

REGULATORY REFORM IN THE ESTABLISHMENT OF SOLE PROPRIETORSHIPS: ANALYSIS OF THE LEGALITY AND IMPLEMENTATION OF THE JOB CREATION LAW

Wisnu Ardytia¹

¹Lecturer of Faculty of Law, 17 Agustus 1945, Banyuwangi, East Java, Indonesia

¹wisnuardytia1945@gmail.com

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ABSTRACT: *This study examines the legality of establishing a Sole Proprietorship in the era of regulatory reform through the implementation of Law Number 6 of 2023 concerning Job Creation. This concept offers an alternative to establishing a legal entity with sole ownership, as well as its relationship with the traditional legal framework as regulated in Law Number 47 of 2007 concerning Limited Liability Companies. This study examines the fundamental principles in establishing a company such as the principles of freedom of business, transparency, legal protection, and accountability and observes how these principles are integrated into operational practices. The results of the analysis show that regulatory innovation through the Job Creation Law has opened up opportunities to increase bureaucratic efficiency and attract investment by facilitating the establishment of a legal entity more quickly and simply. However, the implementation of this system also faces challenges, including adaptation of bureaucratic culture, digital infrastructure gaps, and the need for a deep understanding of the principles of corporate law among business actors and government officials. This study concludes that the synergy between the three regulations is very important to create a more dynamic, transparent, and accountable business environment, so as to be able to support national economic growth amidst global dynamics.*

Keywords: *Sole Proprietorship, Regulatory Reform, Job Creation Law*

INTRODUCTION

Economic actors in Indonesia have various types, at the lowest level which is usually an individual actor with very limited capital, at the middle level and above it is usually in the form of a non-legal entity such as CV (Limited Partnership), Firma, UD (Trading Business), or in the form of a legal entity such as (Limited Liability Company, Individual Company, Cooperative). Among these types of business entities, a legal entity has the advantage in terms of lighter legal liability and can be more accepted by financial institutions, only a limited liability company has the status of a legal entity seeing the provisions of Law No. 47 of 2007 concerning Limited Liability Companies.¹

Limited liability companies provide a picture of a legal entity in which there is an integrated organization, has separate assets and has a vision and mission to be achieved. Because historically, legal entities began to gain their existence based on human interests which are not only self-interest, but also shared interests.² And in this view, the existence of a limited liability company becomes a business entity that runs the wheels of the economy and holds a function in addition to operating the company's activities, also as a democratic trading institution.³

So in this case, a limited liability company must pay attention to the implementation and responsibilities it carries out, and pay attention to actions related to the rules by the person who created the company, and has been carried out before being legalized as a legal entity (ministerial approval). This needs to be considered so that in the future it does not become a major legal impact.⁴

Regarding economic transformation, especially for business actors, instead of the government submitting the Job Creation Bill and Law No. 11 of 2020 concerning job creation (hereinafter referred to as the Job Creation Law) has been stipulated on November 2, 2021. The presence of the Job Creation Law aims to facilitate the ease of doing business for micro, small and medium enterprises (MSMEs), and most importantly to encourage an increase in the investment climate. However, not long after the law was passed based on the Constitutional Court Decision Number 91/PUU-XVII/2020, the law was declared conditionally unconstitutional because it did not meet the stages in the formation of laws and involved the participation of the wider community.⁵

With this decision, the House of Representatives (DPR) as the legislator was given two years to perfect the law. And during this period the law in question is valid to

¹ Azkiya Kamila Rosadi, *Implikasi Pendirian Perseroan Perorangan Menurut Undang-Undang Nomor 11 Tahun 2020 Tentang Cipta Kerja Ditinjau dari Prinsip-Prinsip Hukum Perseroan dalam Undang-Undang Nomor 47 Tahun 2007 Tentang Perseroan Terbatas*, Bandung Convergence Series: Law Studies, Vol 2. No 1. (2022) h. 324

² Habib Adjie, *Status Badan Hukum Prinsip Prinsip dan Tanggung Jawab Sosial Perseroan Terbatas*, (Bandung:Mandar Maju, 2008), h. 16

³ Johari Santoso, *Perseroan Terbatas Sebagai Institusi Kegiatan Ekonomi Yang Demokratis*, Jurnal Hukum Ius Quia Iustum, Vol 7 No 15 (2000), h. 194

⁴ Devi, N. M. L. S., dan I Made Deddy Priyanto, *Kedudukan Hukum Perseroan Terbatas Yang Belum Berstatus Badan Hukum*, Kertha Semaya: Journal Ilmu Hukum, Vol 7. No 5. (2019), h. 4-5

⁵ Moody Rizky Syailendra Putra, dan Hanz Bryan Joeliant, *Kedudukan Organ Perseroan Perorangan Pada Usaha Mikro Kecil dan Menengah Pasca Berlakunya Undang-Undang Nomor 6 Tahun 2023*, Unes Law Review, Vol 6. No. 2. (2023) h. 5150

avoid a legal vacuum and if within the specified period it is not perfected, then the law is declared permanently unconstitutional.⁶

What should have been perfected, the government instead stipulated Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation (hereinafter referred to as the Job Creation Perppu) on December 30, 2022. The Perppu was born for urgent conditions because there was no certainty for business actors in Indonesia. After the enactment of the Perppu, there were many positive assessments from business actors, because of the ease in establishing a business and other benefits. This reason is the basis for the DPR together with the President to stipulate the Job Creation Perppu as Law No. 6 of 2023 concerning Job Creation.⁷

If we look further, the establishment of a limited liability company and a sole proprietorship have different provisions for establishment. Looking at Article 7 of the Limited Liability Company Law, it is explained that a company is established based on an agreement between two or more people with a notarial deed made by a notary and this is actually different from a sole proprietorship. Where a sole proprietorship can be established by only one person based on the New Job Creation Law, previously the government issued several other regulations to accommodate companies, especially in terms of companies, namely the Regulation of the Minister of Law and Human Rights No. 21 of 2021 concerning the Requirements and Procedures for Registration of the Establishment, Amendments, and Dissolution of a Limited Liability Company Legal Entity (Permenkumham No. 21 of 2021). The notarial deed contains the articles of association, personal data of the maker, directors, and commissioners, names of shareholders after the distribution of shares, details of the number of shares, and the nominal value of the shares issued and paid up.⁸

The making of a notarial deed is the authority of a notary which is granted by law.⁹ The purpose of making this deed is to create certainty, order and legal protection (as the strongest and most complete evidence, it has a very important function in every legal relationship). This is stated in the explanation of Law Number 30 of 2004 concerning the Position of Notary.¹⁰

Article 109 of the New Job Creation Law, the provisions regarding establishment with a Notarial deed remain in effect. However, these provisions are different from the provisions contained in one of the implementing regulations of the Job Creation Law, namely Permenkumham No. 21 of 2021, the notarial deed is in Article 17 number 3 of Permenkumham No. 21 of 2021 which is contained in the section on changing the status of a company to a limited liability company.

The matter regarding the establishment of a sole proprietorship is very clearly applicable throughout Indonesia, including the East Java region. Based on data obtained from the official website of the Directorate General of General Legal

⁶ Putusan Mahkamah Konstitusi Republik Indonesia Nomor 91/PUU-XVII/2020, (Mahkamah Konstitusi, 2021)

⁷ Diani Kesuma, Meneropong Kepastian Hukum Bagi Pelaku Usaha Pasca Hadirnya Undang-Undang No 6 Tahun 2023 tentang Cipta Kerja, *Selidik: Jurnal Hukum dan Bisnis*, Vol 9. No. 1 (2023), h. 96

⁸ Saliman Abdul R., *Hukum Bisnis Untuk Perusahaan: Teori, dan Contoh Kasus*, (Jakarta: Kencana, 2015), h. 97-98

⁹ Siti Fauziah Dian Novita Sari, *Peran Notaris Dalam Proses Pembuatan Akta Pendirian Perseroan Terbatas*, *Lex Renaissance*, Vol 3. No 2. (2018), h. 412

¹⁰ Dedy Pramono, *Kekuatan Pembuktian Akta Yang Dibuat Oleh Notaris Selaku Pejabat Umum Menurut Hukum Acara Perdata Di Indonesia*, *Lex Jurnalica*, Vol 12. No 3. (2015), h. 249

Administration of the Ministry of Law and Human Rights, 1,137 individual company registrations have been registered.

Due to the differences in the establishment of a limited liability company and an individual company, as well as the provisions of an individual company contained in the regulations, it turns out that in practice it has not been running well. Since the provisions of this individual company came into effect, there have been obstacles that have arisen after the establishment of an individual company, namely in the creation of a bank account which still requires a Notarial deed as a requirement. This creates uncertainty and confusion for the owners of the individual companies.

In this study, the discussion is more focused on the validity of the establishment of an individual company based on the Job Creation Law with the Limited Liability Company Law, and the Principles of Establishment of a Company. As well as the implementation of operational implementation in the field after the establishment of an individual company in the problem of opening a bank account according to Permenkumham No. 21 of 2021.

Based on the description of the background above, the following problems can be formulated: What is the legality of the establishment of an Individual Company based on Law Number 6 of 2023 concerning Job Creation in relation to Law Number 47 of 2007 concerning Limited Liability Companies and the principles in establishing a company? and How is the operational implementation of an Individual Company in the field based on the Regulation of the Minister of Law and Human Rights Number 21 of 2021 concerning the Requirements and Procedures for Registration of the Establishment, Amendment, and Dissolution of a Limited Liability Company Legal Entity in conjunction with Law Number 6 of 2023 concerning Job Creation?

PROBLEM

What is the legality of establishing a Sole Proprietorship based on Law Number 6 of 2023 concerning Job Creation in relation to Law Number 47 of 2007 concerning Limited Liability Companies and the principles in establishing a company?

How is the operational implementation of a Sole Proprietorship in the field?

RESEARCH METHODS

This study uses a statutory approach and a conceptual approach. The statutory approach involves tracing various laws and regulations related to the legal issues being handled, while the conceptual approach is normative and involves writing by tracing the views of legal scholars and doctrines that have developed in legal science related to the problems discussed. The legal materials used consist of primary legal materials (statutory regulations in the field of Corporate Law) and secondary legal materials (opinions of legal scholars in books, literature, and published writings). The technique of collecting legal materials is carried out through an inventory of positive law and literature searches. The legal materials obtained are then analyzed based on laws and regulations and library data in accordance with the problem approach to produce a true picture of the main problem of the writing. In addition, analysis using interpretation or interpretation is also used in this study. The analysis of legal materials aims to provide a systematic explanation of laws and regulations in the field

of corporate law and to find out whether there are new legal discoveries or legal deviations. After all legal materials are organized, classified, and analyzed, it is hoped that the problems in this study can be studied and solved.

DISCUSSION

Legality of Establishment of Sole Proprietorship Based on Law Number 6 of 2023 Concerning Job Creation

The establishment of a limited liability company in Indonesia previously referred to Law Number 40 of 2007 concerning Limited Liability Companies (hereinafter referred to as the PT Law), which requires a minimum of two founders in the formation of a limited liability company. However, with the changes stipulated in Law Number 6 of 2023 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation into Law (hereinafter referred to as the Job Creation Law), the concept of Sole Proprietorship was introduced, which allows a person to establish a limited liability company with only one person as the founder and shareholder.

The legality of Sole Proprietorship in the Indonesian legal system is based on the changes in the Job Creation Law to the provisions in the PT Law. Several important aspects of the legality of establishing a Sole Proprietorship include:

1. Number of Founders

In Article 7 paragraph (1) of the PT Law, the establishment of a limited liability company requires a minimum of two founders. However, the Job Creation Law introduces the Sole Proprietorship, which is regulated in Article 153A of the Limited Liability Company Law, which allows a person to establish a limited liability company without the need for business partners.¹¹

2. Limited Liability

A sole proprietorship has a legal entity status that provides a separation between the owner's personal assets and the company's assets, as regulated in Article 153J of the PT Law. The owner's liability is limited only to the capital invested¹²

3. Ease of Establishment and Administration

Establishment of a Sole Proprietorship only requires an electronically made statement of establishment without the need for a notarial deed as required for a regular Limited Liability Company.¹³ Tax administration and reporting obligations are also simpler compared to conventional limited liability companies¹⁴

4. Ownership and Transfer of Shares

Individual Company Owners can transfer their shares, but if share ownership is transferred to more than one person, the company will change into a conventional Limited Liability Company as regulated in Article 153H of the Limited Liability Company Law.¹⁵

¹¹ Undang-Undang Nomor 40 Tahun 2007 tentang Perseroan Terbatas

¹² Undang-Undang Nomor 6 Tahun 2023 tentang Cipta Kerja.

¹³ Pasal 153A UU PT hasil perubahan UU Cipta Kerja.

¹⁴ Riant Nugroho, *Hukum Bisnis di Indonesia*, Jakarta: Gramedia Pustaka Utama, 2021, h.57

¹⁵ Pasal 153H UU PT

In establishing a Sole Proprietorship, several principles in corporate law remain applicable, including:

- 1) Principle of Legal Entity: Like a Limited Liability Company, a Sole Proprietorship is also a legal entity, which means it has its own rights and obligations separate from its owner.¹⁶
- 2) Asas Tanggung Jawab Terbatas: Pemilik hanya bertanggung jawab sebatas modal yang disetorkan, sebagaimana diatur dalam Pasal 3 ayat (1) UU PT.¹⁷
- 3) Principle of Legal Certainty and Transparency: Individual Companies are still required to carry out electronic recording in the Ministry of Law and Human Rights system and submit annual financial reports.¹⁸
- 4) Principle of Sustainability (Going Concern): Even though it is only owned by one person, a sole proprietorship must still comply with the principle of sustainability in its operations.¹⁹

In Indonesia, to establish a company must meet the requirements and procedures that have been determined by the amendment to Article 7 of the Limited Liability Company Law. The establishment of a Limited Liability Company must meet the following requirements:

- a. The company is established by two or more persons with a notarial deed made in Indonesian.
- b. The company obtains legal entity status after being registered with the Minister and obtaining proof of registration.
- c. After the company obtains legal entity status and the shareholders become less than two persons, within a maximum period of six months from the time of such condition, the relevant shareholders are required to transfer some of their shares to another person or the company issues new shares to another person.

The elements that require the Company to be established by 2 (two) or more persons as referred to as explained above do not apply to Companies that meet the criteria for individual companies in accordance with the amendment to Article 7 paragraph (7) of the Limited Liability Company Law. Furthermore, regarding the establishment of an Individual Company, it is also regulated in the amendment to the Limited Liability Company Law in Article 153A of the New Job Creation Law which states:

1. Companies that meet the criteria for Micro and Small Businesses can be established by 1 (one) person.
2. The establishment of a Company for Micro and Small Businesses as referred to in paragraph (1) is carried out based on a statement of establishment made in Indonesian.
3. Further provisions regarding the establishment of a Company for Micro and Small Businesses are regulated in Government Regulations.

¹⁶ Munir Fuady, *Doktrin-doktrin Modern dalam Corporate Law*, Bandung: Citra Aditya Bakti, 2020.h.37

¹⁷ Pasal 3 ayat (1) UU PT

¹⁸ Salim HS, *Perkembangan Hukum Perusahaan di Indonesia*, Jakarta: Rajawali Press, 2019. H.70

¹⁹ Sutan Remy Sjahdeini, *Limited Liability Company Law in Indonesia*, Jakarta: Pustaka Utama Grafiti, 2018. h.44

According to the description, it can be concluded that to establish a Sole Proprietorship, it can be established by only 1 (one) founder based on a statement of establishment whose format has been determined and made in Indonesian, which is then registered electronically with the Minister and receives an electronic registration certificate. This is different from the establishment of a Limited Liability Company which is required to be established by at least 2 (two) people based on an agreement whose deed of establishment is made with an authentic deed by a Notary which is then also registered with the Minister.

The establishment of a Company by a single founder basically results in the failure to fulfill 2 (two) characteristics in the principles of a Company, namely the element of partnership in the principle of capital partnership and the rules of agreement in the principle of being established based on an agreement. To establish a Limited Liability Company is an agreement that is in the nature of establishing a partnership as stipulated in Article 1618 of the Civil Code "a partnership is an agreement by which two or more people bind themselves to include something in a partnership with the intention of sharing the profits that occur because of it."

A Company requires legality as a legal entity to be able to carry out all its business activities. To be able to fulfill it, a Sole Proprietorship must meet the requirements, procedures and provisions contained in the laws and regulations. Obtaining the legal entity status of a Company has also changed. Article 7 paragraph (4) of the Limited Liability Company Law states that "A Company obtains legal entity status on the date of issuance of the Minister's decision regarding the ratification of the Company's legal entity", this can be interpreted that a Company will be said to be valid as a legal entity after the Minister's decision. Then there was a change in Article 7 paragraph (4) of the Limited Liability Company Law which became "A Company obtains legal entity status after being registered with the Minister and obtaining proof of registration."

The difference in obtaining the legal entity status of a Company is clear, which was originally based on the Minister's decision, but has changed to only being registered with the Minister. All kinds of differences that have been explained in the Law governing between individual companies and limited companies are clear. The establishment of a sole proprietorship in the New Job Creation Law states that the establishment of a sole proprietorship is based on a statement of establishment issued by the Minister of Law and Human Rights, and if you look at these provisions, the establishment of a sole proprietorship is not a partnership because it is not established by two or more people, but rather with a statement which is a statement of will because it is carried out or established by one person.

The legality in this matter can be explained and can be considered valid and justified if each regulation or decision meets the material and formal requirements. These requirements can determine validity.

Material Requirements:

- a. Legal products must be made by authorized officials (given direct authority by the president or law);
- b. In the preparation there are no legal deficiencies;
- c. State Administrative Decisions must be based on certain circumstances;
- d. The purpose of the legal product made is in accordance with the purpose of its basic regulations.

Formal Requirements:

- a. The specified requirements relating to the preparation and method of making a legal product;
- b. The legal product must be given a specified form (based on the law);
- c. The specified requirements relating to the implementation of a decision; and
- d. The specified time period between the emergence of the things that cause a legal product to be made must not be exceeded.

The establishment of a sole proprietorship when reviewed in terms of legal validity by looking at several elements of material requirements and formal requirements is said to be valid. Because in this case the Establishment of a sole proprietorship in the New Job Creation Law states that the establishment of a micro and small business company can be established by one person by way of establishment based on a statement of establishment made in Indonesian if looking at these provisions then the establishment of a sole proprietorship is not a partnership because it is not established by two or more people, but with a statement which is a statement of establishment of a company sent electronically in the format of the Minister of Law and Human Rights, and filled in at will because it is carried out or established by one person, and also the certificate of establishment issued has been issued by the Ministry of Law and Human Rights.

The changes introduced by the Job Creation Law, especially with the recognition of Individual Companies, provide convenience for business actors, especially Micro and Small Enterprises (UMK), in forming legal entities with limited capital. However, the implementation of this concept must still pay attention to the principles of corporate law to ensure legal certainty, transparency, and protection for parties involved in transactions with Individual Companies.

Operational Implementation of Sole Proprietorship

Regulation of the Minister of Law and Human Rights Number 21 of 2021 is designed to simplify and digitize the procedures for registration, changes, and dissolution of Limited Liability Companies, including the development of the form of Sole Proprietorship. This regulation aims to reduce bureaucratic obstacles through the implementation of an integrated online system, thereby shortening time and reducing administrative costs for business actors. On the other hand, Law Number 6 of 2023 concerning Job Creation acts as a legal umbrella that supports bureaucratic reform and provides greater flexibility in the management of legal entities. With the synergy between the two regulations, it is hoped that the business environment will become more conducive and adaptive to the dynamics of the global economy.²⁰

Operational implementation in the field shows several significant innovations, including:

- **Digital Registration System:** The use of an online platform allows for real-time data registration and verification, making the administrative process faster and more transparent.
- **Simplification of Administrative Requirements:** Previously complex procedures have now been rationalized, making it easier for business actors to make changes,

²⁰ Suryadi, Iwan. *Digitalisasi Administrasi Badan Hukum: Analisis Implementasi Sistem Pendaftaran Online*. Jakarta: Penerbit Hukum Nasional, 2022, hal. 78–95

such as capital adjustments and ownership restructuring.

- **Operational Flexibility:** The Job Creation Law opens up space for more dynamic adjustments to the legal structure, supporting small and medium businesses to grow and innovate in the face of global competition.

However, this implementation also faces a number of challenges, such as disparities in technical capacity between government agencies in various regions and the need for intensive training for officers in operating the new digital system.²¹

Overall, the combination of the Regulation of the Minister of Law and Human Rights Number 21 of 2021 and the Job Creation Law has had a positive impact, especially in terms of:

- **Increasing Administrative Efficiency:** The process of registering and changing legal entity data is faster, which ultimately supports the acceleration of investment and economic growth.
- **Transparency and Accountability:** The digital system allows for more transparent tracking of administrative processes, minimizing the potential for errors and delays.
- **Support for Business Innovation:** The flexibility provided helps business actors adjust business strategies according to market dynamics, while increasing national competitiveness.

In the future, periodic evaluation and increasing the capacity of human resources in the government administration sector are key to optimizing the implementation of this regulation as a whole.²²

Before the implementation of the digital system through the Regulation of the Minister of Law and Human Rights Number 21 of 2021, the process of registration, changes, and dissolution of legal entities was carried out manually. This conventional system has a number of limitations, including a manual and slow process so that filling out forms physically and submitting documents directly causes a much longer processing time, the risk of administrative errors that make manual data processing prone to writing errors, data duplication, and document inconsistencies, finally the lack of transparency makes it difficult for business actors to track the status of applications, thus creating uncertainty and potential for corrupt practices.

On the other hand, the new digital system has shown increased efficiency and transparency through data integration between agencies so that the data verification process can be carried out in real-time through an integrated system that reduces duplication and errors. Automation of administrative procedures makes the use of algorithms and automation systems minimize manual intervention, thereby reducing completion time and transparency of the process allows business actors to monitor the registration status online, which increases accountability and public trust.²³

The implementation of this regulation does not stand alone, but is in line with various government initiatives in order to support the acceleration of investment and

²¹ Rahmawati, Dian. *Dampak Undang-Undang Cipta Kerja Terhadap Reformasi Regulasi Perusahaan*. Bandung: Refika Aditama, 2023, hal. 45–62

²² Santosa, Budi. *Sinergi Kebijakan Hukum dalam Mendorong Iklim Investasi*. Yogyakarta: Andi, 2021, hal. 120–135

²³ Suryadi, Iwan. *Ibid*

bureaucratic reform, such as:²⁴

- Government Digitalization Program: The government has launched various programs to integrate information systems between agencies to improve the efficiency of public services.
- Ease of Doing Business Policy: Synergy with the Job Creation Law supports efforts to accelerate business licensing and registration, which aims to create a more conducive investment climate.
- Increasing the Capacity of Apparatus: Various trainings and workshops have been carried out to improve the skills of apparatus in operating new digital systems, so that the transition from manual to digital systems can run smoothly.

Although many benefits have been obtained, the implementation of this digital system still faces a number of challenges:

- Inter-Regional Digital Divide: Differences in infrastructure and human resources in urban and rural areas cause variations in the level of adoption and effectiveness of the system.
- Resistance to Change: Some employees or agencies who have long been accustomed to conventional systems may have difficulty adapting to new technologies.
- Data Security and Privacy: Data management in digital systems requires high security standards to prevent information leaks and cyber attacks.

However, opportunities that can be utilized include:

- Advanced Technology Development: Utilization of technologies such as artificial intelligence (AI) and data analytics can increase efficiency, for example in automatically detecting anomalies or input errors.
- Inter-Agency Synergy: Deeper data integration between various government agencies can create a more responsive and coordinated administrative ecosystem.
- Improved Public Services: Digital systems enable faster, more transparent, and more accountable services, which in turn can increase the trust of business actors and the public

Several case studies conducted in large cities provide a real picture of the effectiveness of this digital system.²⁵

- Process Completion Time: In some cities, legal entity registration through the digital system can be completed in less than 24 hours, compared to the manual process which can take several days to weeks.
- Reduction in Administrative Errors: Initial evaluations show a reduction in administrative data errors of up to 30%, thanks to automated validation and data integration.
- Business Actor Satisfaction: Surveys of business actors indicate increased satisfaction with transparency and speed of service, which has a positive impact on the investment climate at the regional level.

²⁴ Rahmawati, Dian. *Ibid*

²⁵ Wibowo, Arif. *Modernisasi Administrasi Hukum di Era Digital*. Surabaya: Pustaka Hukum Nasional, 2022, hal. 102–115.

The findings from this case study form the basis for further evaluation to identify areas for improvement, such as improving digital infrastructure in underdeveloped areas and strengthening data security systems.

The implementation of a digital system in the registration and management of legal entities has significant implications for the national investment climate in supporting foreign and domestic investment in simplifying administrative procedures to attract investors by reducing bureaucratic obstacles. Increased investor confidence makes transparency and speed of administrative services increase investor confidence, which is very important for economic growth. Effective supervision and evaluation make data integration possible for the government to monitor business developments in real time, so that policies can be adjusted quickly to address emerging problems.²⁶

Based on the analysis and evaluation in the field, several policy recommendations can be proposed to optimize the implementation of this digital system:²⁷

- 1) Improvement of Digital Infrastructure: Investing in IT infrastructure, especially in remote areas so that the digital system can be accessed evenly.
- 2) Human Resource Training and Development: Organizing ongoing training programs for government officials so that they are able to operate and manage digital systems effectively.
- 3) Collaboration with the Private Sector: Partnering with the private sector in developing technology and cybersecurity to ensure that the system is always up to date and secure.
- 4) Periodic Monitoring and Evaluation: Conducting routine evaluations of system performance to identify problems and formulate appropriate solutions quickly.

The synergy between the Regulation of the Minister of Law and Human Rights Number 21 of 2021 and the Job Creation Law is a strategic step to modernize legal administration in Indonesia. The implementation of a digital system not only increases efficiency and transparency, but also supports the investment climate and economic growth. Although there are still challenges such as the digital divide and data security, with efforts to improve and collaborate between agencies, this transformation can have a positive sustainable impact on the business world and public services.

According to Benny Wellian (General Support Bank BTN Banyuwangi Branch) Individual companies as legal entities in Indonesia are still very taboo. Because there is no socialization regarding individual companies and the New Job Creation Law, and as a bank as a financing and financial institution in terms of opening individual company accounts. The requirements and procedures for opening a bank account for an individual company are still the same as opening an account for other business entities, by looking at the legality owned by the company itself.

And during the operational service, it refers to internal provisions whose sources come from the Financial Services Authority and the governing law. If there are bank employees (Customer Service) who in this case are tasked with accepting the opening of individual company accounts asking for other legal requirements, this may be

²⁶ Kusuma, Dian S. *Kebijakan Digitalisasi Pemerintahan dan Dampaknya Terhadap Layanan Publik*. Jakarta: Rajawali, 2023, hal. 67–84.

²⁷ Haryanto, B. *Transformasi Digital dalam Layanan Publik: Tantangan dan Solusi*. Bandung: Alfabeta, 2022, hal. 91–108.

related to the policy within the institution itself in order to minimize account misuse, such as fraud, money laundering, and maintaining the good name of the institution which will be questioned later.

Different from the explanation According to Trias Prihantoro (Relationship Manager of Bank BRI, Banyuwangi Branch), a Sole Proprietorship as a legal entity in Indonesia is indeed valid and has a clear definition, because based on *de facto* (reality) and *de jure* (law) where the sole proprietorship is regulated in the New Job Creation Law. In addition, the difference between a sole proprietorship and a limited liability company lies in the organizational structure where a sole proprietorship only has 1 person as a director and commissioner, while a limited liability company has a minimum of 2 people as directors and commissioners. The legality of the company is also a difference between the two companies, namely a sole proprietorship with a statement of establishment, and a limited liability company with a notarial deed where the deed states the articles of association and other information relating to the establishment of the limited liability company.

And the main difference is that the laws governing the two companies are different. Regarding the opening of a sole proprietorship account during the operational service in its service at the data verification stage to determine the customer's identity, the role of implementing the principle of knowing the customer is very important. Thus, we also understand and get information from customers regarding what legalities can be used as a reference in opening a sole proprietorship, namely a statement of establishment, NPWP of the sole proprietorship, population data of the owner of the sole proprietorship, and Business Identification Number that will be run by the sole proprietorship.

If there is a bank employee (Customer Service) who in this case is tasked with receiving the opening of a sole proprietorship account asking for a deed as a requirement for the legality of the sole proprietorship, we will provide an understanding to the bank employee regarding the applicable regulations regarding sole proprietorships. This sole proprietorship is almost the same as the previous company, namely a limited liability company. The difference is that it has a statement of establishment as legality.

A sole proprietorship here can have a deed if the sole proprietorship changes its shareholders. According to the applicable provisions, the sole proprietorship must make changes to a limited liability company. Because the difference in the regulations between a sole proprietorship and a limited liability company is clear. For the requirements for opening an account, namely: Statement of Establishment, KTP of the applicant/owner, NPWP of the company, Letter of domicile of the company (if the company's office address is not located in Banyuwangi). And during operations, we always refer to applicable laws and our agency's policies in order to minimize unwanted things.

CONCLUSION

This study reveals that the establishment of a Sole Proprietorship through the implementation of Law Number 6 of 2023 concerning Job Creation is a strategic step in modernizing corporate regulations in Indonesia. The synergy between the Job Creation Law, Law Number 47 of 2007 concerning Limited Liability Companies, and Regulation of the Minister of Law and Human Rights Number 21 of 2021 has created

a more flexible, efficient, and transparent legal framework. The adoption of this new regulation not only facilitates the process of establishing and changing legal entities, but also has the potential to increase investment attractiveness through bureaucratic simplification. However, the study also found several significant challenges, such as: Adaptation of bureaucratic culture to the new digital system, The gap in technological infrastructure between regions, and Limited in-depth understanding of the legal principles of companies among business actors and government officials. Overall, this regulatory reform is a positive breakthrough that can drive national economic growth, as long as the implementation challenges are handled proactively by increasing human resource capacity and strengthening digital infrastructure.

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