

# Single-Member Private Liability Company in the Job Creation Law on Micro and Small Enterprises

*by Junaidi Arif*

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## Single-Member Private Liability Company in the Job Creation Law on Micro and Small Enterprises

Syahrida<sup>1\*</sup>, Junaidi Arif<sup>2</sup>

<sup>1</sup>Faculty of Law, Lambung Mangkurat University, Indonesia

<sup>1</sup>Corresponding Author: [syahrida@ulm.ac.id](mailto:syahrida@ulm.ac.id)

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**Abstract-** The purpose of research is to know the position of Law No. 40 of 2007 concerning Limited Liability Companies with the arrangement of Single-Member Private Liability Companies in Law No. 11 of 2020 concerning Job Creation in Banjarmasin City. The research methods used in this research are normative research, literature study studies with a regulatory approach, non-legal materials used in the form of interviews with parties related to this research. The results showed that the position of Law No. 11 of 2020 on Job Creation became a general provision, although in fact it became a provision that applies specifically to Micro and Small Enterprises regarding the form of Micro and Small Enterprises in the form of Single-Member Private Liability Companies, so that it could override the provisions of the Limited Liability Company Act into general provisions. Then not many know, the form of Single-Member Private Liability Company Legal Entity for Micro and Small Enterprises, where so far the form of business entity used is Individual Business, Trading Business, Firm and Commditer Guild which is a form of business entity that is not a legal entity.

### I. INTRODUCTION

Changes in laws and regulations have a big impact on the community, including with the promulgating of Job Creation Law No. 11 of 2020 enacted on November 2, 2020. Bringing major changes, to the Micro and Small Enterprises sector, especially the arrangement regarding Limited Liability Companies for Micro and Small Enterprises.

Based on Article 7 of Law No. 40 of 2007 concerning Limited Liability Companies limiting the establishment of a Limited Liability Company is required to at least 2 or more legal subjects. This provision changed with the birth of Article 153A of the Job Creation Law governing Micro, Small and Medium Enterprises can establish a Limited Liability Company with 1 founder.

Nevertheless, all who signed became the founder of the Limited Liability Company. Each of the founders is obliged to deposit capital according to the number of shares he took. Then the shareholders conduct a General Meeting of Shareholders to determine the Board of Directors and board of commissioners. The contract of establishment of the Limited Liability Company was confirmed by the Notary Deed (Syahrida: 2021).

The city of Banjarmasin is an area in South Kalimantan, as a trading city, Banjarmasin experienced a fairly rapid trading dynamic, including the development of its Micro and Small Enterprises, from the field of services and production, such as making crackers, dodol, fruit sweets, batik cloth artisans, while in the field of services such as sewing, motorcycle workshops and more.

Banjarmasin city dominates the number of businesses in South Kalimantan in accordance with statistical data through the Economic Census conducted in 2016, according to the Head of the Central Bureau of Statistics of South Kalimantan, the number of businesses detailed, business fields in Banjarmasin City as many as 89,751 terdiri from Micro and Small Enterprises as many as 87,666 businesses and Large Medium Enterprises as many as 2,085 (Antara Kalsel: 2017).

In order to facilitate effort, the government invited Law No. 11 of 2020 on Job Creation, one of the objectives of the law is to improve Indonesia's ease of effort ranking in the world, especially related to indicators of starting businesses that lag behind neighboring countries and become fifth in ASEAN. For this reason, the Government creates a breakthrough so that everyone can easily start a business, especially for Micro and Small Enterprises. Of the many sub-clusters in the Job Creation Law,

namely sub-clusters that are complicated by the formation of business entities.

In order to realize the ease of trying, there is a need to form a new type of business entity, especially for Micro and Small Enterprises in forming companies with minimum requirements and capital. With ease for Micro and Small Enterprises in the form of Single-Member Private Liability Companies established by one person. Single-Member Private Liability Companies are expected to provide convenience for Micro and Small Enterprises actors in forming companies with minimum requirements and capital (Azis: 2020).

Capital in a Limited Liability Company is capital that can be determined in accordance with the agreement of the parties, the of a Limited Liability Company can be qualified based on the amount of capital it includes, regarding individual companies based on Article 35 Number (3) of Government Regulation No. 7 of 2021 on the ease, protection and empowerment of cooperatives and micro, small and medium enterprises that regulate business capital, namely:

- a. Micro-businesses have business capital up to at most Rp. 1.000.000.000,- (one billion rupiah);
- b. Small businesses have business capital of more than Rp. 1.000.000.000,- (one billion rupiah) up to at most Rp. 5.000.000.000,- (five billion rupiah) excluding land and business buildings; and
- c. Medium-sized businesses have business capital of more than Rp. 5.000.000.000,- (five billion rupiah) up to at most Rp. 10.000.000.000,- (ten billion rupiah) excluding land and buildings.

The Regulation on the Ease, Protection and Empowerment of Cooperatives and Micro, Small and Medium Enterprises in Article 35 Number (4) also mentions the criteria for qualifying Micro, Small and Medium Enterprises can also be determined through the following annual sales results:

- a. Micro-businesses have annual sales results up to at most Rp. 2.000.000.000,- (two billion rupiah)
- b. Small businesses have annual sales of more than Rp. 2.000.000.000,- (two billion rupiah) up to a maximum of Rp. 15.000.000.000,- (fifteen billion rupiah) and
- c. Medium-sized businesses have annual sales proceeds of more than Rp. 15.000.000.000,- (fifteen billion rupiah) up to at most Rp. 50.000.000.000,- (fifty billion rupiah).

Limited Liability Companies have a strategic position to Indonesia's economic development so that its existence needs to be given a strong legal foundation to spur national development that is structured as a joint effort based on family principles, and still adheres to the principles of justice in trying, especially with the continued increase of the micro-business sector which contributes significantly to the Indonesian economy. The birth of the Job Creation Law is based on the spirit of the government to provide ease of doing business in Indonesia must be felt also by micro and small businesses, one of which is with the birth of Single-Member Private Liability Companies.

Single-Member Private Liability Companies have a strategic position in encouraging economic development in Indonesia. The ease of business actors to start a business so that it can further develop and compete in the global business, with the birth of Single-Member Private Liability Companies that have characteristics and differences with Limited Liability Companies as stipulated in the Limited Liability Company Law makes research on Individual Companies or Companies that meet the criteria of Micro and Small Businesses to be important to do especially regarding the accountability of shareholders in the Company. Individuals in the event that individual companies suffer losses based on Law No. 11 of 2020 on Job Creation and against the conversion of Individual Companies that have been established into Single-Member Private Liability Companies as stipulated in Law 40 of 2007 on Limited Liability Company (Aslamiyah: 2021).

The establishment of an Individual Limited Liability Company that regulates Micro and Small Businesses can establish a Limited Liability Company with 1 person in Article 153 A of Law No. 11 of 2020 concerning Job Creation, causing pros and cons among the public, especially among legal experts, because it is contrary to Article 7 of Law No. 40 of 2007 concerning Limited Liability Company stipulates that the establishment of Limited Liability Companies is required by at least 2 or more legal subjects. So as to cause pros and cons among academics regarding the position of regulation in Indonesia's positive law.

## 12 II. RESEARCH METHODS

The method used in this research by using literature studies with a juridical normative approach is the approach of legislation. The study is prescriptive analytical, legal science studies the purpose of law, the values of justice, the validity of the rule of law, legal concepts, and legal norms. As the applied science of law sets standards of procedure, certain provisions, signs in implementing the rule of law (Marzuki: 2005).

Using primary legal materials in the form of laws and secondary legal materials, the form of literature materials in the form of books, journals and articles in online media, which are strengthened by non-legal materials in the form of interviews with related agencies that are competent in the field of licensing efforts, namely the Investment Office and Integrated Services One Door Banjarmasin City and with Micro and Small Enterprises in Banjarmasin City.

### III. RESULTS AND DISCUSSION

The existence of An Single-Member Private Liability Company is something new a breakthrough in legal regulation in Indonesia. With the promulgation of Law No. 11 of 2020 concerning Job Creation Article 153 A Paragraph (3) and implementation regulations on the Establishment of Single-Member Private Liability Companies in Government Regulation No. 8 of 2021. The ease of effort regulation policy for Micro and Small Businesses is a form of government support to be able to survive in the Covid-19 outbreak period (Amiyah: 2021), and it is expected that in the form of a legal entity Single-Member Private Liability Companies so that Micro and Small Enterprises can compete in the international or global arena.

The pros and cons of the existence of the Job Creation Law, which makes previously existing laws and regulations a clash and even a misalignment of rules, both the misalignment of the laws and regulations vertically and horizontally. Related to the discussion of Single-Member Private Liability Companies, in Law No. 40 of 2007 concerning Limited Liability Companies is questionable its existence.

In the Limited Liability Company Act states that a Limited Liability Company is a legal entity that is a capital alliance, established under the agreement, conducting business activities with basic capital that is entirely divided into shares and meets the requirements set out in this law and its implementation regulations.

Based on that understanding, the Limited Liability Company is established under the agreement, meaning that the Limited Liability Company is established by at least two or more people, and this is also mentioned in Article 7 Paragraph (1), Paragraph (5) and Paragraph (6) of the Limited Liability Company Act stating that: (1) the Company was established by 2 or more people with a notary deed made in the Indonesian; (5) After the Company obtains the status of legal entities and shareholders to less than 2 persons, within a period of at least 6 months from the time the circumstances the shareholder concerned shall transfer some of their shares to another person or the Company issues new shares to others; (6) In the event that the period referred to in paragraph (5) has been exceeded, the permanent shareholder of less than 2 persons, the shareholder is personally responsible for all engagements and losses of the Company, at the request of interested parties, the district court may dissolve the Company.

Limited Liability Companies are established under the agreement. In the Limited Liability Companies it is regulated that to establish a Limited Liability Company must include at least 2 persons. Two or more of these persons make an agreement to jointly establish a Limited Liability Company. In some literature mentions the theory of agreement, where the parties involved at least 2 people. This agreement theory is not fully embraced when the Company (will) be established, but also after the Company is established and operates, this is seen in Article 7 paragraph (5) of the Limited Liability Company Act (Budyono: 2011).

100% share ownership by a single shareholder if we see from the applicable laws and regulations as described above of course it contains the provisions of the regulations. The provisions that the author refers to here are certainly various aspects of consequences including administrative aspects. What is the status of buying and selling shares as previously described? Is it invalid or null and void, or even undone?

Based on Article 7 Paragraph (5) of the Limited Liability Company Act 2007 affirms that: "After the Company obtains the status of legal entities and shareholders become less than 2 persons, within a period of at least 6 months from the time the circumstances of which the shareholder concerned shall transfer some of their shares to another person or the Company issues new shares to others".

Based on Article 7 Paragraph (5) it has contained a firm obligation for legal entities that meet 2 elements, namely as follows:

- a. That the Company has obtained legal entity status (in this case it means that the Minister's Decree regarding the ratification of the Company's legal entity), and
- b. Shareholders to be less than 2 persons

The Company that meets the 2 elements explicitly set forth in Article Paragraph (5) is required for a period of at least 6 months from the circumstances, the shareholder concerned shall transfer their shares to another person or the Company issues new shares to others. The phrase "obligatory to transfer some shares to others" means that shareholders are obliged to transfer some of their shares, in the provision it is not explicitly explained how many shares must be transferred, only contains the

provision of partial diverting. Shareholders in this case are certainly allowed to transfer shares as he wishes in the sense that they do not have to transfer 50% of the shares to other parties, with the note that the Company's shareholders then become 2 (two) in accordance with the applicable rules and regulations (Wahyuni: 2017).

Under Article 7 paragraph (6) of the Limited Liability Company Act, shareholders remain less than 2 persons, shareholders are personally responsible for all engagements and losses of the Company, at the request of interested parties, the district court can dissolve the Company. This means that the Limited Liability Company if less than 2 people, loses its characteristics as a legal entity. Article 3 paragraph (2) of the Limited Liability Company Act, which expressly states that the limited liability of shareholders in the Limited Liability Company does not apply, in the case of:

- a. The Company's requirements as a legal entity have not been or are not met;
- b. The shareholders concerned either directly or indirectly in bad faith use the Company for personal gain;
- c. Shareholders involved in unlawful acts committed by the Company or;
- d. The shareholders concerned either directly or indirectly against the law use the Company's wealth, which resulted in the Company's wealth becoming insufficient to pay off the Company's debts.

The provisions of Article 3 paragraph (2) letter a of the Limited Liability Company Act, are formal requirements that must be fulfilled in the Establishment of a Limited Liability Company. By ignoring the process and formalities that should be taken, the Limited Liability Company is considered personally responsible. In the provisions of Article 10 of the Limited Liability Company Act states that if within a period of 60 days from the date the deed of establishment is signed the application for endorsement and obtaining legal entity status is not submitted to the Minister of Law and Human Rights, then the deed of establishment is void (Widjaja: 2008).

Referring to Article 3 of the Limited Liability Company Act above, in the company's legal literature stated the nature of the limitations of shareholder responsibility is not absolute. This means that shareholders can be held responsible, as long as there can be evidenced losses to the company because shareholders use the Limited Liability Company for personal interests. The breach of shareholder responsibility is known as the piercing doctrine of the corporate veil. The purpose of the doctrine of Piercing The Corporate Veil, by Munir Fuadi, has the main mission to achieve justice, especially for third parties with companies that have certain relationships. One of the cases is the dominance of shareholders in the Company (Sembiring: 2012).

Law No. 11 of 2020 on Job Creation gave birth to a new type of Limited Liability Company, namely the Company that meets the criteria of Micro and Small Enterprises or in Government Regulation No. 8 of 2021 concerning the Company's Basic Capital as well as the Registration, Establishment, Change and Dissolution of the Company that meets the criteria for Micro and Small Enterprises referred to as Single-Member Private Liability Companies. Single-Member Private Liability Companies also in the Common Law legal system have been known as a type of single trading business organization or sole trader, where there is only one party who acts as a trader or trader. Sole traders generally provide capital derived from their own or the proceeds of loans from banks (Aslamiyah: 2021).

Single-Member Private Liability Companies regulated in this Job Creation Law have several differences from Limited Liability Company known in the Law on Limited Liability Company, in addition to changes regarding Article 1 Number (1) regarding the understanding of Limited Liability Companies there are several facilities provided by the government to Single-Member Private Liability Companies, one of which is regarding the procedures for the establishment of Limited Liability Companies, as stipulated in Article 7 of the Limited Liability Company Act which originally had to be it is founded by 2 or more persons by Notary deed in Indonesian is not applied to the Single-Member Private Liability Company. The establishment of an Single-Member Private Liability Companies is carried out based on Article 153 A Number (3) of the Job Creation Law, because in this latest rule in establishing a Limited Liability Company can be done by 1 person and can be established based on a statement of incorporation made in the Indonesian so that it does not require a Notary deed.

This is certainly different from the rules set before the Job Creation Law which states that a person who wants to make a business where the form is a legal entity, then he must first establish what type of business he will establish, then the person concerned goes to the place where the business entity must be registered. If someone intends to establish a Limited Liability Company that is often abbreviated as a Limited Liability Company, then the person is required to come to the Notary to be able to accommodate his desire to establish a Limited Liability Company (Aslamiyah: 2021).

Article 1 Number (1) of the Limited Liability Company Act in addition to the Job Creation Law, becomes: "The Limited Liability Company here in after referred to as the Company, is a legal entity that is a capital alliance, established by agreement, conducting business activities with basic capital that is entirely divided into shares or individual Legal Entities that meet the

criteria of Micro and Small Businesses as stipulated in the laws and regulations regarding Micro and Small Businesses.

And add Number (7) in Article 7 of the Limited Liability Company Act, regarding exceptions for Companies that meet the criteria for Micro and Small businesses that read (7) provisions requiring the Company to be established by 2 or more persons as referred to in paragraph (1), paragraph (5), and paragraph (6) do not apply to:

- a. Persero whose shares are all owned by the state;
- b. Regionally Owned Enterprises;
- c. Village Owned Enterprises;
- d. The Company that manages stock exchanges, clearing and underwriting institutions, storage and settlement institutions, and other institutions in accordance with the Law on Capital Markets; or
- e. The Company meets the criteria for Micro and Small Enterprises."

Based on the article can be seen there is an expansion of the Company's exemptions that not need to be established by 2 or more people, the Job Creation Law is also the legal basis of existence for the Company that meets the criteria for Micro and Small businesses or in the Government Regulation on the Company's Basic Capital and registration, establishment, change and dissolution of the Company that meet the criteria for micro and small businesses referred to as Single-Member Private Liability Company. As discussed earlier, the Individual Company was only established by one person, the founder of the Individual Company is the sole shareholder or owner of the company (Aslamiyah: 2021).

The terms of the establishment of Limited Liability Company must be established by at least 2 people more than absolute requirement that is imperative as stipulated in the Limited Liability Company Act, if it is not fulfilled will result in the Limited Liability Company being dissolved, which is why with this the Job Creation Law is no longer mandatory, whether this will eliminate the characteristics of the Limited Liability Company as a legal entity. Thus resulting in horizontal conflict of norms, the Limited Liability Company Act with the Job Creation Law. Therefore, there needs to be a harmonization of the law in the laws and regulations related to Single-Member Private Liability Companies for Micro and Small Businesses.

The Job Creation Law is a general legal regulation that becomes the legal umbrella for legislation, which is a multi-sector arrangement called omnibus law. But specifically the arrangement regarding Single-Member Private Liability Companies for Micro and Small Enterprises, which makes some exceptions in Article 1 paragraph (1) and Article 7 of the Limited Liability Company Act into provisions of the Job Creation Law into provisions of a specific nature, for Single-Member Private Liability Companies for Micro and Small Businesses. Which becomes the position of the Single-Member Private Liability Company Act becomes a general provision for Single-Member Private Liability Companies.

This applies the principle *lex specialis derogat legi generali* means a law (norm / rule of law) that specifically negates the enactment of common laws (norms / rules of law). The principle of the first for the specific rule of law as contained in this principle has been known and practiced for a long time, long before the formation of the modern legal state as it exists today.

Prof. Bagir Manan in his book "Indonesian Positive Law" as quoted by A.A. Oka Mahendra in his article entitled "Harmonization of Laws and Regulations" stated that there are several things that can be used as guidelines in applying the principle of *lex specialis derogat legi generali*, namely as follows:

- a. The provisions found in the general law shall remain in force, except those provided for in that particular rule of law;
- b. *Lex specialis* provisions must be equivalent to the provisions of *lex generalis* (e.g., legislation with legislation); and
- c. *Lex specialis* provisions must be in the same legal environment (regime) as *lex generalis*, for example: The Trade Law Code is a *lex specialis* of the Civil Law Code because it is in the same legal environment, namely the civil law environment.

According to Prof. Bagir Manan, there is often a mistake in interpreting the relationship between common laws or regulations and special ones. It is as if a special one should or must have waived all common provisions when they should not be. General provisions remain in effect as long as they are not specifically regulated in the specific regulations concerned. For example, if observed the sound of Article 1 of the Trade Code: "The provisions of the Civil Code, as long as it is not specifically regulated in this Law (i.e. The Trade Code) remain valid (applied).

The application of a special law to a general law must always be done partially, so that general legal norms will still apply as a background that provides direction for legal interpretation for that particular norm. Legal norms that are specific are exceptions to common legal norms. This particular legal norm creates a "legal loophole" in a legal arrangement or a general norm, because the specific legal norm has a more concrete and specific scope of regulation so that it can partially derogatory to the provisions of the general law (Irfani: 2020).

Thus, it can be understood that the relationship between rules that are general-specific is mutually filling and complementary. On the one hand, provisions in general regulations relevant to the object of a special arrangement remain in force as long as they are not regulated by another in the specific regulation. On the other hand, special regulations fill and complement arrangements that cannot be reached by general regulations.

This can be used as a way to test whether a rule is a special rule, namely by looking at whether the object of the arrangement in the particular regulation, is also bound by arrangements that are general in general rules. This particular legal norm creates a "legal loophole" in a legal arrangement or norm that is general, because the specific legal norm has a more concrete and specific scope of arrangements so that it can partially derogatory to the provisions of the law that are general.

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This can be used as a way to test whether a rule is a special rule, namely by looking at whether the object of the arrangement in the particular regulation, is also bound by arrangements that are general in general rules. For example: a special region or a special autonomous region that is regulated in its own laws, remains bound by general provisions (Irfani: 2020).

Erich Vranes in his publication: "Lex Superior, Lex Specialis, Lex Posterior - Zur Rechtsnatur der Konfliktlösungsregeln (Lex Superior, Lex Specialis, Lex Posterior - the Nature of the Conflict Resolution Rules)" attempts to summarize these differences in views, i.e. this principle is viewed as:

- a. The principle of legal logic (rechtslogische Prinzipien);
- b. General principles of law / allgemeine Rechtsgrundsätze);
- c. Rule of interpretation ( Interpretationsregeln );
- d. Presumption rules ( Vermutungsregeln);
- e. Conditional legal principles (conditionally applicable legal rules/bedingt anwendbare Rechtsregeln);
- f. The law of habit (Gewohnheitsrecht); and
- g. Some experts consider that this principle is only an expression or ordinary language that is not too important to be considered as a principle or principle in solving the problem of conflict norms (Irfani: 2020).

This principle is to overcome the conflict of norms between the provisions in the Limited Liability Company Act and the Job Creation Law, imposed on the basis of the will to provide a juridical basis for certain legal actions so that between the norms must establish a systematic and harmonious relationship.

The presence of the Job Creation Law brings a new color, especially regarding Single-Member Private Liability Companies contained in Article 153 A Job Creation Law stipulated that:

- a. Companies that meet the criteria of micro and small businesses are established by 1 person;
- b. The Company's establishment for micro and small businesses is based on a statement of incorporation made in the Indonesian;
- c. Further provisions regarding the establishment of the Company for micro and small businesses are regulated by Government Regulations.

The form of an Single-Member Private Liability Companies is considered in accordance with the character of Micro and Small Enterprises. This form of legal entity cannot be utilized by medium-sized businesses. This Micro and Small Enterprises Special Single-Member Private Liability Company can be established by one person. The proposal regarding Single-Member Private Liability Companies has positive potential in order to increase ease of doing business in Indonesia (EODB) with the indicator "start a business".

This is given that the ease of establishment of Limited Liability Company becomes one of the benchmarks in the assessment of EODB ratings. The perception of the establishment of an expensive Limited Liability Company is erased if the Single-Member Private Liability Companies model is present. During this time, the establishment of other business entities such as Single-Member Private Liability Companies, firms or commanditer alliances is considered relatively easy and cheap. The legal form of individual companies and Commditer Guild is a relatively more legal form in Indonesia than the form of Single-Member Private Liability Companies for Micro and Small Businesses (Azis: 2020).

The government considers the existence of this new innovation as providing convenience, protection and empowerment in Small and Medium Micro Units and operations. However, the common question is what is the responsibility of shareholders in

the Single-Member Private Liability Companies. This becomes interesting, because in a limited liability company, limited liability is a fundamental thing that distinguishes it from other business entities, where limited liability is a condition where shareholders or shareholders of a company are only responsible for the number of shares they have in the company. This single shareholder develops as a trend of corporate legal development in the world that is now adopted in Indonesia must develop in accordance with its goal of making it easier for Indonesian people who want to try to establish a business as a way to achieve prosperity (Aprilia: 2020).

10 The Single-Member Private Liability Company model is known in the United Kingdom and the European Union, and is applied in Southeast Asian countries such as Malaysia and Singapore. The term Single-Member Private Limited Company is a term used in their laws and regulations as a similarity to individual limited liability companies. This Single-Member Private Liability Company for Micro and Small Enterprises does not require a Deed of Establishment, but enough statements of establishment of the company are electronically endorsed by the Minister of Law and Human Rights (Azis: 2020).

22 In China, it is known as One Person Single-Member Private Liability Companies. This is stipulated in Section 3 of the Company Law of the People's Republic of China 2018, namely Special Provisions on One-Person Single-Member Private Liability Companies (Aprilia: 2020).

Single-Member Private Liability Companies are also known as sole proprietorship or sole trader. This form of business is the simplest form of effort to make. Adikin and Suhartana (2006) define "an Single-Member Private Liability Company as a company conducted by one person. The company was founded by one person, and is run by one person. The company also has no obligation to register, so its dissolution does not require the approval of other parties. Terms that are known to be published such as Trading Companies or Trading Businesses are basically individual companies.

3 An Single-Member Private Liability Company is an individual company in the form of a legal entity with limited liability established by one person and led by one director. Benhui Mao (2012) mentioned SMC is a limited liability company that has one shareholder, namely a private or legal entity. This Single-Member Private Liability Company model is a development of the form of Limited Liability Company which was originally only established by two or more people.

2 Latty completes this opinion by stating that the argumentation of the Limited Liability Company model that can be established by at least two people is legal idiosyncrasy or overreaction only. According to him, there has never been a miracle in terms of the minimum number of shareholders. The point of this opinion is that regardless of the number of shareholders, whether or not the company advances it never depends on it (Azis: 2020).

This Single-Member Private Liability Company is one-tier, where a single shareholder simultaneously doubles as a director without the need for commissioners. Finally, the tax that must be paid is also cheaper than Limited Liability Company or individual income taxes and will be given a payment tenor for a certain time.

4 The Single-Member Private Liability Companies is regulated in Government Regulation No. 8 of 2021 on The Company's Basic Capital as well as registration of the Establishment, Change, and Dissolution of the Company that Meets the criteria for Micro and Small Businesses. This rule is included in the 49 implementing regulations of Law No. 11 of 2020 on Job Creation that has been promulgated into the State Gazette of the Republic of Indonesia.

1 Establishing a Single-Member Private Liability Company begins through the creation of a deed of incorporation which contains the Articles of Association and other information related to the establishment of a Single-Member Private Liability Company. Having a deed of incorporation does not mean that the Limited Liability Company has obtained legal entity status. If before the enactment of the Job Creation Law, the Limited Liability Company obtains the status of the entity on the date of issuance of the Decree of the Minister of Law and Human Rights regarding the ratification of the Limited Liability Company's legal entity. So after the Job Creation Law, the Limited Liability Company obtains legal entity status after being registered with the Minister of Law and Human Rights and obtains proof of registration.

18 Yasonna (Minister of Law and Human Rights, 2021) said that the government has made a series of efforts related to cutting regulations since several years ago. In 2016, for example, more than 3,000 local regulations were trimmed and revised. Two years later, President Joko Widodo issued Presidential Regulation No. 24 of 2018 on Licensing Services Trying to Integrate Electronically. This presidential regulation simplifies business licenses through the Online Single Submission system.

"This shows the government's commitment to realizing ease of effort. Based on the World Bank report, Indonesia is currently ranked 73rd out of 190 countries in terms of ease of doing business and trying to get into the lower forties position. The government continues to make various efforts to realize ease of effort so that it can attract investors. This is expected to eventually create jobs that are needed by the community," said the 67-year-old minister.



Director General of The General Legal Administration of the Ministry of Law and Human Rights, Cahyo R. Muzhar, said the breakthrough in the form of this individual company could be a stimulus to restore the national economy from the pressure of the Covid-19 pandemic. This policy is a form of government attention to the Micro and Small Enterprises sector which accounts for 60 percent of Indonesia's GDP and absorbs more than 113 million workers. "For this reason, we hope that support from all circles ranging from central or regional government agencies, banking, to all business actors and communities, so that the national economy can recover after the Covid-19 pandemic," (Hukumonline: 2021).

Based on the results of research dated April 20, 2021 at the Investment Office and Integrated Services one door banjarmasin city, interview with Monty Rizal, so far no one has used a Single-Member Private Liability Company for Micro and Small Businesses since the enactment of the Job Creation Law, let alone the existence of Government Regulations Number 7 and 8 of 2021, has just been passed, so there has been no implementation of business forms for Micro and Small Enterprises. On average for Micro and Small businesses, the form of business is Single-Member Private Liability Companies, Trading Businesses, Firms and Commditer Guilds, rarely in the form of legal entities of Single-Member Private Liability Companies, Cooperatives or Foundations.

#### IV. CONCLUSION

- 8 Law No. 11 of 2020 concerning The Job Creation is another legal umbrella. But the provisions in Article 153 A of the Job Creation Law make the rules of a special nature that regulate Single-Member Private Liability Companies for Micro and Small Enterprises. And 4 law No. 40 of 2007 concerning Limited Liability Companies is a general provision. Both complement each other, the principle of *lex specialis derogate legi generali*, the two laws 13 regulations complement each other, especially the provision 2 for Single-Member Private Liability Companies intended for Micro and Small Enterprises, which causes the provisions of the Limited Liability Company Act can be ruled out by the Job Creation Law.
- 2 The form of business entities used by Micro and Small Enterprises in Banjarmasin City, still in the form of 22 Single-Member Private Liability Companies, trading businesses, firms, and commditer guild 10 is very rarely in the form of legal entities of Limited Liability Companies, 18 Cooperatives and Foundations, let alone the legal entity of Single-Member Private Liability Companies, in accordance with the provisions in the Job Creation Law.

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