LEGAL ANALYSIS OF THE LIMITED LIABILITY COMPANY NAME CHECK SYSTEM THROUGH ONLINE GENERAL LEGAL ADMINISTRATION

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Abstract

A Limited Liability Company (LLC) is gaining popularity within various business circles as a legal entity consisting of directors, commissioners, and shareholders. Establishing an LLC requires adherence to specific requirements and procedures to obtain legal documents, with evidence and manifestation of legality aspects presented, registered, and ratified by the Directorate General of Law and Human Rights through the online system. Formally, the deed for LLC establishment must be drafted in Indonesian by at least two individuals, meeting the material requirements specified in Article 9 of Law Number 40 of 2007 concerning Limited Liability Companies. The procedure for creating a Deed of Establishment by a notary is governed by Article 39 of Law Number 2 of 2014 concerning the Position of Notaries, involving presenters approaching the notary, verification of the name, signing of the deed, registration with the relevant Ministry, and issuance of a Legal Entity Decree. Notaries may encounter obstacles, including technical issues like system inaccessibility, addressed through communication with AHU Online (Online General Legal Administration), and non-technical issues resolved through improvements. Responsibility for material truth lies in the validity of the deed, while responsibility for formal truth involves adherence to statutory regulations in the deed-making process.

Keywords: Law, Limited Liability Company, Name Checking System, Online General Legal Administration

1. INTRODUCTION

The Limited Liability Company or LLC (Perseroan Terbatas or PT) currently stands as the preeminent modality for economic engagement, owing to its inherent limited liability characteristics and the expeditious facilitation it accords to proprietors (shareholders) in the transfer of corporate ownership through the divestiture of all shares. In accordance with Article 1, paragraph (1) of Law Number 40 of 2007 pertaining to Limited Liability Companies, a Limited Liability Company constitutes an accord engaging in commerce with a capital structure exclusively apportioned into shares, adhering to legislative mandates and their regulatory implementations. Consequently, it is evident that each Limited Liability Company embodies a juridical entity founded upon capital collaboration, committed to commercial pursuits.

Upon the establishment of a Limited Liability Company for business purposes, adjustments may become imperative, encompassing considerations such as infusion of supplementary capital, alterations in shareholder composition, redefinition of objectives and goals, managerial structural modifications, among others. Any alterations pertinent to the corporate identity or information, in any manifestation, necessitate strict compliance with extant regulations. The information contained within the articles of association mandates immediate revision in the event of changes, obligating the Limited
Liability Company to effect modifications to its articles of association. Changes to a
Limited Liability Company must be meticulously documented in a deed of amendment
to the articles of association, an act necessitating notarial execution. As articulated in
Article 19 of Law Number 40 of 2007 on Limited Liability Companies, colloquially
known as the UUPT, it governs that "changes to the articles of association are contingent
upon determination by the General Meeting of Shareholders (hereinafter referred to as
RUPS), and the procedural intricacies of changing the articles of association must be
explicitly outlined in the RUPS notice" (Adjie & Gunarsa, 2013).

The legal status of a Limited Liability Company as a juridical entity is singularly
predicated upon the endorsement conferred by the Ministry of Law and Human Rights
(hereinafter referred to as KEMENKUMHAM) (Farazienia et al., 2019). Subsequent to
this endorsement, the Limited Liability Company attains juridical entity status, thereby
assuming autonomous rights and responsibilities emanating from its legal actions.
Deliberations in the RUPS encompass modifications to the articles of association deemed
essential for its standing as a juridical entity. When alterations to the articles of association
occur, such amendments must be incorporated or articulated in the Notary Deed in the
Indonesian language, as stipulated in Article 21, paragraphs (4) and (5) of the UUPT.

The UUPT remains silent on specific provisions delineating the modalities for
certifying the establishment of a Limited Liability Company; whether by conventional or
electronic means is left unaddressed. Consequently, given the contemporary era and the
imperative to enhance government administrative service systems, the erstwhile
conventional certification process has transitioned to electronic execution utilizing the
internet. The evolution of internet technology has facilitated the electronic certification
of establishment and approval of amendments to the articles of association of a Limited
Liability Company. This process is effectuated through the Legal Entity Administration
System (Sisminbakum), an internet-based legal entity administration system
collaboratively managed by the Ministry of Law and Human Rights and the private sector.
Sisminbakum, administered by the Directorate General of Legal Administration of the
Ministry of Justice and Human Rights of the Republic of Indonesia, hereinafter referred
to as Directorate General of AHU (General Legal Administration), aligns with societal
and business exigencies, particularly the imperative for expeditious and precise
certification of legal entities.

Historically, the manual certification or amendment of legal entities engendered
protracted timelines. From the vantage point of notaries, the centralized certification
process, predominantly situated in Jakarta, engendered spatial constraints and temporal
lags. The perspective of Directorate General of AHU employees underscores potential
delays in processing myriad pending requests, stemming from the temporal demands and
exact ing precision requisite for name verification and document scrutiny, exacerbated by
an incongruence between incoming documents and workforce capacity. This scenario
invariably precipitated human errors, resulting in inaccurate data, and manual
implementation, engendering vulnerabilities to corruption and collusion among
Directorate General of AHU personnel, especially when notaries demanded swift
approval of legal entities. To surmount these challenges, technological integration has led
to the inception of an online system accessible to notaries nationwide. This system affords
direct access to notaries in disparate geographical locales, mitigating both temporal and
spatial impediments. The securely stored and accurate entry of company data in the
Sisminbakum database ensures data integrity.
From the standpoint of Ministry of Justice personnel, the online system augurs an enhancement in extant human resource quality, fostering technologically proficient human resources concomitant with the cultivation of efficacious work dispositions and behaviors. The online system obviates the occurrence of corruption, collusion, and nepotism (KKN) by virtue of its regulatory oversight. In summation, the deployment of technology through Sisminbakum constitutes a pivotal stride toward augmenting the efficiency and integrity of the Limited Liability Company certification process in Indonesia.

The aim of this research is to investigate the system regulations governing the online name checking service in the General Legal Administration (AHU) provided by the Directorate General of Legal Administration (Dirjen AHU) under the Ministry of Law and Human Rights (Kemenkumham). Additionally, the study aims to explore the sanctions imposed on Domestic Direct Investment (PMDN) entities employing foreign languages. Furthermore, it seeks to assess whether the implementation of Online General Legal Administration (AHU) can realize public services that are swift, effective, efficient, and devoid of extortion practices, thereby constituting a manifestation of bureaucratic reform.

2. RESEARCH METHODS

The chosen research methodology employed in this study is juridical normative, characterized by a legal literature review commonly referred to as library legal research (Marzuki, 2013). The author's rationale for adopting this approach is rooted in the desire to comprehensively understand, analyze, and explicate the Juridical Analysis of the Limited Liability Company Name Checking System through Online General Legal Administration (AHU). This method involves an in-depth examination of legal materials and literature relevant to the subject matter. The juridical normative research is particularly suited for delving into the legal aspects and regulations surrounding the specified system.

In the context of normative legal research, the author has explicitly adopted a legislative methodology. This decision is based on the acknowledgment that the primary focus of the inquiry is the set of legal regulations that govern the Juridical Analysis of the Limited Liability Company Name Checking System through Online General Legal Administration (AHU). Through the application of this methodological approach, the research seeks to offer a thorough and nuanced examination of the legal aspects connected to the name checking system, thereby contributing insightful perspectives to the ongoing legal discussions in this field.

3. RESULTS AND DISCUSSION

3.1. The System Settings for Checking the Online General Legal Administration (AHU) Name at the Directorate General of General Legal Administration (AHU) Ministry of Law and Human Rights

PP No. 24 of 2018 concerning Integrated Electronic Business Licensing Services emphasizes that the government regulates, among other things, the types, applicants, and issuance of business licenses; the implementation of business licensing, sectoral reforms in business licensing, the OSS system, OSS institutions, OSS funding, incentives or disincentives for business licensing through OSS, problem resolution, and business
obstacles, as well as sanctions. In this study, we will focus on one form of legal entity, namely a Limited Liability Company (PT). Limited Liability Company, as a business entity, is widely sought after by business players because legal regulations regarding PT are essential to know to enter a more open and broader business world in the future.

Regulations in the field of PT have undergone many changes and updates. This is understandable considering that the law must be able to adapt to the needs of the times. The latest PT Law, namely Law No. 40 of 2007 concerning Limited Liability Companies, brings enlightenment to the business world because the existence of PT as a business entity becomes stronger in the midst of increasingly global business competition. One of the Notary's authorities is in the creation of the Deed of Establishment of PT. The making of the Deed of Establishment for PT is one of the requirements and procedures that must be carried out in the establishment of PT, as stipulated in Article 7 Paragraph (1) of the Company Law, which states that PT is established by 2 (two) or more people with a notarial deed made in the Indonesian language. In addition, PT must be established with an authentic deed, in this case, by and in the presence of an authorized official, namely a notary, which includes the articles of association and other information (Christian, 2020).

The procedure for submitting applications and approval of the Deed of Establishment and Approval of Changes to the Articles of Association of a Limited Liability Company is regulated in the Decision of the Director General of General Legal Administration (Dirjen AHU) of the Ministry of Justice and Human Rights of the Republic of Indonesia Number: C-01.HT. 01.01 of 2003 concerning the Procedure for Submitting Applications and Approval of the Deed of Establishment and Approval of Changes to the Articles of Association of a Limited Liability Company. According to Article 1 of the 2003 Dirjen AHU Decision, the deed of establishment of a Limited Liability Company is a deed made before a notary containing information about the identities and agreements of the parties to establish a Limited Liability Company along with its articles of association. The Deed of Establishment of the Limited Liability Company must be approved by the Minister of Justice and Human Rights, now the Minister of Law and Human Rights of the Republic of Indonesia, through the Director General of General Legal Administration of the Ministry of Justice and Human Rights, now the Minister of Law and Human Rights (H. Z. Asikin & Sh, 2019).

The login menu is the initial step to enter the menus intended for notaries, while the log-out menu is provided for notaries when they have finished or exited the Sisminbakum transaction process for the security of data that has been entered, preventing it from being viewed or altered by unauthorized individuals (Arifki, 2019). After the notary logs in, the notary then selects the name check menu. The provisions in the examination or checking of this name must be in accordance with the applicable regulations on the company's name. According to the Government Regulation of the Republic of Indonesia Number 26 of 1998 concerning the use of the name PT, which is basically made to regulate the procedure for submitting requests for approval for the use of the company's name, each use of the PT name can only be used by a business entity established with the aim of forming a PT legal entity. The name check menu can be seen in the attachment on page FIAN for name checking. To check the name of a company whether it has been registered in Sisminbakum, the first step is to click on the name check menu on the left side of the Sisminbakum page and then type the name of the company to be checked without using the word PT in front and characters rejected by the system such as: ' " ^ # % /. Type the name of the PT in the column provided. After typing the name of the PT to be checked,
click the "Submit" button to save. If the name is already registered, the name will be automatically rejected in the system directly without having to wait long (Z. Asikin, 2016).

In the event that the company name is not yet registered and to ensure the name's acceptance by the Department, it is imperative to promptly initiate the reservation of the company name. Automatically, the system will impose an access fee for the company name reservation amounting to IDR 350,000 (three hundred and fifty thousand Indonesian Rupiah) plus a 10% Value Added Tax (PPN). The subsequent steps involve filling in the company's details for establishment by selecting one of the predefined options (Riyanti, 2019), such as:

a. Company type, selected by clicking on one of the available options, such as: General facility, non-general facility, Foreign Direct Investment (PMA), Domestic Direct Investment (PMDN), State-Owned Enterprises (BUMN), Banking, Non-banking institutions, Special ventures.

b. Company location, chosen by clicking on one of the predetermined cities, such as Jakarta, Bandung, Medan, Surabaya.

c. Company status, which is 'closed' for all companies seeking establishment approval.

d. Typing the group name if the company is part of a legally established group. Otherwise, this question can be disregarded or left blank.

e. Typing the abbreviation of the company name to be proposed; if not applicable, it can be disregarded or left blank.

If the entered data aligns with the intended company details, the next step involves clicking the "Submit" button. Once the submitted data has been sent, the subsequent task is to monitor the examination process of the company name by the Directorate General of General Legal Administration (Dirjen AHU), starting from the scrutiny by the Corrector, Section Head, and Sub-Directorate Head (KasubDit), culminating in the final legal entity examination by the Director of Civil Registration, accompanied by the date, time of examination, and process details. To monitor the examination process, the user can click on the "Monitoring" menu on the left side of the Sisminbakum page.

The Directorate General of General Legal Administration may reject a reserved name if it contravenes the provisions outlined in Article 5, paragraphs (1) and (2) of Government Regulation No. 26 of 1998. Reasons for rejection include if the name (H. Z. Asikin et al., 2016):

a. Has already been legitimately used by another company or is similar to the name of another company.

b. Contravenes public order and morality.

c. Is identical or similar to the name of a company whose name usage approval has been accepted first.

d. Is identical or similar to a well-known trademark.

e. Consists solely of numbers or a series of numbers.

f. Consists solely of letters or a series of letters that do not form a word.

g. Indicates the purpose and objectives of the company.

h. Is not in line with the purpose, objectives, and business activities of the company.

i. Is only a geographical location name.

j. Is supplemented with words and/or abbreviations that denote a limited liability company, legal entity, or civil partnership.
Upon successful reservation acceptance, the next step is to apply for or register the name's usage. The name reservation period is 7 days, extendable to 60 days. If the name reservation is rejected, the user must replace the rejected name following the same steps as when initially reserving the name (Abdulkadir Muhammad, 2013).

The replacement steps include clicking on the "Check Name" menu, entering the new company name, and clicking the "Submit" button. In the name reservation page, select option 4 for replacing the rejected company name, click on it to ensure the control number matches the billing (payment proof) for the respective company name. Then, choose the company name to be replaced, review the company data, make necessary adjustments, and click the "Submit" button.

If the corrected company name is approved, the next step is to proceed with the name application. The name application is a crucial step to continue the company name reservation process within the 60-day validity period. Failure to complete the name application before the expiry date will result in automatic deletion of the data by the system. During the name application stage, it is essential to pay the Non-Tax State Revenue (PNBP) fee of IDR 200,000 (two hundred thousand Indonesian Rupiah) to the Ministry of Law and Human Rights. Afterward, fill in the PNBP payment date using the provided format in the PNBP menu and complete the supporting documents in the Pra Fian-1 menu.

3.2. Sanctions Imposed on Domestic Investment (PMDN) Utilizing Foreign Languages in the Establishment of Limited Liability Companies (PT)

In the establishment of a Limited Liability Company (PT), there is fundamentally no explicit prohibition regarding the utilization of a company name in a foreign language. According to Article 16, paragraph (1) of Law No. 40 of 2007 concerning Limited Liability Companies (UU PT), names prohibited from use as PT names are those that (Permata & Ghoni, 2019):

a. Have been legitimately used by another company or are essentially identical to the name of another company.

b. Contravene public order and/or morality.

c. Are identical or similar to the names of state institutions, government agencies, or international institutions, unless permission is obtained from the relevant authority.

d. Are inconsistent with the purpose, objectives, and business activities or merely indicate the purpose and objectives of the company without a distinct identity.

e. Consist of numbers or a series of numbers, letters, or a series of letters that do not form a word.

f. Signify a company, legal entity, or civil partnership.

However, subsequent regulations on the usage of PT names are further stipulated in Government Regulation No. 43 of 2011 concerning Procedures for the Submission and Usage of Names for Limited Liability Companies (PP 43/2011). Article 11 of PP 43/2011 expressly mandates that companies with all their shares owned by Indonesian citizens or Indonesian legal entities must use a company name in the Indonesian language.

As elucidated in the article titled "Prohibition on the Use of Foreign Languages for Company Names," if a company persists in using a foreign name, the consequence is that
the name may be rejected by the Minister. Article 6 of PP 43/2011 specifies that the Minister of Law and Human Rights has the authority to reject the submission of such a company name. In addition to prohibiting the use of foreign languages for the names of Indonesian legal entities, PP 43/2011 also does not permit the use of Arabic or Chinese characters for company names. Company names must be written in Latin letters, and the combination of letters and numbers used must form words. Therefore, Notaries have the obligation to caution clients during the name-checking process and assist them in ensuring that the selected name aligns with the provisions stipulated in PP 43/2011.

3.3. Implementation of AHU Online to Realize Fast, Effective, Efficient, and Corruption-Free Public Services as a Form of Bureaucratic Reform

Not long ago, public services provided by the Directorate General of Legal Administration (Dirjen AHU) were largely manual or semi-online, meaning that despite using computer network tools, the process still involved human actions such as certificate signing, certificate delivery, document submission, and so on. This scenario underwent a drastic transformation with the issuance of Minister of Finance Regulation No. 130/KMK/2012, which mandated the registration of fiduciary deeds with the Ministry of Law and Human Rights, accompanied by the threat of business license revocation for non-compliance. Since the implementation of Minister of Finance Regulation 130/KMK/2012, there has been a significant surge in fiduciary deed registrations from financing institutions to the fiduciary registration office (Ministry of Law and Human Rights) (Melo et al., 2023). Thousands of files need to be processed monthly. For the Ministry of Law and Human Rights, this influx represents both a blessing and a challenge. While it brings in substantial funds, creating a surplus for routine budgetary needs, the efficient system to manage this was lacking (Permata & Ghoni, 2019).

Consequently, numerous backlogs of unresolved files, along with instances of misplaced or mixed-up documents, emerged. These issues were only effectively addressed with the introduction of an online system for fiduciary deed registration and legal entity establishment, with preparations underway for foundations and similar entities. Through print and electronic media advertisements highlighting the public service revolution by the Directorate of General Legal Administration (AHU), witnessed by millions of Indonesian citizens, a new model of public service, specifically for general legal administration such as fiduciary registration, legal entity establishment (PT), and foundations, was introduced through an online system. The advancement in online services by the Directorate General of Legal Administration, Ministry of Law and Human Rights, harks back to the past era of the stock market in the Capital Market, transitioning from manual trading to online trading, or scripless trading. While the issues are almost similar, they differ in the purpose of the transactions. Online trading purely involves buying and selling securities, the meeting of sellers and buyers in the capital market. In contrast, the online system at the Directorate General of Legal Administration is predominantly oriented towards public service.

Visually, the system developed for fiduciary deed, legal entity (PT), and foundation registrations involves two parties: the registrant (usually an individual, typically a Notary acting as an attorney) and the government entity (in this case, the Ministry of Law and Human Rights, specifically the Directorate General of Legal Administration). Initially, the application process was manual, involving direct interaction between the registrant and the Ministry of Law and Human Rights, including the submission of specific
documents. However, in subsequent developments, the direct linkage between the registrant and the Ministry of Law and Human Rights was replaced by a system, i.e., an electronic computer device. There is no longer direct contact between the registrant and the Ministry of Law and Human Rights. The registrant is connected to a computer application linked to the Ministry of Law and Human Rights, in this case, the Directorate General of Legal Administration. Thus, the initially manual process has been transformed into an electronic system. This implies that the provisions stipulated in Law No. 12 of 2008 concerning Electronic Information and Transactions apply to online registrations for fiduciary deeds, legal entities (PT), foundations, and similar cases. If this online registration issue is considered in light of the Electronic Information and Transactions Law, the registrant (in this case, the Notary) assumes the role of a user, whether an individual or a business entity. The activity of registering online is referred to as an electronic transaction (MUHAMMAD, 2021).

Data entered into the electronic system by the notary during the application process is termed electronic information, i.e., one or a collection of electronic data, including but not limited to writing, sound, images, maps, designs, photos, electronic data interchange (EDI), electronic mail, telegrams, telefax, or the like, letters, signs, numbers, access codes, symbols, or perforations that have been processed and convey meaning understood by individuals capable of comprehending them. The connection between the computer used by the notary to submit applications online and the computer at the Directorate General of Legal Administration, Ministry of Law and Human Rights, is referred to as an electronic system network, signifying the interconnection of two or more electronic systems, whether closed or open (Susilo, 2014). The Ministry of Law and Human Rights, in this case, the Directorate General of Legal Administration, assumes the position of an electronic system provider, i.e., the utilization of electronic systems by the state, individuals, business entities, and/or the public (Setiawan, 2017).

The issue of fungibility is closely related to the function of documents as substitutes or replacements rather than derivatives. This is because the characteristics, functions, or inherent benefits of the original document will be supplanted by its substitute. Therefore, concerning online registration at the Ministry of Law and Human Rights, specifically the Directorate General of Legal Administration, original fiduciary certificates or original legal entity approval certificates may no longer be issued after everything is processed through the electronic system. This is to ensure that the function, character, and value of certificates for fiduciary deeds and legal entity approval printed from the electronic system are fungible with the originals. The interpretation of fungibility in the context of document function is a specialized development of the term, specifically within legal or legal terminology. Initially intended for the replacement of physical goods with other interchangeable physical goods, as mentioned in the Law Dictionary's definition of fungible as "a term applied to goods that are interchangeable or capable of substitution by nature or agreement." In the UCC, oil, grain, and coal are examples of naturally fungible goods. When storing fungible goods, warehousemen are exempt from the legal requirement of keeping stored goods from one depositor separate from the goods of another. Securities of the same issue are considered fungible; hence a person obligated to deliver securities may deliver any security of the specified issue."
4. CONCLUSION

The formal prerequisites for the establishment of a Limited Liability Company (PT) necessitate that the deed be composed in Bahasa Indonesia and involve two or more individuals. Meanwhile, the material requirements dictate that the deed must encompass elements specified in Article 9 of Law Number 40 of 2007 concerning Limited Liability Companies. The procedural steps outlined in Article 39 of Law Number 2 of 2014 regarding Notary Positions for creating the Establishment Deed for a Limited Liability Company involve the parties approaching the notary, name verification, deed signing, registration with the relevant Ministry, and issuance of the Company Law Certificate (SK Badan Hukum). Despite technical hindrances faced by notaries, such as inaccessible systems, solutions are sought through communication efforts with Ahu Online. Additionally, non-technical challenges are addressed through proactive efforts for improvement. The responsibility for material accuracy pertains to the validity of proving the deed, ensuring compliance with the provisions of legislation.

Furthermore, adherence to formal prerequisites, including the use of Bahasa Indonesia and the involvement of a minimum of 2 individuals, is crucial in the meticulous process of establishing a Limited Liability Company. On the other hand, compliance with material requirements, specifically the inclusion of stipulated elements, as per Article 9 of Law Number 40 of 2007, ensures the substantive completeness of the deed. The procedural steps guided by Article 39 of Law Number 2 of 2014 offer a structured framework for notaries, involving interactions with clients, name verification, deed signing, registration, and the issuance of the SK Badan Hukum. Overcoming technical obstacles, such as system inaccessibility, is met with communication solutions through Ahu Online, while non-technical challenges prompt proactive efforts for improvement. The responsibilities for material and formal accuracy underscore the notary's pivotal role in ensuring both the legal validity and substantive completeness of the establishment process.

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