

THE ASSISTANCE IN MAKING A BUSINESS IDENTIFICATION NUMBER (BIN) RELATED TO BUSINESS LEGALITY AWARENESS FOR UMKM ACTORS IN CISAYONG VILLAGE

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Abstract - *One of the most essential aspects in the development of Micro, Small, and Medium Enterprises (MSMEs), or in Indonesia it known as Usaha Mikro, Kecil, dan Menengah (UMKM) is business legality. The Business Identification Number (BIN), or in Indonesia it known as Nomor Induk Berusaha (NIB)) is a business identity number used by business actors to obtain business and commercial or operational licenses. One of the community service activities carried out by group 199 of KKN UIN Sunan Kalijaga Yogyakarta in Cisayong Village, namely the assistance in making NIB, was motivated by the lack of enthusiasm and misperceptions of the community about NIB. The purpose of this community service program is to assist UMKM actors in Cisayong Village regarding account creation and procedures for managing business legality through Online Single Submission (OSS). There are three stages used; observation or survey, counseling related to NIB, and implementation of assistance and making NIB. The number of UMKMs that have been recorded by group 199 of KKN UIN Sunan Kalijaga Yogyakarta was 400. Most of the UMKM have NIB, and there are 9 UMKM that do not yet have NIBs. The 9 UMKM were willing to participate in the mentoring and successfully made NIB.*

Keywords: *UMKM, NIB, Assistance, Online Single Submission (OSS)*

1. INTRODUCTION

Usaha Mikro Kecil, dan Menengah (UMKM) is one of the essential aspects of the economic growth and development of a region or country. With developing UMKM, it can increase economic growth and cut the value of poverty in a country. UMKM can generate the economy through their business and become the backbone of the economy for a country.

In Law No. 20/2008 about UMKM, it is explained that UMKM has an essential role in economic development, not only in developing countries such as Indonesia, but also in developed countries. In Indonesia itself, UMKM have a role in the growth of economic development and also play an important role in eradicating poverty in the country. The reason is that UMKM can be a source of economic growth, a forum for employment opportunities, and income for the community.

One of the most essential and fundamental aspects of micro-business development is business legality. This business legality is in the form of licensing for UMKM actors obtained from the ministry and related parties, so that micro-business actors will find it easier to develop and expand their businesses and later be able to compete with other business actors.

Usaha Mikro Kecil, dan Menengah (UMKM) need protection in the world of free markets. The expected protection for micro business actors includes strengthening human resources, capital, a healthy business climate, promotion, and utilization of surrounding natural resources. With this, it is expected that UMKM will be able to survive and compete on a regional and international scale. Permits are constitutive that give birth to rights and obligations for a person. At the same time, licensing is a policy instrument carried out by the government to regulate activities that provide opportunities to cause disturbances to the public interest (Darmawan, 2020). The existence of official regulations issued by the government is needed by UMKM so that the business can be carried out well because the business has clear legality (Rahmanisa, 2021).

The government has regulated the Electronic Integrated Business License Service or Online Single Submission (OSS). This is regulated in Government Regulation Number 24 of 2018 Article 25 section (1), which states that *Nomor Izin Berusaha (NIB)* is a business identity number used by business actors to obtain business and operational commercial licenses.

Cisayong Village is one of the villages in the Cisayong Sub-district, Tasikmalaya Regency, West Java Province. The village has 13 RW and 39 RT that are spread across four hamlets. The hamlets are Cisayong Kaler, Cisayong Kidul, Cantigi and Babakan. Cisayong Village has sufficient availability and access to basic services, adequate infrastructure, accessibility or transportation that is not difficult, good public services, and excellent governance. Therefore, Cisayong Village is classified as an independent village.

Cisayong Village has 400 micro and small businesses spread across four different hamlets. Based on a survey conducted by Group 199 of KKN UIN Sunan Kalijaga, UMKM in Cisayong Village has problems regarding ownership of *Nomor*

Izin Berusaha (NIB). The low level of business legality ownership is due to the lack of knowledge of UMKM actors about the importance and benefits of business legality ownership. Actually, there have been efforts from the village government related to this NIB issuance service. However, there are still many people who have the wrong perception about the service. The community thinks that making NIB is very difficult and will take a long time, so many people who have businesses prefer not to make NIB.

The objectives of this community service program in general are to assist UMKM actors in Cisayong Village regarding account creation and procedures for obtaining legality through Online Single Submission (OSS). In addition, it is hoped that this program will assist UMKM actors in making NIB as business legality quickly and free of charge.

The benefits of this community service activity are that UMKM actors can have business legality, so that they can expand the marketing of their products, develop their businesses, and able to compete with other UMKMs.

2. METHOD

The community service program activities by Group 199 of KKN UIN Sunan Kalijaga Yogyakarta were carried out on August 5-8, 2023. The location of the activity was at the RW 001 meeting hall in Cisayong Kaler Hamlet, Cisayong Village. First of all, Group 199 of KKN UIN Sunan Kalijaga cooperates with Cisayong village officials to obtain data on UMKM in Cisayong Village. The steps carried out by the Group 199 of KKN UIN Sunan Kalijaga in carrying out this service activity, are as follows:

a. Observation

The first step of our community service activities was carried out by observation. In addition to making observation, we conducted interviews with RW, RT, and UMKM actors in Cisayong Village. The data collection carried out by Group 199 of KKN UIN Sunan Kalijaga was door-to-door or by visiting the location of each RW, RT, and UMKM actors in Cisayong Village. From our observation, we obtained data that there are still UMKM in Cisayong Village that do not have NIB.

b. Counseling about the importance of NIB

Team 199 of KKN UIN Sunan Kalijaga explained to UMKM actors about *Nomor Induk Berusaha (NIB)* itself and offered assistance for the registration process using the Online Single Submission (OSS) website for UMKM actors who do not yet have NIB.

c. The implementation of activities

The series of community service activities carried out by KKN UIN Sunan Kalijaga Unit 199 is to spur the enthusiasm of UMKM actors to register their businesses and obtain NIB. Thus, from a series of community service activities, we provided assistance and technical guidance on registration, which was assisted directly by the experts and group 199 of KKN UIN Sunan

Kalijaga. The KKN team gathered UMKM actors who did not yet have NIB in one place to register their businesses, which was at the RW 001 meeting hall in Cisayong Kaler Hamlet, Cisayong Village.

3. RESULTS AND DISCUSSION

One of the objectives of issuing *Nomor Izin Berusaha (NIB)* is to provide convenience to business owners in obtaining assistance in terms of capital in the form of supporting equipment, capital money, or business development funds. This activity also supports the data collection of UMKM to facilitate village governments in distributing government program assistance. Nowadays, the issuance of NIB can use an integrated electronic system called OSS (Putri et al., 2019).

Government Regulation Number 24 of 2018 Article 25 Section (1) about Electronic Integrated Business Licensing Services or Online Single Submission (OSS) states that *Nomor Izin Berusaha (NIB)* is an identity given to business actors in carrying out business based on their business fields. Online Single Submission (OSS) is a business licensing system built, developed, and operated by the Central Government, which is integrated and becomes the essential reference in business activities. The advantage of the OSS system is that it provides an integrated data storage system in *Nomor Izin Berusaha (NIB)*, so having an NIB is important for business owners. Registration for NIB business licensing using OSS is free of charge (Desvia and Tan, 2021).

The enthusiasm of the Cisayong Village community was relatively low for the assistance in making NIB. The lack of community enthusiasm in managing NIB is due to concerns about the costs that must be incurred and the difficulty of fulfilling business activity standards if the business is classified as medium, high, or low risk. The lack of enthusiasm is also due to a lack of knowledge about the benefits and advantages of having an NIB, as well as the perception of the community or UMKM actors regarding the complexity of managing the files required for NIB.

The assistance activity for making NIB begins with conducting observations or surveys door-to-door or by visiting the location of each RW, RT, and UMKM actor in Cisayong Village. The team KKN UIN Sunan Klajaga Yogyakarta Unit 199 visited the RW location first, then continued by visiting the RT location for further coordination and data collection regarding the number of UMKM in the RT.



Figure 1. Observation and survey to RW, RT and UMKM actors' houses

After conducting observations or surveys of each RW, RT, and UMKM actor, we obtained data. The data obtained from observation or survey activities is presented in the form of table. Here is a list of the total number of UMKM in Cisayong Village:

Table 1. UMKM in Cisayong Village

Hamlet	Number of UMKM
Cisayong Kaler	123
Cisayong Kidul	114
Cantigi	86
Babakan	77
Total	400

Source: Primary data obtained

Based on information obtained from the observation of group 199 of KKN UIN Sunan Kljaga Yogyakarta in Cisayong Village, there are 9 UMKM that do not have business licenses. Therefore, we visited the 9 UMKM and provided paper forms to fill out which contained the requirements for making NIB. The following is a table listing UMKM that does not yet have NIB:

Table 2. UMKM that does not yet have NIB

RT/RW	UMKM Actors	Types of UMKM
002/003	IDOH JUWARIAH	Sale Pisang
002/010	Hj. Apong Sriwartika	Makanan ringan, Gorengan, Kripik Citruk, Minyak Galendo
003/003	MARLIAH	Gorengan, Lemper, Bala-bala dan Arem
002/006	DEDE DEWI	Nasi Box dan Kue, Gorengan
001/009	CICIH SRININGSIH	Rengginang dan Kolontong
001/003	NIA KURNIA	Kerupuk, Keripik, Peyek, dan sejenisnya
002/004	ROPIYANTI	Kue Widaran dan Katapang

003/010	HAERANI	Kue Ali Agrem, Keremes, Gemblong
003/010	YUYUN	Nasi TO, Karedok, Geco, Kupat Tahu,

Source: Primary data obtained

Making NIB conducted by KKN UIN Sunan Klijaga Unit 199 to UMKM actors using references from the guidelines on the Online Single Submission (OSS) website. With this assistance, UMKM actors can easily register their businesses to obtain NIB. The assistance also informs UMKM actors that making NIB is very easy to do. It only takes 30 minutes until the NIB certificate is published.

Some of the requirements that must be fulfilled by business actors or UMKM include:

- a. Identity Number
- b. Taxpayer Identification Number (*Nomor Pokok Wajib Pajak – NPWP*)
- c. An active email address (optional)
- d. An active cell phone number that is connected to WhatsApp

The steps in making NIB after fulfilling the above requirements include:

1. Visit the website <http://oss.go.id/>
2. Select the REGISTER menu
3. Selecting the UKM business scale
4. Choosing the type of business actor according to the status (individual or business entities)
5. Complete the registration form by filling in the ID number and phone number that is connected to WhatsApp
6. Enter the verification code sent via Whatsapp
7. Complete the form and create a new password
8. Complete business actor data in the form of Identity Number, gender, date of birth, and full address according to those on the Identity Card
9. Registration is successful
10. The account is ready to use

After creating an account on the OSS website, it can be continued with making NIB online through the website, too. The steps that must be taken include:

1. Visit the website <http://oss.go.id/>
2. Choose ENTER
3. Enter your username, password, and captcha code, then click sign in
4. Click on the business license menu
5. Select new request
6. Fill in the Business Actor Data completely
7. Fill in the Business Field Data completely
8. Fill in the detailed business field data
9. Fill in Business Field Product or Service Data
10. Check the Product or Service List
11. Check Business Data

12. Check List of Business Activities
13. Check and Complete the Environmental Approval Document (KBLI or specific field)
14. Read and comprehend the provisions, then select the independent requirements
15. Check the Business License Draft
16. NIB license has been issued



Figure 2. Assistance in making NIB in Cisayong Village

In Government Regulation Number 24 of 2018 concerning Electronically Integrated Business Licensing Services, the ownership of a Business Identification Number (NIB) for UMKM actors is essential because it serves as an authorization of a business by the government, a distribution permit, and a measure of the credibility of a product. By having a NIB, the product will be easier to market and gain consumer confidence. In addition, NIB can be used as an identification mark for UMKM, both individuals and business entities. Business owners who already have NIB can apply for business and commercial or operational licenses.

After the series of procedures to obtain NIB are carried out, the final step is the handover of NIB documents to UMKM actors. In Cisayong village, there are 9 UMKM that have received assistance in making NIB from the KKN UIN Sunan Kalijaga Yogyakarta Unit 199. NIB documents that have been issued are obtained through the OSS website by logging into the account that has been created. The submission of NIB documents is carried out to help UMKM to have physical evidence or hard file related to the legality of their business.



Figure 3. Handover of NIB Documents to UMKM actors in Cisayong Village

The results of this assistance activity in making a Business Identification Number (NIB) were able to improve the ability and understanding of Cisayong Village residents of the importance of the Business Identification Number (NIB) in increasing economic resilience as well as in faster and safer business development. The fluency of sales and marketing of a product will both have an impact on the income of UMKM actors and also have an effect on business development.

This Business Identification Number (NIB) is valid as long as the business actor or UMKM is still carrying out its business activities under the provisions of laws and regulations. The Business Identification Number (NIB) will be revoked. It can be declared invalid if the business actor carries out his business activities not under the provisions in the NIB. NIB can also be declared canceled or invalid based on a court decision that has permanent legal force.

4. CONCLUSION

Business Identification Number (NIB) Making Assistance was carried out by Group 199 KKN UIN Sunan Kalijaga Yogyakarta to business actors or MSMEs in Cisayong Village. There are 400 UMKMs that have been recorded by the KKN team. Most of the 400 UMKMs already have a Business Identification Number (NIB) and only 9 UMKMs are left without an NIB. The 9 UMKMs are willing to be registered in making NIB, and the NIB documents are directly submitted by the KKN Team to business actors. The assistance provided in making NIB went through two stages. First, door-to-door or directly visiting RT, RW, and UMKMs players' homes to collect data and explain a little about the importance of having NIB, and second, gather UMKMs players in one place to register their businesses to get NIB.

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The evaluation for the next activity program is that data collection on the number of UMKM in the village is still carried out by door-to-door system. In addition, there is still low community interest in making NIB. Therefore, to expand and increase public interest in making NIB, it is necessary to have broader socialization so that more UMKM owners get information about NIB, the importance of NIB, and the benefits of having NIB for UMKM actors.

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