

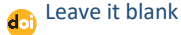


Research Paper

Legal Remedies Against Distributor Companies for Pending Payment

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ABSTRACT

Relationship between CV distributors. New Nirvana and its
retailers are bound by an agreement. The agreement agreed upon
by both parties is a written agreement, in the form of a sales
invoice. The agreement uses a cash, transfer, or tempo COD
(Cash on Delivery) payment system with a deadline of one week.
However, some retailers made promises and asked for more time.
Therefore, the purpose of the study is to find out the
implementation of the CV distribution service payment
agreement. Nirwana Baru with retail stores, and reviewing legal
remedies against CV. Nirwana Baru for late payment and default
by retail stores. This type of research is juridical empiric research
with a qualitative approach. The data source consists of primary
data and secondary data. The data collection method consists of
observation, interviews, literature studies, and documentation.
Based on the results of the research, it is known that the
implementation of the payment agreement for CV distributors.
New Nirwana uses three payment methods: cash, transfer, and
tempo COD systems. Retailers who delay payments with the
tempo system are very detrimental to distributors because they
interfere with the company's financial operations. Then the legal
efforts carried out by CV. New Nirwana when there is a default
by a retail store is a non-litigation effort, namely deliberation or
mediation. Because the company chose not to take this matter to
court, as well as the absence of strong evidence as a legal basis.
As a result, retailers who are in default are not subject to civil
sanctions such as compensation fines. But in reality, CV.
Nirwana Baru has never taken the path of litigation or legal.

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Introduction

One of the distribution companies that specializes in bread, snacks, and beverage
distributors is called CV. Nirwana Baru, which is located at Ruko Bumi Papan Selaras Number

12a-12b, Wonoayu District, Sidoarjo Regency. The distributor already has several *retailers* or retailers in the areas of Sidoarjo, Mojokerto, Gresik, Surabaya, Lamongan, Malang, Pasuruan, Blitar and surrounding areas. By starting a distribution business, CV. Nirwana Baru has established many relationships with *retailer* vendors. Many of the retail store sellers in the Sidoarjo area buy bread, snacks, and beverages from CV. New Nirvana, and most of them have become regular customers of the company (Fajar Lukman, personal communication, 2023).

An important aspect in the distribution operational activities carried out by CV distributors. Nirwana Baru Sidoarjo is a very efficient system implementation. In this process, after receiving the product from the manufacturer's factory and/or *supplier*, the product is immediately available for sale. Distributors in this case, do not hoard products in the hope that prices will rise in the future. The distributor in doing the distribution business, has full trust by the manufacturer's factory or *supplier* to distribute products to various *retailers*. In this case, the distributor simply takes the finished product and is ready for use without the need to modify it (Fajar Lukman, personal communication, 2023).

Based on the results of the pre-survey, an interview with Mr. Fajar Lukman, as the head of the CV Company Depot. Nirwana Baru Sidoarjo branch, information was obtained that the implementation of payment transactions is carried out by three methods, namely the direct payment method on the spot, where payment is made when the goods have been delivered or often referred to as the COD (*Cash on Delivery*) system, the second, using the transfer payment method, where the buyer can make a transfer payment to the company's account number, and the last method, Namely the payment method of the Tempo system, the Tempo system has a payment period that is not too long, the tempo has been determined according to the agreement regarding the repayment time, the amount to be paid, and other provisions (Fajar Lukman, personal communication, 2023). So, this payment is the same as a pending *payment* by giving the customer a longer repayment time, meaning that there is no time tolerance that does not require the customer to make installments at every time like the credit system, but the total payment at the end when it is due.

Of the three payment methods, the tempo payment system causes problems, namely in the tempo payment method, there are still customers or *retailers* who make payments that are not in accordance with the agreed time. Sales from distributors have met with retail stores to collect appointments, but retail stores that choose the tempo system payment provide reason after reason to delay payment. So that it causes delays in payments or *pending payments*, even up to one month or more (Fajar Lukman, personal communication, 2023). This is very detrimental to CV distributor companies. New Nirvana and is the main problem in the company.

Late payment can be interpreted as the non-fulfillment of the target payment period plan with the actual conditions of payment, or in other words the delay in the payment period in the contract that has been agreed upon by both parties (Listanto & Hardjomuljadi, 2019). Late payment or *pending payment* can be detrimental to the distributor, along with the risks if there is a *pending payment* on the CV. New Nirvana: (Fajar Lukman, personal communication, 2023). "There is a risk of circulating sales and purchase money, the distributor experiences a delay in payment (*pending payment*) which will be sent to the producer or *supplier*, the distributor must also place an order with the manufacturer or *supplier* in order to fulfill orders from consumers or *retailers* In addition, production in the warehouse is hampered because the financing of the

production of goods is not optimal, wages paid to SPG or employees are also hampered, and can result in contract termination to several employees, delayed payment or *pending payment* also causes contract termination by several brands or *suppliers* goods to stop cooperating by no longer selling products at CV distributor companies. New Nirvana. Sales from the distributor had billed the *retailer*, but the *retailer* made an appointment and asked for additional time to pay off the payment. Some time later, when the payment deadline was in accordance with the agreement, the retailer once again reneged on the promise he had made himself and asked for more time once again. Finally, the distributor inevitably bears losses because they have to replace the capital that must be deposited to the producer or *supplier*.”(Fajar Lukman, personal communication, 2023)

Delays in payments by *retailers* starting from the tempo payment system, resulting in problems with money circulation operations at CV distributor companies. New Nirvana. The agreement is contained in an invoice or memorandum if the *retailer* and distributor have agreed to determine which payment transaction method will be taken. The matters regulated in the sales invoice are laws that must be obeyed by the parties to the agreement.

This research was made to complement previous studies on legal vacuums, related to the provisions of laws that specifically regulate distributors. So the applicable provisions are the provisions issued by the government. For example, in the Regulation of the Minister of Trade No. 24 of 2021 concerning Engagement for the Distribution of Goods by Distributors or Agents, as well as the Regulation of the Minister of Trade No. 66 of 2019 concerning General Provisions for the Distribution of Goods. In the regulation, it turns out that there is no legal protection for distributors, and the regulations are not complete. This indicator can be observed from the legal provisions governing distributors, which until now have only been regulated in the Regulation of the Minister of Trade. In line with this, this study will discuss about: (a) the implementation of agreements in the payment of CV distribution services. New Nirvana with retail stores; (b) legal remedies against CV. New Nirvana for late payment and default by retail stores.

## Method

This type of research uses empirical juridical research, which is an empirical legal research approach that focuses on the application of law in society (HS & Nurbani, 2013), or it can be called field *research*, which is research activities obtained by going directly into the community as the first source of information through observation, documentation, document analysis and interviews with CV distributor companies. Nirwana Baru distributes bread, snacks, and drinks (Rifa'i et al., 2023). The approach used in this study uses a qualitative approach, namely data that is accumulated, displayed descriptively, and explained in a complex manner using words rather than numbers (Yusuf, 2022). The data sources consist of primary data and secondary data. The primary data in this study was obtained from informants in CV companies. Nirwana Baru is a distributor of bread, snacks, and beverages. Meanwhile, the secondary data in this study are divided into: (1) Primary legal materials, namely Article 6 of the Regulation of the Minister of Trade No. 66 of 2019 concerning General Provisions on the Distribution of Goods, Law No. 30 of 1999 concerning Arbitration and Dispute Resolution; and (2) Secondary legal materials, namely books, journals, and theses, as well as other reading literature related to this research. The data collection technique in this study uses direct interviews, documentation, and literature studies.

The analysis technique used in conducting this study uses qualitative analysis. The location of the research was carried out on CV. Nirwana Baru (Distributor of bread, *snacks*, and drinks) at Ruko Bumi Papan Selaras Number 12a-12b, Wonoayu District, Sidoarjo Regency.

## Results and Discussion

### Implementation of the CV Distribution Service Payment Agreement. New Nirvana with Retail Stores

An agreement is the main source of law, where each bound party must comply with and abide by the contract that has been agreed (R. Saliman, 2015). In terms of agreements, distributors CV. Nirwana Baru implements three systems of sales agreement execution methods to customers or retail stores, as for the three methods, customers have the freedom to choose which purchase and sale transaction method they want, including the following options:

First, the method of implementing the payment agreement with the COD (*Cash on Delivery*) system or paying directly on the spot. The COD system is a cash payment method, which is generally practiced by the seller meeting directly at the place with the prospective buyer, after the order is received by the buyer at the location of the address that has been agreed upon beforehand. The address in this case can be the address of a store, home, or other location agreed upon by both parties during the purchase and sale transaction (Silalahi et al., 2022).

In line with the explanation above, the practice of payment using the COD system on CV. Nirwana Baru is made in cash, and payment can be made when the ordered goods distributed by the company's driver have arrived at the customer's specified address. This means that the payment is made at that time without any time period, and both parties are in one place. The customer will give the total money from the purchase of the product according to the invoice, this total money will later be paid by the customer and given to the driver or delivery of the goods when the goods have arrived.

Actually, in the implementation of this COD system, there is a risk of theft of sales money. In general, the fraud is carried out by internal company personnel, such as drivers or goods delivery men on duty. Even though it is prone to theft, CV. Nirwana Baru has got around it and has a strategy to provide legal protection against it. CV. Nirwana Baru is aware of this risk and takes the first step to provide protection against it, namely by being more selective during the job recruitment process. Such as providing qualifications to include important data in the application letter, namely diplomas, ID cards, SKCK (Police Record Certificates) and other documents. Then, if there is a theft by a driver or delivery person, the company can take steps by reporting the perpetrator to the local police or can negotiate with the family process (Fajar Lukman, personal communication, December 2023).

Based on the results of the interview with Mr. Fajar, information related to the money theft case that had occurred on CV was found. Nirwana Baru, which is the sales party in charge of finding orders from customers. Then the ordered goods were sent by the company's driver. It turns out that sales only provide two payment options to customers, namely the cash COD method and also the transfer method. For the transfer method, sales provide the customer with a personal account number, not the company account number. If the customer chooses the cash COD system, the payment money is given to the driver who then hands it over to sales. In this case, the driver and the salesman worked together to steal the money. In fact, the payment money

should have been deposited directly to *the* owner or admin of the company, for immediate recapitulation.

This case has been carried out several times by sales and drivers who work together. In this case, the sales made an excuse and a lie to the company admin, namely making it seem as if the order from the *retailer* used the tempo payment system, which then the admin of the company gave the invoice contained in the tempo payment system to the sales. In the standard operating procedures or internal regulations of the CV. New Nirwana, implementing preventive legal protection or prevention against unwanted things. The following is the workflow process for distributing goods or products until they reach *the customer*, namely: production goods from the central factory (Principal) are sent to the CV distributor company. Nirwana Baru, then the distributor distributes goods or products to retail stores through the company's sales intermediaries, after the product reaches the *retailer*, then the product is ready to be sold to *the end* customer (Fajar Lukman, personal communication, March 20, 2024).

It can be known that the duties and performance of a sales distributor are to offer the company's production goods or services to customers, sell products, help customer needs by explaining specifically the products to be sold, provide a design of the budget range of costs that must be incurred, communicate well with customers, maintain the image and good name of the company. If in the future the sales commit violations against the company or customers, then he will be held accountable for his mistakes. This accountability can be done by fulfilling the agreement through a deliberative process to reach a solution. If deliberation does not result in a solution, the last step to be taken is through the legal process (Fajar Lukman, personal communication, March 20, 2024).

After it was revealed that there was a case of theft in the cash COD payment system involving cooperation between sales and drivers, CV. Nirwana Baru re-checked the payment methods used by its *retailers*. This case was revealed through an asynchronous sales and purchase data recap process, where it was found that many *retailers* used the tempo payment method. Furthermore, the sales party who committed the fraud admitted his actions and was ready to bear the consequences. Legal efforts made by CV distributors. New Nirwana is by holding deliberations first before going through legal channels, this is in accordance with the company's standard operating procedures or regulations. The deliberations aimed to find a way out of the problem. Then the results of the deliberations are legalized through a written and stamped agreement to obtain legal force, and the agreement must be complied with by both parties.

Distributor CV. Nirwana Baru carries out its obligation, which is to distribute bread, snacks, and drinks to customers or retail stores. In the use of the COD system, the company must have established the relevant rules or procedures. These provisions contain the items that will be sent according to the address, quantity, quality, specifications of the goods, the specified time, and the amount of the price of the goods. This is done in accordance with the initial agreement contained in the invoice or memorandum that has been made and mutually agreed upon. According to Mr. Fajar's statement regarding the recapitulation of the number of regular customer data in CV. Nirwana Baru, namely payment with the COD system, is one of the payment methods that are in demand by many customers or retail stores. Based on the amount of data that has been recapitulated in 2024, as many as 100 out of around 150 regular customers

at CV. New Nirwana chose the COD payment system. Meanwhile, 30 customers use the transfer system, and about 20 other customers choose to pay with the tempo system.

According to the results of interviews with companies, the reason why the COD system is popular with customers is because this COD method helps maintain customer safety. Customers can check the goods or products first after the goods arrive at their destination address, then after the goods are in accordance with the order, customers can make payment transactions (Fajar Lukman, personal communication, March 20, 2024).

The purpose of the COD payment system is to provide convenience for customers in making buying and selling transactions (Indriana, 2022), namely, customers do not have to take the time to make transfers to banks or credit cards, customers do not need to leave the house, just wait for the ordered goods to arrive, and customers can be more confident to check the condition of the goods when they are received. In buying and selling transactions, the principle of good faith in each party must be implemented. For example, the seller must deliver the goods to the buyer according to the agreed time, and the buyer must pay the price of the goods that have been purchased. This principle is regulated in Article 1457 of the Civil Code which states that buying and selling is an agreement in which one party promises to deliver the goods, and the other party promises to pay the price according to the agreement (*UU No. 1 Year 2022*, n.d.).

A sale and purchase agreement must meet the requirements stipulated in Article 1320 of the Civil Code which states that an agreement is considered valid if it meets 4 conditions, namely the agreement of the parties involved, the ability to make an engagement, certain objects, and a halal cause (*Civil Code*, n.d.). Second, the method of implementing the payment agreement with the transfer system, this method is not much different from the COD system method or paying directly on the spot, namely the payment transaction is carried out immediately when the buyer and seller meet in one place after the order is received by the buyer. The basic thing that distinguishes the COD system from transfer lies in the fact that payments are not made in cash, but payments are made by transfer to the account number of the CV distributor company. New Nirvana. Both through *ATMs (Automatic Teller Machines)*, internet banking, mobile banking, and e-wallets. Furthermore, proof of transfer payment transactions that have been successful by the buyer is sent to the distributor, in this case sent to the head of the company's Depot for checking the truth. Third, the method of implementing the agreement with the tempo system, the tempo payment system is a payment made later or a delay in payment in accordance with the time agreement between the seller and the buyer (Juhari, 2022). This type of payment has been agreed upon by both parties from the beginning, including the repayment time, the amount to be paid, and other related terms (Zusuf & Al Hakim, 2023).

According to the results of an interview with Abah Qodim as a customer who chose the tempo system at CV. Nirwana Baru, the reason why customers or retailer stores are interested in choosing buying and selling transactions with the tempo system, is as follows:(Abah Qadim, personal communication, December 16, 2023).

1. The tempo system provides relief and convenience for customers in payment, there is a delay in repayment time.
2. Customers can get various kinds of goods or products, for example Rp. 7.000.000.- for repayment at one distributor, then they can only get goods in that distributor, while with the tempo system customers can get goods from other distributors.

3. The proceeds from product sales can cover each other's bills. This is more effective because if you choose the tempo system, then the goods or products will come first and then sell, then you can pay other urgent bills.

According to information obtained from Mr. Fajar Lukman as an informant, who serves as the Head of the CV Depot. Nirwana Baru Sidoarjo branch, there are several differences in the price of goods or products in buying and selling transactions between the tempo and cash systems. The tempo system refers to payments with a certain period of time, while the cash system involves cash payments, either through the cash COD method or transfer without an additional period of time.

From the results of the interview, it can be concluded that there is a substantial difference in the explanation related to the price difference between the selling price and the purchase price. In addition, it is also known that the implementation of payments through the tempo system is higher than payments with the cash or transfer COD system. In practice, CV. Nirwana Baru implements the provisions of transaction regulations using the tempo system, namely the payment period of the tempo system is limited to a maximum period of one week. However, in its implementation, there are still some customers or *retailers* who are late in payment, or pay not according to the predetermined schedule (Fajar Lukman, personal communication, December 2023).

Based on the results of the interview, it can be seen that CV. New Nirwana has a major problem in the tempo payment method system. The sales of the distributor has collected payment from the customer or *retailer* because it has entered the due date, but there are some customers who do not carry out the payment settlement in accordance with the agreement, the customer asks for additional time to pay the payment, even though the initial agreement has included the payment date on the invoice, then the seller and the buyer have agreed with each other. Tempo in a payment agreement is a very crucial thing, each party as a seller and as a buyer or customer must comply with the tempo payment in accordance with the agreement made at the beginning of the agreement. In a payment transaction between a distributor and a customer or retail store, it must enter into an agreement in accordance with Article 1313 of the Civil Code, namely: "An agreement is an event in which one person promises to another person or where two or more people promise each other to carry out a thing, from that event arises a relationship between two or more people called an engagement" (*Civil Code*, n.d.).

From this definition, it can be understood that an agreement is an agreement between one or more people to perform a certain action. An example of this action is an agreement made between CV distributors. New Nirwana with its customers or retail stores. The explanation in Article 6 paragraph (2) of Permendag No. 66 of 2019 explains regarding the appointment in the distribution of goods "The distribution of goods is indirectly carried out by distribution business actors based on agreements, appointments and/or proof of transactions in writing" (*Permendag No. 66 Year 2019*, n.d.).

The policy efforts implemented by CV. Nirwana Baru to customers who choose the tempo system, as well as customers who make late payments, namely the company filters the delivery of goods distribution to customers. The company prioritizes regular customers and customers who have never violated the rules of the agreement, terminating the service of buying and selling activities to customers or retail stores that have been late in payment, this is done to minimize the

risk of bankruptcy. Risk is something that is undesirable and unpredictable. Therefore, good management must be applied in the business world to avoid unexpected risks (Ulum, 2016).

Late payment of *pending payment* is the failure to achieve the planned payment time target in accordance with the actual conditions of payment, or in other words, exceeding the payment period that has been agreed in the contract by both parties (Listanto & Hardjomuljadi, 2019). *Pending payment* is a condition where an individual, company, or other entity does not fulfill the obligation to make payments that should be made within the agreed period, or expected by the party who should receive the payment, this is also called postponement of payment of obligations (Raditya et al., 2021).

The risk of late payment or *pending payment* can be detrimental to the CV distributor. Nirwana Baru, explained as follows: "There is a risk of circulating sales and purchase money by the distributor with the principal, the distributor experiences a delay in the payment of *pending payments* that will be sent to the producer or *supplier*, the distributor must also place an order with the producer or *supplier* in order to fulfill orders from the consumer or *retailer*. In addition, production in the warehouse is hampered because the financing of the production of goods is not optimal, the wages paid to employees are also hampered, and can result in the termination of contracts to several employees, delays in payment or *pending payment* also cause the termination of contracts by several brands or suppliers of goods to stop cooperating by no longer selling products at CV distributor companies. New Nirwana (Fajar Lukman, personal communication, September 6, 2023).

From the previous research with the title "Legal Protection for Distributors related to Retailers in Default (Study on Independent Distributors in Pekalongan City)." The study examined UD distributors. Merdeka which is a distributor of dry noodles. In payments made by UD distributors. Merdeka, a cash payment system and a tempo system are used. In its implementation, *retailers* who choose the tempo system only give promises and ask for time to pay off payments. However, later on, it was found that the *retailer* who sold the dry noodle product closed its store because it went bankrupt, and left a debt to pay off the payment to the distributor. The customer then fled, so the distributor had to bear all the losses suffered from the incident (Paramudita Anggraini, 2017).

The mechanism of the payment agreement, either the COD system or direct payment on the spot, transfer, or tempo, is by using a written agreement as evidenced by a sales invoice, after both parties agree to make an agreement. A sales invoice is a document that provides proof of sales transactions of goods and services, showing details of the amount that must be paid by the customer for the purchase made, the invoice includes information about the quantity of goods or services purchased, the price and total bill (Pangestu, 2020).

If the driver of the company or the freight carrier does not take an act that causes damage, as it meets the provisions of Article 1365 of the Civil Code concerning unlawful acts which reads: "Every act that violates the law and brings harm to another person, obliges the person who caused the loss due to his fault to compensate for the loss" (*Civil Code*, n.d.). Therefore, there cannot be held accountable for it, this is in accordance with the principle of presumption of innocence, that is, the defendant in this case the carrier is always considered responsible until he can prove his innocence (Santoso, 2021).



However, if it is known that the carrier is the source of the problem or the party that causes a loss, the carrier has the right to be responsible, as Article 1366 of the Civil Code "Everyone is responsible, not only for losses caused by acts, but also for losses caused by negligence or recklessness" (*Civil code*, n.d.). That everyone who is responsible not only for the losses they have made but also for the losses for the careless or negligent actions committed.

According to the researcher's analysis, in order to minimize the risk of late payments by customers or *retailers*, CV distributor companies. Nirwana Baru must further increase efforts on the terms and conditions and payment mechanisms using the tempo system, for example, if the customer violates the rules of the tempo system or makes a late payment, a fine is given every day, except by mutual agreement or mutual willingness to provide leniency, then the distributor only applies the tempo system payment to customers or *retailers* that are already known. Due to the delay in payment by the customer or *retailer*, the distributor CV. Nirwana Baru can suffer losses that are quite hampering the operational process of sales and purchases that do not go as expected.

### **Legal Remedies Against CV. New Nirwana for Late Payment and Default by Retail Stores**

Legal remedies are an inseparable part of legal protection. Legal protection according to CST. Kansil is all legal remedies that must be given by law enforcement officials to provide a sense of security, both mentally and physically, as well as from disturbances and various threats from any party (Kansil, 1989). According to Philipus M. Hadzon, legal remedies are defined as efforts that will be able to protect one thing from another (Hadjon, n.d.). So, it can be concluded that legal remedies are efforts to obtain legal protection and justice.

Sale and purchase agreement between CV distributors. New Nirwana with customers or retail stores is carried out either orally or in writing, on each transaction accompanied by a sales invoice approved by both parties. The agreement in this agreement has legal consequences in the form of rights and obligations for the bound parties. An agreement between a distributor and a customer or retail store is considered valid if it meets the conditions listed in Article 1320 of the Civil Code regarding the legal conditions of the agreement.

In the implementation of payments with the tempo system by customers or retail stores with CV distributors. Nirwana Baru, some customers often make late payments that exceed the deadline that has been agreed at the beginning of the agreement. The company provides a repayment period of between two days and a maximum of one week. However, in its implementation, some customers only pay off payments after a period of one month or more, this delay in payment is detrimental to the distributor and has the potential to cause bankruptcy because it has an impact on the process of money turnover from the sale and purchase of distribution goods (Fajar Lukman, personal communication, Desember 2023).

From the explanation explained by the informant, it can be seen that the legal remedies taken by the CV distributor. Nirwana Baru if the *retailer* makes a late payment, namely, the company warns the customer of the payment period through *WhatsApp* media first, then sales from the company bills directly to the customer for 3x24 hours during the payment deadline. If the customer or *retailer* still cannot pay at that time and *the retailer* asks for additional payment time, then it can be deliberated or negotiated first between the two parties, the distributor and *the retailer*. If the customer is unable to pay off the payment, due to bankruptcy or other reasons. So it is the responsibility of the sales party to reimburse the customer repayment money to the

company. Or if the purchase and sale transaction is not through sales, but directly to the cashier or admin, then the person who prints the invoice has the right to be responsible for replacing if the customer cannot pay off the payment.

CV. Nirwana Baru makes legal efforts to resolve problems through non-litigation channels, non-litigation channels are dispute resolution that is carried out using methods outside the court, or using alternative dispute resolution institutions. In Indonesia, there are two types of non-litigation settlement, namely Arbitration and Alternative Dispute Resolution in accordance with Law No. 30 of 1999 on Arbitration and Alternative Dispute Resolution (AAPS Law) (*Law No. 30 Year 1999, n.d.*). Out-of-court dispute resolution, known as Alternative Dispute Resolution (APS), aims to speed up the resolution process, reduce costs, involve people who are experts in their field, and is simpler than the usual court process that takes longer. The forms of alternative methods of dispute resolution are negotiation, mediation, conciliation, and arbitration (Nurlani, 2022). An alternative dispute resolution through mediation or deliberation, in Article 1 number 6 paragraph (3) of Law No. 30 of 1999, it is determined that in the event of a dispute that cannot be resolved, then with the written agreement of the parties, the dispute can be resolved through the help of a mediator (Artadi & Putra, 2020).

So, mediation or deliberation is dispute resolution through the negotiation process of the parties assisted by a mediator, the mediator functions as an intermediary, without giving an opinion on dispute resolution. In solving the problems faced by CV. Nirwana Baru, banyak took legal action through non-litigation channels, namely deliberation, because the company did not bring the matter to the litigation channel or through the court, and there was no strong evidence as a legal basis. Concessions also involve third parties or consolators which are more formal. The Concessionaire may give an opinion on the disputed issue, but the opinion is not binding on the parties (Hanif, 2020). Whereas arbitration is a civil agreement made based on the agreement of the parties to resolve their dispute through a third-party decision, called an arbitrator, who is jointly appointed by the disputing parties, then the parties declare that they will comply with the decision taken by the arbitrator (Hanif, 2020). Alternative dispute resolution by arbitration is considered the most appropriate mechanism for resolving various forms of disputes, and as a way to help the dispute resolution process to be easier and simpler (Nurlani, 2022).

Dispute resolution can also be done through the litigation process or legal channels. A dispute occurs if one or both parties commits a default, default is the non-fulfillment of obligations in an agreement, late fulfillment of the agreement, or mistake in fulfilling the agreement. In the litigation process, the parties will be in opposite positions. In addition, dispute resolution through litigation is considered the last step (*ultimum remidium*), after other alternative dispute resolution is unsuccessful (Nurlani, 2022). Then if the deliberations have reached a common point, then if the retail store makes another purchase at the CV distributor. New Nirvana, the company will serve in the final queue. Because the company avoids the risk of bankruptcy caused by delays in customer distribution, because it interferes with the process of money turnover for purchases and sales to the company (Fajar Lukman, personal communication, Desember 2023).

Sanctions for *retailers* who delay payments, as well as sanctions for *retailers* who cannot pay off payments, due to bankruptcy or other reasons. This is not specifically regulated in the

agreement between the two parties between the CV distributor company. New Nirvana with customers. In the proof of agreement in the form of an invoice or memorandum, only the name of the salesman, the date of delivery, the type of payment method, the name of the customer, the address of the delivery of the goods, the name of the goods to be sent, the details of the goods ordered, the amount of the price, signatures from both parties (the distributor and the customer), and information on whether the goods are received in good and complete condition.

CV. Nirwana Baru chooses to solve the problems it faces through deliberation or non-litigation efforts. Because the company does not bring the problem or problem to the litigation channel or through the court. So that retailers who commit defaults will not be subject to civil sanctions, such as compensation fines. Fine sanctions in civil law are written fine sanctions and are listed in the provisions of the agreement article, with agreed daily fines. The imposition of fines can be done through a civil court decision or through deliberation between the parties to the dispute. In addition, to guarantee the payment of the fine, the party concerned can apply for bail confiscation (Hukumonline, n.d.). Compensation in civil law is based on several elements, namely the existence of unlawful acts, the existence of errors, the existence of causal relationships between acts and losses, and losses experienced by the victim or plaintiff. This compensation can include material and immaterial losses (Hukumonline, n.d.).

Specifically, there is no legislation that specifically regulates distributors. Therefore, the provisions of the applicable provisions are those issued by the government, such as the Regulation of the Minister of Trade No. 24 of 2021 concerning Engagement for the Distribution of Goods by Distributors and Agents, as well as the Regulation of the Minister of Trade No. 66 of 2019 concerning General Provisions for the Distribution of Goods.

A distributor agreement is an agreement that does not have a name (*inominat*), because it is not specifically regulated in the Civil Code. However, it is mandatory to comply with and comply with the general provisions contained in Book III of the Civil Code regarding engagement. Specifically explained in Article 1313 concerning agreements, Article 1319 related to the provisions of agreements in general. The legal basis of this distributor agreement is based on freedom of contract, namely in Article 1338 Paragraph (1) of the Civil Code regarding the consequences of the agreement. As long as it meets Article 1320 of the Civil Code regarding the legal conditions of the contract, this agreement is valid and has legal value.

As for the Civil Code, starting from Article 1513 to Article 1518, it explains the obligations of sellers and buyers. The obligation to make payment in accordance with the price of the goods and the time of payment that has been agreed upon in the agreement, as stipulated in Article 1513 of the Civil Code which reads: "The main obligation of the buyer is to pay the purchase price, at the time and place as stipulated in the agreement" (*Civil Code*, n.d.). From this article, it is known that CV. Nirwana Baru did not do what was in accordance with the agreement that had been agreed, the retail store as the buyer made a late payment.

According to the researcher's analysis, the form of responsibility from customers or *retailers* who are late in paying off payments to CV distributors. This New Nirvana is very necessary, to minimize the non-fulfillment of achievements in the agreement, or in other words a form of protection for distributors. This responsibility must be given to cover losses that will later be borne by the distributor, these losses include the obstruction of the operational process of the turnover of sales and purchases in the company which causes the risk of distributor

bankruptcy. As a disadvantaged party, distributors must always be careful to ensure in the selection of trusted customers or *retailers* before entering into a business deal.

Violations in the form of late payments made by customers or *retailers* to distributors, there are still no laws and regulations that overshadow it, the government has issued legal certainty related to the Alliance for the Distribution of Goods by Distributors or Agents as regulated in the Regulation of the Minister of Trade Number 24 of 2021 (*Permendag No. 66 Year 2019*, n.d.). The regulation only regulates agreements or engagements between principals and distributors or agents, and there are no regulations that regulate agreements or engagements between distributors and end consumers or *retailers*. In other words, legal protection must not only be applied to victims of criminal acts, but must also be applied to perpetrators of criminal acts, so that perpetrators of criminal acts get punishments that do not violate human rights (Bediona et al., 2024).

The basis of legal protection for distributors related to customers or retail stores who make late payments, using distributor agreements, according to Article 6 of the Regulation of the Minister of Trade No. 66 of 2019 concerning General Provisions for the Distribution of Goods as a result of the amendment of the Regulation of the Minister of Trade No. 22 of 2016 concerning General Provisions for the Distribution of Goods, Article 6 paragraph (2) which reads "The distribution of Goods is indirectly carried out by Distribution Business Actors as referred to in paragraph (1) based on an agreement, appointment and/or proof of transaction in writing." Therefore, customers or retail stores that violate the initial agreement with CV distributors. New Nirwana does not comply with Article 6 of the Regulation of the Minister of Trade No. 66 of 2019. In the regulation, it is not explained that the sanctions against customers or *retailers* who give bad intentions, so that the sanctions for *retailers* who delay payments, not in accordance with the agreement that has been stated in this invoice are still unclear.

So from the above explanation, it can be concluded that, the only legal basis for the purchase and sale of goods in the distributor's agreement with *the retailer* is the agreement or initial contract, in the form of a sales invoice that has been agreed as a valid source of law. Legal protection for distributors for *retailers* who make late payments, using distributor agreements, is regulated in Article 6 of the Regulation of the Minister of Trade No. 66 of 2019 concerning General Provisions for the Distribution of Goods.

A distributor agreement is an unnamed agreement, which has not been regulated in the Civil Code but still subject to and complies with the provisions of the agreement in general. In accordance with Article 1319 of the Civil Code, and the general provisions of Book III of the Civil Code regarding engagement. Furthermore, there are no laws and regulations regarding distributors. Therefore, it is important for the government to immediately issue regulations that stipulate legal protection for distributors. Because there are companies that are disadvantaged related to these problems, one of which is CV. New Nirwana. Legal protection is not only needed by consumers, but also by business actors such as distributors.

## Conclusion

Implementation of payment agreements, distributors of CV. New Nirwana uses three payment methods: cash, transfer, and tempo COD systems. In its implementation, the COD system is in great demand by customers, even though there is a risk of money theft by internal

company personnel for this reason, the company solves it through deliberation. Then the tempo method, which is a maximum of one week after delivery. However, there are several customers who are late in payment, which disrupts the company's financial operations and harms the distributor. Then the legal efforts carried out by CV. New Nirwana when there is a default by a retail store is a non-litigation effort, namely deliberation or mediation. Because the company chose not to take this matter to court, as well as the absence of strong evidence as a legal basis. As a result, retailers who default are not subject to civil sanctions such as compensation fines. But in reality, CV. Nirwana Baru has never taken the path of litigation or legal channels.

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