


## A Shift Of Legal Entity Company Created With Authentic Deedin Form Of Limited Liability Company And The Birth Of Individual Company Created Without Authentic Deed

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Article Info	ABSTRACT
<b>Keywords:</b> Legal Entity, Sole Proprietorship, Authentic Deed.	The sole proprietorship as a new profit legal entity in Indonesia brings a new concept to the world of companies in Indonesia. As with the establishment of a sole proprietorship without an authentic deed organized by a Notary, this is different from the concept of establishing a limited liability company that uses a deed of establishment by a Notary. This thesis analysed the shift in the establishment of a sole proprietorship legal entity without an authentic deed, which is different from the establishment of a limited liability company with an authentic deed. The formulation of the problem in this study is: Does a sole proprietorship have elements as a legal entity according to legal theory and legal doctrine; Why is the establishment of a sole proprietorship legal entity carried out without an authentic deed, which is different from the establishment of a limited liability company that must be established with an authentic deed; how is the legal force for proving the certificate of establishment of a sole proprietorship issued by the Ministry of Law and Human Rights. The research method used in this study is a normative legal research type, which is supported by primary and secondary legal sources and is analysed qualitatively. The results of the research and discussion are that a sole proprietorship as a new legal entity, reviewed from the theory of legal entities, fulfills the elements of a legal entity against a sole proprietorship, but when reviewed from the legal doctrine by Nindyo Pramono, a sole proprietorship does not have articles of association approved by the Minister, this is contrary to Nindyo Pramono's opinion. If this happens, the injured party can cancel the certificate of establishment of the sole proprietorship at the State Administrative Court.
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### INTRODUCTION

The opening of the 1945 Constitution of the Republic of Indonesia (UUD NRI 1945) mandates that the Government of the Republic of Indonesia (Government) has the task of protecting the entire Indonesian nation and all of Indonesia's territory, advancing public welfare and improving the life of the nation. To advance public welfare as mentioned

above, it is necessary to implement sustainable national economic development based on economic democracy while still providing protection to the entire nation and all of Indonesia's territory. With the realization of welfare and prosperity, it is hoped that an intelligent life of the Indonesian nation can be realized.

The state's objectives in the economic sector can be seen in Article 33 of the 1945 Constitution of the Republic of Indonesia.<sup>1</sup> that the national economy is organized based on economic democracy with the principles of togetherness, fair efficiency, sustainability, environmental awareness, independence, and by maintaining balance of progress and national economic unity<sup>2</sup>. Thus, the national economic democratic system is based on kinship and mutual cooperation of the people, by the people, for the people, and together with the people under the leadership and supervision of the government towards social prosperity.

To accelerate national economic development and realize Indonesia's political and economic sovereignty, economic potential needs to be increased to become a real economic power by using capital originating from both domestic and foreign sources. Increasing economic potential<sup>3</sup>. This remains within the political economic framework which directs that investment policies are within the framework of increasing the people's economy which involves micro, small and medium enterprises, as well as macro enterprises, cooperatives.<sup>4</sup> In facing changes in the global economy and Indonesia's participation in various international collaborations, it is necessary to create an investment climate which is conducive, promotive, provides legal certainty, justice and efficiency while still paying attention to national economic interests.<sup>5</sup> Based on these conditions, in this case the government needs to make efforts that can increase national economic growth, including creating ease in starting a business based on regulations by paying attention to the legality of a business entity which is a manifestation of national economic development.

Legally, the implementation of the Indonesian economy is based on Article 33 of the 1945 Constitution of the Republic of Indonesia. This provision directs the achievement of harmony and balance in economic management. The provisions in the constitution are a fundamental source of law in managing the national economy. As a source of law, it is basically a manifestation of the will of a country.

Cipta Kerja is expected to be able to absorb labor, create new jobs, increase domestic and foreign investment in Indonesia through streamlining regulations in several areas that have so far hampered national economic development. The Cipta Kerja Law, which was drafted using the omnibus law technique is a government breakthrough in overcoming *hyperuglation*. This happened because several policies had previously been taken, such as tightening proposed regulations which triggered many problems.

A Limited Liability Company is a business which is a capital association of shareholders who have limited liability for their basic capital which is placed and paid up.<sup>17</sup> As a legal entity with a capital association concept, at least a company must Limited is established by 2 (two) people based on an agreement made before a Notary to create

a Deed of Establishment of a Limited Liability Company and contains the Articles of Association of the Limited Liability Company.<sup>18</sup> However, this concept was later expanded after the enactment of Law Number 6 of 2023 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation which amended and added provisions to the PT Law.

Every change and replacement of a law always brings changes according to the interests and needs of the times.<sup>19</sup> As a significant change in the PT Law through the Job Creation Law. One of them is the introduction of a new concept in Indonesian company law, namely the presence of an Individual Legal Entity in the form of a Sole Proprietorship which is specifically for Micro and Small Business actors, the purpose of establishing an Individual Company for Business Actors for MSME actors is to facilitate business development for MSME actors by being able to form a business entity with a Limited Liability Company.

The Company Regulation in the provisions of Part Five of the Job Creation Law has changed the obligation for ownership by 2 (two) or more people to be owned by only 1 (one) shareholder for Micro and Small Businesses.

The legality of a single shareholding company is ambiguous, because there is no regulation regarding the involvement of a notary deed in its establishment. A single shareholding company only requires a statement letter as legality for the documents and identity of the founder. This creates confusion regarding the company's responsibility if it carries out a legal act or enters into cooperation with other third parties. The company's deed of establishment in the form of an authentic notary deed is considered still necessary to guarantee the legality of the company, in order to create clear and strong legal force regarding the validity of the company's documents and the identities of the shareholders and founders.

Article 7 of Law Number 40 of 2007 concerning Limited Liability Companies states clearly and explicitly that the Establishment of a Limited Liability Company uses a Deed of Establishment of a Limited Liability Company which is prepared by a Notary.<sup>22</sup> However, the validity of the establishment of a sole proprietorship is carried out by a person with Indonesian citizenship who is at least 17 (seventeen) years old and legally competent by filling out a statement of establishment in Indonesian, then registering with the Minister and obtaining a digital Registration Certificate which is announced by the Minister on the official website of the Directorate General which has duties and functions in the field of general legal administration. The mechanism for establishing a sole proprietorship does not regulate checking the identity of the founder and the authenticity of the documents, so it does not guarantee the legality of the documents and the identity of the founder if there is falsification of the identity and documents which will impact the validity of the certificate of statement of establishment of the sole proprietorship.

## Literature Review

### General Overview of Sole Proprietorship

Development of Sole Proprietorship in Indonesia The history of the regulation of Sole Proprietorship in Indonesia, there are 6 (six) regulations at the level of laws that regulate Limited Liability Companies. The first time since before Indonesia's Independence, namely regulated in the Commercial Law Code (Wetboek van Koophandel).

Limited Liability Companies are known as Naamloze Venootschap (Unnamed Partnership/NV) If traced further, the provisions of the Company contained in the Commercial Code only consist of 21 articles, one of the articles that regulates this is regulated in Article 38 of the Commercial Code which reads:

"The Company Deed must be made in authentic form with the threat of being canceled. The Shareholders are required to register the deed in its entirety along with the permits obtained in the register held for that purpose at the clerk of the raad van justitie of the jurisdiction where the Company is domiciled, and announce it in an official newspaper. All of the above applies to changes in the terms, or to the extension of the Company's term. The provisions of Article 25 also apply to this". That which is stated in Article 38 of the Commercial Code confirms that the Company is made in the form of an authentic deed which if not carried out then the threat to the Company is void. If reviewed further the provisions of the Company stated in the Commercial Code are very few, in the provisions of Article 1 of the Commercial Code which reads:

"As long as there is no special deviation from the Civil Code in this Code, the Civil Code shall also apply to matters discussed in this Code." Thus, the two legal regulations governing legal entities in the Dutch East Indies at that time had dualism governing the legal entity of the Company at that time, where on the one hand for the European group or those equated with it, Articles 36 to 56 of the Commercial Code apply, while for the Bumiputra group the provisions of the Indonesian Shared Companies Ordinance apply.<sup>99</sup> In relation to the regulation of Companies in the Civil Code, this is contained in Articles 1233 to 1356 and Articles 1618 to 1652 of the Civil Code.

The development of corporate law in Indonesia after independence is still relatively the same as during the colonial period, as stated in the Article on Transitional Provisions in the 1945 Constitution<sup>100</sup> and Article 142 of the Provisional Constitution of the Republic of Indonesia<sup>101</sup> which enforces all existing legal regulations, both products of the Dutch East Indies and Japanese governments in Indonesia before the existence of replacement regulations stipulated by the Indonesian Government.

### In The Employment Copyright Law.

The changes to the regulations on Limited Liability Companies made by the Government of the Republic of Indonesia, aim to ensure that the provisions for the establishment and implementation of the legal entity of a Limited Liability Company itself

can accommodate the needs and developments of the times and answer the needs of the Community.<sup>112</sup> Individual Companies as referred to by the Minister of Law and Human Rights of the Republic of Indonesia Yasonna Laoly above, are regulated in the provisions of the fifth part of the Limited Liability Company on page. 614. The legal basis for the presence of a sole proprietorship is stated in Article 109 which amends the provisions of Article 1 of the 2007 UUPT which states:

"A Limited Liability Company, hereinafter referred to as a Company, is a legal entity which is a capital association, established based on an agreement, carrying out business activities with authorized capital which is entirely divided into shares or an individual legal entity that meets the criteria for micro and small businesses as regulated in laws and regulations concerning micro and small businesses"

Based on the formulation of this definition, it can be seen the difference in the formulation of the definition of PT, where the Job Creation Law provides an expansion to the types of businesses that exist in Indonesia by including provisions regarding Individual PT.<sup>113</sup> The individual legal entity (hereinafter referred to as the Individual Company) referred to in Article 109 of the Job Creation Law meets the criteria for micro and small businesses as regulated in laws and regulations concerning micro and small businesses, but the legal umbrella for individual Companies is contained in Article 109 of the Job Creation Law which amends several provisions of the 2007 UUPT, this creates confusion regarding the consistency of the regulation of individual Companies. Furthermore, exceptions to the provisions requiring a Company to be established by 2 (two) or more persons as referred to in paragraph (1), paragraph (5) and paragraph (6) do not apply to: <sup>114</sup> Limited Liability Companies whose shares are wholly owned by the state;

- a. -Regionally-owned enterprises;
- b. -Village-owned enterprises;

Companies that manage stock exchanges, clearing and guarantee institutions, storage and settlement institutions, and other institutions in accordance with the provisions of laws and regulations in the capital market sector; or Companies that meet the criteria for micro and small businesses.

#### **Elements of a Sole Proprietorship as a Legal Entity According to Legal Theory.**

Legal subjects have a very important position and role in the field of law, especially civil law because the legal subject can have legal authority,<sup>155</sup> The term legal subject comes from the Dutch translation, namely recht subject or in English, namely law of subject.<sup>156</sup> Humans are supporters of rights and obligations, but humans are not the only legal subjects because there are still other legal subjects. Legal subjects are everything that according to law can have rights and obligations, including what is called a legal entity (recht persoon), such as PT (Limited Liability Company), PN (State-Owned Enterprise), Foundations, Government Agencies and so on.

In regulations in Indonesia, the official term used as a legal entity can be found in the following laws and regulations:

Law Number 5 of 1960 concerning Basic Agrarian Regulations;

Law Number 19 of 2003 concerning State-Owned Enterprises;

Law Number 28 of 2004 Concerning Amendments to Law Number 16 of 2001 Concerning Foundations

Law Number 40 of 2007 Concerning Limited Liability Companies, and so on:

Until the latest Law Number 6 of 2023 Concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 Concerning Job Creation to Become Law, which provides a new legal entity concept in Indonesia, namely the Individual Legal Entity (Individual Company). A sole proprietorship is also known as a type of sole trader/single shareholder business organization, sole traders generally provide capital from personal savings or bank loans.

The Single Shareholder concept needs to be implemented without damaging the principle of limited liability as the fundamental of the Company and what distinguishes it from other business entities, and it is necessary to pay attention to the separation of individuals and the Company (separate legal personality) which is also a special character of a limited liability company, the essence of which is that a company in this case is a limited liability company has a personality or personality that is different from the person who created it. Referring to Article 109 of the Job Creation Law, it provides a definition of an individual company, which reads as follows:

"A Limited Liability Company, hereinafter referred to as a Company, is a legal entity which is a capital association, established based on an agreement, carrying out business activities with authorized capital which is entirely divided into shares or an individual legal entity that meets the criteria for micro and small businesses as regulated in laws and regulations concerning micro and small businesses"

When reviewing the definition of a Company as stated in Article 109 of the Job Creation Law, there is the sentence "an individual legal entity that meets the criteria for micro and small businesses as regulated in laws and regulations concerning micro and small businesses", this regulation is what provides the legality of a new legal entity, namely an MSME with legal entity status hereinafter referred to as with a sole proprietorship.

As a new entity in the world of companies, a sole proprietorship has its own specifications that are different from a limited liability company. For example, in the establishment of a sole proprietorship, it is sufficient to be established by 1 (one) person<sup>160</sup>. This is different from the concept of establishing a limited liability company, which requires a minimum of 2 (two) or more people. In obtaining legal entity status, a sole proprietorship obtains legal entity status after being registered and obtaining a certificate.

## METHOD

The shift from creating a company as a legal entity with an authentic deed (such as a Limited Liability Company (LLC)) to creating an individual company without an



authentic deed highlights significant changes in legal and administrative processes. Here's a breakdown:

- a. Legal Entity Company (LLC) with Authentic Deed make Creation Process: Requires the formal involvement of a notary to draft and authenticate the deed of establishment. After the company becomes a legal entity distinct from its founders, which means it has the capacity to enter into contracts, own assets, and be sued or sue in its own name.
- b. Individual Company without Authentic Deed Creation Process: Can be formed without going through a notary, meaning there is no need for an official authentic deed. The process is often simpler and quicker. The company does not have the same legal distinction as an LLC. The individual who creates the business remains fully responsible, and the company is not considered a separate legal entity. The owner is personally liable for all debts and obligations of the business, which means personal assets can be used to cover business liabilities.
- c. Key Implications of the Shift: Simplification: Moving to individual companies without an authentic deed may reduce bureaucratic hurdles, allowing faster and cheaper establishment of small businesses. However, the shift increases personal risk for the owner since there is no legal separation between personal and business liabilities. This shift makes it easier for entrepreneurs to start a business, particularly for small ventures or sole proprietorships, as it lowers barriers to entry. An LLC with an authentic deed offers better protection and continuity for more complex or larger-scale businesses. Each form serves different needs, and the choice between the two depends on factors like business size, risk tolerance, and regulatory needs. Certainly! To provide a more in-depth and expert analysis, let's break down this shift with a focus on the legal, financial, and operational implications of moving from a Limited Liability Company (LLC) formed with an authentic deed to an individual company formed without it.

This transition suggests that legal systems may be adapting to encourage entrepreneurship by lowering barriers to entry, though it's important for business owners to understand the accompanying risks and trade-offs.

## RESULT

### Evidence According to the Civil Code

Evidence is the presentation of legally valid evidence by the parties to a case to a judge in a trial, with the aim of strengthening the truth of the arguments regarding the legal facts that are the subject of the dispute, so that the judge obtains a basis for certainty to make a decision. Sudikno Mertokusumo categorizes evidence, namely a) Proving in the logical sense, evidence provides absolute certainty, b) proving in the conventional sense, evidence means certainty, only not absolute certainty, c) proving in the legal sense, evidence means providing sufficient basis to the judge examining the case in question to provide certainty about the truth of the events submitted.

In a civil process, one of the judge's duties is to investigate whether a legal relationship that is the basis for a lawsuit actually exists or not. The existence of this legal relationship must be proven if the plaintiff wants to win a case. If the plaintiff fails to prove the arguments that are the basis for his lawsuit, then his lawsuit will be rejected, but if otherwise, the lawsuit will be granted.

Evidence in civil procedural law is not a negative system (negatief wettelijk stelesel) as evidence in criminal procedural law which demands the search for truth. In the evidentiary system adopted by the Criminal Procedural Law regulated in Article 183 of the Criminal Procedure Code, evidence must be based on at least 2 (two) valid pieces of evidence and supported by the judge's belief (beyond a reasonable doubt). So that in criminal evidence the truth that is created is truly based on evidence that is beyond doubt and is considered the ultimate truth (materiele waarheid, ultimate truth). Meanwhile, in civil evidence the truth sought is formal truth (formeel waarheid) in other words the truth that is realized is only based on evidence submitted by the parties, without being supported by the judge's belief so that in civil courts judges are known to be passive in the sense that judges are not required to seek the ultimate truth. Civil trials do not rule out the possibility of parties in a case providing evidence based on lies and falsehood, but theoretically this must be accepted by the judge in order to protect the civil rights of the parties to the case.

Proof in a legal perspective is only relative or relative, not absolute in the sense that all evidence presented in court such as testimony, confessions, or letters may be false, untrue, or falsified. So that proof in a legal perspective is nothing more than historical proof.<sup>298</sup> Therefore, in the civil evidence system as long as the reasons and evidence presented by the plaintiff are acknowledged by the defendant, the judge is obliged to accept and acknowledge the truth even though it is false or a lie based on the defendant's confession.

In addition to the above parameters, there are legal principles that serve as guidelines for judges, the difference between legal principles and lower regulations is that legal principles are more abstract, if the legal principle is not included in the law then the principle is not binding on judges, but only as a guideline. However, if the principle is expressly stated in the law, then the principle has binding force as a law. So that judges are obliged to apply the principle directly to all real cases for which there are no special rules.

#### **Principles in Civil Evidence Law**

a. The principle of *ius curia novit*

This principle requires the Judge to be considered to know the law, this also applies in evidence, because in proving, the law does not have to be submitted or proven by the parties, but is considered to be known and applied by the judge.

b. The principle of *audi et altera partem*

This principle assumes that both parties to the dispute must be treated equally (equal justice under law). The same procedural position for the parties before the



judge. This means that the judge must divide the burden of proof based on the equal position of the parties in a balanced manner.

c. The principle of actor sequitur forum rei

This principle was developed from the principle of presumption of innocence known in criminal law. This principle states that the lawsuit must be filed with the court where the defendant resides.

d. The principle of affirmandi incumbit probation

This principle means that anyone who claims to have the right to use it must prove it.

e. Principle of acta publica probant sese ipsa

This principle relates to the proof of an authentic deed, which means a deed that appears to be an authentic deed and meets the specified requirements, the deed is valid or considered an authentic deed until proven otherwise. The burden of proof lies on who questions the authenticity of the deed.

f. Principle of testimonium de auditu

The principle in proof using testimonial evidence, meaning that the testimony obtained by the witness from another person, the witness did not hear it or experience it himself but heard from another person about the incident. In general, testimony based on hearing is not permitted, because the information given is not an event that he himself experienced, so it does not constitute evidence and does not need to be considered anymore. This is in accordance with the jurisprudence of the Supreme Court of the Republic of Indonesia dated March 15, 1972 No. 547 K/Sip/1971, which determines that the testimony of a witness de auditu is not evidence.

g. Principle of unus testis nullus testis

This principle means that one witness is not a witness, meaning that one piece of evidence is not enough to prove the truth of an event or the existence of a right. Article 169 HIR/306 RBg states that the testimony of one witness alone without other evidence cannot be considered sufficient evidence. This is in accordance with the jurisprudence of the Supreme Court of the Republic of Indonesia No. 665 K/Sip/1973, which determines that one piece of evidence alone without being supported by other evidence cannot be accepted as evidence.

### Proving PTUN Disputes

The PTUN proof process begins with determining the extent of the proof, meaning that the judge first determines what facts are relevant to the final decision. After the judge examines according to his belief which facts he considers to be certain enough. Then he looks at which facts still need to be proven. This is all meant by the extent of the proof.<sup>372</sup> This is in line with Article 107 of Law 5/1986 which states that the Judge determines what must be proven, the burden of proof along with the assessment of the proof, and for the validity of the proof at least two pieces of evidence are required based on the Judge's belief.

In the State Administrative Court, the proof model, namely formal truth refers to the object of the dispute, namely the decision of an official that is detrimental to the parties and pays attention to material truth, namely photographing and paying attention to the process of the occurrence or emergence of the object of the state administrative lawsuit. Article 53 paragraph (2) of Law 5 of 1986 explains the reasons that can be used in a lawsuit, namely:

- a. The decision being challenged is contrary to the applicable laws and regulations.
- b. The State Administrative Agency or official at the time of issuing the Decision has used its authority for purposes other than those for which the authority was granted.
- c. The State Administrative Agency or Official at the time of issuing the Decision has considered all interests related to the Decision that should not have led to the making of the Decision.
- d. The reasons that can be used to sue are also the basis (criteria or measures) for testing for the State Administrative Judge at the time of starting whether the disputed State Administrative Decision is unlawful or not.

Regarding evidence, Ridwan Syahrani stated that evidence is the presentation of legally valid evidence to a judge examining a case in order to provide certainty about the truth of the events presented. Evidence is a procedure for determining the proof of facts that are the basis for consideration in making a decision. Indroharto stated regarding the facts that are the basis for consideration in making a decision, namely:

- a. Legal Facts, namely events or circumstances whose existence (existence) depends on the application of a statutory regulation. Ordinary facts, namely events or circumstances that also determine the existence of certain legal facts.
- b. Based on this opinion, it can be said that the PTUN procedural law evidence is the provision of evidence in front of a judge to reveal an event so that it becomes clear which can facilitate the judge examining and deciding on State Administrative disputes in accordance with justice, legal certainty and benefits.

To prove the arguments put forward by the disputing parties, evidence is needed. Related to the evidence in PTUN disputes are regulated in Article 100 of Law 5/1986, namely:

- a. Letters or writings;
- b. Expert statements;
- c. Witness statements;
- d. Acknowledgements of the parties;

#### **Judge's knowledge**

First, written or written evidence, this is as described in the Civil Evidence section. There are 3 (three) types of written or written evidence, namely: Authentic deeds, namely letters made by or before a public official who according to laws and regulations is authorized to make the letter with the intention of being used as evidence of the legal events stated therein.

Second, Expert Statement based on Article 102 of Law 5/1986, expert statement is the opinion of a person given under oath in a trial about something he knows according to his experience and knowledge. Expert statement is needed when the judge is of the opinion that a case will be clearer by hearing the opinion of an expert witness, the judge must call an expert to the court either at the request of both parties or at the will of the judge himself.

Third, Witness Statement is explained in Article 104 of Law 5/1986, namely that witness statement is considered evidence if the statement relates to something experienced, seen or heard by the witnesses. Not everyone can be a witness, Article 88 provides exceptions, namely:

- a. Blood relatives or in-laws according to a straight line of descent up or down to the second degree from one of the disputing parties;
- b. The wife or husband of one of the parties concerned even though they are divorced;
- c. Children who are not yet seventeen years old;
- d. People with mental illness.

Furthermore, Article 89 provides an exception for a person who has the right to be a witness but also has the right to withdraw as a witness, namely:

- a. Brothers and sisters, brothers and sisters-in-law of one party;
- b. Every person who because of his dignity, job or position is required to keep secret everything related to it.
- c. Witness testimony can be heard without the presence of the disputing party, if the disputing party has been properly summoned, but does not come without a justifiable reason. The greatest power given to witness testimony is the testimony given in court and under oath.

In that situation, questions can be asked to the witness by all parties. Of course, a person who becomes a witness must be careful and honest when giving testimony for evidence.

#### **Dispute Resolution If There is a Party Who is Disadvantaged After the Issuance of the Certificate of Establishment of a Sole Proprietorship.**

The registration process for a sole proprietorship is quite simple, using the Identity Card (KTP) of the prospective founder of the sole proprietorship, the Taxpayer Identification Number (NPWP) of the prospective founder of the sole proprietorship and a valid e-mail address. Based on the completeness of the documents above, the prospective founder of the sole proprietorship registers independently and online via the official website <https://ptp.ahu.go.id> and completes the initial registration, after going through this process, the prospective founder of the sole proprietorship obtains a certificate of establishment of the sole proprietorship which becomes the legality of the document of the sole proprietorship. where when inputting the data of the prospective founder of the corporation, there is no verification by the Ministry of Law and Human Rights to match the truth and suitability of the documents owned by the prospective

founder, so this has the potential for misuse of personal data so that the inputted data becomes fictitious, this is very detrimental to the party whose personal data is used without their own knowledge.

Due to the existence of this legal loophole, the aggrieved party in taking legal action either through non-litigation or litigation in the TUN dispute. What is the basis for the author to convey the resolution in the TUN dispute? This is because the object of the problem is the existence of a certificate of establishment of a sole proprietorship. The certificate of establishment of a sole proprietorship is issued by the State Administrative Officer in this case the Director General of General Legal Administration Minister of Law and Human Rights of the Republic of Indonesia. So that the resolution of the dispute is through the TUN dispute resolution process. If the aggrieved party wants to resolve the dispute civilly, this can be done. However, based on the Circular of the Supreme Court Number 10 of 2020 concerning the Implementation of the Formulation of the Results of the Plenary Meeting of the Supreme Court Chamber in 2020 as a Guideline for the Implementation of Duties for the Court, the Civil Chamber Formulation section number 2 states that

“Civil judges are not authorized to cancel certificates, but are only authorized to declare certificates that have no legal force, on the basis that they do not have a valid legal basis. Cancellation of a certificate is an administrative certificate action which is the authority of the state administrative court (TUN)” Based on this, the dispute resolution through the State Administrative Court, which has the authority to cancel the certificate of establishment of a sole proprietorship is the PTUN.

## CONCLUSION

Based on the description of the evaluation and research results that have been explained above, the author hereby provides the following conclusions and suggestions: In theory, a legal entity, a sole proprietorship fulfills the elements of the theory of a legal entity, but according to the legal doctrine, a sole proprietorship does not use a deed of establishment by a notary and does not obtain approval of the articles of association from the Minister of Law and Human Rights, so the principle of a sole proprietorship is contrary to the doctrine of a legal entity by Nindyo Pramono. The importance of the articles of association approved by the Minister aims to become a legal umbrella for a sole proprietorship in carrying out business activities. The shift in the establishment of a sole proprietorship without a notarial deed aims to provide ease of doing business, acceleration of licensing for MSME actors who wish to establish a legal entity. This has resulted in a shift in the principles of establishment in the world of companies. The absence of this authentic deed has resulted in the loss of the role of the Notary in providing legal certainty to the Community. Notaries as public officials who are closer to the Community and are delegated by the State to provide legal certainty in the Community's legal actions. The certificate of establishment of a sole proprietorship is an electronic certificate issued by the Ministry of Law and Human Rights, formally there are no provisions governing how to prove using electronic certificates in Indonesia, the

recognition of electronic evidence as valid evidence in court is only limited to the level of material legal regulations and has not yet reached formally. However, the existence of electronic information and electronic documents is binding and recognized as valid evidence to provide legal certainty.

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