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VALUATION AND LIQUIDATION OF DUMP TRUCKS IN CILEGON, BANTEN

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ABSTRACT

This research aims to assess the fair market value and liquidation value of 35 trucks owned by a company in Cilegon City, Banten, which will be used as collateral for loans at financial institutions. The Market Data Approach with Comparable Match technique was employed. This method was chosen because the valuation object, the trucks, is a common asset in the market, making it relatively easy to obtain relevant comparative data. Through in-depth analysis of market data, vehicle physical condition, and relevant economic factors, the valuation results indicate that the fair market value of the trucks as of May 27, 2024, was Rp 13,465,400,000, while the liquidation value was lower at Rp 9,425,780,000. This difference reflects the liquidation discount that typically occurs in quick asset sales. The results are expected to provide valuable information for decision-making related to loan collateral and for asset owners to record the value of their assets.

Penelitian ini bertujuan untuk menilai nilai wajar dan nilai likuidasi dari 35 unit truk milik sebuah perusahaan di Kota Cilegon, Banten, yang akan digunakan sebagai jaminan utang pada lembaga keuangan. Metode yang digunakan adalah Pendekatan Data Pasar (*Market Data Approach*) dengan teknik Penyesuaian Perbandingan (*Comparable Match*). Metode ini dipilih karena objek penilaian, yaitu truk-truk tersebut, merupakan aset yang umum di pasaran sehingga data pembanding yang relevan dapat diperoleh dengan relatif mudah. Melalui analisis mendalam terhadap data pasar, kondisi fisik kendaraan, serta faktor-faktor ekonomi yang relevan, hasil penilaian menunjukkan bahwa nilai pasar wajar dari truk-truk tersebut pada tanggal 27 Mei 2024 adalah Rp 13.465.400.000, sedangkan nilai likuidasi lebih rendah, yaitu Rp 9.425.780.000. Perbedaan ini mencerminkan diskonto likuidasi yang biasa terjadi pada penjualan aset cepat. Hasil ini diharapkan memberikan informasi penting bagi pengambilan keputusan terkait penjaminan utang dan pemilik aset untuk pencatatan nilai asetnya.

1. INTRODUCTION

Transportation is a key component in supporting the smooth running of economic activity. Transportation activities include the transportation of people and goods and the process of moving goods and passengers from one location to another. As the trucking and logistics sector grows, there is an increase in demand for better infrastructure. The government is allocating investments for the road, toll road, and express road networks, which will benefit the sector and improve connectivity for industry and other regions. This connectedness is a driver of overall economic growth. Efficient logistics is the backbone of modern retail trade, ensuring products reach consumers on schedule.

Central Bureau of Statistics (BPS) reported a steady 3.68% annual growth in freight transportation or trucks from 2018 to 2022 (Badan Pusat Statistik, 2023). This robust growth highlights the truck industry's pivotal role in the retail sector, enabling the efficient delivery of goods to various outlets and expanding consumer access to a wider range of products and services. Beyond its economic contributions, the trucking industry plays a crucial part in narrowing the gap between rural and urban areas. By facilitating the movement of goods from production hubs to consumption centers, trucks are instrumental in fostering balanced economic development nationwide.

To meet logistics transportation needs, companies utilize financing from financial institutions such as banks, non-banks, or other institutions by providing financing with certain assets as collateral. To find out the value of the collateral object, valuation is required to determine the Market Value carried out by an appraiser. Apart from that, the appraiser can also use the Liquidation Value (as an indication), as generally, the lender has the right to take over the collateral if the borrower cannot pay off the debt. However, in general, lenders are guided by market value.

This research will discuss the application of asset valuation on machinery and equipment, with the valuation object being dump trucks to determine the market value and liquidation value by referring to the Minister of Finance Regulation Number 173/PMK.06/2020 on Valuation by Government Appraisers within the Directorate General of State Assets, Regulation of the Director General of State Assets number PER-12/KN/2012 on Guidelines for the Valuation of Movable Assets, and the Indonesian Valuation Code of Ethics (KEPI) and Indonesian Valuation Standards (SPI) VII Edition of 2018. Through research related to the application of valuation to determine liquidation value, it is hoped that it can provide insight for stakeholders in the transportation and logistics industry providing an overview of how the appraisal process is carried out and can produce a fair market value from which the liquidation value can then be obtained.

2. LITERATURE REVIEW

Based on Minister of Finance Regulation Number 173/PMK.06/2020 of 2020, Valuation is defined as an activity process to provide an opinion on the value of an object at a certain time. Assessment is something that must be done to continue to maximize the potential of a property owned by applying the Highest and Best Use analysis, namely by carrying out a feasibility analysis of the physical, regulatory, financial, and maximum productivity of a property that will be carried out. One of the results of the assessment that has been carried out is obtaining a value. Value has several types, including market value, fair value, and liquidation value.

Based on the Indonesian Assessment Standards (SPI), there are differences in the meaning of these three values. Market value is defined as the estimated amount of money that can be obtained or paid to exchange an asset or liability at the valuation date, between a buyer who is interested in buying and a seller who is interested in selling, in an untied transaction, where the marketing is carried out fairly. Secondly, the parties act with full understanding, and prudence and without pressure. Fair value is defined as the price that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. Meanwhile, liquidation value is defined as the amount of money that may be received from the sale of an asset in a relatively short period to meet the marketing period in the definition of Market Value. In some situations, Liquidation Value can involve sellers who are not interested in selling, and buyers who buy knowing the situation is not profitable for the seller (Yusuf, 2018).

The concept of market value could be called fair market value, although it could be argued (as stated in a 1943 United States Supreme Court decision) that the term “fair” does not add much to the phrase “market value.” Dictionary of Real Estate Appraisal, 6th ed., indicates fair market value is “equivalent” to market value in non-technical uses and “similar in concept” concerning technical uses in condemnation, litigation, and tax situations (Appraisal Institute (U.S.), 2020). From the definition above, it can be seen that the definition of market value in the SPI already represents the fair market value referred to in this other assignment report.

In determining the liquidation value from the market value of the object being assessed, the author is guided by Minister of Finance Regulation Number 113/PMK.06/2016 concerning the Valuation of Confiscated Goods in the Context of Sale at Auction. According to Article 59, the liquidation value is obtained by reducing the fair value by the level of risk of selling through an auction. Article 60 explains that this risk level is calculated based on a survey conducted by an assessment team from the Directorate General of State Assets, with a maximum sales risk set at 30% of the fair

value. With the enactment of Minister of Finance Regulation Number 173/PMK.06/2020 concerning Assessments by Government Appraisers within the Directorate General of State Assets, PMK-113/PMK.06/2016 is revoked and no longer applies. However, implementing regulations from PMK-113/PMK.06/2016 remain in effect if they do not conflict with or have not been replaced by new regulations.

3. RESEARCH METHODS

This research uses a descriptive approach literature and field observation. This approach is chosen to gain an in-depth understanding of the phenomenon through data collection from various relevant sources. The research begins with a literature review to obtain a theoretical foundation and concepts that support the discussed topic. The literature reviewed includes books, journal articles, research reports, and other sources related to vehicle use and associated phenomena. The analysis of this literature helps in formulating a conceptual framework and guidelines for field research.

To complement the data obtained from the literature, a field observation and interview was also conducted. This includes:

- Interviews with Vehicle Owners
  In-depth interviews were conducted with vehicle owners to understand their experiences, views, and habits related to vehicle use. Purposive sampling was used to select informants who were considered capable of providing rich and relevant information.
- Observation
  Observations were conducted to observe the conditions and situations related to vehicle use. This includes observations of vehicle usage patterns, vehicle physical condition, and vehicle user behavior in the field.
- Collection of Other Supporting Data
  In addition to interviews and observations, additional data was obtained from sources such as official documents, statistical reports, and other secondary data relevant to the research topic.

The collected data was analyzed and then presented in an assessment report to determine the liquidation value of the assessed asset. With this method, the research is expected to provide a deep and comprehensive understanding of the topic under study, as well as provide theoretical and practical contributions to studies on the assessment of machinery and equipment with a dump truck as the assessment object.

4. RESEARCH RESULTS

4.1. Vehicle Property Valuation in Indonesia

The appraisal profession in Indonesia consists of government appraisers (located in the Directorate General of State Assets (DJKN), the Directorate General of Taxes (DJP), and Regional Governments) and public appraisers (under the auspices of the Indonesian Appraisal Professionals Association (MAPPI)). Both government appraisers and public appraisers have their own guidelines for assessing property, including vehicles. Government appraisers, in this case the DJKN, conduct appraisals using the statutory valuation method or a valuation method based on applicable laws and regulations, referring to standards set by government regulations or authorized authorities and used for specific administrative or regulatory purposes.

This is quite different from the appraisals conducted by public appraisers. Although the appraisals used by both government appraisers and public appraisers have the same source, namely KEPI & SPI, public appraisers still have more flexibility in conducting appraisals, especially in determining the indicators that influence the appraisal as well as the percentages used in determining adjustments or adjustments from fair market value to the liquidation value of the object.

In the vehicle valuation process in Indonesia, the valuation approach used can be a market data approach, a cost approach, and an income approach. The market data approach indicates value by comparing the asset being valued with similar or comparable assets, where information on transaction prices or offers obtained in a market is available. The first step in the market data approach is to review the most recent prices in the market of similar or comparable asset transactions. If recent transactions are rare or non-existent, the bid (for sale) or listed prices of similar or comparable assets may be considered. The relevance of this information must be assessed carefully and analyzed in depth. Adjustments need to be made to the transaction or offer price information if there are differences with actual transactions, by the Basic Value and assumptions used in the assessment. These differences may include vehicle specifications (brand, type, year of manufacture), vehicle condition (engine condition, paint, interior, exterior), transaction time, as well as other relevant factors that can influence determining the value of the appraisal object. This approach is often used for vehicle assessment objects that are produced in large quantities and have similar or comparable data that can be found on the market.

The Cost Approach provides an indication of value based on economic principles, which state that a buyer will not pay more for an asset than it would cost to acquire an asset of similar use, either through purchase or construction. This principle assumes that the price that would be paid in the market for the asset being valued will not exceed the cost to purchase or construct an equivalent asset unless factors such as unreasonable timing, inconvenience, risk, or other factors are present. Typically, the asset being valued may be less attractive due to age or obsolescence compared to newly purchased or constructed alternative assets.

Therefore, adjustments are required to reflect the cost differences between the asset being valued and alternative assets, according to the Value Basis used. These adjustments can be made by reducing new construction costs or new replacement costs with physical or technical depreciation, functional obsolescence, and/or economic obsolescence. This approach is used for vehicle appraisal objects if comparative data is insufficient or unavailable on the market, and the depreciation and obsolescence of the appraisal object are considered.

The Income Approach indicates value by converting future cash flows into present value. This approach considers the income generated by an asset over its useful life and calculates its value through a capitalization process. Capitalization involves converting income into a specific amount of capital using an appropriate discount rate. Cash flows can come from revenue from a single contract or multiple contracts, or even from anticipated profits from use or ownership of an asset. This income approach can only be used if the income obtained using the assets of the object is known and this approach is still relevant when used to assess vehicles used for commercial purposes (Yusuf, 2018).

To deepen the understanding of the vehicle property valuation process in Indonesia, the author will carry out a valuation of vehicles in the form of dump trucks which is carried out using a market data approach. This approach was chosen because the object of valuation is a dump truck which produced in large quantities, so it is easy to find comparative data on the market. Thus, a valuation using a market data approach is expected to produce a fair market value for the object which becomes an accurate and reliable consideration for the assignment provider by the valuation objectives.

4.2. Vehicle Valuation Case Study Dump Truck

The valuation carried out in this research was carried out in several stages according to Figure 1.

Figure 1. Flow of Valuation Stages

SCOPE OF ASSIGNMENT					
DEFINITION OF ASSIGNMENT/PROBLEM IDENTIFICATION					
Identification of Assignee & Report User	Determination of Valuation Objectives	Determination of Basis of Value	Identification of Valuation Object and Ownership Rights	Valuation Date	Assumptions & Limiting Conditions
IMPLEMENTATION					
DATA COLLECTION AND SELECTION					
GENERAL DATA		SPECIFIC DATA		DEMAND AND SUPPLY DATA	
General data from the valuation object industry		Data on the property being valued		Comparative data	
DATA ANALYSIS					
Market Analysis of Demand and Supply and Market Study		HBU Analysis (Highest and Best Use)			
PROPERTY VALUE OPINION					
VALUATION APPROACH					
MARKET DATA APPROACH		INCOME APPROACH		COST APPROACH	
RECONCILIATION OF VALUE INDICATIONS AND FINAL VALUE OPINION					
ASSESSMENT REPORTING					

Source: KEPI & SPI 7th Edition (2018)

4.2.1. Identification of Problems

The valuation process begins with the identification of the problem. Problem identification consists of identifying the assigner and report user, determining the valuation purpose, determining the valuation basis, identifying the valuation object and ownership, the valuation date, and finally, the assumptions and limitations.

The valuation is conducted on a dump truck owned by PT TXX located in Cilegon, Banten (disguised) as the assigner and report user aimed at providing an objective and independent opinion on the Market Value for Debt Collateralization at a financial institution, the Bank, as the assigner (SPI 202, SPI 7th edition-2018). The purpose of the valuation is to determine the Fair Market Value and Liquidation Value of the object to be used as collateral. Based on the data information in the form of a Vehicle Registration Certificate (STNK) and Vehicle Ownership Book (BPKB) provided by PT TXX, the ownership of the dump truck being valued belongs to PT TXX.

In the identification process, the appraiser conducts research by conducting a field inspection to ensure the condition of the vehicle to obtain valuation results that follow the condition at the time of the valuation. Inspection of the property was conducted from February 20, 2024, to February 21, 2024, and the valuation date was set on February 21, 2024. The valuation was conducted again on May 27, 2024, with the assumption that there were no changes (repairs or additions of parts that could affect the value) of the property since the inspection date.

The appraiser makes assumptions and limiting conditions in the valuation so that users of the resulting value know the limitations and conditions that exist in the valuation. The appraiser states and makes the following assumptions:

a. This valuation uses data and/or information obtained from the assigner. If there is an indication of incorrect data and/or information obtained, whether intentional or unintentional, then it will not be the responsibility of the appraiser;
b. All forms of information about the valuation object that are sourced from other parties are considered valid and relevant as long as they are based on objective analysis by the appraiser;
c. The appraiser is not responsible for certain matters that are hidden from the valuation object, as it is assumed that nothing is hidden from the valuation object that could cause an increase or decrease in value;
d. All forms of regulations and limitations set by the government for the valuation object have been considered in the valuation process, unless otherwise stated;
e. Data and information related to STNK and tax payments obtained from the search are considered to have been disclosed correctly according to the image displayed unless stated otherwise.

The appraiser also makes limiting conditions with the following details:

a. The valuation object is 1 (one) unit of Mitsubishi FN 517 ML2 (6X2) truck, the year 2014;
b. The appraiser has conducted a direct field inspection or physical examination of the property being valued;
c. The appraiser has no financial or other interest, either now or in the future, in the property being valued;
d. The duties, responsibilities, and authority of the Appraiser in this report are limited to the valuation of an object to determine the Fair Market Value and Liquidation Value in writing this assignment report and are not used for other purposes without the written consent between the appraiser and the assigner;
e. The value is stated in the Indonesian Rupiah currency unit;
f. The appraiser does not conduct an in-depth legal check, so it is assumed that the ownership certificate of the vehicle being valued is good and not in dispute;
g. This report is confidential, not publicly known, and there are provisions that it cannot be disseminated without prior permission from the appraiser and the assigner;
h. This valuation is only used for the purposes mandated in this report. If it is used for other purposes, whether intentional or unintentional, it will not be the responsibility of the appraiser.

4.2.2. Data Collection and Selection

The appraiser collects and selects data that can support the valuation process of the assessed object. The sources of data and information obtained include:

- Vehicle Registration Certificate (BPKB) No. L - 0998XXXX (Disguised) in the name of PT TXX;
- Vehicle Registration Number Certificate (STNK) No. 1132XXXX (Disguised) in the name of PT TXX;
- Data on comparative transactions of buying and selling dump trucks obtained from various sources;
- Economic analysis based on publicly published data and information; and
- Based on information sources from both print and electronic media as well as other analyses that the appraiser deems relevant.

Data collection and selection are carried out in three types: general data, specific data, and supply and demand data.

a. General Data

The collection and selection of macroeconomic and industry data aims to obtain a general overview of the overall economic conditions and the dynamics of the related industry. Macroeconomic data includes economic indicators such as GDP growth, inflation, unemployment rate, and interest rates. Industry data includes market trends, technological developments, government regulations, and other factors that affect the overall performance of the industry. This information is important to understand the external context that affects the value of the assessed property. Based on the data on the distribution and growth of GDP by economic sector in 2023 released by the Central Bureau of Statistics (BPS), the sector with the highest growth is Transportation and Warehousing at 13.96% (c-to-c). In line with national growth, the Regional Gross Domestic Product at Current Prices by Economic Sector in Cilegon City in 2023, the transportation and warehousing sector in Cilegon City has experienced an upward trend in the last three years (2021 to 2023) (Cilegon City BPS, 2024). This upward trend may have occurred due to an increase in other sectors such as Agriculture, Forestry, and Fisheries, the Manufacturing Industry sector, and the Wholesale and Retail Trade sector, whose businesses are related to the need for goods transportation. With continued economic growth, both domestic and international trade flows have experienced significant increases. The goods transportation sector is one of the main pillars supporting trade development, by helping to accelerate the movement of goods from one place to another. The development of this sector is highly dependent on land freight service companies that use trucks as the main mode of transportation. Without the existence of freight service companies, the efficiency and speed of the flow of goods in the supply chain will be hampered, which in turn can affect the smooth flow of trade and overall economic growth.

b. Specific Data

This specific data refers to the assessment object data based on specific information about the assessed object, in this case a 2014 Mitsubishi FN 517 ML2 M/T 6x2 dump truck owned by PT TXX located in Cilegon, Banten. The description of the assessment object can be seen as follows:

Table 1. Description of Assessment Objects

Police Vehicle Number	:	B XX10 XXX (Disguised)
Owner	:	PT TXX (Disguised)
Owner's Address	:	Provided
Model	:	Dump Truck (Tronton)
Brand/Type	:	Mitsubishi FN 517 ML2 M/T (6x2)
Production Year	:	2014
Engine Capacity (cc)	:	7,545 cc
Fuel	:	Solar
Machine Number	:	6D16KXXXXX (Disguised)
Chassis Number	:	MHMFN517CEK0XXXXX (Disguised)
Color	:	Orange
Motor Vehicle Owner's Book (BPKB)	:	Available
Vehicle Registration (STNK)	:	Available

Source: Processed by the Author (2024)

This data provides a strong foundation for determining an accurate and realistic liquidation value. Based on information provided by PT TXX, PT TXX is a company

engaged in the provision of land freight transportation services, with trucks as the main mode of transportation. Goods transported include wheat, sugar, palm oil, fertilizer, and others. Transportation activities carried out by PT TXX cover various stages, from transporting goods from customers to ports or final loading/unloading terminals, transferring goods from the ship's hull to storage, arranging and storing the goods, to delivering the goods to the responsible party at the customer's destination. Conversely, PT TXX also handles the shipment of goods from ports to customer destinations.

c. Demand and Supply Data

The collection of supply and demand data refers to the search for comparative data from the objects with similar conditions that are on offer or have been sold. This data includes the selling price, property condition, and data source of the property. This comparative data is used as a reference to ensure that the liquidation value assessment is carried out by considering the prevailing market standards. In this valuation, the author gathered three comparables (see Appendix).

4.2.3. Data Analysis

The appraiser conducted a data analysis to obtain a general overview by applying property market analysis and highest and best use analysis.

4.2.3.1. Property Market Data Analysis

The market analysis was conducted by examining the trends in supply and demand for properties in a specific area that has similarities to the object being assessed. In conducting the market analysis, the appraiser viewed the transportation and warehousing sectors as one of the indicators that could help in knowing the conditions related to the property market. Transportation and warehousing play an important role as one of the sub-sectors that support the national economy. Based on the distribution data and GDP growth by economic sector in 2023 released by the Central Bureau of Statistics (BPS), the economic sector with the highest growth was Transportation and Warehousing at 13.96% (c-to-c). In line with national growth, the Gross Regional Domestic Product at Current Prices by Economic Sector in Cilegon City in 2023, the transportation and warehousing sector in Cilegon City has experienced an upward trend in the last three years (2021 to 2023). This increasing trend may have occurred due to an increase in other sectors such as the Agriculture, Forestry, and Fisheries sector, the Manufacturing sector, and the Wholesale and Retail Trade sector, whose businesses are related to the need for goods transportation.

4.2.3.2. Highest and Best Use Analysis

The highest and best use analysis was conducted by examining the physical suitability of the object in its use to see how the maximum utilization can be done on the property. The Indonesian Valuation Standard explains the Highest and Best Use as the use that maximizes the potential of a property physically and legally, and considers financial aspects to generate the maximum value from the property (KPUP 6.3).

- Physical Use Analysis
  Based on the results of the field inspection, the appraiser directly observed the condition of the valuation object. The condition of the valuation object shows that on average the paint has peeled off, equipped with a front bumper, and the cabin is less well-maintained, but there are no signs of a decrease in function or economic value that causes the truck to not function for operational activities.
- Legal Use Analysis
  Before conducting the field inspection, the appraiser had received information related to copies of documents in the form of BPKB and STNK from the assigner, so the appraiser rechecked the accuracy of the copies of these documents when conducting the field inspection. Based on the re-check carried out in the field, the valuation object of the dump truck has legal documentation, so it is declared legally fit for use.
- Financial Use Analysis
  Based on the results of the field inspection of the valuation object, it was found that the engine of the dump truck was still operational and had no signs of a decrease in function and/or economic value.
- Usage Analysis Based on Highest and Best Use
  Based on the analysis of the factors mentioned above, the condition of the truck vehicle property at the time of inspection meets the highest and best use.

4.2.4. Valuation Approach

The valuation of the property object was conducted using the Market Data Approach with a Comparable Match technique. The market data approach with the Comparable Match technique was used because the object being valued is one of the vehicles produced in large quantities and there is comparable data of similar and/or comparable types that can still be found in the market. In addition, the market data approach is used because it is easier to understand and better reflects the fair value of the valuation object. Based on the Regulation of the Director General of State Assets number PER-12/KN/2012 on Guidelines for the Valuation of Movable Assets, the valuation procedure using the market data approach is carried out as follows:

a. Collecting data and information needed related to the valuation object and comparable objects that have comparable and/or similar characteristics to the valuation object. Data and/or information related to the valuation object is obtained through field inspection, while data and/or information related to comparable objects can be obtained through electronic media and verified through communication with the owner to find out the current condition of the comparable object to be used.

b. Analyzing the sales and/or offer data that will be used as a comparison and determining the sales and/or offer data selected as a comparison. In this valuation, the appraiser uses 3 comparable data that have been analyzed and have comparable and/or similar characteristics to the valuation object.
c. Comparing and adjusting for differences between the valuation object and the comparable object. The comparable data obtained is then adjusted to the condition of the valuation object with adjustments made in percentages. The factors used in the valuation process include:
    - Specifications of the Valuation Object, which are important components attached to the valuation object such as Make/Model, Type, Country of origin, Engine capacity, and Year of Manufacture.
    - Condition of the Valuation Object, which is the physical condition of the valuation object obtained based on field inspection such as engine condition, interior, and exterior.
    - Transaction Time, which is the difference in time between the valuation date of the valuation object and the offer or sale date of the comparable data object. In this case, the comparable data obtained is still within a timeframe close to the valuation date.
    - Transaction Type, which is related to the transaction of the comparable object obtained, whether it has been sold or is still in the offer condition. For comparable objects that have been sold, there is no adjustment for the type of transaction (0%). For comparable objects that are still in the offer condition, the percentage of the transaction type is obtained based on the results of negotiations between the appraiser and the owner of the comparable object regarding the agreed price.
    - Other Relevant Factors, which are other factors that may influence the resulting value, such as the completeness of accessories that are usually found on dump trucks and have significant material value.
d. Weighting the value of comparable data. After adjustments have been made to the comparable data, the next step is to weight the percentage for each comparable data, which is then multiplied by the value of each comparable data and summed. The sum of the values that have been adjusted and weighted for all comparable data then produces an indication of the fair market value of the valuation object.
e. Conducting a risk analysis of the occurrence of the liquidation value of the fair market value of the valuation object that has been calculated previously to produce a liquidation value following the Minister of Finance Regulation Number 113/PMK.06/2016 with an adjustment of 30% of the fair market value.

4.2.5. Value Opinion

For the valuation of this asset, the appraiser did not reconcile the value as only the market data approach was employed. Considering the analysis and assessment of the asset, along with various influencing factors, the appraiser concluded that the fair market value of 35 (thirty-five) units of dump truck as of the valuation date is Rp 13,465,400,000 (thirteen billion four hundred sixty-five million four hundred thousand rupiahs).

In determining the liquidation value, in some situations and relatively short timeframes to meet the marketing period for the assessed object, the liquidation value may involve sellers who are unwilling to sell, as well as buyers who buy knowing the seller's disadvantageous situation. To consider this risk, the Appraiser uses Article 59 of the Minister of Finance Regulation Number 113/PMK.06/2016, where the amount of risk is set at a maximum of 30% (thirty percent) of the Fair Market Value. The appraiser's consideration in setting the risk at 30% (thirty percent) as a deduction from the Fair Market Value is as follows:

a. Buyer’s Auction Fee, 2%;
b. Payment Time, 5%;
c. Payment Method, 5%;
d. Object Possession Process, 18%.

It should be noted that the determination of the percentage of each risk may be lower or higher than what the appraiser has done, depending on the type and market conditions of the assessed object, government regulations, and the appraiser's own opinion.

Therefore, the appraiser concludes that the liquidation value of the assessed object, which is 35 units of dump trucks, is Rp 9,425,780,000 (nine billion four hundred twenty-five million seven hundred eighty thousand rupiahs).

5. CONCLUSIONS AND SUGGESTIONS

Property valuation not only provides an overview of the property value but also influences investment decisions, transactions, and property management itself. Information obtained from property valuation can be a valuable guide for property owners, potential buyers or tenants, and local governments in managing and developing economic resources. The valuation of machinery and equipment was carried out on 35 truck units in Cilegon, Banten, using the Market Data Approach with the Comparable Match technique. The reason for using the Market Data Approach with the Comparable Match technique is that the assessed object is not a special object, so it is easy to find comparable data that is similar and/or comparable, easy to understand, and better reflects the fair value of the assessed object. The results of the valuation to find the fair market value and liquidation value as of May 27, 2024, are Rp 13,465,400,000 (Thirteen billion four hundred sixty-five million four hundred thousand rupiah) for the fair market value, and Rp 9,425,780,000

(Nine billion four hundred twenty-five million seven hundred eighty thousand rupiah) for the liquidation value of the 35 trucks. In general, the valuation project that has been carried out on the property has an impact that property owners can feel as a basis for making investment decisions and property management, as well as additional knowledge for financial institutions such as banks, non-banks, or other institutions that will provide financing with certain asset collateral, about how to value an asset.

6. IMPLICATIONS AND LIMITATIONS

6.1. Follow-up on Valuation Results

The results of the valuation of the dump truck are then stated in the valuation report to be given to the assignor, in this case, the financial institution Bank, to then be taken into consideration in making decisions regarding the debt guarantee that will be given to PT TXX.

In the world of finance, debt guarantees are one way for financial institutions to mitigate credit risk. This process involves valuing the assets that will be used as collateral. The results of this valuation must be accurate and reliable as they are the basis for decision-making by financial institutions. Based on the results of the valuation conducted, the assessed assets demonstrate adequate market value to be used as collateral for debt. This value was determined through a market data approach by comparing the asset with other comparable assets for which transaction or offer data is available. This approach ensures that the value of the assets used as collateral is realistic and appropriate to current market conditions.

6.2. Limitations

The scope of this research is limited in several ways. It is focused on trucks located in Cilegon and utilizes comparative market data from the surrounding area, thereby restricting the applicability of the findings to regions with different market conditions. Furthermore, the data used in this study is restricted to a specific timeframe, potentially making the results inapplicable to different periods.

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APPENDIX

Table 2. Comparative Object Data 1

Data Source	:	Mobil123 (Continue communication via WhatsApp)
		https://www.mobil123.com/dijual/mitsubishi-fuso-fn-527-ms-dki-jakarta-cilandak/13209858
Vehicle Location	:	Cilandak, DKI Jakarta
Contact	:	Ichon (Broker)
		085711522229
Transportation Type	:	Freight Cars
Brand/Model	:	Dump Truck
Type	:	Mitsubishi FN 527 ML M/T 6x4
Production Year	:	Japan
Engine Capacity (cc)	:	7,545
Production Year	:	2012
Color	:	Orange
Condition	:	Enough
Carrying Capacity (Tons)	:	24
Number of Kilometers	:	100,000
Vehicle Tax	:	February 2024
Additional Accessories	:	None
Transaction/Offer Type	:	Sold Out (Transaction)
Price	:	Rp 385,000,000,-

Source: Processed by the Author (2024)

Table 3. Comparative Object Data 2

Data Source	:	Facebook (Continue communication via WhatsApp)
		https://www.facebook.com/groups/365375625685639/permalink/724097323146799/?mibextid=uJjRxr
Vehicle Location	:	Duren Sawit, Jakarta Timur
Contact	:	M Ghajali Hasibuan (Broker)
		081283127512
Transportation Type	:	Freight Cars
Brand/Model	:	Dump Truck
Type	:	Mitsubishi FN 517 ML2 M/T 6x2
Production Year	:	Japan
Engine Capacity (cc)	:	7,545
Production Year	:	2009
Color	:	Orange
Condition	:	Enough
Carrying Capacity (Tons)	:	24
Number of Kilometers	:	500,000
Vehicle Tax	:	August 2024
Additional Accessories	:	None
Transaction/Offer Type	:	Offer
Price	:	Rp 330,000,000,-

Source: Processed by the Author (2024)

Table 4. Comparative Object Data 3

Data Source	:	OLX (Continue communication via WhatsApp)
		https://www.olx.co.id/item/mitsubishi-fuso-ganjo-iid-916668710
Vehicle Location	:	Cimahi Utara, Cimahi
Contact	:	Riki Adiamsyah (Owner)
		081394948899
Transportation Type	:	Freight Cars
Brand/Model	:	Dump Truck
Type	:	Mitsubishi FN 527 ML M/T 6x4
Production Year	:	Japan
Engine Capacity (cc)	:	7,545
Production Year	:	2015
Color	:	Orange
Condition	:	Enough
Carrying Capacity (Tons)	:	24
Number of Kilometers	:	150,000
Vehicle Tax	:	February 2024
Additional Accessories	:	None
Transaction/Offer Type	:	Offer
Price	:	Rp 500,000,000,-

Source: Processed by the Author (2024)

Table 5. Working Paper from One of the Objects Valuation

WORKING PAPER/KERTAS KERJA PENILAIAN

Client	**: PT TXX (Disguised)**
Object Location	**: Cilegon, Banten (Disguised)**
Police Vehicle Number	**: B XX10 XXX (Disguised)**
Machine Number	**: 6D16KXXXXX (Disguised)**
Chassis Number	**: MHMFN517CEK0XXXXX (Disguised)**
Motor Vehicle Owner's Book (BPKB)	**: L - 0002XXXX (Disguised)**
Object Valuation	**: Dump Truck**
Date of Valuation	**: 27 Mei 2024**
Valuation Objectives	**: Fair Market Value**

No	Description	Object Valuation	Data 1	Data 2	Data 3
1	**Object Identification**				
	Documentation				
	Data Source		Mobil123 (Continue communication via WhatsApp) https://www.mobil123.com/dijual/mitsubishi-fuso-fn-527-ms-dki-jakarta-cilandak/13209858	Facebook (Continue communication via WhatsApp) https://www.facebook.com/groups/365375625685639/permalink/724097323146799/?mibextid=uJjRxr	OLX (Continue communication via WhatsApp) https://www.olx.co.id/item/mitsubishi-fuso-ganjo-iid-916668710
	Vehicle Location	Cilegon	Cilandak, DKI Jakarta	Duren Sawit, Jakarta Timur	Cimahi Utara, Cimahi
	Year of Data	2024	2024	2024	2024
	Contact Person		Ichon (Broker) 085711522229	M Ghajali Hasibuan (Broker) 081283127512	Riki Adiamsyah (Owner) 081394948899
2	**Adjustment Factor**				
	Transportation Type	Freight Cars	Freight Cars	Freight Cars	Freight Cars
	Brand/Model	Dump Truck	Dump Truck	Dump Truck	Dump Truck
	Type	FN 517 ML2 M/T 6x2	FN 527 ML M/T 6x4	FN 517 ML2 M/T 6x2	FN 527 ML M/T 6x4
	Production Year	Japan	Japan	Japan	Japan
	Engine Capacity (cc)	7,545	7,545	7,545	7,545
	Production Year	2014	2012	2009	2015
	Color	Orange	Orange	Orange	Orange
	Condition	Enough	Enough	Enough	Enough
	Carrying Capacity (Tons)	30	24	24	24
	Number of Kilometers	392,371	100,000	500,000	150,000
	Vehicle Tax	28 May 2024	February 2024	August 2024	February 2024
	Additional Accessories	Front Bumper	None	None	None
	- **Offer / Transaction Price**		Rp 385,000,000	Rp 330,000,000	Rp 500,000,000
	Status		Sold Out (Transaction)	Offer	Offer
	Discount Percentage		0%	20%	15%
	Price after Discount		Rp 385,000,000	Rp 264,000,000	Rp 425,000,000
	- **Assumptions and Limiting Conditions**				
	Payment Terms		Cash	Cash	Cash
	Conditions of Sale		Normal	Normal	Normal
	Expenditures made immediately after purchase		None	None	None
	Market Conditions		Normal	Normal	Normal
3	**Transaction Adjustments**				
	Transferred Property Rights		0% 385,000,000	0% 264,000,000	0% 425,000,000
	Payment Terms		0% 385,000,000	0% 264,000,000	0% 425,000,000
	Conditions of Sale		0% 385,000,000	0% 264,000,000	0% 425,000,000
	Expenditures made immediately after purchase		0% 385,000,000	0% 264,000,000	0% 425,000,000
	Market Conditions		0% 385,000,000	0% 264,000,000	0% 425,000,000
	Transaction Adjustment Results		**Rp 385,000,000**	**Rp 264,000,000**	**Rp 425,000,000**
4	**Adjustments to Property or Object**				
	Transportation Type		0% -	0% -	0% -
	Brand/Model		0% -	0% -	0% -
	Type		-19% (74,000,000)	0% -	-17% (74,000,000)
	Production Year		0% -	0% -	0% -
	Engine Capacity (cc)		0% -	0% -	0% -
	Production Year		10% 38,500,000	25% 66,000,000	-5% (21,250,000)
	Color		0% -	0% -	0% -
	Condition		0% -	0% -	0% -
	Carrying Capacity (Tons)		3% 11,550,000	3% 7,920,000	3% 12,750,000
	Number of Kilometers		-1% (3,850,000)	0% -	-1% (4,250,000)
	Vehicle Tax		0% -	0% -	0% -
	Additional Accessories		1% 3,850,000	1% 2,640,000	1% 4,250,000
	TOTAL		**-6% (23,950,000)**	**29% 76,560,000**	**-19% (82,500,000)**
5	**Value Indication**		**Rp 361,050,000**	**Rp 340,560,000**	**Rp 342,500,000**
	Total Weighted Factor		5	3	5
	Absolute Weighted Factor		34%	29%	27%
	Percentage Weight		38%	32%	30%
	Index		3	3	3
	Weighting Percentage		29%	34%	36%
	Fair Value of Each Object		**Rp 105,310,766**	**Rp 117,217,096**	**Rp 124,715,059**

Fair Value of 1 unit	**: Rp**	**347,242,921**
Rounded Value	**: Rp**	**347,200,000**
Spelled out	**:**	***(Three Hundred Forty Seven Million Two Hundred Thousand Rupiahs)***

Source: Processed by the Author (2024)

Table 6. Resume for Valuation of 35 Units Dump Trucks

No.	Detail of Each Truck	Unit	Fair Market Value (Rp)	Liquidation Value (Rp)
	Object Location: Cilegon, Banten (Disguised)			
1	- B XX07 XXX	1 Unit	349,700,000	244,790,000
2	- B XX10 XXX	1 Unit	347,200,000	243,040,000
3	- B XX11 XXX	1 Unit	348,200,000	243,740,000
4	- B XX14 XXX	1 Unit	347,200,000	243,040,000
5	- B XX17 XXX	1 Unit	349,700,000	244,790,000
6	- B XX28 XXX	1 Unit	347,200,000	243,040,000
7	- B XX31 XXX	1 Unit	329,500,000	230,650,000
8	- B XX32 XXX	1 Unit	347,200,000	243,040,000
9	- B XX34 XXX	1 Unit	349,700,000	244,790,000
10	- B XX37 XXX	1 Unit	347,200,000	243,040,000
11	- B XX53 XXX	1 Unit	351,900,000	246,330,000
12	- B XX54 XXX	1 Unit	347,200,000	243,040,000
13	- B XX56 XXX	1 Unit	352,800,000	246,960,000
14	- B XX57 XXX	1 Unit	348,200,000	243,740,000
15	- B XX60 XXX	1 Unit	351,900,000	246,330,000
16	- B XX61 XXX	1 Unit	351,900,000	246,330,000
17	- B XX63 XXX	1 Unit	347,200,000	243,040,000
18	- B XX64 XXX	1 Unit	349,700,000	244,790,000
19	- B XX66 XXX	1 Unit	347,200,000	243,040,000
20	- B XX69 XXX	1 Unit	347,200,000	243,040,000
21	- B XX71 XXX	1 Unit	347,200,000	243,040,000
22	- B XX77 XXX	1 Unit	349,700,000	244,790,000
23	- B XX80 XXX	1 Unit	347,200,000	243,040,000
24	- B XX82 XXX	1 Unit	347,200,000	243,040,000
25	- BK XX25 XX	1 Unit	468,700,000	328,090,000
26	- BK XX50 XX	1 Unit	465,300,000	325,710,000
27	- BK XX24 XX	1 Unit	465,300,000	325,710,000
28	- BK XX52 XX	1 Unit	468,700,000	328,090,000
29	- BK XX84 XX	1 Unit	461,300,000	322,910,000
30	- BK XX23 XX	1 Unit	461,300,000	322,910,000
31	- BK XX49 XX	1 Unit	465,300,000	325,710,000
32	- BK XX53 XX	1 Unit	465,300,000	325,710,000
33	- BK XX51 XX	1 Unit	464,000,000	324,800,000
34	- BK XX28 XX	1 Unit	465,600,000	325,920,000
35	- BK XX54 XX	1 Unit	465,300,000	325,710,000
TOTAL VALUATION OF 35 UNITS OF DUMP TRUCKS			**13,466,540,000**	**9,425,780,000**

Note:

- This initial valuation information is not a valuation report;
- The value in this initial valuation information is an indication of the value that the Author has determined based on field surveys and analysis;
- The minimum value that can be used as a reference for sale in this valuation is the liquidation value, and the maximum value is the fair market value.

Source: Processed by the Author (2024)