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Judicial Breakthrough in Investor Protection: Expanding the Legal Standing of Good-Faith Stock Buyers in Indonesia

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Abstract

Background: Under Indonesian Company Law (*UUPT*), a good-faith investor who has fully paid for shares but whose name is not recorded in the Company's Shareholders Register (*Daftar Pemegang Saham/DPS*) does not have legal standing to apply to the court to compel a General Meeting of Shareholders (GMS).
Objective: This article analyzes how the North Jakarta District Court decision No. 530/Pdt.G/2024/PN Jkt. Utr addresses this legal gap by recognizing the standing of an unregistered foreign investor acting in good faith, thereby providing judicial clarification in shareholder protection.
Methods: This study employs a normative legal research method using both case and conceptual approaches. It analyzes primary legal sources, including the court decision, *UUPT, KUHPerdata* (Indonesian Civil Code), and relevant legal doctrines.
Results: The court applied *rechtsvinding* (legal discovery) and analogy-based reasoning to correlate the rights under Article 80 of the UUPT with those of a *de facto* shareholder based on substantive ownership, despite the failure to register in the DPS due to alleged bad faith by third parties. In this context, the *voluntair* petition mechanism proved more effective than a *contentiosa* lawsuit in addressing the dispute.
Conclusion: The decision represents a progressive step in strengthening investor protection, yet it remains a stop-gap measure. Judicial activism should be approached cautiously, as legislative reform of the UUPT is still required to formally codify such protections.

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INTRODUCTION

Foreign Direct Investment (FDI) is an essential engine of economic growth in Indonesia, among emerging markets. However, its sustainability is highly reliant on a reliable and robust legal safeguard regime available to investors against post-closing risks. The stronger the investor protection framework, the greater the willingness to invest in companies, and there is empirical evidence of a direct link between the quality of a country's legal system and its economic development (Dörry, 2025; Porta et al., 1998). It is essential to ensure that investors are legally protected so they can invest in capital markets safely and securely. This protection is designed not only to safeguard investors from potential losses due to unfair and/or illegal practices but also to foster a transparent and efficient investment climate (Brilliant, 2024). Corporate deadlock is a major bottleneck in corporate governance in Indonesia, particularly when legal formalities are used strategically by management or incumbent shareholders against new investors. A key area of risk arises in takeover mechanisms within private limited liability companies.

The central issue lies in a legal vacuum under the Indonesian Company Law (*UUPT*), where registration in the Shareholders Register (*Daftar Pemegang Saham*/DPS) is the sole mechanism for a good-faith investor to obtain legal standing. This creates vulnerability to corporate deadlock when incumbent management obstructs registration. The issue becomes more complex in cases where a good-faith foreign investor has fully paid for shares, yet former management of an Indonesian private company prevents formal shareholder registration. Indonesian courts have attempted to fill this gap through judicial activism and *rechtsvinding* (legal discovery).

In cases of disputes between parties, resolution may take a considerable amount of time through the district court via civil litigation. The process may then continue through appeal, cassation, and judicial review, further increasing delays and costs incurred by investors, especially foreign investors who are less familiar with the Indonesian judicial system.

One form of investment frequently undertaken by foreign investors in Indonesia is the acquisition or takeover of a Private Limited Liability Company. In general, the sale and purchase of shares in such companies is a civil transaction based on a deed of sale and purchase executed before a notary, but it must be followed by formal corporate procedures. Based on Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies (hereinafter referred to as "*UUPT*") (RI, 1999; Yudha, 2026), the transfer of shares is legally effective for the company only after being recorded in the company's Shareholders Register (DPS) and notified to the Ministry of Law and Human Rights through the General Legal Administration system (AHU) (RI, 1999; Yudha, 2026). This registration in the DPS determines the legal standing of a party as a formal shareholder and confers corporate rights such as attending and requesting the convening of a General Meeting of Shareholders (GMS).

Corporate law adheres to a strict legal positivist approach, whereby shareholder rights, including the fundamental right to convene a General Meeting of Shareholders (GMS), are exclusively granted to parties formally registered in the DPS. However, this strict approach creates a substantial legal gap: how is a good-faith purchaser who has fulfilled all contractual obligations (e.g., full payment of shares) protected if, de facto, it is prevented from being registered due to procedural obstruction? This legal vacuum places investors, particularly foreign investors, at significant risk, with capital effectively locked and no meaningful control over the company.

One key issue arises in a case reflected in North Jakarta District Court Decision Number 530/Pdt.P/2024/PN Jkt. Utr (North Jakarta District Court), at the North Jakarta District Court, involving a foreign investment limited liability company (PT PMA), namely PT MEI, which acted as a foreign investor in Indonesia after fully paying for shares in a domestic investment limited liability company (PT PMDN), namely PT SIP. Although payment had been completed for nearly one year, the management of PT SIP failed to follow up by convening a General Meeting of Shareholders (GMS) to ratify the share transfer and register PT MEI in the DPS. This resulted in a classic corporate stalemate, where the funds of the foreign investor were effectively frozen in PT SIP while control rights were not transferred due to procedural non-compliance by the incumbent management.

While Company Law regulates the mechanism of GMS and share transfers, it remains silent regarding the legal standing or remedies available to shareholders when management fails to act. The right to request a GMS is granted only to shareholders whose names are registered in the DPS, as stipulated in Article 80 of the Company Law. This legal limitation prevents shareholders such as PT MEI from taking swift legal action. As a result, this area remains legally uncertain and requires further doctrinal development.

In practice, rather than relying solely on civil litigation, a more efficient legal remedy emerged: submitting a petition to the district court to authorize the convening of a GMS through a court determination. However, this approach encountered a legal obstacle because PT MEI had not yet been registered in the DPS and therefore was not formally recognized as a shareholder. This reflects a disharmony between commercial reality and formal legal recognition, which undermines the legal standing of foreign investors.

This situation highlights a significant legal challenge through the analysis of landmark court decisions, particularly North Jakarta District Court Decision Number 530/Pdt.P/2024/PN Jkt. Utr. In the case of PT MEI, despite its status as an unregistered shareholder, the court issued a determination allowing PT MEI to request the convening of a GMS. This decision represents a notable legal development in which the judge moved beyond rigid formalism under the Company Law, toward a more substantive justice-oriented approach.

Originating from the civil law system and enshrined in Article 1338 of the Indonesian Civil Code, which reads:

"All agreements made in accordance with the law apply as law to those who make them. Such agreements cannot be revoked except by mutual agreement of both parties, or for reasons determined by law. Agreements must be carried out in good faith."

Referring to modern theory, good faith, better known in the civil law system, is now also widely recognized in the common law system, where it is applied not only during contract performance but also in the pre-contractual stage, particularly during negotiation and the formation of legal relationships (Berinandus & Barthos, 2025; Kusmiati, 2020). There are conceptual differences between civil law and common law legal traditions. In the civil law system, emphasis is placed on contractual obligations and their enforcement. Meanwhile, in the common law system, good faith is not always explicitly codified as a general principle governing negotiations; however, it is functionally accommodated through incremental judicial development aimed at addressing unfairness (Dewanti et al., 2021). Therefore, parties who act in good faith from the inception of a legal relationship deserve legal protection, even if a formal contract has not yet been fully established.

Based on this, the principle of good faith mandates that all agreements must be executed honestly and fairly. Although traditionally applied in contract law, its scope extends to commercial transactions and corporate governance. In corporate governance, the principle of good faith requires all stakeholders, including shareholders, to act honestly, fairly, and in the best interests of the company. This is particularly relevant in General Meetings of Shareholders (GMS), where decisions may significantly affect corporate direction and shareholder rights (Eriz et al., 2025). In share transfer transactions, good faith requires that once the buyer has fully paid all obligations, the seller and company directors are presumed to have a duty to execute the formal transfer of rights. Impeding this transfer through administrative or procedural barriers constitutes mala fide conduct and an abuse of rights.

By establishing good faith as a foundation of business relations, the risk of disputes can be minimized because interactions are grounded in transparency and honesty. This strengthens trust among parties and enhances legal certainty in protecting rights and obligations. Ultimately, the principle of good faith not only ensures fairness in business transactions but also supports a stable and sustainable foundation for economic growth and investment (Nugraha et al., 2024).

Legal standing (*locus standi*) is a threshold requirement that determines whether a party has the legal right to initiate proceedings before a court. According to Harjono (2010), legal standing refers to the condition in which a person or party meets the legal requirements to submit a petition or claim before a judicial institution, including the Constitutional Court (MK) (Harrit, 2025). Thus, legal standing can be defined concisely as the legally recognized capacity of a party to bring a claim before a court (Harjono, 2010; Harrit, 2025).

This definition eliminates redundancy; therefore, a single formulation is sufficient. The criteria for legal standing generally include: (1) A party directly suffers harm from the legal action or norm in question, and such harm will persist unless judicial intervention occurs; (2) A party not directly harmed but possessing a reasonable nexus to the harmful situation, where inaction may affect broader parties unable to seek legal remedy; (3) A party granted standing explicitly by statute.

Under the Company Law (*Undang-Undang Perseroan Terbatas/UUPT*), the right to request a GMS is explicitly limited to registered shareholders as regulated in Article 80 paragraph (1), which states:

"In the event that the Board of Directors or Board of Commissioners does not issue a summons for a GMS within the time period as referred to in Article 79 paragraph (5) and paragraph (7), the shareholder requesting the holding of a GMS may submit an application to the head of the district court whose jurisdiction covers the Company's domicile to issue a permit for the applicant to issue the summons for the GMS himself."

This formalistic approach may be used to exclude stakeholders with legitimate economic interests who have not yet been formally registered, thereby creating procedural barriers to justice.

Progressive law refers to law that is dynamic and oriented toward continuous development. The concept of progressive law, introduced by Satjipto Rahardjo (2009), is grounded in the fundamental assumption that law exists for humans (Sutarjo & Pudjiastuti, 2026). Progressive law emphasizes rapid change, fundamental shifts in legal theory and practice, and the necessity of legal breakthroughs. This orientation is based on the principle that law is for humans, not the reverse, and that law does not exist for its own sake but for a broader purpose, namely human dignity, happiness, welfare, and human flourishing. As articulated by Satjipto Rahardjo (2009), progressive law involves a series of transformative actions (Sutarjo & Pudjiastuti, 2026), including revising the legal system and, when necessary, amending legal regulations so that law becomes more beneficial, particularly in enhancing human dignity and ensuring welfare (Rahardjo, 2009; Sutarjo & Pudjiastuti, 2026). Rahardjo (2009) further argues that progressive law places human welfare at the center of legal interpretation (Sutarjo & Pudjiastuti, 2026), a stance that informs judicial decision-making in this case.

More simply, progressive law can be understood as a form of law that liberates both thought and action within the legal system, allowing law to function as a tool to serve humanity. Therefore, enforcement should be free from manipulation or bias. In this view, law aims to create justice and prosperity for all people. Specifically, progressive law can be described as pro-people law and justice-oriented law. The concept emphasizes that law does not exist for its own sake, but for a purpose beyond itself. Accordingly, progressive law departs from the tradition of analytical jurisprudence or *rechtsdogmatiek* (Siregar, 2024).

To realize substantive justice as the objective of progressive law, a judicial philosophy known as judicial activism is required. Generally, judicial activism is understood in the context of judges effectively making law through their decisions. According to Black's Law Dictionary, as cited by Pan Mohamad Faiz in the journal "Dimensions of Judicial Activism in Constitutional Court Decisions" (p. 408), judicial activism is defined as (Faiz, 2016; Imanuela, 2025):

"A philosophy of judicial decision-making whereby judges allow their personal views about public policy, among other factors, to guide their decisions, usu. with the suggestion that adherents of this philosophy tend to find constitutional violations and are willing to ignore precedent."

Judicial activism is therefore a decision-making approach in which judges may consider their personal views on public policy when forming decisions, rather than relying exclusively on statutory texts. In this perspective, judges do not merely act as mouthpieces of the law, but may also engage in judge-made law to fill legal gaps and respond to society's sense of justice.

Furthermore, Pan Mohamad Faiz explains that one factor contributing to judicial activism is the judge's interpretive paradigm (Faiz, 2016; Imanuela, 2025). When judges emphasize progressive law, which prioritizes substantive justice over procedural formalism, judicial activism becomes more likely to be applied by the courts (Rozaq et al., 2024).

Although the *UUPT* does not explicitly grant buyers of unregistered shares the right to request the holding of a General Meeting of Shareholders (GMS), judges in Indonesia are prohibited from refusing to examine a case on the grounds of legal vacuum or ambiguity. This principle is stipulated in Article 10 paragraph (1) of Law of the Republic of Indonesia Number 48 of 2009 concerning Judicial Power (hereinafter referred to as the "Judicial Power Law"), which states:

"The court is prohibited from refusing to examine, try, and decide a case on the grounds that the law does not exist or is unclear, but is obliged to examine and try it."

This provision legitimizes judicial activism, positioning judges as "law discoverers" (*rechtsvinding*), not merely "law applicators" (*rechtstoepassing*). In situations where legal norms are absent or where literal application of the law results in injustice, such as when the Limited Liability Company Law does not explicitly grant unregistered shareholders the right to request a GMS, a progressive judge is expected to apply judicial activism. Judicial activism allows judges to move beyond the literal text of the law in order to deliver substantive justice. In the case of PT MEI, this responsibility requires judges to go beyond the formalism of Article 80 of the Limited Liability Company Law and seek equitable legal solutions in protecting the substantive rights of harmed shareholders.

An even more explicit analogical argument should be included in this section to present a broader interpretation of the title, "Judicial Breakthrough in Investor Protection: Expanding the Legal Standing of Good-Faith Stock Buyers in Indonesia."

Premise A (Regulated): Article 80 of the Company Law (*UUPT*) provides registered shareholders with the right to request a General Meeting of Shareholders (GMS) in the event that the board of directors fails to act. The ratio legis underlying this provision is to protect parties with a genuine capital interest from managerial obstruction. Premise B (Unregulated): PT MEI, having fully paid for all shares under notarized instruments, possesses an identical capital interest but cannot access the shareholder registry (*DPS*) mechanism due to the Respondents' bad faith. Article 80 UUPT does not explicitly regulate this situation.

Analogical Bridge: The essential legal quality, namely a legitimate capital interest that warrants procedural protection, is identical in both situations. Conclusion: By analogy (argumentum per analogiam), the rights under Article 80 UUPT may be extended to PT MEI, thereby granting it legal standing to petition the court for the convening of a GMS.

Legal construction is generally applied when the following conditions occur (Adrianto et al., 2026; Muwahid, 2017):

This theoretical exposition must be directly connected to the PT MEI/PT SIP case. The following bridging sentence should be inserted after the theory: "In the PT MEI case, all four conditions triggering legal construction (lacuna legis) were present: no statutory provision explicitly covered a good-faith unregistered shareholder's right to petition for a GMS; Article 80 UUPT was silent on this scenario; a regulatory gap existed; and a normative vacuum threatened the substantive rights of the investor."

To fill gaps in the law, judges employ logical reasoning to further develop statutory texts. This means that judges no longer rely solely on the literal wording of statutes; however, they also do not disregard legal principles as part of the legal system (Adrianto et al., 2026; Muwahid, 2017).

In accordance with one of the fundamental legal principles, judges are prohibited from refusing to hear cases submitted to them on the grounds that the law is unclear, incomplete, or absent. Judges are obliged to adjudicate cases as long as they fall within material requirements and are within both absolute and relative jurisdiction (Adrianto et al., 2026; Muwahid, 2017).

In this context, judges must explore and discover the legal values living within society. This is consistent with Article 5 paragraph (1) of Law of the Republic of Indonesia Number 48 of 2009 concerning Judicial Power, which states: "Judges and constitutional justices are obliged to explore, follow, and understand the values and sense of justice that live in society."

Based on this case, the judge applied the method of analogy (argumentum per analogiam) in constructing the decision regarding the legal standing of the applicant in requesting a GMS summons. The analogy method is a form of legal discovery that identifies the general essence of legal events or legal acts, both those explicitly regulated by law and those not yet regulated. Through this method, similar legal events are treated equally. Thus, analogy provides an interpretative approach by extending the meaning of statutory provisions in line with their underlying legal principles, allowing unregulated events to be accommodated within existing legal norms (Adrianto et al., 2026; Muwahid, 2017). The analogical reasoning in this case operates as follows:

Source Case (regulated): Article 80 *UUPT* grants registered shareholders (listed in the shareholder register/DPS) the right to petition the District Court to convene a GMS. The ratio legis of Article 80 is to protect parties with a genuine economic interest in the company from managerial obstruction. Target Case (unregulated): PT MEI, a good-faith purchaser who has fully paid for shares, holds an identical economic interest but is not registered in the DPS due to bad faith actions by third parties. Analogy: Because the essential legal interest, protection of ownership and capital rights, is identical, Article 80 UUPT is applied by analogy to PT MEI, thereby granting it the same procedural right to petition for a GMS.

The purpose of this research is to answer two crucial questions: (1) By synthesizing good faith within the absence of explicit corporate legal norms, how do judges establish legal standing for good-faith share purchasers? (2) What are the legal implications of the court determination mechanism as an efficient legal remedy in protecting the rights of good-faith share buyers, and how does this jurisprudence contribute to filling normative gaps in the *UUPT* regarding corporate disputes?

By analyzing this case, this study argues that judicial activism in Indonesia is contributing to a more protective and predictable legal environment, offering important lessons for other developing jurisdictions facing similar legislative gap

METHOD

This research used a normative legal research methodology. Normative legal research is legal research conducted by examining literature (secondary data) (Danuarta, 2026; Soekanto & Mamudji, 2009). This research was exploratory in nature, namely research conducted to obtain information, explanations, and data regarding unknown matters (Abdulkadir, 2004; Rosidi et al., 2026).

The analysis was conducted in four stages: (1) identification of the normative gap in the UUPT regarding unregistered good-faith shareholders; (2) doctrinal analysis of applicable legal principles (good faith, legal standing, *rechtsvinding*); (3) case analysis of Decision No. 530/Pdt.P/2024/PN Jkt.Utr using a conceptual and case approach; and (4) evaluation of the decision's implications for investor protection and legislative reform.

The research approaches used in this study were the case approach and the conceptual approach. According to Peter Mahmud Marzuki, the case approach is carried out by examining cases related to the issue at hand that have become court decisions with permanent legal force (Herman et al., 2026; Marzuki, 2005). Meanwhile, the conceptual approach departs from the views and doctrines that have developed in legal science. This research approach was chosen to find answers to legal issues in legal research. Peter Mahmud Marzuki also stated that the conceptual approach is applied when the researcher does not move away from existing legal regulations. This is done because there are no specific legal regulations governing the issue at hand (Herman et al., 2026; Marzuki, 2005).

Primary legal materials consisted of the Company Law and court decisions themselves. Secondary legal materials included books, academic journals, and legal doctrine on corporate governance, investor protection, and legal theory. The analysis was descriptive and critical, aiming to deconstruct judicial logic and evaluate its broader implications for law and management.

RESULTS AND DISCUSSION

Terminology standardization: Throughout this section, "Applicant" and "Applicant" refer to the same party (PT MEI). The standardized term used hereafter is "Applicant" (consistent with voluntary proceedings terminology). All instances of "Petitioner" should be replaced with "Applicant" in the final version.

The facts of this case are straightforward: PT MEI (a PMA PT) has acquired all shares in a PMDN PT with the initials PT SIP, but PT MEI is unable to convene a General Meeting of Shareholders (GMS) to formalize the share transfer and approve the new company management. The existing management effectively creates a deadlock. Therefore, PT MEI (as the "Applicant") has filed a request for a court order to summon a GMS against PT SIP, represented by the board of directors (as Respondent I), and the board of commissioners and shareholders of PT SIP (as Respondent II, Respondent III, and Respondent IV) (hereinafter Respondent I, Respondent II, Respondent III, and Respondent IV collectively referred to as the "Respondents") at the North Jakarta District Court, registered under case number 530/Pdt.P/2024/PN Jkt.Utr. The request was filed because the Respondents failed to hold a GMS related to the ratification of the share transfer.

The basis for submitting the application for the determination of the GMS summons to the North Jakarta District Court by the Applicant is to obtain a court determination for convening a GMS at PT SIP regarding the ratification of the sale and purchase of shares carried out by the Applicant for all shares in PT SIP, based on: (1) evidence of the deed of share sale and purchase agreement; (2) evidence of full payment; and (3) evidence of the Applicant's proactive efforts (further details of these three types of evidence will be discussed below).

In this case, it was found that since the final payment date on July 10, 2023, the Applicant did not receive the rights due and did not receive a satisfactory response from the Respondents. As a result, the Applicant, through its attorney, submitted a request for a GMS summons to the North Jakarta District Court on June 24, 2024.

In this case, the Respondents presented legal arguments in their exceptions, stating that the Applicant did not have the capacity, rights, or authority to submit a request for a GMS because the Applicant had not been formally registered in the Shareholders Register (*Daftar Pemegang Saham/DPS*). Therefore, the judge examining the case faced a normative challenge because the Applicant did not formally fulfill the requirements under Article 80 of the Company Law as a shareholder. However, the judge rejected all of the Respondents' exceptions and granted all of the Applicant's requests based on crucial considerations, which stated:

"Considering that in this application, as has been considered above, since the Applicant has been declared the owner of shares of Respondent I which were previously owned by Respondent II, Respondent III, and Respondent IV, the Judge is of the opinion that the Applicant has summarily proven that the requirements have been fulfilled and that the Applicant has a reasonable interest in holding a GMS; therefore, the Applicant's application, in law and equity, can be granted."

The judge's considerations clearly set aside formal registration requirements (*UUPT*) and instead shift toward recognizing the Applicant's substantive rights as a de facto shareholder.

The Process of Legal Construction by Judges: From a Normative Void to New Legal Standing

The judge's decision in this case is not merely an act of interpretation, but rather a process of legal construction that can be described in three steps: (1) identification of conflicts of norms and judicial obligations; (2) synthesis of the principle of good faith as a form of legal protection; and (3) construction of legal standing through the method of analogy.

Step One: Identify Conflicts of Norms and Judicial Obligations

Judges are confronted with two contradictory realities: (1) formal legal reality; and (2) substantive economic reality.

The legal conflict can be articulated as follows: "The normative conflict arises from two sets of equally valid legal principles: (1) the formalistic principle, which makes shareholder register (DPS/Daftar Pemegang Saham) registration the sole condition for a person to be legally recognized as a shareholder (Articles 52 and 80 of the UUPT); and (2) the substantive principle, which requires robust legal protection for parties who have fully performed their contractual obligations in good faith. This conflict constitutes a lacuna legis that obliges the court to exercise rechtsvinding under Article 10(1) of the Judicial Power Law."

Formal Legal Reality

The formal legal reality in this case is grounded in Article 52 paragraph (1), Article 52 paragraph (2), and Article 80 of the UUPT (Company Law), each of which provides as follows:

Article 52 paragraph (1) and paragraph (2) of the UUPT:

(1) Shares give their owners the right to:
   a. attend and vote at the GMS (General Meeting of Shareholders);
   b. receive dividend payments and remaining assets resulting from liquidation;
   c. exercise other rights based on this Law.

(2) The provisions referred to in paragraph (1) apply after the shares are recorded in the shareholder register in the name of the owner.

Article 80 of the UUPT:

(1) In the event that the Board of Directors or Board of Commissioners does not issue a summons for a GMS within the period referred to in Article 79 paragraph (5) and paragraph (7), the shareholder requesting the holding of a GMS may submit an application to the district court whose jurisdiction covers the company's domicile to obtain permission to issue the summons for the GMS.

(2) The head of the district court, after summoning and hearing the applicant, the Board of Directors and/or the Board of Commissioners, shall grant permission to hold a GMS

if the applicant has summarily proven that the requirements have been met and has a reasonable interest in holding the GMS.

(3) The determination of the head of the district court as referred to in paragraph (2) shall also include provisions regarding:
   a. the form of the GMS, the agenda of the GMS in accordance with the shareholders' request, the time frame for summons, the quorum, and/or voting requirements, as well as the appointment of the meeting chairperson, in accordance with or without being bound by the provisions of this Law or the articles of association; and/or
   b. an order requiring the Board of Directors and/or Board of Commissioners to attend the GMS.

(4) The head of the district court shall reject the application if the applicant cannot summarily prove that the requirements have been fulfilled and that the applicant has a reasonable interest in holding the GMS.

(5) The GMS referred to in paragraph (1) may only discuss the agenda determined by the chairperson appointed by the district court.

(6) The decision of the head of the district court regarding the granting of permission as referred to in paragraph (3) is final and has permanent legal force.

(7) In the event that the decision of the head of the district court rejects the application as referred to in paragraph (4), the only available legal remedy is cassation.

(8) The provisions referred to in paragraph (1) also apply to public companies, taking into account the requirements for announcing the GMS and other requirements under capital market regulations.

Based on the provisions above, the Petitioner is not a registered shareholder. The share register is treated as the sole formal source of truth regarding shareholder status. The Respondents' primary argument is that the Petitioner is not formally recorded as a shareholder and therefore does not have the right or authority to request a General Meeting of Shareholders (GMS/RUPS), let alone convene one. The Respondents rely on Law No. 40 of 2007 on Limited Liability Companies (*UUPT*), which strictly ties corporate rights (including the right to petition the court for the convening of a GMS (Article 52 paragraph (1), Article 52 paragraph (2), and Article 80 of the *UUPT*)) to registration in the DPS. On this basis, the Respondents construct a formalistic interpretation that, absent registration in the DPS, the Petitioner legally does not exist as a shareholder and therefore lacks legal standing to file a petition for a GMS before the district court.

The literal application of Articles 52 and 80 of the *UUPT* in the PT MEI case would produce an unreasonable legal consequence: a purchaser who has fully paid the purchase price and holds notarized deed(s) of share transfer is effectively excluded from corporate legal protection solely because incumbent management refuses to initiate the GMS required to update the DPS. This creates a circular deadlock where the very mechanism meant to ensure legal certainty is controlled by the party benefiting from non-compliance. Such an outcome deviates from the ratio legis of the UUPT, which is intended to facilitate lawful and orderly economic activity rather than enable de facto corporate hostage-taking through administrative inertia. This contradiction underscores the court's obligation to engage in legal interpretation (*rechtsvinding*) beyond strict formalism, in order to protect good-faith investors and restore substantive justice within corporate governance structures.

Substantive Economic Reality

On the other hand, the judge was presented with authentic evidence (the Deed of Sale and Purchase Agreement, proof of transfer, and documentation of the Petitioner's efforts to follow up with the Respondents regarding the purchase of all his shares). This evidence demonstrated that the Petitioner had fully paid for the shares. Economically and substantively, the Petitioner was the beneficial owner of the shares. Allowing the status quo would have meant permitting investors' capital to be held hostage by abused formalities. The legal indicators of substantive ownership established in this case are: (1) Payment full transfer of consideration evidenced by bank transfer receipts (P-10 to P-12); (2) Agreement notarized Sale and Purchase Agreement deeds (P-5 to P-8b); and (3) Control efforts documented requests for General Meeting of Shareholders (GMS) convening (P-13 to P-16). Taken together, these three indicators constitute the evidentiary foundation for the court's recognition of PT MEI as a De Facto Shareholder. It should be clarified that PT MEI's non-registration in the DPS was not due to any failure on its part, but rather the direct consequence of the Respondents' refusal to convene the GMS the very corporate mechanism required to formalize DPS registration. This circular trap (an investor cannot obtain DPS status without a GMS; an investor cannot hold a GMS without DPS status) represents the core injustice the court resolved through *rechtsvinding*.

This conflict between legal formality and substantive justice creates a normative vacuum (lacuna). This is where judicial obligations become relevant. Based on Article 10 paragraph (1) of the Judicial Power Law, judges may not reject cases on the grounds that the law does not exist or is unclear. Instead, judges are obliged to find the law (*rechtsvinding*). This obligation legitimizes judges not to stop at a literal interpretation of the UUPT and instead proceed with the process of legal construction.

Step Two: The Synthesis Process of the Principle of Good Faith as Legal Protection

The process of synthesizing the principle of good faith is based on the judge's considerations in the main case, namely: "Is it true that the Applicant has purchased shares in PT SIP?" and "Is the Applicant included in the category of a Good Faith Buyer so that he must be protected by law?"

Based on this, the judge considered crucial evidence from the Applicant, which the author will summarize as follows:

Proof of Share Sale and Purchase Agreement Deed

This evidence satisfies the objective good faith requirement under Article 1338 of the Indonesian Civil Code: the notarized deeds constitute proof that PT MEI acted with full knowledge and in accordance with legal requirements, with no indication of defects in the acquisition process.

These documents are marked as P-5, P-6a, P-6b, P-7a, P-7b, P-8a, and P-8b. All documents were prepared and signed by the relevant parties before a notary, thereby constituting authentic deeds.

Exhibit P-5 is the initial share sale and purchase agreement between Respondent II, Respondent III, and Respondent IV (as existing shareholders of PT SIP). The Respondents agreed to sell or transfer their respective shares in PT SIP to another party or to be purchased by one of the shareholders.

Exhibit P-6a is the Deed of Share Purchase Agreement between the Applicant and Respondent II, who owns 3,500 (three thousand five hundred) shares of PT SIP. Meanwhile, Exhibit P-6b is the granting of power of attorney from Respondent II to the Applicant regarding post-transaction administrative matters following the completion of the share transfer based on Exhibit P-6a.

Exhibit P-7a is the Deed of Share Purchase Agreement between the Applicant and Respondent III, who owns 4,200 (four thousand two hundred) shares of PT SIP. Meanwhile, Exhibit P-7b is the granting of power of attorney from Respondent III to the Applicant regarding post-transaction administrative matters following the completion of the share transfer based on Exhibit P-7a.

Exhibit P-8a is the Deed of Share Purchase Agreement between the Applicant and Respondent IV, who owns 6,300 (six thousand three hundred) shares of PT SIP. Meanwhile, Exhibit P-8b is the granting of power of attorney from Respondent IV to the Applicant regarding post-transaction administrative matters following the completion of the share transfer based on Exhibit P-8a.

Proof of Full Payment

Proof of full payment to Respondent II is marked as P-10a, P-10b, P-10c, and P-10d. This evidence demonstrates that the Applicant has fully completed payment to Respondent II.

Proof of full payment to Respondent III is marked as P-11a, P-11b, P-11c, and P-11d. This evidence demonstrates that the Applicant has fully completed payment to Respondent III.

Proof of full payment to Respondent IV is marked as Exhibits P-12a, P-12b, P-12c, P-12d, P-12e, P-12f, P-12g, P-12h, and P-12i. These pieces of evidence demonstrate that the Applicant has fully completed payment to Respondent IV.

Evidence of Applicant's Proactive Efforts

Evidence of the Applicant's proactive efforts is marked as P-13, P-14a, P-14b, P-15a, P-15b, P-15c, P-15d, and P-16. This evidence shows that the Applicant followed up after the purchase of all PT SIP shares had been fully paid, while the Respondents did not proceed with the formal transfer of shares.

Exhibit P-13 is evidence that the Applicant published a public announcement in a newspaper on May 13, 2024, regarding the purchase of all shares of PT SIP, thereby fulfilling Article 127 of the UUPT (Law on Limited Liability Companies).

Exhibit P-14a is evidence that the Applicant sent an email on May 30, 2024, regarding the implementation of the General Meeting of Shareholders (GMS) to Respondent I. Meanwhile, Exhibit P-14b is evidence that the Applicant attached a draft GMS invitation in the same email. These documents were sent because the director of PT SIP had not yet convened a GMS regarding the share transfer. The Applicant expected the director of PT SIP to issue an official invitation to the shareholders (the Respondents) so that the GMS on the share transfer could be held.

Exhibit P-15a is evidence that the Applicant, through a notary, sent an email to PT SIP on May 8, 2024, regarding the share transfer and changes to the composition of the board of directors. Exhibit P-15b shows that the email included a draft GMS invitation. Exhibit P-15c is evidence that the Applicant sent another email to PT SIP on June 4, 2024.

Exhibit P-15d is evidence that the Applicant sent an official notification letter to PT SIP on June 4, 2024. Meanwhile, Exhibit P-16 is evidence that the Applicant received an email response from the Director of PT SIP on July 9, 2024.

After establishing the Applicant's obligation to act, the judge needed a doctrinal "bridge" to connect the Applicant's economic reality with the procedural rights being claimed. That bridge was the principle of good faith in civil law. The synthesis process is as follows:

"Borrowing" Principles from Different Legal Fields

Good faith indicators: (1) Subjective good faith: PT MEI had no knowledge of registration defects at the time of purchase (Article 531 of the Indonesian Civil Code/*KUHPerdata*), as evidenced by notarized deeds P-5 to P-8b. (2) Objective good faith: PT MEI acted in accordance with societal standards of reasonable conduct (Article 1338(3) of the Indonesian Civil Code/*KUHPerdata*), as evidenced by full payment (P-10 to P-12i) and follow-up efforts (P-13 to P-16). (3) Proactive conduct: multiple emails, notarial letters, and newspaper announcements fulfilled Article 127 of the Limited Liability Company Law (*UUPT*) requirements, reinforcing its good-faith status.

The judge "borrowed" the principle of good faith from Article 1338 of the Civil Code and several other legal sources and then applied it to corporate legal disputes. This was a crucial step, as the court found no explicit basis within the Limited Liability Company Law, but rather derived it from outside statutory provisions.

The judge's considerations in applying the principle of good faith were stated as follows:

"Considering that legal protection is a universal concept within the rule of law. Basically, legal protection consists of two forms, namely preventive legal protection and repressive legal protection. Preventive legal protection is essentially interpreted as prevention. According to Satjipto Rahardjo (2009), legal protection is the safeguarding of human rights that may be violated by others, and such protection is provided to society so that they can enjoy all rights granted by law (Suraharta, 2024; Sutarjo & Pudjiastuti, 2026). "Legal protection for buyers of double-certified land in good faith for legal certainty." Meanwhile, CST Kansil argues that legal protection comprises various legal efforts that must be provided by law enforcement officers to ensure a sense of security, both mentally and physically, from disturbances and various threats from any party (Larasati & Fadhila, 2018). "*Implementation of the Supreme Court Circular Letter Number 4 of 2016 on Judges' Decisions in Providing Legal Protection for Buyers in Good Faith.*" Philipus M. Hadjon further states that legal protection is an action to protect or provide assistance to legal subjects by using legal instruments (Hadjon, 2011; Ramdani et al., 2026).

"Considering that a good-faith buyer is a buyer who does not know and cannot reasonably be considered to have known that there are defects in the process of transferring rights to the object or goods purchased. From the literature review, there is general agreement among scholars that a 'buyer in good faith' should be interpreted as an honest buyer who is unaware of defects in the purchased goods. Regarding this definition, Subekti formulated that a good-faith buyer is one who is entirely unaware that they are dealing with a person who is not the actual owner, so they are treated as the owner, and anyone obtaining the object from them is legally protected (Aswar, 2026; Subekti & Intermesa, 2014). Meanwhile, Ridwan Khairandy (2009) defines a good-faith buyer as someone who purchases goods with full confidence that the seller is the rightful owner of the goods being sold (Sekarini & Darmadha, 2014; Sinaga et al., 2026).

"Considering that the concept of good faith in legal literature is divided into two categories, namely subjective good faith and objective good faith, although in cases involving good-faith buyers, Indonesian literature tends to emphasize the subjective meaning. Objective good faith is reflected in Article 1338 paragraph (3) of the Civil Code, which states that 'an agreement must be performed in good faith.' This refers to good faith in the objective sense, namely good faith at the stage of contract performance. Good faith is required only in the performance of a contract, not in its formation (Miller & Perry, 2012).

"Considering that subjective good faith is defined as the honesty of a buyer who is unaware of any defects in the transfer of rights, while objective good faith refers to propriety, whereby a person's actions (for example, the buyer) must align with general societal standards. The standard of propriety in this context relates to obligations that must be fulfilled by the buyer. Under the Civil Code, however, the element of knowledge regarding whether acquired property rights are valid constitutes the main distinction between *bezit* (possession) in good faith and *bezit* in bad faith. Article 531 of the Civil Code states: 'Possession in good faith occurs when the possessor obtains the goods without knowing that there are defects in the title.' Meanwhile, Article 532 of the Civil Code states: 'Possession in bad faith occurs when the possessor knows that the goods held are not his property. If the possessor is sued before a judge and loses the case, he is deemed to have acted in bad faith from the time the case was filed.'"

Identification of Applicant's Good Faith

Explicit conclusion added: Based on the three categories of evidence examined by the court, PT MEI unequivocally satisfies all indicators of good faith: (1) it had no knowledge of, and did not contribute to, the obstruction of DPS registration; (2) it fully fulfilled all contractual payment obligations; and (3) it made repeated documented efforts to obtain formal recognition. The court's determination that PT MEI is "a good-faith buyer who must be protected under the law" is therefore legally sound and empirically supported.

The judge specifically sought and found evidence of the applicant's good faith, namely:

1) Authentic Deed

   That the proof of the Deed of Share Sale and Purchase Agreement, which has been made and signed by the parties concerned before a notary, is an authentic deed. Based on Article 1868 of the Civil Code, an authentic deed is a deed drawn up in a form determined by law and made by or before a public official who has authority at the place where the deed or agreement is executed. A deed is considered authentic if it meets two criteria, namely compliance with the legally prescribed form and execution by or before a competent public official.

   According to the judge, as long as an authentic deed cannot be proven otherwise, it constitutes perfect evidentiary value. An authentic deed carries strong evidentiary power and is presumed legally valid because it is executed before an authorized public official, namely a notary.

2) Perfect Settlement

   The fact that all payments have been made in full constitutes the strongest evidence of good faith. Based on proof of full payment, the judge is of the opinion that the Petitioner has indeed purchased PT SIP shares, allocated as share ownership from Respondent I through Respondent II and Respondent III, who act as shareholders of Respondent I.

3) Proactive Efforts

The Petitioner has repeatedly requested the Board of Directors and the Board of Commissioners to convene a GMS (General Meeting of Shareholders) in accordance with the procedures under the Company Law. However, these efforts have not been properly followed up by the Respondents. It has also been a long time since the last relevant action, namely on July 10, 2023. Therefore, the Petitioner's rights, particularly regarding share ownership, company management and administration, and PT SIP's business results, have been neglected by the Respondents, and the Petitioner has not received legal certainty and justice.

The Respondents' conduct is a textbook example of *mala fide proceduralis*: they accepted full payment, received notarized transfer instruments, and yet willfully refrained from taking the administrative steps necessary to formalize the transaction. Importantly, this conduct weaponized the *UUPT's* share holder format requirement, a mechanism intended to ensure legal certainty, into an instrument depriving the Petitioner of rights already earned in corporate ownership. This cynical abuse of procedural formalism is precisely the type of injustice that *rechtsvinding* and the principle of good faith are intended to address.

After the judge compared the evidence submitted by the Petitioner with that submitted by the Respondents, the judge concluded that the Petitioner's evidence was stronger and more persuasive in supporting the claims, compared to the Respondents' evidence, which was insufficient to substantiate their objections.

Identification of the Respondent's Bad Faith

Abuse of circumstances, such as the failure to hold a General Meeting of Shareholders (GMS) regarding the transfer of shares by the previous management of a limited liability company, is an indication of bad faith. Abuse of circumstances refers to actions driven by an imbalance of bargaining power between parties in an agreement, typically occurring under conditions that favor the stronger party. In such situations, the weaker party does not have a genuine opportunity to negotiate or fully understand their rights and obligations under the agreement. Abuse of circumstances arises when a party is influenced by conditions that impair their ability to exercise independent judgment, thereby preventing them from making fully autonomous decisions (Fitrianto, 2022). Therefore, the principle of good faith requires parties to execute agreements honestly and not exploit legal loopholes to evade their contractual obligations.

The element of awareness regarding whether acquired ownership rights are valid or invalid is the key factor distinguishing a possessor in good faith (bona fide possessor) from a possessor in bad faith. With regard to possessors in bad faith, this is regulated under Article 532 of the Civil Code, which states:

"A possession in bad faith occurs when the possessor knows that the property they are holding does not belong to them. If the possessor is sued before a judge and loses, they are deemed to have acted in bad faith from the moment the case was filed."

The Respondents' actions in ignoring the request for a GMS after receiving full payment are implicitly considered an act of bad faith and an abuse of rights (*misbruik van recht*). Furthermore, because all of the Petitioners' exceptions were rejected by the judge, the Respondents' petition has been effectively dismissed. Therefore, since the Respondents failed to proceed with the GMS, under Article 532 of the Civil Code, they are deemed to have acted in bad faith from the time the petition was filed. The Respondents' conduct is not merely passive negligence but an active strategy to withhold the Petitioners' rights through the abuse of legal formalities. By accepting full payment while refusing to convene a GMS, they clearly demonstrate bad faith.

Determination of "Good Faith Buyer" Status

Based on this evidence, the judge, in his considerations, stated that the Applicant had been declared a Good Faith Buyer, as follows:

"Considering that, since the final payment date, as evidenced in P-12i dated July 10, 2023, the Petitioner did not receive his rights and did not receive a satisfactory response from the Respondents; therefore, legally, because the Petitioner has been declared a good-faith buyer who must be protected by law, and since the Petitioner has fully paid for the purchase of Respondent

I's shares (as evidenced in P-12i dated July 10, 2023), the shares of Respondent I owned by Respondent II, Respondent III, and Respondent IV have been transferred to the Petitioner, and the Petitioner is hereby recognized as a shareholder of Respondent I."

Based on these considerations, the judge explicitly affirmed that the Applicant was a good-faith purchaser and therefore entitled to legal protection in relation to his rights. This determination of status serves as the foundation for subsequent legal construction.

Step Three: Construction of Legal Standing Through the Analogy Method

Based on Indonesian legal provisions, the GMS is one of the company's organs in addition to the Board of Directors and the Board of Commissioners (Article 1 number 2 in conjunction with Article 1 number 4 of the Company Law). The GMS is a forum used by shareholders, as capital owners in a company, to take certain actions necessary for the smooth running of the company's business. The GMS also has authorities that are not possessed by other company organs, namely the Board of Directors and the Board of Commissioners. Therefore, the GMS is often referred to as the highest governing organ of a company. In general, this is regulated in Article 1 number 4 of the Company Law, which in full reads: "The GMS has authorities that are not granted to the Board of Directors or the Board of Commissioners within the limits specified in this law and/or the articles of association." Therefore, based on the above, any authority not granted to the Board of Directors or the Board of Commissioners falls under the authority of the GMS.

Based on the provisions of Article 79 paragraph (1) in conjunction with Article 79 paragraph (3) of the *UUPT*, the GMS is convened by the Board of Directors or the Board of Commissioners, based on a request from shareholders through a registered letter submitted to the Board of Directors or the Board of Commissioners to hold a GMS. Based on the provisions of Article 79 paragraph (5) of the *UUPT*, the Board of Directors must issue a summons for a GMS within 15 (fifteen) days after the time period for the shareholders' request letter for a GMS. If within that time period the Board of Directors does not convene a GMS as requested by the shareholders, the shareholders may submit a request for a GMS to the Board of Commissioners as the company's supervisory organ, or the Board of Commissioners may issue a summons for a GMS themselves.

In practice, conflicts or disputes often arise between company organs, particularly between shareholders and directors or between shareholders and commissioners. Therefore, shareholders may exercise their rights and protect their interests by submitting a request for a court determination of a GMS to the District Court.

The provisions regarding the submission of a request for the determination of a GMS to the District Court may be implemented if the Board of Commissioners does not issue a summons for the GMS within 15 (fifteen) days from receipt of the shareholders' request letter submitted to the Board of Commissioners. This is regulated under Article 80 paragraph (1) of the UUPT, which in full reads as follows: "In the event that the Board of Directors or the Board of Commissioners does not issue a summons for the GMS within the time period as referred to in Article 79 paragraph (5) and paragraph (7), the shareholder requesting the holding of the GMS may submit a request to the Head of the District Court whose jurisdiction covers the domicile of the Company to determine the granting of permission to the applicant to issue the summons for the GMS himself."

Regarding the determination of the granting of such permission, it is regulated in Article 80 paragraph (2) of the UUPT, which reads as follows: "The Head of the District Court, after summoning and hearing the applicant, the Board of Directors and/or the Board of Commissioners, shall determine the granting of permission to hold a GMS if the applicant has summarily proven that the requirements have been met and the applicant has a reasonable interest in holding a GMS."

Based on Article 87, Article 89, and Article 127 of the *UUPT*, it can be summarized that the requirements for submitting an application for a GMS determination to the District Court by shareholders are as follows: (a) Shareholders can summarily prove that the Board of Directors and the Board of Commissioners did not issue a summons for a GMS within 15 (fifteen) days after receiving the shareholders' request to hold a GMS; (b) Shareholders can prove that they have a reasonable interest in holding a GMS.

Regarding reasonable interest, it may be interpreted broadly, which raises the question: what constitutes a reasonable interest for shareholders to submit an application for a GMS determination to the District Court?

In this regard, Harahap (2021) states that proving shareholders' reasonable interest in holding a GMS may be done summarily and does not require the formal rules of evidence used in civil proceedings in general. If the applicant succeeds in proving these matters summarily, the Head of the District Court will issue a decision granting permission to convene a GMS. Conversely, if the applicant cannot prove summarily that the requirements have been met and that there is a reasonable interest in holding a GMS, the Head of the Court will "reject" the application (Aisya & Meisya, 2026; Harahap, 2021).

Khairandy (2009) states that whether a request for determination of a GMS submitted by a shareholder to the Head of the District Court is granted depends significantly on the evidence and legal arguments presented by the applicant (Khairandy, 2009; Sinaga et al., 2026).

After considering the evidence submitted by the applicant, the judge opined that "the applicant, in purchasing shares from Respondent I which were previously owned by Respondent II, Respondent III, and Respondent IV, was a purchaser in good faith and must be protected by law with respect to his rights."

After determining the applicant as a subject requiring legal protection, the judge must provide a legal "tool" to make that protection effective. That tool is legal standing. Because the UUPT does not explicitly provide for it, the judge must construct it. The method used is analogy (*argumentum per analogiam*). The following is the analogical reasoning process carried out by the judge:

a) Existing norms: Article 80 of the *UUPT* provides formally recognized shareholders with the right to submit a request for a GMS to the court.
b) New situation (not yet regulated): There is a good-faith share purchaser who is substantively an owner but has not been formally registered.
c) Identifying the ratio legis: The judge seeks the "soul" or essence of the rights in Article 80 of the UUPT. The essence is the protection of economic interests and control rights of capital owners.
d) Establishing essential similarity: The judge finds that a "good-faith shareholder" shares the same essence and legal interest as a "formal shareholder"; both are capital owners with a direct interest in corporate governance.
e) Application by analogy: Because the essence is the same, the norms applicable to regulated situations (formal shareholder rights) are extended to unregulated situations.

The result of this analogy process is the judge's final conclusion: "Considering that since the final payment date, as evidence P-12i, on July 10, 2023, the Petitioner did not receive his rights and did not receive a satisfactory response from the Respondents, so that legally, because the Petitioner has been declared a good-faith buyer who must be protected by law, then since the Petitioner paid off the purchase of Respondent I's shares, namely on P-12i, July 10, 2023, the shares of Respondent I owned by Respondent II, Respondent III, and Respondent IV have been transferred to the Petitioner and the Petitioner is a shareholder of Respondent I."

"Considering that in this application, as has been considered above, because the Applicant has been declared the owner of shares of Respondent I which were previously owned by Respondent II, Respondent III, and Respondent IV, and the Judge is of the opinion that the Applicant has summarily proven that the requirements have been fulfilled and that the Applicant has a reasonable interest in holding a GMS, then the Applicant's request, legally and equitably, may be granted."

This statement is not merely declarative, but rather the result of legal construction. The judge did not declare the Petitioner "registered" as a shareholder, but rather treated him as a shareholder for the purposes of exercising the right to request a GMS. This reflects the culmination of the *rechtsvinding* process, in which the judge effectively created a new category of "de facto shareholder" granted legal standing to fill the legal vacuum and uphold substantive justice. Therefore, since the Petitioner was recognized as a de facto shareholder in PT SIP, it is appropriate that Petitioner has legal standing to submit a request for a GMS determination to District Court.

Legal Implications of the Court Determination Mechanism as an Efficient Legal Effort in Protecting the Rights of Good Faith Share Buyers

Analysis of the Efficiency of the Mechanism Between Voluntair and Contentiosa

Before continuing the discussion further, the legal remedy chosen by PT MEI is a request for a determination (*voluntair*), not a civil lawsuit (contentious). A *voluntair* case is a civil case filed in the form of a petition. This petition represents the unilateral interests of the applicant and does not contain a dispute with another party, whereas a contentious case is a civil case arising from a dispute between parties, the settlement of which is submitted in the form of a lawsuit. In a *voluntair* case, the judicial product is a "determination" (*beschikking*), while in a contentious case, it is a "judgment" (*vonnis*) (Lubis, 2025). PT MEI chose a request for determination because the main issue was obtaining judicial authorization to hold a General Meeting of Shareholders (GMS) due to a normative gap, rather than suing the former management of PT SIP for breach of contract or unlawful acts (which would take a considerably longer time). This choice reflects a strategic risk-management approach aimed at rapidly restoring corporate control.

PT MEI's choice to pursue a *voluntair* application for determination is a fundamental dispute-management strategy. This decision carries significant efficiency implications compared to a civil lawsuit (*contentiosa*). In terms of time and procedure, a *voluntair* application is designed to be faster and more straightforward. Its purpose is not to determine which party is right or wrong in a dispute, but rather to request that the court grant permission or establish a legal status. In this case, PT MEI only needs to demonstrate a "reasonable legal interest" in convening the GMS. The evidentiary threshold is relatively simple and does not require complex adversarial proof. The result is a final determination that is immediately enforceable. By contrast, if PT MEI were to pursue a lawsuit (for breach of contract or unlawful act), the process would be significantly longer, involving replies, rejoinders, extensive evidentiary hearings, expert witnesses, and, importantly, multiple legal remedies such as appeal, cassation, and judicial review. Such proceedings could take years, during which PT MEI's capital and assets would effectively remain "frozen."

In terms of the burden of proof, PT MEI's evidentiary obligation in this petition is relatively light: it only needs to present authentic documentation of the share acquisition and evidence of the failed request to convene the GMS. The judge only needs to be sufficiently convinced on a prima facie basis. In contrast, in a lawsuit, the burden of proof for breach of contract or unlawful acts would be substantially heavier and more complex.

Thus, the *voluntair* determination mechanism proves to be a highly efficient legal pathway in terms of time, cost, and procedural complexity. It functions as a "judicial shortcut" provided by procedural law for urgent situations that do not require full adversarial dispute resolution.

Legal Implications for Parties and the Investment Climate

The judge's breakthrough in granting this request creates a series of significant legal implications. For Investors (Applicants), the most immediate implication is the restoration of control rights. The Applicants now have the legal authority to convene a General Meeting of Shareholders (GMS), authorize share transfers, and appoint new management. Their previously passive and stagnant investment has now become an active, controllable asset. Through a faster legal process, the Applicants can prevent further losses that may arise from company management by parties acting in bad faith.

For the Management of the Former Company (Respondents), this determination shows that the strategy of relying solely on formal requirements under the Company Law (*UUPT*), such as the status of "not yet registered" in the Shareholders Register, is no longer effective when confronted with substantive evidence of ownership and good faith. The Respondents are now legally required to attend the GMS. Any further refusal may be interpreted as non-compliance with a court order. Furthermore, the court has granted the Applicants the authority to conduct their own GMS should the Respondents fail to attend any meeting convened pursuant to the ruling.

For the Foreign Investment Climate (*PMA*), this jurisprudence enhances certainty and predictability. Foreign investors facing similar issues now have clearer access to effective and efficient legal remedies to protect their rights, thereby reducing perceived legal risk in Indonesia. The decision demonstrates that the Indonesian judiciary is capable of adapting and providing pragmatic, investment-friendly protection. This aligns with international Good Corporate

Governance (GCG) principles, which emphasize equitable treatment of all capital owners.

Contribution of Jurisprudence as an Instrument of Legal Development in Indonesia

The biggest contribution of this case on a macro scale lies in its ability to fill a normative gap (*lacuna*) within Indonesian company law. The Company Law remains silent regarding the legal position of shareholders acting in good faith whose rights are obstructed despite their substantive ownership. By recognizing legal standing through analogy, the court effectively creates a new legal norm through judicial interpretation, thereby providing legal protection in circumstances that have not been expressly regulated by statutory law.

In addition, this ruling implicitly introduces the concept of *de facto shareholders* into Indonesian corporate jurisprudence. A *de facto shareholder* refers to a party who, although not formally registered *de jure* as a shareholder, is nevertheless recognized as possessing certain legal rights because substantive ownership can be clearly demonstrated. This interpretation shifts the focus from formal registration alone toward the protection of genuine ownership interests, ensuring that good-faith investors are not deprived of legal remedies solely due to administrative deficiencies.

Furthermore, the decision contributes significantly to the evolution of Indonesian corporate law by reinforcing the role of *judge-made law* within a civil law system. Although statutory legislation remains the primary source of law in Indonesia, judicial decisions play an essential role in adapting legal principles to evolving commercial realities when legislative reform has not kept pace with business practices. In this respect, the ruling functions as a judicial mechanism for bridging the gap between written law and practical business needs while exemplifying the judge's duty to engage in *rechtsvinding* (law-finding) under the Law on Judicial Power to uphold justice, legal certainty, and the effective protection of substantive rights.

This study finds evidence of a shift in corporate law from formalism toward substantive justice. The right to request a GMS is intrinsically attached to shareholders formally registered in the DPS, as regulated under the UUPT. However, in this case, the judge did not solely apply a textual interpretation; rather, he considered that the applicant had fully paid for the shares and had effectively assumed the full economic risk as an owner of capital. This demonstrates an effort to reconcile formal legality with commercial reality.

The core tension in this jurisprudence is between legal certainty and substantive justice. If applied strictly, Article 80 UUPT would preserve legal certainty in the formal sense (through DPS registration as a bright-line criterion) but could also result in manifestly unjust outcomes, such as protecting bad-faith management while penalizing an investor who had fully complied with contractual obligations. In correcting such injustice, the court emphasized that formalistic certainty may, in certain circumstances, yield to substantive justice, consistent with Article 1(3) of the 1945 Constitution, which states that Indonesia is a state based on law. This has come to be understood as encompassing both procedural and substantive legitimacy, not merely formal legality. However, this trade-off is not without risk: an excessive emphasis on substantive justice may reduce legal predictability. In this case, however, the evidentiary basis was sufficiently strong, and the risk of judicial overreach was minimal.

Achtergrond theoretisch can the court's action be characterized as fulfilling its obligation of *rechtsvinding*. Despite the absence of express provisions in the Company Law protecting purchasers of shares in good faith who are not yet registered in the DPS, the judge cannot dismiss the case solely on the grounds of ambiguity or absence of law. Therefore, the judge employs interpretative reasoning under the Judicial Power Law to examine the values of justice embedded within society and applies them to this corporate dispute. Thus, the decision not only applies the law but also develops it in response to gaps in existing norms.

We now turn to the concept of good faith in corporate law. Its essence is grounded in the principle of good faith under the civil law regime, particularly Article 1338 of the Civil Code. In this case, the judge relied on this principle to provide legal protection for shareholders who acted honestly by paying full consideration and taking appropriate steps to obtain formal approval of the transaction. Consequently, good faith is now interpreted not only as a contractual enforcement principle but also as a safeguard against formalistic abuse in corporate governance.

On closer examination, the judge emphasized that a party who has completed all contractual obligations and neither knew of nor contributed to any defects in the share transfer process should be treated as a bona fide purchaser. From this perspective, the applicant cannot be treated as an outsider with no legal relationship to the company. Instead, the applicant holds a direct, real, and present interest in the company, as capital has been transferred while control rights remain unexercised. Thus, recognition of the applicant's good faith becomes a foundation for extending legal standing.

Additionally, the article's primary argument relies on analogical reasoning in establishing legal standing. The judge appears to reason that, although registered shareholders are explicitly mentioned in the statutory text, Article 80 of the Company Law fundamentally aims to protect those who own and hold interests in the company. Having demonstrated substantive ownership of shares, the applicant, *vis-à-vis* formal shareholders, is effectively in the same position, at least for the purpose of requesting a GMS. The judge did not create new law; rather, he extended the application of existing law to materially equivalent circumstances.

This construction produces a significant doctrinal consequence: an implied recognition of De Facto Shareholders. This term refers to legal subjects who have not yet been formally registered de jure within the DPS framework but are nevertheless recognized as holding procedural rights based on proven actual ownership. This concept is important because corporate investor protection should not depend solely on administrative formalism, especially when such procedures are used to obstruct the rights of parties who have acted lawfully and in good faith. Clarifying its novelty, this decision doctrinally establishes a standing De Facto Shareholder distinct from (a) registered shareholders (*de jure*), (b) beneficial owners under capital market law, and (c) nominee shareholders. The innovation lies in grounding procedural corporate rights in substantive ownership evidence, without requiring administrative registration.

This case also demonstrates that the voluntary application mechanism is more efficient than contentious civil litigation. Compared with breach of contract or tort claims, which may involve lengthy procedures, complex evidentiary stages, and multiple levels of appeal, an application for a court decree focuses on demonstrating a *prima facie* legal interest sufficient to satisfy requirements for convening a GMS. In the business context, this is particularly significant, as investors require not only dispute resolution but also rapid and effective restoration of corporate control.

This ruling carries a clear and important message for investors, corporate managers, and legal practitioners. For investors, it confirms that transaction documentation, payment records, and evidence of administrative follow-up are fundamental pillars of legal protection. For corporate executives, it removes any assurance that formal technicalities can be used as a shield to unlawfully retain control of a company. For legal practitioners, it opens more efficient and strategic avenues for resolving post-acquisition disputes.

On a broader scale, this jurisprudence contributes to the development of corporate law in Indonesia. Where law is unable to keep pace with complex business realities, courts function as institutions that fill legal gaps through responsive adjudication. Accordingly, this case not only resolves an individual dispute but also strengthens legal certainty and investor confidence in developing jurisdictions. It should therefore be understood as a judicial breakthrough that encourages Indonesian corporate law to evolve in a more adaptive and equitable direction.

Prior scholarship on Indonesian corporate law has examined GMS disputes (Aisya & Meisya, 2026; Harahap, 2021; Khairandy, 2009) and good faith principles in contract law (Berinandus & Barthos, 2025; Dewanti et al., 2021; Kusmiati, 2020), but no prior study has specifically addressed the legal standing of an unregistered good-faith share purchaser in the context of an Article 80 UUPT petition, nor the construction of the De Facto Shareholder category through *rechtsvinding*. This study fills that gap by providing the first in-depth doctrinal analysis of Decision No. 530/Pdt.P/2024/PN Jkt.Utr, with direct implications for foreign investor protection and UUPT reform.

CONCLUSION

This study demonstrates how the Indonesian judiciary can play a proactive role in strengthening the investment climate by addressing legislative gaps through progressive legal interpretation. The decision in the North Jakarta District Court, Decision Number

530/Pdt.P/2024/PN Jkt.Utr., represents a crucial judicial breakthrough, setting an important precedent for the protection of unregistered shareholders who have acted in good faith. The judge appears to have successfully constructed the legal standing of good-faith shareholders in an innovative manner. By implementing the legal discovery obligation (*rechtsvinding*) mandated by the Judicial Power Law, the judge not only interpreted but also actively synthesized the principle of good faith from the civil law regime into corporate law. This process effectively created a new legal category not explicitly recognized in the Company Law: "de facto shareholders," namely legal subjects recognized as having procedural corporate rights based on substantive ownership.

The implications of this breakthrough are significant for Indonesia's investor protection system. The use of the voluntary application mechanism has been shown to be a potentially highly efficient legal risk mitigation tool for investors, particularly foreign investors. This approach bypasses the lengthy and costly contentious litigation process, providing a faster resolution to corporate deadlock. This single first-instance decision suggests the potential to fill gaps in the Company Law and also strengthens the role of the courts as a dynamic source of law (judge-made law) capable of responding to the needs of the modern business environment.

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AUTHOR CONTRIBUTION STATEMENT

Muhammad Syamil Fasya is the sole author responsible for the conceptualization, legal analysis, literature review, data interpretation, and preparation of the original manuscript. The author takes full responsibility for the integrity, accuracy, and accountability of all aspects of the work.

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