



Legal Protection for Micro, Small, and Medium Enterprises in the Context of Licensing Legality

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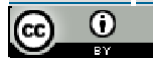
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ABSTRACT

MSMEs play an essential role in the national economy and the regional economy. Legal protection needs to be provided to MSMEs, but MSME actors do not realize or do not understand the importance of licensing as the main requirement for capital and business development. This study aims to determine the extent of legal protection of MSMEs in Kuningan Regency, which is engaged in the culinary industry, because many MSME actors do not understand the importance of business legality. This study uses qualitative methods and normative juridical approaches. It uses laws such as Government Regulation Number 5 of 2021 concerning the Implementation of Risk-Based Licensing, Kuningan Regency Regional Regulation Number 3 of 2024 concerning the Facilitation, Protection, and Empowerment of Cooperatives and Micro Enterprises, and Kuningan Regent Regulation Number 20 of 2008 concerning Micro, Small, and Medium Enterprises. The study's results show that although the local government has provided various facilities, such as assistance in registering Business Identification Numbers (NIB) and training for micro, small, and medium enterprises (MSMEs), there are still many problems. This study emphasizes that local governments must increase socialization and mentoring so that MSMEs in Kuningan Regency can develop into legal, independent, and competitive businesses.

INTRODUCTION

A small business is an independent and profitable economic venture run by an individual or organization. Micro, small, and medium enterprises (MSMEs) are three business categories. Micro enterprises are individual companies that meet the requirements set out in the Micro Business Law (Wilantara, 2016). Productive economic businesses run by individuals or independent entities are called medium-sized businesses. This business must not be a subsidiary or branch of another company; it must not be owned, controlled, or connected with a small business or large business directly or indirectly; it must meet the criteria of net worth or annual sales results set by laws and regulations.

MSMEs are an important part of the national economy that is vulnerable to economic crises because they usually meet the needs of the wider community, which impacts welfare. Data from the Ministry of Industry supports this, showing that micro, small, and medium enterprises (MSMEs) account for around 60% of the national economic growth. This shows that small and medium enterprises (MSMEs) play a crucial role in the Indonesian economy (Apriani, 2022).

MSMEs help economic growth and create jobs. They play an important role in Indonesia's economic sector, making it one of the top priorities in Indonesia's economic development. This sector is part of a strong economic system that focuses on the common good of society. The goal is to reduce conflicts between groups and individuals, help employees solve problems, and increase their productivity.

MSMEs can develop throughout Indonesia to determine economic stability and welfare for the Indonesian people, which will positively impact the country's economic growth. The community and the government must proactively support and encourage MSMEs. The government, local governments, the business world, and the community must work together to create a supportive environment for MSMEs, as stated in Article 1, Paragraph 8 of Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises.

The goal is to enable micro, small, and medium-sized businesses to thrive and become resilient and self-sustaining organizations. In this case, the government helps MSMEs by providing them with the tools they need to face changes and progress in their environment. According to Article 34, paragraph (1) of the 1945 Constitution of the Republic of Indonesia, "The State develops a social security system for all people and empowers the weak and incapable under the dignity and dignity of humanity." This article defines social welfare. In this case, the government helps by enacting Law Number 20 of 2008, which protects MSMEs. By using this law, local governments can help MSMEs by granting legal business licenses.

The legality of the business, realized through permits, is an important component in developing the MSME sector. Licensing is very important for MSMEs because it helps business actors. MSMEs need support in the form of ease of licensing so that they can get reinforcement in terms of human resources, capital, training, promotion, and a good business environment in the face of competition in the global market (Ahmad Redi, 2022).

The economy can grow with permits, primarily by increasing local and national incomes and encouraging investment. Kuningan Regency is one of the regions in West Java Province that can implement Micro, Small, and Medium Business Empowerment. According to Sibadu data, the culinary industry in Kuningan Regency has 30,284 businesses and 59,570 business actors, or around 50.8% of all MSMEs. However, today's main problem is the lack of knowledge of businesses, especially small businesses in the culinary industry, about the validity of business licensing.

The capital factor is still another obstacle. In order for them to improve the quality of their products and survive, MSMEs must be able to overcome the challenges in the era of economic liberalization. MSME actors must know how their businesses can obtain funding, but many do not know the legality. In connection with Article 23 of the Kuningan Regency Regional Regulation Number 3 of 2024, which states that the Kuningan Regency Regional Government will facilitate the implementation of Micro Enterprises in the Region through the guidance and assistance of Business Licensing as well as assistance in the use of the Financial Statement Application System, it is necessary to develop a more integrated legal umbrella strategy. It is important to understand the situation on the ground to maximize the implementation of legal policies and provide more sustainable solutions for business actors. Based on this description of the background and phenomenon, the author wants to research the legality of maintaining micro, small, and medium enterprises in Kuningan Regency.

LITERATURE REVIEW

MSMEs

Micro, small, and medium-sized enterprises (MSMEs) play a large role in different economies; hence, the relevance of research on the factors that may leverage MSMEs' competitiveness, such as innovation and management. This research aims to review highly cited articles in the Web of Science database regarding management and/or innovation in the context of MSMEs. Besides showing MSME classifications across regions, this review also showed that variables employed in the highly cited papers correspond with excellence/quality management factors and traditional innovation types, which still serve as theoretical frameworks for research on MSMEs' competitiveness. Moreover, theoretical relations were identified among all variables, with the strongest among networks-open innovation, information-knowledge, and product and process innovations. The results indicated that MSMEs' competitiveness is related to sustainability, information-knowledge, and networks-open innovation; hence, MSME managers and owners should consider these factors. Finally, future research directions were also gathered and discussed. (Dambisky et al., 2021). The goal of SMEs, which used to focus only on effective and efficient production processes, is to seek the maximum profit possible by minimizing costs. Savings must start with stakeholders in the SMEs themselves (Setiawan et al., 2025).

License MSMEs

Health is a crucial aspect of life as it contributes to a robust state of mind and body (*mens sana in corpore sano*). Every individual in good health can do all everyday duties and generate superior work. According to Article 1 number 1 of Law Number 36 of 2009 on Health (referred to as the Health Law), "Health is a condition of well-being, encompassing physical, mental, spiritual, and social aspects, which enables individuals to lead productive lives in social and economic terms." Health is a fundamental necessity that every individual must have. The government has to fulfill the health requirements of all individuals. According to article 14 paragraph (1) of the Health Law, the government has to plan, regulate, organize, promote, and oversee the implementation of fair and affordable healthcare initiatives by the community. The article suggests that each person possesses the entitlement to good health, and the government has to oversee the achievement of a healthy life for the entire population. To ensure this right, the government must offer health services that are just, impartial, and accessible to all segments of society. Medicine availability is a crucial pillar of health services.

The government has a broad and intricate range of responsibilities in the area of drug and food oversight. These duties encompass the well-being and livelihoods of numerous individuals and carry significant implications for consumer safety and health, which are of great public concern. Therefore, it is necessary to conduct supervision comprehensively and systematically, encompassing the quality of materials, production methods, distribution, storage, and the final product's readiness for consumption by the community. Partial supervision solely on the final product in circulation is insufficient. Consistent with international market regulations, it is necessary to conduct oversight from the point of product entry to its distribution in the market. Within all of these supply chains, there needs to be a system with a mechanism capable of identifying product quality. This allows for early intervention in quality deterioration, substandard products, contamination, and other potential threats to public health. (Regulation of the Head of the Food and Drug Supervisory Agency of the Republic of Indonesia Number 29 of 2013 concerning the Strategic Gis Plan of the Food and Drug Supervisory Agency for 2010- 2014, page 2)(Bariyah, 2024).

Legal Protection

Trademark rights are exclusive rights that the state grants the owner to use the trademark or permit others to use it.⁵ The granting of special rights by the state has the consequence that to obtain it, MSMEs must go through a registration mechanism, so that the nature of Legal Protection MSMEs. The legal basis is as regulated by article 68, paragraphs 1 and 2, which explains that if the application for registration of a geographical indication has been used in good faith by another party who does not have the right to register, then the party in good faith can still use the mark for two years from the time it is registered if in the case it is registered as a trademark by another party. The Minister cancels and crosses out the trademark registration of all or part of the same type of goods for two years from registration. The implication of not removing a registered

trademark is that it creates legal uncertainty and injustice regarding who has the right to wear and register the mark or name and take economic and moral benefits. Suppose a geographical indication is still registered as a brand. In that case, this violates the principle of justice for people entitled to obtain and use geographical indications to create social welfare. (Saefullah, 2024).

METHODOLOGY

The normative juridical research method is used to understand policy implementation in the context of licensing legality. The research begins with data collection through observation and interviews, which is then evaluated descriptively.

This research uses a normative juridical approach—legal problems are considered as normative legal research principles. By analyzing legal principles based on the theories of experts and relevant regulations, such as Government Regulation Number 5 of 2021 concerning the Implementation of Risk-Based Licensing, Kuningan Regency Regional Regulation Number 3 of 2024 concerning the Facilitation, Protection, and Empowerment of Cooperatives and Micro Enterprises, and Regulation

RESEARCH RESULT AND DISCUSSION

The Legality of MSME Business

Business legality is very helpful in creating a well-organized and sustainable economy. This is especially true for micro, small, and medium enterprises (MSMEs). Legality not only reflects the company's legal status but also serves as an important tool to protect MSMEs from future legal problems (Budiarto, 2018). When they obtain a valid business license, MSME actors have a strong legal foundation to run the company's daily operations and establish secure business relationships with customers and other trading partners. Business legality helps MSMEs gain security and access to various government services.

In general, only business actors with official licenses, such as Business Identification Numbers (NIB), can access various types of assistance, such as subsidies, training programs, tax allowances, and licensing facilities. Nevertheless, legality is also an important measure of business actors' credibility and commitment, especially regarding relationships with financial institutions. This is especially important when applying for funding such as People's Business Credit (KUR), which considers legality as part of creditworthiness.

Legalization also allows MSMEs to develop. Consumers are more likely to trust goods and services supplied by companies that meet legal requirements because they are considered to meet the quality and safety standards set. Given the current dynamics of international trade and the expansion of the digital economy, legality is essential for accessing major digital trading platforms and participating in many promotional events. Therefore, legality meets administrative requirements and is a strategic basis for building competitive, professional MSMEs.

MSMEs are advised to obtain a business license or a legality certificate as formal documentation from an approved organization. This legality allows individuals or organizations to engage in specific activities. The importance of this business license in entrepreneurship is becoming increasingly clear, especially for MSMEs. As a result, MSMEs must concentrate on becoming more competitive and market-oriented. Several fundamental requirements must be met to achieve this. The business licensing component seeks to simplify the process and type of licensing by using a one-stop integrated service system. In addition, this licensing aims to reduce licensing costs for micro and small businesses (Shohib Muslim, 2021).

Micro, small, and medium enterprises (MSMEs) play an important role in improving the local economy in Kuningan Regency. The number of MSMEs in Kuningan continues to increase yearly, showing the public's high interest in entrepreneurship. Kuningan MSMEs exist in several economic fields, such as trade, culinary, services, local handicrafts, and agricultural products processing. Small and medium businesses (MSMEs) create jobs and play an important role in realizing a fair economy (Lubis, 2024).

Business Identification Number (NIB)

However, there is still a low level of compliance from MSME actors in Kuningan Regency regarding the legal aspect of business. Those who do not have official licensing documents such as NIB (Business Identification Number), SIUP (Trade Business License), or IUMK (Micro and Small Business Permit) are still very few. This condition is caused by a lack of awareness of the importance of legality as a legal basis that protects business sustainability. In addition, many believe the licensing process is complicated, ineffective, and irrelevant for small and new businesses (Hidayat, 2025).

Legality compliance among MSMEs is declining due to technical and administrative constraints. Businesses have difficulty using electronic licensing systems such as OSS (Online Single Submission) due to a lack of digital literacy, access to information, and knowledge about regulations. The licensing process is also severely hampered by the lack of internet networks and other infrastructure, especially in remote areas. Therefore, many MSMEs do not have adequate legal protection and continue to run their businesses without valid legal documentation.

Social and cultural issues, as well as administrative issues, affect the attitude of MSME actors towards licensing. Many of them feel it is enough to run their business informally through community networks or conventional markets, without needing to take care of legality. In reality, the lack of legal documentation makes them vulnerable to many legal issues, makes it challenging to establish corporate partnerships, and prevents them from obtaining government assistance or funding. The Kuningan Regional Government must proactively strive to improve the understanding of MSME actors by providing training, technical assistance, and simplifying the licensing process to ensure that legality is no longer seen as a burden to run a business safely and sustainably. The

Kuningan Regency Government vigorously defends MSMEs by supporting legalization through regulations and policies.

Regional Regulation Number 3 of 2024 concerning the Facilitation, Protection, and Empowerment of Cooperatives and Micro Enterprises has been adopted by the Kuningan Regency Government to simplify the licensing and administrative process for micro and small businesses. This strategy will make more MSMEs leave the unorganized sector and join the legally recognized sectors. This will give them greater market access and more government assistance. As proof of the government's commitment, the One-Stop Integrated Investment and Services Office (DPMPTSP) has been given greater authority to provide more integrated licensing services. (Safaral, 2021)

Taking care of small and medium enterprises (MSMEs) licensing in Kuningan becomes easier, faster, and more transparent with the One-Stop Integrated Service System (PTSP). The Kuningan Regency Government also continues to develop a digital platform called OSS (Online Single Submission), which allows business actors to take care of licensing online without coming directly to the official office. In addition, the main goal of the Kuningan Regency Government is to facilitate access to licensing information. Therefore, the Kuningan Regency government regularly holds seminars on the benefits of business legality through various means, such as social media, counseling in all sub-districts and villages in Kuningan Regency, and in collaboration with educational institutions, student groups, and MSMEs.

MSME Training

This training discusses business laws and regulations, licensing, cooperation contracts, and business risk management. The purpose of this step is to provide information on licensing to MSME actors throughout the region, especially at the village level, so that they can understand the process, benefits, and the importance of legality in the context of legal protection. In addition, local governments offer legal consultation services to business actors directly at the office and through online platforms.

The Kuningan Regency Government protects MSMEs and promotes a competitive and healthy business environment. If business legality is promoted and various helpful resources are available, MSMEs will have a better chance of developing and competing healthily. Local governments provide a solid foundation through regulations, guidelines, and technical assistance to strengthen the MSME sector as the central pillar of a healthy regional economy. In addition, the Kuningan Regency government offers legal assistance and training to small and medium enterprises (MSMEs). The training includes Digital Marketing Optimization, Packaging Design, Leather Crafts, and Vocational Training in Flour Processing, by the Kuningan Regency SME and Industry Cooperative Office.

This counseling and training is significant for MSMEs to have a valid business license and manage their business by understanding the related rights and obligations. Micro and small businesses (MSMEs) that do not have permits such as Business Identification Numbers (NIB), Small Micro Business Permits

(IUMK), or Trade Business Permits (SIUP) can face many legal consequences and administrative sanctions (Purborini, 2024).

Administrative Sanctions

Administrative sanctions can be given to MSMEs that do not have permits. If they don't have official legitimacy, they could face reprimands, termination of operations, or even seizure by authorities. Business owners can also face consequences, such as fines or loss of legal protection rights, if they get into legal trouble with another party. In addition to the legal aspect, the lack of legality impacts public opinion about the company's trustworthiness. MSMEs that are not officially registered will have difficulty explaining their legal position when faced with trade disputes, fraudulent lawsuits, or breach of contract. When businesses lack legal documentation, they often lose a negotiating position in dispute resolution, making their business more difficult to operate.

MSMEs not officially registered will have difficulty explaining their legal position when faced with trade disputes, fraudulent lawsuits, or breach of contract. When businesses lack legal documentation, they often lose a negotiating position in dispute resolution, making their business more difficult to operate. In addition, due to the lack of legal elements of doing business, MSMEs cannot take advantage of various types of government and financial sector support. Small and medium enterprises (MSMEs) that do not have legal status cannot receive government incentives, training, or capital support programs. In addition, companies that do not have legal licenses are often rejected for financing proposals by established financial institutions. Therefore, legality is an important pillar that guarantees companies' survival and allows MSMEs to thrive and compete in a more open and organized market. Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises serves as the primary legal basis to recognize and protect the existence of MSMEs in Indonesia. This regulation emphasizes the importance of strengthening MSMEs by creating a good business environment, such as simplifying the licensing process. To enable MSMEs to develop and compete healthily in the national market, several provisions in this law encourage the central and regional government to provide ease of legality as a form of legal certainty. Government Regulation Number 5 of 2021 concerning implementing Risk-Based Licensing was made as a follow-up to these clauses.

Restructuring of the Single Submission (OSS) Online Licensing System

The new method is used in this regulation to restructure the licensing system, in which the company's operations are classified according to their level of risk. Through the Online Single Submission (OSS) portal, MSMEs considered low-risk can now register to obtain a Business Identification Number (NIB). This method is intended to speed up the licensing process, reduce administrative processes, and encourage more efficient growth in the MSME sector. Government Regulation Number 5 of 2021 concerning implementing Risk-Based Licensing was made as a follow-up to these clauses. The new method is used in this regulation to restructure the licensing system, in which the company's operations are classified according to their level of risk. Through the Online

Single Submission (OSS) portal, MSMEs that are considered low-risk can now register to obtain a Business Identification Number (NIB). This method is intended to speed up the licensing process, reduce administrative processes, and encourage more efficient growth in the MSME sector.

At the local level, the Kuningan Regency government reiterated its commitment through Regional Regulation Number 3 of 2024 concerning the Facilitation, Protection, and Empowerment of Cooperatives and Micro Enterprises. The policies contained in the Regional Regulation support broad business legality. The Kuningan regional government must provide services that are easily accessible, inclusive, and instructive for MSME actors. This includes teaching them about the law and helping them keep legal documents. Kuningan Regency Regional Regulation Number 3 of 2024 concerning the Facilitation, Protection, and Empowerment of Cooperatives and Micro Enterprises stipulates that micro businesses that have just been established in the region can apply for business licenses electronically. Business Identification Number (NIB), Standard Certificate, and other permits are part of this permit. Micro Enterprises must be supported and registered by the Kuningan Regency Regional Government to speed up the licensing process.

Local governments use the Regional Apparatus, which handles investment and one-stop integrated services, to identify and map Micro Enterprises based on their risk level: low, medium, or high. Micro business registration is done through an electronically integrated business licensing system to obtain NIB. If Micro Business actors experience difficulties or cannot use the online system, the relevant Regional Apparatus will facilitate registration by adjusting local conditions and features.

As a technical implementer, Kuningan Regent Regulation Number 70 of 2017 regulates the administration of Micro and Small Business Permits (IUMK). This recent regulation is crucial to speed up the licensing process through sub-district and sub-district offices. According to Hendrinata (2019), local governments encourage small and medium enterprises (MSMEs) to join the official company sector and officially eliminate bureaucratic barriers.

Implementing risk-based strategies in the OSS system is one of the main elements of Government Regulation Number 5 of 2021. This system divides business actors into low, medium, and high risk. To obtain a declaration of autonomy, MSMEs considered low-risk do not need to meet complex technology standards. This strategy significantly reduces administrative responsibilities, so small businesses can devote their time and attention to developing their business rather than the complex licensing process.

With a risk-based system, OSS has many advantages, especially for MSME actors, as they can now obtain permits online quickly, easily, and openly. This technology allows businesses to take care of permits from anywhere and anytime without having to come directly to the official office. In addition, OSS helps build a national business database, which can be used to create more targeted policies to develop the MSME sector. However, obstacles still need to be overcome, especially related to the lack of legal knowledge of MSME actors in the regions and the low level of digital literacy.

Many business actors are unfamiliar with OSS and do not have adequate access to technology. The Kuningan Regional Government must actively participate in providing technical assistance, digital training, and legal education so that MSMEs can truly utilize this system effectively and sustainably. Licensing, especially through the formal registration of MSMEs, significantly drives the local economy.

According to Kasanah 2024, the official and monitored economic system consists of legal MSMEs with a Business Identification Number (NIB) or a Micro Small Business License (IUMK). This legal status allows MSMEs to be subject to appropriate taxes and levies, directly increasing PAD. Therefore, the regional budget base is strengthened, giving local governments more funds to carry out infrastructure and economic development projects.

MSMEs that have legality help PAD and encourage local economic independence. Legality allows MSMEs to develop stably and sustainably. Business actors with legal documents will find it easier to get help from various sources, such as bank financing, business training, and government partnership programs. This not only increases the competitiveness of MSMEs personally, but also positively impacts the growth of the surrounding economy, such as increasing people's purchasing power and creating more jobs.

Business legality is important for connecting MSMEs with national and international supply chains. Business partners, including large companies and investors, have more faith in legal MSMEs. If they have legitimate legality, they can meet the standards set by domestic and international markets, such as quality certification, product safety, and compliance with trade regulations. As a result, the legality of the business opens up more market opportunities and increases the added value of the products made.

The involvement of small and medium enterprises (MSMEs) in the wider supply chain network positively impacts local economic growth. Local businesses began shipping their goods to national and global markets, increasing the flow of economic value. The result is twofold: production becomes more efficient, businesses share information, and more advanced technology is adopted. Therefore, the local economy becomes more resilient because it not only relies on internal consumption but also obtains sources of income from international markets, both domestic and foreign. This increases the region's economic resilience overall.

As a result, to build a more inclusive and competitive regional economic structure, the Kuningan regional government must actively encourage the legalization of MSMEs. An integrated approach is needed that includes increasing legal literacy for business actors, simplifying the licensing process, and incentivizing MSMEs that already have legality. Business legality is not only an administrative requirement but also a strategic tool to increase the role of MSMEs as drivers.

Simplifying the business licensing process is the main recommendation to improve legal protection for MSME actors. Local governments must find and reduce bureaucratic processes that often hinder permit processing. A more integrated, fast, and easy-to-use licensing system can be used. One example is

optimizing digital platforms directly connected to the OSS (Online Single Submission) system. In addition, the licensing process must be socialized and educated through various communication channels, such as direct meetings at the village and sub-district levels and local radio broadcasts. During legalization, ease of access and information transparency will encourage more small and medium-sized enterprises (MSMEs) to voluntarily register their businesses officially. The following recommendation emphasizes how important it is to work with all stakeholders to help the MSME legalization process.

Training and Mentoring

Local governments, academics, and local business communities must be actively involved to provide continuous training and mentoring. Business regulations, licensing, and good business management techniques are examples of training materials that can be provided. The University is strategically responsible for developing mentoring and applied research models that suit the needs of the field. On the other hand, the business community can contribute through direct case studies and exchanging experiences related to the benefits of business legality. It is hoped that collaborations like this will help small and medium enterprises (MSMEs) to operate legally, professionally, and with long-term goals.

Local governments must provide easily accessible legal consultation services to increase MSME actors' awareness and understanding of the importance of business legality. Business actors can easily get the correct information about the documents and legal requirements needed through this service, which can be accessed through MSME service centers in the local area and through user-friendly digital platforms. To make the approach more relevant and effective, legal education and mentoring programs must be designed contextually and adapted to the social, cultural, and economic realities faced by MSMEs in each region. To conclude, the Kuningan Regional Government must create a program to encourage small and medium enterprises (MSMEs) to meet licensing requirements. This type of incentive can be in the form of reducing tax burdens, making it easier to access business financing, or prioritizing government empowerment programs. Incentives like this are expected to encourage MSME actors to comply with applicable legal regulations. Ultimately, this will improve collective legal compliance and create an economic climate in a more friendly, competitive, and sustainable region.

The results of interviews conducted regarding the legality of Micro, Small, and Medium Enterprises (MSMEs) in Kuningan Regency show that most business actors do not have the necessary legal documents. Since the legality of a business is essential for its continued growth, this situation is crucial. The implementation of digital systems such as Online Single Submission (OSS) and the issuance of Business Identification Numbers (NIB) have been facilitated by local governments. Nevertheless, MSME entrepreneurs still face many challenges, mainly because they do not understand the legalization process and cannot obtain relevant information.

MSME businesses in Kuningan Regency have business licenses, intellectual property rights protection, and civil and criminal law protection. In addition, their legality gives them the opportunity to get funding and various government assistance programs. However, some business actors feel that the legalization process is too difficult, especially because they do not understand it well.

MSME Barriers

Some of the main obstacles MSME actors face in obtaining business legality are a lack of understanding of licensing procedures, limited access to technology, and a lack of digital literacy. Infrastructure problems, such as unequal internet access, further exacerbate this situation. The Kuningan Regency MSME Office is actively conducting socialization, training, and mentoring to overcome this problem. In addition, local governments work with educational institutions and related institutions to expand the reach of information and provide more in-depth support for business actors.

In addition, the MSME Office supports and trains business actors to accelerate the legalization process. The main objective of this event is to raise awareness of the importance of business legality, OSS registration steps, and how to gain access to available digital services. Although various programs have been implemented, their performance still needs to be improved. Many businesses do not know about this assistance program or think the process is too complicated and does not provide precise results.

To show that they are supportive, local governments offer a variety of assistance, such as coordination of legal ventures, halal certification, business skills training, and easier access to funds and intellectual property protection. These measures are expected to increase the competition of local and national MSMEs. In addition, the government is working to digitize the licensing system and provide free legal aid services for MSMEs that have not met the requirements of legality. The benefits of owning a business license are huge.

With the legality of the business being recorded, the information listed on the product will provide the buyer a sense of security and trust. Business actors will also be more confident in marketing their products because they have a business license. With this permit, businesses can expand the market and increase customer trust in their products. In addition, business licenses make it easier to obtain financing. If business actors want to obtain capital through bank loans, a business license will make the approval process easier because the business already has a guarantee of legality. On the other hand, business licenses also offer the convenience of getting government assistance. With the permit, the government can provide more efficient assistance, training, and mentoring programs to business actors. This legality indicates that the company meets the administrative requirements to get government support. Thus, it can be concluded that business licenses are essential for business actors because they provide many conveniences to develop and increase the company's credibility (Soimah, 2023).

It is hoped that in the future, all MSMEs in Kuningan Regency will have legitimate and legally recognized businesses. Legality will help with many things, such as providing legal protection, expanding markets, and facilitating business development. The government encourages MSME actors to seek more information and take part in the mentoring and training programs provided. The government, business actors, and the general public must work well together to create a healthy, thriving, and competitive business environment.

CONCLUSION AND RECOMMENDATION

1. Business law is very important for micro, small, and medium enterprises (MSMEs) to build a structured and sustainable economic order. Small and medium-sized businesses (MSMEs) have a clear legal basis for carrying out their day-to-day operational activities and working closely with business partners, consumers, and other important people. Business legality provides legal protection and allows MSMEs to use various government programs and facilities.
2. In Kuningan Regency, Small and medium enterprises (MSMEs) play an important role in driving local economic growth. Most businesses are still micro or small, with conventional management patterns, and are independently operated by individuals or families. However, MSME actors still do not care about the legality aspect of the business. This is mainly due to the lack of understanding of the importance of legality as a legal basis that supports business continuity. To solve this problem, the Kuningan local government must actively participate through educational programs, technical assistance, and simplification of the licensing process.
3. This effort aims to change the view that legality is an obstacle to the realization that legality is an essential need to run a business safely and consistently. In this case, local governments urgently need to advance policies and regulations that facilitate the legalization of small and medium enterprises (MSMEs).
4. The Kuningan Regency government has stipulated Regional Regulation Number 3 of 2024 to facilitate, protect, and encourage cooperatives and micro businesses. By cutting the previously complicated administrative stages, this regulation aims to make it easier for micro and small businesses to obtain licenses. The legality management process has become faster, more effective, and more transparent thanks to implementing the One-Stop Integrated Service (PTSP) system. Local governments regularly promote business legality through various media, such as digital platforms and counseling at the village and sub-district levels. They also collaborate with educational institutions and MSME communities in Kuningan.

ADVANCED RESEARCH

Further research should examine the impact of business law awareness and legalization on the sustainability and growth of MSMEs in Kuningan Regency. Studies can explore how the implementation of Regional Regulation No. 3 of 2024 and the One-Stop Integrated Service (PTSP) system has influenced business registration rates and access to government support. Research should

also assess the effectiveness of socialization strategies, such as digital campaigns and village-level counseling, in increasing legal literacy among MSME actors.

In addition, future studies could investigate the barriers still faced by MSMEs in legalizing their businesses, particularly among micro enterprises with limited resources or digital access. Evaluating the role of educational institutions and MSME communities in supporting legality awareness can offer insights for policy improvement. These findings will help shape more inclusive legal frameworks and outreach programs, ensuring that legality is seen not as a burden but as a valuable asset for long-term business security and regional economic resilience.

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