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REGULATION OF THE AMOUNT OF DEPOSITS FOR DEPOSITORS IN ARTICLE 11 (1) OF LAW NUMBER 24/2004 WHICH DOES NOT COMPLY PRINCIPLES OF JUSTICE

CATARINA MANURUNG[1, 2], SUHARININGSIH[3], SITI HAMIDAH[3] and HERO SAMUDRA[3]

[1]Brawijaya University (Student in Law Science Doctoral Program), MT. Haryono Street No.169, Malang, Indonesia.
[2]Binus University Jakarta (Lecturer Character Building Development Center), Indonesia. Corresponding author Email: catarina.manurung10@gmail.com
[3]Brawijaya University (Lecturer in Law Science Doctoral Program), MT. Haryono Street No.169, Malang, Indonesia.

Abstract

Customer trust in banking is the key to maintaining banking stability. The Deposit Insurance Corporation in Indonesia was established by the government to increase public trust. The government's blanket guarantee program has succeeded in restoring public confidence in the banking system. However, this policy increases the burden on the state budget and has the potential to create moral hazard by bank managers and customers. To reduce the negative impact of the government guarantee program, the Deposit Insurance Corporation has been established. The deposit insurance is limited in nature to reduce the burden on the state budget and minimize moral hazard. PP No. 66 of 2008 about the amount of the value of deposits guaranteed by the Deposit Insurance Corporation, article 1 states that the value of guaranteed deposits for each customer at one bank was originally based on Article 11 paragraph (1) of Law No. 24 of 2004 concerning the Deposit Insurance Corporation is one hundred million rupiah, based on this PP it is changed to a maximum of two billion rupiah. The author uses a normative legal research method with an approach to the relevant laws and regulations, with the hypothesis: there is an unclear regulation of the amount of customer deposits in Article 11 (1) of Law No. 24 of 2004 and PP No. 66 of 2008 about the amount of the value of deposits guaranteed by the Guarantor Institution. For depositors whose deposit value is above two billion rupiah, it won't fulfil the principle of justice.

Keywords: Banking, Trust, Customer Deposit, Principle of Justice, Deposit Insurance Corporation.

1. INTRODUCTION

According to the Law of the Republic of Indonesia Number 10 of 1998, regarding Amendments to Law Number 7 of 1992, concerning Banking, Deposits are funds entrusted by the public to banks based on agreements for depositing funds in the form of demand deposits, time deposits, certificates of deposit, savings and or other equivalent forms (Number 10AD).

If we save or become customers of a bank, we will definitely choose a healthy and reliable bank. But if the bank where we save turns out to be an unhealthy bank or a failed bank so that it goes bankrupt, is liquidated, merged or acquired, it will be detrimental to the customer. Of course this is contrary to the principle of freedom of contract in Indonesian contract law, which can be concluded, among other things, in the formulations of articles 1329, 1332 and 1338 paragraph (1) of the Civil Code.

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"Everyone is qualified to make engagements, if he is not declared incompetent by law" (Article 1329 Civil Code n.d.). Only goods that can be traded can be the subject of an agreement (Article 1332 Civil Code n.d.). "All agreements made lawfully apply as law to those who make them"(A. 1338 paragraph 1 C. Code n.d.).

The bank where we save may not be a healthy bank. Certainty of customer rights needs to be guaranteed in the event of a bank failure or merger. For example: the Century Bank case which began with its determination to become a failing bank. Then proceed with the termination of all management of Century Bank. In October 2009, the Deposit Insurance Corporation took over 90 percent of Bank Century's shares which later changed its name to Bank Mutiara. Finally, the Deposit Insurance Corporation officially transferred 99 percent of PT Bank Mutiara Tbk's shares to a Japanese investment company, J Trust, worth Rp 4.41 trillion.

The fate of Century Bank customers is unclear and uncertain. Therefore, legal protection is needed for bank customers. However, there were 27 (twenty seven) Century Bank consumers from Solo (Surakarta), who took legal action and sued Century Bank, which is now Bank Mutiara. The customers of Century Bank from Solo (Surakarta) have been deceived by the tricks of unscrupulous Century bank employees who have deceived and persuaded customers to move funds from customer savings with the lure of big profits.

Century Bank intentionally officially gave orders/instructions, namely assigning Branch Managers, Marketing Officers and also Customer Services in this case involving all operational staff at all Century Bank branches as stated in the Job Description Form to employees/subordinates (ondergeschikt). Officially, then the sale of the product was carried out by the Bank Century Office now, Bank Mutiara Surakarta branch during working hours and sold at the counter, namely those who because of their position (ambtshalve) as Marketing Officer and Account Officer, were assigned to sell goods that traded by Century Bank in the form of "Mutual Funds" without any warnings prohibiting the sale of Mutual Funds from Century Bank directors. For the sale of the Protected Fixed Fund Investment Mutual Fund and Directory Fund products, Century Bank provides Investment Confirmation Bilyet to Century Bank customers as a receipt. When Century Bank customers were about to cash out their bilyets, according to the due date, it turned out that the bills could not be cashed at the Century Bank Official Counter.

Century Bank customers just found out that the product being traded was illegal and thus violated the law (onrechtmatige daad) as stipulated in Law Number 8 of 1999 concerning Consumer Protection. Century Bank customers are surprised because what is believed to be a Protected Fixed Fund Investment Product and a Directory Fund which when offered by Century Bank is a guaranteed safe and more profitable savings account.

But in reality, the customer's money is Rp. 35,437,000,000,- (Thirty Five Billion Four Hundred Thirty Seven Million Rupiah), which is money for the purchase of Mutual Fund Products, cannot be disbursed / cashed, so Century Bank customers realize that they have been deceived by Century Bank. This resulted in losses for Century Bank customers. Accordingly, Century Bank does not provide true, clear and honest information regarding the conditions and

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guarantees for goods and/or services or products sold by the Bank. Do customers get legal protection and justice? We can see the injustice in the Century Bank case. If the banking condition does not have the ability to pay, does the bank still deserve to be trusted? Who is in charge of supervising banking? Have Bank Indonesia, the Financial Services Authority and the Deposit Insurance Corporation carried out their duties properly?

Century Bank customers finally took legal action. They filed a lawsuit with the First Level Court, namely the Surakarta District Court with case register Number 58/ Pdt G/ 2010, with Plaintiffs 27 (twenty seven) Bank Century consumers (customers), Bank Century Defendants and Co-Defendants PT. Antaboga Delta Securities. Then Century Bank customers appealed to the Second Level Court, namely the Semarang High Court with case register Number 110/ PDT / 2011, with Plaintiff 27 (twenty seven) Bank Century consumers, Defendant Bank Century and Co-Defendant PT. Antaboga Delta Securities. Followed by an appeal to the Supreme Court of the Republic of Indonesia with case register Number 2838 K/Pdt/2011, with Plaintiffs 27 (twenty seven) Bank Century consumers (customers), Bank Century Defendants and Co-Defendants PT. Antaboga Delta Securities. (Putusan et al. 2011) The next legal effort is to carry out a judicial review with the case register No. 30 PK/Pdt/ 2014, but unfortunately this judicial review was eventually rejected. Of course, if the resolution of the problem is taken to legal channels, it takes a long time in addition to requiring extra costs, time and energy.

The second example is: the case of Bank Bukopin Sidoarjo Branch. A customer of PT Bank Bukopin Tbk (BKPP) named Dedi Setiawan vented his anger at the Bank Bukopin Sidoarjo Branch Office, on Jalan Ahmad Yani Sidoarjo, East Java, due to difficulties in withdrawing his deposit. Dedi Setiawan has repeatedly failed to withdraw the deposit funds stored at Bank Bukopin Sidoarjo. The management of Bank Bukopin does not have good faith in solving problems. From this case, it is clear that a customer who wants to withdraw his deposit which has matured in the amount of Rp 45 billion cannot be done. This shows the lack of justice for customers. If the banking condition does not have the ability to pay, does the bank still deserve to be trusted? Who is in charge of supervising banking? Have Bank Indonesia, the Financial Services Authority and the Deposit Insurance Corporation carried out their duties properly?

We certainly become customers of the bank and have savings in the bank. Even one person can have several savings accounts, whether in one bank or in several banks. As customers, we need to get legal protection and justice if the following things happen: (a) The bank where we save is an unhealthy bank and eventually goes bankrupt, merged, acquired or liquidated; (b) This condition is further exacerbated by the occurrence of a monetary crisis or financial crisis; (c) Banking governance at the bank where we save is still in shambles; (d) The products offered by banks are not transparent and do not comply with Bank Indonesia Regulation, PBI 7/7/2005; (e) Complaints from customers are not responded to by the banking management and are not in accordance with Bank Indonesia Regulation, PBI 7/6/2005; (f) The fate of the savings of depositing bank customers' needs to be protected and obtain justice; (g) The roles of Bank Indonesia, the Financial Services Authority and the Deposit Insurance Corporation in maintaining monetary stability, payment systems and supervising financial institutions or industries need to be carried out in an integrated manner.

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The law, in this case Law Number 24 of 2004 concerning the Deposit Insurance Corporation, is contrary to Pancasila and the 1945 Constitution which has a higher position in the hierarchy of legislation. The fifth precept states, Social Justice for All Indonesian People. In terms of legal certainty (juridical), among others: Government Regulation of the Republic of Indonesia Number 66 of 2008 concerning the amount of the value of deposits guaranteed by the Deposit Insurance Corporation, article 1: the guaranteed value of deposits for each customer at one bank which was originally based on Article 11 paragraph (1) Law Number 24 of 2004 concerning Deposit Insurance Corporation is set at a maximum of Rp. 100,000,000.00 (one hundred million rupiah), based on this Government Regulation it is changed to a maximum of Rp. 2,000,000,000.00 (two billion rupiah). For depositors who have savings of more than Rp. 2,000,000,000.00 (two billion rupiah), of course this is unfair. There is ambiguity in the regulation of legal protection for depositors in: (1) Government Regulation Number 32 of 2005 concerning Initial Capital of the Deposit Insurance Corporation; (2) Government Regulation Number 39 of 2005 concerning Customer Deposit Insurance Based on Sharia Principles; (3) Government Regulation Number 66 of 2008 concerning the Amount of Deposits Guaranteed by the Deposit Insurance Corporation.

According to the website published by the Deposit Insurance Corporation, the participation of the Deposit Insurance Corporation consists of: (1) Every Bank conducting business activities in the territory of the Republic of Indonesia is obligated to become a Guarantee participant; (2) Banks participating in the guarantee include all Commercial Banks (including branch offices of banks domiciled abroad that conduct banking activities within the territory of the Republic of Indonesia) and Rural Banks, both conventional banks and banks based on sharia principles; (3) The obligation of a bank to become a member of the Guarantee as referred to in Article 8 paragraph (1) of this Law on Deposit Insurance Corporation does not include the Village Credit Board.

How is supervision of banks so that good corporate governance of banking is maintained properly? What is the role of the Government in maintaining public trust in banking? What is the role of the Deposit Insurance Corporation in resolving or handling banks that have not been successfully rehabilitated or banks have failed? What is the role of Bank Indonesia (BI) as the Central Bank of Indonesia in supervising monetary stability and the banking payment system in Indonesia? What is the role of the Financial Services Authority (OJK) in supervising institutions or the financial industry in an integrated manner, especially banking? How much is the amount of bank customer deposits guaranteed by LPS?.

The establishment of the Deposit Insurance Corporation in Indonesia is one of the efforts made by the Government to increase public trust in banking. The government's blanket guarantee program has succeeded in restoring public confidence in the banking system. However, this policy increases the burden on the state budget and has the potential to create moral hazard by bank managers and bank customers. In order to reduce the negative impact of the government guarantee program, the Deposit Insurance Corporation has been established. In accordance with Law no. 24 of 2004 concerning the Deposit Insurance Corporation on September 22, 2004, the Deposit Insurance Corporation has two functions, namely guaranteeing bank customer

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deposits and carrying out settlement or handling of banks that have not been successfully rehabilitated or failed banks.

2. MATERIAL AND METHOD

In general, the purpose of this study is to find and develop legal knowledge in the banking sector related to banking dispute resolution, normatively juridical is expected to provide arrangements related to alternative banking dispute resolution in the event of a merger or liquidation of banks, failed banks or bank collapses. The approach method used in this research is the approach to the law (Statue Approach) by examining all laws and regulations related to legal issues and a conceptual approach that departs from the views and doctrines that develop in legal science. To find ideas that gave birth to legal concepts. The legal materials used are primary legal materials, secondary legal materials and tertiary legal materials. After all legal material has been collected, it will be processed and analyzed by connecting the theory with research results, then analyzed using a restrictive interpretation method, which is an interpretation method that provides clear boundaries in interpreting a phrase contained in the article or in the explanation of legislation. And related legal materials. Primary, secondary and tertiary legal materials are analyzed using theoretical instruments to discuss and answer problems, which are then expected to obtain clarity from the problems regarding "Regulation of the Amount of Deposits for Depositors in Article 11 (1) of Law Number 24 of 2004 concerning Deposit Insurance Corporations Not Fulfilling the Principle of Justice".

1945 Constitution of the Republic of Indonesia, Law No. 24/2004 on Deposit Insurance Corporation, Government Regulation No. 66 of 2008 concerning the amount of deposit guaranteed by the Deposit Insurance Corporation, secondary legal materials and tertiary legal materials. For this secondary data source, the researcher will use a number of legal materials in the form of literature. As for library legal materials, this library research is a type of data obtained through an inventory which includes 3 things, namely: (1) Primary legal materials, namely legal materials consisting of legal norms contained in: the Constitution of the Republic of Indonesia Indonesia 1945, and the Banking Law; (2) Secondary legal materials, namely legal materials that provide an explanation of primary legal materials and those relating to evidence (evidence); (3) Tertiary legal materials, namely legal materials that provide explanations for primary and secondary materials.

The legal materials needed in this research are secondary legal materials, so these legal materials will be searched for and collected by means of documentation studies or literature studies, either through electronic media or all other library media.

Analysis of legal materials, according to Patton is the process of arranging the sequence of data, organizing it into a pattern, category and a basic description. (Muhajir 1989) The analytical method used in this study is a qualitative juridical analysis. Qualitative juridical analysis method is a research procedure that produces descriptive data.

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3. RESULT AND DISCUSSION

3.1.Justice for Banking Customers

A fiduciary relationship is a form of indirect protection by the banking sector against the interests of depositing customers and also for the interests of the bank itself. Indirect protection by the banking world against the interests of depositing customers is a form of legal protection provided to customers depositing funds against any risk of loss arising from a policy or arising from business activities carried out by the bank.

According to the regulation of Law Number 24 of 2004 concerning Deposit Insurance Corporation, article 11 paragraph (1) states, the guaranteed deposit value for each customer at one bank is a maximum of Rp. 100,000,000 (one hundred million rupiah). And according to the regulation of the Government of the Republic of Indonesia Number 66 of 2008 concerning the amount of the value of deposits guaranteed by the Deposit Insurance Corporation, Article 1 states the value of guaranteed deposits for each customer at one bank which was originally based on Article 11 paragraph (1) of Law Number 24 of 2004 concerning The Deposit Insurance Corporation is set at a maximum of Rp. 100,000,000.00 (one hundred million rupiah), based on this Government Regulation it is changed to a maximum of Rp. 2,000,000,000.00 (two billion rupiah). For customers whose deposits value is above two billion rupiahs, of course this is not fair. Banking customers deserve and deserve justice.

Making a definition of "fairness" is not easy because it involves many dimensions that should be considered. If we look at the theory of justice, because in the economic field it is more inclined to distributive justice. According to Aristotle in his book "Nicomachean Ethics", distributive justice emphasizes the aspect of proportionality, where everyone is in the same condition and position in the country, is entitled to the same award or wealth. This proportion applies not only to abstract numbers or quantities, but also to sums in a general sense.

Aristotle developed Plato's theory by using scientific analysis of rational principles against the background of existing models of political and legal society. Aristotle formulates justice into two forms, namely (Ameriks and Clarke 2000):

1. Distributive Justice

Distributive justice emphasizes the aspect of proportionality, where everyone is in the same condition and position in the country, is entitled to the same award or wealth. This proportion applies not only to abstract numbers or quantities, but also to sums in a general sense.

2. Corrective Justice (Rectification)

This justice is corrective which aims to return a situation to the same position (equal), as a result of legal deviations that occur, either intentionally or unintentionally

3. Premium Determination System

According to the Law on the Deposit Insurance Corporation Article 1 paragraph (1), deposits are deposits as referred to in the Law on banking. (Undang-Undang Pemerintah Republik Indonesia 2004) The premium for each period as referred to in Article 12 is set the same for

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each bank at 0.1% (one thousandth) of the average monthly balance of total deposits in each period. (Undang-Undang Pemerintah Republik Indonesia 2004) Determination of premium is required for a deposit insurance. The problem that needs to be considered is the premium imposition system for the participating banks. There are 2 (two) ways to determine the premium, namely the flat rate and the risk based premium system. The flat rate system is believed to provide incentives for banks to increase risk in their portfolios. Market participants are normally faced with a risk return trade off, big profits can only be obtained from high risk.

So what is enforced in Indonesia by closing premiums with a flat rate system of 0.1% (one thousandth) of the average monthly balance of total deposits in each period, or in a certain amount, has not been able to cover the risk of losses incurred. This means that in this case there is no justice or balance for depositors.

Many countries have switched from a flat rate system to a risk based premium system. In 1999, a third of 72 countries surveyed switched to a risk-based premium system. The application of this risk-based premium is based on the variable premium theory borrowed from the traditional moral hazard theory which states that moral hazard can be overcome by setting a different premium price for each customer, depending on the risk taken by the customer.

The fundamental problem of applying a risk based premium is how to properly determine the risks faced by a bank. To overcome this, 2 (two) systems are used, namely a system that uses "market information" and a system that uses "non-market information".

The ideal solution is to set a guarantee premium that reflects differences between banks in the estimated costs they face. These costs include: costs for resolving bank bankruptcy, supervision fees, monitoring fees, auditing fees and third party costs borne by other institutions outside the deposit insurance company. Therefore, the deposit guarantor must have clear and detailed information about the types of risks faced by each bank.

Conceptually, the advantage of utilizing market information is that the information represents the judgment of a number of individuals who have financial stakes in properly assessing a bank's risk. If determining premiums based on market information raises the question, “about the market information obtained and does the scheme based on that market information lead to accurate pricing?” The problem is that this approach has some form of information problem, for example basing premium setting on the interest rate paid by uninsured deposits requires a well-developed market for both large and small banks.

If market information is not used in determining the amount of the premium, the determination of the premium must be determined administratively, either explicitly or implicitly. The next question is how much confidence the public has in the accuracy of the risks determined by the regulator?

To measure the risk of a bank can be done in 2 (two) ways, namely ex-ante and ex-post. On an ex-ante basis, the guaranteed party almost always has better information about the potential risks it faces than the insurer. In the case of banks, assessing the financial risk of a loan is the main function of the bank. So on an ex-ante basis the information gap between the guaranteed

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party and the guarantor is getting bigger. Many analyzes conclude that a risk-based premium system that works well is a system that uses ex-post risk measures.

The use of the ex-post method is to use a large number of non-performing loans, this must be done carefully. A balance is needed between the desire to impose fines to prevent excessive risk-taking and fines that are too large to exacerbate the condition of the bank. Realistically, the use of the ex-post system in determining risk has obstacles regarding the amount of fines imposed on high-risk banks. If the risk can be detected before the bank's performance deteriorates, relatively large fines can be imposed without threatening the condition. However, a large fine against a bank that is already severe can certainly result in the bankruptcy of the bank.

The solution that can be taken to overcome this is by not using maximum fines on high-risk banks when the bank is in a severe financial condition, but part of the fine is imposed after the bank's condition improves. During periods where a bank is classified as high risk, but still solvent, lighter fines may be imposed and stricter supervisory measures are taken to reduce the bank's risk profile.

Another method that can be taken in determining the premium that must be paid by the guarantee participant bank is based on the theory of market-based portfolio monitoring. This theory teaches that the securities market can efficiently evaluate the risk level of a bank's portfolio. This theory requires all banks that exceed a certain size, issue long-term debt securities that are traded on the market. The deposit guarantor then extrapolates the risk level of the bank's portfolio and the portfolio associated with the guarantee premium based on the market price at which the bank's debt securities are traded. For small banks, the premium can be determined by comparing it with the premium of the bank that is required to issue the debt securities. The weakness of this theory is that the banking industry is divided between large banks, namely banks that are required to issue debt securities, and small banks.

The assessment of premiums based on risk has been used in the United States by the FDIC (Federal Deposit Insurance Corporation), which is mainly based on ex-post risk measures. Thus, banks that carry out high-risk activities are subject to higher premiums if these high-risk activities can result in losses. The FDIC has made the switch from a flat rate system to a risk based or also known as risk-adjusted premium since 1994 with the issuance of the Federal Deposit Insurance Corporation Improvement Act of 1991. Based on this law, the FDIC is ordered to develop a risk-based assessment system. Assessment system) and implement it no later than 1994. However, on January 1, 1993, one year earlier than planned, the system was successfully implemented by the FDIC.

Guarantee premiums can be used for subsidies or taxes depending on whether the premium is “below” or “above” the premium that should be set in a competitive market. There are 2 (two) aspects that can cause errors in setting premiums. First, if the overall level of premium price is not the same as the price that occurs in a competitive market, the deposit insurance company will act as an institution that provides subsidies or imposes taxes, so that the guaranteed

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institution will benefit or lose relative to institutions that do not. Take insurance. Second, a flat premium system provides incentives for excessive risk taking.

This system bases risk calculation on: (1) Possible losses incurred by the guarantee fund taking into account the risks caused by different categories and concentrations of assets and liabilities and other factors under the authority of the FDIC; (2) Possible amount of loss if it occurs; and (3) Fund needs for the deposit insurance fund (revenue needs of deposit insurance fund). Other factors that can be considered are interest rate risk, credit risk, and diversification risk, and operational risk, risk of fraud or insider abuse.

When the FDIC will apply a risk-based premium, it is recommended that the soundness rating system used by bank supervisors is the CAMEL system (Capital, Asset quality, Market risk, Earnings, Liquidity) which can be used to measure the risks faced by banks. Bank supervisors use CAMEL in assessing the quality of capital (capital), assets (asset quality), management (management), income (earnings) and liquidity (liquidity). This suggestion was rejected by the FDIC on the grounds that it was too expensive to implement because: (1) Annual inspection is required; (2) Too dependent on the subjectivity of the rater; (3) Banks are assessed by various agencies that do not use the CAMEL guidelines consequently; and (4) The relationship between CAMEL ratings, with premiums can create a relationship unfavorable relations between supervisors and banks that can damage trust to that rating.

3.2.Risk-Based Supervision

The risk-based supervision system as an improvement in the CAMEL system which has been implemented by Bank Indonesia in conducting bank supervision is expected to assist the mechanism for determining the guarantee premium that will be established. This supervisory system was established considering the increasing variety of products offered by banks. The products offered are not readily captured in the factors assessed through the CAMEL system. Based on risk-based supervision, the assessed risk is expanded to include factors of capital (capital), asset quality (asset qualities), market risk (market risk), income (earnings), liabilities (business), control internal (control), organization (organization) and management (management) can be abbreviated as CAMEL & COM).

We take one aspect of the CAMEL & COM element, namely the management element. If we observe banking management must be in line with good corporate governance. Good corporate governance is the process and structure used by corporate organs to determine policies in order to improve business success and corporate accountability so as to increase added value for shareholders in the long term by taking into account the interests of stakeholders based on the provisions of the Articles of Association. And applicable laws and regulations.

The aims and objectives of Good Corporate Governance (GCG) are to optimize the company's value for shareholders; encourage company organs in making decisions and carrying out actions based on high moral values and compliance; encourage more professional, transparent and efficient company management; improve the company's image for the achievement of national and international competitiveness; encourage and support the development, management of company resources by applying the principles of prudence, accountability and

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responsibility; encourage the emergence of awareness and corporate social responsibility towards the community and environmental sustainability; develop attitudes and behaviors that are in accordance with the demands of company development and changes in the business environment towards a better corporate culture.

The results of the study indicate that the Corporate Governance mechanism affects the stability of the banking system. This means that the greater the role of Good Corporate Governance, the greater the stability of the banking system (Borolla 2011). Explaining the manager's ownership will reduce the tendency to take the act of consuming excessive perquisites. With the majority of shares owned by the company's management, it will make management benefit from the decisions taken. Likewise, the impact of risk due to inappropriate decisions can interfere with management (Taswan 2013). Similarly, the results of the study found that the GCG mechanism through the implementation of ownership structure, managerial ownership, and the proportion of commissioners had a positive effect on bank performance (Barako and Tower 2007; Beck et al. 2009; Kapopoulos and Lazaretou 2007) but has a negative effect on the composition of the Board of Directors (Kyereboah-Coleman and Biekpe 2006). The results of this study support the research of (Adusei 2011; Agoraki, Delis, and Staikouras 2010; Pathan, Skully, and Wickramanayake 2007; Staikouras, Staikouras, and Agoraki 2007) which shows that the GCG mechanism through the measure of the implementation a the Board of Directors has a positive effect on bank performance, where the better the bank's performance, the better banking stability will be.

Corporate governance has a positive relationship with firm value. The higher the score of Corporate Governance disclosure, the higher the value of the bank's company. Corporate Governance has a positive effect on the performance and market value of the company. These results indicate that the market responds to the disclosure of Corporate Governance so that the company's market price increases. The results also reveal that corporate governance strengthens the positive influence and real earnings management of the company. These results indicate that corporate governance practices are able to direct earnings management from the opportunistic spectrum to the efficiency spectrum.

Based on research conducted by Bank Indonesia and Gajah Mada University, 83.10% of respondents agree with the risk-based premium imposition system. A risk-based premium imposition system can be applied if, "the supervisory system and reports prepared by the bank are reliable". In other words, if the system can be implemented properly, banking customers will get justice.

However, the risk-based premium system can only be applied if the supervisory system and reports prepared by the bank are reliable. For this reason, the "report prepared by the bank" needs to be audited regularly by a trusted and qualified auditor and also needs supervision. Before this can be achieved, a flat-rate system should be implemented. This is to avoid unfairness in setting premiums due to the weak risk assessment system being carried out.

Article 15 of the IDIC Law stipulates: (1) the method of determining the premium can be changed so that the premium level differs from one bank to another based on the scale of bank

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failure risk; (2) in the event that the premium rate is set differently from one bank to another, the difference between the lowest and the highest premium level does not exceed 0.5% (five thousandth); (3) changes in the method of determining premiums and premium rates based on the scale of the risk of bank failure in consultation with the House of Representatives; and (4) the results of the consultation with the House of Representatives shall be further stipulated by a Government Regulation (Undang-Undang Pemerintah Republik Indonesia 2004).

Law Number 24 of 2004 concerning the Deposit Insurance Corporation (LPS) in article 15 already regulates the determination of premiums based on the risk scale. If this can be carried out properly, then banking customers will get justice. It also means that the value of guaranteed deposits for each customer at one bank does not need to be limited to Rp. 100,000,000.00 (one hundred million rupiahs), or up to Rp. 2,000,000,000.00 (two billion rupiahs). The state, in this case, represented by the Deposit Insurance Corporation (LPS) can guarantee customer deposits as a whole in accordance with the value of customer deposits.

4. CONCLUSION AND SUGGESTION

4.1 Conclusion

Based on the previous description and explanation, the author takes the following important points:

1. Trust in banking plays a very important role. Customer trust in banking is the key to maintaining banking stability.
2. This customer trust can be obtained by having fairness in bank regulation and supervision as well as guaranteeing bank customer deposits to improve the continuity of the bank's business in a healthy manner. The continuity of a bank's business in a healthy manner can ensure the security of customer deposits and increase the role of banks as providers of development funds and banking services.
3. The establishment of the Deposit Insurance Corporation in Indonesia is one of the efforts made by the Government to increase public trust in banking.
4. The Deposit Insurance Corporation has two functions, namely guaranteeing bank customer deposits and carrying out settlements or handling of banks that have not been successfully rehabilitated or failed banks.

4.2 Suggestion

Trust in banking plays a very important role. Customer trust in banking is the key to maintaining banking stability. Stakeholders provide idealistic and implementable input in the banking sector, especially customer trust, maintain banking stability and provide legal protection to customers.

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