

CHAPTER I INTRODUCTION

A. Context of Study

The concept of human development not only refers to the process of expanding people's choices but also encompasses the level of well-being achieved. Human development is divided into two aspects; *first*, in the form of human capabilities such as improving health and knowledge. *Second*, the application of these capabilities, whether for work or leisure. ¹

Humans have various needs to be fulfilled to sustain life. The fulfilment of these needs is largely influenced by the economic circumstances faced by each individual. In today's modern society, the rising demand for basic needs also drives rapid economic growth. Economic growth in a developing country serves as an indicator that its economy is developing well.² The implementation of economic development must always consider harmony, alignment, and balance across various development elements, including the economic and financial fields.

The banking sector holds a strategic position as an intermediary institution to support the smooth flow of economic activities. The banking and financial sectors are fundamental components of economic growth and stability, exerting a

¹ Matthias Sant,'Ana, "The Evolution of The Concept of Development: From Economic Growth to Human Development", *Democratic Governance and Theory of Collective Action IAP VI/06*, 2008, p, 12.

²Nitami Yuliawati and Gigih Pratomo, "Analisis Pengaruh Kebutuhan Ekonomi Keluarga Terhadap Pendapatan Tenaga Kerja Wanita (Studi Kasus di Industri Kulit Surabaya)", *Economie*, Vol. 01, No. 01, 2019, p. 76.

significant influence over the complexities of markets and financial systems.³ For some people, economic conditions do not hinder the fulfilment of their needs, but for others, economic difficulties often become the reason their needs remain unmet. This problem leads to the fact that it commonly happens for some people to seek assistance from other parties, one of which is the Bank. According to Article 1, paragraph (2) of Law No. 10 of 1998 concerning the Amendment of Law No. 7 of 1992 on Banking, a bank is a business entity that collects funds from the public in the form of deposits and redistribute them to the public in the form of loans or other forms to improve the standard of living of many people.

The main function of banks, as stated in Articles 3 and 4 of the Banking Law is to collect and distribute public funds to support the implementation of national development aimed at improving equality, economic growth, and national stability ultimately enhancing the welfare of the people. To fulfill this function and purpose, the collected funds are then redistributed in the form of credit.

The term "credit" originates from the Roman word "*credere*" which means trust or "*credo*" or "*creditum*".⁴ A person who gets credit is someone who is trusted or has earned the trust of a creditor. According to Chapter II, Article 14 of Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector, credit is defined as the provision of money or bills that can be equivalent to it, based on an agreement or loan agreement between a bank and another party which requires the

³ Aullioui & Mourdi, "Exploring The Full potential of Iot For Better Financial Growth and Stability: A Comprehensive Survey, *Sensors*, Vol. 13, No. 19. p. 8015.

⁴ Budi Untung, *Kredit Perbankan di Indonesia*, Edisi II, Yogyakarta: Andi Offset, p.1.

debtor to pay off the debt within a specified period along with interest.⁵ As a result of the agreement, each party has rights and obligations, with the repayment of the debt to the creditor being one of them.

One of the problems that debtors experience in relation to credit is they are unable to repay their debt to the creditors. To protect creditors' rights, one common way to secure payment is by filing for bankruptcy. Certain conditions must be met to submit a bankruptcy petition. According to Article 2, Paragraph (1) of Law No. 37 of 2004, "A debtor with two or more creditors who fails to fully pay at least one overdue and collectible debts, may be declared bankrupt by a court decision, either upon the debtor's own petition or at the request of one or more creditors."⁶

As a consequence of bankruptcy, all of the debtor's assets at the time of bankruptcy, along with assets obtained during the bankruptcy, are confiscated under what is known as general seizure. Bankruptcy does not eliminate the debtor's obligations; debts must still be repaid to creditors using the debtor's assets with the assistance of a curator. Thus the bankruptcy settlement process is carried out quickly, fairly, openly, efficiently, effectively, and professionally.

In practice, it is not easy for a curator to manage and settle bankrupt assets, since it often requires a considerable amount of time and sometime drags on even after the bankruptcy decision has been issued. Prolongation refers to a situation that continues for an extended period without any settlement. The prolonged

⁵ Law Number 4 2023 on the Development and Strengthening of the Financial Sector.

⁶ Afif Khalid et all "Aspek-Aspek Hukum tentang Permohonan Pernyataan Pailit", *Al'Adl Jurnal Hukum*, Vol. 14, No. 1, January 2022, p. 224.

administration and settlement of bankruptcy assets can result in significant losses for the debtor.

Bankrupt debtors who have good intentions will feel trapped or feel unable to return to a normal state and will face unfavorable treatment from business partners due to the lack of rehabilitation efforts. Such rehabilitation is only attainable after the curator has completed the management and settlement of bankruptcy assets. Therefore, the management and settlement of bankruptcy assets. Therefore, swift and efficient asset management are crucial for debtors with good intentions, enabling them to resume their business operations or even establish new businesses in line with the principle of business continuity. This aligns with practices in Germany regarding the timeline for liquidation of bankruptcy assets. In Germany, under the German Insolvency Act (*Insolvenzordnung*), and in Indonesia under the Bankruptcy Law, both frameworks emphasize the importance of efficiency in the liquidation process to protect creditors' rights while providing debtors with the opportunity to sustain their businesses when feasible. e. In addition, this approach allows viable companies to continue operations despite financial difficulties, fostering an environment where business continuity is valued. This minimizes negative impacts on employees, creditors, and the economy.

In carrying out the management and settlement of bankruptcy assets, curators must be thorough, meticulous, firm, and agile to maximize the sale of the debtor's

assets and expedite the process. This ensures that the management and settlement do not become protracted.⁷

An example of prolonged management and settlement of bankruptcy assets is the bankruptcy case between Hendrawan Rusli (Petitioner) and PT Interkon Enterprise (Respondent) which was declared bankrupt around 2006, and remains unresolved to this day. The latest update on this case, in 2019, was the cessation of with the Decision No. 541 K/Pdt.Sus-Pailit/2019, with no further developments reported since. This 13-year-long process has undoubtedly harmed the bankrupt party, PT. Interkon Enterprise. Although the company has been able to rebuild and resume its operations, it has suffered a loss of trust from its customers and potential creditors. In addition, the respondent's business has not been able to return to normal promptly, resulting in significant disadvantages to the respondent.

In fact, the UUK and PKPU have clearly regulated the timeline for processing bankruptcy assets, from the bankruptcy filing procedure to the bankruptcy declaration petition. The law also provides detailed regulations on the seizure. However, regarding the settlement of bankruptcy assets or the implementation of their bankruptcy decisions, UUK and PKPU do not rigidly stipulate a specific timeframe. This detailed and consistent regulation serves as a guideline to ensure that all forms of asset management and settlement are conducted without undue

⁷ Defa Caesarai Yolanda, "Peran dan Tanggung Jawab Kurator atas Harta Debitor Pailit (Studi Kasus Putusan Nomor 54/Pailit/1011/PN. Niagajkt.pst)", *Bina Mulia Hukum*, Vol. 6, No. 2, 2017, p. 192.

delays, as intended by the principles of bankruptcy, which aims to provide equal benefits and protection for both creditors and debtors.⁸

Another factor causing harm to bankrupt debtors is the actions of the curator responsible for managing and settling bankruptcy assets, who is considered negligent and less professional in carrying out their duties. Implicitly, the curator is expected to innovate in efforts to increase the sale value of the bankruptcy assets. This factor can make the curator responsible for the burden of his personal assets separately from the burden of the bankruptcy assets. In addition, as a party who feels disadvantaged by the curator's actions which are considered negligent and unprofessional as described above, the bankrupt debtor may submit legal action in accordance with the provisions regulated in the applicable legislation as a form of obtaining legal protection.⁹

Based on the case above, it is crucial that the process of managing and settling bankruptcy assets is carried out by the curator in a swift and efficient manner to protect the interests of the bankrupt debtor. This is a major obstacle due to the absence of time limit for asset management and settlement as stipulated by Law No. 37 of 2004 concerning Bankruptcy and Suspension of Debt Payment Obligations, resulting in a lengthy resolution process.¹⁰ Moreover, if there are factors that

⁸ Bernadetha Aurelia Oktavira, *Catat! 11 Asas Kepailitan yang Harus Kamu Tahu*, <https://www.hukumonline.com/klinik/a/catat-11-asas-kepailitan-yang-harus-kamu-tahu-lt63d0e51c80e96/>, accessed on May, 2nd 2024.

⁹ Fitri Novia Heriani, *Ini Sanksi Bagi Kuratot yang Berbuat Curang*, <https://www.hukumonline.com/berita/a/ini-sanksi-bagi-kurator-yang-berbuat-curang-lt60f8d339f1d67/>, accessed on September, 21st 2024.

¹⁰ Aswan Askun, *Kepastian Hukum Batasan Waktu Pengurusan dan Pemberesan Harta Pailit Pada Kepailitan*, Tesis Program Studi Magistes Hukum Litigasi UGM, p. 77.

prolong the the management and settlement process, a well-intentioned bankrupt is entitled to legal protection to ensure they receive their rightful entitlements. Thus, this issue will be studied in a written work entitled:

“LEGAL PROTECTION FOR BANKRUPT DEBTORS REGARDING THE SETTLEMENT OF THEIR ASSETS UNDER BANKRUPTCY SETTLEMENT”

B. Problem Statement

1. Is there a regulation regarding the time frame for the settlement of bankruptcy assets by the curator in Law No. 37 of 2004 on Bankruptcy and Suspension of Debt Payments Obligations (UU KPKPU)?
2. How is the legal protection for bankrupt debtors in bankruptcy settlement based on UU KPKPU referred to the Principles of Balance and Business Continuity?

C. Research Purpose

1. To analyze the existence of regulations regarding the time frame for the settlement of bankruptcy assets by the curator under Law No. 37 of 2004 on Bankruptcy and Suspension of Debt Payments Obligations (UU KPKPU).
2. To analyze the legal protection for bankrupt debtors in bankruptcy settlement based on UUKPKPU referred to the Principles of Balance and Business Continuity.

D. Originality Sheet

Based on a review of previous research to determine the originality of this research, the author identified several prior studies that are similar but address have different legal issues.

No	Author	Title	Differences
1.	Ronald Saija, Kadek Agus Sudiarawan (Jurnal Civil Law Review, Vol. 2 No. 1, 2021)	Perlindungan Hukum Bagi Perusahaan Debitur Pailit dalam Menghadapi Pandemi Covid-19. This research focused on two legal issues; 1. Preventive measures made by debtors in bankrupt companies to reduce bankruptcy caused by Covid 19. 2. Solutions to protect creditors in companies that go bankrupt. ¹¹	Ronald and Kadek (2021) only focused on how to prevent or avoid bankruptcy due to Covid 19 as an uncontrolled condition as well as protection for the creditors, while this current research puts the issue of time frame as the main focus on settling debtors' assets in bankruptcy settlement.
2.	Serlika Aprita (Jurnal Nurani, Vol. 17, No 2, 2017)	Asas Kelangsungan Usaha Sebagai Landasan Filosofis Perlindungan Hukum Bagi Debitur Pailit Sehubungan Tidak Adanya	Serlika (2017) focused her idea to bankruptcy declaration without insolvency test and the consequences of the

¹¹ Ronald Saija & Kadek Agus Sudiarawan, "Perlindungan Hukum Bagi Perusahaan Debitur Pailit dalam Menghadapi Pandemi Covid-19", *Jurnal Civil Law Review*, Vol. 2, No. 1, 2021.

		<p>Insolvency Test dalam Penyelesaian Sengketa Kepailitan. This research focused on two legal issues;</p> <p>a. The regulation of the principle of business continuity in Law No. 37 of 2004 concerning Bankruptcy and Suspension of Debt Payment Obligations (PKPU) as a philosophical basis for legal protection for debtors in bankruptcy declaration decisions without an insolvency test in resolving bankruptcy disputes.</p> <p>b. Forms and mechanisms of legal protection for the continuity of a debtor's business</p>	<p>inexistences of insolvency test after the debtor is declared bankrupt, while this current research has a broader focus discussing legal protection for bankrupt debtors in bankruptcy settlement based on UUKPKPU referred to Principles of Balance and Business Continuity.</p>
--	--	--	---

		<p>which is still has potential after a bankruptcy decision and after the bankruptcy ends in connection with the absence of an insolvency test in the settlement of bankruptcy disputes.¹²</p>	
3.	<p>Runarianu Rachmat, (National Journal of Law, Vol. 3, No 2, 2020)</p>	<p>Perlindungan Hukum Terhadap kreditur Pemegang Jaminan Fidusia Terhadap Harta Debitur yang Dinyatakan Pailit. This research focused on; Legal protection for secured creditors regarding suspension of execution.¹³</p>	<p>Rachmat (2020) dicussed legal protection for creditors, while this current research focuses on the protection for bankrupt debtors.</p>

Given the prior studies mentioned above, the author can confirm that this research is not identical to them. This research focuses on the regulation of the time

¹² Serlika Aprita, “Asas Kelangsungan Usaha Sebagai Landasan Filosofis Perlindungan Hukum Bagi Debitur Pailit Sehubungan Tidak Adanya Insolvency Test dalam Penyelesaian Sengketa Kepailitan”, *Jurnal Nurani*, Vol. 17, No 2, 2017.

¹³ Runarianu Rachmat, “Perlindungan Hukum Terhadap kreditur Pemegang Jaminan Fidusia Terhadap Harta Debitur yang Dinyatakan Pailit”, *National Journal of Law*, Vol. 3, No 2, 2020.

frame for the settlement of bankruptcy assets by the curator under Law No. 37 of 2004 concerning Bankruptcy and Suspension of Debt Payments Obligations (UU KPKPU) and bankruptcy settlement based on UUKPKPU referred to the Principles of Balance and Business Continuity. Thus, this research can be accounted for its authenticity.

E. Literature Review

1. Legal Protection

Law is the entire written and unwritten regulations that are usually coercive for human behavior in society and serve as a bridge between the principles of justice and efficiency¹⁴ for the sake of order and peace within the community. According to Prof. Mahadi Dirdjosisworo, law is a collection of norms that regulate human behavior established to provide legal protection for people.

Legal protection is a protection over the dignity and the recognition of human rights owned by legal subjects under the law, protecting them from arbitrary conduct or as a set of regulations that ensure mutual protection among individuals. Legal protection can be described as a measure to prevent undesirable and illegal behavior by legal subjects in society.¹⁵ Setiono

¹⁴ Zakky, *Pengertian Hukum Menurut Para Ahli Beserta Arti dan Definisinya*, Zona Referensi, <https://www.zonareferensi.com/pengertian-hukum/>, accessed on May, 15th 2024.

¹⁵ Anastasia E. Semyonovkh, "Legal Protection and Legal Defense: Approaches to the Study Concepts", *Euro Asian Law Congress Web of Conference*, 2022, accessed on June, 22th 2024 p. 1.

defines legal protection as a conduct or an effort to protect citizens from arbitrary conduct by authorities that contravene the law, thereby fostering tranquility and order. Thus, individuals can fully experience their dignity and worth as human beings.¹⁶

Legal protection according to Philipus M. Hadjon is a subjective condition indicating an obligation for certain legal subjects to immediately obtain necessary resources to sustain their lives that are protected and guaranteed by law.¹⁷ Furthermore, he categorizes legal protection into two types - preventive legal protection and repressive legal protection.

Legal protection is intended to provide individuals with the freedom to enjoy all the rights granted by law. In other words, legal protection is any effort done by law enforcement to ensure a sense of security, both mentally and physically from disturbances and various threats from any party.¹⁸ Fitzgerald explains Salmond's legal protection theory that the law aims to integrate and coordinate various interests among people by limiting each person's interests to protect the interest of others.

2. Bankruptcy

Bankrupt is derived from the Latin language "*bancus*" meaning table or chair and "*ruptus*" meaning broken. During the Middle Ages in Europe, the

¹⁶ Setiono, *Rule of Law (Supremasi Hukum)*, Magister Ilmu Hukum Program Pascasarjana Universitas Sebelas Maret, Surakarta, 2004, p.3.

¹⁷ Philipus M. Hadjon, *Perlindungan Hukum Bagi Rakyat Indonesia*, Bina Ilmu, Surabaya, 1987, p.2.

¹⁸ Satjipto Rahardjo, *Penyelenggaraan Keadilan dalam Masyarakat yang Sedang Berubah*, *Jurnal Masalah Hukum*, 1993, p. 74.

practice of bankruptcy involved destroying the benches of bankers or merchants who secretly fled, leaving debts and taking the creditors' assets.¹⁹

Bankruptcy is a legal process used to resolve the debts of firms, corporations, some local governments, and individuals facing financial difficulties.²⁰

According to Henry Campbell, as cited by Munir Fuady, bankruptcy originally referred to a situation where a businessman hides or takes actions intended to deceive creditors.²¹ R. Subekti argues that bankruptcy is a collective efforts to distribute payments to every creditor fairly.²² Bankruptcy has legal consequences for the person declared bankrupt by taking away his right to his assets. According to Sri Redjeki Hartono, a bankruptcy institution basically has two functions;

- a. Bankruptcy as an institution provides assurance to creditors that the debtor will not avoid his obligation and will remain responsible for all debts to all his creditors.
- b. It offers protection to the debtor from mass execution by creditors.²³

Bankruptcy is a general confiscation of a debtor's asset to fairly fulfill the creditor's interests.²⁴ The general confiscation is done over all the debtor's

¹⁹ *Ibid.* p. 3.

²⁰ Michelle J. White, *Economics of Bankruptcy*, The Oxford Handbook of Law and Economics, Oxford University Press, 2015, p. 2.

²¹ Munir Fuady, *Hukum Pailit (Teori dan Praktek)*, PT Citra Aditya Bakti, Bandung, 2014, p.7.

²² R. Subekti, *Pokok-pokok Hukum Dagang*, Intermasa, Jakarta, 1995, p.2.

²³ Rahayu Hartini, *Hukum Kepailitan*, cet 3, UMM press, Malang, 2012, p.31

²⁴ J.B. Huizink, *Insolventie*, Pusat Studi Hukum dan Ekonomi Fakultas Hukum Universitas Indonesia, Jakarta, p.2.

assets to achieve a settlement between the debtor and creditors, or the assets will be proportionally distributed to the creditors according to the amount owed to each.²⁵ Another definition of bankruptcy is defined by Mohammad Chaidir Ali, who defines it as mass distribution and equal payment, as fairly as possible, among creditors under government supervision.²⁶

From the various definitions of bankruptcy above, it can be concluded that bankruptcy has to fulfill the following requirements;

- a. the payment is stopped,
- b. there are more than one creditor, and
- c. the debt is collectible and overdue.

The regulations on bankruptcy in Indonesia have developed as follows;

- a. *faillissement verordening S. 1905 No 217 juncto S. 1906 No 348*, as the first bankruptcy law in Indonesia under Dutch Government.
- b. *Peraturan Pemerintah Pengganti Undang-Undang Nomor 1 Tahun 1998 tentang Perubahan atas Undang-Undang tentang Kepailitan* approved as law followed by *Undang-undang Nomor 4 Tahun 1998 tentang Perubahan atas Undang-Undang Kepailitan Menjadi Undang-Undang* that was enacted on September 9th, 1998.
- c. Law No. 37 of 2004 concerning Bankruptcy and Suspension of Debt Payments Obligations enacted on October 18th, 2004.

²⁵ Munir Fuady, *Pengantar Hukum Bisnis*, PT Citra Aditya Bakti, Bandung, 2002, p. 8.

²⁶ Mohammad Chaidir Ali, *Kepailitan dan Penundaan Pembayaran*, Mandar Maju, Bandung, 1995, p. 10.

- d. SEMA 2/2016 Efficiency Enhancement and Transparency in Handling Bankruptcy Cases and Postponement of Debt Payment Obligations in Court enacted on April 25th, 2016.
- e. Supreme Court Chairman Decision RI 109/KMA/SK/IV/2020 Implementation of the Guidebook for Bankruptcy Settlement and Postponement of Debt Payment Obligations enacted on April 29th, 2020.

A country needs to consider principles to ensure the regulations meet the needs of creating bankruptcy law. Similarly, in Indonesia, when formulating bankruptcy law, it is essential to consider the following principles;²⁷

- a. The principle of encouraging investment and business
- b. The principle of providing balanced benefits and protection for both creditors and debtors
- c. The principle that the bankruptcy declaration cannot be imposed on a debtor who is still solvent
- d. The principle of the bankruptcy declaration decision must be approved by the majority of creditors
- e. The principle of freezing or delaying debt payment obligations (standstill)
- f. The principle of recognizing the separable rights of creditors holding collateral

²⁷ Bernadheta Aurelia Oktaviara, *Catat! 11 Asas ... lo.cit.* accessed May 20th, 2024.

- g. The principle that the bankruptcy decision process should not to be prolonged
- h. The principle that the bankruptcy decision process should be open to the public
- i. The principle of personal responsibility for the management who causes the company to go bankrupt
- j. The principle of providing an opportunity for debt restructuring before a bankruptcy decision is made for a debtor who still has a prospective business

The principles of bankruptcy are regulated in the Law No. 37 of 2004 concerning Bankruptcy and Suspension of Debt Payments Obligations as follows;

- a. Balance principle
- b. Business continuity principle
- c. Principle of justice
- d. Principle of integration²⁸

3. Duties and Responsibilities of a Bankruptcy Curator

Article 1, paragraph 5 Law No. 37 of 2004 concerning Bankruptcy and Suspension of Debt Payments Obligations defines a curator as a heritage hall 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

²⁸ Rahayu Hartini, *Hukum Kepailitan*, Edisi Revisi, Malang: UPT UMM, 2007, p. 16-17.

with this law.²⁹ In a state of bankruptcy, the role of a curator is crucial, thus not anyone can be a curator.

The duty of a curator generally is to manage and or settle bankruptcy assets. This duty can be carried out from the date the decision of bankruptcy is declared, even if the decision has not yet been *incracht*. Article 69 of Law No. 37 of 2004 concerning Bankruptcy and Suspension of Debt Payments Obligations states that the curator's duty is to manage bankruptcy assets and must be independent. In other words, it means that the curator appointed has no direct or indirect interest in the bankruptcy assets.³⁰

In addition, the curator is also required to continue the business of the bankrupt debtor, but this must be done with the approval of the creditors' committee. If there is no creditors' committee, the curator may request permission from the supervisory judge to continue the debtor's business. Another duty of the curator is to record all bankruptcy assets in detail and place them in the court clerk's office, where they can be viewed by the public free of charge. This recording must begin no later than two days after receiving the appointment as the curator.

²⁹ Susanti Adi Nugroho, *Hukum Kepailitan di Indonesia dalam Teori dan Praktik Serta Penerapan Hukumnya*, Prenadamedia Group, Jakarta, 2018, p.51.

³⁰ Rahayu Hartini, *Hukum Kepailitan ... ibid*.

F. Definition of Terms

1. Legal Protection

Legal protection is a protection over the dignity and the recognition of human rights held by legal subjects under the law, protecting them from arbitrary actions or a set of rules that ensure mutual protection among individuals.

2. Bankruptcy

Bankruptcy is a general confiscation of a debtor's asset to fairly satisfy the creditor's interests

3. Bankrupt Debtors

A bankrupt debtor is a party declared bankrupt by the court who has two or more creditors and is unable to pay at least one debt that has matured.

G. Research Method

According to Soerjono Soekanto, legal research is a scientific activity based on certain systematics, methods, and ideas aimed at studying one or more specific legal phenomena by analyzing them. It also involves a thorough examination to these legal factors, leading to finding answers to the problem statements in the research.³¹ In addition to the above definition, T.M. Radhie provides a similar definition of legal research as the entire activity based on the scientific disciplines

³¹ Soerjono Soekanto, *Pengantar Penelitian Hukum*, UI Press, Jakarta, 1981, p.43.

to gather, classify, analyze, and interpret facts and their relations in the field of law and other relevant fields.³²

In legal research, to answer the problem statements, a research method is needed. A research method is a series of activities aimed at finding the truth about the problem being studied, starting with an idea. Research methods play a key role as a tool to understand the issues examined in the research, such as social knowledge, legal knowledge, or others. Research methods are very important in guiding the researcher to achieve the research objectives.

1. Type of research

The research conducted is normative legal research. In other words, this research is held by referring to legal norms contained in regulations, court decisions, or norms that exist and are developing in society.³³

2. Approach method

The approach used by the researcher is the statutory approach. The statutory approach places the regulations or statutes related to the topic as the main source or fundamental source in conducting the research.

3. Research object

³² T.M Radhie, "Penelitian Hukum dalam Pembinaan dan Pembaharuan Hukum Nasional", Paper presented in *Seminar Hukum Nasional Ke – III*, BPHN Departemen Kehakiman, Jakarta, 1974, p.14.

³³ Soerjono Soekanto and Sri Mamudji, *Penelitian Hukum Normatif Suatu Tinjauan Singkat*, CV. Rajawali, Jakarta, 1986, p. 16.

Legal protection for bankrupt debtors based on Law No. 37 of 2004 concerning Bankruptcy and Suspension of Debt Payments Obligations (UUKPKPU).

4. Data sources

Research data consists of all valid information or details obtained during data gathering, such as library research or document research, observations, interviews, tests, and other data collection method.³⁴ Primary legal sources are authoritative legal sources, including regulations, official records, or minutes in the drafting of legislation and court decisions.³⁵ Secondary legal sources include all publications related to unofficial documents, such as books or articles discussing certain legal issues, law journals, and commentaries on the judicial decisions.³⁶ Tertiary legal sources provide additional explanations related to primary and secondary legal sources.³⁷

As normative legal research, this research uses secondary legal sources obtained through library research, which consist of:

- a. Primary legal sources: Civil Code (KUHPperdata), Law No. 37 of 2004 concerning Bankruptcy and Suspension of Debt Payments Obligations

³⁴ M. Syamsudin, *Mahir Meneliti Permasalahan Hukum*, Prenada Media Group, Jakarta, 2021, p. 127.

³⁵ Peter Mahmud Marzuki, *Penelitian Hukum*, Kencana: Jakarta, 2007, p.141.

³⁶ Jhony Ibrahim, *Teori dan Metodologi Penelitian Hukum Normatif*, cet. Ke-3, Banyumedia Publishing, Malang, 2007, p.392.

³⁷ I Made Pasek Diantha, *Metodologi Penelitian Hukum Normatif dalam Justifikasi Teori Hukum*, Prenada Media Group, Jakarta, 2016, p. 152.

(UUKPKPU), SEMA 2/2016 Peningkatan Efisiensi dan Transparansi Penanganan Perkara Kepailitan dan Penundaan Kewajiban Pembayaran Utang di Pengadilan, Keputusan Ketua Mahkamah Agung RI 109/KMA/SK/IV/2020 Pemberlakuan Buku Pedoman Penyelesaian Perkara Kepailitan dan Penundaan Kewajiban Pembayaran Utang,

- b. Secondary legal sources: books, experts' opinions, literature, law journals, dissertations, thesis, research reports.
- c. Tertiary legal sources: black's law dictionary, websites, and other supporting and related sources.

5. Data analysis method

This research uses a qualitative descriptive analysis method. Qualitative descriptive analysis involves describing the data qualitatively, which will then be analyzed to address the questions proposed by this research.

6. Research Framework

This research is structured into four chapters, as follows:

1. CHAPTER I

This section presents the study background, problem formulations, the research objectives, the research method used, and the systematics of the research writing.

2. CHAPTER II

This chapter presents an explanation of theories, principles, experts' opinions, and any materials that will be used in this research.

3. CHAPTER III

This chapter explains and elaborates on the analysis conducted from the data collected to answer the research questions.

4. CHAPTER IV

This chapter consists of a conclusion and suggestions derived from the results and discussions presented in previous chapters.