



DOI: <https://doi.org/10.38035/sijal.v4i1>
<https://creativecommons.org/licenses/by/4.0/>

Received: 12-08-2026 | Revised: 20-09-2026 | Accepted: 24-09-2026

Legal Certainty for Financing Companies Regarding the Use of External Repossession Services in Indonesia

Muhamad Yusup Abdulah¹, Sartika Dewi², Muhamad Abas³

¹Universitas Buana Perjuangan Karawang, Indonesia, Hk19muhamadabdulah@mhs.ubpkarawang.ac.id

²Universitas Buana Perjuangan Karawang, Indonesia, sartikadewi@ubpkarawang.ac.id

³Universitas Buana Perjuangan Karawang, Indonesia, muhamad.abas@ubpkarawang.ac.id

Corresponding Author: Hk19.muhamadabdulah@mhs.ubpkarawang.ac.id¹

Abstract: The growth of the financing industry meets modern societal needs but also presents distinct challenges, particularly regarding legal certainty in the repossession of assets subject to fiduciary security. This study aims to analyze the legal framework governing company liability when utilizing third-party debt collection services and to examine legal certainty and the restoration of debtor rights in cases of unilateral and unlawful asset repossession. A normative-juridical research method was employed, utilizing a statutory approach and qualitatively analyzing primary, secondary, and tertiary legal materials. The findings indicate that the current regulatory framework regarding the use of external services remains fragmented, scattered across the Fiduciary Security Law, the Consumer Protection Law, the PPSK Law, Constitutional Court Decisions No. 18/PUU-XVII/2019 and No. 2/PUU-XIX/2021, as well as OJK Regulations (POJK) No. 35/POJK.05/2018 and No. 22 of 2023. Following the Constitutional Court rulings, optimal legal certainty regarding liability for third-party execution of security interests has yet to be achieved; self-execution requires the debtor's voluntary surrender of the asset, otherwise, execution must proceed via a petition to the District Court. Although OJK regulations affirm the principle of rights restoration and prohibit intimidation or violence, practical implementation reveals regulatory gaps and legal uncertainty stemming from insufficient field oversight and the lack of a clearly integrated mechanism for compensation liability. Consequently, there is a need to refine specific regulations that define liability limits, delegation schemes, and balanced legal protections for both debtors and financing companies.

Keywords: Legal Certainty, Financing Company, External Repossession Services, Fiduciary Security.

INTRODUCTION

The rapid advancement of technology and economic modernization have driven significant transformation in the financing industry in facilitating public access to capital. The acceleration of business growth has successfully expanded the reach of financial services, streamlined

application processes, and provided more inclusive financial solutions. However, such leaps in digital innovation must be accompanied by the evolution of regulations capable of providing adaptive legal certainty in order to maintain industrial stability and protect the interests of all parties involved. As emphasized by Rahman and Setiawan, the legal framework governing fiduciary security provides legal certainty and protection for creditors through the registration of security interests, while simultaneously allowing debtors to continue utilizing the secured assets to support the productivity of their businesses (Rahman, A., & Setiawan, I., 2022).

Within the discourse of contract law in Indonesia, Subekti's conception places financing companies, particularly those operating within the leasing sector, not merely as business entities, but also as a concrete manifestation of the continuing relevance of the principle of freedom of contract guaranteed under Article 1338 of the Indonesian Civil Code (KUHPPerdata) (Subekti, 1985). From a theoretical perspective, Subekti views this legal institution as an organic evolution—a legal development in which the conventional boundaries of lease agreements have been reconstructed and integrated with the strategic function of providing business capital. The intersection between contract law and economic needs has subsequently given rise to a dynamic contractual arrangement in which the utilization of capital goods operates in conjunction with legal certainty binding upon the parties.

Within the Indonesian civil law system, the conduct of financing company activities involving fiduciary security arrangements is fundamentally supported by Law Number 42 of 1999 concerning Fiduciary Security. This Law serves as a fundamental pillar of substantive law by providing legal legitimacy for the transfer of ownership rights over an asset on the basis of trust, while the asset serving as the collateral remains in the physical possession of the debtor as the fiduciary security provider. As affirmed in the civil law literature, this scheme applies the principle of *constitutum possessorium*, namely the transfer of ownership rights without the corresponding transfer of physical possession of the asset (Suwinto, S., & Hernoko, A. Y., 2020).

Under the normative authority of Law Number 42 of 1999 concerning Fiduciary Security, the technical process of repossessing a financed asset, doctrinally referred to as the execution of the collateral object, is not a unilateral factual act devoid of legal constraints. Rather, it constitutes a procedural process strictly regulated through three principal legal mechanisms aimed at restoring the creditor's civil rights arising from the debtor's breach of contract (*wanprestasi*) (Law Number 42 of 1999, 1999).

First, the Law legitimizes direct execution through the doctrine of *parate executie* under Article 15 paragraph (2) in conjunction with Article 29 paragraph (1) letter (a). Under this mechanism, a Fiduciary Security Certificate bearing the executorial clause “For the Sake of Justice Based on the Almighty God” grants the financing company the authority to execute the collateral directly without the need for prior judicial authorization. Second, where direct execution is not pursued, Article 29 paragraph (1) letter (b) provides for execution through a public auction, whereby the repossessed asset is sold under the authority of an officially recognized state auction institution to satisfy the legitimate receivable. Third, as a form of consensual civil-law mechanism, Article 29 paragraph (1) letter (c) permits a private sale based on mutual agreement between the creditor and the debtor. This mechanism is intended to obtain the highest possible sale price for the benefit of both parties, subject to the statutory publicity requirements through mass media.

From a legal perspective, the delegation of authority by a financing company to a third party to execute a fiduciary security object is grounded in Article 15 of Law Number 42 of 1999 concerning Fiduciary Security. This provision confers an executorial title equivalent to a final and legally binding court judgment (*inkracht van gewijsde*). However, the implementation of this provision must comply with the constitutional legal limitations established by Constitutional Court Decision Number 18/PUU-XVII/2019 and Decision Number 2/PUU-

XIX/2021. Based on the rulings of the Constitutional Court, direct self-execution (*parate executie*) is legally permissible only where the cumulative requirements of acknowledgment of default and voluntary surrender are satisfied. The former requires the debtor to consciously and expressly acknowledge in writing that a breach of contract has occurred, while the latter requires the debtor to voluntarily surrender the collateral without coercion or intimidation (Constitutional Court Decision Number 18/PUU-XVII/2019, 2020). If these conditions are not satisfied, or if the debtor objects to the execution, the creditor's right to conduct direct execution is extinguished by operation of law. The creditor or its legal representative must then apply to the District Court for judicial enforcement (Constitutional Court Decision Number 2/PUU-XIX/2021, 2021). Compulsory repossession conducted without judicial proceedings may constitute an unlawful act (*onrechtmatige daad*) and may also give rise to criminal liability for unlawful appropriation or embezzlement.

To comprehensively examine the gap between normative legal certainty and empirical realities in practice, it is important to analyze several cases involving the use of external repossession services (*debt collectors*) within Indonesia's financing industry. One notable example of the conflict between legal norms and enforcement practices is the case of Apriliani Dewi and Suri Agung Prabowo v. PT Astra Sedaya Finance (Cilandak, South Jakarta). In this case, the married couple, Suri Agung Prabowo and Apriliani Dewi, obtained financing for the purchase of a Toyota Alphard through PT Astra Sedaya Finance (ASF). During the financing period, they experienced delays in making installment payments. In 2016 and 2017, third parties (*debt collectors*) authorized by the financing company repeatedly visited the debtors' residence and allegedly engaged in intimidating conduct, ultimately forcibly repossessing the vehicle from the debtors' possession.

The dispute was subsequently brought before the civil courts. Apriliani Dewi and Suri Agung Prabowo filed a lawsuit against PT Astra Sedaya Finance. In its judgment, the panel of judges partially granted the plaintiffs' claims and held that PT Astra Sedaya Finance had committed an unlawful act (*perbuatan melawan hukum* or PMH) by unilaterally repossessing the vehicle without a court order or a valid fiduciary security certificate. As a consequence of the unlawful conduct, the court ordered Astra Sedaya Finance to pay material and non-material damages to the plaintiffs, while rejecting the remaining claims that were not proven at trial (District Court Decision Number 328/Pdt.G/2019/PN Jkt.Pst, 2020).

A similar case involved PT Sinar Mitra Sepadan Finance (SMS Finance). In this case, the debtor (consumer) entered into a multipurpose financing/credit agreement with PT Sinar Mitra Sepadan Finance (SMS Finance) for the purchase of a motor vehicle secured by a fiduciary security clause. During the loan tenor, the debtor experienced payment difficulties, resulting in delays or arrears in daily or monthly installment payments. PT SMS Finance unilaterally regarded the payment delays as a default or breach of contract. Without obtaining the debtor's voluntary consent to surrender the vehicle and without a formal judicial enforcement order from the District Court, PT SMS Finance, through its field officers or *debt collectors*, forcibly repossessed the vehicle. This extrajudicial enforcement action was carried out without a written agreement between the parties acknowledging the occurrence of the breach of contract.

The debtor subsequently challenged the action by filing a lawsuit against the company. The panel of judges partially granted the debtor's claims and held that the unilateral repossession of the vehicle by PT SMS Finance constituted an unlawful act (*perbuatan melawan hukum* or PMH). PT SMS Finance was ordered either to return the vehicle or to pay material damages, including reimbursement of the accumulated installment payments made by the debtor, as well as non-material damages (Tobelo District Court Decision Number 18/Pdt.G/2020/PN Tbl, 2020).

Based on the foregoing discussion, a legal gap can be identified in which the protection of consumer rights is undermined when payment delays occur, particularly due to the third

party's limited understanding of the legal requirements governing collateral enforcement procedures and the lack of adequate supervision by the financing company during the enforcement process carried out by the third party. The existing regulatory framework primarily governs the general technical aspects of financing activities; however, it has yet to provide clear legal certainty regarding the responsibility of financing companies when problems arise in the enforcement of collateral and in the engagement of external debt collection services or other third parties.

Accordingly, the research entitled **“Legal Certainty for Financing Companies Regarding the Use of External Repossession Services in Indonesia”** is important to examine the applicable legal framework, identify the normative gaps that remain within the national legal system, and formulate a concept of legal accountability capable of providing legal protection for debtors, establishing a clear legal framework for the use of third-party debt collection services, and safeguarding the assets and legitimate interests of financing companies. Based on the foregoing background, this research addresses the following research questions:

1. How is the legal responsibility of financing companies regulated in relation to the use of third-party debt collection services in Indonesia?
2. What legal certainty and remedies are available to debtors when a financed asset is unilaterally repossessed by a third party?

METHOD

This study employs a normative juridical legal research method. Normative juridical legal research is a method of legal research conducted by examining and analyzing legal norms contained in legislation, court decisions, legal doctrines, and other relevant legal materials (Bahder Johan Nasution, 2016).

The approaches employed in this research are the statutory approach and the case approach. The research adopts an analytical descriptive specification, which aims to provide a systematic, factual, and in-depth description of legal certainty for financing companies in the use of external repossession services in Indonesia (Peter Mahmud Marzuki, 2021).

The legal materials used in this research consist of primary, secondary, and tertiary legal materials. Primary legal materials comprise laws and regulations relevant to the subject matter of the research. Secondary legal materials include books, scholarly journals, and other academic literature discussing relevant legal issues. Tertiary legal materials include legal dictionaries, Indonesian language dictionaries, legal encyclopedias, and other supporting reference materials.

The data analysis in this study employs a qualitative legal analysis method. The legal materials obtained through the research are systematically described and analyzed and subsequently examined in relation to the applicable legal provisions and relevant legal theories in order to formulate clear and objective conclusions (Bambang Sunggono, 2018).

RESULTS AND DISCUSSION

Legal Regulation of the Responsibility of Financing Companies in the Use of External Repossession Services in Indonesia

The administration and repossession of fiduciary collateral constitute an important aspect of corporate asset management aimed at mitigating the risk of financial losses and maintaining the financial stability of financing companies in conducting and developing their business activities. In practice, however, the repossession of financed assets or the safeguarding of corporate assets is not always carried out directly by financing companies themselves. Instead, financing companies frequently engage third parties, particularly external debt collection service providers, to assist in securing and recovering corporate assets. The use of such services may provide several benefits, including cost efficiency and the reduction of

potential corporate losses. Nevertheless, the involvement of third parties in the recovery of corporate assets also gives rise to various legal implications, particularly with regard to the enforcement of fiduciary security and the protection of debtors' rights, including in circumstances where the debtor has already fulfilled part of his or her financial obligations.

From a legal perspective, the responsibility of financing companies in the use of external repossession services has not yet been specifically regulated under a single comprehensive legal instrument. Instead, the applicable framework remains dispersed across various laws and regulations, as well as regulations issued by the Financial Services Authority (*Otoritas Jasa Keuangan* or OJK), which are interconnected and govern different aspects of financing activities. These include Law Number 42 of 1999 concerning Fiduciary Security, which establishes the legal basis for the enforcement of fiduciary security certificates that constitute a principal form of security in financing transactions; Law Number 8 of 1999 concerning Consumer Protection, which regulates the prohibition of standard contractual clauses that disadvantage consumers and requires business actors to provide protection and act in good faith toward consumers; and Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector (PPSK Law), which establishes obligations for financial service providers to maintain proper market conduct and provide legal protection to consumers in the financial services sector.

In addition, Constitutional Court Decision Number 18/PUU-XVII/2019 in conjunction with Decision Number 2/PUU-XIX/2021 constitutes binding jurisprudence that limits unilateral execution (*parate executie*) and requires judicial authorization from the District Court where a dispute arises concerning *wanprestasi* or breach of contract. Financial Services Authority Regulation (POJK) Number 35/POJK.05/2018 concerning the Operation of Financing Company Businesses regulates, among other matters, professional certification requirements for external debt collectors and establishes the financing company's responsibility for the actions of third parties acting on its behalf. Furthermore, Financial Services Authority Regulation (POJK) Number 22 of 2023 concerning Consumer and Public Protection in the Financial Services Sector expressly prohibits the use of violence, coercion, intimidation, or other means that humiliate consumers in the debt collection process.

Each of these regulatory instruments governs different aspects of the relationship between financing companies, debtors, and third parties, ranging from the formation and implementation of financing agreements, protection of personal data, the rights and obligations of creditors and debtors, to debt collection procedures and the legal responsibility of debt collection service providers. The relevant legal provisions are summarized by the author in the following table:

No	Legal Instrument	Relevant Provisions / Related Articles	Collateral Enforcement Regulation	Form of Financing Company Liability
1	Law No. 42 of 1999 concerning Fiduciary Security	Articles 15, 29, and 30	The Fiduciary Security Certificate has executorial force equivalent to a court judgment; however, enforcement must comply with applicable legal procedures and may not be conducted unilaterally where a dispute exists	The enforcement is legally void if carried out without a duly registered Fiduciary Security Certificate.
2	Law No. 8 of 1999	Articles 4 and 18	Prohibits standard contractual clauses that	The financing company is required to provide

	concerning Consumer Protection		transfer the business actor's liability or grant a unilateral enforcement right that adversely affects consumers.	compensation for damage, loss, or other harm suffered by consumers as a result of actions taken by its appointed agents.
3	Law No. 4 of 2023 concerning the Development and Strengthening of the Financial Sector (PPSK Law)	Articles 243, 244, and 300	Financial Service Providers (FSPs) are required to implement proper market conduct and assume responsibility for marketing and debt collection activities.	The financing company bears full legal and administrative responsibility for the acts of agents or third parties acting for and on its behalf.
4	Constitutional Court Decision No. 18/PUU-XVII/2019 in conjunction with No. 2/PUU-XIX/2021	Rulings Nos. 1 and 2 (Judicial Review of the Fiduciary Security Law)	Prohibits unilateral enforcement (<i>self-help execution</i>); if the debtor does not voluntarily acknowledge the occurrence of <i>wanprestasi</i> (breach of contract), enforcement must be conducted through an application for an enforcement order to the District Court.	Forced repossession without a court order may constitute an unlawful act (<i>perbuatan melawan hukum</i> or PMH), potentially giving rise to liability for damages.
5	Financial Services Authority Regulation (POJK) No. 35/POJK.05/2018 concerning the Operation of Financing Company Businesses	Articles 48 and 49	Debt collection or enforcement conducted by third parties must be carried out by personnel holding the required professional certification (APPI) and pursuant to a written cooperation agreement. .	The financing company bears full responsibility for all unlawful actions committed by its external agents.
6	Financial Services Authority Regulation (POJK) No. 22 of 2023 concerning Consumer and Public Protection in the Financial Services Sector	Articles 62, 63, and 64	Prohibits debt collection involving violence, intimidation, coercion, or threats, as well as debt collection conducted in public places in a manner that interferes with the consumer's privacy.	Administrative sanctions, including warnings, suspension, or revocation of licenses, as well as civil liability for damages arising from violations committed by debt collectors.

Based on the table above, an examination of the relevant laws and regulations indicates that, to date, there is no specific legal instrument that expressly regulates the legal responsibility

of financing companies in the use of external repossession services. The relevant provisions remain dispersed across a number of regulations governing contractual arrangements, personal data protection, and the implementation of internal debt collection. This condition indicates that the legal framework governing the involvement of third parties in the management of corporate assets, particularly in the repossession of financed assets, remains fragmented and has not yet been comprehensively integrated.

From the perspective of the Fiduciary Security Law, there is no explicit prohibition against the use of third-party debt collection services. The Constitutional Court decisions likewise did not amend or introduce specific provisions concerning the use of external debt collectors. Accordingly, the absence of a specific prohibition may be interpreted as permitting financing companies to engage external debt collection services as one of the parties that may assist in the management and safeguarding of corporate assets. Nevertheless, the existing regulations essentially govern the implementation of fiduciary security arrangements in general. The form, scope, and limits of legal responsibility arising from the use of third-party debt collection services have not yet been regulated in sufficient detail.

Following Constitutional Court Decision No. 18/PUU-XVII/2019 in conjunction with Decision No. 2/PUU-XIX/2021, third parties (*debt collectors*) are prohibited from conducting unilateral enforcement or forcibly intercepting debtors on the road. Where a debtor refuses to voluntarily surrender the vehicle, the *debt collector* may not forcibly repossess it, and the financing company must submit a formal application for judicial enforcement to the District Court. At the technical regulatory level, the use of third-party debt collection services under Articles 48 and 49 of Financial Services Authority Regulation (POJK) No. 35/POJK.05/2018 requires third-party debt collection to be conducted pursuant to a written agreement and supported by the requisite professional certification. The Regulation also establishes the financing company's full responsibility (*vicarious liability*) for the actions of its external agents in the field.

With regard to debtor protection, Articles 62, 63, and 64 of Financial Services Authority Regulation (POJK) No. 22 of 2023 concerning Consumer and Public Protection in the Financial Services Sector expressly prohibit Financial Services Business Actors (*Pelaku Usaha Jasa Keuangan* or PUJK), as well as third parties engaged in debt collection, from employing violence, intimidation, threats, coercion, or conduct that degrades the dignity or interferes with the privacy of consumers in public places. Violations of these provisions may result in dual legal consequences, namely a civil obligation to compensate the consumer and the imposition of graduated administrative sanctions by the Financial Services Authority, ranging from written warnings and suspension of business activities to revocation of the business license. Based on the foregoing regulatory framework, it can be concluded that the legal regulation governing the responsibility of financing companies in the use of external repossession services in Indonesia does not yet provide optimal legal certainty. Although various regulations establish obligations to protect the fundamental rights of debtors when repossession is carried out by third parties, there are still no sufficiently explicit provisions governing liability where violations occur during the enforcement process. Consequently, a legal gap remains, potentially creating uncertainty regarding the determination of the responsible party, as well as the mechanisms for resolving disputes and recovering losses suffered by debtors as a result of the repossession of financed assets by third parties.

Legal Certainty Regarding the Liability of Financing Companies in the Use of External Debt Collection Services

Legal certainty is one of the fundamental objectives of law, aimed at establishing order and providing protection for every legal subject. According to Sudikno Mertokusumo, legal certainty requires legal norms to be clear, precise, consistent, and capable of being applied

predictably, so that every party can understand their rights, obligations, and the legal consequences of their actions. Legal certainty is therefore one of the objectives of law, providing assurance that the law can be effectively implemented and that the rights of every individual can be protected (Sudikno Mertokusumo, 2007). Consistent with this view, Hans Kelsen argues that legal certainty can only be achieved when legal norms are systematically formulated and provide clear guidance regarding who bears responsibility and what form such

Responsibility takes in the event of a violation of the law (Hans Kelsen, 1945).

In the context of fiduciary security enforcement by third parties, legal certainty requires regulations to clearly establish the legal status of third parties, the scope of their obligations, the limitations governing their enforcement activities, and the forms of liability that may be imposed on both financing companies and third parties in cases involving threats, intimidation, or even physical violence. Legal certainty also requires clear regulations concerning dispute resolution mechanisms and the recovery of losses suffered by debtors.

From a legal perspective, the elements of legal certainty contained in Articles 15, 29, and 30 of Law No. 42 of 1999 concerning Fiduciary Security have undergone significant interpretation following the judicial review of the Law. The Indonesian legal system has, in practice, recognized that financing companies may engage external debt collection services in managing and recovering their assets. However, the Constitutional Court decisions do not explicitly regulate the form of contractual arrangements between financing companies and third parties or the mechanisms for resolving disputes arising from the use of such third-party services. Although Articles 48 and 49 of Financial Services Authority Regulation (POJK) No. 35/POJK.05/2018 formally establish requirements concerning written agreements, professional certification, and the doctrine of *vicarious liability*, these provisions have encountered significant challenges in practical implementation and have therefore not fully provided legal certainty to the public. Practices in the field indicate that these requirements may be circumvented through poorly supervised chains of subcontracted debt collection, the use of uncertified field agents operating under the guise of official assignment letters, and practices in which financing companies seek to distance themselves from unlawful conduct by attributing the misconduct entirely to individual agents and characterizing such actions as being outside the scope of their authority (*out of scope*). The existing regulatory framework does not provide an effective mechanism for direct oversight or immediate sanctions at the operational level. Consequently, debtors may remain exposed to intimidation without adequate legal protection.

From the perspective of the theory of legal liability, as articulated by Hans Kelsen, an individual or legal entity may be held liable where a legal obligation is imposed upon that party and the obligation is subsequently violated. In the context of the use of debt collection services for the repossession of financed assets, the legal obligation to protect debtors from intimidation and other unlawful conduct, as well as to restore their rights where violations occur, is established generally across various laws and regulations. Accordingly, where conduct contrary to law occurs, the third party may, in principle, be held legally liable.

Nevertheless, the various forms of liability remain subject to significant challenges at the implementation level. To date, there is no sufficiently explicit legal norm governing the legal relationship between third parties and financing companies, the allocation of liability when unlawful conduct occurs, or the mechanisms for restoring the rights of debtors. Based on the foregoing analysis, it can be concluded that legal certainty concerning liability toward debtors in the enforcement of fiduciary security remains suboptimal, although several laws and regulations have established general legal foundations that may serve as a basis for enforcement. This condition demonstrates the continuing existence of a legal gap concerning legal certainty for financing companies in the use of external repossession services in Indonesia.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

1. The findings of this study demonstrate that the current legal framework governing the use of external debt collection services remains fragmented and dispersed across Law No. 42 of 1999 concerning Fiduciary Security, Law No. 8 of 1999 concerning Consumer Protection, Law No. 4 of 2023 concerning the Development and Strengthening of the Financial Sector, Constitutional Court Decision No. 18/PUU-XVII/2019 in conjunction with Decision No. 2/PUU-XIX/2021, Financial Services Authority Regulation (POJK) No. 35/POJK.05/2018, and Financial Services Authority Regulation (POJK) No. 22 of 2023. The legal framework governing the responsibility of financing companies in the engagement and management of third-party debt collectors in Indonesia does not yet provide optimal legal certainty. Although various regulations establish obligations to protect the safety and rights of debtors, there is no sufficiently explicit provision governing the allocation of responsibility between financing companies and external debt collection service providers. Consequently, a legal gap remains that may create uncertainty in determining the responsible party, as well as in establishing mechanisms for dispute resolution and the recovery of losses suffered by debtors as a result of unlawful conduct or abuse of authority in the repossession of financed assets.
2. Legal certainty concerning liability for the enforcement of fiduciary security by third parties in Indonesia has not yet been fully achieved. Although various regulations provide a normative basis for the obligation to protect the safety and rights of debtors, there is still no specific regulatory framework governing the allocation and construction of liability when violations of law occur. This condition demonstrates the existence of a legal gap that may create legal uncertainty for debtors.

Recommendations

1. The Government, together with the competent legislative authorities responsible for formulating laws and regulations, should strengthen and refine the regulatory framework specifically governing the legal status and responsibilities of financing companies and debt collection service providers in financing activities secured by fiduciary security. Such regulations should provide more detailed provisions concerning the allocation of responsibilities, reporting procedures, mechanisms for addressing violations of law, and administrative, civil, and criminal liability where violations occur.
2. Financing companies and debt collection service providers should establish stronger cooperation through agreements that clearly regulate the rights and obligations of each party, security standards, risk governance, and the allocation of responsibility in the event of problems arising in the field. In addition, both parties should strengthen the implementation of mechanisms for restoring debtors' rights through more humane approaches, with the aim of achieving appropriate solutions and mutually acceptable outcomes.

REFERENCE

- Central Jakarta District Court. (2020). *District Court Decision Number 328/Pdt.G/2019/PN Jkt.Pst.*
- Constitutional Court of the Republic of Indonesia. (2020). *Constitutional Court Decision Number 18/PUU-XVII/2019.*
- Constitutional Court of the Republic of Indonesia. (2021). *Constitutional Court Decision Number 2/PUU-XIX/2021.*

- Financial Services Authority of the Republic of Indonesia. (2018). *Financial Services Authority Regulation Number 35/POJK.05/2018 concerning the operation of financing company businesses*.
- Financial Services Authority of the Republic of Indonesia. (2023). *Financial Services Authority Regulation Number 22 of 2023 concerning consumer and public protection in the financial services sector*.
- Kelsen, H. (1945). *General theory of law and state*. Harvard University Press.
- Law Number 4 of 2023 concerning the development and strengthening of the financial sector. (2023).
- Law Number 42 of 1999 concerning fiduciary security. (1999).
- Law Number 8 of 1999 concerning consumer protection. (1999).
- Marzuki, P. M. (2021). *Penelitian hukum* [Legal research] (Rev. ed.). Kencana Prenada Media Group.
- Mertokusumo, S. (2007). *Mengenal hukum: Suatu pengantar* [Understanding law: An introduction]. Liberty.
- Nasution, B. J. (2016). *Metode penelitian ilmu hukum* [Legal research methodology]. Mandar Maju.
- Rahman, A., & Setiawan, I. (2022). Inovasi keuangan digital dan tantangan harmonisasi regulasi pembiayaan di Indonesia [Digital financial innovation and the challenges of harmonizing financing regulations in Indonesia]. *Jurnal Hukum & Pembangunan*.
- Subekti. (1985). *Aspek-aspek hukum perikatan nasional* [Aspects of national contract law]. Alumni.
- Sunggono, B. (2018). *Metodologi penelitian hukum* [Legal research methodology]. Rajawali Pers.
- Suwinto, S., & Hernoko, A. Y. (2020). Karakteristik yuridis jaminan fidusia dan implikasinya terhadap eksekusi objek jaminan [Juridical characteristics of fiduciary security and their implications for the enforcement of secured objects]. *Jurnal Hukum Ius Quia Iustum*.
- Tobelo District Court. (2020). *District Court Decision Number 18/Pdt.G/2020/PN Tbl*.