



LEGAL POSITION OF CONCURRENT CREDITORS, RIGHTS PROTECTION CONSTRAINTS, AND CURATOR RESPONSIBILITIES IN THE BANKRUPTCY ASSET MANAGEMENT SYSTEM

**Junaidi Wahyu Prabowo, Arif Rachman Putra, Rafadi Khan Khayru,
Dharma Setiawan Negara, Agung Satryo Wibowo**

Universitas Sunan Giri, Surabaya, Indonesia

correspondence: dr.dharmasetiawannegara@gmail.com

Abstract

This study explores the legal protection of concurrent creditors in the bankruptcy legal system, particularly in the practice of bankruptcy estate administration, asset distribution, and curator responsibilities. With a qualitative literature study approach based on normative jurisprudence, this study highlights the position of concurrent creditors who are very vulnerable, because they are always behind preferred and separatist creditors in debt payment procedures. The ethical, legal and administrative responsibility of the curator is an important factor in ensuring the rights of concurrent creditors, but has not been accompanied by an adequate supervision and audit system. The implications of these problems have the potential to reduce public confidence in the bankruptcy system, increase business risk and debt-based investment, and disrupt financial system stability. This study recommends the need for regulatory reform, strengthening the supervisory system, the use of information technology in bankruptcy governance, independent external audits, and encouragement of increased legal education for all creditors. With structural improvements, it is expected that the bankruptcy system will be able to guarantee distributive justice and legal certainty.

Keywords: concurrent creditors, bankruptcy, curator, asset disposal, legal protection, asset distribution, curator supervision.

Introduction

Economic transformation in the modern era involves the integration of various business, investment and banking interests, all of which depend on trust and legal certainty. Such stability is not only supported by the performance of business actors, but also by a comprehensive framework of rights protection and asset governance in the event of financial failure. In the midst of a series of complex financing mechanisms, the role of the legal system is a pillar that determines the alignment of justice for all transaction actors, especially when payment failures or defaults arise in business practices (Pochivalova, 2022).

An increasingly open global economy has increased opportunities for business expansion, but on the other hand increases the risk of debtor failure to fulfill its financial obligations. This phenomenon causes legal protection instruments for creditors to be continuously strengthened and assessed for effectiveness. The complexity of default cases, especially in large-scale companies or multinational business entities, increasingly demands the presence of regulations that are contextual, adaptive, and fulfill the principles of justice in resolving debt and credit disputes.

In many cases, delays or failures in debt repayment can result in systemic losses, not only for creditors as lenders, but also for the economic ecosystem at large. This situation encourages the need for a bankruptcy instrument that is able to embrace all interests, both from the debtor and creditor, in order to prevent disparities in access to rights protection and minimize unaccountable asset management practices. Thus, bankruptcy law plays an important role as a social and economic engineering tool in the midst of business uncertainty.

A structured and predictable bankruptcy regulatory framework greatly supports the credibility and sustainability of the economic system, especially in providing legal certainty to the parties involved. The certainty of legal protection of creditors, whether they hold collateral or not, depends on the extent to which the rules and their implementation are able to provide a sense of proportional justice. This cannot be separated from the importance of the role of curators, courts, and all legal instruments in monitoring and implementing bankruptcy regulations in an accountable and transparent manner.

Inevitably, the increasing number of bankruptcy petitions in the courts signifies the urgency of revamping the protection system for all creditors, including those who do not have special guarantees. The paradigm of fairness, transparency, and proportionality in the distribution of debtor assets must be embedded in the bankruptcy framework to avoid inequality of treatment, where certain groups of creditors tend to benefit more than other creditors. With this reality, discussions regarding the protection of rights, the position of creditors, and the governance of asset management become a crucial part of analyzing bankruptcy law.

The bankruptcy system is vital in maintaining and regulating the economic order, especially in the relationship between lenders and parties who are unable to pay off their obligations. In the dynamics of the global economy, the rise of cases of uncollectible debt obligations has shown a complicated portrait for parties who have an interest in the debtor's assets. In the midst of advanced business growth, creditors are often faced with situations where debt settlement is not entirely in their favor. This demands a clear and fair legal structure regarding asset management and payment schemes to creditors after the debtor has officially been declared to have lost solvency to pay the debts due.

In the national legal system, not all lenders are guaranteed fair security regarding the payment of their debts once the bankruptcy decision is issued. Legal protection of concurrent lenders, i.e. creditors who claim their rights without special guarantees, has become an important issue in line with the growing need for legal certainty. The distribution of the bankruptcy debtor's assets triggers potential disparities in treatment among creditors, especially when dealing with preferred and separatist creditors. This phenomenon has been widely reviewed through various legal studies and has become a major discourse in academic and court spaces (Santoso et al., 2022; Walidani & Adjie, 2018).

Concurrent creditors are often pushed into a weak position when the process of disorganizing the debtor's assets occurs. The absence of inherent collateral or special status makes their ability to obtain debt repayment very limited. The unavailability of concrete and integrated arrangements for the rights of concurrent creditors makes it difficult to realize a sense of justice (Disemadi & Gomes, 2021; Mantili & Dewi, 2020). The modernization era of economic law demands adaptation through the preparation of protection schemes that prioritize justice, transparency and certainty for all parties.

Awareness of the importance of clear regulations has encouraged the public and legal experts to continue to strengthen the legal umbrella to protect the interests of concurrent creditors. The legislative system implemented must be able to provide space for creditor participation in the process of liquidating debtor assets, while at the same time ensuring the principle of distributive justice that runs according to the order of interests. Various efforts have been made by policy makers so that existing regulations do not create loopholes that can reduce the dignity of legal protection for parties who really need justice in the debt settlement process (Setyabudi et al., 2023; Swari et al., 2014).

The emergence of legal uncertainty regarding the protection of concurrent creditors in bankruptcy practice is the main base of the problem. The reality in the field shows that when a debtor is declared bankrupt, the process of managing assets often gives a larger portion to preferred and separatist creditors, thus indirectly reducing the opportunity for concurrent creditors to obtain proper repayment (Idham et al., 2020) This inequality creates injustice and triggers a tendency for new disputes in the future.

In some cases, monitoring and supervision of the performance of the curator, as the party responsible for managing the assets of the bankrupt debtor, is still less than optimal. This has an impact on the inability of concurrent creditors to obtain access to information and transparency in the sales process and distribution of liquidation proceeds. This situation is exacerbated when there is collusion between the parties involved or abuse of authority that should be carried out professionally and fairly (Hasanah, 2022; Kukus, 2015).

Another side of the legal problems faced by concurrent creditors is the lack of effectiveness of law enforcement in prioritizing the principle of distributive justice. The lack of clarity in the use of legal principles and principles in the asset management process is a loophole that risks causing losses and decreasing trust in the justice system. Stakeholders have outlined concerns over this reality through various discussions in scientific journals and court decisions (Asri et al., 2024; Murtadho, 2024; Walidani & Adjie, 2018).

The increasing dynamics of business competition globally and domestically have caused the volume of economic transactions, as well as the number of concurrent creditors affected, to increase. This situation makes a thorough analysis of the legal protection of these parties a central

place in academic discourse and public policy. A re-mapping and reformulation of policies is needed so that every debt settlement practice does not lead to oppression of the weaker. Not only fulfilling the needs of theory development, analyzing the legal protection of concurrent creditors in bankruptcy practice is also important to emphasize the state's accountability in providing legal instruments that are adaptive, responsive, and able to create collective justice. Success in formulating the legal protection scheme is believed to contribute significantly to improving the business climate, investment, and public trust in legal institutions and their tools.

The principle of bankruptcy is a reflection of the provisions of Articles 1131 and 1132 of the Civil Code, in which all assets belonging to the debtor become collateral for all creditors, then the proceeds of the auction or sale of these assets are distributed based on the type of creditor with the principle of proportional justice (Pratama & Landra, 2019). Article 1131 of the Civil Code puts forward the principle of "paritas creditorium" which stipulates that all forms of assets, both movable and immovable, existing and future, become collateral for all debtors' individual debts. Meanwhile, Article 1132 of the Civil Code adopts the principle of "pari passu prorata parte" which states that the proceeds from the sale of such assets are made joint security for creditors, and are distributed equally according to the amount of their respective receivables, unless there are valid reasons for precedence.

Furthermore, in the interpretation of Article 1131 of the Civil Code, every action related to the affairs of a person's wealth always affects the composition of that wealth, whether it increases or decreases. Therefore, in legal relationships involving more than one party entitled to the fulfillment of obligations, the principle of "pari passu prorata parte" is used to ensure that each creditor entitled to the fulfillment of the obligation gets a share of the wealth. This includes repayment jointly without priority and proportionally based on the amount of receivables to the debtor's total debt.

This research aims to describe and analyze the determination of the rights and legal status of concurrent creditors in debt relief in the bankruptcy process based on applicable regulations and legal principles, examine the asset distribution mechanism and implementation constraints, as well as explore the responsibilities of the curator in implementing the principles of fairness and transparency that protect the

interests of concurrent creditors. Thus, the results of this research are expected to make a real contribution to the enrichment of the theoretical repertoire of bankruptcy law, support the strengthening of creditor protection policies, and become a reference for stakeholders in the implementation and improvement of the bankruptcy system.

Method

This research uses a qualitative literature study approach to analyze the legal protection of concurrent creditors in bankruptcy law. Qualitative literature study is one of the effective methods in legal research, especially normative juridical, because it is able to examine primary and secondary legal sources such as legislation, court decisions, books, and articles in relevant scientific journals (Soekanto & Mamudji, 2011). The main purpose of using this approach is to obtain a thorough understanding of the legal basis, principles, and normative application of concurrent creditor protection based on data that has been systematically documented.

In a qualitative literature study, researchers collect, classify, and analyze legal materials by paying attention to the patterns and content of scientific discourse, as well as looking at the growing academic debate on bankruptcy law. The research is not limited to an article-by-article review, but also delves into jurisprudential practices through actual cases and matches with legal doctrines from experts. Emphasis is placed on source validity and consistency between theoretical foundations and field applications (Darmawan, 2015; Ibrahim, 2006). Thus, this method is highly relevant for interpreting and formulating legal recommendations based on reliable data.

Result and Discussion

Legal Position of Concurrent Creditors in Bankruptcy

Bankruptcy is a way out of the debt and credit problems that afflict a debtor, where the debtor no longer has the ability to pay these debts to his creditors (Saputra, 2020). The bankruptcy system plays an important role as a legal instrument to resolve debt problems involving debtors who have defaulted on their financial obligations. In an increasingly complex modern economic framework, bankruptcy is not only a tool for economic recovery for business actors, but also acts as a protection mechanism for

creditors in seeking fairness in asset distribution. Enforcement of bankruptcy law requires a balance between the interests of debtors and creditors so that the principles of justice and legal certainty can be optimally achieved. The legal foundation of bankruptcy in Indonesia is regulated through Law No. 37/2004 on Bankruptcy and Suspension of Debt Payment Obligations (PKPU), which lays out the orderly management of the debtor's assets and clearly defines the classification of creditors. These classifications include preferred, separatist, and concurrent creditors, with each having different characteristics and rights in the process of distributing the proceeds of the debtor's assets. This division requires legal considerations that do not only focus on formalities, but also on substantive justice for all parties concerned.

One of the fundamental problems in bankruptcy practice in Indonesia is the inequality of protection for creditors who do not hold special guarantees or privileges in the legislation. These creditors are referred to as concurrent creditors, which in the normative order only have proportional rights to the remaining assets after all the rights of separatist and preferred creditors have been fulfilled. This provision often puts concurrent creditors in a vulnerable position and in danger of losing most or even all of their receivables if the value of the debtor's assets is limited.

The phenomenon of bad debts and the increase in bankruptcy cases in recent years emphasizes the importance of protecting all types of creditors, including concurrent groups. The frequent bad debts experienced by financial institutions greatly affect the company or financial institution itself and can even cause bankruptcy of financial institutions (Nata et al., 2020). The many cases of debtors who are unable to fulfill their financial responsibilities in business transactions demand the presence of a non-discriminatory administration system and an effective supervision system so that all parties get a fair proportion of their rights. This issue is made more complex by the collaboration between elements of civil law, corporate law, and bankruptcy law in every case settlement.

The curator is tasked with balancing the interests of creditors and debtors, and ensuring that the liquidation or asset distribution process is transparent and accountable. This task is regulated in Article 69 paragraph (1) of Law Number 37 Year 2004 on Bankruptcy and Suspension of Debt

Payment Obligations (Muryati et al., 2017). However, in practice, challenges still arise due to limited supervision, low legal literacy among concurrent creditors, and potential ethical violations by related parties. This makes the concurrent creditor group require special treatment in the context of collective legal protection.

Differences in regulatory interpretation, asset value dynamics, and legal remedies filed by various parties often prolong the bankruptcy resolution process. This condition not only reflects technical administrative issues, but also emphasizes the need for regulatory and practical reforms to strengthen the accountability of bankruptcy actors, especially in distributing assets according to the portion that has been regulated in law.

Recent studies in the field of bankruptcy law highlight the urgency of increasing transparency, strengthening regulations, and adequate legal education, especially for creditor groups with weak bargaining positions. These efforts are expected to improve equitable access and protection, minimize opportunities for discrimination, and foster a healthy investment and business climate. Within this legal protection framework, the position of concurrent creditors in bankruptcy is a central issue that deserves full attention from various parties.

According to Pakel (2018), concurrent creditors or ordinary creditors are creditors in general (without property security rights or privileges). According to the Civil Code, they have an equal position and have equal rights (proportional) to their receivables (Article 1136 of the Civil Code). The position of concurrent creditors in bankruptcy is positioned as lenders who do not have special security rights or privileged status according to the law. In the bankruptcy system, the legal protection framework for concurrent creditors refers to fundamental principles, as stated in Articles 1131 and 1132 of the Civil Code. The principles of "paritas creditorium" and "pari passu prorata parte" emphasize that all of the debtor's assets, both movable and immovable, become joint collateral for all creditors and the proceeds of the sale are divided according to the proportional portion of the receivables (Disemadi & Gomes, 2021; Pratama & Landra, 2019). This position, although regulated in the norm, often faces a dilemma, because in practice, payment priority often falls to preferred and separatist creditors, while concurrent creditors must be willing to obtain their rights after the needs of other groups are met (Walidani & Adjie, 2018).

The strategic role of legal certainty in the framework of concurrent creditor protection is the main foundation for preventing injustice in the process of disposing of bankrupt debtor assets (Mantili & Dewi, 2020). The absence of special guarantees and priority status for concurrent creditors requires guarantees of transparency, fairness, and certainty in the fulfillment of debt arrears. In juridical practice, there is often very significant competition among creditors, especially when the value of the debtor's assets is far below the total debt value. This condition puts concurrent creditors in a very vulnerable position. In addition, the process of sharing the proceeds of asset sales often creates new tensions among lenders (Disemadi & Gomes, 2021).

The importance of reconstructing the understanding of the position of concurrent creditors cannot be separated from the growing complexity of bankruptcy cases. This situation requires legal interpretations that are adaptive to economic developments and judicial practices. Santoso et al. (2022) shows that the regulation of creditor protection in situations where debtors experience financial difficulties requires strengthening through secondary legal instruments, without ignoring the substance of the principle of parity creditorium. On the same hand, an analysis conducted by Idham, Nawati, and Baharuddin (2020) found a high relevance between the level of creditor interests and the high potential for conflict at the implementation level of the distribution of debtor wealth.

The position of the curator is certainly higher than the debtor, meaning that the curator has the full right to organize the management and administration of bankrupt assets if a collaboration has been established, which means that the debtor has entrusted all forms of processes to the curator (Hidayatullah et al., 2019). The legal position of concurrent creditors is also influenced by the role of the curator as an independent party in managing and distributing the proceeds from the sale of bankruptcy debtor assets. In some cases, the power of the curator is the main determinant of justice. However, shortcomings in the regulation and ethics of curatorial implementation are prone to open opportunities for discrimination and administrative irregularities (Kukus, 2015). Given that the principle of legal protection of concurrent creditors is essentially to place all creditors in an equal position, except for those who have special rights according to statutory regulations.

As stipulated in Law No. 37 of 2004, normative provisions are able to serve as the basis for validating the status of concurrent creditors from the beginning of the bankruptcy process. However, departing from empirical reality, the state's commitment to ensuring the implementation of the principles of fairness and transparency through strong supervision of the role of the curator is a crucial factor. Lack of consistency of law enforcement officers and weaknesses in monitoring the liquidation system often lead to dissatisfaction among concurrent creditors.

Furthermore, the regulation of creditors' voting rights in creditor meetings is a space for participation that is still relevant to strengthen the position of concurrent creditors. However, the implementation of voting is often hampered by the dominance of the votes of separatist or preferred creditors who have a greater value of receivables (Risvian et al., 2022). As a result, the aspirations of concurrent creditors are often overlooked and even oppressed by the interests of the main creditors. The lack of integration of administrative governance between the judiciary, receivers, and other stakeholders also strengthens the marginal position of concurrent creditors in the bankruptcy realm.

The legal conditions faced by concurrent creditors in Indonesia are also influenced by the lack of harmonization and reconciliation of a number of regulations between civil law and bankruptcy law. Interpretation gaps between legal instruments, including between the Bankruptcy Law and its implementing regulations, create juridical confusion that impacts the effectiveness of the protection provided to all creditors. Bankruptcy laws that are unable to guarantee legal certainty in a rational and predictable manner do not qualify as good regulations (Disemadi & Gomes, 2021). In addition, the slow process of updating regulations complicates the problems that are often faced.

The need for a fair legal protection system for concurrent creditors is even more pronounced when the curator is faced with the facts of ownership disputes, tax demands, and labor priorities. These matters must always be kept in balance with the basic principle of proportional distribution. Based on empirical data, a strategy of regulatory synchronization must be promoted to ensure crystal clear legal protection for all lenders (Setyabudi et al., 2023). A recent analysis conducted by Swari, Dirksen, and Darmadi (2014) highlighted that the courts in their decisions have not fully upheld

the principle of maximum protection for concurrent creditors. There is a tendency for the fulfillment of the demands of creditors with special or preferred security status to go better than concurrent creditors.

As a result, disparities and potential new problems can arise that are detrimental to the investment climate and the stability of the national banking system. The complexity of the legal structure of banking and the dynamics of changes in economic policy also increase the range of problems. The lack of efforts to strengthen the capacity of curators and the lack of mechanisms to evaluate their performance are also major obstacles in providing protection to concurrent creditors. Weak supervision has the potential to create conflicts of interest, especially in the distribution of liquidation proceeds. A critical analysis of the need to develop a curator performance assessment system must be carried out periodically to encourage the enforcement of the principles of fairness and professionalism in the performance of duties (Murtadho, 2024).

The principles of "paritas creditorium" and "pari passu prorata parte" which are the reference in the distribution of proceeds from the sale of the debtor's assets often do not work ideally in practice. The bankruptcy debtor's assets become joint collateral, but the priority of payment is realized first to preferred and separatist creditors, leaving concurrent creditors to pay the rest according to the proportion of receivables. This disparity is exacerbated by complex administrative and bureaucratic processes that are insensitive to the rights of vulnerable groups.

On the theoretical aspect, the normative structure of the bankruptcy system in Indonesia, as stipulated in Articles 1131 and 1132 of the Civil Code, has rigidly defined how the debtor's assets become collateral for all creditors and must be divided based on the proportion of valid receivables. However, its application in the field often causes problems when there are disputes or unilateral interpretations of the value and assets available for debt settlement. Empirical experience shows that there is a gap between the normative ideal and the operational reality.

Many observers argue that strengthening aspects of supervision, transparency and empowering credit management are potential solutions to strengthen the legal position of concurrent creditors in bankruptcy settlements. In addition, the implementation of the principle of distributive justice should be carried out consistently so that all creditors

can feel justice and legal certainty without having to sacrifice each other. The establishment of an effective communication forum between creditors, receivers and courts is also a necessity in the midst of the digitalization of legal administration.

Legal protection of creditors is all efforts that ensure legal certainty to provide protection to creditors' rights in providing credit so that justice is achieved both in legal regulations and in agreements between creditors and debtors (Leonardy et al., 2023). Legal protection of concurrent creditors in the bankruptcy process requires simultaneous structural, legal, and administrative improvements. The implementation of the main principles in bankruptcy law will achieve optimal results if accompanied by a joint commitment from all stakeholders to continuously improve the governance of asset management and minimize the risk of marginalization of concurrent creditors in the future.

Debtor Asset Repayment Scheme and its Constraints

The process of repaying the debtor's assets to the concurrent creditors follows the bankruptcy legal order that has been regulated in the main regulations, including Law No. 37 Year 2004 and the provisions in the Civil Code. This repayment mechanism begins with the determination of bankruptcy status, where the debtor's general assets are collected and executed by the curator for further distribution to creditors. Preferred and separatist creditors receive priority first according to their rights and statutory provisions, after which the remaining assets are allocated to concurrent creditors proportionally based on the amount of their debt (Mantili & Dewi, 2020; Pratama & Landra, 2019). The main problem that arises in this mechanism is that often the value of available assets is far from sufficient to fulfill all receivables, so the main consequence is that concurrent creditors can only get a small portion of their rights.

The obstacles to repayment faced by concurrent creditors are even more evident when the assets that become the object of administration are in dispute or the value assessment triggers differences. Administrative issues, the legality of asset ownership, and potential objections from third parties become serious challenges in the process of executing debtor assets. In empirical practice in several cases, lack of clarity in asset inventory procedures and curator transparency often lead to new disputes and delays in debt settlement (Disemadi & Gomes, 2021; Idham et al., 2020).

Differences in understanding of the types of debts that can be paid, as well as the validity of bills, further complicate the exercise of concurrent creditor rights.

The lack of integration of reporting and supervision systems in the administration of assets is one of the obstacles. Curators are given broad authority to manage debtors' assets, but in practice, the implementation of repayment is sometimes not fully compliant with the principle of "pari passu prorata parte". Criticisms of this process include targeting the limitations of the curator's audit and supervision mechanisms - the distribution of sales proceeds is often carried out without clear rationalization of the calculation of each creditor's share (Kukus, 2015; Setyabudi et al., 2023).

The distribution of repayments to concurrent creditors is also constrained by the existence of special preference receivables such as taxes or labor wages. The existence of state bills in the form of taxes and workers' wages that are regulated as preferred creditors, automatically reduces the remaining wealth that can be distributed to concurrent creditors (Murtadho, 2024; Swari et al., 2014). At this point, disputes often arise regarding the validity and status of preference receivables, especially when there are overlapping claims.

The lack of judicial oversight of the entire process, including the disclosure of information on auction results and verification of bills, has led to skepticism in the system of fulfilling the rights of concurrent creditors. It is not uncommon for the practice of debt settlement to run by allowing maneuvers and collusion of curators with certain parties who benefit from the situation (Hasanah, 2022). Judicial reactions and dynamics in following up violations are often slow and do not provide a meaningful deterrent effect for perpetrators of administrative violations.

Juridical obstacles also arise in the realm of regulations related to voting mechanisms in creditors' meetings, where secured and preferred creditors have more opportunities to sort out decisions than concurrent creditors who tend to have minimal receivables and votes. As a result, strategic decisions regarding the management and sale of assets often do not represent the collective interests of all creditors, but tend to emphasize the interests of the dominant voice (Risvian et al., 2022). Such governance weakens the bargaining power of concurrent creditors before the law.

In practice, repayment to concurrent creditors is often hampered by the lengthy liquidation process, complications in asset valuation, and increased operational costs of administering the receivership. Curator fees and honoraria, taxes, and administrative costs can be substantial deduction items, resulting in less wealth to distribute (Santoso et al., 2022; Walidani & Adjie, 2018). In this situation, the existence of the bankruptcy system is seen as not providing justice for concurrent creditors.

Empirical data from a number of bankruptcy cases in the commercial district court shows another problem, namely the delay due to appeals or cassations made by debtors or other creditors, so that the repayment distribution process is increasingly protracted. The slowness of the judicial process has implications for reducing the value of assets due to depreciation, so that in the end the share received by concurrent creditors has decreased in real value.

The dilemma is also present in the fulfillment of the principles of justice and legal certainty in the midst of repayment implementation, where concurrent creditors demand fair and transparent treatment according to the principle of "pari passu prorata parte". However, the reality of the legal structure and administrative superiority of other parties ultimately drives the need for systemic reform (Disemadi & Gomes, 2021).

In other dynamics, asset repayment to concurrent creditors also faces limitations in terms of access to information and legal literacy. Not all creditors understand both the regulatory scheme and the bankruptcy procedures; as a result, the preference for injustice and opportunities for manipulation are greater.

The process of repayment and distribution of assets in bankruptcy has basically applied normative legal principles - but practice often does not run linearly with theory. The imbalance between the value of assets and receivables, as well as the weakness of supervisory tools, is a significant challenge in the midst of the country's efforts to build a credible and fair bankruptcy legal system. Fundamental improvements are needed, ranging from juridical instruments, supervision systems, to increasing the technical capacity of the actors in the bankruptcy system.

Curator's Responsibility on Concurrent Creditor Protection

The responsibility of the curator is vital in maintaining the principles of justice and legal certainty in the bankruptcy system, especially for concurrent creditors who are most vulnerable compared to other creditor groups. The curator is tasked with managing and disposing of all assets of the bankrupt debtor in accordance with applicable regulations. In the context of concurrent creditor protection, the curator's task is heavier, considering that the curator must ensure that the distribution of assets is guided by the proportionality of receivables after the fulfillment of the rights of separatist and preferred creditors (Kukus, 2015; Swari et al., 2014). To prevent arbitrary actions of the curator, a strict supervisory mechanism is required, in which the Supervisory Judge plays an important role in overseeing every action of the curator (Herlina et al., 2024). All procedures for collecting, securing, valuing, and selling debtor assets must be carried out in an accountable and transparent manner, with the involvement of all interested parties.

The curator's duties begin from the date of the bankruptcy order and are carried out under the supervision of the supervisory judge. Throughout the process, the curator is obliged to practice transparency, especially in the preparation of the list of receivables, determination of creditor classification, verification, and announcement of assets. Every action of the curator must be subject to the precautionary principle, avoiding partiality that could harm certain groups of creditors, especially concurrent creditors whose position is often marginalized (Mantili & Dewi, 2020; Setyabudi et al., 2023). The procedure for verification and validation of receivables must involve all creditors in an open manner so that the accountability of the curator is maintained and does not lead to further potential disputes.

It is important to underline that the role of the curator as the executor of the receivership policy carries direct legal consequences for all concurrent creditor rights. Any mistake in the inventory and distribution of assets can cause great losses to creditors, and can even be sued civilly if there is negligence or violation of authority (Disemadi & Gomes, 2021). The moral and ethical responsibility of the curator is tested when there are debates or conflicting claims, especially in prioritizing the order of payment. The curator is required to be wise and professional so that the results of the administration truly reflect justice.

The lack of ongoing supervision by the judiciary on the performance of receivers has been a major criticism of various studies and court decisions. In some cases, the practice of nepotism between the receivers and the creditors or debtors has resulted in unfair distribution of proceeds. This is contrary to the spirit of distributive justice. The affirmation of the role of the court to supervise and evaluate the performance of the curator systemically is needed to ensure that the rights of concurrent creditors receive optimal protection (Idham et al., 2020; Murtadho, 2024).

One crucial challenge is to ensure that receivers do not abuse their discretion, such as pressuring or delaying payments to certain groups of creditors under the pretext of complicated administrative procedures. Periodic reporting obligations and external audits can be effective monitoring instruments that bring tangible benefits, both for the insolvency system and specifically for concurrent creditors (Hasanah, 2022). A transparent reporting system will prevent receivers from acting arbitrarily.

The authority of the curator is very broad, but not absolute. The curator is fully legally responsible for every action in the administration of the bankrupt debtor's assets. The mandatory implementation of the "pari passu prorata parte" principle is the main pillar so that the interests of concurrent creditors are not ignored. This principle states that all of the debtor's assets are collateral for the creditors, and the proceeds must be distributed proportionally among them, unless there are certain creditors who are entitled by law to receive payment first (Silalahi & Claudia, 2020). All forms of violations that lead to data manipulation, collusion, or fraudulent practices in asset distribution must be subject to strict sanctions, both administrative, civil, and criminal in accordance with the provisions of the law (Walidani & Adjie, 2018).

The main principles of bankruptcy law must be factually realized in all curatorial activities, including in making decisions related to asset valuation, conducting auctions, distributing proceeds and resolving objections from creditors. Legal principles are also used as a basis for judges in deciding a bankruptcy case, as stipulated in Article 8 paragraph (5) of the Bankruptcy Law, which states that certain articles of legislation can be used as a basis for adjudicating bankruptcy cases (Simanjuntak, 2020). Every policy taken by the curator must be based on actual data,

ensuring that there is no distortion of preferred, separatist, or concurrent rights (Disemadi & Gomes, 2021). Emphasis on the principles of fairness and professionalism is an ethical standard that must be implemented.

It should be underlined that the role of supervision by the parties is also very important. The law provides space for all creditors to file objections, request clarification, or take legal action if they are aggrieved by the curator's actions or decisions (Firmanto et al., 2024). An open receivership system will maintain the credibility of the receivers, as well as strengthen public confidence in the national bankruptcy system.

Evaluation of the effectiveness of the roles and responsibilities of receivers in ensuring the legal protection of concurrent creditors in Indonesia still shows room for improvement. Starting from the rules of the game, recruitment mechanisms, to performance evaluation systems need to be improved so as not to provide loopholes for rent-seeking practices or conflicts of interest. Tightening regulations and the use of information technology can be integrated so that the entire administration process can be monitored by all parties, including the wider community (Kukus, 2015; Murtadho, 2024).

Transparency of the receivership in conducting external audits and public reporting on each stage of the insolvency process can improve social control and prevent irregularities. Strengthening communication forums and periodic education for all creditors, especially concurrent groups, can also be a long-term solution in building a fair and professional bankruptcy legal culture.

The practice of professionalism, transparency, and honesty of the curators will always be tested in every bankruptcy case settlement. The strategic position of the curator, if run in the corridor of legal certainty and justice, will be an important pillar for achieving full protection to concurrent creditors.

Conclusion

Based on the analysis of the legal protection of concurrent creditors in bankruptcy, it can be concluded that the legal position of concurrent creditors is very weak both structurally and in practice, because they are always placed after preferred and separatist creditors in the queue to distribute the proceeds of the bankruptcy estate. Although normatively the principle of "pari passu prorata parte" has been regulated, in reality there

are many obstacles stemming from the governance of asset management, limited capacity of curators, weak judicial supervision, to administrative practices that are not transparent so that the potential for marginalization of concurrent creditors remains high. Protecting the rights of concurrent creditors requires a strong, open, and supervised administration system, accompanied by curatorial governance with integrity, with an adaptive legal system in order to create distributive justice in accordance with the principles of bankruptcy law.

The implications of these conditions and problems are a crisis of confidence and increased risk in the lending and investment system, because the uncertainty of the legal position of concurrent creditors can disrupt the ecosystem of business transactions and hamper the stability of the financial system in general, plus affect the interest of business actors in debt-based financing. If left unchecked, the disparity in access to protection and the dominance of certain creditor groups will potentially widen the gap between business actors, trigger a wave of lawsuits, and impact on the low effectiveness of the bankruptcy system as an instrument of justice.

In order to uphold the principles of justice and certainty for concurrent creditors, it is necessary to strengthen regulations through a renewed system of supervision of curators, transparency in the administration of bankruptcy assets, and the creation of participatory mechanisms for all creditors at every stage of the bankruptcy process, accompanied by increased education, periodic external audits, and the imposition of strict sanctions against violations by curators and other actors who are proven to deviate from the principle of respecting the rights of concurrent creditors.

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