

THE ROLE OF SOLE PROPRIETORSHIPS AND NOTARIES IN DEVELOPING FEMALE MSME ENTREPRENEURS IN SUMATRA

Rohana Amelia Putri Handayani^{1*}, Rouli Anita Velentina^{2**}
Master of Notarial Law, Faculty of Law, Universitas Indonesia

Abstract

Women-led micro, small, and medium enterprises (MSMEs) in Sumatra continue to face structural barriers, particularly limited access to formal legal status, capital, and regulatory certainty. This study aims to analyze the role of the Sole Limited Liability Company (Sole LLC) framework and Notaries in supporting the development of female MSME entrepreneurs in Sumatra, as well as to identify the key factors inhibiting their business growth. The research employs a normative juridical approach supported by literature review and secondary data analysis on regulatory frameworks and MSME conditions in Indonesia. The findings indicate that the Sole LLC mechanism simplifies business legalization for individual entrepreneurs, reduces administrative burdens, and enhances access to financial institutions. Notaries play a strategic role in ensuring legal certainty, facilitating business establishment, and providing legal guidance that strengthens institutional legitimacy. However, legal facilitation alone is insufficient without parallel improvements in financial literacy, digital capacity, and policy outreach. This study contributes to the discourse on women's economic empowerment by demonstrating that legal institutional reform—particularly through simplified corporate structures and professional legal support—can function as a structural enabler of inclusive economic development, while highlighting the need for integrated policy support beyond formal legalization.

Keywords: Sole Limited Liability Company, Notary, Women Entrepreneur, MSMEs, Sumatra

A. Background

This study attempts to examine the role of sole proprietorships and notaries in relation to the development of women entrepreneurs, particularly in Micro, Small, and Medium Enterprises (MSMEs) in Sumatra. This research is important to conduct because of the increasingly clear and close relationship between development and the development of women entrepreneurs. Why is this so? There are at least three underlying reasons, namely: (1) it is a basic human right for women entrepreneurs to receive equal treatment and opportunities with male entrepreneurs;³ (2) women have a major role in improving the quality of life of their families and communities; (3) empowering women entrepreneurs is part of Indonesia's national development plan and the government's

^{1*} Corresponding Author: rohana.amelia11@ui.ac.id

^{2**} rouli.anita@ui.ac.id²

³ Article 27 paragraph (1) of the Fourth Amendment to the Constitution of the Republic of Indonesia firmly states the equality of every citizen before the law and government. This is the embodiment of the principle of equality before the law (the theory of equality before the law), namely equality before the law for every individual without any exceptions. Furthermore, recognition of the issue of women's empowerment globally began with the issuance of the Declaration on the Elimination of Discrimination against Women in 1967 by the United Nations (UN). Then, the UN General Assembly on December 18, 1979 approved the Convention on the Elimination of All Forms of Discrimination against Women. The Government of the Republic of Indonesia signed the Convention on July 29, 1980 and ratified it by enacting Law of the Republic of Indonesia Number 7 of 1984 concerning the Ratification of the Convention on the Elimination of All Forms of Discrimination Against Women.

efforts to implement the global agenda of the Sustainable Development Goals (SDGs) as stated in the Transforming Our World: the 2030 Agenda for Sustainable Development document.

Law, manifested in the form of legislation and government policies, has binding force that can be enforced and impacts all parties involved. Therefore, legislation and government policies should accommodate the essential needs and interests of all parties involved,⁴ particularly female MSME entrepreneurs. Women play a significant role in family and community life. Women who are empowered in terms of education and health have a greater opportunity to create a quality family life.⁵ Broadly speaking, gender equality drives economic growth and improves national development, thereby reducing income inequality and improving the economy, ultimately supporting economic resilience.⁶

Women's empowerment and poverty alleviation are part of the SDGs agenda,⁷ to which the Indonesian Government has committed through the issuance of Presidential Regulation No. 59 of 2017 concerning the Implementation of the Sustainable Development Goals. This agenda upholds the principle of "no one is left behind," thus it is hoped to reach every individual and ensure that the achievement of goals and targets is implemented and enjoyed by every individual in the country concerned.⁸ Thus, empowering female MSME entrepreneurs is a key part of the development strategy to empower communities, alleviate poverty, and improve people's lives.

Empowering women entrepreneurs is part of the issue of empowerment and gender equality, where women are expected to have a proportional role in the decision-making process in politics, governance, and economic life, especially women's contribution to household income. The implementation of empowering women entrepreneurs is marked

⁴ This is in accordance with the opinion of Soerjono Soekanto, Suyanto, and Widodo: "Sociologically, law is a social institution, namely a unity of rules that aims to fulfill basic human needs at all levels, and aims to achieve peace in society (Soekanto, Suyanto, and Widodo, 1988).

⁵ Tulus Tambunan, (2009), "Women Entrepreneurship in Asian Developing Countries: Their development and Main Constraints," *Journal of Development and Agricultural Economics*, Vol. 1(2), Ed. May 2009, p. 1, accessed from <https://academicjournals.org/journal/JDAE/article-full-text-pdf/F19467D3630>

⁶ International Monetary Fund, (2018), "Pursuing Women's Economic Empowerment", accessed on February 13, 2021 from <http://www.imf.org/external/pp/ppindex.aspx>

⁷ In September 2015, the Transforming Our World Document was agreed upon: the 2030 Agenda for Sustainable Development, known as the Sustainable Development Goals (SDGs). The SDGs Agenda carries 5 fundamental principles that balance the economic, social, and environmental dimensions, namely: (1) people, (2) planet, (3) prosperity, (4) peace, and (5) partnership. These five basic principles encompass 17 goals and 169 targets that are inseparable, interrelated, and integrated with each other in order to achieve a better human life (See: Sekar Panuluh and Meila Riskia Fitri, 2016, p. 5). This agenda is an effort to realize human rights, achieve gender equality, and empower all women and girls. As a legal basis for implementing the SDGs Agenda, the government has issued Presidential Regulation of the Republic of Indonesia No. 59 of 2017 concerning the Implementation of SDGs Achievement. Then, based on the Presidential Decree, the Minister of National Development Planning/Head of Bappenas as the Coordinator of SDGs Implementation has issued Regulation of the Minister of National Development Planning/Head of Bappenas Number 7 of 2018 concerning Coordination, Planning, Monitoring, Evaluation, and Reporting of the Implementation of Sustainable Development Goals. As a concrete form of Indonesia's commitment to implementing the SDGs Agenda and based on the Presidential Decree and Ministerial Regulations mentioned above, action plans have been prepared both at the national level (National Action Plan, or abbreviated as RAN), and at the regional level (Regional Action Plan or abbreviated as RAD).

⁸ Ministry of Women's Empowerment and Child Protection and Central Statistics Agency, (2013), "Gender-Based Human Development 2013," Jakarta: Ministry of Women's Empowerment and Child Protection.

by the increasing role of women in society, including in the business world. This is measured by looking at how women participate in the business world, especially the number of women entrepreneurs in MSMEs in Sumatra. Based on data from 2014-2018, referring to the statement of the Minister of Women's Empowerment and Child Protection (Minister of PPPA), I Gusti Bintang Darmawati, there are approximately 64 million small and medium enterprises in Indonesia and 99.99% of these businesses are micro, small and medium enterprises (MSMEs). Of all the micro, small and medium enterprises in Indonesia, 50% are owned by women entrepreneurs.⁹ This statement shows the achievement of equal participation of women MSME entrepreneurs in Indonesia in 2018.

In 2019, according to data from the Central Statistics Agency (BPS) in Indonesia, the overall percentage of female entrepreneurs in non-agricultural MSMEs was 43.45%, while male entrepreneurs were 56.55%. In almost all MSME business sectors in Indonesia, the number of female entrepreneurs is smaller than that of male entrepreneurs. This disparity is particularly evident in the mining and excavation, construction, transportation and warehousing, arts, entertainment and recreation, and other service sectors. Only the accommodation and food and beverage, education, and healthcare sectors have more female entrepreneurs than male entrepreneurs. It can be concluded that equal participation of female MSME entrepreneurs has not yet occurred in all business sectors. In 2019, according to data from the Central Statistics Agency (BPS) in Indonesia, the overall percentage of female entrepreneurs in non-agricultural MSMEs was 43.45%, while male entrepreneurs were 56.55%. In almost all MSME business sectors in Indonesia, the number of female entrepreneurs is smaller than that of male entrepreneurs. This disparity is particularly evident in the mining and excavation, construction, transportation and warehousing, arts, entertainment and recreation, and other service sectors. Only the accommodation and food and beverage, education, and healthcare sectors have more female entrepreneurs than male entrepreneurs. It can be concluded that equal participation of female MSME entrepreneurs has not yet occurred in all business sectors.

In almost every province on the island of Sumatra, the number of female entrepreneurs is smaller than that of male entrepreneurs.¹⁰ The province with the lowest percentage of female entrepreneurs is Riau Province, at 37.89%. The only province on the island of Sumatra where the number of female entrepreneurs is greater than the number of male entrepreneurs is West Sumatra Province, at 51.88%. Across the island of Sumatra as a whole, the percentage of female entrepreneurs is 42.11%. This percentage indicates that, in general, equality in participation between female and male entrepreneurs on the island of Sumatra has not been achieved. This equality of participation has only been achieved in the province of West Sumatra. The above explanation shows that, based on BPS data in 2019, in general, equality in participation between female and male MSME entrepreneurs on the island of Sumatra has not been achieved. This inequality in participation occurs in almost every province on the island of Sumatra, except for West Sumatra.

⁹ This was conveyed in a webinar entitled 'Strategies and Opportunities for Women Micro-Entrepreneurs Going Digital', which was held on August 12, 2020 (see Mashabi, 2020).

¹⁰ Central Statistics Agency. (2019). Analysis of the Results of the 2016 SE Continuation: Potential for Improving the Performance of Micro, Small, and Medium Enterprises. Jakarta: BPS-RI.

The world, including Sumatra, is facing significant challenges due to the Covid-19 pandemic. This pandemic has hampered economic growth, development plans, and the implementation of the SDGs agenda.¹¹ To prevent the spread of the Covid-19 virus, the Government has implemented various health policies and protocols that limit activities, movement, and community gatherings. Meanwhile, the distribution of Non-Cash Food Assistance (BPNT) and the Family Hope Program (PKH) has not been able to reach the potential number of poor people.¹² This situation forces people to independently seek solutions to meet their living needs. In this situation, MSEs are an option that is expected to be able to expand employment opportunities, provide broad economic services to the community, and play a role in the process of equality and increasing community income.¹³ To achieve these goals, the empowerment of female MSE entrepreneurs must be carried out. The empowerment of female MSE entrepreneurs is expected to create a balanced, growing, and equitable national economic structure, as mandated by Article 5 of Law No. 20 of 2008 concerning Micro, Small, and Medium Enterprises. The world, including Sumatra, is facing significant challenges due to the Covid-19 pandemic. This pandemic has hampered economic growth, development plans, and the implementation of the SDGs agenda. To prevent the spread of the Covid-19 virus, the Government has implemented various health policies and protocols that limit activities, movement, and community gatherings. Meanwhile, the distribution of Non-Cash Food Assistance (BPNT) and the Family Hope Program (PKH) has not been able to reach the potential number of poor people. This situation forces people to independently seek solutions to meet their living needs. In this situation, MSEs are an option that is expected to be able to expand employment opportunities, provide broad economic services to the community, and play a role in the process of equality and increasing community income. To achieve these goals, the empowerment of female MSE entrepreneurs must be carried out. The empowerment of female MSE entrepreneurs is expected to create a balanced, growing, and equitable national economic structure, as mandated by Article 5 of Law No. 20 of 2008 concerning Micro, Small, and Medium Enterprises.

To stimulate the business world, a legal entity in the form of a sole proprietorship with limited liability was established. This is regulated in Law Number 11 of 2020 concerning Job Creation. With the existence of a sole proprietorship, business actors can form a limited liability company (PT) with only one founder, simply by completing an electronic establishment statement form, without the need for a notary deed. Therefore, research on the role of sole proprietorships and notaries in supporting the development of female MSME entrepreneurs in Sumatra is crucial.

¹¹ During the pandemic, there have been numerous casualties and losses in various sectors. Poverty has increased, unemployment has increased, and businesses have gone bankrupt. According to World Health Organization (WHO) data as of February 10, 2021, the Indonesian government reported 1,183,555 cases of COVID-19, with the death toll reaching 32,167 in 34 provinces across Indonesia. According to the World Economic Outlook (WEO), at least 489,000 workers have been negatively impacted by the COVID-19 pandemic. These workers have been laid off by their employers, have been laid off, or have lost their jobs (mostly among informal workers) (Widyatmo, 2020, p. 8).

¹² Wiwiek Sisto Widayat, (2020), "Latest Economic Developments in Sumatra and Priority Sectors," Sumatranomics Webinar Series-2, September 10, 2020: Bank Indonesia Representative Office, North Sumatra Province, accessed from <https://www.youtube.com/watch?v=gS0m0FyCq2o>

¹³ Tambunan, Tulus T. H. (2012). The Role of Micro and Small Enterprises in Regional Poverty Alleviation. *Civil Development Journal*. Vol. 4, no. 2, Ed. June 2012. Pp. 73-92. Accessed from <http://jurnal.kemendagri.go.id/index.php/jbp/article/view/60/57>

B. Identified Problems

1. What is the role of sole proprietorships in developing women's micro, small, and medium enterprises (MSMEs) in Sumatra?
2. What is the role of notaries in the sustainability of sole proprietorships for women's MSMEs in Sumatra?

C. Research Methods

This research uses a normative juridical method. The Appendix to Law Number 12 of 2011 concerning the Establishment of Legislation, as amended by Law Number 15 of 2019 concerning Amendments to Law Number 12 of 2011 concerning the Establishment of Legislation, states that the normative juridical method is a research method for examining applicable legal norms. Therefore, by using this method, this research analyzes applicable legal norms.¹⁴

This normative legal research uses secondary data.¹⁵ Secondary data consists of primary legal materials¹⁶ and secondary legal materials.¹⁷ Primary legal materials consist of Law Number 11 of 2020 concerning Job Creation, Law Number 40 of 2007 concerning Limited Liability Companies as amended in part by Law Number 11 of 2020 concerning Job Creation, Law Number 30 of 2004 concerning the Position of Notary as amended by Law Number 2 of 2014 concerning Amendments to Law Number 30 of 2004 concerning the Position of Notary, Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises, and Government Regulation Number 8 of 2021 concerning Authorized Capital of Companies and Registration of Establishment, Amendment, and Dissolution of Companies that Meet the Criteria for Micro and Small Enterprises (“PP 8/2021”). The secondary legal materials used consist of research results, books, literature, scientific articles, and journals.

Data collection was conducted through document studies. The purpose of document studies is to identify appropriate and relevant secondary data available. Document studies are used to gather literature that can provide the necessary information for this research.¹⁸

This research uses a qualitative approach as its data analysis method. Qualitative analysis of secondary data aims to highlight the depth of the data. Furthermore, this research-based paper aims to understand crucial issues more comprehensively. Data collection was conducted through document studies. The purpose of document studies is to identify appropriate and relevant secondary data available. Document studies are used to gather literature that can provide the necessary information for this research.

¹⁴ Indonesia, *Law on Legislation Making*, Act No.12 of 2011, SG No.82 of 2011, SSG No.5234, Appendix I, Chapter I Introduction, Part D (Method).

¹⁵ Secondary data have been available and ready to use. Thus, the chosen data remain indirectly from the community. Soerjono Soekanto and Sri Mamudji, *Penelitian Hukum Normatif: Suatu Tinjauan Singkat*, (Jakarta: RajaGrafindo Persada, 2014) p.24.

¹⁶ Primary legal materials are legal materials that have the power to bind society. Soerjono Soekanto, *Pengantar Penelitian Hukum*, p.52.

¹⁷ Secondary legal materials are legal materials that can explain primary legal materials. Soerjono Soekanto, *Pengantar Penelitian Hukum*, p.52.

¹⁸ Kenneth D. Bailey, *Methods of Social Research*, (London: The Free Press, 1982), pp.302-304.

D. Research Findings and Discussions

The Role of Sole Proprietorship Institutions in Helping Develop Female MSME Entrepreneurs in Sumatra

1. Factors Inhibiting the Development of Female MSME Entrepreneurs in Sumatra

The main factors inhibiting the development of female MSME entrepreneurs in Sumatra are:

- a. Lack of facilities and infrastructure;
- b. The low quality of female human resources in Sumatra; and
- c. Capital.

The factors inhibiting the development of female MSME entrepreneurs in Sumatra are inseparable from the inhibiting factors that hinder business activities in general, namely the lack of adequate facilities and infrastructure for running a business, both in terms of quality and quantity.¹⁹ These facilities and infrastructure specifically concern electricity, ports or markets, transportation (especially related to the quality of roads and railways), corruption, and bureaucracy.

MSEs in Indonesia have unique characteristics and are identified with a low-educated workforce and women.²⁰ Based on these characteristics and identities, the inhibiting factors unique to MSEs are:

- a. Low education levels;
- b. Low productivity and technological adaptation;²¹
- c. Generally, they are highly labor-intensive businesses, and some are not yet registered, let alone have legal status.²²

The level of education of entrepreneurs is included in the scope of human development components, which is measured through the human development index (HDI), specifically in this case the Women's Development Index (IDG). Based on the results of research by BPS (2017), the majority of MSME entrepreneurs have completed elementary/junior high school/high school education, which means they are literate and numeracy. In general, the achievement of the IDG components in Indonesia in 2012 for women was still lower than that of men. This occurs in all components forming the IDG, including in the economic sector.²³ The factor causing the less than optimal participation of women in development is due to the still low quality of women's resources so that they are unable to compete in various fields with their equal partners. The still relatively low achievement of women compared to men is thought to be caused by: (1) development that has been carried out has mostly benefited men; and (2) although

¹⁹ Based on data from the Ministry of Public Works and Public Housing in the Sumatra Island Infrastructure Development Master Plan (PUPR, 2017).

²⁰ Tulus Tambunan, (2009), Women Entrepreneurship in Asian Developing Countries: Their development and Main Constraints, *Journal of Development and Agricultural Economics*, Vol. 1(2), Ed. May 2009, p. 27 – 40, accessed from <https://academicjournals.org/journal/JDAE/article-full-text-pdf/F19467D3630>

²¹ Central Statistics Agency, (2019), *Analysis of SE2016 Results Continued: Potential for Improving the Performance of Micro, Small, and Medium Enterprises*, Jakarta: BPS-RI., p. 21.

²² Ibid

²³ Ministry of Women's Empowerment and Child Protection and Central Statistics Agency. (2013). *Gender-Based Human Development 2013*. Jakarta: Ministry of Women's Empowerment and Child Protection, p. 54.

human development has provided equal opportunities to all residents without exception, these opportunities have not been able to be optimally utilized by women, so that the impression is that women are always marginalized.²⁴ From 2006 to 2012, provinces on the island of Sumatra consistently had low IDG levels. This indicates that women's empowerment remains low on the island. Women have not yet actively participated in decision-making, economic contributions, or control of economic resources on the island.

Next is the capital aspect. Access to credit from financial institutions is crucial for MSMEs to increase their business capacity. The government has actually implemented a very open policy in providing credit access for MSMEs. Financing for MSMEs has been increasingly facilitated through the People's Business Credit (KUR).²⁵ However, only a small number of MSMEs apply for or obtain credit from financial institutions due to high interest rates, lack of collateral, lack of knowledge of procedures, difficult procedures, and rejected proposals.²⁶ The majority of MSMEs still rely on personal wealth or even other informal sources such as loan sharks for capital. Some MSME entrepreneurs do not apply for credit from banks or financial institutions because they feel it is not necessary yet. Some MSME entrepreneurs apply for credit but are not granted it due to high interest rates, lack of collateral, lack of knowledge of procedures, difficult procedures, and rejected proposals. Based on a study by the Ministry of Trade, the three main obstacles from the aspect of financing institutions that cause the small percentage of MSMEs that do not receive credit are (1) the difficulty of assessing MSMEs that meet the requirements set out in providing credit, (2) low enthusiasm of MSMEs for development efforts by financing institutions, and (3) the majority of MSME financial management still does not separate personal and business finances.

Various research results show that women entrepreneurs are prioritized in credit distribution. Since 2017, the Ministry of Finance has been implementing a credit distribution system specifically for women entrepreneurs, such as UMI (ultra micro credit). By 2018, female UMI customers had reached 91%.²⁷ According to the International Finance Corporation, the priority for women as loan recipients is due to the lower default rate of female entrepreneurs compared to men.²⁸ However, many MSMEs have experienced various challenges due to the Covid-19

²⁴ Ibid

²⁵ KUR is a credit/financing program intended for productive MSMEs (eligible as credit recipients) but do not yet meet bank requirements. The purpose of KUR is to improve and expand bank services to productive MSMEs, increase the competitive capacity of MSMEs, encourage economic growth and employment, and alleviate poverty. See Central Statistics Agency, (2019), *Analysis of SE2016 Results Continued: Potential for Improving the Performance of Micro, Small, and Medium Enterprises*, Jakarta: BPS-RI, p. 31.

²⁶ Several factors influencing the success of MSME entrepreneurs in getting their credit applications approved by banks include professionalism and business performance, reflected in cooperative membership, partnerships with other companies, financial reports, development plans, asset ownership, and turnover. See Central Statistics Agency (2019), ..., p. 64.

²⁷ Central Statistics Agency, (2019), ..., p. 23

²⁸ Another example supporting this statement is the microcredit repayment rate for women in Indonesia, which is 91 percent, compared to only 80 percent for men. Therefore, one reason women are chosen as loan recipients is to prevent bad debts. More specifically, businesses managed by women with more than elementary school education, located in rural areas, long-standing operations, and established business entities have a greater chance of obtaining credit (Central Bureau of Statistics: 2019, pp. 33-34 and p. 64).

pandemic.²⁹ In this situation, women are the most vulnerable because they play the primary role in responding to health issues and shouldering many of the burdens at home. The challenge facing female MSME entrepreneurs is how to balance work with increased responsibilities at home due to the Covid-19 pandemic.

It can be concluded that the factors inhibiting the development of female MSME entrepreneurs in Sumatra are the lack of available facilities and infrastructure for business, the low quality of women's human resources in Sumatra, as indicated by low IDG scores, women's limited access to financial services, and the lack of recognition of equal rights issues in Sumatra. This is in line with research findings and IMF recommendations, which state that, in general, state policies related to women's empowerment should focus on investment in education, health, infrastructure, access to finance, and the promotion of equal rights.

2. The Role of Sole Proprietorship Institutions in the Development of Female MSME Entrepreneurs in Sumatra

The legal entity of a limited liability company (PT) has the characteristics of limited liability and separation of assets between the PT and its shareholders. In the UUPT itself, two types of companies are recognized, namely capital partnership companies established based on an agreement between two or more parties and sole proprietorships. Article 1 paragraph (1) number 1 of the UUPT defines a company as a legal entity that is a capital partnership, established based on an agreement, conducting business activities with authorized capital that is entirely divided into shares or an individual legal entity that meets the criteria of micro and small businesses as regulated in laws and regulations regarding micro and small businesses. Article 7 paragraph (7) of the UUPT reaffirms that companies that meet the criteria of MSMEs are exempt from the obligation to be established by 2 (two) or more people. According to the MSME Law, Micro Enterprises are defined as productive businesses owned by individuals and/or individual business entities that meet the following criteria:

- (i) have a maximum net worth of IDR 50,000,000.00 (fifty million Rupiah), excluding land and buildings for the business; or
- (ii) have annual sales of a maximum of IDR 300,000,000.00 (three hundred million Rupiah).

A Small Business is defined as a stand-alone productive economic enterprise, conducted by an individual or business entity that is not a subsidiary or branch of a company owned, controlled, or part of, directly or indirectly, a Medium-sized Business or a large business that meets the following criteria:

- (i) have a net worth of more than IDR 50,000,000.00 (fifty million Rupiah) up to a maximum of IDR 500,000,000.00 (five hundred million Rupiah), excluding land and buildings for the business; or

²⁹ A total of 195,099 complaint data units have been submitted to the Ministry of Cooperatives and Small and Medium Enterprises' complaint service. The reported MSME problems include declining sales, distribution disruptions, raw material and capital difficulties, and production disruptions. Data collection of complaints from MSMEs affected by Covid-19 began on March 17, 2020, through the Ministry of Cooperatives and Small and Medium Enterprises' hotline and call center, and the website www.siapbersamakumkm.kemenkopukm (Collection of Work Plans and Budgets of Ministries/Institutions, p. 160).s

- (ii) has annual sales results of more than IDR 300,000,000.00 (three hundred million Rupiah) up to a maximum of IDR 2,500,000,000.00 (two billion five hundred million Rupiah).

The sole proprietorship was established with the enactment of the UUCK and aims to ensure ease of doing business, empowerment, and protection for MSMEs. The characteristics of a sole proprietorship are as follows:

- a. It meets the criteria for a MSME and can be established by one person;
- b. It is established based on a company establishment statement written in Indonesian and electronically certified by the Minister of Law and Human Rights, without requiring a PT Deed of Establishment drawn up before a notary;
- c. It is a sole proprietorship with legal status, led by one director and has one shareholder.

To ensure ease of doing business, Article 153A and Article 153J paragraph (1) of the UUPT regulate the establishment of a sole proprietorship without complex procedures and high costs. The founder of a sole proprietorship can even establish another sole proprietorship after at least 1 (one) year since the establishment of the previous sole proprietorship. However, this ease of establishment does not eliminate the concept of limited liability which is a characteristic of a PT, as guaranteed by Article 153J of the UUPT. Thus, a sole proprietorship is also a PT, just like a capital partnership PT which is established based on an agreement, without any difference in status between the two.

The various advantages of sole proprietorships mentioned above can help develop women MSE entrepreneurs in Sumatra because:

- a. Sole proprietorships facilitate business operations, thereby increasing opportunities for participation by women MSE entrepreneurs in Sumatra;
- b. The easy and affordable process of establishing a sole proprietorship will ease the burden on women MSE entrepreneurs in managing the legalities of establishment;
- c. The status of a sole proprietorship as a PT legal entity will instill public trust in the MSE and make it easier for women MSE entrepreneurs to obtain credit from banks or finance companies. This is expected to protect women MSE entrepreneurs from loan sharks;
- d. The limited liability of women MSE entrepreneurs as shareholders and directors of sole proprietorships allows for more manageable business risks.

The Role of Notaries in Helping Develop Female MSME Entrepreneurs in Sumatra

The essence of the Notary's position is as a public official assigned by the general authority to serve the public's need for authentic evidence that provides certainty of civil legal relations. Article 1 number 1 UUJN defines a Notary as a public official authorized to make authentic deeds and has other authorities as referred to in UUJN or based on other laws. According to Lumban Tobing, a Notary is a public official who is solely authorized to make authentic deeds regarding all actions, agreements and determinations that are required by the interested party to be stated in an authentic deed, guarantee the certainty of the date, keep the deed and provide grosse, copies and extracts, all as long as the making of the deed by a general regulation is not also assigned or excluded to other

officials or people. Thus, the authority of a Notary as a public official to make authentic deeds is as long as the making of certain authentic deeds is not specifically for other public officials.

A notary as a public official means that a notary is someone appointed, authorized, and obliged by the state to serve the public in certain matters. This indicates that the state plays a role in determining the position or existence of the notary itself. Without state intervention, there would never be a legal norm that authorizes a notary to carry out his/her office. The appointment of a notary is carried out by the Minister in an attributive capacity, namely based on the authority inherent in his/her position under statutory regulations. This is the basis for a notary to obtain his/her authority as a public official to carry out some of the state's public functions, specifically in the field of civil law. A notary is a position of trust. If, in making a deed, a notary violates this trust, whether intentionally or unintentionally, the notary is obliged to provide accountability as the holder of the notary's office.

As long as authentic deeds are still required by a country's legal system, the office of notary will remain necessary. The creation of authentic deeds can be due to the necessity of applicable laws and regulations in order to create legal certainty, order, and protection, or because it is desired by interested parties to ensure the rights and obligations of the parties for the sake of legal certainty, order, and protection for interested parties as well as for society as a whole. An authentic deed essentially contains formal truth in accordance with what the parties have notified the Notary Public. However, the Notary Public has an obligation to ensure that what is contained in the Notarial deed has been truly understood and is in accordance with the wishes of the parties, namely by reading it so that the contents of the Notarial deed are clear, and providing access to information, including access to related laws and regulations for the parties signing the deed. Thus, the parties can freely determine whether to agree or disagree with the contents of the Notarial deed that will be signed. As the strongest and most complete written evidence, what is stated in a notarial deed must be accepted, unless the interested party can prove the contrary satisfactorily before a court of law. In addition to these basic authorities, a notary also has the authority to:

1. certifying signatures and establishing the date of private letters by registering them in a special book;
2. recording private letters by registering them in a special book;
3. making copies of the original private letters, including copies containing the descriptions written and illustrated in the letter in question;
4. verifying the suitability of the photocopies with the originals;
5. providing legal advice regarding the preparation of deeds;
6. preparing deeds related to land; or
7. preparing auction minutes deeds;
8. other authorities stipulated in laws and regulations, including the authority to certify electronic transactions (cyber notary), prepare waqf pledge deeds, and issue aircraft mortgages.

Notaries play a significant role in helping develop female MSME entrepreneurs in Sumatra. The role of a notary cannot be assessed solely on the necessity of a deed of establishment for a sole proprietorship. This is because authentic deeds are widely used in the implementation of a sole proprietorship's business activities. When a legal entity,

in the form of a sole proprietorship, carries out its business activities, it inevitably interacts with other legal entities. In these legal relationships, particularly in the business world, authentic deeds, as a perfect means of evidence, play a crucial role in ensuring the rights and obligations of the parties involved, ensuring certainty, order, and legal protection. An authentic deed drawn up before a notary is required in connection with:

1. Employment agreements with other companies or as a condition for participating in tenders;
2. Credit or financing agreements with banks or finance companies;
3. Guarantee agreements made in connection with credit or financing agreements;
4. Authentic deeds or other agreements required by the company.

In this case, the Notary also plays a role in providing legal advice regarding the preparation of these deeds, in accordance with Article 15 paragraph (2) of the UUJN.

E. Conclusions

The discussion reveals that sole proprietorships and notaries play a crucial role in the development of women MSME entrepreneurs in Sumatra. The role of sole proprietorships in supporting the development of women MSME entrepreneurs in Sumatra is as follows:

1. Providing ease of doing business for women MSME entrepreneurs, thereby increasing their participation in Sumatra;
2. Easy and affordable establishment procedures will ease the burden on women MSME entrepreneurs in managing legal procedures;
3. PT status will bolster public trust in the MSME in question;

More manageable business risks due to the limited liability of female MSE entrepreneurs as shareholders and directors of sole proprietorships.

To ensure the continuity of sole proprietorships, notaries play a role in drafting authentic deeds, which are widely used in the conduct of the sole proprietorship's business activities, particularly in relation to cooperation agreements, credit agreements, guarantees, and so on. Notaries also play a role in providing legal counseling regarding the drafting of these deeds.

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