

Pledge Agreement on a Pledge Business

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Abstract

Pledge is one of the non-bank financial institutions that lend money / credit to its customers based on the law of pledge. The lending money/credit is preceded by the credit agreement between the creditor and the debtor in terms of lending and borrowing money which is then followed by the submission of a moving object as a guarantee of repayment. In principle the goods (pledge) can be used to secure any obligations of certain achievements. It means that the agreement of pledge will only exist if there is a principal agreement that had previously existed. The principal agreement is an agreement that raises the legal relationships of repayment-payable that are guaranteed to material moving, both tangible and intangible. The purpose of pledge is to provide legal certainty for creditors by guaranteeing repayment of its receivables from pledged objects, if the debtor defaults. Although the basic pledge is trust, but still made the loan agreement as the principal agreement. In the loan agreement with guaranteed pledge, there are two parties in the agreement: (1) parties (creditors) who receive pledge, and (2) the debtors who guarantee pledge. Furthermore, its assessor agreement is the pledge agreement itself.

Keywords: Pledge agreement, pledge business.

1. Introduction

The needs of everyday life of human beings cannot be fulfilled by them. It is because they do not have sufficient funds. In terms of it, if there are no goods sold, they will seek loans on others. The development of economic community has stimulated person to get a loan through financing services either bank financial institutions or non-bank financial institutions such as pledge.

To meet the needs of people who are considered as urgent needs, the government provides services in credit-based on pledge for those who borrow from these services, called pledge. The pledge itself is one of the credit institutions that are handled by the government under the auspices of the Minister of State Enterprises. The aim of the government to establish such credit institutions is expected to assist the financial needs of the community urgently especially among lower middle income people.

Pledge services are an effort from the Government to help people, especially the economically weak by channeling credit assistance to meet the needs of everyday life. In addition, it also acts to prevent people from *loan sharks* and illegal bank that will only make them entangled in a more complicated problem in terms of repayment. Mostly, the lending rates of the *loan sharks* and illegal bank are very high.

As one of the non-bank financial services institution, PT. Pegadaian (Indonesian pledge institution) tries to improve the function and its role in supporting economic development. It provides credit on the basis of the legal pledge to the community, especially the middle class such as traders and small businessmen. Loan disbursement is done in a way that is easy, fast, and safe. This condition creates an easy situation for the people to loan and do not give rise to a new problem for the borrower after the loan in pledge. Customers do not need to sell their goods, but goods are only a pledged of the credit application.

Until right now, the pledge has several times changed its status. The changed status has started as a State enterprise (PN) since January 1, 1961. It was then as Bureau Company Pledge (PERJAN) under the Government Regulation No. 7 of 1969 on Pledge Bureau Company (PERJAN). It continued to change based on the Government Regulation No. 10 Year 1970 concerning Amendment to Government Regulation No. 7 of 1969 on Pledge Bureau Company; the Government Regulation No. 103 of 2000 on Pledge Public Company (Perum); and the Government Regulation No. 51 Year 2011 on Amendment of Legal Entity of Pledge Public Company (Perum) to become Limited Company (Persero).

The pledge is one of the non-bank financial institutions that lend money / credit to its customers based on the law of pledge. It is preceded by the credit agreement between the creditor and the debtor in terms of lending and borrowing money which is then followed by the submission of a moving object as a pledge of repayment.

Provisions to deliver lien (pledge) goods to the lien holder creditor or a third party are an absolute element of a pledge. So that it becomes mandatory rule. If this element does not exist, then the pledge shall be null and void. Similarly, when pledge goods switch back to the pledgor (debtor) when the pledge is still ongoing, then the lien even considered null and void by operation of law.¹ Although the basic pledge is trust, but still made the loan agreement as the principal agreement. In the loan

¹Munir Fuady, *Debt Pledge Law*, Penerbit Erlangga, Jakarta, 2013, p.152.

agreement with guaranteed pledge, there are two parties in the agreement: (1) parties (creditors) who receive pledge, and (2) the debtors who guarantee pledge. Furthermore, its accessory agreement is the pledge agreement itself.

In the pledge agreement, a promise which authorizes the pledgor to have a material pledge to move in immediately if the debtor defaults or if the pledgee is not allowed or prohibited to the agreement. If the clause of owned bedding is agreed, then the clause is deemed null and void. Article 1154 of the Civil Code provides that the parties are prohibited or not allowed to foretell owned bedding clause in the pledge agreement. If this happens, where the pledgor does not fulfill its obligations or default as required in the agreement, then such an owned bedding clause is null and void. The provisions prohibiting owned bedding clause is aimed to protect the interests of the debtor and pledgor, especially when the value of material pledge exceeds the amount of debt that is pledged. In terms of it, there are residual payments from the sale of lien goods that may be returned or handed over to the debtor and pledgor. However, it is not forbidden for the pledgee to participate as a buyer of material pledge that had been pledged to him, as long as it is done through a public tender. Under these conditions, the issue raised is how the legal substance of the credit agreement in pledge business.

2. Definition of Pledge

Definition of pledge² in Indonesian general dictionary published by "Balai Pustaka" is "borrowing money within a certain time limit to deliver the goods as dependents, if it is not redeemed until the time that the goods are entitled to the lender."³ The pledge is set out in Chapter XX Book II of the Civil Code Article 1150 to Article 1160. Due to objects in pledged involving movable assets, then the provisions of those chapters is declared valid. Article 1150 of the Civil Code states that pledge is: "A pledge is a right which is obtained by a creditor in a movable asset, which has been provided to him by the debtor or his representative, to secure a debt, and which entitles the creditor priority over the other creditors with regard to the settlement of the debt; with the exception of the costs incurred in the sale of the asset and the costs incurred, after the pledge, for the maintenance of the asset, which shall have priority."

Based on the article's formulation, the pledge is essentially a pledge rights over certain movable assets belonging to the debtor or another person. Its aim is not intended to give pleasure over such objects but to give a guarantee for the repayment of debt of the pledgor. The pledge definition as mentioned in Article 1150 of the Civil Code is very broad. It not only stipulates the imposition of pledge for moving goods, but also regulates the creditor authority to take and organize the execution of goods pledge, if the debtor negligent in carrying out its obligations.

Another definition is contained in Article 1196 vv, title 19, Book III NBW, which states that the pledge is "The object rights over moving goods to take repayment of the item precedently".⁴ The definition in this article is quite short because it is only highlight on the object rights over moving goods to guarantee a receivable. While such things that regulate the legal relationship between the pledgor and the pledgee is not included in this definition. Therefore, the definition needs to be perfected.

Thus the objects exclusively reserved for the settlement of the debtor or the owner of the object. Even pledge gives a right to precedence in the settlement of debts for specific lender after the first precedence of the cost for the auction and the cost saving of pawned goods taken from the sale through a public auction of pawned goods, as well as authorizing the creditor to sell its own pawned objects.

As the object rights, pledge always follows the object or pawned goods in the hands of whoever she/he is. The pledgee has the right to claim back the pawned goods that have been lost or stolen from anyone hands who pawned goods within three years. It can be inferred from the Article 1152 of the Civil Code. The article states that " In the event that this occurs as a result of loss or transfer, he shall have the right to reclaim pursuant to article 1977, paragraph 2, and upon the return of the assets pledged, the pledge right shall be considered to have never been lost."

Agreed pledge with the intent to provide a guarantee of an obligation of a particular achievement, which in general is not always the agreement accounts payable. It can be said therefore that the pledge agreement follows its principal substantially agreement or it is an accessory agreement.

The pledge basically can be used to secure any obligations of certain achievements. It means that is the agreement of pledge will only exist if there is a principal agreement had previously been existed. The principal agreement is an agreement that raises the legal relationships of repayment-payable that are guaranteed to material moving, both tangible and intangible. The purpose of pledge is to provide legal certainty for creditors by guaranteeing repayment of its receivables from objects in pledged, if the debtor defaults.

²The word mortgage sometimes is also similar to pledge, pawn, or pand.

³Balai Pustaka, *Indonesian General Dictionary*, Jakarta, 1997, p. 283.

⁴H. Salim, HS, *Development of Pledge Law in Indonesia*, Ed.6, Raja Grafindo, Jakarta, 2012, p. 34.

According to Subekti with reference to Article 1150 of the Civil Code, *panrecht*⁵ is "an object right overmovable assets belong to others who merely agreed to submit *bezit* on the object, with the aim of taking repayment of a debt of sales revenue more advance of other collectors."⁶ Moreover, according to Wiryono Prodjodikoro, pledge is "a right obtained the indebted or any other person on behalf of his/her to guarantee debt payments and give rights to the indebted to pay in advance of the other indebted of sales revenue of the goods."⁷ According to H. Salim HS, pledge is "An agreement made between the creditor and the debtor, where the debtor surrender moving objects to creditors in order to secure the repayment of a pawned debt, when the debtor fails to perform his achievements."⁸

In this definition, a pledge is constructed as *acesoir* (additional) agreement while the principal agreement is lending-borrowing money agreement with pawning moving objects. If the debtor is negligent in carrying out its obligations, the p goods that have been pledged by the debtor to the creditor can be done auction to pay off the debt of the debtor.

From some pledge definition as mentioned above, there are several elements involved in the pledge, as follows:

1. The pledgee;
2. The pledgor; and
3. Parties who submit objects of pledge.

The pledge thus can be said as a gift of moving objects to be used as a pledge. In this case, a form of pledge is something that easy to become "money" in order to be able to close the loan if it cannot be repaid by the borrower or the debtor.

In European countries such as the United Kingdom and the United States, the term of pledge is "pledge or pawn; *pand*." According to Sri Soedewi Masjchoen Sofwan, "pledge or pawn; *pand* "is a pledge institution as we know with pledge in Indonesia. Everything is focused on moving assets."⁹

The pledge is a pledged object by means of the acquisition and storage of these objects for the benefit of the payment of a debt or to achieve some particular achievement. It can also be said furthermore that the pledge is amovable assets of pledge with the master object for creditors submitted by the debtor.

Pledge with the control of pledged object focuses on movable assets that give preference rights (*droit de preference*) and rights always follow the object (*droit de suite*). The pledgee also receives protection against the third party as if he/she is the owner of the object. It gets protection if it receives such objects in good faith. It means that he/she is assumed as the true owner of the object.

3. The form and substance of the Pledge

Provisions concerning the form of pledge agreement can be seen in Article 1151 of the Civil Code. Article 1151 of the Civil Code states that "A pledge agreement shall be proven by the same means as those used for proving a principal agreement."

the pledge agreement can be done in the form of a written agreement, as well as the principal agreement, namely the provision of credit agreement. This written agreement may be made in the form of a deed under the hand and an authentic deed. In practice, this pledge agreement made in the form of a deed under hand, signed by the pledgor and the pledgee. Form, content, and the terms have been determined by the PT. Pengadaian unilaterally. Things are empty in the Letter of Credit Proof (SBK) including the name, address, type of pledge, the estimated amount, the loan amount, loan date, and due date. Things are empty lives filled by PT. Pengadaian. The requirements have been determined by the PT. Pengadaian.

The contents of the loan agreement of guarantee movable assets that have been standardized by PT. Pengadaian, as follows:

1. Pengadaian gives credits to customers or someone who have been authorized with moveable assets pledge that the estimated value as stated on the front page;
2. The customers or someone who have been authorized ensure that the pledged assets are belong to the customers legitimately or lawfully occupied by the customers. Therefore, the customer has the legal authority to make a pledge to Pengadaian. The Customer also guarantees that no person or another party that has the rights to such pledge either right or rights have mastered;
3. The customer warrants that the pledges assets at Pengadaian are not a pledge of every debt; not the encumbrances; not in dispute with another party or not derived from goods obtained illegally or unlawfully;

⁵Dutch word to draw "pledge, pawn, or *pand*".

⁶Subekti, *the Basic of Civil Law*, ed. XXI, Intermasa, Jakarta, 1982, p. 79.

⁷See Wiryono Prodjodikoro, *Civil Law on Object Rights*, ed.V., Intermasa, Jakarta, 1986.

⁸H. Salim, HS, *Supra* note 3, pp.33-34.

⁹Sri Soedewi Masjchoen Sofwan, *Pledge Law in Indonesia, Basic of Peldge Law, and Individual Pledge*, Penerbit Liberty Offset, Yogyakarta, 2007, p. 25.

4. Pledged assets as described on the front page, if at a later date the assets are lost or damaged will be replaced by 125% of the estimated value, after net of security deposits and capital leases. Pengadaian is not responsible for any losses in the event of force majeure including natural disasters, turmoil and war;
5. If there is a difference in the estimated value and causes the value of the pledged assets cannot close the loan money and capital leases, no later than 14 days after notification, the Customer or someone who have been authorized is obliged to transfer additional pledged assets whose value is at least equal to the value of the loan plus the maximum capital leases;
6. The customer or someone who have been authorized is obliged to pay the borrowed money plus capital lease amounting to tariffs as stated on the front page with a credit period of 120 days;
7. The customer or someone who have been authorized may assign its right to redeem, receive, or repeat a pledge assets to others to fill in and sign the available space;
8. Repayment can be done by setting off entirely, or installment and/or repledge, starting from the date of credit of up to 1 day before the date of the auction. If until the maturity date not pay off / installments or repledge, the pledge assets will be auctioned on the date in the set;
9. The result of the sale of the pledge assets is used to cover the loan plus capital lease and auction costs. If there is too much money that is the customer rights for a period of one year and the excess money is not taken within a period of 12 months from the date of the auction, the money will right of Pengadaian;
10. If the auction sales is lower than the borrowed money plus capital leases plus auction fee, the difference remains the customer's debt to be collected by Pengadaian and must be paid off no later than 14 days from the date the notice is received;
11. In the event of problems in the future will be resolved by deliberation and consensus, it will be resolved through the local district court.

Although the pledge is the basis of trust, but still made the loan agreement as the principal agreement. In the loan agreement with pledge, there are two parties, ie parties who receive pledge and the debtor that guarantees pledge. Furthermore, the assessor agreement is pledge agreement itself.

4. The Substance of the Pledge Law

PT. Pengadaian is the only entity in Indonesia whose officially has permission to carry out activities of financial institutions in the form of financing and channeling funds to the community on the basis of the law of pledge. The main task is to provide loans to the public on the basis of the law of pledge in order to protect people from the activities of informal financial institutions that take advantage of the urgent funding needs of the community. Provisions concerning the form of pledge agreement can be found in Article 1151 of the Civil Code, which stipulates that "A pledge agreement shall be proven by the same means as those used for proving a principal agreement." In the practice, this pledge agreement made in the form of an under hand deed, signed by the pledgor and the pledgee. Form, content, and the terms have been determined by the PT. Pengadaian unilaterally (standard contract).

Article 1 point 10 of the Law No. 8 of 1999 on Consumer Protection explains that the standard clause is any rules or terms and conditions have been prepared and determined in advance unilaterally by businesses set forth in a document and/or the binding agreement and shall be met by consumers. According to Ahmadi Miru, standard contract is a contract that its clauses have been set or designed by one of the parties.¹⁰ The use of standard contracts in contracts that are usually carried by those who do a lot of the same contract on the other hand, is based on Article 1338 (1) BW that all legally executed agreements shall bind the individuals who have concluded them by law. The principle of freedom of contract under Article 1338 of the Civil Code which essentially provides that "all legally executed agreements shall bind the individuals who have concluded them by law." The meaning is summed up in that article implies that the freedom of contract prescribed by law other than not be contrary to morality and public order and law. It also must not violate moral ethics. It means that what has been set irrevocably in addition to the approval of both parties to make the appointment. The freedom of contract as provided for in Article 1338 (1) is ideal if the parties of contract have equal bargaining position with each other.

If in a treaty, the position of the parties is not balanced, the weak is usually not in a state that is truly free to decide what it wants in the agreement. In such case, the party who has the stronger position usually used the opportunity to specify the clauses specified in the contract standard. So that the agreement should have been made or designed by the parties involved in the agreement is not found anymore in the contract standard for the format and contents of the contract designed by the party whose position is stronger. Due to the design of the format and content of the contract is the party that has a position that is more powerful, it is certain that the contract contains clauses which benefit him or alleviate or eliminate the burdens or certain obligations that should be a burden which is commonly known as clause exoneration.

According to Mariam Darus Badruzaman, standard contracts can be classified into four (4) types:

- 1) The standard contract is a contract unilaterally determined by the strong position in the contract. The strong party here is the creditor who typically have a stronger economic position than the debtor.

¹⁰Ahmadi Miru, *Contract Law and Contract Design*, PT. Raja Grafindo Persada, Jakarta, p. 42.

- 2) The standard contract is a mutual contract defined by both parties, either the creditors or the debtor. Both parties usually bound in the organization.
- 3) The standard contract set by the government. It is a contract whose its contents set by the government for certain legal acts. For example contracts objects that have rights over the land.
- 4) The standard contract within the specified by notary or advocate. It is contracts that concept from the beginning has been provided to meet the demand from members of the public who ask for help notary or lawyer concerned. In the Dutch literature, the fourth type is called a model contract.

The first point of opinion of Mariam Darus Badruzaman puts the creditor always in a stronger position. However, in reality, the creditors do not always have a stronger position than debtors because in certain cases the position of the debtor are even more powerful than the creditor. In this situation, the debtordrafts the standard contract. Thus, the above opinion is not always justified.¹¹In addition, one of the characteristics the contract expressed by Mariam Darus Badruzaman, that the debtor did not specify the contents of the agreement. It also cannot be justified because the contract standard is generally made with still allow the other party (not the party who drafted the contract standard) to determine essential elements of the agreement, while the clauses which are generally non-negotiable is that an element aksidentalialia clause in the agreement.¹²

Based on those reasons as mentioned above, the standard contract which contains clauses exoneration has characteristics, as follows:

- 1) In general, the content prescribed by the party whose position is stronger.
- 2) The weak generally does not participate in determining the content of the agreement which is accidentalialielements of the agreement.
- 3) Driven by his need, the weak are forced to accept the agreement.
- 4) A written form.
- 5) Be prepared in advance in bulk or individually.

One of the conditions of the validity of the agreement set forth in Article 1320 BW are strongly associated with the standard contract in "his/her agreement to bind himself". The agreementof person to bind him/herself is a requisite determinant of whether there is agreement. The parties will be bound by the agreement they agree based on the principle consensusalime. The principle is strongly associated also with the freedom of a person to enter into agreement with the requirements of the specific person or specific contents of the agreement as well. It will determine whether there is an agreement given by that person against the person or the contents of the agreement in question. Therefore, in terms of the standard contract, the freedom to contract and the provision of an agreement to the contract are not carried out as freely as with the agreements made directly with the parties involved in negotiating the agreement clause.

Ahmadi Miru argued that the standard contract remains a binding agreement of the parties who signed it, although it must be admitted that the clause contained in the standard contract much shift the burden of accountability on the part of designers of contract default to the opponent. However, any losses that arise in the future will still be borne by the parties that should be held accountable by the clauses of the agreement, unless the clause is a clause which is prohibited under Article 18 of the Consumer Protection Act.

According to Paul J. Soepratignja, making of the standard contract can only be done if the urgency arises in response to the interests of businesses, namely:¹³

- 1) to face the transactional activity in high frequency;
- 2) for the sake of business competition must provide services efficiently and effectively to consumers;
- 3) for the efficient distribution of production, in whole or in part the terms of each transaction must be prepared in advance in writing to immediately be known by consumers;
- 4) to compensate for the high frequency of transactional activity that should provide text and / or contractual requirements in bulk and uniform for the same transaction without revealing the conditions and / or needs of individual consumers;
- 5) mass and uniform of contract requirements effectively must provide assurance and legal certainty for businessman and for consumers.

Thus, it can be understood that the standard contract has been prepared by the stronger economic position. Therefore, it can only be used to deal with high transaction frequency for efficiency and effectiveness of business activities.

The presence of the standard contract has been highlighted by many legal experts and the spotlight can be understood as an effort to make the standard contract as a new problem which is becoming a source of conflict of interests of the parties to an agreement until lately a lot of people questioned. In practice, the standard contracts are less profitable for one of the parties in the implementation of the agreement.

¹¹Ahmadi Miru, op.cit, p. 42.

¹²Ibid. pp.42-45.

¹³Paulus J. Soepratignja, *Technic of Making Contract*, Penerbit University Atmajaya, Yogyakarta, 2007.p. 146.

The standard contract is generally always impressed as a standard form of contract that is not balanced because it only benefits one party. The standard contract is dealing two unequal powers between the parties have a strong position with a weaker party. The weak parties will accept all the contents of the standard contract with the forced. When he tries to bargain with other alternatives, he will accept the consequences of losing what he is needed. In terms of it, the format and legal norms of the contract cannot be changed and has been designed in such a way. So, it does not give the opportunity to one of the parties (debtor) to understand and explore more content or material contracts agreed.

Agreement in the standard contracts typically use the form that contain a number of clauses that had been developed previously unilaterally and prospective customers sign his stay only if willing to accept the contents of the standard clause made by the creditor. Every customer is only given two options, "take it or leave it". The prospective customers are not given the opportunity to further discuss the content of the proposed standard clause, so that it appears that the prospective customers are very weak position. As a result of it, the borrowers accept the terms offered to get what they expected.

One form of the standard agreements applies to the debtor contained in the agreement made by PT.Pegadaian. the existence of PT.Pegadaian as one of the non-bank financial institutions with the motto "Troubleshooting Without Problems is a solution for weak economic community. This is actually an alternative to the distribution of loan money in a short time which is not possible when taking credit from banks with the agreement. In this pledge agreement, people can obtain funds in the amount adjusted for pledge assets to determine how the funds will be obtained in accordance with the terms and conditions of the agreement. In the format of the pledge agreement in the form of the standard agreement or standard contract (as attached) consists of two (2) pages.

On the first page there is a format that is vacant in the Letter of Credit Proof (SBK) which will be filled in accordance with the conditions of the customer. The format is designed in standard form contracts, include the following:

1. Number Proof of Credit;
2. Number of CIF;
3. Name of the customer;
4. Address the customer;
5. Telephone number of customers;
6. Description of the pledged assets;
7. The amount of the estimated cash loans;
8. The number of borrowed money;
9. Signature customer;
10. Signature appraiser;
11. Date of credit; and
12. The expired date.

Things are empty as mentioned above stay filled by the assigned employees of PT.Pegadaian.

On the back page (page 2) contains a clause Debt Agreement with Pledge. The agreement clause debts with pledge that have been determined by PT.PEGADAIAN (Persero) consists of 15 items, which binds PT.PEGADAIAN (Persero) and the customer, as follows:

1. Customer accepts and agrees to the description of the pledge; the determination of the magnitude estimates pledge assets, Money Loans, Capital Lease Rates and Administrative Costs as defined in the Letter of Credit Proof (SBK) or Transaction Memorandum (receipts) and a valid proof of receipt of money loans;
2. Submitted items as a pledge is the property of the Customer and / or ownership as stipulated in Article 1977 of the Civil Code and guarantees that the pledged assets do not come from the proceeds of crime, not the object of the dispute and / or sequestration;
3. Customer claims to have owed to PT.PEGADAIAN (Persero) and is obliged to pay the repayment of money borrowed plus the Capital Lease Rates by applicable PT.PEGADAIAN (Persero), and cost of the auction process (if any);
4. PT.PEGADAIAN (Persero) will provide compensation if the pledged goods are in the possession of PT.PEGADAIAN (Persero) that is damaged or lost and are not caused by a natural disaster (Force Majeure) set by the government. The compensation is paid after deduction of Money Lending and Capital Leases, in accordance with the applicable reimbursement in PT.PEGADAIAN (Persero);
5. Customers can repledge, repledge automatically, request add money loans and auction delay. During the estimated value, it is still eligible to take into account the capital lease and administrative costs which are still to be paid. If a decline in value during the warranty items repledge or repledge automatically, then the Customer must repay the loan money or increase the pledge to conform to the new estimates;
6. With regard to the pledge assets that has paid off and has not been taken by the Customer, starting from the date of repayment of up to ten days, it is not imposed custody. When it has exceeded ten days of repayment, the pledged assets is still not been taken. The customer agrees as a subject to custody, the amount of care services in accordance with the applicable provisions in PT.PEGADAIAN (Persero) or contained in the memorandum of the transaction (receipt);

7. If until the due date of repayment is not done repayment, the auction delay, repledge or repledge automatically, then PT.PEGADAIAN (Persero) has the right to sell the pledge assets through the auction;
8. The results of the auction sale of the pledged assets after deducting money loans, capital lease, auction process costs (if any) and customs auctions, represents the excess of the rights of the customer. A period of excess money making auction for one year from the date of the auction, and if the expiration of a period of excess money withdrawal, the Customer expressly agrees to channel the excess money to fund social concern that its implementation be submitted to PT.PEGADAIAN (Persero). If the results of the auction sale of the pledged assets is insufficient to settle the Customer's liabilities in the form of money lending capital lease, auction process costs (if any) and customs auction customer must pay the shortfall;
9. Customers can come in person to perform repeat pledge, request add money loans, allowed to pay the loan, the auction delay, redemption and receiving goods excess of the pledge and receiving money auction or to authorize others to fill in and sign the column available by attaching a copy of ID card and the proxy client and show the original ID card of the proxy;
10. Customers or their proxies can perform to repeat pledge, repay money loan, and repayment of all branches / online pledge unit;
11. Customers or their proxies should come to ask the branch office / unit issuing credit evidence for more money for the loans, taking the pledged assets, and making money surplus auction;
12. When clients died and there are rights and obligations to PT.PEGADAIAN (Persero) or vice versa, then the rights and obligations imposed on the heirs of the Customer in accordance with the provisions of the inheritance law of the Republic of Indonesia;
13. Customers who use repledge automatically sign the column;
14. Customer states subject to and comply with the regulations in PT.PEGADAIAN (Persero), as long as all provisions relating to debt of the pledge;
15. If there is a dispute later on, it will be settled by deliberation and if no agreement is reached, it will be resolved through the Local District Court.

5. Conclusion

In the Article 1150 of the Civil Code pledge is: "A pledge is a right which is obtained by a creditor in a movable asset, which has been provided to him by the debtor or his representative, to secure a debt, and which entitles the creditor priority over the other creditors with regard to the settlement of the debt; with the exception of the costs incurred in the sale of the asset and the costs incurred, after the pledge, for the maintenance of the asset, which shall have priority."

The substance of the pledge law on PT. Pengadaian made in the form of standard contracts reflects the lack of fairness in providing public services, and even contrary to the substance of consumer protection laws. In order to PT. Pengadaian conducts the implementation of the agreement with the consumer activities, it will apply various principles of the consumer protection as intended by the consumer protection legislation.

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