

The Newly Sole Proprietorship as Limited Liability Company in Recent Indonesian Company Law

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Abstract. The recent Omnibus Law provides significant changing in the company legal order since the issuance of Government Regulation No. 8 of 2021. Under this GR, the sole proprietorship became a limited liability company. However, the liability construction of this newly born has not been regulated clearly and firmly and creates legal uncertainty. The purpose of this article is, *first*, to determine the appropriate liabilities of SPLLC (Sole Proprietorship as Limited Liability Company) and its founder, and *second*, to review and develop the legal mechanism for government to provide legal certainty. The study uses the normative juridical method with descriptive-analytical specifications. The study found that the absence of regulation on liability creates ambiguity and legal uncertainty on the appropriate liability for the new form of company. Finally, the study concludes that the appropriate liability of SPLLC and its founders should be determined firmly. Furthermore, three models of liability construction of the business owner are offered, including SPLLC with unlimited liability, SPLLC with limited liability, and SPLLC with certain liability.

Keywords: sole proprietorship, limited liability company, omnibus law

Introduction

In early November 2020, the legal system in Indonesia has undergone new developments with the promulgation of Law Number 11 of 2020 concerning Job Creation or known as the Omnibus Law on the Job Creation (OLJC 11/2020) (Maharani, 2020). According to the consideration of OLJC 11/2020's considerations, this omnibus law is primarily aimed at expanding opportunities for Indonesian workers amid increasingly competitive competition and the demands of economic globalization (Rayadi, M P, 2020). To support these objectives, arrangements are needed to accommodate the convenience, protection and empowerment of cooperatives and micro, small, and medium enterprises; also, improving the investment ecosystem, and accelerating national strategic projects, including improving the protection and welfare of workers. The form of this regulation is the issuance of 49 operational regulations on February 2, 2021 (DSL, 2021) (Rizqo, 2021). The number of these derivative

rules was then increased by 2 to 51 rules (Fitriani, 2021). One of these regulations is Government Regulation Number 8 of 2021 (GR 8/2021) concerning the Authorized Capital of the Company, the Registration, Establishment, Amendment and Disbanding of Companies that Meet the Criteria for Micro and Small Businesses.

The importance and significant matters regulated in this GR 8/2021 are the emergence of 2 (two) new types of companies in the form of limited liability companies (LLC) that are dedicated specifically to micro and small businesses. These two types of companies are companies that meet the criteria of micro and small enterprises, which can be established by 2 (two) or more people, and a sole proprietorship established by 1 (one) person. The establishment, amendments to the articles of association, and disbanding of the first new type of company refer to the laws and regulations regarding companies, which are regulated both in the Indonesian Civil Code (ICC) and Law Number 40 of 2007

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concerning Limited Liability Companies (LLC Act). Interestingly, the sole proprietorship as the second new type of company is given a special arrangement in GR 8/2021. Forming a new sole proprietorship company is simply by filling the electronic Statement of Establishment which is submitted to the Minister of Law and Human Rights. This convenience will certainly greatly facilitate people who want to start a business that is included in the micro and small scale. This accommodation is expected to drive the economy at the micro and small scales.

That the opening of opportunities for the establishment of new types of LLC to support micro and small enterprises is a concrete step for the government to expand business opportunities for anyone in Indonesia. It is no longer limited to those who have a large capital, but also those at the micro and small economic level.

However, this GR does not yet regulate other essential aspects, namely the liability of the company founder of the sole proprietorship as an LLC type (Sole Proprietorship as Limited Liability Company - SPLLC).

As we know that liability is an essential issue of company accountability in conducting business relationships with other parties. In a legal relationship, there is a relationship between/among the parties known as "*perikatan*" (in Indonesian) or "*verbintenissen*" (in Dutch) or "commitment" (in English) which creates the rights, responsibilities/obligations and liabilities of each party (R. Soetojo Prawirohamidjojo, 1978) (Zimmermann, 1992) (Fried, 2015). Company as a nexus of contract provides the commitment between its shareholders (as the founders and owners) and the company (as the legal entity incorporated by its founders and legalized by the law through a certain state's authorities). Company legal order in Indonesia regulates that the recognized legal entities in Indonesia are including Private Partnership (*Perseroan Perdata* or *Maatschap*) as regulated in the Indonesian Civil Law, Firma Partnership (*Perseroan Firma* or known as Firma in Dutch), Limited Partnership (*Perseroan Komanditer* or known as *Commanditaire Vennootschap* in Dutch) and both are regulated in the Indonesian Commercial Law, and Limited Liability Company (*Perseroan Terbatas* or known as *Naamloze Vennootschap* in Dutch) as regulated in Law No. 40 Year 2007 concerning

Limited Liability Company. Each type of companies has different characteristics of liabilities. Joint and several liabilities is the liability of the founders of the Private Partnership, Firma Partnership, and Limited Partnership. Furthermore, limited liability is the liability of the founders of the Limited Liability Company. Meanwhile, though sole proprietorship has not been regulated, but it is well known and practiced that the liability of its founder is personal/unlimited liability.

Therefore, with this new form of a sole proprietorship, it is important to discuss: does the founder's liability refer to basic liability in a common sole proprietorship, namely personal liability, or does it refer to liability in LLC, namely limited liability? As a note, the form of sole proprietorship in various countries is generally not formalized in the form of an LLC, considering that there are significant different liability issues (Santoso, 2020) (Pattarawadee Permwanchagun, 2014).

The SPLLC as introduced by the GR 8/2021 has positive values to drive micro and small businesses. Moreover, the fact that the economic world is increasingly borderless with the widespread use of digital media for the efficiency and effectiveness of business transactions makes the SPLLC to have more opportunities to establish business relationships with parties outside Indonesia (international partners). However, for the sake of legal certainty as mentioned above, it should not limit to the facilitation aspects of the technical aspects of establishment, capitalization, and dissolution. It becomes necessary to study and research the essential aspects that involve the liability and accountability of the SPLLC and its founder as well as the system and mechanism in conducting the SPLLC. Therefore, it is important to formulate the liabilities of the founder of this specific type of sole proprietorship because it is a sort of guarantee of the existence and capacity of the company which can generate trust from business partners.

For that reason, this study adds to the limited research on sole proprietorship for micro and small scales. In connection with new developments in the corporate legal system in Indonesia, this study can also be preliminary research which can be continued in further research by myself or others. Furthermore, this study can also be a preliminary basis for the government to

continue with more specific arrangements for this new form of company, which of course will create legal certainty for the business world and the corporate legal system in Indonesia.

The purpose of this article is, *first*, to determine the appropriate liabilities of SPLLC and its founder by referring to various relevant and pre-existing theories, principles in corporate law, governance and risk, and the interests of stakeholders; and *second*, to review and develop the mechanism that can be undertaken by the government to provide legal certainty aspects in the company legal order.

Hence, the problem identification of this study is divided into the following research questions: *first*, what are the appropriate liabilities of SPLLC and its founders to supply assurance and trust from business partners? and *second*, how does the government accommodate the accountability of SPLLC which provides legal certainty for parties in business transactions and stakeholders?

Research Methodology

This study uses a normative juridical method that is carried out with library research on the secondary data in the field of law that involve primary legal materials including the regulations relevant to the topic. However, the secondary legal material is found rare and very limited, as the issue of a sole proprietorship as an LLC is new and has not been widely discussed. Also, the tertiary legal materials include the supporting material relevant to the topic and obtained from internet sources.

The specification of the research analysis in this article is descriptive analytics. The relevant theories, principles, regulations that form the fundamental understanding of the company types, purposes and liabilities of each type will be described first. Then it will continue with the urgency to determine the liability of the newly born SPLLC, both company and its founder, in connection with some essential parties and interests, among others, business partners and stakeholders. Moreover, there will be design and recommend steps that can be undertaken by the government to provide legal certainty as to the ultimate aspect and goal in the legal order.

To support this analysis and

recommendation, a legal finding is one of the efficient and effective methods to provide a thorough analysis by undertaking a sociological and systematic interpretation (Mertokusumo, 1993) (Ardhiwisastra, 2000) (Pontier, 2008) (Mertokusumo 2014).

Results and Discussion

Liability of the SPLLC and its Founders

A sole proprietorship is a form of business organization that is most used by the public, especially because of its flexibility (Santoso, 2020), and the business is generally a small-scale business. In addition, ownership tends to be small and simple organizations "where the founder spearheads all decision-making, reducing the ability and routine associated with coordination and information flow within the company and the need to account for it". The owner of the business is only one person and conducting all the business activities that cover management and administration (Furlan, 2016) (Permwanichagun, 2014). Besides, there are no requirements to conduct company formalities, such as annual meetings or even prepare a minute of meetings. However, the disadvantage of this individual business form is the exposure of the owner to individual unlimited liability and vicarious liability in case the owner must be responsible for another person's liability in the event that the sole proprietor hires employees. This means that business creditors and individuals who have other claims against the owner can reach out to the business and the owner's personal assets (Lawrence, 2021) (Permwanichagun, 2014). Hence, there is no separation between the owner and its business entity. This feature of a sole proprietorship as an individual company has been recognized and applicable in various countries, including Indonesia.

Until now, there has been no regulation requiring individual companies to be established with a notarial deed. However, if it is related to a collaboration framework with a large company or government agency, a sort of deed of the establishment will usually be required as a prerequisite in doing so. Generally, the sole proprietorship has to apply for a permit in the form of a business domicile permit from the Village and Subdistrict Office where the business is carried out; apply for the issuance of taxpayer identification number in one's name; apply

for an individual trading business license to the local office of Cooperative, Micro, Small and Medium Enterprises and Trade; register the license of trading business as a Company Registration Certificate in the Office of Company Registration under the Ministry of Trade (Pramesti, 2017).

In terms of liability, this is closely related to the principle of separation of legal entities introduced in the UK legend case of *Salomon v. Salomon & Co Ltd*. In this case, the House of Lords emphasizes that the company is not an agent of its shareholders, regardless of the number of shares owned in the company. Once a company is registered, it becomes an independent person with its rights and obligations (Ernestine, 2017). Although the Salomon case became the first foundation for the principle of a separate legal entity at that time, in its development even in the legal system in England, there have been many exceptions in practice adapted to the factual conditions of the case. Of course, the law cannot be rigid, it must be able to keep up with the dynamics of the development and change of society. Such a thing has happened in Indonesia in the last few months, to be precise since the controversial omnibus law was enacted in November of 2021 (OLJC 11/2020) and followed by the GR 8/2021.

According to the GR 8/2021, a sole proprietorship can establish an LLC by filling up a statement of establishment form and submit it electronically to the Ministry of Law and Human Right to have registration. After the registration, the company will receive an e-certificate of registration. The Ministry will announce the registration on the official website of the Directorate General of General Law Administration.

The GR 8/2021 requires sole proprietorships that can establish an LLC are only those that meet the requirements of micro and small businesses. According to Law No. 20 of 2008 concerning Micro, Small and Medium Business, Micro Business has a net asset of not more than Rp. 50,000,000.00 (fifty million rupiahs) excluding land and buildings for business premises; or has annual sales proceeds of not more than Rp. 300,000,000.00 (three hundred million rupiahs). The criteria for Small Business are as follows: has a net asset of more than Rp.50,000,000.00 (fifty million rupiahs) up to a maximum of Rp. 500,000,000.00 (five hundred million rupiahs) excluding

land and buildings for business premises; or has annual sales revenue of more than Rp. 300,000,000.00 (three hundred million rupiahs) up to a maximum of Rp. 2,500,000,000.00 (two billion and five hundred million rupiah). Therefore, a sole proprietorship that meets those criteria of micro and small businesses can apply to transform its form into an LLC.

To some extent, this GR encourages micro and small businesses to enhance and elevate their capacity in doing business in a wider spectrum. However, to another extent, such accommodation demands bigger liabilities than when the business in the form of the individual business. In this regard, the GR 8/2021 and Law No. 20 of 2008 do not specifically regulate the liability of the business founder/owner. This certainly has the potential issue to cause problems in the future, considering that the liability in the sole proprietorship is known as unlimited liability, while the liability in the PT is limited. At some point, this ambiguous kind of liability can create a sort of legal risk, for example, when the newly type of SPLLC enters a contract with other parties. They have to follow the principles in the law of agreement as the golden principles in the effective chain of contract, including freedom of contract, *pacta sunt servanda*, consensual, good faith, and proportionality (Januarita, 2020).

The GR 8/2021 itself introduces a new form of company that a sort of hybrid form of LLC with sole proprietorship inside, without any clarity through an arrangement of the liability issue whether this new hybrid form has a feature of unlimited liability following the typical single ownership or limited liability following the typical LLC. To distinguish this new form from sole proprietorship and LLC, this article names it as "Sole Proprietorship as Limited Liability Company" (SPLLC). A comparison of the existence of the mentioned types of company is described in table 1.

The arrangement regarding the existence of newly Sole Proprietorship as Limited Liability Company" (SPLLC) raises new questions related to the founder/owner's liability. The GR 8/2021 does not direct the SPLLC to comply with the LLC Law No. 40 of 2007, thus the liability related to HLLC is not following the LLC Law. Meanwhile, there is no regulation regarding sole proprietorship currently.

Hence, due to the absence of regulation on liability as to the essential

Table 1
Types of SP and LLC as Before and After the Issuance of GR 8/2021

Type of company	Before the GR 8/2021	After the GR 8/2021
Sole Proprietorship (SP)	Exist (the Conventional SP)	Exist and becomes two types of SP: Conventional SP and HLLC
Limited Liability Company (LLC)	Exist (General LLC)	Exist and becomes three types of LLC: general LLC, specific LLC for micro and small business, and HLLC
Sole Proprietorship as Limited Liability Company (SPLLC)	Not exist	Newly exist

matter, it is necessary to analyze how the liability for SPLLC is constructed while still paying attention to general objectives of the law to accommodate the principle of responsibility and liability, the principle of legal certainty, the principle of justice, and other legal principles relating to the existence of a legal entity.

The analysis will be divided into three basic models, which are SPLLC with unlimited liability, SPLLC with limited liability and SPLLC with certain liability. The three models described here are prepared as alternatives to the SPLLC model with different responsibility features and can be implemented as mandated by GR 8/2021.

SPLLC with unlimited liability. This first alternative model is constructed with the assumption that the new form is still the sole proprietorship with its conventional individual unlimited liability, founded by filling up a statement of establishment, obtain its certificate of the establishment after its registration to the authority, and announced on the website of the relevant office under the Ministry of Law and Human Rights. Thus, the model is a legally incorporated company after the process of establishment complete. When this new one is compared to the old form, the difference arises because of the formal stance. The old form is conventional and not a legal entity. While the new form is a firm legal entity. However, the liability of its founder is unlimited/personal liability as it has been practiced and that because of the founder/owner is one person only.

SPLLC with limited liability. The second alternative is constructed like the first alternative model. However, although this form will not be subject to Law No. 40 of 2007 concerning Limited Liability Company, since in GR 8/2021 it is referred to as a limited liability company, thus its liability might be considered as a limited liability as

to its qualification. The assets of the founder/owner and the business are separated. Based on the principle of a separate legal entity as shown in the Salomon case described above, there will be a separation between the founder's and company's assets. This principle has long been embraced in Book III of the Indonesian Civil Code, in particular the regulation on *Maatschap* (Partnership) starting from Article 1618. The implication of the legal personality attribute of corporations is that corporations form the division of assets, in the sense of owning and managing assets. (Harris, 2020)

SPLLC with certain liability. The third alternative features certain liability combined with limited and unlimited liability. Limited liability will be the basic feature for this form as its qualification. But it is possible to apply the principle of piercing the corporate veil in the case of unlawful conduct by the founder/owner (Ramsay, 2001) (Schall, 2020). There is a separation between the assets of the founder/owner and the business.

This article is not in the position to recommend only one (Schall, 2020) model of SPLLC, due to the unclear arrangement of the SPLLC in the GR 8/2021. Hopefully, the alternatives are given above provide simulation to the government to formulate clearer provisions relating to the existence of this new form of company to provide legal certainty to all related parties as well as legal protection to the society. It is expected that providing a firmer regulation on the liability aspect will deliver assurance to relevant stakeholders and trust from business partners.

The Landscape of Company Type in the Company Legal Order

As a country that inherited laws

from the Dutch colonial era, the corporate legal system in Indonesia also followed the corporate law system in the Netherlands at that time. In general, the division of the types of companies is divided into 3 groups: individual companies or known as sole proprietorship, partnership companies, and limited liability companies. The sole proprietorship is not regulated in certain regulations, but this type exists in business practice in society from ancient times to the present. The partnership company is divided into three types, namely *maatschap*, *firma*, and *commanditaire vennotschap (CV)*.

These three kinds of partnership companies are regulated by two different codified laws from the Dutch inheritance: *Burgerlijk Wetboek* for Netherland Hindie (the Indonesian Civil Code) and *Wetboek van Kophandel* (the Indonesian Commercial Code). The Indonesian Civil Code is a general law, while the Indonesian Commercial Code provides a more specific law. There are at least two specific articles connecting the two: Art. 1 and Art. 15 of the Indonesian Commercial Code. Art. 1 reflects the *lex specialis derogat lex generalis* principle (specific regulations can override general regulations). This means that if the Indonesian Commercial Code has specifically regulated, it will override the general provisions in the Indonesian Civil Code. Art. 2 states that all companies mentioned in this chapter are subject to the agreement of the parties concerned: this book (the Indonesian Commercial Code) and the Indonesian Civil Code. Until 1995, there is three kinds of companies mentioned in the Indonesian Commercial Code: *Firma*, *CV*, and Limited Liability Company. (Rido, 1986)

However, in 1995, a special law was made to regulate Limited Liability Companies (Law Number 1 of 1995 concerning Limited Liability Companies), so that the provisions regarding LLC in the Indonesian Commercial Code were revoked. Then in its development, this Law No. 1/1995 was replaced by Law No. 40 of 2007 concerning LLC and this law is still in effect today.

According to Art. 1618 of the Indonesian Civil Code (ICC), *Maatschap* is also known as the civil company is an agreement established by two or more people to bind themselves to include something in the company to share the profits that occur because of it. *Firma* is a kind of civil company established to operate a business under the common name of its members. *Commanditaire Vennotschap* is

a kind of *Firma* with a member who only deposits their money as their inclusion to the company. *Firma* and *CV* arrangements are in the Indonesian Commercial Code (Prasetya, 2004).

The diverse corporate landscapes in the corporate legal system in Indonesia after the birth of the Omnibus Law on the Job Creation (OLJC) and GR 8/2021 can be summarized in table 2.

The Existence of SPLLC in Other Countries

A sole proprietorship is widely known and commonly practiced in many countries all over the world as it is the simplest type of business entity, owned and managed by a single individual. Its feature is characterized by the liability and responsibility that must be borne by the individual who own and manage the entity (Crusto, 2001) (Bishop, 2008). The personal assets of the owner will also be exposed because it is not limited to his investment and assets of the business entity.

In addition, the sole proprietorship is typically unincorporated, and found in less developed, poorer communities, including inner cities and rural areas that faced limited capital, poor access to insurance coverage, limited training, and lack of legal and technical skills (Crusto, 2001). Furthermore, based on Crusto's research, it is found that there is no state legislature of 55 states in the US that regulates a sole proprietorship, and no state statute even defines a "sole proprietorship" (Crusto, 2001).

In Thailand, the sole proprietorship is also commonly practiced as a business with a single owner and the owner's liability is unlimited. It is not found that this business entity is firmly regulated though it is widely practiced in e-commerce sectors (Permwanchagun, 2014). Similarly in Malaysia, a kind of sole proprietorship is practiced in small, medium enterprises, and micro-enterprises that growing rapidly. Their contribution to the sales income and worker employment is significant (Akbar, 2017). However, it is not known that this business entity is regulated firmly.

Interestingly, sole proprietorship or known as one-person company in India has been regulated in their Company Act, 2013. All liabilities are limited to the company and

Table 2
The Landscape of Company Legal Order in Indonesia

Type of company	Regulation	Main characteristic
Sole Proprietorship	No specific regulation. Previously, Law No. 3/1982 on Company Registration stated that sole proprietorship is included in companies that must be registered at the Company Registration Office, except 1. If the company is managed privately by the owner, and only employing family members; 2. The company is being run just to meet the daily needs of the owner; 3. The company is not a legal entity or partnership. However, this Law No. 3/1982 has been deleted by Article 116 Omnibus Law (OLJC 11/2020).	<ul style="list-style-type: none"> • Trading Business (Usaha Dagang), Trading Company (Perusahaan Dagang), home industry, and all business that meet the requirement of a corporation as stated by Molengraaff theory of Business Entity. • Conventional and generic individual business. • No separation of the founder's/owner's assets and business assets. • Unlimited individual liability
Partnership 1: Maatschap	Indonesian Civil Code	Joint and several liability, and probable unlimited individual liability in case the company asset is empty/not enough to pay its liabilities.
Partnership 2: Firma	Indonesian Commercial Code, Indonesian Civil Code	Joint and several liability, and probable unlimited individual liability in case the company asset is empty/not enough to pay its liabilities.
Partnership 3: Commanditaire Vennotschap	Indonesian Commercial Code, Indonesian Civil Code	Complementary member: joint and several liability, and probable unlimited individual liability in case the company asset is empty/not enough to pay its liabilities. Limited partnership member: limited liability, probable joint and several liability among the limited partnership member, and probable unlimited individual liability in case the member makes mistake/wrongdoing.
LLC 1: Closed LLC	Indonesia Civil Code, Law No. 40/2007	Limited liability and probable unlimited individual liability in terms of piercing the corporate veil
LLC 2: Semi-Open LLC	Indonesia Civil Code, Law No. 40/2007	Limited liability and probable unlimited individual liability in terms of piercing the corporate veil
LLC 3: Open/Publicly LLC	Indonesia Civil Code, Law No. 8/1995, Law No. 40/2007, Capital Market Regulations, Sectoral Regulations	Limited liability and probable unlimited individual liability in terms of piercing the corporate veil

LLC 4: Persero – State-owned Enterprise	Indonesia Civil Code, Law No. 40/2007, Law 19/2003, SoE Regulations, and Sectoral Regulations	Limited liability and probable unlimited individual liability in terms of piercing the corporate veil
LLC 5: Micro and Small Business	Indonesia Civil Code, Law No. 40/2007, Law No. 20/2008, OLJC 11/2021 GR 8/2021	<ul style="list-style-type: none"> • Specific LLC for micro and small businesses • Limited liability and probable unlimited individual liability in terms of piercing the corporate veil
LLC 6: Sole Proprietorship as an LLC	Law No. 20/2008, OLJC 11/2021, GR 8/2021	<ul style="list-style-type: none"> • Formal and specific Sole Proprietorship for micro and small businesses • Limited liability and probable unlimited individual liability in terms of piercing the corporate veil (need an operational regulation)

not to its member. The establishment of this company requires only a natural person who is a citizen of India and domiciled in India as well. The person shall not be eligible to incorporate more than a single one-person company or become a nominee in other similar type of company (Vinay, 2015)

Based on the study of individual company practiced in several countries, it is noted that the sole proprietorship is a common business entity that practiced by individual ownership and unlimited liability. Most countries do not regulate it specifically, thus the business entity is usually unincorporated, except the practice as found in India.

The Mechanism to Provide Legal Certainty Aspects in the Company Legal Order.

The legal entity is a legal subject that exists side by side with humans as natural legal subjects. In the past, scholars formulated criteria for legal entities and then agreed that entities that met the criteria could carry out legal actions in society just like humans. The main purpose of this formulation is to accommodate the interests of people who have the same goals and interests in carrying out their existence in society. This argument is supported by a comprehensive analysis from Crusto’s study and research on this individual business ownership. The law should provide entity equality for sole proprietorship that would give this entity the benefits of business legal entity status (Crusto, 2008). While the entity status of sole proprietorship is still not firm yet in the

US company legal system, Indonesia has enacted the GR 8/2021 to accommodate the sole proprietorship that can be incorporated with certain prerequisites.

However, in carrying out its role as a regulator, the government must be responsive to the various dynamics of change in society and the legal needs that accompany it. The government must be able to provide legal certainty for the public and parties in business transactions and stakeholders, especially in this case, the corporations. By regulating the liability and accountability of the company and related parties will provide legal protection to relevant parties of the sole proprietorship.

This kind of effort to accommodate the interests of the community through these laws and regulations deserve appreciation. Through the consideration of legal finding, this effort should be undertaken with a sociological interpretation, in terms of entering this individual business entity into the rules. In addition, it is necessary to do a systematic interpretation, to provide an understanding that broadens the scope of sole proprietorship, and it will include a formulation of liability of the owner and the business entity itself.

Arrangements regarding the SPLLC can be made in several alternatives: *first*, amendments to GR 8/2021; *second*, incorporate the SPLLC arrangements into the Draft Law on *Maatschap, Firma* and *Commanditaire Vennotschap* which has been rolled out in recent years but does not appear to have received priority in the national legislative program; and *third*, change the Law No. 20/2008 concerning Micro, Small

and Medium Business by including the new form of SPLLC with its characteristic.

Conclusions

Based on the analysis above and in terms of answering the research questions, the conclusion is as follows: *first*, the appropriate liability of SPLLC and its founders are still wide open for discussion. This paper delivers three models as alternatives of liability construction of the business founder/owner, which are SPLLC with unlimited liability, SPLLC with limited liability, and SPLLC with certain liability. *Second*, the government can accommodate the accountability of SPLLC by providing legal certainty for relevant parties in business transactions and company stakeholder through the making of several legal initiatives: amendments to GR 8/2021, incorporation of the SPLLC arrangements into the Draft Law on *Maatschap*, *Firma* and *Commanditaire Vennotschap*, and change the Law No. 20/2008 concerning Micro, Small and Medium Business.

This study recommends that the Government can immediately hold a focused group discussion with the penta-helix collaboration paradigm involving academics, entrepreneurs, communities, and the media to formulate the most appropriate form of accountability for SPLLC, both the founder's and the entity's liabilities. Therefore, comprehensive insights from relevant interests in the FGD could be accommodated in the future Government's regulation and policy concerning the SPLLC and the interest of micro and small business in Indonesia.

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provide alternatives to the government in creating legal certainty through alternative arrangements as previously described.

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