



Implementation of Good Corporate Governance Principles and the Role of Notaries in the Decision-Making Process of the Board of Directors and General Meeting of Shareholders in Indonesia

Implementasi Prinsip Good Corporate Governance dan Peran Notaris dalam Pengambilan Keputusan Direksi dan RUPS di Indonesia

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Abstract

This study examines the implementation of Good Corporate Governance (GCG) principles in the decision-making processes of corporate Boards of Directors and General Meetings of Shareholders (GMS) in Indonesia, focusing on the strategic role of notaries in ensuring legal compliance and enforcement of these principles. The research employs a normative juridical approach by analyzing relevant laws and regulations (including Law No. 40 of 2007 on Limited Liability Companies and the Notary Position Law) and scholarly literature. This normative analysis aims to understand the extent to which GCG norms are operationalized in practice through Board and GMS decision-making mechanisms. The findings highlight that while GCG principles are institutionalized in Indonesian corporate law, practical challenges persist: minority shareholders are often marginalized and decision-making processes can lack transparency. Notaries serve as neutral officials who document and legitimize Board and GMS decisions through authentic deeds, providing legal certainty and traceability. Their oversight and advisory functions contribute significantly to transparency and accountability in corporate governance. The study also identifies that some corporate practices, such as treating the GMS as a mere formality and unilateral decision-making by directors, undermine the objectives of GCG. The conclusion emphasizes that effective GCG implementation requires strengthened notarial supervision and regulatory mechanisms to protect shareholder rights and legal compliance. This article contributes by clarifying the critical role of notaries in operationalizing GCG norms in Indonesia and by recommending policy enhancements to fortify corporate governance practices.

Keywords: Good Corporate Governance, legal compliance, notary role, transparency, accountability

Abstrak

Penelitian ini mengkaji implementasi prinsip *Good Corporate Governance* (GCG) dalam proses pengambilan keputusan Direksi dan Rapat Umum Pemegang Saham (RUPS) di Indonesia, dengan fokus pada peran strategis notaris dalam menjamin kepatuhan hukum dan penegakan prinsip-prinsip tersebut. Penelitian ini menggunakan pendekatan yuridis normatif dengan menganalisis peraturan

perundang-undangan terkait (termasuk UU No. 40 Tahun 2007 tentang Perseroan Terbatas dan UU Jabatan Notaris) serta literatur ilmiah. Pendekatan yuridis normatif ini bertujuan memahami sejauh mana prinsip GCG dioperasionalkan dalam praktik korporasi melalui mekanisme keputusan Direksi dan RUPS. Hasil penelitian menyoroti bahwa meskipun prinsip GCG telah diinstitusikan dalam hukum korporasi Indonesia, tantangan praktis masih muncul: pemegang saham minoritas seringkali terpinggirkan dan proses pengambilan keputusan kekurangan transparansi. Notaris berperan sebagai pejabat netral yang mendokumentasikan dan melegitimasi keputusan Direksi dan RUPS melalui akta autentik, sehingga memberikan kepastian hukum dan keterlacakan. Fungsi pengawasan dan nasihat hukum notaris secara signifikan meningkatkan transparansi dan akuntabilitas dalam tata kelola perusahaan. Penelitian ini juga mengidentifikasi bahwa beberapa praktik korporasi, seperti memperlakukan RUPS sekadar formalitas dan pengambilan keputusan sepihak oleh direksi, melemahkan tujuan GCG. Kesimpulannya, implementasi GCG yang efektif memerlukan penguatan pengawasan notaris dan mekanisme regulasi untuk melindungi hak pemegang saham serta menjamin kepatuhan hukum. Artikel ini berkontribusi dengan menegaskan peran krusial notaris dalam menerapkan norma-norma GCG di Indonesia dan merekomendasikan peningkatan kebijakan untuk memperkuat praktik tata kelola perusahaan.

Keywords: *Good Corporate Governance*, kepatuhan hukum, peran notaris, transparansi, akuntabilitas

1. INTRODUCTION

In the increasingly complex dynamics of the global and national economy, the existence of corporations as business entities dominating various economic sectors plays a vital role in driving economic growth, job creation, and national development (Harahap et al., 2023). A limited liability company (PT) as the most commonly used form of corporate legal entity in Indonesia bears responsibility not only to shareholders but also to other stakeholders such as employees, creditors, consumers, society, and the state. Therefore, good, transparent, and accountable corporate management becomes a necessity to ensure the sustainability of the company and the achievement of economic goals in a fair and sustainable manner. In this context, the principle of Good Corporate Governance (GCG) serves as a normative and practical guideline that must be applied in corporate management (Pariela et al., 2025).

Good Corporate Governance (GCG), conceptually understood as good corporate governance, refers to a set of principles and mechanisms that ensure companies are managed efficiently, responsibly, transparently, and in compliance with applicable laws and regulations (Ilham & Anggraen, 2024). The main principles of GCG, as formulated by the Organization for Economic Co-operation and Development (OECD), include transparency, accountability, responsibility, independence, and fairness. The implementation of these principles not only serves as a measure of a company's integrity in the eyes of investors and the public, but also as an essential mechanism in preventing corruption, collusion, nepotism, and decision-making that contradicts the interests of the company and its shareholders. In Indonesia, the urgency of implementing Good Corporate Governance (GCG) has been emphasized in various laws and sectoral regulations. One of its main pillars is Law No. 40 of 2007 on Limited Liability Companies (hereinafter referred to as the LLC Law), which provides a comprehensive legal framework regarding the company's organizational structure, the authority of corporate organs, and strategic decision-making within the scope of the Board of Directors and the General Meeting of Shareholders (GMS). The Board of Directors, as the primary executive organ of the company, is responsible for the day-to-day management of the company, while the GMS serves as the highest decision-making forum representing the will of the shareholders. Both organs are complementary but also have potential points of conflict, particularly in strategic decision-making related to amendments to the Articles of Association, the appointment and dismissal of the Board of Directors and Commissioners, as well as approval of significant corporate actions.

However, in practice, the implementation of GCG principles in the decision-making process of the Board of Directors and the General Meeting of Shareholders (GMS) often faces various challenges, including structural, cultural, and regulatory issues (Nurjanah&Handayani, 2023). There are still practices in decision-making that lack adequate transparency of information, limited participation of minority shareholders, and insufficient documentation and formal legality regarding the decisions made. These conditions have the potential to create opportunities for the abuse of authority, weak legal accountability, and prolonged corporate disputes. In this context, the role of notaries as public officials with the authority to create authentic deeds for certain legal actions within corporations becomes crucial. According to Barito's research (2023), notaries, under the provisions of Law No. 2 of 2014 on Amendments to Law No. 30 of 2004 on the Position of Notary (UUJN), have the responsibility to ensure that every legal act recorded in a notarial deed complies with legal requirements, is carried out lawfully by the authorized parties, and is executed in good faith.

In the context of corporations, notaries play a central role in formalizing and documenting important decisions of the Board of Directors and the General Meeting of Shareholders (GMS), such as amendments to the Articles of Association, capital increases, mergers, acquisitions, dissolutions, and other corporate actions. Notaries also act as guardians of GCG values by ensuring that the decision-making process is conducted legally, transparently, and is legally accountable (Ma'ani, 2024). Moreover, the role of notaries in ensuring legal compliance within corporate practices reflects a strategic contribution in realizing accountability and transparency (Ramadhana&Kobliiyati, 2024). Notaries not only act as recorders but also as formal supervisors of the decision-making process to ensure compliance with laws and the company's Articles of Association. In this regard, the presence of notaries in the General Meeting of Shareholders (GMS) process is an essential element to ensure that decisions are made based on sufficient information, a lawful mechanism, and proportional shareholder participation. Thus, notaries contribute to protecting the interests of shareholders and preventing potential disputes in the future.

The implementation of GCG principles in the decision-making process of the Board of Directors and the General Meeting of Shareholders (GMS) cannot be separated from the corporate legal structure regulated in the LLC Law. This law clearly stipulates the authority of each corporate organ, the mechanism for implementing the GMS, the decision-making procedures, and the formal requirements that must be met for the decisions to be valid and enforceable (Renita et al., 2023). Article 1, paragraph 4 of the LLC Law, for example, defines the General Meeting of Shareholders (GMS) as a corporate organ with authority not granted to the Board of Directors or the Board of Commissioners within the limits specified by the law or the Articles of Association. The following articles provide detailed provisions on the types of GMS, quorum requirements, voting procedures, and the powers and limitations of the decisions that can be made (Salma et al., 2025). Although there is a clear legal foundation in place, challenges in the implementation of GCG principles still arise, particularly in translating the values of GCG into institutional practices. Several corporate cases in Indonesia demonstrate that weak accountability and transparency in decision-making often lead to internal conflicts, lawsuits from minority shareholders, and even administrative or criminal sanctions from regulatory authorities. This phenomenon indicates that the existence of positive law alone is not sufficient; it must be accompanied by the active role of legal professionals, particularly notaries, in ensuring that every procedure and decision complies with applicable legal norms and business ethics (Agustini& Martono, 2025).

Thus, this study originates from the urgency to explore in greater depth how the implementation of GCG principles is applied in the decision-making practices of the Board of Directors and the General Meeting of Shareholders (GMS), as well as the strategic role of notaries in ensuring legal compliance and enforcing the principles of good corporate governance. This study is also relevant in the context of economic law reforms and the enhancement of the competitiveness of Indonesian corporations at the regional and global levels, which require a responsive, efficient, and trustworthy legal system

2. METHOD

This study employs a normative juridical method, focusing on the analysis of legal norms and regulations governing the implementation of Good Corporate Governance principles and the decision-making mechanisms within corporate structures, particularly by the Board of Directors and the General Meeting of Shareholders (GMS) based on Law No. 40 of 2007 on Limited Liability Companies. The approach used includes a legislative approach to examine the authority and formal procedures for corporate decision-making, as well as the role of notaries in the process, in accordance with the provisions of the LLC Law and the Notary Position Law. In addition, conceptual and policy approaches are employed to evaluate the contribution of GCG principles to transparency, accountability, and legal compliance in corporate governance practices. The analytical technique applied is content analysis of relevant legal regulations, along with a literature review from scholarly sources, journals, and other legal documents to examine the issues systematically and comprehensively.

3. RESULTS AND DISCUSSION

Implementation of Good Corporate Governance Principles in the Decision-Making of the Board of Directors and General Meeting of Shareholders within Corporate Structures According to Law No. 40 of 2007 on Limited Liability Companies

The principles of Good Corporate Governance (GCG) are standards for corporate governance aimed at creating transparent, accountable, and law-abiding companies. In the context of Indonesia, GCG principles play a crucial role in regulating the relationships between shareholders, directors, commissioners, and other stakeholders. The implementation of GCG principles is not only ethical but also normatively regulated in various regulations, one of which is Law No. 40 of 2007 on Limited Liability Companies (UUPT) (Gaol&Gultom, 2025). The UUPT provides a legal framework that governs the structure and functions of corporate organs, including the Board of Directors, the Board of Commissioners, and the General Meeting of Shareholders (GMS), as well as the decision-making procedures that must be adhered to. The implementation of GCG in corporate practices according to the UUPT emphasizes the importance of transparency, accountability, responsibility, independence, and equality in every decision-making process. These principles serve as the foundation for healthy and sustainable corporate management (Iqbal et al., 2024). The five basic principles of Good Corporate Governance, as promoted by the National Committee on Governance Policy (KNKG), namely: transparency, accountability, responsibility, independence, and fairness, are strongly relevant to the structure and content of the UUPT:

a. Transparency

Transparency is a principle that requires companies to provide relevant, accurate, and timely information to shareholders and the public. In the UUPT, this principle is reflected in Article 66, paragraph (2), which mandates the Board of Directors to prepare annual reports and financial statements that are accountable to shareholders in the annual General Meeting of Shareholders (GMS). This financial information must be audited by a public accountant to verify its authenticity (Nasution&Suryandi, 2021). In practice, the General Meeting of Shareholders (GMS) plays a strategic role in ensuring the transparency of information. For example, decisions to amend the Articles of Association, appoint or dismiss members of the Board of Directors and the Board of Commissioners, as well as other major corporate actions, must be communicated clearly and transparently to shareholders. In this regard, notaries act as neutral parties who document the GMS process to ensure such transparency.

b. Accountability

The UUPT clearly regulates the responsibility of the Board of Directors as the organ responsible for managing the company. Article 92, paragraph (1) states that the Board of Directors is fully accountable for the management of the company for the benefit and objectives of the company. The Board of Directors is required to account for its management to the General Meeting of

Shareholders (GMS), which represents the capital owners (Sihite, 2023). Accountability is also reflected in the obligation of the Board of Directors to prepare and submit annual reports, as well as present audited financial statements. This reporting procedure ensures that every important decision can be traced and verified.

c. Responsibility

The principle of responsibility emphasizes the importance of compliance with laws as well as social norms and business ethics. The Board of Directors is not only accountable to shareholders but also to the law and the wider society. This is reflected in Article 97, paragraph (3) of the UUPT, which states that members of the Board of Directors may be held personally accountable if they are found guilty or negligent in performing their duties, resulting in losses to the company (Dhan et al., 2024).

d. Independency

Independence, in the context of GCG, emphasizes that each corporate organ, including the General Meeting of Shareholders (GMS), the Board of Directors, and the Board of Commissioners, must perform its functions free from the influence or pressure of any party that could interfere with the objectivity and professionalism of decision-making (Pasaribu et al., 2024). The UUPT does not explicitly use the term 'independence,' but its essence is reflected in the obligation of each organ to act within its function and authority. The Board of Directors must not act beyond its authority, and the General Meeting of Shareholders (GMS) must not take over management duties that fall under the authority of the Board of Directors.

e. Fairness

Fairness requires companies to treat all shareholders and other stakeholders equitably and equally. This principle is also reflected in the regulation of minority shareholder rights in the UUPT. For instance, Articles 80 and 62 grant shareholders who disagree with certain decisions made at the General Meeting of Shareholders (GMS) the right to sell their shares to the company (right to sell) or to file a lawsuit if they feel aggrieved (Izami&Maulada, 2024).

The implementation of Good Corporate Governance (GCG) principles in companies reflects the corporation's commitment to governance that is transparent, accountable, responsible, independent, and fair. In the context of a Limited Liability Company (PT), the roles of the Board of Directors and the General Meeting of Shareholders (GMS) are key to the implementation of these principles. The Board of Directors, as the corporate organ, is responsible for managing and overseeing the daily operational activities, while the GMS serves as the highest forum representing the will of the shareholders as the owners of the company.

According to the provisions of Law No. 40 of 2007 on Limited Liability Companies (UUPT), the Board of Directors has a legal obligation to act in good faith, with full responsibility, and to uphold the principles of care (duty of care) and loyalty (duty of loyalty). Article 97, paragraph (5) of the UUPT emphasizes that members of the Board of Directors are fully personally responsible for any losses to the company if they are found guilty or negligent in performing their duties. Thus, the Board of Directors not only carries out administrative and operational duties but also bears significant ethical and legal responsibilities for the company's sustainability (Syair, 2022).

As the implementers of GCG principles, the Board of Directors is required to establish clear risk management policies, as well as develop a culture of compliance and healthy internal governance. The management of human resources, company assets, and finances must be carried out with a strategic approach that not only seeks efficiency but also considers legal and business ethics aspects. Additionally, the Board of Directors is required to document all important decisions accurately, particularly in the form of meeting minutes or official documents that can be held accountable. The decision-making process of the Board of Directors is collective collegial, meaning every decision must be discussed in an official Board meeting and cannot be made unilaterally.

In practice, the involvement of notaries in the corporate decision-making process by the Board of Directors is essential, especially when the decisions relate to changes in organizational structure, share transfers, or other significant legal actions that impact the legal status of the company. Notaries are present to record the decisions of the Board of Directors legally in the form of authentic deeds, which can then serve as the basis for registering changes in company data with the Ministry of

Law and Human Rights through the SABH (Legal Entity Administration System). Thus, every change made by the company has legal force and can be held legally accountable.

On the other hand, the General Meeting of Shareholders (GMS), as the highest corporate organ, serves as the decision-making forum that engages all shareholders. The GMS is classified into two types: the Annual GMS and the Extraordinary GMS, depending on the nature and urgency of the decisions to be made. Articles 75 to 91 of the UUPT outline the detailed procedures for conducting the GMS, including quorum requirements, decision-making methods, and the validity of the documents generated. In the context of GCG implementation, the GMS becomes the platform for applying the principles of transparency and accountability, as all critical information concerning the company's performance, financial reports, and long-term strategic plans are reviewed and decided within this forum (Sardjono, 2021).

The implementation of the General Meeting of Shareholders (GMS) must adhere to strict procedural standards. The convening of the GMS must be conducted through an official announcement, either in newspapers or on the company's website, including a detailed agenda and an adequate time frame. This is to ensure that shareholders have sufficient time to prepare to cast their votes or present their opinions during the forum. Information transparency is a crucial aspect of this process, including the presentation of the annual report, audited financial statements, and strategic decision proposals from the Board of Directors or Commissioners. All of these processes will be invalid if they are not based on the proper convening procedures and in compliance with the Articles of Association and the provisions of the UUPT. The role of notaries in the GMS is critical. Notaries not only act as the recorders of the meeting minutes but also oversee the legality of the procedures followed during the GMS. The notary ensures that all stages of the meeting are conducted in accordance with legal rules and records each important decision in the form of an authentic deed. This deed then becomes a legally valid document, which is not only used for internal company purposes but also serves as legitimate evidence in court in case of future disputes. In the Extraordinary GMS, which addresses changes to the Articles of Association, mergers, consolidations, or company dissolution, the involvement of notaries becomes even more important to ensure that the deed produced has legitimacy and meets formal requirements.

The presence of notaries in corporate governance processes is not limited to the recording of administrative formalities. Notaries also perform a supervisory function over the legal procedures involved in decision-making that has significant legal and economic consequences. In various cases, notaries are asked to provide legal opinions on the strategic steps to be taken by the Board of Directors or shareholders, especially in the context of restructuring, corporate actions, or cross-border share transfers (Shamira & Dianti, 2025). This function positions notaries as key partners in maintaining the integrity of the GCG process and protecting the legal interests of all parties involved. In addition to recording, notaries are also responsible for registering the outcomes of the GMS and any changes in company data within the SABH system. This process is important to ensure that all changes in the company's structure or data are officially recorded in the Ministry of Law and Human Rights database. The validity of this registration serves not only to fulfill administrative obligations but also directly impacts the legal validity of the company's actions in the eyes of third parties. Notaries act as intermediaries between the company and the state, ensuring that the changes made are formally recognized by law.

However, the implementation of GCG in practice does not always proceed ideally. Although the UUPT provides a fairly comprehensive legal framework, there are still serious challenges in its implementation in the field. One of the main issues is the tendency of companies to treat the GMS as a mere formality, without actively involving shareholders in the decision-making process (Azrin, 2023).

Some shareholders are even absent or not provided with enough information to understand the meeting agenda, resulting in decisions that often reflect the will of a few dominant parties. On the other hand, the practice of opacity in decision-making by the Board of Directors is still evident. Strategic decisions, which should be discussed and approved within the Board of Directors forum, are

sometimes made unilaterally by one of the directors, without adequate documentation. This not only violates the principles of GCG but also poses significant conflicts of interest and legal risks for the company. The weakness of independence within the Board of Directors and the Board of Commissioners is a key source of this issue, particularly when strong affiliations exist between management members and controlling shareholders.

To address these challenges, the role of notaries needs to be strengthened, not only as recorders but also as strategic partners in ensuring transparency and accountability in the decision-making process. In addition, external supervisory bodies, such as the Financial Services Authority (OJK) for public companies, as well as independent auditors, must become more active in assessing the company's compliance with GCG principles. Minority shareholders should also be given fair access to information and adequate legal protection mechanisms to allow meaningful participation in the company's strategic decision-making.

In the context of digitalization, the development of electronic reporting systems and the integration of legal entity data becomes a strategic step to enhance efficiency and transparency in corporate governance (Nopriyanto, 2025). This system not only simplifies reporting and the registration of data changes, but also allows shareholders and other stakeholders to access company information in real time. With an integrated system, notaries can also expedite the process of creating and validating deeds, while reducing the potential for administrative errors.

Overall, the success of GCG implementation in companies highly depends on the commitment of all corporate organs to comply with legal provisions and the principles of good governance. The Board of Directors must perform its duties with full responsibility, the GMS must serve as a transparent and inclusive decision-making forum, and notaries must play their roles professionally and independently. Thus, GCG becomes more than just normative jargon, but is truly realized in practice, contributing significantly to the sustainability and competitiveness of the company amid complex business dynamics.

The Role of Notaries in Ensuring Legal Compliance and Realizing Accountability and Transparency in the Decision-Making Process of the Board of Directors and General Meeting of Shareholders in Corporate Practices.

In the corporate world, legal compliance, accountability, and transparency are fundamental elements that must be met to ensure that every decision made by the Board of Directors and the General Meeting of Shareholders (GMS) has legal validity and can be held accountable. This is crucial to prevent legal disputes and ensure that the company operates efficiently and effectively. One of the systems used to achieve these goals is the implementation of Good Corporate Governance (GCG) principles. Good Corporate Governance refers to a set of principles used to regulate and control companies, aiming to enhance efficiency and effectiveness while ensuring that every decision made is in accordance with applicable legal principles. The principles of GCG include transparency, accountability, responsibility, and fairness (Putri & Meutia, 2024). In this regard, the role of notaries becomes highly strategic. Not only as the maker of deeds, but also as parties who supervise and ensure that the legal procedures in every decision made by the Board of Directors and the General Meeting of Shareholders (GMS) are carried out correctly.

Good Corporate Governance (GCG) is a crucial system for regulating and controlling companies to ensure they operate efficiently and effectively, with the primary aim of creating long-term value for shareholders and other stakeholders. In Indonesia, the implementation of GCG principles is particularly relevant given the intense competition in the business world and the growing need for transparency and accountability in corporate management. GCG includes fundamental principles such as transparency, accountability, responsibility, and fairness, which must be implemented by every company to ensure that every decision made is accountable (Fadilah et al., 2025). The implementation of GCG in Indonesia is increasingly driven by existing regulations, such as Law No. 40 of 2007 on Limited Liability Companies (UUPT) and more specific regulations in the

capital markets sector. The principle of information transparency is crucial for creating a transparent and fair market for all parties. Without transparency, shareholders and other related parties will find it difficult to make informed decisions regarding investments or participation in company activities. In this regard, the role of notaries becomes extremely critical. In addition to functioning as the maker of deeds, notaries also play a role in ensuring that applicable legal procedures are correctly followed, as well as documenting important decisions in a legally valid manner.

Transparency is a fundamental principle of Good Corporate Governance, which is accommodated in regulations in the capital markets sector. This principle of transparency aims to reduce information asymmetry between the company and its shareholders (Johan et al., 2021). The capital market, as an effective means to ensure transparency, is required to disclose material information that could influence investment decisions. In this regard, notaries help ensure that decisions made by the Board of Directors and the General Meeting of Shareholders (GMS) are accountable by providing sufficient information access to the public, especially shareholders and regulators.

Legal compliance within the corporate environment extends beyond more adherence to prevailing regulations; it is intrinsically linked to the sustainability and integrity of the company itself. Non-compliance not only exposes a corporation to the risk of legal sanctions but also jeopardizes its reputation, which has often been cultivated over an extended period. Accordingly, legal compliance serves as a fundamental prerequisite to ensure that every decision undertaken by the Board of Directors and the General Meeting of Shareholders (GMS) is grounded in law and can be transparently accounted for before shareholders and other relevant stakeholders. In this regard, the role of notaries is pivotal. Notaries play a key role in overseeing and ensuring that resolutions adopted by the Board of Directors and the GMS particularly those concerning changes in capital structure, mergers, or acquisitions—comply meticulously with all applicable legal procedures. Notaries are responsible for ensuring that each resolution is documented within a legally valid deed, thereby ensuring its enforceability and accountability. For instance, in the context of a GMS resolution pertaining to amendments in capital or shareholding structures, the notary must oversee the entire procedural flow, including the announcement stages, voting mechanisms, and the formalization of the resolution into a valid deed, all in accordance with prevailing legal provisions. Moreover, in complex corporate actions such as mergers or acquisitions, the decision-making process is required to adhere to a clearly defined legal framework to prevent the emergence of legal disputes or liabilities. In these scenarios, the notary's function becomes even more essential, acting as an impartial overseer to ensure that the process is conducted fairly, transparently, and in alignment with the principles of Good Corporate Governance (GCG).

Accountability requires decision-makers, in this case, the Board of Directors and the GMS, to be able to account for every decision they make to shareholders and other interested parties (Sidiprasetija & Coandi, 2024). Therefore, every decision made by the Board of Directors and the General Meeting of Shareholders (GMS) must be recorded in the form of an authentic deed, which can serve as valid evidence and be accessed by shareholders or other relevant parties. Notaries have a significant responsibility to ensure that important decisions made during Board of Directors and GMS meetings are properly documented and comply with applicable regulations. The decisions recorded in these deeds not only have binding legal force but can also be used for future transparent accountability purposes. In the event of a legal dispute, the deed prepared by the notary will serve as valid evidence that the decision-making process was carried out correctly and in accordance with the applicable law (Shamira & Dianti, 2024). In corporate practice, notaries are often faced with complex challenges, particularly in decision-making that involves multiple parties or significant changes in the company's structure (Ramadhana & Kobliyati, 2024). These challenges include ensuring that every decision is made in accordance with applicable legal procedures, considering the numerous regulations that must be complied with, including corporate law, taxation law, and other relevant sector regulations.

For example, in the process of a merger or acquisition, notaries must ensure that every step, from the announcement of the GMS to the creation of the deed, is carried out correctly and in accordance with the provisions. Failure to do so could lead to potential legal issues, such as objections from minority shareholders who feel excluded from the decision-making process. In such cases, the role of the notary becomes crucial in overseeing and ensuring that the process is fair and in compliance with the applicable GCG principles. Moreover, the role of the notary is not limited to the creation of deeds but also includes providing legal advice to the Board of Directors and the GMS on the procedures that must be followed in decision-making. This is essential to ensure that every decision made is not only legally valid but also accountable and transparent. Regulations from the state are essential in ensuring that companies comply with GCG principles. The Indonesian government, through the Financial Services Authority (OJK), has issued various regulations that govern the management and supervision of companies, particularly those listed on the capital market. These regulations include the company's obligation to meet transparency, accountability, and integrity standards in every decision made by the Board of Directors and the GMS.

In this context, the Legal Entity Administration System (SABH) managed by the Ministry of Law and Human Rights also plays a role in supporting the transparency and legality of changes in company structure, including mergers and amendments to the Articles of Association that require a valid notarial deed (Shamira & Dianti, 2025). This administrative process is vital to ensure that any changes in the company's structure are officially recorded and accessible to the relevant authorities.

Overall, the role of notaries in ensuring legal compliance, accountability, and transparency in the decision-making process of the Board of Directors and the GMS is vital in corporate practice. Notaries are not only responsible for creating authentic deeds that document important decisions in the corporation but also have the responsibility to ensure that every decision made complies with applicable legal procedures. With the strong role of notaries in this regard, the principles of Good Corporate Governance, particularly in terms of transparency, accountability, and legality, can be better realized in every aspect of corporate life.

The role of the notary can also be seen as a bridge between the company's internal parties and the external authorities, such as legal bodies and regulators. This ensures that the company not only operates efficiently and effectively but also maintains the legal integrity that forms the foundation for responsible and accountable decision-making. Thus, the implementation of GCG principles can function more effectively and contribute positively to the sustainability and growth of a healthy and law-abiding corporation.

4. CONCLUSION

The implementation of Good Corporate Governance (GCG) principles is vital for the sustainability and growth of corporations, especially in Indonesia, where business practices are becoming increasingly complex in both local and global markets. The effective application of GCG ensures that companies operate transparently, accountably, and lawfully, with the Board of Directors and the General Meeting of Shareholders (GMS) at the forefront of decision-making processes. Notaries play a critical role in this framework, ensuring that corporate decisions are legally compliant, accurately documented, and accessible for future reference. Their involvement not only guarantees the legal validity of decisions but also strengthens transparency and accountability in the management of the company. However, challenges remain in fully realizing GCG principles, particularly concerning the involvement of minority shareholders and the implementation of transparency. These challenges indicate the need for continuous improvements in legal and procedural mechanisms, especially in the face of evolving business dynamics.

5. SUGGESTION

a. Strengthening Legal Framework and Enforcement:

The role of notaries should be further emphasized in corporate governance, particularly in ensuring that all legal procedures are followed and that corporate actions comply with GCG principles. Strengthening regulatory frameworks and enforcement mechanisms, especially within the capital markets and corporate law sectors, will help mitigate existing challenges such as the lack of transparency and accountability.

b. Enhancing Shareholder Participation:

Companies must work toward improving shareholder participation, especially for minority shareholders, by ensuring they are provided with sufficient information and opportunities to participate in decision-making. This can be achieved by enhancing communication channels and incorporating more inclusive practices during General Meetings of Shareholders (GMS).

c. Integrating Technology for Better Transparency:

The adoption of digital platforms and electronic reporting systems should be accelerated. This will improve the efficiency and transparency of corporate governance processes, making information more accessible to shareholders and other stakeholders in real-time.

6. RECOMMENDATION

- a. Regular Legal Training for Corporate Executives: To address gaps in the practical implementation of GCG principles, regular legal training and workshops should be organized for the Board of Directors and other corporate executives. This will ensure that they are up-to-date with the latest legal frameworks and regulations, enabling them to make informed decisions.
- b. Improved Role of Notaries: Notaries should be more actively involved in advising and overseeing the legal procedures of corporate decision-making processes. Their expertise should extend beyond just documenting decisions; they should also play an advisory role in ensuring that all actions comply with legal and ethical standards, particularly in high-stakes situations like mergers and acquisitions.
- c. Strengthening Oversight Bodies: The involvement of external oversight bodies, such as the Financial Services Authority (OJK) and independent auditors, should be increased to ensure that companies adhere to GCG principles. These bodies should regularly assess the company's compliance with transparency, accountability, and legal norms.
- d. Corporate Culture Shift: Companies should work to instill a stronger corporate culture of transparency and accountability at all levels. This could include setting up internal mechanisms for whistleblowing, ensuring that there are clear procedures for reporting misconduct, and encouraging ethical behavior throughout the organization.

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