

The Legal Position of Individual Limited Liability Companies in Land Ownership: Towards the Realization of Agrarian Justice

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Abstract: The recognition of Individual Limited Liability Companies under Indonesia's Job Creation Law has expanded access to corporate legal personality for micro and small enterprises. However, this reform has not been adequately harmonized with the national agrarian legal framework, raising questions about whether these companies are eligible to hold land rights. This study examines the legal position of Individual Limited Liability Companies as subjects of land rights and develops a regulatory model that reconciles corporate legal personality with the principles of Indonesian agrarian law. It employs doctrinal legal research using statutory, conceptual, and comparative approaches. Primary legal materials comprise legislation governing limited liability companies, the Job Creation Law, the Basic Agrarian Law, and relevant implementing regulations. The analysis applies statutory interpretation, systematic legal reasoning, and the principles of legal certainty and separate legal personality. The findings reveal regulatory disharmony between corporate and agrarian law. Although an Individual Limited Liability Company has separate legal personality, this status does not automatically qualify it to hold land ownership rights, which are restricted to Indonesian citizens and legally designated entities. Nevertheless, such companies may qualify to hold cultivation rights, building rights, and rights of use, subject to the applicable statutory requirements. This study proposes a differentiated entitlement model that clarifies eligibility by land-right type, supported by authoritative legal interpretation, harmonized land registration procedures, and mandatory legal transfer and registration when founders' land is incorporated into corporate assets. The study contributes to agrarian legal scholarship by clarifying the relationship between corporate legal personality and landholding capacity while offering a regulatory framework that promotes legal certainty, protects the nationality principle, preserves the social function of land, and advances agrarian justice for micro and small enterprises.

Keywords: Agrarian Justice; Individual Limited Liability Company; Land Rights; Legal Certainty; Regulatory Harmonization.

INTRODUCTION

The recognition of the Individual Limited Liability Company (*Perseroan Terbatas Perorangan*) in Indonesia represents a significant transformation in Indonesian corporate law because it introduces a legal entity that may be established by a single individual while retaining the characteristics of separate legal personality and limited liability¹. This regulatory innovation is primarily intended to facilitate the formalization and development of micro and small enterprises (MSEs) by simplifying the establishment of a legal entity and providing greater legal protection for individual entrepreneurs^{2,3,4}. However, recognizing an Individual Limited Liability Company as a legal entity raises a broader legal question when its corporate assets and business activities involve land. The central issue is not merely whether an Individual Limited Liability Company has legal personality, but whether the national agrarian legal system recognizes that personality sufficiently to enable the company to acquire and hold land rights in its own name.^{5,6} This issue reveals an emerging challenge in harmonizing corporate law with agrarian law, particularly because the two legal regimes employ different approaches to determining legal subjects entitled to rights over land.⁷

Law Number 6 of 2023 concerning the Stipulation of Government Regulation instead of Law Number 2 of 2022 concerning Job Creation introduced the legal basis for Individual Limited Liability Companies and amended several provisions of Law Number 40 of 2007 concerning Limited

¹ Nabiyila Risfa Izzati, “Kepastian Hukum vs Ketidakpastian Kerja: Substansi Ketenagakerjaan Dalam Undang-Undang Nomor 6 Tahun 2023 Tentang Cipta Kerja,” *Jurnal Hukum Ins Quia Iustum* 31, no. 2 (2024): 384–407.

² Desak Putu Dewi Kasih, “Perseroan Perorangan Pasca UU Cipta Kerja: Perubahan Paradigma Perseroan Terbatas Sebagai Asosiasi Modal,” *Arena Hukum* 15, no. 1 (2022): 20–37.

³ R. Juli Moertiono, “Perlindungan Hukum Terhadap Izin Usaha UMKM Pasca Lahirnya UU No. 11 Tahun 2020 Tentang Cipta Kerja,” *Jurnal Ilmiah Metadata* 5, no. 1 (2023): 169–180.

⁴ Dewinta Sukma Wijaya and Diyan Isnaeni, “Implikasi Terhadap Status Kepemilikan Hak Atas Tanah Dalam Transformasi UMKM Menjadi Perseroan Terbatas Perorangan,” *Jurnal USM Law Review* 8, no. 1 (2025): 582–595.

⁵ Muhammad Bintang Firdaus, “Dialektika Keadilan, Kepastian, Kemanfaatan Hukum Dalam Perspektif Gustav Radbruch Pada Hukum Indonesia,” *Jurnal Kajian Hukum Dan Kebijakan Publik* | *E-ISSN: 3031-8882* 3, no. 1 (2025): 357–367.

⁶ Siti Thali’ah Athina et al., “Dualisme Hukum Pendirian Perseroan Terbatas Pasca Berlakunya Undang-Undang Cipta Kerja,” *Jurnal USM Law Review* 5, no. 2 (2022): 466–477.

⁷ Musleh Harry et al., “Electronic Registration of Waqf Land under the PTSL Program from a Maslahah Perspective: A Study at the Indonesian Waqf Agency Office in East Java,” *El-Mashlahah* 15, no. 2 (2025): 393–414, <https://doi.org/10.23971/el-mashlahah.v15i2.9097>.

Liability Companies.⁸ The regulatory framework was subsequently supplemented by Government Regulation Number 7 of 2021 concerning the Facilitation, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises, Government Regulation Number 8 of 2021 concerning Share Capital and Registration of the Establishment, Amendment, and Dissolution of Limited Liability Companies that Meet the Requirements for Micro and Small Enterprises, and Regulation of the Minister of Law and Human Rights Number 21 of 2021 concerning the Requirements and Procedures for Registration of the Establishment, Amendment, and Dissolution of Limited Liability Companies^{9,10}. These regulations establish the juridical basis for an individual to establish a limited liability company, subject to the requirements applicable to micro and small enterprises.¹¹ Previous studies have primarily examined the establishment, legal characteristics, and paradigm shift of Individual Limited Liability Companies as a new form of corporate legal entity.^{12,13} Such studies demonstrate the importance of separate legal personality and limited liability in distinguishing the company's assets from those of its founder.

The problem becomes more complex when the corporate legal personality of an Individual Limited Liability Company is examined against the framework of Indonesian agrarian law. Under Law Number 5 of 1960 concerning Basic Agrarian Regulations (UUPA), the agrarian legal system grants land rights only to legal subjects it recognizes.^{14,15} Article 33 paragraph (3) of the 1945 Constitution establishes the constitutional basis for state control over land, while the UUPA translates this principle into a land-rights system that incorporates the public function of land, the principle of nationality, and the objective of achieving

⁸ Wetria Fauzi, "Kajian Yuridis Konsep Perseroan Perseorangan Sebagai Badan Hukum Perseroan Terbatas Di Indonesia," *UNES Law Review* 5, no. 4 (2023): 1772–1783.

⁹ Moertiono, "Perlindungan Hukum Terhadap Izin Usaha UMKM Pasca Lahirnya UU No. 11 Tahun 2020 Tentang Cipta Kerja."

¹⁰ Widodo Ramadhana, "Pengaturan Hukum Usaha Mikro Kecil Dan Menengah (UMKM) Berdasarkan Keadilan Ekonomi," *Maliyah: Jurnal Hukum Bisnis Islam* 13, no. 2 (2023): 252–265.

¹¹ Abdul Kadir Jaelani et al., "Land Reform Policy in Determining Abandoned Land for Halal Tourism Destination Management Based on Fiqh Siyasah," *El-Mashlahah* 14, no. 1 (2024): 211–236, <https://doi.org/10.23971/el-mashlahah.v14i1.8051>.

¹² Kasih, "Perseroan Perorangan Pasca UU Cipta Kerja: Perubahan Paradigma Perseroan Terbatas Sebagai Asosiasi Modal."

¹³ Dira Putri Widyari, "Analisis Yuridis Perbandingan Ketentuan Pendirian Perseroan Terbatas Dalam Undang-Undang Cipta Kerja Dan Undang-Undang Perseroan Terbatas Di Indonesia," *Jurnal Ilmiah Penegakan Hukum* 11, no. 1 (2024): 65–80.

¹⁴ Luh Putu Swandewi Antari, "Undang-Undang Cipta Kerja Di Bidang Agraria," *Jurnal Yusthima* 1, no. 01 (2021).

¹⁵ W. Kurniati, Y., & Julianasari, "Precarious Work and Legal Protection: Insights into the Implementation of Labor Standards," *Khazanah Hukum* 8, no. 1 (2026): 57–70.

social welfare. Land therefore cannot be treated solely as an ordinary economic asset because its use must also account for its social function and society's broader interests.¹⁶¹⁷ Consequently, determining whether a particular legal entity may hold land rights requires not only examining its status under company law but also assessing its compatibility with the principles and structure of national agrarian law.

A significant normative issue arises because the UUPA does not expressly use the term “Individual Limited Liability Company” when defining legal subjects entitled to land rights. At the same time, contemporary corporate legislation expressly recognizes an Individual Limited Liability Company as a legal entity with separate assets and limited liability. This creates a potential regulatory gap between the corporate law regime, which recognizes the company as an independent legal subject, and the agrarian law regime, which determines eligibility for land rights through specific categories of legal subjects. The issue is particularly relevant when land used for business activities remains registered in the founder's personal name even though the land is economically utilized for the company's activities. Such circumstances may create uncertainty about the distinction between the founder's personal assets and the company's assets, particularly regarding asset separation, transfer, encumbrance, succession, and potential third-party disputes. Previous research has discussed the implications of transforming micro and small enterprises into Individual Limited Liability Companies and the consequences for land ownership; however, the normative position of the Individual Limited Liability Company itself as a legal subject entitled to land rights remains insufficiently examined.¹⁸

This issue must also be examined from the perspective of agrarian justice. Agrarian justice cannot be understood solely as the formal distribution of land rights but must also encompass legal certainty, equitable access to land resources, the social function of land, and the prevention of unequal or excessive concentration of land control.¹⁹ The doctrine of state control over land requires the state to regulate land allocation, use, availability, and legal relations in

¹⁶ Dwi Kusumo Wardhani, “Disharmoni Antara Ruu Cipta Kerja Bab Pertanahan Dengan Prinsip-Prinsip UU Nomor 5 Tahun 1960 Tentang Peraturan Dasar Pokok-Pokok Agraria (UUPA),” *Jurnal Komunikasi Hukum (JKH)* 6, no. 2 (2020): 440–455.

¹⁷ Abdul Wahid et al., “Disharmonisasi Kebijakan Politik Hukum Agraria: Analisis Hak Pengelolaan Tanah Pasca Terbitnya Undang-Undang Cipta Kerja,” *Jatijajar Law Review* 3, no. 1 (2024): 25–35.

¹⁸ Wijaya and Isnaeni, “Implikasi Terhadap Status Kepemilikan Hak Atas Tanah Dalam Transformasi UMKM Menjadi Perseroan Terbatas Perorangan.”

¹⁹ Dwi Fidhayanti and Illa Miftachul Jannah, “The Principle of Mabda’ Ar-Rada’iyyah in Land Purchase Agreements with Fraud Elements in State Court Judgment Number 12/Pdt.G/2017/PN.Mlg,” *El-Mashlahah* 12, no. 2 (2022): 164–89, <https://doi.org/10.23971/el-mashlahah.v12i2.4133>.

accordance with the public interest. At the same time, the principle of nationality requires land policy to remain consistent with Indonesia's constitutional and agrarian objectives.²⁰ Within this framework, the recognition of an Individual Limited Liability Company as a legal subject should be assessed not only in terms of corporate efficiency but also in terms of whether such recognition promotes equitable access to productive assets for MSEs without undermining the social function of land. Thus, agrarian justice provides a normative framework for assessing whether the existing legal construction can accommodate new forms of legal entities created by corporate law.²¹

The principle of separate legal personality further intensifies this problem. Under corporate law, an Individual Limited Liability Company possesses assets that are legally separate from the personal assets of its founder. The company therefore acts as an independent legal subject in carrying out legal relations, while the founder's liability is generally limited to the capital invested in the company.²² However, when land used in the company's business remains legally attached to the founder as an individual, the separation between corporate assets and personal assets becomes difficult to apply consistently. This uncertainty does not necessarily reflect an existing judicial dispute in every case, but it reflects a normative inconsistency that requires legal clarification. The problem is therefore whether the concept of a legal entity established under Indonesian law, as used within the agrarian legal framework, can be interpreted systematically to include Individual Limited Liability Companies that have obtained legal-entity status under Indonesian corporate law.^{23,24}

The existing literature has largely concentrated on two separate dimensions. The first examines Individual Limited Liability Companies through a corporate law lens, including their establishment, legal personality, limited

²⁰ Muhammad Yusrizal, "Perlindungan Hukum Pemegang Hak Atas Tanah Dalam Pengadaan Tanah Untuk Kepentingan Umum," *De Lega Lata: Jurnal Ilmu Hukum* 2, no. 1 (2017): 113–138.

²¹ Amoury Adi Sudiro and Ananda Prawira Putra, "Kepastian Hukum Terhadap Hak Atas Pendaftaran Tanah Dan Hak Kepemilikan Atas Tanah Yang Telah Didaftarkan," *Jurnal Magister Ilmu Hukum* 5, no. 1 (2020): 22–28.

²² Rafika Amalia et al., "Peran Akta Penegasan Dalam Pendirian Perseroan Terbatas Perorangan Dalam Kaitannya Dengan Doktrin Piercing the Corporate Veil," *Acta Comitatus: Jurnal Hukum Kenotariatan* 10, no. 03 (2025): 585–599.

²³ AAIN Marhaeni et al., "Adoption of the Green Economy through Branchless Rural Credit Banks during the COVID-19 Pandemic in Indonesia," *Sustainability* 15, no. 3 (2023): 2723.

²⁴ Zaimuariffudin Shukri Nordin et al., "Integrating Islamic Law and Customary Law: Codification and Religious Identity in the Malay Buyan Community of Kapuas Hulu," *Journal of Islamic Law* 6, no. 1 (2025): 89–111, <https://doi.org/10.24260/jil.v6i1.3410>.

liability, and implications for MSE development.²⁵²⁶²⁷ The second examines land ownership and agrarian regulation, including the disharmony between agrarian policy and post-Job Creation Law reforms.²⁸²⁹³⁰ Although Wijaya and Isnaeni³¹ have discussed the implications for land ownership when MSEs are transformed into Individual Limited Liability Companies, a more systematic doctrinal examination of the Individual Limited Liability Company's legal position as a subject of land rights remains needed. In particular, the unresolved issue concerns how to reconcile the company's separate legal personality with the categories of legal subjects recognized under the UUPA and its implementing regulations. This is the principal research gap the present study addresses.

The present study therefore examines the interaction between corporate law and national agrarian law, rather than treating the two regimes independently. The analysis applies the theory of legal certainty to assess whether the existing regulatory framework provides sufficiently clear and consistent rules on Individual Limited Liability Companies' ability to acquire land rights.³² The principle of separate legal personality is employed to assess whether land used and controlled for corporate purposes can be legally distinguished from the founder's personal property. Meanwhile, the principles of state control over land, nationality, the social function of land, and agrarian justice are used to assess whether recognizing Individual Limited Liability Companies as subjects of land rights aligns with the objectives of the national agrarian legal system. Through this framework, the study seeks to move beyond merely identifying what the relevant regulations provide and instead examine why the interaction between

²⁵ Fauzi, "Kajian Yuridis Konsep Perseroan Perseorangan Sebagai Badan Hukum Perseroan Terbatas di Indonesia."

²⁶ Kasih, "Perseroan Perorangan Pasca UU Cipta Kerja: Perubahan Paradigma Perseroan Terbatas Sebagai Asosiasi Modal."

²⁷ Widyari, "Analisis Yuridis Perbandingan Ketentuan Pendirian Perseroan Terbatas Dalam Undang-Undang Cipta Kerja Dan Undang-Undang Perseroan Terbatas Di Indonesia."

²⁸ Farida Ariany and Erna Fitriatun, "Penegakan Hukum Hak Asasi Manusia Bagi Penderita Anak Stunting Di Kabupaten Lombok Timur," *Jurnal Sangkareang Mataram* 9, no. 1 (2022): 38–41.

²⁹ D. Yarsina, N., Budianto, A., & Arfianto, "Ulayat Land Registration in Providing Legal Certainty through Certification Based on the Principle of Justice," *Nusantara: Journal of Law Studies* 5, no. 1 (2026): 187–204.

³⁰ Suharyono Suharyono, "Weaknesses of the Negative Publication System with Positive Elements in Agrarian Law in Indonesia," *Nurani: Jurnal Kajian Syari'ah Dan Masyarakat* 21, no. 2 (2021): 231–48.

³¹ Wijaya and Isnaeni, "Implikasi Terhadap Status Kepemilikan Hak Atas Tanah Dalam Transformasi UMKM Menjadi Perseroan Terbatas Perorangan."

³² A. Zaenurrosyid et al., "The Diversity of Islamic Javanese Kings' Waqf Management: Ruislag and Various Social Conflicts," *AL-IHKAM: Jurnal Hukum & Pranata Sosial* 20, no. 1 (2025): 227–252, <https://doi.org/10.19105/al-lhkam.v20i1.14286>.

the two legal regimes generates uncertainty and how the uncertainty can be resolved through systematic legal interpretation.

This research is novel because it reconstructs the legal interpretation of an Individual Limited Liability Company's status within the national agrarian legal framework. Rather than automatically equating the company with its individual founder, this study examines the company as an independent legal subject whose status derives from corporate legislation and whose capacity to hold land rights must be interpreted consistently with the UUPA and its implementing regulations. Consequently, the study proposes harmonizing the corporate and agrarian legal regimes by clarifying what a legal entity established under Indonesian law is and its implications for land rights. Such harmonization is expected to strengthen legal certainty for MSE actors while maintaining the constitutional principles governing land control and the social function of land.

Accordingly, this study aims to analyze the legal position of Individual Limited Liability Companies as subjects entitled to land rights under Indonesia's national agrarian legal system and to determine whether the existing regulatory framework provides sufficient legal certainty for their acquisition and control of land. It further seeks to formulate a legally coherent interpretation and harmonization model that reconciles the corporate legal personality of Individual Limited Liability Companies with the principles and limitations established under national agrarian law. In doing so, the study contributes to the development of Indonesian corporate and agrarian law by addressing the legal gap created by the emergence of a new form of legal entity within an agrarian system whose classification of land-right subjects was developed before the recognition of Individual Limited Liability Companies.

METHOD

This study employs a doctrinal legal research method to examine the legal norms, principles, and regulations governing the legal position of Individual Limited Liability Companies (*Perseroan Terbatas Perorangan*) as subjects of land rights in Indonesia. This method is used because the research addresses a normative legal issue concerning the relationship between corporate law, which recognizes Individual Limited Liability Companies as legal entities, and national agrarian law, which regulates the legal subjects entitled to land rights. The research applies statutory and conceptual approaches to examine the relevant legal framework and concepts underlying the issue. The statutory approach is used to analyze the relevant provisions of the 1945 Constitution of the Republic of Indonesia, Law Number 5 of 1960 concerning Basic Agrarian Regulations (UUPA), Law Number 40 of 2007 concerning Limited Liability Companies as amended by Law Number 6 of 2023 concerning the Stipulation of Government Regulation instead of Law Number 2 of 2022 concerning Job Creation,

Government Regulation Number 7 of 2021, Government Regulation Number 8 of 2021, Government Regulation Number 18 of 2021 concerning Management Rights, Land Rights, Apartment Units, and Land Registration, and relevant ministerial regulations. The conceptual approach is used to examine the concepts of legal subject, legal entity, separate legal personality, limited liability, land rights, state control over land, social function of land, legal certainty, and agrarian justice.

The legal materials include primary, secondary, and tertiary sources. Primary legal materials include legislation and regulations governing Individual Limited Liability Companies and land rights. Secondary legal materials include books, scholarly journal articles, and other academic literature on corporate law, Individual Limited Liability Companies, agrarian law, legal certainty, and agrarian justice. Tertiary legal materials include legal dictionaries, encyclopedias, and other supporting references. The collection of legal materials is conducted through library research by identifying, inventorying, classifying, and examining relevant legal provisions and scholarly literature according to their relevance to the research problem.

The collected legal materials are analyzed using qualitative juridical analysis and systematic legal interpretation. The analysis examines the legal status of Individual Limited Liability Companies as separate legal entities, identifies the legal subjects entitled to land rights under the UUPA and its implementing regulations, and compares the two legal frameworks to identify potential normative gaps or disharmony. The findings are then interpreted through the principles of legal certainty, separate legal personality, state control over land, the social function of land, and agrarian justice to formulate a coherent legal construction on the capacity of Individual Limited Liability Companies to obtain and hold land rights in Indonesia.

RESULTS AND DISCUSSION

Limited liability companies and limited liability companies limited individual as subject law in Indonesia.

According to E. Utrecht, a legal entity is an entity legally recognized as having the authority to hold and support rights, even though it is neither human nor living. In a living society, a legal entity is actually a social entity that exists and functions in socializing the law³³, so that a legal entity called an artificial corporation does not have a physical existence, does not have its own body, parts,

³³ Neni Sri Imaniyati, *Hukum Bisnis: Telaah Tentang Pelaku Dan Kegiatan Ekonomi* (Graha Ilmu, 2009).

or desires, cannot use weapons or serve in war, and cannot be loyal.^{34,35} However, corporations are still recognized as able to carry out legal actions, including making agreements, as long as they act within the limits of authority set by the company's budget. It is important to understand that a legal entity and a business entity are not the same; one involves the separation of property assets (the principle of limited liability) between individuals and business entities, so that if a loss occurs, the founder's property assets are not fully responsible. In contrast, in a legal entity, shareholders are not responsible for the company's losses beyond the value of their shares.³⁶

Examples of business entities are firms, trading companies, and private companies. *vennootschaap* (CV), etc. Reviewed based on Dutch law, which also applies in Indonesia, the definition of a "trade" company (*vennootschapsrecht*) is narrower, namely limited to *naamloze vennootschap* (known as NV), regulated companies, and CVs in the Civil Code and civil associations, which are considered as the parent companies regulated in the Civil Code. At the same time, legal entities can be distinguished in the form of:

- a. A corporation is a legal entity formed by an association of individuals under the law to pursue profit (profit-oriented); for example, a limited company (capital partnership), a limited liability company, or a cooperative.
- b. A foundation separates wealth because its objective is non-profit-making (non-profit oriented); it is a collective organization established to achieve a certain objective, namely social, religious, and humanitarian matters, and it does not have membership.

Based on the classification of types of legal entities, it can be distinguished between public legal entities, which means they are established for the public interest, and private legal entities, which means they are established for the personal interests (founders)³⁷. Viewed from the history of regulations regarding limited liability companies (capital companies) in Indonesia, it was first regulated based on Law Number 1 of 1995 concerning Limited Liability Companies (hereinafter referred to as Law Number 1 of 1995), which was later revoked based on the UUPU, and subsequently several provisions were re-regulated in the Job

³⁴ Freddy Harris et al., *Hukum Perseroan Terbatas: Kewajiban Pemberitahuan Oleh Direksi* (Ghalia Indonesia, 2010).

³⁵ I. Ketut Kasta Arya Wijaya et al., "Legal Pluralism and the Challenges of Complete and Systematic Land Registration (CSLR) of Customary Land in Bali," *Trunojoyo Law Review* 8, no. 2 (2026): 622–647, <https://doi.org/10.21107/tlr.v8i2.34268>.

³⁶ Nova Yarsina et al., "Ulayat Land Registration in Providing Legal Certainty through Certification Based on the Principle of Justice," *Nusantara: Journal of Law Studies* 5, no. 1 (2026): 187–204, <https://doi.org/10.66325/nusantaralaw.v5i1.121>.

³⁷ Riduan Syahrani, *Seluk Beluk Dan Asas-Asas Hukum Perdata*, 1989.

Creation Law. To understand, the companies regulated in the Job Creation Law are as follows:

- a. Understanding the term company limited: This can be categorized into a limited (capital partnership) and a limited liability company (individual. In the beginning, understanding a limited is a " legal entity which is capital association, established based on agreement For do activity business with the entire authorized capital divided in shares and fulfill the requirements set in Constitution 'This as well as regulation its implementation,'" however there is expansion understanding, mediating understanding company limited namely "a legal entity which is capital association, established based on agreement do activity business with the entire authorized capital divided in share or legal entity individuals who meet the requirements criteria business micro and small as arranged in regulation legislation about business micro and small." From the definition, it can be analyzed that a limited company can be established by only one person (a natural person) or a single-shareholder company, as arranged in Article 153 E of the Job Creation Law. "The company complies with criteria for micro and small can be established by 1 (one) person" for "a period of 1 year" with fulfil criteria capital in business micro and small for for-profit (profit oriented).
- b. The company's organs consist of the Board of Directors and the General Meeting of Shareholders (hereinafter called "GMS"). Board of Directors company individual in do action management for and on behalf of and legitimate represent company must responsible responsibility (duty of skill) for interest the company concerned (fiduciary duty) which is regulated in Article 153 D of the Job Creation Law and " Board of Directors is something which representative someone do something actions law for other people's interests and responsibilities answer other people." The GMS can be categorized as an organ if a shareholder holds a GMS in a company, an individual holding of the GMS for the change agenda for aims and objectives, activities business, authorized capital and other related information with establishment company and dissolution company.
- c. Regarding business capital criteria for micro, small, and medium enterprises, it can be studied based on Government Regulation Number 7 of 2021 concerning Facilitation, Protection and Empowerment of Cooperatives and Micro, Small and Medium Enterprises (hereinafter referred to as "PP 7 of 2021"), which states that " (3) Business capital criteria as referred to in paragraph (2), consists of:

- a. Micro- enterprises have business capital up to a maximum of Rp. 1,000,000,000.00 (one billion Rupiah), not including land and buildings where the business;
- b. Small businesses have business capital from Rp1,000,000,000.00 (one billion Rupiah) to a maximum of IDR 5,000,000,000.00 (five billion Rupiah), not including land and buildings where the business is located; and
- c. Medium Enterprises have business capital of Rp. 5,000,000,000.00 (five billion Rupiah) to a maximum of Rp. 10,000,000,000.00 (ten billion Rupiah), excluding land and buildings, to operate a business."
- d. Thus, the business capital criteria for a company individual is up to a maximum of IDR 5,000,000,000.00 (five billion Rupiah) as arranged in Article 35 of PP 7 of 2021, meaning that the maximum limit for business capital is Rp 5,000,000,000.00 (five billion Rupiah). Regarding company capital, if an individual exceeds the criteria for a micro or small business, they must change their status to a limited company (capital partnership).

Principles and doctrines of applicable law for company capital associations and corporations, including:

- i) A separate legal entity means the legal entity's assets are separate from the founders' personal wealth. This is known as the principle of separate legal entity. Elements of a separate legal entity: This separates the legal entity's assets from the founder's personal wealth, so that the legal entity is responsible for its own actions, including debts resulting from actions carried out by the legal entity. A sole proprietorship owns rights, obligations, and assets separately and distinctly, so that " the owner is personally responsible for the agreement made on behalf of the company and not responsible answer on loss company exceed shares owned. This is given to describe characteristics company individual related restrictions not quite enough responsibility (separate legal liability). " a obligation as well as connection the law that occurs with company done through company the as subject separate laws³⁸."
- ii) Good corporate governance means that management must operate the company in the company's interest and objectives, with method management company organ structure following with distribution duties, responsibilities responsibility and authority to create connection good law from all over elements of the company's organs with method:

³⁸ Alfred F. Conard, "Cook and the Corporate Shareholder: A Belated Review of William W. Cook's Publications on Corporations," preprint, JSTOR, 1995.

- a) Transparency means that there is openness in the company at regular, precise times and correctly, so that in making decisions, the Board of Directors and the Board of Commissioners always make an effort to be open to stakeholders.”
- b) Accountability means the Board of Commissioners and Directors must have the ability and integrity to operate the company in accordance with applicable rules and regulations.
- c) Responsibility means operating the company in accordance with applicable laws and regulations, for example related to taxation, industrial relations, safety work, etc.
- d) Independence means that, in operating the company, the company's organs must be independent of each other, not take sides (not dominate or interfere with each other), and be free from conflicts of interest.
- e) Fairness means that, in operating, the company must ensure equality and fairness among interest holders' shares: the majority, the minority, and stakeholders.

With that is one of them form real good corporate governance by the Board of Directors company individual in operate action management must in accordance with interests (purposes and objectives) of the company individuals, including make report financial (reports) position finance, reports profit losses and records on report finance year walking) is mandatory For reported to minister law no later than 6 (six) months after end period accountancy walk as arranged in Article 10 of PP 8 of 2021. Sole proprietorships may face administrative sanctions, including written termination of access to services and revocation of legal entity status, as provided in Article 12 of PP 8 of 2021.³⁹

The doctrine of ultra vires restricts directors' authority based on the budget, applicable laws, and regulations. For the Board of Directors to exercise authority and duties, every member of the Board of Directors must act (in good faith) and fully answer (full responsibility).⁴⁰ In the legal document about establishing a company, based on the letter statement, the stance taken in Indonesian contains aims and objectives, business activities, basic capital, and information on others, as arranged in Article 153 A paragraph (2) and Article 153 B of the Job Creation Law. This differs from a limited (capital) partnership created by deed before a Notary Public, using Indonesian, as arranged in Article 7 paragraph (1) of the UUPT. "The corporation referred to is subject to laws that

³⁹ Wijaya et al., “Legal Pluralism and the Challenges of Complete and Systematic Land Registration (CSLR) of Customary Land in Bali.”

⁴⁰ Asiah Aqilah Abdul Ghani et al., “Navigating Legal Constraints in Asnaf Housing Development on Waqf Land in Malaysia,” *Nusantara: Journal of Law Studies* 5, no. 2 (2026): 902–936, <https://doi.org/10.66325/nusantaralaw.v5i2.218>.

were born through formal legal mechanisms, including fulfillment of certain requirements required by law and in accordance with legitimate standards after publication certificate establishment.⁴¹⁴²

Positive law is based on a hierarchy of regulations and legislation that contain living norms in society, to ensure certainty in law and its application and to protect the rights of inhabitants. The intended hierarchy is stated in Article 7 paragraph (1) of Law Number 12 of 2011 concerning Formation Legislation. This means that the company limited individual first set in the later Job Creation Law is arranged in implementing regulations as arranged in PP 7 of 2021, PP 8 of 2021, and Permenkumham 21 of 2021 in order to provide legal certainty. The facts in society law related to limited companies must keep pace with the times (modernization) by updating company law through efficient regulation, providing UMK with certainty and protection under the principle of ease of doing business.

Position company limited individual in obtaining land rights (assets) in order to realize agrarian justice in Indonesia.

Indonesia's land law is regulated by Constitution Number 5 of 1960 concerning Basic Rules of Procedure Agrarian (hereinafter referred to as "UUPA"), and the Job Creation Law also regulates land-related matters, as intended in Chapter VIII Part Four Land. Indonesian land law embodies the principle of the country's right over land, as set out in Article 33 paragraph (3) of the 1945 Constitution. It reflects the principle of the right to control land, meaning the state is not the owner but the party given power by the Indonesian people to manage/control the natural resources that exist in Indonesia. With this draft, the right to control the country in agrarian law is based on the creation and enactment of UUPA as an embodiment of the ideals of the Indonesian nation as the holder of the right to state control, as mandated in Article 33 paragraph (3) of the 1945 Constitution, which is then regulated in UUPA, with its implementation returned in Article 2 paragraph (1).

Principle of rights control the country over land No can interpreted own in realm law private but is realm law public, legal politics agrarian place the country has obligation For give welfare and justice for Indonesian society without except without sacrifice principle nationality, as arranged in Article 2 paragraph (1) UUPA, so that the state is given power by the Indonesian people to arrange position and utilization land as arranged in Article 2 paragraph (2) and (3) in conjunction with Article 4 UUPA. According to Boedi Harsono's view, the right

⁴¹ Robert Charles Clark, "Vote Buying and Corporate Law," *Case W. Res. L. Rev.* 29 (1978): 776.

⁴² Muslim Lobubun et al., "Legal Pluralism and the Crisis of Customary Land Tenure in Papua," *Trunojoyo Law Review* 8, no. 2 (2026): 767–98, <https://doi.org/10.21107/trl.v8i2.34378>.

of mastery of the country is interpreted as a designation given by law, mainly agrarian, to institutional law and relationship law concrete between the state and land in Indonesia, so that rights on land as intended in Article 16 paragraph (1) UUPA can be given to legal subjects in Indonesia.

Land rights that can be granted to legal subjects (not business entities), including companies and individuals, are business use rights, building use rights, term of use rights, and rights of use on land owned or managed by others. In addition to land rights, unit house rights can also be granted to legal entities.⁴³ The regulations implementing the Job Creation Law are Government Regulation Number 18 of 2021 concerning Management Rights, Land Rights, Apartment Units and Land Registration (hereinafter referred to as "PP 18 of 2021) and Regulation of the Minister of Agrarian Affairs and Spatial Planning/ Head of the National Land Agency Number 18 of 2021 concerning Procedures for Determining Management Rights and Land Rights (hereinafter referred to as "ATR/KBPN Regulation 18 of 2021"). referred to as " ATR/KBPN Regulation 18 of 2021). Strengthening understanding of rights on land, namely:

- a. Cultivation Rights arranged in Articles 28 to 34 UUPA in conjunction with Articles 19 to 33 PP 18 of 2021 and Articles 61 to 84 ATR/KBPN Regulation 18 of 2021, which were given to subjects for agricultural business, agriculture, livestock and fisheries/ponds with a term of 35 years, then given extension right for 25 (twenty-five) years and renewal right for 35 years in one cycle. As for the subjects to which cultivation rights can be granted, they are Indonesian citizens and legal entities established according to law and domiciled in Indonesia.
- b. Building rights arranged in 35 to with 40 UUPA in conjunction with Article 34 to with 38 PP 18 of 2021 and Article 85 to with 110 ATR/KBPN Regulations 18 of 2021 which were given to subject law For establish building For activity non- agricultural businesses, including other: housing, offices, industry, warehousing, shops, houses arrange, etc. with term time giving right For first time for 30 (thirty) years, then given extension right for 20 (twenty) years and renewal right for 30 (thirty) twenty years in One cycle. Eligible subjects for building rights are Indonesian citizens and legal entities established according to law and domiciled in Indonesia.
- c. Right of use with term time arranged in 41 to with 43 UUPA in conjunction with Article 49 to with 66 PP 18 of 2021 and Articles 111 to with 134 ATR/KBPN Regulations 18 of 2021 which were given to subject law For use and/ or collect results from state land or land

⁴³ Ani Yumarni et al., "Agricultural Waqf and the Agrarian State: A Contemporary Islamic Legal Reconstruction Toward National Food Sovereignty," *MILRev: Metro Islamic Law Review* 5, no. 2 (2026): 1359–1387, <https://doi.org/10.32332/milrev.v5i2.12009>.

belonging to someone else with term time giving right For first time for 30 years, then given extension right for 20 years and renewal right for 30 years in One cycle. As for the subjects of law that can be given building rights, they are Indonesian citizen and legal entities established according to law and domiciled in Indonesia.

Regarding ownership rights, which can only be granted to subjects of ownership rights as regulated in Articles 20 to 27 of the UUPA in conjunction with Articles 53 to 60 of the ATR/KBPN Regulation Number 18 of 2021, which are granted to Indonesian citizens, legal entities established by the government such as state banks, religious bodies and social bodies appointed by the Indonesian Government based on the recommendation of the Minister who regulates government affairs in the religious sector, agricultural cooperatives, and land rights that can be transferred (sold or purchased), used as collateral for debt with a mortgage being imposed.⁴⁴

Based on the legal subject provisions stipulated in the UUPA, government regulations, and ministerial regulations, although the terms company or individual are not explicitly mentioned as subjects, it can be analyzed that a sole proprietorship is a legal entity established under Indonesian law and domiciled in Indonesia. Therefore, by law, it can grant land rights in the form of business use rights, building use rights, fixed-term use rights, use rights over owned rights, or management rights, and rights held by regulated housing units, but it cannot grant ownership rights.

In this regard, this law must play an active role in adapting to public conditions and actively bringing about change in society as a "social engineering tool." The legal system consists of three (3) elements: structural law, substantive law, and cultural law. Therefore, agrarian reform is necessary to advance social justice and realize social welfare. This includes regulating sole proprietorships as subjects of rights in Indonesia so they can be granted equal access to limited liability companies (capital companies), even though land laws may not necessarily align with Indonesian law. Other areas are expected to avoid overlap or social inequality within the framework of economic development.

Agrarian reform is expected to improve the investment climate, income distribution, and opportunities for companies and individuals, but differences in interpretation could create opportunities for agrarian conflicts, and laws may not be implemented if government policies conflict with legal provisions. Therefore, regarding the conditions for implementing land rights, applicants (individual limited liability companies) are required to submit a statement of establishment (not a deed of establishment) with an electronically supported registration

⁴⁴ Halimi Halimi, "notary responsibility for third party losses due to the issuance of the deed of binding of land purchase agreement," *Trunojoyo Law Review* 5, no. 2 (2023): 99–129, <https://doi.org/10.21107/tlr.v5i2.21163>.

certificate and legality from the Director, a registered tax identification number (NPWP), a primary taxpayer identification number (NPWP), and proof of taxation to comply with the clear and cash principles of agrarian law.

Regulatory Disharmony and Reconstruction of the Legal Status of Individual Limited Liability Companies as Holders of Land Rights

The analysis of the relevant legislation reveals that the principal legal problem is not whether an Individual Limited Liability Company has legal personality. Article 1 of Law Number 40 of 2007 concerning Limited Liability Companies, as amended by Law Number 6 of 2023 concerning the Stipulation of Government Regulation instead of Law Number 2 of 2022 concerning Job Creation into Law, expressly recognizes a company that satisfies the criteria for micro and small enterprises as a limited liability company. Articles 153A and 153B further permit such a company to be established by one person through an electronic statement of establishment. Consequently, an Individual Limited Liability Company acquires a legal personality distinct from that of its founder after completing the registration process prescribed by law.

The study's central finding is that this recognition has not been followed by an explicit adjustment to the national agrarian legal framework. The Basic Agrarian Law was enacted when the concept of a single-member limited liability company had not yet been recognized in Indonesian corporate law. Accordingly, the Basic Agrarian Law and its implementing regulations refer generally to a “legal entity established under Indonesian law and domiciled in Indonesia” without expressly mentioning an Individual Limited Liability Company. This difference in regulatory terminology creates uncertainty about the company’s status as a subject entitled to acquire and register land rights.^{45 46 47}

The relevant statutory provisions can be compared as follows:

Table 1 Regulatory Disharmony Concerning the Land Rights of Individual Limited Liability Companies

Legal instrument	Relevant provision	Legal implication	Identified problem
Law Number 40 of 2007 as amended by	Articles 1, 153A, and 153B	An Individual Limited Liability Company is recognized as a legal	Corporate law expressly recognizes its independent legal personality, but does

⁴⁵ Khairina Khairina, “Sertifikat Cacat Hukum Dalam Hukum Pertanahan Di Indonesia,” *Juris* 13, no. 1 (2014): 270148.

⁴⁶ Jum Anggriani et al., “Digitalization of Land Certification: Legal Perspectives from Islamic, Positive, and Administrative Law,” *Al-Istinbath: Jurnal Hukum Islam* 10, no. 2 (2025): 606–630.

⁴⁷ Suharto Suharto and Reni Jifhani, “Implementasi Kebijakan Dalam Kegiatan Pemenuhan Hak Kesejahteraan Sosial Penyandang Disabilitas Dinas Sosial Di Desa Rowosari Kecamatan Tembalang Kota Semarang Tahun 2022,” *Spektrum* 21, no. 1 (2024): 69–82.

Law Number 6 of 2023		entity established by one person and separate from its founder.	not specifically regulate its capacity to hold land rights.
Law Number 5 of 1960 concerning the Basic Agrarian Principles	Articles 21 and 49	Ownership rights are principally reserved for Indonesian citizens and certain legal entities specifically designated by the government.	An ordinary Individual Limited Liability Company cannot automatically become a subject of ownership rights.
Law Number 5 of 1960 concerning the Basic Agrarian Principles	Articles 30, 36, and 42	Legal entities established under Indonesian law and domiciled in Indonesia may hold cultivation rights, building rights, and rights of use.	The phrase “legal entities established under Indonesian law” may include Individual Limited Liability Companies, but the lack of an express reference may lead to inconsistent administrative interpretations.
Government Regulation Number 18 of 2021	Provisions concerning cultivation rights, building rights, and rights of use	Indonesian legal entities may acquire land rights appropriate to their activities and legal qualifications.	The regulation does not specifically address the documentary and administrative treatment of a company established by only one shareholder.
Government Regulation Number 8 of 2021	Provisions concerning authorized capital and the registration of companies satisfying the criteria for micro and small enterprises	Confirms the formal establishment and registration of an Individual Limited Liability Company	It does not establish a direct connection between corporate registration and land-registration procedures.

Source: author’s interpretation

The comparison demonstrates a horizontal regulatory disharmony between the corporate law regime and the agrarian law regime.⁴⁸ Corporate law recognizes an Individual Limited Liability Company as an independent legal subject, whereas agrarian law continues to use classifications formulated before this type of company existed. This does not mean a complete absence of regulation, because the Basic Agrarian Law already recognizes Indonesian legal

⁴⁸ Fikahati Prasetya and Muh Afif Mahfud, “Pendaftaran Tanah Untuk Pertama Kali Secara Elektronik Dalam Hukum Pertanahan Nasional,” *Jurnal Hukum Unissula* 39, no. 1 (2023): 78–89.

entities as subjects of several categories of land rights. Nevertheless, it constitutes a relative legal vacuum because no provision expressly explains whether, under what conditions, and through which administrative documents an Individual Limited Liability Company can be recognized as a land-right holder.

A distinction must be drawn between ownership rights and other land rights. Article 21 of the Basic Agrarian Law limits ownership rights primarily to Indonesian citizens and legal entities specifically designated by the government.⁴⁹⁵⁰ Therefore, the recognition of an Individual Limited Liability Company as a legal entity does not automatically authorize it to hold ownership rights. Unless it belongs to a category of legal entity designated by the government, an Individual Limited Liability Company may not acquire ownership rights merely by relying on its status under corporate law.

A different interpretation applies to cultivation rights, building rights, and rights of use. Articles 30, 36, and 42 of the Basic Agrarian Law allow legal entities established under Indonesian law and domiciled in Indonesia to hold these rights. Because an Individual Limited Liability Company is established pursuant to Indonesian law, possesses separate assets, and is registered as an Indonesian legal entity, it should fall within the scope of the phrase “a legal entity established under Indonesian law and domiciled in Indonesia.” Accordingly, it may hold cultivation rights, building rights, or rights of use, provided it satisfies the substantive requirements for each category of land rights.

This interpretation is consistent with the principle of separate legal personality. Land contributed by the founder as company capital or subsequently acquired by the company must be distinguished from land that remains part of the founder’s personal assets. When a land right is legally transferred to and registered in the name of the company, the land becomes part of the company’s separate assets. The founder may no longer treat it as personal property, even if the founder is also the company’s only shareholder and director. Conversely, land that has not been legally transferred cannot be recorded as a company asset merely by including it in a statement of establishment or financial report.

The distinction is essential to prevent the misuse of the corporate form. When the separation between personal and corporate assets is ignored, creditors, business partners, land offices, and other third parties may struggle to identify the lawful holder of the land right. If the founder uses the company to conceal personal ownership, evade obligations, or unlawfully transfer land, the doctrine of piercing the corporate veil may justify imposing personal liability on the

⁴⁹ Ridwan Ridwan, “Hak Milik Atas Tanah Dalam Perspektif Hukum Islam Dan Hukum Pertanahan Indonesia,” *Al-Manahij: Jurnal Kajian Hukum Islam* 7, no. 2 (2013): 257–270.

⁵⁰ Tulus Wahjuono, “Perubahan Pengaturan Peruntukan Kawasan Dalam Hukum Penataan Ruang (Studi Politik Hukum Atas Kebijakan Penataan Ruang Kota Malang),” *Journal de Jure*, 2014.

founder or director. The doctrines of separate legal personality and piercing the corporate veil must therefore be applied together: the former protects legitimate asset separation, while the latter prevents that separation from being abused.

From the perspective of Gustav Radbruch's theory, the existing situation fails to provide sufficient legal certainty because formally valid corporate and agrarian norms do not produce an unambiguous administrative consequence. Legal certainty requires rules that clearly identify the eligible subject, the applicable category of land right, the necessary transfer document, and the authority responsible for registration. Differences in interpretation among land offices could lead to unequal treatment of companies with the same legal status. Such inequality would also conflict with the principle of fairness because access to land rights would depend on administrative interpretation rather than on uniformly applicable legal criteria.

However, legal certainty cannot be pursued independently of justice and utility. Recognizing Individual Limited Liability Companies was intended to facilitate the formalization and development of micro and small enterprises. Preventing such companies from acquiring land rights necessary for their business activities would reduce the utility of their legal-entity status. On the other hand, granting them unrestricted access to ownership rights would be inconsistent with the nationality principle and the social function of land under the Basic Agrarian Law. A balanced interpretation must therefore permit Individual Limited Liability Companies to hold cultivation rights, building rights, and rights of use while maintaining the statutory restrictions governing ownership rights.

Jurisdictions that recognize single-member companies support this functional approach. In the United Kingdom, a private company may be formed by one person, and upon incorporation it becomes a body corporate capable of exercising the functions of an incorporated company. Its capacity to own property derives from its separate corporate personality rather than from the number of its shareholders. Singapore similarly recognizes single-member companies while maintaining separate restrictions for particular categories of immovable property. These approaches show that a company's capacity to hold property should not depend on the number of shareholders. The decisive considerations are its legal personality, the type of property right involved, and compliance with sector-specific restrictions.

Nevertheless, the comparative approach cannot be transplanted mechanically into Indonesian law. Indonesian agrarian law is based on the state's right of control, the nationality principle, the social function of land rights, and the objective of achieving social justice. Therefore, the recognition of an Individual Limited Liability Company as a holder of land rights must remain subject to the classifications and limitations established by the Basic Agrarian

Law. Comparative experience is relevant only to confirm that single-share ownership does not eliminate a company's separate legal personality.

Based on these findings, this study proposes a three-measure model of regulatory harmonization. First, the phrase “a legal entity established under Indonesian law and domiciled in Indonesia” should be authoritatively interpreted as including an Individual Limited Liability Company that has obtained valid legal-entity status and continues to satisfy the criteria for micro and small enterprises. This interpretation should apply to cultivation rights, building rights, and rights of use, but not automatically to ownership rights.

Second, the government should amend or supplement the implementing regulations on land registration by expressly listing the documents required from an Individual Limited Liability Company. These documents should include the statement of establishment, proof of electronic registration, the company's tax identification number, evidence of beneficial ownership, the identity of the founder and director, and evidence that the acquisition of the land right is consistent with the company's stated business activities. Clear documentary requirements would reduce differences in interpretation among land offices. Third, land a founder contributes to the company must be transferred through a legally valid land deed and registered in the company's name. An electronic statement of establishment cannot, by itself, transfer a land right. This requirement preserves the integrity of the land-registration system, protects creditors and third parties, and provides objective evidence of the separation between the founder's assets and the company's assets.

The novelty of this study lies in reconstructing the legal position of an Individual Limited Liability Company through a differentiated model of entitlement. Rather than treating the company as either fully entitled to, or entirely prohibited from, holding land, the proposed model distinguishes between ownership rights and business-related land rights. An Individual Limited Liability Company should not automatically qualify as a holder of ownership rights, but it should be expressly recognized as an eligible subject of cultivation rights, building rights, and rights of use. This reconstruction harmonizes corporate legal personality with the nationality principle, the social function of land, legal certainty, and agrarian justice. Thus, the legal problem should not be resolved by disregarding either corporate law or agrarian law. It requires a systematic interpretation that situates the recognition of the Individual Limited Liability Company within the structure and objectives of the national agrarian legal system. Express regulatory clarification is ultimately necessary to ensure uniform land-administration practices and to prevent future disputes concerning the separation, transfer, and registration of land assets belonging to Individual Limited Liability Companies.

CONCLUSION

Under Indonesian law, limited liability companies consist of companies established through an association of capital and Individual Limited Liability Companies that meet the criteria for micro and small enterprises. An Individual Limited Liability Company obtains legal-entity status after registration with the Minister of Law and receipt of an electronic registration certificate, as stipulated in the Job Creation Law and its implementing regulations. This status creates a separate legal personality between the company and its founder, including a separation between the founder's personal assets and the company's assets. Therefore, land used as company capital or recorded as a company asset must be transferred through a valid legal transaction and registered in the company's name. Merely including land in a statement of establishment or financial report does not automatically transfer the land right from the founder to the company. This study identifies a horizontal regulatory disharmony between the corporate law regime and the agrarian law regime. Corporate law expressly recognizes an Individual Limited Liability Company as a legal entity, whereas the Basic Agrarian Law and its implementing regulations do not explicitly identify such a company as a subject of land rights. This creates a relative legal vacuum and may lead to inconsistent interpretations in land-administration practice. Nevertheless, the phrase "a legal entity established under Indonesian law and domiciled in Indonesia" in the Basic Agrarian Law may be interpreted as encompassing an Individual Limited Liability Company, provided that the company has validly obtained legal-entity status and continues to satisfy the requirements established by the applicable laws and regulations.

The legal position of an Individual Limited Liability Company as a subject of land rights must be distinguished according to the category of land right concerned. An Individual Limited Liability Company cannot automatically hold ownership rights because such rights are primarily reserved for Indonesian citizens and specific legal entities designated by the government. However, an Individual Limited Liability Company may be recognized as a subject of cultivation rights, building rights, and rights of use because Indonesian law may grant these rights to legal entities established under Indonesian law and domiciled in Indonesia. This distinction reflects a balance among corporate legal personality, the nationality principle, the social function of land, legal certainty, utility, and agrarian justice. To establish legal certainty and uniformity in land administration, the government should harmonize corporate and agrarian regulations. Such harmonization may be achieved by expressly confirming that an Individual Limited Liability Company qualifies as an Indonesian legal entity eligible to hold cultivation rights, building rights, and rights of use; establishing uniform documentary requirements for land-right registration; and requiring a valid transfer and registration process when land personally owned by the

founder is to become a company asset. This proposed regulatory model constitutes the legal reconstruction advanced by this study. It seeks to ensure certainty regarding the legal status of land, protect creditors and third parties, prevent the misuse of the separation between personal and corporate assets, and support the development of micro and small enterprises without disregarding the fundamental principles of Indonesia's national agrarian law.

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AUTHOR CONTRIBUTIONS STATEMENT

Putra Hutomo contributed to conceptualization, methodology, investigation, and the preparation of the original draft. Mohamad Ismed contributed to conceptualization, validation, and manuscript review and editing. Yuhelson was responsible for methodological development, formal analysis, and manuscript review and editing. Henry Aspan contributed to investigation, data curation, and manuscript review and editing. Irawan Soerodjo contributed to supervision, validation, and manuscript review and editing. Hani Mefleh O. Hamdon contributed to conceptualization, validation, and manuscript review and editing. All authors reviewed and approved the final version of the manuscript.

AI USAGE STATEMENT

The authors used generative artificial intelligence (AI) tools solely for language editing, grammar correction, and improving the clarity and readability of the manuscript. AI tools were not used to generate research data, fabricate findings, conduct data analysis, or determine the study's conclusions. The authors remain responsible for all intellectual contributions, interpretations, and final decisions regarding the manuscript, and they reviewed and approved the final version before submission.

CONFLICT OF INTEREST

The authors declare that there are no conflicts of interest, whether financial, professional, or personal, that could have influenced the research, the

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