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Intellectual Property as Fiduciary Collateral in Indonesian Banking: Legal Guarantees and Creative Economy Financing

Ulil Albab Junaedi ✉, Rofi Wahanisa,
Martitah Martitah

Faculty of Law, Universitas Negeri Semarang, Semarang, Indonesia

✉ Corresponding email: *albabulil4423@gmail.com*

Abstract

Indonesia recognizes intellectual property rights (IPR) as intangible movable assets that may secure financing, yet banking practice still treats IPR as marginal collateral. This study examines how Indonesian law positions IPR as fiduciary collateral, what legal guarantees protect banks and creative economy actors, and why implementation remains limited after Government Regulation No. 24/2022. Using normative legal research, this article analyzes the Copyright Law, Patent Law, Fiduciary Guarantee Law, Creative Economy Law, Government Regulation No. 24/2022, OJK Regulation No. 40/POJK.03/2019, and the 2025 regulation on intellectual property valuers. The analysis is supported by official creative economy data and comparative case studies from Singapore, the United Kingdom, and the United States. The findings show that copyright and patent rights can be bound through fiduciary security because they are transferable economic rights with asset value. The legal guarantees consist of a notarized fiduciary deed, registration, preference rights, third-party enforceability, and execution rights after default. The main implementation gap lies in valuation, secondary market uncertainty, and the absence of IPR from the collateral categories recognized for bank provisioning under OJK asset-quality rules. The novelty of this article lies in connecting IPR doctrine, fiduciary security, prudential banking regulation, and the new Indonesian framework for registered intellectual property valuers.

KEYWORDS *Intellectual Property Rights; Fiduciary Collateral; Banking Law; Creative Economy; Credit Guarantee.*

Introduction

Intellectual property rights (IPR) constitute legal rights over creations, inventions, signs, designs, and confidential business information that derive value from human intellect and market use. Their legal character differs from ordinary physical property because the protected object is intangible, while the economic benefit can be transferred, licensed, pledged, or commercialized. Indonesian law gives this asset character a clear foundation through the Civil Code concept of objects, the Copyright Law, the Patent Law, and the Fiduciary Guarantee Law.[1]

This article narrows the discussion to IPR that can function as collateral in banking transactions. Copyright and patents receive the strongest statutory basis because Article 16 paragraph (3) of Law No. 28 of 2014 states that copyright may become an object of fiduciary guarantee, while Article 108 of Law No. 13 of 2016 states that patent rights may become fiduciary objects.[2] Trademarks, industrial designs, trade secrets, and other IPR may also have economic value, yet their use as credit security depends more heavily on transferability, registration, contractual documentation, and bank risk assessment.

1 Law No. 28 of 2014 on Copyright; Law No. 13 of 2016 on Patents; Law No. 42 of 1999 on Fiduciary Guarantee.

2 Law No. 28 of 2014 on Copyright, art. 16(3); Law No. 13 of 2016 on Patents, art. 108.

The term guarantee in this article refers to a legally binding security right that supports repayment of a credit obligation. In Indonesian private law, the most appropriate instrument for movable intangible property is fiduciary security. A fiduciary guarantee does not remove operational control of the asset from the debtor, but it grants the creditor a security right, a preference position, and an enforcement pathway when the debtor defaults.[3]

The legal protection offered by IPR collateral therefore has two sides. The bank receives preference over unsecured creditors after a fiduciary deed is made and registered. The debtor retains the ability to use and commercialize the protected work, invention, or license portfolio during the credit period, as long as the credit agreement and fiduciary deed allow such use. This structure matters for creative economy actors because the commercial value of IPR often comes from continuing exploitation, not physical possession.

Indonesia has strong economic reasons to move from symbolic recognition to bankable implementation. Official data from Statistics Indonesia reported 27.4 million creative economy workers in 2025, an increase from 26.48 million workers in 2024.[4] The Ministry of Tourism and Creative Economy also reported that creative economy value added reached Rp1,414.8 trillion in 2023.[5] These figures show that the sector has a large financing need, especially for creators and technology-based enterprises that own copyrights, patents, applications, brands, and digital assets but lack land or buildings.

Government Regulation No. 24 of 2022 attempts to answer that financing problem by creating an intellectual property-based financing scheme for creative economy actors. The regulation requires a creative economy business proposal, a business activity, a link between the financed product and the relevant IPR, and proof of recordation or certificate of IPR.[6] It also requires valuation of IPR and allows banks or non-bank financial institutions to use IPR as a basis for financing decisions.

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3 Law No. 42 of 1999 on Fiduciary Guarantee, art. 1(2), arts. 5-14.

4 Statistics Indonesia, "BPS: Ekonomi Kreatif Serap Tenaga Kerja 27.4 Juta Tahun 2025," November 17, 2025, https://www.bps.go.id/id/news/2025/11/17/805/bps--ekonomi-kreatif-serap-tenaga-kerja-27-4-juta-tahun-2025.html.

5 Kementerian Ekonomi Kreatif/Badan Ekonomi Kreatif, "MenEkraf: Ekonomi Kreatif Pilar Penting Kemandirian Ekonomi Nasional," November 1, 2024, https://ekraf.go.id/news/menekraf-ekonomi-kreatif-pilar-penting-kemandirian-ekonomi-nasional.

6 Government Regulation No. 24 of 2022 on Implementing Regulation of Law No. 24 of 2019 on Creative Economy, arts. 4-12.

The 2025 regulation on intellectual property valuers strengthens this framework. Regulation of the Minister of Creative Economy/Head of Creative Economy Agency No. 6 of 2025 defines intellectual property valuation as a valuation of registered or recorded IPR for debt guarantee purposes. It also regulates the registration, rights, obligations, supervision, and dismissal of intellectual property valuers.[7] This regulation reduces one practical gap that previously made banks reluctant to rely on IPR valuation.

A major obstacle remains within prudential banking regulation. OJK Regulation No. 40/POJK.03/2019 recognizes several types of collateral that may reduce the calculation of allowance for asset quality, including securities, land, buildings, apartments, machines attached to land, ships, aircraft, vehicles, inventories, and warehouse receipts. The list does not expressly include IPR.[8] This omission does not invalidate IPR as fiduciary collateral, but it makes IPR less attractive for banks because the collateral may not reduce provisioning pressure in the same way as conventional collateral.

The reviewer concern that the article was too general is addressed by focusing the analysis on three legal questions. First, what is the legal position of IPR as fiduciary collateral in Indonesian banking law? Second, what guarantees are actually given to creditors and debtors when IPR is used as credit security? Third, what institutional reforms can make IPR collateral bankable without weakening prudential banking standards?

The novelty of this research lies in its integrated approach. Previous Indonesian studies often described copyright or IPR as a possible fiduciary object after the Copyright Law and Government Regulation No. 24 of 2022. This article goes further by connecting IPR doctrine, fiduciary security registration, bank asset-quality regulation, valuation institutions, and comparative financing models. The analysis also incorporates the new 2025 regulation on intellectual property valuers, which changes the legal landscape after earlier studies were written.

This article argues that IPR collateral can become a credible financing instrument only when three conditions work together. The first condition is legal validity through clear ownership, recordation, transferability, and fiduciary registration. The second condition is economic reliability through professional

7 Regulation of the Minister of Creative Economy/Head of Creative Economy Agency No. 6 of 2025 on Intellectual Property Valuers, arts. 1-6.

8 Otoritas Jasa Keuangan, Regulation No. 40/POJK.03/2019 on Asset Quality Assessment for Commercial Banks, arts. 45-47.

valuation, cash-flow evidence, and marketability. The third condition is prudential recognition through banking rules that guide loan appraisal, provisioning, and enforcement. The absence of one condition explains why the law recognizes IPR collateral while banks still rarely treat it as primary security.

Methods

This research uses normative juridical methodology. The study examines legal norms, concepts, and regulatory coherence rather than measuring bank behavior through interviews or surveys. This method is appropriate because the main problem concerns whether existing legal instruments provide an adequate foundation for IPR collateral and whether the supporting banking rules make that foundation workable.

The research applies three approaches. The statutory approach analyzes the Copyright Law, Patent Law, Fiduciary Guarantee Law, Creative Economy Law, Government Regulation No. 24 of 2022, OJK Regulation No. 40/POJK.03/2019, and Regulation of the Minister of Creative Economy/Head of Creative Economy Agency No. 6 of 2025. The conceptual approach examines the nature of intangible movable property, economic rights, fiduciary security, preference rights, and bank prudential risk. The comparative approach uses Singapore, the United Kingdom, and the United States as limited case studies because each jurisdiction has developed a different institutional mechanism for IP-backed finance.

Primary legal materials consist of Indonesian statutes and regulations that directly govern IPR, fiduciary security, creative economy financing, and bank asset-quality assessment. Secondary legal materials consist of peer-reviewed journal articles, legal monographs, official policy reports, WIPO materials, and comparative studies on IP-backed finance and IP valuation. Tertiary legal materials consist of legal dictionaries and official regulatory databases used only to verify terms, publication status, and regulatory metadata.

Source selection followed five criteria. The first criterion was direct relevance to IPR collateral, fiduciary security, banking credit, valuation, or creative economy financing. The second criterion was legal authority, especially official laws, regulations, and documents from public agencies. The third criterion was academic reliability, including peer-reviewed journals and recognized institutional reports. The fourth criterion was recency, with emphasis on developments from 2022 to 2025 because Government Regulation

No. 24 of 2022 and the 2025 regulation on intellectual property valuers changed the legal framework. The fifth criterion was comparative utility, meaning the foreign sources were selected only when they offered institutional lessons relevant to Indonesian banking law.

The analysis proceeds in four steps. First, the article identifies the legal character of IPR as an intangible movable asset. Second, the article maps the guarantee structure created by fiduciary security. Third, the article tests the structure against banking prudential regulation and practical risks. Fourth, the article compares Indonesia's framework with foreign models to formulate institutional reforms. This design answers the reviewer comment that the previous version was descriptive by adding data, case comparison, and a specific regulatory diagnosis.

Result & Discussion

A. Legal Position of IPR as Fiduciary Collateral

Indonesian law positions IPR as property when the right has legal identity, economic value, and transferability. Copyright gives the creator or copyright holder exclusive economic rights over publication, reproduction, distribution, adaptation, public performance, communication, and other forms of commercial use. Patent law grants the patent holder exclusive rights to exploit an invention or authorize others to exploit it. These economic rights form the asset base that can support a financing transaction.

Moral rights must be distinguished from economic rights. Moral rights attach personally to the creator and protect attribution and integrity. Economic rights can be transferred, licensed, inherited, or used as the basis of financial value. A bank cannot receive moral rights as collateral because those rights are personal and non-economic in character. The bank can take security over transferable economic rights and the receivables or cash flows derived from them.

The fiduciary guarantee is the correct security model because IPR is intangible movable property. Mortgage rights are designed for land and objects attached to land. Pledge requires possession and does not fit non-possessory exploitation of digital works, software, songs, patents, or licensing portfolios. Fiduciary security allows ownership to be transferred on trust while possession and operational use remain with the debtor. This structure allows a creator to keep generating royalties during the loan period.

A valid fiduciary guarantee requires an accessory credit agreement, a fiduciary deed made by a notary in Indonesian language, clear identification of the object, a statement of the secured debt, a collateral value, and registration in the fiduciary register. Registration creates public notice and strengthens third-party enforceability. A creditor that holds a registered fiduciary guarantee receives preference over ordinary unsecured creditors. This preference is the core legal guarantee supplied by the Fiduciary Guarantee Law.

The legal guarantee given to banks can be summarized in four legal effects. First, the bank receives a security right over the economic rights attached to the protected work or invention. Second, the registered fiduciary certificate gives executorial force when the debtor defaults, subject to constitutional and procedural safeguards. Third, the bank obtains priority over unsecured creditors in the distribution of enforcement proceeds. Fourth, the bank can control contractual restrictions on transfer, licensing, insurance, maintenance of registration, and royalty collection through covenants in the credit agreement.

The legal guarantee given to debtors is equally important. The fiduciary model does not require the debtor to surrender daily use of the IPR. A songwriter can continue licensing songs, a software developer can continue updating software, and a patent holder can continue commercialization if the agreement permits it. The debtor also receives legal certainty because the object, secured debt, valuation, and enforcement terms must be stated in the fiduciary deed.

The scope of collateral must be drafted with precision. A fiduciary deed should identify whether the secured object is a copyright registration certificate, a patent certificate, a licensing receivable, a royalty stream, a portfolio of works, or a contractual right to exploit IPR. Vague language creates enforcement risk because the bank may not know what asset can be sold or assigned after default. Precise drafting also prevents over-collateralization that may harm creative economy actors.

The object must also remain legally clean. A bank should verify ownership, recordation, chain of title, license agreements, co-ownership, encumbrances, disputes, and remaining protection period. A song or software program may have several right holders. A patent may depend on maintenance fees. A trademark may face cancellation or non-use issues. Legal due diligence therefore becomes a condition of bankability, not a mere administrative step.

The legal position of each IPR category must be assessed separately. Copyright and patents are the clearest objects because the statutes expressly mention fiduciary guarantee. Trademarks, industrial designs, and trade secrets may support financing, but their collateral function depends on the nature of the right, its registration status, its transfer rules, and the commercial contracts attached to it. A trademark may have strong market value, yet a bank still needs proof that the debtor owns the mark and that the mark is not subject to cancellation, licensing restrictions, or disputes. Trade secrets create a different problem because disclosure may reduce the value of the asset. This distinction prevents the analysis from treating all IPR as identical collateral.

Creditor protection also depends on publicity. Fiduciary registration gives legal notice that the asset has been encumbered, while IPR recordation or registration identifies the right holder and the protected object. A fragmented system creates double-pledging risk because a bank may verify the IPR database but fail to detect a fiduciary encumbrance, or verify fiduciary registration but fail to identify changes in the IPR record. Legal certainty therefore requires a stronger connection between the fiduciary registry and the intellectual property registry. Registry integration would strengthen the guarantee function without changing the private-law nature of fiduciary security.

Debtor protection should not be ignored in an IPR-based financing model. Creative economy actors often rely on one or two core assets that generate their future income. A fiduciary deed that gives the bank broad control over all future works, future inventions, or all licensing income may create excessive pressure on the debtor and reduce the ability to continue business. A balanced deed should identify the object, secured obligation, permitted exploitation, reporting duty, and default triggers. This design keeps the guarantee effective while preserving business continuity and fairness in credit relations.

B. Supporting Data and Indonesian Implementation Gap

The economic data show why the legal issue is not marginal. Creative economy employment reached 27.4 million workers in 2025, and the sector produced value added of more than Rp1,400 trillion in 2023. A large part of this sector creates value through copyright, brands, applications, designs, audiovisual works, games, culinary branding, and patented technology. The financing problem arises because many firms in this sector do not own conventional collateral comparable to their intangible asset value.

Government Regulation No. 24 of 2022 creates the first coherent regulatory bridge between creative economy policy and financial institutions. It allows IP-based financing through bank and non-bank institutions, requires proof of IPR, and introduces valuation. The regulation also recognizes that IPR-based products require marketing, infrastructure, incentives, government support, and dispute settlement. Its policy direction is clear: IPR should move from a defensive legal right to a productive financing asset.

The 2025 regulation on intellectual property valuers gives operational detail to the valuation requirement. It requires valuers to be public valuers with business valuation classification and to be registered in the intellectual property valuation system. This rule strengthens independence, transparency, and accountability. It also creates a legal basis for banks to request valuation reports that can be examined by internal risk committees, auditors, and regulators.

The central gap remains prudential recognition. OJK Regulation No. 40/POJK.03/2019 governs asset quality and allowance for asset quality assessment for commercial banks. Article 45 lists collateral that may be calculated as a deduction in PPKA, but IPR is absent from the list. Article 46 requires valid legal documents, binding that gives preference or priority, and insurance with a banker's clause for recognized collateral. Article 47 requires appraisal by independent or internal appraisers depending on the exposure amount.

This means Indonesian law contains two layers that do not yet fully align. The private-law layer allows copyright and patents to become fiduciary collateral. The creative economy layer encourages IP-based financing and now regulates intellectual property valuers. The banking prudential layer has not yet expressly treated IPR as collateral that can reduce provisioning. A bank may therefore accept IPR as additional collateral, but it has limited incentive to treat it as primary collateral.

The practical consequence is conservative lending behavior. Banks prefer land, buildings, vehicles, inventories, securities, and warehouse receipts because these assets have established appraisal methods, secondary markets, enforcement practices, and explicit regulatory recognition. IPR lacks comparable certainty in Indonesia. A bank that accepts IPR must still answer questions on valuation volatility, market liquidity, enforcement costs, infringement risk, ownership disputes, and the effect of insolvency proceedings.

The problem is not that IPR has no value. The problem is that value must be converted into credit-risk language. Banks need evidence of cash flow, licensing history, market demand, legal validity, enforceability, transferability, and resale possibility. A strong song catalog with regular royalty payments differs from a newly registered but commercially untested copyright. A patent with signed licensing agreements differs from a patent with no market adoption. This distinction should shape bank credit policy.

A useful Indonesian case illustration is a music copyright portfolio. The legal object may consist of economic rights over songs and related royalty receivables. The bank should require proof of copyright recordation, proof of ownership or assignment, royalty collection data, contracts with publishers or collective management organizations, and absence of litigation. The valuation should use an income approach based on historical and projected royalties, adjusted by legal risk and market risk. The fiduciary deed should identify the works, the economic rights, and any receivables assigned to secure the debt.

A second illustration is software copyright held by a start-up. The valuable asset may include source code, application copyrights, user contracts, subscription receivables, and trademarks. The bank must determine whether the software is owned by the debtor or by employees, contractors, founders, or licensors. A financing structure based only on a copyright certificate is weak if the software depends on third-party code or if customer contracts cannot be assigned. A stronger structure combines IPR collateral with receivables, escrow, insurance, and performance covenants.

A third illustration is a patent-based manufacturing enterprise. The patent certificate gives a legal monopoly for a defined invention, yet the bank's risk depends on market adoption, remaining patent term, maintenance fees, infringement disputes, production capacity, and licensing potential. The bank should test whether the patent produces revenue or merely represents technical potential. This approach prevents overvaluation and aligns IPR collateral with prudent banking principles.

Bankability should be tested through four indicators. The first indicator is legal validity, which covers ownership, recordation, protection period, and absence of unresolved disputes. The second indicator is economic performance, which covers royalty history, licensing income, sales data, subscriptions, or other revenue evidence. The third indicator is control, which covers whether the debtor can transfer, license, or assign the right without violating earlier contracts. The fourth indicator is exit possibility, which covers whether the bank can sell, assign, license, or restructure the asset after default. These indicators convert IPR value into credit-risk language.

A music catalog illustrates the relevance of these indicators. The bank should not value the catalog merely by counting the number of songs. The bank should examine whether the songs generate recurring royalties, whether the creator owns the economic rights, whether the works are registered or recorded, whether the rights are controlled by a publisher, and whether collective management data support the revenue claim. The fiduciary object may include the economic rights and the receivables that arise from licensing. A valuation based on historical and projected royalty streams will be more reliable than a valuation based only on artistic popularity.

A software asset illustrates a different risk pattern. Software value may arise from source code, copyright, subscription contracts, user data, trademarks, and technical know-how. A bank must verify whether employees or contractors assigned the code to the company. The bank must also review open-source components, third-party licenses, data protection obligations, and customer contract transfer restrictions. The collateral package may need to combine copyright, receivables, escrow arrangements, and covenants requiring maintenance of servers and key personnel. This structure shows that IPR collateral often works best as a structured package rather than a single certificate.

A patent-based business raises a further valuation issue. Patent certificates protect inventions, but not every patent creates cash flow. The bank should distinguish a patented invention that has licensing contracts from a patent that only shows technical novelty. The remaining protection period, maintenance fees, claims scope, infringement risk, and availability of substitute technology affect the lending value. Patent collateral should therefore be tied to commercialization evidence. This approach also protects the debtor from inflated valuations that may lead to unrealistic borrowing and later enforcement problems.

The valuation method should match the asset. The income approach is suitable when royalties, license fees, subscriptions, or other cash flows exist. The market approach is useful only when comparable transactions are available and reliable. The cost approach can support early-stage assets, but it should not dominate because the cost of creating a work or invention does not automatically represent market value. Professional valuation must also apply legal discounts for ownership disputes, short protection periods, limited transferability, and weak enforcement prospects. A bankable value is therefore lower than artistic, technical, or sentimental value.

C. Comparative Case Studies

Singapore provides the closest regional lesson. WIPO describes Singapore's approach as a multi-agency effort to unlock IP-backed financing.[9] The Singapore model does not rely only on a statutory declaration that IP has value. It builds a supporting ecosystem that includes the Intellectual Property Office of Singapore, valuation capability, participating financial institutions, and government risk-sharing tools. The lesson for Indonesia is clear: regulation must be accompanied by valuation standards and institutional confidence.

The Singapore experience also shows that public institutions should not necessarily become the valuers themselves. APEC materials note that Singapore used a panel of qualified valuers under its IP Financing Scheme, while IPOS focused on policy and ecosystem building.[10] Indonesia can adopt a similar separation. The Ministry of Creative Economy can register and supervise intellectual property valuers, while banks, public valuers, and industry experts provide transaction-level valuation.

The United Kingdom case shows that awareness and reporting matter. The UK Intellectual Property Office's Banking on IP report found that firms increasingly invest in intangible assets and that finance systems often fail to recognize such assets effectively.[11] This finding is relevant for Indonesia because many creative economy enterprises appear asset-light only when banks look only for land and buildings. A bankable system needs IPR disclosure, valuation narratives, and lender education.

The United States provides a secured-transactions model through Article 9 of the Uniform Commercial Code. Article 9 organizes attachment, perfection, priority, and enforcement of security interests, including security interests in

9 World Intellectual Property Organization, "Unlocking IP-Backed Financing in Singapore," WIPO Magazine, accessed June 2026, https://www.wipo.int/en/web/wipo-magazine/articles/unlocking-ip-backed-financing-in-singapore-42263.

10 APEC, Best Practices on Intellectual Property (IP) Valuation and Financing in APEC (Singapore: APEC Secretariat, 2018), 21-23.

11 Martin Brassell and Kelvin King, Banking on IP? The Role of Intellectual Property and Intangible Assets in Facilitating Business Finance (London: UK Intellectual Property Office, 2013).

general intangibles.[12] The lesson for Indonesia is not to copy U.S. law, but to recognize the importance of a predictable public filing system and priority rules. Indonesia already has fiduciary registration, but it needs better integration between IPR databases, fiduciary registration, and bank risk systems.

The comparative cases support a single conclusion. IPR collateral works only when legal rights, valuation, lender incentives, and enforcement infrastructure operate as one system. A rule stating that IPR can become collateral is not enough. Banks need regulatory recognition, reliable valuation, clear priority, and credible enforcement. Creative economy actors need affordable recordation, transparent valuation costs, and protection against excessive collateral clauses.

TABLE 1. Evidence, Case Studies, and Legal Implications for IPR Collateral

Evidence or Case	Main Finding	Implication for Indonesia
Indonesia creative economy data	Creative economy employment reached 27.4 million workers in 2025 and value added reached Rp1,414.8 trillion in 2023.	IPR-backed financing addresses a real funding gap for asset-light creative businesses.
Government Regulation No. 24/2022	IP-based financing is recognized for creative economy actors with IPR documentation and valuation.	The regulation provides policy direction but still needs banking-prudential alignment.
Permen Ekraf/Bekraf No. 6/2025	Registered intellectual property valuers are regulated for debt-guarantee valuation.	The new valuation framework can reduce lender uncertainty.
POJK No. 40/POJK.03/2019	Recognized collateral for PPKA deduction does not expressly include IPR.	Banks have limited prudential incentive to treat IPR as primary collateral.
Singapore, UK, and US practice	IP-backed finance depends on valuation standards, lender confidence, registry systems, and priority rules.	Indonesia needs an ecosystem, not only a statutory permission.

12 Uniform Commercial Code, Article 9, Secured Transactions, Cornell Legal Information Institute, accessed June 2026, https://www.law.cornell.edu/ucc/9.

Source: Author analysis based on Indonesian regulations, official statistics, and comparative institutional reports.

Comparative practice does not support automatic acceptance of IPR as collateral. Singapore, the United Kingdom, and the United States show that IP-backed finance requires a financing ecosystem. This ecosystem combines clear property rights, public filing or recordation, valuation standards, lender capacity, and enforcement routes. Indonesia already has several components, including IPR statutes, fiduciary security, creative economy financing rules, and intellectual property valuers. The missing element is coordination across those components. Fragmented regulation explains why the legal basis exists but the banking market remains cautious.

Singapore is relevant because it treats IP financing as an institutional program rather than a single legal permission. Its experience shows that banks need confidence in valuation and risk sharing before they expand IP-backed lending. Indonesia can learn from this approach by using registered valuers, sector-based valuation guidance, and limited guarantee support for eligible creative economy actors. Government support should reduce information asymmetry, not replace bank credit analysis. This distinction matters because banks remain responsible for prudential lending and cannot rely only on policy enthusiasm.

The United Kingdom offers a lesson on disclosure. The Banking on IP report emphasized that intangible assets often remain invisible in ordinary lending processes. Indonesian banks face a similar problem when financial statements fail to explain how copyrights, software, brands, designs, or patents generate income. A practical reform should therefore encourage IPR mapping in credit proposals. Borrowers should present an IPR schedule, proof of ownership, revenue links, licenses, disputes, and valuation assumptions. Better disclosure can reduce the information gap between creative enterprises and lenders.

The United States offers a lesson on priority. Article 9 of the Uniform Commercial Code gives lenders a structured method for attachment, perfection, priority, and enforcement of security interests in intangibles. Indonesia does not need to transplant Article 9, but it can strengthen the same functions through fiduciary registration and IPR database integration. A clear priority system gives banks certainty when several creditors, licensees, assignees, and insolvency administrators claim interests in the same asset. Priority clarity also protects buyers or licensees after enforcement.

D. Reform Model for Indonesian Banking Law

Indonesia should adopt a layered reform model. The first layer is legal-due-diligence standardization. Banks should use a checklist covering ownership, registration, duration of protection, existing licenses, co-ownership, encumbrances, disputes, royalty history, and transferability. This checklist can be issued by OJK in coordination with the Ministry of Creative Economy, the Directorate General of Intellectual Property, and banking associations.

The second layer is valuation standardization. Regulation of intellectual property valuers should be followed by technical guidance that distinguishes cost, market, and income approaches. The income approach should dominate when IPR generates royalties, subscriptions, licensing fees, franchise fees, or other predictable cash flows. The market approach can be used when comparable licensing or sale data exist. The cost approach should be used carefully because development cost does not always equal market value.

The third layer is prudential recognition. OJK should consider whether certain categories of valued and registered IPR can be recognized as collateral for PPKA deduction under strict conditions. The conditions may include professional valuation, minimum commercialization history, legal documentation, insurance or guarantee support, escrow of royalty receivables, and periodic revaluation. This approach does not force banks to accept weak IPR, but it gives regulatory space for high-quality IPR collateral.

The fourth layer is registry integration. The fiduciary registry should be interoperable with IPR recordation databases. A bank should be able to verify whether a copyright or patent has been pledged, licensed exclusively, transferred, disputed, or expired. Public notice reduces double-pledging risk and supports priority certainty. Digital integration would reduce transaction costs for banks and creative economy actors.

The fifth layer is enforcement design. Execution of IPR collateral requires more than auction procedure. A buyer must receive a transferable right, supporting documents, access to contracts, and continuity of revenue channels. Banks should prepare enforcement protocols before credit is granted. The protocol should specify whether the bank may sell the right, assign royalty receivables, appoint a manager, or restructure the loan through licensing income.

This reform model protects prudential banking principles. It does not treat all IPR as automatically bankable. It treats IPR as bankable only when legal validity, valuation reliability, revenue evidence, and enforceability can be proven. This standard answers the concern that intangible collateral may be speculative. Speculation is reduced when valuation and legal due diligence become mandatory credit-risk tools.

The proposed reform should begin with regulatory clarification. OJK can issue guidance stating the conditions under which registered or recorded IPR may be considered in credit analysis. The guidance should not compel banks to accept IPR. It should give banks a safe analytical framework for legal due diligence, valuation review, collateral monitoring, and enforcement planning. Conditional recognition would answer bank concerns while avoiding a reckless expansion of unsecured or speculative credit.

The next reform concerns model clauses. A standard IPR collateral clause should describe the protected object, certificate or recordation number, economic rights included, existing licenses, royalty accounts, permitted use by the debtor, maintenance duties, reporting duties, valuation review, default events, and enforcement options. A model clause would reduce drafting uncertainty and prevent excessive clauses that seize unrelated future works. Banking associations and the Directorate General of Intellectual Property can prepare sector-specific examples for music, software, patents, brands, and designs.

The final reform concerns institutional coordination. OJK, the Ministry of Creative Economy, the Directorate General of Intellectual Property, the Ministry of Law, public valuer associations, and banking associations should create a joint technical protocol. The protocol should align IPR registration, fiduciary registration, valuation reports, credit-risk assessment, and dispute settlement. Such coordination would turn Government Regulation No. 24 of 2022 from a policy mandate into an operational financing system. It would also clarify the novelty of this article: the central problem is not only IPR recognition, but the missing bridge between collateral law and prudential banking law.

Conclusion

Indonesian law recognizes IPR as a potential object of fiduciary collateral when the protected right has economic value, clear ownership, transferability, and legal documentation. Copyright and patents have the strongest statutory basis through the Copyright Law and Patent Law. The legal guarantees provided to banks include a notarized fiduciary deed, registration, preference rights, third-party enforceability, and execution rights after default. The legal guarantees provided to debtors include continued operational use of the IPR, clearer scope of secured obligations, and protection against arbitrary treatment when the fiduciary deed defines the object and secured debt precisely.

The main barrier is no longer the absence of a legal basis. The main barrier is the gap between private-law recognition and banking-prudential treatment. Government Regulation No. 24 of 2022 and the 2025 regulation on intellectual property valuers have strengthened the creative economy financing framework. OJK asset-quality rules still do not expressly recognize IPR as collateral that may reduce PPKA. This gap explains why banks may accept IPR as supplementary security but remain hesitant to treat it as primary collateral.

The recommended reform is a coordinated model involving OJK, the Ministry of Creative Economy, the Directorate General of Intellectual Property, public valuers, and banking associations. The model should include standardized IPR due diligence, registered intellectual property valuers, valuation methods based on cash-flow evidence, database integration between IPR and fiduciary registries, and conditional prudential recognition for high-quality IPR collateral. This reform would preserve bank prudence while expanding access to credit for creative economy actors whose main assets are intangible.

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