



Foreign Investment Penetration Loophole on the Negative Investment List (DNI) Related to Shares Pledge in PT GLOBAL JET EXPRESS

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Abstract: Law Number 25 of 2007 concerning Investment in Article 33 regulates the prohibition on borrowing names in share ownership for the establishment of a Limited Liability Company, in accordance with the provisions of statutory regulations. However, in the Republic of Indonesia Law Number 40 of 2007 concerning Limited Liability Companies in Article 60 paragraph (2) it states that shares can be pledged with a pledge or fiduciary guarantee as long as it is not specified otherwise in the articles of association. The article does not provide further qualifications of special requirements where share pledges can be made. This study examines the correlation between Article 60 of Law Number 40 of 2007 concerning Limited Liability Companies with Article 33 of Law Number 25 of 2007 concerning Investment, specifically focusing on PT Global Jet Express and J&T Global Express Limited concerning pledges and share ownership, specifically discussed whether Article 60 of Law Number 40 of 2007 concerning share pledges creates a loophole for foreign investment penetration in the Negative Investment List. This study further investigates whether the practice of PT Global Jet Express share pledges has weakened Article 33 paragraph of Law Number 25 of 2007 concerning Investment. This study aims to determine whether adjustments to Article 60 of Law Number 40 of 2007 are needed to support the function of the DNI in protecting the Indonesian economy and to provide more business opportunities for domestic investors.

Keyword: Investment, Share Pledge, Negative Investment List.

INTRODUCTION

The Indonesian market is attractive to foreign investors due to its large population (273 million in 2021), a strong middle class (64 million), and its role as a gateway to the expansive Southeast Asian market of 650 million people – the third largest globally. This makes Indonesia a key player in both trade and domestic economic growth. "Indonesia is in significant need of investment, as it has a positive impact on supporting national development efforts. Therefore, the Indonesian government should strive to attract as many foreign investors as possible. The workforce absorbed by various foreign and local investments significantly aids the government in developing the local economy. Regionally, this also contributes to increased local revenue

and national foreign exchange earnings (Ramlan, 2022; Rosmayanti & Apriani, 2023; Sutrisno, 2014).

According to the Ministry of Investment/BKPM (Investment Coordinating Board) as stated on the ministry's website, "Indonesia is currently the 16th largest economy in the world with more than US \$ 1 trillion GDP. It is a great hope that Indonesia is estimated to become the 7th largest economy in the world by 2030 by McKinsey & Company. As the only member of the G20 from Southeast Asia", during the Covid-19 pandemic in 2020, there was an economic contraction of -2.07%, the first time since the Asian financial crisis in 1998, growing by +5.72% in the third quarter of 2022 (Modal, 2024). This shows the resilience of the Indonesian economy in general in facing dynamics that have a global impact on the economic sector.

Indonesia's relatively stable political conditions are capital for the Indonesian Government to create and sell economic stability and an attractive investment climate for potential investors (Chandrawulan & SH, 2022; Jason & Tan, 2022; Yanuar, 2021). This effort has received international recognition where based on the ranking results of three international rating agencies, Indonesia is categorized as an investment-worthy country with an Indonesian democracy index value (Indonesian Democracy Index or WAS) amounting to 78.12 from a scale of 100 in 2021 and categorized as a medium index country.

The demographic bonus with productive age being the majority of approximately 64% will provide profit in 2020 - 2035 based on the estimate of the Central Statistics Agency (BPS). Accompanied by the large number of internet users of 204.7 million with growth of +1.0% and internet penetration of 73.7% as well as 191.4 million active social media users, the local market industry (Market Place) will be very developed. The development of the local market industry certainly has an impact on one of its supporting infrastructures, namely shipping or courier delivery services. With the number of internet users and highly productive ages, it is certain that transactions from the marketplace will be very high, and shipping or courier transactions will have a positive impact.

The Indonesian government leverages its relatively stable political situation to create and market a stable economy and an appealing investment climate for prospective investors (Fitri, 2021; J. K. Putri, 2022; V. Putri & Manisha, 2021). This has been acknowledged internationally, with three international rating agencies classifying Indonesia as an investment-worthy nation. In 2021, the Indonesian Democracy Index scored 78.12 out of 100, indicating a "medium" level of democracy.

The country's demographic bonus, where the working-age population makes up roughly 64%, is expected to be advantageous from 2020 to 2035, based on Central Statistics Agency projections. The combination of a large internet user base (204.7 million, growing at +1.0%) with 73.7% internet penetration and 191.4 million active social media users will fuel the expansion of the local marketplace industry. The growth of this industry will inevitably boost related infrastructure, such as the goods delivery service sector. The substantial internet user base and a large percentage of working-age individuals will undoubtedly lead to high transaction volumes in the marketplace, which will positively influence the goods delivery sector.

One of the services that invests in the shipping or courier industry is the Limited Liability Company (PT) Global Jet Express. PT Global Jet Express (J&T Express) "is a fast-package delivery company (express delivery) in Indonesia, founded on August 20, 2015 by Jet Lee and Tony Chen. J&T Express was first present in Indonesia by presenting pioneering operational services for 365 days without holidays and can reach all of Indonesia without third party intermediaries. J&T Express became the first brand in Indonesia to focus on online business by launching the slogan "Express Your Online Business" (Nurvita, 2020).

On October 27, 2023, J&T Express conducted an Initial Public Offering in Hong Kong and successfully raised funds of 500 million US dollars in the Hong Kong Stock Market. From the downloaded prospectus, there is some information as follows:

1. In the J&T prospectus, PT Global Jet Express is stated to be 100% owned by Winner Star Holding Ltd. The Winner Star Holding Ltd company is owned by Owing Global Limited, which is owned by J&T Global Express Limited, which is domiciled in the Cayman Islands. The controlling shareholder of J&T Global Express is Jet Jie Lie, the founder of J&T.

2. In its prospectus, J&T explains that Indonesia is known to be J&T's first market and the implementation of business operations in Indonesia is carried out by J&T's affiliated company in Indonesia (Global Jet Express).

3. J&T explained that J&T-owned companies in Indonesia are potentially at risk of violating regulations on the negative investment list (DNI). The applicable DNI regulation limits foreign ownership of courier companies to 49%.

4. In the J&T Global prospectus, the process of registering PT Global Jet Express (the company name of J&T Indonesia) as a domestic capital investment company (PMDN) is clearly explained to avoid the negative investment list.

5. J&T Global explained that it does business through affiliated entities in Indonesia, a parent company in Indonesia and its subsidiaries.

6. J&T Global has various levels of agreements or contracts, one of which is a Share Pledge Agreement with the parent company in Indonesia, shareholders in the Republic of Indonesia, both corporations and individuals.

7. The agreement gives J&T Global indirect control so that they have effective control over the consolidated affiliated entity in Indonesia, and then get all the economic benefits of the business engaged in shipping or courier services in Indonesia, and have the option to buy all the shares of the company in Indonesia if at any time permitted by Indonesian law.

However, in the Republic of Indonesia Law Number 40 of 2007 concerning Limited Liability Companies in "Article 60 paragraph (2) it is stated: "Shares may be pledged with a pledge or fiduciary guarantee as long as it is not specified otherwise in the articles of association or statute of the company". This article does not provide further qualifications regarding the specific requirements under which share pledges can be made.

In the prospectus published on the company's website, J&T Global Express Limited is said to have full control over the limited liability company Global Jet Express, thus creating a contradiction over the status of the company as registered with the Directorate General of General Legal Administration, Ministry of Law and Human Rights of the Republic of Indonesia. On the other hand, there is a Contractual Agreement which states that the parent company in Indonesia, shareholders in the Republic of Indonesia, both corporations and individuals, can be said to be a disguised nominee agreement which has implications for other related legal provisions, especially in foreign investment. The law related to this problem is "Law of the Republic of Indonesia Number 25 of 2007 concerning Investment, Article 33" concerning sanctions which are explained as follows in paragraphs 1 and 2:

1. "Domestic investors and foreign investors who invest in the form of limited liability companies are prohibited from making agreements and/or statements that confirm that share ownership in the limited liability company is for and in the name of another person."
2. "In the event that domestic investors and foreign investors make an agreement and/or statement as referred to in paragraph (1), the agreement and/or statement shall be declared null and void by law."

Problem Formulation

1. Does Article 60 of Law Number 40 of 2007 concerning share pledges open up a gap for foreign investment penetration into the DNI?

2. To find out whether the practice of pledging shares in PT Global Jet Express Prospectus has opened up a loophole in Article 33 paragraph (1) of Law Number 25 of 2007 concerning Investment?

Research purposes

The purpose of writing this research is:

1. To find out whether the adjustment of Article 60 of Law Number 40 of 2007 concerning share pledges is necessary to specifically support the function of the DNI, namely to provide protection for the Indonesian economy and provide wider space for business opportunities for domestic investors?
2. To find out whether the practice of pledging shares in PT Global Jet Express Prospectus has opened up a loophole in Article 33 paragraph (1) of Law Number 25 of 2007 concerning Investment.

METHOD

The research was conducted by conducting library legal research through research sourced from primary legal materials such as laws, regulations relating to limited liability companies and foreign investment in Indonesia and tertiary legal materials. Thus, this research is normative legal research (Anisa, 2021; Murti & Putra, 2025; Nugraheni & Rahayu, 2025). The basis for choosing this research method is because this assignment uses materials derived from laws and regulations and other legal sources. This legal research takes a legislative or other regulatory approach as well as literature that is related to the title of this paper.

Data Source

a. Primary Legal Materials

Primary legal materials are basic norms or rules, statutory regulations, legal materials, jurisprudence, including:

- 1) Republic of Indonesia Law Number 40 of 2007 concerning Limited Liability Companies.
- 2) Law of the Republic of Indonesia Number 25 of 2007 concerning Investment.
- 3) Law of the Republic of Indonesia Number 38 of 2009 concerning Postal Service.
- 4) Law Number 11 of 2020 concerning Job Creation (Omnibus Law on Job Creation).
- 5) Presidential Regulation Number 10 of 2021 concerning the Investment Business Sector.
- 6) Presidential Regulation Number 49 of 2021 amending Presidential Regulation Number 10 of 2021 concerning the Investment Business Sector.
- 7) Civil Code.

b. Secondary Legal Materials

Secondary legal materials are materials that provide guidance and explanations regarding primary legal materials in the form of books and journals related to the topic of discussion.

c. Tertiary Legal Materials

Tertiary legal materials are materials that provide explanations of primary legal materials and secondary legal materials, such as news and information found on the internet and other online sources.

Data Collection Techniques

Data collection techniques are carried out through library and document research, namely by examining reading sources related to the topic in this study, such as: laws and regulations, law books, magazines, articles, journals, lecture materials, news, internet and other materials related to this study.

RESULTS AND DISCUSSION

Licensing of Global Jet Express Limited Liability Company as Domestic Investment

The Global Jet Express Limited Liability Company Licensing Issue began to become the center of attention after news appeared in the Wall Street Journal on October 16, 2023, that J&T Global, an express delivery service that works with entrepreneurs and customers on several China's largest marketplace platforms or e-commerce, plans to raise about \$500 million on the Hong Kong Stock Exchange. The IPO would be the biggest in Hong Kong since April 2023, with the city's IPO market in a multi-year slump, hurt by a slowdown in supply from mainland Chinese companies and a pullback from foreign investors.

Information in the J&T Express company prospectus shows differences regarding the status of PT Global Jet Express which is registered as a company with Domestic Capital Investment Company (PMDN) status. If it is true that PT Global Jet Express is a PMDN company, why does the J&T Global Express Limited prospectus state that J&T Global has effective control over the consolidated Indonesian affiliated entity and receives economic benefits and has the option to purchase all shares in the Indonesian company if permitted by local law.

From the company profile based on the request by the author from the website of the Directorate General of General Legal Administration, Ministry of Law and Human Rights of the Republic of Indonesia, which then gained access to download, the company is a Domestic Capital Investment Company (PMDN) and experienced a change in the Company's data related to directors and commissioners with the number AHU-AH.01.09-0150223. The new director according to the company's data is Robin Lo and the commissioner is Iwan Sanjaya. Share ownership is owned by PT Cakrawala Lintas Benua with 15 thousand shares and PT Sukses Indo Investama with 15 thousand shares.

In the context of courier service provision, then according to article 1 number 1 of the Republic of Indonesia Law Number 38 of 2009 concerning Postal Service, goods delivery service activities are included in the category of "Post Service" namely written communication services and/or electronic mail, package services, logistics services, financial transaction services, and postal agency services for the public interest. In the Republic of Indonesia Law Number 38 of 2009 concerning Postal Service (hereinafter referred to as the "Postal Law") in article 12 it is stated that "Foreign Postal Organizers may organize postal services in Indonesia with the following conditions":

1. "must cooperate with domestic postal service providers"
2. "through a joint venture with the majority of shares owned by domestic Postal Operators"
3. "Domestic Postal Operators who will cooperate may not have their shares owned by foreign citizens or business entities affiliated with domestic Postal Operators."
4. "Foreign Postal Operators and their affiliates may only cooperate with one domestic Postal Operator"
5. "Cooperation between foreign postal providers and domestic postal providers is limited to the operational area of provincial capitals that have international airports and/or seaports."

Thus, foreign postal companies interested in investing directly in Indonesia, if it is a foreign direct investment, are required to follow the laws and regulations related to the Postal Law and the regulations thereunder. Article 4 of the Postal Law states that "Postal services are carried out by business entities that are legal entities in Indonesia consisting of: (a) state-owned enterprises, (b) regional-owned enterprises; (c) privately owned enterprises; and (d) cooperatives. In relation to the provisions of business entities regulated in the Postal Law, the limited liability company J&T Global Jet Express as a private company can have a permit to carry out postal business activities in the form of goods delivery services."

In terms of licensing as a Domestic Investment, PT Global Jet Express does not violate Law Number 25 of 2007 concerning Investment, Article 33 paragraph (1) because the company is a Domestic Capital Company (PMDN) with share ownership owned by PT Cakrawala Lintas Benua with 15 thousand shares and PT Sukses Indo Investama with 15 thousand shares.

The function of the Negative Investment List related to Article 33 of the Investment Law and Article 12 of the Postal Law

Prof. M. Sornarajah provides a definition of foreign investment that: "Foreign investment is the transfer of capital, whether real or not, from one country to another, with the aim of using it in that country to generate profits under the supervision of the capital owner, either in total or in part."

From this understanding, we can obtain elements of foreign investment including:

1. Conducted by foreign investors.
2. It could be in the form of foreign capital (pure) or joint venture with domestic investors.

In addition to the two terms above, there is also another term, namely foreign investors or commonly referred to as foreign investors. Foreign investors are individuals who are foreign citizens, foreign business entities and/or foreign governments that make investments in the territory of the Republic of Indonesia. Foreign investors can be:

1. Individual foreign citizens.
2. Foreign business entities.
3. Foreign governments.

Currently in the modern economy, foreign investment has been mostly come via Multinational Companies even though individual investors and companies still exist. Various parties are involved in this foreign investment. According to M. Sornarajah in his book "The International Law on Foreign Investment" there are 6 (six) main factors that have an impact on international law regarding foreign investment.

The Negative Investment List (DNI) is behind business sectors compiled by the government as information for prospective investors about businesses that are not allowed in Indonesia and their various regulations, especially regarding the maximum share ownership. The legal basis applicable to determining this Negative Investment List is:

1. Law Number 25 of 2007 concerning Investment which was later amended to Law Number 11 of 2020 concerning Job Creation.
2. Presidential Regulation Number 10 of 2021 concerning Investment Business Sectors which was later amended to Presidential Regulation Number 49 of 2021 concerning Investment Business Sectors.

The negative investment list was prepared with the aim of providing more business opportunities to investors and protecting the economy, social governance and environment of Indonesia as well as to protect Indonesian Micro, Small and Medium Enterprises (MSMEs) engaged in certain fields so that they can remain competitive. It is hoped that with the existence of the Negative Investment List, there will be protection for domestic companies, especially MSMEs so that foreign investors cannot freely invest in business fields that are expected to be filled by MSMEs. Thus, foreign investors are more focused on larger business sectors that require larger capital and absorb more labor as well.

In accordance with the Republic of Indonesia Law Number 38 of 2009 concerning Postal Services in Article 12, foreign postal companies interested in investing directly in Indonesia due to the economic and demographic conditions of the Republic of Indonesia which are advantageous in terms of a large market, if it is a foreign direct investment, are required to follow the laws and regulations related to the Postal Law and the regulations thereunder and if the conditions are met, foreign ownership in Indonesian joint ventures with courier businesses according to the Indonesian Standard Industrial Classification/KBLI 53201 can have up to 49% of direct foreign shares.

But Sornarajah also mentioned that there are also efforts to avoid the requirements related to local equity participation. The usual method applied is for outsiders to own shares through nominees who meet the requirements or qualifications required to meet the local participation requirements. The above-mentioned methods are inappropriate or illegal. A foreign national

who is punished for committing an illegal act cannot get relief or exemption from any form of diplomatic intervention from his home country. It is very unlikely that foreign investment made in violation of the laws of the host country is entitled to any protection under international law (Sornarajah, 2021).

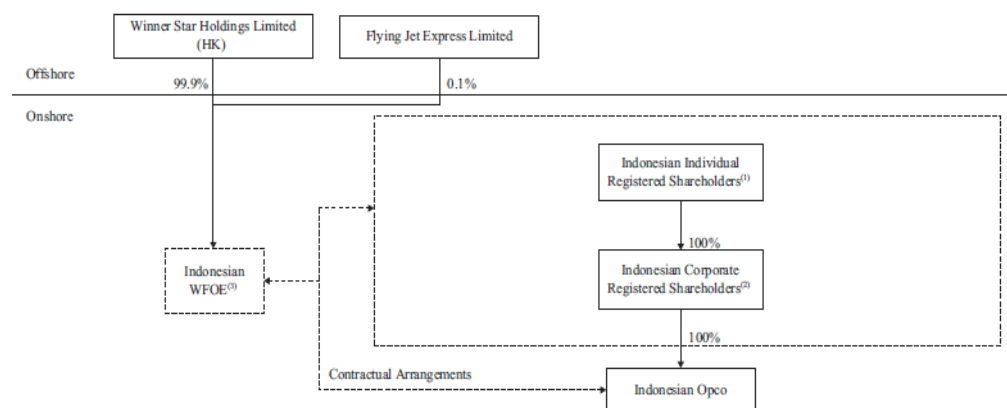
The next question related to the problem formulation of this paper is, how can J&T Global Express Limited state the claim that they have effective control over the affiliated consolidated entity in Indonesia?

Article 33 of Law Number 25 of 2007 concerning paragraph 1 prohibits "Domestic investors and foreign investors who invest in the form of limited liability companies make agreements and/or statements confirming that share ownership in the limited liability company is for and in the name of another person. Meanwhile, paragraph 2 states that if domestic investors and foreign investors make agreements and/or statements as referred to in paragraph (1), the agreement and/or statement shall be declared null and void by law."

Pledge of Shares of PT Global Jet Express

In the above legal conditions, the author tries to find information in what context J&T Global Express Limited can have control over affiliated consolidated entities in Indonesia. In the company prospectus, J&T Global Express Limited does not claim to have an agreement as stated in Article 33 of the Investment Law.

The cooperation scheme that applies is as follows:.



The prospectus states that J&T Global Express Limited has entered into several separate agreements (Contractual Agreements) as follows:

Loan Agreement

Based on the loan agreement signed between Wholly Foreign-Owned Enterprise (WFOE Indonesia) (PT Cahaya Global Berjaya), and Opco (Company Operations) Indonesia (PT Global Jet Express) on March 29, 2022 WFOE Indonesia provided a loan of Rp. 3,000,000,000.00 (three billion Rupiah) to Opco Indonesia ("Loan"). The Loan Agreement has a term of ten years and will be automatically extended at the end of the term for another ten years unless the lender provides written notice of termination.

Guarantee Agreement

It is a guaranteed agreement signed by the Registered Shareholders of the Indonesian Company and the Indonesian WFOE, and the Registered Shareholders of the Indonesian Individual and the Indonesian WFOE which guarantees to the Indonesian WFOE the payment obligations by Opco Indonesia under the Loan Agreement and Exclusive Technical Services Agreement.

In the event of any default under the Loan Agreement or the Exclusive Technical Services Agreement, WFOE Indonesia shall have the right to require the Indonesian Individual Registered Shareholders, and the Indonesian Company Registered Shareholders to perform their obligations under the Security Documents.

Exclusive Call Option Agreement

Based on the call option agreement made between WFOE Indonesia, the Indonesian Individual Registered Shareholders and the Indonesian Company Registered Shareholders of WFOE Indonesia have the exclusive right to:

- a. Requires Registered Shareholders of Indonesian Companies to transfer all shares in Opco Indonesia.
- b. Requires Indonesian Individual Registered Shareholders to transfer all shares in Indonesian Registered Shareholders of the Company.
- c. Requires Registered Shareholders of Indonesian Companies to transfer all assets in Opco Indonesia, in each case to WFOE Indonesia or a third party appointed by WFOE Indonesia (as with the case and in accordance with Indonesian Law).

Share Pledge Agreements

Based on the share pledge agreement made between WFOE Indonesia, the Registered Shareholders of Indonesian Individuals and the Registered Shareholders of Indonesian Companies (“Share Pledge”), the Share Pledge Agreement has the following provisions:

- d. The Indonesian Individual Registered Shareholder pledges all the shares of the Indonesian Company Registered Shareholder to the Indonesian WFOE.
- e. Registered Shareholders of Indonesian Companies pledge all shares Opco Indonesia to WFOE Indonesia, to guarantee the implementation of obligations by the Registered Shareholders of Indonesian Individuals and Registered Shareholders of Indonesian Companies based on the Guarantee Agreement, as well as the implementation of obligations by Op Indonesia under the Loan Agreement.

Exclusive Technical Service Agreement

Based on the exclusive technical services agreement signed between WFOE Indonesia and Operational Company (Opco) Indonesia in exchange for service fees, Opco Indonesia agrees to engage WFOE Indonesia as its exclusive provider to provide advice, guidance on business operations and other organizational and management matters and under the Exclusive Technical Services Agreement, the service fee payable to WFOE Indonesia will be equal to the consolidated net profit. Opco Indonesia and its subsidiaries (revenue less turnover tax, total costs and retained earnings), subject to adjustments under Indonesia's WFOE policy.

Power of Attorney

Based on the power of attorney to vote and the power of attorney to sell by and between WFOE Indonesia, the Registered Shareholders of the Indonesian Company and Opco Indonesia executed on 29 March 2022, each Registered Shareholder of the Indonesian Company irrevocably appoints WFOE Indonesia as its attorney to do and perform, among other things, the following acts:

- f. To exercise all applicable shareholder voting rights and related rights in respect of such shareholder's equity interests, including to exercise voting rights,
- g. Signing meeting minutes and other related documents on behalf of registered shareholders of Indonesian companies, and
- h. To proceed with any required approvals, registrations, applications or filings with government authorities.

Based on points 4 and 5, although in several of these agreements there is no agreement and/or statement confirming that ownership of shares in a limited company is for and on behalf of another person as stated in Law no. 25 of 2007 concerning Investment, the Share Pledge and Power of Attorney over the shares provide the appearance of indirect full control over the control of the limited company.

The definition of a pawn according to Article 1150 of the Civil Code is as follows:

"The right obtained by a creditor over a movable object that is given to him by the debtor or another person on his behalf, to guarantee a debt, and which gives the creditor the power to receive payment from the object before other creditors, except for the costs of auctioning the object and the costs that have been incurred for maintenance after the object has been pawned, which costs must take priority."

The shareholders of a limited liability company (PT) Global Jet Express when entering into a Share Pledge agreement according to the contents of Article 60 paragraph 2 of the Republic of Indonesia Law Number 40 of 2007 concerning Limited Liability Companies refer to the main agreement, namely the "Loan Agreement". However, based on Article 1154 of the Civil Code, PT Global Jet Express does not give authority to J&T Global Express Limited to own the shares but only has the right to control the shares.

This is because Article 1154 of the Civil Code prohibits the existence of a mortgage ownership agreement, if the debtor fails to pay off his debt, then the collateral from the debtor will then become the property of the creditor, even though the amount of debt is below the collateral price. So if in the future PT Global Jet Express defaults on the "Loan Agreement", then J&T Global Express Limited (Creditor) is prohibited from owning the shares of PT Global Jet Express that are mortgaged but has the right to sell which must be done through an auction process to be purchased by another party according to the best offer (Article 1155 paragraph 1 of the Civil Code). Outside of the auction process where the sale of shares will be carried out, J&T Global Express Limited is required to obtain permission and/or a decision from the court (Article 1156 of the Civil Code).

According to the Civil Code above, J&T Global Express Limited is thus allowed to receive the proceeds from the sale of the pledged shares for settlement after execution of the pledged object (shares). Before the auction process or sale with court permission is carried out, J&T Global Express Limited is considered to only control the shares in the form of certificates and existing benefits as far as possible to fulfill the obligations of the shareholders of PT Global Jet Express who provide the pledge.

Shareholders of PT Global Jet Express still own shares of PT Global Jet Express. However, PT Global Jet Express according to the "Power of Attorney" must grant power of attorney to J&T Global Express Limited to represent the company's shares in the General Meeting of Shareholders (GMS) according to Article 85 paragraph 1 of the Republic of Indonesia Law Number 40 of 2007 concerning Limited Liability Companies where shareholders, either themselves or represented by a power of attorney, have the right to attend the GMS and use their voting rights according to the number of shares owned.

However, the power of attorney based on Article 85 paragraph 5 of the Republic of Indonesia Law Number 40 of 2007 concerning Limited Liability Companies is limited where in the event that the shareholder is present in person at the GMS, the power of attorney that has been granted does not apply to the meeting.

Based on Article 60 paragraph 4 of the Republic of Indonesia Law Number 40 of 2007 concerning Limited Liability Companies, which states that voting rights on shares that are pledged with a pledge or fiduciary guarantee remain with the shareholder, it is not possible to transfer voting rights from ownership of shares to the holder of the share pledge or collateral shares. Article 52 paragraph 1 of the Republic of Indonesia Law Number 40 of 2007 concerning Limited Liability Companies states that shares give their owners the right to attend and vote at the GMS, receive dividend payments and remaining assets from liquidation and exercise other

rights based on the Republic of Indonesia Law Number 40 of 2007 concerning Limited Liability Companies.

Based on the explanation above, there is no obstacle for PT Global Jet Express to be able to operate with a permit issued as a Domestic Investment, while at the same time J&T Global Express Limited has several Commercial Agreements as mentioned above, including share pledges which are permitted in Article 60 paragraphs 2 and 3 of the UUPT. Article 33 paragraph (1) of Investment Law, so the objectivity of this provision is to avoid the occurrence of a company which is normatively owned by one person, but in terms of material or substance the owner of the company can still be "controlled" by another person.

CONCLUSION

Based on the analysis and what is described in the discussion chapter, the author draws the following conclusions or conclusions:

1. The adjustment of Article 60 of the Limited Liability Company Law regarding the pledge of shares in substance is not necessary because based on Article 60 paragraph 4 of the Limited Liability Company Law, it is not possible for PT Global Jet Express to give authority to J&T Global Express Limited to own the shares, but only has the right to control the shares as a result of the pledge of shares.
2. Based on the above, in the first point, J&T Global Express Limited substantially has a very large opportunity to control the limited liability company when the execution of the transfer of voting rights from PT Global Jet Express occurs.

In the context of the transfer of voting rights, Article 60 of the Republic of Indonesia Law Number 40 of 2007 concerning Limited Liability Companies can indirectly provide control to J&T Global Express Limited. Therefore, in the context of the substance of Article 60 of the Republic of Indonesia Law Number 40 of 2007 concerning Limited Liability Companies, restrictions are needed, for example:

1. The type of business that can do Stock Pledge according to DNI
2. Alignment with laws related to capital market investment

In this imaginary scenario, the function of the DNI, namely protecting the Indonesian economy and providing more business opportunities to domestic investors in accordance with Article 33 paragraph (1) of Law Number 25 of 2007 concerning Investment, could be weakened.

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