

RECONCILING OWNERSHIP CONFLICT BETWEEN FIDUCIARY SECURITY AND LEASING LAW IN INDONESIA

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ABSTRACT

The rapid expansion of Indonesia's financing sector has intensified the use of leasing as an alternative to conventional credit systems. However, the integration of fiduciary security into leasing arrangements has generated a fundamental legal inconsistency concerning ownership. Under leasing law, ownership of the leased asset remains with the lessor during the contract period, whereas fiduciary law requires the debtor to possess ownership of the secured object. This study aims to examine and reconcile the ownership conflict between fiduciary security and leasing law in Indonesia.

This research employs a normative juridical method using statutory, conceptual, and comparative approaches. Legal materials consist of primary sources, including Law No. 42 of 1999 on Fiduciary Security and Minister of Finance Regulation No. 84/PMK.012/2006, as well as secondary sources such as legal doctrines and scholarly literature.

The findings reveal that the current application of fiduciary guarantees in leasing agreements creates a legal paradox, as lessees are not the legal owners of the leased assets but are positioned as fiduciary providers. This inconsistency results in legal uncertainty, weak enforceability, and imbalance in the rights and obligations of the parties. To address this issue, this study proposes a normative reconstruction by clarifying the separation between ownership under leasing and fiduciary security. Fiduciary guarantees should only be imposed on assets legally owned by the lessee, while the leased object remains under the ownership of the lessor until the end of the contract term.

This study contributes to the development of Indonesian financial law by offering a coherent legal framework to resolve ownership conflicts between fiduciary security and leasing practices, thereby enhancing doctrinal clarity and regulatory consistency.

Keywords: *Fiduciary Security; Leasing; Ownership Conflict; Legal Reconstruction; Indonesia.*

INTRODUCTION

Leasing has developed into an important financing mechanism in Indonesia, particularly in facilitating the procurement of capital goods for business activities. As regulated under Presidential Regulation No. 9 of 2009, leasing constitutes a form of financing that provides funds or goods to support economic development. In practice, leasing agreements are commonly accompanied by fiduciary guarantees intended to provide additional legal protection for lessors against the risk of default. However, the implementation of fiduciary security within leasing

transactions has revealed significant legal problems, particularly in relation to execution and enforcement in cases of non-performance.¹

Empirically, it is frequently found that leasing companies impose fiduciary guarantees over leased assets, even though such assets are not legally owned by the lessee. This practice often leads to disputes, especially when the lessee defaults and the lessor seeks to execute the fiduciary guarantee. In many cases, the execution process becomes problematic due to legal challenges regarding ownership status and the legitimacy of the fiduciary object.² Moreover, the reliance on standard form contracts, which tend to favor lessors through exoneration clauses, further exacerbates the imbalance of rights and obligations between the parties and weakens consumer protection.³

From a doctrinal perspective, this issue reflects a fundamental conflict between fiduciary law and leasing law. Under Law No. 42 of 1999 concerning Fiduciary Security, a fiduciary guarantee requires that the fiduciary provider has ownership rights over the object being secured. Conversely, in leasing arrangements, ownership of the leased asset remains with the lessor throughout the duration of the contract, as explicitly stipulated in Article 3 paragraph (3) of Minister of Finance Regulation No. 84/PMK.012/2006. This discrepancy creates a legal paradox: the lessee, who does not possess ownership rights, is positioned as the party granting fiduciary security. Such a construction is inconsistent with the fundamental principles of property law and undermines the legal validity of fiduciary guarantees in leasing practices.⁴

Previous studies have examined fiduciary guarantees mainly within the framework of credit agreements, focusing on issues of execution, creditor protection, and legal certainty.⁵ Other research has explored leasing agreements from the perspective of contract law, consumer protection, and standard clauses.⁶ While these studies provide important insights, they generally treat fiduciary security and leasing as separate legal regimes. As a result, the ownership conflict arising from the intersection of these two legal constructs has not been adequately addressed. Furthermore, there is still a lack of a concrete normative juridical reconstruction that systematically resolves this inconsistency within the Indonesian legal framework.⁷

Based on these considerations, this study focuses on the legal inconsistency in the application of fiduciary guarantees in leasing agreements, particularly concerning the issue of ownership. This study aims to reconstruct the legal framework governing fiduciary security to ensure its compatibility with the ownership principles inherent in leasing law. Accordingly, the central legal question addressed in this research is: How can fiduciary law be reconstructed to align with leasing ownership principles in Indonesia?

By addressing this question, this study is expected to contribute to the development of a more coherent and consistent legal framework, capable of resolving ownership conflicts

¹J. Anas, K. A., & Najwan, 'Dispute Resolution in Consumer Financing Agreements for Bad Debts through the Fiduciary Guarantee Execution Process to Achieve Legal Certainty and Justice.', *Formosa Journal of Multidisciplinary Research*, 4.9 (2025), pp. 4483–4502.

²D. Putri, 'Legal Certainty on the Execution of a Fiduciary Whose Movable Object Has Been Transferred to Third Parties', *Edunity*, 2.9 (2023), pp. 1086–1102, doi:<https://doi.org/10.57096/edunity.v2i9.134>.

³J. Sihombing, K. P., Siregar, H., & Sidauruk, 'Analysis of Legal Protection against Buyers of Leasing Objects (Study of Law No. 42 of 1999 Concerning Fiduciary Guarantees)', *Formosa Journal of Multidisciplinary Research*, 4.2 (2025), pp. 813–824, doi:<https://doi.org/10.55927/fjmr.v4i2.77>.

⁴R. Usman, 'Ownership Rights Object to Fiduciary Guarantee as Collateral for Debt Responsibility', *Russian Law Journal*, 11.4 (2023), pp. 625–639.

⁵A. S. Ningsih, 'Creditor of Fiduciary Facing Bankruptcy: What Should They Do?', *Diponegoro Law Review*, 10.1 (2025), pp. 29–41, doi:<https://doi.org/10.14710/dilrev.10.1.2025.29-41>.

⁶R. R. Permana, 'Legal Certainty on Fiduciary Guarantee Deed Based on Power of Attorney under the Leasing Agreement', *International Journal of Latin Notary*, 2.1 (2021), pp. 19–30.

⁷A. Setyabudi, B., & Mashdurohatur, 'Reconstruction of Legal Protection Regulations for Debtors and Third Parties in Credit Agreements with Fiduciary Guarantees', *Scholars International Journal of Law, Crime and Justice*, 5.12 (2022), pp. 520–526, doi:<https://doi.org/10.36348/sijlcrj.2022.v05i12.002>.

and strengthening the doctrinal foundation of fiduciary guarantees within leasing practices in Indonesia.

METHOD

This study employs a normative juridical research method, which positions law as a system of norms embodied in statutory regulations, legal doctrines, and principles developed in legal scholarship. The research focuses on examining the legal inconsistency in the application of fiduciary guarantees within leasing agreements, particularly concerning the conflict of ownership between fiduciary law and leasing law.

The approaches used in this study include the statute approach, conceptual approach, and comparative approach. The statute approach is conducted by analyzing relevant legal instruments, including the Civil Code, Law No. 42 of 1999 concerning Fiduciary Security, Law No. 8 of 1999 concerning Consumer Protection, and Minister of Finance Regulation No. 84/PMK.012/2006 concerning Financing Companies. The conceptual approach is used to examine legal doctrines related to property law, security law, and contract law, particularly the principles of ownership, legal certainty, and balance of rights and obligations.

The comparative approach is applied by comparing the concept of leasing in positive law with the concept of *ijarah* and *ijarah al-muntahiyah bi al-tamlik* in Islamic law. This comparison is conducted to identify similarities and differences in the regulation of ownership and transfer of rights, especially regarding the timing and legitimacy of ownership transfer in leasing arrangements. Through this approach, Islamic law serves as a normative reference to evaluate whether the current legal construction in Indonesian leasing practices reflects coherent and consistent ownership principles.

To address the legal issues, this study applies methods of legal interpretation, including systematic interpretation and teleological interpretation. Systematic interpretation is used to analyze the relationship between fiduciary law and leasing regulations within the broader framework of Indonesian legal system, ensuring consistency among legal norms. Teleological interpretation is applied to understand the purpose and objectives underlying fiduciary security and leasing arrangements, particularly in achieving legal certainty and functional coherence.

Furthermore, the analysis is conducted using normative legal reasoning and coherence analysis. Normative legal reasoning is used to assess whether the application of fiduciary guarantees in leasing agreements is consistent with fundamental legal principles, especially the requirement of ownership in fiduciary law. Meanwhile, coherence analysis is employed to identify and evaluate conflicts between legal norms, particularly the inconsistency between fiduciary law and leasing law regarding ownership status. Through this method, the study examines whether existing regulations form a coherent legal system or produce contradictions.

The legal materials used in this study consist of primary, secondary, and tertiary legal sources. Primary legal materials include statutory regulations relevant to fiduciary guarantees and leasing. Secondary materials include legal textbooks, journal articles, and prior research discussing fiduciary law, leasing, and legal protection. Tertiary materials consist of legal dictionaries and encyclopedias that support conceptual clarification.

All legal materials are analyzed qualitatively using a descriptive-analytical method. The analysis is carried out by systematically identifying normative conflicts, evaluating their implications, and formulating a coherent legal reconstruction. The conclusions are drawn through a deductive reasoning process, moving from general legal principles to specific findings regarding the incompatibility between fiduciary guarantees and leasing ownership structures

ANALYSIS AND DISCUSSION

The Invalidity of Fiduciary Security in Leasing Agreements: Ownership Conflict and Legal Implications

The application of fiduciary guarantees in leasing agreements in Indonesia must be examined within the framework of existing legal norms governing ownership and security rights. Under Law No. 42 of 1999 concerning Fiduciary Security, a fiduciary guarantee is defined as a transfer of ownership rights over an object based on trust, with the requirement that the fiduciary provider (debtor) has legal ownership of the object being encumbered. This principle constitutes a fundamental requirement for the validity of fiduciary security, as ownership is the legal basis for transferring rights to the creditor.⁸

However, this normative requirement conflicts with the legal structure of leasing agreements. According to Article 3 paragraph (3) of Minister of Finance Regulation No. 84/PMK.012/2006, ownership of the leased object remains with the lessor throughout the duration of the contract. The lessee is only granted the right to use the object, with the possibility of acquiring ownership at the end of the lease term through the exercise of an option right. This construction clearly establishes that, during the contractual period, the lessee does not possess ownership rights over the leased asset.

This divergence gives rise to a fundamental legal conflict. On one hand, fiduciary law requires ownership as a prerequisite for the creation of a valid security right. On the other hand, leasing law explicitly denies ownership to the lessee. Despite this contradiction, in practice, fiduciary guarantees are frequently imposed on leased objects, positioning the lessee as the fiduciary provider. From a normative legal perspective, such practice is inconsistent with the essential elements of fiduciary security and therefore raises questions regarding its legal validity.⁹

The implications of this inconsistency are significant. First, the fiduciary guarantee imposed on leased assets becomes legally questionable, as it lacks a valid ownership basis. This condition potentially renders the fiduciary agreement void or at least unenforceable, particularly when challenged in judicial proceedings. Second, the execution of fiduciary guarantees in cases of default becomes problematic, as creditors may face legal obstacles in enforcing rights over objects that are not legally owned by the debtor.¹⁰ Third, this situation creates legal uncertainty and undermines the protection of both parties, as the lessor's position is weakened by defective legal construction, while the lessee is burdened with obligations over assets they do not legally own.

In addition to the issue of ownership conflict, the use of standard form contracts in leasing agreements further exacerbates the imbalance between the parties. These contracts often include exoneration clauses (*klausula eksonerasi*) that transfer all risks, including loss or damage to the leased object, to the lessee. From a normative standpoint, such clauses must be assessed against Article 18 paragraph (1) of Law No. 8 of 1999 concerning Consumer Protection, which prohibits contractual provisions that shift liability entirely to consumers.

Through systematic interpretation, exoneration clauses in leasing agreements that impose absolute liability on the lessee regardless of fault or circumstances can be considered inconsistent with consumer protection norms. Furthermore, from a teleological perspective, the purpose of contract law is to ensure fairness and balance between the parties. Clauses that

⁸Usman R, 'Ownership Rights Object to Fiduciary Guarantee as Collateral for Debt Responsibility', *Russian Law Journal*, 11(4), 625–639.

⁹Recky Rizkiryanto Permana and Universitas Pasundan, 'Legal Certainty on Fiduciary Guarantee Deed Based on Power of Attention Under the Leasing Agreement', *International Journal of Latin Notary*, 2.1 (2021), pp. 19–30.

¹⁰Imron Sadewo and Abdul Rokhim, 'LEGAL CONSEQUENCES OF LOSS OF FIDUCIARY GUARANTEE OBJECT IN BANK CREDIT AGREEMENT', *International Significance of Notary*, 3.1 (2023), pp. 126–37.

eliminate the liability of one party while imposing disproportionate obligations on the other contradict this objective. Therefore, such exoneration clauses may be deemed null and void by operation of law.¹¹

The coexistence of invalid fiduciary construction and unfair contractual clauses reflects a deeper structural problem in the regulation of leasing in Indonesia. Rather than forming a coherent legal system, the interaction between fiduciary law and leasing practices produces contradictions that weaken legal certainty and justice. The current regulatory framework fails to provide clear boundaries regarding ownership, security rights, and contractual fairness, resulting in overlapping norms and inconsistent legal application.

From a critical perspective, this condition indicates the absence of normative coherence within Indonesian financial law. The imposition of fiduciary guarantees on leased assets represents not merely a technical error, but a fundamental misalignment between legal concepts of ownership and security. Without a clear reconstruction of the legal framework, such inconsistencies will continue to generate disputes and undermine the credibility of leasing as a financing mechanism.

Legal Weaknesses of Fiduciary Security in Leasing Agreements

The application of fiduciary guarantees in leasing agreements reveals fundamental legal weaknesses arising from inconsistencies between normative legal requirements and practical implementation. These weaknesses primarily concern the invalid legal construction of fiduciary security, the lack of regulatory harmonization, and procedural deficiencies in its application within leasing practices.

From a normative perspective, fiduciary security under Law No. 42 of 1999 requires that the object of the guarantee be owned by the fiduciary provider. This requirement reflects a fundamental principle of property law, whereby only the legal owner has the authority to transfer or encumber rights over an object.¹² However, in leasing agreements, ownership of the leased asset remains with the lessor throughout the duration of the contract, as stipulated in Article 3 paragraph (3) of Minister of Finance Regulation No. 84/PMK.012/2006. Despite this clear legal structure, fiduciary guarantees are frequently imposed on leased assets in practice, creating a structural inconsistency between legal norms and contractual practices.

This inconsistency demonstrates the first major legal weakness, namely the absence of a valid juridical basis for fiduciary guarantees in leasing transactions. Since the lessee does not possess ownership rights over the leased object, the imposition of fiduciary security lacks a legitimate proprietary foundation. In secured transactions theory, a security right cannot be validly constituted without a recognizable proprietary interest of the grantor.¹³ Moreover, the distinction between title-based financing and security interests further emphasizes that ownership and security rights cannot be conflated without creating doctrinal inconsistency. Consequently, fiduciary guarantees in leasing contexts are vulnerable to legal challenges and may be deemed unenforceable in dispute resolution processes.¹⁴

The second weakness lies in the lack of regulatory harmonization between fiduciary law and leasing regulations. Existing legal instruments regulate these two regimes separately without

¹¹H Sofiani, T., & Suhendar, 'The Settlement Model of Non-Performing Financing Which Is More Effective and Ensures Legal Justice in Sharia Financing Companies', *Jurnal Hukum Unisulla*, 40.1 (2024), doi:<https://doi.org/10.26532/jh.v40i1.32794>.

¹²Yeni Wijaya and Gunawan Djajaputra, 'The Transfer of Marine Ship Ownership as an Immovable Object Based on Sale and Leaseback Agreement', *Return Journal*, 3.12 (2024), pp. 1–15.

¹³A. R. Surya Nopendi, U. U., & Utami, 'Us Us and Others, "Asset Seizure in Credit Sales from the Perspective of Sharia Business Ethics"', *Journal of Mujaddid Nusantar*, 2.2 (2025), pp. 114–127, doi:<https://doi.org/10.62568/jomn.v2i2.422>.

¹⁴Rafika Nur, "'Application of Criminal Sanctions Law Against Debt Collectors Withdrawing Fiduciary Guarantee Objects"', *Journal of Legality*, 17.2 (2024), doi:<https://doi.org/10.33756/jelta.v16i1.20295>.

providing clear normative guidance on their interaction. Law No. 42 of 1999 governs fiduciary security as a general security institution, while leasing regulations under Minister of Finance Regulation No. 84/PMK.012/2006 primarily address administrative and operational aspects of financing companies. This fragmentation results in overlapping norms and creates legal uncertainty in practice .

From the perspective of legal theory, such inconsistency reflects a failure to maintain coherence within the legal system. A coherent legal system requires that norms operate harmoniously without contradiction. Similarly, the existence of conflicting norms indicates a disruption in the hierarchical and systematic structure of law. The coexistence of fiduciary requirements based on ownership and leasing structures that deny such ownership clearly illustrates this incoherence, undermining both legal certainty and doctrinal integrity.

The third weakness concerns procedural defects in the implementation of fiduciary guarantees, particularly in relation to registration and execution. Fiduciary law requires that fiduciary guarantees be established through a notarial deed and registered to obtain legal force. However, in leasing practices, fiduciary clauses are often embedded within standard contracts without proper separation as accessory agreements or without proper registration. This procedural deficiency weakens the enforceability of fiduciary rights and creates obstacles in execution, especially when disputes arise.

From a legal reasoning perspective, these inconsistencies demonstrate a failure in normative justification. Legal reasoning requires that legal conclusions be derived from coherent and justifiable premises within a structured legal system . The application of fiduciary guarantees to objects not legally owned by the debtor fails to meet this requirement, as it contradicts the foundational premise of ownership in security law.

These legal weaknesses have significant implications. First, they undermine legal certainty, as parties cannot rely on a clear and consistent legal framework governing fiduciary guarantees in leasing agreements. Second, they create an imbalance of legal protection, exposing both lessors and lessees to legal risks arising from defective legal constructions. Third, they reduce the effectiveness of fiduciary guarantees as a security instrument, as their enforceability becomes questionable in practice.

From a critical perspective, these weaknesses indicate that the current legal framework fails to ensure coherence between property law and financing law. The continued application of fiduciary guarantees in a manner that contradicts ownership principles reflects a fundamental legal inconsistency that cannot be justified within a coherent legal system. Without a clear normative reconstruction, such inconsistencies will persist and continue to undermine the legitimacy and effectiveness of leasing practices in Indonesia.

Normative Reconstruction of Fiduciary Security in Leasing Agreements

The inconsistencies identified in the application of fiduciary guarantees within leasing agreements demonstrate not merely a technical defect, but a fundamental structural problem in Indonesian financial law. The coexistence of fiduciary requirements based on ownership and leasing structures that deny such ownership creates a persistent legal contradiction. This condition necessitates a normative reconstruction, as the current legal framework fails to ensure coherence, legal certainty, and enforceability. Without reconstruction, the continued use of fiduciary guarantees in leasing will perpetuate invalid legal practices and systemic uncertainty, particularly in dispute resolution and execution processes .

The urgency of this reconstruction is further reinforced by the Constitutional Court Decision No. 18/PUU-XVII/2019, which redefined the execution of fiduciary guarantees. The Court emphasized that fiduciary execution cannot be carried out unilaterally without the debtor's

consent or a court decision in the absence of voluntary compliance. This ruling strengthens the principles of legal certainty and due process in fiduciary enforcement. However, in the context of leasing, where the object of fiduciary security is not legally owned by the debtor, the application of this decision becomes problematic. The absence of valid ownership further weakens the legitimacy of fiduciary execution, thereby increasing the risk of legal disputes and rendering enforcement mechanisms ineffective.

From a normative standpoint, the need for reconstruction can be justified through theories of justice and legal coherence. Aristotle's concept of distributive justice requires proportional allocation of rights and obligations¹⁵, while Rawls' theory of justice emphasizes fairness and balance within institutional structures. In the Indonesian context, these principles are reflected in Pancasila, particularly in the value of social justice. The current practice of imposing fiduciary guarantees on assets not owned by the lessee violates these principles by creating disproportionate obligations and legal uncertainty. Furthermore, from the perspective of legal coherence, a legal system must function as an integrated whole without internal contradictions. The inconsistency between fiduciary law and leasing law clearly fails to meet this standard.

The comparative analysis with Islamic law provides further normative justification for reconstruction. In Islamic law, the concept of *ijarah* (leasing) strictly distinguishes between ownership and usage rights, where ownership remains with the lessor unless explicitly transferred through mechanisms such as *ijarah muntahiyah bi al-tamlik*.¹⁶ Additionally, security instruments in Islamic jurisprudence, such as *rahn*, require a clear ownership basis before a security right can be imposed. This demonstrates a consistent legal framework in which ownership is a prerequisite for the creation of security rights. Therefore, unlike current Indonesian practice, Islamic law does not allow the imposition of security over objects that are not legally owned by the contracting party. This comparison reinforces the necessity of aligning fiduciary law with ownership principles to ensure doctrinal consistency.

From the perspective of property law and secured transactions, the requirement of ownership as a basis for security rights is a fundamental principle. A valid security interest presupposes the existence of a proprietary right that can be transferred or encumbered. The distinction between title-based financing and security interests further emphasizes that ownership and security rights must not be conflated. The current practice in leasing, which imposes fiduciary guarantees on assets not owned by the lessee, violates this principle and results in doctrinal inconsistency.

In practical terms, the absence of reconstruction has significant consequences for the leasing industry. First, it creates uncertainty in contract enforcement, particularly in cases of default, where fiduciary guarantees may be challenged due to invalid ownership status. Second, it increases litigation risks and transaction costs, as disputes over execution become more frequent. Third, it undermines the credibility of leasing institutions, as their legal protection mechanisms are structurally flawed. These conditions ultimately hinder the efficiency and sustainability of the financing sector.¹⁷

To address these issues, this study proposes a normative reconstruction of fiduciary security in leasing agreements based on the principle of ownership clarity. Fiduciary guarantees should only be imposed on assets that are legally owned by the debtor. In the context of leasing, this means that fiduciary security cannot be applied to the leased object during the contract period. Instead, alternative legal constructions must be adopted, such as limiting fiduciary guarantees to additional assets owned by the lessee or restructuring leasing agreements to

¹⁵Aristotle., *Nicomachean Ethics* (W. D. Ross, Trans.) (Oxford University Press., 2009).

¹⁶M Ayub, *Understanding Islamic Finance* (John Wiley & Sons., 2007).

¹⁷Permana and Pasundan (2021), 'Legal Certainty on Fiduciary Guarantee Deed Based on Power of Attention Under the Leasing Agreement'. *International Journal of Latin Notary* pp.19-30

clearly distinguish between ownership transfer and security mechanisms. This reconstruction is essential to ensure legal coherence, enhance legal certainty, and restore the doctrinal integrity of fiduciary law within the Indonesian legal system.

Tabell. Revised Reconstruction Table

Existing Practice	Legal Problem	Reconstruction	Theoretical & Normative Justification
Fiduciary imposed on leased object	Lessee is not the legal owner of the object	Prohibit fiduciary guarantees over leased assets during contract period	Principle of property law: security interests require ownership to be established under property law theory
Overlapping fiduciary law and leasing law	Norm conflict between fiduciary and leasing structure	Harmonization of fiduciary and leasing regulations	legal coherence Regulatory inconsistencies create legal uncertainty
Fiduciary execution post-Decision No. 18/PUU-XVII/2019	Execution uncertainty due to weak legal basis	Restrict fiduciary only to valid objects and require court supervision	Problematika eksekusi fidusia prinsip due process & kepastian hukum
Lack of ownership clarity in leasing	Blurring between ownership and security rights	Separate clearly leasing (right of use) and fiduciary (security right)	The ambiguity of ownership in leasing practices, as highlighted by the “title versus security” theory
Use of standard contracts with exoneration clauses	Imbalance of rights between parties	Limit unfair exoneration clauses in leasing agreements	teori Consumer protection & the theory of contractual balance
Fiduciary embedded in leasing contract without proper structure	Weak enforceability & procedural defects	Require fiduciary as a separate registered accessory agreement	Procedural defects in fiduciary formal requirements for security

CONCLUSION

This study concludes that the application of fiduciary guarantees in leasing agreements creates a fundamental legal inconsistency arising from the conflict between ownership principles and security rights. The imposition of fiduciary security over assets that are not legally owned by the lessee results in a defective legal construction, undermining legal certainty and enforceability, particularly in light of the evolving framework following the Constitutional Court Decision No. 18/PUU-XVII/2019.

From a theoretical perspective, this study contributes to the development of fiduciary law by proposing a normative reconstruction based on the principle of ownership clarity. It emphasizes that fiduciary guarantees must be strictly grounded in proprietary rights, thereby reinforcing doctrinal consistency between property law and secured transactions. This reconstruction also advances the concept of legal coherence by addressing the fragmentation between fiduciary law and leasing regulations.

From a practical perspective, the findings highlight the urgent need for regulatory reform and institutional adjustment. Legislators should harmonize fiduciary and leasing regulations to

eliminate normative conflicts, while practitioners in the leasing industry must revise contractual practices to ensure that fiduciary guarantees are applied only to valid objects. Such reforms are essential to enhance legal certainty, reduce litigation risks, and strengthen the credibility and sustainability of the financing sector in Indonesia.

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