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The position of notaries as taxable entrepreneurs: A study of VAT obligations in notary services

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Abstract

This study aimed to examine the position of notaries as taxable entrepreneurs within Indonesia's value-added tax system and its implications for notaries' obligations in providing services to underprivileged communities. A normative approach was employed, involving an analysis of relevant legislation, such as Law No. 42 of 2009 on VAT and Sales Tax on Luxury Goods, Law No. 2 of 2014 on the Notary Profession, and other related tax regulations. The data used in this research were drawn from primary, secondary, and tertiary legal materials, and analysed using both statutory and conceptual approaches. The findings indicated that although notaries are subject to tax obligations as taxable entrepreneurs, challenges arise in the implementation of these obligations, particularly regarding the social function of notaries in serving economically disadvantaged individuals. The imposition of a value added tax on notarial services has the potential to restrict public access to legal services, necessitating policies that balance fiscal obligations with the principle of access to justice. Further research is therefore needed to formulate tax policies that are more adaptive to the social role of the notarial profession. It is important to reconsider the classification of notaries as public officials who serve society. Based on the considerations above, it is evident that the intention of the government and lawmakers is to acknowledge the role of notaries as public officials responsible for drafting authentic deeds in the public interest. In practice, notaries perform a public service by fulfilling state functions related to the creation of authentic notarial deeds. They are also obliged to provide services to underprivileged individuals and cannot

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refuse to do so. Therefore, the imposition of value-added tax on all notarial services imposes a burden not only on clients but also on the notaries themselves

Keywords:

notary profession; taxable entrepreneur; access to justice; authentic deeds; value-added tax

Introduction

A notary plays a significant role in the legal and business sectors in Indonesia. As a public official appointed by the state, a notary is authorised to prepare authentic deeds and is responsible for ensuring legal certainty for parties engaged in transactions. In performing their professional duties, notaries earn income from the services they provide to the public, whether in civil transactions, banking, or other sectors. Given the high volume of transactions involving notaries, questions arise regarding their position within the taxation system, particularly in relation to value-added tax (VAT).

In accordance with Article 4 of Law of Indonesia No. 42 of 2009 "On the Third Amendment to Law No. 8 of 1983"¹, services subject to VAT include those in various sectors, including legal services provided by certain professions. As providers of legal services, notaries are often the subject of discussion regarding their tax obligations, particularly their status as taxable entrepreneurs. Pursuant to Article 3A, Paragraph (1) of the VAT Law, any entrepreneur delivering taxable goods or services is required to fulfil tax obligations if they meet a specific threshold. In this context, a notary whose income exceeds the threshold established by the Minister of Finance Regulation may be classified as a taxable entrepreneur, thereby being required to collect, remit, and report VAT on the services provided.

On the other hand, certain types of services are exempt from VAT, as stipulated in Article 4A, Paragraph (3) of the VAT Law. Under this provision, legal services are among the categories exempt from VAT. However, further analysis is required to determine whether the services provided by notaries fall within this exemption, given that notaries also perform administrative and commercial functions in practice (Mufidah & Habibi, 2019). Furthermore, the Directorate General of Taxes has, on several occasions, issued circulars and policy statements regarding the tax status of notaries, often resulting in differing interpretations between taxpayers and tax authorities (Supriyanti, 2023).

Another issue in the implementation of VAT obligations for notaries concerns the mechanism of tax collection and reporting. Notaries who have been designated as taxable entrepreneurs must issue tax invoices for each service provided to their clients (Ajeng Pramesthy, 2023). This imposes an additional administrative burden that may affect the efficiency and effectiveness of notarial services. Additionally, a lack of understanding

among notaries regarding the procedures for fulfilling tax obligations may expose them to the risk of administrative sanctions or tax-related criminal penalties. From the perspective of tax law, the imposition of VAT on notarial services must take into account the principles of legal certainty, fairness, and utility. Legal certainty is crucial in order to prevent overlapping regulations, while fairness requires that taxation does not disproportionately burden certain parties. From a utilitarian standpoint, tax regulations should promote taxpayer compliance without impeding public access to the legal services provided by notaries. A similar issue was reported by D. Yustisianto & J. Hafidz (2023).

Several previous studies relevant to this topic include research conducted by H.K. Ajeng Pramesthy (2023), which discusses notaries as public officials providing legal services that fall within the category of VAT-taxable services. To fulfil this obligation, notaries must first be registered as taxable entrepreneurs in order to impose VAT on the services they provide. Another study, conducted by I. Akib (2021), finds that the collection of VAT by notaries has not been effectively implemented, as some notaries do not issue tax invoices for VAT collection on their services. Although many have met their responsibilities as taxable entrepreneurs under the applicable regulations, a number rely on tax consultants for administrative processes, which has led to a lack of understanding among notaries regarding tax administration. Furthermore, research by W. Damayanti *et al.* (2024) concludes that notarial services fall within the category of VAT-taxable legal services. Notaries must impose VAT on their clients and be registered as taxable entrepreneurs if their income exceeds the prescribed threshold.

B. Ispriyarso & D.C. Permana (2022) examined the juridical validity of classifying notaries as taxable entrepreneurs (PKP) and how they fulfil their obligation to collect VAT on legal services. Using an empirical juridical approach supported by qualitative analysis, the study reveals that while most notaries registered as PKP do collect VAT, many disagree with being categorised as "entrepreneurs", indicating a misalignment between legal classification and professional identity. L. Afriani (2022) explored the legal and ethical obligations of notaries to offer pro bono services as required by the Notary Law and the Notary Code of Ethics. The study finds that in Medan, the provision of such services

¹ Law of Indonesia No. 42 "On the Third Amendment to Law Number 8 of 1983 On Value Added Tax on Goods and Services and Sales Tax on Luxury Goods". (2009, October). Retrieved from <https://peraturan.bpk.go.id/Details/38787/uu-no-42-tahun-2009>.

has been implemented positively, driven by notaries' sense of humanity, morality, and professional integrity.

This study aimed to analyse the legal status of notaries as value-added taxpayers within the Indonesian VAT system and to identify the implications of this status for their obligations to provide services to disadvantaged individuals.

Materials and Methods

The normative legal research conducted in this study was based on an analysis of applicable legal norms, with a focus on the conceptual framework underlying relevant regulations. This study relied on secondary data, comprising primary, secondary, and tertiary legal materials. Legal research involves several methodological approaches. The approach adopted in this study served as a means to obtain information from various sources concerning the legal issues under examination. As this research employed normative legal methods, it utilised approaches such as the statutory approach and the conceptual approach (Marzuki, 2010). Primary legal materials consist of laws and regulations that serve as binding sources of law. The primary legal materials relevant to the position of notaries as taxable entrepreneurs include the 1945 Constitution¹, Law No. 2 of 2014², Law No. 42 of 2009³, and the Regulation of the Minister of Finance of the Republic of Indonesia No. 68/PMK.03/2010⁴. Secondary legal materials, such as academic books and journal articles, were used to provide theoretical perspectives and to support the analysis of legal policy. Meanwhile, tertiary legal materials, such as the Great Dictionary of the Indonesian Language, were consulted to clarify the terminology employed in the study (Irwansyah, 2022).

The statutory approach was the primary method used, involving a detailed examination of laws and regulations relevant to the research theme. In addition, a conceptual approach was applied to identify and understand the ideas and underlying principles behind the formation of legal norms. This approach enabled the research to go beyond the textual content of the regulations by examining foundational legal concepts such as justice, legal certainty, and the protection of workers' rights. By combining these approaches, the study aimed to describe the relationship between applicable

legal norms and the legal objectives they seek to achieve, particularly within the context of legal policy and the protection of workers' rights. This methodological framework supports both theoretical and practical contributions to the understanding and development of related legal policies.

Results

As a public official, a notary must be an Indonesian citizen. Indonesian citizens who meet the criteria outlined in Article 23A of the 1945 Constitution⁵ "are required to pay taxes and other compulsory levies for state needs as regulated by law". Fulfilling tax obligations is therefore equivalent to fulfilling one's duties as a citizen and contributing to national development, in accordance with Article 30, Paragraph (1) of the 1945 Constitution. According to Article 3A(1) of the VAT Law⁶, every entrepreneur engaged in the supply of taxable goods (BKP) and/or taxable services (JKP) within the customs territory is required to register their business for confirmation as a PKP, except for small businesses with an annual turnover below the threshold set by Regulation of the Minister of Finance of Indonesia (PMK) No. 197/PMK.03/2021⁷, which is 4.8 billion IDR. As a PKP, an entrepreneur is required to collect, deposit, and report VAT on BKP/JKP transactions. Furthermore, a PKP must issue a tax invoice as proof of VAT collection and periodically submit VAT returns to the Directorate General of Taxes (DJP). The PKPs are also entitled to credit input tax against output tax under the VAT mechanism, as stipulated in Article 9 of the VAT Law. Holding PKP status enables entrepreneurs to optimise tax management and benefit from VAT restitution mechanisms in cases of tax overpayment.

Conversely, a non-PKP is an entrepreneur whose annual turnover is below 4.8 billion IDR and who is therefore not required to be confirmed as a PKP, as set out in Article 3A(1) of the VAT Law⁸. However, they may voluntarily apply for PKP status should they wish to implement the VAT mechanism in their business. Entrepreneurs not registered as PKP are not obliged to collect and deposit VAT, issue tax invoices, or file VAT returns. Nevertheless, non-PKP businesses still have other tax responsibilities, such as paying income tax according to their business scale and the applicable tax regulations.

¹ Constitution of the Republic of Indonesia. (1945, August). Retrieved from <https://jdih.bapeten.go.id/unggah/dokumen/peraturan/116-full.pdf>.

² Law of Indonesia No. 2 "On Amendments to Law Number 30 of 2004 On the Position of Notary". (2014, January). Retrieved from <https://peraturan.bpk.go.id/Details/38565/uu-no-2-tahun-2014>.

³ Law of Indonesia No. 42 "On the Third Amendment to Law Number 8 of 1983 On Value Added Tax on Goods and Services and Sales Tax on Luxury Goods". (2009, October). Retrieved from <https://peraturan.bpk.go.id/Details/38787/uu-no-42-tahun-2009>.

⁴ Regulation of the Minister of Finance of the Republic of Indonesia No. 68/PMK.03/2010. (2010, March). Retrieved from <https://peraturan.bpk.go.id/Details/150340/pmk-no-68pmk032010>.

⁵ Constitution of the Republic of Indonesia. (1945, August). Retrieved from <https://jdih.bapeten.go.id/unggah/dokumen/peraturan/116-full.pdf>.

⁶ Law of Indonesia No. 42 "On the Third Amendment to Law Number 8 of 1983 On Value Added Tax on Goods and Services and Sales Tax on Luxury Goods". (2009, October). Retrieved from <https://peraturan.bpk.go.id/Details/38787/uu-no-42-tahun-2009>.

⁷ Regulation of the Minister of Finance of Indonesia (PMK) No. 197/PMK.03/2021. (2021, January). Retrieved from https://salaki-salaki.com/wp-content/uploads/2021/12/SS-2021-PMK-54.PMK_03.2021-English-version.pdf.

⁸ Law of Indonesia No. 42 "On the Third Amendment to Law Number 8 of 1983 On Value Added Tax on Goods and Services and Sales Tax on Luxury Goods". (2009, October). Retrieved from <https://peraturan.bpk.go.id/Details/38787/uu-no-42-tahun-2009>.

To register as a taxable entrepreneur, a business owner must submit an application to the local Tax Service Office, following the business's registered domicile. The registration process may be completed online through the DJP e-Registration system or in person. Applicants are required to provide documents including a taxpayer identification number, an identity card (for Indonesian citizens) or immigration documents (for foreign nationals), business legitimacy documents (such as the deed of establishment and business licence), and proof of business premises ownership or lease. Once the documentation is considered complete, the DJP will conduct a verification process, which may include a site visit, to confirm eligibility for PKP status. If approved, the DJP will issue a PKP registration letter along with a tax invoice serial number for VAT administration purposes.

Services that must be registered as PKP include those subject to VAT under the VAT Law. These services include legal services (such as those provided by notaries and lawyers), consultancy services (e.g. management and financial consulting), construction, advertising, information technology, and property or asset rental. Additionally, services in the transport, entertainment, and certain education sectors that are not exempt under VAT regulations must also register for PKP status if they exceed the prescribed turnover threshold. With PKP status, service providers are required to collect and report VAT and to issue tax invoices to clients as valid proof of transaction in compliance with applicable tax laws.

A notary plays a crucial role in Indonesia's legal system as a public official authorised to draw up authentic deeds and other legal documents. This profession is regulated by Law of Indonesia No. 2 of 2014 "On the Notary Office"¹, which mandates that notaries provide legal services to the public based on principles of professionalism and integrity. In performing their duties, notaries charge service fees that are subject to taxation under the prevailing regulations, including VAT. However, issues arise when notaries are also required to provide services to underprivileged individuals who may be unable to afford both notarial fees and the associated VAT (Wahyudi, 2024).

In drafting an authentic deed, a notary must prioritise the will of the parties involved. All powers exercised by a notary must be clearly and firmly stated. The process must reflect the intentions of the parties concerned so that every legally authorised action of the notary is expressed in the appropriate terms, namely "regarding all

acts, agreements and provisions" (Yani, 2020). As a public official in the legal domain, a notary is appointed and dismissed by the government. Therefore, every action must conform to the code of ethics and legal obligations stipulated by law. The notarial profession is regarded as an honourable one, and as a public official, the notary is also expected to function in the service of the public.

Furthermore, the classification of a notary as a "businessperson" appears inconsistent with their status as a public official. However, according to the Directorate General of Taxes, no alternative term is available, as "entrepreneur" is the standard term used under the VAT Law, which only recognises PKP as the official classification. Given this, it may be argued that notaries who provide legal services in the public interest should not be burdened with VAT obligations. Notaries are prohibited from seeking maximum profit, whereas, according to the Civil Code, "a business is an action, an act carried out by parties called entrepreneurs in order to obtain the greatest possible profit and/or benefit". Therefore, notaries should not be equated with the commercial definition of an entrepreneur. In civil law², "business" is defined as "every action, act, or activity related to the economy carried out by entrepreneurs with the aim of obtaining profit and/or profit". Notaries, in carrying out their duties, do not aim to generate profit. A notary is an individual who performs legal acts or activities and receives income; therefore, notaries should not be subject to regulations that apply to entrepreneurs.

Notaries are also prohibited from holding concurrent positions as entrepreneurs, engaging in advertising, collaborating with companies, or undertaking activities commonly associated with businesspersons – as stipulated in Article 17, Paragraph (1) of the Law of Indonesia No. 2 of 2014³. According to A. Elies (2025), "legal acts are every human act that is done intentionally to give rise to rights and obligations". Legal acts refer to any activity carried out by a legal subject which results in legal consequences. These consequences are seen as a reflection of the will of the party acting. This interpretation is not consistent with the classification of notaries as PKP. Moreover, the legal services provided by notaries differ significantly from other types of legal services.

According to the VAT Law⁴, services rendered by taxable entrepreneurs are subject to VAT at a predetermined rate. A notary who earns income from their services may be classified as a PKP if their gross revenue exceeds the threshold specified in tax regulations. As a result, they are required to collect, deposit, and report

¹ Law of Indonesia No. 2 "On Amendments to Law Number 30 of 2004 On the Position of Notary". (2014, January). Retrieved from <https://peraturan.bpk.go.id/Details/38565/uu-no-2-tahun-2014>.

² Law of the Republic of Indonesia No. 1 "On the Chamber of Commerce and Industry". (1987, January). Retrieved from <https://peraturan.bpk.go.id/Details/46815/uu-no-1-tahun-1987>.

³ Law of Indonesia No. 2 "On Amendments to Law Number 30 of 2004 On the Position of Notary". (2014, January). Retrieved from <https://peraturan.bpk.go.id/Details/38565/uu-no-2-tahun-2014>.

⁴ Law of Indonesia No. 42 "On the Third Amendment to Law Number 8 of 1983 On Value Added Tax on Goods and Services and Sales Tax on Luxury Goods". (2009, October). Retrieved from <https://peraturan.bpk.go.id/Details/38787/uu-no-42-tahun-2009>.

VAT on the services they provide. This has implications for the costs borne by clients seeking notarial services, including individuals who require legal assistance but lack the financial means to pay. In this context, a notary's tax obligations may conflict with the public service principle that underpins the notarial profession. Article 37 of the Notary Office Law¹ stipulates that notaries must provide services to the public based on the principle of fairness and must not refuse clients on the basis of social or economic status. In other words, notaries have both a moral and legal obligation to assist underprivileged individuals, even if the remuneration is minimal or absent.

The imposition of VAT on notarial services could impose an additional burden on individuals in need of legal assistance but unable to afford it. For instance, when drafting deeds of gift, inheritance certificates, or other legal documents essential to low-income communities, the notarial fee combined with VAT could hinder access to justice (Tan, 2020). This situation may lead people to avoid notarial services altogether or to turn to informal alternatives that lack legal validity. From a social justice perspective, the government should consider adopting tax policies that offer relief for notaries who provide services to disadvantaged groups. One possible approach is to introduce VAT exemptions or reduced rates for notarial services provided to specific groups, such as low-income individuals, persons with disabilities, or victims of natural disasters. Such policies could help to balance tax obligations with public access to legal services (Pavliv, 2023).

Additionally, the government could offer tax incentives to notaries who provide pro bono (free) services to disadvantaged communities. These incentives could take the form of income tax deductions or credits for services rendered without charge (Sulistiyawati & Arta, 2022). With such measures in place, notaries could continue to fulfil their social role without being excessively burdened by tax obligations. In practice, some notaries already uphold their social responsibility by offering free legal services to those in need. However, without clear regulatory support, these efforts are often carried out individually, without incentives or official recognition from the government. Therefore, clearer regulations are needed to align notarial tax obligations with their public service role.

Furthermore, tax compliance oversight for notaries should be strengthened to ensure that the profession adheres to regulations transparently. While some notaries have registered as PKP and collect VAT by law,

others have yet to fulfil this obligation. Greater awareness and supervision by the Directorate General of Taxes is necessary to ensure that all notaries understand and comply with applicable tax regulations without neglecting their social responsibilities. From the perspective of legal certainty, imposing VAT on notarial services also enhances transaction transparency. The requirement to issue tax invoices ensures that all transactions involving notaries are properly documented and auditable by tax authorities. This contributes to reducing tax evasion and ensuring that all taxed services comply with current regulations (Puttri *et al.*, 2024).

In the Minister of Finance Regulation of the Republic of Indonesia No. 68/PMK.03/2010², concerning the small business threshold for value-added tax, a specific exemption should be considered for notaries, taking into account the strict professional standards and restrictions that govern their role. According to Article 17, Paragraph (1), letter f of Law No. 2 of 2014³, notaries are prohibited from holding concurrent positions as business owners, meaning they cannot engage in business activities that could compromise the independence and integrity of their profession. Therefore, regulations concerning the small business VAT threshold should reflect this prohibition to prevent conflicts of interest and to provide a more appropriate tax framework for notaries.

Moreover, notaries are also prohibited from advertising, collaborating with companies, or engaging in other commercial activities, as stipulated in the Notary Law. These restrictions aim to preserve the integrity of the profession, ensuring that notaries remain impartial and free from commercial influence. If the Minister of Finance Regulation No. 68/PMK.03/2010⁴ fails to offer a specific exemption for notaries, which could result in confusion and potential breaches of professional conduct. Therefore, it would be more appropriate for the regulation to include provisions that acknowledge the unique nature of the notarial profession and ensure consistency with applicable tax laws for small businesses.

Discussion

This study focuses specifically on the legal analysis of the obligations of notaries as PKP, particularly in relation to the application, collection, and reporting of VAT on notarial legal services. It emphasises the principles of legal certainty and the implementation of tax regulations within the notarial profession while seeking to offer normative solutions to the administrative

¹ Law of Indonesia No. 2 "On Amendments to Law Number 30 of 2004 On the Position of Notary". (2014, January). Retrieved from <https://peraturan.bpk.go.id/Details/38565/uu-no-2-tahun-2014>.

² Regulation of the Minister of Finance of the Republic of Indonesia No. 68/PMK.03/2010. (2010, March). Retrieved from <https://peraturan.bpk.go.id/Details/150340/pmk-no-68pmk032010>.

³ Law of Indonesia No. 2 "On Amendments to Law Number 30 of 2004 On the Position of Notary". (2014, January). Retrieved from <https://peraturan.bpk.go.id/Details/38565/uu-no-2-tahun-2014>.

⁴ Regulation of the Minister of Finance of the Republic of Indonesia No. 68/PMK.03/2010. (2010, March). Retrieved from <https://peraturan.bpk.go.id/Details/150340/pmk-no-68pmk032010>.

challenges faced by notaries in fulfilling their tax obligations. This approach differs from that of H.K. Ajeng Pramesthy (2023), whose research concentrated more on the formal requirements for PKP registration and the status of notaries as legal service providers, without exploring in depth the practical administrative barriers encountered by notaries in the field. By contrast, the research of I. Akib (2021) highlighted shortcomings in implementation, particularly the uneven understanding among notaries regarding the taxation system and their reliance on tax consultants. However, it did not engage with the normative aspects or the need for policy reformulation.

Similarly, the study by W. Damayanti *et al.* (2024) reaffirmed the classification of notarial services as subject to VAT and underlined the significance of PKP status. Nonetheless, it did not critically examine notaries' perceptions of VAT as a burden on their professional responsibilities and legal identity. In addition, research by B. Ispriyarso *et al.* (2022) introduced a social psychology perspective by highlighting the tension between the legal classification of "entrepreneur" and the notary's identity as a public official. This study contributed to the discourse by addressing notaries' internal resistance to their role within the taxation system but fell short of analysing its legal ramifications. L. Afriani (2022) took an alternative approach by focusing on the ethical obligations of notaries in delivering pro bono services, a topic that is not directly relevant to the VAT issue. A key shortcoming of previous studies is their failure to integrate normative, administrative, and sociological perspectives into a single comprehensive framework. Accordingly, this study seeks to address this gap by adopting a holistic approach that encompasses positive legal analysis, practical administrative concerns, and an assessment of the professional status of notaries within the national taxation system.

In comparison, countries such as the Netherlands regulate the imposition of VAT on notarial services under the Turnover Tax Act 1968¹. Legal services provided by notaries in the Netherlands are also classified as taxable services, subject to a standard VAT rate of 21%. However, unlike in Indonesia, the Dutch taxation system prioritises administrative efficiency, supported by integrated digital systems and access to professional tax consultants in all areas of legal practice. Furthermore, the professional identity of notaries in the Netherlands has been formally harmonised with the framework of remunerated professional services, thus avoiding any conflict between their professional role and tax status. This demonstrates that, although there are similarities in the imposition of VAT on notarial services, the legal frameworks and their implementation differ significantly between Indonesia and countries such as the Netherlands.

In the 2020s, notaries in Indonesia faced an unclear professional status, as they were bound by strict ethical codes requiring them to serve the public without charging fixed fees (Styawardani, 2024). Notaries are responsible for providing legal services essential to various transactions – such as property deeds, wills, and contracts – but their remuneration is not always predetermined and often varies according to the nature of the service provided. This ambiguity concerning their professional classification creates challenges, particularly in reconciling ethical obligations with legal and financial requirements, such as the imposition of value-added tax on services.

If VAT were to be applied to notarial services, as stated by S. Adah & M. Faisol (2024), it could result in negative consequences for both notaries and their clients. Notaries already operate under stringent ethical constraints, and the imposition of VAT could compromise both their professional independence and the affordability of their services. Clients requiring notarial services for essential legal matters may face increased costs, thereby reducing accessibility. Furthermore, notaries themselves may experience financial pressure, as they are prohibited from functioning as business owners or commercial entities. This could lead to potential conflicts of interest and financial hardship, particularly if they are required to collect taxes or engage in commercial activities. Consequently, clearer regulatory guidance regarding the scope of notarial duties and associated tax obligations is urgently required to safeguard both the profession and the public.

It is reasonable to concur with S.A. Zanny *et al.* (2024) that the taxation of notarial services in Indonesia continues to suffer from numerous shortcomings and ambiguities, both normatively and in practice. Legally, the VAT Law and its derivative regulations do not explicitly or consistently define the status of notaries as taxable entrepreneurs. This has led to multiple interpretations regarding whether notaries, as public officials performing certain state functions, can be equated with conventional commercial actors. This ambiguity is further exacerbated by the uneven understanding among notaries of tax administration procedures – such as tax invoice issuance, tariff calculations, and submission of tax returns – resulting in inconsistent VAT collection and remittance. Moreover, the absence of specific technical guidelines tailored to the notarial profession within existing tax regulations fosters an overreliance on tax consultants and contributes to legal uncertainty. Ultimately, this situation is detrimental not only to the notaries themselves as taxpayers but also to the state (Hikmah, 2024).

Therefore, the taxation policy that imposes a value-added tax on every notarial service should be reconsidered. The imposition of VAT has the potential

¹ Turnover Tax Act of Netherlands. (1968, June). Retrieved from <https://wetten.overheid.nl/BWBR0002629/2025-01-01>.

to increase the financial burden on both clients and notaries, which could restrict access to legitimate and legally binding services. Furthermore, considering that almost every aspect of life requires notarial assistance, a taxation policy that fails to recognise the social function of this profession may have adverse consequences for access to justice (Wahyudi, 2024). A more adaptive policy is therefore needed, such as exemptions or tax reductions for notarial services provided to underprivileged individuals. With a more balanced approach, the role of notaries in serving the public can be preserved without being hindered by tax obligations that may obstruct their function as providers of public legal services (Prasetya, 2024). The government, notarial associations, and tax authorities must collaborate to devise appropriate solutions for aligning notaries' tax obligations with their social role. With effective policies in place, notaries can continue to fulfil their responsibilities as public officials delivering legal services to all sectors of society, without being unduly burdened by taxation (Monteiro, 2025). It should also be acknowledged that the notarial profession is a public office granted by the state to meet vital societal needs. Fees for notarial services are already regulated and may not exceed predetermined limits. Therefore, regulatory harmonisation and clearer reinforcement of this position are essential. Such matters must not be addressed arbitrarily but require thorough study and careful deliberation.

Taxation policies that impose VAT on all notarial services should be reassessed, as they risk increasing the financial burden on both clients and notaries and could limit access to lawful and binding legal services. Given the crucial role of notaries in nearly every facet of public life, policies that overlook the social function of this profession may negatively affect access to justice. A more flexible approach is required, such as VAT exemptions or reductions for services provided to low-income individuals. The government, notarial associations, and tax authorities must work collaboratively to align tax obligations with the public role of notaries, thereby ensuring that their services remain accessible without being subject to excessive fiscal pressures. As the notary profession is a state-appointed role with fees already regulated by law, it is vital that regulatory harmonisation and reaffirmation of their public function are implemented thoughtfully, based on in-depth research and careful policy analysis.

Conclusions

The findings of this study highlighted the significant ambiguity surrounding the status of notaries as "entrepreneurs" under value-added tax legislation,

despite their role as public officials. This inconsistency is problematic, as it creates a legal conflict between the notarial profession's ethical duty to serve the public and the tax obligations imposed upon them. The study emphasised that notaries, who are prohibited from engaging in business activities, should not be classified as taxable entrepreneurs, as their work is intended to fulfil a public service function rather than to generate profit. In addition, the application of VAT to notarial services may place a financial burden on both notaries and clients, particularly those from lower-income groups, thereby limiting access to essential legal services.

This study was significant in shedding light on the legal and ethical dilemmas faced by notaries when subjected to VAT regulations that conflict with their professional obligations. It contributes to a broader understanding of how the taxation of professional services can affect public access to justice and legal support. The findings demonstrated that tax policies must be adapted to reflect the unique nature of notarial duties as public service activities rather than purely commercial endeavours. The study underscores the need for policy reform that either exempts notarial services from VAT or introduces reduced tax rates for services provided to vulnerable populations.

These findings enhanced the understanding of the intersection between the legal profession, taxation, and public service, suggesting that clearer guidelines and appropriate exemptions should be introduced to ensure that notaries can continue to provide their services without undue financial strain. This research opened further discussion on how best to balance social justice and tax obligations, ensuring that legal professionals can uphold their responsibilities while remaining compliant with tax law. Future studies might explore international comparisons, examining how other jurisdictions have addressed similar issues in relation to the legal profession and taxation, or investigate the potential for additional tax incentives for notaries offering pro bono services. Further attention is needed to determine how regulatory clarity can be improved to resolve the ambiguities that currently hinder notarial practice.

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Conflict of Interest

None.

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Позиція нотаріусів як суб'єктів підприємницької діяльності: дослідження податкових зобов'язань з ПДВ під час надання нотаріальних послуг

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Анотація

Метою цього дослідження було вивчення становища нотаріусів як оподатковуваних підприємців у системі податку на додану вартість Індонезії та його наслідків для зобов'язань нотаріусів у наданні послуг малозабезпеченим верствам населення. Нормативний підхід застосовано шляхом вивчення відповідного законодавства, зокрема Закону № 42 від 2009 року про ПДВ та податок з продажу предметів розкоші, Закону № 2 від 2014 року про професію нотаріуса, а також інших пов'язаних з ним податкових нормативних актів. Дані, використані в цьому дослідженні, отримано з первинних, вторинних і третинних юридичних матеріалів та проаналізовано за допомогою нормативного й концептуального підходів. Результати дослідження засвідчили, що хоча нотаріуси несуть податкові зобов'язання як суб'єкти підприємницької діяльності, однак постають проблеми, пов'язані із соціальною функцією нотаріату щодо надання послуг економічно незахищеним верствам населення. Навантаження податком на додану вартість на нотаріальні послуги потенційно може перешкоджати доступу населення до юридичних послуг, що актуалізує необхідність запровадження політики, яка збалансовувала б податкові зобов'язання з принципом доступу до правосуддя. Констатовано, що подальшого дослідження потребують питання формування податкової політики, адаптованої до соціальної функції нотаріату, яка має враховувати, що нотаріуси є державними службовцями, які служать суспільству. Метою уряду й законодавців є визнання послуг нотаріусів як державних службовців, які несуть відповідальність за вчинення автентичних правочинів на користь суспільства. Вони також зобов'язані надавати послуги малозабезпеченим особам і не можуть відмовити їм у цьому. Доведено, що обкладання податком на додану вартість кожної нотаріальної послуги є тягарем не лише для клієнтів, а й безпосередньо для нотаріусів.

Ключові слова:

професія нотаріуса; оподатковуваний підприємець; доступ до правосуддя; автентичність актів; податок на додану вартість