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# Bankruptcy Indicator Frameworks Used In Cross-Country Reviews (Indonesia – Russia Bankruptcy Law)

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***Abstract:*** *The differences and similarities in the legal frameworks of Cross-country will shed light on the effectiveness of their respective bankruptcy systems. This research employs a comparative analysis of bankruptcy laws in Indonesia and Russia, with a focus on determining debtor bankruptcy indicators. The methodology comprises qualitative research using normative and empirical juridical approaches to analyze bankruptcy laws in Indonesia and Russia, focusing on determining debtor bankruptcy indicators. Indonesian law focuses on debtors' ability to pay using default lawsuits. In contrast, Russian law traditionally uses the impossibility of payment as a benchmark for insolvency and focuses on meeting creditors' claims. Key indicators of debtor bankruptcy in Indonesia include the inability to fully satisfy creditors' claims and meet mandatory payments. This emphasis on financial obligations plays a critical role in determining insolvency in Indonesian bankruptcy law.*

## Introduction

Bankruptcy legislation plays an essential part in shaping A country's economic growth and carries significant implications for the obligations and rights of debtors and creditors. This paper aims to compare bankruptcy regulations in Indonesia and Russia, focusing specifically on identifying indicators for debtor bankruptcy. By exploring the distinctions and resemblances in the legal frameworks of these two nations this study aims to illuminate the efficacy of their respective bankruptcy systems. Through a comparative analysis, this research seeks to provide valuable insights into the legal nuances and practical ramifications of bankruptcy law in Indonesia and Russia, emphasizing the necessity of a Common Framework for Global Bankruptcy. The study advocates for a unified approach as proposed by Westbrook (Misra, 2020), which would yield precise outcomes, enhance trading efficiency, and ensure fairness for all stakeholders. Despite governments recognizing the importance of a universal bankruptcy approach, not all countries demonstrate willingness to adopt this principle, particularly in managing the insolvency of multinational corporations.

The research is centered around a comparative analysis of bankruptcy laws in Indonesia and Russia to identify debtor bankruptcy indicators. This study adopts both normative juridical and empirical juridical approaches to delve into the subject matter. The authors employ a combination of normative juridical and empirical juridical methodologies in their research.

Upon delving into the bankruptcy laws of Indonesia and Russia, it becomes evident that these legal frameworks Perform an essential role in shaping the economic climate of both nations. Determining debtor bankruptcy indicators holds significant importance as it directly impacts the liberties and duties of creditors and debtors (Ershova et al., 2021). A comparison of bankruptcy regulations in Indonesia and Russia, specifically regarding identifying indicators for debtor bankruptcy, seeks to uncover similarities and discrepancies within their legal structures. This analysis is essential for comprehending how two distinct legal systems tackle the issue of identifying debtor bankruptcy indicators, offering potential insights into areas that could benefit from improvement or alignment. Upon closer scrutiny of the bankruptcy laws in Indonesia and Russia, it becomes apparent that the legal frameworks of these countries have a profound influence on their respective economic landscapes. Determining debtor bankruptcy indicators holds paramount significance as it directly impacts the responsibilities of debtors and creditors, thereby affecting the overall functioning of the financial system (Ageeva & Lang, 2019) (Fauzi, 2018) (Khafizova et al., 2018).

For instance, reveals that Indonesian bankruptcy law emphasizes on debtors' ability to pay their debts and aid in debt collection during economic crises. The Altman Z-score method, a formula that can predict bankruptcy, has been applied to study the financial health of banks in Indonesia (Korry et al., 2019).

It is crucial to examine and compare the bankruptcy laws of Indonesia and Russia to discern commonalities and differences in their approaches to determining debtor bankruptcy (Fauzi, 2018). Analyzing and comparing the bankruptcy regulations in Indonesia and Russia with a specific focus on identifying indicators for debtor bankruptcy is essential for uncovering both similarities and discrepancies within their legal structures. This comparative analysis holds the potential to unveil valuable insights into areas that could benefit from improvement or alignment, ultimately contributing to the effectiveness and efficiency of their bankruptcy systems.

Through conducting a rigorous comparative analysis of the bankruptcy laws in Indonesia and Russia, exploring the nuances of their legal frameworks, and delving into determining debtor bankruptcy indicators, this study intends to present critical information for policymakers, law professionals, and scholars. It endeavors to contribute to the discourse on the optimization of bankruptcy laws and promote a more unified approach to international insolvency, ultimately fostering economic stability and fairness for all stakeholders involved.

The comparative analysis of Indonesian and Russian law in determining debtor bankruptcy indicators provides valuable insights into the effectiveness and efficiency of their respective bankruptcy systems (Belousov & Amarsanaa, 2021). The study examines the legal systems enforcing procedures for insolvency proceedings over the last two decades and assesses foreign experience alongside national solutions for debtors' solvency recovery. This comprehensive analysis aims to identify common challenges and potential areas for improvement in the regulatory supervision of insolvency. The findings leads to the development of specific proposals for reforming the current legislation in both jurisdictions (Belousov & Amarsanaa, 2021). Overall, the comparative study aims to contribute to developing a modern and practical legal framework for bankruptcy that promotes the protection of both creditors and debtors, encourages business rehabilitation, and enhances economic stability. By scrutinizing the law enforcement practice and studying the experiences of other countries, the study aims to identify problems in the procedural regulation of bankruptcy and formulate recommendations to enhance the current system.

## Method

The research approach considers the theoretical and practical aspects of bankruptcy law in Indonesia and Russia. Utilizing qualitative research, the study employs a normative juridical approach to analyze the regulations established by the state. Furthermore an observable legal method is utilized, involving data collection through literature reviews and field studies. The methodology comprises qualitative research using normative and empirical juridical approaches to analyze bankruptcy laws in Indonesia and Russia, focusing on determining debtor bankruptcy indicators. The sources provide information on the analytical approach, gathering the data processes, and the results analysis tools applied to the study.

## Results and Discussion

### Indonesian Law on Determining Debtor Bankruptcy Indicators

Bankruptcy regulations have their roots in Government Regulation. The process initiated with a substitute of Act No. 1 of 1998, which revised the Bankruptcy Law. This amendment was superseded by Act No. 4 of 1998 effectively nullifying the Government guidelines that were based on Act No. 1 of 1998. In order to further regulate bankruptcy settlement postponements, Law Number 37 of 2004 was enacted (Leonardus et al., 2023a).

The Indonesian Law on Determining Debtor Bankruptcy Indicators plays a crucial role in identifying individuals and entities that are in financially distressed situations (Hartini et al., 2022). It establishes a comprehensive framework for assessing the insolvency of debtors and determining their eligibility for bankruptcy. Additionally, it outlines specific criteria and factors considered when determining debtor bankruptcy indicators, such as the debtor's inability to satisfy creditors fully. This law ensures fairness and transparency in bankruptcy, enabling efficient debt collection and promoting economic stability. The Indonesian Law on Determining Debtor Bankruptcy Indicators serves as a vital tool in assessing the financial distress of individuals and entities (Хафизова et al., 2018).

Moreover, this legislation helps protect the rights and interests of both creditors and debtors by establishing precise guidelines for determining insolvency. The Indonesian Law on Determining Debtor Bankruptcy Indicators not only enhances accountability but also encourages individuals and entities to manage their financial obligations responsibly. It serves as a crucial component within the country's bankruptcy framework, offering essential guidelines and standards for identifying those facing financial hardship and qualifying for bankruptcy proceedings. Furthermore, this law significantly safeguards the rights of creditors and debtors, ensures a fair and transparent bankruptcy process, and promotes economic stability (Ganindha & Indira, 2020).

The Indonesian legislation identifying debtor bankruptcy indicators is vital to the country's insolvency framework. This law plays a pivotal role to ensure an accurate assessment and support for individuals and entities experiencing financial difficulties. By establishing clear standards for identifying insolvency and criteria for bankruptcy, this legislation promotes fairness and transparency (Irma et al., 2023). Additionally, it facilitates efficient debt recovery efforts and contributes to economic stability by promoting responsible financial management. The Indonesian Law on Determining Debtor Bankruptcy Indicators significantly contributes to maintaining monetary stability, protecting the rights of creditors and debtors, and ensuring a just and transparent bankruptcy procedure in Indonesia (Ikhwansyah & Sidabutar, 2019).

This legislation is crucial for promoting accountability, safeguarding the rights of creditors and debtors, and ensuring a fair and transparent bankruptcy process. Furthermore, it plays a vital role in maintaining economic stability and encouraging responsible financial management. The Indonesian Law on Determining Debtor Bankruptcy Indicators facilitates practical debt recovery efforts by setting clear guidelines for determining insolvency and establishing criteria for bankruptcy qualification. It contributes to a more robust and resilient economy. In essence, the Indonesian Law on Determining Debtor Bankruptcy Indicators stands as a pivotal legal framework that bolsters the country's operational efficiency (Papang Sapari, 2021).

Indonesia is recognized as the Bankruptcy Law and PKPU, or Act No. 37 of 2004 on Bankruptcy and Debt Payment Postponement. This law sets a specific time limit for resolving bankruptcy applications. This time limit ensures that bankruptcy cases are settled promptly, leading to swifter restoration of public confidence in the court system (Wijayanta, 2018).

Indonesia's Bankruptcy Law and PKPU, also known as Law Number 37 of 2004, has set a specific time limit for resolving bankruptcy applications. This ensures the timely settlement of bankruptcy cases, fostering a swift restoration of public trust in the judicial system. The Indonesian Law on Determining Debtor Bankruptcy Indicators serves as a crucial legislative tool in facilitating the efficient operation of the nation's financial framework. It provides clear guidelines for identifying and addressing potential bankruptcy indicators, helping to maintain stability and confidence in the economy.

When identifying debtor bankruptcy indicators, it is essential to consider various factors that can signal financial distress. These indicators may include the inability to pay debts on time, repeated defaults, or a significant decrease in the debtor's financial standing. By examining these indicators, creditors can make well-informed decisions about debt collection and assess the necessity of initiating bankruptcy proceedings (Fibriani, 2022). Moreover, creditors and debtors can navigate the bankruptcy process with clarity and fairness by adhering to the guidelines outlined in the Indonesian Law on Determining Debtor Bankruptcy Indicators. This promotes a system that encourages responsible financial management and accountability while protecting the interests of all parties involved (Sukardi, 2021).

The legal system in Indonesia recognizes the concept of personal guarantee. It involves an individual's promise to fulfill the debtor's obligations as a third party. The regulations governing the assurance phase in Indonesia define the function and duty of private assurances when the debtor cannot fulfill their financial obligations. To establish legitimacy, it is necessary to standardize the terms of private assurance theory and addressing dualism. This is particularly critical in debt collection during bankruptcy and postponement of debt repayment obligations (Penundaan et al./PKPU); creditors must identify the party responsible for fulfilling bankruptcy repayment responsibilities (Ramadhania, 2023).

Bankruptcy occurs when a debtor owes money to at least two creditors and cannot satisfy a minimum of one developed enforceable debt. Pursuant to Article 2, section (1) of Law No. 37 of 2004 (UU-KPKPU), a court may establish the debtor bankrupt upon their suggestion judging by the direction among more than one of these creditors. As per the definition above, the court ruling requires certain conditions to be met before declaring someone bankrupt (i). It has been confirmed that a minimum of 2 creditors are present; (ii). If the debtor cannot settle a minimum of any debt, it would be considered a default; (iii). The debt passed its scheduled expiration and is payable for collection. The Bankruptcy Law and Suspension of Debt Payment Obligations (UUKPKPU) have been amended to establish a legal framework that acknowledges the possibility of filings for bankruptcy. The amendments have established minimum limits for creditors and debt maturity to prevent bankruptcy decisions due to minor obligations that are disproportionate to the debtor's property. The Supreme Court of the Republic of Indonesia additionally published requirements on resolving insolvency proceedings and delayed paying off debt requirements to guarantee transparency and sharing of data throughout the procedures for bankruptcy (Zilal Hamzah et al., 2023).

Based on the Commercial Law Code also regulates and addresses situations that arise when traders fail to make payments, commonly referred to as bankruptcy. Civil law also regulates evidence outlined in Article 1866 of the Civil Code / Article 164 HIR / Article 284 RBg, which consists of written documents, witness testimonials, accusations, confessions, and oaths. A Statement Letter certainly facilitates the resolution of a Civil Case, especially in bankruptcy cases and the Suspension of Debt Payment Obligations (Leonardus et al., 2023b; Tata Wijayanta, 2023).

As per Article 15 of the Bankruptcy and Suspension of Obligations for Payment of Debt Law (UUK PKPU) number 34 of 2004, a Curator and a Supervisory Judge must be appointed from the Commercial Court authorities in a declared state of insolvency. The Curator has established full authority to manage and receive all assets involved in bankruptcy proceedings. Based on Chapter 70, section (1) of the PKPU UUK, the curators can be the Trustees' Office (BHP) or the Individual Curator (Curator) (Wijayanta et al., 2023).

The Indonesian Law on Determining Debtor Bankruptcy Indicators is a valuable instrument for identifying financial distress and eligibility for bankruptcy and supports the country's overall economic stability. Its comprehensive framework and clear criteria contribute to a transparent and equitable bankruptcy process, safeguarding the rights of creditors and debtors alike.

**Russian Law on Determining Debtor Bankruptcy Indicators**

Russian bankruptcy law is a complex and intricate system that plays a significant part in the nation's law and economic landscape. It encompasses multitude of regulations and procedures to address insolvency and debt recovery fairly and transparently. The law impacts businesses and individuals facing financial distress and influences Russia's overall business environment and investment climate (Stanislav N. Petrov, 2020). Furthermore, Russian bankruptcy law is influenced by various international practices and standards as the country seeks to align its legal framework with global best practices. This includes creditor protection, bankruptcy proceedings transparency, and mechanisms for resolving disputes efficiently and equitably (Tatyana et al., 2020).

The intricacies of Russian bankruptcy law are essential for businesses, investors, and individuals operating in the country, as they directly impact their financial rights and obligations. Whether navigating financial difficulties or engaging in business transactions, a comprehensive knowledge of bankruptcy law can help mitigate risks and ensure compliance with legal requirements (Elena Valeryevna Vinogradova, 2018).

The director of the debtor may be held personally liable for the debtor’s obligations When the debtor's properties are inadequate to cover them. (The primary judicial instrument for bankruptcy processes in Russia consists of Federal Law No. 127-FZ on Insolvency (Bankruptcy), enacted on 26 October

2002. (as amended, the FLI) (Legislative Framework Assessment Overview / Strengths and Weaknesses, 2007);

1. the illegal actions of the director lead to debtor's insolvency;
2. The accounting and reporting documentation required to identify the debtor's assets is missing, or the information reflecting the economic activity of the debtor is incomplete or inaccurate. This has made it impossible to identify the assets that could be used to settle the creditors' claims or
3. The director approved the seizure of the debtor's assets, but later it was declared invalid.

Broadening of Bankruptcy Indicators in Russian Law the Bankruptcy Law outlines the conditions that trigger bankruptcy proceedings for debtors. The updated law requires debtors to submit a request due to either the inability to pay or insufficient assets. These amendments effectively incorporate cash flow insolvency and balance sheet evaluations. "inability to pay" refers to a debtor's failure to make monetary or obligatory payments due to insufficient cash (i.e., cash flow insolvency, where debts cannot be paid on time). The definition of "insufficient assets" occurs when a debtor's monetary and obligatory payments exceed the worth of their assets. (i.e., balance sheet insolvency) (Sergey A.Treshchev and Patrick J. Brooks, 2009).

Russian courts have faced several situations in recent years where there have been cases of debtors deliberately altering identities, such as residence related to jurisdiction on bankruptcy applications before bankruptcy applications by creditors or after filing these applications, but before the courts accept the application. According to Article 4 Art. 38 Code of Arbitration Procedure of the Russian Federation (from now on referred to as APC RF), the debtor's address determines its jurisdiction, and Article 1 Art. 33 Federal Law No.127-FZ of October 26, 2002, on Insolvency (Bankruptcy) (from now on referred to as the Insolvency Law) determines the place of residence of the debtor. The above APC RF regulations and the Insolvency Act do not contradict each other (Silchenko, 2022).

The recognition of bankruptcy explicitly involves finding a balance between the interests of foreign collective proceedings on the one hand and the recognition of the legal order and its local creditors on the other. International treaties on legal assistance in general civil cases were not created as instruments. In this research, the design features of the legal norms of Tsarist Russia regulating responsibility in the field of bankruptcy were analyzed, and categories of debtors were considered. Rules on responsibility in the field of bankruptcy, regulated in applicable laws and regulations, have no genetic relationship with the norm legislation of the Russian Empire XVIII-XIX century (Kurkin, 2019; Mokhova, 2023)

**Similarities and Differences Between Indonesian and Russian Law on Determining Debtor Bankruptcy Indicators**

In determining debtor bankruptcy indicators in Indonesian and Russian law, it is crucial to delve into each country's legal frameworks and regulations. Understanding the similarities and differences between these legal systems requires an in-depth analysis of the bankruptcy criteria, legal procedures, and the liberties and duties of creditors and debtors in Indonesia and Russia.

In Indonesian bankruptcy legislation, the determination of debtor bankruptcy indicators is governed by the statutes of insolvency and an extension of repaying debt responsibilities (Law No. 37 of 2004). This law provides a comprehensive set of rules and procedures for declaring bankruptcy, including the criteria for insolvency, the appointment of a curator, creditor's rights, and the debt restructuring procedure.

Similarly, Russian bankruptcy law, as outlined in the Federal Law on Insolvency No. 127-FZ, sets out the legal framework for determining debtor bankruptcy indicators. This includes the criteria for insolvency, the appointment of a bankruptcy trustee, the rights of creditors, and the procedures for debt restructuring or liquidation.

A deeper analysis of Indonesian and Russian bankruptcy laws will unveil similarities and differences in the thresholds for insolvency, the role of the courts in bankruptcy proceedings, creditor protection mechanisms, and the debtor's rights in the bankruptcy process. Understanding these nuances is essential for businesses operating in Indonesia and Russia, as it impacts their financial and legal strategies when dealing with potential insolvency issues. In both Indonesian and Russian bankruptcy laws, the determination of debtor bankruptcy indicators is based on insolvency, which refers to the debtor's incapacity to fulfill their obligations. However, some key differences exist in the specific indicators used to determine insolvency in each country(Belousov & Amarsanaa, 2021). Indonesian law focuses on the debtor's capacity to meet their obligations and the difficulty of collecting debt using default lawsuits.

On the other hand, Russian law traditionally used the indicator of impossibility of payment as a benchmark for insolvency. In contrast, Indonesian law does not explicitly require the debtor to be unable to pay their debts to be recognized as insolvent. Additionally, the role of the courts in bankruptcy proceedings differs between Indonesia and Russia. In Indonesia, there is no requirement for a preliminary examination at the State Administrative Court to determine insolvency. This is because the legal structure in Indonesia makes it difficult to collect debts through default lawsuits, and legally binding decisions can be challenging to execute. In Russia, however, the courts are crucial in determining insolvency and initiating bankruptcy proceedings (Iu Bushev et al., 2005).

Although both Indonesia and Russia have bankruptcy laws centered around the concept of insolvency and the inability of debtors to meet their financial obligations, there are distinctions in the specific criteria for determining insolvency and the degree of court intervention in the bankruptcy process. In Indonesia, insolvency is assessed based on the debtor's ability to repay their debts and the difficulties in debt collection through legal proceedings. In contrast, Russian legislation traditionally defines bankruptcy through the debtor's failure to meet financial obligations, emphasizing the inability to satisfy creditors' claims and meet payment deadlines.

In Indonesia, the legal framework for bankruptcy is designed to facilitate debt collection and address economic crises. The bankruptcy requirements in Indonesian law are intentionally made to be more facilitative and effective in debt collection to resolve financial crises quickly. The legal framework for bankruptcy in Russia is essential to transitioning to a market economy (Iu Bushev et al., 2005).

Indonesian and Russian law have similarities and differences in determining debtor bankruptcy indicators. Indonesia focuses on the debtors' ability to pay their debts and the difficulty of collecting debt using default lawsuits (Sunarmic, Edi Yunara, Sumurung P Simaremare, 2021). On the other hand, Russian law traditionally used the indicator of impossibility of payment as a benchmark for insolvency, focusing on the debtor's failure to meet creditors' demands and make mandatory payments. However, this approach had its drawbacks as it hindered the consideration of cases and allowed debtors with assets exceeding their debts to continue participating in economic activities despite their inability to pay for goods and services. In summary, Indonesian and Russian bankruptcy laws consider the debtor's ability to fulfill financial obligations a critical indicator of insolvency.

Indonesian and Russian bankruptcy laws focus on the concept of insolvency and the inability of a debtor to pay their debts. Indonesian and Russian bankruptcy laws aim to protect creditors by providing a fair distribution of losses. One difference between Indonesian and Russian bankruptcy laws is the method to determining insolvency. Indonesian law focuses on The debtor's capacity to repay their obligations and the difficulty of debt collection. In contrast, Russian law traditionally used the indicator of impossibility of payment, which proved less effective in addressing insolvency cases. Indonesian and Russian bankruptcy laws mainly aim to protect creditors and ensure a fair distribution of losses (Sonin & Zhuravskaya, 2000). Furthermore, Indonesian and Russian bankruptcy laws seek to provide debtors with a way to repay their debts and recover from financial distress.

This approach hindered case consideration and allowed debtors with assets exceeding their debts to continue economic activities despite their inability to pay for goods and services. Both Indonesian and Russian bankruptcy laws aim to protect creditors and ensure fair distribution of losses. However, recent amendments to Russian bankruptcy law have failed to improve creditor protection, providing additional power to incumbent managers and government agencies involved in proceedings due to outdated indicators for determining insolvency.

Indonesian law focuses on the debtor's ability to pay their debts and the difficulty of debt collection; Russian law traditionally used the indicator of impossibility of payment as a benchmark for insolvency. These differences in determining insolvency indicators can affect the consideration of bankruptcy cases and the ability of insolvent debtors to continue participating in economic activities. The different methods to bankruptcy determination in Indonesian and Russian bankruptcy laws provide insight into these legal frameworks' social and financial implications.

In Indonesia, the focus on the debtor's ability to pay their debts and the difficulty of debt collection reflects a commitment to ensuring that creditors receive their due compensation. This approach also aims to facilitate the successful resolution of bankruptcy cases, ultimately contributing to the stability of the economic environment. By prioritizing the practical aspects of debt repayment and collection, Indonesian bankruptcy law seeks to minimize disruptions to economic activities and support the financial health of businesses (Nuriskia & Novaliansyah, 2021).

On the other hand, the traditional use of the "impossibility of payment" as a benchmark for insolvency in Russian bankruptcy law has presented challenges in addressing the complexities of modern economic dynamics. As the sources highlight, this approach has allowed debtors with assets exceeding their debts to continue engaging in financial activities, leading to potential distortions in market fairness and the distribution of losses. The recent amendments to Russian bankruptcy law, which have been noted to favor incumbent managers and governmental agencies potentially, further underscore the need to reevaluate the insolvency criterial and procedures (Tkhagapso & Kuter, 2019).

The differences in approach between Indonesian and Russian bankruptcy laws impact the effectiveness of insolvency proceedings and have broader implications for international trade, investor confidence, and overall economic stability within the respective jurisdictions. Addressing these differences requires carefully examining the evolving financial landscape and the alignment of bankruptcy laws with contemporary global economic trends and practices.

Analyzing the bankruptcy laws of Indonesia and Russia highlights both similarities and differences in the determination of debtor bankruptcy indicators and the structure of legal frameworks for addressing insolvency in these two nations. Although the fundamental focus in both countries is on insolvency and the debtor's inability to meet financial obligations, distinctions emerge in the specific indicators and approaches employed to ascertain bankruptcy according to Indonesian and Russian legal systems.

Furthermore, the disparities in insolvency procedures and indicators between Indonesian and Russian bankruptcy laws may impact the perception of the overall economic stability and legal predictability in these nations. This can affect foreign investors' confidence and international financial institutions' willingness to provide credit and support economic development initiatives within these jurisdictions.

As such, an in-depth study of data on procedures for resolving bankruptcy problems and their impact on international trade and investment can provide valuable insights into the potential areas for convergence and harmonization of bankruptcy laws across different legal systems. By addressing the implications of differences in international trade in bankruptcy law, Indonesia and Russia can promote greater confidence in their legal frameworks and enhance their attractiveness as destinations for foreign investment and global business interactions.

Considering the cross-cultural examination of bankruptcy laws, it becomes clear that while Indonesian and Russian bankruptcy laws aim to protect creditors and ensure a fair distribution of losses, the approaches and specific indicators used to determine insolvency differ significantly. These differences reflect each country's unique legal and economic contexts, shaping the frameworks for addressing debtor bankruptcy and insolvency.

## Conclusion

To summarize it, Indonesian and Russian bankruptcy laws revolve around insolvency and the debtor's incapacity to repay their obligations. However, there are differences in the specific indicators used to determine insolvency and the role of courts in the process. Indonesian law places an emphasis on debtors' ability to pay using default lawsuits. In contrast, Russian historically relies on the impossibility of payment as a benchmark for insolvency and concentrates on satisfying creditors' demand. The key signs of debtor bankruptcy in Indonesia include the inability to fully satisfy creditors' claims and fulfill mandatory payments. This focus on financial obligations is crucial in determining insolvency in Indonesian bankruptcy law. On the contrary, Russian bankruptcy law traditionally used the indicator of incapacity of payment as a benchmark for insolvency, focusing on The debtor's failure to meet creditors' demands and make mandatory payments into funds.

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