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Criminalizing Fraud in Intellectual Property Collateralization in Indonesia's Creative Economy

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Abstract

This study analyzes the criminal liability of creative economy actors for fraud and digital asset manipulation in Indonesia's intellectual property collateralization. The formal recognition of intellectual property as debt collateral under recent regulatory frameworks introduces profound criminogenic vulnerabilities into the banking sector. Debtors can easily exploit valuation uncertainties and the absence of a mature secondary market to commit financial fraud or embezzle fiduciary objects. Through an economic analysis of Law, these unique intangible attributes create severe information asymmetries that economically incentivize malicious manipulation of digital metrics. This research uses a normative juridical method, supported by statutory and conceptual approaches, to develop a robust criminal law enforcement framework. The findings indicate that domestic criminal provisions remain structurally inadequate to prosecute sophisticated digital asset fraud. Establishing precise criminal liability requires proving actual financial loss using global risk metrics such as the Basel III/IV capital adequacy standards and the World Intellectual Property Organization valuation guidelines. Integrating the UNCITRAL Model Law on Secured Transactions provides indispensable legal certainty about digital ownership, without which fraudulent intent and unlawful acts cannot be established during collateral execution. Safeguarding the national banking sector from creative economy financial crimes requires a comprehensive penal policy that integrates these global benchmarks to effectively prosecute digital asset embezzlement.

Keywords: Criminal Liability; Collateral Fraud; Intellectual Property; Economic Analysis of Law; Penal Policy.

INTRODUCTION

The Indonesian banking system operates under a strict public legal regime governed by Law Number 7 of 1992 concerning Banking as amended by Law Number 10 of 1998. This domestic statutory framework is inextricably linked to the global banking structure, particularly the capital adequacy and risk management standards established by the Basel Committee on Banking Supervision (Basel III/IV). Legislative mandates require that all credit activities take place strictly based on the prudential principle to safeguard institutional interests, protect depository customers, and maintain national financial system stability. The prudential principle transcends mere technical and economic calculations, serving as the primary juridical shield against financial crimes and banking fraud. Operational implementations of these policies are regulated in internal institutional guidelines governing credit analysis procedures, debtor eligibility assessments, and collateral binding mechanisms. Inaccuracies or deliberate administrative manipulation create significant legal risks, often resulting in major institutional financial losses that trigger criminal investigations.

Regulatory landscapes changed dynamically in 2022 following the issuance of Government Regulation Number 24 of 2022 concerning Implementation Regulations of Law Number 24 of 2019 concerning the Creative Economy. The regulatory framework introduces an intellectual property-based financing scheme (Mayana & Santika, 2025). This mechanism establishes intellectual property as a legally recognized object of debt collateral for banking and non-bank financial institutions providing capital to creative economy actors. Debt guarantee objects in this novel financing scheme take the form of fiduciary guarantees of intellectual property, specific contracts in creative economy activities, and billing rights within the creative sector (Zhang et al., 2021). Introducing intangible assets into the formal banking sector inadvertently creates a highly criminogenic environment that allows for sophisticated financial exploitation.

Intellectual property rights have distinct structural characteristics that fundamentally differentiate them from conventional fiduciary guarantees such as real estate or motor vehicles (Heller et al., 2024). The creative economy sector relies heavily on information, creativity, and the accumulation of ideas as primary sources of economic value creation rather than natural resources. The foundational elements of the creative economy include creativity to produce unique solutions, innovation to transform existing ideas into higher-value outputs, and inventions that create entirely new functional works. These intangible characteristics render traditional crime-prevention mechanisms entirely obsolete when malicious actors attempt to hide or illegally transfer digital assets (X. Yang et al., 2023).

The economic valuation of intellectual property frequently depends on highly subjective factors, complicating the collateral assessment process and inviting fraudulent manipulation (Su et al., 2023). Digital works produced by content creators derive economic value from personal branding, professional reputation, and sustained public popularity. The inherently subjective nature of these assets renders economic measurement extremely difficult without globally recognized benchmarks like the World Intellectual Property Organization (WIPO) valuation guidelines. Malicious actors frequently exploit this subjectivity by presenting artificially inflated digital metrics to secure disproportionately large credit facilities. Debtors can easily plan financial deception by purchasing fake subscriber services or manipulating algorithmic engagement data to deceive bank analysts (Yu et al., 2025).

From the perspective of the Economic Analysis of Law, accepting intellectual property as collateral may spark severe market frictions due to extreme information asymmetry (Ioannidou et al., 2022). This disrupts economic efficiency while creating a direct economic incentive for debtors to commit collateral fraud. Tangible assets like land refer to predictable metrics such as the Selling Value of Tax Objects, whereas intellectual property lacks standardized valuation mechanisms. Complexities surrounding intellectual property collateralization include high transaction costs, expensive ongoing monitoring requirements, asset transfer difficulties, and widespread institutional unfamiliarity with intangible asset management (B. Wang, 2025). Perpetrators exploit these profound informational blind spots to embezzle royalty streams or secretly license the guaranteed assets to third parties without creditor consent.

The absence of a mature secondary market creates major execution barriers when creative industry actors intentionally default on payments. Law Number 42 of 1999 concerning Fiduciary Guarantees mandates execution through executory titles, public auctions, or private sales. Banks face profound challenges selling depreciated intellectual property to recover outstanding debts while debtors unlawfully retain control over the digital access credentials. The domestic fiduciary framework fails to define the digital ownership parameters necessary to prove fraudulent intent and unlawful acts during collateral execution. Therefore, integrating the UNCITRAL Model Law on Secured Transactions is essential to establish the precise legal certainty regarding intangible property rights required for criminal prosecution. Law enforcement agencies and financial institutions must rapidly formulate a comprehensive penal policy integrating these global benchmarks to prosecute digital asset embezzlement effectively and prevent systemic banking vulnerabilities.

David Heller explores the systemic challenges and economic opportunities surrounding intellectual property as business loan collateral. Their research shows that successfully collateralizing intellectual property depends on a complex taxonomy of institutional and economic determinants (Heller et al., 2024). They emphasize that

institutional foundations—domestic contract law, public intellectual property registries, and international banking regulations—fundamentally shape the transaction costs associated with intangible asset financing. Economic viability depends upon balancing the signaling benefits of intellectual property against inherent costs such as limited asset redeployability, complex valuation requirements, and elevated liquidation expenses. These scholars conclude that transparent registries and clear legal ownership frameworks remain essential prerequisites for mitigating the severe informational asymmetries inherent in pledging intangible assets.

From this global perspective, an empirical investigation by Chau Le indicates that identifiable intangible assets significantly enhance corporate access to external debt and equity financing within developing economies (Le et al., 2024). Their study of Vietnamese enterprises reveals that small and medium businesses leveraging intellectual property reduce credit frictions even in structurally underdeveloped financial markets. Le and his colleagues found that professional debt lenders exhibit a greater willingness to accept identifiable intangible assets as collateral compared to informal equity investors because banking institutions possess sophisticated valuation tools and secondary market knowledge. The friction-reducing capacity of intangible assets identified in their research enables smaller and younger enterprises to secure vital capital despite lacking traditional physical collateral. These researchers note that financial institutions require high-quality audits and reliable monetary quantification before accepting intangible assets to mitigate the risks of volatile salvage values upon debtor default.

In Indonesia, the regulatory landscape adds unique complexities to this global financing paradigm following the enactment of Government Regulation Number 24 of 2022. Integrating creative economy products into the formal banking sector exposes creditors to unprecedented legal and economic vulnerabilities. Digital intellectual property derives much of its economic value from subjective elements, including creator popularity and personal branding. Executing fiduciary guarantees over these volatile assets is highly problematic under Law Number 42 of 1999 because no mature secondary market exists to absorb depreciated creative content. Banking institutions struggle to align these novel collateral types with established prudential principles mandating stable asset values and rapid liquidation mechanisms (Luo et al., 2024).

Existing literature mostly examines the broad economic determinants of intellectual property financing or evaluates institutional risk frameworks within advanced economies. A critical research gap persists regarding the criminal law implications of exploiting intellectual property collateral regimes in developing nations. Prior studies overlook how severe information asymmetries and transaction costs inherent in pledging highly subjective digital assets incentivize fraudulent digital metric manipulation and asset embezzlement. Academic discourse lacks a comprehensive penal policy analysis that translates the broad mandates of

Government Regulation Number 24 of 2022 into actionable criminal liability frameworks for Indonesian banking institutions. Current literature does not explore how integrating global benchmarks such as the UNCITRAL Model Law on Secured Transactions and WIPO valuation guidelines can address structural evidentiary gaps in domestic criminal law when prosecuting digital collateral fraud.

This study therefore analyzes the criminal liability of creative economy actors regarding digital asset manipulation and fiduciary object embezzlement within the Indonesian banking sector. The research examines the specific forms of financial fraud emerging from the intellectual property collateralization mandated by Government Regulation Number 24 of 2022. By bridging domestic criminal law with global best practices, the analysis constructs a robust penal policy framework utilizing the Economic Analysis of Law to identify criminogenic incentives. These criminal liability mechanisms integrate the UNCITRAL Model Law on Secured Transactions to establish definitive digital ownership and apply WIPO valuation guidelines alongside Basel III and IV capital adequacy standards to objectively quantify actual financial losses during criminal prosecutions.

METHODS

This study is normative juridical legal research, investigating secondary data through comprehensive library research and doctrinal legal analysis (Marzuki, 2019). The research employs statutory and conceptual approaches to examine criminal liability frameworks, penal policies, and digital asset fraud within intangible collateral systems. The statutory approach analyzes core domestic legislative acts governing criminal law, financial systems, and intellectual property regimes, including the Indonesian Criminal Code, Law Number 7 of 1992 concerning Banking as amended by Law Number 10 of 1998, Government Regulation Number 24 of 2022 concerning Implementation Regulations of Law Number 24 of 2019 concerning the Creative Economy, and Law Number 42 of 1999 concerning Fiduciary Guarantees. This approach integrates international legal standards, including the UNCITRAL Model Law on Secured Transactions, to determine definitive digital ownership alongside the Basel III and IV capital adequacy frameworks to quantify actual financial losses in criminal cases. The conceptual approach utilizes the Economic Analysis of Law to evaluate criminogenic incentives and information asymmetries driving intellectual property collateral fraud, integrating World Intellectual Property Organization guidelines for objective intangible asset valuation during criminal investigations. Data collection relies heavily on primary legal materials, including binding statutory regulations and international instruments; secondary legal materials, including scholarly textbooks and peer-reviewed scientific journals; and tertiary legal materials, including legal dictionaries (Rijadi, 2022).

Legal research seeks coherence by evaluating formal conformity between rules of law and legal norms, alongside substantive alignment between legal norms and overarching legal principles. Literature and document studies serve as the principal data collection techniques to systematically gather and evaluate legal sources concerning commercial banking fraud, penal policies, and intellectual property security rights.

Data analysis proceeds through systematic phases designed to formulate prescriptive legal arguments. Initial procedures involve identifying legal facts and eliminating irrelevant matters to isolate specific legal issues regarding criminal liability in intangible asset collateralization. Subsequent steps entail collecting and reviewing relevant statutory and doctrinal legal materials to analyze underlying penal problems across national and global contexts. Analytical procedures conclude by formulating conclusions grounded in rigorous legal arguments that resolve core legal issues while offering prescriptive recommendations for criminal law enforcement and penal policy reform. Normative legal research aims to provide viable solutions to emerging legal problems through the systematic analysis of legal principles and statutory frameworks (Widiarty, 2024).

RESULT AND DISCUSSION

Juridical Impact on Commercial Bank Credit Policy

The legal relationship between a bank and a debtor departs from a consensual credit agreement governed by civil law. Banking credit agreements have a distinct peculiarity: they operate under a strict public legal regime encompassing rigorous supervision and regulation. This strict public framework turns these agreements into instruments requiring absolute integrity, where regulatory violations often intersect with criminal liability. Regulatory shifts impacting administrative legality directly alter commercial bank credit policies (Sarkar & Mitra, 2023). The implementation of Government Regulation Number 24 of 2022 transforms all lending stages from pre-contractual negotiations to post-disbursement monitoring. Expanding collateral objects from tangible goods to intangible intellectual property fundamentally disrupts conventional banking prudential standards. Integrating creative economy products into the formal banking sector raises complexity between private contractual freedom and criminal law enforcement against financial fraud.

Formal statutory provisions concerning intellectual property as a legitimate debt collateral fail to automatically guarantee protection for effective creditors against malicious intent. A profound legal antinomy exists between the state objective of accelerating the creative economy and the rigid prudential principles designed to safeguard national financial stability from systemic financial crimes. Commercial banks function as intermediary institutions that manage public trust through stringent risk-mitigation protocols. Accepting intellectual property as collateral directly

exposes financial institutions to an unprecedented convergence of legal vulnerabilities and sophisticated embezzlement schemes (Yang, 2026). The core juridical problem stems from three interconnected legal uncertainties disrupting the traditional collateral function and triggering fraudulent exploitation within the banking ecosystem.

Valuation uncertainty is the primary juridical obstacle undermining creditor protection and enabling financial deception. Assessing the economic worth of digital assets remains highly subjective and lacks established standardized metrics comparable to the Selling Value of Tax Objects used for real estate. The economic value of intellectual property frequently derives from volatile subjective factors such as creator popularity, personal branding, and algorithmic social media trends. Current banking regulations lack an objective legal standard for determining the precise appraisal value of abstract creative works. Financial institutions face difficulties identifying artificially inflated digital metrics or synthetic follower counts orchestrated by malicious debtors. This lack of a standardized valuation methodology aligned with World Intellectual Property Organization (WIPO) guidelines creates significant legal risks, allowing perpetrators to secure disproportionately large credit facilities through deliberate metric manipulation (Du & Yang, 2025).

Market liquidity uncertainty exacerbates these valuation risks due to the severe underdevelopment of secondary markets that should absorb intangible assets when creative industry actors intentionally default. Ideal debt guarantees should resemble cash equivalents, with rapid liquidation mechanisms to ensure bank liquidity (Nasution et al., 2026). Intellectual property fails to meet this fundamental banking criterion because finding prospective buyers for highly specific digital content or niche brand trademarks involves immense transactional friction. Analyzed through the Economic Analysis of Law, this market absence generates exorbitant transaction costs and exacerbates extreme information asymmetries between creators and financial institutions. This significant asymmetry does not merely disrupt economic efficiency; it drives debtors to commit collateral fraud. Furthermore, the legal framework surrounding intellectual property transfers remains complex and costly. Banks holding illiquid digital assets face direct threats to operational liquidity from premeditated asset embezzlement.

Enforcement uncertainty emerges prominently during the execution process because recovering the original economic value of a depreciated digital asset through conventional legal mechanisms remains highly unpredictable. Law Number 42 of 1999 concerning Fiduciary Guarantees requires execution through executory titles, public auctions, or private sales under mutual agreement. Executing intellectual property guarantees through these conventional statutory avenues poses significant practical challenges when debtors show fraudulent intent. Public auctions for creative content often fail to attract bids due to the absence of a secondary market. Private sales

require the active cooperation of the defaulting debtor to transfer associated digital accounts or platform administrative rights. Perpetrators often withhold digital access credentials to unlawfully retain control over the collateral. The current execution paradigm designed for tangible goods proves structurally inadequate for intangible digital assets (W. Li & Li, 2023). This structural rigidity highlights the obsolescence of domestic fiduciary regimes when benchmarked against modern global standards. Under the UNCITRAL Model Law on Secured Transactions and its specialized Intellectual Property Supplement, a robust legal architecture provides mechanisms to register, prioritize, and enforce security rights over intangible assets without relying on obsolete doctrines of physical possession. The UNCITRAL framework emphasizes functional equivalence, establishing the definitive digital ownership required to prove unlawful retention and fraudulent intent during criminal proceedings. Implementing these international benchmarks reveals that Law Number 42 of 1999 remains structurally ill-equipped for the knowledge economy, forcing banks into high-risk enforcement vacuums susceptible to criminal exploitation.

The doctrinal foundation of the fiduciary guarantee system involves transferring ownership rights for security purposes while leaving the physical mastery of the object with the debtor. Applying this conventional civil-law doctrine to intellectual property creates profound theoretical anomalies and significant criminogenic loopholes. Intangible assets lack physical form to master, rendering the traditional concept of physical retention obsolete (J. Li et al., 2024). The debtor retains absolute control over digital access credentials, platform administration rights, and the ongoing creative processes necessary to maintain the asset value. If a debtor defaults intentionally and subsequently diverts the creative project revenue streams to hidden accounts, the transferred ownership rights held by the bank become entirely worthless. The bank holds a legal title to a dormant digital asset while the perpetrator seamlessly misappropriates the active human capital required to generate continuous economic value.

During the pre-contract stage, banks must conduct rigorous administrative verifications extending far beyond traditional debtor identity and corporate legality checks to detect potential financial fraud. Creditors must comprehensively evaluate the digital existence, legal validity, and sustained economic value of intangible collateral objects. Then, law enforcement and regulatory bodies require banks to conduct enhanced legal due diligence to verify clear ownership and the absence of concurrent copyright infringement or synthetic identity claims. This strict approach aims to ensure the legal subject applying for credit has clear capacity and authority over the pledged intellectual property without malicious intent. The verification process demands specialized legal expertise to identify sophisticated digital forgeries previously unnecessary for standard real estate or vehicle fiduciary appraisals (Fan et al., 2024).

The credit contract stage requires drafting highly detailed agreement clauses that are completely adaptive to the unique characteristics of intellectual property and set clear parameters for criminal liability. Banks can no longer rely on standardized civil law templates designed for physical goods. Contract design must now anticipate complex premeditated scenarios involving platform policy violations, deliberate digital account suspensions, and creators' abuse of moral rights to evade debt obligations. Post-disbursement phases require financial institutions to implement continuous monitoring systems that anticipate rapid fluctuations in collateral value and potential copyright disputes. Active surveillance becomes mandatory to ensure the debtor maintains the necessary creative output and to rapidly detect unauthorized royalty diversions or digital asset embezzlement throughout the credit tenure.

Imposing fiduciary guarantee rights on intellectual property, which is characteristically distinct from tangible objects, requires an immediate paradigm shift in credit analysis mechanisms to incorporate criminal risk assessments. Conventional prudential frameworks utilizing standard analytical models require fundamental recalibration rather than mere descriptive administrative compliance (Mauer et al., 2026). The implementation of the 5C principle undergoes a radical transformation under Government Regulation Number 24 of 2022. First, *character* assessments must now encompass thorough background checks to identify behavioral propensities toward digital fraud and metric manipulation. Second, *capacity* evaluations face new complexities because projected business cash flows rely entirely on volatile creative-economy monetization, which is susceptible to deliberate obfuscation. Third, *capital* requirements must account for the intangible nature of the underlying business investments. Fourth, the *collateral* component may experience the most severe disruption because the pledged asset remains physically inaccessible and vulnerable to seamless digital misappropriation. Fifth, *condition* assessments force analysts to predict unpredictable digital market trends and identify algorithmic manipulations across social media platforms (Upadhyay, 2023).

The analytical frameworks of 4P and 3R face similar structural disruptions when confronting intellectual property collateral. Evaluating the *prospect* of a creative venture requires rigorous forensic analysis of digital engagement metrics to rule out synthetic amplification. Determining *payment* structures becomes increasingly hazardous because malicious content creators can easily redirect erratic revenue streams to hidden offshore accounts rather than fulfilling fixed contractual income obligations. *Return* and *repayment* calculations must account for the inherently volatile nature of intellectual property monetization while imposing strict safeguards against deliberate royalty concealment. *Risk*-bearing ability calculations must now incorporate the rapid depreciation of digital assets occurring when a debtor deliberately sabotages their market relevance to defraud the creditor. Financial institutions must meticulously assess whether a content creator possesses the integrity

to survive sudden shifts in public opinion without resorting to financial deception (Ongena et al., 2025).

Strictly applying the prudential principle serves as a mandatory preventive legal protection mechanism to minimize institutional losses resulting from financial crimes. Bank health depends on comprehensive evaluations of capital adequacy, asset quality, management efficiency, earnings, and liquidity, as captured in the CAMEL framework. Accepting illiquid intellectual property directly threatens financial institutions' asset quality and liquidity metrics when debtors intentionally plan defaults. Non-performing loans backed by unsellable digital assets degrade the overall asset quality ratio. This degradation forces banks to allocate more capital reserves to cover potential losses, directly affecting profitability and earnings. Evaluated against global regulatory benchmarks like the Basel III and IV frameworks, holding highly volatile and illiquid intangible collateral requires significantly larger capital buffers. These international frameworks provide objective metrics to quantify the financial losses banking institutions suffer during criminal prosecutions for collateral fraud. Bank management must develop entirely new risk mitigation protocols to handle the unique criminal vulnerabilities posed by creative economy financing (Duarte et al., 2025).

The juridical impact of Government Regulation Number 24 of 2022 extends far beyond procedural adjustments, fundamentally challenging the core tenets of banking and criminal law. The regulatory mandate to recognize intellectual property as debt collateral requires a comprehensive overhaul of internal bank policies to combat sophisticated digital fraud. Bridging the gap between the state objective of empowering creative industries and the absolute necessity of prosecuting financial crimes remains an unresolved legal challenge. Financial institutions must navigate a perilous legal landscape marked by valuation ambiguities, missing secondary markets, and outdated execution mechanisms that are highly susceptible to criminal exploitation. Ensuring legal certainty and effective penal protection in this new paradigm requires profound innovations in contractual structuring and institutional crime-prevention protocols.

Forms and Mechanisms of Penal Protection in Intellectual Property Financing

Protecting banking institutions engaged in intellectual property financing requires comprehensive legal mechanisms that go beyond basic civil law agreements to establish clear boundaries for criminal liability. Commercial banks must construct robust juridical safeguards to address the inherent criminogenic uncertainties of intangible collateral. The primary defensive strategy is to strengthen the contractual framework governing the credit relationship by explicitly defining unlawful acts and fraudulent intent. Standard credit agreements prove legally insufficient to accommodate the unique characteristics of digital assets. Financial institutions must

integrate highly specific protective clauses directly addressing the exploitation and potential embezzlement of intellectual property. Assignment clauses become mandatory to guarantee the legal transfer of economic rights to the bank upon debtor default. License transfer clauses provide an alternative execution pathway allowing banks to assume control over royalty streams, where any deliberate obstruction by the debtor can be immediately categorized as criminal misappropriation (Heley & Joseph, 2023).

Legally, the credit contract must set explicit parameters governing the relationship between the financial institution, the creative debtor, and the underlying intellectual property asset. Contractual enforcement mechanisms must anticipate potential premeditated disputes arising from the intangible nature of the collateral. The inclusion of assignment and license transfer clauses helps build a more secure legal standing of the bank as a creditor entitled to direct exploitation rights. These clauses serve as preventive legal tools ensuring that the economic value embedded within the intellectual property remains accessible during financial distress. These clauses also function as concrete evidence of agreed-upon digital ownership if the debtor attempts illegal asset transfers. Civil law principles of contractual freedom allow parties to design adaptive covenants that simultaneously function as stringent anti-fraud mechanisms tailored to the specific monetization patterns of creative industries.

Implementing digital account control clauses raises critical legal considerations regarding platform governance and creator rights. Securing monetized social media applications or creative content requires establishing the legal possibility of account takeovers (Kariem, 2025). Banks must carefully navigate platform terms of service and overarching intellectual property laws to ensure such takeovers remain legally valid and enforceable without violating the creator's inalienable moral rights. Contractual covenants must explicitly grant the creditor supervisory access to digital dashboards and revenue generation channels. This administrative oversight prevents debtors from unilaterally redirecting income streams to hidden accounts, effectively neutralizing attempts at digital asset embezzlement and financial concealment.

Establishing escrow account clauses provides a preemptive legal shield by routing all intellectual property royalties into a bank-supervised shelter account. This mechanism legally guarantees the prioritization of debtor obligations without requiring immediate asset execution (Pillay & Kasseeah, 2024). From the perspective of the Economic Analysis of Law, escrow arrangements fundamentally mitigate moral hazard and overcome harmful information asymmetries that otherwise incentivize malicious digital metric manipulation. Escrow arrangements eliminate the commingling of commercial revenues with personal funds, thereby establishing a transparent audit trail required by banking supervisory standards to detect early indicators of financial fraud. Acceleration clauses remain essential to trigger

immediate debt maturity upon the discovery of any intellectual property infringements or deliberate data falsifications committed by the debtor. Balancing these aggressive contractual protections with the creator's fundamental rights requires meticulous legal drafting to prevent future nullification by civil courts on grounds of unconscionability, while preserving their utility as forensic evidence in criminal proceedings.

Overcoming the profound market liquidity constraints associated with abstract digital assets requires establishing binding guarantee schemes with third parties. Off-taker agreements serve as a vital legal bridge that secures the future economic value of the pledged intellectual property. Banks compel debtors to secure supporting contracts with distributors or media companies willing to absorb the creative asset. Conditional sale agreements legally bind these third parties to purchase the intellectual property immediately upon intentional debtor default. License agreements grant third parties the right to exploit the intellectual property while obligating them to pay royalties directly to the creditor. These tripartite legal structures resolve the execution uncertainty plaguing conventional fiduciary guarantees and eliminate the possibility of debtors feigning market failure to conceal asset misappropriation (Gortsos, 2025).

Off-taker agreements transform abstract digital creations into highly liquid assets possessing guaranteed buyers. This tripartite mechanism serves as an essential economic instrument designed to drastically reduce transaction costs and eliminate the search friction that paralyzes conventional public auctions of intangible property (Tiagarassa Pillay & Kasseeah, 2025). Commercial banks gain immense operational confidence because the liquidation pathway is predetermined before credit disbursement. This contractual certainty provides a concrete legal basis for valuation by calculating exact royalty values or selling prices embedded within existing commercial agreements. Risk modeling becomes highly measurable when third-party corporate commitments back the underlying creative venture, making any subsequent unilateral deviation by the creator a clear indicator of fraudulent intent (Ciaramella et al., 2024).

Standardizing the intellectual property valuation system through independent professional institutions eliminates the subjectivity inherent in creative asset appraisals that perpetrators often exploit. The Public Appraisal Service Office and specialized intellectual property consultants provide the necessary legal legitimacy for credit risk analysis. Professional appraisers utilize comprehensive methodologies, including the income approach based on projected future royalties. Appraisers also apply the market approach by comparing recent transactions of similar intellectual property, or the cost approach by calculating initial development expenses (Zahid & Islam, 2025). These methodological approaches align perfectly with international best practices outlined in the World Intellectual Property Organization (WIPO) Guidelines

on IP Valuation, establishing a globally recognized standard for domestic banking compliance. National standardization of these assessment methodologies ensures that valuation results carry full legal weight in credit committee deliberations and serve as unassailable forensic evidence to prove fictitious markups in criminal court proceedings. Measurable assessment standards protect bank management from allegations of maladministration or violation of prudential principles when accepting abstract collateral, while simultaneously exposing deliberate debtor deception.

Implementing hybrid collateral schemes serves as the ultimate legal risk mitigation strategy during the transitional phase of creative economy financing. Using intellectual property as standalone collateral exposes banks to unprecedented legal and financial hazards, including sophisticated cyber laundering. Combining intangible rights with conventional tangible collateral such as land or motor vehicles creates a legally robust security package that anchors abstract digital assets to traceable physical properties. In the early stages of this new regulatory regime, banks accept intellectual property only as supplementary collateral. As the creative ecosystem matures and secondary markets develop, intellectual property can eventually serve as the primary debt guarantee backed by rigorous penal frameworks (Wang & Sun, 2026).

Financial institutions also implement structured risk-management policies that provide grace periods or financing restructuring to distinguish genuine market failures from premeditated financial crimes. These flexible mechanisms accommodate the inherently volatile income character of the creative industry while maintaining strict legal compliance with banking prudential standards. Structured credit restructuring protocols ensure that temporary dips in creator popularity do not automatically trigger destructive default proceedings or false criminal accusations. This balanced approach preserves the creative enterprise's ongoing commercial viability while safeguarding the intermediary institution's financial health from malicious actors. Harmonizing contractual innovation, tripartite off-taker commitments, professional valuation standards, and hybrid collateral structures establishes an unassailable legal protection framework that can identify, prevent, and prosecute digital asset fraud in modern banking operations

CONCLUSION

The enactment of Government Regulation Number 24 of 2022 transforms Indonesian banking credit practices by formally integrating intellectual property into the national debt collateral framework. This regulatory expansion creates profound criminogenic consequences across the financial sector, requiring commercial banks and law enforcement agencies to recalibrate their fraud-prevention protocols and criminal risk assessments. Formal statutory recognition fails to automatically guarantee effective creditor protection because intellectual property assets inherently

suffer from severe valuation ambiguities and underdeveloped secondary markets. From the perspective of the Economic Analysis of Law, these structural weaknesses create significant information asymmetries that actively incentivize malicious actors to commit digital metric manipulation and deliberate collateral embezzlement. The intangible nature of creative economy assets creates distinct legal vulnerabilities that disrupt conventional criminal prosecution models, rendering the obsolete physical-possession doctrines of Law Number 42 of 1999 inadequate for establishing unlawful acts in the digital domain.

Safeguarding the national financial system against sophisticated economic crimes requires a comprehensive penal policy reform that integrates robust forensic protection mechanisms. Commercial creditors must systematically reinforce credit agreements with specialized clauses governing economic rights assignment, digital platform control, and escrow accounts to establish undeniable evidentiary trails of fraudulent intent during debtor default. Mitigating digital asset embezzlement requires establishing binding third-party off-taker agreements that eliminate the possibility of perpetrators feigning market failure to conceal premeditated misappropriation. Standardizing intellectual property valuation methodologies through independent professional appraisers, in compliance with World Intellectual Property Organization guidelines, provides the legal legitimacy required to prove fictitious markups in criminal court. Implementing these forensic safeguards alongside the UNCITRAL Model Law on Secured Transactions to define digital ownership and referring to Basel III and IV standards to quantify actual institutional losses successfully modernizes domestic criminal law enforcement against intellectual property financing fraud.

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