

JURIDICAL ANALYSIS OF COOPERATION BETWEEN SOES THROUGH THE FORMATION OF JOINT VENTURE COMPANIES

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ABSTRACT

The government continues to strive to optimize the value of SOEs through cooperation between SOEs or with partners. Therefore, the purpose of this study is to find out the legal provisions for cooperation in the establishment of *joint venture companies* from several SOEs, and to find out the principles and principles of cooperation implementation through the establishment of *joint venture companies*. This study uses a qualitative prescriptive approach with the type of Juridical-Normative research. The data sources used are secondary data obtained through primary legal materials, secondary legal materials and tertiary legal materials. The data collection technique uses literature studies and document studies. The data analysis was carried out in a qualitative descriptive manner. The results of this study found that between SOEs in accordance with the Minister of SOEs Regulation Number Per-07/Mbu/04/2021 concerning Guidelines for Cooperation of State-Owned Enterprises can carry out cooperation through the formation of *joint venture companies* such as PT Karya Logistik Nusantara ([KLN](#)) which is a joint venture company of six SOEs. The implementation of cooperation in the form of the establishment of *joint venture companies* between SOEs is based on the principles of transparency, independence, accountability, accountability, usefulness, and fairness, and in accordance with the provisions of laws and regulations, while the principle adopted is that cooperation is carried out indefinitely by prioritizing synergy between SOEs, between SOE subsidiaries, between SOEs-affiliated companies and/or with Investment Management Institutions through direct appointment or direct cooperation by comparing at least two SOEs, subsidiaries, and affiliated companies of SOEs.

Keywords: Company, Joint Venture, State-Owned Enterprise, Cooperation

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INTRODUCTION

Every country must have a national economic development goal to improve the welfare of its citizens (Fathurrahman & Husna, 2023). Therefore, many efforts have been made by the government to encourage the achievement of development through cooperation with the private sector and between government agencies (SOEs). SOEs have a very big role in improving the economy in Indonesia, not only limited to resource management and the production of goods or services that cover the lives of many people but also as production activities and public services.

Law Number 19 of 2003 states that SOEs are business entities whose capital is wholly or most owned by the state through direct participation derived from separated state wealth. Separated wealth is the separation of state wealth from the state budget to be used as capital for SOEs. Its coaching and management is no longer based on the state budget system, but is based on the principles of a healthy company. The role of the government through SOEs in the country's economy is that the government does not act as an owner (*eigenaar*) but as a holder of power (*bezitter*) on behalf of the people. Because SOEs are only the executors of the state's right to control, not to have important economic resources and control the lives of the people, while the owners or *eigenaar* are the people because sovereignty is in the hands of the people.

One form of cooperation carried out by the government through SOEs is the establishment of joint venture companies. SOEs aim to contribute to the development of the national economy in general and state revenue in particular, pursue profits, organize public benefits in the form of providing high-quality and adequate goods and/or services for the

fulfillment of the needs of many people, become pioneers of business activities that cannot be carried out by the private sector and cooperatives, actively provide guidance and assistance to entrepreneurs of weak economic groups, cooperatives, and the community.

In Law Number 25 of 2007 concerning Investment, it is regulated regarding Joint Venture which is often referred to as a joint venture, which is a business formed by two or more parties to carry out economic activities in obtaining profits and within a certain time (Klaudina, 2020). Joint venture is a cooperation strategy used by two or more companies/organizations to create a new company, in this case the companies that join this joint venture work together based on a contract or agreement that has been agreed in the joint venture process (Taufik, 2021). Joint ventures are a popular thing today because of their benefits, especially as a strategic alternative concept for businesses in competition at the global level (Paulin, 2021).

One example of a joint venture company is PT Karya Logistik Nusantara (KLN) which is a joint venture company of several state-owned enterprises such as PT. Adhi Karya (Persero); PT. Hutama Karya (Persero); PT. Wijaya Karya (Persero); PT PP (Persero); PT. Brantas Abipraya (Persero); and PT. Nindya Karya. PT Karya Logistik Nusantara was officially formed as a joint venture of 6 Karya SOEs as an effort by SOEs to work on the Nusantara National Capital City (IKN) mega project in East Kalimantan. This joint venture will serve as a supplier of various basic construction materials needed for the IKN project. PT KLN itself has received approval from the Ministry of Law and Human Rights (Kemkumham) of the Republic of Indonesia Number AHU-0011167. AH.01.01 of 2023 and has started operating and will supply concrete needs in various IKN projects so that it can support the company's activities and accelerate the development of the National Capital City of Nusantara. With the presence of PT Karya Logistik Nusantara, it is hoped that the IKN project can be faster and more secure in terms of supply with guaranteed quality of construction material products.

In its implementation, PT Karya Logistik Nusantara then shared with PT Krakatau Steel (Persero) Tbk. (KRAS) to contribute to the development of IKN Nusantara. The collaboration will support the implementation of preparation, development, and relocation activities of the Nusantara IKN. PT Krakatau Steel (Persero) Tbk has signed a memorandum of understanding with PT Karya Logistik Nusantara on Cooperation in the Provision of Steel Products and Supporting Services in the Context of IKN Development at the Krakatau Steel Building, Jakarta on October 18, 2023. In this case, Krakatau Steel will contribute to the procurement of steel products and collaborate in developing infrastructure projects, or the utilization and development of infrastructure facilities and facilities. The existence of a joint venture company from SOEs is an event that is specifically regulated in the Regulation of the Minister of State-Owned Enterprises of the Republic of Indonesia Number Per-07/Mbu/04/2021 concerning the Second Amendment to the Regulation of the Minister of State-Owned Enterprises Number Per-03/Mbu/08/2017 concerning Guidelines for Cooperation of State-Owned Enterprises. Through a cooperation agreement in accordance with these regulations, the implementation is not determined by a time limit. On this basis, the problem in this study is how the legal provisions of cooperation between SOEs through the formation of joint venture companies. What are the principles in the implementation of cooperation between SOEs through the formation of joint venture companies. The mechanism of SOE cooperation agreements in the establishment of joint venture companies.

METHOD

This study adopts a qualitative approach. David Williams stated that qualitative research in collecting data on a natural setting, using natural methods, and conducted by people or researchers who are naturally interested (Moleong, 2016). The researcher uses a type of normative juridical research (doctrinal) based on secondary data. Research Normative law is a process to find a rule law, legal principles, and legal doctrines to answer legal issues faced (Marzuki, 2019).

This normative juridical research uses three legal approaches, including a conceptual approach, an inventory approach of laws and regulations, and a legal principle approach (Marzuki, 2019). First, the conceptual approach (*conceptual approach*), used to find out the conceptual of the establishment of a company *joint venture* by several SOEs. In building the concept, the author is based on doctrines, legal principles and basic substance of national law, international law and civil law, so that the author is able to analyze the problems to be studied. Second, the approach to inventory laws and regulations (*statute approach*), It is carried out by reviewing all laws and regulations related to the legal issues being discussed (researched). Legislative approach (*statute approach*) is used to study and analyze whether there is consistency between various laws and regulations related to the establishment of the company *joint venture* from several SOEs. Third, the approach Legal Principles, For example, research on legal rules that live in society. Research on this legal principle includes the principles of regulative law (which are parallel to the differentiation into general legal principles and special legal principles) and constitutive legal principles (Soekanto & Mamudji, 2015).

The data source used in this study is in the form of secondary data. Data Seconds be Data obtained through literature studies in the form of written materials such as textbooks, laws and regulations. invitation and data from the institution or institution where the research is conducted related to the problem discussed in the research. Secondary data is reviewed from its binding strength and is differentiated into primary legal materials, secondary legal materials, and tertiary legal materials (Soemitro, 1990). The primary legal materials used consist of: (1) the Civil Code; (2) Law No. 25 of 2007 concerning Investment; (3) Regulation of the Minister of State-Owned Enterprises of the Republic of Indonesia Number Per-07/MBU/04/2021 concerning the Second Amendment to the Regulation of the Minister of State-Owned Enterprises Number Per-03/MBU/08/2017 concerning Guidelines for Cooperation of State-Owned Enterprises; (4) Regulation of the Minister of SOEs Number Per-1/MBU/03/2023 concerning Special Programs and Social and Environmental Responsibility Programs of SOEs; (5) Circular Letter No. 13/MBU/10/2021 concerning SOE Capital Participation in the Context of the Establishment of Subsidiaries or Joint Ventures, and Additional Participation in Subsidiaries or Joint Ventures.

Data collection techniques are the most important step in research, because the main purpose of research is to obtain data (Suggested 2015). This research data is in the form of secondary data so that to collect the secondary data, the researcher conducts literature studies and document studies. Literature studies are carried out with the aim of finding secondary data by studying and analyzing literature materials which include books, journals, articles, including online libraries related to research problems (Iskandar 2009). In contrast to document studies, it is carried out by identifying and studying laws and regulations and legal documents officially as the main legal material for legal research normative Ini (Hidayat 2010).

Document study is a record of events that have passed, documents can be in the form of writings, drawings or monumental works of a person. Document studies are complementary to the use of observation and interview methods in qualitative research (Suggested 2015). The document study in this study is used to find data to complement and strengthen the data, namely related documents Company Establishment *joint venture* from several SOEs.

This study tests the validity of the data/validity using the triangulation technique. Triangulation in credibility testing is interpreted as checking data from various sources at various times. In conducting the test, the triangulation technique uses 3 dimensions, namely: data sources, concepts and theories, and the data collection techniques used. Data validation uses source triangulation, which is carried out by comparing data from multiple data sources (primary, secondary and tertiary legal materials) to produce accurate data or final conclusions. This triangulation, the author does by making comparisons with laws and regulations, previous research through journals, opinions of legal experts and legal theories related to this research problem. The triangulation can be achieved if there are similarities from several or all three data sources so that they can be used as valid research results.

Research data or legal materials include primary, secondary and tertiary legal materials that have been collected by researchers through The legal inventory process is then classified for further in-depth analysis by exploring the principles, values and basic norms that exist in it. The next step, the researcher cross-checks with other laws to find synchronization or inconsistencies between The laws and regulations (Suteki and Taufani 2018).

The data analysis was carried out qualitatively through the study of deductive thinking logic. Deductive logic can be interpreted that the researcher in making conclusions from this research problem is carried out concisely starting from the general to the special as in the research normative which makes the deductive method the main handle. In analyzing juridical data normative exist Stages namely, first, secondary data and other positive legal data are formulated with legal principles, second, namely formulating legal definitions related to research problems, third, forming applicable legal standards related to research problems and fourth, legal obstacles encountered are formulated in detail and clearly (Amiruddin and Asikin 2016).

RESULTS AND DISCUSSION

A. Legal Provisions for Cooperation Between SOEs and Investment Management Institutions Through the Establishment of Joint Venture Companies

The legal basis for investment in Indonesia is regulated in laws and regulations and other regulations that follow it. Among them are Law No. 1 of 1967 concerning Foreign Investment jo Law No. 11 of 1970, Law N0. 6 of 1968 jo Law No. 12 of 1970 concerning Domestic Investment, then amended by Law No. 25 of 2007 concerning Investment.

Investment or investment is defined as a form of transaction or agreement between an investor (capital owner) and an investee (individual/company that needs business capital). It can be interpreted that investment is a business transaction carried out by an individual (*natural person*) or legal entities (*juridical person*) for businesses in order to advance and maintain capital value, both in the form of cash (*cash money*), equipment (*equipment*), immovable assets, intellectual property, or Skills (Nitha and Westra 2020).

Terms and Conditions *joint venture* in Indonesia itself is based on Law Number 25 of 2007 concerning investment, hereinafter abbreviated as the Investment Law. The joint venture company that is formed must be a legal entity of a limited liability company (PT) and domiciled in the jurisdiction of the Republic of Indonesia. Cooperation based on joint ventures does not only involve cooperation with foreign parties. There are also *joint venture* which is carried out between companies in the country or it can be said that *joint venture* between a nation (Taufik, 2021). Cooperation between SOEs by forming joint venture companies (*Joint Venture*) in principle is regulated in the Regulation of the Minister of State-Owned Enterprises of the Republic of Indonesia Number Per-07/Mbu/04/2021 concerning the Second Amendment to the Regulation of the Minister of State-Owned Enterprises Number Per-03/Mbu/08/2017 concerning Guidelines for Cooperation of State-Owned Enterprises.

The regulation is basically issued considering several related regulations, namely:

1. Law Number 11 of 2020 concerning Job Creation (Statute Book of the Republic of Indonesia Number 245 of 2020, Supplement to Statute Book of the Republic of Indonesia Number 6573);
2. Government Regulation No. 41 of 2003 concerning the Delegation of Positions, Duties and Authorities of the Minister of Finance to Companies (Persero), Public Companies (Perum) and Position Companies (Perjan) to the Minister of State for State-Owned Enterprises (Statute Book of the Republic of Indonesia No. 82 of 2003, Supplement to Statute Book of the Republic of Indonesia No. 4305);
3. Government Regulation No. 45 of 2005 concerning the Establishment, Management, Supervision and Dissolution of State-Owned Enterprises (Statute Book of the Republic of Indonesia No. 117 of 2005, Supplement to Statute Book of the Republic of Indonesia No. 4556);
4. Government Regulation Number 74 of 2020 concerning Investment Management Institutions (Statute Book of the Republic of Indonesia Number 286 of 2020, Supplement to Statute Book of the Republic of Indonesia Number 6595);
5. Presidential Regulation Number 81 of 2019 concerning the Ministry of State-Owned Enterprises (Statute Book of the Republic of Indonesia Number 235 of 2019);
6. Regulation of the Minister of State-Owned Enterprises Number PER 03/MBU/08/2017 concerning Guidelines for Cooperation of State-Owned Enterprises (State Gazette of the Republic of Indonesia Year 2017 Number 1147) as amended by Regulation of the Minister of State-Owned Enterprises Number PER-04/MBU/09/2017 concerning Amendments to the Regulation of the Minister of State-Owned Enterprises Number PER03/MBU/08/2017 concerning Guidelines for Cooperation of State-Owned Enterprises (State Gazette of the Republic of Indonesia Year 2017 Number 1263);
7. Regulation of the Minister of State-Owned Enterprises Number PER 04/MBU/03/2021 concerning the Organization and Work Procedures of the Ministry of State-Owned Enterprises (State Gazette of the Republic of Indonesia Year 2021 Number 251)

The provisions of Article 4 (A) state that SOEs can cooperate with Investment Management Institutions formed based on Law Number 11 of 2020 concerning Job Creation. The cooperation can also be carried out with joint ventures whose shares are mostly owned by the Investment Management Institution or companies controlled by the

Investment Management Institution. Cooperation is carried out through direct appointment. Cooperation in the form of a joint venture company is carried out through:

- a. the establishment of a new company with an Investment Management Institution or a joint venture company as intended in paragraph (2);
- b. the sale of shares of SOEs subsidiaries and/or SOE-affiliated companies to Investment Management Institutions or joint ventures as intended in paragraph (2);
- c. issuance of new shares (rights issue) by subsidiaries of SOEs and/or affiliated companies of SOEs to Investment Management Institutions or joint ventures as intended in paragraph (2);
- d. acquisition or capital participation in other companies owned or to be jointly owned with Investment Management Institutions or joint ventures as intended in paragraph (2); and/or
- e. forms and/or other methods mutually agreed upon with the Investment Management Institution,

Article 142 of the Minister of SOEs Number Per-1/MBU/03/2023 concerning Special Programs and Social and Environmental Responsibility Programs of SOEs, states that cooperation in the form of a joint venture company is carried out through:

- a. the establishment of a new company with LPI or a joint venture as intended in paragraph (1);
- b. sale of shares of SOE Subsidiaries and/or SOE Affiliated Companies to LPI or joint venture companies as intended in paragraph (1);
- c. issuance of new shares (rights issue) by SOE Subsidiaries and/or SOE Affiliated Companies to LPI or joint venture companies as intended in paragraph (1);
- d. acquisition or capital participation in other companies owned or to be jointly owned with LIPI or a joint venture.

The legal provisions regarding SOEs in capital participation in the formation of joint ventures are regulated in Circular Letter Number Se-13/MBU/10/2021 concerning SOE Capital Participation in the Context of the Establishment of Subsidiaries or Joint Ventures, and Additional Participation in Subsidiaries or Joint Ventures. Based on the Circular, SOEs can make capital participation in the form of land to subsidiaries or joint ventures to be established or existing subsidiaries or joint ventures, provided that the ownership of SOE shares in subsidiaries or joint ventures is at least 99% (ninety-nine per hundredth) before or after the acquisition of SOE shares, and in the context of the implementation of the company's projects or programs that have been determined or approved by the government as part of the government's program in the context of national development. That in addition to the implementation of government policies or government programs, the participation of company capital in the form of land is also needed in the context of restructuring to increase the company's value. In relation to these matters, it is necessary to make adjustments to the policy of SOE capital participation in the form of land while still prioritizing the prudent aspect/in the framework of asset security and considering the value of benefits for SOEs.

B. Principles in the Implementation of Cooperation Between SOEs Through the Formation of Joint Venture Companies

Article 2 of the Minister of SOEs Number Per-07/Mbu/04/2021, states that cooperation is carried out with the following principles:

1. Cooperation is carried out based on the principles of transparency, independence, accountability, usefulness, and fairness, and in accordance with the provisions of laws and regulations;
2. Cooperation is carried out for a certain period of time as stated in the agreement and is not allowed to cooperate indefinitely, except for cooperation in the form of a joint venture company;
3. Cooperation prioritizes synergy between SOEs and/or between SOEs and/or between SOEs and/or between SOEs and/or with Investment Management Institutions and increasing the participation of national businesses through:
 - a. direct appointment to SOEs, SOEs' subsidiaries, SOEs' affiliated companies or Investment Management Institutions; or
 - b. Direct cooperation by comparing at least two (2) SOEs, SOE subsidiaries, SOE-affiliated companies.
4. Other than the Persero Organ or the Perum Organ, any party is prohibited from interfering in the process and decision-making regarding Cooperation in accordance with the provisions of laws and regulations; and/or
5. The Board of Directors is responsible for the implementation of Cooperation for the benefit of the company, as well as ensuring that it is free from pressure, coercion and interference from other parties.

The implementation of cooperation through the establishment of a joint venture company has an underlying agreement. A Joint Venture Agreement as a cooperation agreement must contain the principles contained in Article 1338 of the Indonesian Civil Code, which are as follows:

1. Principles of Freedom of Contract

The principle of freedom of contract is a principle that gives each party the choice to enter into an agreement with the freedom to regulate and negotiate what rights and obligations will be regulated in the contract. What is meant by "freedom" is acting in accordance with the applicable law, public order, and good morals. According to article 1339 of the Civil Code, an agreement is binding not only on matters expressly stated in it, but also by the nature of the agreement is binding on other matters that are required by propriety, customs, and laws. This is also in accordance with the requirements to make an agreement regulated in Article 1320 of the Civil Code, which states that the agreement made agreed upon by the parties must be based on a "halal clause" because if it is otherwise the agreement becomes "null and void" and is considered invalid. The provision of "halal clause" has also been affirmed in Article 1337 of the Civil Code which reads: "A cause is prohibited if prohibited by law, or if it is contrary to good morals or public order."

2. Principles of Consensualism

This principle is closely related to the previous principle. The convergence of the will or consensus of the contracting parties is the source of contractual obligations. The agreement made by the parties has occurred with an agreement without the need to fulfill certain formalities.

3. Asas Kepribadian (Personality)

This principle states that third parties who are not related to the parties to the agreement are not bound by the agreement but are only given the rights and obligations contained therein to the parties involved/making it. This principle can be concluded based on Article 1340 paragraph (1) of the Civil Code which states that an agreement only applies to those who make it.

4. The Basis of Good Faith

Based on Article 1338 paragraph (3) of the Civil Code, an agreement must be based in good faith, meaning that the content of the agreement in the form of rights and obligations must be reasonable and rational. It covers all the important aspects, for example in terms of this Joint Venture Agreement. Domestic investors must provide an honest and clear explanation of the laws and regulations governing the project to Foreign Investors, as well as Foreign Investors who tend to be more technologically literate and their management skills must provide a clear and honest explanation.

5. Principle of Pacta Sunt Servanda (Legal Certainty)

Pacta Sunt Servanda means "the agreement is binding", so if an agreement has been legally made by the parties, then the agreement itself is binding on the parties. This binding power is just as strong and binding as the laws made by the government.

C. Mechanism of SOE Cooperation Agreement in the Establishment of Joint Venture Companies

Contracts or agreements are sometimes still vaguely understood. Burgerlijk Wetboek (BW) uses the terms *overeenkomst* and *contract* for the same meaning, this can be seen from the title of Book III BW Title II on Engagement. An agreement born from a contract or agreement which in its original language (Dutch), "*Van verbeintennisen die uit contract of overeenkomst geboren worden*" which means in Indonesian namely "Obligations born from a contract or agreement" (Nawawie, 2020).

A cooperation agreement is an act in which one or more parties bind themselves to a contract with one or more people. An agreement is an event in which a person makes a promise to another person or party where the two people agree to carry out something to reach an agreement in an agreement. Through the bonds that already exist with the implementation of bonds or relationships, bonds are created. In each bond, it is required that the position of each party making the agreement is the same, both in terms of the ability and knowledge of each party about the content of the agreement (Suryana, Budiarta, & Ujianti, 2020).

Article 4A paragraph (6) of the Minister of SOEs Number Per-07/Mbu/04/2021, states that the Cooperation Agreement between SOEs and Investment Management Institutions in the form of a joint *venture company* can contain an agreement on the termination of the agreement and the consequences that arise.

One of the main objectives of the establishment of a cooperation agreement for the formation of a joint venture company is to obtain benefits for the parties, so the contradiction is that there will be a loss if the agreement is not kept or implemented as it should. In this case, it is closely related to the absence of good faith in the implementation of an agreement. Regarding good faith, it is regulated in Article 1338 paragraph (3) of the Civil Code, especially in cooperation agreements that are reciprocal because there are promises that must be kept (Rosalind, 2023).

Table 1. Provisions for the Establishment of a Joint Venture Company PT. Nusantara Logistics Works

1.	Date of Occurrence	February 10, 2023
2.	Types of Information or Material Facts	Establishment of Joint Ventures
3.	Description of Information or Material Facts	<p>Parties to the transaction</p> <ol style="list-style-type: none"> 1. PT. Adhi Karya (Persero) Tbk; 2. PT. Hutama Karya (Persero) Tbk; 3. PT. Wijaya Karya (Persero) Tbk; 4. PT. PP (Persero) Tbk; 5. PT. Brantas Abipraya (Persero); 6. PT. Nindya Work <p>It has obtained approval from the Minister of Law and Human Rights regarding the establishment of a legal entity named:</p> <p>PT Karya Logistik Nusantara, in accordance with the decree of the Minister of Law and Human Rights of the Republic of Indonesia Number AHU-0011167. AH.01.01. Year 2023 concerning the Ratification of the Establishment of a Legal Entity of PT Karya Logistik Nusantara Limited Liability Company.</p> <p>Transaction Value</p> <p>The authorized capital of the joint venture is Rp.340,000,000,000,- (three hundred and forty billion rupiah) and the issued and paid-up capital is Rp.85,000,000,000,- (eighty-five billion rupiah) with the portion of share ownership from the parties to the transaction, namely:</p> <ol style="list-style-type: none"> 1. PT Adhi Karya (Persero) Tbk. amounting to 17.65% of the issued and paid-up capital or equivalent to RP.15,000,000,000,- (fifteen billion rupiah); 2. PT. Hutama Karya (Persero) of 17.65% of the issued capital and paid-up capital or equivalent to Rp. 15,000,000,000,- (fifteen billion rupiah) 3. PT Wijaya Karya (Persero) Tbk. amounted to 17.65% of the issued capital and paid-up capital or equivalent to RP. 15,000,000,000,- (fifteen billion rupiah); 4. PT PP (Persero) Tbk. amounting to 17.65% of the issued capital and paid-up capital or equivalent to RP. 15,000,000,000,- (fifteen billion rupiah); 5. PT Brantas Abipraya (Persero) Tbk. amounted to 14.71% of the issued and paid-up capital or equivalent to RP. 12,500,000,000,- (fifteen billion rupiah); and 6. PT Nindya Karya (Persero) Tbk. amounted to 14.71% of the issued capital and paid-up capital or equivalent to RP. 12,500,000,000,- (fifteen billion rupiah); <p>Purpose of the transaction</p> <p>The purpose and purpose of the establishment of PT Karya Logistik Nusantara is to engage in the precast concrete industry and construction material trading. Warehousing and port. This</p>

	is in accordance with Article 3 of the Deed of Establishment of PT Karya Logistik Nusantara.
4. Impact of such Events, Information or Material Facts on Operational Activities, Legal, Financial Condition, or Business Continuity of the Issuer or Public Company	The handover of the Company's shares of PT Karya Logistik Nusantara is recorded in the company's books as participation in an associate company. The establishment of this Joint Venture also supports the Company's business activities where the Company will obtain recurring income from the statement so as to strengthen the Company's finances, there is no legal impact and will not affect the continuity of the Company's business.
5. Miscellaneous Remarks	-

Contractual / internal agreement *joint venture* between these SOEs, there are 2 (two) factors, namely the Joint Venture Agreement (PUP) and the Articles of Association. The Joint Venture Agreement itself is an important part of the agreement in making a joint venture, where this joint venture agreement is also a formality of the good faith of the parties who establish a company. The Articles of Association are also an important part of the agreement regarding the deed of incorporation of the company along with matters that regulate everything related to the company that are legally legal. The Articles of Association is a mandatory deed of establishment which contains the arrangement of the company's arrangements and this articles of association is also a life guide for the company and is important because it is the legal basis of the company's organs so that the company is legal in the eyes of the law and becomes a reference or guide in running the company (Taufik, 2021).

Holding a *joint venture* agreement is the first step in forming a *joint venture* company. Where the *joint venture agreement* contains the agreement of the parties regarding capital ownership, shares, increase in participation share ownership, finance, management, technology and experts, settlement of disputes that may occur, and the expiration of *the joint venture* agreement. SOEs form a new company called a joint venture company where they become shareholders whose size is in accordance with a mutual agreement. The basis for the formation of the joint venture company is a joint venture agreement and the general provisions of the agreement regulated in the Civil Code (KUHPperdata). The cooperation agreement between SOEs and partners or Investment Management Institutions follows the provisions of Article 8 of the Minister of SOEs Number Per-07/Mbu/04/2021, which is as follows:

1. Every Cooperation is outlined in the agreement between SOEs and Partners.
2. The agreement as referred to in paragraph (1) must protect the interests of SOEs at least regarding the following:
 - a. the type and value of compensation/rewards, the method of payment and/or delivery, the timing of payment and delivery of compensation/rewards;
 - b. the rights and obligations of the parties;
 - c. breach of promise and sanctions in the event that the Partner does not fulfill its contractual obligations;
 - d. dispute resolution that prioritizes settlement through deliberation and consensus, as well as alternative dispute resolution along with domicile/legal jurisdiction;

- e. the indemnity of SOEs by the Partner from legal responsibility at the time the Cooperation agreement ends;
 - f. transfer of knowledge from Partners to SOEs (if any);
 - g. the expiration of the agreement and the consequences it causes, including regarding the re-submission of the object of the Cooperation agreement; and the absence of binding provisions and/or requiring SOEs to extend the Cooperation Agreement.
3. For cooperation in the formation of a joint venture company, the provisions as intended in paragraph (2) g and h may not be contained in the agreement between the SOE and the Partner.
 4. What is meant by the type of compensation as referred to in paragraph (2) letter a, can be in the form of money, other rewards, or other benefits for the company or benefits for the state.
 5. In addition to containing the provisions as intended in paragraph (2), for Cooperation related to land, buildings, and/or fixed assets belonging to SOEs, the agreement as referred to in paragraph (1) at least contains about:
 - a. prohibition of transfer, except when the Cooperation was carried out in the context of the transfer from the beginning;
 - b. Prohibition on guaranteeing the object of the agreement;
 - c. Prohibition to bind guarantees that exceed the agreement period for buildings/facilities/infrastructure resulting from the Cooperation; and
 - d. Quality Assurance of Cooperation results at the end of the agreement.

CONCLUSION

Based on the discussion above, the author can conclude that cooperation between SOEs through the formation of joint venture companies is based on the Regulation of the Minister of State-Owned Enterprises of the Republic of Indonesia Number Per-07/Mbu/04/2021 concerning the Second Amendment to the Regulation of the Minister of State-Owned Enterprises Number Per-03/MBU/08/2017 concerning Guidelines for Cooperation of State-Owned Enterprises. The implementation of cooperation in the form of the establishment of joint venture companies between SOEs is based on the principles of transparency, independence, accountability, usefulness, and fairness, and in accordance with the provisions of laws and regulations, while the principle adopted is that cooperation is carried out indefinitely by prioritizing synergy between SOEs, between SOEs' subsidiaries, between SOEs' affiliated companies and/or with Investment Management Institutions through direct appointment.

Based on the conclusion above, the researcher can give suggestions that the government should provide support for SOEs to expand not only in Indonesia but also internationally with licensing and alliance strategies. The government can provide policy support such as additional capital to implement the alliance strategy. In addition, the Government also needs to harmonize laws and regulations related to investment and cooperation between SOEs and business entities in other countries.

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