

Accountability of Notaries for Providing Covernotes in Credit Agreements

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Abstract. *This study aims to understand and analyze the legal standing of covernotes made by a notary in a credit agreement and the responsibility of a notary for granting covernotes in a credit agreement which results in losses for banks. The approach method used in this study is sociological juridical, which is a method that is carried out by finding legal realities experienced in the field or an approach that stems from problems concerning matters that are juridical in nature or existing facts. The results of the study show that Covernote is not regulated in laws or positive laws in Indonesia. Publishing and drawing up covernotes by a notary has no legal basis. Covernotes are made based on a habit that can be accepted by society, so that it is trusted and considered as a binding legal product. Notaries carry out their responsibilities in making covernotes by checking and verifying first and ensuring the completeness of the required documents so as to minimize the potential for errors that can cause losses to banks. The notary's negligence in issuing a covernote whose contents contain statements or information that is not true causes him to be held legally responsible for his actions, namely criminal responsibility and civil responsibility.*

Keywords: Banks; Covernote; Responsibility.

1. Introduction

Article 1 paragraph (3) of the 1945 Constitution of the Republic of Indonesia (hereinafter referred to as the 1945 Constitution) states that Indonesia is a country based on law. Law is the order of national life both in the political, economic, socio-cultural, defense and security fields. Based on that, the Government as the highest authority of the State is responsible for guaranteeing and protecting the interests of society in achieving prosperity.

Government protection relating to the community in terms of agreements, making land deeds or the legality of land ownership is left to the duties and authority of a Notary and/or Land Deed Making Officer (PPAT). Arrangements

regarding the position of a notary are regulated in Act No. 2 of 2014 concerning Amendments to Act No. 30 of 2004 concerning the Position of Notary (hereinafter referred to as UUJN). The enactment of the Notary Office Law provides legal protection to the public and notaries.¹A notary determines something that is functional in nature related to civil service services. Notaries gain the trust of the public in terms of obtaining consultation and legal assistance regarding the management of authentic deeds.²

Deeds are documents and letters that have been signed and contain information regarding an event or matter which forms the basis of a right or agreement which can be said to be a legal act.³A notary provides legal certainty through an authentic deed he makes. A notarial deed is an authentic deed that has legal force and legal certainty which can be proven in perfect writing (*volledig bewijs*), and does not require additional evidence.⁴An authentic deed made by a notary has perfect evidentiary power, unlike a private deed. Private deed is a deed made by interested parties without the help of a public official.⁵

One of the products issued by a notary is a cover note which is a certificate in the management of a certificate or a document that explains the deed being made by a notary is currently being processed and can be completed within the timeframe specified in the contents of the cover note. Covernotes are generally used in the credit application process at banking institutions.⁶

A notary as a public official also makes a statement which is often referred to as a cover note. Covernote comes from English which consists of two separate words, namely cover and note, where cover means cover and note means note mark. Seeing the meaning of the two words, covernote means closing note. In notarial terms, the meaning of a cover note is a statement, namely a statement issued by a notary who is trusted and relied upon for signatures, stamps, and seals to serve as guarantors and as strong evidence.⁷Basically a cover note appears as a statement not only in guarantee law in the form of a mortgage certificate, but can also be issued by a notary in other deeds such as mortgages,

¹GHS Lumban Tobing, 2001, *Regulations for Notary Office*, Erlangga, Jakarta, p.2

²Tan Thong Kie, 2011, *Notary Studies and Miscellaneous Notary Practices*, Second Edition, PT. New Ichtiar van Hoeve, Jakarta, p.444.

³H. Salim HS. and H. Abdullah, 2007, *Contract Design and MOU*, Sinar Graphic, Jakarta, pp.101-102.

⁴AA Andi Prajitno, 2010, *What and Who are Notaries in Indonesia?*, First Printing, Putra Media Nusantara, Surabaya, p.51

⁵Taufik Makarao, 2004, *Fundamentals of Civil Procedure Law*, PT. Rineka Cipta, Jakarta, p.100

⁶Pande Nyoman Putra Widiantara and AA Sagung Wiratni Darmadi, "Legal Consequences of Covernotes Made by Notaries and Officials Making Land Deeds", Article, p.3

⁷Tan Thong Kie, 2007, *Book I All-round Notary Study of Notary Practice*, Print 1, Van Hoeve's New Ichtiar, Jakarta, p. 221

mortgages, fiduciaries.⁸

Covernotes made in the form of a statement made by the Notary himself for a legal action of the parties carried out by the parties before the Notary. This covernote is sometimes the final instrument to close all of these legal actions to follow up on other legal actions.⁹In addition to issuing written evidence in the form of an authentic deed, a notary as a public official also makes a statement which is often referred to as a cover note.

Covernotes actually not a notary legal product as specified in UUJN. A cover note is only a statement from a notary to creditors explaining that processes related to a credit agreement between the creditor and the debtor are temporarily in progress from the notary, such as for example the imposition of credit collateral.¹⁰

In practice, the Bank will approve a credit application for a prospective debtor only on the basis of a cover note issued by a notary. This then causes a loss for the bank, namely the occurrence of bad credit. Each credit analysis must be accountable in accordance with the bank's internal regulations and applicable laws and regulations. The implementation of credit to banking institutions must be based on the principle of bank prudence so that the credit extended can benefit the community and prevent bad credit from occurring.

The importance of the role of the Notary is given by the State, where the Notary as a public official is required to be responsible for the deed he made. A Notary must comply with applicable regulations, namely the Notary Office Law and obey the code of ethics of the legal profession, namely the Notary's code of ethics. If the deed made later contains a dispute, this needs to be questioned, whether this deed was a notary's mistake intentionally benefiting one of the appearers or the fault of the parties who did not provide the actual document. If the deed made/issued by a notary contains legal defects due to a notary's mistake either due to negligence or on purpose of the notary himself, the notary must provide moral and legal accountability,¹¹

Based on the description above, the authors formulate the problem related to how the legal position of the covernote made by a Notary in a credit agreement and what are the constraints and responsibilities of a Notary in providing

⁸Anke Dwi Saputro, 2008, Indonesian Notary Identity, Past, Present and Future, Gramedia, Jakarta, p. 115

⁹Ibid.

¹⁰Rahmiah Kadir, et al, "Notary Accountability in Covernote Issuance", Journal of Mimbar Hukum, Vol. 31 No.2, June 2019, p.192

¹¹Andi Ahmad Suhar Mansyur, 2013, "Normative Juridical Analysis of Forgery of Authentic Deeds Performed by Notaries", Journal of Scientific Work, Faculty of Law, University of Brawijaya, p.3

covernotes in credit agreements which result in losses for banks.

2. Research Methods

This research method uses a sociological juridical approach. Sociological juridical research is legal research that is carried out by examining how reactions and interactions occur because often legal expectations are different from the reality that occurs in society, or it can be called the gap between *Das Sein* (facts/reality) and *Das Sollen* (norms/expectations). . The specification of this research is descriptive analysis, namely research that aims to provide an overview of the problems that occur in connection with the use of applicable laws and regulations. Data sources and data collection methods use primary data obtained by interviewing informants who are considered to understand the research topic and secondary data obtained by reviewing the literature related to the research topic. The data that has been obtained is analyzed qualitatively which is described in a quality manner in the form of sentences that are coherent, orderly, logical, and do not overlap so as to facilitate understanding of the results of the analysis.

3. Results and Discussion

3.1. Legal Position Covernotes Made by a Notary in the Credit Agreement

The notary issues a cover note as a statement, not only in the law of mortgage guarantees, but also in other deeds such as mortgages, mortgages, fiduciaries. However, what will be studied in this paper is only mortgages, considering that on average in disbursing credit by banks, the banks prefer credit with collateral for land which will be bound with mortgages, given that land prices will continue to rise. Therefore, only guarantees in the form of mortgages that require a covernote because mortgages are still in the process of repatriation, transfer of names, are still in the form of customary property rights, or are still in the process of registering land at the local Land Agency.¹²

The authority of a notary in issuing authentic deeds which will later become part of the legal product of the notary is regulated in the Law on the Position of a Notary. Based on Article 1868 of the Civil Code (hereinafter abbreviated as the Criminal Code), authentic deed is a deed that has been determined by the making and regulated based on statutory regulations. The legal force and proof of an authentic deed are guaranteed and protected by law, an authentic deed

¹²Singgih Budiyo and Gunarto, "The Legal Consequences of Covernotes That Are Used as the Basis for Credit Agreements in Banking", *Journal of Deeds*, Vol.4 No.4, 2017, p.787

cannot be tampered with and it is not possible to "cancel by law".¹³In addition to authentic deed, there are also private deed made by the parties without going through or receiving assistance from public officials such as notaries.¹⁴

Authentic deed and private deed clearly have differences and lead to different legal consequences and strength of proof. Not all documents made by a notary are part of an authentic deed. Covernote is a statement made and issued by a notary with all the elements contained in the covernote, such as letterhead/head of the notary's office concerned to the signature and stamp of approval from the notary who is actually not included in the authentic deed instrument, although some elements of the authentic deed fulfilled. The covernote also does not meet the requirements as a private deed, because the covernote is made by a notary who is a public official.

Covernotes not included in authentic deed instruments and underhanded deed, the legality of the covernote is questionable and can be declared not as a legal product issued by a notary. Covernotes are not found in instruments or laws in Indonesia.¹⁵ There is no single regulation that regulates the procedures for forming and issuing covernotes by a notary. Covernotes that are made and issued based on custom based on and guided by the legal aspects of the engagement and agreements that are not detrimental to the parties, covernotes are not prohibited in laws and regulations. Covernote is more directed at the form of an agreement between the notary and the parties.

According to Article 1867 of the Civil Code, it is also stated that proof in writing is done in authentic writings or in private writings. From the evidence in the form of writing, there is a very valuable part to prove, namely proof of a deed. A deed is in the form of writing that was deliberately made to be used as evidence about an event and signed sufficiently. Thus, an important element for a deed is the intention to create written evidence and sign the writing. The conditions for signing the deed can be seen from Article 1874 of the Civil Code which contains provisions regarding proof of underhanded writings made by Indonesians or their equivalent. Writings can be divided into 2 (two) categories, namely deed and other writings, what is important from a deed is the signing, because by signing a deed a person is considered to bear the truth of what is written in the deed. Among the letters or writings called the deed, there is another group that has a special proving power, namely what is called an authentic deed. Before completing the description of the problem of proof with the authentic deed, the

¹³Habib Adjie, 2012, Discussion of Thoughts in the Field of Notaries and PPAT, Mandar Maju, Bandung, p. 12.

¹⁴Taufik Makarao, 2004, Fundamentals of Civil Procedure Law, PT. Rineka Cipta, Jakarta, p.45

¹⁵Hartanti Sulihandari and Nisya Rifiani, 2013, Basic Principles of the Notary Profession, Smart World, Jakarta, p. 79-90.

meaning of proving will first be explained. What is meant by proving, is convincing the judge about the truth of the argument or arguments put forward in a dispute by the defendant.

Covernotes made based on custom and based on material law, namely the law of engagement. If the source of formal law is in the form of acceptable habits, it is not against the law and is done repeatedly which causes the action to be considered the truth and does not conflict with the law that has been in force. Making a *covernote* does not have standard arrangements regarding the form, procedure, conditions that must be met in making a *covernote*, so that the *covernote* made by a notary may have a different form.

It is necessary to pay attention to the legal aspects of the engagement and the legal terms of the agreement. Based on the Civil Code, a *covernote* can be classified as an agreement that was born because of an agreement and is not caused by a law order. Article 1233 of the Civil Code stipulates: "every contract is born out of agreement, either because of the law". The *covernote* is only binding on the parties contained and mentioned in the contents of the *covernote*, the parties referred to in writing this paper are the bank as the creditor, the debtor who submits the credit application, and the notary who is in the process of obtaining the deed from the debtor.¹⁶

In general, there are no standard rules governing the form and procedure for writing *covernotes*, however, *covernotes* are written on a Notary's letterhead, signed and stamped by a Notary, while others are adjusted to what process is being handled at the Notary's office. *Covernote* emerged because of the urgent needs of debtors and creditors. The debtor as a party who wants his credit to be disbursed quickly by the bank, and the creditor as a party who wants to quickly withdraw the debtor's credit facility because in practice in the banking world there is business competition that requires banks to be fast in providing credit facilities. Therefore, the lack of guarantee data owned by the debtor is resolved by issuing a *cover note* by the Notary/PPAT.

This was stated by one of the Notaries in Pekalongan whom the authors interviewed who stated that *Covernote* is not an authentic deed as stated in the Law on Notary Positions. The *cover note* itself is a statement issued by a notary and reflects what the notary actually made. *Covernote* has no standard provisions governing it, while an authentic deed made by a notary is regulated in the Notary Office Act No. 30 of 2004 in conjunction with the Notary Office Act No. 2 of 2014. *Covernote* does not yet have standard provisions governing it, but

¹⁶Ibid.

it must reflect what the notary made so that it doesn't cause problems in the future.¹⁷

Covernotes made by a notary is usually only as a statement that there is still a process of certifying land documents that are used as collateral by the credit applicant and there is still a process of transferring names, royalties, or the process of splitting certificates for land that has been certified. In this case, it is because there are several processes that make land the object of collateral in the form of a mortgage right because the object of collateral does not yet have legal proof of ownership and has not been registered. In addition, it can be said that the covernote also provides information that the process of registering land rights is being carried out at the Notary's office concerned.¹⁸

The use of a notary's *Covernote* in the practice of granting credit, especially in banking institutions, begins with the process of implementing a credit agreement, the general process of which can be described as follows:¹⁹

- a. The existence of a notary work order given by the bank regarding the things desired in the implementation of the credit agreement later which generally contains various types of credit, the amount of credit proposed, the amount of loan interest rates, the object of collateral, the time span and the process of signing the deed notary related to the credit agreement.
- b. The notary receives the offer letter and immediately reads, examines, and understands the matters specified in the offer letter and then asks for a photocopy of the credit agreement between the bank and the parties, the original guarantee if the certificate is used for checking at the land office, and the identity of the parties' completeness of the documents fulfilled.
- c. If the time has been agreed upon, the parties, namely the bank as the creditor and the customer who becomes the debtor and the notary, sign the credit agreement and notarial deed related to the credit guarantee, for example the Power of Attorney for Imposing Mortgage Rights (SKMHT).
- d. After all the signings related to the credit agreement have been completed, the notary gives a letter to the bank which is called a *Covernote*. A cover note is a statement containing the timeframe for completion of all notary obligations regarding deeds or written

¹⁷The results of an interview with a Notary in Pekalongan.

¹⁸Singgih Budiyono and Gunarto, G. Op. Cit., p.786

¹⁹HMA Panggabean, 2015, "Juridical Review of Notary Duties Prior to Implementation of Credit Agreements in Banking", *Premise Law Journal*, Vol. 9, No. 16, p. 13-14

administrative legal actions to be completed by the notary concerned. This covernote is not a letter that can guarantee that all legal events that have been carried out will not encounter obstacles because in the process of completing all credit agreements there may be legal interference from third parties which makes the notary unable to exercise his authority.

e. After all the tasks of the notary have been completed, the notary is obliged to withdraw the original Covernote and make a new receipt that all documents received by the notary have been returned to the bank.

Regarding the authority of a Notary in relation to the issuance of a certificate or what is often known as a Covernote, UUJN and UUJN Amendments and also Government Regulation Number 37 of 1998 there is not a single article that regulates the authority of a notary to make Covernotes which are generally used by banks. The position of Covernote in banking practice is that it is only morally binding which arises on the basis of need and practice, only binding on a notary if the notary does not deny the signature. Covernotes are not proof of credit guarantees. The covernote is only valid as a statement from the notary or PPAT as the official who made the covernote which explains that there has been a binding credit or guarantee.

Covernotes is a statement containing the ability of a Notary to complete work on a matter that is still in the process of being resolved related to the imposition of a credit guarantee. Interest and fees are income from credit business activities, which is the largest income from one of the most important business activities in banking, namely credit. The banking law as the legal basis for carrying out banking activities has determined several provisions related to credit. The precautionary principle law is used in the banking system in Indonesia in carrying out its business in accordance with what is determined by the banking law which has the aim of improving the soundness of the bank, including in terms of credit, both directly and indirectly. Therefore, before granting credit is approved, it is necessary to analyze the credit application. This is in line with the provisions in Article 2 of the Banking Law which stipulates that Indonesian banking in carrying out its business is based on economic democracy by using the precautionary principle.

The involvement of the Notary with the Client at the time of disbursement of Credit is very important in reading the deed to the Client, especially regarding the respective rights and obligations of both the Bank and the debtor. So that in the future there will be no problems. And safe. Notaries at BNI must already be

partners with Bank BNI so that each has a responsibility to look after each other in the future and the parties are safe.²⁰

The position of the Covernote made by a Notary is not proof of collateral, because the covernote in this case only has the status of a Notary's Statement for the Bank that will issue a credit containing that there is still a process that must still be carried out to bind a guarantee so that it becomes a Mortgage. Covernote in this case does not also mean as completeness of the file but as a guarantee that it is true that the file is still in process. Here the principle of trust is put forward between the parties in this case between the notary and the client, the notary and the bank, and between the notary and the agency.²¹

The position of Covernote Notary is as an assistant and handler by the Bank in carrying out the credit disbursement process. What is stated in the covernote is the obligation of a notary to do the things he wrote in the covernote, so that the notary is bound to fulfill the obligations contained in the covernote until it is completed or fulfilled.²²After checking these requirements by the credit officer, if they meet the requirements, they will be followed up with a credit feasibility analysis and financial analysis up to credit approval and credit disbursement after all the conditions and documents are fulfilled.

The credit disbursement process at BNI is carried out after the customer has received a credit approval letter, followed by the customer signing the credit agreement and other documents, and the customer completing the original documents and other documents required in the said credit approval letter. After all the documents and other requirements are complete, the credit disbursement is carried out. The issuance of this covernote serves as an assistant and guide for the Bank in carrying out the credit disbursement process. What is stated in the covernote is the obligation of a notary to do the things that he stated in the covernote. In general, Covernote contains descriptions including:²³

- a. Mention of the Notary's identity and position.
- b. Covernote Register Number created.
- c. Information regarding the legal event that contains the signing of the contract that has taken place.

²⁰The results of an interview with a Notary in Pekalongan

²¹Singgih Budiono and Gunarto, Op. Cit., p.787

²²The results of an interview with a Notary in Pekalongan

²³DW Juliyanto, & Imanullah, "Problematics of Notary Covernotes as a Handbook for Banks for Media MN Realization of Financing/Credit in the Banking World", Journal of Repertorium, Vol. 5 No.2, 2018, p.59

- d. Description of the deed made.
- e. Information regarding the time period for completion of the deed made.
- f. Information regarding an explanation of the party authorized to receive.
- g. Information regarding the place and date when the certificate was made.
- h. Signature and stamp in accordance with management.

3.2. Notary Accountability for Granting Covernotes In Credit Agreements Resulting In Losses For Banking

Making covernotes by a notary has a very important role in bank credit. This happens because what the debtor will guarantee to obtain credit is still in the legal process, so that the existence of the covernote can provide additional confidence to the bank to make credit disbursements. Seeing the importance of the role of this covernote, the process of making covernotes cannot be done immediately, but the notary must first check with the relevant agencies whether the information conveyed by the debtor is true.

According to Kansil, if a certain habit is accepted by the community, and the habit is repeatedly carried out in such a way that an action contrary to that habit is felt as a violation of the sense of law, then a legal habit arises which is seen by the association as law. According to the author, a covernote is just an ordinary administrative action carried out by a Notary like ordinary correspondence.²⁴

Seeing that the issuance of covernotes by a notary can be seen as a custom, then of course the enforceability and binding power of the covernote can be measured because the implementation of the issuance of covernotes by a notary can be classified as customary law. According to Brugginnk's view, there are three factors that become parameters for a legal product to apply properly, namely having a legal, sociological, and philosophical basis of validity.²⁵The juridical or normative validity of a rule or rule if the rule is part of a certain rule of law in which the rules of law mutually refer to one another. Such a system of legal rules consists of an entire hierarchy of special legal rules that rests on general legal rules.

When a bank already has a letter of approval for a debtor's credit application, the bank is obliged to collect documents related to the object of the binding.

²⁴CST Kansil, 1989, Introduction to Indonesian Law and Legal Studies, Balai Pustaka, Jakarta, p. 48.

²⁵Arief Sidharta, 1996, Reflections on Law, Citra Aditya Bakti, Bandung, p. 142-152

After all documents related to the binding have been collected, they are then submitted to the notary to check whether the documents are complete. After the notary examines it, the notary will notify the bank that all documents are complete and clean (in the sense that there are no problems).

After that, the bank invites the parties, both the debtor and the notary before disbursing credit for the purpose of signing the deed and other documents deemed necessary to be signed. After everything is signed and declared complete, then a further process is carried out such as imposing collateral on collateral. It is in this process that creditors and debtors usually request cover notes for the purpose of disbursing the credit in question.

According to the author, the Notary must pay attention to the interests of the parties. The notary provides a statement in written form regarding the process of completing the credit disbursement documents as outlined in the covernote, so the notary is responsible for the contents or statement in the covernote. If a notary submits incorrect information in the covernote, the notary may be held legally responsible for his statement. Therefore, the notary also needs to be careful in issuing covernotes, he must convey correct information to related parties regarding the document process he is handling.

Regarding the notary's responsibility for the covernote he publishes, according to the author, it can be categorized as personal or private responsibility. Relating this to the theory of responsibility according to Kranenburg and Vegting where there are two theories of accountability, namely the *fautes personnelles* theory and the *fautes de service* theory.²⁶ The theory of *fautes personnelles* is an appropriate theory to be used to assess the responsibility of a notary to the covernotes they issue. The burden of responsibility theory is aimed at humans as individuals. According to the author, the burden of responsibility of the notary for the covernote issued is addressed to him as an individual human being who bears the responsibility of the position. What's more, the position of a notary will be borne during his term of office and cannot be transferred to another person/party.

Covernotes issued by an acting notary in carrying out his position as a notary. For this reason, the responsibility for issuing the covernote must be borne by the acting notary himself. This concept will be different from officials in a corporate or government environment where the burden of responsibility can be transferred to agencies as per the *fautes de services* theory. Because a notary is a public official who does not have an agency, the acting notary bears the responsibility for carrying out his position, both in his capacity as a notary and as a private person.

²⁶Ridwan HR, 2006, *State Administrative Law*, Raja Grafindo Persada, Jakarta, p. 335-337.

The notary is directly responsible for the content and information conveyed in the covernote. Notary information submitted in the covernote, if it causes harm to a party, the notary can be held legally responsible. In this context, legal liability that can be imposed on a notary is criminal and civil liability. Criminally, the responsibility that is borne by a notary for the covernote he publishes is in terms of submitting incorrect information and can even be suspected of committing fraud.

The notary's negligence in issuing a covernote whose contents contain statements or information that is not true causes him to be held legally responsible for his actions, namely criminal responsibility and civil responsibility. Even in this context, a notary bears a moral responsibility for the position he holds. As previously explained that if a notary violates a legal provision related to the exercise of his office, UUJN has determined the sanctions that can be imposed on a notary, namely in the form of verbal warning, written warning, temporary dismissal, honorable discharge, or dishonorable dismissal. .

The notary's negligence in issuing a covernote for the purpose of realizing bank credit is an act that is not in accordance with the provisions of the applicable laws and regulations. This notary's action can reduce the level of public trust in the position of a notary. In other words, the actions taken by the notary in this case can damage and undermine the honor and dignity of the notary's position.

The existence of covernotes currently exists and is urgent where covernotes issued by a notary will provide information so as to make the creditor/bank believe that even if the bank realizes the credit requested by the debtor whose collateral is still in the legal process, it will still be obtained and controlled by the bank. Moreover, the one who carries out the process is a notary who incidentally is a position that is very trusted. However, a cover note is not a guarantee, while bank credit conditions require that there should be a guarantee provided by the debtor as the application of the prudential principle by the bank.

Covernotes issued have never been rejected, but there have been only a few corrections to errors in writing, some were lacking which were immediately corrected/revised (administrative errors). In making covernotes, checks and verifications must be carried out first and ensure the completeness of the required documents so as to minimize the potential for errors that can cause losses to banks.²⁷

Notaries carry out their responsibilities in making covernotes by checking and verifying first and ensuring the completeness of the required documents so as to minimize the potential for errors that can cause losses to banks. This is in line

²⁷The results of an interview with a Notary in Pekalongan.

with the responsibility theory initiated by Hans Kelsen which states that a person is legally responsible for a certain action or that he bears legal responsibility, *sunek* means that he is responsible for a sanction in the event of a conflicting act.

4. Conclusion

Covernotes not regulated in the legislation or positive law in Indonesia. Publishing and drawing up *covernotes* by a notary has no legal basis. *Covernotes* are made based on a custom that can be accepted by the public, so they are trusted and considered a binding legal product. The notary has the authority to issue and make *covernotes* because they are classified as a form of agreement that binds the parties even though they are not regulated in laws and regulations but are regulated based on the legal terms of an agreement. Notaries carry out their responsibilities in making *covernotes* by checking and verifying first and ensuring the completeness of the required documents so as to minimize the potential for errors that can cause losses to banks. The notary's negligence in issuing a *covernote* whose contents contain statements or information that is not true causes him to be held legally responsible for his actions, namely criminal responsibility and civil responsibility. Even in this context, a notary bears a moral responsibility for the position he holds. As previously explained that if a notary violates a legal provision related to the exercise of his office, UUJN has determined the sanctions that can be imposed on a notary, namely in the form of verbal warning, written warning, temporary dismissal, honorable discharge, or dishonorable dismissal.

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- [4] Act No. 2 of 2014 Amendment to Act No. 30 of 2004 concerning the Position of Notary.
- [5] Act No. 10 of 1998 concerning Amendments to Act No. 7 of 1992 concerning Banking.