



Civil Decision Enforcement System - Problem Faced by Lawyers

By: Ibrahim Senen
Of Counsel at AYMP

Problems faced by Practitioners when dealing with civil decisions enforcement in Indonesia

- ❑ Asset(s) Tracing;**
- ❑ Seizure / Confiscation;**
- ❑ Necessary Coordination with Authority (Court, Police, Related Authorities such as Auction Office, Tax Office);**
- ❑ Complex Regulations;**
- ❑ Human Resources.**

Problems faced (continued)

- Asset(s) Tracing:
 - Asset being hide by debtor;
 - Asset was transferred to third party
 - ❖ Related Party;
 - ❖ Third Party in good faith (real buyer)
 - Asset was stripped down
 - Privacy issues such as personal data protection

Problems faced (continued)

□ Seizure / Confiscation

- Debtor / Third Party's reluctance;
- Legal action taken to prolong the process in order to buy time;
- Costs of seizure/confiscation (legal costs, operational costs);
- Time (related to the good being seized, market timing, etc)

Problems faced (continued)

□ Necessary Coordination with Authority

- Court;
- Police;
- Auction Office;
- Tax Office;
- Others (such as OJK related to license).

Problems faced (continued)

❑ Complex Regulations

- Complicated Regulation to be understood by the officer;
- Different policy in each region in applying the regulation;
- Unsynchronized regulations (each authorities may have its own regulation for its own purpose such as requirement to have Tax ID (NPWP) by tax office to auction property, or requirement to have SKPT Lelang from BPN to auction property)

Problems faced (continued)

□ Human Resources:

- Level of Education;
- Understanding the laws and regulations;
- Ethical conducts;
- Lack of capacity and capability in conducting assets tracing, assets searching, assets checking;
- Slow development in catching up technology development

Recommendations

for System Improvement and/or Policies

- ❑ Simplify the enforcement system through reverse proof on default claim in court;
- ❑ Specific regulations (at least at the level of Government Regulation Level) to simplify the enforcement process and regulation synchronization;
- ❑ Simple Court on Enforcement especially for movable goods and small claim (below IDR 2 billion);
- ❑ Regular socialization and training to improve the capacity and capability of human resources especially for the enforcement officers.

MISCELLANEOUS

Some elements that impact to the distressed asset pricing :

- Economic condition;
- Security location;
- Security address;
- Type of security;
- Power purchase;
- Industry that dominate the area where the security located;



Thank You!