

Abstract

Credit agreements are the main instrument in business relations between banks as creditors and customers as debtors. In practice, it is not uncommon for debtors to default, namely failure to fulfill obligations as agreed in the contract. This study aims to analyze the forms of default committed by debtors in banking credit contracts, available dispute resolution mechanisms, and legal protection for creditors and debtors based on the principles of business law in Indonesia. The research method used is normative juridical with a statutory approach and case studies, supported by secondary data in the form of literature, laws and regulations, and court decisions. The analysis was carried out on the legal obligations of the parties in the credit contract, as well as the legal consequences of default according to the Civil Code (KUHPer), the Banking Law, and the provisions of the Financial Services Authority (OJK). The results of the study indicate that debtor default can be in the form of late payments, misuse of credit funds, or violations of other contract clauses. The legal consequences of default include confiscation of collateral, termination of credit relations, and civil lawsuits. In the perspective of business law, non-litigation dispute resolution such as negotiation and credit restructuring are often preferred to maintain the continuity of business relationships. The regulation and implementation of banking credit contracts must pay attention to the principles of legal certainty, good faith, and balance of rights and obligations of the parties. Strengthening of legal protection and effective dispute resolution mechanisms is needed so that credit contracts function optimally in the business world.

Keywords: Default, Business Law, Credit Contract