



Reconstruction of Shareholders Rights Arrangements in Closed Limited Liability Companies Based on Dignified Justice

Marlina Elisabeth Pakpahan¹, Teguh Prasetyo², Elvira Fitriyani Pakpahan³, Willy Tanjung⁴, Kartina Pakpahan⁵

¹Faculty of Law, Universitas Prima Indonesia, Medan, Indonesia

²Faculty of Law, Universitas Pelita Harapan, Tangerang, Indonesia

³Faculty of Law, Universitas Prima Indonesia, Medan, Indonesia

⁴Faculty of Law, Universitas Prima Indonesia, Medan, Indonesia

⁵Faculty of Law, Universitas Prima Indonesia, Medan, Indonesia

Corresponding author: marlinaelizabethpakpahan@unprimdn.ac.id

Abstract

Limited Liability Companies are one of the pillars of economic development, where the capital consists of shares and the owner has as many shares as the shares he owns. One of the effects of the share ownership structure is the creation of a majority and minority shareholder structure. This research aims to reconstruct the legal policy framework for legal regulation of the rights of majority and minority shareholders in limited liability companies. The method used in this research is normative juridical, namely a method by collecting data based on library research (library search), namely by examining secondary data in the form of primary legal materials such as scientific books, statutory regulations, and other data. obtained by accessing the internet related to this research. Results of this research shows that the regulation of rights for majority and minority shareholders in Limited Liability Companies does not provide equal rights and is unfair. The more shares you own, the more power you have in determining decisions regarding the existence and running of a Limited Liability Company. Especially the principle of voting based on a majority vote which applies to all kinds of decisions at the General Meeting of Shareholders (GMS) results in the majority shareholder becoming powerful and dominant. This is a weakness that can be exploited by the majority shareholder in interpreting the phrase "reasonable price" as mentioned in Article 62 paragraph (1) Law No. 40 of 2007 concerning Limited Liability Companies. The meaning of "fair price" is not explained further either in the explanation of the limited liability company law or other statutory regulations.

Keywords: Limited Liability Company; Dignified Justice; Shareholder Rights

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1. Introduction

Limited Liability Company is a form of business entity which mostly the main choice for business actors. It is a legal entity which is a capital partnership, established based on an agreement, carrying out business activities with authorized capital which is entirely divided into shares and meets the requirements stipulated in the law and its implementing regulations (Law Number 40 of 2007 Concerning Limited Liability Companies).

One of the effects to the ownership structure through shares is the creation of a majority and minority

shareholder structure. Shareholders in the company can be categorized as majority shareholders and minority shareholders only based on the composition of the number of shares owned in the company.

The principle of voting based on a majority vote which applies to all kinds of decisions at the General Meeting of Shareholders (GMS) results in the majority shareholder becoming powerful and dominant. This results in minority shareholders sometimes being forced to accept the decisions of the General Meeting of Shareholders (GMS).

Article 62 of Law No. 40 of 2007 concerning Limited Liability Companies states:

- (1) Each shareholder has the right to ask the Company to purchase its shares at a reasonable price if the person concerned does not agree with the Company's actions which are detrimental to the shareholder or the Company, in the form of:
 - a. Changes to the articles of association;
 - b. Transfer or guarantee of the Company's assets which have a value of more than 50% (fifty percent) of the Company's net assets; or
 - c. Merger, Consolidation, Takeover or Separation.

The Limited Liability Company Law does not explain further what is meant by a "fair price" and what is the criteria for a fair share price are, so this is a weakness that can be exploited by majority shareholders in determining a fair share price at the General Meeting of Shareholders (GMS) which could later cause losses for minority shareholders. Provisions regarding fair share price assessments are important because majority shareholders are more dominant in decision making at the General Meeting of Shareholders (GMS), which of course has the potential to harm the interests of minority shareholders. It is very possible that minority shareholders sell their shares due to forced circumstances deliberately conditioned by majority shareholders who have bad intentions (Kadir, 2017).

The definition of a reasonable price is not explained in the Limited Liability Company Law. In fact, before the 2007 version of the Limited Liability Company Law was born, the Law 1995 version of the Limited Liability Companies Law provided an explanation of what is meant by a reasonable price. An explanation of a fair price is contained in the explanation of Article 51 paragraph (1) of the 1995 version of the Limited Liability Company Law which explains that what is meant by "fair price" can be the market price or the price determined by an expert stock price appraiser who is not attached to the company. By not explaining the fair price in the new Limited Liability Company Law, this creates a blurring of norms which has an impact on implementation in practice so that not all companies carrying out share withdrawal transactions through share buybacks understand the meaning of a fair price (Hafidz & Farizy, 2023).

A. Formulation of the problem

Based on the above description of background, the formulation of problems as follows:

- (1) How to regulate the rights of majority shareholders and minority shareholders in a Limited Liability Company?
- (2) How to construct the rights of shareholders in a Closed Limited Liability Company based on dignified justice?

B. Research purposes

Based on the formulation of problems stated above, the objectives to be achieved in this research are:

- (1) Provide analysis and discover the regulation of rights for majority shareholders and minority shareholders in Limited Liability Companies.
- (2) Provide analysis and discover the reconstruction of rights arrangements for shareholders in Closed Limited Liability Companies based on dignified justice.

2. Methodology

This research is descriptive with a juridical-normative type of research. Normative research is a doctrinal

law which is often conceptualized as what is written in statutory regulations (law in book) or laws decided by judges through a court process (Amiruddin & Asikin, 2006). This research was carried out using a legislative approach relating to the reconstruction of the rights arrangements of majority shareholders and minority shareholders in Closed Limited Liability Companies based on dignified justice which aims to obtain a complete, systematic and in-depth picture of the legal rules governing regarding the rights of shareholders in Closed Limited Liability Companies in Indonesia, especially the Limited Liability Company Law and its implementing regulations. The nature of the research in this writing is analytical descriptive. Analytical descriptive is a method used with the aim of describing or providing answers to a research object being studied through data that has been collected and making conclusions about a research object (Nazir, 2005).

3. Discussion of Findings

3.1. Rights Arrangement for Majority and Minority Shareholders in A Limited Liability Company

Limited Liability Company is a legal entity to run a business whose capital consists of shares. As the capital consists of shares that can be bought and sold, changes in company ownership can be made without the need to dissolve the company. The word of company in the general term is a business organization. Meanwhile, a limited liability company is a form of business organization or business entity that exists and is known in the Indonesian trading system (Widjaya, 2003). A very prominent characteristic that makes people prefer a limited liability company as a legal form for their business activities is that the shareholders of a limited liability company are only responsible for the value of the shares they own. The Limited Liability Company Law confirms the principle of limited liability by stipulating that limited liability company shareholders are not personally responsible for agreements made on behalf of the company and shareholders are not responsible for the company's losses exceeding the value of the shares they own.

Company shares are issued in the name of the owner. Requirements for share ownership can be determined in the Articles of Association by taking into account the requirements set by the competent authority, in accordance with the provisions of statutory regulations. If the requirements for share ownership have been determined, but are not fulfilled, the party who obtains ownership of the shares cannot exercise their rights as shareholders and the shares are not counted in the quorum that must be achieved. The share value must be stated in rupiah currency. Shares without nominal value cannot be issued by the company. This provision does not rule out the possibility of regulating the issuance of shares without nominal value in laws and regulations in the capital markets sector (Wicaksono, 2009).

One implication of the ownership structure through the shares is the creation of a majority and minority shareholder structure. Law Number 40 of 2007 concerning Limited Liability Companies does not provide a clear definition regarding the meaning of minority shareholders or majority shareholders. Shareholders in the Company can be categorized as majority shareholders and minority shareholders only based on the composition of the number of shares owned in the company.

The shares are movable objects and give ownership rights to their holders. Ownership of shares as movable objects gives material rights to the holder. This right can be defended against everyone. Basically, every shareholder in every Limited Liability Company is the holder of rights and obligations in accordance with the provisions of the Law and Articles of Association of each Limited Liability Company concerned. If a one share one vote system is adopted, then the rights, obligations and responsibilities of shareholders are proportional to the shares owned (Lelono, 2004). The rights of shareholders must be protected and shareholders must be able to exercise their rights through adequate procedures established by the company.

The rights owned by shareholders include the following (Sembiring, 2022):

1. File a lawsuit against the company. In Article 61 paragraph (1) of the Company Law, it is stated that every shareholder has the right to file a lawsuit against the Company in the district court if they are disadvantaged due to the Company's actions which are considered unfair and without reasonable reasons

as a result of the decisions of the General Meeting of Shareholders (GMS), Directors and/or Board of Commissioners.

2. Shares are purchased at a fair price. In Article 62 paragraph (1) of the Company Law, it is stated that every shareholder has the right to ask the Company to purchase its shares at a reasonable price if the person concerned does not agree with the Company's actions which are detrimental to the shareholder or the Company, in the form of:

- a. Changes to the articles of association;
- b. Transfer or guarantee of the Company's assets which have a value of more than 50% (fifty percent) of the Company's net assets; or
- c. Merger, Consolidation, Takeover or Separation

3. Get dividends. In Article 71 paragraph (2) of the Company Law, it is stated that all net profits after deducting the allowance for reserves as intended in Article 70 paragraph (1) are distributed to shareholders as dividends, unless otherwise determined at the General Meeting of Shareholders (GMS). Article 70 paragraph (1) Companies are required to set aside a certain amount of net profit each financial year for reserves.

4. Attend and vote at the General Meeting of Shareholders (GMS). In Article 75 paragraph (2) of the Company Law, it is explained that in the GMS forum, shareholders have the right to obtain information relating to the Company from the Directors and/or Board of Commissioners, as long as it is related to the agenda of the meeting and does not conflict with the interests of the Company. Article 85 paragraph (1) of the Company Law states that shareholders, whether personally or represented based on a power of attorney, have the right to attend the GMS and exercise their voting rights in accordance with the number of shares they own.

5. Request an annual General Meeting of Shareholders (GMS) to be held. In Article 79 paragraphs (1) and (2) of the Company Law, it is stated that the Board of Directors holds an annual GMS as intended in Article 78 paragraph (2) and other GMS as intended in Article 78 paragraph (4) preceded by an invitation to the GMS. The GMS as intended in paragraph (1) can be held at the request of:

- a. 1 (one) or more shareholders who together represent 1/10 (one tenth) or more of the total number of shares with voting rights, unless the articles of association determine a smaller number; or
- b. board of Commissioners

6. Taking decisions outside the General Meeting of Shareholders (GMS) forum. In Article 91 of the Company Law, shareholders can also take binding decisions outside the GMS provided that all shareholders with voting rights agree in writing by signing the relevant proposal.

7. File a lawsuit against a member of the board of directors. In Article 97 paragraph (6) of the Company Law, it is stated that, on behalf of the Company, shareholders representing at least 1/10 (one tenth) of all shares with voting rights can file a lawsuit through the district court against a member of the Board of Directors whose error or negligence causes losses. to the Company.

8. File a lawsuit with members of the Board of Commissioners. In Article 114 paragraph (6) of the Company Law, it is stated that, on behalf of the Company, shareholders representing at least 1/10 (one tenth) of the total number of shares with voting rights can sue any member of the Board of Commissioners whose error or negligence causes losses to the Company to court. country.

9. Submit a request for inspection of the company. In Article 138 paragraphs (1), (2), and (3) of the Company Law is stated as follows:

(1) An inspection of the Company can be carried out with the aim of obtaining data or information in the event that there is an allegation that:

- a. The Company commits unlawful acts that harm shareholders or third parties; or
- b. Members of the Board of Directors or Board of Commissioners commit unlawful acts that harm the Company or its shareholders or third parties.

(2) The examination as intended in paragraph (1) is carried out by submitting a written application along with the reasons to the district court whose jurisdiction includes the Company's domicile.

(3) The application as intended in paragraph (2) can be submitted by:

- a. 1 (one) or more shareholders representing at least 1/10 (one tenth) of the total number of shares with voting rights;
- b. Other parties who, based on statutory regulations, the Company's Articles of Association or agreements with the company, are authorized to submit requests for inspection; or
- c. Prosecution in the public interest

10. Submit a proposal for dissolution of the company. In Article 144 paragraph (1) of the Company Law, it is stated that the Board of Directors, Board of Commissioners or 1 (one) or more shareholders representing at least 1/10 (one tenth) of the total number of shares with voting rights, can submit a proposal for the dissolution of the Company to the General Meeting of Shareholders (GMS); Article 146 paragraph (1) point c states, the District Court can dissolve the Company for; request from shareholders, Directors or Board of Commissioners based on the Company's reasons that it is impossible to continue.

11. Obtain payment of remaining assets resulting from liquidation. In Article 149 paragraph (1) of the Company Law, it is stated that the liquidator's obligations in settling the Company's assets in the liquidation process include paying the remaining liquidated assets to shareholders.

Shareholders have the right to participate in determining, and have appropriately received sufficient information regarding, decisions relating to fundamental changes to the company such as changes to the articles of association/deed of establishment, giving approval for an increase in the number of company shares, and unusual transactions that can affect the company's sales results.

3.2 Reconstruction of Shareholders' Rights in Closed Limited Liability Companies Based on Justice with Dignity

A Success company is generally based on good governance and working relationships between the elements or organs within it. Company Law and good corporate governance principles aim, among other things, to regulate the relationship between the elements or organs of the Company and each other so that they always run well. Including the relationship between the Company and its shareholders, between directors and shareholders, as well as between minority shareholders and majority shareholders (Kadir, 2017).

Principle of voting based on a majority vote which applies to all types of General Meeting of Shareholders (GMS) decisions results in the majority shareholder becoming powerful and dominant. On the other hand, minority shareholders become weak and tend to be marginalized and have their interests harmed by majority shareholders. Domination of majority shareholders can occur because of the Limited Liability Companies Law No. 40 of 2007 and previous laws stipulate that each share issued by a company has one voting right (one share one vote), unless otherwise determined by the company's articles of association. Furthermore, the General Meeting of Shareholders (GMS) can be held if at the General Meeting of Shareholders (GMS) more than ½ (one half) of the total number of shares with valid voting rights are present or represented (simple majority), unless the law and/or articles of association determine a larger quorum. This results in an imbalance between majority shareholders and minority shareholders and minority shareholders will also be difficult to avoid unlawful acts committed by majority shareholders who do not have good intentions.

The size of share ownership is the basis for every decision that will be made by the company because every decision that will be made by the Company must be made with approval from the General Meeting of Shareholders (GMS). In Law No. 40 of 2007 concerning Limited Liability Companies, the General Meeting of Shareholders (GMS) occupies a very central place as the organ of the Limited Liability Company which has the highest power. Approval from the GMS is absolutely necessary in the event that a Limited Liability Company decides on general policies (merger, consolidation and takeover and dissolution of a Limited Liability Companies), the appointment and dismissal of Directors and Commissioners and ratification of the annual report of Directors/Commissioners.

Even though Limited Liability Companies are the business entities that are most often chosen to carry out

business practices, one of the problems that often arises in companies is the issue of harmonious relationships between shareholders. The beginning of establishing a company was initially based on an agreement, but in subsequent developments, these agreements were not always in line with each other. Shareholders can no longer get along and align with the same voices and interests. Majority shareholders no longer align their interests with the interests of minority shareholders. These two camps with different share ownership are trying to protect and prioritize their respective interests. It is even possible that in order to resolve disputes between shareholders, they are no longer able to resolve differences between them peacefully, but resolve them through the mediation of third parties such as arbitration, mediators or through the legal channels available for that purpose (Nadapdap, 2022).

The rights of shareholders must be protected and shareholders must be able to exercise their rights through adequate procedures established by the Company. One of the rights owned by shareholders as stated in Article 62 paragraph (1) of Law No. 40 of 2007 concerning Limited Liability Companies:

(1) Each shareholder has the right to ask the Company to purchase its shares at a reasonable price if the person concerned does not agree with the Company's actions which are detrimental to the shareholder or the Company, in the form of:

- a. Changes to the articles of association;
- b. Transfer or guarantee of the Company's assets which have a value of more than 50% (fifty percent) of the Company's net assets; or
- c. Merger, Consolidation, Takeover or Separation.

(2) In the event that the shares requested to be purchased as intended in paragraph (1) exceed the provisions for share buybacks by the Company as intended in Article 37 paragraph (1) letter b, the Company is obliged to ensure that the remaining shares are purchased by a third party.

The meaning of "fair price" is not explained further either in the explanation of the limited liability company law or other statutory regulations. This is a weakness that can be exploited by majority shareholders in interpreting the words "fair price" in determining a fair share price at the General Meeting of Shareholders (GMS) which can later cause losses for minority shareholders. Provisions regarding fair share price assessments are important because majority shareholders are more dominant in decision making at the General Meeting of Shareholders (GMS), which of course has the potential to harm the interests of minority shareholders. Including the definition of a fair price is very important to ensure legal certainty for shareholders. On the other hand, fair price indicates the consideration of the substantive merit of the transaction (Gözlügöl, 2022).

To see the fairness of the value of a share, a valuation of the share can be carried out. Valuing share prices means assessing what a fair price for a share is. According to Damodaran (2012), assessing the fair price of shares is the process of comparing the real value of a share with the price prevailing in the market by taking into account fundamental factors. Fundamental factors that influence value usually change more slowly than changes in market prices. In imperfect markets, stock valuation can be different between fair value and market asking price (Suryanto, 2016).

The procedures for carrying out the sale and purchase of shares are generally carried out after a General Meeting of Shareholders (GMS) is attended by a Notary. In connection with the role of a notary in buying and selling shares, before the sale and purchase of shares is carried out, the Notary is obliged to check the Company's Articles of Association, because the articles of association regulate the conditions for the sale and purchase of shares, the procedures and procedures for buying and selling shares. For this reason, it is important for the Notary to understand the company's articles of association when transferring rights to shares through the sale and purchase of shares. Notaries will also certainly be given the authority to provide legal advice to parties who are definitely involved in a transaction activity, especially if it concerns the terms and conditions that must be fulfilled by all parties involved in a transaction that will be notarized. so that it will avoid all possibilities of the transaction being carried out in circumstances that will or could be null and void by law and/or for which an application for cancellation can be requested before the court

(Pakpahan et al, 2020).

In many cases, most of the actions taken by minority shareholders are to sell their shares forcefully. This compulsion may have been conditioned by the majority shareholder having bad intentions or trying to control the running of the company. Every shareholder has the right to request that the company buy their shares at a reasonable price. Of course, to determine a fair share price, the shares must be fair and guided by market prices and assessed by an independent appraisal company. The assessment must take into account the company's performance in the past and predictions of the company's performance in the future. The company's shares will be different for companies that are experiencing financial difficulties, for companies that are performing well and for companies that have a bright future (blue chip shares) (Nadapdap, 2022). The report of the founders must be audited by one or several auditors for its accuracy and reliability. Furthermore, the auditors must give their opinion as to the fair value of the in-kind contributions, their equivalent to at least the nominal value of the shares subscribed for in exchange for such contributions or the higher issue price, and whether or not the amount of the remuneration granted or the payment is justified (Mataczynski & Rycerski, 2021).

The principle of voting based on the majority vote which applies to all types of the General Meeting of Shareholders (GMS) decisions results in majority shareholders becoming powerful and dominant so that sometimes minority shareholders become weak and tend to be marginalized and have their interests harmed by majority shareholders. Due to the imbalance between majority shareholders and minority shareholders, the theory of dignified justice is expected to achieve justice which is interpreted as the achievement of laws that humanize humans, in this case between majority shareholders and minority shareholders, especially to determine fair share prices. as stated in Article 62 of Law No. 40 of 2007 concerning Limited Liability Companies. Unclear understanding of "reasonable price" as stated in Article 62 paragraph (1) of Law No. 40 of 2007 concerning Limited Liability Companies has led to the emergence of different opinions and views regarding fair prices.

Legal science is a practical science, but the position of legal science occupies a special position in the classification of sciences, because it has the nature of being a normative science in its development, but must be able to respond to various new developments in society, and must not depart from the axiological values that exist in philosophy of law (Prasetyo & Barakatullah, 2011). Therefore, law is very closely related to justice because the aim of law is to achieve a sense of justice in society.

The theory of dignified justice originates from the tug-of-war between *lex eterna* (upper current) and *volksgeist* (undercurrent), in understanding law as an effort to approach God's mind according to a legal system based on Pancasila. The theory of dignified justice uses a legal approach as legal philosophy, legal theory, legal dogmatics and law and legal practice, using systematic dialectics. The aim of law in the theory of dignified justice emphasizes justice, which is interpreted as achieving law that humanizes humans. Justice in the sense of building awareness that humans are the noble creation of God Almighty, is not the same as the Western view, for example that developed by Thomas Hobbes, that humans are animals, political animals, wolves, who are ready to prey on fellow wolves in life, including political, economic, social, cultural life and so on (Prasetyo, 2015).

As the source of all sources of law, from the perspective of dignified justice, all laws and judges' decisions in Indonesia are derivations ("soul") from Pancasila. In other words, all statutory regulations and court decisions with permanent legal force are Pancasila too, because they are in the spirit of Pancasila, do not conflict with Pancasila, do not go against Pancasila (Prasetyo, 2015).

The aim of law in the theory of dignified justice emphasizes justice, which is interpreted as achieving law that humanizes humans. In this case, humanizing humans contains an abstract meaning, therefore, in order to realize justice that humanizes humans, we must look at what basic human rights are. These basic human rights are derived from the values as stated in the principles of Pancasila, namely the value of belief in the Almighty God, the value of just and civilized humanity, the value of Indonesian unity, the value of democracy led by wisdom in representative deliberations and the value of social justice for all Indonesian people.

The word justice is found in the second and fifth principles of Pancasila. The value of just humanity and social justice contains the meaning that the essence of humans as cultural and natural beings must have a just nature, that is, fair in relation to oneself, fair towards other humans, fair towards the community, nation and state, fair towards the environment and fair towards God. The Almighty. The consequences of justice values that must be realized include (Santoso, 2014):

- a. Distributive justice, namely a relationship of justice between the state and its citizens, in the sense that it is the state that is obliged to fulfill justice in the form of sharing justice, in the form of welfare, assistance, subsidies and opportunities for living together based on rights and obligations;
- b. Legal justice, namely a relationship of justice between citizens and the state and in this case it is the citizens who are obliged to fulfill justice in the form of obeying the laws and regulations in force in the state; And
- c. Commutative justice, namely a reciprocal justice relationship between one citizen and another.

The values contained in the Humanitarian Principles which are just and civilized contain human values, including:

- a. Recognition of human dignity and dignity with all human rights and obligations.
- b. Fair treatment towards fellow humans, towards ourselves, the environment around us, and towards God.
- c. Humans are civilized or cultured creatures who have creativity, taste, initiative and belief (Prasetyo & Barkatullah, 2020).

The principles of just and civilized humanity firmly mandated harmony between the rights and obligations of humans living in society. Justice will only be upheld in a civilized society or vice versa and only a civilized society can respect justice.

The values contained in the Principles of Social Justice for all Indonesian people contain the values of social justice, including:

- a. Fair treatment in all areas of life, especially in the political, economic and socio-cultural fields.
- b. The realization of social justice covers all Indonesian people.
- c. Balance between rights and obligations.
- d. Respect other people's property rights
- e. Just and prosperous society that is materially and spiritually equitable for all Indonesian people.
- f. With the Progress and development (Prasetyo & Barkatullah, 2020).

Therefore, if it is connected to the theory of dignified justice, the "fair price" must be equal to the market price. In this case, what is meant by market price is a fair price in accordance with the company's circumstances. As the source of all sources of law, from the perspective of dignified justice, all laws and judges' decisions in Indonesia are derivations ("soul") from Pancasila. In other words, all statutory regulations and court decisions with permanent legal force are Pancasila too, because they are in the spirit of Pancasila, do not conflict with Pancasila, do not go against Pancasila.

Based on the descriptions above, the author views that the phrase "reasonable price" needs to be reconstructed because it has a weakness, namely that it gives rise to multiple interpretations of the phrase. The form of reasonable price reconstruction as regulated in Article 62 paragraph (1) of Law no. 40 of 2007 concerning Limited Liability Companies, namely changing the phrase "reasonable price" to the phrase "price equal to market price". In this case, what is meant by market price is a fair price in accordance with the company's circumstances. The provisions regarding "fair prices" are important because majority shareholders are more dominant in decision making at the General Meeting of Shareholders (GMS), which of course has the potential to harm the interests of minority shareholders. It is very possible that minority shareholders sell their shares due to forced circumstances deliberately conditioned by majority shareholders who have bad intentions. This is a weakness that can be exploited by majority shareholders in interpreting the phrase "fair price" when determining a fair share price at the General Meeting of

Shareholders (GMS) which could later cause losses for minority shareholders. The element of novelty in this research is "Equality of Minority Rights with Dignified Justice."

The complete form of "reasonable price" reconstruction can be seen in the table below:

Reasonable Price Reconstruction Results

Construction	Weakness	Theory	Reconstruction
Article 62 paragraph (1) Law No. 40 of 2007 concerning Limited Liability Companies (1) Every shareholder has the right to ask the Company to purchase its shares at a reasonable price if the person concerned does not agree with the Company's actions which are detrimental to the shareholder or the Company.	Article 62 paragraph (1) Law No. 40 of 2007 concerning Limited Liability Companies does not explain further what is meant by "fair price". The provisions regarding "fair prices" are important because the majority shareholder is more dominant in decision making at the GMS. This is a weakness that can be exploited by majority shareholders in interpreting the phrase "fair price" when determining a fair share price at the General Meeting of Shareholders (GMS) which could later cause losses for minority shareholders.	1. Theory of Justice with Dignity. 2. Legal System Theory 3. Progressive Legal Theory	Article 62 paragraph (1) Law No. 40 of 2007 concerning Limited Liability Companies (1) Each shareholder has the right to ask the Company to purchase its shares at a "price equal to the market price" if the person concerned does not agree with the Company's actions which are detrimental to the shareholder or the Company. The element of novelty in this research is Equality of Minority Rights with Dignified Justice.

4. Conclusions

Based on the results of research and discussion regarding the Reconstruction of the Rights of Shareholders of Closed Limited Liability Companies Based on Dignified Justice, several conclusions can be drawn:

1. The arrangements of rights for majority shareholders and minority shareholders in Limited Liability Companies do not provide equal rights and are not fair. The more shares you own, the more power you have in determining decisions regarding the existence and running of a limited liability company. The principle of voting based on the majority vote which applies to all kinds of decisions at the General Meeting of Shareholders (GMS) results in majority shareholders becoming powerful and dominant so that it is difficult for minority shareholders to avoid unlawful acts committed by majority shareholders who do not have good intentions.
2. For reasonable price reconstruction as regulated in Article 62 paragraph (1) of Law No. 40 of 2007 concerning Limited Liability Companies, namely changing the phrase "reasonable price" to the phrase "price equal to market price". The provisions regarding "fair prices" are important because majority shareholders are more dominant in decision making at the General Meeting of Shareholders (GMS), which of course has the potential to harm the interests of minority shareholders.

5. Suggestion

1. As the arrangements of rights for to majority shareholders and minority shareholders in Limited Liability Companies do not provide equal rights and are not fair, therefore, it is recommended that there

should be a legal regulation that provides balance/equality and justice for minority shareholders. Balance/equality is the basis for the formation of a regulation or law.

2. Diction on Article 62 paragraph (1) Law No. 40 of 2007 concerning Limited Liability Companies should change the phrase "reasonable price" to the phrase "equal price to market price". The element of novelty in this research is "Equality of Minority Rights with Dignified Justice."

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