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Bank Credit Restructuring for Micro, Small and Medium Enterprises Due to the Covid-19 Pandemic

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Abstract

The presence of the corona virus or coronavirus disease 2019 (Covid-19) has an impact on all aspects of human life, including in the fields of financial institutions and banking. The aim of this research is to examine the legal protection for debtors of Micro, Small and Medium Enterprises due to the Covid-19 pandemic in Ambon City, as well as the criteria for debtors of Micro, Small and Medium Enterprises who meet the credit restructuring requirements due to the Covid-19 pandemic. The method used in this study is a normative juridical method with a statutory approach and a conceptual approach. The legal materials studied consisted of primary legal materials, secondary legal materials, and tertiary legal materials through literature studies which were then analyzed qualitatively. Results of the Research, he implementation of credit agreements between banking institutions and debtors of Micro, Small and Medium Enterprises in Ambon City due to the Covid-19 pandemic is affected by the Covid-19 pandemic. Legal protection is carried out based on government policies through credit restructuring efforts for debtors who have difficulty fulfilling their obligations, which are carried out among others by reducing credit interest rates, extending credit terms, reducing loan interest arrears, reducing loan principal arrears, adding credit facilities. The criteria for debtors of Micro, Small and Medium business debtors who meet the requirements for credit restructuring due to the Covid-19 pandemic consist of 2 main criteria, namely the business of the debtor is indeed affected by the Covid-19 pandemic, and also the debtor's good faith in paying off credit installments.

1. Introduction

In Law Number 10 of 1998 concerning Banking (abbreviated as the Banking Law), it is stated among other things that a Bank is a business entity that collects funds from the public, because a Bank is a financial institution that collects funds from the public. Banking is an industry that handles cash, credit, and other financial transactions. Banking is defined as the business activity of receiving and keeping money held by individuals and other entities, and then lending this money to carry out economic activities such as making profit or simply covering operational costs. Banks provide a safe place to store extra cash and credit and they offer savings accounts, certificates of deposit, and checking accounts. Banks use these deposits to provide loans. These loans include home mortgages, business loans, and car loans (Kamus.tokopedia.com, n.d.).

Thus, the Bank must maintain good relations between the Bank as a collector of public funds and the customer as the owner of the funds and run transparently and responsibly on the basis of mutual trust. Of course, the legal relationship between the customer and the Bank is based on an agreement. According to Article 1 number 11 of the Banking Law, credit is the provision of money or an equivalent claim, based on an agreement or loan agreement between a bank and another party that requires the borrower to repay his debt after a certain period of time with interest. Based on the article, there are several elements of the credit agreement, namely (bprartorejobatu.com, n.d.): 1) Provision of money or equivalent bills; 2) Based on an agreement or loan agreement between the bank and other parties; 3) There is an obligation on the borrower to pay off the debt within a certain period of time; 3) Debt repayment accompanied by interest.

The first element of the Credit is the provision of money or an equivalent claim; money here should be interpreted as a number of funds (cash and checking account balances) both in rupiah and foreign currencies. In the sense of "providing equivalent claims" are overdrafts, namely negative balances in customers' checking accounts that cannot be paid in full at the end of the day, takeover of bills in the context of factoring activities and takeover (purchase) of credit or credit, receivables from other parties such as negotiation of export results. The second element of credit is an agreement or agreement between the bank and the debtor. In accordance with Article 1320 of the Civil Code (hereinafter abbreviated to the Civil Code), for an agreement to be valid, four conditions are needed, namely the agreement of the parties, the ability to make an agreement, there is a certain object and there is a lawful cause. In addition to the agreement between the debtor and creditor, the three other conditions mentioned above are also needed as a basis for declaring the validity of an agreement. The third element of credit is the obligation of the debtor to return the total amount of credit borrowed to the creditor within a certain period of time. This is a logical consequence of the existence of a lending and borrowing relationship between debtors and creditors. The last element is the imposition of interest on loans lent. Interest is the added value received by the creditor from the debtor for the amount of money lent to the debtor in question.

Article 8 paragraph (1) of the Banking Law further stipulates that in granting credit, Banks are required to have confidence based on in-depth analysis of the intention and ability and ability of the Debtor Customer to pay off its debts in accordance with the agreement. Article 29 paragraph (3) of the Banking Law further stipulates that in granting credit, banks are required to take methods that do not harm the bank and the interests of customers who entrust their funds to the bank. Elucidation of Article 8 of the Banking Law states that in order to gain confidence in the intention, ability and ability of the debtor to repay his debt, before granting credit, the bank must conduct a careful assessment of the character, ability, capital, collateral, and business prospects of the Debtor Customer, namely the company. recipient of the credit.

Furthermore, Article 8 paragraph (2) of the Banking Law stipulates that Banks are required to have and apply credit guidelines, in accordance with the provisions stipulated by Bank Indonesia. The explanation of this article states that the provisions stipulated by Bank Indonesia include: 1) The provision of credit or financing based on Sharia Principles is made in the form of a written agreement; 2) Banks must have confidence in the ability and ability of the Debtor Customer which is obtained from, among other things, a careful assessment of the character, ability, capital, collateral, and business prospects of the Debtor Customer; 3) Obligations of banks to formulate and implement procedures for granting credit or financing based on Sharia Principles; 4) Obligations of banks to provide clear information regarding procedures and requirements for credit or financing based on Sharia Principles; 5) Prohibition of banks to provide credit or financing based on Sharia Principles with different requirements to Debtor Customers and or affiliated parties; 6) Penyelesaian sengkta Dispute resolution. The credit agreement consists of 2 words agreement and credit. So, to give an understanding of a credit agreement, it must first be seen the meaning of the agreement and the meaning of credit as stated that an agreement is a legal relationship of one or more people to give something, to do something or not to do something. This legal relationship will give rise to rights (rights) on one party and obligations (obligations) on the other party.

The definition of an agreement based on Article 1313 of the Civil Code is actually incomplete, because it only regulates a unilateral agreement and is also very broad because the term act used will also include unlawful acts (Setiawan, 2014: 49). The same opinion was also expressed by civil law scholars, who generally considered the definition of agreement according to Article 1313 of the Civil Code to be incomplete and too broad. According to R. Wirjono Prodjodikoro, an agreement is a legal relationship regarding property between two parties, in which one party has the right to demand the implementation of the promise (Prodjodikoro, 2003: 9).

Meanwhile, credit comes from the word credere which is taken from the Roman language which means trust. If a person or business entity gets a credit facility from a bank, it means that he or she has the trust of a loan from the lender. So that the relationship that exists in credit activities between the parties must be based on mutual trust, the creditor (creditor) believes that the credit recipient (debtor) will be able to fulfill his obligations in terms of payments, interest or payment terms that have been mutually agreed upon. The obligation to have credit guidelines for each bank is based on a strong legal basis, namely Article 29 paragraph (3) of the Banking Law, which in full reads: " In providing credit or financing based on sharia principles and carrying out other business activities, banks are required to take methods that do not harm the bank and the interests of customers who entrust their funds to the bank."

These provisions are rooted in the mutual trust of both parties, namely between the bank and its customers, the bank as a fund manager from a third party must always maintain the performance and soundness of the bank so that the interests and trust of the public are maintained. Based on the understanding of the agreement and the definition of credit above, a credit agreement can be interpreted as a money-lending agreement between a bank and another party (customer) which requires the borrower to repay his debt after a certain period of time with the amount of interest, compensation or profit sharing. The definition of a credit agreement is not found in the Banking Law. Credit agreement according to the Civil Code is a form of loan agreement as regulated in Articles 1754 to 1769 of the Civil Code. The loan agreement according to Chapter XIII book III of the Civil Code Article 1754 of the Civil Code which reads:"A loan agreement is an agreement in which one party gives to the other a certain amount of goods that run out due to use, on the condition that the latter party will return the same amount of the same type and quality"

In carrying out an agreement, the principle of pacta sunt servanda is often difficult to implement if there is a very fundamental change in circumstances, where the circumstances on which the agreement is based have changed and the change affects the ability of the parties to the agreement. Not infrequently changes in circumstances such as price increases, changes in currency exchange rates and war conditions can cause one or more parties to the agreement to suffer losses if the agreement is implemented. Some of the disputes in the agreement are caused by changes in circumstances but the Civil Code as the main provision in the law of the agreement has not accommodated this. And this is often associated with unforeseen circumstances (force majeure) or also known as overmachine.

The state of coercion comes from the term overmacht or force majeure, in relation to an engagement or contract there is no specific formulation in the law, but it is concluded from several articles in the Civil Code. From the articles of the Civil Code, overmacht is a condition that releases a person or a party who has an obligation to fulfill it based on an agreement (the debtor or debtor), who does not or cannot fulfill his obligations, from the responsibility to provide compensation, fees and interest. and/or from the responsibility to fulfill these obligations, and for now, the risk of a possible inability of customers as debtors to fulfill their obligations to pay credit is increasing when at the end of 2019, the world is shaken with news that makes the world excited. Namely with the emergence of a disease outbreak that attacks the respiratory system. The Covid-19 disease caused by the SARS-CoV-2 virus or also known as the coronavirus is still in the same family as the coronavirus that causes the Severe Acute Respiratory Syndrome (SARS) and Middle East Respiratory Syndrome (MERS) outbreaks. These three outbreaks have different rates of infection in infecting victims. Of the three, Covid-19 is the fastest in causing infection between humans.

The presence of the corona virus or coronavirus disease 2019 (Covid-19) has almost an impact on all aspects, not only health. The economic aspect has also experienced a significant impact due to the corona virus pandemic. A study conducted by the ministry of finance showed that the pandemic. Covid-19 has had negative impacts on the national economy, such as a decrease in people's consumption and purchasing power, a decline in company performance, threats to the banking and financial sector, as well as the existence of MSMEs (Santoso, 2020). In the banking and financial sector, of course, this pandemic raises fears of problems in paying debts or credits made by companies, individuals and micro, small and medium enterprises (MSMEs) who are experiencing a decline in performance from the demand side (consumption and purchasing power of the people), which can have an impact on termination of employment and the threat of non-performing credit payments which in turn has an impact on the sustainability of the performance of financial institutions.

From these problems, a strategy or government decision is needed through the Financial Services Authority (OJK) which can overcome the possible inability of the community, in this case as customers or debtors of non-bank financial institutions, to pay off their debts during this pandemic. Therefore, the government issued Financial Services Authority Regulation (POJK) Number 14/POJK.05/2020 concerning Countercyclical Policy (Maintaining Economic Stability) Impact of the Spread of Coronavirus Disease 2019 (Covid-19) for Non-Bank Financial Services Institutions. In which there is one strategy by using credit restructuring or in this case financing as a rescue effort so that it does not get worse and results in difficulty in resolving the customer's inability to pay off his debts during this Covid-19 pandemic. Restructuring or restructuring is an effort to repair or realignment carried out in this case is credit activities for debtors who have difficulty fulfilling obligations (Dewi, 2015: 241-251). The credit restructuring program in this case is financing, of course, it will provide debt payments on terms that are softer or lighter than the conditions before the restructuring process so that it can help improve the customer's financial position as a debtor (Darmadji & Fakhruddin, 2011: 69). In addition, customers who have been affected by the spread of Covid-19 from early 2020 until now, including customers of micro, small and medium enterprises (MSMEs) can resume their business.

2. Methods

The method used in this research is a normative juridical method with a statutory approach and a conceptual approach. The legal materials studied consisted of primary legal materials, secondary legal materials, and tertiary legal materials through literature studies which were then analyzed qualitatively.

3. Results And Discussion

3.1 Legal Protection for MSME Debtors Due to the Covid-19 Pandemic in Ambon City

a. The Impact of the Covid-19 Pandemic on Credit Agreements Between MSME Actors and Banks in Ambon City

The Covid 19 pandemic has hit almost the entire world, including the State of Indonesia, which was only discovered in February 2020 until now and the transmission is growing quite rapidly. Therefore, the government has issued

Presidential Decree No. 12 of 2020 concerning Determination of Non-Natural Disasters due to the spread of Covid-19. The Covid-19 pandemic that has occurred has greatly affected all aspects of human life in the world, affecting human health and even causing death. In addition to its impact on human health, the Covid-19 pandemic has also affected the economic systems of all countries in the world, including Indonesia.

From the economic aspect, the Covid-19 pandemic has affected, among others, the delay in the production process, the scarcity of raw materials available in the community to meet the needs of life, the cessation of the tourism, entertainment and hospitality industries as well as flights due to the policy of social restrictions and regional closures, which made the perpetrators efforts to reduce employees, even termination of employment (PHK). This results in a decrease in income and an increasing number of unemployed due to job losses. In addition to affecting the industrial sector above, the COVID-19 pandemic has also affected the financial services industry sector such as banking institutions and financing institutions, namely in terms of implementing credit agreements with debtors.

Credit agreements between Banks as creditors and MSME actors as debtors are one type of agreement in general. According to the agreement theory put forward by Van Dunne, what is meant by an agreement is: "a legal relationship between two or more parties based on an agreement to cause legal consequences" (HS, 2016: 160). The theory does not only look at the agreement alone. But it must also be seen the actions before or after. In relation to this research, the issue of credit agreements between banks and MSME debtors is not only seen before or during the implementation of the credit agreement. But after the credit agreement is implemented, then how does the debtor carry out his obligations to repay the credit. Especially when the covid-19 pandemic occurs, the extent to which debtors are able to fulfill their obligations, and the extent to which the Bank's efforts to provide relief to debtors, are also in line with the agreement theory from Van Dunne mentioned above.

Based on the results of research on several banking institutions in Ambon City, it was found that the covid-19 pandemic also affected the credit agreements carried out by banks with debtors, namely: a) BNI Bank KCP Pattimura University: Based on the results of research through interviews with the leadership of Bank BNI KCP University of Pattimura on behalf of Mr. A.U, it turns out that the COVID-19 pandemic has had an impact and has had an effect on credit agreements at Bank BNI. According to him: “The impact that is felt specifically on MSME actors such as restaurants, restaurants, clothing boutiques and so on which greatly affects the obligations of these business actors to make credit repayment payments at BNI Bank. Except for pharmacies or drug kiosks, as well as food stalls that are still in the safe category or able to pay off credit payments. This impact and influence is due to the income earned by these business actors being very low and even very less so that they are unable to pay the repayments as they should”. b) Bank Mandiri Ambon Branch: Through an interview with the Customer Relationship Manager Consumer Loan Bank Mandiri Ambon Branch on behalf of Mr. A.S, according to him, “as one of the state banks that also provides credit services to the public, the Covid-19 pandemic has greatly affected the implementation of credit agreements between Bank Mandiri and debtors in terms of fulfilling achievements by the debtor himself." He further said that: "Before the Covid-19 pandemic occurred, the fulfillment of debtor achievements in payment of installments and loan interest did not experience many obstacles or traffic jams, but since the Covid-19 pandemic outbreak began to spread to Indonesia, Bank Mandiri credit debtors were unable to pay interest and credit installments as expected, specified in the credit agreement". During 2020, Bank Mandiri Ambon branch, has provided relief in the form of restructuring to debtors who are indeed affected by the Covid-19 pandemic. These debtors are several MSME actors engaged in the restaurant business, home business actors and traveling traders, as well as business actors selling clothes and clothing. c) Bank BCA Ambon Branch: Just like what happened to Bank Mandiri, Bank BCA Ambon Branch was also affected by the Covid-19 pandemic in terms of implementing credit agreements with debtors. Some debtors who have been affected by the Covid-19 pandemic have not even been able to fulfill their achievements by paying installments and credit interest. Most of the debtors are restaurant and food stall business actors, which, as a result of the PSBB, caused them to close and did not earn any income at all. In addition, there are also business actors in the fields of tourism, hospitality, travel, and the trade industry (clothing shops and so on), according to the results of the interview with the BCA Ambon Branch Account Officer, Mr. J.T, according to him: "If this continues and you don't know when it will end, the impact will be even greater and may spread to the banking sector. Many banking systems have gone bankrupt due to the pandemic situation, extraordinary financial market turmoil and the value of the currency is deteriorating". d) Bank Artha Graha Ambon Branch: From the interview data, such as what happened to Bank BNI KCP Unpatti, Bank Mandiri Branch Ambon and Bank BCA Ambon Branch, Bank Artha Graha Indonesia, as one of the private banks that also provided many credit facilities for debtors, was also affected by the implementation of the credit agreement. The results of the interview with Mrs. S.M Legal Staff of Bank Artha Graha Ambon Branch, she said that: "Many debtors because of this pandemic cannot fulfill their obligations to pay installments and interest before the due date. The debtors are usually MSME actors engaged in the restaurant business, but there are also catch fishermen and online motorcycle taxi drivers (Ojol)."

b. Forms of Legal Protection for Debtors Who Have Difficulty in Fulfilling Credit Payment Obligations After the Covid-19 Pandemic

Since the outbreak of the corona virus pandemic or Covid-19 began to spread and spread very quickly in almost all parts of Indonesia, the government has begun to impose Large-Scale Social Restrictions (PSBB) in several areas that have become the center of the spread of the virus. This phenomenon also hits business actors who are unable to carry out their business activities normally. The banking industry is one of the sectors that directly feel the impact of the decline in the economic condition of the people in Indonesia, due to the large number of debtors or customers who cannot fulfill their achievements in the form of payment of credit or debt installments. Seeing the increasingly worrisome economic conditions caused by the 2019 corona virus disease pandemic, the government has tried various ways to overcome these problems, one of which is issuing the Financial Services Authority Regulation Number 11/POJK.03/2020 concerning the national economy as a countercyclical policy on the impact of the global spread of the coronavirus. 2019 (Covid-19).

The policy taken by the government by issuing Financial Services Authority Regulation Number 11/POJK.03/2020 can provide legal certainty for MSME actors affected by the Covid-19 pandemic. In theory, as stated by van Apeldoorn, that legal certainty is an inseparable feature of law, especially for written legal norms. Legal certainty means legal security. Legal certainty is a guarantee that the law is implemented, that those entitled by law can obtain their rights and that decisions can be implemented. In relation to this research, legal certainty is related to the form and implementation of credit restructuring as a form of government policy to be applied by banks to debtors including MSME actors in credit agreements during the COVID-19 pandemic, so that debtors in this case MSME actors can fulfill their credit repayment obligations.

As stated in POJK's Preamble Number 11/POJK.03/2020 concerning the national economy as a countercyclical policy to the impact of the spread of the coronavirus in 2019 (Covid-19), which is stated in the Financial Services Authority Regulation, the government issues policies that support economic growth stimulus for debtors affected by the pandemic. covid-19 Including micro, small and medium business debtors. This is what distinguishes the Financial Services Authority Regulation Number 11/POJK.03/2020 from the previous Financial Services Authority Regulation which regulates debtors affected by the coronavirus disease 2019 pandemic.

Based on the provisions of Article 2 of POJK Number 11/POJK.03/2020, especially in Article 2 paragraph (1) it states "that debtors affected by COVID-19, including debtors of micro, small, and medium enterprises" who have difficulty fulfilling their obligations to bank, because the debtor or debtor's business is affected by the spread of covid-19, either directly or indirectly in the economic sector. Debtors who have met the requirements above can get credit restructuring or financing and/or provision of new funds. Credit restructuring is an improvement effort made by banks in credit activities for debtors who have difficulty meeting their obligations.

The criteria for debtors who can receive the provision of new funds are debtors who are affected by the spread of coronavirus disease 2019 (Covid-19), including MSME debtors. As regulated in Article 7 Paragraph (1) which states that banks can provide new funds to debtors affected by the spread of COVID-19. For new credit and/or other provision of funds with a maximum ceiling of Rp. 10,000,000,000.00 (ten billion rupiah), in accordance with the provisions of the Financial Services Authority Regulation regarding asset quality assessment.

Restructuring efforts through government policies to help debtors who have difficulty fulfilling their obligations are part of legal protection from the state to the community in this case debtors. Legal protection is an effort to protect someone's interests, including MSME debtors who have difficulty paying credit installments at the bank due to the impact of the Covid-19 pandemic. Therefore, legal protection for the community must be realized in the form of legal certainty. Quoting the opinion expressed by Philipus M.Hadjon that legal protection for the people in the form of government actions can be preventive and repressive. Policies that support the economic stimulus provided to debtors affected by the spread of COVID-19 through the Financial Services Authority Regulation Number 11/POJK.03/2020 are one of the legal protections that are repressive in nature for debtors. This means that the COVID-19 pandemic has occurred, then there are government efforts to help debtors affected by the pandemic through Financial Services Authority Regulation Number 11/POJK.03/2020 with this restructuring policy.

Based on the Financial Services Authority Regulation Number 11/POJK.03/2020 contained in Article 10, namely policies that support economic stimulus provided to debtors affected by the spread of COVID-19 including micro, small and medium business debtors with a validity period of up to with March 31, 2021. As the analysis of the two regulations, legal protection for debtors both before the covid-19 pandemic or after the covid-19 pandemic, it can be concluded that there are similarities and differences. The similarity of the two regulations is that they both provide restructuring policies to debtors. Meanwhile, the differences between the two Financial Services Authority Regulations are as shown in the following table:

Table 1: Differences in the contents of POJK No. 11/POJK.03/2015 with POJK No. 11/POJK.03/2020

No.	Differentiator	POJK No. 11/POJK.03/2015	POJK No. 11/POJK.03/2020
1.	Reason for expulsion	As a form of prudence in the context of stimulating the national economy for commercial banks	As a countercyclical policy for the impact of the spread of coronavirus disease 2019
2.	Restructuring Period	No timeframe	Until March 31, 2021 (Article 10)
3.	Restructuring Criteria	Restructuring is granted for loans classified as Doubtful or Bad, Under Special Mention, or Substandard. (Article & paragraph (1))	Restructuring is given to debtors affected by the spread of coronavirus disease 2019 (covid-19), including micro, small and medium business debtors. (Article 6)

Source: Data processed by the author on November 3, 2021.

In the discipline of contract law, one of the most important principles is known. The principle in question is the principle of the binding power of the agreement (Pacta Sunt Servanda). This principle means that the parties who make the agreement must carry out the agreement. In this principle, the agreement of the parties is binding as is law for the parties who made it. Those who make it mean that the law recognizes and positions both parties on an equal footing with the legislator (Hernoko, 2014: 127).

The phenomenon of the Covid-19 outbreak has caused many debtors or customers in credit agreements to be unable to fulfill their obligations. Based on Article 1 number 18 of Law Number 10 of 1998 concerning Amendments to Law Number 7 of 1992 concerning Banking, it is stated that debtor customers are customers who obtain credit or financing facilities based on Sharia Principles or equivalent based on bank agreements with customers who concerned. In the perspective of civil law, parties who do not carry out their obligations are qualified to have broken promises and/or negligent or better known as Defaults. The legal implications are clearly regulated in Article 1243 of the Civil Code which in essence regulates the obligation to compensate for losses arising from the default of one of the parties in an agreement (Frisyudha et al., 2021: 344-349).

However, when referring to Articles 1244 and 1245 of the Civil Code, these two articles explain that in a situation forcing a party that is negligent in carrying out its obligations, it can be released from responsibility to compensate for losses that arise as a result of not implementing an agreement. The two articles provide an understanding that if one of the parties in the agreement is unable to fulfill its performance due to an unforeseen event or due to an unintentional situation or due to forced circumstances (overmacht), then that party is released from the obligation to provide compensation due to force majeure (Fitri, 2020: 76-93). Articles 1244 and 1245 of the Civil Code also stipulate force majeure as a legal reason that frees the debtor from the obligation to fulfill (nakoming) and compensation (schadevergoeding) even though the debtor has been proven to be in default.

In the Disaster Management Law, epidemics and disease outbreaks can be qualified as non-natural disasters caused by a series of non-natural events. This is reinforced by the statement of the World Health Organization which has stated that Covid-19 is a pandemic (Aina & Ramadhani, 2021: 195-205). Based on its nature, force majeure is divided into 2 types, namely absolute force majeure and relative force majeure. Absolute force majeure is a condition where the debtor is completely unable to carry out his achievements to the creditor, due to earthquakes, floods, and lahars. Relative force majeure is a condition that causes the debtor to fulfill its performance. However, the fulfillment of these achievements must be carried out by giving large victims that are not balanced or using soul power that is beyond human capacity or the possibility of being inflicted with such a great danger of loss. Force majeure which is relatively only temporarily suspends or suspends the debtor's contractual obligations, not canceling the business contract (HS, 2019: 102).

Even though it is factually affected by the Covid-19 pandemic, the party claiming force majeure must in good faith try to do things that are deemed appropriate and reasonable to continue to carry out their obligations or at least make efforts to mitigate the risk of non-fulfillment of obligations under the agreement.

Then regarding the notification procedure, it is generally determined that the party experiencing/affected by force majeure must notify the other party in writing within a certain period of time since the impact is felt. A force majeure claim is filed with the intention of changing the agreement and not terminating the agreement. It is important to understand that a claim of force majeure does not necessarily invalidate the party's obligations. The provisions of Article 1245 of the Civil Code are only related to exemption from the obligation to compensate.

In response to Covid-19, the President of the Republic of Indonesia has made and issued Presidential Decree Number 12 of 2020 concerning the Determination of Non-Natural Disasters Spreading Corona Virus Disease as a National Disaster as the legal basis for force majeure. This can be seen in the first point of Presidential Decree Number 12 of 2020 concerning the Determination of Non-Natural Disasters for the Spread of Corona Virus Disease 2019 (Covid-19) as National Disasters (Dewangker, 2020: 309-313).

The government has implemented a form of legal protection through the Financial Services Authority (OJK) by issuing Financial Services Authority Regulation No. 11 /POJK.03/2020 Regarding National Economic Stimulus as a Countercyclical Policy Impact of the Spread of Corona Virus Disease 2019 (POJK 11/2020). This policy emerged to address the many complaints of difficulties in accessing credit or financing for online motorcycle taxis, taxi drivers, MSME entrepreneurs and non-permanent workers as well as workers who have been laid off through credit relaxation (Satradinata & Muljono, 2020: 613-620). The main points of setting the POJK on the Stimulus Impact of Covid-19 include (Aminah, 2020: 10-16): a) This POJK applies to Conventional Commercial Banks (BUK), Sharia Business Banks (BUS), Sharia Business Units (UUS), Rural Banks (BPR), and Sharia Rural Banks (BPRS); b) Banks can implement policies that support growth stimulus for debtors affected by the spread of Covid-19, including MSME debtors, while still paying attention to the principle of prudence; c) Debtors affected by the spread of Covid-19 including MSME debtors are debtors who have difficulty fulfilling obligations to the Bank because the debtor or debtor's business is affected by the spread of Covid-19 either directly or indirectly in the economic sector, including tourism, transportation, hospitality, trade, processing, agriculture and mining; d) The stimulus policy in question consists of: (1) Assessment of the quality of credit/financing/providing other funds only based on the accuracy of payment of principal and/or interest for credit/financing/providing other funds with a ceiling of up to Rp.10 billion; (2) Improved credit/financing quality to be smooth after being restructured during the validity period of the POJK. This restructuring provision can be applied by the Bank regardless of the credit/financing ceiling limit or the type of debtor. e) The way credit/financing restructuring is carried out is as regulated in OJK regulations regarding asset quality assessment, among others by: (1) lower interest rates; (2) extension of time period; (3) reduction of principal arrears; (4) reduction of interest arrears; (5) additional credit/financing facilities; and/or; (6) conversion of credit/financing into Temporary Equity Participation.

After the issuance of POJK 11/2020, debtors feel that they get a breath of fresh air because they get credit relaxation. As understood, credit relaxation means providing concessions related to credit/debt payments. This provision can be seen in Article 2 of the POJK where banks can implement policies that support economic growth stimulus for debtors affected by the spread of Covid-19, including MSME debtors who are faced with credit arrears (non-performing loans) (Tjoanda et al., 2021: 93-101).

There are two methods of resolving non-performing loans/financing. First, rescue non-performing loans, namely through renegotiation between the bank/finance (creditor) and the debtor or customer. Second, the settlement of non-performing loans is the settlement through legal institutions, such as the State Receivables Committee (PUPN) and the Directorate General of State Receivables and Auctions, Judiciary and Arbitration Institutions.

Credit rescue can be carried out in three forms, namely rescheduling (rescheduling) by making changes to several credit agreement terms relating to the repayment schedule or credit term, including changes in the amount of installments. Next is reconditioning (reconditioning), which is to make changes in part or all of the terms of the agreement without providing additional credit and without converting participation. The last is restructuring (rearrangement) by making changes to credit terms in the form of providing additional credit or it can also be done by converting. In POJK11/2020 credit rescue during the Covid-19 pandemic uses a restructuring mechanism. Debtors can of course take advantage of the relaxation and restructuring facilities from the government to be formulated by the debtor through a restructuring proposal submitted to creditors based on POJK No. 11 of 2020. However, if the form of restructuring pattern offered by the creditor is deemed inadequate by the debtor, the debtor can take the initiative to carry out a restructuring pattern based on an agreement or for more complex relationships, UUK and PKPU can be used so that the restructuring becomes more balanced and comprehensive (Yusmita et al., 2019: 59-67).

3.2 Criteria for MSME Debtors Who Meet Credit Restructuring Requirements Due to the Covid-19 Pandemic.

a. Micro, Small and Medium Enterprises (MSMEs) Amid the Covid-19 Pandemic

Law Number 20 of 2008 concerning MSMEs (Small and Micro Enterprises) defines micro-enterprises as productive businesses owned by individuals or individual business entities that meet the criteria for Micro-enterprises as regulated in this Law. Small Business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries that are owned, controlled, or become part either directly or indirectly of a medium or large business that meets the criteria for Small Business.

Medium Business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled or become a part either directly or indirectly with Small Businesses or Large Businesses with total assets. net or annual sales.

MSMEs have proven to be one form of business that can survive the economic crisis that has ever occurred in Indonesia. Micro, Small and Medium Enterprises (MSMEs) are one of the fields that make a significant contribution to spurring Indonesia's economic growth. This is because MSMEs play an important role in accommodating the workforce, especially the young workforce who are still inexperienced or those who are entering the labor market for the first time. Indonesian workers statistics show that 99.5% of Indonesian workers work in the MSME sector. This can reduce the unemployment rate in Indonesia, even though high unemployment is the biggest contributor to the cause of poverty in Indonesia (Supriyanto, 2006: 1-16).

The large number of SMEs will lead to a strong economy, because it is proven that SMEs are the most resilient to the crisis. Because MSMEs are still dominant enough to absorb the labor force in urban and rural areas, but on the other hand they show symptoms of low productivity because they still use traditional tools with low levels of education and skills, as well as the use of simple technology, it will affect the income to be generated. With conditions like this, of course, the income generated will not be maximized. According to Kurniawan, some of the basic problems faced by SMEs are : 1) Weaknesses in obtaining market opportunities and increasing market share; 2) Weaknesses in the capital structure and limitations in obtaining access to sources of capital; 3) Weaknesses in the field of organization and human resource management; 4) Limited business network cooperation between small entrepreneurs (marketing information system); 5) Unfavorable business climate, due to deadly competition; 6) The guidance that has been carried out is still not integrated and there is a lack of public trust and concern for small businesses.

In dealing with the problems above, According to Putri development, in essence, the development of MSMEs is a shared responsibility between the government and the community, as follows: 1) Creating a Conducive Business Climate: The government needs to strive to create a conducive climate, among others, seeking peace and business security as well as simplifying business licensing procedures, tax relief and so on; 2) Government Capital Assistance: Government capital assistance needs to expand special credit schemes with conditions that are not burdensome for MSMEs, to help increase their capital, be it through the financial services sector, the informal financial services sector, guarantee schemes, leasing and venture capital. Financing for MSMEs should use existing Microfinance Institutions (LKM), as well as non-banks. Bank microfinance institutions include the village unit BRI and the Rural Bank (BPR). For this reason, it is necessary to encourage the development of MFIs, what must be done now is to encourage how the development of these MFIs runs well, because so far non-cooperative MFIs have had difficulties in their operational legitimacy; 3) Business Protection Types: Certain businesses, especially traditional types of businesses which are businesses of weak economic groups, must get protection from the government, either through laws or government regulations which lead to a win-win solution; 4) Partnership

Development: Partnerships that help each other between MSMEs, or between MSMEs and large entrepreneurs both domestically and abroad, avoid monopoly

In this pandemic situation, according to the Ministry of Cooperatives and SMEs, there are around 37,000 MSMEs who reported that they were very seriously affected by this pandemic, which was indicated by: around 56 percent reported a decline in sales, 22 percent reported problems in the financing aspect, 15 percent reported problems with distribution of goods. , and 4 percent reported difficulty getting raw materials. The problems above are also increasingly widespread if they are associated with the Large-Scale Social Restrictions (PSBB) policies that are implemented in several regions in Indonesia. Refer to the Rules Minister of Health No. 9/2020 about PSBB guidelines in the context of Accelerating the Handling of Covid-19, PSBB includes restrictions on certain activities of residents in an area suspected of being infected with Covid-19 including restrictions on the movement of people and/or goods for a particular province or district/city to prevent the spread of Covid-19. These restrictions are at least carried out through school and work holidays, restrictions on religious activities, and/or restrictions on activities in public places or facilities. It is feared that with the PSBB, economic activities, especially production, distribution, and sales will experience disruptions which in turn will contribute more deeply to the performance of MSMEs (Saturwa et al., 2021: 65-82).

According to the Coordinating Ministry for Economic Affairs of the Republic of Indonesia, there are several impacts that arise, namely a decrease in demand and a decrease in sales; b. Decrease in activities, difficulties up to business closure (temporary/permanent); c. Distribution is hampered; d. Difficulty of raw materials; e. Difficulty getting business capital.

MSMEs that are able to survive in the midst of this COVID-19 climate include MSMEs that are already connected to the digital ecosystem by utilizing the existing marketplace in Indonesia. And MSMEs that are able to survive in the era of the covid-19 pandemic are MSMEs that are able to adapt their business with innovative products, for example, those that previously sold bags and clothes products then changed their products to selling cloth masks. Other industries that are able to survive during the COVID-19 pandemic are industries related to meeting basic needs including electricity, clean water, agriculture, animal husbandry, plantations, fisheries, automotive and banking. Likewise, the retail industry is able to survive, this is because some of them take advantage of sales through digital marketing.

b. Criteria for MSME Actors Who Meet Credit Restructuring Requirements Due to the Covid-19 Pandemic

Based on the results of research conducted on banking institutions such as Bank BNI KCP Unpatti, Bank Mandiri Ambon Branch, Bank BCA Ambon Branch, Bank Artha Graha Ambon branch, it was found that the government's efforts through restructuring carried out by these banking institutions greatly helped the affected debtor community. straight from the Covid-19 Pandemic.

The following is a form of restructuring carried out by banking institutions in Ambon City for debtors affected by the COVID-19 pandemic:

No.	Name of Banking Institution/Financing Institution	Strategies and Forms of Credit Restructuring for Debtors Affected by the Covid-19 Pandemic	Procedure for the Implementation of the Restructuring Form
1.	PT. BNI Bank KCP Pattimura University	1. Reduce installments (Interest and Principal) according to the new income. However, if the income earned is very small, the debtor only needs to pay the interest installments, while the principal payments are postponed for a maximum period of 1 year. 2. Make changes to the credit agreement, namely regarding the extension of the term.	Bank BNI will adjust it by analyzing and looking at the debtor's ability to pay first and then adjusting the form of restructuring. The analysis also considers the ability of the debtor and also the good faith of the debtor.
2.	PT. Bank Mandiri Ambon Branch	1. The debtor does not pay interest and principal for 1 year 2. The debtor only pays interest without paying the principal loan for 1 year 3. The debtor pays only the principal loan without interest for 1 year	To determine the form of restructuring that will be given to the debtor, the Bank will conduct a field analysis of the condition and condition of the debtor, after further analysis, which form of restructuring will be applied. Usually debtors who are directly affected by the COVID-19 pandemic will be prioritized.
2.	PT. Bank BCA Ambon Branch	1. Extension of Credit Term for debtors affected by the Pandemic 2. The debtor only pays interest without paying the principal loan for 1 year 3. The Bank will reduce interest rates so that debtors affected by the	To determine the form of restructuring that will be applied to debtors, Bank BCA will first conduct observations and observations as well as carry out analysis to determine: form of restructuring. Debtors who are prioritized are debtors who are

		pandemic are able to pay off their installments	directly affected, such as business actors in the tourism, hotel, travel, restaurant and restaurant sectors as well as the trading industry. Even if possible, BCA bank will provide an extension of the credit period of up to 10 years.
3.	PT. Bank Artha Graha Ambon Branch	1. Postponement of principal loan repayment obligations 2. Interest rate reduction	For deferment of principal loan payment obligations, it will be given to debtors with credits above 5 billion Rupiah, while for interest rate reductions, it will be given to debtors with loans below 5 billion Rupiah. As with Bank Mandiri and Bank BCA, this restructuring is prioritized for debtors who are directly affected by the COVID-19 pandemic
4.	PT. BFI Ambon Branch	1. Extension of the credit period so as to reduce the number of installments	For the procedure for obtaining this restructuring, the debtor must first submit it to the BFI, and then it will be processed for approval from the head office. Prior to approval, it will Observations were made to determine whether the debtor was directly affected by the pandemic or not. If the analysis results show that the debtor is indeed affected by the pandemic, it will be given credit restructuring. For this credit restructuring, it is

	given to all debtors except debtors with civil servant professions because they are considered not to be affected by the COVID-19 pandemic

Source: Data processed from interviews

At this time the public's need for financing is getting higher, resulting in many financial institutions, both banks and non-bank financial institutions, where these institutions are the goals of the community to meet needs, especially in the field of financing, both in the form of funds and in the form of capital. The available capital is used by the community as funds to meet their daily needs. Capital is needed by the community as an alternative fund to run their business or to support basic needs(Ayu, 2015). Bank is one of the business entities of financial institutions that aims to provide credit and services, this credit is provided with own capital or with funds entrusted by third parties or by circulating new distribution tools in the form of demand deposits..[1]

In the current pandemic, there are a lot of complaints from debtors about the difficulty of fulfilling obligations in credit agreements, as a result of the 2019 coronavirus disease pandemic. This shows that the pandemic is very influential in every aspect of our lives, not only in the health sector but also in the health sector. economic, social and even in the field of education where we are required to adapt to the current conditions.

For problems with debtors who have difficulty fulfilling their obligations in the credit agreement, the government has provided a solution, namely credit restructuring or financing, as stated in Article 5 of POJK No. 11/POJK.03/2020. Credit restructuring, according to PBI 7/2005 Article 1 number 25, is an effort to improve credit activities carried out by banks for debtors who have difficulty fulfilling their obligations, which are carried out among others through: a) Lower lending rates; b) Extension of credit period; c) Reduction of loan interest arrears; d) Reduction of loan principal arrears; e) Addition of credit facilities; and f) The credit convention becomes a temporary capital statement.

Restructuring is one of the solutions provided by the Financial Services Authority to debtors who find it difficult to fulfill obligations in credit agreements where restructuring is regulated in the latest regulation, namely Financial Services Authority Regulation Number 11/POJK.03/2020 concerning the national economic stimulus. as a cuntercyclical policy on the impact of the spread of coronavirus disease 2019.

Based on the results of research on several banks in the city of Ambon, both Government Banks and Private Banks such as Bank BNI KCP Unpatti, Bank Mandiri

[1]O.P. Simorangkir, 1998, *Seluk Belum Bank Komersial*, Jakarta: Perbanas. hlm. 10.

Ambon Branch, Bank BCA Ambon Branch and Bank Artha Graha Internasional Ambon Branch, there are 2 criteria applied by the parties for debtors who can receive or get a credit restructuring. The main criterion is that the business of the debtor is indeed affected by the COVID-19 pandemic. To determine whether or not the debtor is affected by the COVID-19 pandemic is through a credit analysis of the debtor's ability to pay by looking at how much the debtor's opinion was before the COVID-19 pandemic and after the COVID-19 pandemic, as well as the process of direct observation of the debtor's place or business location. Another criterion that is also an important aspect in granting credit restructuring for debtors is to see the debtor's good faith in paying off credit installments. This good faith is considered by banks before providing credit restructuring, as was done by Bank BNI KCP Unpatti.

4. Conclusion

Legal protection for MSME debtors due to the COVID-19 pandemic is carried out based on government policies through credit restructuring efforts for debtors who have difficulty fulfilling their obligations, which are carried out, among others, by reducing credit interest rates, extending credit terms, reducing loan interest arrears, reducing arrears, credit principal, Addition of credit facilities. The criteria for MSME debtors who meet the requirements for credit restructuring due to the COVID-19 pandemic consist of 2 main criteria, namely the business of the debtor is indeed affected by the COVID-19 pandemic, and also the debtor's good faith in paying off credit installments.

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