

LAW OF THE REPUBLIC OF INDONESIA
NUMBER 42 OF 1999
ON
FIDUCIA SECURITY

BY THE BLESSINGS OF THE ALMIGHTY GOD

PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering : a. that the considerable and increasing demands for funds for the business world need to be supported with clear and full legal provisions governing the security institution;
- b. that as one of the security institutions, Fiducia Security is currently still based on jurisprudence and this matter has not been regulated under full and comprehensive laws and regulations;
- c. that in efforts to fulfill the legal requirement capable of speeding up national development, and provide legal certainty and legal protection for interested parties, it is necessary to make full provisions on Fiducia Security and such security must be registered with a Fiducia Registration Office;
- d. that based on the considerations as referred to in point a, point b, and point c, it is necessary to make a law on Fiducia Security;

Observing : Article 5 section (1), Article 20 section (1), and Article 33 of the 1945 Constitution;

With the approval of
THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF INDONESIA:

HAS DECIDED:

To enact : LAW ON FIDUCIA SECURITY

CHAPTER I GENERAL PROVISIONS

Article 1

In this law:

1. Fiducia means any transfer of ownership right over goods based on trust, with the provision that such goods remain under the control of the owner.
2. Fiducia Security means a security right over movable goods, either tangible or intangible and over immovable goods especially buildings that cannot be encumbered with security right as referred to in Law Number 4 of 1996 on Security Right, which is still under the control of the Fiducia Grantor, as a collateral for the full repayment of a certain debt that gives priority to Fiducia Recipient over any other creditors.
3. Receivables mean the right to receive payment.
4. Goods mean anything that can be owned or transferred, either tangible or intangible, registered or unregistered, moveable or immovable, that cannot be encumbered with security right or hypothec.
5. Fiducia Grantor means any individual or corporation being the owner of the Goods which are the object of Fiducia Security.
6. Fiducia Recipient means any individual or corporation having receivables, whose payment is secured by a Fiducia Security.
7. Debt means any liability stated or can be stated in an amount of money in either Indonesian currency or any other currencies, either directly or contingently.

8. Creditor means any party having receivables under any agreement or law.
9. Debtor means any party having debt under any agreement or law.
10. Any Person means any individual or corporation.

CHAPTER II

SCOPE

Article 2

This law applies to any agreement aimed at encumbering the Goods with a Fiducia Security.

Article 3

This law does not apply to:

- a. Security right with respect to land and building, to the extent that the prevailing laws and regulations stipulate that any security for such goods must be registered;
- b. Hypothec for a ship registered with a gross loading capacity of 20 (twenty) M³ or more;
- c. Hypothec for an aircraft and
- d. Pledge.

CHAPTER III

ENCUMBRANCE, REGISTRATION, TRANSFER, AND REMOVAL OF FIDUCIA SECURITY

Part One

Encumbrance of Fiducia Security

Article 4

Fiducia Security is any derivative agreement of a principal agreement that incurs obligations to the parties to fulfill any performance.

Article 5

- (1) Any encumbrance of Goods with Fiducia Security must be

done by a notarial deed in the Indonesian language that constitutes a Fiducia Security deed.

- (2) The preparation of the Fiducia Security deed as referred to in section (1) is subject to any cost whose amount is regulated further under Government Regulation.

Article 6

The Fiducia Security deed as referred to in Article 5 must at least contain:

- a. the identities of Fiducia Grantor and Fiducia Recipient;
- b. the data of the Principal Agreement that are secured by fiducia;
- c. the description of the Goods being the object of Fiducia Security;
- d. the value of the security; and
- e. the value of the Goods being the object of Fiducia Security.

Article 7

Any debt whose settlement is secured by fiducia may take the form of:

- a. existing debt;
- b. any debt that will arise in the future in a certain amount which has been agreed upon; and
- c. any debt whose amount at the time of execution may be determined under the principal agreement which will create any obligation to fulfill any particular performance.

Article 8

Fiducia Security may be granted to more than one Fiducia Recipients, or to the attorney or representative of the Fiducia Recipient.

Article 9

- (1) Fiducia Security may be granted to one or more Goods or types of Goods, including receivables, both those existing at the time the security is granted and those to be received in the future.

- (2) The Security encumbrance over any Goods or receivables that will be received in the future as referred to in section (1) does not require any separate security agreement.

Article 10

Unless otherwise agreed:

- a. Fiducia Security includes any proceeds of the Goods being the object of Fiducia Security.
- b. Fiducia Security includes any insurance claim in the event that the Goods being the object of Fiducia Security are insured.

Part Two

Fiducia Security Registration

Article 11

- (1) Any Goods encumbered with Fiducia Security must be registered.
- (2) In the event that the Goods encumbered with Fiducia Security are located outside the territory of the Republic of Indonesia, the obligation as referred to in section (1) remains in effect.

Article 12

- (1) The registration of Fiducia Security as referred to in Article 12 section (1) is conducted in the Fiducia Registration Office.
- (2) For the first time, a Fiducia Registration Office is established in Jakarta with the work area covering the entire territory of the Republic of Indonesia.
- (3) The Fiducia Registration Office as referred to in section (2) is under the scope of services of the Department of Justice.
- (4) Provisions on the establishment of Fiducia Registration Office for other regions and the determination of its work area are regulated by the Presidential Decree.

Article 13

- (1) Any application for the registration of Fiducia Security is made by Fiducia Recipient, his/her/its attorney, or his/her/its representative by enclosing the statement of Fiducia Security registration.
- (2) The statement of registration as referred to in section (1) contains:
 - a. the identities of Fiducia Grantor and Fiducia Recipient;
 - b. the date, number of Fiducia Security deed, name and domicile of the notary that makes the Fiducia Security deed;
 - c. the data of the Principal Agreement secured by the fiducia;
 - d. the description of Goods being the object of Fiducia Security;
 - e. the value of the security; and
 - f. the value of Goods being the object of Fiducia Security.
- (3) Fiducia Registration Office records the Fiducia Security in Fiducia Registry Book on the same date as the receipt date of the registration application.
- (4) Further provisions on the procedures of Fiducia Security registration and the registration fee are regulated in Government Regulation.

Article 14

- (1) Fiducia Registration Office issues and delivers Fiducia Security Certificate on the same date as the receipt date of registration application.
- (2) Fiducia Security Certificate as a copy of the Fiducia Registry Book contains the records on matters as referred to in Article 13 section (2).
- (3) A Fiducia Security is issued on the same date as the date of its registration in the Fiducia Registry Book.

Article 15

- (1) The Fiducia Security Certificate as referred to in Article 14 section (1) contains the words "IN THE NAME OF JUSTICE BASED ON THE ONE AND ONLY GOD".

- (2) The Fiducia Security Certificate as referred to in section (1) has the same executorial power as that of a final and binding court decision.
- (3) If a debtor is in default, the Fiducia Recipient has the right to sell the Goods being the object of Fiducia Security upon its own power.

Article 16

- (1) If any change occurs to the matters contained in the Fiducia Security Certificate as referred to in Article 14 section (2), the Fiducia Recipient is required to submit a registration application for such change to the Fiducia Registration Office.
- (2) On the same date as the receipt date of registration application, Fiducia Registration Office records such changes in the Fiducia Registry Book and to issue a Statement of Change that becomes an integral part of the Fiducia Security Certificate.

Article 17

The Fiducia Grantor is prohibited from executing double fiducia over the Goods being the object of Fiducia Security already registered.

Article 18

Any information on the Goods being the object of Fiducia Security at Fiducia Registration Office is open to the public.

Part Three

Transfer of Fiducia Security Transfer

Article 19

- (1) Any transfer of right over receivables secured with fiducia causes by law the transfer of the rights and obligations of the Fiducia Recipient to the new creditor.
- (2) The transfer of Fiducia Security as referred to in section (1) above is registered by the new creditor at the Fiducia Registration Office.

Article 20

Fiducia Security follows the Goods being the object of Fiducia Security, whoever holds such Goods, except for any transfer of the inventory goods being the object of Fiducia Security.

Article 21

- (1) Fiducia Grantor may transfer any inventory goods being the object of Fiducia Security by using the method and procedure commonly used in the trading business.
- (2) The provision as referred to in section (1) does not apply in the event of default by the debtor and/or third party Fiducia Grantor.
- (3) The Goods being the object of Fiducia Security transferred as referred to in section (1) must be replaced by Fiducia Grantor with any comparable object.
- (4) In the event that the Fiducia Grantor is in default, proceeds and or receivables as a result of the transfer as referred to in section (1) by law becomes the object of the substitute Fiducia Security of the object of Fiducia Security transferred.

Article 22

Any purchaser of inventory goods being the object of the fiducia security is released from any claim although the purchaser is aware of the existence of Fiducia Security, provided that the purchaser has fully paid the price of the Goods according to the market price.

Article 23

- (1) Without prejudice to the provisions as referred to in Article 21, if Fiducia Recipient agrees that Fiducia Grantor can use, combine, mix, or transfer the Goods or the proceeds of Goods being an object of Fiducia Security, or approving to claim or set off any receivables, such approval does not necessarily mean that Fiducia Recipient releases such Fiducia Security.
- (2) Fiducia Grantor is prohibited from transferring, pledging, or leasing Goods being the object of Fiducia Security to any

other party so long as such Goods are not inventory goods, except with prior written consent from Fiducia Recipient.

Article 24

Fiducia Recipient is not liable for any consequence of the action or negligence on the part of the Fiducia Grantor, either arising from any contractual relation or from any unlawful conduct with respect to the use or transfer of the Goods being the object of Fiducia Security.

Part Four

Fiducia Security Removal

Article 25

- (1) Fiducia Security is removed for the following reasons :
 - a. the fiducia-secured debt is written off;
 - b. Fiducia Recipient releases his/her/its right over Fiducia Security; or
 - c. Goods being the objects of Fiducia Security have been destroyed.
- (2) The destruction of the Goods being the objects of Fiducia Security does not annul any insurance claim as referred to in Article 10 point b.
- (3) Fiducia Recipient notifies Fiducia Registration Office about the removal of Fiducia Security as referred to in section (1) by enclosing the statement on the debt write-off, release of right or the destruction of the Goods being the object of Fiducia Security.

Article 26

- (1) By the removal of Fiducia Security as referred to in Article 25, the Fiducia Registration Office removes the registry of Fiducia Security from the Fiducia Registry Book.
- (2) Fiducia Registration Office issues a letter of statement stating that the Fiducia Security Certificate is no longer valid.

CHAPTER IV PRIORITY RIGHT

Article 27

- (1) Fiducia Recipient has a priority right over other creditors.
- (2) The priority right as referred to in section (1) means any right of the Fiducia Recipient to receive the settlement of receivables from the results of execution over the Goods being the object of Fiducia Security.
- (3) The priority right of the Fiducia Recipient is not annulled due to bankruptcy and/or liquidation of Fiducia Grantor

Article 28

If the same Goods are the object of Fiducia Security of more than one (1) Fiducia Security agreements, the priority right as referred to in Article 27 is given to any party that has first registered the Goods to Fiducia Registration Office.

CHAPTER V EXECUTION OF FIDUCIA SECURITY EXECUTION

Article 29

- (1) If the debtor or Fiducia Grantor is in default, the execution of the Goods being the object of Fiducia Security can be carried out by way of:
 - a. the implementation of the executorial title as referred to in Article 15 section (2) by the Fiducia Recipient.
 - b. the sale of the Goods being the object of Fiducia Security upon the power of the Fiducia Recipient through public auction and settling the payment of its receivables using the proceeds of such sale.
 - c. privately-made sale made under an agreement between Fiducia Grantor and Fiducia Recipient if such way can obtain the highest price to the benefits of the parties.
- (2) The sale as referred to in section (1) point c is made after 1 (one) month elapsed as of the delivery date of written notice by the Fiducia Grantor and or Fiducia Recipient to the

interested parties and announced in at least 2 (two) newspapers circulating in the relevant region.

Article 30

Fiducia Grantor must submit the Goods being the object of Fiducia Security for the execution of the Fiducia Security.

Article 31

In the event that the Goods being the object of Fiducia Security consist of trade goods or securities tradable in the market or stock exchange, the sale can be made in such places in accordance with the prevailing laws and regulations.

Article 32

Any promise to carry out the execution of the Goods being the object of Fiducia Security in a way that violates the provisions as referred to in Article 29 and Article 31 is null and void by law.

Article 33

Any promise that authorizes the Fiducia Recipient to own the Goods being the object of Fiducia Security if debtor in default is null and void by law.

Article 34

- (1) In the event that the result of the execution is more than the security value, Fiducia Recipient must return the excess amount to Fiducia Grantor.
- (2) If the result of the execution is insufficient for debt settlement, the debtor remains liable for the remaining unpaid debt.

CHAPTER VI

CRIMINAL PROVISIONS

Article 35

Every person who intentionally falsifies, changes, deletes, or by any means provides misleading information, if known by one of

the parties, does not make Fiducia Security agreement is punishable with imprisonment for a minimum period of 1 (one) year and a maximum period of 5 (five) years, and a fine for a minimum amount of Rp.10,000,000 (ten million rupiahs) and a maximum amount of Rp.100,000,000 (a hundred million rupiahs).

Article 36

Any Fiducia Grantor that transfers, pledges or leases the Goods being the object of Fiducia Security as referred to in section (2) of Article 23 without prior written consent from Fiducia Recipient is punishable with imprisonment for a maximum period of 2 (two) years, and a fine for a maximum amount of Rp.50,000,000 (fifty million rupiahs).

CHAPTER VII TRANSITIONAL PROVISIONS

Article 37

- (1) The encumbrance of the Goods being the object of Fiducia Security prior to the effectiveness of this law continues to apply as far as it is not in conflict with this Law.
- (2) Within a period of no later than 60 (sixty) days as of the establishment of the Fiducia Registration Office, all Fiducia Security agreements must be adjusted to the provisions of this law, except for the provisions regarding the requirement to make a Fiducia Security deed as referred to in Article 5 section (1).
- (3) If within the period as referred in section (2) no adjustment has been made, such relevant Fiducia Security agreement does not constitute a collateral right over the object as referred to in this Law.

Article 38

Insofar not in conflict with the provisions of this Law, all laws and regulations on fiducia continue to apply until they are repealed, replaced, or revised.

CHAPTER XIII
CLOSING PROVISIONS

Article 39

The Fiducia Registration Office as referred to in Article 12 section (2) is established within a period of no later than 1 (one) year following the enactment of this Law.

Article 40

This Law Constitutes Fiducia Law.

Article 41

This Law comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Law by its placement in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta
on 30 September 1999

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Signed

BACHARUDDIN JUSUF HABIBIE

Promulgated in Jakarta
on 30 September 1999

MINISTER OF STATE SECRETARY OF THE REPUBLIC OF INDONESIA,

signed,

MULADI

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 1999 NUMBER 168

Jakarta, 09 May 2017

Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION,

WIDODO EKATJAHJANA

The image shows a blue circular official stamp of the Directorate General of Legislation, Ministry of Law and Human Rights, Republic of Indonesia. Overlaid on the stamp is a handwritten signature in black ink. The signature appears to be 'Widodo Ekatajajana'.

ELUCIDATION
OF
LAW OF THE REPUBLIC OF INDONESIA
NUMBER 42 OF 1999
ON
FIDUCIA SECURITY

I. GENERAL

1. As a part of national development, economic development constitutes one of the efforts to achieve equitable, prosperous community based on Pancasila and the 1945 Constitution. To maintain and continue sustainable development, the development participants, the government and the community, as well as individual and corporation will require huge fund. In line with the increase in the development activity, the need of fund is increasing as well, and most of the needed fund will be obtained through borrowing.
2. So far, the borrowing activity by using security right has been governed in the Law Number 4 of 1996 on Security Right that constitutes the implementation of Article 51 of the Law Number 5 of 1960 on the Principle Law of Agrarian, and simultaneously as the substitute of Mortgage institution for lands and *credietverband*. In addition, other security rights mostly used nowadays Lien, Mortgage other than lands, and Fiducia Security. The law that related to Fiducia Security is article 15 of the Law Number 4 of 1992 on Housing and Residence, which specify that houses built on lands owned by another party may be subject to Fiducia Security. Besides, the Law Number 16 of 1985 on Apartment regulates the title of apartment unit that can be used as debt security by making it the object of fiducia if the land is owned by the state with utilization right status.

Fiducia Security has been used in Indonesia since the Dutch colonialism as a form of security that comes from jurisdiction. This form of security is widely used in borrowing transactions because the burdening process is considered simple, easy, and fast, but it doesn't secure legal certainty.

Fiducia Security Institution enables the Fiducia Grantor to own the secured Goods for conducting business activity financed from borrowing by using Fiducia Security. To begin with, Goods being the object of Fiducia Security are limited to the wealth of tangible goods in the form of equipment. However, in its development, Goods being the object of Fiducia Security includes movable and immovable goods.

3. This law is meant to accommodate public's needs of Fiducia Security arrangement as one of facilities for helping business activity and giving legal certainty to the interested parties.

As having been explained previously that Fiducia Security provide convenience to any parties using it, especially to the Fiducia Grantor. On the other hand, Fiducia Security is not registered, lack of securing the interest party that receives the fiducia security. Fiducia Grantor can pledge any Goods that have become the object of Fiducia Security to another party without the knowledge of Fiducia Recipient.

Prior to the making of this law, any Goods being the object of Fiducia Security are movable Goods that consist of goods in inventory, merchandize, receivables, machinery equipment, and motor vehicles. Hence, in order to satisfy the increasing needs of the public, the object of Fiducia Security is wider under this law, which includes movable Goods, either tangible or intangible, while immovable Goods cannot become the object of security right as stipulated in the Law Number 4 of 1996 on Security Right.

This Law regulates the registration of Fiducia Security for giving legal certainty to the interested parties and to give priority right (preference) to Fiducia Recipient against other creditors. Since Fiducia Security gives the Fiducia Grantor the right to continue owning any Goods being the object of Fiducia Security based on trust, it is expected that the registration system regulated in this Law can give security to the Fiducia Recipient and any parties interested in such Goods.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Sufficiently clear.

Article 3

Point a

Based on this provision, any construction on land belonging to another person that is not the object of security right under Law Number 4 of 1996 on Security Right can become the object of Fiducia Security.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Article 4

The term “performance” in this provision means to deliver something, to do something, or not to do anything that can be valued with money.

Article 5

Section (1)

In addition to containing the day and date, Fiducia Security deed also contains the time of the making of the deed.

Section (2)

Sufficiently clear.

Article 6

Point a

The term “identities” in this article includes the full name, religion, residence or domicile, place and date of birth, sex, marriage status, and occupation.

Point b

The term “data of the Principal Agreement” means the type of agreement and fiducia-secured debt.

Point c

Goods being the objects of Fiducia Security are simply described by identifying the Goods and evidence of the ownership.

In the event that Goods being the objects of Fiducia Security are Goods in inventory that always change or not fixed, such as, stock of raw materials, final product, or portfolio of security company, such Fiducia Security deed must contain the description on the type, trademark, and quality of the Goods.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Article 7

Point a

Sufficiently clear.

Point b

Any debt that will arise in the future is known as “contingency” such as debt that arises from payment made by creditor for debtor’s interest in implementing bank guarantee.

Point c

In this provision, the term debt means the interest of the primary loan and other expenses, whose amount will be specified later.

Article 8

This provision means to grant fiducia to more than one Fiducia Recipients for financing consortium credit.

The term “attorney” means anyone receiving special power of attorney from the Fiducia Recipient to represent his interest in receiving Fiducia Security and Fiducia Grantor.

The term “representative” means anyone legally considered to represent Fiducia Recipient in receiving Fiducia Security, such as, trustee in representing the interest of bond holders.

Article 9

Provisions in this Article are important from commercial point of view. These provisions firmly allow the inclusion of Goods that will be obtained in the future in the Fiducia Security. It shows that this Law secures the flexibility with respect to the particulars of Goods can be encumbered with Fiducia Security for debt payment.

Article 10

Point a

The term “proceeds of the Goods being the object of Fiducia Security” means anything obtained from Goods encumbered with Fiducia Security.

Point b

The provision in this point b means to affirm that if the Goods are insured, the claim is Fiducia Recipient’s right.

Article 11

Goods encumbered with Fiducia Security is registered in the domicile of Fiducia Grantor, and the registration includes Goods, either inside or outside the territory of the Republic of Indonesia, for fulfilling the principle of publicity, and simultaneously constitutes confirmation to other creditors about Goods encumbered with Fiducia Security.

Article 12

Fiducia Registration Office is a part of the Department of Justice, and it is neither an independent institution nor technical organizing unit. Fiducia Registration Office is established for the first time in Jakarta, and gradually in all provincial capitals all across the Republic of Indonesia according to the necessity.

In the event that Fiducia Registration Office has not been established in every Second Level Region, the jurisdiction of Fiducia Registration Office in provincial capital includes all Second Level Regions within the province.

Establishment of Fiducia Registration Office in a Second Level Region can be adjusted to the Law Number 22 of 1999 on Regional Government.

Article 13

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

This provision means that Fiduciary Registry Office does not judge the truth anything written in the statement of Fiducia Security Registration, but simply to check the data as referred to in Article 13 section (2).

Section (4)

Sufficiently clear.

Article 14

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

This provision is not prejudice to the effectiveness of Article 163 of Civil Code for the transfer of receivables and other intangible goods.

Article 15

Section (1)

Sufficiently clear.

Section (2)

In this provision, the term “executorial power” means that it can be implemented directly without going through any court and it is final and binding to the parties in executing such decision.

Section (3)

One of the characteristics of Fiducia Security is that it is easy to execute if the Fiducia Grantor is in default. Therefore, under the law, it is necessary to make special arrangement on the execution of Fiducia Security through executorial institution.

Article 16

Section (1)

Any changes to those written in Fiducia Security Certificate must be notified to the parties. Such changes do not need any notarial deed for the sake of efficiency in fulfilling the needs of business world.

Section (2)

Sufficiently clear.

Article 17

Fiducia Grantor, either debtor or any third party guarantor, cannot execute double fiducia to any Goods being the object of Fiducia Security because ownership right of such Goods has been transferred to Fiducia Recipient.

Article 18

Sufficiently clear.

Article 19

The term “transfer of right over receivables” in this provision is known as “*cessie*” which is any transfer conducted using the authentic deed or underhand deed. Because of this *cessie*, all rights and obligations of the old Fiducia Recipient are transferred to the new Fiducia Recipient, and such transfer of right over receivables is notified to Fiducia Grantor.

Article 20

This provision acknowledges the principle of “*droit de suite*” that has become part of laws and regulations in Indonesia with respect to absolute right to goods (*in rem*).

Article 21

This provision reconfirms Fiducia Grantor can transfer inventory goods being the object of Fiducia Security. However, to safeguard the interest of Fiducia Recipient, such transferred Goods must be replaced with any comparable object.

The term “transfer” means, among others, to sell or rent in business activity.

The term “comparable” is not only the value but also the type.

The term “default” means not to fulfill performance, whether based on the principal agreement, Fiducia Security agreement, or any other security agreement.

Article 22

The term “market price” means normal price applicable in the market at the time of selling the Goods so that there is no impression of cheating on the part of Fiducia Grantor in the sale of the Goods.

Article 23

Section (1)

The term “combine” means the unification of the Goods’ part.

The term “mix” means the unification of Goods equal to Goods being the object of Fiducia Security.

Section (2)

The term “Goods are not inventory Goods” means production engines, personal car, or personal house being the object of Fiducia Security.

Article 24

Sufficiently clear.

Article 25

Section (1)

According to the associated nature of Fiducia Security, the presence of Fiducia Security depends on the presence of receivables whose payment is secured. If such payment is annulled due to the write-off debt or due to being released, the Fiducia Security is automatically removed.

The term “debt is written off” means, among others, because of debt payment and the evidence of debt is written off is in the form of information the creditor makes.

Section (2)

In the event that Goods being the object of Fiducia Security are destroyed, while such Goods are insured, the insurance claim will become the substitute of Fiducia Security's object.

Section (3)

Sufficiently clear.

Article 26

Sufficiently clear.

Article 27

Section (1)

Priority right is calculated as of the registration date of Goods being the object of Fiducia Security

Section (2)

Sufficiently clear

Section (3)

Provision in this section related to the provision that Fiducia Security is the collateral right of goods for debt payment. Besides, provisions in the Law on Bankruptcy stipulate that any Goods being the object of Fiducia Security are beyond bankruptcy and or liquidation.

Article 28

Sufficiently clear.

Article 29

Sufficiently clear.

Article 30

In the event that Fiducia Grantor fails to deliver Goods being the object of Fiducia Security at the time of implementing execution, Fiducia Recipient is right to collect Goods being the object of Fiducia Security and, if necessary, may ask for help from the authorized party.

Article 31

Sufficiently clear.

Article 32

Sufficiently clear.

Article 33

Sufficiently clear.

Article 34

Sufficiently clear.

Article 35

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

Section (1)

Sufficiently clear

Section (2)

Sufficiently clear

Section (3)

Based on the provision of this section, any unregistered Fiducia Security agreement does not have any priority (preference) right either inside or outside bankruptcy and or liquidation.

Article 38

Sufficiently clear.

Article 39

Sufficiently clear.

Article 40

Sufficiently clear.

Article 41

Sufficiently clear.