



DOI: <https://doi.org/10.38035/gijlss.v3i3>
<https://creativecommons.org/licenses/by/4.0/>

Implications of Overlapping Authority between the Ministry of State-Owned Enterprises and the Board of Commissioners on the Effectiveness of Performance Supervision of State-Owned Enterprises

Redi Setiadi¹, Evita Isretno Israhadi²

¹Universitas Borobudur, Jakarta, Indonesia, uwa_ganteng@yahoo.com

²Universitas Borobudur, Jakarta, Indonesia, evita_isretno@borobudur.ac.id

Corresponding Author: uwa_ganteng@yahoo.com¹

Abstract: The overlapping authority between the Ministry of State-Owned Enterprises (SOEs) as the state shareholder and the Board of Commissioners as the supervisory organ of state-owned enterprises (PT BUMN) raises issues in the effectiveness of company performance supervision. By analyzing Law Number 1 of 2025 concerning the Third Amendment to Law Number 19 of 2003 concerning SOEs, Law Number 40 of 2007 concerning Limited Liability Companies, and implementing regulations related to Good Corporate Governance (GCG), this study seeks to analyze the legal and governance implications of this overlapping authority. Using a statutory and conceptual approach, the normative juridical method analyzes the laws governing the interaction between the Ministry of SOEs, the Board of Commissioners, and the Board of Directors. The results of the study indicate that the unclear division of authority in determining strategic policies and evaluating performance creates the risk of dual supervision, weak accountability, and potential conflicts of interest, thereby reducing the independence of the Board of Commissioners and hampering the implementation of the principles of transparency, accountability, and independence according to GCG guidelines. This study recommends strengthening legal norms through revisions to implementing regulations, affirming the limits of authority, and official coordination procedures between the Board of Commissioners and the Ministry of State-Owned Enterprises to improve public trust, support sustainable national economic performance, and monitor state-owned company performance more effectively.

Keywords: State-Owned Enterprises, Board of Commissioners, Ministry of State-Owned Enterprises, Performance Monitoring, Good Corporate Governance

INTRODUCTION

State-owned enterprises (PT BUMN) hold a crucial position as state instruments in carrying out national economic development (Putri, 2022). The existence of state-owned enterprises is not solely aimed at profit-seeking, but also at supporting public services, economic stabilization, and managing strategic resources that affect the lives of many (Dharma Setiawan Negara, 2024). This dual role demands management that is oriented not only toward profitability but also toward sustainability and the interests of the wider community. This situation emphasizes the need for strong governance so that the performance of state-owned enterprises (PT BUMN) aligns with state objectives while maintaining business efficiency (Daffa, 2023). Without clear governance, the existence of PT BUMN has the potential to create issues with transparency and accountability.

The urgency of effective state-owned enterprise governance lies in the state's interest in ensuring the achievement of development goals through SOEs (Ayuningtias, 2024). Weak governance opens the door to abuse of authority, corrupt practices, and inefficiency, which can harm the state and society (Alfianto, 2024). The implementation of optimal oversight principles is not only an internal company requirement but also a form of state responsibility for public assets managed through state-owned enterprises (SOEs) (Firmansyah, 2024). This requires clear regulations regarding the position of company organs to prevent overlapping oversight mechanisms and weaken the control function.

Issues occur when the Board of Commissioners, which serves as the oversight body for state-owned firms, and the Ministry of State-Owned firms, which represents state shareholders, are given too much power, lacks clear boundaries (Pratiwi, 2019). Both parties have strategic roles in overseeing the company's operations, creating the potential for conflicting authorities. The lack of a clear delineation between the strategic oversight function of the Ministry of State-Owned Enterprises and the operational oversight function of the Board of Commissioners creates confusion in the exercise of authority (Ananda, 2023). This situation not only impacts the effectiveness of oversight but also has the potential to diminish the independence of commissioners.

The relevance of this study is further strengthened by the enactment of Law Number 1 of 2025, the third amendment to the State-Owned Enterprises Law Number 19 of 2003. The rule explains the function of corporate organs within the SOE structure and changes regulations pertaining to the Ministry of State-Owned Enterprises' status (Jati, 2025). These changes necessitate a critical review of the extent to which the new regulations are able to reduce overlapping authority. This is crucial to assess whether the updated legal provisions sufficiently provide a solid foundation for more effective state-owned enterprise governance.

The principles of Good Corporate Governance (GCG) serve as the primary reference for assessing the quality of management of state-owned enterprises (PT BUMN) (Sudharmono, 2021). The five GCG principles—transparency, accountability, responsibility, independence, and fairness—are designed to create sound governance and enhance public trust (Syofyan, 2021). The implementation of these principles not only serves to maintain business continuity but also ensures that SOEs are capable of fulfilling their role as agents of development (Supriajat, 2025). Transparency demands openness in decision-making, accountability emphasizes clear accountability, responsibility emphasizes compliance with regulations, independence ensures freedom from interference by certain parties, and fairness emphasizes fair treatment of all stakeholders (Akbar, 2025).

Within the framework of state-owned enterprises (PT BUMN), the interaction between the Ministry of State-Owned Enterprises, the Board of Commissioners, and the Board of Directors is explained by agency theory (Fajri, 2022). In this relationship, the Ministry of State-Owned Enterprises acts as the principal, representing the interests of the state as a shareholder (Herwibowo, 2025). The Board of Directors acts as an agent, running the

company's day-to-day operations, while the Board of Commissioners is tasked with overseeing and advising the Board of Directors (Oktavia, 2025). This relationship pattern often gives rise to potential conflicts of interest, especially when the agent does not fully fulfill his duties in accordance with the principal's interests. Therefore, agency theory is relevant to understanding the dynamics of oversight within PT BUMN.

The Ministry of State-Owned Enterprises holds a strategic position because it represents the sole shareholder, the state. This ministry has the authority to determine strategic policy direction, appoint and dismiss directors and commissioners, and ensure the company operates in accordance with national development goals (Dahana, 2024). The legal basis governing the role of the Ministry of State-Owned Enterprises can be found in Law No. 1 of 2025, which further emphasizes the ministry's function as a representative of the state. In addition, several implementing regulations have been issued to clarify the governance of state-owned enterprises (SOEs), including the accountability mechanisms of company organs.

In the framework of state-owned enterprises (PT BUMN), the Board of Commissioners is an essential oversight body. The Board of Commissioners is responsible for overseeing and advising the Board of Directors in the management of the firm in accordance with Law No. 40 of 2007 regulating Limited Liability Companies (Pascoal, 2022). This duty includes overseeing the implementation of strategies, policies, and compliance with applicable regulations. In state-owned enterprises (PT BUMN), the Board of Commissioners' authority is further strengthened by specific provisions that grant it greater responsibility for protecting state assets (Kholifah, 2022). The purpose of the Board of Commissioners should be to guarantee that the interests of the state and the corporation are represented in all decisions made by the Board of Directors (Azizah, 2025).

In addition to the basic laws, another normative basis governing the governance of state-owned enterprises (PT BUMN) is ministerial regulations that specifically address the implementation of GCG. Regulation of the Minister of State-Owned Enterprises Number PER-2/MBU/03/2023 is the most recent Ministerial Regulation of the State-Owned Enterprises (BUMN), provides more detailed guidelines regarding the oversight mechanism, the role of independent commissioners, and procedures for reporting company performance. These guidelines aim to promote information transparency, strengthen checks and balances, and enhance the professionalism of company organs. These regulations serve as technical instruments that complement the provisions of the State-Owned Enterprises Law and the Limited Liability Company Law, ensuring their implementation is more operational.

The existence of a comprehensive normative framework is expected to strengthen the overall governance of state-owned enterprises (PT). Regulations, ranging from laws to ministerial technical regulations, provide a clear structure for the relationship between The Board of Directors, the Board of Commissioners, and the Ministry of State-Owned Enterprises (PT SOEs). If implemented consistently, this framework can provide a solid foundation for increasing the effectiveness of oversight. However, problems arise when the implementation of regulations is not aligned with GCG principles, leaving room for overlapping authority. This makes ongoing studies on the effectiveness of oversight in state-owned enterprises (PT SOEs) crucial.

METHOD

This article employs a normative juridical research methodology, utilizing two primary approaches: the conceptual approach and the statutory regulatory approach. Starting with Law No. 1 of 2025 concerning the Third Amendment to Law No. 19 of 2003 concerning State-Owned Enterprises and Law No. 40 of 2007 concerning Limited Liability Companies, the statutory regulatory approach is implemented by methodically examining the legal

provisions governing the authority of the Ministry of State-Owned Enterprises and the Board of Commissioners in the management of state-owned enterprises (PT BUMN), as well as various relevant implementing regulations. The analysis of these regulations aims to find consistency, overlap, and disharmony of norms that influence the effectiveness of SOE governance. The conceptual approach is used to provide a more comprehensive understanding of the principles of modern corporate governance, such as Good Corporate Governance (GCG) and agency theory, which are relevant in assessing the relationship between state shareholders, the Board of Commissioners, and the Board of Directors. Through this approach, the problem of overlapping authority is not only examined from a normative aspect, but also from the perspective of corporate management concepts and theories to obtain a more complete picture of the legal implications and direction of governance improvements. The combination of these two approaches is expected to produce sharp, objective analysis and provide a strong argumentative basis in formulating normative recommendations to increase the effectiveness of supervision and strengthen the accountability of state-owned enterprises.

RESULT AND DISCUSSION

Identification of Overlapping Authority

According to Law Number 1 of 2025 concerning the Third Amendment to Law Number 19 of 2003 concerning SOEs, the Ministry of State-Owned Enterprises (SOEs) has a well-defined foundation for its power. In its function as a shareholder, this statute highlights the Ministry's role as the state's representative. According to SOE Law Article 3, paragraph (1), a limited liability company manages and accounts for state assets that are segregated within SOEs, with the Minister of SOEs acting as the state shareholder's representative. This regulation positions the Minister of SOEs as a key actor with strategic authority over the direction of company policy. This role is not merely administrative but also decisive in overseeing the use of state assets.

The Ministry of SOEs has the authority to establish strategic policies related to the development direction of state-owned enterprises. Article 15, paragraph (2) of Law Number 19/2003 authorizes the Minister to establish general policies and corporate strategies that align with national development goals. Strategic policies include investment direction, restructuring, and strategic asset management. The determination of these policies has a direct impact on the continuity of company operations and performance. The ministry's position here emphasizes that the function of state shareholders is not merely symbolic, but substantial.

Another important tool that the Ministry of State-Owned Enterprises possesses is the power to nominate and remove members of the Board of Directors and the Board of Commissioners. The Minister may designate, choose the period of office, and remove members of the Board of Directors and Commissioners through the General Meeting of Shareholders (GMS) in accordance with Article 14 of the 2025 State-Owned Enterprises Law. This clause indicates that the Ministry has substantial authority over the management and oversight functions of the business. The implication of this authority is the Ministry's direct influence on the internal dynamics of state-owned enterprises. It may be biased if not accompanied by a strong check-and-balance mechanism.

The distinction between the strategic and technical authorities of the Ministry of State-Owned Enterprises should be clearly defined to avoid disrupting the company's management. Macro-level strategic authorities, such as establishing the company's vision, determining capital structure, and long-term investment policies, should be the Ministry's domain. Conversely, technical authorities concerning day-to-day management should remain the responsibility of the Board of Directors and under the supervision of the Board of

Commissioners. If these boundaries are unclear, there is the potential for overlapping authority, which could undermine the Board of Directors' function. It can also lead to confusion in the lines of accountability.

The gray area of the Ministry of State-Owned Enterprises' authority can be seen when it intervenes in operational matters that should be the responsibility of the Board of Directors. For example, requests for detailed reports on short-term managerial decisions or determining marketing strategies. This type of intervention blurs the line between supervisory and management functions. As a result, the independence of the Board of Commissioners in supervising the Board of Directors is also affected. It indicates that the clarity of the boundaries of authority is a key issue in SOE governance.

Law Number 40 of 2007 regulating Limited Liability Companies serves as the foundation for the Board of Commissioners' jurisdiction. According to Article 108, paragraph (1) of the PT Law, the Board of Commissioners is responsible for advising the Board of Directors and carrying out both general and specific oversight in line with the articles of incorporation. This provision is reinforced by special provisions for SOEs, which require Commissioners to safeguard the interests of the state as a shareholder. The position of Commissioners is placed as an independent body that serves as a critical partner of the Board of Directors. This authority is inherent and cannot be overridden by shareholders.

The supervisory function carried out by the Board of Commissioners includes evaluating operational policies and the Board of Directors' compliance with regulations. Article 114 of the PT Law stipulates that Commissioners have the right to access company documents and reports and request explanations from the Board of Directors regarding the implementation of their duties. This function ensures that the Board of Directors adheres to the agreed-upon strategy. Commissioners also play a role in ensuring the company's compliance with laws and regulations, including ministerial regulations governing SOE governance. Oversight should be comprehensive but remain non-executive.

The rights of the Board of Commissioners are a crucial instrument in maintaining the balance of power in state-owned enterprises (BUMN). Pursuant to Article 115 of the Limited Liability Company Law, legal acts of the Board of Directors that require the approval of the Board of Commissioners, according to the articles of association, remain binding on the company, unless another party can prove bad faith. This provision affirms the Commissioners' role as supervisors, ensuring that all Board of Directors actions are conducted under the articles of association. Furthermore, the Commissioners are authorized to provide advice and request periodic reports from the Board of Directors, thus acting as a filter on the company's strategic policies, although their implementation must still respect the GMS mechanism and statutory provisions.

Supervisory independence is a crucial principle that must be upheld by the Board of Commissioners. Commissioners must not be subject to the interests of shareholders, including the Ministry of State-Owned Enterprises, when carrying out their supervisory function. The Limited Liability Company Law stipulates that Commissioners are personally liable if the company suffers losses due to negligence in their supervision. This independence is essential for objective and unbiased oversight. If this independence is weakened, oversight ceases to be an instrument of accountability, but rather a formality.

It is impossible to overlook the Board of Commissioners' legal obligations. Each member of the Board of Commissioners is entirely liable for the company's losses if they fail to fulfill their responsibilities, according to Article 114, paragraph (3) of the Limited Liability Company Law. It means that although the Commissioners only function as supervisors, the inherent responsibility is personal and cannot be transferred. It demonstrates the weight of the Commissioners' obligations in safeguarding the company's interests, particularly for state-owned enterprises (BUMN) that manage state assets.

Overlapping authority is beginning to emerge in performance evaluations. The Ministry of State-Owned Enterprises has the authority to assess the performance of both Directors and Commissioners, while the Board of Commissioners also evaluates the Directors. This situation creates a duplication of assessment mechanisms that can be confusing. The Directors face two parties with equal authority to provide evaluations, even though, in corporate governance, typically only the Board of Commissioners has the operational oversight function. This situation raises questions about the line of accountability of the Directors.

The Ministry of State-Owned Enterprises' intervention is also frequently seen in the form of requests for reports directly from the Directors without going through the Board of Commissioners. This practice has the potential to diminish the Commissioners' authority as a supervisory body. When the Directors prefer to report to the Ministry, the function of the Board of Commissioners is marginalized. This situation weakens the governance structure and creates asymmetries of power between company organs. Ultimately, fragmented communication channels reduce the effectiveness of oversight.

Duplication of oversight creates uncertainty for the Board of Directors in holding itself accountable for its performance. Directors may be confused about who to report to and who to hold accountable for their decisions. This situation increases the administrative burden and slows decision-making. For companies that move quickly to adapt to market dynamics, this situation can be a serious obstacle. Another risk is the emergence of duplicate reports with differing standards, reducing consistency in performance assessments.

Overlapping authority occurs not only in evaluation aspects but also in other strategic areas such as determining business direction and major investment policies. In some cases, the Ministry of State-Owned Enterprises (SOEs) has intervened in the determination of strategic projects, which should be the responsibility of the Board of Directors, with oversight by the Board of Commissioners. Even dividend distribution is sometimes influenced by government fiscal policy through the Ministry, creating potential conflicts between corporate objectives and state interests. This situation demonstrates that the lines of authority are not yet fully defined.

Analysis of Legal and Governance Implications

Article 14 paragraph (1) of Law No. 1 of 2025 concerning State-Owned Enterprises, which gives the state the authority to direct the course of corporate policy, is the fundamental foundation for the Ministry of State-Owned Enterprises' authority as the state's representative at the General Meeting of Shareholders (GMS). This role suggests that the State-Owned Enterprises Minister has the authority to evaluate the Board of Directors' and Commissioners' performance. However, when such assessments are conducted directly without involving the formal GMS mechanism, the effectiveness of oversight is compromised. The checks and balances between company organs are weakened due to overlapping control functions. It creates a blurred boundary between strategic and operational oversight functions.

According to Article 108 paragraph (1) of Law No. 40 of 2007 regulating Limited Liability Companies, the Board of Commissioners' inherent supervision role ought to be exclusive and independent. It is the responsibility of the Board of Commissioners to supervise the Board of Directors' policies and provide advice on the company's operations. The situation becomes complex when the Ministry of State-Owned Enterprises also requests performance reports directly from the Board of Directors, which should be submitted to the Commissioners. This practice creates dual oversight that has the potential to diminish the authority of the Commissioners. Thus, the effectiveness of the company's internal oversight system is distorted. The Board of Directors, as the implementing body for company management, finds itself in an uncomfortable position when it must account for its

performance to two supervisory bodies simultaneously. Article 92 paragraph (1) of the 2007 PT Law stipulates that the Board of Directors is fully responsible for managing the company for the company's interests and objectives. However, the dual oversight of the Ministry and the Board of Commissioners makes the Board of Directors potentially more subservient to the Ministry due to its position as the majority shareholder. This situation reduces the effectiveness of the checks and balances function because the Board of Commissioners' oversight tends to be ignored. Accountability mechanisms become unclear and inconsistent.

The effectiveness of oversight, which should operate hierarchically, becomes overlapping. The existence of the GMS mechanism as a formal forum for conveying performance evaluations is actually marginalized by the direct intervention of the Ministry. Governance principles that emphasize transparency and accountability are weakened due to the dual communication channels. The Board of Directors is no longer certain whether the report submitted to the Board of Commissioners is sufficient or requires a parallel report to the Ministry. This situation creates additional administrative burdens and reduces oversight efficiency.

The consequence of overlapping authority is a decline in the quality of oversight because there is no clarity as to which body serves as the primary supervisor. The Board of Commissioners loses its strategic role because its authority is narrowed by the Ministry's intervention. The supervisory mechanism, which should be carried out internally within the company, has been diverted into a bureaucratic process with more political oversight. This reduces the effectiveness of supervision as a pillar of checks and balances within state-owned enterprises.

Normative analysis shows potential disharmony between the 2025 State-Owned Enterprises Law and the 2007 Limited Liability Company Law. The State-Owned Enterprises Law grants the Minister broad authority as a representative of shareholders, including the ability to evaluate the performance of company organs. Meanwhile, the 2007 Limited Liability Company Law emphasizes that supervision of the Board of Directors is the exclusive function of the Board of Commissioners, as stipulated in Article 108 paragraph (1). This duality of regulations creates room for differing interpretations in the management practices of state-owned enterprises. The unclear boundaries of these norms are at the root of the problem of overlapping authority.

Implementing regulations issued by the Ministry of State-Owned Enterprises often expand the Minister's role, including into the technical realm of supervision. For example, the obligation of the Board of Directors is to report performance directly to the Ministry outside the GMS mechanism. It is important to note that implementing regulations should not exceed the authority stipulated in the 2007 Limited Liability Company Law. This inconsistency has implications for regulatory disharmony, which can lead to legal uncertainty. This normative aspect demonstrates the need for revision to make the regulations more consistent and harmonious.

The weakness of multi-interpretable legal norms is also evident in the division of functions between shareholders and supervisory bodies. Article 1, number 4 of the 2007 Limited Liability Company Law, defines the GMS as a company organ that holds authority not granted to the Board of Directors or Commissioners. However, the 2025 State-Owned Enterprises Law expands the role of the Minister, thus entering the supervisory realm, which is actually the domain of the Commissioners. This difference in emphasis creates uncertainty for companies. This situation undermines the principle of legal certainty guaranteed by Article 28D paragraph (1) of the 1945 Constitution.

Potential disharmony may also arise between the regulations of the Ministry of State-Owned Enterprises and the provisions of the Financial Services Authority (OJK) regarding the governance of public companies. OJK regulations stipulate the principle of independence

of the Board of Commissioners, ensuring that it is not influenced by any party, including the majority shareholder. If the Ministry's regulations require the Board of Directors to report directly to the Minister, the principle of independence of the Commissioners is violated. This inconsistency between regulations has implications for the weak binding of GCG regulations in SOEs.

Regulatory harmonization is essential to prevent overlapping authority. The 2007 Limited Liability Company Law and the 2025 State-Owned Enterprise Law need to be aligned with consistent implementing regulations. Unclear legal norms have the potential to hamper effective oversight, reduce legal certainty, and create room for excessive political intervention. Regulatory revisions are necessary to clarify the boundaries of authority and maintain balance between the company organs. Clarity of norms will strengthen governance and reduce conflicts of interest.

Overlapping authority has serious implications for corporate accountability. Directors are often in a dilemma when it comes to determining to whom to report primary accountability. This situation creates the risk of duplicate reporting, which can confuse the public. Transparency is blurred because performance reporting no longer goes through a single, exact mechanism. This decline in accountability undermines the principles of Good Corporate Governance.

The accountability of the Board of Commissioners is weakened by direct intervention from the Ministry. When the supervisory function is carried out by two organs in parallel, it is difficult for the public to assess the extent to which Commissioners are working independently. The potential for shifting responsibility increases when oversight fails. The clarity of the accountability mechanism, which should be linear, becomes divergent and inconsistent. It negatively impacts the credibility of the supervisory body in the eyes of the public.

Investor trust is highly dependent on consistent governance that ensures transparency and legal certainty. Public investors, including minority shareholders, will doubt the credibility of performance reports if oversight is influenced by political interference. The accountability principle enshrined in the OECD Principles of Corporate Governance underscores the importance of the independent role of the Board of Commissioners. Unclear oversight mechanisms in SOEs can discourage investors from investing. The long-term impact is a decline in SOE competitiveness in the global market.

Public trust, as the indirect owner of SOEs, also has the potential to decline. The public expects SOEs to be managed professionally for the public interest. When oversight becomes more politically tinged than professional, the public perceives SOEs as less of an instrument for economic service, but rather an arena for competing interests. This decline in public trust impacts the SOE's social legitimacy, and its reputation is also at stake.

Unclear accountability has implications for the weak enforcement of the principle of public information disclosure. Law No. 14 of 2008 concerning Public Information Disclosure requires SOEs, as public bodies, to disclose information transparently. However, overlapping authority results in misalignment of information released by the Board of Directors and Commissioners. The public finds it difficult to obtain consistent information due to intervention from the Ministry. This situation undermines the integrity of SOE information governance.

The first recommendation is the need to clarify the boundaries of authority through revisions to implementing regulations. SOE Ministerial Regulations should not interfere with technical supervision, which is the domain of the Commissioners. Clarity in the division of authority must be emphasized so that company organs can operate according to the mandates of the 2007 Limited Liability Company Law and the 2025 SOE Law. Regulatory revision is a

strategic step to reduce conflicting interpretations. Clarifying the boundaries of authority will strengthen the consistency of the governance system.

The second recommendation is the establishment of a formal coordination mechanism between the Ministry of SOEs and the Board of Commissioners. This coordination can be realized through periodic consultative forums, without compromising the independence of each organ. This mechanism is crucial to prevent duplication of oversight that could confuse the Board of Directors. A clear communication forum will also increase the transparency of the performance evaluation process. This step reinforces the principle of effective oversight within the GCG framework.

The third recommendation is to strengthen the independence of the Board of Commissioners. The principle of independence aligns with Article 108 paragraph (1) of the 2007 Limited Liability Company Law, which grants full supervisory authority to the Commissioners. This strengthening can be achieved by reinforcing the prohibition on majority shareholder intervention in the technical supervision process. Stronger independence will clarify the lines of supervisory accountability. Thus, the quality of SOE governance can be better assured.

The fourth recommendation is to increase the regulatory role of the Financial Services Authority (OJK) in supervising GCG's implementation in SOEs. OJK has the power to guarantee that BUMN abides by the values of independence, responsibility, accountability, transparency, and fairness. Ministerial intervention that undermines the independence of commissioners can be minimized through stricter OJK regulations. Regulatory integration between the OJK and the Ministry of SOEs will strengthen governance consistency. An enhanced OJK role will bolster investor and public confidence.

The final recommendation is the idea of codifying SOE governance law. This codification can take the form of a special law that harmonizes the BUMN Law with the PT Law while clarifying the functions of each company organ. The existence of a single, comprehensive rule will reduce the room for multiple interpretations and increase legal certainty. Codification would also serve as an instrument for integrating international GCG standards into the national legal system. This step would sustainably enhance the competitiveness and credibility of SOEs.

CONCLUSION

The overlapping authority between the Ministry of State-Owned Enterprises and the Board of Commissioners in overseeing state-owned enterprises (PT BUMN) reflects the unclear role boundaries established in regulations. The Ministry of State-Owned Enterprises, under Law No. 1 of 2025 concerning the Third Amendment to Law No. 19 of 2003, holds strategic authority as a representative of state shareholders, including the appointment, dismissal, and performance evaluation of the Board of Directors and Board of Commissioners. Meanwhile, the Board of Commissioners, under Law No. 40 of 2007 concerning Limited Liability Companies, is mandated to conduct independent oversight of the company's operations. This overlapping authority creates duplication of functions, particularly in performance evaluation and management oversight, which reduces the effectiveness of checks and balances between company organs, weakens the principle of independence, and risks creating conflicts of interest. Consequently, the accountability and transparency of state-owned enterprises (PT BUMN) are at risk, which in turn impacts public and investor trust.

Improvement efforts can be directed at harmonizing laws and regulations to align the 2025 State-Owned Enterprises Law with the 2007 PT Law, while also clarifying the boundaries of authority of each organ. The Ministry of State-Owned Enterprises should focus on macro-level strategic policies as a representative of state shareholders, while the Board of

Commissioners' independence in carrying out its oversight function should be strengthened. The implementation of Good Corporate Governance principles needs to be intensified by emphasizing transparency, accountability, and independence as mandatory standards in the management of state-owned enterprises. A formal coordination mechanism between the Ministry and the Board of Commissioners should be designed to avoid conflicts of authority and provide clearer direction in overseeing company performance. These steps are an important foundation for ensuring the effectiveness of state-owned enterprise governance while maintaining the legitimacy and public trust in state-owned enterprises.

REFERENCES

- Akbar, T. R. (2025). *Tata Kelola Perusahaan: Teori Dan Kasus*. Jakarta: Penerbit Salemba.
- Alfianto, D., & Rido, A. (2024). *Formulasi Kebijakan Tata Kelola Perusahaan Yang Baik Bagi Badan Usaha Milik Daerah Dalam Rangka Mitigasi Masalah Hukum*. *Ranah Research: Journal of Multidisciplinary Research and Development*, 7(1), 601–609.
- Ananda, D. D. (2023). *Analisis Hukum Larangan Rangkap Jabatan Dewan Komisaris Badan Usaha Milik Negara (Bumh) Persero*. *Innovative: Journal Of Social Science Research*, 3(3), 4783–4797.
- Ayuningtias, V. K. (2024). *Tata Kelola Perusahaan Yang Baik: Sebagai Upaya Penguatan BUMN*. *Hakim: Jurnal Ilmu Hukum dan Sosial*, 2(1), 288–298.
- Daffa, A. R. (2023). *Tinjauan Literatur Prinsip Good Corporate Governance (GCG) Pada Badan Usaha Milik Negara Indonesia*. *Economics and Digital Business Review*, 4(2), 217–230.
- Dahana, T. N. (2024). *Tanggung Jawab Organ Perseroan Terbatas Pada Perusahaan Grup (Holding) Badan Usaha Milik Negara*. Pekalongan: Penerbit NEM.
- Dharma Setiawan Negara. (2024). *Penerapan Prinsip Competitive Neutrality Bagi BUMN Dalam Mewujudkan Keadilan Berusaha*. Surabaya: Cipta Media Nusantara.
- Fajri, F., & Mariadi, Y. (2022). *Pengaruh Good Corporate Governance Terhadap Kinerja Keuangan Perusahaan BUMN Sektor Keuangan*. *Jurnal Riset Mahasiswa Akuntansi*, 2(2), 307–320.
- Firmansyah, A. M. (2024). *Peran BUMN Sebagai Pilar Utama Ekonomi Nasional Yang Mandiri: Sebuah Kajian Hukum Korporasi*. *Binamulia Hukum*, 13(2), 517–528.
- Herwibowo, B. H. (2025). *Kepastian Hukum Kewenangan Diskresi Direksi BUMN Dalam Perspektif Prinsip Good Corporate Governance*. *Cendekia: Jurnal Penelitian dan Pengkajian Ilmiah*, 2(8), 1491–1503.
- Jati, A. N. (2025). *Prinsip Tata Kelola dan Perubahan Paradigma Pengelolaan BUMN Dalam UU No. 1 Tahun 2025*. *Netizen: Journal of Society and Business*, 1(9), 423–432.
- Kholifah, A., & Baso, F. (2022). *Penguatan Regulasi Uji Kelayakan dan Kepatutan Dalam Pengangkatan Komisaris BUMN*. *Undang: Jurnal Hukum*, 5(1), 143–180.
- Oktavia, L. S. (2025). *Optimalisasi Peran Dewan Komisaris Dalam Meningkatkan Kinerja Perseroan*. *Jurnal Ilmiah Wahana Pendidikan*, 11(6), 103–114.
- Pascoal, Y. (2022). *Pengawasan Komisaris BUMN Persero Terhadap Direksi Sebagai Bentuk Pencegahan Tindak Pidana Korupsi*. *Lex Privatum*, 10(3).
- Pratiwi, R. S. (2019). *Legalitas Rangkap Jabatan Direksi Dan Dewan Komisaris Pada Badan Usaha Milik Negara Yang Berbentuk Perseroan Terbatas*. *Lex Renaissance*, 4(2), 266–284.
- Putri, T. A. (2022). *Pengawasan Pengelolaan Keuangan Negara Terhadap Badan Usaha Milik Negara (BUMN)*. *Sibatik Journal: Jurnal Ilmiah Bidang Sosial, Ekonomi, Budaya, Teknologi, dan Pendidikan*, 1(7), 1003–1018.

- Sudharmono, J., & Tunjungsari, H. K. (2021). *Evaluasi Penerapan Good Corporate Governance Pada PT BUMN ABC, Indonesia. Jurnal Muara Ilmu Ekonomi dan Bisnis*, 5(1), 225–234.
- Supriajat, A. W. (2025). *Kemandirian BUMN Pasca Disahkannya UU No. 1 Tahun 2025 Ditinjau Dari Perspektif Hukum Bisnis. Pena Justisia: Media Komunikasi dan Kajian Hukum*, 24(2), 7152–7169.
- Syofyan, E. (2021). *Good Corporate Governance (GCG)*. Malang: Unisma Press.