



## LEGAL ANALYSIS OF BUSINESS LICENSING ADMINISTRATION: A CASE STUDY OF SEALING GACOAN NOODLE OUTLETS IN BOGOR CITY

Received: November 10, 2025 Accepted: November 25, 2025 Online Published: December 06, 2025

Ni Made Yuyeni Gita Sari<sup>1</sup>, I Made Arjaya<sup>2</sup>

<sup>1</sup>*Faculty of Law, Universitas Warmadewa, [yuyenigita@gmail.com](mailto:yuyenigita@gmail.com)*

<sup>2</sup>*Faculty of Law, Universitas Warmadewa, [imd.arjaya@warmadewa.ac.id](mailto:imd.arjaya@warmadewa.ac.id)*

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**Abstract:** This study examines the case of sealing Mie Gacoan, prompted by an incomplete licensing process that attracted public attention. The primary issues included the restaurant's operational permit conflicting with applicable regulations, the law enforcement actions by Satpol PP, and the warning letters issued but not acted upon by the business. The research aims to understand the process and reasons behind the sealing, especially regarding business licensing and its effects on business owners. Using a descriptive qualitative approach, the study analyzed documents such as warning letters, sealing decisions, media reports, and relevant licensing regulations. The findings indicate that the sealing occurred after Mie Gacoan received a warning about incomplete permits. This measure was in line with local government regulations to ensure order, compliance with licensing rules, and proper spatial planning, as per Government Regulation Number 21 of 2021, which mandates the use of spatial plans, such as the Suitability of Space Utilization Activities (KKPR), as a basis for permit issuance.

**Keywords:** Business License Compliance; Gacoan Noodles; Law Enforcement; Licensing Regulations; Sealing Decrees

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## I. INTRODUCTION

The Gacoan Noodle business is currently a popular trend among Indonesians. However, as it has developed, this Gacoan Noodle has faced difficulties obtaining proper industrial licenses in several regions of Indonesia.<sup>1</sup> It has also raised questions about the legality of business licenses at one of its branches in Bogor, West Java. The closure was caused by allegations that Mie Gacoan had not secured a valid permit in accordance with local licensing regulations. Initially, Mie Gacoan restaurants only possessed a NIB (Business Identifier), an import identification number (API), customs access, and often used these as requirements to obtain a SIUP (Trade Business License), but Mie Gacoan seemed to ignore this.<sup>2</sup>

The implementation of Business Licensing in accordance with Bogor City Regional Regulation Number 1 of 2023 (Case Study: Mie Gacoan Restaurant) has been completed in accordance with the law. Still, the entrepreneur has not yet retrieved the file. This file, a Building Approval Permit (PBG), authorizes building owners to construct, expand, modify, or maintain buildings in accordance with technical standards (see Article 1, number 17, of Government Regulation Number 16 of 2021, which implements Law Number 28 of 2002 on Buildings).<sup>3</sup> Law No. 11 of 2020 on Job Creation (Ciptaker Law) replaced Building Permits (IMB) with Building Approvals (PBG), which are said to be simpler. Additionally, the Suitability of Space Utilization Activities (KKPR), a substitute for the location permit, along with site plan documents or building location plans (sometimes unavailable at some branches), are required, as are warning letters for permit violations that management has not addressed. The Business Identification Number (NIB), which serves as an official business identity, is also part of the licensing requirements for legal operations. However, many MSME actors lack understanding of the importance of business legality, including creating a Business Identification Number (NIB), which provides official recognition for obtaining licenses and accessing various

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<sup>1</sup> Alfiah Farhah Fauziah, et al., 2023. *Analisis Mengenai Proses Perolehan Izin Pendirian Perusahaan Industri Serta Dampak yang Ditimbulkan di Kawasan Lingkungan Industri (Studi Kasus Usaha Mie Gacoan Cilendek Bogor)*. Jurnal Hukum Malahayati 4, no. 1, p. 23 – 36.

<sup>2</sup> Muhammad Arkaansyah & Ferry Edwar, 2023. *Penyelenggaraan Perizinan Berusaha Menurut Peraturan Daerah Kota Bogor Nomor 1 Tahun 2023 (Studi Kasus Restoran Mie Gacoan)*. Reformasi Hukum Trisakti 5, no. 4, p. 1185 – 1195, <https://doi.org/10.25105/refor.v5i4.18484>.

<sup>3</sup> Ela Andini & Evi Zubaidah, 2025. *Implementasi Persetujuan Bangunan Gedung (PBG) pada Dinas Pekerjaan Umum dan Penataan Ruang Kota Pekanbaru*. Journal of Public Administration Review 2, no. 1, p. 123 – 143.

government services.<sup>4</sup>

In Indonesia's licensing law, every business actor must obtain an official license as a fundamental requirement to establish and operate their business. This license is not merely an administrative formality; it also serves as a means of government oversight to ensure that business development aligns with legal provisions, benefits the community, and promotes sustainable economic growth. Particularly for industrial businesses like Gacoan Noodles, which are moving into the rapidly growing culinary and service sectors, obtaining proper licensing is crucial for maintaining food safety, environmental standards, and public comfort.<sup>5</sup>

The issues faced by the Gacoan Noodle culinary business across various regions in Indonesia reveal a consistent pattern of problems related to mismatches and incompleteness in managing business licenses in accordance with applicable legal regulations. These issues have multiple adverse effects, impacting both entrepreneurs and the surrounding community.<sup>6</sup> These include disrupted business operations, increased legal uncertainty, the risk of losing customer trust, and possible administrative sanctions such as sealing, all of which lead to economic losses. Moreover, unresolved licensing concerns have sparked a broader discussion on how licensing regulations are applied and understood by business owners in Indonesia, as well as how local governments perform their supervisory and guidance roles.<sup>7</sup> Consequently, Commission I of the Bogor City DPRD urges the Bogor City Government to enforce stricter SOPs for business licensing, enhance oversight of entrepreneurs, and take firm action against violators of permit regulations, such as the sealing of Gacoan Noodles, a recent case of licensing

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<sup>4</sup> Yanuar Ramadhana, 2023. Mie Gacoan Bogor Terancam Disegel Akibat Sepelekan Perizinan. *Smartlegal.id*, Retrieved November 20, 2025, <https://smartlegal.id/badan-usaha/2023/07/04/mie-gacoan-bogor-terancam-disegel-akibat-sepelekan-per-izinan/>.

<sup>5</sup> I Made Arjaya, 2018. *The Role of Administrator and Procedure of Payment Suspension in the Commercial Court: A Case Study*. Proceedings of the International Conference on Business Law and Local Wisdom in Tourism (ICBLT 2018), Atlantis Press, <https://doi.org/10.2991/icblt-18.2018.16>.

<sup>6</sup> Abdul Kadir Jaelani, et al., 2023. *Green Tourism Regulation on Sustainable Development: Droning from Indonesia and China*. Journal of Indonesian Legal Studies 8, no. 2, <https://doi.org/10.15294/jils.v8i2.72210>.

<sup>7</sup> Maskun, et al., 2025. *Legal Reform of Wastewater Management Under the Job Creation Law in Kendari City: Between Regulatory Conflict and Environmental Ethics*. LAW REFORM 21, no. 2, p. 295 – 320, <https://doi.org/10.14710/lr.v21i2.68417>.

violations in Indonesia.<sup>8</sup>

By understanding the case dynamics, it is essential to analyze the legal and business feasibility of Mie Gacoan's operations.<sup>9</sup> In addition, business feasibility is not only measured by profit potential; it must also consider legal aspects, including compliance with licensing requirements. Businesses without a valid license cannot be regarded as viable to operate, as they would face ongoing legal risks and could disrupt the business's stability.<sup>10</sup> Therefore, an in-depth evaluation of the Mie Gacoan licensing process is essential to provide recommendations for improvement, enabling the business to operate legally and contribute positively to the local economy.<sup>11</sup> This paper will discuss arguments for granting permits for industrial business development, the licensing conditions of Mie Gacoan across various regions, the impact of licensing problems on business establishment, and the level of business feasibility from legal and business perspectives.<sup>12</sup>

## II. RESEARCH METHODS

This research uses a qualitative approach with a doctrinal research method (legal study) to analyze problems in the issuance of business licenses and related literature, as well as legal documents related to cases that occur. Data were collected from various secondary sources, including laws and regulations on business licensing in Indonesia, court decisions, official licensing documents, news articles,

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<sup>8</sup> Amina Khalfi & Adil Bami, 2025. *Environmental, Social, and Governance (ESG) in Corporate Governance: A Framework for Resilience*. GeoJournal 90, no. 5, p. 259, <https://doi.org/10.1007/s10708-025-11474-7>.

<sup>9</sup> Adolfo Carbal Herrera, et al., 2025. *Gobierno corporativo en instituciones prestadoras de servicios de salud en Colombia: un análisis basado en la circular externa 0003 de 2018*. Revista Venezolana de Gerencia 30, no. 112, p. 1930 – 1944, <https://doi.org/10.52080/rvgluz.30.112.16>.

<sup>10</sup> Huthayfah Madkhali, et al., 2024. *Socio-Cultural Drivers of Saudi Tourists' Outbound Destination Decisions*. Journal of Vacation Marketing 30, no. 3, p. 582 – 598, <https://doi.org/10.1177/13567667231152937>.

<sup>11</sup> Putu Ratih Aprillia, et al., 2023. *Application of First to File System Principles in Resolution of Trademark Disputes in Indonesia (Case Study Ms Glow Against Ps Glow)*. Proceedings of the International Conference on “Changing of Law: Business Law, Local Wisdom and Tourism Industry”, ed. Mirsa Umiyati et al., vol. 804, Advances in Social Science, Education and Humanities Research (Atlantis Press SARL, 2023), [https://doi.org/10.2991/978-2-38476-180-7\\_135](https://doi.org/10.2991/978-2-38476-180-7_135).

<sup>12</sup> I Ketut Suastika, et al., 2023. *The Effectiveness of the Supervision Function of the Legislatives Council of Bangli Regency on Investment Growth Towards Good Governance in Bangli Regency*. Proceedings of the International Conference on “Changing of Law: Business Law, Local Wisdom and Tourism Industry”, ed. Mirsa Umiyati et al., vol. 804, Advances in Social Science, Education and Humanities Research (Atlantis Press SARL, 2023), [https://doi.org/10.2991/978-2-38476-180-7\\_69](https://doi.org/10.2991/978-2-38476-180-7_69).

and official reports discussing the Mie Gacoan sealing case.<sup>13</sup> This analysis is also carried out in a normative juridical manner by examining the applicable legal provisions and their application in the case concerned. The study also compared business licensing rules and their implementation practices to assess the suitability between legal theory and case facts. With this method, the research aims to identify legal problems in the issuance of Mie Gacoan's business licenses, the legal implications arising from them, and the business's legal feasibility based on available documents and information.

### **III. ANALYSIS AND DISCUSSION**

#### **a. The Importance of Granting Business Development Permits for The Gacoan Noodle Culinary Industry in Bogor, West Java**

Obtaining permits for successful culinary businesses that attract diverse customers to try popular spicy dishes like Gacoan Noodles is a crucial step toward legal, official operation in compliance with licensing regulations. In Indonesia's licensing system, this process involves several permits, including building permits (IMB), environmental permits, trade business permits (IUP), and nuisance permits (HO). Each permit addresses technical, administrative, and social impact considerations related to the business activities.<sup>14</sup>

The legal framework for issuing business licenses in Indonesia is more broadly outlined in Law No. 11 of 2020 concerning Job Creation. Article 6 of the law states that to enhance the investment environment and business activities, the government simplifies investment procedures, streamlines sector-specific business licenses, and implements risk-based licensing. Subsequently, each business will be registered and assigned a Business Identification Number (NIB) as an official business identification document.

In the licensing process, the purpose of culinary industry business development, such as Mie Gacoan, is to operate in accordance with safety, cleanliness, and comfort standards for consumers while maintaining environmental sustainability. In Bogor,

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<sup>13</sup> Gede Amatya Ananta, et al., 2021. *Law Enforcement and Protection of Notaries in The Criminal Domain and Law of Notary Position (Case Study of Decision Number 196/PID.B/2019/ PN Denpasar)*. Jurnal Notariil 6, no. 1, p. 38 - 45, <https://doi.org/10.22225/jn.6.1.3612.38-45>.

<sup>14</sup> I Made Arjaya & I Nyoman Putu Budiarta, 2021. *The Role of Investment Licensing in Bali Ecotourism (CSR Channeling)*. Journal of Legal, Ethical and Regulatory Issues 24, no. 3S, p. 1- 12.

business operators must apply for permits from the local government by submitting the required documents in accordance with applicable laws and regulations, such as Regional Regulations and related Ministerial Regulations. The evaluation conducted by authorized officials includes verifying the completeness of documents, assessing the suitability of the business location, and ensuring compliance with environmental standards. Therefore, it is essential to understand how these policies are implemented, how businesses adapt, and how consumers respond to the regulatory rules.<sup>15</sup>

Regarding Mie Gacoan, several challenges emerge during the permitting process. One major issue is the inconsistency between submitted documents and the requirements of the Bogor regional government. Specifically, inspections reveal that the business has obtained licenses like the Business Identification Number (NIB) and the Statement of Ability to Management and Monitoring of the Living Environment (SPPL), yet permits such as Building Planning Approval (PBG) and Space Utilization Suitability (KKPK) have not been legally secured. Despite receiving a warning letter, the entrepreneurs continue development activities, indicating a need for stricter enforcement and firmness against license violators. Employers must also improve their understanding of the administrative and procedural requirements in line with regulations. Furthermore, transparency and easier access to licensing information are crucial to accelerate procedures and minimize administrative errors.<sup>16</sup>

The granting of valid and appropriate permits is essential for a business's viability. Without proper permits, Mie Gacoan risks legal penalties, such as sealing, and may lose public and consumer trust, jeopardizing its continued operations. Hence, the licensing process should be regarded as a strategic move that promotes sustainable and responsible operations development.<sup>17</sup>

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<sup>15</sup> Lintang Laila Gina Afifah, et al., 2025. *Dinamika Izin Operasional Mie Gacoan di Bulan Ramadhan: Implementasi Perda No. 13 Tahun 2003 dan Dampaknya Bagi Konsumen Serta Pelaku Usaha di Banjarmasin*. JAKSA: Jurnal Kajian Ilmu Hukum dan Politik 3, no. 1, p. 30 – 37, <https://doi.org/10.51903/3f163b62>.

<sup>16</sup> Ni Nyoman Juliantini, et al., 2021. *Prosedur dan Akibat Hukum Penundaan Kewajiban Pembayaran Utang Perseroan Terbatas (Studi Kasus Putusan Nomor 03/PKPU/2010/PN.Niaga.Sby)*. Jurnal Analogi Hukum 3, no. 1, p. 101 – 105, <https://doi.org/10.22225/ah.3.1.2021.101-105>.

<sup>17</sup> Gede Amatya Ananta, et al., *Ibid*.

Local governments play a vital role in issuing business licenses by overseeing relevant regulations and ensuring a professional, objective licensing process. A permit is more than a formality; it confirms the business's compliance with legal and social requirements. Thus, fostering a strong partnership between business operators and government authorities is essential for smooth licensing, promoting a positive business environment, and supporting local economic growth. In developing the Gacoan Noodle culinary business in Bogor, it is necessary to strengthen the licensing system and to educate business actors on the importance of legal compliance. By understanding this, they can operate their business in accordance with existing regulations and minimize the risk of legal disputes that could hinder smooth operations.<sup>18</sup>

The case of Mie Gacoan's business license in Bogor began when the company opened a business on Jalan Raya Cilendek in West Bogor. During an inspection, the Satpol PP found that the outlet lacked a complete operational permit. The other two outlets were declared to have pocketed KRK, but regarding the PBG permit, there has been no follow-up from the entrepreneur. Therefore, the authorities issued a warning letter requiring immediate action to complete the outstanding licenses.

#### **b. Chronology of The Case Related To The Licensing of The Mie Gacoan Culinary Business, Which Occurred in Bogor, West Java**

The issue with Mie Gacoan's business license in Bogor began when the company opened an outlet on Jalan Raya Cilendek in West Bogor. During an inspection, Satpol PP found that the outlet lacked a complete operational permit. The other two outlets were reported to have pocketed KRK, but the entrepreneur has made no progress on the PBG permit. As a result, authorities issued a warning letter urging them to complete the necessary permits. On November 24, 2022, the Mie Gacoan culinary outlet on Jalan Raya Cilendek was officially sealed for failing to meet the legal requirements under the applicable Licensing Law. This sealing lasted 14 days, and if the entrepreneur fails to obtain the required business licenses within this period, Satpol PP will proceed with the demolition of the building. This inspection and sealing are part of the Bogor city government's firm enforcement of Regional Regulation No. 2 of 2019 concerning Building Permits. Compared with other

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<sup>18</sup> Appel Mahmud, et al., 2021. *Corporate Social Responsibility: Business Responses to Coronavirus (COVID-19) Pandemic*. Sage Open 11, no. 1, p. 1 - 17, <https://doi.org/10.1177/2158244020988710>.

branches of Mie Gacoan that already exist in several regions of Indonesia, the Mie Gacoan Bogor branch was not the only one without a legal permit. However, other branches such as those in Kediri City, Depok, Serpong, Bontang, and Banjarmasin.<sup>19</sup>

Having the same problem with the entrepreneur's failure to comply with licensing requirements. As happened to the Mie Gacoan branch in Depok City, where the Depok City Government sealed the development at the land leveling stage. And the report is received in September 2025. The sealing occurred because the required Building Permits (IMB) were not obtained; this step was taken after a warning from the authorities, but the management did not heed it. After the reprimand, Satpol PP continued to monitor and coordinate with the Depok Investment and One-Stop Integrated Services Office (DPMPTSP). This case analysis highlights several key points. Firstly, Mie Gacoan's business operators are suspected of bypassing established licensing procedures by starting operations before obtaining all necessary official documents and permits. This may result from a lack of awareness about licensing complexities or a desire to capitalize quickly on market opportunities. When licensing procedures are effectively executed and both parties are actively involved, the business environment becomes more orderly and favorable. The Mie Gacoan case in Bogor shows that operating a business without proper and valid permits can lead to serious legal conflicts and administrative issues. Consistent enforcement of licensing rules by local authorities is crucial for maintaining order in the business sector and safeguarding public interests. Consequently, business managers must always adhere to all licensing requirements to ensure their operations remain legal, safe, and sustainable.<sup>20</sup>

Secondly, the local government, through relevant authorities, has taken a firm stance on enforcing licensing regulations to uphold administrative order and safeguard the public. Incompleteness of permits, such as the absence of a PBG or site plan, can deal a severe blow to the business feasibility of Mie Gacoan. Under Indonesian licensing regulations, a business can only be recognized as legal and permitted to operate if it holds a valid license. Without these documents, the businessman risks sanctions, ranging from a temporary suspension to demolition of the building if it is not in harmony with the city's spatial planning. In this context,

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<sup>19</sup> *Ibid*

<sup>20</sup> Christina Ella Yonatan & Xavier Nugraha, 2021. *Analysis on the Legal Force of Copyright Registration Document as Evidence of Ownership of Indigenous Land*. Yuridika 36, no. 1, p. 15, <https://doi.org/10.20473/ydk.v36i1.18413>.



Satpol PP emphasized that if the City Plan Statement (KRR), which shows the suitability of the space use, is not met, the government has the right to demolish the building. In terms of business management, the incompleteness of these permits disrupts operations, such as sealing, resulting in financial losses and loss of consumer confidence. This case also reflects the need for more intensive education and coaching for business actors regarding the completeness of licensing documents so as not to experience adverse obstacles in the future. After reviewing the case of Mie Gacoan in Bogor, it is clear that stronger collaboration between business actors and local governments is needed in the licensing process. The government is required to provide easy access and convey precise, open, and transparent information to entrepreneurs. In contrast, entrepreneurs must understand and comply with legal obligations to ensure the continuity of their business.<sup>21</sup>

### **c. The Impact of A Permit Not Meeting The Applicable Requirements and of A Lack of Understanding of The Legal Permit Requirements in Indonesia**

Fulfilling business licensing requirements is essential for entrepreneurs in Indonesia to operate legally and remain protected by the law. Non-compliance can result in severe consequences, including legal troubles, administrative challenges, and socio-economic impacts. The most immediate effect is often operational disruption, including the temporary suspension or sealing of business premises by authorities. These measures aim to enforce laws against administrative violations and can leave a business without legal recognition.<sup>22</sup> Another administrative challenge is that business actors who fail to meet licensing requirements will struggle to obtain advanced permits, such as environmental, location, or operational licenses. Without a valid basic permit, the business is deemed invalid and cannot access financing from banks or financial institutions. This significantly hampers business growth, as securing capital becomes much more difficult. Besides administrative sanctions, more severe criminal penalties may be imposed if businesses operate without permits and cause environmental damage or harm community interests. The government can issue hefty fines, legal costs, or even prison sentences for business actors who grossly violate licensing regulations. For instance, operating without a permit, especially if it involves environmental

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<sup>21</sup> Annida Aqiila Putri & Bart Jansen, 2021. *Dynamics of Reasonableness and Fairness in a Pluralistic Legal System: Perspectives from Adat, Islamic and Civil Inheritance Law*. Yuridika 36, no. 1, p. 1, <https://doi.org/10.20473/ydk.v36i1.19170>.

<sup>22</sup> La Sensus Sensus, et al., 2021. *The Principle of Regulation of Mining Business License*. Yuridika 36, no. 1, p. 121, <https://doi.org/10.20473/ydk.v36i1.23124>.

pollution and is classified as a serious violation, can lead to criminal charges and penalties.<sup>23</sup>

Another significant impact is damage to the company's reputation. When a business is known to operate without an official license, consumer and business partner trust usually declines sharply. As a result, customer loyalty decreases, and obstacles arise in establishing cooperation, which, in turn, can threaten long-term business continuity. A negative image that sticks is difficult to recover from and can even close marketing opportunities and expansion plans.<sup>24</sup>

Lack of legal understanding of licensing processes and requirements is also a significant factor in the emergence of this problem. Many business actors underestimate the importance of complying with official licensing requirements and therefore ignore the applicable rules. This ignorance leads to legal risks that are financially and socially detrimental. Thus, more intensive education and socialization regarding licensing laws are needed so that business actors are better aware of and comply with the formal legal process.

Overall, meeting the requirements for a valid business license is mandatory to maintain smooth operations, ensure legal stability, and protect consumers and the environment.<sup>25</sup> If these conditions are ignored, the consequences are not only legal sanctions but also the potential to paralyze business growth. This is where the role of the government is vital: through coaching, information provision, and simplifying the licensing process, business actors do not need to be forced to take illegal routes that ultimately harm themselves and the community.<sup>26</sup>

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<sup>23</sup> Claire Bright, et al., 2020. *Toward a Corporate Duty for Lead Companies to Respect Human Rights in Their Global Value Chains?*. Business and Politics 22, no. 4, p. 667 – 697, <https://doi.org/10.1017/bap.2020.15>.

<sup>24</sup> I Putu Hendra Setyawan, et al., 2020. *Pembuktian dan Penjatuhan Putusan Pidana Terhadap Terdakwa Tindak Pidana Penganiayaan (Studi Kasus Putusan Nomor 26/Pid.B/2016/Pn.Tab.)*. Jurnal Analogi Hukum 2, no. 3, p. 310 – 314, <https://doi.org/10.22225/ah.2.3.2504.310-314>.

<sup>25</sup> I Made Arjaya, et al., 2020. *Pelaksanaan Rencana Kegiatan Tahunan yang Mengatur CSR pada BPR di Kabupaten Badung*. KERTHA WICAKSANA 14, no. 1, p. 39 – 46, <https://doi.org/10.22225/kw.14.1.2020.39-46>.

<sup>26</sup> Leomardo Ebedkena Tabuni, et al., 2020. *Perjanjian Jual Beli Tanah Hak Milik Debitur Pailit yang Dijaminkan di Bank*. Jurnal Interpretasi Hukum 1, no. 2, p. 133 – 137, <https://doi.org/10.22225/juinhum.1.2.2450.133-137>.

A business license is considered valid and obtainable when the business owner has fulfilled the necessary administrative requirements and provisions relevant to their specific type of business and activities. Today, obtaining a valid permit is facilitated through the OSS (Online Single Submission) system, which simplifies the application and issuance process by allowing electronic handling. OSS is an integrated electronic licensing system connecting all ministries, institutions (K/L), and local governments (pemda) across Indonesia. Its primary aim is to reduce both the time and bureaucratic hurdles involved in the licensing process. This policy addresses public complaints about the lengthy procedures and red tape often encountered when starting a business.<sup>27</sup>

In its application, several procedures must be passed by the entrepreneur, including:

1) OSS Account Registration

Business actors must create an official OSS account on <https://oss.go.id> site by registering a username and password.

2) Company Data Registration

a) After login, business actors fill in company data, including the business name, business field according to the Indonesian Business Field Standard Classification (KBLI), business address, and data of the person in charge of the business.

b) Business actors must also include the company's deed of incorporation number and other supporting documents if the company is a Limited Liability Company (PT).

3) Submission of Business Identification Number (NIB)

a) NIB is a single identity for business actors as a sign of registration and a business license.

b) A NIB is issued automatically through the OSS system after all company data is entered.

4) Submission of Risk-Based Business License (OSS RBA)

Business activities are classified by risk level: low, medium, or high.

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<sup>27</sup> Abhishek Mukherjee, et al., 2018. *Mandatory Corporate Social Responsibility: The Indian Experience*. Journal of Contemporary Accounting & Economics 14, no. 3, p. 254 – 265, <https://doi.org/10.1016/j.jcae.2018.06.002>.

- 5) Business license applications are processed through the OSS system using a risk-based approach.
  - a) The OSS system verifies the application and assigns an approved, incomplete, or rejected status.
  - b) If it is incomplete, the applicant is asked to complete the required requirements through the system data repair feature.
- 6) Automated Processes and Transparency
  - a) OSS automatically issues business licenses without manual document review.
  - b) Applicants can monitor the licensing process in real time to check the status of the permit.
- 7) Additional Permits and Other Obligations
  - a) In addition to business licenses, OSS also facilitates the management of location, environmental, building, operational, and commercial permits.
  - b) Business license holders must ensure that other permits are completed in accordance with the provisions for business operations.
- 8) Electronic Documents
  - 1). Permit issuance is conducted electronically in accordance with applicable laws and regulations.
  - 2). OSS can collaborate with various agencies for the management of the licensing.

The first launch of the OSS was carried out in 2018, based on Government Regulation Number 24 of 2018 concerning Electronically Integrated Business Licensing Services. However, there is a revision related to risk-based OSS, a version of the development and refinement of the first version of OSS due to the need for new additions, which was inaugurated by our president, Mr. Joko Widodo, on August 9, 2021. And it should also be noted that, before the government established the OSS system. There is one licensing document that used to be valid, namely "SIUP" or known as a Trade Business License. This letter is an official letter issued by the government as a condition for business legality. SIUP was officially implemented in Indonesia before the existence of an electronic licensing system. However, since the enactment of the Job Creation Law No. 11 of 2020 and its implementing regulations, especially Government Regulation No. 5 of 2021, the business licensing system in Indonesia has undergone fundamental changes. The old systems, including SIUP, Company Registration Marks (TDPs), and Industrial Business Permits (IUI), were replaced by risk-based licensing systems accessible online through the Online Single

Submission (OSS). Through OSS, business actors obtain a Business Identification Number (NIB), which functions as a substitute for SIUP and other licensing documents. Therefore, SIUP is no longer enforced in Indonesia and has been replaced by the current OSS system. In addition to meeting the applicable license requirements, a company, whether engaged in the culinary or industrial sectors, must also be eligible.<sup>28</sup>

In its application, several procedures must be passed to obtain an SLHS certificate, including:

1) Registration flow

For the registration flow, you can go through the OSS ([oss.go.id](https://oss.go.id)) portal, where you will be guided to choose the KBLI relevant to the business you are building, and you will receive more detailed information on the SLHS certificate requirements. The following are some KBLIs that are required to have SLHS, including:

- a) 56101 Restoran
- b) 56102 Restaurant
- c) 56103 Food Preparation
- d) 56210 Food Services for a Certain Event (Event Catering)
- e) 56290 Provision of Food Services for a Certain Period
- f) 10391 Soybean Tofu Industry
- g) 10392 Soybean Tempeh Industry
- h) 11052 Industrial Refillable Drinking Water (Drinking Water Depot)

2) Fill out the Application Form

Complete all the information requested in the registration form, either online or manually.

3) Upload / Submit Documents

Upload or submit the documents you prepared during the pre-registration stage.

4) Document Verification

The Health Office Officer will verify the completeness and validity of the documents submitted.

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<sup>28</sup> Pujiyono, et al., 2017. *Implementation of Javanese Traditional Value in Creating the Accountable Corporate Social Responsibility*. International Journal of Law and Management 59, no. 6 p. 964 – 976, <https://doi.org/10.1108/IJLMA-06-2016-0060>.

5) Location Survey

After the documents are complete, a team from the Health Office will schedule a visit to your business location to conduct an inspection. They will directly check the suitability of facilities, infrastructure, processes, and sanitary hygiene practices with applicable standards. There will be an assessment and recording of points that meet or have not met the standards.

6) Recommendations and improvements when needed

If a non-conformance is found, the inspection team will provide recommendations for improvement and a deadline for you to complete them.

7) Certificate Issuance

After all requirements are met and the inspection results are declared feasible, the Health Office will issue a Certificate of Hygiene Sanitation Suitability. These certificates usually have a specific validity period (e.g., 3 or 5 years) and must be renewed periodically.

After completing all the registration procedures, it should also be noted that the purpose of this certificate has the objectives, including:

1) Regarding the quality of buildings and facilities

The condition of the building will be considered feasible if it has good ventilation, adequate lighting, access to clean water, a sound waste-disposal system, and, no less critical, a hygienic and fragrant toilet. Problems with toilets often occur in restaurants that have not met the eligibility requirements for regular cleanliness. This is a public concern because restrooms and food stalls must always be clean, neat, and fragrant.

2) Equipment

Equipment feasibility is an important consideration. These tools will be used in the production or service process. So if the tools used do not meet the standards, the company cannot be considered feasible.

3) Worker

A person who will work in the company must also be in good physical health. This is regulated in Article 2 Per Men 02-1980 concerning Labor Health Checks. Workers who are required to conduct health checks before work are to ensure that the workers are in prime condition and not in poor condition, and that they do not suffer.

4) Raw Materials

In this case, if the raw materials used are safe and clean, then the company is considered feasible.

## 5) Pest

If there are pests in a company, such as insects, rodents, and so on. So the company needs to prevent this by calling a pest extermination service to avoid infectious diseases and other risks posed by a contagious disease that could be transmitted to other workers.

Mie Gacoan has experienced rapid growth in Indonesia's culinary scene, becoming a popular brand particularly among young people and students within the spicy food segment. Multiple studies and analyses confirm that Gacoan Noodles are viable for operation and expansion in the food industry. Financially, this business projects positive revenue, with an affordable initial investment and a quick return of about 2 – 3 years. Moreover, innovative marketing through social media and digital platforms has effectively broadened customer reach, ensuring business sustainability and growth despite intense competition. Operationally and in market position, Mie Gacoan stands out with its innovative products, competitive pricing, and services that attract the key young consumer segment.<sup>29</sup>

However, from the standpoint of business licensing compliance, Mie Gacoan faces significant challenges. Several branches, especially in Bogor, have not yet secured all necessary licenses as required by local regulations and national laws. These missing permits include building permits (IMB / PBG), environmental permits, and trade business permits (IUP). The absence of these licenses raises concerns about the legality of their operations, as businesses without official permits are not legally authorized to operate and may risk sanctions such as sealing or closure by government authorities.<sup>30</sup>

The impact of unfulfilled permits is closely linked to operational risks in business. The closure of outlets due to incomplete licensing has led to financial losses, operational disruptions, and uncertainty about business continuity. This situation can also damage the brand image and consumer trust in Mie Gacoan. Therefore, licensing is not just an administrative matter but a crucial factor in ensuring the overall viability of the business, encompassing legal, business, and social

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<sup>29</sup> Stefani Stojchevska, et al., 2024. *The Effectiveness of the Rome II Regulation in Identifying Orbital Pollution as an Environmental Damage*. Juridical Tribune 13, no. 4, p. 553 - 564. <https://doi.org/10.24818/TBJ/2023/13/4.03>.

<sup>30</sup> Fx Adji Samekto, et al., 2025. *Grundnorm, Pure Theory of Law, and Monism in the Dynamics of International Law*. Indonesian Journal of International Law 22, no. 4, p. 681 - 704, <https://doi.org/10.17304/ijil.vol22.4.1911>.

considerations. According to the analysis, Mie Gacoan's business is commercially viable and has strong market potential within the Indonesian culinary industry. However, legally, the company must improve and complete its licensing to ensure full compliance and security within the legal framework. A comprehensive business feasibility should cover financial, market, operational, and legal aspects.<sup>31</sup>

Improving licensing will support ongoing operations and mitigate legal risks that could threaten the company's future. In conclusion, Mie Gacoan has solid and promising business potential, but addressing licensing issues is essential to enable legal, safe, and sustainable operation. In conclusion, Mie Gacoan has strong and viable business potential, but it is necessary to improve its licensing to ensure legal and safe operations, thereby improving business feasibility and sustainability.

#### **IV. CONCLUSION**

The Mie Gacoan case in Bogor underscores that strong business potential must be supported by complete and valid permits to ensure lawful and sustainable operations. Despite its promising market prospects, the business faced severe legal and administrative consequences, such as store sealing and recommendations for temporary closure due to incomplete licensing documents, including building, environmental, and trade permits. This non-compliance created financial losses, operational risks, reduced consumer trust, and potential violations of local and national regulations. The case demonstrates the need for greater legal awareness among business owners and stronger collaboration with local authorities to clarify and make licensing procedures more transparent and accessible. In essence, Mie Gacoan is commercially feasible but must complete its licensing obligations to achieve full legal feasibility and ensure long-term business continuity.

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<sup>31</sup> Vidisha Shekhawat & Pranjal Khare, 2025. *Legal Protections for Gig Workers: A Comparative Socio-Legal Study of Indonesia and India*. The Indonesian Journal of Socio-Legal Studies 5, no. 1, p. 1 - 26, <https://doi.org/10.54828/ijsls.2025v5n1.2>.



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