

# **PROGRESSIVE LAW REVIEW**



**(e- ISSN) 2716-2141**

**Volume 2 Nomor 2**

**November 2020**

**Published by Faculty of Law  
Bandar Lampung University, Indonesia**

# **PROGRESSIVE LAW REVIEW**

**Law Journal  
Faculty of Law  
Bandar Lampung University**

**Terbit pertama kali November 2019  
Terbit dua kali setahun, setiap April dan November  
(e-ISSN) 2716-2141**

## **Chair**

Dean Faculty of Law  
Bandar Lampung University

## **Editor in Chief**

Recca Ayu Hapsari

## **Managing Editor**

Indah Satria

## **Editor**

Aulia Oktarizka Vivi Puspita Sari A.P  
Okta Ainita  
Yulia Hesti  
Intan Nurina Seftiniara

## **REVIEWER**

Prof. Dr. Lintje Anna Marpaung, S.H., M.H.  
Prof. Dr. I Gusti Ayu Ketut Rachmi Handayani, S.H., M.M  
Prof. Dr. Maroni, S.H., M.H  
Dr. Erlina B, S.H., M.H.  
Dr. Bambang Hartono, S.H., M.H.  
Dr. Mukti Fajar, S.H., M.H.  
Dr. Isharyanto, S.H., M.Hum.  
Dr. Nunung Rodlyah, S.H., M.H.

## **Office:**

Faculty of Law Bandar Lampung University  
Jl. Zainal Abidin Pagar Alam No. 26, Labuhan Ratu, Bandar Lampung  
Telp: 0721-701979 / 0721-701463, Fax: 0721-701467

## **Website Online:**

*progresiflawreview.ubl.ac.id*

**CONTENT**

<b>Abimanyu Iqbal Soesanto</b> THE URGENCY OF THE BASIC LEGAL CLARITY OF THE TASK OF ASSISTED TNI AND POLICE IN HANDLING TERRORISM .....	1 - 10
<b>Risti Dwi Ramasari, Aprinisa, Okta Ainita</b> SOVEREIGN RIGHT, JURISDICTIONAL OBLIGATIONS AND OTHER RIGHTS IN EXCLUSIVE ECONOMIC ZONE .....	11- 19
<b>Arief K. Syaifulloh</b> IMPACT OF MERAPI SAND MINING IN KLATEN CENTRAL JAVA .....	20 - 31
<b>Aprinisa</b> CREDIT SAVING EFFORTS AFFECTED BY CORONA VIRUS DISEASE 2019 (COVID-19) THROUGH THE CREDIT RESTRUCTURE PROCESS.....	32 - 39
<b>Rissa Afni Martinouva, Aditia Arief Firmanto</b> LEGAL ANALYSIS OF IMPLEMENTING TADITIONAL MEDICINE PRACTICES IN BANDAR LAMPUNG .....	40 - 56
<b>Rifka Yudhi, Agung Budi Prastyo</b> RECRUITMENT OF LAW FACULTY LECTURERS AND THE IMPLICATIONS OF OUTPUT GRADUATES IN THE MANPOWER SECTOR.....	57 - 68

# **CREDIT SAVING EFFORTS AFFECTED BY CORONA VIRUS DISEASE 2019 (COVID-19) THROUGH THE CREDIT RESTRUCTURE PROCESS.**

**Aprinisa**

*aprinisa@ubl.ac.id*

Faculty Of Law, Universitas Bandar Lampung, Indonesia

## **Abstract**

The pandemic over the Corona virus Disease 2019 (Covid-19) outbreak is engulfing the world which has left many people dead and all sides of human life affected. Not only is it life-threatening but the impact of the Covid-19 pandemic has also had a significant impact on the survival of the world economy and a country in particular. As a result of the Covid-19 pandemic, economic growth was hampered, business activities were forced to close so that there were many layoffs everywhere, the investment climate became sluggish, and people's incomes were reduced even zero, resulting in the inability of people to meet their needs, especially for credit debtor customers. The impact of the Covid-19 pandemic has caused credit debtor customers to have difficulty carrying out their obligations to pay installments on loans or loans to banking institutions. At the current conditions, the bank in carrying out its operational activities is required to provide relief and policies to credit debtor customers directly affected from the Covid-19 pandemic and one of the efforts that can be made is the implementation of credit Restructure to maintain the health and correctness of the credit provided.

**Keywords:** Restructure, Credit, Covid-19.

## **I. INTRODUCTION**

Bank is an institution that has an important role in the economic growth of a country that also has a strategic role in supporting a healthy economic climate. From the bank's function as an intermediation institution which the bank on operational activities is to raise funds and lending the credit to the community then the bank institution has a significant position in the business world has an important role on transaction, investment as well as fulfilling the needs of the businessman who need capital. The provisions of Article 1 paragraph (1) of Act No. 7 of 1992 which are partially amended with Act No. 10/1998 (hereby referred to as the Banking Act), the definition of credit is the provision of money or bills that can be likened to that, based on the agreement or loan agreement between the bank and other parties that obliges the borrower to pay off his debt after a certain period of time with the granting of interest.

Credit is the most important part of the operation of a bank, because in addition to helping credit meet the needs of people who need capital assistance, especially in the field of business, credit also occupies an important position as a source of bank income. Credit lending to credit debtor customers is based on prudential principle, so banks in channeling credit must analyze in a careful way also due to the level of risk that will be borne by the bank. As a result of the worrying world conditions caused by the covid-19 outbreak, the economic sector became the most affected sector where many businesses

lost money and were eventually forced to close so that there was disruption to performance in various life lines. This performance disruption occurs both on the part of banks and on the part of credit debtor customers, the policies are needed that are able to provide solutions and support for the sustainability of the business climate in order to keep moving and profitable.

The Covid-19 pandemic globally has a direct or indirect impact on the capacity and performance of debtors to meet or carry out obligations in credit payment or financing transaction. Disruption to the performance and capacity of debtors increases credit risk which will also interfere with the bank's performance and productivity in carrying out its operational activities and will generally hinder also disrupt economic growth that will impact all fields. Covid-19 continues to spread almost to 39 million confirmed cases in 189 countries, while covid-19 positive cases in Indonesia as of October 22, 2020 increased by 4,432 to 377,541 people from the recorded figure<sup>1</sup>.

Concerns about the disruption and delay in the performance of various parties involved in bank activities as well as financing prompted immediate arrangements for credit debtor customers as well as micro, small and medium enterprises affected by the Covid-19 pandemic both directly and indirectly, as well as to maintain the current and health of a bank. The regulation stipulated is to act as an economic stimulus as a countercyclical to the impact of the current Covid-19 pandemic, which the policy is determined by the authorized institution in the supervision of banking and financing activities in Indonesia namely the Financial Services Authority (hereby called FSA). For later this policy or stimulus will be evaluated and temporary. The research method used in this paper is a normative juridical that is by collecting secondary data that is literature materials, as a technique to get information through tracing legislation and other regulations in accordance with research problems and then the data is analyzed by qualitative juridical.

## II. DISCUSSION

### **Credit Saving Efforts Affected by Corona virus Disease 2019 (Covid-19) Through Credit Restructure Process.**

The Bank as an intermediary institution that serves to collect funds and lend it to the community has needed, which credit becomes a significant position in banking operations. Credit becomes a source of income in banks managing banking procedures which credit takes an important position. Credit is a service providing money or bills, based on an agreement that has been made between the bank and another party and is required for the borrower to carry out with a certain amount of interest in return. To lend the credit to the public, banks should prioritize and implement the principle of prudence properly to maintain the current and health of the bank.

The definition of credit based on the provisions of Article 1 paragraph (11) of the Act Banking, stated that: Credit is the provision of money or bills that can be likened to that,

---

<sup>1</sup><https://www.merdeka.com/peristiwa/data-terkini-covid-19-di-indonesia-oktober-2020.html>.

based on the approval or agreement of borrowing between the bank and another party that obliges the borrower to pay off the debt after a certain period of time with the granting of interest. There are 4 (four) important elements of the credit definition:

- 1) Different than grants, credit transactions require borrowers and lenders to exchange something of economic value.
- 2) Different than purchase of a credit transaction contaminant requires the debtor to pay back their obligations at some time in the back of the day.
- 3) Different to purchases in cash, credit transactions will occur until the lender is willing to take the risk that the loan may not be paid.
- 4) Willingness to bear risk, if the lender puts trust in the borrower. Risk can be mitigated by asking the borrower to guarantee the desired loan, although it is completely unpreventable all credit risks<sup>2</sup>.

The elements contained in the definition of credit are<sup>3</sup>:

1. Trust  
Trust has a major factor when banks lending or give credit to debtor customers. The trust becomes the basis of lending where this unsure is done by analyzing and checking the ability and capacity of the creditor or debtor customer to carry out their obligations to return and pay off the loan provided. Trust is indispensable to the provider or lender that the loan channeled will be re-accepted within a certain period of time.
2. Agreement  
The credit occurs after an agreement between the parties, namely the provider or the recipient of the loan with the debtor customer, where the agreement will be born after the terms of the credit agreement are fulfilled and does not violance or break the rukes of law. If the terms and conditions are met then an agreement will be reached.
3. Term  
The term is a condition of the loan repayment provided by the credit provider. The grace period will be included in the agreement in accordance with the agreement obtained by the parties, in which the debtor promises to return the loan or credit within the agreed deadline.
4. Risk  
Risk is a definite element in credit transactions. The risk will shift from the debtor to the bank as the lender when the agreement is obtained if the debtor is unable to carry out their obligation to return the loan within the promised period.
5. Remuneration (Achievement)  
In credit is promised a remunerate or counter performance given by the customer to the bank which is commonly referred to as interest or profit share, where interest is the profit earned in the credit agreement.

Lending to the public or debtor customers must prioritize and implement credit principles. Based on Article 8 of the Act Banking that every rupiah of funds distributed

---

<sup>2</sup> Mariam Darus Badruzaman.1991. *Perjanjian Kredit Bank*, PT. Citra Aditya Bakti, Bandung, p. 24.

<sup>3</sup>Thomas Suyatno.1997. dkk, *Dasar-Dasar Perkreditan*, Edisi Keempat, PT. Gramedia Pustaka Utama, Jakarta, p. 12.

by the bank to the public is owned by the community as well so that the bank will return to the depositor customer at any time along with the interest. The basic principles that are referenced in the process of lending are the principles of 6 C are:

1. Character
2. Capacity
3. Capital
4. Condition of Economic
5. Collateral
6. Constraint

As a party that acts as a creditor, it is appropriate for banks to have criteria and classification of the credit quality they issue. This is intended to facilitate the classification and handling process of various problems that may arise in a credit agreement that has been done. Credit quality classification conducted by banks aims to calculate potential loss reserves that will certainly affect the bank's portfolio and become one of the indicators of bank health assessment conducted by Bank Indonesia (BI) and the Financial Services Authority (FSA).

Banks will have a complete record of instalment payments from each of their customers, this can indicate whether or not the debtor made the payment to their loan. Below are the credit quality classifications made by banks:

<b>Long Arrears / Day</b>	<b>Collectibility</b>	<b>Description</b>
0	1	Current
1-90	2	In Special Attention
91-120	3	Less Current
121-180	4	Doubt
>180	5	Bad

Source : Financial Services Authority and Bank Indonesia

Based on the above data, it can be said that collectables 3, 4, and 5 are included in non-performing loans (NPLs). Business activities carried out by banks in instilling funds are by lending, investing in securities, funding international trade transactions, placing funds in other banks, and the inclusion of stock capital. All of the above instilled activities are not separated from the risk of not being paid back, either partially or entirely. In most countries of the world, of all the bank funds invested in the above four types of businesses, credit is the largest share of the bank's overall operating assets and assets. Even the amount of bank funds in various countries planted in credit, ranges from about 50% to 75% of all property owned.

Credit is the largest source of bank income and profit, and is the type of fund-investing activity that is often the main cause of banks facing major problems. Therefore, the stability of the bank's business is heavily influenced by success in managing credit. The bank's efforts to manage its credit will continue to grow, while the bank's business is always dealing with non-performing loans, then the bank's business will further retreat even in the end the bank is exposed to liquidation. The ability and willingness of debtors to return credit, influenced by 6 kinds of internal and external factors:

- 1) The legal authority of debtors to borrow funds (Capacity to Borrow);
- 2) Character;

- 3) Ability to create incomes;
- 4) The condition of the production facility owned by the debtor (Capital);
- 5) Collateral and credit guarantee conditions and scores;
- 6) General economic development and the field of business in which the debtor operates (Condition of economy).<sup>4</sup>

In the credit agreement made between the creditor and the debtor, although at the time the request for credit is submitted the internal and external factors can be analyzed the validity, but during the period of the credit agreement the condition of those factors is subject to change. Thus, the ability or willingness of the debtor to pay off the credit may change as well. For example, such as the condition of the Indonesian economy at the beginning of the banking crisis that ended in a long economic crisis, and as a result will decrease the number of sales and profitability of most debtor companies. Unfavorable circumstances will interfere with the financial liquidity of debtors, and result in a decrease in the ability to pay off loans owed. In the case of non-performing loans, the debtor reneged on a promise to pay interest and/or a maturing parent loan, resulting in a late payment or no payment at all, and the credit quality deteriorated. In the case of non-performing loans, it is possible that creditors are forced into legal action, or suffer losses in amounts much greater than the estimated amount (at the time of lending) can be tolerated. Therefore, the bank concerned must allocate sufficient attention, effort, funds, time and effort to resolve the case.<sup>5</sup>

Countercyclical policies on the spread of Corona virus disease 2019 (COVID-19) are aimed at boosting banking performance, especially intermediation functions, maintaining financial system stability, and supporting economic growth by providing special treatment of bank loans or financing with a certain amount and restructured credit or financing to debtors affected by the spread of Corona virus disease 2019 (COVID-19) including micro, small, and medium enterprise debtors. Countercyclical policy on the spread of Corona virus disease 2019 (COVID-19) is implemented while taking into account the principle of prudence accompanied by monitoring mechanisms to prevent abuse in the application of moral hazards. Countercyclical policy on the impact of Corona virus disease 2019 (COVID-19) is temporary so it needs to be evaluated and adjusted. Therefore, arrangements are needed on national economic stimulus as a countercyclical policy on the impact of Corona virus disease 2019 (COVID-19) in financial services authority regulations. The Regulation of the Financial Services Authority is POJK No. 11/POJK.03/2020 on National Economic Stimulus as a Countercyclical Policy on the Impact of Corona virus Disease Spread 2019.

Credit Restructure is a financial terminology widely used in banking to save non-performing loans. According to Hasibuan<sup>6</sup>, Restructure or Restructure is a change in credit terms that concerns the addition of bank funds, the conversion of part/all interest arrears into new credit principal, or the conversion of part/all credit into bank participation or taking another partner to increase participation. Restructure is a bank

---

<sup>4</sup> Siswanto Sutojo. 1997. *Menangani Kredit Bermasalah - Konsep, Teknik dan Kasus*, Seri Manajemen Bank No. 4, PT. Pustaka Binaman Pressindo, Jakarta, p. 2

<sup>5</sup> *Ibid*, hlm. 11.

<sup>6</sup> Hasibuan. 2010. *Dasar-Dasar Perbankan*, Edisi Pertama. PT. Bumi Aksara, Jakarta, p.116.



program as an effort to improve credit activities for debtors who have difficulty fulfilling their obligations. Based on Article 1 number 25 of the Financial Services Authority Regulation No. 40/POJK.03/2019 on The Assessment of Asset Quality of Commercial Banks, it is claimed that credit Restructure is: Efforts to improve the bank in credit activities against debtors who have difficulty fulfilling their obligations.

Explanation of Article 53 of the Financial Services Authority Regulation No. 40/POJK.03/2019 on The Assessment of Asset Quality of Commercial Banks, that: Credit Restructure is carried out by:

- (1) Lower interest rates;
- (2) Reduction in credit interest arrears;
- (3) Reduction in principal arrears;
- (4) Extension of the credit term;
- (5) Addition of credit facilities;
- (6) The takeover of the debtor's assets in accordance with the applicable regulations;
- (7) Conversion of credit into temporary capital investment in the debtor company.

During the current pandemic, the rest of the world is being hit by the Covid-19 outbreak which only threatens the health of many people but also has difficulty in the economic sector due to the spread of uncontrolled outbreaks. The condition eventually resulted in an increase in the number or number of non-performing loans due to direct and indirect impacts from the Covid-19 pandemic. One of the efforts that can be made to restore the condition of non-performing loans to return to being current and healthy is the Restructure of credit.

The Covid-19 pandemic that occurred globally not only affected the performance and capacity of debtors but also potentially disrupted banking performance and financial system stability so as to affect economic growth. To encourage the optimization of banking performance, especially in the face of covid-19 pandemic, especially in the intermediation function, maintaining financial system stability, and supporting economic growth, an economic stimulus policy is needed as a countercyclical impact of the spread of corona virus disease 2019 (covid-19). The policy of economic stimulus is as countercyclical as the impact of the spread of corona virus disease 2019 (covid-19) is implemented while promoting the principle of prudence. Non-performing loans occur due to impaired performance of the debtor in carrying out their obligation to pay the debt.

The guidelines or legal basis of the implementation of credit Restructure for debtors affected by Corona virus Disease 2019 (Covid-19) is Financial Services Authority Regulation No. 11/POJK.03/2020 on National Economic Stimulus as a Countercyclical Policy on the Impact of Corona virus Disease Spread 2019. Implementation of credit Restructure based on Article 2 paragraph (2) of POJK No. 11/POJK.03/2020 policies that support economic growth stimulus include:

- (1) Asset quality determination policy;
- (2) Credit Restructure or financing policy.

Banks in implementing policies that support economic growth stimulus are concerned with the implementation of risk management stipulated in the Financial Services Authority regulations on the implementation of bank risk management.

Article 2 paragraph (5) governs the guidelines for determining debtors affected by the spread of corona virus disease 2019 (covid-19) including micro, small, and medium enterprise debtors that contain:

- 1) Criteria of debtors who are determined to be affected by corona virus disease 2019 (covid-19);
- 2) Sectors affected by corona virus disease 2019 (covid-19).

The explanation of Article 5 above is explained that:

Paragraph (1) Credit Restructure or financing can be done on all loans or financing provided to debtors affected by the spread of corona virus disease 2019 (covid-19) including micro, small, and medium enterprise debtors without restrictions.

Paragraph (2) Implementation of Restructure:

- a. Credit for Conventional Commercial Banks is carried out in accordance with the Regulation of the Financial Services Authority regarding the assessment of the quality of the assets of commercial banks;
- b. Financing for Sharia Commercial Bank and Sharia Business Unit is carried out in accordance with the Regulation of the Financial Services Authority regarding the assessment of the quality of assets of Sharia commercial banks and sharia business units.

The provisions on credit Restructure are stipulated in Article 5 of POJK No. 11/POJK.03/2020:

- 1) The quality of the restructured credit or financing is determined current since the Restructure.
- 2) Credit Restructure or financing as referred to in paragraph (1) can be done on credit or financing provided before or after the debtor is affected by the spread of corona virus disease 2019 (covid-19) including micro, small, and medium business debtors.
- 3) Credit for BPR or restructured BPRS financing is excluded from the implementation of accounting treatment of credit Restructure or financing.

The terms regarding credit Restructure for debtors affected by the spread of corona virus disease 2019 (covid-19) are stipulated in Article 6 of POJK No. 11/POJK.03/2020:

- 1) Given to debtors affected by the spread of corona virus disease 2019 (covid-19) including micro, small and medium enterprise debtors; and
- 2) Restructured after debtors are affected by the spread of corona virus disease 2019 (covid-19) including micro, small and medium enterprise debtors.

Banks can set current quality for credit or restructured financing after debtors are affected by the spread of corona virus (covid-19) including micro, small and medium business debtors. For example, the bank restructured the credit of debtor A after being affected by corona virus disease 2019 (covid-19) on February 10, 2020 (before Regulation of the Financial Services Authority No. 11/POJK.03/2020 applies). Debtor Loan A can still be treated specifically in accordance with Financial Services Authority Regulation No. 11/POJK.03/2020 which is determined smoothly since the Bank's monthly report of position at the end of March 2020. The Restructure was carried out as a credit saving effort affected by the spread of Corona virus disease (covid-19) to debtors in good faith including micro, small, and medium-sized business debtors.

### **III. CONCLUSION**

Restructure is carried out as a credit saving effort affected by the spread of Corona virus disease (covid-19) to debtors who have good faith including debit. Pandemi Corona virus Disease 2019 (Covid-19) has an impact on all sides of human life, the side that is severely affected by the spread of Corona virus Disease 2019 (Covid-19) is an economic area. Economic growth is hampered by impaired performance from bank credit debtors so that the capacity and ability to carry out their obligations to pay installments in accordance with what is promised becomes hampered. Disruption of the debtor's performance and capacity also impacted the bank's performance. In order to maintain the level of health and current payment system of debtors, economic stimulus is needed in the form of Financial Services Authority Regulation No. 11/POJK.03/2020 On National Economic Stimulus as a Countercyclical Policy on The Spread of Corona virus Disease 2019 as a legal basis in efforts to save non-performing loans for debtors affected by the spread of Corona virus Disease 2019 (Covid-19) by Restructure methods of micro-business credit Restructure. Small, and medium-sized.

### **REFERENCES**

#### **Books**

Hasibuan. 2010. *Dasar-Dasar Perbankan*, Edisi Pertama, PT. Bumi Aksara, Jakarta.

Mariam Darus Badruzaman.1991. *Perjanjian Kredit Bank*, PT. Citra Aditya Bakti, Bandung.

Siswanto Sutojo. 1997. *Menangani Kredit Bermasalah - Konsep, Teknik dan Kasus*, Seri Manajemen Bank No. 4, PT. Pustaka Binaman Pressindo, Jakarta.

Thomas Suyatno.1997. *dkk, Dasar-Dasar Perkreditan*, Edisi Keempat, PT. Gramedia Pustaka Utama, Jakarta.

#### **Laws**

Act Number 7 Year of 1992 as amended and supplemented by Act Number 10 Year of 1998.

Financial Services Authority Regulation No. 40/POJK.03/2019 on The Assessment of Asset Quality of Commercial Banks.

Financial Services Authority Regulation Number 11/POJK.03/2020 on National Economic Stimulus as a Countercyclical Policy on The Spread of Corona virus Disease 2019.

#### **World Wide Web**

<https://www.merdeka.com/peristiwa/data-terkini-covid-19-di-indonesia-oktober-2020.html>.