

Juridical Analysis of Firm Liability Bankruptcy Application

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Abstract

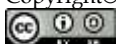
This research examines the liability of firms in bankruptcy applications based on the Decision of the Medan Commercial Court Number 6/Pdt.Sus-Pailit/2024/PN. The main focus is to analyze how the responsibility of a firm as a non-legal entity is applied when it is declared bankrupt and how the panel of judges interprets the provisions of Law Number 37 of 2004 concerning Bankruptcy. The method used is normative juridical through legislative, conceptual, and case approaches. The findings show that because firms do not possess separate legal personality, legal responsibility is directly attached to the business entity and becomes unlimited. This joint liability principle requires that all firm assets be used as objects of settlement by the curator. The panel of judges granted the bankruptcy request after ensuring the fulfillment of bankruptcy elements, namely the existence of two or more creditors and debts that have matured and can be collected. The judges emphasized that firm bankruptcy has implications for the full liability of the business entity and reinforces protection for small creditors, including workers. The conclusion highlights the importance of legal certainty in regulating non-legal entities and the need for broader socialization regarding legal consequences for firms to prevent misuse of business structures.

Keywords: Bankruptcy, Firm, Joint Liability, Medan Commercial District Court.

Abstrak

Penelitian ini mengkaji tanggung jawab perusahaan dalam permohonan kepailitan berdasarkan Putusan Pengadilan Niaga Medan Nomor 6/Pdt.Sus-Pailit/2024/PN. Fokus utamanya adalah menganalisis bagaimana tanggung jawab perusahaan sebagai badan non-hukum diterapkan ketika dinyatakan pailit dan bagaimana majelis hakim menafsirkan ketentuan Undang-Undang Nomor 37 Tahun 2004 tentang Kepailitan. Metode yang digunakan adalah yuridis normatif melalui pendekatan legislatif, konseptual, dan kasus. Temuan menunjukkan bahwa karena perusahaan tidak memiliki badan hukum terpisah, tanggung jawab hukum langsung melekat pada badan usaha dan menjadi tidak terbatas. Prinsip tanggung jawab bersama ini mengharuskan seluruh aset perusahaan digunakan sebagai objek penyelesaian oleh kurator. Majelis hakim mengabulkan permohonan kepailitan setelah memastikan terpenuhinya unsur-unsur kepailitan, yaitu adanya dua kreditur atau lebih dan utang yang telah jatuh tempo dan dapat ditagih. Hakim menekankan bahwa kepailitan perusahaan memiliki implikasi terhadap tanggung jawab penuh badan usaha dan memperkuat perlindungan bagi kreditur kecil, termasuk pekerja. Kesimpulan menyoroti pentingnya kepastian hukum dalam mengatur entitas non-hukum dan perlunya sosialisasi yang lebih luas mengenai konsekuensi hukum bagi perusahaan untuk mencegah penyalahgunaan struktur bisnis.

Kata kunci: Kepailitan, Perusahaan, Tanggung Jawab Bersama, Pengadilan Negeri Medan.



Introduction

The term business entity in daily life is not unfamiliar anymore. Some people equate business entities with legal entities, even though juridically the two are different. When viewed from an etymological perspective, the word "business entity" comes from two words, namely "entity" and "business". The word "body" in the Great Dictionary of the Indonesian Language has various meanings, including a group of people who are a unit to do something. Similarly, the word "business" has the meaning of activities in the field of trade with the intention of seeking profits, companies, or other economic activities. From this understanding, it can be concluded that a business entity is a group of people who carry out activities in the field of trade. Theoretically, business entities can be classified into two types, namely non-legal entities and legal entities (Sentosa Sembiri, 2008).

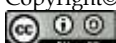
Theoretically, the responsibilities of a business entity are differentiated between a legal entity and a non-legal business entity. Based on a certain systematics, that is, when viewed in terms of the responsibilities of the participants, the body can essentially be divided into three groups, namely the first business entity whose members are fully responsible for all their property, which is included in this group are the business of a person and a firm. Second, business entities whose members are not responsible for all their wealth, which includes this group is a Limited Liability Company (Naamloze Vennootschap). Third, the form of transition, which belongs to this group, is the Commoditer Fellowship (I.G. Rai Widjaya, 2007).

There are several considerations that affect people's minds in terms of establishing a business entity, namely first, the amount of capital needed. Second, the survival of business entities. Third, responsibility for business entity debt. Fourth, who are the leaders of the business entity. Purwosutjipto uses the term "association" as the equivalent of a business entity, both legal and unincorporated. Forms of business entities that are not legal entities include Civil Partnerships, Firms, and Commander Associations. Meanwhile, business entities with legal entities including Limited Liability Companies, cooperatives, and associations bear each other. Thus, the Commanditer Partnership is included in the category of business entities that are not legal entities (I.G. Rai Widjaya, 2007).

The purpose of the firm is to expand the business and market share of the company it runs and increase capital to be stronger and able to compete with other companies. With the joining of several people in a business entity, the amount of capital owned becomes larger, so that the company can grow and develop faster. Business activities can also be carried out together so that the human resources involved become more and more efficient. Firms as a form of business entity can be found in various fields, such as publishing companies, trading, services, legal consulting offices, and public accounting (Anggi Widodo, et al., 2018).

The economic growth of a country is inseparable from the increasing number of business actors and the development of business activities. In carrying out their business activities, business actors can choose the form of business entity, both legal and unincorporated. One form of corporate organization that is widely used in the business world is a firm, which is an unincorporated business entity, where the founders have the authority to act on behalf of the firm and assume joint responsibility. In carrying out business activities, it is not uncommon for firms to borrow funds for their operational interests, which legally creates obligations or debts that must be fulfilled (Salim HS. 2010).

Then there is a form of business entity called a firm. According to Articles 16 and 18 of the Commercial Law (KUHD), what is meant by a firm is any association established to run a



company under one common name, where each member is fully responsible for all obligations that arise. A firm is not a legal entity because there is no separation between the assets of the business entity and the personal assets of the founders. In other words, the responsibilities in the firm are unlimited and include the entire personal wealth of the founder or manager. The firm also cannot be categorized as a legal entity because even though it has met the material requirements, it does not yet have legalization or recognition from the state in the form of laws and regulations. This is what causes firms to be business entities that are not legal entities (Anggi Widodo, et al. 2018)

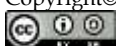
Parties who have receivables to the firm can take legal action to collect their rights, one of which is through a bankruptcy institution. Through the bankruptcy mechanism, it is hoped that a balance will be created between the interests of creditors and debtors. When there is an application for a declaration of bankruptcy against a firm, the consequences have a direct impact on the full responsibility of the business entity, including its assets used in business activities (Munir Fuady, 2014).

Furthermore, based on Article 18 of the Criminal Code, it is emphasized that in a firm company, each member has joint responsibility for all company engagements. This means that each party involved in the firm bears joint legal responsibility for all obligations arising from business activities" (Abdulkadir Muhammad, 2012)

Based on these provisions, it can be understood that the firm as a business entity not a legal entity has responsibility for all obligations and losses that may arise from its business activities as stipulated in the Code of Criminal Procedure. Because it does not have a separate legal personality, when a firm files or applies for bankruptcy in the Commercial Court, questions arise regarding the legal position of the firm as a subject in the bankruptcy process and the division of responsibility for debts arising from the activities of the business entity. Therefore, this study focuses on a juridical study of the liability of firms in the bankruptcy process in accordance with the provisions of applicable laws and regulations. related to the division of responsibility for debts arising in the firm's activities. Based on this description, the author feels interested in studying and researching problems regarding the responsibility of firms in the bankruptcy process.

Based on the laws and regulations that regulate the responsibility of members of a business entity for the activities carried out, it can be said that the parties involved in the management of the business entity are responsible for losses that may arise, as stipulated in the provisions of civil and commercial law. As a form of business entity that is not a legal entity, problems can arise when a firm files or is filed for bankruptcy in the commercial court, especially related to the firm's legal status as a legal subject in the bankruptcy process and the division of responsibility for debts arising from business activities (R. Subekti & R. Tjitrosudibio, 2018)

In the Decision of the Medan Commercial Court Number 6/Pdt.Sus-Pailit/2024/PN. Niaga.Mdn, the legal issues discussed are related to the responsibility of the firm when the business entity is declared bankrupt. In this case, the question arises of the extent of the firm's liability for debts that cannot be paid, considering that the firm is not a legal entity that has a separation between the company's assets and the personal assets of its founders. This is important to study because the bankruptcy of a firm automatically has an impact on the wealth of the business entity as a whole, thus causing juridical implications for the application of the principle of joint liability as stipulated in Article 18 of the Commercial Code (KUHD). Thus, this study focuses on analyzing the liability of firms in the bankruptcy process based on



Law Number 37 of 2004 and assessing the suitability of the legal considerations of the panel of judges in the decision to the principles of corporate law and bankruptcy in Indonesia

The author is interested in studying and researching problems regarding the responsibility of firms in the bankruptcy process. This is based on the Decision of the Medan Commercial Court Number 6/Pdt.Sus-Pailit/2024/PN. Niaga.Mdn, where the parties involved in the case are Marada Parulian Sinurat as the bankruptcy applicant against CV. Libra Cooperation. In this case, the panel of judges considered that a firm or non-legal entity can be the subject of bankruptcy if it is proven that it has debts that have matured and can be collected, and there is more than one creditor. The ruling is an important basis for understanding how a firm's liability in bankruptcy is interpreted and applied by the commercial court.

Methods Research

1. Types of Research

This research is a normative legal research (*normative juridical* research), which is research conducted by examining relevant legal materials, both in the form of laws and regulations, doctrines, and court decisions, to be analyzed to answer the problems that have been formulated.

2. Research Methods

In normative legal research, several approaches are used to analyze the legal problems studied.

These approaches include:

a. Statute Approach

This approach is used by examining laws and regulations related to firms and bankruptcy. Through this approach, researchers can understand the legal basis regarding firm liability, especially as stipulated in the Commercial Law Code (KUHD), the Civil Code (KUHPdata), and Law Number 37 of 2004 concerning Bankruptcy and Postponement of Debt Payment Obligations.

b. Conceptual Approach

This approach is used to examine the views and doctrines of legal experts regarding firm liability, the principle of joint liability (*hoofdelijke aansprakelijkheid*), as well as relevant civil law theories. With this approach, the researcher obtained a conceptual foundation in answering legal issues related to the firm's position in the bankruptcy process.

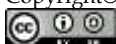
c. Case Approach

This approach is done by examining court decisions related to bankruptcy cases involving firms. By examining jurisprudence, researchers can find out how the law is applied by judges, including legal considerations used in deciding the firm's liability in bankruptcy proceedings.

3. Nature of Research

The nature of this research is descriptive-analytical. Descriptive research is intended to provide a clear, systematic, and comprehensive picture of the firm's responsibilities in the bankruptcy process. Meanwhile, analytical nature is used to elaborate and analyze the provisions of relevant laws and regulations, doctrines, and court decisions, so that an in-depth understanding of the application of the law to firm liability in bankruptcy practices in Indonesia can be obtained.

4. Data Source



In this normative law research, the data sources used consist of:

- a. Primary Legal Material
 - a) The Commercial Law (KUHD) which regulates firms.
 - b) The Civil Code (KUHPer) which contains general provisions regarding engagement and responsibility.
 - c) Law Number 37 of 2004 concerning Bankruptcy and Postponement of Debt Payment Obligations.
 - d) Court decisions related to bankruptcy cases involving firms are a case study in this study.
- b. Secondary Legal Materials
 - a) Literature, books, and scientific papers that discuss civil law, corporate law, and bankruptcy law.
 - b) Legal journals, scientific articles, and the results of previous research relevant to the issue of firm liability in bankruptcy.
- c. Tertiary Legal Materials
Legal dictionaries, encyclopedias, and other sources such as articles on the internet that help explain the legal terms or concepts used in this research.

5. Data Analysis

The data analysis in this study uses a qualitative method, namely by examining primary, secondary, and tertiary legal materials that have been collected, then processed and interpreted systematically without using numbers or statistics. The data obtained is analyzed by describing, linking, and interpreting applicable legal provisions, expert doctrines, and relevant court rulings to get a clear picture of the liability of the firm's allies in the bankruptcy process.

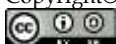
Results and Discussion

Firm's Liability in Bankruptcy Applications Based on Law Number 37 of 2004 concerning Bankruptcy and Delay of Debt Payment Obligations

Firms as a form of business entity that are not legal entities have special legal consequences when facing bankruptcy applications. In principle, since the firm is not seen as a separate subject of law, the debt burden incurred on behalf of the firm cannot be imposed on the "firm" entity independently; rather, the responsibility for these debts is inherent in the parties who establish and manage the firm jointly based on the principle of joint responsibility (Agus Yudha Hernoko, 2013)

Law No. 37 of 2004 recognizes the possibility of filing a bankruptcy application against a firm, but requires that the application contain the identities of the parties who are jointly responsible for all the obligations of the firm. This provision emphasizes two important things: (1) the formal object of the application can be in the form of a "firm" as a business name; and (2) the subjects who are held accountable are the founders or managers who have the authority to act on behalf of the firm. Thus, the bankruptcy judgment born from the process essentially positions the responsible parties in the firm as bankruptcy debtors whose assets can be confiscated and managed by the curator (Sudikno Mertokusumo, 2010).

Materially, the principle of joint liability is regulated in the Criminal Code and related provisions which explain that each authorized party in the firm has the right to act on behalf of the firm and is obliged to fulfill all engagements made by the business entity. Since the authority to represent the firm is individual for each manager (unless otherwise



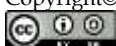
specified in the agreement), the legal action giving rise to the debt will be binding on all responsible parties in the firm against the aggrieved creditors. This provision is the substantive basis for demanding debt repayment through the bankruptcy process against the parties responsible on behalf of the firm (Abdulkadir Muhammad, 2010).

In the Indonesian civil law system, the form of a business entity known as a firm is a cooperation between two or more people who aim to run a business under one common name. A firm is not a legal entity because it does not have a separation between the founder's personal property and business assets. Therefore, the responsibility in a firm is not limited to all engagements made on behalf of the business entity (Abdulkadir Muhammad, 2010). This means that if the firm experiences financial difficulties until it is declared bankrupt, then the responsibility for the firm's debts is directly attached to the parties who establish or manage the business entity, including their personal property. This kind of liability is known as **joint liability**, which is a situation in which each party involved in the management of the firm is fully responsible for all debts arising from joint business activities. The characteristic of this joint liability is that a third party (creditor) can demand debt repayment from one of the responsible parties in the firm without having to sue all of them at the same time (R. Subekti, 2008). This provision has the consequence that the bankruptcy of the firm can automatically have an impact on the parties who establish or manage the business entity personally, because the law considers that there is no separation between the assets of the firm and the personal assets of the founders.

In practice, when a firm files for bankruptcy, the court will assess whether the business entity is truly unable to meet its obligations to its creditors. If proven to be so, the firm can be declared bankrupt, and the curator has the right to liquidate all the assets of the firm and the personal property of the founders. This principle reflects that every party involved in the establishment and management of a firm cannot take refuge behind the name of a business entity, because the legal relationship built in a firm is based on trust and personal responsibility between its managers (Yahya Harahap, 2011).

Juridically, this form of liability arises because the firm is included in the category of non-legal business entities. This means that the firm does not have a separate legal personality from its founders. In contrast to a limited liability company, where the liability of shareholders is limited only to paid-up capital, in a firm each founder or manager bears the full risk of any legal act carried out on behalf of the business entity. This causes the responsibilities in the firm to have a greater burden compared to other forms of business entities.

In the context of bankruptcy, this principle of liability is often a matter of debate, especially when a firm is only filed for bankruptcy on behalf of the partnership, not on behalf of the parties in it. In fact, conceptually, the separation is not known because the firm is considered a unit. Therefore, in the bankruptcy process, the judge will generally assess the involvement of the parties substantially in the firm's business activities. If it is proven that these parties participate directly in decision-making and benefit from the firm, then they are also responsible for the firm's obligations that cannot be resolved (Munir Fuady, 2014). In addition, responsibilities in firms can also be reviewed from the aspect of fairness and the principle of balance between debtors and creditors. A creditor has the legal right to collect debts from all parties involved in the engagement, including the firm. On the contrary, the parties involved have an obligation to bear the legal consequences of the actions taken together in running the business. Therefore, the principle of good faith is an important basis in determining the limits of responsibility. If it is proven that there is a



party who abuses authority or acts outside the alliance agreement, then the responsibility can be expanded personally (Sudikno Mertokusumo, 2011).

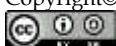
In commercial justice practice, some cases show that bankruptcy applications against firms also have implications for the personal assets of parties who are actively running businesses. Judges usually consider each party's role in the management of the firm, whether they are actively or passively involved. Active parties are those who carry out business activities and represent outgoing firms, while passive parties only include capital without participating in management. However, in many decisions, the passive party is not always free from responsibility if it is proven to have received direct benefits from the results of the business (Sutan Remy Sjahdeini, 2013). Accountability in a firm that has been declared bankrupt also reflects the application of the principle of trust and business togetherness, where the success or failure of the firm is the joint result of all parties involved (Dina Andiza, 2023). Therefore, the law places collective responsibility as a form of justice in partnership relationships. Firm bankruptcy not only shows the failure of the business entity, but also the collective failure of the relevant parties in maintaining legal and financial obligations to third parties (J. Satrio, 2009).

Thus, it can be concluded that the liability of the allies in the firm for which the bankruptcy is applied for is unlimited and covers all personal property. A firm's bankruptcy not only impacts the wealth of the commonwealth, but can also touch the personal assets of the allies. This principle also emphasizes that in the Indonesian legal system, the form of a business entity that is not a legal entity still has real legal consequences for the individuals in it.

Analysis of the Panel of Judges in Deciding the Bankruptcy Application against the Firm in the Decision of the Medan Commercial Court Number 6/Pdt.Sus-Pailit/2024/PN. Niaga.Mdn

Medan Commercial Court Decision Number 6/Pdt.Sus-Pailit/2024/PN. Niaga.Mdn is one of the important decisions in the practice of business law in Indonesia because it tests the application of the principle of responsibility in business entities that are not legal entities, especially firms or limited partnerships. This case was filed by Marada Parulian Sinurat as the bankruptcy applicant against CV. Libra Cooperation, where Yufritis Rolotan Banua and Dessy Ettina Chancy are listed as active peseros. This dispute stemmed from an employment relationship between the applicant and the company that was not followed by wage payments from 2009 to 2023, with a total arrears of nearly nine hundred million rupiah. This fact is strengthened by the evidence of letters and written confessions from the respondent promising repayment, but not carried out until the agreed deadline. In addition, there is another creditor, Ostianus Meol, who also has bills against the company. This condition shows that the responsibility for the company's obligations is not limited to the company's assets only, but can cover all assets owned by the parties involved in the firm, thus confirming the importance of the principle of accountability in unincorporated business partnerships. indicates that the elements of more than one creditor have been fulfilled and the existence of debts that have matured and can be collected (Yahya Harahap, 2016)

The panel of judges in its consideration focused on the principle of simple proof (sumir proof) which is a characteristic of bankruptcy cases. The judge is of the opinion that in this kind of case, in-depth proof is not required regarding the amount of debt or the amount of receivables, but it is sufficient to prove the existence of a valid financial



obligation that has not been fulfilled (Munir Fuady, 2002). Evidence in the form of employment agreements, debt acknowledgements, and summons letters that are not responded to are considered sufficient to prove the respondent's inability to pay. Thus, the judge considers that the juridical requirements of the bankruptcy application have been met and the applicant's application is considered to be legally justified.

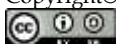
Furthermore, the panel assessed the legal status of CV. Libra Cooperation is categorized as a business entity, not a legal entity. In the conception of corporate law, business entities such as firms or limited partnerships do not have a separate legal personality from the parties involved, so that all obligations arising on behalf of the company become the personal responsibility of each party (Abdulkadir Muhammad, 2012). Therefore, the judge ruled that in addition to CV. Libra Cooperation, Yufritis Rolotan Banua and Dessy Ettina Chancy, who were listed as active peseros, were also declared bankrupt jointly. These considerations show that the assembly understands the essence of a firm as a form of business cooperation that emphasizes trust and personal responsibility, rather than a stand-alone entity such as a limited liability company.

The panel's view is in line with the corporate law doctrine which states that non-legal entities place allies as the main risk bearers. Gunawan Widjaja stated that the characteristic of a firm is a business unit that depends on the full responsibility of its allies, where personal property can be used as collateral for obligations arising from business activities (Gunawan Widjaja, 2003). Similarly, Abdulkadir Muhammad emphasized that the absence of separation of assets between the company and its members is a logical consequence of the trust system that is the basis of civil partnerships (Abdulkadir Muhammad, 2010). Based on this view, the panel's decision to involve allies as parties involved in bankruptcy is a legal step consistent with the theory of responsibility in non-corporate business entities.

In its ruling, the panel of judges stated that CV. Libra Cooperation and its two companies are in bankruptcy, and appointed Sandi Ebenezer Situngkir, S.H., M.H. as the curator to settle the bankruptcy assets. The judge also determined the cost of the case that must be borne by the respondent. The decision emphasizes that the responsibility in a non-legal entity is personal and unlimited, so there is no separation that protects the personal assets of the parties involved from the obligations of the firm. This principle reflects the application of the principle of substantive justice, where every party who benefits from business activities must also bear the consequences of the law (Sutan Remy Sjahdeini, 2010).

Interestingly, the panel of judges not only adheres to formal principles, but also prioritizes the value of social justice by providing protection for the rights of workers as small creditors. This approach shows a progressive legal paradigm that places judges not just as a mouthpiece of the law, but as a protector of humanitarian values in economic practice (Mahendra, T., 2019) In this case, the panel argues that bankruptcy is not only an instrument of forcing debt payments, but also a mechanism to guarantee the rights of economically weak parties to obtain legal certainty.

Analytically, the panel's consideration also reflects the application of the principle of balance between legal certainty and justice (Beby Sendy, and Hasdiana Juwita Bintang). Legal certainty can be seen from the application of formal bankruptcy requirements that have been met, while the aspect of justice can be seen from siding with aggrieved workers (Fitri, D., & Santoso, H., 2019). This approach is in line with Satjipto Rahardjo's view that the law should not stop at the text of regulations, but must move to uphold the value of



social justice in society (Satjipto Rahardj, 2019). Thus, the judge in this decision succeeded in combining normative and humanistic dimensions proportionally.

From the academic side, this decision contains important value as jurisprudence that affirms the unity of responsibility between the firm and the parties involved. However, there is a weakness in the consideration section that has not explicitly distinguished between parties who are actively carrying out business activities and other parties. Munir Fuady argues that this distinction is important, because only the parties who directly carry out business activities should bear the full consequences of the bankruptcy law (Munir Fuady, 2003) However, the decision of the panel is still normatively appropriate, because the two allies who were declared bankrupt were proven to be actively managing the company and responsible for the debts incurred (Abdul Rahman Siregar, 2003).

Thus, the Decision of the Medan Commercial Court Number 6/Pdt.Sus-Pailit/2024/PN. Niaga.Mdn is a reflection of the concrete application of the principle of joint responsibility in judicial practice. This ruling not only confirms that the firm and the parties involved are a unit of legal responsibility, but also shows that bankruptcy law can be a means to uphold economic justice (Wijaya, D, 2018). In the context of the development of business law in Indonesia, this ruling has great significance because it strengthens the social function of bankruptcy law not only as a tool for settling debts and receivables, but also as a moral instrument to maintain the integrity of fair and ethical business relationships.

Conclusion

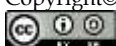
Based on the results of the discussion of the two problem formulations that have been described earlier, several conclusions can be drawn as follows:

a. Liability in a Bankruptcy Filing Firm

Based on the analysis that has been carried out, it can be concluded that the liability in a firm that has been declared bankrupt is unlimited and joint liability. This means that each party involved is fully responsible for all obligations arising from the firm's business activities, including debts caused by the actions of other parties while still within the scope of the partnership's activities. The position of a firm that is not a legal entity causes no separation of assets between the firm's assets and the personal assets of the parties involved. Therefore, when a firm is declared bankrupt, the legal consequences extend to the personal property of each party involved. This principle of joint responsibility reflects the principle of trust and joint venture, where all parties involved bear the legal consequences collectively for the actions of the alliance. Thus, liability in a firm is not only limited to civil obligations, but also a form of business morality to maintain justice for third parties, especially creditors who are harmed by the firm's failure.

b. Analysis of the Panel of Judges in Deciding Bankruptcy Applications against Firms and Parties Involved

Based on the analysis of the Medan Commercial Court Decision Number 6/Pdt.Sus-Pailit/2024/PN. Niaga.Mdn, the panel of judges has applied the principles of justice and legal certainty in a balanced manner. The judge considered that the elements of bankruptcy had been met, namely the existence of two or more creditors and debts that were due and collectible. In the decision, the panel of judges also emphasized that the responsibility of bankruptcy is not only imposed on business

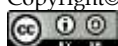


entities (firms), but also inherent in parties who are active in carrying out business activities. In addition to enforcing formal legal provisions, the panel of judges also paid attention to the social dimension of the case. By granting the bankruptcy application, the judge has provided legal protection for small creditors, especially workers whose rights are ignored. This shows that bankruptcy law does not only function to solve the problem of debts and receivables, but also to uphold substantive justice in society.

In general, the two results of the above analysis show that the accountability system in a bankrupt firm is comprehensive and personal. Meanwhile, the judge's approach in bankruptcy decisions shows the direction of the development of business law that increasingly pays attention to the values of social justice. Thus, bankruptcy law in Indonesia is not only a tool for economic settlement, but also a means of upholding morality and integrity in the business world.

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