



LEGAL CERTAINTY AND INTEGRITY OF BANK ASSET QUALITY ASSESSMENT: A CRITICAL REVIEW OF COLLATERAL APPRAISER INDEPENDENCE

FAUZAN ANANDA

Anggota Masyarakat Profesi Penilai Indonesia

E-mail: popanda@gmail.com

WAHYU MAHENDRA

Anggota Masyarakat Profesi Penilai Indonesia

E-mail: daffamahendraaa23@gmail.com

ABSTRACT

This study aims to examine the implementation of collateral appraiser independence and the integrity of bank asset quality assessment as regulated under POJK No. 40/POJK.03/2019, as well as to analyze its consistency with the principles of equality, proportionality, legal certainty, non-discrimination, and professional protection. In addition, this study examines potential legal uncertainty and practical implications arising from differences in the regulation of internal bank appraisers and independent appraisers, particularly in collateral valuation below and above the threshold of Rp10 billion. This research employs a normative legal research method (doctrinal legal research) by focusing on the analysis of legislation and legal doctrines related to collateral valuation and the integrity of bank asset quality assessment. The findings show that POJK No. 40/POJK.03/2019 provides a legal framework that emphasizes the importance of independent valuation for high-value collateral exceeding Rp10 billion. However, the difference in authority between internal bank appraisers and independent appraisers still creates legal uncertainty, particularly regarding the application of valuation standards, verification procedures, and the determination of collateral value thresholds. This condition may lead to valuation bias, inconsistency in asset quality, and challenges in complying with professional appraisal standards. Therefore, regulatory harmonization is needed through more detailed guidelines concerning the authority, responsibilities, independence requirements, verification mechanisms, and periodic evaluation of the collateral value threshold.

Keywords: *collateral; bank assets; independence; integrity.*

1. INTRODUCTION

Collateral valuation constitutes one of the most important instruments in banking risk management, as the quality of a bank's assets largely depends on the accuracy and integrity of the valuation of collateral pledged by debtors. In banking practice, accurately valued collateral provides a reliable basis for banks to determine proportional financing and minimize the risk of non-performing loans¹. To ensure the credibility of valuation practices, the Financial Services Authority (Otoritas Jasa Keuangan/OJK) issued POJK No. 40/POJK.03/2019 concerning Bank Asset Quality Assessment, which provides guidelines for banks and independent appraisers in assessing collateral and determining the Allowance for Impairment Losses (PPKA).

¹N Viswanadham and B Nahid, "Determinants of Non Performing Loans in Commercial Banks: A Study of NBC Bank Dodoma Tanzania," *International Journal of Finance & Banking Studies* 4, no. 1 (2015): 70.

One of the key aspects regulated under this POJK is the requirement for the independence of collateral appraisers. Such independence is essential to ensure that asset valuations are conducted objectively and free from internal bank influence or the interests of related parties. Independent appraisers are expected to provide accurate and transparent valuations in accordance with applicable professional standards². However, in practice, differences exist in the regulatory treatment of independent appraisers compared to other professions and insurance companies under this regulation³. These differences raise questions regarding their compatibility with fundamental legal principles, including the principles of equality, proportionality, legal certainty, non-discrimination, professional protection, and regulatory harmonization⁴.

Several previous studies have addressed the legal and practical dimensions of collateral appraisal and the appraisal profession in Indonesia. Septo, Suparji, and Rifai argue that the expanding role and risks faced by public appraisers must be supported by stronger legal certainty, particularly because sectoral regulations have recognized the role of public appraisers but have not fully provided an operationally coherent legal framework.⁵ Ningrum and Sukimin further show that, in banking practice, collateral valuation may be conducted by internal bank appraisers or independent appraisers depending on the credit limit, with collateral below IDR 10 billion assessed by internal appraisers and collateral of IDR 10 billion or more assessed by independent appraisers.⁶ At the comparative level, Bauze notes that collateral value may be determined by external appraisers, internal appraisers, or valuation models, but poor appraisal practices, overestimated values, and conflicts of interest between banks and appraisers remain significant concerns in prudential regulation.⁷

However, the existing literature has not specifically examined whether the regulatory distinction between internal bank appraisers and independent appraisers under POJK No. 40/POJK.03/2019 is consistent with fundamental legal principles, particularly equality, proportionality, legal certainty, non-discrimination, and professional protection. Therefore, the novelty of this study lies in its critical normative analysis of the dual appraisal system and the IDR 10 billion threshold, especially in

²Michael R Devitt and Lawrence A Sannicandro, *Qualified Appraisals and Qualified Appraisers: Expert Tax Valuation Witness Reports, Testimony, Procedure, Law, and Perspective* (John Wiley & Sons, 2017).

³L Samsul Riadi, "Eksistensi Bank Tanah Dalam Mengelola Tanah Negara Di Wilayah Lommbok Timur," *Private Law* 6, no. 1 (2026): 249-59.

⁴Jule Mulder, "New Challenges for European Comparative Law: The Judicial Reception of EU Non-Discrimination Law and a Turn to a Multi-Layered Culturally-Informed Comparative Law Method for a Better Understanding of the EU Harmonization," *German Law Journal* 18, no. 3 (2017): 721-70.

⁵Doni Septo, Suparji Suparji, and Anis Rifai, "Kepastian Hukum Jasa Penilai Publik Di Indonesia," *Jurnal Magister Ilmu Hukum* 7, no. 2 (July 7, 2022): 14, <https://doi.org/10.36722/jmih.v7i2.1270>.

⁶Endah Lestari Ningrum and Dini Ayuning Ratri Sukimin, "Metode Penilaian Agunan Benda Tidak Bergerak Menggunakan Pendekatan Pasar Dalam Pemberian Kredit Modal Kerja Pt Bank Abc Tbk," *Prosiding Seminar Nasional Akuntansi Dan Manajemen* Vol. 3 (2023): hlm. 5.

⁷Karlis Bauze, *Collateral Valuation in the CESEE Region* (Washington, DC: World Bank Group/FinSAC, 2018).

relation to the integrity of bank asset quality assessment and the legal protection of the appraisal profession.

A concrete example can be found in the requirement concerning insurance protection for collateral used as a reduction factor in the calculation of PPKA (Article 46 paragraph (2) letter c). Insurance companies are required to have no affiliation with the bank, whereas internal bank appraisers are still permitted to assess collateral valued at up to IDR 10 billion. Independent appraisal is only mandatory for collateral exceeding IDR 10 billion. Similar provisions apply in credit restructuring requirements, where restructuring feasibility must be analyzed by an independent financial consultant (Article 59 paragraphs (2) and (3)). Nevertheless, collateral valuation up to IDR 10 billion may still be conducted by internal bank appraisers, while valuations above this threshold must be carried out by independent appraisers.

This situation creates legal uncertainty, particularly in relation to the explanation of Article 47 paragraph (1), which stipulates that the IDR 10 billion threshold is calculated based on all credit facilities granted to a debtor or a group of related borrowers. Valuation standards applied by independent appraisers require adherence to the principle of independence, which cannot be fully satisfied by internal bank appraisers. Furthermore, many valuation standards prescribed under the POJK are difficult for internal appraisers to implement because they require a degree of objectivity that can only be achieved by independent parties. Consequently, this may lead to differing interpretations and inconsistencies in banking practices⁸.

These regulatory distinctions also have implications for the principle of non-discrimination. By allowing internal appraisers to assess collateral up to a certain threshold, the POJK potentially creates unequal treatment among banks or debtors, thereby conflicting with the principles of fairness and equality before the law⁹. Beyond legal concerns, this issue also poses risks to the integrity of bank asset quality assessments. Internal appraisers who assess collateral within their own institutions may be exposed to internal pressures or conflicts of interest, potentially reducing the objectivity and accuracy of the valuation process.¹⁰

The urgency of this issue is also reflected in the current condition of credit risk in Indonesia's banking sector. OJK reported that, as of March 2026, the banking industry recorded a Loan at Risk ratio of 8.94 percent, a gross Non-Performing Loan ratio of 2.14 percent, and a net NPL ratio of 0.83 percent.¹¹ Although these indicators remain relatively controlled, they indicate that credit quality continues to require prudent risk

⁸Moisés Castelo Branco et al., "A Case Study on Consistency Management of Business and IT Process Models in Banking," *Software & Systems Modeling* 13, no. 3 (2014): 913–40.

⁹A K Siti-Nabiha and Noval Adib, "An Institutional Analysis of the Emergence and Institutionalisation of Islamic Banking Practices in Indonesia," *Journal of Islamic Accounting and Business Research* 11, no. 9 (2020): 1725–38.

¹⁰Branco et al., "A Case Study on Consistency Management of Business and IT Process Models in Banking."

¹¹Otoritas Jasa Keuangan, "Intermediasi Perbankan Tumbuh Positif Dengan Profil Risiko Terjaga" (Indonesia, 2026).

management, including reliable and objective collateral valuation. In addition, POJK No. 39/POJK.03/2019 on the Implementation of Anti-Fraud Strategy for Commercial Banks identifies overvalued or undervalued collateral appraisal, the use of fictitious collateral, and manipulation of credit analysis as forms of document or information manipulation in credit or financing activities.¹² This shows that valuation bias and conflicts of interest are not merely theoretical concerns, but practical vulnerabilities that may affect credit quality, asset valuation, and banking supervision.

From the perspective of regulatory harmonization, POJK No. 40/2019 demonstrates inconsistencies in the regulation of independent appraisers, internal bank appraisers, and insurance companies. Such inconsistencies may create regulatory dualism and procedural uncertainty in the implementation of collateral valuation. Legal uncertainty also affects the protection of the appraisal profession. Independent appraisers possess professional competence to conduct collateral assessments in accordance with valuation standards; however, their authority is limited by provisions that permit internal appraisers to conduct valuations up to a certain threshold. Therefore, POJK No. 40/2019 requires critical review to ensure consistency with legal principles, legal certainty, and the integrity of collateral valuation practices in the banking sector.

Such a review is necessary to ensure that the regulation provides legal certainty for banks, appraisers, and debtors while safeguarding asset quality and maintaining banking system stability. This study seeks to analyze in depth the independence of collateral appraisers and the integrity of bank asset quality assessments, highlighting regulatory disparities, legal uncertainties, and potential violations of legal principles. The findings are expected to contribute recommendations for regulatory harmonization and improvements in collateral valuation practices in Indonesia. Ultimately, this research aims to provide both academic and practical contributions to strengthening appraiser independence, transparency, and the integrity of bank asset quality assessments, while enhancing legal certainty in the implementation of POJK No. 40/2019.

Against this background, this study aims to critically examine the implementation of collateral appraiser independence and the integrity of bank asset quality assessments under POJK No. 40/POJK.03/2019, particularly in light of fundamental legal principles such as equality, proportionality, legal certainty, non-discrimination, and professional protection. Furthermore, the study investigates the legal uncertainties and practical implications arising from the different regulatory treatment of internal bank appraisers and independent appraisers, especially concerning collateral valuations below and above the IDR 10 billion threshold. By addressing these issues, the research seeks to contribute to the development of a more coherent regulatory framework that

¹²Otoritas Jasa Keuangan, "Peraturan Otoritas Jasa Keuangan Nomor 39/POJK.03/2019 Tentang Penerapan Strategi Anti Fraud Bagi Bank Umum" (Indonesia, 2026).

enhances legal certainty, strengthens professional independence, and promotes the integrity of asset quality assessments within the Indonesian banking sector.

2. RESEARCH METHOD

This study employs normative legal research, also known as doctrinal legal research, to examine the legal norms governing the independence of collateral appraisers and the integrity of bank asset quality assessment under POJK No. 40/POJK.03/2019. This method is used because the main issue analyzed in this article concerns the consistency of legal norms, the interpretation of regulatory provisions, and the legal implications of the distinction between internal bank appraisers and independent appraisers. The statutory approach is applied by examining specific provisions in POJK No. 40/POJK.03/2019, particularly Article 46 concerning collateral requirements, Article 47 concerning the distinction between valuation by internal bank appraisers and independent appraisers based on the IDR 10 billion threshold, Article 48 concerning the calculation of collateral value as a deduction in the Allowance for Impairment Losses, Article 50 concerning OJK's authority to recalculate collateral value, and Article 59 concerning the use of independent financial consultants in credit restructuring.¹³ The collected data are analyzed qualitatively through juridical and conceptual analysis to assess the consistency of the regulatory framework with fundamental legal principles, including equality, proportionality, legal certainty, non-discrimination, and professional protection.¹⁴

The conceptual approach is applied by using legal principles and professional concepts as analytical tools to assess the regulatory distinction between internal and independent appraisers. The principles of equality, proportionality, legal certainty, non-discrimination, and professional protection are used to evaluate whether the different treatment of appraisers under POJK No. 40/POJK.03/2019 can be legally justified. In addition, the concepts of independence, objectivity, professional accountability, conflict of interest, and appraisal integrity are used to analyze whether internal bank appraisers can fulfill the same professional standards as independent appraisers in conducting collateral valuation for bank asset quality assessment. The primary legal materials used in this research consist of the 1945 Constitution of the Republic of Indonesia, Law No. 7 of 1992 on Banking as amended by Law No. 10 of 1998, POJK No. 40/POJK.03/2019, POJK No. 39/POJK.03/2019 on the Implementation of Anti-Fraud Strategy for Commercial Banks, and the Indonesian Valuation Standards and Indonesian Appraisers Code of Ethics issued by the Indonesian Society of Appraisers.¹⁵

¹³Otoritas Jasa Keuangan, "Peraturan Otoritas Jasa Keuangan Nomor 40/POJK.03/2019 Tentang Penilaian Kualitas Aset Bank Umum" (Indonesia, 2026).

¹⁴Bob Hepple, *Equality: The Legal Framework* (Bloomsbury Publishing, 2014).

¹⁵Republic of Indonesia, *Law No. 7 of 1992 on Banking as Amended by Law No. 10 of 1998*; Otoritas Jasa Keuangan, *POJK No. 39/POJK.03/2019 on the Implementation of Anti-Fraud Strategy for Commercial Banks*; Masyarakat Profesi Penilai Indonesia, *Kode Etik Penilai Indonesia Dan Standa*, 7th ed. (Jakarta: MAPPI, 2018).

The legal materials are collected through library research and document study by tracing legislation, OJK regulations, professional valuation standards, books, journal articles, research reports, and expert opinions relevant to collateral valuation and banking regulation. The materials are classified based on three main issues, namely the authority of collateral appraisers, the standard and independence of valuation, and the legal implications of the distinction between internal and independent appraisers. The analysis is conducted qualitatively through grammatical, systematic, and teleological interpretation. Grammatical interpretation is used to understand the wording of the relevant provisions, systematic interpretation is used to examine the relationship between provisions on collateral valuation, asset quality assessment, credit restructuring, and anti-fraud obligations, while teleological interpretation is used to assess whether the regulation supports prudential banking, professional independence, and reliable asset quality assessment. Through these stages, the research draws prescriptive legal conclusions regarding the need for regulatory harmonization, clarification of appraiser authority, and evaluation of the collateral valuation threshold.¹⁶

3. DISCUSSION

3.1. Implementation of Collateral Appraiser Independence and the Integrity of Bank Asset Quality Assessment under POJK No. 40/POJK.03/2019

3.1.1. Regulatory Framework for Collateral Appraiser Independence

The independence of collateral appraisers constitutes a fundamental element of banking risk management because collateral valuation affects the determination of asset quality, the calculation of the Allowance for Impairment Losses (PPKA), and the prudence of credit decisions. In this context, POJK No. 40/POJK.03/2019 establishes a dual appraisal system. Article 47 paragraph (1) requires collateral used as a deduction in the calculation of PPKA to be assessed by an independent appraiser for productive assets originating from debtors or groups of borrowers with a value exceeding IDR 10 billion, while collateral for productive assets with a value up to IDR 10 billion may be assessed by an internal bank appraiser.¹⁷ This framework shows that the regulation recognizes the importance of independent valuation for higher-value collateral. However, it also creates different levels of practical independence because internal appraisers remain part of the bank's organizational structure and may be exposed to institutional interests, internal pressure, or credit approval considerations. Consequently, although both internal and independent appraisers are expected to

¹⁶Peter Mahmud Marzuki, *Penelitian Hukum* (Jakarta: Kencana Prenada Media, 2017).

¹⁷Otoritas Jasa Keuangan, "Peraturan Otoritas Jasa Keuangan Nomor 40/POJK.03/2019 Tentang Penilaian Kualitas Aset Bank Umum."

apply professional valuation standards, their institutional positions are not equivalent in terms of independence and objectivity.

3.1.2. Consistency with the Principles of Equality, Proportionality, and Legal Certainty

The distinction between internal and independent appraisers raises questions regarding compliance with fundamental legal principles. From the perspective of equality before the law, debtors and banks may receive different treatment depending on the value of collateral rather than the actual risk profile involved. From the perspective of proportionality, the mandatory use of independent appraisers only for collateral exceeding IDR 10 billion raises concerns as to whether the threshold accurately reflects the level of risk associated with a particular credit facility. Furthermore, legal certainty is challenged by the absence of detailed guidance concerning the application of professional valuation standards by internal appraisers, resulting in varying interpretations among banks and regulators.

The analysis of legal certainty in this issue can be strengthened by referring to Gustav Radbruch's theory, which views law as requiring a balance between justice, legal certainty, and purposiveness.¹⁸ Legal certainty requires that legal rules be clear, coherent, predictable, and consistently applicable, while justice requires equal treatment for comparable legal subjects and proportional treatment for different factual situations. From this perspective, the IDR 10 billion threshold may be considered legitimate only if it is supported by a clear risk-based rationale and adequate safeguards to ensure valuation objectivity. The problem arises when collateral with a similar risk profile receives different procedural treatment merely because it falls slightly below or above the threshold. For example, collateral valued at IDR 9.9 billion may be assessed by an internal appraiser, whereas collateral valued at IDR 10.1 billion must be assessed by an independent appraiser, even though both may involve similar debtors, collateral types, and credit risks. Such a distinction may create unequal procedural protection and raise proportionality concerns if it is not accompanied by clear criteria concerning debtor risk, collateral complexity, conflict of interest, or the need for independent verification.

3.1.3. Non-Discrimination and Professional Protection

The principle of non-discrimination requires regulatory measures to avoid creating unjustified disadvantages for particular professional groups. In this context, the IDR 10 billion threshold may indirectly reduce the professional role of independent appraisers by reserving a substantial portion of collateral valuation activities for internal bank appraisers. This situation affects professional protection because independent appraisers, despite possessing recognized expertise and qualifications, face regulatory

¹⁸ Gustav Radbruch, "Legal Philosophy," in *The Legal Philosophies of Lask, Radbruch, and Dabin*, ed. Kurt Wilk (Cambridge: Harvard University Press, 1950).

limitations on their scope of work¹⁹. Consequently, the current framework may create an imbalance between professional accountability and professional opportunity within the banking valuation sector.

3.2. Legal Uncertainty and Practical Implications Arising from the Different Regulatory Treatment of Internal and Independent Appraisers

3.2.1. Legal Uncertainty in the Application of Valuation Standards

POJK No. 40/POJK.03/2019 allows internal appraisers to assess collateral below IDR 10 billion while requiring independent appraisers for collateral exceeding that amount (Otoritas Jasa Keuangan, 2019, Art. 46(2)(c); Art. 59(2)-(3)). This distinction creates legal uncertainty because the same professional standards are expected to apply to both categories of appraisers despite differences in their institutional independence. As a result, ambiguity arises regarding the extent to which internal appraisers can satisfy the independence requirements embedded in professional valuation standards.

A comparison with international valuation standards further shows that the main issue is not merely whether a valuer is internal or external, but whether the valuation process is conducted independently, objectively, ethically, and based on adequate competence and documentation. The International Valuation Standards recognize that a valuer may be employed internally or engaged externally, but the valuer must possess the necessary qualifications, ability, and experience to perform valuation in an objective, unbiased, ethical, and competent manner.²⁰ Therefore, internal valuation is not automatically invalid. However, when a regulation allows internal appraisers to assess collateral up to a certain value, it must also provide clear safeguards to prevent conflicts of interest, such as independent review, separation from the credit approval function, standardized documentation, periodic revaluation, and supervisory verification. The absence of detailed safeguards under POJK No. 40/POJK.03/2019 creates ambiguity as to how internal bank appraisers can meet the same independence requirements as independent appraisers.

3.2.2. Practical Implications for Asset Quality and Banking Stability

The regulatory distinction between internal and independent appraisers has direct implications for the quality of banking assets. Internal appraisers may face institutional pressure that affects valuation outcomes, creating risks of undervaluation or overvaluation of collateral. Such inaccuracies may influence PPKA calculations, financial reporting, and risk management processes within banks (Otoritas Jasa Keuangan, 2019, Art. 46(2)(c); Art. 59(2)-(3)). Moreover, inconsistent valuation

¹⁹Misbakhul Khaer and Saiful Anwar, "Encouraging Sustainability and Innovation: Green Banking Practices Growing in Indonesia," *EKSYAR: Jurnal Ekonomi Syari'ah & Bisnis Islam* 9, no. 2 (2022): 173-82.

²⁰International Valuation Standards Council, "International Valuation Standards," 2025.

practices may undermine the reliability of asset quality assessments and weaken confidence in banking supervision²¹.

3.2.3. Risks of Regulatory Inconsistency and Professional Disputes

Differences in appraisal requirements may also generate regulatory inconsistencies and legal disputes. Internal appraisers are expected to comply with professional standards requiring objectivity, transparency, and independence, yet the organizational relationship with the bank may limit their ability to fulfill these standards fully (Otoritas Jasa Keuangan, 2019, Art. 46(2)(c); Art. 59(2)-(3)). Consequently, debtors may challenge appraisal results when substantial differences arise between internal and independent valuations. In addition, the absence of comprehensive verification and cross-check mechanisms between the two appraisal systems creates procedural uncertainty and increases the complexity of regulatory oversight by OJK.

3.0.4. Implications for Professional Protection and Regulatory Harmonization

The current regulatory framework affects not only banking institutions but also the professional position of independent appraisers. Limitations on the mandatory use of independent appraisers may reduce professional opportunities and create uncertainty regarding professional accountability, particularly when internal appraisers are permitted to perform valuations that require objectivity and independence comparable to those expected from public appraisers. From the perspective of regulatory harmonization, POJK No. 40/POJK.03/2019 should not rely solely on a nominal threshold, but should also incorporate risk-based criteria. These criteria may include the complexity of collateral, the debtor's risk profile, related-party transactions, restructuring status, potential conflict of interest, and the materiality of the collateral to PPKA calculation. Regulatory harmonization may be achieved by clarifying the authority and responsibilities of internal and independent appraisers, requiring independent review for high-risk collateral even when the value is below IDR 10 billion, strengthening documentation and verification mechanisms, and periodically evaluating whether the IDR 10 billion threshold remains appropriate. Such measures would provide stronger legal certainty, ensure proportional treatment, protect the appraisal profession, and enhance the integrity of bank asset quality assessment.

4. CLOSING

4.1. Conclusion

This study finds that the main legal gap in POJK No. 40/POJK.03/2019 lies in its dual appraisal system, which requires independent appraisers for collateral exceeding IDR 10 billion but still allows internal bank appraisers to assess collateral up to that

²¹Siti-Nabiha and Adib, "An Institutional Analysis of the Emergence and Institutionalisation of Islamic Banking Practices in Indonesia."

threshold without sufficiently detailed safeguards to ensure independence, objectivity, competence, and verification. As a result, the implementation of collateral appraiser independence under this regulation remains partial rather than comprehensive. The IDR 10 billion threshold functions as a formal dividing line, but it is not accompanied by clear risk-based criteria such as debtor risk profile, collateral complexity, related-party transactions, potential conflicts of interest, or the materiality of collateral to the calculation of Allowance for Impairment Losses. Therefore, the distinction between internal and independent appraisers creates legal uncertainty and raises concerns regarding equality, proportionality, non-discrimination, and professional protection. The study concludes that the integrity of bank asset quality assessment can only be strengthened if POJK No. 40/POJK.03/2019 is harmonized by clarifying the authority, professional standards, independence requirements, and supervisory mechanisms applicable to both internal and independent appraisers.

4.2. Suggestion

OJK should amend the provisions on collateral appraisal in POJK No. 40/POJK.03/2019, particularly the provisions regulating the distinction between internal bank appraisers and independent appraisers based on the IDR 10 billion threshold. The regulation should no longer rely solely on a nominal threshold, but should require independent appraisal or independent review for collateral that contains high legal, financial, or conflict-of-interest risks, regardless of its value. If internal bank appraisers remain permitted to conduct collateral valuation, they should be required to possess professional certification, technical competence, ethical obligations, and independence standards equivalent to those imposed on independent appraisers. In addition, internal appraisers should be structurally separated from the credit approval and marketing functions to prevent institutional pressure and conflicts of interest.

OJK should also establish a stronger supervisory mechanism by requiring banks to form an independent collateral appraisal review committee, or by placing the review of internal appraisal results under periodic OJK supervision. This mechanism should include mandatory documentation, independent cross-checking, periodic revaluation, and audit of internal appraisal reports, especially for collateral used as a deduction in the calculation of Allowance for Impairment Losses. Through these measures, the regulation would provide clearer legal certainty, ensure proportional and non-discriminatory treatment between internal and independent appraisers, strengthen professional protection, and improve the integrity of bank asset quality assessment.

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