

## THE SIGNIFICANCE OF THE FINANCIAL SERVICES AUTHORITY'S APPROVAL ON THE SALE AND PURCHASE OF A LIMITED LIABILITY RURAL BANK'S SHARES

*Novyanti Indah, Dhoni Martin*

*Departement of Notary*

*Postgraduate Program of Jayabaya University Indonesia*

[novyanti@gmail.com](mailto:novyanti@gmail.com)

\*\*\*

### ABSTRACT

This thesis will discuss the process of buying and selling shares of Rural Banks in the form of Limited Liability Companies According to applicable regulations and the significant of the Financial Services Authority's approval on the sale and purchase of shares of Rural Banks. The author uses the theory of law as a grand theory, banking law theory as a middle theory and certainty of law as applied theory in this thesis. The research method used is normative juridical supported by empirical, namely by examining the rules relating to the sale and purchase of shares of Rural Banks and field research in the form of interviews conducted at the Financial Services Authority.

The sale and purchase of shares of a Rural Bank conducted prior to the approval of new shareholders / new controlling shareholders, causes the new shareholders to transfer their shares and not obtain the rights as shareholders. The general meeting of shareholders that have been made to sell and determine the buyers of shares must be canceled if after going through the fit and proper test, the prospective new shareholders get the title of Unapproved. The approval of the Financial Services Authority has become significant in share sale and purchase transactions which has caused new shareholders / new controlling shareholders.

**Key words:** The sale and purchase of shares, A Rural bank

### INTRODUCTION

Commercial banks and Rural Banks are aimed at supporting the implementation of national

development in order to increase equity, economic growth and national stability towards improving the welfare of the people at large. Economic growth is expected to be carried out evenly, both for entrepreneurs who already have capital as well as entrepreneurs who are just starting a business, in cities and in the regions. Bank Perkreditan Rakyat, as part of the national banking industry, has contributed significantly to the national economy (Veithzal Rivai., 2007). People's credit banks have characteristics that support the implementation of these development goals. This is because the credit bank the people more often provide distribution of funds to small entrepreneurs, and are more active in the regions. Given the function of a bank that participates in upholding the implementation of national development, rural banks are regulated by the banking law and other implementing regulations. Bank Perkreditan Rakyat can only be established and owned by Indonesian citizens, Indonesian legal entities whose entire owners are Indonesian citizens, local governments, or can be jointly owned by the three.

Bank Pekreditan Rakyat, which is a Limited Liability Company, is also subject to the rules regarding limited liability companies, as stipulated in Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies.

Limited Liability Company is a legal entity which is a capital partnership to support business activities with authorized capital which is entirely divided into shares. Bank Perkreditan Rakyat shares are shares in the name and can be sold to other parties as long as they do not violate the

provisions issued by the competent institution, in this case the Financial Services Authority.

The Financial Services Authority, as the institution that supervises banking, will give approval after examining the fulfillment of the requirements for the parties that will buy Bank Perkreditan Rakyat shares.

The approval of the Financial Services Authority on the parties who will buy and sell Bank Perkreditan Rakyat shares is not a requirement, however, the approval of share ownership also determines whether or not the share transfer is carried out due to the sale and purchase of the shares. The sale and purchase of shares as a civil relationship between the seller and the buyer occurs when there is an agreement regarding the price and number of shares to be traded, which is usually stated in an authentic deed. The sale and purchase of Bank Perkreditan Rakyat shares in the form of a Limited Liability Company, which was carried out before the approval of the Financial Services Authority for new shareholders, often became a problem in terms of bank management. This is because *de facto* bank shares have transferred to new shareholders, while *de jure*, old shareholders are still recognized as shareholders according to shareholder data.

## FRAMEWORK

A conceptual framework, is a framework that describes the relationship between specific concepts that want or will be studied. (Herlien Budiono, 2015). In writing this thesis, the author will use rule of law theory as a grand theory, banking legal theory as a middle theory and legal certainty as an applied theory to answer existing problem formulations. The rule of law was first put forward by Plato and then that thought was emphasized by Aristotle. Aristotle put forward three elements of constitutional government which are the ideals of a rule of law, namely: first, government is implemented for the public interest. Second, governance is carried out according to laws based on general provisions, not laws that are made

arbitrarily which override conventions and the constitution. Third, a constitutional government that is implemented based on the will of the people.

FJ Sthall defines a rule of law by presenting the main elements of a rule of law. These elements include:

1. Recognition and protection of human rights
2. Separation of state power based on the principle of trias politica
3. The government is organized based on law (*wetmatig bestuur*) and
4. The existence of a state administrative court.

Another element of the rule of law theory presented by FJ.Sthall is that governance is organized based on law. The government, which in English is called government, while in Dutch it is called *heersen*, which is a process or all affairs carried out by the state in carrying out public welfare and the interests of the state. Government which is run based on the law stipulated by the competent institution. The state administrative court in charge of handling cases of illegal acts by the government (*onrechmatige Overheidsdaad*)

The provision that Indonesia is a rule of law cannot be separated from the Preamble to the 1945 Constitution as the ideals of a rule of law, which is then determined in the body and explanation of the 1945 Constitution (before being amended). Paragraph I of the Preamble to the 1945 Constitution contains the word justice; in paragraph II there is the word fair; in paragraph II there is the word Indonesia; in paragraph IV there are the words social justice and the word just humanity. All of these terms refer to the definition of a rule of law, because one of the objectives of the rule of law is to achieve justice.

Padmo Wahjono examines the constitutional state of Pancasila by starting from the principle of kinship stated in the 1945 Constitution, which prioritizes the principle of kinship, the people at large and human dignity is respected.

The rule of law is inseparable from the law itself. Law is a collection of rules and rules that have

general and normative content, general because they apply to everyone and normative because it determines what should be done, what should not be done or should be done and determines how to implement compliance with the rules. In terms of its nature, the structure of the rule of law can be differentiated into imperatus law (compelling law or dual recht) and facultative law (regulating law or complementary law (regelend recht or annullend recht) this distinction is based on the strength of the sanctions. cannot be ruled out (set aside by an agreement (contract) made by both parties themselves. In other words, law which under any circumstances must be obeyed, law which has absolute compulsion (absolute). set aside by the agreement made by both parties.

The nature of banking law is coercive law, meaning that in carrying out business activities, banks must obey and obey the signs stipulated in law. If the banking signs are violated, then Bank Indonesia has the authority to take action against the bank concerned by imposing administrative sanctions, such as revoking its business license.

Banking law is a set of regulations that govern bank finances and all aspects of banking are regulated. Scope: Banking principles, banking actors, governing rules or regulations, organizational structure, security texts, and banking business objectives. The teaching of legal ideals (idee des Recht) states that there are three elements of legal ideals that must exist proportionally, namely legal certainty (rechtssicherheit), justice (gerechtigkeid) and benefits (zweckmasigkeit). If it is related to the theory of law enforcement as conveyed by Gustav Radbruch in the idee des Recht, namely that law enforcement must fulfill these three principles.

Gustav Radbruch stated 4 (four) basic things related to the meaning of legal certainty, namely: First, that law is positive, meaning that positive law is legislation. Second, that law is based on facts, meaning that it is based on reality. Third, that facts must be formulated in a clear manner so as to avoid mistakes in meaning, as well as being

easy to implement. Fourth, positive law cannot be easily changed.

One of the meanings of legal certainty according to Gustav Radbruch is that law is positive and exists in legislation. According to article 1 number 2 Law Number 12 Year 2011 concerning the Formation of Legislation, statutory regulations are written regulations that contain legally binding norms and are established or stipulated by state institutions or authorized officials through procedures stipulated in regulations. legislation.

Article 7 paragraph (1) Law Number 12 Year 2011 concerning the Formation of Legislation, Types and hierarchy of Legislation consists of:

- a. The 1945 Constitution of the Republic of Indonesia;
- b. Decree of the People's Consultative Assembly;
- c. Laws / Government Regulations in Lieu of Laws;
- d. Government regulations;
- e. Presidential decree;
- f. Provincial Regulation; and
- g. Regency / City Regional Regulations

Banking regulations on ownership of Bank Perkreditan Rakyat shares are implemented in order to provide legal certainty for new shareholders of Bank Perkreditan Rakyat in the form of a limited liability company, considering that the bank is an institution that is one of the pillars of the community's economy.

## RESEARCH METHODS

Research is an attempt to find, develop and examine the truth of a knowledge which business is carried out using scientific methods.

The approach method used in this research is a normative juridical approach, namely an approach that refers to the prevailing laws and regulations.

The normative juridical approach emphasizes secondary data by studying and examining positive legal principles derived from literature data and legal comparisons, as well as

elements or factors related to the object of research as part of field research. Approach to the Law, Peter Mahmud Marzuki, called a normative juridical approach. The statute approach is carried out by examining all laws and regulations related to the legal issue being handled. Normative juridical research in this research is carried out by examining library materials or secondary materials such as laws and regulations in the field of Limited Liability Companies, banking and notary legislation, as well as books and articles that have a correlation with the sale and purchase of Bank Perkreditan Rakyat shares. in the form of a limited liability company without approval from the Financial Services Authority.

In addition to using a juridical approach, this research is also supported by an empirical juridical approach, in which the writer will conduct interviews with the Financial Services Authority to obtain data related to this writing. The research specification in this thesis is descriptive analytical research, which describes the prevailing laws and regulations thoroughly and systematically which then analyzes the problem solving. Research specifications can be indicated by the characteristics of legal research that are more dominant descriptive, namely describing systematically and completely the material or material in the form of data and / or information derived from cases, literature studies, and field research (as a support).

Sources of data used in writing this thesis are: secondary data, which consists of:

a. Primary legal materials are legal materials that are authoritative in nature, meaning they have authority, namely:

1. Civil Code.
2. Law of the Republic of Indonesia Number 10 of 1998 concerning Amendments to Law of the Republic of Indonesia Number 7 of 1992 concerning Banking.
3. Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies

4. Law of the Republic of Indonesia Number 21 of 2011 concerning Financial Services Authority.
  5. Financial Services Authority Regulation Number 20 / POJK 03/2014 concerning Rural Banks.
  6. Financial Services Authority Regulation Number 27 / POJK 03/2016 concerning Fit and Proper Test for Main Parties of Financial Services Institutions.
  7. Financial Services Authority Circular Letter Number 39 / SEOJK.03 / 2016 concerning the Fit and Proper Test for Candidates for Controlling Shareholders, Candidates for Members of the Board of Directors, and Candidates for Members of the Bank's Board of Commissioners.
- b. Secondary Legal Materials that will be used in this research are books, papers, journals related to this research.
- c. Tertiary legal materials used are in the form of materials that provide explanations for primary legal materials and secondary legal materials, in the form of legal dictionaries and Indonesian dictionaries.

Guidelines for literature investigation, carried out by literature study to obtain secondary data in the form of primary legal materials in the form of regulations relating to the sale and purchase of people's credit bank shares and interviews with the Financial Services Authority to obtain additional data.

Secondary data in the form of primary legal materials that have been obtained will be reviewed and analyzed, namely by selecting articles containing legal principles governing the sale and purchase of shares in a limited liability company of Bank Perkreditan Rakyat.

The results of the selection of these articles will serve as a guideline for making a systematic article which will be presented in the form of a description explaining the relationship between various types of data (primary legal materials, secondary legal materials, and tertiary legal materials), as well as being processed qualitatively so that they can describe and disclose. the results of



descriptive research which in the end can answer the problem formulation in this paper.

The author conducted research on the Significance of Financial Services Authority Approval for the Sale and Purchase of Rural Bank Shares in the Form of a Limited Liability Company in one of the People's Credit Banks in the Special Region of Yogyakarta, the Yogyakarta Special Region Financial Services Authority, the Jayabaya University library, and other university libraries that support this research.

## **RESULTS AND DISCUSSION**

### **A. Implementation of Sale and Purchase of Shares in Limited Liability Companies.**

Rural Banks are banks that carry out business activities conventionally or based on Sharia principles and do not provide services in payment traffic.

Bank Perkreditan Rakyat can only be established and owned by Indonesian citizens, based on Indonesian law where all owners are Indonesian citizens, local governments or may be jointly owned by the three of them.

The legal form of Rural Banks is regulated in article 21 paragraph (2) of the Banking Law, which are regional companies, cooperatives, limited liability companies, and other forms stipulated by government regulations.

Bank Perkreditan Rakyat, which is a Limited Liability Company, is subject to banking regulations stipulated in Law Number 10 of 1998 concerning Banking and is also subject to the rules of Limited Liability Companies stipulated in Act Number 40 of 2007 concerning Limited Liability Companies.

Limited Liability Company is a capital partnership, so that the capital that is divided over shares is a fundamental characteristic of a Limited Liability Company. Bank Perkreditan Rakyat in the form of Limited Liability Company has capital which is divided into shares. Shares in a Rural Bank are registered shares and must be registered in the Share Register prepared by the Board of Directors.

Shares as proof of participation in a limited liability company, shows the rights and obligations

as well as the legal relationship between the owner and the limited liability company. Shareholders have the right to determine the direction of company policy through the General Meeting of Shareholders and shareholders are entitled to receive dividends distributed by the company.

One of the ways to own a Rural Bank is through a share buying and selling mechanism. The sale and purchase of Bank Perkreditan Rakyat shares is regulated in Law Number 10 of 1998 concerning Banking, Regulation of the Financial Services Authority Number 20 / POJK.03 / 2014 concerning Rural Banks, Regulation of the Financial Services Authority Number 27 / POJK.03 / 2016 concerning Capability Assessment and Compliance for Main Parties of Financial Services Institutions, and Financial Services Authority Circular Letter Number 39 / SEOJK.03 / 2016 concerning the Fit and Proper Test for Candidates for Controlling Shareholders, Candidates for Members of the Board of Directors, and Candidates for Members of the Board of Commissioners of the Bank.

The sale and purchase of Bank Perkreditan Rakyat shares is based on the General Meeting of Shareholders which is held with the agenda of selling shares. The sale and purchase of Bank Perkreditan Rakyat shares can occur between the shareholders themselves or the shareholders with other parties as potential new shareholders.

1. Sale and purchase of shares that occur between existing shareholders and do not result in a change in the controlling shareholder.

The process of buying and selling shares that occurs:

- a. Limited companies hold a General Meeting of Shareholders with an agenda of buying and selling shares.
- b. The Board of Directors reports the Minutes of the General Meeting of Shareholders to the Financial Services Authority. Reports on the changes must be submitted to the Financial Services Authority no later than 10 (ten) days after the General Meeting of Shareholders was held, enclosing the Minutes of the General Meeting of Shareholders

and ownership data in the form of: a list of shareholders and details of the respective shareholdings.

- c. Bank Perkreditan Rakyat also reports changes in shareholders which are changes to the articles of association of Bank Perkreditan Rakyat to the Minister of Law and Human Rights as the institution administering changes to the articles of association of a limited liability company.
  - d. Letter of receipt of notification of amendments to the articles of association of Rural Banks from the Ministry of Law and Human Rights, reported to the Financial Services Authority at the latest 10 (ten) working days to the Financial Services Authority.
2. Sale and purchase of shares which results in new shareholders or changes in controlling shareholders.

The process that is followed in the sale and purchase transaction of Bank Perkreditan Rakyat shares in the form of a Limited Liability Company:

- a. Bank Perkreditan Rakyat submits an application for approval of new prospective shareholders (controlling) to the Financial Services Authority, by attaching the following administrative documents:
  - 1) Documents stating identity in the form of:
    - i. photocopy of identification, in the form of identity cards;
    - ii. Curriculum Vitae, with the format according to the predetermined;
    - iii. recent 4 x 6 cm passport photograph; and
    - iv. photocopy of Taxpayer Identification Number.
  - 2) Composition of Bank Perkreditan Rakyat shareholders before and after the purchase of shares.
  - 3) A statement with sufficient duty stamp from the prospective buyer (prospective Controlling Shareholder) stating that the funds used are:

- i. does not come from a loan or financing facility in any form from a bank and / or other party; and / or
- ii. not originating from and for the purpose of money laundering.

- 4) A statement letter with sufficient duty stamp from the prospective buyer (prospective Controlling Shareholder) which at least states that the person concerned:

- a) committed to complying with the prevailing laws and regulations, particularly in the banking sector and supporting the policies of the Financial Services Authority;
- b) committed to taking the necessary measures if Rural Banks face capital and liquidity difficulties in carrying out their business activities;
- c) have never been convicted because they have been proven to have committed a criminal act that has been decided by the court and have permanent legal force in the form of:
  - (1) a criminal offense in the Financial Services Sector whose penalties have been completed within the last 20 (twenty) years before being nominated;
  - (2) a criminal offense, namely a crime listed in the Criminal Code (KUHP) and / or similar to the KUHP abroad with the threat of imprisonment of 1 (one) year or more for which the sentence has been served within 10 years. (ten) years prior to being nominated; and / or
  - (3) other criminal acts with the threat of imprisonment of 1 (one) year or more, including corruption, money laundering, narcotics / psychotropic drugs, smuggling, customs, excise, trafficking in persons, illicit arms trade,

terrorism, counterfeiting of money, in the field of taxation, in the forestry sector, in the environmental sector, in the maritime sector, and fisheries, whose penalties have been completed within the last 20 (twenty) years before being nominated

Controlling shareholders owning 25% (twenty five percent) or more of Rural Bank shares or more are required to fulfill these requirements as well as to fulfill financial feasibility requirements in accordance with the provisions concerning the fit and proper test for Rural Banks as stipulated in Article 6. and Article 7 of the Financial Services Authority Regulation Number 27 / POJK.03 / 2016 concerning the Fit and Proper Test for Main Parties of Financial Services Institutions. Financial feasibility that must be fulfilled by the controlling shareholder, namely: having a financial reputation (not having bad credit and / or financing and never being declared bankrupt and / or never being a shareholder, or a controller who is not a shareholder, member of the Board of Directors, or member The Board of Commissioners who was found guilty of causing a company to be declared bankrupt within the last 5 (five) years), has the financial capacity to support the development of the People's Credit Bank business, and is committed to taking the necessary measures if Bank Perkreditan Rakyat faces financial difficulties.

- 1) After the letter of fit and proper test is received by the Rural Bank with the following results: approved, the Rural Bank is required to hold a General Meeting of Shareholders within a maximum period of 60 (sixty) days. If within that time period the General Meeting of Shareholders is not held, the approval will be considered null and void.
- 2) Bank Perkreditan Rakyat must report to the Financial Services Authority that a General Meeting of Shareholders has been held, accompanied by proof of capital payment,

Minutes of General Meeting of Shareholders, a statement from shareholders stating that the paid-in capital does not come from loans and does not originate from and is for money laundering, and ownership data in the form of a list of shareholders and details of their respective share ownership.

- 3) Amendments to the Articles of Association of Rural Banks in the Form of Limited Liability Companies regarding changes in shareholders are reported or requested for approval to the Minister of Law and Human Rights.
- 4) The letter of acceptance for amendments to the articles of association or approval from the Minister of Law and Human Rights shall be reported to the Financial Services Authority no later than 10 (ten) working days accompanied by amendments to the articles of association of the Rural Credit Banks.

The sale and purchase of Bank Perkreditan Rakyat shares in the form of a Limited Liability Company by shareholders is often carried out by means of a share sale and purchase deed, however, the application for approval from the Financial Services Authority for prospective new shareholders has not been implemented. This causes the new shareholders unable to exercise their rights as shareholders until the new shareholders have the predicate: approved after going through a fit and proper test process. If the new shareholder is declared: not approved after a fit and proper test has been carried out, he must transfer his shares to another party who has received approval as shareholder.

The sale and purchase of Bank Perkreditan Rakyat shares, which is the exercise of freedom of contract, does not necessarily make the sale and purchase possible. According to Herlien Budiono, the "content aspect of the contract" is related to the principle of freedom of contract. This is because each party has different needs for the object that was promised to be realized. Herlin Budiono stated that strictly the scope of the principle of freedom of contract is limited by law, giving the possibility to

be valid, null and void, or sometimes can be canceled. Based on Budiono's opinion, each party should have knowledge of what is permissible and what is not justified by the prevailing laws and regulations and be based on Indonesian contract law in making contracts.

### **B. Significance of the Financial Services Authority's Approval on the Sale and Purchase of Shares in Rural Banks in the Form of Limited Liability Companies**

The sale and purchase of Bank Perkreditan Rakyat shares can occur among existing shareholders, or occur with buyers of new shares. In addition, the sale and purchase of shares may result in a change in controlling shareholder, that is, if the number of shares owned by shareholders becomes 25% (twenty five percent) or more of the shares issued by the bank.

The sale and purchase of Bank Perkreditan Rakyat shares that occur between shareholders and do not change the control of the Bank and there are no new shareholders, changes are reported within 10 (ten) working days to the Financial Services Authority.

Sale and purchase of shares that cause the total share ownership to be 25% (twenty five percent) and above and change bank control or add / replace Controlling Shareholders, such prospective shareholders must obtain prior approval from the Financial Services Authority.

The sale and purchase of Bank Perkreditan Rakyat shares is decided at the General Meeting of Shareholders. The General Meeting of Shareholders determines the buyers of shares and the number of shares to be the object of the sale and purchase. Minutes of the General Meeting of Shareholders made in the deed of the Statement of Meeting Resolutions in the form of a notary deed, change of shareholders cannot be implemented as long as the new shareholders have not received the approval of the Financial Services Authority.

Notarial deed is a deed drawn up before and in front of the competent official for that purpose.

Authorized officials for this are notaries, Heads of Districts and Land Deed Authorization Officers (PPAT), and others. This type of document is the perfect piece of evidence for both the parties concerned and the third party.

There are three functions of a notary deed (authentic deed), namely:

- a. As evidence that the parties concerned have entered into certain agreements.
- b. As evidence for the parties that what is written in the agreement is the goal and desire of the parties.
- c. As evidence to the third party that on a certain date, unless otherwise stated, the parties have entered into an agreement and that the contents of the agreement are in accordance with the wishes of the parties.

The sale and purchase of shares that occur between shareholders and cause changes or additions to controlling shareholders without the approval of the Financial Services Authority, the shareholders are required to transfer shares and not exercise bank control and their rights as shareholders are limited.

The limitation of rights as a shareholder can be seen from the failure to fulfill the requirements of integrity and financial feasibility. Shareholders who do not meet the integrity requirements, then they:

1. Must transfer all of its share ownership within (at the latest) one year and do not exercise control.
2. Cannot exercise rights as a shareholder such as attending, casting votes, and the right to be calculated in the quorum of the General Meeting of Shareholders and not receiving dividends.

Shareholders who are not approved because they do not meet the financial feasibility requirements, then they:

1. Must transfer part of its share ownership within (at the latest) 1 year so that the number of shares it owns returns to the original number of shares prior to the addition of shares which causes the shareholder to become the



controlling shareholder and not exercise bank control.

2. Only exercise the rights as a shareholder, namely the right to attend, cast votes and the right to be calculated in the quorum of the General Meeting of Shareholders and receive dividends equal to the initial number of shares before the addition of shares.

The sale and purchase of Bank Perkreditan Rakyat shares in the form of a Limited Liability Company, which is an exercise of freedom of contract, but in its implementation is limited by the existing Law. Act Number 10 of 1998 concerning Banking as positive law in the banking sector requires a license from Bank Indonesia. With the existence of Law Number 21 of 2011 concerning the Financial Services Authority, the duties and authorities of supervision and regulation of banking regulations fall under the authority of the Financial Services Authority. This is the basis for the Financial Services Authority to regulate the sale and purchase of Bank Perkreditan Rakyat shares.

The Financial Services Authority, as the institution that regulates and supervises banking, issues regulations relating to Rural Banks, including regulations on bank share ownership. The rules regarding bank share ownership cannot be deviated, given their coercive nature (dwingend recht).

The sale and purchase of Bank Perkreditan Rakyat shares, which is an agreement at the General Meeting of Shareholders, cannot be carried out as long as there is no approval from the Financial Services Authority for the new shareholder or the new controlling shareholder. Thus, the approval of the Financial Services Authority for new shareholders is very significant in the sale and purchase of shares in Bank Perkreditan Rakyat in the form of a Limited Liability Company.

## **CONCLUSION**

1. The sale and purchase of Bank Perkreditan Rakyat shares in the form of a Limited Liability

Company, begins with an application for approval of prospective new shareholders and prospective new controlling shareholder to the Financial Services Authority. The Financial Services Authority will give approval if the prospective shareholder has conducted a Fit and Proper Test which includes financial integrity and feasibility with the results: approved. The General Meeting of Shareholders is held after the approval. The minutes of the General Meeting of Shareholders must be reported to the Financial Services Authority and a deed of amendment to the articles of association (deed of notary) is made which is notified to the Minister of Law and Human Rights. The amendments to the articles of association of Rural Banks that have been notified to the Minister and evidence of reporting of the amendments to the articles of association are reported to the Financial Services Authority.

2. The approval of the Financial Services Authority with the approval of the shareholders is significant, even though the Financial Services Authority cannot cancel the General Meeting of Shareholders decision or the sale and purchase deed of Bank Perkreditan Rakyat shares that the old shareholder had made with the prospective shareholder who received the title of disapproval. The cancellation of the sale and purchase of shares is settled in a civil manner between the old shareholders and the prospective new shareholders or the prospective new controlling shareholder themselves. The approval of the Financial Services Authority is the main key in the sale and purchase transaction of Bank Perkreditan Rakyat shares, because with the approval of the Financial Services Authority for new shareholders, and the implementation of the General Meeting of Shareholders and reporting to the Minister of Law and Human Rights, prospective shareholders have the right to become a shareholder.

## Advice

1. The process of buying and selling Bank Perkreditan Rakyat shares should be disseminated to related parties, including shareholders, prospective shareholders and notaries who drafted the deed in connection with the sale and purchase. The notary is obliged to understand the regulations of the Financial Services Authority, so that the notary in preparing the Minutes of the General Meeting of Shareholders relating to the sale and purchase of shares in Bank Perkreditan Rakyat in the form of a Limited Liability Company can carry out their duties properly and act carefully in accordance with the regulations of the Financial Services Authority.
2. The approval of the Financial Services Authority for shareholders should be used as a condition in the sale and purchase transaction of Bank Perkreditan Rakyat shares, so as not to cause civil disputes between shareholders and prospective shareholders if a share sale and purchase cancellation occurs because the prospective shareholder is not approved as a shareholders after having carried out a fit and proper test by the Financial Services Authority.

**REFERENCES**

1. A.Q Khalid, Economics, Jakarta, Erlangga publisher, 1998
2. Abdulkadir Muhammad, Indonesian Civil Law, Revised Print, PT. Citra Aditya Bakti, Bandung, 2010
3. Achmad Ichsan, Commercial Law, Jakarta, Pradnya Paramita, 1986
4. Adrian Sutedi, Legal Aspects of the Financial Services Authority, Achieve Successful Success, Self-Help Group Spreader, Issue 1, Jakarta 2014
5. Agus Budiarto, Legal Position & Responsibilities of Limited Liability Company Founder, Galia Indonesia, Jakarta, 2002
6. Ahmad Muliadi (et.al), Academic Guide and Guidelines for Thesis Writing, Master of Notary, Postgraduate Program at Jayabaya University, Jakarta, 2017
7. Ariff, Faisal, Dan Partners, Bank, Strategy and Operations, First Edition, Publisher-Pt. Eresco, Bandung, 1996
8. Bambang Waluyo, Legal Research in Practice, Sinar Grafika, Jakarta, 1991
9. Dahlan Thaib, Kedaulatan Rakyat, State of Law and Human Rights, Collection of Writings on the 70th anniversary of Sri Soemantri Martosoewignjo, Media Pratama, Jakarta, 1996
10. Djoni S. Gazali, Rachmadi Usman, Banking law, Sinar Grafika, cet 2, 2012
11. Fakhruddin, Purwanto, wiji and Hendy, Knowing Capital, Salemba Empat. Jakarta, 2006
12. Frans Satrio Wicaksono, Responsibility of Shareholders, Directors & Commissioners of a Limited Liability Company (PT), Visi Media, Jakarta 2009
13. Gunawan Widjaja, Legal Risks as Directors, Commissioners, and Owners of Limited Liability Companies, Jakarta, Fokus Friends, 2008
14. H.M.N. Purwosutjipto, Basic Understanding of Indonesian Commercial Law, Djambat, 1979, Jakarta
15. Handri Raharjo, Corporate Law, Yogyakarta, Pustaka Yustisia, 2009
16. Henry Simamora, Accounting for the Basis of Business Decision Making, volume II, first printing, Salemba Empat. Jakarta, 2000
17. Herlien Budiono, Collection of Civil Law Writing in the Field of Notary, Third Book, PT Citra Aditya Bakti, Bandung, 2015
18. Hermansyah, Indonesian National Banking Law, Second Edition, Kencana, Sixth Edition, Jakarta, 2011
19. Public Relations of Bank Indonesia, Dynamics of Transformation of Bank

- Supervision in Indonesia, Bank Indonesia, Jakarta, 2010
20. I.G Ray Widjaya, Limited Liability Company Law Special Understanding of Law Number 1 of 1995, cet II, Jakarta, Kesaint Blank
21. Indonesian Accountants Association, 2002. Financial Accounting Standards, Publisher-Salemba Empat, Jakarta
22. Johannes Ibrahim, Bank As an Intermediation Institution in Positive Law, CV. Utomo, Bandung, 2004
23. Cashmere, Banks And Other Financial Institutions, Rajawali Pers, 2012
24. Khaerul Umam, Sharia Capital Market & Islamic Capital Market Practices, Pustaka Setia, Bandung
25. M. Yahya Harahap, Limited Liability Company Law, Printing 2, Sinar Grafika, Jakarta, 2009
26. Man S. Sastrawidjaja and Rai Mantili, Limited Liability Companies According to Three Laws volume I, Bandung: Alumni, 2008
27. ----- Interest of Commercial Law, PT. Alumni, Bandung, 2005
28. Mariam Darus Badul Zaman, Miscellaneous Business Law, Alumni, Bandung, 1994
29. Muchlis Pahatna and Joko Purwanto, ed. Notary Talks About State Affairs, cet. Second, Watampone Press, Jakarta, 2003
30. Muhammad Djumhana, Principles of Indonesian Banking Law, Bandung, Citra Aditya Bakti, 1993
31. ----- Banking Law in Indonesia, PT. Citra Aditya Bakti, Bandung, 2000
32. Mulhadi, Company Law (Corporate Forms in Indonesia), Ghalia, Bogor, 2010
33. Munir Fuady, Modern Banking Law Based on the Law of 1998, the first book, PT. Citra Aditya Bakti, Bandung, 1999
34. ----- Company Law in Business Law Paradigm, cet 2, Bandung, PT. Citra Aditya, 2002
35. ----- Modern Doctrines in Corporate Law & Their Existence in Indonesian Law, cet 1, Citra Aditya Bakti, Bandung, 2002,
36. NI'matul Huda, State of Law, Democracy and Judicial Review, UII Press, Yogyakarta, 2005
37. Orinton Purba, Practical Instructions for the General Meeting of Shareholders, Commissioners and Directors of Limited Liability Companies to Avoid Legal Trap, Print 1, Reach Asa Sukses, Jakarta, 2011
38. Padmo Wahjono, The Juridical Concept of the State Law of the Republic of Indonesia, Rajawali, Jakarta, 1982
39. Parera, J.D, Bank Indonesia, Central Bank of the Republic of Indonesia, An Introduction, Center for Education and Central Banking Studies (PPSK) Bank Indonesia, Jakarta, 2004
40. Peter Mahmud Marzuki, Legal Research, Revised Edition 12th printing, Kencana, Jakarta, 2016
41. Rachmadi Usman, Legal Dimensions for Limited Liability Companies, PT. Alumni, Bandung, 2004
42. Retnowulan Sutantio, Holding Company, Merger, and Other Forms of Corporate Cooperation, Jakarta, Supreme Court of the Republic of Indonesia, 2008
43. Roni Hanitjo Soemitro, Legal and Jurimetric Research Methodology, Ghalia Indonesia, Jakarta, 1982
44. R. Ali Ridho, Legal Entity and Legal Position of Companies, Cooperatives, Foundations, Endowments, Alumni, Bandung, 1986
45. Salim, Erlies Septiana Nurbani, Application of Legal Theory, third book, PT. RajaGrafindo Persada. Jakarta, 2016
46. Salim H.S., Introduction to Written Civil Law (BW), PT Sinar Grafika, Jakarta, 2008.
47. Sentosa Sembiring, Banking Law, Mandarmaju, Bandung, 2001
48. Soedjono Dirjosisworo, "Company Law Regarding the Forms of Companies

- (business entities) in Indonesia", Mandar Maju, Bandung, 1997
49. Soerjono Soekanto, Introduction to Legal Research, 3rd printing, UI-Press, Jakarta, 1986
  50. Sudikno Mertokusumo, Knowing the Law (an Introduction), liberty, Yogyakarta, 2010
  51. Suseno and Piter Abdullah, Banking System and Policy in Indonesia, Jakarta, Center for Central Banking Education and Studies, PPSK, 2003
  52. Susilo, Y.Sri, Sigit Triandaru, and A. Totok Budi Santoso, Banks and Other Financial Institutions, First Edition, Publisher-Salemba Empat, Jakarta, 2000
  53. Sutrisno Hadi, Research methodology, volume I, ANDI, Yogyakarta
  54. Teddy Anggoro, Freddy Harris, Limited Liability Company Law Notification Obligations by the Board of Directors, Ghalia Indonesia, Member of Ikapi, Bogor, 2010
  55. Veithzal Rivai, Andria Permata Veithzal, Ferry N. Idroes, Bank And Financial Institution Management, Pt Rajagrafindo Persada, Jakarta 2007
  56. Widjanarto, Banking Law and Regulations in Indonesia, PT. Pustaka Utama Grafiti, Jakarta, 1993