

THE INFLUENCE OF "PIERCING THE CORPORATE VEIL" DOCTRINE IN THE COMPANY ACT NUMBER 1 YEAR 1995 ON COMPANY'S INDEPENDENCY

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ABSTRACT

Piercing The Corporate Veil is one of the doctrines in *Common Law Legal System* countries accepted indirectly by the Company Law in Indonesia, especially the Company Act as an effect of globalization. The acceptance has caused misunderstandings or misinterpretations, mainly about the limited liability of the Limited Company.

The method in this research is *Normative Legal Research*, a legal research based on library research with secondary data containing primary, secondary and tertiary legal sources. The location of research is in Jakarta, Bandung and Yogyakarta, with documentation study, interview and observation of personal experience as the method of collecting data.

Piercing The Corporate Veil doctrine pierces the veil of a company, eliminating the limited liability in the company, the shareholders (before the company becomes a legal entity), Directors and Commissaries (after the company has been a legal entity) whose act is against the law causing loss to the company, shareholders and stakeholders. The shareholders and stakeholders may use several rights as set forth in the Company Act, such as *Personal Right*, *Pre-emptive Right*, *Appraisal Right*, *Derivative Right* and *Enquetterecht* as legal remedies to protect their interest. Shareholders and Stakeholders may use the Corporate Opportunity and Fiduciary Duty doctrine to legally protect their interests towards powerful shareholders or the Directors and Commissaries. *Piercing The Corporate Veil* doctrine is to be applied, so that, the shareholders and the Directors and Commissaries will manage the company according to the purpose and objectives of the company, and will not use corporate opportunity to do business for their advantages, while causing loss to the company, Shareholders and Stakeholders.

Key Words: *Piercing The Corporate Veil*, Company Act.

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