



## Legal impact of debt payment suspension during Covid-19 based on Indonesian bankruptcy law in Indonesia: An analysis of decision number 34/PDT. SUS-PKPU-Pengesahan Perdamaian/2020/PN Niaga SBY

Herman Bastiaji Prayitno, Yuni Soleha

Faculty of Law, Universitas Pamulang, Kota Tangerang Selatan, Indonesia

### Abstract

This study explores the legal implications of implementing the Suspension of Debt Payment Obligations (PKPU) during the Covid-19 pandemic under Law Number 37 of 2004 on Bankruptcy and Suspension of Debt Payment Obligations, focusing on Koperasi Serba Usaha (KSU) Lumbung Artho, which faced an economic crisis during the pandemic. The research examines two main issues: the PKPU process for KSU Lumbung Artho during the pandemic and judicial considerations in determining PKPU decisions under the same law. Using a normative legal methodology and library research, the study analysed primary legal materials, such as statutory regulations, alongside secondary sources, including books, journals, and online articles. The findings indicate that the Covid-19 pandemic did not obstruct the PKPU process, and judicial decisions aligned with Law Number 37 of 2004. The PKPU process allows debtors to propose resolutions to creditors during reconciliation meetings, such as partial or full debt forgiveness, rescheduling payments and interest, transferring assets to creditors, or converting debt into equity, ensuring compliance with the legal framework.

**Keywords:** Legal consequences, suspension of debt payment obligations, peace agreement

### Introduction

Essentially, every human being faces various needs in life. By nature, people generally strive to meet these needs effectively and without obstacles, as humans, being social creatures, have an inherent desire to live decently and achieve sufficiency<sup>[1]</sup>. This drive is not limited to individuals alone; businesses, financial institutions, and micro, small, and medium enterprises (MSMEs), such as cooperatives, also aim to fulfil their needs. Cooperatives, formed by groups of individuals, operate as organisations engaged in business activities. In particular, financial cooperatives manage community funds and utilise these resources for entrepreneurial ventures.

A cooperative can be described as an economic organisation consisting of individuals or entities that allows its members the freedom to join or leave in accordance with existing cooperative regulations. Cooperatives operate based on mutual cooperation and a familial approach among members to manage business activities collectively. They play a vital role in society and provide numerous benefits, including serving as a financial institution offering capital loans to members. Additionally, cooperatives support micro, small, and medium enterprises (MSMEs). The cooperative system's performance—including management, supervision, organisation, membership, and institutional operations—is developed and maintained by its members, who collaborate to advance their collective business efforts. The ultimate goal of cooperatives is to enhance the physical and economic well-being of their members<sup>[2]</sup>.

A cooperative is a business entity established, funded, managed, and supervised by its members for their benefit. Its capital is derived from principal deposits, mandatory deposits, voluntary savings, reserves, and grants. Like other businesses, cooperatives require capital to finance their operations, and the scale of their business activities significantly impacts the economic well-being of their

members. In savings and loan cooperatives, agreements between members and management create legal consequences, establishing rights and obligations for the parties involved. If any party breaches the agreed terms, they must bear responsibility. Non-compliance occurs when one party fails or neglects to perform obligations as specified in the agreement between creditor and debtor.

This is regulated under Article 1238 of the Indonesian Civil Code (KUHP), which states: "A debtor is considered negligent through a summons or similar act, or based on the terms of the agreement itself, when such terms result in the debtor being deemed negligent after the stipulated time has passed."

Since 2020, the global economy has faced a crisis due to the non-natural disaster of the Covid-19 pandemic, which has severely restricted business activities. This situation has affected many entrepreneurs and micro, small, and medium enterprises (MSMEs), including cooperatives, as debtors struggled to meet their obligations on time. Consequently, many debtors and creditors have filed bankruptcy and Suspension of Debt Payment Obligations (PKPU) cases in Commercial Courts, aiming to secure debt repayment.

A pandemic is defined as an outbreak or epidemic that can spread across the entire globe, typically affecting living organisms, particularly humans. The number of cases rises rapidly and unexpectedly, occurring in a specific geographical population<sup>[3]</sup>. Covid-19, or the Corona Virus, is a contagious disease caused by a virus first identified in 2019 in Wuhan, China, and it has since spread to several other countries. In Indonesia, the first confirmed case of Covid-19 was reported on 2 March 2020 in Depok, involving a 31-year-old woman named Sita Tyasutami and her 64-year-old mother, Maria Darmaningsih. Covid-19 is a respiratory virus that causes mild respiratory issues, severe lung infections, and can even result in death. This virus spreads quickly through tiny droplets, and an infected

patient can transmit it to others when they cough, sneeze, speak, or even breathe, making it highly contagious within close proximity (1 metre) to the infected person.

The arrival of the Covid-19 pandemic has caused numerous negative impacts, such as the rapid increase in the number of sick patients and deaths, prompting the government to take swift action by implementing several new policies, including:

1. Closing all public places such as schools, universities, offices, entertainment venues, places of worship, and other locations.
2. Strictly enforcing health protocols, such as handwashing, wearing masks, and maintaining social distancing.
3. Restricting movement between regions, including limiting travel to other cities or countries unless for urgent matters.

This pandemic has triggered a rapid social change that must be addressed swiftly. The effects of this crisis have been felt by all groups, with no one able to avoid its impact. Activities that we once did freely are now limited. Social changes due to Covid-19 have affected various aspects of life, including social structure and functions, values and norms, behaviour patterns, habits, and more. Some behavioural changes in society include:

1. People spending more time at home.
2. Greater attention to health.
3. More cautious social interactions, with people maintaining physical distance from others.

Economic changes include:

1. People becoming more selective in their spending.
2. A rise in people withdrawing their savings from banks, cooperatives, and financial institutions to purchase essential goods during the pandemic.
3. A tendency to avoid taking loans or making investments.

These social and economic changes demonstrate that the Covid-19 pandemic has not only altered human behaviour but has also had significant impacts on all aspects of life, particularly the economy. It is undeniable that Indonesia's economy is currently facing difficult and unstable conditions, resulting in income declines and even bankruptcy threats for some businesses. The sectors most severely affected include tourism, property, trade, and investment, with micro, small, and medium enterprises (MSMEs), especially cooperatives, being particularly vulnerable. Since cooperatives are built from their members, any impact on the members due to the pandemic also affects the cooperative.

The Covid-19 pandemic has brought significant changes to the world, presenting challenges that were previously unimaginable. In Indonesia, Covid-19 has infected over 1.3 million people since the first case was reported in March 2020, with at least 35,000 deaths. However, efforts to curb the spread of the virus have also hindered economic activities, and the impact on the social welfare of society has become increasingly difficult to feel across all communities. Both large and small businesses have been affected, with cooperatives experiencing significant repercussions due to financial problems arising from the pandemic. Many members have withdrawn their savings, and others are

unable to repay their loans, resulting in problematic or defaulted loans. Furthermore, the invested funds have not yet generated returns as the business activities could not be resumed due to the enforcement of social restrictions (PPKM) by the government.

In the business world, things don't always run smoothly, and challenges are inevitable. Entrepreneurs often require additional funds to help their businesses grow and prosper, but obtaining such funds is not always easy. Sometimes, great effort is needed to secure the necessary capital, such as seeking investors or applying for loans from banks. Finding investors and obtaining loans is not as simple as turning one's hand over; securing a loan typically requires collateral or a formal agreement to establish trust. One common method used by business owners to gain trust is by entering into a debt agreement<sup>[4]</sup>. Debt refers to an agreement between two parties, typically involving money as the object of the agreement. In this arrangement, one party is the lender, while the other is the borrower. The borrowed amount is usually expected to be repaid within a specified time, as agreed upon at the outset. If the borrower (debtor) fails to repay the loan within the agreed period, the debtor is considered to have breached the agreement, a situation known as default or "wanprestasi." If this default leads to ongoing conflict between the parties, a dispute arises, and such conflicts can be resolved in two ways: through peaceful and cooperative out-of-court settlement processes or through litigation in court<sup>[5]</sup>.

In resolving disputes, parties often choose a more straightforward and mutually beneficial path, offering the debtor an opportunity to improve their financial situation and repay their debts, while the creditor receives full payment of the debt. As a result, many parties in conflict opt for peaceful solutions, such as filing a request for a Suspension of Debt Payment Obligation (PKPU), a process aimed at resolving outstanding debts between creditors and debtors who have overdue debts but are unable to pay due to reasons like natural disasters or the Covid-19 pandemic. The debtor's inability to repay loans or other debts may lead to the risk of bankruptcy, potentially resulting in the liquidation of their assets. The law provides a pathway for entrepreneurs to avoid bankruptcy and continue their business operations through Law No. 37 of 2004 on Bankruptcy and Suspension of Debt Payment Obligations (PKPU), regulated in Articles 222 to 294. This law helps debtors who are in debt but have a good intention to repay after improving their business.

An example of this is the case of the *Serba Usaha Cooperative (KSU)*, where its members, including Iwan Joko Satoto and Devi Ariyanti, filed a petition due to the cooperative's inability to repay term deposits to its members. This issue arose because the Covid-19 pandemic, a prolonged disaster, severely disrupted the cooperative's finances, preventing it from repaying deposits and other payments. In such cases, the parties involved can apply for a Suspension of Debt Payment Obligation. In a PKPU request, the debtor has the right to propose a settlement plan to the creditors, who can either accept or reject the proposal. If the settlement plan is accepted, the court may postpone or set a hearing date to approve the settlement, with a deadline of 14 working days after the hearing. If the settlement plan is rejected, the Supervising Judge will notify the court of the rejection.

However, several questions arise in the case of PKPU during the Covid-19 pandemic: Is there a link between the pandemic and the Serba Usaha Cooperative's failure to liquidate term deposits that were due to its members? Did the panel of judges take the Covid-19 pandemic's impact into account when making their decision in the Serba Usaha Cooperative case?

### Research method

According to Peter Mahmud Marzuki, legal research is a process of discovering legal rules, principles, and doctrines to address legal issues at hand. The research methodology in scientific research is a crucial factor. Research can be trusted for its accuracy if it uses the correct method, making it easier to find concrete solutions that align with the research objectives. Based on the background and problem formulation, the type of research method used in this study is normative legal research, which is descriptive in nature<sup>[6]</sup>. The approach used in this thesis is a normative legal method. The research not only examines legal articles, legislation, and expert opinions but also applies normative materials to review and analyse field data presented in the study. Normative legal research involves efforts to inventory positive law, discover legal principles and doctrines, and identify applicable legal standards for resolving specific legal issues. The research is descriptive in nature, aiming to provide a comprehensive understanding of the prevailing legal conditions in a particular area or the legal phenomena occurring in society<sup>[7]</sup>.

The data sources in this research are secondary, consisting of: (a) primary legal materials with binding legal force, such as the 1945 Constitution, Civil Code, Law No. 37 of 2004 on Bankruptcy and Suspension of Debt Payment (PKPU), and Commercial Court Decision No. 34/Pdt.Sus-PKPU-Peace Approval/2020/PN Niaga Sby; (b) secondary legal materials explaining primary sources, including books, internet articles, research findings, and seminar results relevant to the study; and (c) tertiary legal materials, which supplement and clarify primary and secondary materials, such as newspapers, journals, legal dictionaries, and other references. Data collection relies on library research or document study through reading, reviewing, and analysing legal texts, laws, and research papers. The legal analysis employs qualitative methods to process and interpret secondary data, forming responses and conclusions that address the research issues.

### Result and Discussion

#### The Legal consequences of the implementation of debt payment suspension

According to Soeroso in his book *Introduction to Legal Studies*, legal consequences refer to actions undertaken to achieve a desired outcome as regulated by law, which are termed legal acts. Meanwhile, Ridwan Halim defines legal consequences as all outcomes resulting from legal actions taken by legal subjects concerning legal objects or other outcomes caused by specific events deemed as legal consequences by the applicable law<sup>[8]</sup>. Legal consequences arise from legal events, which in the Indonesian language can be understood as occurrences that either give rise to the application of the law or are connected to it. Legal rules consist of events linked to existing legal provisions<sup>[9]</sup>.

The forms of legal consequences include<sup>[10]</sup>: (a). The creation, alteration, or termination of a legal state; (b). The

establishment, modification, or dissolution of a legal relationship between two or more legal subjects, where the rights and obligations of one party correspond with the rights and obligations of the other party; (c). The imposition of sanctions when an act contrary to the law is committed.

Soeroso, in the same book, explains that a legal act or action only occurs when there is a "declaration of intent." This intent requires the individual's willingness to initiate an action that results in consequences regulated by law<sup>[11]</sup>. A declaration of intent is not inherently bound to specific forms, except in cases where exceptions apply. It may take the following forms: (a). Written declaration of intent, which can be done through self-written documentation, documents prepared by an authorized official, or signed by an official in the form of an authentic deed. (b). Verbal expression, where a declaration of intent may be conveyed verbally, such as saying "agree," "okay," or similar affirmations. (c). Gestures, including clear expressions through movements or body language, such as nodding to indicate agreement, shaking the head to signify refusal, or pursing lips to show disapproval. (d). Implied declaration, where intent is inferred from silent conduct or behaviour, for instance, remaining silent during a meeting may indicate agreement. (e). Types of legal acts: Unilateral acts, where actions are performed by a single party that create rights and obligations for that party alone; Bilateral acts, where actions are carried out by both parties, creating mutual rights and obligations, such as the approval of a PKPU settlement plan (Article 265 of the Indonesian Civil Code).

Soeroso also elaborates on non-legal acts, emphasizing that for a legal act to occur, it must be accompanied by a declaration of intent. This declaration serves as a criterion for distinguishing legal acts. Based on this criterion, any action resulting in consequences unintended by the involved party is not considered a legal act, even if those consequences are governed by legal provisions.

Legal consequences refer to all outcomes arising from legal actions performed by a subject concerning a legal object or other consequences resulting from specific events as determined or recognised by applicable law. They may also result from actions intended to achieve outcomes desired by both the actor and the law. Legal consequences can stem from events caused by specific reasons or actions undertaken by individuals, whether in compliance with or contrary to legal regulations<sup>[13]</sup>. In the context of Suspension of Debt Payment Obligations (PKPU), Sutan Remy Sjahdeini, in his book *Sejarah, Asas, dan Teori Hukum Kepailitan*, cites Fred B.G. Tumbuan, explaining that PKPU fundamentally differs from bankruptcy. The suspension referred to in PKPU is not based on the debtor's inability to pay debts (insolvency) and does not aim solely at liquidation or serve only the debtor's interests but also considers the interests of creditors<sup>[4]</sup>.

The Suspension of Debt Payment Obligations (PKPU) affects the debtor's legal status, especially regarding their ability to manage or dispose of assets. Under Law No. 37 of 2004, the debtor needs approval from the administrator to take any actions concerning their property during the PKPU period. This means the debtor's control over their assets is restricted. Additionally, any actions taken without approval that benefit the debtor's estate can be charged to their assets. However, PKPU does not stop ongoing legal cases or prevent new lawsuits against the debtor, as specified in the law.

The Suspension of Debt Payment Obligations (PKPU) primarily applies to concurrent creditors, as outlined in Articles 244 and 246 of Law No. 37 of 2004. PKPU does not apply to secured creditors or creditors with preferential rights. Article 244 specifies that claims secured by collateral (such as pledge, fiduciary, mortgage) or preferential claims are not affected by PKPU. Additionally, Article 246 establishes that secured and preferential creditors cannot execute their rights during the PKPU period, which typically lasts 90 days for bankruptcy, or as long as the PKPU process continues. As a result, during PKPU, both preferential and secured creditors are temporarily treated like concurrent creditors, meaning they cannot enforce their claims or execute collateral during this period.

### **The Institution Handling Bankruptcy and Suspension of Debt Payment Obligations (PKPU) Based on Law No. 37 of 2004 on Bankruptcy and Suspension of Debt Payment Obligations**

The Commercial Court is a court established to provide an alternative dispute resolution outside of arbitration bodies, with the purpose of resolving bankruptcy cases. It is a manifestation of Law No. 14 of 1970 on the Fundamentals of Judicial Power, which has been amended several times, and is currently regulated under Law No. 48 of 2009. Article 27 of the 2009 Law establishes that there is a special court within the Indonesian judicial system, one of which is the Commercial Court.

Although Law No. 37 of 2004, an update to Law No. 4 of 1998, does not provide a clear definition of the Commercial Court, it states that the authority to examine and rule on bankruptcy cases lies with the commercial court, which is part of the district court system. According to Law No. 4 of 2004, the judicial power is exercised by the Supreme Court and the courts beneath it, including the district court, religious court, military court, administrative court, and the Constitutional Court.

The jurisdiction of the Commercial Court in Indonesia is outlined in Law No. 37 of 2004, specifically in Article 300, which includes authority over disputes in the following areas: (a). Reviewing and deciding bankruptcy petitions; (b). Reviewing and deciding requests for Suspension of Debt Payment Obligations (PKPU); (c). Examining other business-related disputes as stipulated by law, such as intellectual property disputes.

The Commercial Court has four distinguishing characteristics: (a). Absolute Competence: This refers to the court's exclusive authority to hear certain types of cases. (b). Limited Jurisdiction: The Commercial Court is located only in major cities such as Medan, Jakarta, Makassar, Semarang, and Surabaya. (c). Simplified Evidence System: In bankruptcy disputes, the court uses a simplified system of evidence, where, for example, a debtor is deemed bankrupt if there are two or more creditors, and the debts are due but unpaid by the debtor. (d). Legal Remedies: In general courts, appeals can be made to higher courts, including the appellate level, cassation in the Supreme Court, and judicial review. However, in bankruptcy cases, there is an additional remedy available, namely the Judicial Review (PK) within the Commercial Court.

The jurisdiction of the Commercial Court can be seen from the territorial authority it covers. For example, the Commercial Court in Central Jakarta has authority over the provinces of the Special Capital Region of Jakarta, West

Java, Banten, South Sumatra, Lampung, and West Kalimantan. Meanwhile, the jurisdiction of the Commercial Court in Semarang covers Central Java and the Special Region of Yogyakarta. The Commercial Court in Medan has authority over North Sumatra, Riau, Bangka Belitung, West Sumatra, Bengkulu, Jambi, and the Special Region of Aceh. The Commercial Court in Surabaya handles bankruptcy cases in East Java, South Kalimantan, Central Kalimantan, East Kalimantan, Bali, West Nusa Tenggara, and East Nusa Tenggara. Lastly, the Commercial Court in Makassar oversees South Sulawesi, Southeast Sulawesi, Central Sulawesi, North Sulawesi, Gorontalo, Maluku, North Maluku, and the provinces of Papua Barat, East Papua, and Central Papua.

Despite the establishment of these five Commercial Courts to help resolve bankruptcy cases, it is still difficult for petitioners (bankruptcy applicants) living far from the court locations. For example, petitioners from Papua face significant costs and time commitments to register their cases at the Commercial Court in Makassar. A similar issue arises for petitioners in West Kalimantan who must register their cases in Central Jakarta. Therefore, the government needs to establish more Commercial Courts to reach regions that are difficult to access with the current setup.

The COVID-19 pandemic posed a unique challenge for the implementation of Suspension of Debt Payment Obligation (PKPU) in the Commercial Court. According to the Restructuring and Insolvency Chamber of Indonesia (RICI), the number of bankruptcy and PKPU petitions significantly increased during the pandemic. From 2021 until July 30th, 310 PKPU petitions were registered in the Central Jakarta Commercial Court, 25 in the Semarang Commercial Court, 64 each in the Surabaya and Medan Commercial Courts, and 27 in the Makassar Commercial Court. Data from CNCB Indonesia revealed that the number of cases in 2021 reached 1,298, a substantial increase from 747 cases in 2020, meaning the number of cases had doubled. It is anticipated that the number of cases will continue to rise in 2022, as the pandemic has not yet ended.

The COVID-19 pandemic also impacted the performance of cooperatives in Indonesia, especially credit cooperatives, as they faced liquidity shocks. According to experts in Cooperatives and SMEs, 70% of cooperatives, particularly savings and loan cooperatives, experienced disruptions due to the pandemic, such as withdrawals from members and increasing non-performing loans. Moreover, the implementation of emergency public activity restrictions (PPKM) affected economic activities, especially for businesses run by cooperative members, leading to a decrease in their revenues and further destabilizing the financial health of the cooperatives.

The data and cases involving cooperatives and businesses show that the COVID-19 pandemic is not just a physical health issue but also a financial one. This crisis has had a significant impact on many companies, including SMEs. The increasing number of bankruptcy and PKPU cases proves that the existence of the Commercial Court and Law No. 37 of 2004 on Bankruptcy and Suspension of Debt Payment Obligations (PKPU) has facilitated companies, including small businesses, in considering and formulating a debtor's proposed restructuring plan (homologation) to find common ground between the debtor's repayment capacity and creditors' claims. This also helps stabilize businesses' financial situations during the COVID-19 pandemic,

allowing them to continue operating and improving their economic conditions.

### **The KSU (Multipurpose Cooperative) Lumbung Artho During the Covid-19 Pandemic**

Lumbung Artho Multipurpose Cooperative (KSU) is located in Malang, at Jalan Letjen Sutoyo No. 8A, Rampal Celaket, Klojen District. The cooperative, which operates as a savings and loan cooperative, was established under Deed No. 76 before Notary/PPAT Woro Indah Soeryandari, S.H., on 30 April 2010, and was recognised by the Malang Mayor's Decree No. 518/7/35.73.112/2010 on 28 June 2010. Lumbung Artho is represented by Moh. Abudullah, the Chair of the Management, and Yudi Wiyono, the Secretary of the Cooperative's Management, in PKPU matters. The cooperative serves its 36 members by providing savings and loan services, assisting with business capital, emergency funding, and other financial needs.

Chronology of the Case in the Petition for Suspension of Debt Payment Obligation (PKPU) between Lumbung Artho Multipurpose Cooperative (KSU) and the applicants is as follows: a. A petition was submitted by cooperative members Iwan Joko Satoto and Devi Ariyanti against Lumbung Artho Multipurpose Cooperative (KSU); b. The respondents in the PKPU petition were unable to pay their debts that had matured and were due for collection by the PKPU applicants.

Lumbung Artho Multipurpose Cooperative (KSU) was named as the respondent in the PKPU due to its inability to pay interest on deposits and repay savings on time. During the Covid-19 pandemic, the cooperative faced financial difficulties as there was a significant increase in withdrawals, delayed repayments, and installment payments from members, leading to problematic loans. The downturn in the property market also resulted in sluggish property sales from the cooperative's investments. Additionally, the cooperative faced substantial monthly obligations for deposit interest, amounting to IDR 800 million.

As a result of these issues, the cooperative held a meeting with its members on Monday, 3 August 2020, to vote on and approve a peace proposal. The total claims represented 2/3 of the total claims of the Concurrent Creditors, with the claims amounting to IDR 46,165,050,000 from 25 Concurrent Creditors. The peace proposal was submitted in accordance with the voting mechanism outlined in Article 281, Paragraph (1) of Law No. 37 of 2004 on Bankruptcy and Suspension of Debt Payment Obligations, offering a solution to address the existing issues related to PKPU.

The submission of the peace proposal is not the final resolution, but rather the beginning of the settlement process. It is hoped that there will be an agreement among the members to resolve the PKPU process. The proposal represents a commitment from the cooperative and all parties involved to resolve the PKPU, enabling the cooperative to address its financial problems caused by the Covid-19 pandemic and return to normal operations. In this regard, the cooperative seeks peace for the following objectives: a. To achieve legal certainty for all parties; b. To ensure fair treatment for all members with time deposits; c. To enhance the cooperative's productivity, ultimately fulfilling all obligations to the cooperative's time deposit members.

Lumbung Artho Multipurpose Cooperative (KSU) (in PKPU) is presenting this proposal to all its members

through the Commercial Court at the Surabaya District Court, as part of the framework to facilitate the return of deposits by the cooperative. The aim is for the cooperative to optimally restructure the return of deposits to all members with time deposits. Lumbung Artho Cooperative (in PKPU) (hereafter referred to as "the Cooperative") is a legal entity established under the Malang Mayor's Decree No. 519/7/35.73.112/2010 on 28 June 2010. As per the Surabaya Commercial Court ruling No. 34/Pdt.Sus-PKPU/2020/PN Niaga Sby dated 9 July 2020, the cooperative is in a temporary PKPU status.

### **The Content of the Commercial Court Ruling No. 34/Pdt.Sus-PKPU-Approval of Settlement/2020/PN Niaga Sby**

In addressing the issues of this research regarding the legal responsibilities of the Cooperative Savings and Loans of *Serba Usaha*, based on the Surabaya Commercial Court Decision No. 37/Pdt-Sus-PKPU-Approval of Settlement/2020/PN Niaga Sby, the court partially granted the PKPU petition from Iwan Joko Satoto and Devi Ariyanti, declaring the *Serba Usaha Cooperative (KSU) Lumbung Artho* in a state of Temporary PKPU for 45 days. The court appointed Mr. I Ketut Tirta, S.H., M.H., as the Supervising Judge and Gunadi Handoko, S.H., M.M., MHum. C.L.A., as the Curator and Administrator. Additionally, the court suspended the costs of the PKPU petition until the matter was completed and rejected the petitioners' request for anything beyond the specified terms.

### **The Judge's Considerations in Deciding the Suspension of Debt Payment Obligations (PKPU)**

In deciding on the Homologation, the Panel of Judges followed the relevant articles and laws concerning Homologation. The law used as a basis for the decision was Law No. 37 of 2004. The Homologation plan, accepted by the parties involved, included the following provisions: (1). The cooperative acknowledges all term deposits owed to its members, minus any payments made by the cooperative; (2). The cooperative seeks capital infusion for housing development on available land; (3) The plan includes the construction of 70 homes as the first phase, aiming to increase income from property sales and resume loans to members; (4) The cooperative will return the deposits to members in several groups based on the total deposit amounts, with different repayment schedules for each group; (5) Repayments will begin in January 2021, with potential for an earlier completion if housing development progresses faster than expected; (6) The total term deposit to be repaid is IDR 58.276 billion; (7) Asset details include land for housing, member receivables, properties on Suhat and Cerme streets, and 70 units under construction; (8) Factors that could hinder the success of the plan include economic uncertainty and risks, requiring full cooperation from all members to provide the necessary capital for housing development. The proposal for a peaceful resolution was approved by the majority of creditors, with a vote showing that 70% of creditors agreed. Despite some creditors initially opposing the peace agreement, the Panel of Judges could reject it under Article 285 of the Law if there were signs of fraud or an imbalance of assets. Reports from the supervising judge and administrators were crucial to the decision. After reviewing these, the Panel of Judges, supported by the recommendation of the supervising judge,

decided to homologate the peace agreement. The cooperative was ready to settle its debts, and the peace agreement was considered valid. The Panel issued a ruling confirming the agreement and instructing both the cooperative and creditors to adhere to it. The ruling reflects the judges' careful consideration, based on evidence and recommendations, and the court's ability to process the request despite the Covid-19 pandemic. This case demonstrates that the pandemic did not hinder the Surabaya Commercial Court from processing the Suspension of Debt Payment Obligation (PKPU) petition, as outlined in Law No. 37 of 2004.

### Conclusion

Based on the research and discussions presented, several conclusions can be drawn:

1. The legal process for debt payment through a Suspension of Debt Payment Obligation (PKPU) under Law No. 37 of 2004 involves several stages. These include submitting a PKPU request, interim PKPU, publishing the ruling, listing claims, holding meetings to match claims, and negotiating a peace plan, which may include debt forgiveness, rescheduling debt repayment, or transferring assets to creditors. The process culminates with the approval of the peace plan by the Surabaya Commercial Court and payment of fees to the administrators.
2. The PKPU request filed by Iwan Joko Satoto and Devi Ariyanti against the Koperasi Serba Usaha (KSU) Lumbung Artho was due to the cooperative's financial difficulties caused by the Covid-19 pandemic, which led to an inability to pay term deposits and debts. The pandemic disrupted the cooperative's finances, and PKPU was used as a legal tool to protect both the debtor and creditors from bankruptcy, as outlined in Law No. 37 of 2004.
3. The legal effect of a PKPU is that the debtor is not obligated to pay its debts, and creditors cannot demand payment during this period. For example, in the case of the Surabaya Commercial Court No. 34/Pdt. Sus-PKPU, the KSU debtor owed IDR 55,043,774,000. Once the peace agreement was approved by the court, it became legally binding for both parties.
4. As discussed, the Covid-19 pandemic did not hinder the process of submitting, considering, and granting the PKPU request. The Surabaya Commercial Court successfully processed the PKPU petition and made its ruling despite the challenges posed by the pandemic.

### References

1. Supramono Gatot. *Perjanjian Utang Piutang*. Jakarta: Kencana Prenada Media Group, 2013.
2. Pramono Nindy. *Beberapa Aspek Pada Umumnya dan Koperasi Indonesia di dalam Perkembangan*, Yogyakarta: TPK Gunung Mulia, 2004.
3. Purwanto Agus, *et al.* *Studi Eksplorasi Dampak Pandemi Covid-19 terhadap Proses Pembelajaran Online di Sekolah Dasar*. Tangerang: Universitas Pelita Harapan, 2020.
4. Supramono Gatot. *Perjanjian Utang Piutang*. Jakarta: Kencana Prenada Media Group, 2013.
5. Usman Rachmadi. *Pilihan Penyelesaian Sengketa di Luar Pengadilan*, Bandung: Citra Aditya Bakti, 2003.

6. Marzuki Peter Mahmud. *Penelitian Hukum*, Jakarta: Kencana, 2008.
7. Muhammad Abdulkadir. *Hukum dan Penelitian*, Bandung, Citra Arya Bakti, 2004.
8. Soeroso R. *Pengantar Ilmu Hukum*, Jakarta: Sinar Grafika, 2011.
9. Halim A Ridwan. *Pengantar Ilmu Hukum Dalam Tanya Jawab*. Jakarta: Galia Indonesia, 1985.
10. Isra Muhammad Saldi. *Pengantar Ilmu Hukum edisi pertama*, Jakarta: Kencana, 2015.
11. Soeroso R. *Pengantar Ilmu Hukum*, Jakarta: Sinar Grafika, 2011.
12. Sanjaya Umar Haris. *Penundaan Kewajiban Pembayaran Utang Dalam Kepailitan*. Yogyakarta: NFP Publising, 2011.
13. Halim A Ridwan. *Pengantar Ilmu Hukum Dalam Tanya Jawab*. Jakarta: Galia Indonesia, 1985.
14. Sjahdeini Sutan Remy. *Sejarah, Asas, Dan Teori Hukum Kepalitan Edisi Kedua*, Jakarta: Kencana, 2016.