

Business Legality Training in the Context of Strengthening the Higher Education Entrepreneurship Ecosystem

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ABSTRACT

This service activity aims to provide education to IIB Darmajaya students who receive the P2MW program regarding business legality. Apart from that, this activity also aims to assist in registering the legal entity PT. Individuals and NIB for IIB Darmajaya student businesses receiving the P2MW program. This goal is achieved by conducting outreach, discussions, and the practice of registering PT legal entities. Individuals and NIB. The results of the activity show that business legality plays a strategic role in strengthening the university's entrepreneurial ecosystem. This activity implies that the efforts of IIB Darmajaya students who receive the P2MW program obtain a statement letter and certificate of registration for the establishment of a PT Legal Entity. Individual and NIB certificate.

INTRODUCTION

Indonesia needs at least a 3.9% entrepreneurial ratio of the total population by 2024. To achieve this, strengthening entrepreneurship is needed as planned in the National Medium Term Development Plan (RPJMN) to strengthen quality economic growth. The government, through various relevant Ministries and Institutions, continues to encourage innovative and sustainable entrepreneurial development programs (Nizam, dkk, 2023).

The Ministry of Education, Culture, Research and Technology through the Directorate of Learning and Student Affairs, Directorate General of Education and Technology has implemented the Entrepreneurial Student Development Program (hereinafter referred to as P2MW) to develop students into entrepreneurship and strengthen the entrepreneurial ecosystem in higher education. In 2022, 3,781 (151.2%) students will take part in the P2MW program from the target of 2,500. Students run entrepreneurship in various fields ranging from food and beverage to digital-based businesses (Nizam, dkk, 2023).

In implementing P2MW in 2023, universities are expected to design an entrepreneurship development process that is based on the principle of developing innovative, impactful, and sustainable character. Higher education institutions are encouraged to develop entrepreneurship development programs, cooperation networks between the world of business and industry (DUDI), and create an ecosystem that is conducive to the development of experience-based entrepreneurship (Nizam, dkk, 2023).

It is hoped that the P2MW program can encourage university graduates in Indonesia by producing Indonesian human resources and graduates who are not only job seekers but also job creators, thereby having an impact on increasing the absorption of educated unemployed. Apart from that, P2MW is expected to be a driving force for universities in implementing independent MBKM policies.

Informatics & Business Institute Darmajaya (hereinafter abbreviated as IIB Darmajaya) is one of the universities receiving P2MW program assistance in 2023. The business names of IIB Darmajaya students who received P2MW assistance in 2023 consist of the Fopylon business and the For Fashion Inspire Your Outfit In Your Daily Activity business. with the categories of creative industry, arts, culture, and tourism. Furthermore, the Rocker Technology Innovation business is in the digital business category, as well as the Spaghetti Tulang Lampung business in the food and beverage category.

One of P2MW's achievements is obtaining business legality in the form of PT legal entity status. Individuals and Business Identification Number (NIB). To obtain this legality, the student group receiving P2MW program assistance took part in business legality training activities. This activity was held by the IIB Darmajaya Technology Business Incubator with the speaker being Mashuril Anwar a business law academic.

Business legality is a standard that must be met by business actors so that their business can be declared legally valid. Business legality is a form of approval and granting of permits for the implementation of business activities by an entrepreneur or company from the authorized party (Rachmawati, 2021).

Business legality is information for the public, especially for parties who have an interest in identity and matters relating to the business world and the company being founded (Suhayati, 2017). Business legality is an important element as an identity indicator that a business entity is legal and legally valid. So that it is recognized by society (Mursal, 2023). In other words, the legality of the company must be valid and meet the requirements of applicable laws so that the existence of the company is protected or protected by various documents until it is valid in the eyes of the law (Dewi, 2023). The legal documents required for recipients of P2MW assistance include legal entity documents, company tax identification number, and NIB.

There has been a lot of training on improving business for students who receive P2MW assistance, increasing the attractiveness of products, and so on. However, training is still needed on managing business legality. Even though business legality is an important thing that needs to be considered for business continuity. Managing business legality is something that absolutely must be done by every business actor (Ridho, 2023). The aim of business legality is the existence of legal certainty; protection of public interests; prevention of environmental damage or pollution; equal distribution of certain goods; the desire to control certain activities and directions by selecting certain people and activities (RisnaOctavia, Catur Wido Haruni, 2021). Therefore, it is necessary to educate students who receive P2MW assistance regarding the importance of arranging business legal documents to legally protect the continuity of their business.

The solution to the problem proposed in this service program is legal education and training regarding the importance of business legality as an effort to legally protect businesses receiving P2MW assistance, and procedures for processing business legality documents. This activity is important because law is an inseparable part of human existence. This is in line with the adage "ubi societas ibi ius" which means where there are humans, there is a law (Wahyudin, 2022). Business legality for student businesses receiving P2MW assistance is becoming increasingly important considering that business legality is the legal umbrella for a business entity. Apart from that, business legality is also a form of legal protection to ensure the legal continuity of business for students receiving P2MW assistance.

IMPLEMENTATION AND METHODS

This service activity was carried out at the IIB Darmajaya Campus on Friday, July 18 2023 at 09.00-finish. The participants in this activity were 4 (four) groups of IIB Darmajaya students who received P2MW program assistance in 2023. The number of participants who took part in this activity was 13 people. The methods used in implementing this activity are the socialization method, discussion method, and practice method. Socialization was carried out through the presentation of material using PowerPoint slides and technical guidelines for managing business legality. After the socialization was carried out, a discussion was held in the form of questions and answers between the

presenter and the training participants. Next, direct practice is carried out in managing business legality, guided by technical guidelines.

The material presented in this service activity includes a general understanding of business legality, business entities, and legal entities, procedures for establishing a legal entity company, and advantages and disadvantages of PT. Individuals, requirements for establishing a PT. Individuals, small and medium enterprise criteria, PT registration practices. Individuals, as well as NIB PT registration practices. Individual. Schematically, the method for implementing business legality service activities for students receiving P2MW program assistance in 2023 can be seen in the following picture:

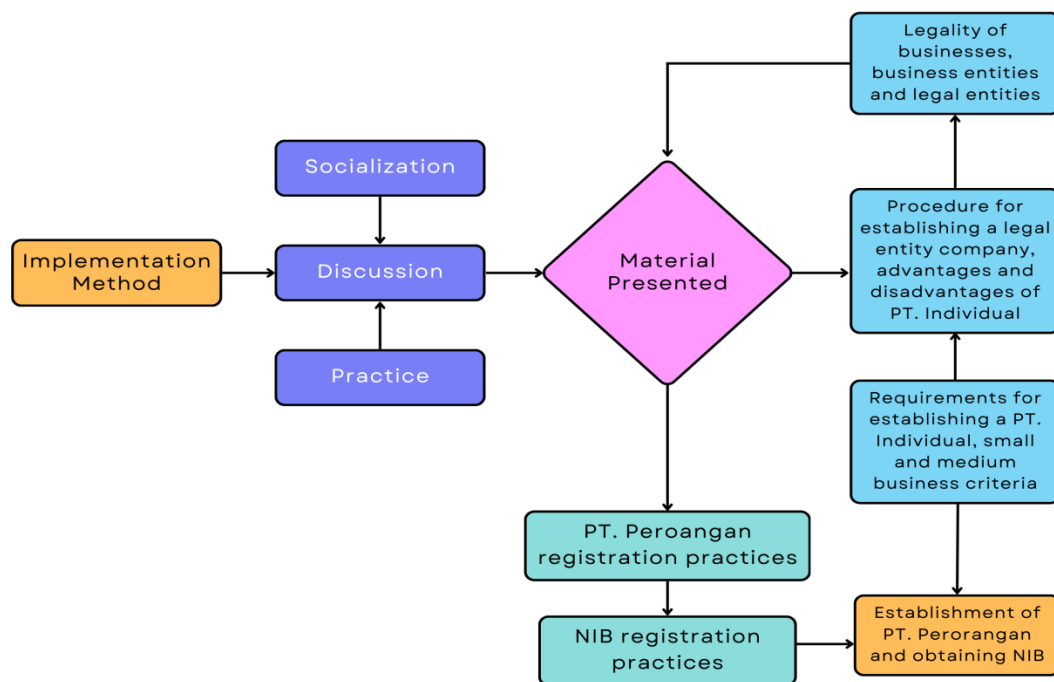


Figure 1. Activity Implementation Method

RESULTS AND DISCUSSION

The service process is carried out through several stages to provide business legality training that supports strengthening the university's entrepreneurial ecosystem. The stages carried out in service activities are socialization of business legality, business entities and legal entities, procedures for establishing a legal entity company, and advantages and disadvantages of PT. Individuals, requirements for establishing a PT. Individuals, criteria for small and medium enterprises, PT registration practice guidelines. Individuals, as well as PT NIB registration practice guidelines. Individual.

Material regarding business legality in the context of strengthening the university entrepreneurial ecosystem was delivered by Mashuril Anwar, S.H., M.H., as an academic at the IIB Darmajaya Business Law Study Program. In his presentation, the speaker said that in simple terms legality is understood as the identity of a business that is legalized by law so that it is recognized by the government and society (Catur, 2023). According to the speaker, there are at

least several things that make legality important for a business. Legality will guarantee legal protection for businesses, legal compliance for business actors, open access to resources and financing, and legality will increase consumer confidence.

Legality allows companies to obtain legal protection from anything detrimental to their business. Business legality will also ensure that the company follows applicable legal provisions and the company can avoid sanctions that have the potential to harm the business. Business legality allows companies to access resources and financing that may not be available to businesses that are not legally legal. Legitimate companies will increase consumer confidence because they can assure that they are a legitimate and trustworthy business.

After providing a basic understanding of business/business legality, the presenter continued with material related to legal entities and business entities. In his presentation, the speaker said that a legal entity is an entity that can have rights and obligations to carry out its actions. Legal entities are legal subjects like people. Meanwhile, a business entity is a legal entity that operates using capital and labor to make a profit. Business entities consist of legal entity and non-legal entity (Adrian, 2017). A legal entity is a business entity that is a legal subject with several requirements. According to Subekti, a legal entity is a body or association that can have rights and carry out actions like a human being, and has its assets, can be sued or sued in front of a judge (Subekti, 1987). Meanwhile, a business entity that is not a legal entity is a business entity that cannot carry out legal actions independently or is not a legal subject, but its legal subjects are the people who are its management.

Legal entity companies can be State-Owned Enterprises (BUMN) or Private-Owned Enterprises (BUMS). Legal entity companies can, among others, take the form of Limited Liability Companies (PT), Foundations, Cooperatives, and PT. Individual (Purwanti, 2021). The fundamental characteristics of a limited liability company as a company are the nature of the legal entity and the limited liability of the limited liability company (Sinaga, 2018). A foundation is a legal entity that has the status of assets that have been separated and is intended to achieve certain goals in the social, religious, and humanitarian fields which have members (Murni, & Abdul, 2020). A cooperative is a legal entity founded by an individual or a cooperative legal entity, by allocating the wealth of its members as capital for business activities, which fulfill collective aspirations and needs based on the values of cooperative economic, social, and cultural principles (Alfian, 2022). Next PT. An individual is an individual legal entity founded by only 1 (one) person without minimum capital and meets the criteria for Micro, Small, and Medium Enterprises (MSMEs) as regulated in Law Number 11 of 2020 concerning Job Creation (hereinafter referred to as the Job Creation Law).

A business entity with a legal entity has several advantages, including the business entity being a legal subject, separating the assets of the owner and the business entity, having its legal accountability, obtaining approval from the government, potentially having wider cooperation, and being more convincing

to investors. Next, the material continues with a discussion of the procedures for establishing a legal entity company, starting from preparing a company name to creating a Company Registration Certificate. In this service activity, training participants are taught to set up a legal entity company in the form of PT. Individuals or Individual Companies which are a form of a new legal entity regulated in the Job Creation Law.

Service participants were also educated about the advantages and disadvantages of companies with PT legal entities. Individual. The advantages of PT. Individuals include easy registration and without a notarial deed, the minimum business capital of IDR. 50,000, free to determine maximum capital, legal entity with limited liability, suitable for MSME business types, and business actors can act as directors. Then in addition to these advantages, the legal entity PT. Individuals also have several disadvantages, including limited Standard Indonesian Business Field Criteria (KBLI), cannot receive external capital, and are only intended for micro and small businesses, namely businesses that have a maximum business capital of IDR. 1 billion (micro business) and business capital Rp. 1 Billion to Rp. 5 Billion (small business).

Before the practice of registering a PT legal entity. Individual participants are also educated about the requirements for establishing a PT. Individuals which include being founded by one person, the founder is an Indonesian citizen who is at least 17 years old, the business meets the criteria as an MSE, and registers online on the website of the Directorate General of General Legal Administration, Ministry of Law and Human Rights of the Republic of Indonesia.



Figure 2. Socialization

After the socialization, the activity continued with a discussion regarding business legality. Some of the questions asked by participants in this session were regarding the PT Taxpayer Identification Number (NPWP). Individuals, methods of obtaining a bank account in the name of a company, as well as PT taxes. Individual. Regarding PT NPWP. As an individual, the speaker explained that the NPWP is obtained immediately after PT registration. Individual finished. PT Individual's NPWP is a tool in tax administration that is used as a Taxpayer's identity or personal identification (Dewita Abdullah, Treesje Runtu, 2020). Apart from that, NPWP is used to supervise tax administration and maintain order in tax payments. Violation of the obligation to register to obtain

an NPWP will result in PT Individual being subject to sanctions by applicable tax provisions.

Furthermore, regarding the bank account in the name of the business entity PT. Individuals can be obtained by fulfilling several requirements, namely a company registration certificate from the Ministry of Law and Human Rights, a statement of individual establishment from the Ministry of Law and Human Rights, individual company NPWP, business identification number (NIB), and other licensing letters if necessary. Then regarding PT taxes. Individually, the speaker explained that PT Tax. Individuals generally consist of Income Tax (PPh) or Value Added Tax (VAT). PT. Individuals who have a yearly turnover or gross income of less than Rp. 4.8 billion is only subject to a final tax of 0.5% of gross income each month (Uli Novianti Sipayung, Linda AO Tanor, 2023).



Figure 3. Discussion Session

After the socialization session and discussion session, the service activities continued with a practical session on registering a business entity to become a PT legal entity. Individual. This session begins with a technical explanation regarding the steps for registering a PT legal entity. Individual. Before registering an individual legal entity, several requirements must be prepared, namely that there is one person, the founder is an Indonesian citizen, and the business meets the criteria as a micro and small business (UMK). The speaker explained that the registration of the legal entity PT. Individuals consist of several stages, starting from the establishment transaction by purchasing a voucher, completing business owner data and business data, to issuing a statement letter and registration certificate for the establishment of a PT Legal Entity. Individual. After this practical activity, four groups of IIB Darmajaya students who received P2MW program assistance in 2023 obtained a statement letter and certificate of registration for the establishment of a legal entity PT. Individual.

Next, the activity continued with NIB registration practice. NIB is a business actor's identity number by the business field regulated in the Standard Classification of Indonesian Business Fields (KBLI) which is differentiated according to the type of economic activity that produces output, aka products, whether in the form of goods or services. (Irawaty, Rahayu Fery Anitasari, 2022). The function of the NIB is not only as an identity, but also as a Company

Registration Certificate (TDP), Import Identification Number (API), and Customs Access for companies carrying out import-export activities (Kolombus Siringo-ringo, Antonius Managam Simamora, 2022). By managing the NIB, the legality of the business is guaranteed. Apart from that, managing NIB also increases business opportunities, including financing facilities from banks, opportunities to receive training, as well as opportunities to participate in government procurement of goods/services. NIB registration consists of several steps, namely registering access rights and downloading the NIB Certificate. After this practical activity, four groups of IIB Darmajaya students who received P2MW program assistance in 2023 have obtained NIB certificates.

CONCLUSIONS AND RECOMMENDATIONS

After carrying out the activities, it was concluded that business legality plays a strategic role in strengthening the university's entrepreneurial ecosystem. Through this service activity, IIB Darmajaya students who received P2MW program assistance in 2023 have obtained a statement letter and certificate of registration for the establishment of a PT Legal Entity. Individual and NIB certificate. By obtaining a statement letter and registration certificate for the establishment of the PT Legal Entity. Individuals, four groups of IIB Darmajaya students who received assistance from the P2MW program officially have legal entity status. Then, by having a NIB, student businesses receiving the P2MW program can access various programs and facilities provided by the government, such as subsidy programs, training, or other assistance.

This conclusion leads to a recommendation that the government continue to provide the P2MW program on an ongoing basis to strengthen the higher education entrepreneurship ecosystem. Apart from that, the government needs to develop a risk-based business licensing system through the Online Single Submission (OSS) System for small and medium businesses. Then the government and Bank Indonesia must increase synergy to make it easier for small and medium businesses to obtain bank accounts in the company's name.

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