



DOI: <https://doi.org/10.38035/jgsp.v3i4>
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Problems of Registration of Mining Business Permits in The ESDM Modi System from The Perspective of State Administrative Law

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Abstract: Mining Business Permit (IUP) registration is an administrative activity with significant legal implications in the mining sector in Indonesia. With the implementation of the MODI ESDM system, the government seeks to improve the efficiency, transparency, and accountability of the licensing process. However, the practice of IUP registration through MODI ESDM still faces various legal and administrative issues that impact legal certainty for permit holders. This study aims to analyze these issues from the perspective of State Administrative Law (HTUN), specifically regarding the principles of legality, legal certainty, transparency, and accountability of government administration. The research method used is normative and conceptual with a statutory approach, reviewing Law No. 3 of 2020 concerning Minerals and Coal, Government Regulation No. 96 of 2021, and Law No. 30 of 2014 concerning Government Administration, as well as relevant legal literature. The results of the study indicate that although MODI ESDM can expedite the registration process, there are several problems such as technical system disruptions, unclear permit status, and delays in validation that have the potential to give rise to administrative disputes at the PTUN. This research emphasizes the need for improved administrative mechanisms, strengthened operational guidelines, and enhanced outreach and training for system users. This will optimize the implementation of the HTUN principle, maintain legal certainty, and support a healthy investment climate in the mining sector.

Keyword: Mining Business Permit, MODI ESDM, State Administrative Law.

INTRODUCTION

The Mining Business Permit (IUP) holds fundamental status as a legal instrument that provides certainty for business actors in the mining sector to carry out exploration and exploitation of mineral resources (Oetomo, 2025). The IUP serves not only as a form of state recognition of business actors' rights but also as a means of monitoring the implementation of mining activities to ensure they comply with sustainability principles (Liofa, 2023). The

existence of this permit is a manifestation of the state's role in controlling natural resources, as stipulated in Article 33, paragraph (3) of the 1945 Constitution of the Republic of Indonesia (Taufiq, 2023). Therefore, the regulation and issuance of IUPs require orderly, transparent, and accountable administrative governance to avoid legal uncertainty for business actors and the public (Mukti, 2024).

The development of government digitalization has brought about major changes to public administration governance, including in the mining sector (Alamsyah, 2025). The Ministry of Energy and Mineral Resources (ESDM) introduced Minerba One Data Indonesia (MODI) as an integrated electronic system that verifies, records, and publishes the status of Mining Permits (IUP) throughout Indonesia (Awaliah, 2024). MODI is expected to provide public transparency through open licensing data accessible to the public and investors (Suwarsit, 2025). This innovation marks a significant step in modernizing mining licensing governance, which previously often experienced administrative issues and overlapping authority between agencies.

The primary objective of developing the ESDM MODI system is to create efficiency and integrate the licensing process, which has previously been scattered across various agencies and regions (Sonic, 2024). The government is striving to unify all IUP data into a single system to prevent permit duplication and improve coordination between authorities (Siddiq, 2025). This system is also linked to the national licensing platform, the Online Single Submission (OSS), as stipulated in Government Regulation Number 5 of 2021 concerning the Implementation of Risk-Based Business Licensing. The ESDM MODI serves as a bridge between mining permit data and the broader government administration system (Laila, 2024).

The implementation of the ESDM MODI requires a clear legal basis and certainty of administrative procedures so that the entire IUP registration process can be recognized as legally valid. Every government administrative action must be based on legitimate authority and proper procedures, as stipulated in Law Number 30 of 2014 concerning Government Administration (Langkay, 2023). In the context of mining permits, state administrative officials are required to ensure that every administrative decision meets the principle of legality and does not conflict with statutory provisions (Wulandari, 2020). Failure to maintain legal certainty can lead to disputes between business actors and the government, particularly in the realm of state administrative courts.

The study of IUP registration in the ESDM MODI system is crucial because it directly relates to the principles of State Administrative Law (HTUN). HTUN plays a role in ensuring that every government administrative action and decision is legal, rational, and fair to citizens (Ritonga, 2025). This study provides a normative basis for oversight of the exercise of public official authority, particularly in electronic licensing services. The relationship between digital administration and the principles of State Administrative Law (HTUN) requires regulatory adjustments and a new understanding of the concept of the validity of state administrative decisions in the digital era (Navisa, 2024).

State Administrative Law is a branch of public law that regulates the relationship between the state and citizens in the field of government administration (Efendi, 2022). HTUN positions government officials as legal subjects with limited authority, where all their actions must be based on written law and the principles of good governance (Akbar, 2021). The principle of legality, as stipulated in Article 10 paragraph (1) letter a of Law Number 30 of 2014, requires that every administrative decision be issued based on legitimate authority. This principle serves as the basis for ensuring legal certainty and protecting citizens' rights from abuse of authority.

In addition to the principle of legality, HTUN also recognizes the principles of legal certainty, accountability, transparency, and legal protection. These principles serve to

maintain a balance between state power and citizens' rights. Accountability demands that every government action can be legally and morally accounted for (Yusuf, 2018). Transparency requires public information disclosure in every administrative process, while legal protection guarantees a mechanism for objections and dispute resolution in the event of procedural violations (Widanti, 2022). These principles must be the foundation for implementing the MODI ESDM system as a modern administrative instrument.

The authority of state administrative officials in issuing permits, including Mining Permits (IUPs), stems from attribution and delegation as stipulated in laws and regulations. Article 17 of Law Number 30 of 2014 stipulates that every government decision or action must be carried out by authorized officials in accordance with legal provisions (Asyikin, 2020). Regarding IUP registration, authority rests with the Minister of Energy and Mineral Resources through the Directorate General of Mineral and Coal, with certain delegations to local governments (Utami, 2023). The use of the MODI system does not eliminate officials' substantive authority but rather serves as an administrative tool to expedite the decision-making process.

IUP registration is regulated in Article 1, number 7 of Law Number 3 of 2020 in conjunction with Law Number 2 of 2025 concerning Mineral and Coal Mining, which states that an IUP is a permit granted to conduct mining activities. The implementation of this permit is further elaborated in Government Regulation Number 96 of 2021 concerning the Implementation of Mineral and Coal Mining Business Activities, which outlines the types of permits, including IUP, IUPK, and SIPB. Through this regulation, the government establishes administrative stages, from application, registration, evaluation, and permit issuance, which are now facilitated digitally through the MODI system. Each stage must adhere to the principles of orderly administration and compliance with statutory provisions.

The legal framework supporting the ESDM MODI system includes several important regulations. In addition to the Mineral and Coal Mining Law and Government Regulation No. 96 of 2021, there is Law No. 6 of 2023, which establishes Government Regulation in Lieu of Law No. Law No. 2 of 2022 concerning Job Creation has become law, which emphasizes the simplification and digitization of risk-based licensing. This regulation strengthens the integration of the MODI system with the OSS to improve ease of doing business and shorten the bureaucratic chain. Furthermore, Ministerial Regulation No. 25 of 2018, in conjunction with Ministerial Regulation No. 7 of 2020, regulates electronically integrated business licensing services in the ESDM sector. These regulations collectively form the legal basis for the implementation of the MODI ESDM system, ensuring its adherence to the principles of HTUN (State Property Rights) and good governance.

METHOD

This research employs a normative legal research method with a statutory and conceptual approach. The statutory approach is used to examine and analyze the legal norms governing the registration of Mining Business Permits (IUP) through the ESDM MODI system, particularly those contained in Law Number 3 of 2020 concerning Mineral and Coal Mining, Government Regulation Number 96 of 2021 concerning the Implementation of Mineral and Coal Mining Business Activities, and Law Number 30 of 2014 concerning Government Administration as the legal basis for state administration. The study of these regulations is conducted to determine the suitability between applicable legal norms and the digital administration practices implemented by the Ministry of Energy and Mineral Resources. Meanwhile, a conceptual approach is used to describe and link relevant legal concepts, such as the principles of legality, legal certainty, accountability, and transparency in State Administrative Law (HTUN). Through this approach, the research seeks to explain the relationship between HTUN theory and its implementation in the digital mining licensing

system. The legal sources used include primary legal materials (statutory regulations and court decisions), secondary legal materials (books, journals, and previous research results), and tertiary legal materials (legal dictionaries and legal encyclopedias). The analysis was conducted qualitatively by interpreting legal norms and linking them to emerging administrative problems, thus obtaining a comprehensive understanding of the effectiveness of implementing HTUN principles in IUP registration through the ESDM MODI system.

RESULTS AND DISCUSSION

Analysis of the Problems of Mining Business Permit Registration Through the ESDM Modification

The implementation of the Minerba One Data Indonesia (MODI) system represents a significant reform in mining licensing governance. This system was developed to create a single database containing all mining business permits in Indonesia. The goal is to ensure transparency and accuracy of permit information, which was previously scattered and difficult to verify. While this system represents progress in terms of administration, its implementation process has not been entirely free from technical obstacles that impact the speed and reliability of public services. Disruptions such as access failures, synchronization errors, and server performance degradation still frequently occur, hampering the MODI system's effectiveness in serving the public.

These technical disruptions impact the delays in the IUP registration and verification process, which serves as the legal basis for mining businesses to operate. When the system is inaccessible or experiences network disruptions, entrepreneurs cannot upload documents, and administrative officers struggle to validate data in a timely manner. This situation creates administrative uncertainty that can hamper economic activity in the mining sector. These issues demonstrate that digital transformation in public services requires adequate technological infrastructure and human resources.

Data synchronization between the MODI system and the national Online Single Submission (OSS) licensing system also presents challenges. Integrating two technically distinct systems often results in discrepancies or duplication of data. Inconsistencies in information, such as IUP numbers, permit locations, or permit holder identities, create confusion for verification officials and business actors. In some cases, data verified in the OSS is not automatically reflected in MODI, creating additional administrative hurdles. This situation highlights the need for consistency across platforms to ensure a digital system truly supports licensing efficiency.

Validation of IUP documents, which requires multiple checks, also contributes to delays. Administrative officials at the central and regional levels often face difficulties assessing the validity of documents uploaded online. When verification is performed manually due to the limitations of automated systems, the process becomes lengthy and prone to human error. These delays not only reduce the effectiveness of public services but also create uncertainty for business actors who depend on the timely issuance of permits. Such administrative delays can result in significant economic losses.

Data inconsistencies between the central and regional governments also undermine the effectiveness of MODI implementation. Since the transfer of mining licensing authority to the central government under Law Number 3 of 2020, the transition process of data management from the regions has not been entirely smooth. Several regions still maintain outdated IUP databases that have not been integrated with the national system. Differences in data formats and input standards make synchronization difficult, potentially leading to overlapping permits and discrepancies in IUP status information.

Human resource capacity is also a hindering factor in the operationalization of MODI. Not all regional government officials have the technical skills to operate the digital licensing

system effectively. Lack of training and technical competency updates means some employees still rely on manual procedures. It slows down data input and validation processes and increases the risk of administrative errors. Capacity-building efforts are urgently needed to ensure the digital system is not merely a formality but truly functions optimally.

From a legal and institutional perspective, MODI implementation has not fully complied with the provisions of Article 17B of Law Number 3 of 2020 concerning Mineral and Coal Mining, which regulates the integrated governance of mineral and coal licensing. This norm emphasizes the importance of clear authority and responsibility between agencies in permit management. However, in practice, overlapping authority still exists between the Ministry of Energy and Mineral Resources, regional governments, and related institutions, such as the Investment Coordinating Board (BKPM), which manages the OSS. This lack of clarity creates confusion regarding who is responsible for the validation and issuance of permits when administrative issues arise.

Inaccurate implementation of authority can potentially violate the principles of legality and legal certainty in public administration. Officials who verify or reject permits without a clear basis for authority risk violating Article 17 paragraph (2) of Law Number 30 of 2014 concerning State Administration. Such situations often create uncertainty for business actors, especially when administrative decisions are not supported by adequate legal justification. Unclear legal registration procedures due to system disruptions can also lead to decisions that are administratively invalid.

These legal issues ultimately have the potential to give rise to administrative disputes between permit holders and authorized officials. These disputes typically arise from the cancellation of a Mining Business License (IUP), delays in permit issuance, or rejection of applications without a valid legal basis. Based on Article 53 of Law Number 5 of 1986, in conjunction with Law Number 9 of 2004, in conjunction with Law Number 51 of 2009, any written decision by a state administrative official that has legal consequences for citizens can be challenged in the State Administrative Court (PTUN). The existence of digital systems does not eliminate citizens' rights to obtain legal protection through judicial mechanisms.

Several cases at the PTUN demonstrate that administrative disruptions due to electronic system errors can form the basis for challenges to the validity of permit decisions. When the MODI system experiences technical errors that lead to delays or rejections of registration, business actors may believe that the decision violates their legal rights. The PTUN judge will assess whether the decision meets the principles of legality, procedure, and substance as stipulated in administrative law. This demonstrates that the use of information technology in licensing governance does not negate the principle of legal responsibility for government officials. Decisions made through digital systems must still comply with the principles and mechanisms of state administrative law.

Implementation of State Administrative Law Principles and Recommendations for Improvement

The application of State Administrative Law (HTUN) principles in the ESDM MODI system reflects the state's efforts to uphold the principle of legality, as stipulated in Article 10 of Law Number 30 of 2014 concerning Government Administration. This principle requires that every action by administrative officials have a clear and accountable legal basis. IUP registration through MODI should be conducted based on legitimate authority, in accordance with Article 35 and Article 169A of Law Number 3 of 2020 concerning Mineral and Coal Mining. However, technical implementation remains inconsistent with laws and regulations, such as differing interpretations between the central and regional governments regarding permit validity. This situation demonstrates the need for a comprehensive evaluation of

administrative mechanisms to ensure they align with the principle of legality, the primary foundation of HTUN.

Accountability is a crucial principle that requires every public administration decision to be legally and morally accountable. The ESDM MODI system is designed to foster digital-based accountability, where every stage of IUP registration can be tracked through an integrated system. However, weak internal oversight and suboptimal system audits make it difficult to verify the origins of some administrative decisions. This situation has the potential to create uncertainty regarding who is responsible when registration errors occur. Strong public accountability can only be achieved if there is process transparency and openness of information to the public and mining business actors.

Transparency, as a principle of the HTUN (Unlawful Enforcement of Mining Permits) Law, requires open information at every stage of public service. The Ministry of Energy and Mineral Resources (MODI ESDM) has moved towards an open system with the publication of IUP data nationally, but this openness does not fully encompass the entire validation process and administrative decisions. Some data remains internal and inaccessible to the public, creating a perception of secrecy. Partial transparency can give rise to suspicions of maladministration or bias. Strengthening transparency is necessary by ensuring that every administrative decision can be accessed, traced, and confirmed by interested parties in accordance with public information disclosure provisions.

Legal certainty is a principle that demands clarity of norms and consistent implementation. In the IUP registration process through MODI, legal certainty is compromised due to frequent system disruptions and discrepancies between central and regional data. This situation has left some business actors uncertain about the exact status of their permits, which directly impacts operational activities. This uncertainty contradicts the principles of the HTUN (Unlawful Enforcement of Mining Permits), which require legal stability and procedural clarity for citizens. Strengthening digital legal systems, such as the MODI (Unlawful Enforcement of Mining Permits), must be directed towards ensuring effective and measurable administrative legal certainty.

Evaluations of the implementation of the HTUN principles reveal a gap between legal norms (*lex lata*) and administrative practices (*lex ferenda*). Existing regulations provide a strong normative foundation, but their implementation is not always aligned with the spirit of administrative justice. Delays in data validation and technical errors often hinder efficient public services. This discrepancy between legal provisions and bureaucratic practices highlights the need for system reformulation to be more adaptive to technological developments and public needs. Harmonization between legal substance and administrative practices is key to preventing abuse of authority in managing mining permits.

Data integration between the OSS system and MODI is a strategic step that can improve the efficiency of IUP registration. This system integration must be supported by clear technical regulations and an automated verification mechanism to prevent data duplication. The government needs to strengthen synergy between agencies such as the Ministry of Energy and Mineral Resources, the Investment Coordinating Board (BKPM), and regional governments to create a uniform and easily monitored licensing process. The success of digital licensing reform depends on the extent to which data integration can ensure the accuracy and unity of national information. A well-connected system will reduce the potential for administrative disputes and increase public confidence in the legality of permits.

The development of Standard Operating Procedures (SOPs) and technical guidelines is essential to ensure uniform implementation in the field. A good SOP should include completion deadlines, official responsibilities, and procedures for handling technical obstacles. Unclear guidelines often lead to differing interpretations between regions and lead to procedural violations. Strengthening derivative regulations and standard operating

procedures (SOPs) demonstrates the application of the principles of accountability and effectiveness in administrative law. When technical guidelines are comprehensive, the administrative decision-making process will be more measurable, and disputes will be minimized.

Improving the capacity of government officials also plays a vital role in ensuring the success of the MODI system. Officials with digital literacy and a sound understanding of administrative law can minimize errors in data input and validation. Continuous training is needed to equip officials with the ability to identify potential maladministration early. This capacity building aligns with the mandate of Article 20 of Law No. 30 of 2014, which emphasizes the importance of professionalism in administrative officials. Businesses will also directly benefit from fast, accurate, and accountable public services.

The administrative objection mechanism, before cases are filed with the State Administrative Court, is a crucial instrument for preventing dispute escalation. Administrative objections provide a space for efficient and faster non-litigation resolution for the public. The MODI system should provide an easily accessible digital objection channel with a definite resolution deadline. This step aligns with the principle of preventative legal protection, a hallmark of modern administrative law. Strengthening the complaint mechanism will also help ease the burden on judicial institutions and increase public trust in administrative resolution.

The government's role in ensuring the principles of good governance is crucial to the sustainability of the ESDM MODI system. The implementation of good governance must include transparency, public participation, and accountability of administrative officials. Collaboration between the central and regional governments and the community in overseeing IUP registration will strengthen the legitimacy of this digital system. Public participation-based oversight can also serve as a means of early detection of potential violations or data misappropriation. Strengthening the principles of good governance will lead Indonesia's mining licensing system toward cleaner, more open, and more equitable governance.

CONCLUSION

The ESDM MODI system represents a progressive step by the government in realizing transparent, efficient, and nationally data-driven mining licensing digitization. The system's implementation demonstrates a commitment to modernizing public administration, but it still faces various legal and administrative challenges. System disruptions, data mismatches between the central and regional governments, and unclear responsibilities of administrative officials indicate weak implementation of the principles of legality, accountability, and legal certainty as stipulated in Law Number 30 of 2014 concerning State Administration. This situation demonstrates that although the legal framework is in place through the Mineral and Coal Mining Law, Government Regulation No. 96 of 2021, and ESDM Ministerial Regulation No. 7 of 2020, its implementation is still not fully aligned with the principles of State Administrative Law. The application of good governance principles in the MODI system still needs to be strengthened so that every administrative action has strong legal legitimacy and can be transparently accounted for.

Efforts to improve the MODI system need to be directed at strengthening regulations, increasing cross-agency coordination, and building the capacity of officials who understand the legal and technical aspects of licensing digitization. The government needs to ensure optimal integration between the OSS and MODI systems to ensure a more uniform and efficient IUP registration process. Establishing an effective administrative objection mechanism is also crucial to provide legal protection for business actors before cases progress to the courts. Strengthening oversight and public participation in the implementation

of the digital licensing system can be key to achieving good governance. Further research can focus on the effectiveness of resolving state administrative disputes arising from the implementation of digital licensing, so that administrative law reform can be more adaptive to technological advances and public needs in the energy and mineral resources sector.

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