

The Urgency of the Position of a Notary in Establishing a Startup in Indonesia I Made Kristian Yuda KUSUMA¹, I Nyoman SUJANA², Made SETIASA³

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Abstract:

Purpose:

This study aims to determine and analyze the normative authority of notaries in assisting the establishment of startups according to the Notary Law and to determine and analyze the role of notaries in guaranteeing the legality of documents and preventing internal conflicts.

Methodology:

The method used is a normative juridical approach with a study of laws and notarial practices. This research is classified as normative legal research. According to Peter Mahmud Marzuki, normative legal research is a process to find a legal rule that causes conflict, as in this research, namely in Article 1 Paragraph (1) of the PT Law does not include the term startup or explain the special characteristics of digital startup companies

Findings:

The research results show that notaries play a strategic role in the startup legalization process, from verifying the parties' identities and drafting the deed of incorporation to drafting the founder's agreement. The absence of notary intervention at this early stage has the potential to create legal loopholes and corporate disputes. Therefore, strengthening the role of notaries through affirmative policies within the OSS system and increasing notaries' legal capacity in the digital sector is necessary.

Implication:

This research is expected to have an impact on increasing legal certainty in the field of startup establishment in Indonesia, including in relation to strengthening the position and role of notaries.

INTRODUCTION

The growth of startups in Indonesia has experienced rapid growth over the past decade, driven by the development of digital technology, increasing internet penetration, and support from a maturing entrepreneurial ecosystem. This phenomenon aligns with the mandate of Article 27 paragraph (2) of the 1945 Constitution of the Republic of Indonesia (UUD NRI 1945), which states that every citizen has the right to work and a decent living. The government, through digital economic policies and startup funding programs, provides support for young entrepreneurs to innovate and create jobs. However, this growth is also accompanied by regulatory challenges, particularly related to the legal aspects of establishing and running a startup, which are the foundation for creating legal certainty for business actors. Legal issues in startups are more accurately described as a form of normative vacuum or vague norms, rather than normative conflicts, due to the lack of specific and comprehensive regulations governing the characteristics of startups in Indonesia. In establishing a startup company, the legal aspect plays a crucial role in ensuring compliance with applicable regulations, particularly regarding the establishment of legal entities, business licensing, and protection of intellectual property rights. Based on Law Number 40 of 2007 concerning Limited Liability Companies (PT Law), startups in the form of PT are required to have a deed of establishment drawn up by a notary and approved by the Ministry of Law and Human Rights. This legality provides clarity of legal status and facilitates access to funding sources, both from domestic and foreign investors (Widjaja, 2008). Furthermore, the legal aspect also plays a role in regulating the company's ownership structure and the rights of the founders, thereby minimizing the potential for future disputes. This demonstrates the importance of the presence of a notary, not only in the capacity of drafting deeds, but also as a party providing education and assistance throughout the company establishment process from the beginning.

The importance of legal aspects in startup operations is not only limited to regulatory compliance, but also involves legal protection of company assets, including intellectual property (Susskind, 2020). Many technology-based startups rely on innovation as their primary asset, making copyright, patent, and trademark protection crucial to prevent infringement and unfair competition (Ries, 2011). Furthermore, legal aspects in business contracts, such as cooperation agreements, investment agreements, and employee agreements, are key instruments in maintaining business stability and stakeholder trust (Sjahdeini, 2014). Therefore, a thorough understanding of the law is necessary for startups to develop sustainably without facing significant legal risks.

Furthermore, clear and adaptive regulations to technological developments are crucial in creating a conducive business climate for startups. The government has issued various policies, such as Law Number 6 of 2023 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation into Law and its derivative regulations, which aim to simplify business establishment procedures and increase protection for investors and digital entrepreneurs. However, regulations in Indonesia still face challenges in adapting to the fast-paced dynamics of the startup business. Therefore, collaboration between regulators, academics, and industry players is needed to design policies that can support the growth of the startup ecosystem without stifling innovation. This situation indicates a gap in legal norms specifically regarding startup entities, given that the formal legal definition and boundaries of startups are not yet fully clear within the Indonesian legal system.

Given the urgency of legal aspects in startups, founders must have a good understanding of business regulations and consult with legal professionals before starting their ventures. The presence of a notary in the startup establishment process is a crucial first step to ensure the company's legality and avoid potential future legal issues. Furthermore, startups must also implement good corporate governance principles to create transparent, accountable, and sustainable businesses. With the right approach, startups in Indonesia can grow legally and competitively, contributing to the national economy in accordance with the mandate of the 1945 Constitution of the Republic of Indonesia.

Notaries play a central role in ensuring the legality of the establishment and operation of companies, including startups, in Indonesia. In the national legal system, the role of a notary is crucial because they act as officials authorized to create authentic deeds and provide legal certainty in business transactions (Joseph & Vermeulen, 2018). Law Number 2 of 2014 concerning Amendments to Law Number 30 of 2004 concerning the Position of Notaries regulates the duties and authorities of notaries, including in creating deeds of establishment of limited liability companies (PT). In the context of startups, the presence of a notary is a key element in establishing a legitimate legal entity, which has implications for legal protection for owners, investors, and other stakeholders. Notaries can even be said to have a preventive function against potential disputes that may arise due to inconsistencies in the legal understanding of startup founders.

In the Indonesian legal system, a notary is defined as a public official authorized to draw up authentic deeds and other powers stipulated by law. Authentic deeds have perfect evidentiary force as stipulated in Article 1868 of the Civil Code (KUH Perdata). The role of a notary in establishing a startup company is crucial, as the company's deed of incorporation must be drafted in accordance with Law Number 40 of 2007 concerning Limited Liability Companies. Notaries ensure that all legal requirements are met, including the ownership structure, authorized capital, and the rights and obligations of the founders, so that the company has a strong legal basis for running its business. Furthermore, the notary's role also includes active involvement from the initial establishment process, including providing legal education, assisting in drafting the founder's agreement, and guiding the founders to focus not only on business but also on legal protection.

As the official who makes authentic deeds, a notary is not only responsible for drafting the deed of establishment but also for ensuring that all necessary documents are complete and in accordance with applicable law (Nurjaya et al., 2020). Furthermore, notaries are obligated to verify the data and identities of company founders to prevent legal abuses, such as money laundering or illegal business practices. In the context of startups, which often have complex ownership structures involving foreign investors and venture capital, notaries play a role in

ensuring the transparency and validity of agreements between shareholders and investment agreements. This activity cannot be carried out passively; notaries must act as guardians of the legal process from the beginning of the startup's formation to minimize potential conflicts as the startup develops.

Despite the crucial role of notaries, various issues often arise in practice regarding company deed of incorporation. One major obstacle is the lack of understanding among startup founders regarding the importance of a clear and detailed deed of incorporation, which can lead to future disputes, particularly regarding share ownership and voting rights within the company (Lessig, 2006). Furthermore, there are cases where the deed of incorporation is subject to differing legal interpretations or does not clearly reflect the founders' agreements, which can lead to internal conflict. Another frequently encountered issue is administrative errors or delays in the deed's approval by the Ministry of Law, which can potentially hamper company operations. These issues demonstrate that startups are a new legal phenomenon arising from the shift in business culture from conventional to digital, thus presenting its own legal complexities. This issue highlights the urgency of enhancing the role of notaries as parties who guide the startup establishment process, not simply preparing formal documents.

The ownership structure and legal obligations of startups are also aspects that require careful consideration during the company formation process (Bainbridge, 2020). In many cases, rapidly growing startups often experience changes in ownership structure due to the entry of new investors, which can create conflicting interests between the original founders and the new shareholders. Notaries play a role in accommodating these changes by drafting deeds of amendments to the articles of association, investment agreements, and shareholder agreements. Furthermore, startups also have legal obligations related to taxation, labor protection, and business licensing, all of which must be ensured by a notary public during the company formation and changes. With their strategic role, notaries not only act as legal document preparers but also as guardians of legal certainty in the dynamic business world. The notary's active role bridges the gap between state regulations and the often rapidly evolving and dynamic business dynamics of startups. The notary's active role is also crucial because startup dynamics are highly volatile and prone to internal conflicts stemming from unclear founder agreements.

Startups in Indonesia face various legal challenges, particularly in establishing and operating their businesses in accordance with applicable regulations. One of the main obstacles to startup legalization is the complex regulatory requirements that must be met from the outset, from registering a legal entity to obtaining a business license. The Limited Liability Company Law (UU PT) requires every PT company to have a deed of establishment drawn up by a notary and approved by the Ministry of Law. However, for many startups, especially those new to the business world, this procedure is often considered complicated and expensive. Consequently, many choose to operate without a clear legal entity, ultimately risking their company's legal certainty.

The main obstacle faced by companies in the legalization process is a lack of understanding of corporate legal regulations (Soerodjo, 2016). Many startup founders focus more on product development and marketing strategies than on legal aspects, often ignoring the importance of a strong legal structure. As a result, startups that lack complete legal documents, such as founders' agreements or shareholder agreements, are vulnerable to future conflicts. In some cases, this lack of understanding also leads to startups violating tax and employment regulations, which can result in administrative or legal sanctions from the government. Therefore, legal education for startup entrepreneurs is crucial so they can understand the legal implications of every business decision they make. A concrete example demonstrating this urgency is the case of a startup founded by four founders without a founders' agreement, which ultimately led to internal conflict and the company's dissolution. This case demonstrates that the role of a notary is not limited to drafting deeds, but also educating and guiding the founders from the outset to have a strong, written agreement.

A common issue with startup deed of incorporation is the lack of clarity regarding the ownership structure and the rights and obligations of the founders. In many cases, startups are founded by more than one person with varying capital contributions, but there is no written agreement governing voting rights, decision-making mechanisms, or share selling rights. As a result, as the company begins to grow and attract investors, disputes

often arise between the founders regarding share distribution or control rights. This can lead to internal instability, negatively impacting the startup's business development.

Poorly managed changes in ownership structure also pose a significant challenge for startups. When companies secure funding from investors or venture capital, unanticipated ownership changes often occur. Many founders lose control of their companies due to a lack of understanding of investment agreements and share dilution. In some cases, startups also face legal challenges resulting from agreements that disadvantage the original founders due to a lack of fair negotiations in contracts with investors. Therefore, the role of legal counsel is crucial to ensuring that the startup's ownership structure remains intact and does not disadvantage the founders. A notary can act as a neutral party, ensuring that all stakeholders' interests are addressed fairly and legally.

Startups also have legal obligations that must be fulfilled, such as compliance with tax regulations, employment, and personal data protection (Siswanto, 2019). In Indonesia, many startups still ignore tax obligations or do not have an administrative system that complies with regulations, thus risking sanctions from the tax authorities. In addition, with the enactment of Law Number 27 of 2022 concerning Personal Data Protection, startups operating in the technology and digital sectors must ensure that user data is managed securely in accordance with legal provisions. By considering all the problems above, it can be concluded that the urgency of the notary's position in the process of establishing and legalizing a startup is not merely an administrative aspect, but an integral part of the legal protection system, especially in Article 1 Paragraph (1) of the PT Law does not include the term startup or explain the specific characteristics of digital startups. Meanwhile, startups are treated the same as conventional PTs, even though they have different business structures, funding, and business models. Also in Article 52 of the PT Law which only recognizes the rights of ordinary shares and has not provided details regarding preferential rights (special rights), especially for startup companies or companies operating in the digital sector, thus giving rise to unclear norms and a lack of legal certainty in Indonesia.

Based on the description of the background of the problem above, it is necessary to conduct research on how urgent the position of notaries in the legality of the startup establishment process in Indonesia, not only ensuring legality alone, but also providing education and legal protection from the beginning in accordance with the provisions of the Limited Liability Company Law, and how the government's role in supporting legal certainty for startup owners in regulating share ownership and founders' rights through adaptive and participatory legal policies.

METHODS

This research is classified as normative legal research. According to Peter Mahmud Marzuki, normative legal research is a process to find a legal rule that causes conflict, as in this research, namely in Article 1 Paragraph (1) of the PT Law does not include the term startup or explain the special characteristics of digital startup companies. Meanwhile, Startups are treated the same as conventional PTs, even though they have different business structures, funding, and business models. Normative legal research is also called doctrinal legal research (Soekanto & Mamudji, 2013). This research uses 2 approaches, namely the statutory approach and the conceptual approach. The data used is secondary data consisting of primary, secondary, and tertiary legal materials. The collection of primary, secondary, and tertiary legal materials was carried out using hierarchical inventory techniques for statutory regulations, library methods using recording techniques with a file system. The method used in processing and analyzing legal materials used in this research is descriptive argumentative analysis.

RESULTS AND DISCUSSION

1. The Urgency of the Notary's Position in Startup Establishment in Indonesia

a. The Strategic Role of Notaries in the Legality of Startup Establishment. The role of notaries in the Indonesian legal system is not solely limited to administrative functions as deed makers, but encompasses a broader legal dimension as protectors of legal certainty (Ramli, 2011). Notaries are public officials appointed by

the state and have the authority to create authentic deeds that are binding on the parties and formally recognized in the legal evidence process. As legal products with perfect evidentiary force, authentic deeds are crucial instruments in resolving potential disputes. Therefore, the role of notaries is not merely static but also has a preventive function against legal conflicts. This position demands integrity, independence, and high competence from a notary.

In Indonesian legal construction, the normative function of a notary is closely tied to the principles of prudence and formal validity. This emphasizes that a notary cannot act merely as a technical implementer of the parties' wishes, but is also required to verify and legally assess the contents of the agreement outlined in the deed. Notaries are obligated to ensure that the substance of the agreement does not conflict with law, morality, or public order. Violations of these principles will result in the deed losing its authenticity and even being subject to legal challenge. Therefore, notaries bear significant legal responsibility for every deed they issue.

The legal authority of a notary is affirmed in Article 15 of Law Number 2 of 2014 in conjunction with Law Number 30 of 2004 concerning the Office of Notaries. This authority includes the preparation of authentic deeds, the storage of minutes of deeds, the provision of copies or extracts, and the exercise of other powers under the law. In this context, the notary also has legal responsibility for the contents of the deed, its formal form, and the authenticity of the parties' identities. Violations of these obligations can result in administrative, civil, and even criminal sanctions. Therefore, the office of notary is not merely a profession, but also a state institution that carries out the function of legal protection.

The presence of a notary in the preparation of the deed of establishment of a business entity, such as a Limited Liability Company (PT), has significant legal implications. Deeds of establishment that are not prepared by a notary or do not comply with legal provisions lack the evidentiary force of an authentic deed. This results in startups or other business entities losing legal validity in their establishment structure. Conversely, a valid, authentic deed serves as the basis for legal entity validation through the administrative system of the Ministry of Law and Human Rights. In this context, the presence of a notary is the first step in establishing a legitimate and credible legal entity.

Notaries also have an obligation to oversee the wishes of the parties, including ensuring they understand the legal consequences of the actions outlined in the deed. In practice, this role is often overlooked or considered a formality, even though it is actually a crucial element of a notary's normative authority. The notary's educational function, inherent in the consultation and clarification process, serves as a foundation for preventing future disputes. This demonstrates that notaries serve not only as formal witnesses but also as legal advisors with integrity. Therefore, the strategic value of authentic deeds lies in the notary's capacity to establish startups based on legal regulations and the agreements of the parties.

As public officials, a notary's authority is limited by the principle of positive legal authorization, which means they can only act within the scope determined by statutory regulations. The prohibition of *ultra vires* actions (actions exceeding authority) serves as a clear boundary to ensure that the deed is not lost its authenticity. Violations of this authority limit not only have implications for the invalidation of the deed but also for the integrity of the notarial profession as a whole. In the context of startups, for example, notaries must be careful in formulating share structures, business types, and management clauses in accordance with OJK and risk-based OSS regulations. Even the slightest procedural error can create legal uncertainty that is detrimental to all parties.

The urgency of the notary's normative role is increasing amidst the complexity of digital business and the rapid growth of startups. Adaptive business models and varied funding structures require notaries to understand not only formal law but also developments in business law. Notaries must possess additional knowledge regarding founder's agreements, vesting clauses, and preferential rights that frequently arise in the startup world. This role positions notaries as legal gatekeepers, ensuring not only administrative legality but also substantive compliance with legal norms. This emphasizes that the notary's normative role must be accompanied by continuously updated professional skills.

In notarial practice, the existence of minutes of a deed officially kept by a notary serves as a guarantee of the deed's authenticity. Notaries are responsible for maintaining the archives and confidentiality of legal documents in their possession as part of a control mechanism for legal validity. Any violation of this principle can seriously impact public trust in the notarial institution. Therefore, internal and external oversight systems for notarial practice need to be strengthened to ensure the correct and professional implementation of normative authority. The integrity of an authentic deed is determined not only by its substance but also by strict and standardized procedures.

It is important to note that technological developments have also influenced the dimensions of notary authority, particularly in the discourse on cyber notary. Although the implementation of electronic notary services has not yet been fully realized in Indonesia, this discourse demonstrates the need for a technology-based update to the concept of notary authority. This is closely related to the notary's ability to maintain their authority in an increasingly digitalized legal system. Therefore, the formulation of new norms that support legal technology and digital competency training for notaries is urgent. In this way, notaries' normative authority will not be left behind by contemporary legal dynamics.

An analysis of the notary's authority in a normative context shows that this position is the primary guardian of the rule of law in civil relations. By combining administrative, educational, and juridical functions, notaries act as legal actors who guarantee the stability of transactions in society (Soeroso, 2013). In facing the dynamics of modern businesses such as startups, the notary's normative authority must be strengthened through regulatory updates and professional development. In this way, notaries become not only the makers of deeds but also the architects of legal certainty in an era of disruption. This role is crucial for maintaining the continuity of the modern and adaptive function of the rule of law.

Notaries play a crucial normative role in establishing legal entities, including for startups developing within the digital ecosystem. This normative function relates not only to the administrative aspects of deed creation but also reflects the notary's legal role in guaranteeing the validity of the founders' legal actions. An authentic deed drawn up by a notary serves as a concrete manifestation of state legal protection for the wishes of the parties. In the context of startups, which tend to be flexible, this role becomes increasingly crucial in providing a solid legal foundation for startups. Therefore, the involvement of a notary is an integral part of the process of institutionalizing a legally based business entity.

Next, the deed signed by the founders must be uploaded by a notary into the Legal Entity Administration System (SABH) of the Ministry of Law and Human Rights. This stage marks the validation of the Limited Liability Company as a legal entity recognized by the state. With the issuance of the Legal Entity Approval Decree, the startup has the legal capacity to undertake legal actions on behalf of the company. The startup's legal status begins at this point, and all subsequent agreements are legally valid. The notary's authority to access and use the SABH system strengthens its role as a liaison between business actors and the state.

A startup's deed of incorporation serves a preventive function against legal conflicts, particularly those related to the rights and obligations of the founders. In practice, many startups do not draft a detailed founding agreement, so when conflicts arise, there is no strong legal basis. Through an authentic deed, a notary can formulate clauses regarding share distribution, voting rights, decision-making mechanisms, and protection for minority shareholders (Sugeng, 2015). This is crucial in facing the potential entry of external investors who could change the ownership and management structure. Thus, the deed of incorporation is not merely a legal formality, but a tool for mitigating conflict from the outset.

The absolute evidentiary power of an authentic deed, as stipulated in Articles 1868 and 1870 of the Civil Code, serves as the foundation for future dispute resolution. In litigation or mediation, judges place more trust in authentic deeds than easily refuted private deeds. Therefore, authentic deeds have strategic value in ensuring a company's internal stability. In cases of disputes between founders or between founders and investors, an authentic

deed serves as a central document evidencing the parties' initial intentions and agreements. In this case, a notary acts not only as a recorder of the will but also as a guardian of the legal integrity of the deed they create.

Startups, as business entities formed based on a partnership of ideas and capital, are highly vulnerable to changing dynamics between founders. Potential conflicts often arise as startups begin to grow and attract external investors, leading to changes in control and ownership structures. A notary, through the deed of incorporation, can anticipate this by drafting anti-dilution clauses, veto rights, or lock-up period provisions. These provisions will serve as legal references in resolving disputes that arise as the company grows. In this way, the notary's role becomes strategic in maintaining the continuity of the startup's internal legal structure.

Amidst the lack of legal literacy among startup founders, the role of notaries as legal educators is relevant and necessary. Notaries not only explain legal procedures but also bridge the gap between business ideas and the underlying legal framework. This is crucial considering that many startups are founded solely with entrepreneurial spirit, but without adequate legal protection. Legal education provided by notaries enables founders to understand the importance of legal structures, founding agreements, and regulatory compliance. This role emphasizes that notaries are not merely legal technocrats, but strategic partners in building legally sustainable businesses.

Under Indonesian positive law, an authentic deed drawn up by a notary is legally binding as formal and substantive evidence (Sjahdeini, 2010). This not only guarantees the validity of the legal relationship between founders but also serves as the basis for recognition by third parties such as investors, banks, and regulators. Startups founded without an authentic deed will struggle to access capital and gain business legitimacy. Therefore, legal recognition of a startup as a legal entity can only be achieved through a procedure that begins with the creation of a deed by a notary. This role makes notaries central to the startup legal system in Indonesia.

Based on various practices in the field, startups that don't start with a notary tend to experience legal issues in the first two to three years. These conflicts usually stem from unclear rights and responsibilities, or from differing interpretations of initial agreements that aren't documented in an authentic deed. The presence of a notary from the outset is vital for formalizing all agreements in a legally binding document. Furthermore, the notary's role in archiving the minutes of the deed provides long-term authentication, a form of protection that cannot be replaced by other legal instruments.

The normative role of notaries in startup formation is inseparable from the legalization process of a legal business entity. Notaries act as guardians of accuracy and legality at every stage of establishment, from drafting the deed to its approval by the Ministry of Law and Human Rights. Authentic deeds are the cornerstone in preventing and resolving internal conflicts that frequently arise in startup growth. Therefore, the urgency of a notary's position is not only legal but also strategic in building a sustainable digital business ecosystem based on legal certainty. Thus, notaries are not merely procedural complements, but also legal guardians of innovation-based economic growth.

The notary's responsibility to guarantee the legal validity of a document is a normative mandate as regulated in Article 16 paragraph (1) of Law No. 2 of 2014 concerning the Position of Notary. This validity includes the authenticity, truth, and conformity of the contents of the deed with the wishes of the parties and applicable legal norms. The notary is obliged to ensure that every signed document has gone through an adequate legal review process. Deeds that do not comply with procedures can result in legal defects, even judicial cancellation. Therefore, accuracy and thoroughness are an inseparable part of the notary's professional responsibility.

One crucial aspect of the legal validity of documents is verifying the identities of the parties involved in a legal agreement. This verification includes matching administrative data such as ID cards (KTP), Taxpayer Identification Numbers (NPWP), and other supporting documents with the national population system. This action is not merely an administrative formality, but a pillar in preventing crimes such as forgery, identity theft, and money laundering (Syahrin, 2022). Notaries are required to verify the authenticity of documents before proceeding with the authentic deed creation process. Accuracy in this process demonstrates responsibility for the validity of the legal act.

Notaries are also responsible for ensuring that the substance of the deed they draft does not conflict with applicable laws and regulations. This includes carefully reviewing the agreement clauses to ensure they do not contain elements of unlawful acts, unilateral agreements, or potential conflicts of interest. In the startup context, notaries must carefully examine the substance's compliance with regulations such as the Limited Liability Company Law, the Job Creation Law, and sectoral regulations. If any discrepancies are found, the notary is required to reject or request revisions to the agreement. This is a concrete implementation of the prudence principle in notarial practice.

In the startup world, clarity of legal relationships between founders is key to long-term success. Therefore, the involvement of a notary in drafting a founder's agreement has significant strategic value. This document outlines the rights, obligations, and limits of authority of each founder from the outset, which, if not clearly defined, can lead to future conflict. A notary not only records but also helps draft and negotiate crucial points that reflect the equality of the parties. Thus, a founder's agreement serves as a legal shield for the startup against the threat of internal disintegration.

The existence of an initial agreement among startup founders is crucial given the fluid nature of startups, which lack an established formal structure. Many cases demonstrate that startups fail not because their business model is unviable, but due to disagreements between founders lacking a legal basis. In these circumstances, a notary public plays a key role in establishing a formal, legally binding agreement. A founder's agreement, framed in an authentic deed, provides absolute legal evidence. This guarantees the startup's institutional stability in the face of dynamic growth.

The share ownership structure, voting rights, and strategic roles of each founder are central issues in a startup's founding agreement. A notary must ensure that share distribution is agreed upon proportionally and in accordance with each founder's capital or intellectual contribution. Clauses regarding voting rights, veto rights, and share transfers must be clearly formulated and open to interpretation. Ambiguity in these areas can create potential conflicts as the startup grows and opens up funding opportunities from investors. With a notary as a legal facilitator, these conflicts can be minimized from the founding stage.

The presence of a notary also plays a role in anticipating future situations, such as changes in ownership, founder resignations, or mergers and acquisitions. Notaries can advise on drafting exit clauses, tag-along-drag-along rights, and lock-up periods, which are common in the startup world. Drafting these clauses requires contextual understanding and in-depth legal skills. Without the active role of a notary, startups risk losing legal integrity when faced with complex business dynamics. Therefore, notaries are not only registrars but also architects of long-term legal relationships.

The role of a notary also encompasses educational aspects, particularly in the context of start-up entrepreneurs who may not yet understand the importance of legal protection. Startups founded by young people with a technology background generally have minimal legal literacy. This is where the notary's consultative function plays a crucial role in providing insight into the forms and consequences of legal action. Notaries must be able to educate founders about the risks of informal legal action or legal action without proper documentation. This education not only impacts the startup's legal protection but also fosters a legal culture within the digital ecosystem.

As legal consultants, notaries are also expected to be able to explain various alternative legal arrangements, such as the differences between common and preferred stock, stock options, and vesting mechanisms. This is crucial for founders to make legally sound business decisions. Without this understanding, startups tend to create vulnerable structures or create unilateral domination. Through explanations from a notary, founders can manage their roles fairly, proportionally, and transparently. This is a concrete form of notary's contribution to realizing the principles of good corporate governance.

A major challenge facing notaries in their educational role is time constraints and the tendency for founders to rush into establishing a business. Many business owners simply seek formal legality without considering the substantive legal aspects that can have long-term impacts. In this situation, notaries must be able to balance time

efficiency with professional diligence. Providing effective yet concise legal education is a challenge that requires strong communication skills. A passive notary will become merely an administrative assistant, not a guardian of contractual justice.

A lack of legal understanding on the part of startups can also lead to potential abuse or manipulation of share structures and important company decisions. Therefore, notaries are required to uphold the principle of prudence at every step, including preparing meeting minutes, shareholder resolutions, and amendments to the articles of association. Procedural inaccuracies at this stage can lead to the agreement being canceled or deemed invalid. This can lead to a loss of investor confidence or even civil disputes. Therefore, notaries must be an active and accountable point of legal oversight.

Notaries can also act as a bridge between startups and government agencies in understanding formal legal requirements. Many startups struggle to understand risk-based OSS (OSS), KBLI (Indonesian Business License) classifications, and relevant sectoral permits. A proactive notary can provide guidance and technical assistance in preparing documents to avoid administrative obstacles. This way, startups will not only be legally valid but also operationally viable nationally. The synergy between legal understanding and digital systems is crucial in the current context.

Drafting startup documents requires a multidisciplinary approach encompassing civil, corporate, investment, and intellectual property law. As an independent legal profession, notaries can bridge all these aspects into a single deed of establishment and founding agreement. With cross-sectoral experience and knowledge, notaries are able to analyze legal risks and provide appropriate mitigation advice. This role is rarely fulfilled by other legal actors due to the limitations of formal legal functions. Therefore, strengthening the capacity of notaries is crucial to support the growth of a startup-based digital economy.

The legal consequences of a notary's negligence in ensuring the validity of documents cannot be underestimated. In addition to the potential cancellation of a deed, a notary can also be subject to ethical, administrative, and even criminal sanctions if proven negligent or falsifying data. Therefore, professionalism, prudence, and integrity are key pillars in carrying out notarial duties. In the context of startups, this is especially crucial because a single error in the legal structure can destroy a business's potential. A notary who performs their duties effectively will be instrumental in the success of the business they build.

With the rapid dynamics of startups, the presence of notaries as a pillar of legal stability is an absolute necessity. Startups require legal assurance when dealing with investors, the government, and consumers. Adaptive, educational, and professional notaries provide the solution to complex and often multi-interpretable legal challenges. Therefore, an understanding of the law must be coupled with social sensitivity and an understanding of the digital ecosystem. Today's notaries cannot operate with conventional approaches but must be progressive and innovative.

In the startup context, a notary's responsibilities extend beyond deed creation, but also encompass verification, education, risk mitigation, and strengthening long-term legal structures. Notaries serve as guarantors of legal validity and facilitators of contractual justice amidst the rapid flow of the digital economy. Therefore, the notary's involvement in drafting founders' agreements, share structures, and protecting founders' rights is part of their constitutional role. The challenges faced are significant, but with increased capacity and professional reform, notaries can become agents of legal reinforcement in innovation-based economic development. This role emphasizes that behind the success of a startup lies the silent yet vital contribution of a notary.

b. The Relevance of Notary Authority in the Startup Legal Ecosystem in the Digital Era. The authority of notaries in the Indonesian legal system is strictly regulated in Law Number 2 of 2014 in conjunction with Law Number 30 of 2004 concerning the Office of Notaries (UUJN). Article 15 serves as the normative center that outlines the scope of notary authority, namely the creation of authentic deeds and other legal acts (Perwira, 2005). In the context of establishing a startup, this authority serves as the initial legal gateway. The existence of an

authentic deed drawn up by a notary marks the beginning of the startup's legal status as a legal entity. This function theoretically aligns with the principle of *Rechtszekerheid*, or legal certainty.

Article 15 of the UUJN stipulates that notaries are authorized to draw up authentic deeds relating to agreements and provisions required by law. This provision includes the deed of establishment of a Limited Liability Company (PT), which is the common legal form for startups. In practice, the deed must contain complete and accurate information regarding the company's structure, authorized capital, share distribution, and the composition of the company's organs. Notaries are obligated to align the contents of the deed with the provisions of the Limited Liability Company Law and its implementing regulations. Therefore, the scope of this authority is substantive and not merely administrative.

The theory of legal certainty, as proposed by Gustav Radbruch, states that law must be predictable, clear, and provide protection. In the context of startups, an authentic deed serves as the legal basis that ensures the entity has a legal existence recognized by the state. As a public official, a notary acts as a liaison between the wishes of the business actor and the formal legal structure. Without an authentic deed, startups operate in legal uncertainty. Therefore, fulfilling the authority of a notary is a concrete form of realizing the principles of legality and legal certainty.

Mochtar Kusumaatmadja's Development Law Theory positions law as a means to achieve social goals, including economic growth. In this regard, notaries play a strategic role in facilitating startups, which are the driving force of the digital economy. By legalizing legal entities through deeds, notaries open access to capital, business partnerships, and legal protection. This role demonstrates that notaries' authority has an economic development dimension. Therefore, the implementation of the UUJN in the startup context represents law as an instrument of development.

With the development of the digitalization of state administration systems, notaries are now integrated into the Ministry of Law and Human Rights' General Legal Administration System (AHU Online). This system serves as a formal channel for submitting and ratifying deeds of establishment, amendments to articles of association, and other corporate actions. Notaries' authority is expanded through access to this digital platform, making them active actors in the electronic legal system. This aligns with the principle of efficiency in legal public services and supports the acceleration of business establishment. This integration also tests notaries' digital competence in understanding the substance and procedures of the online system.

In addition to AHU Online, the Risk-Based Online Single Submission (OSS) system is a mandatory platform for startups to apply for a Business Identification Number (NIB). In practice, notaries often assist business owners in aligning their deeds with the KBLI (Indonesian Standard Classification of Business Fields), the basis of the OSS system. Inaccurate KBLI codes can lead to business permit rejection. Therefore, notaries are not only responsible for drafting deeds but also must understand the implications of the OSS system for the accuracy of the deed of establishment. This authority is part of the profession's adaptation to electronic and transformative law.

This transformation expands the role and responsibilities of notaries in ensuring the alignment between the state's digital system and the legal substance outlined in deeds. From the perspective of Development Law Theory, this represents the legal profession's adaptation to technological dynamics. Law cannot remain static when society is dynamic. Notaries, as part of the legal system, must be able to respond to the needs of digital-based legal development. Failure to adapt will diminish the notary's relevance in the era of disruption.

However, in practice, various normative limitations remain in regulating notary authority in the startup context. The Notary Law does not explicitly regulate notary procedures or responsibilities in digital business transactions. Startups have legal characteristics that are not yet fully accommodated by the Indonesian legal system. For example, there are no specific regulations regarding founder's agreements, vesting clauses, or cap tables. As a result, notaries often face ambiguity when asked to draft or adapt deeds to these concepts.

The absence of explicit regulations regarding startups creates tension between legal requirements and available legal norms. This creates the risk of a regulatory gap that could potentially hinder the startup legalization

process. In this regard, the Legal Certainty Theory requires that laws be readily available, structured, and open to multiple interpretations. Startups operating amidst unclear legal norms are vulnerable to lawsuits, deed cancellations, or ownership conflicts. Therefore, progressive interpretation by notaries is needed to bridge the legal gap.

In practice, notaries often use the principle of analogy when drafting startup documents, adapting the legal structure of a conventional PT. However, this analogy approach does not necessarily address the complexities of startup business models involving foreign investors, preferred shares, or stock option systems. This poses risks if the deed is later legally challenged in a dispute. The discrepancy between the substance of a digital business and formal legal deeds is a potential source of conflict. Therefore, legal updates are imperative to prevent the law on the books from lagging behind the law in action.

The authority of notaries within the national legal system has not fully anticipated the growing complexity of legal transactions in the digital sector. When startups adopt international contract patterns or foreign investors, notaries are faced with cross-jurisdictional legal provisions that are not necessarily accommodated in the UUJN. This demonstrates the limitations of normative structures in ensuring certainty for modern business actors. Legal certainty is blurred because regulations are slow to respond to actual needs. Therefore, progressive legislative measures are needed to support the functional flexibility of the notary profession.

Furthermore, the Risk-Based OSS system does provide procedural convenience, but it does not alter the essence of substantive law, which must be legally documented by a notary. Many startups encounter obstacles when the OSS system issues permits requiring substantial amendments to deeds that are inconsistent with risk classification. Notaries are expected to understand this and provide appropriate guidance to clients. In this regard, the notary's role is not merely administrative, but also educational and strategic. Inaccurate deeds can result in business permit rejection and lost investment opportunities.

A closer look at this risk-based licensing system demonstrates a shift in the legal paradigm from a formal to a substantive approach. This shift requires notaries to be more proactive in analyzing business substance, market segmentation, and legal risks. Therefore, the role of notaries is no longer merely that of deed makers, but rather that of compliance advisors, ensuring startups operate in accordance with legal norms. This aligns with the concept of law as a means of social engineering in the Theory of Development Law. Law should be a catalyst for growth, not a barrier to innovation.

One real challenge in practice is the lack of understanding among startup owners about the importance of a strong legal structure from the outset. Many startup founders focus on product development without considering legal documents such as deeds, founder's agreements, or share structures. Only when internal conflicts or investment processes arise does legality become an urgent need. In this position, a notary must bridge neglected legal needs and restore legal certainty. However, often, this delay causes irreparable losses.

Another emerging issue is the lack of a standard code of ethics or technical guidelines governing notary actions in dealing with startups. This leads to inconsistent practices among notaries, depending on their individual understanding and experience. However, in the startup context, the legal structures used can be quite complex and require explicit guidelines. This disorganization has the potential to undermine the integrity of the legal system itself. Therefore, the role of notary organizations and policymakers is crucial in formulating standardized practices for this emerging sector.

From the perspective of Legal Certainty Theory, open access to standard and uniform legal procedures is a prerequisite for the legitimacy of the legal system. Startups, as legal business entities, should be protected by a clear and easy-to-understand system. When laws are open to multiple interpretations or incomplete, the system loses its authority as a guide to behavior (Damian, 2007). Notaries are a crucial part of this system and must ensure that their practices do not exacerbate uncertainty. This necessitates strengthening the capacity and digital legal literacy within the notary profession.

The need to accommodate startups also touches on investor protection. When investors conduct due diligence, the legality of a startup, through documents prepared by a notary, is a key benchmark. If a startup's legal structure doesn't reflect modern business practices, investors may withdraw or lower their valuation. This emphasizes the direct impact of a notary's role on the real economy. Therefore, the accuracy and completeness of the deed reflect the notary's professionalism and integrity.

At the normative level, it is necessary to consider establishing a legal sandbox for startup legal experiments involving notaries, the Ministry of Law and Human Rights, and digital entrepreneurs. This model has been successfully adopted in several countries to bridge the gap between formal law and market needs. Within this framework, notaries can participate in testing new legal models without being bound by rigid rules. This remains within a supervised and limited legal framework. This way, the legal system can adapt responsively while maintaining the principle of legal certainty.

In closing, the authority of notaries in the startup context needs to be framed within the awareness that this profession is facing a transitional phase. This transition is both epistemological and technological, requiring new adaptability and literacy skills. Notaries are no longer limited to mastering legal norms, but also digital ecosystems, investment, and risk management. From the perspective of Legal Certainty Theory, this strengthens public trust in the legal system. Meanwhile, from the perspective of Development Law Theory, this encourages law to become a partner in the process of innovation and economic growth.

The establishment of new norms should not diminish the role of old legal principles, but rather affirm them in a new context. The principles of prudence, integrity, and neutrality must remain the foundation for notaries' exercise of authority over startups. What has changed is the medium and model of legal relations, not the substance of professional ethics. Therefore, strengthening training and continuing legal education is crucial to maintaining the quality of notaries in facing startup challenges. Otherwise, there will be a gap between the expectations of the system and the capacity of legal actors.

A notary who carries out their duties in accordance with the principles of Article 15 of the UUJN will provide the initial guarantee of legal certainty for startups. In practice, an authentic deed serves as valid evidence of the founder's will, which can be used as a reference in the event of internal or external conflicts. This demonstrates that a notary's authority extends beyond administration to strengthening socio-legal relations. Therefore, the notary's role remains strategic in the uncertain digital business ecosystem. Integrity and competence are key requirements for this authority to be meaningful.

On the other hand, updates to legal substance must also be accompanied by reforms to law enforcement institutions. Institutions such as the Ministry of Law and Human Rights and the Financial Services Authority (OJK) need to establish regulatory coordination with the Notary Supervisory Board to ensure synergy in fostering and supervising practices. Data interoperability standards between AHU Online and the OSS need to be improved to support the efficiency of notary authority. Fragmented regulations will hinder the optimization of legal functions. Therefore, a systemic approach is crucial in resolving the issue of notary authority in the startup context.

The Indonesian legal system is adapting to the realities of a rapidly evolving digital economy. Notaries are crucial in ensuring this transition is legal and just. Capacity building, legal reform, and recognition of the role of notaries in startups are urgently needed. Without these, the law will fail to address the ever-changing dynamics of society. Therefore, notary authority in startups must be viewed as a legal development project based on legal certainty.

The era of technological disruption demands transformation in all legal sectors, including the notary profession. Digital startups, as new business models, present a different dynamic than conventional legal entities. Notaries, as executors of state legal authority, must adapt their roles and competencies to these developments. These adjustments are not only technical but also conceptual. From the perspective of Development Law Theory, the role of law must be adaptive and support the acceleration of the digital economy.

In the context of legal certainty, notaries play a central role as the party that guarantees the validity of agreements and the identities of the parties. Startups that do not undergo a notary establishment process are vulnerable to ownership disputes, divisions between founders, and difficulties in obtaining legal evidence. An authentic deed, as a legal product of a notary, is formal evidence with perfect evidentiary value. The absence of a notary in the startup establishment process creates a legal vacuum that undermines the principle of legality. Therefore, integrating the role of notaries into the startup ecosystem is a systemic necessity.

The discourse on cyber notaries has long been developing in response to the digitalization of legal services. Strengthening the position of cyber notaries in the startup context is particularly relevant because startups themselves operate within the digital ecosystem. Cyber notaries enable notaries to provide verification, recording, and deed creation services electronically in accordance with the principles of a trustworthy system. Under the Theory of Legal Certainty, this remains valid as long as the electronic system guarantees integrity, authentication, and non-repudiation. Therefore, strengthening cyber notaries is a form of innovation within the legal framework.

Cyber notary services also align with the Theory of Development Law, which positions law as an instrument of social engineering and a driver of growth. Digital transformation cannot be hampered by slow and centralized conventional legal procedures. Legal innovation through the digitization of notary services provides efficiency, transparency, and broad reach for start-up businesses. This directly supports economic inclusion and accelerates the formation of formal business entities. Therefore, strengthening cyber notary services is part of the national legal development strategy.

However, the implementation of cyber notary services in Indonesia remains limited and lacks a strong legal basis. The lack of clear implementing regulations has made notaries reluctant to provide digital services for fear of violating codes of ethics and professional regulations. This legal uncertainty contradicts the very essence of the law. Therefore, firm and progressive regulations are needed to legitimize cyber notary services. Without a clear legal framework, digital transformation in the notary profession will be half-hearted.

The absence of a notary in establishing a startup can seriously impact the legal entity and the founders' rights. A startup established without an authentic deed lacks a legal basis to legally bind the parties. In the long term, this can lead to potential share ownership conflicts, business dissolution, or lawsuits from third parties. Within the framework of the Legal Certainty Theory, this situation creates legal uncertainty that threatens business stability. Therefore, the role of a notary should be mandatory from the outset.

Startup failures often stem from unanticipated internal issues. Disputes over ownership, decision-making, or changes to capital structure often lack legal basis because they are not documented in an authentic deed. In this case, a notary is not merely a recorder but also a facilitator of the founders' agreements in a formal legal format. By not involving a notary, startups lose legal protection and their potential for sustainability decreases. This highlights the urgency of notary intervention within the legal protection framework.

A further impact of the lack of a strong startup legal structure is barriers to accessing funding. Investors, both institutional and individual, require legal assurance as a basis for accountability. Without a valid deed of incorporation, investors will hesitate to invest. This hinders digital economic growth and contradicts national development objectives. Therefore, startup legality is a key factor in attracting investment and business sustainability.

In certain cases, startups lacking a legal basis are ultimately dissolved informally without resolving legal obligations. For example, tax obligations, contractual liabilities, or debts that cannot be legally processed due to the entity being invalid. This situation is detrimental to the state, business partners, and service users. Within the framework of Legal Certainty Theory, this represents a failure of the system to provide legal guarantees to business actors. Therefore, a preventative mechanism is needed, including the involvement of a notary from the outset.

To strengthen the position of notaries in the startup ecosystem, regulations are needed that explicitly govern their involvement in the startup establishment and restructuring process. This includes provisions requiring the use of notary services for startups with certain risk classifications in the OSS system. This integration can be

determined based on the KBLI (Indonesian Business License), investment value, or strategic business sector. In this way, the state ensures that startups with high risks have a strong legal foundation. This approach is preventative and oriented towards participatory legal development.

Collaboration between notaries, regulators (Ministry of Law and Human Rights, Financial Services Authority (OJK), Investment Coordinating Board (BKPM), and startup associations is necessary to formulate adaptive and applicable legal standards for establishing a business. Associations can help articulate business needs, regulators establish the legal framework, and notaries implement it. This collaborative model aligns with the Development Law Theory, which emphasizes synergy between institutions in shaping contextual laws. Thus, legal regulation is not top-down, but rather dialogic and oriented toward real needs. The result is regulations that are vibrant and responsive to the challenges of the digital industry.

To increase legal certainty, it is also necessary to develop technical guidelines for drafting startup articles of incorporation tailored to the characteristics of the digital world. These guidelines could include provisions on vesting rights, stock options, protection of minority founders, and exit mechanisms. This standardization will ensure more uniform and focused notarial practice. This is crucial to ensure there are no differences in the quality of service provided by notaries in handling startups. This way, notaries become part of a consistent and reliable legal development system.

Adapting technology to the notary profession also includes the use of certified electronic signatures and document delivery through official platforms. This allows for time and cost savings and expands access to legal services in areas without a notary. In the long term, digitalization will accelerate legal inclusion throughout Indonesia. Consequently, the state is obliged to ensure adequate digital infrastructure and data security. System security is an absolute prerequisite for the legitimacy of cyber notaries from a legal perspective.

Notaries must also receive digital legal training and an understanding of startup business models. This is to avoid errors in translating business structures into legal documents. Continuing education and training are crucial for adapting notary competencies to current needs. Without them, notaries will be trapped in rigid administrative practices and lose their strategic role. This is a crucial agenda for reforming the notary profession.

In the academic realm, legal research is needed to examine the role of notaries in supporting startup growth. The results of this research can serve as the basis for developing more contextual regulations and curricula for notary education. Universities and research institutions play a crucial role in developing critical insights into the changing role of notaries. This way, law is shaped not only by practical experience but also by academic reflection. Collaboration between academics, regulators, and the profession will accelerate the renewal of the national legal system.

A shift in the legal paradigm that incorporates technology and innovation as an integral part must be accompanied by a shift in perspective on notarial duties. Notaries should no longer be positioned merely as legalizers, but rather as guardians of the legal system in the complex business world. In the startup context, the notary's role touches on aspects of contract substance, protection of minority interests, and legal sustainability. Therefore, the presence of a notary is an indicator of a healthy legal ecosystem. This confirms that renewing the notary's role is a necessity, not an option.

When the role of notaries is firmly integrated into the OSS system, it also strengthens the state's role in establishing a legitimate and responsible business structure. The state not only facilitates legality but also ensures that the digital economy system does not give rise to shadow businesses that are not legally bound. This sends a strong signal to investors and the public that Indonesia's legal system is capable of keeping up with the times. From the perspective of Legal Certainty Theory, this strengthens legal legitimacy. Meanwhile, from the perspective of Development Law Theory, it encourages the modernization of the national legal system.

With the growing need for business legality, many startups are beginning to recognize the importance of using notary services. However, gaps in information and understanding remain, hindering comprehensive implementation. Therefore, legal education is a crucial part of this transformation. Notaries play a preventive, not

reactive, role in providing clients with understanding. This educational role contributes to expanding legal awareness among the digital community.

Strengthening the role of notaries in startups must be part of long-term national legal policy. This can be realized through revisions to the UUJN (National Law), implementing regulations for the OSS (Online Financial Transactions), or the addition of training modules on legal digitalization. With strong policy support, the notary profession will remain relevant in this ever-changing era. This will be relevant not only procedurally but also substantively. Therefore, systemic synergy is the primary foundation for sustainable legal development.

Adapting the role of notaries to face the era of technological disruption is not only a practical requirement but also an inevitability of modern legal theory. The Theory of Legal Certainty and Theory of Development Law provide the normative and strategic foundations for this transformation. Without the active involvement of notaries, startups will lose their inherent legal legitimacy. Therefore, a holistic reform of authority, capacity, and regulations is necessary. Notaries are not merely guardians of formalities, but also the legal foundation for digital economic development.

2. The Government's Role in Supporting Legal Certainty for Startup Owners in Regulating Share Ownership and Founder Rights.

a. Government Policies and Regulations in Ensuring Legal Certainty in Regulating Startup Shares.

Authority is the normative legitimacy granted by laws and regulations to an institution or official to carry out certain legal actions (Asshiddiqie, 2018). In the context of corporate law, recognition of an entity as a legal subject can only occur if the authority to establish and ratify it is exercised legally. Startups, as a new form of business entity, even though they are technology-based, are subject to the same principles as conventional corporations. In the Indonesian legal system, the state's authority to grant legal entity status is exercised by the Ministry of Law and Human Rights through the AHU system. This recognition forms the basis for the legal existence of startups as legitimate legal subjects.

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Startups seeking legal status as limited liability companies are required to register and validate through the AHU Online system. This system exercises legitimate state administrative authority based on the delegation of Law No. 40 of 2007 concerning Limited Liability Companies. Within the framework of authority theory, the AHU system is a state instrument that facilitates the efficient and digital implementation of public authority. This demonstrates that legal transformation concerns not only the substance but also the mechanisms for implementing authority. The effectiveness of authority depends heavily on procedural clarity and data validity.

A startup's status as a legal entity is not granted automatically, but rather through a formal process that results in a legal entity. This process can only be considered valid if carried out by an authorized official or agency, in this case the Directorate General of General Legal Administration (Ditjen AHU). The existence of the OSS system as an integrator of business licensing services complements the AHU system in establishing legal and operational startups. The OSS acts under the authority of Government Regulation Number 5 of 2021, which implements the Job Creation Law. Thus, startups are not only legally recognized as legal entities but also as business entities with legal rights and obligations.

Law No. 40 of 2007 concerning Limited Liability Companies serves as the normative basis for establishing startups in the form of PTs. In terms of authority theory, the law provides an explicit legal basis for founders, notaries, and the Directorate General of AHU (Agencies and Business Entities) to carry out legalization functions. The deed of establishment, validated by a notary and accepted into the AHU system, represents the implementation of state authority through formal channels. Recognition of startups in the Indonesian legal system

is the result of the interaction between individual (private) authority and public authority. This position is crucial for providing legal legitimacy to every action and transaction undertaken by a startup.

The integration of legal entity legality and startup capital structure is a crucial aspect of modern corporate law practice. In the AHU system, recording share structure and shareholder data is part of the implementation of public authority over a company's internal legality. The Ministry of Law and Human Rights not only records but also verifies and validates this structure as legally binding data. This mechanism is legally binding and protects the rights of the parties listed in the system. Therefore, share legality cannot be separated from the state's administrative authority.

The authority to formulate and validate the capital structure of a startup is exercised by a notary and verified by the Directorate General of AHU. In this case, the notary has attribution authority under the Notary Law, while the AHU exercises delegative authority. Both operate within an integrated legal system to ensure legal certainty. Startups that fail to comply with this procedure will be deemed to have no legal existence. Therefore, this validation process is a concrete manifestation of the implementation of state authority in the corporate sector.

The data input mechanism into the AHU Online system is not merely administrative, but also part of the formal verification of the validity of a startup's legal data. Verification is carried out on the founding documents, the identities of the parties, as well as the capital structure and composition of the board of directors and commissioners. Each of these data elements has significant legal implications as they will serve as a reference in any future legal transactions. Based on this, the authority of the Directorate General of AHU is crucial in maintaining the authenticity and validity of company data. Within the framework of the theory of authority, the state carries out this verification function as a form of public responsibility.

Capitalization arrangements in startups have specific characteristics, such as the use of preferred stock, stock options, and vesting rights. However, state authority in the approval process remains strictly enforced and does not differentiate between business characteristics. The AHU system still requires clarity on the capital structure and status of each shareholder. This demonstrates that authority is general and universally applicable, despite the wide variety of subjects (Sutrisno, 2020). Therefore, legal innovation is needed to bridge the flexibility of startups and the formalities of state law.

In the OSS system, state authority over startup business aspects is exercised through the issuance of Business Identification Numbers (NIB) and operational permits. The risk-based OSS assesses business activities based on their level of risk and impact on the public sector. This system represents a modern take on the implementation of state authority in the business world. Startups, as digital business actors, are required to comply with the approved OSS parameters. Therefore, a startup's standing depends not only on its legal entity status but also on its operational legality, as determined by state authority.

Share ownership in a startup is not only an economic issue, but also a legal right protected by the state. The AHU Online system serves as the basis for legal recognition of who owns shares and voting rights in a company. In this context, the state exercises public authority through registration and ratification, which have legal consequences. Any change in ownership must go through a predetermined mechanism and is only valid if validated by an authorized official. Therefore, the implementation of this authority is a primary prerequisite for ensuring legal certainty in share ownership.

The theory of authority asserts that every state institution can only act based on the normative legitimacy granted by law. In the context of the capital markets and financial industry, the Financial Services Authority (OJK)'s authority stems from Law Number 21 of 2011. The OJK has a mandate to supervise, regulate, and protect consumers in the financial services sector, including the capital markets. One implementation of this mandate is the protection of minority shareholders. This protection is achieved through the principles of good corporate governance (GCG).

Minority shareholders in startups or public companies are often vulnerable to majority actions that deviate from the principles of corporate justice. Therefore, the presence of the Financial Services Authority (OJK) is key

to guaranteeing their legal rights. With its attributive authority, the OJK can establish technical regulations, impose administrative sanctions, and provide guidance to market players. This reflects the concrete implementation of the theory of authority in the economic field. Normatively, this role cannot be fulfilled by other institutions due to its exclusive and specific nature.

The OJK's implementation of GCG principles aims to encourage companies to implement accountability, transparency, fairness, and corporate responsibility. In the context of startups beginning to expand and open up investment opportunities, GCG principles must be a foundation from the outset. This is crucial to prevent potential conflicts of interest in share structure and voting rights distribution. The OJK, through its OJK Regulation (POJK), establishes standards for reporting, information disclosure, and fair treatment for all shareholders. This demonstrates the implementation of its preventive and corrective authority against irregularities.

Good Corporate Governance is not merely an ethical principle, but a legal principle internalized through various OJK regulations. Startups transforming into public companies or receiving external funding are required to adhere to this principle. Without GCG implementation, conflicts between founders or between founders and investors are highly likely. In this regard, notaries also play a crucial role in ensuring that deeds and share structures comply with GCG principles. Synergy between notaries and the OJK is crucial in ensuring legal protection in the corporate sector.

The Financial Services Authority (OJK)'s authority to protect minority investors includes monitoring abuses of power by majority shareholders. This is regulated, among other things, through the principles of "equal treatment" and the "fiduciary duty" imposed by the board of directors to all shareholders. With this authority, the OJK serves not only as a regulator but also as a guarantor of corporate justice. Companies that violate GCG principles can be subject to administrative sanctions, up to and including the revocation of their business licenses. This demonstrates that the theory of authority is being implemented substantially to create justice in the private sector.

In addition to supervision, the OJK also has the authority to mentor startups and pioneering companies seeking to enter the capital market. Education, seminars, and training are provided to help business actors understand the importance of an accountable legal structure. This is a form of exercising persuasive authority, an integral part of the modern legal system. The law is no longer merely repressive but also educational. With this approach, understanding GCG is not solely the responsibility of regulators but is also instilled in business actors from the outset.

The Financial Services Authority (OJK) also plays a crucial role in verifying and overseeing material transactions, affiliated transactions, and changes in company control. This ensures that no discriminatory actions against minority shareholders occur. In startups, which frequently experience rapid capital structure changes, this protection is essential. Without it, early owners could be ousted without fair compensation. Therefore, the OJK's role is to safeguard a fair shareholding structure.

One of the key principles of GCG overseen by the Financial Services Authority (OJK) is information transparency. Companies are required to provide relevant, accurate, and timely information to all shareholders. This information serves as the basis for minority investors to make informed decisions. If information is concealed or manipulated, the OJK has the authority to impose sanctions. This demonstrates how legal authority is exercised to protect those in weaker positions within the corporate structure.

In many cases, startups fail to retain initial shareholders due to the lack of legal guarantees regarding preferred stock structures or special voting rights. Financial Services Authority (OJK) regulations encourage the implementation of legally valid shareholder agreements and veto mechanisms. When these agreements are not documented in a deed, their legal force is weakened. The OJK can direct that these aspects be included in company regulations or articles of association. This is crucial to ensure investor protection is not only normative but also implementable.

As public officials, notaries have the authority to draft and ratify deeds containing the share structure and rights of startup founders. However, the substance of the documents must comply with the GCG principles established by the Financial Services Authority (OJK). Therefore, notaries need to understand GCG principles to act as strategic partners in legal protection. The alignment of notary authority with the OJK creates a synergistic legal system. This underscores the importance of continuing legal education for notaries.

The implementation of GCG in the context of small to medium-sized startups must begin during the incubation phase. The Financial Services Authority (OJK) can use its authority to encourage technology startups to adopt accountable financial reporting standards and share structures. Protection of minority shareholders is not sufficient through passive oversight; active intervention through regulatory incentives is also required. In this regard, the OJK can establish a risk-based startup classification that determines the appropriate level of oversight. This authority is exercised within the framework of rule-making authority, as recognized in modern administrative authority theory.

For minority shareholders, the principle of equal access to information is crucial in balancing their bargaining position with majority shareholders. The Financial Services Authority (OJK) plays a key role in ensuring that companies provide equal access to information without discrimination. Incomplete or deliberately withheld information violates the principle of transparency guaranteed in the capital market system. With its authority, the OJK can issue warnings, impose sanctions, or order data corrections. This demonstrates the state's coercive authority in ensuring fairness.

The implementation of proxy voting, cumulative voting, and tag-along rights mechanisms are examples of legal instruments that can be used to strengthen the position of small investors. The Financial Services Authority (OJK) can facilitate the implementation of these instruments through guidelines or technical regulations. This not only broadens the scope of protection but also reflects how authority is exercised progressively. Through this approach, the law not only regulates but also establishes a just institutional structure. Startups that adopt these instruments demonstrate a commitment to good corporate governance and secure access for retail investors.

The Financial Services Authority (OJK) also has the authority to encourage the involvement of minority shareholders in the General Meeting of Shareholders (GMS). In practice, many GMS are merely formalities due to the dominance of majority shareholders. To prevent this, the OJK can monitor and audit the process of convening, holding, and reporting GMS results. Here, the control and evaluation function of public authority serves as a counterbalance to corporate power. The goal is to ensure proportional voice and participation rights for each shareholder.

From a progressive legal perspective, the OJK's authority should not only be formal and legal, but also adaptive to new challenges in the startup and digital finance sectors. This includes regulating digital shares, equity crowdfunding, and other non-conventional forms of ownership. Amid this complexity, the OJK requires data support, technological capacity, and cross-institutional collaboration to optimally carry out its functions. The theory of authority in this context has undergone an expansion of meaning: from administrative authority to transformative authority. This reflects the development of public law that is responsive to the era of disruption.

It is important to note that the OJK's authority remains limited by the principles of legality and proportionality. This means that every action or policy must have a clear legal basis and must not exceed the limits set by laws and regulations. In the context of investor protection, this principle ensures that the rights of all parties are protected equally. As an independent institution, the OJK remains legally and administratively accountable for its actions. Therefore, strengthening internal regulations and accountability mechanisms is a crucial part of optimizing its authority.

Startups developing into unicorns or IPOs have increasingly complex ownership structures. This is where the OJK's role becomes increasingly vital, ensuring that hostile takeovers or the elimination of early founders do not occur. Supervision of affiliated transactions and indirect control is a primary focus. In the theory of authority, these supervisory actions constitute discretionary powers that must be exercised with caution and in accordance

with the principles of administrative justice. Mistakes in supervision can harm market stability and undermine investor confidence.

Going forward, regulatory innovation is needed to ensure that startups that have not yet gone public also voluntarily comply with GCG principles. The Financial Services Authority (OJK) can collaborate with startup associations and business incubators to develop governance guidelines tailored to the scale of the business. Although non-mandatory, these guidelines can serve as collective ethical standards. Here, the theory of authority is applied in the form of soft law, namely authority that is not coercive but has normative force. This is relevant in the context of development law and the digital economy.

The implementation of GCG and the protection of minority shareholders will not be successful without the support of legal professionals such as notaries and legal consultants. Notaries must understand the OJK legal framework and GCG principles when drafting company deeds of establishment and amendments to company articles of association. This creates synergy between the implementation of state administrative authority and private law practices. Good corporate law quality is only achieved when all legal actors understand their respective principles and authorities. This creates harmony between public and private law within a single system.

The OJK's role in protecting minority shareholders is a concrete manifestation of the implementation of the authority theory within the Indonesian corporate legal system. With normative, functional, and institutional legitimacy, the OJK is able to ensure structural justice in the business world. The implementation of GCG not only maintains market credibility but also ensures business continuity based on fair legal principles. In the startup context, this protection forms the foundation for sustainable and legally civilized business growth.

The theory of authority asserts that every public policy is only valid if implemented by a party constitutionally or legally authorized. In this regard, the Indonesian government, through institutions such as the Ministry of Law and Human Rights and the Financial Services Authority (OJK), is empowered to regulate, verify, and organize corporate ownership. One manifestation of this authority is the beneficial ownership (BO) disclosure policy. BO aims to ascertain who actually controls a corporate entity. Therefore, this policy is part of the implementation of public authority to prevent the misuse of legal entities.

Transparency of ownership and control structures is a key element of good corporate governance. In the digital era, this information is entered into the AHU Online system, which is integrated with other licensing systems such as the OSS (Online Business Entity Registration). The government uses its administrative authority to require business actors to submit BO data during company registration and changes. This data is crucial for third parties such as investors, regulators, and law enforcement. This aligns with the principle of transparency inherent in the theory of a democratic state based on the rule of law.

In the startup context, beneficial ownership transparency is crucial because ownership structures are often complex and dynamic. Founders, early investors, and third parties can have varying roles in control and decision-making. Therefore, a digital BO-based system serves as a government tool to identify the true controllers behind startup entities. This policy is not merely administrative but also has strong public law implications. In the theory of authority, the government is authorized not only to record but also to actively supervise these structures.

One of the primary objectives of the BO policy is to support the prevention of money laundering and terrorism financing. The Indonesian government has implemented this policy based on recommendations from the Financial Action Task Force (FATF). This is where state authority becomes a global legal instrument internalized within the national legal system. The use of corporate structures by transnational criminals forms the rationale for this policy. Notaries, as the parties involved in drafting the deed of establishment, are also involved in validating the data that will form the basis for BO reporting.

Transparency of ownership and control structures through BO creates a healthier, more competitive, and accountable business ecosystem. The government, through the Ministry of Law and Human Rights, requires BO reporting through Ministerial Regulation No. 15 of 2019. This represents a direct implementation of the regulatory and administrative authority granted by law. Companies that fail to comply can be subject to administrative

sanctions, up to and including the suspension of their legal entity status. This policy also broadens the scope of state oversight into the private sector.

However, startup share regulation in Indonesia still faces significant challenges, primarily due to structural flexibility that is inconsistent with positive legal norms. Startups often utilize instruments such as vesting, option pools, and preferred shares, which are not explicitly regulated in the Limited Liability Company Law. This creates a regulatory vacuum that obscures the legal status of shareholders. Notaries, as the official deed makers, struggle to incorporate these structures into authentic deeds. Thus, there is a tension between business needs and legal certainty.

The concept of vesting, for example, grants share rights gradually over time, but does not align with the principle of full ownership as stipulated in Indonesian positive law. This has the potential to lead to disputes if not clearly outlined in the prior agreement. Yet, recognizing share structures falls within the state's authority to maintain legal order. Without clear regulations, startups find themselves in a gray area, complicating legal protection efforts. Therefore, reformulating the government's regulatory authority is urgent.

Similarly, option pools, which are commonly used to grant shares to employees or third parties as incentives, lack a strong legal basis. In the AHU system, shareholder registration must be certain and definitive. This makes the flexibility of option pools difficult to accommodate within a formal legal framework. As a result, startups must choose between business efficiency and legal compliance. This presents a challenge in implementing state authority, which must balance legal and economic needs.

Preferred shares provide certain privileges to investors, such as dividend rights or liquidation priority. However, Article 1 Paragraph (1) of the Limited Liability Company Law does not include the term startup or explain the specific characteristics of digital start-up companies. Startups are treated the same as conventional limited liability companies, even though they have different business structures, funding, and business models. Furthermore, Article 52 of the Limited Liability Company Law only recognizes the rights of ordinary shares and does not provide details regarding preferential rights (privileges), especially for startups or companies operating in the digital sector, thus creating unclear norms and a lack of legal certainty. This hinders notaries from drafting deeds that accommodate the needs of startup investors. In the context of the theory of authority, the state has not provided sufficient legal instruments to regulate modern market practices. Therefore, this legal vacuum creates ambiguity in the implementation of the authority of notaries and regulators.

The consequence of a mismatch between a startup's share structure and positive law is reduced legal certainty. Investors may question the validity of their rights if the deed or structure is not legally recognized. This risk will increase in the event of internal conflict, liquidation, or acquisition. The government, as the holder of regulatory authority, must be able to address this challenge through innovative regulations. Without such measures, beneficial ownership and transparency policies will become merely procedural and devoid of substantive meaning.

b. The Government's Role in Guaranteeing Founders' Rights Through Regulatory Support and Legal Professionals. From the perspective of authority theory, the state has the authority to regulate and protect the rights of legal subjects within a corporate structure. In startups, founder protection is a crucial issue given their vulnerability to dilution of ownership and voting rights following the entry of investors (Astari, 2021). The state's failure to address this challenge risks creating structural inequalities within the company. Veto rights, preferred shares, and dual voting arrangements are essential tools for founders to prevent loss of control. However, these three instruments have not yet received explicit recognition within Indonesia's positive legal framework.

Dilution of founders' shares is a common consequence of investor entry during the funding phase. While this process can increase a company's valuation, it often results in founders losing substantial control over corporate direction and decisions. Without clear legal protection, founders are potentially ousted from the managerial structures they have established. The state, through its regulatory authority, should implement affirmative policies to maintain a balance between investors and founders. This protection is a concrete manifestation of the state's authority to protect vulnerable legal entities.

The company's deed of incorporation and the founders' agreement are two crucial documents for regulating the initial structure of a startup (Triwibowo, 2019). While the deed of incorporation is legally binding publicly, the founders' agreement provides additional private protection for the internal rights and obligations of the founders. As the official who draws up the authentic deed, a notary plays a strategic role in ensuring that the substance of both documents aligns with the principles of contractual justice. Within the framework of the theory of authority, a notary performs a crucial attribution function in protecting the initial corporate structure. Therefore, regulations regarding founders' agreements need to be clarified and standardized.

Unfortunately, there is no specific legal norm governing the legal status of founders' agreements in Indonesia. This gap leaves this crucial instrument dependent on the principle of freedom of contract and recognized only in private law. Without the support of imperative norms, the binding force of founders' agreements is often debated in dispute resolution forums. This poses a serious challenge in providing legal protection for founders whose shares are diluted. The government, as the holder of normative authority, should formulate derivative regulations that explicitly recognize founders' agreements.

Voting rights are a fundamental aspect of share ownership in a startup. However, not all shares carry equal voting rights, especially if a preferred or dual share structure is in place. Protecting founders' voting rights is crucial because it impacts control over the company's strategic direction. Existing regulations do not yet specifically address the mechanisms for strengthening founders' voting rights in modern share structures. Therefore, the government's role is crucial in providing legal instruments that regulate this matter proportionally.

Veto rights, or the right to reject certain decisions detrimental to the founders, are often stipulated in founders' agreements. This right is crucial in maintaining the balance of power between investors and founders in asymmetrical situations. However, because it is not yet part of a formal legal structure, its effectiveness depends on the will of the parties and can be overridden by majority shareholders. The state needs to use its normative authority to encourage the recognition of veto rights within the corporate legal framework. Without legal support, a veto is merely an ethical promise with no enforceable power.

Investors entering a startup are typically accompanied by a term sheet that regulates share transfers, liquidity, and ownership restructuring. The absence of a notary to verify the substance of this term sheet leaves the process free from legal oversight. In fact, many founder conflicts arise from term sheets that are not accompanied by harmonization of internal legal structures. Therefore, state authorities such as the Financial Services Authority (OJK) or the Ministry of Law and Human Rights (Kemenkumham) need to involve a notary in the reporting or validation process of investment documents. Notary involvement provides administrative authority to ensure balanced legal protection.

Dilution not only impacts the number of shares but also the founders' role and legitimacy in management. Many startups, after receiving funding, replace their directors and commissioners based on investor preferences. This shifts the leadership structure established from the outset. The government can intervene through corporate governance regulations to ensure that management changes take founder representation into account. This reflects the state's exercise of authority to maintain the company's internal stability.

The absence of regulations regarding founders' agreements creates uncertainty in the litigation process when disputes arise between founders. Founders' voting rights, veto rights, and strategic roles can be disregarded if not stipulated in the articles of association. The state needs to use its legislative authority to create derivative norms that provide technical guidance to notaries in drafting the deed of establishment and founders' agreement. Clarity in these norms will strengthen the legal standing of founders vis-à-vis investors. This aligns with the state's mandate to create a fair and sustainable business climate.

Affirmative government policy in the form of mandatory founder's agreements could be a medium-term solution. By granting equal legal status to founder's agreements, the state helps protect the fundamental rights of startup founders. This policy can be integrated into the OSS and AHU Online systems as a mandatory document when applying for a new legal entity. This step reflects the implementation of progressive authority, which is not

only repressive but also preventive. This will foster a sense of legal security for founders and increase investor confidence.

The theory of authority states that the government has the legitimacy to establish and strengthen institutional capacity that plays a role in supporting legal order in society. In the startup context, notaries are not only tasked with creating authentic deeds but also act as legal partners, contributing to the early legal development of businesses. The government plays a crucial role in enhancing the capacity of notaries to address the legal challenges of digital business. This improvement requires relevant competency certification that is responsive to startup needs. The implementation of state authority in this regard reflects both regulatory and transformative aspects.

Notary competency certification for digital business is a crucial step in expanding the strategic role of notaries. By understanding digital business models, virtual ownership structures, and information technology aspects, notaries can provide contextual legal guidance. This certification must be administered by authorized state institutions in collaboration with professional organizations. In the theory of authority, the state uses its attribution function to create a modern, professional educational and training authority. The ultimate goal is to create an inclusive and adaptive startup legal ecosystem.

Strengthening notaries' consultative and preventive obligations is an integral part of renewing their notary function in the startup era. Many startups fail to understand the importance of legalizing share structures, voting rights, and agreements between founders. Notaries should not only provide administrative services but also proactively provide legal education to clients. The government must regulate this obligation through revisions to binding laws and regulations. This demonstrates the implementation of state guidance authority for public officials.

Collaboration between the government, startup associations, and notary professional organizations is necessary to formulate practical legal standards. Without unified standards, startup deed drafting is often inconsistent, creating legal loopholes. This collaboration can be facilitated through a joint regulatory forum or a dedicated task force. In this case, the government uses its coordinating authority to align public and private interests. The outcome of this collaboration will create minimum standards of legal protection for startups from their earliest stages.

The development of digital startup deed guidelines is a concrete manifestation of the government's normative and technocratic efforts. These guidelines should cover aspects such as preferred stock structure, voting rights allocation, employee stock options, and veto clauses. Notaries can refer to these guidelines when drafting deeds to ensure uniformity in legal practice. The government exercises standardization and normative authority in drafting sectoral legal products. This helps create applicable legal certainty for startups.

Best practices in drafting share agreements and founders' rights should be compiled and disseminated. The government can collaborate with legal research institutions or universities to document and evaluate best notary practices. The results will produce experience-based guidelines that can serve as a reference for other notaries. This step demonstrates the state's informative and promotional authority. The goal is to expand legal knowledge that is applicable and widely applicable.

The state's responsibility to guarantee equal and affordable legal access for startup founders is mandated by Article 28D of the 1945 Constitution concerning equality before the law. New startups often lack the resources to hire legal counsel or independently understand legal procedures. This is where the state's role is needed to provide a systematic and integrated legal assistance system. The state exercises redistributive authority to ensure equal access to legal protection. This is also in line with the principle of substantive justice in a modern rule of law.

An integrated legal assistance program for early-stage startups can be implemented through collaboration between agencies such as the Ministry of Law and Human Rights, the Ministry of Cooperatives and SMEs, and notary professional organizations. This program can take the form of a legal clinic, free consultations, or an interactive digital application. Notaries participating in the program can earn service credit points or professional

incentives. In this regard, the government exercises affirmative action to create equal opportunities in the business ecosystem. This reflects the state's role as a legal facilitator.

Regulatory incentives also need to be provided to businesses that comply with legal standards and ownership reporting. These incentives can take the form of easier licensing, priority access to financing, or tax reductions. This will foster a culture of legal compliance from an early age in startups. State authority in this regard is both promotional and constructive in strengthening legal compliance. Without incentives, legal compliance will be viewed merely as an administrative burden.

The government's role is not limited to merely formulating regulations, but also to implementing and overseeing the quality of legal services for startups. The state must establish a monitoring and evaluation system for the implementation of legal education by notaries. Assessments can include user satisfaction surveys, startup deed audits, and education implementation reports. This evaluative authority is crucial for maintaining the quality of interactions between notaries and clients. This systematic implementation will strengthen the credibility and trust in the national legal system.

The government can also encourage the digitalization of notary services to provide closer access to startups operating online. Through an integrated platform that facilitates consultations, deed draft requests, and legal education, the efficiency of the relationship between notaries and startups can be improved. This is part of the implementation of the state's authority to create a technology-based public service system. In this context, notaries become part of the digital ecosystem, playing a role in fostering early legal awareness. This step also strengthens the notary's position as a preventative measure against potential internal disputes.

State authority can also be used to improve the notary professional education curriculum to adapt to legal issues in startups and digital businesses. Many notaries have not received training on stock options, ownership structures, or vesting agreements common in startups. Therefore, the state, through the Directorate General of General Legal Administration, needs to develop new competency modules based on industry needs. This demonstrates the state's role in ensuring the quality of the legal profession. The quality of notary services must be ensured from the start as a form of state responsibility.

Efforts to strengthen legal education are not limited to technical training but must also be accompanied by strengthening professional ethics. As a profession trusted by the public, notaries must position themselves as a balance between the interests of founders, investors, and legal structures. The government can develop a specific code of ethics for notaries serving the digital and startup sectors. This exercise of the state's moral authority to regulate professional conduct. By strengthening these ethics, the risk of conflicts of interest can be mitigated from the outset.

Within the framework of inter-institutional cooperation, the government can also facilitate the development of a legal sandbox system for early-stage startups. Within this system, startups can access notary services through a simulated and educational process before entering the official establishment stage. Here, the state exercises an experimental authority in designing regulations based on legal innovation. A legal sandbox would provide a safe space for startups and notaries to understand the risks and legal consequences of their chosen business structure. This approach is crucial in navigating the legal uncertainty of the digital era.

Standardization of legal documentation, such as establishment, capital participation, and share allocation, needs to be developed openly through a white paper prepared by the government in collaboration with notary associations and startups. This document will serve as the initial reference for drafting relevant deeds and agreements. The primary goal is to encourage convergence of legal practices to prevent startups from being trapped by detrimental variations in notarial interpretations. The state's authority here plays a role as an aggregator and disseminator of practical legal knowledge. This will strengthen startups' legal standing and increase investor confidence.

To foster a healthy legal culture, the government can launch a national startup legal awareness campaign. This campaign should focus on the legal rights and obligations of founders, the legality of ownership, and the

importance of notary assistance. Educational materials can be delivered through social media, digital platforms, and collaboration with business incubators. In this regard, the government can exercise its educational and participatory authority as a form of modern public service. Startup participation in this campaign will also raise awareness of the importance of legal compliance from the outset.

It is also crucial for the state to establish a complaint or reporting mechanism for notaries who fail to properly carry out their educational function. This system must guarantee protection for novice business owners who suffer losses due to negligence or errors in notarial services. In this way, the state not only creates affirmative policies but also maintains the accountability of legal services. This is part of the implementation of the state's corrective and oversight authority over the legal profession. This oversight is crucial for ensuring high-quality and reliable legal services.

Drafting share agreements, voting rights, and ownership structures in startups should be the subject of special assistance within government programs. This is because many startups use foreign documents or unconventional contract patterns that are not in line with the Indonesian legal system. The government must provide templates and guidelines tailored to the national legal system. Within the context of the theory of authority, the state not only imposes limitations but also provides concrete solutions. This demonstrates the state's role in fostering digital economic law.

Providing regulatory incentives to law-abiding businesses serves as a tool for social control and promoting compliance. Through a reward-based approach, businesses are encouraged to engage with notaries from the outset. Adherence to legal structures, ownership reporting, and legal establishment will ensure business sustainability. The state's authority to provide these incentives is strategic and needs to be explicitly regulated in sectoral regulations. This reflects the balance between the state's functions as regulator and facilitator.

This strategy demonstrates the implementation of state authority to ensure fair access to law, strengthen the capacity of the legal profession, and create a healthy startup ecosystem. Notaries, as an extension of the state, must be involved from the early stages of startup establishment and growth. Their consultative and preventive roles must be strengthened through education, regulation, and incentives. Collaboration between the government, notaries, and business actors will result in an adaptive and equitable legal system. In an era of technological disruption, the state cannot simply be a supervisor; it must also be a facilitator of progressive legal development.

CONCLUSION

1. The urgency and normative role of notaries in establishing startups in Indonesia is that notaries have a strategic and crucial role in establishing startups in Indonesia, especially in ensuring the legal validity of the founding documents, verifying the identity of the parties, and preparing deeds and founder's agreements as the basis for protecting the ownership structure and the rights of the founders. The notary's function is not only administrative, but also consultative and preventive, which must be continuously strengthened through legal education, digital competency certification, and active participation in preventing internal conflicts between founders. Legal uncertainty due to the lack of detailed regulations regarding preferred shares, especially in Article 1 Paragraph (1) of the PT Law does not include the term startup or explain the special characteristics of digital startup companies. Meanwhile, startups are treated the same as conventional PTs, even though they have different business structures, funding, and business models. Also, Article 52 of the PT Law only recognizes the rights of ordinary shares and does not provide details on preferential rights (privileges), especially for startup companies or companies operating in the digital sector, thus giving rise to unclear norms and a lack of legal certainty. Vesting and dual voting rights within the positive legal system position notaries as key actors in bridging legal interests and the needs of digital businesses.
2. An active government role is essential to create a regulatory ecosystem that supports legal protection for startup founders, particularly through affirmative policies that mandate the preparation of founders' agreements, digitize legal services, and develop standards and guidelines for startup deeds. The government is

also required to use its authority progressively through collaboration with startup associations and notary professional organizations to develop practical legal guidelines, regulatory incentives, and integrated legal assistance programs. In this context, the theory of authority emphasizes that the state is not only responsible for regulating but also for ensuring equal access to quality, adaptive, and affordable legal services for start-up entrepreneurs.

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