

**REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA  
NUMBER 8 OF 2021**

**ON**

**COMPANY AUTHORIZED CAPITAL AND REGISTRATION OF ESTABLISHMENT, CHANGE AND  
DISSOLUTION OF COMPANY THAT MEETS THE CRITERIA FOR MICRO- AND SMALL-SCALE  
BUSINESSES**

BY THE GRACE OF GOD ALMIGHTY

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering:

that in order to implement the provisions of Article 109 and Article 185 letter b of Law Number 11 of 2020 on Job Creation, it has been deemed necessary to establish Regulation of the Government on Company Authorized Capital and Registration of Establishment, Change, and Dissolution of Company that Meets the Criteria for Micro- and Small-Scale Businesses.

Observing:

1. Article 5 paragraph (2) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 40 of 2007 on Limited Liability Company (State Gazette of the Republic of Indonesia of 2007 Number 106, Supplement to the State Gazette of the Republic of Indonesia Number 4756);
3. Law Number 11 of 2020 on Job Creation (State Gazette of the Republic of Indonesia of 2020 Number 245, Supplement to the State Gazette of the Republic of Indonesia Number 6573).

HAS DECIDED:

To enact:

REGULATION OF THE GOVERNMENT ON COMPANY AUTHORIZED CAPITAL AND REGISTRATION OF  
ESTABLISHMENT, CHANGE, AND DISSOLUTION OF COMPANY THAT MEETS THE CRITERIA FOR MICRO-  
AND SMALL-SCALE BUSINESSES.

**CHAPTER I  
GENERAL PROVISION**

**Article 1**

Under this Regulation of the Government, the following definitions are employed:

1. Limited-Liability Company, from this point onward is referred to as Company, is a legal entity that is a capital partnership, established under agreement, performs business activities with authorized capital that

is entirely divided into shares or individual legal entity that meets the criteria for micro- and small-scale businesses as set forth in laws and regulations on micro- and small-scale businesses.

2. Statement of Establishment is the form of establishment of a sole Proprietorship that is established by 1 (one) person electronically.
3. Statement of Dissolution is the form of statement of dissolution of a sole Proprietorship that is established by 1 (one) person electronically.
4. Day is calendar day.
5. Minister is the minister in charge of government affairs in law and human rights sectors.

### **Article 2**

- (1) Company that meets the criteria for micro- and small-scale businesses consists of:
  - a. Company that is established by two (2) or more people; and
  - b. Sole Proprietorship that is established by one (1) person.
- (2) Establishment, amendment to articles of association, and dissolution of a Company as referred to in paragraph (1) letter a shall be implemented in accordance with the provisions of laws and regulations on Company.

## **CHAPTER II AUTHORIZED CAPITAL**

### **Article 3**

- (1) Company must have Company authorized capital.
- (2) The amount of Company authorized capital as referred to in paragraph (1) shall be determined based on a decision of the Company founder.

### **Article 4**

- (1) Company authorized capital as referred to in Article 3 must be issued and paid up at least 25% (twenty-five percent) as evidenced by a valid proof of deposit.
- (2) Valid proof of deposit as referred to in paragraph (1) must be submitted electronically to the Minister within 60 (sixty) Days from the date:
  - a. of deed of Company establishment for Company; or
  - b. of filling of Statement of Establishment for sole Proprietorship.

### **Article 5**

For a Company that operates certain business activities, the minimum amount of Company authorized capital must conform to the provisions of laws and regulations.

## **CHAPTER III SOLE PROPRIETORSHIP**

### **Division One Establishment**

#### **Article 6**

- (1) Sole Proprietorship is established by an Indonesian Citizen by filling a Statement of Establishment in Indonesian language.
- (2) Indonesian Citizen as referred to in paragraph (1) must meet the following requirements:
  - a. be at least 17 (seventeen) years old; and
  - b. legally competent.
- (3) Sole Proprietorship obtains legal entity status after it has been registered with the Minister and obtains certificate of registration electronically.
- (4) Sole Proprietorship that has obtained legal entity status as referred to in paragraph (3) is announced by the Minister in the official webpage of the directorate general that carries out the duties and functions in the field of general law administration.

#### **Article 7**

- (1) Statement of Establishment as referred to in Article 6 paragraph (1) shall be registered electronically with the Minister by filling the form.
- (2) Form as referred to in paragraph (1) contains:
  - a. name and domicile of sole Proprietorship;
  - b. term of establishment of sole Proprietorship;
  - c. the purposes and objectives as well as business activities of sole Proprietorship;
  - d. the amount of authorized capital, issued capital, and paid-up capital;
  - e. nominal value and number of shares;
  - f. address of sole Proprietorship; and
  - g. full name, place and date of birth, occupation, residence, nationality identity number, and taxpayer identification number of the founder and of the directors and shareholders of sole Proprietorship.
- (3) Form of Statement of Establishment as referred to in paragraph (2) is listed in Appendix I that is an integral part of this Regulation of the Government.

### **Division Two Amendment**

#### **Article 8**

- (1) The Statement of Establishment of a sole Proprietorship as referred to in Article 7 can be amended.
- (2) The amendment as referred to in paragraph (1) is made by filling the form of amendment to Statement of Establishment of a sole Proprietorship in Indonesian language.
- (3) For amendment to Statement of Establishment of a Company as referred to in paragraph (2), it can be amended for more than 1 (one) time through amendment to the statement of amendment to a sole Proprietorship.
- (4) Form of amendment to as referred to in paragraph (2) contains:
  - a. name and domicile of sole Proprietorship;
  - b. term of establishment of sole Proprietorship;
  - c. purpose and objective as well as business activities of sole Proprietorship;
  - d. amount of authorized capital, issued capital, and paid-up capital;
  - e. nominal value and number of shares;
  - f. address of sole Proprietorship; and
  - g. full name, place and date of birth, occupation, residence, nationality identity number, and taxpayer identification number of the founder and of the directors and shareholders of sole Proprietorship.
- (5) Amendment as referred to in paragraph (2) and paragraph (3) is determined with resolution of shareholders of sole Proprietorship that has equal legal force with a general meeting of shareholders.
- (6) Statement of amendment as referred to in paragraph (2) and paragraph (3) is submitted to the Minister electronically for obtain a certificate of statement of amendment
- (7) Statement of amendment shall apply from the issuance of certificate of statement of amendment.
- (8) Sole Proprietorship that has been declared bankrupt cannot make amendment as referred to in paragraph (2) or paragraph (3), except under receiver consent.
- (9) Receiver consent as referred to in paragraph (8) shall be enclosed in the statement of amendment.
- (10) Form of amendment to the Statement of Establishment as referred to in paragraph (2) and form of amendment to the statement of amendment as referred to in paragraph (3) are listed in Appendix II that is an integral part of this Regulation of the Government.

### **Article 9**

- (1) Sole Proprietorship must change its legal entity status into Company if:
  - a. there are more than 1 (one) shareholder; and/or
  - b. it does not meet the criteria for micro- and small-scale businesses as regulated in the provisions of laws and regulations on micro- and small-scale businesses.
- (2) Sole Proprietorship before becoming a Company as referred to in paragraph (1) shall change its status through a notarial deed and be registered electronically to the Minister.
- (3) Change to the status as referred to in paragraph (2) is made in accordance with the provisions of laws and regulations on Company.

### **Division Three**

#### **Financial Statement**

**Article 10**

- (1) Sole Proprietorship must make financial statement.
- (2) Financial statement as referred to in paragraph (1) is reported to the Minister by filling the form of submission of financial statement electronically no later than six (6) months after the end of current accounting period.
- (3) Form of submission of financial statement as referred to in paragraph (2) contains:
  - a. financial position statement;
  - b. profit and loss statement; and
  - c. note to financial statement of the current year.
- (4) Financial statement as referred to in paragraph (2) is included into the register of sole Proprietorship.
- (5) Form of submission of financial statement as referred to in paragraph (3) is listed in Appendix III that is an integral part of this Regulation of the Government.

**Article 11**

The Minister issues evidence of receipt of financial statement electronically after applicant has filled the form as referred to in Article 10.

**Article 12**

- (1) Sole Proprietorship that does not submit financial statement as referred to in Article 10 shall be subject to administrative sanction in the form of:
  - a. written reprimand;
  - b. termination of access right to services; or
  - c. revocation of legal entity status.
- (2) Provisions on procedures for the imposition of administrative sanction as referred to in paragraph (1) shall be regulated under a Regulation of the Minister.

**Division Four****Dissolution****Article 13**

- (1) Dissolution of sole Proprietorship is determined with resolution of shareholders of sole Proprietorship that has equal legal force with a general meeting of shareholders, expressed in a Statement of Dissolution and informed electronically to the Minister.
- (2) Dissolution of sole Proprietorship as referred to in paragraph (1) occurs because:
  - a. based on a resolution of shareholders of sole Proprietorship that has equal force to a general meeting of shareholders;

- b. term of establishment determined in the Statement of Establishment or its amendment has expired;
  - c. based on a court ruling;
  - d. with cancellation of bankruptcy based on a commercial court decision that has permanent legal force, the bankruptcy property of sole Proprietorship is insufficient to pay bankruptcy costs;
  - e. bankruptcy property of a sole Proprietorship that has been declared bankrupt is under insolvency as regulated in the law on bankruptcy and the postponement of debt repayment obligation; or
  - f. revocation of business license of sole Proprietorship, thus requiring the sole Proprietorship to be liquidated by filling a Statement of Dissolution.
- (3) In the event that the dissolution occurred based on the provisions as referred to in paragraph (2) letter a, letter b, and letter d, the shareholder shall appoint a liquidator.
- (4) In case of shareholder does not appoint a liquidator, the Board of Directors have the right to serve as liquidator.
- (5) Form of Statement of Dissolution as referred to in paragraph (1) is listed in Appendix IV that is an integral part of this Regulation of the Government.

#### **Article 14**

- (1) Further provisions of procedures for the establishment, change, and dissolution of sole Proprietorship are regulated by a Regulation of the Minister.
- (2) Change to the form of Statement of Establishment as referred to in Article 7 paragraph (3), form of amendment to Statement of Establishment and form of amendment to statement of amendment as referred to in Article 8 paragraph (10), form of submission of financial statement as referred to in Article 10 paragraph (5), and form of Statement of Dissolution as referred to in Article 13 paragraph (5) is determined by the Minister.

### **CHAPTER IV CLOSING PROVISION**

#### **Article 15**

At the time this Regulation of the Government comes into force, Regulation of the Government Number 29 of 2016 on Change to Authorized Capital of Limited-Liability Company (State Gazette of the Republic of Indonesia of 2016 Number 137, Supplement to the State Gazette of the Republic of Indonesia Number 5901), is repealed and declared invalid.

#### **Article 16**

This Regulation of the Government comes into force from the date of its promulgation.

For public cognizance, it is hereby ordered that this Regulation of the Government be promulgated in the State Gazette of the Republic of Indonesia.

Established in Jakarta,

On 2 February 2021

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Signed.

JOKO WIDODO

Promulgated in Jakarta,

On 2 February 2021

MINISTER OF LAW AND HUMAN RIGHTS OF THE REPUBLIC OF INDONESIA,

Signed.

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2021 NUMBER 18



**ELUCIDATION**  
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**BUSINESSES**

**I. GENERAL**

Law Number 11 of 2020 on Job Creation regulates the provisions on Company that meets the criteria for micro- and small-scale businesses that can be established by 2 (two) or more people or by 1 (one) person. This is in order to improve the rating of ease of doing business and individual competitiveness. Law Number 11 of 2020 on Job Creation delegates into the Regulation of the Government the provisions on authorized capital, establishment, contents of Statement of Establishment and form, amendment to Company Statement of Establishment, contents and form of amendment to Statement of Establishment, obligation to make Company financial statement, and change to the status from sole Proprietorship for micro- and small-scale businesses to Company.

This Regulation of the Government regulates authorized capital for Company, and the procedures to establish, change, obligation to submit financial statement, and dissolution of sole Proprietorship established by 1 (one) person.

**II. ARTICLE BY ARTICLE**

**Article 1**

Self-explanatory.

**Article 2**

Self-explanatory.

**Article 3**

Self-explanatory.

**Article 4**

Self-explanatory.

**Article 5**

Self-explanatory.



## Article 6

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Announcement of sole Proprietorship in the webpage of the directorate general that carries out the duties and functions in the field of general law administration is the fulfillment of the publicity principle.

## Article 7

Self-explanatory.

## Article 8

Self-explanatory.

## Article 9

Self-explanatory.

## Article 10

Paragraph (1)

Self-explanatory.

Paragraph (2)

“current accounting period” is the accounting period from the date certificate is issued.

Paragraph (3)

In this provision, financial statement is used as the database of profile of sole Proprietorship and the basis of consideration in determining the criteria for sole Proprietorship.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

## Article 11

Self-explanatory.

**Article 12**

Self-explanatory.

**Article 13**

Self-explanatory.

**Article 14**

Self-explanatory.

**Article 15**

Self-explanatory.

**Article 16**

Self-explanatory.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 6620

**DISCLAIMER**

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