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Legal Protection in Fiduciary Security Disputes between Creditors and Debtors

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Abstrak

Jaminan fidusia merupakan pranata jaminan kebendaan yang menopang pembiayaan berbasis benda bergerak karena memungkinkan debitur tetap menguasai dan memanfaatkan objek jaminan, sementara kreditur memperoleh kedudukan preferen untuk menjamin pelunasan utang. Persoalan hukum muncul ketika status wanprestasi diperdebatkan, objek tidak diserahkan secara sukarela, atau penagihan berkembang menjadi penguasaan sepihak. Artikel ini mengkaji perlindungan hukum yang proporsional bagi kreditur dan debitur pada tahap pembentukan, pendaftaran, wanprestasi, penagihan, eksekusi, dan penyelesaian sengketa. Penelitian menggunakan metode hukum normatif dengan pendekatan peraturan perundang-undangan, kasus, dan konseptual, serta perbandingan fungsional terbatas melalui literatur. Analisis bertumpu pada Undang-Undang Jaminan Fidusia, putusan Mahkamah Konstitusi, regulasi pelindungan konsumen sektor jasa keuangan, dan literatur nasional maupun internasional. Kajian ini menunjukkan bahwa perlindungan yang efektif memerlukan lebih dari titel eksekutorial sertifikat: pendaftaran yang sah, klausula wanprestasi yang objektif, dokumentasi penagihan, pembuktian penyerahan sukarela, pengawasan pihak ketiga, dan akses terhadap forum penyelesaian sengketa harus saling mendukung. Kontribusi artikel berupa model perlindungan tiga tahap, yaitu pembentukan dan pendaftaran, wanprestasi dan penagihan, serta eksekusi dan pascaeksekusi, yang mengintegrasikan kepastian hak jaminan, due process, dan akuntabilitas perilaku pelaku usaha.

Kata Kunci: Jaminan Fidusia; Kepastian Hukum; Penyelesaian Sengketa.

Abstract

Fiduciary security supports financing against movable assets by allowing debtors to retain possession while granting creditors priority in repayment. Disputes arise when default is contested, surrender is refused, or collection develops into unilateral repossession. This article examines proportionate protection for creditors and debtors across creation, registration, default, collection, enforcement, and dispute resolution. It uses normative legal research with statutory, case, and conceptual approaches, supplemented by limited functional comparison through the literature. The analysis draws on the Fiduciary Security Law, Constitutional Court decisions, financial services consumer protection rules, and scholarship. Protection beyond the certificate's enforcement authority requires valid registration, objective default clauses, documented collection, evidence of voluntary surrender, third-party oversight, and access to dispute resolution. The article proposes a three-stage model covering creation and registration, default and collection, and enforcement and its

aftermath. The model integrates certainty of security rights, due process, and accountability for market conduct.

Keywords: Fiduciary Security; Legal Certainty; Dispute Resolution.

INTRODUCTION

Fiduciary security plays an important role in financing by allowing ownership to be transferred on trust while the collateral remains in the physical possession of the security grantor.[1] This arrangement allows debtors to continue using vehicles, inventory, machinery, receivables, and other movable assets for productive or consumption purposes. Creditors, in turn, acquire a proprietary security right intended to improve debt recovery if the principal obligation is not performed. Fiduciary security therefore allocates risk between the party providing finance and the party retaining control of the assets.

Collateral law influences how financial institutions assess risk and determine the amount they are willing to lend. Calomiris and his coauthors show that weaknesses in the legal treatment of movable collateral can reduce loan-to-value ratios and direct lending toward immovable assets.[2] Campello and Larrain similarly find that expanding the assets available as collateral can improve access to credit and support firms' economic activity.[3] These findings cannot be transferred mechanically to Indonesia. They nevertheless indicate that certainty concerning the creation, publicity, priority, and enforcement of security rights has consequences for financing markets.

Indonesian fiduciary security law makes registration central to the creation of a security right enforceable against third parties. Government Regulation Number 21 of 2015 governs registration procedures and administrative matters concerning the preparation of fiduciary deeds.[4] Enforcement disputes may therefore originate in defects at the creation stage, including imprecise descriptions of collateral, inconsistent debt records, late registration, or contractual changes that are not reflected in the file. An approach that considers protection only after repossession overlooks the preventive safeguards that determine the quality of evidence when a dispute arises.

Constitutional Court Decision Number 18/PUU-XVII/2019 changed the interpretation of the certificate's enforcement authority. The Court held that default cannot be determined unilaterally by the creditor where it is disputed and placed conditions on direct enforcement when the debtor objects to voluntarily surrendering the collateral.[5] The decision did not abolish fiduciary security as an enforceable security mechanism. It changed the conditions for exercising that

[1] Republic of Indonesia, Undang-Undang Nomor 42 Tahun 1999 tentang Jaminan Fidusia, Lembaran Negara Republik Indonesia Tahun 1999 Nomor 168, Tambahan Lembaran Negara Republik Indonesia Nomor 3889.

[2] Charles W. Calomiris et al., "How Collateral Laws Shape Lending and Sectoral Activity," *Journal of Financial Economics* 123, no. 1 (2017): 163–88, https://doi.org/10.1016/j.jfineco.2016.09.005.

[3] Murillo Campello and Mauricio Larrain, "Enlarging the Contracting Space: Collateral Menus, Access to Credit, and Economic Activity," *Review of Financial Studies* 29, no. 2 (2016): 349–83, https://doi.org/10.1093/rfs/hhv069.

[4] Republic of Indonesia, Peraturan Pemerintah Nomor 21 Tahun 2015 tentang Tata Cara Pendaftaran Jaminan Fidusia dan Biaya Pembuatan Akta Jaminan Fidusia.

[5] Constitutional Court of the Republic of Indonesia, Decision Number 18/PUU-XVII/2019, January 6, 2020.

authority. The legal effect of the certificate must consequently be considered alongside the existence of default, the debtor's position on surrender, and the need for judicial involvement where the relevant conditions are contested.

Decision Number 2/PUU-XIX/2021 clarified this conditional approach. Where the debtor acknowledges default and voluntarily surrenders the collateral, enforcement does not invariably require a new lawsuit. Where the parties cannot agree on default and voluntary surrender, the creditor must use the procedures provided by law.[6] Decision Number 71/PUU-XIX/2021 subsequently clarified that the competent authority referred to in the elucidation of Article 30 of the Fiduciary Security Law is the district court.[7] These decisions establish procedural safeguards that need to be reflected in financing contracts and standard operating procedures.

In financial services, debtor protection also intersects with consumer protection. Financial Services Authority Regulation Number 22 of 2023 requires financial services businesses to conduct collection in accordance with social norms and legislation. Its collection standards prohibit threats, violence, physical or verbal pressure, and conduct that humiliates consumers.[8] The existence of a valid debt does not give the creditor unrestricted discretion over collection methods. The right to payment remains recognized, while collection and requests for surrender must satisfy standards of legality, proportionality, traceability, and respect for consumer rights.

Previous research identifies a need to improve contracts following the constitutional reinterpretation. Hidayah and her coauthors emphasize clear default clauses and negotiation in the design of fiduciary contracts and enforcement.[9] Salvia and Putri examine changes to direct enforcement within a consumer rights framework, treating limits on unilateral action as a means of balancing creditors' security rights and debtors' protection.[10] Both studies point to the need for protection to operate through a consistent sequence of procedures rather than through disconnected documents and forums.

The relationship between creditor and debtor cannot be reduced to a fixed distinction between a stronger and a weaker party. Creditors require realizable security rights, while debtors require safeguards against repossession based on an unreviewable unilateral assessment. Research on debt collection in European Union member states highlights the roles of licensing, supervision, conduct standards, and remedies for abusive practices.[11] Consumer credit regulation more broadly must also

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[6] Constitutional Court of the Republic of Indonesia, Decision Number 2/PUU-XIX/2021, August 31, 2021, para. 3.14.3.

[7] Constitutional Court of the Republic of Indonesia, Decision Number 71/PUU-XIX/2021, February 24, 2022.

[8] Financial Services Authority, Peraturan Otoritas Jasa Keuangan Nomor 22 Tahun 2023 tentang Pelindungan Konsumen dan Masyarakat di Sektor Jasa Keuangan, art. 62.

[9] Nur Putri Hidayah et al., "Modeling the Contract and Execution Fiduciary on Constitutional Court Decision," *Journal of Human Rights, Culture and Legal System* 3, no. 1 (2023): 95–108, https://doi.org/10.53955/jhcls.v3i1.76.

[10] Merva Putri Salvia and Luh Putu Yeyen Karista Putri, "Constitutionality of the Execution of Fiduciary Guarantees within the Framework of Consumer Rights Protection," *Jurnal Konstitusi* 21, no. 2 (2024): 275–91, https://doi.org/10.31078/jk2127.

[11] C.-G. Stănescu, "Regulation of Abusive Debt Collection Practices in the EU Member States: An Empirical Account," *Journal of Consumer Policy* 44, no. 2 (2021): 179–216, https://doi.org/10.1007/s10603-020-09476-8.

reconcile access to credit, market stability, and protection of service users.[12] Against this background, this article asks how protection can be organized across the life of a fiduciary security relationship. It develops a three-stage model linking the creation of security rights to collection, enforcement, and final accounting.

RESEARCH METHOD

This article uses normative legal research, examining legal rules and doctrine through library materials rather than collecting field data.[13] It adopts three principal approaches. The statutory approach examines fiduciary security, contract law, consumer protection, and Financial Services Authority regulations. The case approach focuses on Constitutional Court Decisions Number 18/PUU-XVII/2019, Number 2/PUU-XIX/2021, and Number 71/PUU-XIX/2021. The conceptual approach examines legal certainty, good faith, contractual balance, due process, and preventive and remedial protection in fiduciary security disputes. Limited functional comparison draws on scholarship concerning mortgage enforcement, movable collateral reforms, and debt collection abroad. These comparisons identify relevant regulatory principles without assuming that foreign institutions or empirical findings apply directly to Indonesia.

Primary, secondary, and tertiary legal materials were gathered through library research.[14] They were analyzed qualitatively through legal reasoning and interpretation to formulate protection grounded in legal certainty, fairness, good faith, proportionality, contractual balance, and due process. The resulting model is a normative proposal; its effectiveness in financing practice would require separate empirical assessment.

RESULTS AND DISCUSSION

The Normative Structure of Fiduciary Security and Protection of Both Parties

Fiduciary security is accessory to the principal obligation it secures. An enforcement assessment must therefore establish the validity of the principal obligation, the outstanding amount, the date on which performance became due, and the performance already made. The binding force of agreements and the requirement of good faith provide a basis for demanding performance while limiting abuse of contractual power. Where these underlying facts remain unclear, an enforcement dispute also involves questions about the obligation and the evidence needed to establish it.[15]

The proprietary dimension of fiduciary security arises through the statutory framework, particularly registration, which provides publicity and establishes the creditor's priority.[16] That dimension coexists with the contractual relationship between creditor and debtor. Protection must accordingly be examined at two levels: the validity and publicity of the security right against third parties, and the lawful

[12] Iain Ramsay and Toni Williams, "Peering Forward, 10 Years After: International Policy and Consumer Credit Regulation," *Journal of Consumer Policy* 43, no. 1 (2020): 209–26, https://doi.org/10.1007/s10603-019-09436-x.

[13] Agus Satory et al., *Metode Penelitian Hukum* (Tahta Media, 2024).

[14] Nurul Qamar and Farah Syah Rezah, *Metode Penelitian Hukum: Doktrinal dan Non-Doktrinal*, ed. Abdul Kahar Muzakkir and Faisal Rahman (CV. Social Politic Genius (SIGn), 2020).

[15] Nur Insani et al., *Hukum Acara Perdata* (Kalimantan Selatan: Ruang Karya Bersama, 2025).

[16] Republic of Indonesia, Undang-Undang Nomor 42 Tahun 1999 tentang Jaminan Fidusia.

exercise of that right against the debtor on the basis of provable default.[17] This distinction avoids treating a contract alone as sufficient to produce every proprietary effect or treating a certificate as unconditional authority regardless of the principal obligation.

Constitutional concerns arise when the certificate is treated as sufficient authority to take possession without procedural oversight. The reinterpretation of enforcement authority affects the balance between creditors' recovery interests, debtors' possession, and lawful execution.[18] Legal certainty consequently depends on clear prerequisites, authority, evidence, and procedures before enforcement begins. It cannot be measured solely by the creditor's ability to act quickly.

Protecting both parties does not require allocating identical risks to each. Creditors ordinarily control financing administration, contract drafting, registration, balance calculations, and notices. Debtors control the collateral and know the circumstances of its use. Responsibility for documenting a fact should generally rest with the party best placed to produce the relevant evidence. The party maintaining payment records should be able to demonstrate an accurate history, while the party possessing the collateral should preserve it and refrain from unlawful transfers. This allocation supports both efficient proof and procedural fairness.

Scholarship following Decision Number 18/PUU-XVII/2019 places good faith and protection of the parties at the center of fiduciary enforcement.[19] For creditors, protection means that a validly created and registered security right can be realized once the legal conditions are met. For debtors, it means that repossession does not proceed on the basis of a unilateral determination of genuinely disputed facts. A workable procedure enables both parties to test those facts against the same evidence and anticipate the available legal route before conflict becomes a physical confrontation.

Comparison with parate executie, or direct enforcement, of mortgage rights illustrates the economic function of a special recovery procedure. Hirsanuddin and Sudiarto explain that this mechanism is intended to provide relatively efficient repayment while protecting the parties concerned.[20] Mortgage and fiduciary enforcement procedures are not identical. The relevant comparison is that effective security requires a predictable recovery route, while the legitimacy of that route depends on controls over unilateral power. Efficiency therefore needs to be assessed within the conditions that make enforcement lawful.

Preventive Protection through Contracts Registration and Evidence

Protection should begin before funds are disbursed. Contracts should specify the amount owed, payment schedule, default conditions, notice procedure, any agreed cure period, restructuring options where available, arrangements for

[17] Nur Insani, Sumiyati Beddu, and Sri Nanang Meiske Kamba, *Hukum Perdata dalam Teori dan Praktik* (Kabupaten Banjar: Ruang Karya Bersama, 2025).

[18] Shohib Muslim et al., "The Meaning of 'Strength Executive' in the Constitutional Court Decision for the Execution of Fiduciary Securities," *Legality: Jurnal Ilmiah Hukum* 31, no. 1 (2023): 1–20, https://doi.org/10.22219/ljih.v31i1.23244.

[19] Celina Tri Siwi Kristiyanti, "Legal Protection of the Parties in Credit Agreement with Fiduciary Guarantee after the Issuence of Constitutional Court Decision No. 18/PUU-XVII/2019," *NOTARIIL Jurnal Kenotariatan* 6, no. 2 (2021): 65–77, https://doi.org/10.22225/jn.6.2.2021.65-77.

[20] Hirsanuddin and Sudiarto, "Perlindungan Hukum Bagi Para Pihak (Kreditur dan Debitur) Melalui Parate Executie Obyek Hak Tanggungan," *Jurnal IUS Kajian Hukum dan Keadilan* 9, no. 1 (2021): 253–67, https://doi.org/10.29303/ius.v9i1.890.

surrender, and mechanisms for objections. Default clauses are particularly important after the Constitutional Court decisions.[21] A clause allowing the creditor alone to declare default on its own assessment does not resolve a factual dispute. Objective indicators, such as a payment remaining overdue after a specified date and notice, make the relevant circumstances more readily verifiable by both parties and a dispute resolution forum.

Registration should be treated as a prerequisite for legal certainty. The deed, principal agreement, and registration data must be consistent, especially as to the parties' identities, the collateral description, the secured amount, and the underlying obligation.[22] Creditors should maintain the certificate, contractual history, restructuring records, and amendments in an auditable file. Debtors should receive sufficient information about the security's status. Such transparency helps prevent disputes about whether the security right was validly created and which asset is actually encumbered.

Contract quality and clear default conditions are important features of fiduciary enforcement after the Constitutional Court decisions.[23] They support compliance review at the beginning of the transaction. As a preventive practice, a financing institution should ensure before disbursement that the deed is properly prepared, registration is completed, the collateral can be identified, and security records correspond to credit records. This proposed practice also protects debtors against collection based on information that no longer reflects the legal relationship.

Notices should form part of the evidentiary record. A reliable system records the due date, the time and content of warnings, the communication channel, evidence of receipt, the debtor's response, and the outcome of negotiations. These records help address problems associated with unilateral interpretations of default and enforcement authority.[24] A complete communication history enables creditors to show how default was established and gives debtors an opportunity to demonstrate payment, restructuring, or a calculation error.

Voluntary surrender requires its own evidentiary safeguards because it determines whether possession can be transferred without judicial assistance. Decision Number 2/PUU-XIX/2021 identifies court enforcement as the available route where agreement on default and voluntary surrender is absent.[25] A surrender record should identify the officer, time, place, condition of the asset, basis of the arrears, opportunity to read the document, and provision of a copy. A signature obtained through intimidation should not be treated as consent. An express refusal requires the creditor to pursue the appropriate judicial procedure instead of attempting forcible repossession.

Preventive protection also requires an effective complaints mechanism. The Consumer Protection Law recognizes rights to information, proper treatment, and dispute resolution in consumer relationships.[26] Where a debtor provides preliminary

[21] Hidayah et al., "Modeling the Contract and Execution Fiduciary."
[22] Republic of Indonesia, Peraturan Pemerintah Nomor 21 Tahun 2015.
[23] Hidayah et al., "Modeling the Contract and Execution Fiduciary."
[24] Salvia and Putri, "Constitutionality of the Execution of Fiduciary Guarantees."
[25] Constitutional Court, Decision Number 2/PUU-XIX/2021, para. 3.14.3.
[26] Republic of Indonesia, Undang-Undang Nomor 8 Tahun 1999 tentang Perlindungan Konsumen, Lembaran Negara Republik Indonesia Tahun 1999 Nomor 22, Tambahan Lembaran Negara Republik Indonesia Nomor 3821.

evidence of an unrecorded payment, omitted restructuring, or an incorrect collateral description, field collection should be paused for verification. Correcting such errors before repossession is less costly than attempting to remedy a wrongful seizure. A complaints process can therefore warn both parties of a developing problem before it results in further harm.

Creditor Protection during Default and Enforcement

Creditors require effective protection because financing relies on repayment capacity and collateral value to mitigate risk. Cross-country research indicates that the quality of collateral law affects credit access and the allocation of economic activity.[27] Loan-level evidence from European reforms also indicates that facilitating the use of movable collateral can increase secured lending, although effects on pricing and covenants are not uniform.[28] These findings support predictable enforcement while cautioning against assessing legal design through recovery speed alone. Costs, risks, and the conduct of both parties also matter.

A creditor's position is strongest when four elements can be demonstrated together: a valid principal obligation, lawfully created and registered security, default established by objective criteria, and voluntary surrender or a judicial basis for taking possession. This evidentiary structure connects contract law with security law. The Civil Code supplies the general framework for contractual validity, binding force, and good faith.[29] Separating these elements can produce either a contractual claim unsupported by effective security or reliance on a certificate without establishing that performance is actually due. Legal certainty improves when the obligation and the security right can be traced through a coherent record.

Decision Number 2/PUU-XIX/2021 does not require every fiduciary enforcement to proceed through court.[30] A nonjudicial route remains available where default is acknowledged and the collateral is surrendered voluntarily. Financing institutions should therefore use a clear protocol to distinguish cooperative cases from contested ones. That protocol should prohibit intimidation, require verifiable surrender, and identify when a case must be referred to legal staff. This preserves efficiency while leaving disputed legal questions to the competent forum.

Creditor risk also concerns the continued existence and possession of the collateral. The Fiduciary Security Law restricts certain transfers of encumbered assets and imposes obligations on the security grantor.[31] Risk management should begin with accurate asset identification, current address records, documentation of changes in possession, and monitoring of conduct that may reduce the asset's value or availability. Any tracking technology should have a lawful basis, be transparently disclosed, remain proportionate to its purpose, and never be used to justify forcible repossession.

Efficient judicial enforcement also protects creditors. When default is contested and surrender refused, the economic function of security may be weakened if proceedings take longer than the time in which a movable asset loses substantial

[27] Calomiris et al., "How Collateral Laws Shape Lending and Sectoral Activity."

[28] Steven Ongena et al., "Movables as Collateral and Corporate Credit: Loan-Level Evidence from Legal Reforms across Europe," *Journal of Banking & Finance* 170 (2025): 107331, https://doi.org/10.1016/j.jbankfin.2024.107331.

[29] Republic of Indonesia, Kitab Undang-Undang Hukum Perdata (Burgerlijk Wetboek).

[30] Constitutional Court, Decision Number 2/PUU-XIX/2021, para. 3.14.3.

[31] Republic of Indonesia, Undang-Undang Nomor 42 Tahun 1999 tentang Jaminan Fidusia.

value. Scholarship on the certificate's enforcement authority after the Constitutional Court decisions reflects this need to protect recovery interests within lawful procedures.[32] Due process should therefore focus proceedings on the actual dispute, including the security's validity, default, the identity of the asset, and the basis for taking possession.

Debtor Protection against Unilateral Repossession and Abusive Collection

Default is a legal circumstance with defined consequences. It does not authorize every method of collection. Decision Number 18/PUU-XVII/2019 restricts unilateral enforcement where default is not agreed and the debtor objects to voluntarily surrendering the collateral.[33] These safeguards do not extinguish the debt or confer immunity from lawful enforcement. They require coercive power to be exercised through a procedure open to legal scrutiny. A debtor in default remains responsible for performance or surrender under the applicable legal mechanism, while a reasoned objection should be resolved through that mechanism rather than through unauthorized self-help.

The most immediate risks arise in encounters between debtors and collection officers. Financial Services Authority Regulation Number 22 of 2023 prohibits collection through threats, violence, physical or verbal pressure, or conduct that humiliates consumers.[34] Collection officers should be identifiable, carry verifiable authorization, explain the basis of the obligation, and stop attempts to take possession when refusal requires the matter to follow a disputed enforcement procedure. These safeguards protect debtors and reduce creditors' exposure to liability arising from third-party conduct.

Collection conduct has a distinct compliance framework. Under Financial Services Authority Regulation Number 22 of 2023, outsourcing collection does not remove the financial services business's responsibility for the consequences of cooperation with another party.[35] Creditors should give effect to that responsibility through vendor selection, training, audit, incident reporting, and contractual sanctions. A collection contract should therefore be supported by supervision capable of identifying and correcting misconduct in practice.

Comparative research supports the need for such accountability. Drawing on information from 26 European Union member states, Stănescu maps differences in licensing, supervision, conduct codes, abusive practices, and remedies in debt collection.[36] Indonesia need not reproduce a European model. Relevant design principles include identifiable and supervised collectors, clear prohibitions, accessible communication records, and effective complaint channels. Explicit standards help distinguish firm collection efforts from intimidation.

Access to information enables debtors to make informed decisions. Consumer protection law provides the general basis for this requirement.[37] Before surrender is

[32] Muslim et al., "The Meaning of 'Strength Executive.'"

[33] Constitutional Court, Decision Number 18/PUU-XVII/2019.

[34] Financial Services Authority, Peraturan Otoritas Jasa Keuangan Nomor 22 Tahun 2023, art. 62.

[35] Financial Services Authority, Peraturan Otoritas Jasa Keuangan Nomor 22 Tahun 2023, art. 61(5).

[36] Stănescu, "Regulation of Abusive Debt Collection Practices."

[37] Republic of Indonesia, Undang-Undang Nomor 8 Tahun 1999 tentang Perlindungan Konsumen.

requested, debtors should understand the arrears, charges, basis of default, any available restructuring options, consequences of surrender, and the way sale proceeds will be credited. Disclosure also assists creditors because it helps establish that surrender was informed. Where automated systems are used, human review remains important so that an error in recording payment or restructuring does not automatically become an instruction for field collection.

Dispute Resolution within the Three Stage Protection Model

Dispute resolution should begin by identifying the issue. A fiduciary dispute may concern the debt balance, the timing of default, registration validity, collateral identity, voluntariness of surrender, collection conduct, or accounting for sale proceeds. These issues may require different evidence and forums. A complaint about collection conduct, for example, does not automatically determine the debt balance, while litigation over the amount owed may not itself remedy a conduct violation. Within the protection model proposed here, verification, consensual resolution, and judicial intervention provide a practical sequence for managing such disputes. This sequence should not be read as requiring the parties to complete every step before using an available legal remedy.

The first response is internal verification and administrative correction. Creditors should be able to review payments, registration, balances, restructuring, notice history, and collateral data promptly. Errors should be corrected before collection resumes. Where the records support the creditor's position, the verification result should be provided in writing so that the debtor can consider payment, any agreed restructuring, voluntary surrender, or a dispute forum. This approach is consistent with scholarship emphasizing clear default conditions and negotiation before disputes escalate.[38]

The second response is negotiation, mediation, or another appropriate consensual mechanism. An agreement may provide for installments, restructuring, a voluntary sale, or surrender accompanied by an agreed accounting. The outcome should be recorded in writing to avoid creating another dispute. Syamsudin's study of consumer dispute resolution in Indonesia shows that difficulties can arise where consumer redress mechanisms and court processes do not connect effectively.[39] Evidence and verification records should therefore remain available for later proceedings, subject to the applicable rules of evidence.

Judicial intervention is required where the relevant facts cannot be agreed and coercive enforcement is sought. Decision Number 2/PUU-XIX/2021 explains the role of district court enforcement when agreement on default and voluntary surrender is absent.[40] Decision Number 71/PUU-XIX/2021 further identifies the district court as the competent authority in the elucidation of Article 30.[41] In such cases, the court supplies legal authority for enforcement where consent is unavailable. The practical challenge is to keep the procedure sufficiently prompt and directed at the facts actually in dispute.

[38] Hidayah et al., "Modeling the Contract and Execution Fiduciary."

[39] M. Syamsudin, "The Failure of the Court to Protect Consumers: A Review of Consumer Dispute Resolution in Indonesia," *Journal of Consumer Policy* 44, no. 1 (2021): 117–30, https://doi.org/10.1007/s10603-020-09470-0.

[40] Constitutional Court, Decision Number 2/PUU-XIX/2021, para. 3.14.3.

[41] Constitutional Court, Decision Number 71/PUU-XIX/2021.

Fiduciary enforcement following Decision Number 18/PUU-XVII/2019 cannot be understood as a single route applicable in every case. Scholarship on consumer rights situates changes to direct enforcement within the balance between debtors and creditors.[42] The resulting framework distinguishes a nonjudicial route supported by acknowledged default and voluntary surrender from judicial enforcement where the necessary basis for direct action is contested. Contracts, notices, and operating procedures should explain how the appropriate route is selected.

The three stages of protection concern the life of the security relationship. The first covers creation and registration, requiring clear contracts, identifiable collateral, accurate registration, and disclosure of costs. The second covers default and collection, with objective default indicators, notices, verification of objections, and lawful collection conduct. The third covers enforcement and its aftermath, requiring evidence of voluntary surrender or a judicial basis, transparent realization of the collateral, and verifiable final accounting. The dispute responses described above may operate within these stages; they are not a separate definition of the three-stage model.

This structure also benefits creditors. Reliable documentation reduces dependence on field action and improves the ability to prove a claim before a dispute forum. Research on movable collateral reforms indicates that legal arrangements affect secured lending and financing conditions.[43] Although that evidence does not establish the effect of the proposed model in Indonesia, it shows why enforcement institutions matter economically. Standard procedures can reduce uncertainty about when security may be realized and how an objection should be resolved.

Implications for Regulation and Financing Practice

The first implication is a need for standards at the points that most often generate disputes. Implementing rules could specify minimum default clauses, notice content, evidence of voluntary surrender, provision of document copies, and enforcement reports. Research on the meaning of enforcement authority after the Constitutional Court decisions identifies the importance of how the certificate's legal force is interpreted and applied.[44] Clear procedures can preserve the certificate's function while making compliance easier for consumers, regulators, and courts to assess.

The second implication is a clearer distinction between payment collection, requests for surrender, taking possession, and sale. These acts involve different degrees of intervention and require appropriate authority. The Financial Services Authority's collection standards provide part of the relevant compliance framework.[45] An officer authorized to issue payment reminders is not automatically entitled to take possession. Operating procedures should identify authorizations, required documents, stopping conditions, and escalation to legal staff. Defining these functions also improves audit and responsibility where a third-party company is involved.

The third implication concerns data quality. Contracts, fiduciary deeds, registration evidence, payment records, restructuring, notices, complaints, and

[42] Salvia and Putri, "Constitutionality of the Execution of Fiduciary Guarantees."
[43] Ongena et al., "Movables as Collateral and Corporate Credit."
[44] Muslim et al., "The Meaning of 'Strength Executive.'"
[45] Financial Services Authority, Peraturan Otoritas Jasa Keuangan Nomor 22 Tahun 2023, art. 62.

collateral status should be connected in a single accessible file. Integrated records allow collection to stop after a valid payment or restructuring and allow judicial documents to be prepared more quickly when needed. The consumer protection analysis of fiduciary enforcement underscores the need for a clear mechanism and reviewable factual basis.[46] Accurate data are consequently a practical prerequisite for determining default and selecting an enforcement route.

The fourth implication concerns the relationship between recovery speed and due process. Rules that make security practically unrealizable may increase financing costs, while repossession without verification creates disputes and risks violating rights. Mao's research links collateral value to secured borrowing capacity and investment in innovation.[47] Li, Ng, and Saffar examine how movable collateral reforms affect trade credit and the allocation of financing risk.[48] These studies concern other settings and do not establish the effects of a particular Indonesian procedure. They nevertheless show that security law distributes risks beyond an individual enforcement dispute. A workable reform should combine prompt procedures with evidence prepared from the beginning of the contractual relationship.

CONCLUSION

Legal protection in fiduciary security disputes connects the creditor's right to repayment with the debtor's right to lawful process. The Constitutional Court decisions preserve the enforcement function of fiduciary security while making its exercise conditional on default and voluntary surrender. Legal certainty therefore depends on the certificate together with the quality of the contract, registration, evidence, and enforcement procedure.

The proposed protection model covers three stages: creation and registration, default and collection, and enforcement and its aftermath. The first requires clear contractual terms, collateral identification, and consistent registration. The second requires objective default indicators, notices, a correction mechanism, and lawful market conduct. The third requires proof of voluntary surrender or a judicial basis, transparent realization of the collateral, and a verifiable final account.

Financing institutions should strengthen documentation, vendor governance, and decisions based on accurate records. Debtors should have sufficient information, opportunities to correct errors, complaint channels, and effective dispute forums. These safeguards do not excuse valid obligations. They ensure that security rights are exercised on a factual and procedural basis that both parties can examine.

Effective security and due process can support the same financing system. Provable rights, clear procedures, and auditable collection conduct reduce opportunities for conflict and make recovery more predictable. The model offers a normative basis for preserving the economic function of movable collateral while respecting the rule of law and consumer protection. Its implementation and effects remain matters for further empirical research.

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[46] Salvia and Putri, "Constitutionality of the Execution of Fiduciary Guarantees."

[47] Yifei Mao, "Managing Innovation: The Role of Collateral," *Journal of Accounting and Economics* 72, no. 1 (2021): 101419, https://doi.org/10.1016/j.jacceco.2021.101419.

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