



UNIVERSITAS
ISLAM
INDONESIA

Faculty of Law
Universitas Islam Indonesia

In the age of pandemic, Covid-19 had impacts on humans. In relation with the humans has a correlation with the development of law, and thus the committee held the 2020 International Students Colloquium with the topic of "Law and Development During Pandemic Era: Alleviating the Disadvantages to the Law that Affected by Covid-19". The objective of the conference is to acknowledge the participants regarding how the settlement should be the problem and disadvantage caused by the pandemic; to engage the participants to think critically to the polemic issue of law during a pandemic; and as a venue for lecturer, student, and community in responding to poor resolution from each country.

The conference was successfully held on November 28, 2020 along with around 289 participants consist of students and the community. As the concept of the conference comprised between the session for students to make a presentation of the issue they took, and the main session presented by the lecturer. There were 13 students submitted their papers from varies institution background. We glad to receive that they have a unique idea to discuss.

As the output of the conference, the committee proudly publishes the dissemination issue had discussed in the conference by collecting the student's paper in this proceeding. For this reason, this proceeding may inform the readers about the legal issue, particularly, in Indonesia, South Korea and Malaysia.

ISBN 978-623-94803-7-0



FACULTY OF
LAW

PROCEEDING

Law and Development in the Era of Pandemic

Faculty of Law Universitas Islam Indonesia

PROCEEDING INTERNATIONAL

International Student Colloquium 2020

Published in July 2021



law.uii.ac.id

International Proceeding

Law and Development in the Era of Pandemic

Published in July 2021

International Proceeding
Law and Development in the Era of Pandemic

Faculty of Law
Universitas Islam Indonesia,
Special Region of Yogyakarta, Indonesia

Published in July 2021



FH UII PRESS



Publisher
FH UII Press

International Proceeding

Law and Development in the Era of Pandemic

ISBN: 978-6239-4803-7-0

© Faculty of Law, Universitas Islam Indonesia

Cover Design	:	Rahadian Diffaul Barraq Suwartono, S.H.
Layout Design	:	Rahadian Diffaul Barraq Suwartono, S.H.
Published	:	31 July 2021
Conference date	:	28 November 2020
Halaman	:	ix + 137
ISBN	:	978-6239-4803-7-0
Publisher	:	FH UII Press

Tamansiswa Street 158 Yogyakarta, PO BOX. 1133
Phone: +62274-379178, e-mail: penerbitan.fh@uii.ac.id

Editorial Board

Dodik S. N. Heriyanto, S.H., M.H., LL.M., Ph.D. (Universitas Islam Indonesia, Indonesia)
Drs. Agus Triyanta, M.A., M.H., Ph.D. (Universitas Islam Indonesia, Indonesia)
Dr. Nurjihad, S.H., M.H. (Universitas Islam Indonesia, Indonesia)
Dr. Idul Rishan, S.H., LL.M. (Universitas Islam Indonesia, Indonesia)

Board of Reviewer

Bagya Agung Prabowo, S.H., M.H., Ph.D. (Universitas Islam Indonesia, Indonesia)
Prof. Dr. Budi Agus Riswandi, S.H., M.Hum. (Universitas Islam Indonesia, Indonesia)
Assoc. Prof. Jihyun Park, Ph.D. (Yongsan University, South Korea)
Assoc. Prof. Sonny Zuhuda, Ph.D. (International Islamic University Malaysia, Malaysia)
Siti Rahma Novikasari, S.H., M.H. (Universitas Islam Indonesia, Indonesia)
Ayu Atika Dewi, S.H., M.H. (Universitas Islam Indonesia, Indonesia)
Ahmad Sadzali, Lc., M.H. (Universitas Islam Indonesia, Indonesia)

Steering Committee

Dr. Rohidin, S.H., M.Ag.
 Dr. Abdul Jamil, S.H., M.H.
 Hanafi Amrani, S.H., M.H., L.L.M., Ph.D
 Dr. Muntoha, S.H., M.Ag.

Organizing Committee

- Supervisor** : Dr. Abdul Jami, S.H., M.H.
Advisors : Hanafi Amrani, S.H., M.H., LL.M., Ph.D.
 Dr. Nurjihad, S.H., M.H.
 Drs. Agus Triyanta, M.A., M.H., PhD.
 Prof. Dr. Budi Agus Riswandi, S.H., M.Hum.
- Chairman** : Dodik Setiawan Nur Heriyanto, S.H., M.H., LL.M., Ph.D
Vice : Dr. Idul Rishan, S.H., LL.M.
Members : 1. Trisna Samodra. S.Si., M.Kom.
 2. M. Arief Satejo Kinady, A.Md.
 3. Desi Wulandari, S.Sos.
 4. Rr. Sri Nurweningtyas, A.Md.
 5. Novera Widyarani, S.S.
 6. Gita Nastiti Walansari, A.Md.
 7. Amelia Amrina Rosyada, S.H.
 8. Rahadian Diffaul Barraaq Suwartono, S.H.
 9. Yusri Fahmanto, S.E
 10. Helawan Perwiranto, S.Si.
 11. Rahmad Hidayat, S.Kom.
 12. M. Hasbi Ash Shidiki, S.Pd.I
 13. Jeffri Ardiansyah, S.Kom
 14. Dodi Ariyanto

Table of Content

Editorial Board	v
Steering Committee	vi
Organizing Committee	vi
Table of Content	vii
Foreword	ix
Paper Submission of ISC 2020	
1. Impact of the Pandemic Covid-19 on International Trade Law <i>Dodik Setiawan Nur Heriyanto and Jihyun Park</i>	1
2. Analysis of Conventional Mortgage Regulations and Electronically Integrated Mortgage Rights (eMortgage) for Land Deed Officers (PPAT), Mortgagees, and Land Offices in Klaten Regency <i>Dian Shinta Amalia</i>	8
3. The Role of Notaries in Loan Restructuring Impacted by Covid-19 in Islamic Banking <i>Inda Siswanti</i>	18
4. Turning The Substitute Notary Into An Acting Notary Upon The Death Of The Notary Public <i>M. Dani Fadhlurrobban</i>	29
5. Achieving the Role of LPI (Investment Management Institution) as the State Investment Management Institution through the Job Creation Act <i>Amalina Dwi Septiana</i>	38
6. Covid-19, <i>Maqasid</i> Sharia & Islamic Economic Law: VOSviewer Application <i>Aam Slamet Rusydiana, Aisyah As-Salaftiyah, Muhammad Isa Mustafa</i>	47
7. Comprehensive Efforts to Overcome Fintech Interest Rates and Compare with the Conditions of Increasing Fintech in the Pandemic Era <i>Aryana Sekar Widyaningsih</i>	59
8. Criminal Responsibility Towards Public Transportation Companies if Traffic Accidents Based on Law Number 22 Of 2009 Concerning Traffic and Road Transport <i>David</i>	68
9. Modifications to Hire Purchase Act 1967 and Housing Development (Control and Licensing) Act 1966: Protection to Purchaser and Financial Institutions Interests During Covid-19 in Malaysia <i>Imtiyaz Wizni Aufa binti Othman, Izyan binti Nazim</i>	72
10. The Great Reset: Legal Perspective and its Development <i>Jeremy Abraham Guntur</i>	84
11. Literature Review: The Development of E-Court System Technology as a Transformation of Indonesian Law in the COVID-19 Pandemic Era <i>M. Kenza Radhya E. A.</i>	91

12. **Frustrated Contracts by Covid-19 Impacts** 99
Nik Hajar binti Nik Hisham
13. **Advantages and Disadvantages of The Implementation of E-Litigation in Indonesia During the Pandemic Era** 106
Putri Ariqah
14. **Cyber law in Indonesia and Its Relation to Indonesian Copyrights Law** 111
Robima Putri Ridhani
15. **Pandemic Preparedness in Indonesia: The Role of Law and Regulation** 118
Safira Dewata Putri Alpatra
16. **The Legal Implications of Covid-19 in Malaysia: Selected Issues** 125
Syed Ahmed Khabir Abdul Rahman, Saiful Akmal Subaimi
17. **Encourage the Advance of Artificial Intelligent in Replacement the Position of Civil Servant Apparatus During Pandemic to Reduce the Nepotism in Indonesia's Bureaucracy** 132
Yuman Zaghlul Ismail

Foreword

Assalamualaikum, wr., wb.,

In the age of pandemic Covid-19 had impacts toward the humans. In relation with the humans has correlation with the development of law, and thus the committee held the 2020 International Students Colloquium with the topic of “Law and Development During Pandemic Era: Alleviating the Disadvantages to the Law that Affected by Covid-19”. The objective of the conference is to acknowledge the participants regarding how the settlement should be the problem and disadvantage that caused by the pandemic; to engage the participants to think critically to the polemic issue of law during pandemic; and as a venue for lecturer, student, and community in respond to poor resolution from each country.

The conference was successfully held on November 28, 2020 along with around 289 participants consist of students and community. As the concept of the conference comprised between the session for students to make a presentation of the issue they took, and the main session presented by lecturer. There were 13 students submitted their papers from varies institution background. We glad to receive that they have a unique idea to discuss.

As the output of the conference, the committee proudly to publish the dissemination issue had discussed in the conference by collecting the student’s paper in this proceeding. For this reason, this proceeding may inform the readers about the legal issue, particular, in Indonesia, South Korea, and Malaysia.

Wassalamualaikum wr. wb.

Editor in Chief,

Dodik Setiawan Nur Heriyanto, S.H., M.H., L.L.M., Ph.D.

Comprehensive Efforts to Overcome Fintech Interest Rates and Compare with the Conditions of Increasing Fintech in the Pandemic Era

Aryana Sekar Widyaningsih

Student, Faculty of Law, Islamic University of Indonesia, Indonesia *Corresponding Author.
Phone: (+62) 895328801454,
E-mail: 18410613@uui.ac.id

Abstract

Technological developments affect all fields including the economic sector and in the current pandemic era, it is said to be a fast solution for people in search of technology. One of the most popular technologies is financial technology (fintech). Fintech is a financial services company that combines technology in providing services, the existence of fintech is not only running but a complaint for the public, especially peer to peer lending fintech, whose interest is too high so that members of the public. The formulation of the problem in the research is, first, how is the urgency of regulations related to peer-to-peer lending interest rates? Second, what is the situation related to the development of peer-to-peer lending fintech during the Covid-19 pandemic and its impact on society? This study uses a normative legal research method with an invitation visit approach and a conceptual approach. The method of thinking that the writer uses is the method of inductive thinking with qualitative analysis. From these results, first, there must be a regulation governing the law to accommodate interest rate issues, the substance of which is in the form of preventive action and representation from the government, namely stipulating P2P lending interest rate intervals and classification information. Regarding loans and not only contains material provisions on the threat of sanctions, but also sanctions as formal content. Other than that. Second, the impact of the current Covid-19 pandemic on the development of peer-to-peer lending technology and the impact of problems that arise in society.

Keywords: *Fintech, Peer to Peer Lending, Covid-19.*

1. INTRODUCTION

The development of science gives impact to new innovations that have an impact on people's lives. The development of science boosts technological progress and affects every line of life, one of which is economic problems. Then related to the current consistency, namely the covid-19 economic pandemic through technology is one of the quick solutions for the community.

The industrial world is currently experiencing developments in the financial sector, namely financial technology (fintech). Financial technology is an innovation in financial services using technology.¹ The International Monetary Fund (IMF) reported in 2017 that total global investment in fintech companies increased from US \$ 9 billion in 2010 to US \$ 25 billion in 2016.²

Financial technology is engaged in various fields ranging from business payments of 43% to money loans of 17%, one of its which is peer to peer lending.³ In peer-to-peer lending, there are no strong binding rules regarding loan interest, the *Otoritas Jasa Keuangan* (OJK) feels that regulation regarding peer-to-peer lending interest rates is difficult, because it relates to the cost of funds from each company and the various time periods loan. Regarding loan interest rates, Article 17 of the *Otoritas Jasa Keuangan Regulation Number 77 of 2016 concerning Information Technology-Based Lending and Borrowing Services* only states in general that the determination of loan interest rates must take into account the reasonableness and development of the national economy. In the explanation of the article its importance that reasonableness can be measured between the inflation rate or the national level. However, it is unclear what kind of national interest affects the determination of loan interest.

The absence of regulations regarding interest rates resulted in events that were detrimental to the community, one of which was reported on the CNN Indonesia website, Yesi Lia had borrowed from a fintech for Rp. 500,000, but she needed to return Rp. 1,000.000 because too much the interest is set. Lia's interest in using fintech-based loan services is because of the easy process, which is only with a KTP.⁴ The fact that there are still many people who are disadvantaged by peer-to-peer loan interest as in the case above, the *Otoritas Jasa Keuangan* (OJK) needs to make a regulation that not only includes setting interest rates as a precautionary measure, but also contains of threats of repressive measures with supervision, so that a comprehensive rule is created.

The ease and speed of disbursement of funds provided by fintech has indeed attracted the interest of the public, so now massive peer to peer lending services is being used by the public during the current pandemic. From Economics that the

¹ Rusydiaana Aam Slamet, *Bagaimana Mengembangkan Industri Fintech Syariah di Indonesia?* 2018, *Pendekatan Interpretive Structural Model (ISM)*, *Jurnal: Al-Muzara'ah* Vol. 6, No. 2, hlm. 118.

² Harahap Berry A., Idham Prakasa Bary, dkk, 2017, *Perkembangan Financial Technology Terkait Central Bank Digital Currency (CBDC) terhadap Transmis Kebijakan Moneter dan Makroekonomi*, *Paper: Bank Indonesia*, hlm. 9.

³ Rizal Muhamad, Maulina Erna, Kostini Nenden, 2018, *Fintech as One of Financing Solutions for SMEs*, *Jurnal: Pemikiran dan Penelitian Administrasi Bisnis dan Kewirausahaan* Vol. 3, No. 2, hlm. 91.

⁴ Nababan Christine Novita, 2019, *Jerat Mematikan Bunga Pinjaman Online*, <https://www.cnnindonesia.com/ekonomi/20190622223308-78-405569/jerat-mematikan-bunga-pinjaman-online>, accessed on 12 November 2020.

number of P2P Lending defaulters increased by 7% during Covid-19. This increase resulted decrease in the rate of payment to 92.01%.⁵ However, based on the background that has been described, a study was conducted to examine the urgency of ordering regulations regarding peer-to-peer lending fintech interest rates and the substance of these regulations. Then tighten the impact of covid-19 on the use of P2P Lending and its impact on society.

2. PROBLEM FORMULATION

- a. What is the urgency of regulations regarding peer-to-peer lending interest rates?
- b. How is the situation related to the development of peer-to-peer lending fintech during the Covid-19 pandemic and the impact on society?

3. ANALYSIS

The development of science and technology which is increasingly rapid in the digital era today has influenced human behavior patterns in accessing various information and various features of electronic services.⁶ One of the technological developments that is engaged in finance is Financial Technology (Fintech). Article 1 number 1 of Bank Indonesia Regulation Number 19 of 2017 concerning the Implementation of Financial Technology states that financial technology is the use of technology in the financial system that produces new products, services, technology and / or business models and can have an impact on monetary stability and financial system stability. and / or efficiency, smoothness, security and reliability of the payment system.

One type of fintech that is just operating in Indonesia is Peer to Peer Lending (P2P lending). P2P lending was first introduced by Zopa in the UK in 2005. P2P lending is a platform for investing and lending funds for the public.⁷ Article 1 number 3 Regulation of the Otoritas Jasa Keuangan (POJK) Number 77 of 2016 concerning Information Technology-Based Borrowing and Lending Services explains that P2P lending is a financial service provision to bring lenders together with loan recipients in order to enter into a loan and borrowing agreement in rupiah currency directly through an electronic system using the internet network.

Fintech P2P lending has a high percentage in Indonesia, this is due to the fast fulfillment of community needs and uncomplicated requirements. In 2018 the percentage of Fintech P2P lending reached 31% of other fintech developing in Indonesia.⁸ Fintech services based on P2P lending are a marketplace for online money lending and borrowing activities. Online lending and borrowing flows through lending marketplaces or P2P

⁵ Sitingjak Yehezkiel, 2020, Tingkat Wanprestasi Fintech P2P Lending Naik Jadi 7% di Masa Covid-19. <http://www.theeconomics.com/accelerated-growth/tingkat-wanprestasi-fintech-p2p-lending-naik-jadi-7-di-masa-covid-19/>. Accessed on 10 November 2020.

⁶ Sari Alfhica Rezita, 2018, Perlindungan Hukum bagi Pemberi Pinjaman dalam Penyelenggaraan *Financial Technology* Berbasis *Peer to Peer Lending* di Indonesia, *Skripsi: Sarjana Hukum Jurusan Ilmu Hukum Fakultas Hukum Universitas Islam Indonesia*, hlm. 31.

⁷ Darman, 2019, Financial Technology (Fintech): Karakteristik dan Kualitas Pinjaman pada *Peer to Peer Lending* di Indonesia, *Jurnal: Manajemen Teknologi*. Vol. 18, No. 2, hlm. 131.

⁸ Ananta Yanurisa, 2019, *Rahajeng Kusumo Hastuti, Tak Percaya Bunga Fintech Setinggi Langit? Ini Buktinya*, <https://www.cnbcindonesia.com/tech/20190716204353-37-85447/tak-percaya-bunga-fintech-setinggi-langit-ini-buktinya>, Accessed on 10 November 2020.

lending, namely online lending and borrowing service providers that bring together debtors (loan recipients) and investors / creditors (lenders) through a platform provided by the organizer which is easily accessible to everyone.⁹

OJK noted that there have been 29 million accounts that used fintech loan services from January 2019 to May 2019, this shows an increase in the number of 104.48%, then for loan funds that have been channeled reached an increase of 81%, which is Rp. 41 trillion.¹⁰ The number of P2P lending service users is comparable to the number of problem reports received by the Indonesian Funding Fintech Association (AFPI), the Otoritas Jasa Keuangan (OJK), the Indonesian Consumers Foundation (YLKI), and also the Legal Aid Institute (LBH). In November 2018, there were approximately 200 complaints submitted to YLKI. Besides that, LBH also received approximately 700 complaints. The complaint was related to the terror of collecting debt and interest that was too high.¹¹

Discussing further about P2P Lending loan interest rates, it should be noted that in general the determination of credit interest that distinguishes between credit rates and credit is the credit period, quality of credit guarantees, company reputation, competitive products, good relations, and third-party guarantees.¹² The high interest rates for P2P lending are due to the absence of loan guarantees or guarantees. For example, PT. Financial Digital Indonesia, through the *Khedive* platform, offers loans for a period of 12 months with an interest rate of 24%. In addition, there is also PT. Sharing Financial Services that operate with a Rupiah-funded brand and offer loans with an interest rate of 28% per year and subject to a platform fee of 8%, so a total of 36%.¹³

High fintech interest rates are not only detrimental to people's assets, but have reached the stage of taking lives. Reporting from the *Kumparan* page, Slamet Khudori ended his life allegedly because he was involved in an online loan. He was found hanged himself in his rented house, namely on Jalan H. Muchtar, Duri Kosambi, Cengkareng, West Jakarta on Tuesday, November 26, 2019. This allegation was confirmed because beside the victim's body evidence was found in the form of a warning letter containing a prohibition against making a loan on line.¹⁴

The existing regulation regarding fintech interest rates, namely Article 6 paragraph (2) of the Otoritas Jasa Keuangan Regulation Number 77 of 2016 concerning Information

⁹ Amalina Hanifati Nur, Ramdani Muhammad Gholib, Ashiddiqi Muhammad Rasyid dkk, 2019, *Penyelesaian Sengketa dalam Peer to Peer Lending (Pinjam-Meminjam Online)*, Jurnal: Lontar Merah Vol. 2, No.1, hlm. 150.

¹⁰ Adharsyah Taufan, 2019, *Berapapun Suku Bunga Acuan BI Fintech Lending Tetap Mencekik*, <https://www.cnbcindonesia.com/tech/20190716135818-37-85310/berapapun-suku-bunga-acuan-bi-fintech-lending-tetap-mencekik>, accessed on 13 November 2020.

¹¹ Ayuningtyas Rita, 2018, *YLKI Terima 200 Aduan Terkait Fintech*, <https://www.liputan6.com/bisnis/read/3694096/ylki-terima-200-aduan-terkait-fintech>, Accessed on 13 November 2020.

¹² Salola Marsella Dwi, 2019, *Kewajaran Mengenai Isi Perjanjian Terutama Suku Bunga Financial Technology Modalku di Bidang Usaha Mikro*, *Skripsi: Fakultas Hukum Universitas Islam Indonesia* hlm. 43.

¹³ *Ibid.*

¹⁴ Romadoni Ahmad, 2019, *Karyawan Minimarket Bunuh Diri Karena Terlilit Utang Pinjaman Online*, <https://kumparan.com/kumparannews/karyawan-minimarket-bunuh-diri-karena-terlilit-utang-pinjaman-online-1sKqX3hulSI>, Accessed on 15 November 2020.

Technology-Based Lending and Borrowing Services only regulates the maximum lending limit, which is IDR 2,000,000,000. The regulation also does not provide for the interest rate intervals that fintech companies can set. However, Article 17 of the regulation states that organizers provide input on the interest rates offered by lenders and loan recipients by taking into account the reasonableness and development of the national economy. This means that OJK can provide input to fintech companies. It's just that the input is not sufficient to accommodate the interest rate issue because it is not binding but only as a recommendation.

Based on the various cases mentioned above, it is deemed necessary to make a regulation in the form of a firm law regarding financial technology in which there is a P2P lending interest rate. Because even though the presence of P2P lending can help and support lending needs in Indonesia, especially for the unbanked community and micro, small and medium business actors, if the interest rate for the community is too high, fintech lending that was able to help the community will turn into a burden on the community. The absence of strict rules will have an impact on the increasingly rampant fintech platforms that set high interest with easy terms as a lure.

The substance of the regulation is that it must contain provisions on fintech interest rates. However, considering that interest rates are influenced by the cost of funds of each company as well as varying loan terms, the determination of the interest rate can be arranged by providing an interval. Then there must be a classification information regarding the type of loan. Not only containing material provisions, regulations made must contain formal provisions, namely in the form of a mechanism for imposing sanctions. The sanctions here can be through the imposition of administrative sanctions or through civil lawsuits. The threat of administrative sanctions can be divided into four, namely written warnings, government coercion, company suspension, and company license revocation. This civil lawsuit is an effort to advocate for the community against the losses that befell them, the public can not only report losses to OJK, LBH, or YLKI but can also report it to the court.

Facing problems that occur due to P2P lending interest rates, to answer all these problems, a comprehensive regulation is needed. This means that the regulation does not only contain material and formal content as a preventive and repressive effort, but also requires content in the form of regulating supervisory mechanisms by OJK in order to create a sustainable administration and implementation. However, to realize this regulation, all agencies engaged in the financial services sector must carry out their roles as well as possible.

With clear rules related to P2P lending interest rates, the initial goal of P2P lending, which is to help and support community lending needs that are not burdensome to the community itself, will be realized. The community will also have more confidence and trust in using online-based loans. Other impacts can also be felt by the OJK, which will be more courageous in conducting supervision and actions with a clear legal basis. Suggestions and input from the OJK are no longer put aside but are used as the main advice by fintech companies.

The corona pandemic began in February and then became a national problem that

slowly impacts to Indonesia's economy. According to Sri Mulyani, Indonesia's economy cannot avoid the impact of the Covid-19 pandemic. Where in the second quarter of 2020, the economy contracted very deeply, namely minus 5.32%. The main factor causing this was household consumption and investment which contracted deeply.¹⁵ This situation worsened due to the existence of government regulations related to PSBB (Large-Scale Social Restrictions) which of course this affected community mobility.

The decreasing mobility of the people and the amount of public consumption is followed by the decreasing market. Of course, many industries are forced to roll up their mats or stop temporarily. If you look at current developments, there have been many forms of worker dismissal in society because of the impact of this corona. Quoting from coverage 6, 29 million workers were laid off due to corona.¹⁶ From this description, it can be concluded that workers are dismissed due to reduced market demand and the ability to pay workers by the company cannot be done.

The large number of workers who have been laid off or several jobs that have been hampered create new problems. In other words, people who do not have a job due to layoffs or dismissal, will be more passive at home and do not do any work, automatically this situation makes their income absent or reduced. Meanwhile, as a social being and in need of food, people must meet their needs, in the process of meeting those needs, money or income is needed. From this description, it can be understood that there is no opinion but must meet the needs so that people try to find easy and fast ways to deal with these problems.

In overcoming the above problems, the ways that can be done are, firstly related to a decrease in income, it is necessary to have a subsidy from the government which focuses on providing assistance to the needs of the community. Since last April, the government has indeed taken measures to provide for subsidies, namely in the form of basic necessities, BLT (Direct Cash Assistance), BLT UMKM and others.¹⁷ However, it needs to be understood that if necessary, there is accuracy in targeting in the distribution. It is noted that workers have reportedly received a salary subsidy of Rp. 1.2 million, out of the total assistance of Rp. 2.4 million per person, but the number of workers who have received this assistance is still relatively small.¹⁸ So that there is a need for data collection and smoothing back related to the provision of subsidies.

Second, related to wan achievements that emerged in relation to the increase in the use of P2P Lending during the pandemic, but was followed by greatly increased defaults. If you refer to the main problem formulation, then with burdensome interest rates, the

¹⁵ Julita Sembiring Widya, 2020, *Update Sri Mulyani Soal Krisis Ekonomi Akibat Corona, Simak!*, <https://www.cnbcindonesia.com/news/20200828104326-4-182671/update-sri-mulyani-soal-krisis-ekonomi-akibat-corona-simak>, Accessed on 18 November 2020.

¹⁶ Santia Tira, 2020, *29 Juta Pekerja Kena PHK Akibat Corona, Kadin Desak Pemerintah Perluas BLT*, <https://www.liputan6.com/bisnis/read/4325010/29-juta-pekerja-kena-phk-akibat-corona-kadin-desak-pemerintah-perluas-blt>, Accessed on 18 November 2020.

¹⁷ Chusna Farisa Fitria, 2020, *Melihat Efektivitas 9 Bantuan dan Subsidi Pemerintah Selama 6 Bulan Pandemi*, <https://nasional.kompas.com/read/2020/09/03/12090061/melihat-efektivitas-9-bantuan-dan-subsidi-pemerintah-selama-6-bulan-pandemi?page=all>, Accessed on 19 November 2020.

¹⁸ Andika Candra Sapto, 2020, *Buruh Mulai Terima Pencairan Subsidi Gaji, Tapi Belum Merata*, <https://republika.co.id/berita/qfq3db380/buruh-mulai-terima-pencairan-subsidi-gaji-tapi-belum-merata>, Accessed on 19 November 2020.

existence of default will add to the payment burden and new problems in P2P Lending in Indonesia. In addition to clear regulations related to interest rates, it is possible that Fintech may screen or select recipients of aid or loans. Several Fintech have anticipated the potential for increased and ongoing default. An example was done by *Modalku*, who has been making efforts since January. They have taken at least three steps in anticipation, namely tighter selection of prospective borrowers and reacting more quickly to changes in macroeconomic conditions.¹⁹

4. CONCLUSION

Financial technology is engaged in various fields ranging from the payment business to P2P lending. There have been many cases in P2P lending practices, one of the causes is the absence of regulation on interest rates, so that fintech companies set interest rates too high. This fact has an impact on the pattern of life of the people who are not assisted but instead harmed. Because the existing rules are not too binding because they are recommendations. So, regulations equivalent to laws governing financial technology are needed. The regulation must contain the determination of P2P lending interest rate intervals and classification information regarding types of loans so that the purpose of helping and supporting community loan needs can be realized.

The regulation in question does not only contain material provisions such as threats of sanctions, but also formal provisions in the form of a mechanism for imposing sanctions. Sanctions that are stipulated are in the form of administrative sanctions and can also file a civil suit as a community advocacy effort assisted by OJK, LBH and YLKI.

Then, related to the impact of the upgrade on increasing the use of P2P Lending from the perspective of the community so as not to depend on loans on P2P Lending, there is periodic and evenly distributed government subsidies (right on target). There was an increase in online loan users during the COVID-19 pandemic along with the number of outstanding achievers so that there needs to be anticipation for fintech providers or online loans that provide.

REFERENCES

Books and Essay

- Amalina Hanifati Nur, Ramdani Muhammad Gholib, Ashiddiqi Muhammad Rasyid dkk, 2019, *Penyelesaian Sengketa dalam Peer to Peer Lending (Pinjam-Meminjam Online)*, Jurnal: *Lontar Merah* Vol. 2, No.1, hlm. 150
- Darman, 2019, *Financial Technology (Fintech): Karakteristik dan Kualitas Pinjaman pada Peer to Peer Lending di Indonesia*, *Jurnal: Manajemen Teknologi*. Vol. 18, No. 2, hlm. 131.
- Harahap Berry A., Idham Prakasa Bary, dkk, 2017, *Perkembangan Financial Technology Terkait Central Bank Digital Currency (CBDC) terhadap Transmis Kebijakan Moneter dan Makroekonomi*, *Paper: Bank Indonesia*, hlm. 9.

¹⁹ Agung Bintoro, 2020, *Langkah Antisipasi P2P Lending terhadap Kredit Macet* <https://dailysocial.id/post/langkah-antisipasi-p2p-lending-terhadap-kredit-macet>, Accessed on 19 November 2020.

- Rizal Muhamad, Maulina Erna, Kostini Nenden, 2018, *Fintech as One of Financing Solutions for SMEs*, *Jurnal: Pemikiran dan Penelitian Administrasi Bisnis dan Kewirausahaan* Vol. 3, No. 2, hlm. 91.
- Rusydiaana Aam Slamet, Bagaimana Mengembangkan Industri *Fintech* Syariah di Indonesia? 2018, Pendekatan Interpretive Structural Model (ISM), *Jurnal: Al-Muzara'ah* Vol. 6, No. 2, hlm. 118.
- Salola Marsella Dwi, 2019, Kewajaran Mengenai Isi Perjanjian Terutama Suku Bunga *Financial Technology* Modalku di Bidang Usaha Mikro, *Skripsi: Fakultas Hukum Universitas Islam Indonesia* hlm. 43.
- Sari Alfhica Rezita, 2018, Perlindungan Hukum bagi Pemberi Pinjaman dalam Penyelenggaraan *Financial Technology* Berbasis *Peer to Peer Lending* di Indonesia, *Skripsi: Sarjana Hukum Jurusan Ilmu Hukum Fakultas Hukum Universitas Islam Indonesia*, hlm. 31.

Periodicals

- Nababan Christine Novita, 2019, *Jerat Mematikan Bunga Pinjaman Online*, <https://www.cnnindonesia.com/ekonomi/20190622223308-78-405569/jerat-mematikan-bunga-pinjaman-online>, accessed on 12 November 2020.
- Sitinjak Yehezkiel, 2020, *Tingkat Wanprestasi Fintech P2P Lending Naik Jadi 7% di Masa Covid-19*. <http://www.theconomics.com/accelerated-growth/tingkat-wanprestasi-fintech-p2p-lending-naik-jadi-7-di-masa-covid-19/> . Accessed on 10 November 2020.
- Ananta Yanurisa, 2019, *Rahajeng Kusumo Hastuti, Tak Percaya Bunga Fintech Setinggi Langit? Ini Buktinya*, <https://www.cnbcindonesia.com/tech/20190716204353-37-85447/tak-percaya-bunga-fintech-setinggi-langit-ini-buktinya>, Accessed on 10 November 2020.
- Adharsyah Taufan, 2019, *Berapapun Suku Bunga Acuan BI Fintech Lending Tetap Mencekik*, <https://www.cnbcindonesia.com/tech/20190716135818-37-85310/berapapun-suku-bunga-acuan-bi-fintech-lending-tetap-mencekik>, accessed on 13 November 2020.
- Ayuningtyas Rita, 2018, *YLKI Terima 200 Aduan Terkait Fintech*, <https://www.liputan6.com/bisnis/read/3694096/ylki-terima-200-aduan-terkait-fintech>, Accessed on 13 November 2020.
- Romadoni Ahmad, 2019, *Karyawan Minimarket Bunuh Diri Karena Terlilit Utang Pinjaman Online*, <https://kumparan.com/kumparannews/karyawan-minimarket-bunuh-diri-karena-terlilit-utang-pinjaman-online-1sKqX3hulSI>, Accessed on 15 November 2020.
- Julita Sembiring Widya, 2020, *Update Sri Mulyani Soal Krisis Ekonomi Akibat Corona, Simak!* <https://www.cnbcindonesia.com/news/20200828104326-4-182671/update-sri-mulyani-soal-krisis-ekonomi-akibat-corona-simak>, Accessed on 18 November 2020.
- Santia Tira, 2020, *29 Juta Pekerja Kena PHK Akibat Corona, Kadin Desak Pemerintah Perluas BLT*, <https://www.liputan6.com/bisnis/read/4325010/29-juta-pekerja-kena-phk-akibat-corona-kadin-desak-pemerintah-perluas-blt>, Accessed on 18 November 2020.

- Chusna Farisa Fitria, 2020, *Melihat Efektivitas 9 Bantuan dan Subsidi Pemerintah Selama 6 Bulan Pandemi*, <https://nasional.kompas.com/read/2020/09/03/12090061/melihat-efektivitas-9-bantuan-dan-subsidi-pemerintah-selama-6-bulan-pandemi?page=all>, Accessed on 19 November 2020.
- Andika Candra Sapto, 2020, *Buruh Mulai Terima Pencairan Subsidi Gaji, Tapi Belum Merata*, <https://republika.co.id/berita/qfq3db380/buruh-mulai-terima-pencairan-subsidi-gaji-tapi-belum-merata>, Accessed on 19 November 2020.
- Agung Bintoro, 2020, *Langkah Antisipasi P2P Lending terhadap Kredit Macet*, <https://dailysocial.id/post/langkah-antisipasi-p2p-lending-terhadap-kredit-macet>, Accessed on 19 November 2020.