

ANALYSIS OF BANKING CREDIT RELAXATION BASED ON CREDIT AGREEMENT LAW DURING THE COVID-19 PANDEMIC PERIOD

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Abstract

As a result of the Covid-19 pandemic, many people, communities, and even nations have had to alter their ways of life. Changes will harm individuals, communities, institutions, and nations that do not adapt, especially in the financial industry. The purpose of this research is to ascertain and assess the extent to which credit agreement law allowed banks to loosen their lending standards during the CoV19 outbreak. Using a doctrinal law research approach, the provisions of the relevant laws and regulations are reviewed and analyzed as a starting point for the research. This research method is normative in nature and is applied in other areas of law as well. The analysis and description in this study are based on a combination of primary and secondary sources gleaned from the examination of legal documents and secondary literature. It has been determined through this survey that Covid-19 is not a natural disaster and is instead a relative overmatch. The spread of covid-19 as a relative overmatch to the credit agreement has the legal effect of requiring the debtor to continue fulfilling his commitments and achieving his goals to the debtor even after covid-19 stops. Following bank verification and analysis of debtors affected by COVID-19 based on the law applicable credit agreement, debtors are given credit relaxation through restructuring in the form of lower interest rates, the extension of time, reduction of principal arrears, decrease in interest arrears, and other forms.

Keywords: Credit Relaxation, Credit Agreement, Pandemic, COVID-19.

A. INTRODUCTION

Humans are social beings that cannot survive on their own since they rely on other humans and other living things to meet their requirements. Humans always generate exchanges and reciprocal ties, which, among other forms, might take the form of social or legal partnerships (Williamson, 1979; Schneider, 1985; McClurg, 2003). Whenever the law creates a legal connection, it always consists of two components: on the one hand, there are rights, and on the other, there is an obligation. The legal relationship established between two individuals is an example of an agreement (Rubin & Shedd, 1981; Meron, 1986; Klein, 1988). The agreement is an integral aspect of business operations; the legal relationship it establishes produces rights and obligations that must be carried out by its participants. Consequently, the parties' agreement is also the applicable law for their particular relationship (Winter, 1972; Raustiala, 2005; Beck-Gersheim, 2012).

Current Indonesian treaty law adheres to the civil law tradition, which is guided by the rules inherited from the colonial Government of the Dutch East Indies; another fact that appears is the influence of the Netherlands, which has planted the pillars of provisions that bind the community to the authorities and to itself (Cribb, 2007). 2010; Yahaya, 2012). The Civil Code (KUHPerdata) or Burgerlijk Wetboek (BW), particularly Book III on Engagements and more directly Chapter II on Engagements Born from Agreements, provides additional evidence of the link between Dutch law and Indonesian law (Hariyanto, 2009; Salim, 2009). 2021).

Moreover, according to Subekti (2021), an agreement is an event in which a person makes a commitment to another person or in which two individuals make a promise to each other; the relationship that results from this event is known as an engagement. Engagement (*verbintenissen*) is a relationship between two individuals or parties in which one has the right to demand something from the other, and the other is obligated to meet that demand (De Graaf, 2019). The relationship between the engagement and the agreement is that the agreement gives rise to the engagement; the agreement is the primary source that gives rise to the engagement; the law is another source (Tyler & Blader, 2013). The engagement is an abstract concept, but the agreement is an event-based fact. An agreement is "a legal connection between two or more parties that has legal implications and is founded on an agreement." (Boyle, 1999).

In the implementation of an agreement, the principle of binding force might be difficult to implement if circumstances change, and these changes have a substantial impact on the ability of the parties bound by the agreement to realize their goals (Sopamena, 2021). Changes in circumstances can frequently result in losses for one or more parties if the agreement is enforced. Some of the agreement's flaws are the result of changes in circumstances, but the Civil Code, as the principal provider of the agreement's law, has not adapted to this (Hutabarat, 2010). Moreover, this is frequently coupled with situations beyond the parties' control or expectations, known as *force majeure* or *overmacht* (Isradjuningtias, 2015).

Force majeure is an incident that occurs beyond the parties' control and causes damage to one of the parties (Hanim & Noorman, 2016). In addition to *force majeure*, an agreement exists, and "*overmacht*" refers to a state of duress. This condition prohibits the performance of a contract that releases a party from the responsibility to pay costs, damages, and interest (Lubis & Siregar, 2020). *Overnight*, in a wide sense, refers to a scenario beyond human control that prevents one party from fulfilling their obligations under the agreement (Adati, 2018). Although jurists have translated the language into a condition of coercion, the term *force majeure/overmacht* continues to be used (Gumanti, 2012).

The banking industry is crucial to the economic development of a nation. This is inextricable from banks' strategic position as intermediary entities (Putera, 2020). Article 3 of Law No. 7 of 1992 Governing Banking, as revised by Law No. 10 of 1998 (henceforth referred to as the Banking Law) confirms that the fundamental mission of Indonesian banks is the collection and distribution of public funds. The fundamental objective of bank transactions is to increase people's standard of living (Wiwoho, 2014). By facilitating the community's ability to raise finances via savings. These deposits may be transferred to other communities via credit or other means. (Lailiyah, 2014).

In order to fulfill their role as distributors of public monies (financial intermediaries), banks have credit facilities. Credit facilities are the most in-demand bank products for meeting public needs (Kara, 2013). As a result of globalization, the times continue to change and the necessities of people's life continue to expand; as a result, income sources feel inadequate. The community employs numerous innovations to establish numerous new business fields. The community needs additional cash for its economic development operations. The bank's credit is intended to give additional funds so that it can be beneficial to both parties (Susanto, 2017).

Credit facilities can be advantageous, however economic growth is influenced by unpredictable global conditions (Greenspan, 2004). Certain factors can impede the expected operation of something. Beginning in 2020, the world was struck by an uncontrollable outbreak of Coronavirus Disease 2019 (henceforth referred to as Covid-19) (Chauhan, 2020). Not to mention that the Covid-19 epidemic has penetrated Indonesian territory as of the beginning of March 2020. The banking industry has been impacted by the economic downturn caused by Covid-19. According to OJK data, there has been an increase in non-performing loans since March 2020. The percentage of debtors who have been delinquent for at least one to two months (Credit Col-2) increased dramatically to 27.3% annually. The number of inactive credit groups (Col-3) and poor credit groups (Col-5) increased by 19.10%. (Nadina, 2021).

Banks must preserve their profitability and liquidity in order to exist. Both of these pertain to the ability of banks to fulfill their responsibilities to parties that may at any point desire to withdraw or remove their deposits, and are meant to ensure that the bank maintains the public's faith (Isma & Hartiningtyas, 2022). To maintain banks' health, liquidity, solvency, and profitability, the Financial Services Authority issued Financial Services Authority Regulation Number 11/POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy for the Impact of the Spread of Coronavirus Disease 2019 (henceforth POJK 11/ 2020).

After the implementation of POJK 11/2020, Article 2, paragraphs (1) and (2) clarify that Banks can implement policies that stimulate economic growth for debtors affected by Covid-19 by enacting regulations respecting asset quality and credit restructuring provisions. Then, Article 5 paragraph 1 specifies that the quality of the restructured credit or financing is smooth because the credit restructuring has been completed.

B. METHOD

The research methodology employed in this study is normative legal research. This work is based on normative legal research (Diantha, 2016). This research use the legal approach (Statute Approach) to examine statutes or regulations pertinent to the legal issues under study (Soekanto, 2007). This research is both analytic and descriptive, employing primary and secondary legal materials through the examination of documents and related literature. This study use qualitative analysis in order to answer the research questions. The technique for collecting data is a literature review that focuses on the substance or legislative regulations controlling the law of credit agreements in the banking industry.

Legal materials related to the formulation of the problem are to be discussed and then analyzed through the steps of description, legal interpretation (legal interpretation), systematization, evaluation and legal argumentation (legal argumentation). The description or depiction is carried out to determine the content or meaning of legal material following the existing subject matter. At this stage, the explanation and determination of the meaning of the legal rules contained in the legislation and the various opinions of related scholars are carried out. At the interpretation stage and interpretation is carried out to be able to understand a norm, especially in the case of finding vague norms (vague norms).

At this stage, coherence between legal rules and legal opinions from related scholars is also carried out so they can be adequately understood. Legal materials that have been systematized, both in the form of legal opinions and legal rules, are then evaluated and given opinions or arguments according to their coherence to the main issues discussed.

C. RESULTS AND DISCUSSION

1. The Existence of Banks in the Economics of the Pandemic Period 19

Due to the spread of coronavirus, domestic economic activity is becoming progressively depressed. This economic activity will gradually have an effect on bank lending and the quality of its assets, particularly the corporate sector. The bank conducts a sensitivity analysis based on the POJK for credit relaxation in order to keep NPL in a safe condition by conducting an evaluation/ assessment of debtors, including Covid-19-affected creditors that must be restructured. Bank measures that can be implemented during a pandemic include: First, banks must handle risk mitigation effectively.

Whether the credit risk level is high or low, the graph of an institution's existing nonperforming loans (NPL) determines the bank's safety. Even based on current data, NPL can have an effect on the financial system. The purpose of OJK No. 11/POJK.03/2020, issued by the Financial Services Authority (OJK), is to stimulate the economy. This stimulus is applicable to the banking sector between March 13, 2020 and March 31, 2021. The bank must proactively identify the affected debtors in order for the OJK stimulus policy to function optimally. The POJK was granted to assist debtors afflicted by the coronavirus due to diminishing performance and capacity, and to prevent a growth in credit risk that could disrupt banking performance and the stability of the financial system (Bidari et al., 2020).

Existing stimulus programs are anticipated to reduce existing subprime loans and facilitate the issuance of new loans. This POJK is also anticipated to promote the performance of banks as intermediaries, the stability of the financial system, and optimal economic growth. The affected debtors receive this OJK incentive in accordance with the idea of prudence and abuse prevention (moral hazard). The stimulus policies in question consist of:

1. Credit collectability assessment with a credit limit of up to Rp 10 billion based on principal and interest payments.
2. The increase in credit collectability becomes smooth by restructuring without ceiling limits and types of debtors.

This regulatory easing is implemented for non-business debtors within a year. Regarding the implementation technique, it reverts to the policies of each bank and follows the debtors' ability to pay. The OJK also issued customer-friendly policies for the non-bank financial sector in order to withstand the subsequent repercussions of the coronavirus epidemic. In addition, the OJK developed guidelines for resolving banking industry difficulties.

Bad credit is a condition in which the debtor cannot repay the credit according to the agreement previously reached with the bank; the categories include the inability to pay installments at all, the ability to pay only partial installments, and the ability to make payments after the credit agreement has expired. For a current crisis, banks require a fresh navigational map. The debtor mapping procedure for the restructuring procedure must be immediately simple so that the bank's cash flow may be determined following treatment. Thus, the bank is able to amend the Bank's Business Plan (RBB) in light of the conditions resulting from Covid 19 based on its knowledge of the SWOT analysis (Bidari & Nurviana, 2020).

Second, banks must prioritize industries with funding potential. Banks must be selective in the business sector that existed and grew throughout the emergence of the coronavirus. In the meantime, the Dcode EFC (2020) research identifies the business sectors (possible winners) as agribusiness, telecommunications, retail e-commerce, medicines, cleaning goods, and medical devices. In addition, it is preferable not to be the bank's first choice for credit financing in industries that are incurring losses or have fallen so far that they have little chance of recovery. The expectation is that banks will no longer rely on poor loans to support their fresh credit expansion.

Third, digital banking. It is necessary to transition products and services to digital banking. The process must be carried out gradually, and the initiation must be ongoing. However, not all products and services are required to use digital banking, and there are certain industries that still require human intervention. Some functions require human intervention, thus digital banking cannot replace them. One of these responsibilities is business mentorship and consulting.

For instance, when a bank customer's business is affected by Covid-19, bank marketers would provide business support and advice. Relationship Managers (RM) are dispersed throughout Indonesia. This RM job will act as a consultant in the event that customers encounter problems with their business operations. (Habibah, 2020).

Fourth, invest on creativity and innovation. Corona mandates that banks become more inventive. For instance, the present bank does not just require the debtor to pay installments and credit interest. However, banks must also consider how they might assist clients through product sales. As is common knowledge, the Government's plea for people to adopt physical and social separation has an effect on the sales of midwifery-related businesses.

To combat this, banks can assist their MSME clients in connecting to the ecosystem so they can sell online. Creating business actors in the shape of Go Online is one example. Business actors with the Go Online system are a digital platform that intends to assist the diverse businesses supported by the bank in extending their product sales range. For business actors interested in entering the business sector, the Go Online method is sufficient for navigating a series of simple steps (Anggraeni et al., 2021).

Use the zoom function for On the Spot (OTS). When the government demands social or physical separation, it is intended that the bank would implement credit guarantee verification via video call or zoom in the field or OTS. Sixth, business consulting and assistance. Bank

personnel, mainly relationship managers (RM) dispersed throughout Indonesia, provide business help and advice to business clients whose operations have been affected as a result of Covid-19. When a client loan is restructured, RM will act as a consultant and provide help until the restructuring process runs well.

Seventh, the Corporate Social Responsibility (CSR) initiative for MSME actors through online training and instruction. Banks can organize online education and training programs using the Go Online system application and the 'Bank Virtual Training and Education' program. This is the bank's effort to continue supporting MSME actors to expand their capacity and operations despite the government's request for physical constraints that are effective in preventing the spread of Covid.

Due to the coronavirus, domestic economic activity is becoming progressively depressed, which will have repercussions for bank lending and the quality of its assets, especially the corporate section. The bank conducts a sensitivity analysis based on the POJK for credit relaxation to retain NPLs in a safe condition by conducting an evaluation/ assessment of Covid-19-affected debtors who must be restructured. The purpose of OJK No. 11/POJK.03/2020, issued by the Financial Services Authority (OJK), is to stimulate the economy. This stimulus is applicable to the banking sector between March 13, 2020 and March 31, 2021. The bank must proactively identify the affected debtors in order for the OJK stimulus policy to function optimally. The POJK was granted to assist debtors afflicted by the coronavirus due to diminishing performance and capacity, and to prevent a growth in credit risk that could disrupt banking performance and the stability of the financial system.

2. The Legal Consequences of Covid-19 as a Form of Overmacht on Credit Agreements

Credit is the ability to make purchases or make loans with the promise that payments will be deferred at an agreed period; credit is also the provision of money or claims that can be equated with that based on a loan agreement between a bank/financing institution and a borrower who repays the debt after a certain period by paying interest (Ingham, 2012). Given that capital is the most significant limitation, credit, among other things, enables the development of a business's capital through bank loans so that it can compete. Trust between banks/financing institutions as creditors and borrowers as debtors is crucial to credit.

This trust is created when the debtor satisfies all terms and conditions to get credit from a bank or financial institution (the creditor). The definition of trust is the belief on the part of the bank or financial institution as the creditor that the loan will be repaid within the agreed-upon time frame. In the meantime, from an economic standpoint, credit signifies that an action that provides the same economic value will be returned to the creditor after a specified period, following the terms of the arrangement.

Credit agreements govern the provision of credit facilities by financial and banking organizations as creditors to borrowers as debtors. The agreement in a state of the Covid-19 outbreak has a significant impact on the implementation of the agreement stipulated and agreed upon by the parties since the agreement is binding and the parties are subject to its terms (Kamleitner & Kirchler, 2007).

As previously stated, Overmacht is a condition in which the debtor is unable to fulfill his obligations or accomplishments to the creditor after the implementation of the agreement; therefore, the debtor cannot be held liable, is not required to bear the risk, and cannot predict when the agreement will be implemented due to events beyond his control. Examples include earthquakes, floods, and accidents (Tahir, 2018). Almost all contracts contain the phrase "Overmacht."

This phrase incorporates the "naturalia aspect" of a contract, therefore it is deemed to be part of a contract or agreement regardless of whether it is specified. Articles 1244 and 1245 of the Civil Code recognize overmacht as a legal justification that absolves the debtor of the responsibility to perform (nakoming) and pay damages (schadevergoeding) even if the debtor has done an illegal conduct or onrechtmatig.

Article 1244 of the Civil Code reads; "If there is a reason for that, the debtor must be punished to compensate for costs, losses and interest, if he does not prove that the thing was not carried out or not at the right time for the implementation of the agreement, due to something unexpected, nor can he be held accountable. All of that even if bad faith is not on his side." Furthermore, Article 1245 of the Civil Code reads: "It is not necessary to replace costs, losses and interest, if due to circumstances of force (overmacht) or due to unintentional circumstances, the debtor is unable to give or do something that is required, or because of the same things. Have committed a forbidden act."

Law 24 of 2007 defines a disaster as "an event or series of events that threaten and disrupt people's lives and livelihoods and are caused, either by natural factors and/or non-natural factors or human factors, resulting in human casualties, environmental damage, property losses, and psychological impacts" (Article 1, Paragraph 1).

As mentioned in Article 1 Paragraph (3), Covid-19 also covers man-made disasters. Disasters that aren't produced by natural causes include things like technical breakdowns, botched attempts at modernization, and disease pandemics. Covid-19 is an example of an overmacht condition, then. Absolute overmacht is present in some persons, such as Ojol drivers and people who have been laid off from their jobs and are unable to execute their previous successes. Yet some are relatively overpowered; these are the micro, small, and medium-sized enterprises.

The debtor, however, has the option of either declaring himself to be in absolute overmacht or restructuring his credit/financing, the former of which is akin to relative overmacht. But it must be recognized that the issue of overmacht cannot be settled if just one side or the other acts (debtors and creditors). Consequently, the creditor/client may seek legal intervention. Overmacht, force majeure, and force majeure all have serious repercussions under the law:

- a) Creditors are not legally entitled to the fulfilment of achievements, but at the same time are free from their obligations to submit performance contrasts;
- b) the debtor is not required to pay compensation (Article 1244 of the Civil Code);
- c) The risk burden does not change, especially in temporary compulsions; and the debtor is insolvent.

The legal consequences of overmacht in the credit agreement due to the COVID-19 pandemic in Ambon City have caused the risk burden to remain unchanged in the sense that the debtor continues to fulfill his achievements after the COVID-19 pandemic ends, or through other efforts. This is because the COVID-19 pandemic is classified as a relative overmacht. The reorganization of credit is mandated by the government to be carried out by financial institutions, such as banks, in conjunction with the debtors.

3. Legal Analysis of Credit Relaxation During the Corona Pandemic With Loan Slack

Corona virus, also known as Covid-19, has had far-reaching effects. The World Bank expects global economic growth this year to reach 2.1%, with Indonesia seeing the largest share of that increase. The widespread Covid-19 has led to these consequences. Bank Indonesia (BI) expects economic growth for the Indonesian people to be below 5%, or roughly 2.5%, down from a peak of 5.2% in 2015. This is because the Covid-19 epidemic causes a slowdown in economic growth.

Bank Indonesia (BI) has worked to maintain stability and promote the national economy despite the coronavirus's effect on it. BI's long-term goal is to achieve high, inclusive, and sustainable economic growth supported by robust macroeconomic and financial stability. On the other hand, this epidemic has had a significant economic impact on the community, notably on motorcycle taxi drivers, taxi drivers, and micro, small, and medium-sized businesses (MSMEs).

Coping with the coronavirus pandemic, also known as COVID-19, which is currently harming the local economy, particularly for motorcycle taxi drivers, taxi drivers, and micro, small, and medium companies (MSMEs) who should pay installments to banks. To the extent that the agreement between the debtor and the bank creates a debt and receivable relationship, the debtor is legally obligated to return the loan the bank has made to the debtor in accordance with the loan's terms, conditions, and payment periods. Article 1154 of the Civil Code regulates pawning; Article 1178, paragraph (1) of the Civil Code regulates Mortgages; Article 12 of Law No. 4 of 1996 regulates Mortgages; and Article 33 of Law No. 42 of 1999 regulates Fiduciary) are examples of material agreements or individual guarantee agreements that provide assurance that the debtor will repay the loan.

President Joko Widodo has the initiative to provide concessions to people who work non-formally in the form of credit payments for one year and a decrease in interest. The Financial Services Authority (OJK) provides credit slack and relaxation for business actors with credit scores below Rp 10 billion. Reasonable credit concessions provided by banks are in the form of 1. Lowering interest rates 2, adding credit facilities 3. Converting loans into equity participation 4. Extending credit terms 5. Reducing loan principal 6. Adding credit facilities and reducing loan interest arrears.

This does not guarantee the public any form of credit relief, but rather necessitates a procedure worked out between the OJK and the bank. Through filing a request for credit relief and including supporting paperwork.

Article 2 of the Financial Services Authority Regulation of the Republic of Indonesia Number 11 / POJK.03/2020 on National Economic Stimulus as a Countercyclical Policy to Address the Effects of the Coronavirus Epidemic in 2019 reads as follows:

- 1) Banks can implement policies that support economic growth stimulus for debtors affected by the spread (COVID19), including micro, small and medium business debtors.
- 2) Policies that support the economic growth stimulus, as referred to in paragraph (1), include:
 - a) asset quality determination policy; and
 - b) Credit or financing restructuring policies.
- 3) Banks, in implementing policies that support the economic growth stimulus, as referred to in paragraph (1), shall continue to pay attention to the implementation of risk management as stipulated in the regulations of the Financial Services Authority regarding the implementation of Bank risk management.
- 4) Suppose the bank implements policies that support the economic growth stimulus, as referred to in paragraph (1). In that case, the bank must have guidelines for determining debtors affected by the spread (COVID-19), including micro, small and medium business debtors.
- 5) Guidelines for determining debtors affected by the spread of 9 (COVID-19), including micro, small and medium business debtors as referred to in paragraph (3), at least contain a) criteria for debtors determined to be affected by coronavirus disease 2019 (COVID-19); and b) affected sectors (COVID-19).

Banks can implement regulations to support the economic growth of affected debtors, as stated in article 2 paragraph (1) of the Financial Services Authority of the Republic of Indonesia Number 11/POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy for the Impact of the Spread of the Coronavirus in Sease 2019. Micro, small, and medium-sized business borrowers were included in the spread (COVID-19). Article 2, paragraph (1)'s use of the term "can" carries the understanding that this article does not obligate but rather allows a choice as to whether or not to grant concessions to debtors in accordance with the Financial Services Authority Regulations.

It is important for the parties to an agreement to remember that they have all committed to a deed of agreement setting forth the terms of the agreement. For this reason, it is desired that the parties carry out the terms of the agreement as written so that its intended results can be realized and no party is harmed in the process. The debtor, in light of the current Covid-19 pandemic, should be cognizant of the need to pay the installments that have become due if they are able to do so without undue hardship to the bank, to ensure that the fulfillment of any previously reached agreements is not hampered. Because of the mutual assent of the parties, rights and duties are created in the form of a legally binding contract. The other party has the right to file a lawsuit if the other party does not meet its obligations.

It is possible for other creditors to benefit from exceptions under the law, as stated in Article 1132 of the Civil Code. Creditors with rights resulting from privileged receivables, such as those from pawns and mortgages, are given priority under article 1133 of the Civil Code. The creditor's standing can change depending on the nature of the collateral they have. There is a guarantee of the borrower's property whose value can be estimated as collateral; this can be done after the loan agreement and can be supported by an agreement; the amount of the loan is determined by the second book of the Civil Code concerning the provisions of unique guarantees, and so that the interest returns, there is a guarantee of the property. This is especially true for evidence that you have gathered. It is possible for the lender to sell the item if the debtor cannot pay.

Similarly, the Government is no longer the sole source of values used in law enforcement. The role of law enforcement has a pivotal significance in achieving well-defined legal goals. Law is not an independent legal system but rather is intrinsically linked to the state of society at any given time. The understanding that law enforcement in a society should treat everyone fairly and not cause any harm to anyone.

No credit limit restrictions on bank restructuring provisions. The use of the word "can" suggests that the provision of debtor concessions in accordance with the Financial Services Authority Regulation is optional rather than mandatory. For the simple reason that the Covid-19 pandemic affects both borrowers and creditors in the economy (banks).

Article 2 paragraphs (1) and (2) of POJK 11/2020 state that, following the law's enactment, banks can enact measures that loosen or restructure loans to debtors impacted by Covid-19 in order to stimulate economic growth. Then, the restructured credit or financing quality is up to date, as explained in Article 5, paragraph (1). This is an example of the credit-relaxation initiatives undertaken during the Corona Pandemic.

The government is anticipated to give more detailed rules and take banking capacities into account while formulating new measures to combat the spread of Covid-19. It is also expected that the debtor will not take advantage of the circumstance by avoiding payment of the installments that are now owed to the financial system. If they are considered able and do not have any difficulty meeting their commitments to the bank, debtors must also be informed of any installment responsibilities that have become due. Since the reality is that the spread of Covid-19 affects the economy in some way, shape, or form. Because the government only provides capital injections to state banks, the application of this law is limited to such institutions exclusively. Small and Medium-Sized Enterprises are given preference when applying for credit easement.

D. CONCLUSION

Because Covid-19 is a man-made disaster rather than a natural one, it is appropriate to refer to it as a relative overmacht. The legal consequence of the expansion of covid-19 as a relative overmacht to the credit agreement is that the debtor is still required to fulfill his duties and achievements to the debtor after covid-19 comes to an end. This is because relative overmacht

is a form of relative overmacht. In actuality, the debtor receives credit relief in the form of relaxation when the bank issues a form specifically for the purpose of providing relaxation. POJK No. 11/POJK.03/2020 provides an explanation of the government's attempts to provide credit relief to persons whose lives have been disrupted as a result of Covid-19. People who, in the past, had to make a formal request to the bank in order to receive credit relief are eligible for it now. According to bank verification and analysis of debtors affected by COVID-19, mitigation can take the form of lower interest rates, an extension of the repayment period, a reduction in the amount of principal arrears, a reduction in the amount of interest arrears, or another form.

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