

JURIDICAL REVIEW OF THE ESTABLISHMENT OF CONVENTIONAL BANKS ACCORDING TO POSITIVE LAW

SRI HARTINI¹, NOVAL ANJAR WIGUNA² and DIDI HILMAN³

^{1, 2, 3} Universitas Ibn Khaldun Bogor, Indonesia. Email: Srihartinishmh.@.gmail.com

Abstract:

This study aims to find out: 1) to find out the establishment of conventional banks according to positive law 2) to find out the constraints of establishing conventional banks in Indonesia. The type of research used is Juridical-Normative, that is, data collection is carried out with literature study techniques. The results of research and discussions show: 1) the establishment of a conventional bank according to positive law, namely contained in Bank Indonesia regulations in the form of a Limited Partnership with the process of establishing a limited liability company deed at a Notary, domicile permit, Npwp of the Company and managing ratification at the Ministry of Law and Human Rights and then to obtain a business license from Bank Indonesia there are two stages, namely principle permits and business licenses, follow-up from the Financial Services Authority. 2) Obstacles to the establishment of Conventional Banks in Indonesia there are business licensing constraints, business constraints and constraints on the use of Online Single Submission (OSS) which have not been in sync with the regulations of the Financial Services Authority.

Keywords: Positive Law, Conventional Bank Pendirian, Banking

INTRODUCTION

The era of modern conventional banking began in the 16th century in England, the Netherlands and Belgium. At that time the u.s. e m artisans were willing to accept coins (gold and silver) for storage. This proof of gold storage is indicated by a deposit suran called goldsmith's note. In later developments goldsmith's note was used as a means of payment. Goldsmiths began to issue goldsmith's notes that were not supported by gold or silver reserves and were accepted as legal tender in business transactions. The parties involved in this era are consumers, producers and traders, kings and their officials, church organizations that need banking services to carry out their activities (Arif, 2012).

The emergence of many financial institutions in Indonesia today does require the role of the government and acting authorities to make regulations and laws for bank establishment permits so that banks can be more useful for everyone. Thus, various types of banks that have emerged in Indonesia and must be in accordance with the provisions set by the authorized officials not only for business purposes, but Law No.14 of 1967 concerning Banking Principles (Nurul Ichsan Hasan, 2006).

The terms and conditions set by the government and authorized officials through the articles in the law are to achieve a better goal if the bank experiences problems and is dealing with the market. So that the bank can function as an intermediation institution, which is an institution that directs funds from the community and distributes it back to people in need to improve people's living standards. At this time, there were many banks that did not have operating licenses or banks that did not clearly establish a free operation that raised public funds.

In Indonesia, there are two types of financial institutions, namely banks and non-banks, bank financial institutions consist of the Central Bank, Commercial Banks and People's Credit Banks (BPR). The non-bank financial institutions consist of savings and loan cooperatives (KSP), pawnshop forums, insurance companies, and pension funds. Banks in terms of duties are divided into 3 (Three) according to Law (UU) No 07/1992.

THEORETICAL REVIEW

Banking

In the current development of banking, the term Bank is intended as a type of financial institution that carries out quite a variety of financial services, such as lending, lending, circulating currency, conducting supervision of currency, acting as a storage place for valuable objects, and financing the company's business (Sentosa Sembiring, 2012). Abdurrachman, banking (banking), is generally an activity in selling currencies, securities and other tradable instruments. Receipts are posted to facilitate the storage or to obtain interest, and/or deeds, the provision of loans with or without dependent goods, the use of money placed or handed over for storage (Zainal Asikin, 2014).

According to O.P Simorangkir, the bank is one of the financial institution business entities that aims to provide credit and services. The provision of credit is carried out either with its own capital or with funds entrusted by third parties or by circulating new means of payment in the form of money (O.P.Simorangkir, 1998). Cashmere, a bank is known as a financial institution whose main activity is accepting current accounts, savings and time deposits. Then banks are also known as a place to exchange money, move money or accept all forms of payment and deposit such as electricity, telephone, water, taxes, tuition and other payments. Banks are financial institutions providing services, various financial services, even in developed countries banks are the main needs for the public every time they transact (Cashmere, 2002). (Sentosa Sembiring, 2012) the definition of a bank is a legal entity engaged in financial services, which can collect funds from the community directly and distribute back to the community through the legal provisions of crediting. From the above understanding, it is clear that a banking business is basically a savings and loans business for the sake of and for the benefit of third parties without paying attention to the legal form whether it is an individual or a legal entity (rechts person).

Financial Institutions

Bank Financial Institutions One of the institutions that have an important role in the business world is a banking financial institution. Banking institutions are subsystems of the existence of financial institutions (financial institutions). According to the current banking law, Indonesia is a country that adheres to the concept of national banking with a dual banking system. This means that in addition to conventional banking that operates under the "interest" system, there are also other banks that carry out their business activities based on sharia principles. Although both of them are banking institutions, both in concept and implementation, they are still different from one another. In sharia business law, the affirmation of the difference between

the two is very necessary, especially intended to find out the cause of the halal-haram, as well as the consequences of its *maslahat-mudharat* (Burhanuddin, 2011).

Financial companies, generally better known as financial institutions, are companies that provide services related to finance (Adiyanto, 2019). Abdulkadir Muhammad (Imaniyati, 2010) according to financial institutions are: Business entities that have wealth in the form of financial assets (financial assets). Wealth in the form of financial assets is used to run a business in the field of financial services, both the provision of funds to finance productive businesses and consumptive needs, as well as non-financing financial services. (Subagyo & Fatmawati, 2000) Financial institutions in general financial institutions can be interpreted as an agency engaged in the financial world to provide services for customers or the public in order to meet the needs in their lives. From the above understanding, it can be explained more broadly that banks are companies engaged in finance, meaning that banking activities are always related to the financial sector. The main function of the bank is to provide services regarding overwriting and credit expansion. as a financial institution that provides financial services. Today a bank is an institution that holds a bank license.

Indonesia's financial system can be distinguished in principle in two types, namely the banking system and the system of non-bank financial institutions. Financial institutions that are included in the banking system, namely financial institutions that based on laws and regulations can collect funds from the public in the form of deposits and distribute them to the public in the form of credit or other forms and in their activities provide services in payment traffic. Because these financial institutions can accept deposits from the public, they are also called depository financial institutions, which consist of Commercial Banks and People's Credit Banks. Non-bank financial institutions are financial institutions other than banks that in their business activities are not allowed to collect funds directly from the public in the form of deposits. Non-bank financial institutions are called non-depository financial institutions (Burhanuddin, 2011).

Conventional Banks

The definition of a Co-21 Bank is explained in Law Number 21 of 2008 concerning Sharia Banking in Article 1 angka 4, it is stated that a Bank Convention is a Bank that carries out its legal activities conventionally and based on its type consists of a Convention Commercial Bank and a People's Credit Bank. Conventional Umum Bank is a Bank that carries out its banking activities to provide jasa to its customers in the traffic of payments while the People's Credit Bank is a Bank that runs its banking activities not to provide services in payment traffic.

Establishment of a Legal Entity

A legal entity is a body that exists because of the law, which is necessary for its existence so that it is disebut legal entity (I. G. R. Widjaya, 2006). This legal entity is a human engineering to form a body that has the same status, position and authority as humans. Because this body is a human engineering entity, it is called an artificial Person (Ridwan Khairandy, 2007). A legal entity (*rechtspersoon*, legal persons, moralist persona) is a legal subject that is essentially

a human being and everything that is based on the guidance of such a society's needs by law d is recognized as a supporter of rights and obligations (Ali, 1987).

Theoretically, several teachings or doctrines are known that are the theoretical basis for the existence of legal entities. There are several leading concepts of legal personality:

a. Legal Personality as Legal Person

According to this concept, a legal entity is a creation or engineering of man. The legal capacity of this entity is based on positive law, so the state recognizes and guarantees the legal personality of the entity.

b. Corporate Realism

According to this concept, the legal personality of a legal entity comes from a reality and is not created by the incorporation process, that is, the establishment of a legal entity based on laws and regulations.

c. Theory of the Zweckvermogen

According to this concept a legal entity consists of a certain amount of wealth that is used for a specific purpose.

d. Aggregation Theory

According to the concept of corporate personality, this legal entity is merely a common name, a symbol for the members of the corporation. Activities in the field of modern business economics require business people to cooperate with other business people in an organization. Business organizations in reality also carry out legal deeds and legal relations. Therefore, to the deeds and relationships carried out by business organizations it is necessary to regulate or carry out according to law. So that for deeds and relationships that are recognized as acts and legal relationships, the consequences of deeds and relationships have legal consequences.

Public and Closed Companies

Description of a Public Company (Tbk) which is a limited company that sells its shares to the public through the stock exchange (go public). So its shares are marketed to the public, traded through the stock exchange (I. G. Widjaya, 2006). According to the Financial Services Authority Regulation Number 11/POJK.04/2017 concerning Ownership Reports or any change in share ownership per valid public, "A Public Company is an issue that has made an offering of equity securities or a Public Company.

A Closed Company is a type of company whose shares can only be owned by certain people / circles, not to be traded to the public. Closed companies have several special characteristics that distinguish them from other companies. (Satrio, 2020) Closed companies have special characteristics when compared to other companies, including the following:

- 1) Usually its shareholders are "limited" and "closed" (besloten, close). It is limited to people who still know or whose shareholders are limited to those with whom there are still family ties, and are closed to outsiders;

- 2) The shares of the company are stipulated in the articles of association, only a small amount, and in the articles of association, it has been firmly determined who can be a shareholder;
- 3) The shares are also only in the name (aandeel op nam, registered share) or certain persons on a limited basis.

Based on such a character, such companies are called and classified as "closed" companies (besloten vennootschap, close corporation). Or also called a family limited liability company (familie vennootschap, corporate family). A closed company, in the reality of practice, can also be classified again, consisting of:

1) Purely Closed

Such a closed company is called purely closed or absolutely closed, because it does not give outsiders room to become shareholders. The characteristics of a purely closed company can be explained as follows:

- a. Those who may become shareholders are absolutely limited and enclosed in absolutely manner, limited to the environment of certain friends or certain family members only;
- b. Its shares are issued in the name of certain persons in question;
- c. In the articles of association it is expressly stipulated, the transfer of shares, can only be and is limited to fellow shareholders only

2) Partially closed partially open

Another type of closed Perseroan encountered in practice is the impure or non-absolute closed. Characteristically, some remain closed, and some are open with the following reference:

- a. All shares of the company, divided into two groups;
- b. One particular group of shares, may only be owned by a specific person or group. Such shares, for example grouped or classified as "privileged shares", can only be owned by certain persons and are limited;
- c. Meanwhile, other groups of stocks can be openly owned by anyone.

Positive Law

A positive law is a law made by man that obliges or establishes an action. This term also describes the establishment of rights for an individual or group (Naja, 2020). Positive law is also called us constitute which means a collection of principles and rules of written law that are currently in force and binding in general or specifically and are enforced by or through the government or courts in the State of Indonesia (Astawa, 2008). J.J.H. Bruggink (Soekanto, 1986) expressed his opinion that positive law is a legal product of people who are authorized to make laws, regarding the authorized persons are the State Administrative Agencies / Acting Including the legislatures (legislatures), judicial bodies (judiciary) and government bodies (executive).

RESEARCH METHODOLOGY

Beginning of Legal Entity Establishment for Bank

According to Bank Indonesia Regulation Number: 2/27/PBI/2000 concerning Commercial Banks in Article 2 "Bentuk The legal entity of a Bank can be in the form of a Limited Liability Company, Cooperative or Regional Company".

1. Requirements for the establishment of a Limited Liability Company (PT)

To establish a limited liability company, the company must meet the conditions specified by Law No. 40 of 2007 concerning Limited Liability Companies. (Asyhadie, 2008) the conditions are as follows:

- a. Established by a minimum of 2 or more people (article 7 paragraph (1) uupt)
- b. Made with a Notarial Deed in Indonesian (article 7 paragraph (1) UUPT)
- c. Each founder shall take a bagian over the shares, except in the context of the amalgamation of the company (pasal 7 paragraphs (2) and (3) of the Uupt)
- d. The deed of establishment must be ratified by the Minister of Law and Human Rights and announced in the State Gazette of the Republic of Indonesia (BNRI) (article 7 paragraph (4) uupt).
- e. The minimum authorized capital is Rp. 50,000,000 and the paid-up capital is at least 25% of the authorized capital (article 32 and article 33 of the Uupt)
- f. The management structure of the company is the existence of directors of at least 1 person and 1 commissioner (article 92 paragraph (3) and article 108 paragraph (3)) of the Uupt).
- g. NIB Registration

In the Government Regulation of the Republic of Indonesia Number 24 of 2018 concerning Electronically Integrated Business Licensing Services, NIB or Business Identification Number is an identification number for business actors. NIB serves to replace TDP, API, NIK, and RPTKA if it is conquered. Annual Tax Returns and personal data have been well reported. If you already have company legality but do not yet have a NIB, then you must make a NIB to complete the legality of your company. NIB registration is carried out through the OSS (Online Single Submission) system.

In general, the material requirements in the form of completeness of documents that must be submitted to a notary for the purposes of the deed of establishment of a Limited Liability Company are:

1. Identity Card (KTP) of the Founders (at least 2 people and not husband and wife). If the founder is a husband and wife, there must be a property separation agreement between the husband and wife. This provides legal certainty regarding the ownership

of the founders' property so that in determining the company's capital can be divided into 2 people. Unlike the case with husband and wife whose ownership of property without direct separation can only be 1 unit of legal subjects so that it does not meet the elements of the establishment of a company that is at least established by 2 or more people. It also requires the ID cards of all shareholders along with the board of directors and commissioners.

2. Authorized capital and paid-up capital. To determine the amount of authorized capital, issued capital and paid-up capital, it actually depends on the type / class of Trading Business License (SIUP) desired by the founders. The determination of the SIUP class is not based on the amount of authorized capital, but based on the amount of paid-up capital into the Company. The classification is as follows:
 - a) Small SIUP, paid-up capital up to Rp. 200.000.000,-
 - b) Medium SIUP, paid-up capital from Rp. 201.000.000,- up to Rp. 500.000.000,-
 - c) Large SIUP, paid-up capital or starting from Rp. 501,000,000,

The amount of paid-up capital should be a maximum of up to 50% of the authorized capital, to provide an opportunity for the Company if at any time it will issue shares in deposits so that there is no need to increase the authorized capital again. However, it can also be that the authorized capital is the same as the paid-up capital, depending on the needs of the company. The establishment of a pt requires permits such as a certificate of domicile of the Company, the company's Taxpayer Identification Number (NPWP), SIUP, Company Registration Certificate (TDP) and Taxable Entrepreneur (PKP). To obtain this permission, the necessary complementary documents are:

1. President Director's Family Card
2. NPWP of the Board of Directors (if there is none, at least the President Director)
3. Photocopy of the Building Lease Agreement along with a certificate of domicile from the building manager (if the office has lease status) if it belongs to the company, what is needed is a photocopy of the land certificate and a photocopy of the last Land and Building Tax (PBB) along with proof of its payment, as well as an inheritance deed, namely the entry of property in the company as proof that the company is the owner of the land as a consequence of investment by investors who exchanged his land became a stake in the company.
4. Pas photo of the President Director / insurer of Javab size 3X4 as many as 2 sheets
5. Photo of the office front view, tampak indoors (the room contains desks, chairs, computers along with 1-2 employees). This is done to make it easier during surveys by the government to manage PKP or SIUP.
6. Stemmop company.

At the time of signing the deed of establishment, it can be directly taken care of the domicile permit, and the NPWP. Next is to open an account in the name of the Company. After the account in the name of the company is opened, then within a maximum period of 1 month, funds must be deposited in the amount of paid-up capital into the company's account to be able to process its ratification to the Ministry of Law and Human Rights (hereinafter referred to as the Ministry of Law and Human Rights), because if it passes from 60 (sixty) days from the signing of the deed, the company becomes dissolved based on article 10 paragraph 9 of the Uupt. After passing the process, a Decree (SK) of the Ministry of Law and Human Rights will be issued for the establishment of the company. Since the issuance of the decree of establishment of the PT, the company has the right and authority to carry out all activities related to the continuity of its company. The Company can take legal actions before the issuance of the decree, but the legal action is only binding on the parties (not binding on third parties) and the company's internal parties must be personally responsible (article 14 of the Tax Law)

Procedure for Establishing a Conventional Bank According to the Law

Every party that carries out activities to collect funds from the public in the form of deposits must first obtain a business license as a Commercial Bank from the head of Bank Indonesia which has been amended by Article 55 paragraph (2) of Law No. 21 of 2011 concerning the Financial Services Authority and become the authority of the OJK, unless the activity of collecting funds from the public is regulated in a separate law (Article 2 of PBI 11/01/2009). The granting of permits as referred to in the diatas number is carried out in 2 (two) stages (Usman, 2014):

- a. Principle approval, that is, approval to carryout preparations for the establishment of the Bank.
- b. Business license, which is a license granted to carry out the Bank's business activities after preparations are completed.

Principle approval is valid for a period of 1 (one) year from the date the principle approval is issued. Parties who have received principle approval are prohibited from carrying out banking business activities before obtaining a business license. If up to a period of 1 (one) year the party who has received principle approval has not submitted a business license application to Bank Indonesia, the principle approval that has been issued becomes invalid.

Banks that have received a business license from the Governor of Bank Indonesia, whose authority now switches to the Financial Services Authority, are required to carry out banking business activities no later than 60 (sixty) working days from the date the business license is issued. The implementation of business activities must be reported by the Board of Directors of the Bank to the Financial Services Authority no later than 10 (ten) working days after the date of implementation of operational activities. If after a period of time the Bank has not carried out business activities, the license that has been issued becomes invalid.

Constraints on the Establishment of Conventional Banks

The constraints of establishing a conventional bank include various permits.

1. Business Licensing Constraints

Not a few business actors still do not fully understand the types of business licenses needed for their business. One of the influential factors is the many types of business licenses that exist in Indonesia and each has stages and requirements that may be different from each other. As an illustration, you can access the website of the DKI Jakarta PTSP Agency, there are 27 fields in the Licensing menu. In the Licensing menu in the field of Trade itself, there are around 62 types of business licenses. Not yet a licensing menu in other areas. This is new in the Jakarta area. In other areas perhaps the licensing items could be more.

2. Domicile Constraints Usaha

A business entity must have a business domicile. Moreover, in some areas, they can no longer use residential houses as domiciles. If the business entity you establish is in the form of a PT (Limited Liability Company), this obligation is affirmed in Article 5 of Law Number 40 of 2007 concerning Limited Liability Companies. A legal business domicile in a representative location can create a positive perception for potential clients and potential partners towards the company. And most importantly, the existence of a business domicile for business entities is needed to take care of the legality documents needed by your company. The business domicile address will indeed be stated in every company legality document, ranging from SKDP to TDP. These two reasons can at least motivate you to wisely choose the right business domicile for your business. In addition, in choosing a business domicile, you should use a building whose designation is indeed for a place of business. You can see this type of designation in the IMB (Building Permit) document of the building. Indeed, in some areas it is still allowed to use a residential house as a business domicile, but choosing a building with an IMB whose designation is a place of business will be an anticipatory step for the sustainability of the company.

3. Problems using Online Single Submission (OSS)

Although the OSS has been running for 2 years, it is still found that there are obstacles in the integration of data from various ministries and institutions. For example, NIK data from dukcapil sometimes exists that is out of sync between dukcapil and OSS. If there are problems related to NIK, not all are integrated in OJK regulations specifically for the banking business sector.

Conventional Bank Operations

The operational system used by conventional banks is to use a credit or loan interest calculation system (invest note), while what is meant by interest is in return for services provided by the bank to the customer for buying or selling its products, or in other words that the interest is the price that must be paid to the customer because it has deposits and the price that must be paid

by the customer to the bank because the customer is the borrower. Regarding the high and low interest rates in the community because it is influenced by various factors, namely: Public Liquidity, Expectations, Inflation, The size of domestic unga rates and expectations of changes in exchange rates and premiums for risks.

RESEARCH RESULTS

Procedure for Establishing a Conventional Bank According to Positive Law

In accordance with Article 55 paragraph (2) of Law No. 21 of 2011 concerning Financial Services Authority. Since December 32, 2013 functions, duties and authorities. The monitoring and supervision of financial services activities in the banking sector from Bank Indonesia shifted to the Financial Services Authority (OJK). The procedure for establishing a conventional bank is as follows:

Establishment of Conventional Commercial Bank (Principle Approval)

a. Eligibility

The paid-up capital is set at least Rp. 3,000,000,000,000.00 (three trillion rupiah).

The Bank can only be established and/or owned by:

- 1) Indonesian citizen and/or Indonesian legal entity.
- 2) Indonesian citizens and/or Indonesian legal entities with foreign nationals and/or foreign legal entities in partnership. Ownership by foreign nationals and/or foreign legal entities is at most 99% (ninety-nine percent) of the bank's paid-up capital.
- 3) Applications are submitted by at least one prospective owner to the OJK

b. Document List

c. Submission of Application

No.	Document
1	<p>The draft deed of incorporation of a legal entity, including the draft Articles of Association which at least contains:</p> <ol style="list-style-type: none"> Name and place of seat. Business activities as a bank. Capital. Possession. Authority, responsibility, and term of office of members of the Board of Commissioners and members of the Board of Directors. The requirement that the appointment of members of the Board of Commissioners and members of the Board of Directors must obtain OJK approval in advance.
2	<p>Ownership Data in the form of:</p> <ol style="list-style-type: none"> The list of prospective shareholders along with details of the amount of each share ownership for banks in the form of legal entities of Limited Liability Companies / Regional Companies. The list of prospective members follows a breakdown of the amount of principal deposits and mandatory deposits, as well as a list of grants for banks in the form of Cooperative legal entities.
3	<p>The list of candidates for members of the Board of Commissioners and Members of the Board of Directors is accompanied by documents that refer to the requirements of the management of Commercial Banks</p>
4	<p>Plans of the structure and structure of the organization, as well as personnel.</p>
5	<p>The business plan for the first 3 (three) years that paling less contains:</p> <ol style="list-style-type: none"> Feasibility studies on market opportunities and economic potential. A business activity plan that includes the collection and distribution of funds as well as the steps of activities to be carried out in realizing the plan. Projected balance sheet, income statement and monthly cash flow statement for 12 (twelve) months starting from the time the bank conducts operational activities.
6	<p>Medium and long-term strategic plan (corporate plan).</p>
7	<p>Risk management guidelines, internal control system plans, information technology system plans used, and guidelines regarding the implementation of Good Corporate Governance (GCG).</p>
8	<p>Work systems and procedures.</p>
9	<p>Proof of capital deposit of at least 30% (thirty percent) of the minimum paid-up capital of Rp. 3,000,000,000,000.00 (three trillion rupiah), in the form of a photocopy of deposit certificates at banks in Indonesia and atas the name "OJK Board of Commissioners". One of the prospective owners for the establishment of the bank concerned", stating that the disbursement can only be made after obtaining written approval from the OJK.</p>
10	<p>Statement letter from prospective shareholders for banks in the form of legal entities of Limited Liability Companies / Regional Companies or from prospective members for banks in the form of Cooperative legal entities, that capital deposits:</p> <ol style="list-style-type: none"> Not derived from loans or financing facilities in any form from banks and/or other parties in Indonesia. Not derived from and for money laundering purposes.
11	<p>List of prospective shareholders or prospective Members referring to On the provisions of shareholders of Commercial Banks.</p>
12	<p>Proof of payment of the levy to the OJK for the establishment of a bank.</p>

d. Application Submitted to the Licensing and Information Department of Pebankan

e. Follow-up approval

Establishment of a conventional commercial bank (Business License).

No.	Document
1	Deed of establishment of a legal entity, which contains the Articles of Association that have been ratified by the competent authority.
2	Ownership data (refers to the provisions of shareholders of Commercial Banks), in the event of a change of ownership.
3	List of composition of the Board of Commissioners and Directors, accompanied by documents referring to the provisions of the management of Commercial Banks, in the event of an event Change.
4	Proof of repayment of the minimum paid-up capital in the form of a photocopy of deposit certificates at banks in Indonesia and on behalf of the "OJK Board of Commissioners". one of the prospective bank owners", with a statement that the disbursement can only be done after receiving a written agreement from the OJK Board of Commissioners
5	The least evidence of operational readiness is: a. List of fixed assets and Inventory; b. Proof of ownership, possession or lease agreement of an office building; c. Photos of office buildings and room layouts; d. Examples of formulits/certificates that will be used for bank operations, and e. NPWP and Company Registration Certificate (TDP)
6	Statement letter from prospective shareholders, that the repayment of paid-up capital: a. Not derived from loans or financing facilities in any form from banks and/or other parties in Indonesia; and/or. b. Not derived from and for money laundering purposes.
7	Statement letter from members of the Board of Commissioners that the person concerned does not concurrently hold a position exceeding the provisions of Good Corporate Governance (GCG).
8	Statement letter from members of the Board of Directors that the person concerned does not concurrently hold office as stipulated in Good Corporate Governance (GCG).
9	Statement letter from members of the Board of Commissioners and Board of Directors that the person concerned does not have a family relationship as Provisions of Good Corporate Governance (GCG).
10	Statement letter from members of the Board of Directors that the person concerned either singly or jointly does not own more shares than 25% of the paid-up capital in other companies as stipulated in Good Corporate Governance (GCG).

Constraints on the Establishment of Conventional Banks in Indonesia

1. Business Licensing Constraints

Not a few business actors still do not fully understand the types of business licenses needed for their business. One of the influential factors is the many types of business licenses that exist in Indonesia and each has stages and requirements that may be different from each other. As an illustration, you can access the website of the DKI Jakarta PTSP Agency, there are 27 fields in the Licensing menu. In the Licensing menu in the field of Trade itself, there are around 62 types of business licenses. Not yet a licensing menu in other areas. This is new in the Jakarta area. In other areas perhaps the licensing items could be more.

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A business entity must have a business domicile. Moreover, in some areas, they can no longer use residential houses as domiciles. If the business entity you establish is in the form of a PT (Limited Liability Company), this obligation is affirmed in Article 5 of Law Number 40 of 2007 concerning Limited Liability Companies. A legal business domicile in a representative location can create a positive perception for potential clients and potential partners towards the company. And most importantly, the existence of a business domicile for business entities is needed to take care of the legality documents needed by your company. The business domicile address will indeed be stated in every company legality document, ranging from SKDP to TDP. These two reasons can at least motivate you to wisely choose the right business domicile for your business. In addition, in choosing a business domicile, you should use a building whose designation is indeed for a place of business. You can see this type of designation in the IMB (Building Permit) document of the building. Indeed, in some areas it is still allowed to use a residential house as a business domicile, but choosing a building with an IMB whose designation is a place of business will be an anticipatory step for the sustainability of the company.

3. Kendala usern Online Single Submission (OSS)

Although the OSS has been running for 2 years, it is still found that there are obstacles in the integration of data from various ministries and institutions. For example, NIK data from disdukcapil sometimes exists that is out of sync between disdukcapil and OSS. No problems were found related to NIK.

CONCLUSIONS AND SUGGESTIONS

A. CONCLUSION

Based on the description in the previous chapters, it can give some conclusions as follows:

1. The procedure for establishing a conventional bank according to the law is as follows:
 - a. In Bank Indonesia Regulation Number: 2/27/PBI/2000 concerning Commercial Banks in the form of there is a law for a Bank in the form of a Limited Liability Company. The process of establishing a Limited Liability Company is the Establishment of a Limited

Liability Company Deed at a Notary, Domicile Permit, Company NPWP and taking care of ratification at the Ministry of Law and Human Rights.

- b. To obtain a business license as a Commercial Bank from the head of Bank Indonesia which has been amended by Article 55 paragraph (2) of Law No. 21 of 2011 concerning the Financial Services Authority and becomes the authority of the Financial Services Authority, unless the activity of collecting funds from the public is regulated in a separate law. (Article 2 of PBI 11/01/2009). The granting of permits as referred to in the number above is carried out in 2 (two) stages: Principle Permits and Business Permits, follow-up approval from the Financial Services Authority.
2. Obstacles to the establishment of conventional banks in Indonesia are business licensing constraints, business domicile constraints and obstacles to the use of Online Single Submission (OSS) which have not been in sync with the Financial Services Authority Regulations.

B. SUGGESTION

With the transfer of authority from Bank Indonesia to the Financial Services Authority, which as an independent institution that provides licensing to banking business entities, it must make clear and efficient regulations in regulating the establishment of conventional commercial banks, which will minimize the occurrence of problem banks.

From the various obstacles that occurred at the time of the establishment of conventional banks, considering that the pace of economic growth in a country is influenced by banks, there should be synchronization among regulators and more socialization is carried out to the community so that it is no longer hampered in the process of establishing a bank.

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