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The Principle of Legal Certainty in Settlement Bad Credit through Simple Lawsuit

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ABSTRACT

One of the principles in the Civil Procedure Code is the principle of simplicity, speed and low cost. This is certainly the hope of every individual who is in court. By applying the principle of simple, fast and low-cost justice in the settlement of civil cases, it is hoped that the settlement process will not be delayed and can be completed in a short period of time, so that the costs incurred by the parties are not too high. In terms of realizing the simple, fast and low-cost principle, the Supreme Court (MA) issued Supreme Court Regulation (Perma) Number 2 of 2015 concerning Procedures for Settlement of Simple Lawsuits (Perma Simple Claims) which was stipulated on 7 August 2015 by the Chief Justice of the Supreme Court. The issuance of the Simple Lawsuit Lawsuit is a response to the wishes of the public who need a simpler, quicker and lower cost dispute settlement procedure, especially in simple legal relations. In line with the development of time and the need to settle cases with simple lawsuits, Perma Number 2 of 2015 was subsequently amended by Supreme Court Regulation Number 4 of 2019 concerning Procedures for Settlement of Simple Claims. The principle of legal certainty in simple lawsuit procedures for debtors and creditors in credit agreements is that justice can be realized which includes elements of institutional certainty, mechanism certainty, and various predictive outputs. The application of procedural law must be flexible, not rigid and formalistic, in the interests of justice seekers who always want a simple, fast, inexpensive, thorough and final settlement of cases in accordance with the needs of today's society in Indonesia.

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Keywords: Bad Credit, Simple Lawsuit, Legal Certainty

I. INTRODUCTION

A credit achieves its function if economically it brings progress for both the debtor, creditor and the community and has an influence on a better stage. This progress can be illustrated if they get profits also experience an increase in welfare, and the community or the state experiences an addition and increase in taxes. The bank is a place that can optimally collect funds and then selectively channel these funds in the form of credit to the public. Distribution of funds made to the community, especially small entrepreneurs and weak economies is a government policy in the banking sector. Distribution can be done through the provision of credit with predetermined conditions, one of which is a guarantee to borrow the certainty of repayment of debt from the debtor to the creditor if in the future the debtor defaults and defaults on debt which causes bad credit.

Because conflicts that occur between banks and debtors are in the private domain, the resolution of these conflicts lies with the authority of the General Court, in this case the District Court. Settlement of conflicts that occur between banks and debtors is part of Civil Law or also called Civil Law which regulates the settlement of disputes arising from conflicts of private interests between one legal subject and another legal subject, both between people and people, people and entities. law or legal entity with legal entity. Civil law is also a vessel for legal subjects to claim damages, both material and immaterial losses, against any legal subject that violates the private interests of other legal subjects.[1]

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[1] Buamona, Hasrul dan Tri Astuti, *Langkah Langkah Jitu Menjadi Advokat Sukses*, (Yogyakarta : Erte Pose, 2014), h.92

Based on this, because the conflict is in the private domain, the provisions of the Civil Procedure Code apply as formal law which functions to defend, maintain and enforce material civil law provisions. The limitations of Civil Procedure Law can be briefly described as legal regulations that regulate how the process of a person having a civil case in front of a court of law and how the process of judges receiving, examining, adjudicating and deciding cases and how the process of implementing decisions in order to maintain the existence of civil law material.[2]

One of the principles in the Civil Procedure Code is the principle of simplicity, speed and low cost. This is certainly the hope of every individual who is in court. By applying the principle of simple, fast and low-cost justice in the settlement of civil cases, it is hoped that the settlement process will not be delayed and can be completed in a short period of time, so that the costs incurred by the parties are not too high. In terms of realizing the simple, fast and low-cost principle, the Supreme Court issued Supreme Court Regulation Number 2 of 2015 concerning Procedures for Settlement of Simple Lawsuits which was stipulated on 7 August 2015 by the Chief Justice of the Supreme Court. The issuance of the Simple Lawsuit Lawsuit is a response to the wishes of the public who need a simpler, quicker and lower cost dispute settlement procedure, especially in simple legal relations. Due to the development of time and the need for settlement of cases with simple claims, Supreme Court Regulation Number Number 2 of 2015 was subsequently amended by Supreme Court Regulation Number 4 of 2019 concerning Procedures for Settlement of Simple Lawsuits.

Jurisdiction Simple lawsuits fall within the authority or scope of the general court. Not all cases can be resolved by filing a simple lawsuit because the limitations of cases that fall into the category of simple lawsuits have been determined. All of the Simple Lawsuit Law materials are appropriate and have been implemented in many countries. As the settlement period is limited, with a single judge, there is a limit to the value of the lawsuit, and the final decision is at the first level. Another goal with the Simple Claim Perma is one way to reduce the volume of cases in court. The most obvious difference between a simple lawsuit and a lawsuit in general is that the material loss value is more specifically determined in a simple lawsuit, namely a maximum of two hundred million rupiah. These provisions were subsequently amended in Article 1 point 1 of Perma Number 4 of 2019 which states that: Settlement of Simple Claims is the procedure for examining in court a civil lawsuit with a maximum material claim value of five hundred million rupiahs which solved by simple procedures and proofs.

This Simple Lawsuit Law provides enormous benefits as a tool for banks to obtain credit repayments that have been given to debtors who do not have good faith in carrying out their obligations. A simple lawsuit is a breakthrough in the field of law in obtaining income or credit recovery in a relatively short period of time compared to efforts to claim services through the courts. Based on this description, it can be seen that the problem is that simple courts or small claims courts in Indonesia have begun to be implemented along with the issuance of the Simple Lawsuit Law. For some of these things the author wants to examine and describe these problems, in the form of writing a legal journal with the title: "Principles of Legal Certainty in Settlement of Bad Credit Through Simple Lawsuits".

II. FORMULATION OF THE PROBLEM

Based on some of the above, the authors identify the problems, namely; What is the principle of a simple lawsuit in resolving bad credit?

III. RESEARCH METHODS

The type of research used in the completion of this thesis is a type of normative juridical research, with a statute approach and a conceptual approach as well as a case approach. The legal material used is primary legal material and secondary legal material in the form of laws and regulations issued in its own jurisdiction and judge's decisions. Secondary legal materials are legal materials that are closely related to primary legal materials and can help to analyze and understand existing primary legal materials. Secondary legal materials such as the results of scientific writings of scholars and experts in the form of literature so that they can support, assist and complement in discussing the problems that arise in the framework of the preparation of this thesis. In addition, secondary legal materials were obtained from books, legal articles, legal journals, scientific papers, and other related supporting data. Analysis of legal materials used is descriptive qualitative.

IV. DISCUSSION

A. The Principle of a Simple Lawsuit in Resolving Bad Credit : Simple Lawsuit as One of the Efforts to Resolve Disputes

A simple lawsuit or known as a small claim court, is a new breakthrough in procedural law in Indonesia. the arrangement regarding simple lawsuits was initially regulated in the provisions of Supreme Court Regulation Number 2 of 2015, concerning Procedures for Settlement of Simple Claims.[3] This rule is one of the answers for justice seekers who want to file a lawsuit with a quick settlement. The

[2] Saleh, Muhammad dan Lilik Mulyadi, *Bunga Rampai Hukum Acara Perdata Perspektif Teoritis, Praktik dan Permasalahannya*, (Bandung, Alumni, 2012), h.7

[3] https://law.ui.ac.id/gugatan-sederhana-sebagai-salah-satu-cara-menyelesaikan-sengketa/

presence of Perma Number 2 of 2015 is an implementation of the principles of a simple, fast, low-cost trial for justice seekers with a simple evidentiary system. The issuance of Perma Number 2 of 2015 is also one way to reduce the volume of cases at the Supreme Court.

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Based on this, because the conflict is in the private domain, the provisions of the Civil Procedure Code apply as formal law which functions to defend, maintain and enforce material civil law provisions. The limitations of Civil Procedure Law can be briefly described as legal regulations that regulate how the process of a person having a civil case in front of a court of law and how the process of judges receiving, examining, adjudicating and deciding cases and how the process of implementing decisions in order to maintain the existence of civil law material.[5]

One of the principles in the Civil Procedure Code is the principle of simplicity, speed and low cost. This is certainly the hope of every individual who is in court. By applying the principle of simple, fast and low-cost justice in the settlement of civil cases, it is hoped that the settlement process will not be delayed and can be completed in a short period of time, so that the costs incurred by the parties are not too high. In terms of realizing the simple, fast and low-cost principle, the Supreme Court issued Supreme Court Regulation Number 2 of 2015 concerning Procedures for Settlement of Simple Lawsuits which was stipulated on 7 August 2015 by the Chief Justice of the Supreme Court. The issuance of the Simple Lawsuit Lawsuit is a response to the wishes of the public who need a simpler, quicker and lower cost dispute settlement procedure, especially in simple legal relations. As time went on and the need for settlement of cases with simple lawsuits, Perma Number 2 of 2015 was subsequently amended by Perma Number 4 of 2019 concerning Amendments to Perma Number 2 of 2015 concerning Procedures for Settlement of Simple Claims.

Jurisdiction Simple lawsuits fall within the authority or scope of the general court. Not all cases can be resolved by filing a simple lawsuit because the limitations of cases that fall into the category of simple lawsuits have been determined. All of the Simple Lawsuit Law materials are appropriate and have been implemented in many countries. As the settlement period is limited, with a single judge, there is a limit to the value of the lawsuit, and the final decision is at the first level. Another goal with the Simple Claim Perma is one way to reduce the volume of cases in court.

The most obvious difference between a simple lawsuit and a lawsuit in general is that the value of the material loss is more specifically determined in a simple lawsuit, namely a maximum of two hundred million rupiah. These provisions were subsequently amended in Article 1 point 1 of Perma Number 4 of 2019 which states that: Settlement of Simple Claims is the procedure for examining in court a civil lawsuit with a maximum material claim value of five hundred million rupiahs which solved by simple procedures and proofs. It is further stated in Article 3 of Perma Number 4 of 2019, that:

1) A simple lawsuit is filed against a case of breach of contract and or unlawful act with a maximum material claim value of five hundred million rupiahs
2) Not included in a simple lawsuit are:
    a) Cases whose dispute resolution is carried out through a special court as regulated in laws and regulations; or
    b) Disputes over land rights

Simple lawsuits with general civil lawsuits in court are both in the realm of civil law. In addition, both general civil lawsuits can both resolve disputes on the basis of unlawful acts or broken promises (default). This simple lawsuit is light in nature in accordance with its principles, namely simple, fast, low cost to open broad access for the community to obtain justice.[6] At the District Court level, the judge who examines, hears and decides is a single judge, while the settlement time at the District Court is twenty five days from the day of the first hearing. Furthermore, the relative competence in a simple lawsuit filed by the plaintiff and the defendant domiciled in the same jurisdiction of the court. While the peace is carried out by the judge taking into account that the time limit is 25 days to resolve the dispute.

In a simple lawsuit, provincial claims, exceptions, counterclaims, interventions, replicas, duplications or conclusions cannot be filed. Related to this, legal remedies in the settlement of simple lawsuits, final decisions and appeals, where legal remedies that can be filed by the parties who do not accept the court's decision, are in the form of objection legal remedies. The plaintiff can file a simple lawsuit with a claim for material compensation for a maximum of two

[4] Buamona, Hasrul dan Tri Astuti, *Langkah Langkah Jitu Menjadi Advokat Sukses*, (Yogyakarta : Erte Pose, 2014), h.92

[5] Saleh, Muhammad dan Lilik Mulyadi, *Bunga Rampai Hukum Acara Perdata Perspektif Teoritis, Praktik dan Permasalahannya*, (Bandung, Alumni, 2012), h.7

[6] https://law.ui.ac.id/gugatan-sederhana-sebagai-salah-satu-cara-menyelesaikan-sengketa/

Hundred Million Rupiah. The claim for compensation in a simple lawsuit is the same as in a general lawsuit, but in a simple lawsuit it is expected that what is demanded by the plaintiff can be proven in a simple way.

After the decision of the District Court of first instance, if one of the parties does not accept the decision, then one of the parties can file an objection. The legal remedies for objections that have been mentioned, which differ from legal remedies in general civil lawsuits, are legal remedies for appeal, cassation and judicial review. With the objection legal remedy in a simple lawsuit, there is no other legal remedy that can be submitted by the parties where the objection decision is a decision that has permanent legal force. The objection decision is a final decision that is not available for appeal, cassation or judicial review.

So, the last simple lawsuit settlement flow is at the objection level. Furthermore, an objection by a party that does not accept the decision by a single judge no later than seven days after the decision is pronounced or after notification of the decision by the bailiff is made. The application for objection by the applicant for objection must be accompanied by reasons in the form of a memory objection that has exceeded the deadline for filing, then the application for objection cannot be accepted with a stipulation by the chairman of the court based on a statement from the clerk.[7] In examining objections, the Head of the Court determines the Panel of Judges to examine and decide on objections that have been filed by parties who do not accept the decision. After being determined by the Panel of Judges, an objection examination will be carried out which only concerns: a) Decisions and simple lawsuit files, b) Application for objection and memorandum of objection, as well, c) Counter memory of objections.

The decision on the application for objection is pronounced no later than seven days after the date of the determination of the Panel of Judges. Against the objection decision, no other legal remedies were filed, apart from the objection as stated in Article 30 paragraph which reads: "The objection decision is a final decision for which there are no appeals, cassation or judicial review available." Based on the provisions of the Perma, cases that go to the District Court with Simple Claims must be simple in terms of being resolved starting from the initial examination to a decision that has permanent legal force.

Legal remedies in simple lawsuits are also limited to objections, unlike general lawsuits, which can be in the form of appeals, cassation and even review. Therefore, in a simple lawsuit in its decision, the judge needs to consider it correctly and thoroughly, so that the legal objectives are achieved, namely certainty, justice and expediency. In addition, in practice simple lawsuit decisions that have permanent legal force have not been widely published on the Supreme Court website. So that from the government, especially the Supreme Court, it is necessary to socialize it to the community, so that people who are in litigation with a relatively small nominal lawsuit can settle cases through a simple lawsuit.

B. Settlement of Bad Credit Disputes Through Simple Claim Procedures

One of the objectives of the Republic of Indonesia based on the 1945 Constitution of the Republic of Indonesia is to create a condition for a prosperous, just and prosperous society. In realizing this goal, a national development activity is needed, especially development in the economic field. In Indonesia there are several financial institutions that provide credit loans, such as pawnshops, non-bank financial institutions, and bank financial institutions both government and private. According to O.P. Simorangkir, a bank is a financial institution business entity that has the goal of providing credit and services to its customers. The lending is carried out by the bank, either with their own capital or with funds entrusted by a third party or by circulating payment instruments in the form of money.[8]

Regarding economic growth, banks have a role to help customers or debtors who need funds by providing credit which functions to help increase productivity in advancing development. In this case the banking institution acts as a provider of funds or is usually referred to as a creditor. Granting credit to debtors is carried out in the world of banking and financing institutions through an agreement, namely the main agreement which is usually followed by an additional agreement from the main agreement. In general, the principal agreement is in the form of a debt agreement, loan agreement, credit agreement or other agreement which results in a debt-receivable legal relationship between the creditor and the debtor.

The lending and borrowing relationship begins with making an agreement between the borrower and the lender as outlined in the form of an agreement. The agreement can be in the form of an oral agreement or in the form of a written agreement. There are debt agreements in written agreements that are made by private deed, some are made by notarial deed. The debt agreement between the debtor and the creditor is stated in the credit agreement. The credit agreement contains the rights and obligations of the debtor and creditor. The credit agreement is expected to make the parties bound in the agreement fulfill all their obligations properly.

Every credit that has been approved and agreed upon between the creditor and the debtor must be stated in a written

[7] Ismiyanto, *Penyelesaian Kredit Bermasalah Melalui Gugatan Sederhana Berdasarkan Peraturan Mahkamah Agung (Perma) Nomor 2 Tahun 2015 Tentang Tata Cara Penyelesaian Gugatan Sederhana,* Jurnal Spektrum Hukum, Vol. 15/No. 2/Oktober 2018

[8] O.P, Simorangkir, *Seluk Beluk Bank Komersial,* (Jakarta, Aksara Persada Indonesia, 1998), h. 10

credit agreement (credit contract). In banking practice, the form and format of the credit agreement is fully left to the bank concerned. However, there are things that must still be guided by, namely that the formulation of the agreement must not be vague or unclear, also the agreement must at least pay attention to legality and legal requirements, as well as must contain clearly the amount of credit, the term time, credit repayment procedures, as well as other terms that are common in credit agreements. The things that are of concern are necessary, in order to prevent the invalidity of the agreement made so that when a legal action is carried out, the agreement does not violate a provision of laws and regulations. Thus, bank officials must be able to ensure that all juridical aspects related to credit agreements have been resolved and have provided adequate protection for the bank.[9]

Each agreed credit must be stated in a written credit agreement. The form and format is submitted by Bank Indonesia to each bank to stipulate it, but in an effort to safeguard it, at least the following matters must be considered:[10]

a) Meet the legality and legal requirements that can protect the interests of the bank;
b) Contains the amount, time period, procedure for repayment of credit and other credit requirements as stipulated in the said credit approval decision.

In general, the composition of a bank credit agreement includes several important things, namely:[11]

1) Title
In the banking world there is still no agreement on the title or naming of this bank credit agreement. Some call it a credit agreement, letter of acknowledgment of debt, and agreement to borrow money. The title here serves as the name of the agreement made, at least we will know that the deed or letter is a bank credit agreement.

2) Comparison
Before entering into a substantive bank credit agreement, it is preceded by a comparative sentence containing the identity, legal basis and position of the parties who will enter into a bank credit agreement. Here it explains in detail about the identity, legal basis, and position of the legal subject of the bank credit agreement. A bank credit agreement will be considered valid if it is signed by a legal subject authorized to carry out such legal actions.

3) Substantive
A bank credit agreement contains clauses which are the terms and conditions for granting credit, at a minimum it must contain a maximum credit, interest and penalties, credit period, method of repayment of credit, credit collateral, opening clause, and choice of law.

There are several clauses that are always and need to be included in every credit agreement so that credit is safe, namely:[12]

1) Terms of first credit withdrawal (predisbursement clause);
2) Clause regarding the maximum credit (annount clause);
3) Clauses regarding credit terms;
4) Clause regarding loan interest (interest clause). This clause is strictly regulated in the credit agreement;
5) Clauses regarding credit collateral items. This clause aims so that the debtor does not withdraw or replace collateral items unilaterally, but there must be an agreement with other parties;
6) Insurance clause (insurance clause). This clause aims to transfer risks that may occur, both on the collateral and on the credit itself. As for the material, it is necessary to contain the appointed insurance carrier, the insurance premium, deposited in the bank and so on;
7) Clauses regarding actions prohibited by banks (negative clause). This clause consists of various matters which have juridical and economic consequences for safeguarding the interests of the bank as a general purpose;
8) Tigger clause or opening clause. This clause regulates the bank's right to terminate the credit agreement unilaterally even though the term of the credit agreement has not ended;
9) Clause regarding fines (penalty clause). This clause is intended to reinforce the rights of banks to make levies both in terms of the amount and condition;
10) Expense clauses. This clause regulates the costs and costs incurred as a result of granting credit, which are usually borne by the customer and include, among other things, the cost of binding collateral, making credit agreement deeds, acknowledging debt, and collecting credit;
11) Debit Auto Rization Clause. Debiting the debtor's loan account must be with the debtor's permission;
12) Representation and Warranties/Material Adverse Change Clause. This clause is intended that the debtor promises and guarantees that all data and information provided to the bank is true and not reversed.

[9] Sarana Widia dan Adrian Sutedi, *Implikasi Hak Tanggungan Terhadap Pemberian Kredit Oleh Bank dan Penyelesaian Kredit,* (Cipta Jaya, Jakarta, 2006), h.43

[10] M.Bahsan, *Hukum Jaminan dan Jaminan Kredit Perbankan Indonesia*, (Jakarta : Raja Grafindo Persada, 2007), h. 103-104

[11] Suharnoko, *Hukum Perjanjian Teori dan Analisa Kasus*, (Jakarta : Kencana Prenada Media Group, 2014), h.63

[12] CH. Gatot Wardoyo, *Sekitar Klausul-Klausul Perjanjian Kredit Bank,* Majalah Bank dan Manajemen, November Desember 1992

13) Clause of compliance with bank regulations. This clause is meant to guard against the possibility that if there are things that are not specifically agreed upon but deemed necessary, then they are considered to have been agreed in general.
14) Miscellaneous/Boiler Plate Provision. These are additional articles.
15) Dispute Settlement (Alternative Dispute Resolution). Clause regarding the method of resolving disputes between creditors and debtors if they occur.
16) Closing articles. The closing article is a copy of the credit agreement which intends to make arrangements regarding the amount of evidence and the date the credit agreement comes into force and the date the credit agreement is signed.

One of the agreements between debtors and creditors is agreed that the loan is burdened with a guarantee, which will later be followed by binding collateral which can be in the form of binding material guarantees or individual guarantees. Lending can be done by anyone who has the ability to initiate a debt agreement between the creditor and the borrower, this is regulated in Article 8 of the Banking Law.

Granting credit carried out by banking institutions or financing institutions certainly has risks, to minimize the risks that arise, the credit agreement must include a guarantee institution that functions to provide creditor security. If the debtor defaults, the creditor has the right to claim his receivables against the debtor's assets used as collateral in the credit agreement. This is a manifestation of the precautionary principle of banking institutions which has been regulated in the provisions of the Banking Law. The function of guarantee legally is for legal certainty of repayment of debt in a credit or debt agreement or certainty of the realization of an achievement in an agreement. This legal certainty is by increasing guarantees through guarantee institutions known in Indonesian law.

Collateral can be interpreted as assets that can be tied up as collateral to ensure certainty of debt repayment if in the future the debtor does not pay off his debt by selling the guarantee and taking payment from the sale of the assets that are the guarantee. Credit guarantees are anything that has an easy cash value that is bound by a promise as collateral for payment of the debtor's debt based on a credit agreement made by the creditor and the debtor. Credit guarantees are divided into four types, namely birth guarantees due to law, namely Article 1131 of the Civil Code, birth guarantees due to agreements, material guarantees, debt guarantor guarantees.

Financial institutions in granting credit can provide credit with collateral or without collateral. However, credit has no guarantees, it is dangerous for the position of financial institutions, because if the debtor experiences bad credit in paying credit, it will be difficult for the financial institution to cover credit losses that have been extended. Conversely, if a credit loan is made with a guarantee, the financial institution's position is relatively safer because if there is a bottleneck in credit payments, the guarantee can be covered.[13]

Credit agreements in the Banking Law and the Civil Code do not contain rules regarding the credit agreement being made in writing or verbally, but in general what happens in every financial institution, in this case a bank, is that every debtor who borrows money at a bank must submit a credit application and the application is submitted in writing to the bank, regardless of the amount of credit requested.[14] Regarding the credit agreement, problems sometimes occur, one of which is default. A contract will not cause disputes if the parties to the contract fulfill everything they have mutually agreed upon. The contract will cause a dispute if one of the parties to the contract does not fulfill its obligations, either intentionally or negligently. In a contract there are achievements and counter-performance.

Achievement is something that must be implemented from a contract, because achievement is the implementation of what has been promised by both parties who have agreed to bind themselves in the contract. In the implementation of the contract, it is often not possible to run as desired by the parties because the fulfillment of the achievements is not carried out in accordance with what has been agreed by both parties. This is because a debtor defaults or neglects to fulfill obligations under the contract. A party that cannot fulfill the performance in accordance with what has been agreed in the contract can be said to be in default.

Default comes from the Dutch language, namely wanprestatie, which means bad performance. Bad performance means that the achievement is not carried out due to the debtor's mistake, whether on purpose or negligence. Subekti argues that default is when the borowwer (debtor) does not do what he promised.[15] Default of a debtor can be of four types:

a) Not doing what he promised to do; b) Carry out what he promised, but not as promised; c) Did what he promised but was late; d) Doing something according to the agreement is not allowed to do.

It has been mentioned previously that default can occur if one of the parties to the contract or agreement does not fulfill its obligations. With a default from one of the parties, it results in the non-performance of an agreement. Non-

[13] Kasmir, *Bank Dan Lembaga Keuangan Lainnya* (Edisi Revisi 2001), (Jakarta, Raja Grafindo Persada, 2001), h. 102

[14] Hermansyah, *Hukum Perbankan Indonesia,* Cet. II, (Jakarta : Raja Grafindo Persada, 2003), h. 68

[15] Subekti, *Hukum Perjanjian*, (Jakarta: Intermasa, 2002), h.45

fulfillment of obligations by the debtor can be caused by two things, namely:

a) Because the debtor has an error. The debtor cannot fulfill the obligation to perform due to negligence or intention.

b) Due to force majeure or overmacht. Force majeure or overmacht is a condition that can cause the debtor to be unable to fulfill the creditor's performance. This situation is a condition that cannot be known by the debtor at the time of making the agreement or the situation occurs outside the debtor's control.

Based on the description of the case in this discussion, it can be stated that there has been a default by the customer, in this case, which failed to pay the creditor. As previously stated, achievement is something that must be fulfilled by the debtor in every engagement. Achievement is the content of the engagement. If the debtor does not fulfill the performance as specified in the agreement, he is said to be in default. Default of a debtor can be in the form of four types, namely:[16] 1. Absolutely not fulfilling the achievement; 2. No cash fulfills achievements; 3. Late fulfillment of achievements; 4. Mistakenly meets feat.

The determination of default according to Abdulkadir Muhammad can be seen from three things, as follows:

1. The debtor does not fulfill the performance at all, which means that the debtor does not fulfill his obligations that have been previously agreed to be fulfilled in an engagement that is carried out, or does not fulfill the obligations stipulated by law in an agreement that arises because of the law.
2. The debtor fulfills the achievements, but is not good or wrong, meaning that the debtor fulfills or fulfills what was promised or what has been determined by law. It's just not according to the quality specified in the agreement or according to the quality determined by law.
3. The debtor fulfills the achievement, but not on time, meaning that in terms of fulfilling the achievement, the debtor can fulfill it, only it is late, not in accordance with a predetermined time period.

The provisions in the Civil Code itself do not clearly explain what is meant by default and unlawful acts, however, in the provisions of the Civil Code there are articles which limitatively regulate juridical consequences in the event of default and or unlawful acts. The default lawsuit rests on the existence of a civil relationship between the parties, thus giving rise to legal rights and obligations. Rights and obligations here are manifested by what is known as achievement.

When the performance is not fulfilled or carried out in accordance with the contents of the agreement of the parties, then what we call a default is born or can be called a default. Lawsuit for Unlawful Acts the basis of the lawsuit is the interests of certain parties who are harmed by the actions of other parties, even though between the parties there is no contractual civil law relationship. In this case, the basis of the lawsuit is sufficient to prove whether the actions of the perpetrator have actually harmed the other party. In other words, the filing of a lawsuit for an unlawful act is solely oriented towards the consequences that result in the loss of the other party.

In addition, there are four consequences that can occur if one party defaults, namely paying for losses suffered by the other party in the form of compensation, canceling the agreement, transferring risks and paying court fees if the case reaches a judge.[17] In order to reduce this risk, credit guarantees in the sense of confidence in the ability and ability of the debtor to pay off his obligations in accordance with what was agreed is an important factor that must be considered by the bank.[18]

Because conflicts that occur between banks and debtors are in the private domain, the resolution of these conflicts lies with the authority of the General Court, in this case the District Court. Settlement of conflicts that occur between banks and debtors is part of Civil Law or also called Civil Law which regulates the settlement of disputes arising from conflicts of private interests between one legal subject and another legal subject, both between people and people, people and entities. law or legal entity with legal entity. Civil law is also a vessel for legal subjects to claim damages, both material and immaterial losses, against any legal subject that violates the private interests of other legal subjects.

The limitations of Civil Procedure Law can be briefly described as legal regulations that regulate how the process of a person having a civil case before a court of law and how the process of judges (courts) receiving, examining, adjudicating and deciding cases and how the process of implementing decisions in order to maintain the existence of civil law material.[19] First, in the Decision of the Purwakarta District Court Number 2/Pdt.G.S/2017/PN.Pwk with legal facts, namely: There was a request from the Plaintiff submitted in writing via his letter dated 14 February 2017 received at the Purwakarta District Court on 23 February 2017, stating want to withdraw his lawsuit in case Number: 02/Pdt.G.S/ 2017/ PN.Pwk, said. Noting this, the Judge then decided to grant the revocation of the Plaintiff's request above the Panel of judges where in its ruling, it stated: the plaintiff's

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[16] Riduan Syahrani, *Seluk-Beluk dan Asas-Asas Hukum Perdata,* (Edisi keempat, Cetakan ke-1, Bandung : Alumni, 2013), hlm. 218

[17] Abdul Manan, *Penerapan Hukum Acara Perdata Di Lingkungan Peradilan Agama*, (Bandung: Alumni, 2003), h.18

[18] Rudi M. Simamora, *Hukum Bisnis dalam Teori dan Praktek,* (Jakarta : Djambatan, 2000), h 29

[19] Saleh, Muhammad dan Lilik Mulyadi, *Bunga Rampai Hukum Acara Perdata Perspektif Teoritis, Praktik dan Permasalahannya*, (Bandung, Alumni, 2012), h.7

application for a simple lawsuit Register Number: 02/Pdt.G.S/ 2017/PN. Pwk by the Plaintiff was granted.

Second, the example of the case in the Decision of the Gunung Sugih Religious Court Number 2/Pdt.G.S/2020/PA.GSG, with the case of default on debts and receivables, where in the trial which was attended by the Plaintiffs' attorneys and the principals of Defendant I and Defendant II, the Single Judge has given a balanced explanation to both parties regarding the simple lawsuit procedure, and furthermore the Single Judge has made serious efforts to reconcile the two parties before the trial, by suggesting to the Plaintiff to provide installment relief each month to The Defendant by way of restructuring the Plaintiff's debt and extending the installment period for the Defendant, but the Plaintiff stated that he had given this opportunity to the Defendant since the payment of installments by the Defendant was not smooth, but the Defendant did not heed it, then the Single Judge suggested to the Plaintiff to give muqosah, namely debt termination by way of repayment the debt or loan by the Defendant was followed by cutting the margin by the Plaintiff, and in fact the Plaintiff stated that he had offered this to the Defendant, but the Defendant stated that he was unable to make the payment, then the Plaintiff stated that until now he had still offered muqosah to the Defendant, however, the Defendant stated that he was unable and unwilling on the grounds that he did not have the ability to pay off the debt at once.

The simple lawsuit system in Indonesia is still relatively new, its existence legally and formally is marked by the promulgation of Perma Number 2 of 2015 which was signed by the Chief Justice of the Supreme Court Muhammad Hatta Ali and came into effect upon promulgation on August 7 2015 through the State Gazette of the Republic of Indonesia of 2015 Number 1172. Perma No.2 of 2015 consists of nine chapters and 33 articles. In 2019 the Chief Justice of the Supreme Court stipulated Perma No. 4 of 2019 concerning Amendments to Perma No. 2 of 2015 Concerning Procedures for Settlement of Simple Claims and promulgated on 20 August 2019.

The simple lawsuit system is part of the authority of the general court in civil cases. Not all cases can be resolved with a simple lawsuit. Article 3 and Article 4 of Perma No.2 of 2015 and Perma No.4 of 2019 determine which lawsuits can be categorized as simple lawsuits, namely as follows: 1)/ Not a dispute over land rights; 2). Not a case that falls within the competence of the Special Court; 3). Disputes on breach of contract/default and/or lawsuits against the law with a maximum material claim value of 500 million rupiahs; 4). Each plaintiff and defendant are not more than one, unless they have the same legal interest; 5). The plaintiff and the defendant must be domiciled in the same jurisdiction of the court. 6). The place of residence of the defendant must be known;

As for the flow and stages of procedural law in the settlement of simple lawsuits that have been regulated in Article 5 paragraph (2) Perma Number 2 of 2015 and Perma Number 4 of 2019 are as follows:

1) A simple lawsuit is examined and decided by a judge appointed by the Chief Justice.
2) Simple Lawsuit Settlement Stages include:
   a) Registration;
   b) Examination of the completeness of a simple claim;
   c) Designation of a Single Judge and Appointment of Substitute Registrar;
   d) Preliminary Examination;
   e) Determination of the Day of the Session and Summons of the Parties;
   f) Session Examination and peace efforts.

   In the trial process of simple lawsuit cases, it was explained that judges are active, including in efforts to reconcile the parties. Peace in simple lawsuit cases is regulated in Article 15 of Perma Number 2 of 2015, that:

      1. On the day of the first trial, the judge is obliged to seek reconciliation, taking into account the time limit referred to in Article 5 paragraph (1).
      2. The peace efforts in this regulation exclude the provisions stipulated in the Supreme Court's provisions regarding mediation procedures;
      3. In achieving peace, the judge makes a decision on the deed of peace which is binding on the parties;
      4. Against the Decision of the Peace Deed, no legal remedy can be submitted;
      5. In the event that peace is reached outside the trial and the settlement is not reported to the judge, the judge is not bound by the settlement.

   In the trial process of simple lawsuit cases, it was explained that judges are active, including in efforts to reconcile the parties. Settlement in a simple lawsuit case is regulated in Article 15 Perma Number 2 of 2015: Based on Article 15 and Article 16 above, the judge's efforts to reconcile the two sides have started from the first day of trial and the trial on the following days. He even suggested that peace efforts could be made outside of the courtroom, which, if achieved, would report to the judge the results of the reconciliation. If the results of the settlement are not reported to the judge, then the judge is not bound by the settlement, the consequence of which is that the reconciliation does not have a court decision. The results of the reconciliation of the parties in the trial and/or outside the trial that are reported to the judge become the basis or basis for issuing a judge's decision

in the form of a Peace Deed Decision whose strength is binding on the parties and cannot be carried out by any legal remedy.

g) Evidence;

Proving and examining evidence in a simple lawsuit is basically the same as proving in an ordinary lawsuit. The evidence examined included documentary evidence and witness testimony. The difference lies in the documentary evidence, in simple lawsuits it must be filed simultaneously in the lawsuit at the time of registration of the lawsuit, whereas in ordinary civil lawsuits the entire documentary evidence is presented in a hearing which is determined by the time for submission and examination of evidence. Because of the simple criteria and nature, the proof in a simple lawsuit case is also simple. As in the provisions of Article 6 paragraph (4) Perma No.2 of 2015 and Perma No.4 of 2019 which requires the plaintiff to attach documentary evidence at the time of filing a lawsuit to ensure or to be assessed in a preliminary examination whether the evidence submitted by the plaintiff is appropriate or not with the provisions in Article 3 and Article 4.

h) Judgment.

The deadline for settling simple lawsuits according to Article 5 paragraph (3) of Perma No. 2 of 2015 is no longer than 25 working days from the first hearing. In other words, within 25 working days from the day of the first hearing the trial process for simple claims cases must end and the judge renders a decision. Regarding the judge's decision on a simple lawsuit case, it can be seen from the time the judge's decision was issued that:

1. First, the judge's decision issued before the trial schedule is set or during the preliminary examination, which is called the judge's decision as referred to in Article 11 paragraph (3) Perma Number 2 of 2015: "If during the examination the judge is of the opinion that the lawsuit is not included in a simple lawsuit, then the Judge issues a stipulation stating that the lawsuit is not a simple lawsuit, crosses it out of the case register and orders the return of the remaining costs of the case to the plaintiff."
2. The judge's decision issued at the time of examination and after examination in court. This can be seen from: a) The decision is null and void, as in Article 13 paragraph (2) Perma Number 4 of 2019: If the plaintiff is not present on the first day of trial without a valid reason, then the lawsuit is declared null and void. b) Verstek decision, as in Article 13 paragraph (4) Perma No.4 of 2019: In the event that the defendant is not present on the second day of trial after being duly summoned, the judge decides the case in verstek. c) Contradiktoir verdict, as in Article 13 paragraph (5) Perma No.4 of 2019: "In the realization of peace, the panel of judges produces a resolution of the treatise of peace which is binding on the parties."

Thus, the legal remedies that are provided and can be taken by the parties in a simple lawsuit are only in the form of requests for resistance (verzet) and requests for objections. Settlement of legal remedies for objections is carried out within 24 working days. The period of time is calculated from the reading or notification of the decision until the notification of the objection decision, with the following details:

1) The parties who do not agree or object to the outcome of the decision, submit objections along with the reasons or memory of the objection to the Head of the District Court within a maximum period of seven working days after the decision is read out, or no later than seven working days after the notification contents of the verdict. If an objection is filed past this time period, it will be declared inadmissible through the Determination of the Chairman of the District Court based on the Registrar's Statement.
2) The Registrar checks the completeness of the objection application and submits the Memorandum of Objection to the Respondent no later than three days after the objection is filed.
3) The Respondent submits the Counter Memorandum of Objection no later than three days after receiving the Memorandum of Objection of the Petitioner.
4) The Head of Court Determines the Panel of Judges within one day after the application is declared complete.
5) The Panel of Judges pronounces a decision within a period of seven days at the latest from the Determination of the Panel.
6) The Registrar delivers a copy of the Objection Decision to the parties no later than 3 days after the objection decision is read.

The Supreme Court of the Republic of Indonesia regulates it in Supreme Court Regulation Number 2 of 2015, which was promulgated on August 7, 2015 concerning Procedures for Settlement of Simple Claims jo Perma Number 4 of 2019 concerning Amendments to Perma Number 2 of 2015 concerning Procedures for Settlement Simple Claims which were promulgated on August 20 2019. Perma Number 2 of 2015 and Perma Number 4 of 2019 are efforts to optimize the settlement of simple claims to make it simpler, faster and lower cost. Theoretically, the Small Claim Court is the right step to fix the problem of accumulation of cases in court. However, in reality implementing a simple lawsuit system is not yet an option, because there are still

many people who do not know or are still unfamiliar with simple lawsuits so they still choose to use conventional litigation.

V. CONCLUSION

Based on the description of the discussion, it can be concluded that: The background to the birth of the simple lawsuit mechanism is based on the existence of dispute resolution through ordinary lawsuits which are considered ineffective and efficient so that it will disrupt or hinder community activities, especially those in business cases. This is because the process of resolving disputes through ordinary lawsuits is very slow and takes a lot of time as a result of the examination system which is very convoluted and the legal effort takes a very long time until the next higher legal effort (appeals, cassation and review). Besides that, it also takes a long time and costs a lot of money because of the long legal efforts.

Suggestions that can be given are that: The principle of a simple lawsuit in resolving bad credit disputes is to create an efficient, fast and low-cost court system. Therefore, the justice that is obtained by the parties with a fast time in resolving cases is comparable to the value of a small lawsuit, as well as reforms in terms of procedural procedures in court in accordance with the needs of today's society. The principle of legal certainty in simple lawsuit procedures for debtors and creditors in credit agreements is that justice can be realized which includes elements of institutional certainty, mechanism certainty, and various predictive outputs.

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