions and dimensions based on workloads that align with the actual conditions in each region (Reynaldi, 2021). The existence of regional organizations to accommodate regional authority, based on the principle of a structure rich in function, will create a large-scale configuration (Suartini, 2024). This aligns with the principle of rational, proportional, effective, and efficient regional apparatus organization (Amania, 2020).

To organize regional government in accordance with its authority, regional governments require regional regulations that can create peace and public order, and support the implementation of government (Firdaus & Hidayat, 2024). The national legal system grants attributive authority to regions to establish regional regulations. Regional regulations, as regional legal products and part of regional government policy, must align with the ideals, direction, principles, and objectives to be achieved by the government, as stated in paragraph 4 of the preamble to the 1945 Constitution (El Fajri, M. R., & Astuti, 2024). Regional regulations, as a type of statutory regulation, are constitutionally regulated in Article 18 paragraph (6) of the Amendment to the 1945 Constitution of the Republic of Indonesia, which states, "Regional governments have the right to establish regional regulations and other regulations to implement autonomy and assistance tasks." The direct transfer of authority from the Amendment to the 1945 Constitution of the Republic of Indonesia (Groundwet) or Law (wet) to a state or government institution is known as 'Attribution' (Farida, 2020).

The institutional arrangement of regional apparatus is one of the efforts of regional governments to form regional organizations that are effective, efficient and oriented towards the provision of prime public services for the community must be based on laws and regulations relating to the formation of Regional Apparatus. This is a mandate of Law Number 23 of 2014 concerning Regional Government as last amended by Law Number 6 of 2023 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation into Law, which states that the formation of Regional Regulations must not conflict with, among other things, the provisions of higher laws and regulations, the principles of the formation of good laws and regulations, and the principles of the material content of laws and regulations. The regional apparatus in Karanganyar Regency was established based on Regional Regulation Number 16 of 2016 concerning the Formation and Composition of Regional Apparatus in Karanganyar Regency, as amended several times, most recently by Regional Regulation Number 11 of 2012 concerning the Third Amendment to Regional Regulation Number 16 of 2016.

Government Regulation Number 6 of 2021 concerning the Implementation of Business Licensing in the Regions, followed up by Minister of Home Affairs Regulation Number 25 of 2021 concerning the Investment and One-Stop Integrated Services Agency, serves as the guideline for establishing the One-Stop Integrated Services Agency, which is not grouped or combined with other government affairs under the authority of the provincial and district/city governments. Article 12 of Minister of Home Affairs Regulation Number 25 of 2021 concerning the One-Stop Integrated Services Agency stipulates that district/city governments whose One-Stop Integrated Services Agency is still grouped or combined with government affairs under the authority of other regions must adjust their affairs no later than two years from the enactment of the Ministerial Regulation.

This Ministerial Regulation revokes Ministerial Regulation No. 100 of 2016 concerning Guidelines for the Nomenclature of the Investment Service and One-Stop Integrated Services for Provinces and Regencies/Cities (State Gazette of the Republic of Indonesia 2016 No. 1906) and impacts Regional Apparatus Organizations, which assist Regional Heads in administering government affairs within their respective jurisdictions. Based on this background, the research question is: How do we describe Articles 7 and 38 of Government Regulation No. 6 of 2021 concerning the Implementation of Business Licensing in the Regions?

METHOD

The types of research used in this study are bibliographic and empirical legal. A literature study is a study used to gather information and data using various materials available in libraries, such as documents, books, magazines, historical stories, and so on. It also refers to a data collection technique that involves reviewing books, literature, records, and various reports related to the problem being addressed (Faisal & Ogli, 2025). Empirical legal/empirical legal is a legal research method that examines law in its concrete form and examines how it operates in society (Fathoni, 2011). The data in this study are primary data obtained through interviews with research subjects.

Secondary data in legal research are data obtained not directly from original sources, but from existing sources, such as books, journals, articles, or other documents relevant to the research topic (Susiadi, 2015).

In data collection, the author studies literature related to the problem topic, which is collected through documents, reading, taking notes, and annotating. Legal materials are obtained by reviewing legislation and reading literature related to the problem being discussed (Alwan et al., 2022). Data collection was also conducted directly by observing the realities of field practice, and based on a study of the operation of law in society through secondary and primary data (interviews, observations, and literature reviews) (Absori et al., 2020). The data were analyzed qualitatively and presented in a systematic manner, explaining the relationships between the various types of data. All data were then selected, processed, and analyzed descriptively (Budiono et al., 2023). This not only illustrates and reveals the problems encountered, but also provides solutions to the problems addressed in this research (Wibowo et al., 2023).

RESULTS AND DISCUSSION

Description of Article 7 and Article 38 of Government Regulation Number 6 of 2021 concerning the Implementation of Business Licensing in the Regions and Regulation of the Minister of Home Affairs Number 25 of 2021 concerning the Investment Service and One-Stop Integrated Services. Article 18 paragraph (7) of the 1945 Constitution of the Republic of Indonesia states that "The structure and procedures for the implementation of Regional Government are regulated by law." As a follow-up to this article, Law Number 23 of 2014 concerning Regional Government was passed on September 30, 2014 and promulgated on October 2, 2014 (Fadjar, 2004). This repeals Law Number 32 of 2004 concerning Regional Government.

The enactment of Law Number 23 of 2014 concerning Regional Government not only impacts the authority of Regional Government and personnel management in the regions but also impacts the organization of regional apparatus as an element that assists the regional head and the Regional People's Representative Council in the implementation of government affairs that fall under the authority of the region. Significant changes to the formation of Regional Apparatus, namely the principle of appropriate function and appropriate size (rightsizing) based on workloads that align with the actual conditions in each region. This also aligns with the principles of rational, proportional, effective, and efficient organizational structure of Regional Apparatus (Ridwan, 2010). Initially, the Regional Apparatus organization was established based on Government Regulation Number 41 of 2007 concerning Regional Apparatus Organization. As an implementation of Article 128 paragraphs (1) and (2) of Law Number 32 of 2004 concerning Regional Government, which states that the structure and control of Regional Apparatus organizations are guided by government regulations (Ani, 2018).

Based on Government Regulation Number 41 of 2007, the Karanganyar Regency Government established five Regional Regulations: (1) Regional Regulation Number 1 of 2009 concerning the Organization and Work Procedures of the Regional Secretariat and the Secretariat of the Regional People's Representative Council; (2) Regional Regulation Number 2 of 2009 concerning the Organization and Work Procedures of the Regional Services of Karanganyar Regency; (3) Regional Regulation Number 3 of 2009 concerning the Organization and Work Procedures of the Regional Technical Institution, the Integrated Licensing Service Agency, and the Karanganyar Regency Civil Service Police Unit; (4) Regional Regulation Number 4 of 2009 concerning the Organization and Work Procedures of Sub-districts and Villages; and (5) Regional Regulation Number 5 of 2009 concerning the Organization and Work Procedures of the Agricultural, Fisheries, and Forestry Extension Agency.

Article 15 of Government Regulation Number 41 of 2007 states that regional technical institutions can take the form of agencies, offices, and hospitals. Regional technical institutions in the form of agencies are led by the agency head, those in the form of offices are led by the office head, and those in the form of hospitals are led by the director (Salim & Nurbani, 2017). Regional Regulation Number 3 of 2009 concerning the Organization and Work Procedures of Regional Technical Institutions, the Integrated Licensing Service Agency, and the Karanganyar Regency Civil Service Police Unit. This Regional Regulation has undergone two amendments, namely: (1) Regional Regulation Number 9 of 2011 concerning Amendments to Regional Regulation Number 3 of 2009 concerning the Organization and Work Procedures of Regional Technical Institutions, the Integrated Licensing Service Agency, and the Karanganyar Regency Civil Service Police Unit; and (2) Regional Regulation Number 1 of 2015 concerning the Second Amendment to Regional Regulation Number 3 of 2009 concerning the Organization and Work Procedures of Regional Technical Institutions, the Integrated Licensing Service Agency, and the Karanganyar Regency Civil Service Police Unit.

Regional Regulation Number 9 of 2011 concerning Amendments to Regional Regulation Number 3 of 2009 concerning the Organization and Work Procedures of Regional Technical Institutions, the Integrated Licensing

Service Agency, and the Karanganyar Regency Civil Service Police Unit was initiated by the issuance of Government Regulation Number 6 of 2010 concerning the Civil Service Police Unit. With the issuance of Government Regulation Number 6 of 2010, the Civil Service Police Unit's functions expanded to include public order and community protection, effectively taking over the community protection (Linmas) function from the National Unity, Politics, and Community Protection Agency (Badan Kesbangpollinmas). This resulted in changes to the institutions of the Civil Service Police Unit and the Kesbangpollinmas Agency to comply with the provisions of this Government Regulation (Enju, 2017).

Regional Regulation Number 1 of 2015 concerning the Second Amendment to Regional Regulation Number 3 of 2009 concerning the Organization and Work Procedures of Regional Technical Institutions, the Integrated Licensing Service Agency, and the Karanganyar Regency Civil Service Police Unit was initiated by: (1) With the establishment of the functional position of supervisor of regional government affairs within the Inspectorate, in accordance with Minister of Home Affairs Regulation Number 64 of 2007 concerning Technical Guidelines for the Organization and Work Procedures of Provincial and Regency/City Inspectorates, it is necessary to eliminate the sectional organizational structure under the Assistant Inspector; and (2) In order to develop investment potential and improve integrated one-stop licensing services, it is necessary to add institutional functions that support the regional investment climate. This additional function is realized by changing the organizational structure of the Regional Work Units responsible for investment and licensing services (Rays, Harianto, Maroa, & Jumadil, 2023).

Apart from the 40 regional devices, there are 2 (two) regional devices whose existence is still recognized, namely: (1) The National Unity and Politics Agency (Badan Kesbangpol), established by Regional Regulation No. 3 of 2009 concerning the Organization and Work Procedures of Regional Technical Institutions, the Integrated Licensing Services Agency, and the Karanganyar Regency Civil Service Police Unit. Although Regional Regulation No. 3 of 2009 and its amendments have been revoked and declared invalid by Regional Regulation No. 16 of 2016 concerning the Formation and Composition of Regional Apparatuses of Karanganyar Regency, there are exceptions for regional apparatuses that carry out government affairs in the field of national unity and politics, until legislation regarding the implementation of general government affairs is enacted; (2) The Regional Disaster Management Agency (BPBD), established by Karanganyar Regency Regulation No. 8 of 2011 concerning the Organization and Work Procedures of the Regional Disaster Management Agency.

Thus, the number of regional apparatuses in Karanganyar Regency, based on Regional Regulation Number 16 of 2016, is 42 (forty-two). Article 4 of Government Regulation Number 18 of 2016 concerning Regional Apparatuses states that provisions regarding the position, organizational structure, duties and functions, and work procedures of regional apparatuses are stipulated in a Regional Head Regulation (Perkada) (Sukardi, Nurahman, H, & Muhadi, 2022). To ensure the smooth implementation of regional apparatus duties, a Regent Regulation is required concerning the job descriptions of high-ranking leaders, administrators, and supervisors. This consists of (Dewi, 2022): (1) Karanganyar Regent Regulation Number 33 of 2017 concerning the job descriptions of high-ranking leaders, administrators, and supervisors in the Regional Secretariat, the Secretariat of the Regional People's Representative Council, the Inspectorate, the Sub-district, and the Regent's Expert Staff; (2) Karanganyar Regent Regulation Number 34 of 2017 concerning the job descriptions of high-ranking leaders, administrators, and supervisors in Regional Agencies; and (3) Karanganyar Regent Regulation Number 35 of 2017 concerning the job descriptions of high-ranking leaders, administrators, and supervisors in Regional Agencies.

In 2019, to implement Minister of Home Affairs Regulation No. 107 of 2017 concerning Guidelines for the Nomenclature of Provincial and Regency/City Regional Inspectorates, and Minister of Home Affairs Regulation No. 11 of 2019 concerning Regional Apparatuses Implementing Government Affairs in the National Unity and Politics sector, it was necessary to adjust and organize the regional apparatus of the Regional Inspectorate and the National Unity and Politics Agency. Furthermore, the Department of Fisheries and Animal Husbandry was merged with the Department of Agriculture and Food to form the Department of Agriculture, Food, and Fisheries. Consequently, Karanganyar Regency Regulation No. 16 of 2016 concerning the Formation and Composition of Regional Apparatuses of Karanganyar Regency was amended by Regulation No. 22 of 2019 concerning Amendments to Karanganyar Regency Regulation No. 16 of 2016 concerning the Formation and Composition of Regional Apparatuses of Karanganyar Regency (Isnaeni, 2021).

The Job Creation Law has amended several provisions in Law Number 23 of 2014 concerning Regional Government which are aimed at strengthening the role and commitment of regional governments in the implementation of business licensing in the regions in accordance with the provisions of laws and regulations concerning the implementation of risk-based business licensing (Jaya, 2021). Strengthening the role of Regional Governments in the Job Creation Law includes regulating the obligations of governors/regents/mayors to provide

business licensing services in accordance with the provisions of laws and regulations concerning the implementation of Risk-Based Business Licensing, Business Licensing services in the regions implemented by One-Stop Integrated Services Agency must use the Electronically Integrated Business Licensing System (PBTE) better known as the Online Single Submission (OSS) managed by the Central Government, and providing opportunities for Regional Governments to develop supporting systems for the implementation of the OSS System in accordance with the norms, standards, procedures, and criteria set by the Central Government. This is regulated in Government Regulation Number 24 of 2018 concerning Electronically Integrated Business Licensing Services (Kasih, 2022).

According to Government Regulation Number 24 of 2018, business permits are issued by ministers, heads of institutions, governors, or regents/mayors in accordance with their respective authorities, including business permits whose issuance authority has been delegated or delegated to other officials. The authority to issue business permits, including the issuance of other documents related to business permits, must be carried out through the OSS Agency. The OSS Agency, based on the provisions of this Government Regulation, issues business permits for and on behalf of ministers, heads of institutions, governors, or regents/mayors. Business permits are issued by the OSS Agency in the form of electronic documents in accordance with laws and regulations in the field of information and electronic transactions, accompanied by an electronic signature. Electronic documents are valid and binding under law and constitute valid evidence in accordance with laws and regulations in the field of information and electronic transactions. Electronic documents can be printed out (Irna, 2019).

The OSS, regulated by government regulations to improve investment realization performance, has not yet achieved its targets due to regulatory challenges, namely the "clash" of norms with various other licensing norms stipulated in various laws. This is in accordance with the principle of hierarchy of regulations as stipulated in Law Number 12 of 2011 concerning the Formation of Legislation. Hierarchically, Government Regulations are placed below Laws. Consequently, the norms contained in government regulations related to the OSS have the legal force of law, and therefore cannot override licensing norms scattered across various laws (Siagian & Halim, 2025).

Because of this background, the government has positioned regulatory reform as a crucial strategy for increasing competitiveness. To encourage economic growth through increased investment, the government is pursuing regulatory reforms in the area of business licensing. These reforms are aimed at addressing investment barriers, namely lengthy bureaucratic chains, overlapping regulations, and numerous inconsistent regulations, particularly between central and regional regulations (Sukardi et al., 2022).

Article 7 of Government Regulation Number 6 of 2021 concerning the Implementation of Business Licensing in Regions states that the implementation of Business Licensing in provincial regions is carried out by the provincial One-Stop Integrated Services Agency, and the Implementation of Business Licensing in district/city regions is carried out by the district/city One-Stop Integrated Services Agency. Based on the explanation of each article of this Government Regulation, the provincial One-Stop Integrated Services Agency and district/city One-Stop Integrated Services Agency are established to carry out the duties and functions of government affairs in the investment sector, not grouped or grouped with government affairs that fall under the authority of other regions, with the aim of optimizing the implementation of business licensing in the regions (Irna, 2019).

Based on a letter from the Acting. Based on Letter No. 061/2478 of the Regional Secretary of Central Java Province dated September 27, 2021, regarding the transfer of positions to Regency/City Governments throughout Central Java, the Minister of Home Affairs of the Republic of Indonesia approved the equalization of positions within the Provincial/Regency/City Governments of Central Java Province, including Central Java Province, Semarang Regency, Karanganyar Regency, Boyolali Regency, Demak Regency, Temanggung Regency, and Salatiga City, based on Letter No. 800/8782/OTDA dated December 30, 2021. This letter from the Minister of Home Affairs also serves as approval for Regency/City Governments led by Acting/Acting/Acting Regents/Mayors.

As a follow-up to Government Regulation No. 6 of 2021 concerning the Implementation of Business Licensing in the Regions, on July 22, 2021, Minister of Home Affairs Regulation No. 25 of 2021 concerning the Investment Service and One-Stop Integrated Services was issued. The main ideas that were considered and the reasons for the establishment of the Regulation of the Minister of Home Affairs Number 25 of 2021 concerning the Investment Service and One-Stop Integrated Services consist of (Ani, 2018): (1) that business licensing in provincial areas is carried out by the Provincial One-Stop Investment Service, and business licensing in districts/cities is carried out by the District/City One-Stop Investment and Integrated Services Service; (2) to optimize the implementation of the provisions of Article 7 and Article 38 of Government Regulation Number 6 of 2021 concerning the Implementation of Business Licensing in Regions.

Article 7 of Government Regulation Number 6 of 2021 concerning the Implementation of Business Licensing in Regions states, "The implementation of business licensing in provincial areas is carried out by the provincial One-

Stop Integrated Services Agency, and the implementation of business licensing in districts/cities is carried out by the district/city One-Stop Integrated Services Agency."

Article 38 of Government Regulation Number 6 of 2021 concerning the Implementation of Business Licensing in Regions states: (1) The provisions and procedures for the formation of provincial DPMPISP and district/city One-Stop Integrated Services Agency as referred to in Article 7 are exempt from the provisions of Article 18 and Article 40 of Government Regulation Number 18 of 2016 concerning Regional Apparatus (State Gazette of the Republic of Indonesia of 2016 Number 114, Supplement to the State Gazette of the Republic of Indonesia Number 5887) as amended by Government Regulation Number 72 of 2019 concerning Amendments to Government Regulation Number 18 of 2016 concerning Regional Apparatus (State Gazette of the Republic of Indonesia of 2019 Number 187, Supplement to the State Gazette of the Republic of Indonesia Number 6402) and (2) The provincial Regional Government and district/city Regional Government are required to adjust the provincial One-Stop Integrated Services Agency and district/city One-Stop Integrated Services Agency in accordance with the provisions of this Government Regulation no later than 2 (two) months from the effective date of the OSS System in accordance with the provisions of laws and regulations regarding the implementation of Risk-Based Business Licensing.

Article 7 of Government Regulation Number 6 of 2021 concerning the Implementation of Business Licensing in Regions states: "The implementation of business licensing in provincial areas is carried out by the provincial One-Stop Integrated Services Agency, and the implementation of business licensing in districts/cities is carried out by the district/city One-Stop Integrated Services Agency."

Article 38 of Government Regulation Number 6 of 2021 concerning the Implementation of Business Licensing in Regions states (Fadjar, 2004): (1) The provisions and procedures for the establishment of provincial One-Stop Integrated Services Agency and district/city One-Stop Integrated Services Agency as referred to in Article 7 are exempt from the provisions of Article 18 and Article 40 of Government Regulation Number 18 of 2016 concerning Regional Apparatus (State Gazette of the Republic of Indonesia Number 114 of 2016, Supplement to the State Gazette of the Republic of Indonesia Number 5887) as amended by Government Regulation Number 72 of 2019 concerning Amendments to Government Regulation Number 18 of 2016 concerning Regional Apparatus (State Gazette of the Republic of Indonesia Number 187 of 2019, Supplement to the State Gazette of the Republic of Indonesia Number 6402) and (2) Provincial and district/city governments are required to adjust the provincial One-Stop Integrated Services Agency and district/city One-Stop Integrated Services Agency in accordance with the provisions of this Government Regulation no later than 2 (two) months from the effective date of the OSS System in accordance with the provisions of laws and regulations regarding the implementation of Risk-Based Business Licensing.

Based on this Government Regulation, provincial One-Stop Integrated Services Agency and district/city One-Stop Integrated Services Agency are established to carry out the duties and functions of Government Affairs in the investment sector, not grouped or grouped with Government Affairs that fall under the authority of other regions, with the aim of optimizing the Implementation of Business Licensing in the Regions. One-Stop Integrated Services Agency in all regions are expected to be able to manage Business Licensing quickly, easily, integrated, transparent, efficient, effective, and accountable in accordance with the provisions of laws and regulations concerning the implementation of Risk-Based Business Licensing, which in turn provides legal certainty, improves the investment ecosystem and business activities, and maintains the sustainability of Business Licensing services in the regions in accordance with the objectives and intent of the enactment of the Job Creation Law. Based on an interview with Metty Feriska (Head of the Legal Section of the Regional Secretariat), the Legal Section of the Karanganyar Regency Regional Secretariat facilitated the draft regional regulation on the second amendment to Karanganyar Regency Regulation Number 16 of 2016 concerning the Formation and Composition of Regional Apparatus of Karanganyar Regency to the Legal Bureau of the Central Java Provincial Secretariat. The draft regulation was harmonized, finalized, and consolidated with the Ministry of Law and Human Rights, Central Java Regional Office, in accordance with letter number 180/3.078.1.3 dated July 30, 2021, regarding the Request for Harmonization of Draft Regional Regulations (Enju, 2017).

The Ministry of Law and Human Rights, Central Java Regional Office, submitted the results of the harmonization, finalization, and consolidated draft regional regulations for Karanganyar Regency, based on letter number W.13-PP.04.02-191 dated September 6, 2021, with the following results:

First, it is recommended that the Garuda symbol be included in accordance with Appendix III, letter B of the Minister of Home Affairs Regulation Number 80 of 2015 concerning the Formation of Regional Legal Products, as amended by Regulation of the Minister of Home Affairs Number 120 of 2018 concerning Amendments to Regulation of the Minister of Home Affairs Number 80 of 2015 concerning the Formation of Regional Legal Products.

Second, consideration should be adjusted to the provisions of point 19 of Appendix II of Law Number 12 of 2011 concerning the Formation of Legislation, which states: The main ideas in the considerations of a Law, Provincial Regulation, or Regency/City Regulation contain philosophical, sociological, and legal elements that are considered and the reasons for its formation, which are written sequentially from philosophical, sociological, and legal (Ridwan, 2010).

Third, Legal Basis for Provisions Considering that it is necessary to adjust to points 39 and 40 of Attachment II of Law 12 of 2011 which confirms that the legal basis for the formation of Regional Regulations is Article 18 paragraph (6) of the 1945 Constitution of the Republic of Indonesia, the Law on the Formation of Regions, and the Law on Regional Government, it is recommended that the following adjustments be made: (a) Article 18 paragraph (6) of the 1945 Constitution of the Republic of Indonesia; (b) Law Number 13 of 1950 concerning the Establishment of Regency Areas within the Province of Central Java; and (c) Law Number 23 of 2014 concerning Regional Government (State Gazette of the Republic of Indonesia Number 244 of 2014, Supplement to the State Gazette of the Republic of Indonesia Number 5587), as amended several times, most recently by Law Number 11 of 2020 concerning Job Creation (State Gazette of the Republic of Indonesia Number 245 of 2020, Supplement to the State Gazette of the Republic of Indonesia Number 6573);

Fourth, the substance is in accordance with higher laws and regulations, namely Law Number 23 of 2014 concerning Regional Government, Law Number 17 of 2003 concerning State Finance, and Government Regulation Number 12 of 2019 concerning Regional Financial Management.

CONCLUSION

Description of Article 7 and Article 38 of Government Regulation (PP) Number 6 of 2021 concerning the Implementation of Business Licensing in the Regions and Regulation of the Minister of Home Affairs Number 25 of 2021 concerning the Investment Service and One-Stop Integrated Services. The One-Stop Integrated Services Agency of provinces and districts/cities acts as the implementing agency for business licensing in the regions. One-Stop Integrated Services Agency are not grouped or grouped with other government affairs under the authority of the provinces and districts/cities. Regional governments are required to establish One-Stop Integrated Services Agency to ensure the integration and optimization of licensing services. Standardize the nomenclature, structure, and work procedures of One-Stop Integrated Services Agency.

This legal consequence aligns with the principle of the hierarchy of statutory regulations, namely that higher-level statutory regulations serve as the legal basis for lower-level statutory regulations. In addition to this principle, it also aligns with the principle that subordinate regulations must derive from higher-level regulations. In this context, lower-level regulations are Regional Regulations, and higher-level regulations are Ministerial Regulations. These principles align with the theory of statutory regulations. This theory, developed by Hans Kelsen and known as the Stufenbau Theory or Stufenbau des Recht, explains that the types and hierarchies of laws and regulations are interrelated and mutually constitute a single, supreme norm, the basic norm (grundnorm).

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