

# RESTRUCTURING OF CONSUMER FINANCING AGREEMENTS DURING THE COVID-19 PANDEMIC

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**Submission date:** 16-Dec-2023 12:13PM (UTC+0700)

**Submission ID:** 2260519115

**File name:** 5.pdf (185.47K)

**Word count:** 6127

**Character count:** 33493

## RESTRUCTURING OF CONSUMER FINANCING AGREEMENTS DURING THE COVID-19 PANDEMIC

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Received 20 March 2020 - Revised 29 April 2020 - Accepted 19 May 2020

### Abstract

12  
Corona Virus Disease 2019 (Covid-19) has an impact on weakening the ability of debtors to meet their obligations to pay loan installments to financial institutions. This research was conducted with the aim to find out government policies in providing solutions to the weakening of the performance of financial institutions due to the Covid-19 pandemic, due to the lack of certainty of debtors in repaying their loans. Normative juridical research with a statute approach is carried out by gathering legal material through literature studies and internet searches. The results of the analysis of legal materials, that to restore business prospects in the field of finance companies that were affected by Covid-19, related to the real sector, economic growth and debtor performance, the government issued the Financial Services Authority Regulation (POJK) Number 11 / POJK.03 / 2020 concerning the Banking Stimulus National Policy as Countercyclical Impact of Corona Virus Disease 2019, by restructuring financing by: Reducing interest rates, extending the period, Reducing principal arrears, Reducing interest arrears or Conversion of credit / financing into temporary equity participation.

Keywords: restructuring, consumer financing, covid-19

### 18 INTRODUCTION

18  
Corona virus or severe acute respiratory syndrome coronavirus is a virus that attacks the respiratory system, which is then called COVID-19. This virus is transmitted very quickly and has spread to almost all countries. This has caused several countries to impose policies to enforce locking in order to implement the Corona spread, even in Indonesia with a Large-Scale Social Restrictions (PSBB) policy to prevent the spread of this virus.

Since the Government announced Covid-19's positive policy on March 2, 2020, various effects have arisen since then. Covid-19 also has an impact on the performance of the financing industry in Indonesia. The most beneficial is the crisis-19 is in the productive sector financed by banks, the composition is between 28-30 percent, and 70-72 percent in consumer financing. In addition to the multifinance and fintech lending industry.

The corona impact virus, on financial institutions, is carried out by tightening the distribution of funding, in anticipation of the economy and business risks arising from the impact of the pandemic. In addition, the development of the global spread of Corona Virus 2019 (COVID-19) has directly or indirectly affected the performance and certainty of debtors in meeting credit or financing payment needs.

Responding to this matter, President Joko Widodo instructed a finance or leasing company to provide debt repayment facility payments to debtors whose business was affected by Covid-19. Allowance is given in the form of a reduction for 1 year or 12 months and a decrease in interest. This policy applies to credit payments and online drivers who are still paying for their vehicles.

The instruction was then supported by the Financial Services Authority (OJK) by issuing Financial Services Authority Regulation (POJK) No. 11 / POJK.03 / 2020 concerning the National Economic Stimulus as a Countercyclical Policy the Impact of the Spread of Corona Virus Disease 2019, which was also announced on March 13, 2020 arrived with March 31, 2021. Restructuring of loans or financing undertaken for loans or financing provided before receiving payment that applies as a substitute for Covid-19, including micro, small and medium business debtors. The implementation of this restructuring program was implemented for the banking and non-bank financial industries, and prioritized for financial needs that had good faith and foremost that showed their economic capability in using Covid-19.

Thus, was born the regulations related to credit and financing restructuring must be

approved by debtors, loans and financial institutions, because in the field implementation there are still many problems, as: Complicated requirements, bureaucratic that is difficult for debtors to fulfill.

## METHOD

In this discussion, the writer uses the method of substituting normative law or substituting doctrinal law, where the law is conceptualized as what is written in the legislation (law in the book) or law that is conceptualized as a rule or fact which is a benchmark about community relations to what is desired according needs. [1] Invitations statute approach used in writing normative law, using primary and secondary legal materials. The analysis of legal material is done by descriptive qualitative, with the logic of deductive thinking, so that conclusions will be generated that can address the legal issues faced, how the law should regulate financial restructuring.

## RESULTS AND DISCUSSION

### a. Consumer Financing Agreement

Business as if the daily behavior of every member of the community, in order to obtain large profits with the smallest possible sacrifice, resulting in a very rapid and winding developmental flow. In order to adjust its nature, businesses that go with its variant appearance are truly diverse. It is very appropriate that Book III Burgerlijk Wetbook is open, in the sense that the provisions contained in its contents, are dominated by the *regelend recht*, is under most of the provisions can be distorted by the parties on the basis of an agreement. [2]

The exclusion of provisions in the *regelend recht* position by the parties results in a legal vacuum, so that the parties are obliged to make substitute rules that are fostered based on an agreement, which is in the form of an agreement. As a result of the exclusion, the agreement made by the parties has the same binding force as the Law, which is stated in Article 1338 BURGERLIJK WETBOOK which basically means that each agreement made legally, has the same binding power as the law for the parties. The model in the agreement is based on the principle of freedom of contract, which is one of the central pillars in treaty law. With this model, the law becomes a flexible figure in order to compensate for the rapid pace of business.

The principle of freedom of contract, which can be deduced from Article 1338 paragraph (1) Burgerlijk Wetbook shows that parties who make agreements are allowed to make their own provisions as long as they do not violate public order and decency. [3] The principle of freedom of contract under Indonesian treaty law covers the scope of: [4]

- a. Freedom to make or not make an agreement;
- b. Freedom to choose the party with whom he makes an agreement;
- c. Freedom to determine or choose *causa* from the agreement to be made;
- d. Freedom to determine the object of the agreement;
- e. Freedom to determine the form of an agreement;
- f. Freedom to accept or deviate from the optional provisions of the law.

One type of agreement which is the development of the open nature of Book III Burgerlijk wetbook and the implementation of the principle of freedom of contract, is a financing agreement that is used to frame businesses that are in the community, which are carried out by financial institutions or finance companies with consumers of financial services.

Financial institutions are relatively new institutions after financial institutions and banking institutions. Financial institutions are equivalent to the English term financing institution. This financial institution has more business activities emphasizing the function of financing, namely in the form of providing funds or capital goods by not withdrawing funds directly from the public.[5]

Based on Article 1 number (1) of Presidential Regulation No. 9/2009 concerning Financing Institutions, here in after abbreviated Perpres No. 9/2009 concerning Financing Institutions, states that "Financing Institutions are business entities that conduct financing activities in the form of providing funds or capital goods". In more detail about the business activities of the Financial Institution described as follows:

- a. Financing Company;
- b. Venture Capital Company; and
- c. Infrastructure Financing Company.

Business activities carried out by finance companies as stipulated in Presidential Regulation No. 9 of 2009 concerning Financing Institutions consist of:

- a. Rent;
- b. Factoring;
- c. Credit Card Business, and / or;

d. Consumer finance.

Meanwhile in Article 2 POJK Number 35 / POJK.05 / 2018 concerning Business of a Financing Company, it is stated that:

(1) Financing company business activities include:

- a. Investment Financing;
- b. Working Capital Financing;
- c. Multipurpose Financing; and / or;
- d. Other financing business activities based on the approval of the Financial Services Authority.

(2) In addition to the business activities referred to in paragraph (1), the Financing Company may conduct operating leases and / or fee-based activities as long as they do not conflict with the provisions of the legislation in the financial services sector.

The existence of financial institutions is increasingly in demand by the public. For example, in consumer financing, because it has easier procedures than if the consumer had to apply for credit to the bank, so consumers will be faster in getting the desired goods.

Article 1 number 7 of the Republic of Indonesia Presidential Regulation Number 9 of 2009 concerning Financing Institutions, states that consumer finance is a financing activity for the procurement of goods based on the needs of consumers with installment payments.

Republic of Indonesia Minister of Finance Regulation No. 84 / PMK.012 / 2006. Article 1 letter g, mentions that: "Consumer financing is a financing activity to procure goods based on consumer needs with payment in installments".

Based on the explanation, it can be concluded that if someone wants an item as their daily needs, but the amount of his income cannot cover all the fulfillment of his needs in cash and in full, then he can use alternative financing through the consumer financing system with the aim to facilitate the fulfillment of daily needs. days that provide conveniences exceed the convenience provided by the bank. [6]

Based on the understanding of Consumer Financing, there are elements contained in it, including: [7]

- a. Subjects are related parties in the relationship of consumer financing law, namely consumer finance companies (creditors), consumers (customers / debtors), and suppliers of goods (suppliers).
- b. Objects are movable goods which are consumer needs that will be used for living or household needs, such as television, refrigerators, washing machines, cars, motorbikes, and others.
- c. An agreement, which is a financing agreement between a consumer finance company and a consumer, as well as buying and selling between suppliers and consumers.
- d. Relationship of rights and obligations, that is the consumer finance company is obliged to finance goods in accordance with the goods needed by the consumer, which is done in cash to the supplier and the debtor pays installments to the consumer finance company and the supplier is obliged to deliver the goods to the debtor.
- e. Collateral, which consists of main collateral, principal collateral and additional collateral with the aim that there is certainty for consumer finance companies to receive payments from debtors.

Munir Fuady said that consumer finance is a financing activity for the procurement of goods based on consumer needs with an installment payment system or periodic by consumers. From this definition, there are four important things that are the basis of consumer finance, namely: [8]

1. Consumer financing is one alternative financing that can be given to consumers;
2. Objects of financing are goods for consumer needs, such as computers, electronic goods, motorized vehicles and others;
3. The installment payment system is done regularly, usually on a monthly basis and is invoiced directly to consumers;
4. The return period is flexible, not bound by certain conditions.

The relationship of the parties in consumer financing is stated in a contract / agreement. Consumer financing agreements are agreements that arise because of needs in business. In a consumer financing agreement involving 3 (three) parties, namely: the consumer finance company, consumers and suppliers. The legal relationship that occurs in a consumer financing agreement is the relationship between creditors and consumers, the relationship between consumers and suppliers and the relationship between fund providers and suppliers.[9]

The relationship between creditors and consumers is based on a consumer financing agreement. The party providing the fee as the creditor and the party receiving the cost (the consumer)



13  
as the debtor. The fee giver is obliged to give a sum of money for the purchase of a consumer good, and the cost recipient (consumer) has the primary obligation to repay the money in installments to the cost giver.

There are no guidelines or guidelines that can be used as a reference by the finance company about what the contents or clauses that should be loaded or not included in a consumer financing agreement. It's just that the legal relationship that occurs in consumer financing activities is always made in writing, as a legal document which is the basis of legal certainty. This is in accordance with the provisions of Article 33 POJK Number 35 / POJK.05 / 2018 concerning the Operation of a Financing Company, that:

- (1) All financing agreements between finance companies and debtors must be made in writing;
- (2) Financing agreements between finance companies and Debtors are required to meet the terms of the preparation of the agreement as regulated in the Financial Services Authority Regulation concerning consumer protection of the financial services sector.

Consumer financing agreements are made based on the principle of freedom of contracting the parties that contain the formulation of the will in the form of rights and obligations of the consumer finance company as the provider of the funds (fund lender), and the consumer as the user of the fund (fund user). [10]

The consumer finance agreement is the main legal document that was made legally by fulfilling the requirements as stipulated in Article 1320 Burgerlijk Wetbook. As a result of the legal agreement made legally, it will apply as a law for the parties, namely consumer and consumer finance companies (Article 1338 paragraph 1) Burgerlijk Wetbook. The next juridical consequence is that the agreement must be implemented in good faith and cannot be canceled unilaterally. The consumer finance agreement serves as a legal proof document for consumer and consumer finance companies. [11]

Financing agreements, which are usually used in consumer financing agreements, are written agreements whose clauses have been prepared in advance by a finance company, which is then better known as a standard agreement. In the Financial Services Authority Circular Letter Number 13 / SEOJK.07 / 2014 concerning the Standard Agreement, in numeral 1, what is meant by the Standard Agreement is a written agreement determined unilaterally by PUJK and contains standard clauses regarding the content, form, and method of making, and is used to offer products and / or services to consumers in bulk.

Although it has been prepared and determined in advance by the finance company, the contents or material of the standard agreement may not contain an exoneration clause, which is only to protect the interests of one party, namely the interests of the finance company.

Ahmadi Miru & Sutarman Yodo, said that the standard agreement containing the exoneration clause was characteristic, namely: [12]

- a. In general, the contents are determined by parties whose positions are stronger;
- b. The weak party in general does not participate in determining the contents of the agreement which is an accidental element of the agreement;
- c. Encouraged by their needs, the weak party was forced to accept the agreement;
- d. The form is written;
- e. Prepared in advance in bulk or individually.

In Law Number 8 of 1999 concerning Consumer Protection concerning the Inclusion of Standard Clauses is regulated in Article 18. There are some things that are prohibited for Business Actors related to the existence of standard clauses, namely that:

1. Business Actors in offering goods and or services intended for trading are prohibited from making or including standard clauses on each document or agreement if:
  - a. States the transfer of responsibility of business actors;
  - b. Stating that the Business Actor has the right to refuse to return the goods purchased by consumers;
  - 2  
c. Stating that the Business Actor has the right to refuse the return of money paid for goods and / or services purchased by consumers;
  - d. States the power of attorney from consumers to business people either directly or indirectly to carry out all unilateral actions relating to goods purchased by consumers in installments;
  - e. Regulates proof of loss of use of goods or use of services purchased by consumers;
  - f. Give business actors the right to reduce the benefits of services or reduce the assets of consumers who are the object of the sale and purchase of services;

- g. Stating the subscriber's submission to the regulations in the form of new, additional, advanced and / or changing regulations made unilaterally by the business actor during the period the consumer utilizes the services he bought;
  - h. Stating that the consumer gives the power of attorney to the business actor for the imposition of mortgage rights, liens, or guarantee rights on goods purchased by consumers in installments.
2. Business Actors are prohibited from including standard clauses whose location or form is difficult to see or cannot be read clearly, or whose disclosures are difficult to understand.
  3. Every standard clause that has been determined by a business actor on documents or agreements that meet the provisions referred to in paragraphs 1 and 2 is declared null and void.
  4. Business actors must adjust standard clauses that are in conflict with this Law.
- In the Circular of the Financial Services Authority Number 13 / SEOJK.07 / 2014 concerning the Standard Agreement, in II number concerning Clause in the Standard Agreement, regulates that:
1. PUJK must fulfill balance, fairness and fairness in making agreements with consumers.
  2. In the case of PUJK designing, formulating, stipulating, and offering a Standard Agreement, PUJK is obliged to base on the provisions referred to in number 1.
  3. Prohibited clauses in the Standard Agreement contain:
    - a. Exoneration / eksemsi clause, which is the content of which increases the rights and / or reduces the obligations of the PUJK, or reduces the rights and / or increases the obligations of the Consumer.
    - b. Abuse of the condition is a condition in the Standard Agreement which has an indication of abuse of the situation. An example of this condition is for example utilizing an urgent Consumer condition due to certain conditions or in an emergency and intentionally or unintentionally PUJK does not explain the benefits, costs and risks of the products and / or services offered.
  4. Prohibited Standard Agreement is an agreement that contains the following matters:
    - a. declare the transfer of PUJK responsibilities or obligations to the Consumer;
    - b. state that PUJK has the right to refuse refunds that have been paid by consumers for products and / or services purchased;
    - c. declare authorization from the Consumer to PUJK, both directly and indirectly, to carry out all unilateral actions on goods that are pledged by the Consumer, unless such unilateral actions are carried out based on statutory regulations;
    - d. obliging Consumers to prove the argument of PUJK stating that the loss of the use of products and/or services purchased by Consumers is not the responsibility of PUJK;
    - e. grants PUJK the right to reduce the use of products and/or services or reduce Consumer assets that are subject to product and service agreements;
    - f. declare that the Consumer is subject to new, additional, advanced and / or amendments made unilaterally by PUJK during the period the Consumer utilizes the product and / or service purchased; and / or;
    - g. declare that the Consumer authorizes PUJK for the imposition of mortgage, liens, or guarantee rights for the products and / or services purchased by the Consumer in installments.

Thus, even though the standard agreement has always been prepared by Financial Services Business Actors (PUJK) or finance companies, the contents still cannot conflict with the provisions of the applicable law. Financing agreements between Financing Companies and Debtors must meet the terms of the preparation of the agreement as stipulated in the Financial Services Authority Regulation on Consumer Protection in the Financial Services Sector.

#### 12 b. Restructuring Consumer Financing Agreement in the Covid-19 Period

The development of the spread of coronavirus disease 2019 (COVID-19) globally has had a direct or indirect impact on the performance and capacity of debtors in fulfilling credit or financing obligations. Impact on the performance and capacity of debtors will increase credit or financing risks that could potentially disrupt banking performance, finance companies and financial system stability so that it can influence economic growth. To encourage the optimization of banking performance, especially the intermediation function, maintain financial system stability, and support economic growth, economic stimulus policies need to be taken as a countercyclical impact of the spread of coronavirus disease 2019 (COVID-19).

16  
As a follow up to OJK's authority in implementing Perppu No. 1/2020 on state financial policies and financial system stability for handling the Covid-19 pandemic and / or in the context of facing

threats that endanger the national economy and / or financial system stability. OJK Deputy Commissioner for Public Relations and Logistics, Anto Prabowo, said that to support efforts to maintain financial system stability and encourage the movement of the national economy, OJK issued OJK Regulation.

The Financial Services Authority issues POJK No. 11 / POJK.03 / 2020 concerning concerning the National Economic Stimulus as a Countercyclical Policy the Impact of the Spread of Corona Virus Disease 2019, from March 13, 2020 to March 31, 2021. The POJK is the basis for banks and financing companies to relax loans for MSME beneficiary debtors. credit or financing. The issuance of the regulation raises the positive expectations of credit recipients of the relief they receive.

The purpose of issuing POJK 11 / POJK.03 / 2020 is to provide credit relaxation for co-affected customers. The POJK is not mandatory, but is only a legal umbrella if banks / leasing is willing to provide relaxation for their customers. In other words, whether or not there is relaxation depends on each policy.

The definition of relaxation of banking credit legally, by referring to Masayah and Grimble (2015), is a looseness of credit terms, both financial and non-financial conditions to provide convenience to banking customers. The terminology of relaxation is intended to help debtor customers who are experiencing financial stress so that by providing concessional conditions, the debtor customers can settle their credit obligations. The government's goal is to provide relaxation so that massive non-performing loans (NPL) do not occur which in turn will have a systemic impact on the health of the banking sector itself.[13]

Legally, the delay of maturity and the extension of the term (rescheduling) are different from the rights to the restructuring of the credit agreement. By law, the understanding of rescheduling only provides concessions related to the terms of the period, namely related to the maturity of the installments and the expiration of the agreement. On the other hand, legally, the meaning of restructuring a credit agreement is to change the structure of the agreement itself, meaning that it is not only limited to changes in maturity and termination clauses. Included legally it is possible to make interest adjustments and re-modeling of financing through restructuring. For example, the customer is able to pay in installments of the flatt model (the same every month) before the onset of covid, but after the onset of the covid the customer pays with the ballon payment model (small installments are at the beginning and the longer the installments are paid, assuming the customer has recovered).[14]

The Financial Services Authority also issued POJK Number 14 / POJK.05 / 2020 Concerning Countercyclical Policies on the Spread of Coronavirus Disease 2019 for Non-Bank Financial Services Institutions "This POJK is a further provision for the Non-Bank Financial Industry in conducting relaxation policies that were previously submitted through relaxation Letter of the Chief Executive of the Non-Bank Financial Industry. Supervision to the Non-Bank Financial Industry business actors. "POJK Covid-19 the Non-Bank Financial Industry, among others, contains provisions regarding granting of financial restructuring for debtors affected by Covid-19 and various other provisions. Provisions such as the deadline for submitting periodic reports, carrying out the assessment of capability and appropriateness, determining the quality of assets in the form of financing and financing restructuring.

As a further provision of credit relaxation, OJK released a further regulation on credit restructuring for leasing companies, as stated in SE.OJK No. S-9 / D.05 / 2020 concerning Countercyclical Policy on the Impact of the Corruption Virus Disease 2019 (Covid-19) for Financing Companies. This provision is a continuation of the stimulus policy in the Non-Bank Financial Industry to maintain financial sector stability and encourage economic growth. The OJK Circular Letter is the basis for implementing policies for finance companies. The restructuring or countercyclical policy took effect on March 30, 2020, whereby all leasing companies can provide credit restructuring to affected parties by fulfilling several conditions, namely: the existence of a restructuring policy process from the lender, for funding sources in the form of executing, as well as restructuring policies and processes from the owner of the funds carried out through joint financing and channeling.

Banks or finance companies can provide Relaxation in the form of credit/financing restructuring. The meaning of restructuring in the Big Indonesian Dictionary is realignment (so that the structure or structure is good).[15]

Credit restructuring is a banking effort undertaken in lending activities to debtors who have the potential to experience difficulties in fulfilling their obligations. The financing restructuring policy can be carried out through:

1. Decrease in loan interest rates;
2. Extension of credit term;
3. Reducing loan interest arrears;



4. Reduction of principal loan arrears;
5. Adding credit facilities; and/or;
6. Conversion of credit into temporary equity participation.

Financing restructuring is a step and a strategy to save financing as a bank's effort to improve the position of the financing company and the financial condition of the customer by re-occupying the financing carried out among others through rescheduling, reconditioning and restructuring. [16]

In handling problematic financing agreements in Covid 19, finance companies can refer to the model carried out by this Islamic bank. Problem Funding Management There are two approaches that must be taken by Islamic banks in handling a problem financing, namely; [17]

1. Stay Strategy Stay Strategy is a strategy when the Bank still wants to maintain business relationships with customers in the context of long-term time. in this approach the steps that must be taken are;
  - a. Rescheduling<sup>5</sup>  
Rescheduling is to extend the financing period. In this case the debtor is given relief in the matter of the financing period, for example an extension of the financing period from 6 months to one year so that the debtor has a longer time to return it. Extend the installment period. Extending installments is almost the same as the financing period. In this case the payment installment period is extended. For example, from 36 times to 48 times and this of course the number of installments becomes smaller along with the addition of the number of installments;
  - b. Reconditioning.  
Reconditioning is by changing various existing requirements such as; Delayed margin payments until a certain time. With the intention of only margin that can be delayed payment, while the principal of the loan must still be paid as usual. Margin reduction, is intended to further ease the burden on customers. For example, if the margin per year previously charged 20% was reduced to 18%. This depends on the consideration concerned. Margin decline will affect the number of installments that are getting smaller, so that it is expected to help ease customers. Margin exemption, in the margin exemption given to the customer on the basis that the customer will be able to pay the financing again. However, customers still have the obligation to pay the principal until the loan is paid off.
  - c. Restructuring.  
Restructuring is to increase the amount of financing. And by adding equity.
2. Phase out Strategy.<sup>2</sup>  
Phase out Strategy is a strategy when in principle the bank does not want to continue the business relationship with the customer again in the context of a long time, unless there are other factors that strongly support the possibility of improving customer conditions. In this approach the steps that must be taken are;
  - a. Through BASYARNAS (National Sharia Arbitration Board), the settlement is carried out through a condition after an agreement is not reached through consultation.
  - b. The court can be:
    - 1) Execution of Mortgage Rights over collateral;
    - 2) Execution of collateral tied to a Fiduciary registered with the Fiduciary Registration Office;
    - 3) Making claims against other assets belonging to customers; both located within and outside the country;
    - 4) Criminal reporting to customers.
  - c. Involving the police, this last alternative (hard approach) is done if:
    - 1) The customer cannot be contacted.
    - 2) The customer runs away.
    - 3) The customer does not have the good faith to settle his obligations while the customer actually has the ability to do so.
    - 4) The customer is not willing to submit the collateral.

Referring to POJK 11 / POJK.03 / 2020, not all MSME customers can obtain credit relaxation. Only debtors are affected, namely debtors related to the tourism, transportation, hospitality, trade, management, agriculture and mining sectors. For debtors whose economic conditions are not affected by the co-19 pandemic, they still have to make installment payments in accordance with the agreement.

The absence of a specific reference from the government related to granting relaxation, as a result the banking financial institutions and finance companies that also have commercial interests do



not have the same reference related to the easing of credit / financing terms. So that the technical is left to each bank or financial institution as the executor.

Finance companies can provide new financing to debtors affected by Covid-19, based on adequate financing analysis, which can provide confidence in good faith, ability, and ability of the debtor. The restructuring must take into account the application of the principles of prudence, risk management and good corporate governance.

Credit relief from financial service institutions, both banks and non-banking does not mean the elimination of the obligation to pay installments for one year. The procedure for filing a restructuring takes effect from March 30, 2020, and the process is carried out online via e-mail or the website specified by the agency.

To propose a restructuring, there are several requirements that must be met:

1. Debtors have difficulty in paying principal and / or credit interest; and
2. Debtors have good business prospects and are considered capable of meeting their obligations after the credit is restructured.[18]

In addition, to get Credit Light and Leasing Loans, the Debtor must also meet the following requirements:

1. Debtors are affected by Covid-19 with a credit / leasing value below 10 billion for informal workers, daily income, micro and small businesses;
2. Relief can be given within a maximum period of 1 year in the form of settlement of principal/ interest installment payments, extension of time or other matters determined by the bank/ leasing
3. Submitting to a bank/leasing by submitting a request through a bank / leasing communication channel;
4. If done collectively, for example through a company, directors must validate the data provided to the bank / leasing. [19]

Before proposing a customer loan restructuring, whether bank, leasing or other financial products under the supervision of the Financial Services Authority, must consider the following impacts:

1. Relief installments through restructuring do not eliminate obligations.  
 Credit relief through restructuring is carried out in a number of forms such as extending credit tenor or loan term, applying grace periods, reducing interest rates by financial institutions, reducing principal losses (cut loss), reducing interest arrears, adding credit facilities and converting debt into shares.
2. Restructuring makes installments shrink.  
 Credit restructuring does not erase debt. This relief program only designs installment payment schemes to better suit the capabilities. If added up with an extension of time, then the customer is calculated to pay more if the bank or leasing does not reduce interest rates in the restructuring agreement. Some restructurings use an annuity pattern so that the principal and interest return to the initial model of new loans are disbursed. Debt principal becomes smaller due to restructuring cuts.
3. After being able to be able to be restored back to the agreement before the restructuring.  
 Credit restructuring gives room for customers to reorganize their finances due to the slowing economy. After conditions have recovered, the restructuring program can be ended by requesting a return to the initial agreement. Although returning to the original agreement, the principal will refer to the final amount of restructuring. Currently, most banks implement an annuity scheme in installment payments, the impact of the principal will be large again and banks prioritize interest income.
4. We recommend continuing your credit normally.  
 Depressed economic conditions make some businesses also hampered. The impact is a number of installments must be restructured to give economic space to keep moving. Even so, as appealed by the head of the OJK Wimboh Santoso, customers should continue to installments normally using alternative facilities such as using savings or asking for help from families. However, if it is not possible, restructuring is the wrong way to choose with all its impacts until the situation returns to normal. [20]

As conveyed by Perry Warjiyo, Governor of Bank Indonesia, after the Board of Governors' Meeting, on Tuesday, April 14, 2020, that this restructuring policy was previously permitted by the Financial Services Authority (OJK) as the supervisor of the financial industry. Restructuring has an impact on customer installments and making loans smooth for the financial industry. OJK gives restructuring permits for banks to leasing companies. Noted for state-owned banks, requests for credit

restructuring have been submitted by tens of thousands of customers. And this number continues to grow every day.[21]

Realization of Financing Structures in Financing Companies, as of May 18, 2020, are: 183 Finance Companies: restructured; 1.12 million financing contracts: which have been agreed upon in value IDR 35.06 Trillion; 528 thousand financing contracts: still in the process of restructuring

## CONCLUSION

Corona Virus Disease 2019 has an impact on fulfilling financing payments for Debtors. For this reason, the government issued a policy through POJK No. 11 / POJK.03 / 2020 concerning the National Telecommunications Stimulus as a Countercyclical Policy the Impact of Corona Virus Disease 2019. The POJK becomes the basis for banks and financing companies to relax loans for debtors receiving credit or Covid affected financing 19. Co-financing companies can relax in the form of Financing restructuring is carried out through rescheduling, reconditioning and restructuring.

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PAGE 5

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PAGE 7

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PAGE 8

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PAGE 9

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