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THE INFLUENCE OF BANKRUPTCY LAW IN THE SETTLEMENT OF PROBLEM DEBT LOANS RELATED TO INVESTMENT DEVELOPMENT IN INDONESIA

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ABSTRACT

This study aims to determine the extent of the influence of Bankruptcy law consisting of Bankruptcy statements and Suspension of Debt Payment Obligations (PKPU), as one of the legal instruments in the settlement of problem loans in Indonesia consisting of management, peace, and/or settlement/sale of debtor assets carried out by the Curator in the bankruptcy process, or the Administrator in the PKPU process. The Bankruptcy declaration mechanism is based on a court decision which results in the execution having the same legal force as a court decision in general, so that the execution of bankrupt debtor assets must be carried out through public sales/auctions so that transparent, accountable, and accountable sales can be carried out. Meanwhile, the PKPU mechanism is intended to achieve peace so that debtors' debts and problematic credits can be restructured to creditors and so that the debtor's business can run again. Bankruptcy legal instruments are now a trend in resolving debt disputes or bad credit that is most in demand because of its faster resolution, considering that Bankruptcy law has a fast-dimensional legal system (speedy trial), so that the rights of creditors and debtors can be more guaranteed based on applicable law. Both through the Bankruptcy declaration mechanism and PKPU, both are intended to protect the interests of debtors and creditors.

Keywords: Debts, Bad Credit, Bankruptcy, PKPU

Introduction

The business world certainly has ups and downs in its journey, such as the pressure of the economic crisis or the inability of business actors to compete in the dynamic business world. This causes the business world to often experience decline which ultimately has an impact on reducing the income of business actors so that cooperation is needed with other parties, generally in the form of loans, in order to save their business. The relationship between the borrower (Debtor) and the lender (Creditor) legally creates a "Legal Relationship". This legal relationship is then stated in a Debt-Receivable Agreement/Credit Agreement which is generally made in writing by the legal subject who

agrees to it. This results in the debtor and creditor being bound by obligations/performance in the form of debt payments by the debtor for the creditor's receivables.

In the development of the business and investment world in Indonesia, a legal instrument has been available that specifically aims to resolve debt disputes (problematic credit), namely "Bankruptcy Law". When viewed from a normative perspective, Law Number 37 of 2004 concerning Bankruptcy and Suspension of Debt Payment Obligations should have provided 2 (two) mechanisms for resolving problematic credit, namely through a Bankruptcy Declaration application and a PKPU application. Both instruments have provided options for Creditors and Debtors regarding the settlement mechanism that is considered good for both creditors and debtors themselves, such as PKPU which ends with peace, or bankruptcy with the settlement/sale of the bankrupt debtor's assets. Both options are often used by debtors and even creditors, as a final mechanism to resolve problematic credit which is considered more efficient and effective than other mechanisms that are possible to be carried out in Indonesia.

The object of the dispute in bankruptcy law, as stated in Article 2 paragraph (1) in conjunction with Article 222 of Law of the Republic of Indonesia Number 37 of 2004 concerning Bankruptcy and PKPU (hereinafter referred to as the "Bankruptcy and PKPU Law"). is "debt" and "the existence of more than one creditor", both objects then become fundamental requirements in submitting a bankruptcy statement application against the debtor to be examined and decided by the Panel of Judges of the Commercial Court.

Bankruptcy is determined by the Commercial Court at the District Court against a debtor who has at least two creditors and does not (is unable or unwilling) to pay at least one of his debts that has matured and can be collected. Because by deciding a debtor to be a bankrupt debtor through a Commercial Court decision, it will have its own legal consequences for the debtor, namely that the debtor will be subject to a general seizure of all his assets and the loss of the bankrupt debtor's authority to control and even manage his assets. Meanwhile, for creditors there will be uncertainty about the legal relationship between the bankrupt debtor and creditors related to the settlement of debts/obligations through the bankruptcy mechanism. To overcome this uncertainty, a curator is appointed who will manage and settle the bankrupt debtor's assets and distribute the proceeds of the

settlement of the bankrupt debtor's assets to creditors under the supervision of the Supervisory Judge.

The curator has an obligation to carry out the task of managing and/or settling the bankrupt's assets in accordance with Article 69 paragraph (1) of the Bankruptcy and PKPU Law. According to Jerry Hoff, the purpose of bankruptcy is to pay the creditors' rights that they should receive according to their level of order. Therefore, the curator must act in the best interests of the creditors and debtors. According to Article 1131 of the Civil Code, all of the debtor's assets, both in the form of movable objects and fixed objects, both existing and new in the future, become collateral for all of his debt obligations. With the enactment of Article 1131 of the Civil Code, automatically or by law, a guarantee is created for the debts of a debtor to each of his creditors for all of the debtor's assets.

General guarantees and debt guarantees do not fully provide certainty regarding debt repayment, because the creditor does not have priority rights so that the creditor's position remains as a concurrent creditor against other creditors. Only in material guarantees do creditors have priority rights so that they are positioned as privileged creditors who can take payment first from the collateral without considering other creditors. Furthermore, Article 1131 and Article 1132 of the Civil Code are the embodiment of the guarantee of certainty of payment for transactions that have been made by the debtor to its creditors with a proportional position. Furthermore, Article 21 of the Bankruptcy Law and PKPU is almost in line with the provisions of Article 1131 of the Civil Code, only the provisions in Article 1131 of the Civil Code are broader because they cover existing assets and those that will exist in the future, while in Article 21 of the Bankruptcy Law and PKPU only assets at the time of the bankruptcy declaration decision. Therefore, as a form of carrying out his duties, the curator will sell the bankrupt's assets openly to the public as regulated in Article 185 paragraph (1) of the Bankruptcy and PKPU Law and in accordance with the procedures stipulated in laws and regulations and other related regulations such as Regulation of the Minister of Finance of the Republic of Indonesia Number 213/PMK.06/2020 concerning the Implementation of Auctions which was later amended through Regulation of the Minister of Finance of the Republic of Indonesia Number 122 of 2023 concerning Guidelines for the Implementation of Auctions. However, in fact, with a fairly large legal basis, there are still obstacles that are often

experienced by the parties in settling debts/obligations through this bankruptcy mechanism.

Considering that there are significant legal consequences for the authority of the Bankrupt Debtor in managing his assets, in addition to the bankruptcy mechanism, there is also a PKPU mechanism. According to Fred B. G. Tumbuan, PKPU aims to protect the debtor from being declared bankrupt by providing time so that the debtor can then pay off his debts in order to protect the interests of both the debtor and the creditor. Therefore, it can be seen that PKPU is a period intended to provide a "breath" / opportunity for debtors to fulfill their obligations to creditors in order to avoid being declared bankrupt, as per Article 242 of the Bankruptcy Law and PKPU. Therefore, the peace ratified by the Homologation Decision is the main goal to be achieved in this PKPU mechanism. However, if peace is not achieved, then the debtor in the PKPU must then be declared bankrupt by the Commercial Court. However, until now many business actors in Indonesia still consider bankruptcy law as a threat or punishment, thus raising concerns among business actors about the threat to the climate and conduciveness of business in Indonesia, especially when the national economic conditions are not conducive which is then followed by the inability of debtors to pay off their obligations to creditors. Departing from the explanation and problems related to Bankruptcy Law as one of the debt settlement mechanisms, the author is interested in conducting research on "The Influence of Bankruptcy Law in Debt Settlement Related to Business Development in Indonesia".

Problem Formulation

1. What is the legal position of bankruptcy and PKPU in debt settlement in Indonesia?
2. How do bankruptcy laws and PKPU influence debt settlement related to business conduciveness in Indonesia?

Conceptual Framework

a. Bankruptcy

Bankruptcy is generally defined as a state where the debtor stops paying. The state of no longer paying is usually caused by financial distress where the creditor's business experiences a decline. Furthermore, Standard & Poors (N & P) defines bankruptcy as follows:

"The first occurrence of a payment default on any financial obligation, rated or unrated, other than a financial obligation subject to a bona fide commercial dispute; an exception occurs when an interest payment missed on the due date is made within the grace period"

Etymologically, the term bankruptcy comes from the word "bankrupt" which comes from the Dutch word "failliet". The word "failliet" comes from the French word "faillite" which means a strike or payment delay. In Black's Law Dictionary, "bankrupt" is defined as follows:

"the state or condition of a person (individual, partnership, corporation, or municipality) who is unable to pay his debts as they are, or become due", which is a condition where a person is unable to pay off his debts that have matured. Meanwhile, Article 1 number 1 of the Bankruptcy and PKPU Law concerning Bankruptcy and Suspension of Debt Payment Obligations explains that Bankruptcy is a general seizure of all the assets of the Bankrupt Debtor, the management and settlement of which is carried out by the Curator under the supervision of the Supervising Judge.

b. Suspension of Debt Payment Obligations (PKPU)

In addition to a bankruptcy statement application, one of the legal instruments of bankruptcy that can be taken by debtors and creditors is through the PKPU mechanism in resolving problematic debt/credit disputes. Furthermore, debtors and creditors who estimate that their debtors will not be able to make payments on their debts that are due and collectible can apply for PKPU with the intention of having a peace plan containing an offer to pay part or all of their debts, this is explicitly explained in Article 222 of the Bankruptcy and PKPU Law.

According to Fred B. G. Tumbuan, in essence PKPU is intended to provide debtors with time and opportunity with the hope that debtors and creditors can restructure their debts and/or reorganize their businesses so that debtors can finally make repayments on their debts to creditors, and debtors can finally continue their businesses. Fred B. G. Tumbuan above should be in line with what is regulated in Article 242 of the Bankruptcy and PKPU Law which has given a privilege to debtors by not being able to force debtors by creditors to make payments on their debts.

Method

Legal research is basically a scientific activity based on certain methods, systematics, and thoughts, which aims to study one or several specific legal phenomena by analyzing, conducting in-depth examinations of the legal factors. In this study, the author uses the library research method. Library research is a way of collecting data by examining literature and/or interviews with sources related to the object being studied so that it will provide a general picture of the problems to be discussed.

The research conducted by the author is normative legal research with a descriptive research type and qualitative data analysis method. In this study, the author conducted a document study using secondary data. What is meant by secondary data is data obtained from primary legal materials, secondary legal materials, tertiary legal materials

Primary legal materials consist of laws and regulations, jurisprudence, and treaties. Primary legal materials used in this study include: Civil Code (KUHPerdata), Law Number 37 of 2004 concerning Bankruptcy and Suspension of Debt Payment Obligations,

Secondary legal materials are legal materials that provide explanations to primary legal materials. Secondary legal materials consist of books, research results, journals, papers, magazines, and the internet. Secondary legal materials used in this study are books, papers, scientific articles, and the internet.

Tertiary legal materials are legal materials that provide guidance on primary legal materials and secondary legal materials.

This research approach uses the Statutory approach, which is an approach carried out by examining laws and regulations. Case study approach, which is an approach carried out by including existing case examples.

RESULTS AND DISCUSSION

Legal Position of Bankruptcy in Debt Settlement in Indonesia

Everything, including laws, certainly has a history along with the development of the times. A law can be understood well if its history is known. As part of the history of the development of law in Indonesia, bankruptcy law should have undergone changes and replacements aimed at fulfilling the needs that arise concerning the interests of the parties involved in the practice of bankruptcy law itself along with the business climate in Indonesia. Currently, bankruptcy law in Indonesia is regulated in Law Number 37 of 2004 concerning Bankruptcy and Suspension of Debt Payment Obligations which was enacted on October 18, 2024.

Literally, the terms bankruptcy, insolvency, or bankruptcy are often used to describe the condition of debtors who are experiencing a state of being unable to pay their debts, resulting in problematic credit. In bankruptcy law in Indonesia, the nomenclature of bankruptcy is attached to the status of a legal subject who has been declared bankrupt by the Commercial Court, whether an individual (Natuurlijk Persoon) or a legal entity (Rechtspersoon) and even includes business entities that are not legal entities.

In general, it can be understood that bankruptcy is a general seizure that includes all of the debtor's assets which are used for the benefit of his creditors with the aim of distributing the debtor's assets carried out by the curator to all creditors by considering the rights of the various parties.

According to Retnowulan Sutantio, bankruptcy is a mass execution determined by a judge's decision, which applies immediately, by carrying out a general seizure of all assets of a person declared bankrupt, both those existing at the time of the bankruptcy declaration, and those obtained during the bankruptcy, for the benefit of all creditors, which is carried out under the supervision of the authorities. Meanwhile, according to Brian A. Blum "Bankruptcy is a remedial system provided for by federal law - more specifically, by Title 11 Of The U.S. Code" which in essence Bankruptcy is a recovery system provided by Federal Law (the law applicable in the United States).

Based on the explanation above, it can be concluded that bankruptcy is intended to prevent seizure and execution requested by creditors unilaterally, and to provide time for debtors and creditors to restructure problematic debts/credits so that the debtor's business can recover and can continue to pay for its debts. Furthermore, bankruptcy is limited only

to the debtor's assets and not his personal, referring to Article 1 number 1 of the Bankruptcy and PKPU Law, Bankruptcy is defined as a general seizure carried out on all the assets of the Bankrupt Debtor whose management and settlement are carried out by a Curator under the supervision of a Supervisory Judge.

Based on the definition of bankruptcy contained in the Bankruptcy Law and PKPU, it can be concluded regarding the elements contained in bankruptcy, namely:

1. The general seizure referred to is the seizure of all assets of the bankrupt debtor;
2. The intended bankruptcy of the bankrupt debtor's assets indicates that the bankruptcy is against the assets and not against the debtor personally;
3. Thus, the management and settlement by the curator are carried out since the debtor is declared bankrupt by the court, and the debtor loses his right to manage and control his assets;
4. The main task of the supervisory judge in bankruptcy is to supervise the management and control of the bankrupt debtor's assets carried out by the curator.

Jerome Sgard is of the opinion that the purpose of bankruptcy law that has been known until now is the result of the merger of 2 (two) legal systems, namely Civil Law and Common Law. The merger of the two legal systems that occurred in the mid-17th century was the forerunner to the birth of the theory of the universality of bankruptcy law or also known as the universalist theory. The universalist theory is a classical bankruptcy law theory whose application has undergone significant developments in accordance with the times. The universalist theory requires insolvency as the basis for declaring someone bankrupt. Furthermore, the general seizure of bankrupt assets and the payment methods to be taken are the soul of the universality theory. Based on the explanation above, it can be concluded that the purpose of Bankruptcy is to collect all the assets of debtors who are in a state of being unable to pay their debts/insolvent.

Bankruptcy Law also accommodates other mechanisms, namely the Debt Payment Suspension or PKPU mechanism which is intended to prevent debtors from going bankrupt. Therefore, this effort can only be submitted by the debtor before the bankruptcy declaration decision is determined by the Commercial Court, as stated in Article 229 paragraph (3) of the Bankruptcy and PKPU Law which emphasizes that the PKPU Application must first be decided by the court, if the bankruptcy declaration application

and the PKPU application are examined at the same time. It should also be noted that the Bankruptcy and PKPU mechanisms are essentially different, where in the Bankruptcy mechanism the aim is to carry out General Seizure and Settlement of all the bankrupt debtor's assets carried out by the Curator, then it is different from PKPU which is designed to avoid these things. According to Kartini Muljadi, the Debtor during PKPU only loses the freedom to control his wealth, not the right to control his assets. Therefore, in PKPU, the relationship between the debtor and the administrator is based on the principle of "Dual Unity", as regulated in Article 240 paragraph (1) of the Bankruptcy Law and PKPU where the debtor cannot act alone, without the approval of the administrator in managing or owning all/part of the debtor's assets. This is certainly very different when compared to the bankruptcy mechanism which causes the bankrupt debtor to have no authority at all over the management/ownership of his assets, so that this authority is completely transferred to the Curator. Furthermore, in the practice of Bankruptcy Law in Indonesia, several principles have been adopted, such as:

1. Principle of Paritas Creditorum

The principle of paritas creditorum or structured creditors relates to the balance of interests of all creditors to obtain payment from the bankrupt estate.

2. Principle of Pari Pasu Pro Rata Parte

The concept of debtor debt payment based on the principle of paritas creditorum can only be implemented with the principle of Pari Pasu Pro Rata Parte, the principle of Pari Pasu Pro Rata Parte can be interpreted as proportional acquisition.

3. Principle of Structured Creditors

Is one of the principles in bankruptcy law that provides a fair way out between creditors. This principle is a principle that categorizes and clarifies various types of debtors according to their respective classes.

4. Principle of Debt Collection

Is a concept where the creditor's retaliation against the bankrupt debtor is by collecting/claiming the debtor or the debtor's assets. In practice in Indonesia, this principle is more directed towards the ease of filing a bankruptcy application as an effort to resolve problematic debts/businesses.

5. Debt Pooling Principle

It is a principle that regulates the assets of the bankrupt that must be divided among the creditors. This principle is also an articulation of the specific characteristics inherent in the bankruptcy process, both in relation to the characteristics of bankruptcy as an unusual collection, a court that specifically handles bankruptcy with absolute competence related to bankruptcy and problems arising in bankruptcy, the presence of a supervisory judge and curator, and specific procedural law.

6. Debt Forgiveness Principle

It is a legal principle that is a tool that can be used to ease the burden that must be borne by bankrupt debtors who are experiencing financial difficulties so that they are no longer able to make payments on their debts according to the agreement with the creditors and even to the point of forgiveness of their debts so that their debts are completely erased (fresh starting).

Auction as a Mechanism for Selling Bankrupt Assets

In bankruptcy, the execution of bankrupt assets carried out by the curator is an execution that carries out a court decision. So that the curator's power of execution against bankrupt assets has the same power of execution as a court decision in general. This is what causes the execution of bankrupt assets to be carried out by public sale to realize a transparent and accountable sales mechanism.

The provisions as stated in Article 185 of the Bankruptcy Law and PKPU Concerning Bankruptcy and Suspension of Debt Payment Obligations do not apply absolutely. There are times when the provisions in Article 185 of the Bankruptcy Law and Suspension of Debt Payment Obligations do not apply. Based on Article 55 paragraph (1) in conjunction with. Article 59 paragraph (1) of the Bankruptcy and PKPU Law on Bankruptcy and Suspension of Debt Payment Obligations, creditors holding pledges, fiduciary guarantees, mortgages, mortgages, or other collateral rights on other objects, may exercise their rights as if there was no bankruptcy within a period of 2 (two) months from the end of the stay period. The exercise of these rights is carried out as if there was no bankruptcy so that in exercising these rights the provisions in the Bankruptcy and Suspension of Debt Payment Obligations Law do not apply and the provisions as in the Guarantee Law re-apply.

The provisions in the Guarantee Law are different from the provisions in the Bankruptcy and PKPU Law on Bankruptcy and Suspension of Debt Payment Obligations. In the Guarantee Law, auction is not a sales mechanism that must be taken first. Article 20 paragraph (2) of Law Number 4 of 1996 concerning Mortgage Rights on Land and Objects Related to Land, Article 29 paragraph (2) of Law Number 42 of 1999 concerning Fiduciary Guarantees, and Article 12A paragraph (1) of Law Number 7 of 1992 concerning Banking as amended by Law Number 10 of 1998, allows for underhand sales with an agreement between the parties.

Article 1 number 1 of the Regulation of the Minister of Finance of the Republic of Indonesia Number 122 of 2023 concerning Auction Implementation Guidelines, explains that what is meant by an Auction is an Auction is a sale of goods that is open to the public with written and/or oral price offers that increase or decrease to achieve the highest price, which is preceded by an Auction Announcement.

The auction mechanism itself is a sales mechanism that brings together many buyers so that there is competition in price offers. This is inseparable from the characteristics of an auction as a public sales mechanism, so that this auction mechanism is a mechanism that complements bankruptcy as a "dept collection tool" that can provide benefits to bankrupt assets and justice to creditors and to the debtor himself.

In the practice of auctions/public sales in Indonesia, there are several principles that must be met in auctions/public sales, namely:

1. The principle of transparency or the principle of publicity, is that the auction is carried out openly, marked by the announcement of the auction in public.
2. The principle of legal certainty. The principle of legal certainty is that the auction provides legal protection for the interests of the parties.
3. The principle of competition. The principle of competition is that the auction allows for competition in the sale of goods which allows for the formation of optimal prices.
4. The principle of efficiency. The principle of efficiency is that the auction is carried out quickly and at a certain time.
5. The principle of accountability. The principle of accountability is that the auction must be carried out by or before an Auction Official who is a Public Official appointed by the Minister of Finance.

Based on the explanation above, it can be concluded that the mechanism can guarantee openness/transparency for creditors in debt settlement through the bankruptcy mechanism carried out by the Curator which is supervised by the Supervisory Judge. Furthermore, after the settlement is carried out by the Curator and if the Supervisory Judge is of the opinion that there is sufficient cash, the Supervisory Judge will order the Curator to distribute to creditors according to the percentage of debt of each creditor that has previously been matched by the Curator, this is regulated in Article 188 and Article 189 of Law Number 37 of 2004 concerning Bankruptcy and Suspension of Debt Payment Obligations.

Peace in Bankruptcy Law as a Solution to Settlement of Debt Disputes

Peace (accord) is an agreement between the debtor and the creditors that contains rules for settling bills that generally regulate the percentage of debt payments according to their respective rights and portions and even if approved by the majority of creditors, the settlement of all debts/obligations of the debtor will legally refer to all provisions stated in the peace. In general, peace in civil law is regulated in Articles 1851 to 1864 of the Civil Code which defines that peace is an agreement by which both parties by handing over, promising or holding an item, end a case that is pending or prevent the emergence of a case. Peace in bankruptcy law is an alternative way for debtors to avoid bankruptcy or even to end bankruptcy. Furthermore, peace can also be used as a "legal tool" that forces the parties to carry out "debt restructuring", as well as to provide "breath" or opportunity for debtors to improve their business or financial condition, so that in the end the debtor can fulfill the obligation to pay their debts to creditors.

The Bankruptcy and PKPU Laws recognize two types of peace. The first is Peace in PKPU (before the debtor is declared bankrupt). A "Peace" in the PKPU process is the main objective of the debtor's application in the PKPU mechanism, as stated in Article 222 paragraph (2) and paragraph (3) of the Bankruptcy and PKPU Laws which in essence state that PKPU is intended to allow debtors to submit a peace plan/proposal that includes an offer to pay part/all debts to their creditors. So it can be interpreted that peace in PKPU is an obligation, because PKPU itself aims to prevent debtors from entering a state of bankruptcy. The second is Peace submitted when the Debtor is in a state of Bankruptcy. This is regulated in Article 144 in conjunction with Article 145 of the Bankruptcy and

PKPU Law considering that the main objective in bankruptcy is the settlement of bankrupt assets as stated in Article 1 number 1 in conjunction with Article 185 of the Bankruptcy and PKPU Law, so that reconciliation is not the main focus in bankruptcy. However, reconciliation can still be submitted by the bankrupt debtor, so that it is hoped that the bankruptcy case can end with reconciliation or even the debtor can continue his business again.

The Influence of Bankruptcy Law in Debt Settlement Related to Business Conduciveness in Indonesia

Bankruptcy is now the most popular trend in debt dispute resolution because it is considered faster because Bankruptcy law uses a fast-dimensional procedural law (speedy trial) so that the rights of creditors and debtors can be more guaranteed under the law. In Indonesia, regulations regarding Bankruptcy have been regulated in Law Number 37 of 2004 concerning Bankruptcy and Suspension of Debt Payment Obligations or commonly referred to as UUKPKU which is a replacement for Law Number 4 of 1998 concerning Bankruptcy which is considered incapable of overcoming efforts related to debt settlement.

Furthermore, Professor of Law from Lewis & Clark Law School, Brian A. Blum in his book argues "The Possibility of the Debtor's Bankruptcy is one of the dangers that creditors face in pursuing collection efforts at state law, There is always a danger that the debtor or a group of qualified creditors will file a petition for the debtor's bankruptcy while other creditors are in the process of attempting to enforce their claims through the state courts. If that should happen, the collection under state law is disrupted. All action is stayed, and advantages obtained by a creditor through attachment, judgment, or execution may be avoided. The possibility of bankruptcy could influence decisions and strategies in the collection process; it may spur a creditor into speedy action, or it may have the opposite effect of encouraging a circumspect approach, so as not to precipitate a petition." which basically explains that the possibility of debtor bankruptcy is one of the dangers faced by creditors in collecting and there is always a danger that the debtor or a group of qualified creditors will file a bankruptcy statement for the debtor while other creditors are in the process of trying to execute their collateral through the Court.

In Indonesia itself, Bankruptcy Law is often used as a tool to carry out large-scale restructuring carried out by the Debtor against its creditors, namely by submitting a peace to all creditors after the debtor is declared bankrupt based on a Commercial Court decision

as regulated in Article 144 of Law Number 37 of 2004 concerning Bankruptcy and Suspension of Debt Payment Obligations. Furthermore, the peace plan must be discussed by the debtor to all of his creditors in order to make a decision regarding the peace plan which is carried out immediately after the receivables are matched/verified against the creditor's debts carried out by the Curator. Many large companies in Indonesia utilize bankruptcy legal instruments as a tool to restructure their debts/problematic credits to their creditors, so that the company can return to health, and can operate normally and of course can continue payments to creditors as agreed in the peace agreement.

That based on the explanation above, the author is of the opinion that through the Bankruptcy Law instruments available, either through the PKPU or Bankruptcy mechanisms, if they can be utilized by Debtors and their Creditors in accordance with the intent and purpose of the Bankruptcy Law and PKPU, it will create economic stability and investor confidence, this condition is expected to be utilized by Debtors to carry out their business activities more effectively and avoid financial crises, even ending in Bankruptcy. Furthermore, business conduciveness is always related to the company's financial ability to manage risks related to the company's finances themselves. On the other hand, with the existing bankruptcy law instruments, an unfavorable business situation will direct debtors and creditors to submit a Postponement of Debt Payment Obligations.

Overall, a conducive business climate reduces the need for debtors and creditors to resolve problematic credit problems through the PKPU mechanism because the restructuring process can be carried out outside the court with an agreement between the debtor and creditor.

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