

Effectiveness of Bankruptcy and Suspension of Obligations for Payment of Debt from Profit and Loss Perspective Compared to Ordinary Law Claims

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Abstract

After Indonesia was hit by the monetary crisis in the past 1997, the term Bankruptcy & Suspension of Debt Payment Obligations or PKPU was familiar to business actors and to the law. How could it not be, bankruptcy and PKPU are seen as effective ways for creditors to return their collectible rights from debtors who fail to pay their debts. In the midst of global progress in the business world, not a few social problems have arisen. For example, the debt problem of an incapacitated debtor. The question is how to understand bankruptcy & postponement of payment obligations from a profit and loss perspective when compared to an ordinary lawsuit? In this paper, the author provides a general and brief description of how the procedure is for bankruptcy and PKPU applications at the Commercial Court, cassation and judicial review. Including the roles of creditors, debtors, curators, supervisory judges and advocates. Also included is the history of the Commercial Courts in Indonesia and the areas of jurisdiction of commercial courts that have been formed. Not only that, this paper also discusses the pros and cons of whether it is better to use the bankruptcy process or an ordinary lawsuit if a debtor fails to pay his debts when they are due.

Keywords: bankruptcy, suspension of debt payment obligations, Ordinary Claims, Commercial Court.



INTRODUCTION

The progress of a country in various parts of the world is inseparable from the parameters of economic progress. Various countries in the modern world are actively competing to improve their nation's economies, including economic recoveries still in the atmosphere of the global Covid-19 pandemic. Indonesia is no exception, for example. The government and business actors are now actively growing economy in Indonesia. The development of the economy and trade is accompanied by various debit and credit problems that arise. Suppose the Indonesian state monetary crisis hit the flashback in 1997. This crisis had an unfavorable impact on the Indonesian economy at that time. As a result, it creates significant difficulties for the business world in settling debts and receivables to continue its business activities. Based on these considerations, with the joint approval of the DPR RI and the President, they decided to formulate and promulgate Law No. 37 of 2004 concerning Bankruptcy and Postponement of Debt Payment Obligations (KPPU Law).

Article 1 paragraph (1) of the KPKPU Law reads, "Bankruptcy is a general confiscation of all the assets of a Bankrupt Debtor whose management and settlement are carried out by the Curator under the supervision of the Supervisory Judge as stipulated in this Law." Actually, before the enactment of Law No. 37 of 2004, there has been Law No. 4 of 1998 concerning Bankruptcy. However, based on the times, it is felt that this Law has not accommodated the world of Bankruptcy and Postponement of Debt Payment Obligations in Indonesia.

In general, disputes usually occur because of a conflict between two or more parties. For example, in the banking industry, disputes often arise between banks and customers, especially in the financing sector, including the non-bank financing sector or commonly known as leasing. In general, the debtor does not have absolute certainty of being able to maintain the commitment to make achievements to the creditor. Even though there has been an agreement between the customer and the bank, it has been stated in a financing agreement. Therefore, it is not uncommon for debtors to be bankrupt by banks because they fail to pay their debts. As with conventional banks, disputes between customers and banks related to bankruptcy and postponement of debt payment obligations are also very likely to occur in the banking world (Wahyudi, 2019).

Creditors who will file a lawsuit for bankruptcy are empowered to show that there are receivables from several other creditors that have also not been fulfilled. So temporarily, it can be said that bankruptcy exists or can be declared and imposed on debtors in a state of stopping paying their debts. Either because they can't afford it or because they don't want to pay their debts when the day of payment has arrived.

It can be interpreted that the condition for bankruptcy is that if a debtor stops paying debts to creditors, there are at least two unpaid debts. There is a request for bankruptcy at his request, or the request of a person, and several people are indebted, and the application is approved by Judge (Usaman, 2004). PKPU is a way of settling debts to avoid bankruptcy. Furthermore, in problems between creditors and debtors, in addition to bankruptcy and PKPU legal remedies, ordinary or simple lawsuits can also be carried out. The following article

compares the profit and loss between bankruptcy, PKPU legal proceedings, and common or straightforward cases.

Against the background above, this study aims to examine the effectiveness of Law Number 37 of 2004 concerning Bankruptcy and Suspension of Debt Payment Obligations in providing solutions for creditors to obtain their rights that debtors have not paid.

METHOD

The research method in the preparation of this paper is normative juridical research. Among other things, by analyzing research problems through legal principles that refer to the norms that apply in Indonesia. Irwansyah (2021) stated that normative research is understood as research to test an applicable norm or provision. It can also be said as research is conducted by examining library materials or secondary data. Meanwhile, according to Soekanto (1984), normative legal research is directed at research that draws on legal principles, legal systematics, synchronization of laws and regulations, comparative law, and the history of applicable law in Indonesia.

ANALYSIS AND DISCUSSION

In-depth Understanding of Bankruptcy and PKPU

Even though they are made under the same law, Bankruptcy & PKPU have differences. As previously explained, Article 1 paragraph (1) of the Corruption Eradication Commission Law states that bankruptcy is a general confiscation of all assets of a bankrupt debtor whose management and settlement are carried out by the curator under the supervision of a supervisory judge as stipulated in this law. At the same time, PKPU is a period of deliberation held between debtors and creditors before the Commercial Court. To enable the Debtor to improve his financial system, submit a peace plan containing an offer to pay part or all of the debt to creditors. The PKPU application has an essential role in preventing bankruptcy. The reason is because it can be filed at any time before a Bankruptcy Statement is decided by the Court. This means that before an application for a Bankruptcy Statement was filed or after an application for a Bankruptcy Declaration was filed, there was no decision from the Commercial Court. So far, in practice, the effectiveness of PKPU in preventing bankruptcy depends on the goodwill of the debtor, cooperative (sense of cooperation) from both the Debtor and Creditors. The aim is always that the peace plan can be implemented or negotiated, gets a stipulation, and is carried out properly until the full fulfillment of debt payments is achieved (Roseline, 2017).

Article 222 paragraph (2) of the KPKPU Law reads, "Debtors who cannot or expect to be able to continue paying their debts which are due and collectible, can request a postponement of debt payment obligations with the intention of submitting a peace plan which includes an offer to pay part or all of owed to creditors."

In general, in practice, PKPU is divided into two, namely:

1. Provisional PKPU (PKPU-S): decided by the Commercial Court, valid for 45 days from the pronouncement of the decision. During that period, the debtor must prepare a peace plan with creditors and submit the debt repayment scheme to his creditors.

2. Fixed PKPU (PKPU-T): Applicable if the debtor has not been able to prepare a settlement plan. Based on this, the PKPU-T decision is valid for 270 days from the time the PKPU decision is pronounced. The 270-day period is when the debtor must have prepared a plan for settling his debt, so it's not a deadline for repayment. Therefore, if the grace period ends, the debtor and creditor have not reached an amicable agreement and disagree, and the Commercial Court will decide that the debtor is bankrupt.

Based on these descriptions, it can be distinguished that bankruptcy, where the debtor's assets will be used to pay all of his debts that have been calculated. While in PKPU, the debtor's assets that have been placed will be managed so that they produce and can be used to pay their debts to creditors.

Commercial Court with the Authority to Examine, Trial Bankruptcy and PKPU

Provisions of Article 27 of Law No. 48 of 2009 concerning Judicial Power have regulated special courts in the Indonesian justice system, including the Commercial Court. This Commercial Court was born through the improvement of Staatsblad 1905 Number 217 Jo Staatsblad 1906 Number 348 concerning *Verordening op het Faillissement en Surceance van Betaling (Faillissement Verordening)* (Ponto, 2001). The formation of the court mentioned above seems to have transferred the absolute competence of the district court to examine bankruptcy cases by establishing the commercial court as the court that has the authority to receive, examine and decide on KPKPU cases.

The Indonesian government established the first Commercial Court at the Central Jakarta District Court. This is according to the provisions of Article 306 of Law No. 37 of 2004 in conjunction with Law No. 4 of 1998 in conjunction with Government Regulation in Lieu of Law No. 1 of 1998 concerning Bankruptcy. Based on Presidential Decree No. 97 of 1999, it established Commercial Courts in Makassar, Surabaya, Semarang, and Medan. Of course, the government sees the development of the Commercial Court from its existence as a court that decides KPKPU cases and cases of intellectual property rights or IPR. The establishment of the Commercial Court is felt to bring about several reforms. For example, there is a standard time for settling cases and introducing ad hoc judges. The Commercial Court is also the first court to give judges the authority to submit different or dissenting opinions in deciding a case (Pengadilan Negeri Semarang, n.d.).

It can be seen the expansion of Commercial Courts below in Indonesia:

1. Medan Commercial Court: received, examined, and decided KPKPU cases with jurisdiction covering North Sumatra Province, Riau Province, Riau Islands Province, Bangka Belitung Province, West Sumatra Province, Bengkulu Province, Jambi Province, Aceh Special Region Province.
2. Central Jakarta Commercial Court: covers DKI Jakarta Province, West Java Province, Banten Province, South Sumatra Province, Lampung Province, and West Kalimantan Province.
3. Semarang Commercial Court: Working area of Central Java Province and Yogyakarta Special Region Province.

4. Surabaya Commercial Court: East Java Province, South Kalimantan Province, Central Kalimantan Province, East Kalimantan Province, Bali Province, West Nusa Tenggara Province and East Nusa Tenggara Province.
5. Makassar Commercial Court: South Sulawesi Province, Southeast Sulawesi Province, Central Sulawesi Province, North Sulawesi Province, Gorontalo Province, Maluku Province, North Maluku Province, and Papua Province, and West Papua Province. And also includes the new autonomous regions blooming, namely the Provinces of South Papua and the Provinces of Central Papua.

Bankruptcy Process According to Indonesian Law

Implicitly, a conclusion can be drawn that bankruptcy is a situation when a debtor cannot pay off his debts, which are due and collectible debts (Amboro, 2020). Bankruptcy arrangements according to Indonesian law are regulated in Chapter II and PKPU in Chapter III Law No. 37 of 2004 concerning (KPPU Law). Based on the provisions of the KPKPU Law, bankruptcy submitted to the commercial court is from the creditor or debtor. The provisions of Article 1 paragraph (2) of the KPKPU Law define creditors as people who have receivables due to agreements or laws that can be collected before a court. At the same time, Article 1 paragraph (3) of the KPKPU Law defines a debtor as a person who has a debt due to an agreement or law whose repayment can be billed before the court.

In practice, the absolute requirements for a bankruptcy application as outlined in Article 2, paragraph (1) to paragraph (5) of the KPKPU Law include:

- (1) A debtor with two or more creditors who does not pay off at least one debt that is due and payable is declared bankrupt by a court decision, either at his request or at the request of one or more of his creditors.
- (2) The application referred to in paragraph (1) may also be submitted by the Attorney General's Office for the public interest.
- (3) If the Debtor is a bank, the application for a declaration of bankruptcy can only be submitted by Bank Indonesia.
- (4) If the Debtor is a Securities Company, Stock Exchange, Clearing Guarantee Institution, Depository and Settlement Institution, the Capital Market Supervisory Agency can only submit the application for a bankruptcy declaration.
- (5) In the event that the Debtor is an Insurance Company, Reinsurance Company, Pension Fund, or a State-Owned Enterprise that has

Supervisory Judge

Based on the order of the KPKPU Law, the supervising judge who handles bankruptcy applications at the Commercial Court is critical. The task of the supervising judge is to oversee the management and settlement of bankruptcy assets. Article 1, paragraph (8) of the KPKPU Law reads, "Supervisory Judges are judges appointed by the Court in bankruptcy decisions or decisions on the postponement of debt payment obligations."

Curator

In bankruptcy practice, the role of the curator is crucial. Article 1 paragraph (5) of the KPKPU Law defines a Curator as a Trustees' Court or an individual appointed by the Court to manage and settle the assets of a Bankrupt Debtor under the supervision of a Supervisory Judge in accordance with this Law. The curator's job is to manage and/or settle bankrupt assets.

Advocate

The same is the case with the duties of supervisory judges and curators. Advocates also have an essential role in bankruptcy petitions to represent their clients. Advocate arrangements in the KPKPU Law can be found in the provisions of Article 7 paragraph 1, which reads, "Application, as referred to in Article 6, Article 10, Article 11, Article 12, Article 43, Article 56, Article 57, Article 58, Article 68, Article 161, Article 171, Article 207 and Article 212, must be submitted by an advocate."

The following is the procedure for filing bankruptcy at the Commercial Court. According to the provisions of Article 6 of the KPKPU Law:

- (1) The application for a declaration of bankruptcy is submitted to the Chief Justice.
- (2) The Registrar registers the application for a declaration of bankruptcy on the date the application in question is filed, and the applicant is given a written receipt signed by the authorized officer on the same date as the date of registration.
- (3) The Registrar is obliged to refuse the registration of the application for a declaration of bankruptcy for the institution as referred to in Article 2 Paragraph (3), Paragraph (4), and Paragraph (5) if it is done not in accordance with the provisions in those paragraphs.
- (4) The Registrar submits a request for a declaration of bankruptcy to the Chief Justice no later than 2 (two) days after the date the application is registered.
- (5) Within a period of no later than 3 (three) days after the date the application for a declaration of bankruptcy was registered, the Court will study the application and set a hearing day.
- (6) An examination hearing on the application for a declaration of bankruptcy is held no later than 20 (twenty) days after the date the application is registered.
- (7) At the request of the Debtor and based on sufficient reasons, the Court may postpone the holding of the trial as referred to in Paragraph (5) until no later than 25 (twenty-five) days after the date the application is registered.

After the application for a declaration of bankruptcy is submitted to the Chief Justice, then the trial procedure is discussed as follows:

1. Examination of Bankruptcy Applications at the first level (Commercial Court)
 - a. Summons for a trial (7 days before the first hearing);
 - b. The trial was held (20 days from registration);
 - c. The trial can be adjourned if it fulfills the requirements (25 days after being registered);

- d. Decision on bankruptcy petition (60 days from the date it was registered);
 - e. Submission of a copy of the decision to interested parties (3 days after the decision is pronounced);
2. Bankruptcy at the Cassation level
 - a. Submission and registration of the request for cassation to the clerk of the District Court (8 days after the decision was pronounced);
 - b. The Registrar of the District Court sends a request for cassation to the cassation party (2 days from the registration of the demand for cassation);
 - c. The cassation party conveys the counter-cassation memory to the clerk of the District Court (7 days from the time the cassation party receives the cassation document);
 - d. The Registrar of the District Court submits the cassation file to the Supreme Court through the Registrar of the Supreme Court (14 days from the registration of the cassation request);
 - e. The Supreme Court studies and determines the hearing date for the cassation (2 days after the date the Supreme Court receives the cassation request);
 - f. The trial for examining the cassation request (20 days from when the Supreme Court received the cassation request);
 - g. Pucusan cassation (60 days since the Supreme Court received the request for cassation);
 - h. Submission of the cassation decision to interested parties (3 days after the cassation decision);

3. Extraordinary Bankruptcy Legal Remedies after the cassation decision

In practice, it turns out that cassation decisions on bankruptcy cases can be requested for extraordinary legal remedies known as judicial review or often called/abbreviated as JR. Here's the procedure:

- a. Submission of Judicial Review and registration at the Registrar's Office of the District Court;
- b. Submission of requests for review by the clerk of the District Court to the clerk of the Supreme Court;
- c. Submission of a copy of the Supreme Court's request along with supporting evidence by the District Court to the applicant for judicial review;
- d. Submission of the response to the request for judicial review by the applicant t Submission of the response of the respondent for judicial review to the clerk of the Supreme Court by the clerk of the district court;
- e. Examination and notification of the decision of the Supreme Court on Judicial Review;
- f. Submission of a copy of the Judicial Review decision by the Supreme Court to the parties.

Seeing the time given by the law as mentioned above, it can be said that simple proof is the keyword in solving bankruptcy cases. As evidence, to be able to go through the process to reach a court decision with permanent legal force, an applicant for a bankruptcy statement only takes approximately 120 days from the time the application for a bankruptcy statement is registered with the clerk of the District Court. Such a fast process is followed by simple (summary) proof in the case (Amboro, 2020). After the bankruptcy declaration decision is pronounced, whether there is a legal action or not, the debtor in bankruptcy must then go through a process of meetings with his creditors in order to match the receivables. This matching of receivables is helpful for the next stage in order to calculate the number of voting rights at each meeting of creditors in the future.

Provisions of Article 3 PP No. 10 of 2005 concerning the Calculation of the Number of Creditors' Voting Rights state that the amount of receivables up to Rp. 10,000,000 (ten million rupiahs) is entitled to 1 (one) vote, and the multiplier value applies, except if the remaining receivables do not reach a multiple of Rp. 10,000,000 (ten million rupiahs), then the additional vote count is determined: (i) less than the value of Rp. 5,000,000 (five million rupiahs) receivables are not entitled to additional votes; (ii) the value of receivables is IDR 5,000,000 (five million rupiahs) or more, then it is entitled to 1 additional vote. Furthermore, debtors in bankruptcy are forced by law to make peace plans and submit them to their creditors. Creditors are given the right to agree with the provisions stipulated in Article 151 Law No. 37 of 2004, namely:

An amicable plan is accepted if it is approved at a meeting of creditors of more than 4% (four percent or one-half) of the number of concurrent creditors who are also present at the meeting and whose rights are recognized or temporarily recognized, representing at least 2/3 (two thirds) of the total amount of concurrent receivables acknowledged and or temporarily acknowledged from concurrent creditors or their proxies who were also present at the meeting held (Amboro, 2020).

If subsequently the peace plan is approved by most of the creditors, as stipulated in Article 151 of Law no. 37 of 2004, there will be ratification of the peace plan, or called homologation, in a court session. Thus homologation is carried out, then the provisions of Article 164 of Law No. 37 of 2004 became the basis for the right to implement reconciliation about receivables that have been recognized. Article 166, homologation of peace, which has obtained permanent legal force, then bankruptcy ends.

However, what must be considered is that if most creditors do not approve the amicable plan submitted by a debtor in bankruptcy, then the debtor's assets in bankruptcy are in a state of insolvency. This can be seen in the provisions of Article 178 paragraph (1) of Law no. 37 of 2004. Namely, "If the settlement agreement is not offered, the settlement plan offered is not accepted, or the settlement ratification is rejected based on a decision that has permanent legal force, by law, the bankruptcy estate is in a state of insolvency. Note the meaning of insolvency (insolvency) is the inability of the debtor to pay his debts.

PKPU Process According to Indonesian Law

PKPU, carried out by the debtor, aims to avoid bankruptcy. Provisions of Article 222 paragraph (2) of Law no. 37 years explain that a debtor who cannot or predicts that he will not be able to continue paying his debts due to be billed can apply to PKPU. Below is an overview of the PKPU application procedure (see Article 224 of the PKPU Law).

Article 224:

(1) The application for postponement of the obligation to pay debts, as referred to in Article 222, must be submitted to the Court as referred to in Article 3, signed by the applicant and his advocate.

(2) If the applicant is a Debtor, the request for suspension of obligation for payment of debt must be accompanied by a list containing the nature, amount of receivables, and debts owed by the Debtor along with sufficient evidence.

(3) If the applicant is a Creditor, the Court is obliged to summon the Debtor through a bailiff by registered mail no later than 7 (seven) days before the hearing.

(4) At the hearing as referred to in paragraph (3), the Debtor submits a list containing the nature, amount of receivables, and debts of the Debtor along with sufficient evidence and, if any, a settlement plan.

(5) In the application letter as referred to in paragraph (2), the peace plan as referred to in Article 222, may be attached.

(6) The provisions referred to in Article 6, paragraphs (1), paragraph (2), paragraph (3), paragraph (4), and paragraph (5) apply *mutatis mutandis* as a procedure for submitting an application for postponement of debt payment obligations as referred to in paragraph (1).

Article 225 :

(1) The application letter as referred to in Article 224 paragraph (1) and its attachments, if any, must be made available at the Registrar's Office of the Court, so that everyone can view them free of charge.

(2) In the event that the application is filed by the Debtor, the Court within 3 (three) days at the latest from the date the request letter as referred to in Article 224 paragraph (1) is registered must grant the temporary postponement of debt payment obligations and must appoint a Supervisory Judge from the court judge as well as appoint 1 (one) or more administrators who together with the Debtor manage the Debtor's assets.

(3) In the event that the application is filed by a Creditor, the Court within a period of 20 (twenty) days from the date of registration of the application letter, must grant the request for temporary suspension of debt payment obligations and must appoint a Supervisory Judge from the court judges and appoint 1 (one) or more administrator who together with the Debtor takes care of the Debtor's assets.

(4) As soon as the decision on the temporary suspension of obligation for payment of debt is pronounced, the Court through its administrators is required to summon known Debtors and Creditors by registered letter or by courier, to appear before a trial which will be held no later than the 45th (forty-fifth) day from the date of the decision postponement of debt payment obligations temporarily pronounced.

(5) In the event that the Debtor is not present at the trial as referred to in paragraph (4) the suspension of obligation to pay debts temporarily ends and the Court is obliged to declare the Debtor Bankrupt in the same session.

Commercial Court with the Authority to Examine and Trial Bankruptcy

Law No. 4 of 1998 added a new chapter, the Third Chapter on Commercial Courts. The establishment of this special Court is expected to be able to resolve bankruptcy issues quickly and effectively. The Commercial Court is a differentiation from the general Court, which is allowed to form based on Law No. 14 of 1970 concerning the main points of judicial power. Law No. 37 of 2004, a renewal of Law No. 4 of 1998, does not regulate the Commercial Court in a separate chapter but is included in Chapter V concerning Other Provisions starting from Article 299 to Article 303. In each article, it is sufficient to mention "Court" without the word "Commerce" because it refers to Chapter I concerning General Provisions, Article 1 number 7, that the Court is a Commercial Court within the general court environment.

Regarding the duties and powers of the Commercial Court, Law No. 4 of 1998 has been regulated in the provisions of Article 280, while Law No. 37 of 2004 has also been regulated in Article 300. The Commercial Court is a judicial institution which is under the General Court environment which has the duty and authority to examine and adjudicate requests for bankruptcy statements from disputing parties; investigate and adjudicate applications for Suspension of Debt Payment Obligations; examine and adjudicate other cases in the field of commerce where the stipulation is stipulated by law, for example, disputes in the area of intellectual property rights (Hartini, 2008).

Law No. 37 of 2004 has also regulated the authority of the Commercial Court in relation to agreements containing arbitration clauses. Provisions of Article 303 "The Court remains authorized to examine and adjudicate requests for bankruptcy statements from parties bound by an agreement which includes an arbitration clause. That is, all the debt the source of the bankruptcy declaration application has complied with the provisions referred to in Article 2 paragraph (1) concerning bankruptcy requirements. Based on this article is interpreted to emphasize that the Court continues to examine and adjudicate requests for bankruptcy statements from the parties to the litigation, even though the debt agreement made by the parties contains an arbitration clause.

Ordinary and Simple Claims

Ordinary Claims

The author has explained the Bankruptcy and PKPU procedures above. In accordance with the background of the problem, bankruptcy equality, and ordinary or simple lawsuits are both filed because a dispute arises. To be known together, for ordinary lawsuits such as acts against the law (PMH) or defaults, it is enough to be carried out in the District Court according to their relative competence. The plaintiff will file a civil suit in court:

1. Registration of a lawsuit (via e-court or face-to-face if you don't use an Advocate)
2. The head of the district court appoints three panels of judges
3. The civil clerk schedules the summons of the parties.
4. If the trial has started, the judge will declare it open and open to the public;
5. The judge checks the identities of the parties if they are present (can be postponed and summoned if one of the parties is not present)

6. After the parties are present, the judge recommends the parties mediate in accordance with Perma No. 1 of 2016 concerning Mediation Procedures in Court for 30 days from the date the identity examination trial began.
7. The parties face the mediator.
8. If there is peace, a peace deed (van dading) is drawn up. If it fails, the trial for reading the lawsuit by the plaintiff or plaintiffs will be continued.
9. Then, the judge allows the defendant or the defendants to submit answers containing exceptions, rebuttals, requests for provisional decisions, counterclaims for counterclaims or counterclaims against the plaintiffs.
10. If there is an exception regarding relative competence and/or absolute authority to adjudicate the case filed by the plaintiff, then it is decided in an interlocutory decision. If not, the trial continues to the next agenda
11. The next agenda item is a replica of the plaintiff
12. Duplicate of the plaintiff
13. Submission of evidence from the plaintiff and the defendant.
14. Submission of witnesses and examination of witnesses from the plaintiff and the defendant.
15. Conclusion.
16. Reading of the verdict.
17. Appeals 14 days after the parties can appeal the verdict. And from the second day of the statement of appeal, a maximum of 14 days must be entered into a memorandum of appeal, then against a memorandum of appeal.
18. Cassation efforts 14 days after the decision can be appealed by the parties. And from the second day of the cassation statement, a maximum of 14 days must be entered into the cassation memory, then the counter-cassation memory.
19. JR Legal efforts.

Simple Claims

Simple claim arrangements can be found in the Supreme Court Regulation of the Republic of Indonesia Number 4 of 2019 concerning Amendments to Supreme Court Regulation Number 2 of 2015 concerning Procedures for Settlement of Simple Claims. Article 1 paragraph (1) reads: Settlement of a Simple Lawsuit is a procedure for examining in court a civil lawsuit with a maximum material claim value of Rp. 500,000,000.00 (five hundred million rupiahs) is resolved by simple procedures and evidence.

CONCLUSION

In conclusion, Law Number 37 of 2004 on Bankruptcy and Suspension of Debt Payment perfects the prior law. In place of Law number. 1 of 1998, Stipulation of Government Regulations. If the debtor can't pay, bankruptcy helps creditors and other stakeholders. Bankruptcy Procedures and Suspension of Obligations for Payment of Debts provide little relief for creditors that want the debtor's rights returned. Bankruptcy and Suspension of Obligations for Payment of Debt are faster than simple litigation or district court civil actions. Thus, Law No. 37 of 2004 on Bankruptcy

and Postponement of Debt Payment Obligations following the 1997 monetary crisis was essential to Indonesia's economic growth.

Some organizations must change their attitudes to survive the harsh business rivalry. Business ups and downs are frequent, but what causes a corporation to file for bankruptcy? Businesses often fail. Bankruptcy takes everything. Bankrupt Debtors are managed and settled by the Curator under the Supervisory Judge. If the debtor can't pay, bankruptcy helps the parties. Bankruptcy can stop unfair and harmful actions like creditor execution and debtor fraud. Bankruptcy involves creditors and debtors. Creditors can collect court-ordered debts. A debtor owes creditors owing to agreements or laws and might be billed by the court. This document at least covers a typical litigation's profit and loss perspective, as its title suggests. The trial, case costs, and numerous topics related to Bankruptcy Law and regular litigation or simple lawsuits show profit and loss.

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