

The Characteristics of Song Copyright in Bank Debt Guarantees

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Abstract

Technological developments have resulted in developments related to copyright which can be optimized in relation to economic aspects. One aspect of copyright that can be optimized in relation to economic aspects is copyright related to songs. The focus of this research is on the characteristics of copyright for songs as an asset that can be pledged as guarantee, as well as the impact and implications of using copyright in the financial sector and creative industries. This research is normative legal research with a conceptual and statutory approach. The research results show that copyright has economic potential, especially as guarantee in bank debt transactions. Factors such as the economic value of the work, exclusive control, legal protection, and income allow the copyright to be guarantees. The use of copyright as guarantees has a positive impact on the financial sector and the creative industries. Challenges related to copyright, which has economic potential, especially as guarantee in bank debt transactions, include complex copyright value assessments and potential conflicts of interest between the rights owner and the bank. Therefore, there is a need for legal certainty to determine the standard for assessing the value of copyright that can be used as guarantee. debt at the bank.

Keywords: Copyrights; Debts; Guarantees; Songs.

Abstrak

Perkembangan teknologi membuat adanya perkembangan terkait hak cipta yang mana dapat dioptimalkan dalam kaitannya dengan aspek ekonomis. Salah satu aspek hak cipta yang dapat dioptimalkan dalam kaitannya dengan aspek ekonomis adalah hak cipta terkait lagu. Fokus penelitian ini yaitu pada karakteristik hak cipta atas lagu sebagai aset yang dapat dijamin, serta dampak dan implikasi pemanfaatan hak cipta dalam sektor keuangan dan industri kreatif. Penelitian ini merupakan penelitian hukum normatif dengan pendekatan konsep dan perundang-undangan. Hasil penelitian menunjukkan bahwa hak cipta memiliki potensi ekonomis, khususnya sebagai jaminan dalam transaksi utang di bank. Faktor-faktor seperti nilai ekonomi karya, kontrol eksklusif, perlindungan hukum, dan pendapatan memungkinkan hak cipta dijadikan jaminan. Pemanfaatan hak cipta sebagai jaminan memiliki dampak positif terhadap sektor keuangan dan industri kreatif. Tantangan terkait hak cipta yang memiliki potensi ekonomis, khususnya sebagai jaminan dalam transaksi utang di bank seperti penilaian nilai hak cipta yang kompleks dan potensi konflik kepentingan antara pemilik hak dan bank sehingga perlu adanya jaminan kepastian hukum untuk menentukan standar penilaian nilai hak cipta yang dapat dijadikan jaminan utang di bank.

Kata kunci: Hak Cipta, Utang, Jaminan, Lagu.

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Introduction

Copyright is an important element in the creative world and the entertainment industry, providing legal protection to creators of works of art, including songs, to prevent unauthorized use and regulate the use of these works (Kurnianingrum, 2017). The characteristics of copyright involve the exclusive

rights granted to creators or rights holders to control the use, reproduction, distribution, and utilization of their work. In this increasingly digital era, copyright has a significant impact not only in the realm of art and creativity but also in the economic and financial fields. Along with economic and technological developments, the concept of copyright has received more attention in the financial realm. One trend that has attracted attention is the use of copyright as an asset that can be used as guarantee or collateral in financial transactions, such as bank debt (Christy, 2020). This research will examine the characteristics of copyright that allow it to be used as collateral in bank debt transactions, with a focus on the laws and regulations governing this matter.

One of the reasons copyright is important in relation to efforts to provide debt collateral is because, compared to other intellectual property rights, copyright is an intellectual property right that is quantitatively the most significant intellectual property right among other types of intellectual property rights. Apart from that, copyright can potentially be exercised by every human being if they have a work that can be registered as a copyright. This emphasizes the importance of copyright as collateral for debt due to the potential copyright that each individual can own.

In Indonesia, Law Number 28 of 2014 concerning Copyright is the main legal basis governing copyright protection. This law provides an understanding of the characteristics of copyright and protect creators or rights holders of their copyrighted works, including musical works and songs. In addition, the law also explains the granting of economic and moral rights to creators, as well as the mechanism for obtaining copyrights through registration (N. K. Noor, 2019). The Copyright Act also gives exclusive rights to creators or rights holders to control the use of their copyrighted works, including songs. These rights include the rights of reproduction, distribution, and public appearance. In the context of bank loans, copyright can be considered an asset that can be used as collateral (Suhayati, 2014). However, there are complex legal questions regarding the valuation of copyright, transfer of rights, and the rights of other parties involved in the transaction.

In addition, Law Number 10 of 1998 concerning Amendments to Law Number 7 of 1992 concerning Banking (Banking Law) regulates banking activities in Indonesia. In the Banking Law, there are provisions regarding the types of guarantees that can be accepted by banks in the context of providing credit or debt. Copyright as a collateral asset is something new and challenging because assessing and treating it requires a deep understanding of the creative and commercial value of the work. The importance of copyright protection in the

world of music raises new questions regarding the potential use of copyright as collateral in financial transactions, such as its use in obtaining debt from financial institutions such as banks. Although the Copyright Act provides an understanding of the rights of copyright holders, there is still room for further exploration regarding the practice of using copyright in the context of providing guarantees in debt transactions (Ulinuha, 2018).

The main novelty of this research is the orientation of the use of copyright as intellectual property rights as debt collateral. Three previous studies discuss intellectual property rights as debt collateral, namely research by Saidah, et al. (2020), which discusses the study of trademark rights as debt collateral (Miftakhur Rokhman Habibi, 2020). The novelty of the research of Saidah, et al. (2020) is that brand rights have an economic orientation as debt collateral. Furthermore, research conducted by Zakiyah (2021) discusses copyright as a fiduciary guarantee. The novelty of this research is that economically, copyright has economic potential as a fiduciary guarantee and in the future it will be oriented as a new orientation in optimizing copyright (Zakiyah, 2021). Further studies were conducted by Hidayah et al. (2022) where there are juridical problems in enforcing copyright as fiduciary collateral, especially related to regulations in the fiduciary sector (Shelly Asrika Fazlia, Dwi Suryahartati, 2022). Referring to the three previous studies, the author's research which specifically discusses copyright for music as a fiduciary guarantee is original research because it has not been discussed by the three previous researchers.

Research Problems

Based on the explanation of the background above, the questions in this study are: First, how do the characteristics of copyright on songs make it possible to be used as collateral in banks debt transactions? Second, what are the impacts and implications of using copyright as collateral in bank debt transactions for the financial sector and the creative industry?

Research Methods

This study uses legal research methods to analyze legal aspects related to the characteristics of copyright on songs as collateral in bank debt transactions. The legal aspect of this research is related to the aspect of legal certainty of copyright on songs as collateral in bank debt transactions. The legal research method involves analyzing legal documents, laws and regulations, and relevant legal cases in the context of providing guarantees in financial transactions. This research will include an in-depth literature study of the relevant legal literature

to identify existing views and understandings of relevant legal practices. This study adopts an interdisciplinary approach between law and economics to analyze the characteristics of copyright that can be used as collateral in bank debt transactions. This approach makes it possible to understand not only the legal aspects involved but also the economic implications of using copyright in the context of financial transactions.

Sources of research material in this study consist of legal documents, laws, and regulations related to copyright and financial transactions, as well as academic literature that addresses the topic of copyright, the financial sector, and the practice of granting guarantees in transactions. These documents include Law Number 28 of 2014 concerning Copyright, Law Number 10 of 1998 concerning Amendments to Law Number 7 of 1992 concerning Banking, and court decisions and other relevant regulations. The data for this research will be obtained through a literature study, namely by collecting and analyzing legal documents, academic literature, and other relevant sources. Data can also come from the results of analysis of legal cases related to the use of copyright as collateral in financial transactions.

Data analysis in this study will be carried out with a qualitative approach. The data that has been collected will be analyzed in depth to identify patterns, themes, and relationships between legal and economic aspects related to the use of copyrights as collateral bank debt transactions. The results of the analysis will be used to draw conclusions and provide further insight regarding the potential and limitations of the use of copyright in the practice of providing guarantees in the financial sector.

Discussion

Characteristics of the Copyright on the Song that Allows it to be Used as Collateral in Bank Debt Transactions

In an era where the music industry continues to grow rapidly, song copyright has become a critical element in protecting musical works of art. Copyright is a legal right granted to creators of original works, including songs, to protect those works from unauthorized use by others. Historically, copyright has developed, especially during the industrial revolution that occurred in Europe, especially in England, which emphasized the need for efforts to maximize economic aspects (Barnes Garden, 2007). Copyright with its various economic potentials and advantages then becomes one of the orientations that can be utilized to increase economic potential (Asri, 2022).

Early in history, orientation and optimization related to copyright to maximize economic potential occurred in the 17th century, especially in England and France (Pardede, 2022). This orientation happened in England and France because these two countries were the leading "pioneers" of the industrial revolution. The concept of moral and economic rights in copyright was born from these developments related to copyright. Historically, moral rights in copyright developed as a response to the development of copyright in England, which tended to be capitalistic and only emphasized business-oriented aspects (Rokan, 2021). In this aspect, copyright relating to individual authors is often ignored, and more emphasis is placed on the economic rights orientation of copyright. In its development, it is not clear whose creation it is. The obscurity is because creators receive less attention and tend not to be considered because the main essence of copyright is the aspect of economic rights (Darwance et al., 2020).

This practice, which is capitalistic and tends to be disproportionate, gave birth to the concept of moral rights. This concept indicates that apart from an economic orientation towards copyright, there is also a need for a moral orientation, namely guaranteeing the moral rights of a creator. The importance of moral rights is also strengthened by the view of copyright that developed in French society, where copyright is emphasized as *droit d'auteur*, which emphasizes that a creation is part of the expression of *de l'esprit* or a noble and creative human work in creating something (Gorda et al., 2022). The results of noble work that are genuine and creative cannot actually be assessed based solely on economic aspects. The idea later became the foundation that moral rights are absolute for the creator.

Further developments regarding copyright show that apart from moral rights, which are highly upheld, economic rights also have significant developments, especially with various regulations and policies that support the economic use of copyright (N. Noor, 2021). One of these efforts and innovations is the legal policy to use copyright as collateral for bank loans (Nadriana, 2018). Copyright is also an exclusive right given to creators or copyright owners to control the use of their creative works (Dharma & Mahadewi, 2023). One of the interesting developments is the use of copyright on songs as collateral in bank debt transactions. The use of copyright as collateral in bank debt transactions has indirectly expanded the use of copyright in the economic realm (Pane, 2021). Copyrights to songs have several characteristics that allow them to be used as collateral in bank debt transactions. However, not all intellectual property rights can be used as collateral for debt. This distinction is because, there are categories of moral and economic rights of intellectual property rights. Intellectual property

rights can be used as collateral for debt, especially in this case, copyright is only related to the economic aspects of intellectual property rights.

This characteristic of copyright allows copyright owners to use their artwork as an asset that can be pledged as collateral for a loan from a bank or other financial institution. Some of the characteristics of copyright that are relevant in this case are:

1. Economic Value of Musical Works

Copyrighted songs can have significant economic value. Popular music works can generate revenue from record sales, streaming, broadcast rights, and concerts. This value can be used as a basis for determining the collateral value in debt transactions (Panjaitan, 2015).

2. Exclusive Control of the Copyright Owner

Copyright gives the owner exclusive control over the use and utilization of the musical work. This means that the copyright owner has the authority to grant permission or license to use it to other parties. In debt transactions, the bank can guarantee that the copyright will not be arbitrarily used without the copyright owner's consent (Hawin & Riswandi, 2017).

3. Legal Protection

Copyright is protected by copyright laws governing the use, distribution, reproduction and other related works. In many jurisdictions, copyright provides solid legal protection against infringement, thereby adding value as security in debt transactions (Hasibuan, 2011).

4. Fixed Income

Royalties from the use of copyright can provide a steady income to the copyright owner. In the case of debt transactions, this income can be directed towards paying debt installments or interest. This appliance assures that a source of income can be used to pay financial obligations.

Thus, the characteristics of copyright that provide exclusivity and economic value to the owner allow copyright to be used as collateral in bank debt transactions. Legislation such as the Copyright Act establishes a legal framework that facilitates the use of copyright as collateral in such financial transactions (Hawin & Riswandi, 2017). At the national level, many countries have copyright laws that protect the rights of copyright owners (Prasetyawati, 2011). In Indonesia, for example, Law Number 28 of 2014 concerning Copyright regulates copyright protection, including the economic and moral rights of the work owner. Article 25, Paragraph (1) of the Copyright Law states that copyright can be transferred in part or in whole to another party. This regulation means that the copyright

holder has the right to transfer the right to another party, either in whole or only part of the rights contained in the copyright. In this context, "transfer of rights" refers to any action in which a copyright holder permits for another party to use, distribute, or exploit the copyright. Transfer of rights can happen through an agreement or contract that regulates the terms and limitations of the copyright transfer.

Article 28A of the Copyright Law states that copyright can be transferred in part or in whole by way of an agreement in the form of a license or copyright agreement. This rule means that the copyright owner (author or licensee) can permits to other parties to use the work, including in the context of guaranteeing bank debt transactions. Article 29 of the 2014 Copyright Law regulates collateral rights to copyrights. This article allows copyright owners to provide collateral rights over their copyrights to other parties, including banks, as part of a debt transaction. In this context, when someone wants to borrow money from a bank or other financial institution, they can use copyright as collateral to ensure that the loan will be repaid (Dharma & Mahadewi, 2023). If the borrower fails to fulfill its obligations, the bank or party providing the loan has the right to take the copyright as collateral as compensation.

In addition, Article 31 of the 2014 Copyright Law regulates the use of collateral rights to copyrights. In this case, the bank that receives the guarantee right over the copyright as collateral for the debt transaction has the right to take advantage of the copyright if the debtor fails to pay the debt according to the agreement. In scenarios where the borrower (the debtor) is unable or unwilling to pay his debt to the bank or other financial institution providing the loan, the rights related to the copyright that is guaranteed can be applied (Nadriana, 2018). The bank has the right to sell or use the copyright to get payments owed. In the context of using copyrights as collateral bank debt transactions, Article 41 of the Copyright Law regulates mortgage rights or collateral rights over copyrights. This rule means that copyright holders can provide collateral for their copyrights as collateral in credit or debt transactions at the bank. Thus, copyright can be used as an asset that can be used as collateral to obtain a loan from a bank.

Article 44 of the Copyright Law states that copyright can be transferred in part or in whole. Thus, copyright owners can transfer rights to other parties, such as banks as lenders, as collateral for the transaction (Nadriana, 2018). In practice, the process of transferring rights is usually carried out through an agreement or contract that regulates the details of the copyright transfer and the related rights. If the copyright is used as collateral for a debt transaction, the bank or financial institution can take the copyright as compensation if the debtor fails to pay the

debt according to the agreement. It can be concluded, in the context of using copyright as collateral at a bank, the copyright owner can apply to the bank to provide a loan with copyright as collateral. The Bank will evaluate the commercial value of the copyright, including the potential utilization and income generated from copyrighted songs. If the bank agrees, the copyright owner can accept financing on the condition that if the debt cannot be repaid, the bank has the right to take over or sell the copyright to pay off the debt. The process of using a copyright as collateral in a debt transaction usually involves drawing up a collateral agreement between the copyright owner and the bank. This agreement will regulate the rights and obligations of each party, including how the bank can take advantage of the copyright if the debtor is in default.

The Implications of Copyright as Collateral in Bank Debt Transactions

The use of copyright as collateral in bank debt transactions has significant impacts and implications for the financial sector and creative industries. This impact includes legal, economic, and creative industry aspects. Relevant laws and regulations may vary by jurisdiction, but generally, the use of copyright as security is governed by national copyright laws and banking regulations. For example, in the United States, "The Copyright Act" regulates copyright (Sartika et al., 2022). Several laws and regulations in Indonesia that are relevant in this context are Law Number 28 of 2014 concerning Copyright and Law Number 10 of 1998 concerning Amendments to Law Number 7 of 1989 concerning Banking and Regulations of the Financial Services Authority (OJK) Number 25/POJK.03/2016 concerning Business Activities of Technology-Based Money Lending Services (Peer-to-Peer Lending). Law Number 28 of 2014 concerning Copyright is the legal basis that regulates various aspects related to copyright in Indonesia. One of the things regulated in this law is the guarantee of copyright as an asset in financial transactions.

Regarding the potential for conflict between copyright holders and financial institutions, in this case, banks, the law provides various mechanisms to minimize and resolve these conflicts (Kurnianingrum, 2017). Providing guarantees for copyrights in financial transactions refers to mechanisms where copyrights can be used as collateral or guarantee in debt transactions (Rusby, 2017). This mechanism allows financial institutions to use copyrights as collateral if debtors fail to meet their debt obligations. However, it is also important to note that the use of copyright as collateral must be in accordance with the provisions stipulated in the law, including the rights of the copyright owner, which are still respected and protected.

Meanwhile, Law Number 10 of 1998 concerning Amendments to Law Number 7 of 1992 concerning Banking is the legal basis that regulates various aspects related to banking in Indonesia, including provisions regarding guarantees in banking transactions. One of the things regulated in the law is the use of guarantees in banking transactions. This guarantee is a form of asset or right granted by the debtor to a financial institution as a guarantee for the fulfillment of debt payment obligations (Nursaidi, 2021). This law may include copyright as a form of guarantee that can be used in banking transactions. However, the use of copyright as collateral must comply with the provisions and procedures regulated in the law.

The positive impact of using copyright as collateral is:

1. Easier Access to Finance

The use of copyright as collateral has been proven to provide significant benefits for the financial sector. In this case, copyright plays an important role in reducing the credit risk faced by financial institutions, especially banks. Using copyright as an asset that can be taken as collateral if the borrower fails to pay his debts, banks can feel more confident in providing credit to creative industry players who have potential but may not have physical assets that can be used as traditional collateral. The existence of copyright as an alternative form of collateral opens up new opportunities for banks to expand the portion of credit extended to creative industry players who previously had difficulty obtaining financial support (Marnis & Priyono, 2008).

In addition, the use of copyright as collateral also has a positive effect in encouraging the financial sector to invest more in the creative industry as a whole. With a more diversified guarantee mechanism, the financial sector can feel more secure in injecting funds into various projects and initiatives in the creative industries. This fund has the potential to boost economic growth in this sector, opening up opportunities for creative industry players to develop their innovative works without worrying about limited access to funding (Sartika et al., 2022).

2. Increasing Innovation and Creativity

The use of copyright as collateral has significant potential in encouraging the development of the creative industry. With copyrights used as assets that can be used as collateral, creative industry players such as companies or individuals will find it easier to access sources of financing (Sulasno, 2018). This will open the door for more industry

players to develop creative projects that require additional funding, such as film production, software development, book publishing, and the like. The existence of this copyright guarantee can provide a sense of security to lenders because they have rights to valuable assets in the event of default.

In addition to financial benefits, the use of copyright as collateral also encourages innovation in the creative industries. Industry players will be more likely to be eager to create original, high-quality content if they realize that strong copyright will give them a competitive advantage and opportunities for financing. This increase in the quality of content and creative products will ultimately move the entire industry forward. On the other hand, this also stimulates creators to be more careful in protecting their copyrights. With strong and well-protected copyrights, they will have a solid foundation for making profitable financial transactions. In addition, incentives to protect copyright more carefully can also reduce the risks of intellectual theft and illegal use, which can often cost creators and the industry as a whole (Purnomo, 2016).

3. Bank Portfolio Diversification

The use of copyright as collateral is a potential strategy for banks and financial institutions to diversify their loan portfolios. This move has the potential to reduce the credit risk they face, as assets guaranteed by copyright tend to have a more stable economic value in the long term. Copyright protects intellectual works such as works of art, music, films, and other creative products, which often have high commercial value (Falchetta et al., 2022).

Using copyright as collateral, banks and financial institutions can ensure that if borrowers are unable to meet payment obligations, they have the right to take control of the intellectual property. The main advantage of this strategy is that the economic value of intellectual works tends to persist in the long run, even in situations of economic fluctuations. Therefore, this can help reduce the risk of a borrower's inability to repay the loan while providing an opportunity for banks and financial institutions to manage risk more effectively (Handayani, 2019). Diversifying the loan portfolio through the use of copyright as collateral is not only beneficial for the financial sector but can also stimulate the growth of the creative sector by providing incentives for creators of intellectual works to obtain the necessary financial support.

4. Legal Implications

Within the scope of Indonesian law, Law Number 28 of 2014 concerning Copyright has a crucial role in regulating the protection of copyright and all aspects related to it. One regulated aspect is the use of copyright as collateral in financial transactions, especially in debt transactions at financial institutions such as banks (Ujang Badru Jaman et al., 2021). In this case, the use of copyright as collateral must consider and comply with the legal requirements stipulated in the law.

Proper implementation of this concept will ensure that the rights and obligations of all parties involved in the transaction are properly protected. Lenders or banks as recipients of copyright guarantees will have legal certainty regarding the ownership and use of these copyrights as collateral for loans provided. On the other hand, the guarantor or copyright owner must also be guaranteed that their creative rights are protected during the transaction. With a clear legal framework in place, both the bank and the guarantor can carry out these transactions confidently and avoid future disputes (Handayani, 2019).

5. Technical Challenges

The valuation of copyright value as collateral has a higher level of complexity compared to conventional physical assets. This concept is because determining the economic value of copyright and evaluating risks related to copyright infringement involve aspects that require special particular expertise in creative industries and copyright law. Banks and financial institutions wishing to use copyrights as collateral must develop well-developed and structured mechanisms to assess the intrinsic value of copyrights, including consideration of future revenue potential, exclusivity of use, and potential transfer of rights (Andrianto & Firmansyah, 2019).

In addition, an evaluation of the risks associated with copyright infringement and potential lawsuits is essential in this process, given the complexity of the laws relating to copyright in various jurisdictions. Therefore, the involvement of experts in the copyright law industry and economic valuation is essential so that banks and financial institutions can make informed decisions about using copyright as collateral.

However, there are also implications that need to be considered:

1. Concerns over Collateral Value

Because copyrights can fluctuate in terms of value and demand from the market, banks or financial institutions that use copyrights as collateral must be very careful in determining the size of the loan to be granted. This decision involves an in-depth risk assessment and careful

analysis of the potential long-term value of the collateral. Collaborative efforts between copyright experts, independent appraisers and financial institutions will be critical to addressing this challenge in a fair and accurate manner (Kurnia Prihantiwi & Pujiyono, 2020).

2. Compliance with Copyright Laws

In the context of providing guarantees, banks have an important responsibility to ensure that the copyright used as collateral is the legal ownership of the party concerned. This procedure is crucial because copyright infringement can potentially lead to serious legal consequences and damage the bank's reputation. By taking careful vetting steps, banks can mitigate the potential risks associated with using collateral in the form of unauthorized copyrights (Abram Shekar Perdana & Sri Mulyani, 2023).

3. Changes in Guarantee Amount

The economic value of copyright has the ability to fluctuate according to the dynamics of market demand and ongoing industry developments. Changes in consumer trends, technology, and marketing strategies can significantly affect the copyright value of a work. For example, the popularity of a piece of music, film or software may rise or fall as people's tastes and preferences change. When the demand for work increases, the copyright value can also skyrocket. On the other hand, however, if the work loses interest or is replaced by new innovations, the value of the copyright can rapidly decline (Yang & Zheng, 2022).

4. Conflict of Interest

Conflicts between the interests of copyright owners and financial institutions can indeed arise in situations where one party suffers a loss, such as cases of selling or using copyrights by financial institutions when the debtor fails to fulfill debt obligations. Copyright owners may feel that their creative rights are infringed or exploited without permission in a financial institution's attempt to recover losses incurred as a result of the debtor's inability to pay the debt. The solution taken must consider the balance between the rights and interests of both parties, perhaps through negotiation, mediation, or appropriate legal processes, with the ultimate goal of reaching a fair settlement and respecting the rights of those involved (Kurnianingrum, 2017).

The use of copyright as collateral in bank debt transactions shows how the complex relationship between the financial sector and the creative industries can affect both growth and development. Relevant laws and regulations need to be

continuously updated and adapted to developments in these two sectors to ensure proper protection and stimulation for innovation and investment.

Conclusion

From the elaboration of the discussion above, the conclusions that can be drawn from this research are: In the era of the rapid development of the music industry, copyright on songs has become important in protecting musical works of art. Copyright gives the creator or owner the exclusive right to control the use of the work. Interestingly, this copyright can also be used as collateral in debt transactions at the bank. In some cases, the copyright owner may pledge his copyright to support financing from a financial institution. Factors such as the economic value of the musical work, exclusive control, easy identification, legal protection and regular income allow copyright to be pledged. Copyright law regulates the process of guaranteeing, utilizing, and executing copyright as collateral. However, care needs to be taken to respect the rights of copyright owners and ensure a balance between rights owners and financial institutions. The process of using a copyright as collateral usually involves entering into an agreement between the copyright owner and the bank setting out both rights and obligations in the transaction.

The use of copyright as collateral in bank debt transactions has significant impacts and implications for the financial sector and creative industries. In this context, Law Number 28 of 2014 concerning Copyright is the legal basis governing the use of copyright as collateral in financial transactions. Positive impacts include easy access to finance for creative industry players, increased innovation and creativity, bank portfolio diversification, and straightforward legal implications. However, there are also technical challenges in assessing the value of copyright as collateral and managing changes to the value of the collateral and possible conflicts of interest between copyright owners and financial institutions. A good understanding of legal regulations and cooperation between legal experts, appraisers and financial institutions will be the key to maximizing benefits and minimizing risks in using copyright as collateral, with the ultimate goal of achieving proper protection and stimulation for the development of the financial sector and creative industries.

Suggestion

In dealing with the use of copyright as collateral in bank debt transactions, there are several recommendations that can be considered. First, financial institutions need to ensure a thorough understanding of applicable copyright

laws and banking regulations so that they can carry out these transactions properly and lawfully. Second, the bank and the copyright owner must jointly develop a clear and comprehensive agreement setting out the rights and responsibilities of each party to the transaction. Third, close collaboration is required between copyright law experts, appraisers, and financial institutions in assessing the value of copyright as collateral, overcoming technical challenges, and avoiding the risk of conflicts of interest. Fourth, it is important for banks and financial institutions to have a strong risk management mechanism that takes into account fluctuations in copyright values and changes in the creative industry. Fifth, copyright owners need to ensure that the value of their creativity and work remains well protected in this transaction by collaborating with legal experts and following procedures regulated by law.

With the implementation of this recommendation, the use of copyright as collateral in bank debt transactions can provide balanced benefits for financial institutions and creative industries. Proper legal protection and transparency in these transactions will reduce risks and stimulate economic growth in the creative sector. In this context, a solid understanding of legal aspects and collaboration between various stakeholders will be the key to successfully utilizing copyright as collateral in a fair and sustainable manner.

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