# Assessing Digital Content as Collateral for Banking Finance: Valuation Challenges under Government Regulation Number 24 of 2022

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## ABSTRACT

*This study aims to examine evaluation methods for content feasibility as credit collateral and analyze the implications of Government Regulation Number 24 of 2022 on banking regulations in Indonesia. Utilizing a normative juridical approach, this research examines the regulatory conflict between creative economy development and banking prudential principles. The findings reveal that implementing digital content as fiduciary collateral faces severe obstacles due to the absence of technical valuation guidelines and the lack of a specialized intellectual property (IP) appraisal institution. Although the Indonesian Valuation Standards provide cost, market, and income approaches, commercial banks cannot optimally apply them because Financial Services Authority Regulation (POJK) Number 40/POJK.03/2019 does not recognize IP assets as eligible collateral. Furthermore, the limited protection period of copyrights and the legal complexities of asset foreclosure—where only economic rights can be transferred while moral rights remain permanently attached to the creator—heighten legal risks for creditors. Therefore, statutory harmonization between banking regulations and Government Regulation Number 24 of 2022, alongside the establishment of certified IP appraisal bodies, is strictly required to ensure legal certainty and foster a secure creative economy financing ecosystem.*

**Keywords**: Content, Credit Collateral, Banking, Government Regulation No. 24/2022, IP Valuation

**Introduction**

The rapid expansion of the digital economy has fundamentally transformed the nature of assets that generate economic value in contemporary society. Unlike traditional industrial economies that rely heavily on tangible assets such as land, machinery, and inventory, modern economic growth is increasingly driven by intangible assets, particularly intellectual property (IP). Copyrights, trademarks, patents, trade secrets, and digital content have emerged as strategic economic resources capable of generating substantial and sustainable revenue streams. This transformation is especially evident within the creative economy sector, where innovation, creativity, and digital production constitute the primary sources of value creation. Digital content distributed through platforms such as YouTube, streaming services, social media, digital publishing, gaming, and online entertainment has become a significant economic commodity with measurable commercial potential. Consequently, governments around the world have begun to recognize intellectual property not merely as a legal right but also as an economic asset that can support financing, investment, and business development. The growing recognition of intellectual property as a financeable asset has encouraged policymakers to explore mechanisms that allow creators and creative enterprises to leverage their intellectual assets for obtaining capital. This shift represents a paradigm change in financial systems, moving from asset-based financing centered on physical collateral toward a broader recognition of intangible assets as instruments of economic empowerment and financial inclusion (Sartor et al., 2020).

The increasing contribution of the creative economy to national economic development has further intensified the need for innovative financing mechanisms. Creative economy actors often possess valuable intellectual property assets but lack sufficient tangible collateral to satisfy conventional banking requirements. As a result, many creators, artists, digital entrepreneurs, and technology-based businesses experience significant barriers in accessing formal financial services. This challenge is particularly relevant in developing economies where financial institutions continue to prioritize physical assets as the primary basis for credit risk mitigation. In Indonesia, the government has sought to address this structural limitation through the enactment of Government Regulation Number 24 of 2022 concerning the implementation of the Creative Economy Law. The regulation explicitly recognizes intellectual property-based financing schemes and provides a legal foundation for the utilization of intellectual property assets, including digital content, as collateral for obtaining financing from financial institutions. The regulation reflects a strategic effort to strengthen the creative economy ecosystem by facilitating access to capital while simultaneously encouraging the commercialization of intellectual property assets. However, despite the regulatory breakthrough, practical implementation remains highly challenging because financial institutions must determine whether a particular digital content asset possesses sufficient economic value, legal certainty, and marketability to function as acceptable collateral (Mayana & Santika, 2024; Muhammad et al., 2023).

One of the most critical issues arising from the implementation of Government Regulation Number 24 of 2022 concerns the valuation of digital content used as collateral. Unlike conventional collateral such as land, buildings, vehicles, or inventory, digital content possesses unique characteristics that complicate valuation processes. Digital content is inherently intangible, highly dependent on market preferences, vulnerable to technological disruption, and often subject to rapidly changing consumer behavior. Moreover, the value of digital content is frequently derived from future income expectations rather than present market transactions. This characteristic creates significant uncertainty regarding the determination of fair market value and liquidation value. Financial institutions require reliable valuation methodologies to assess the economic feasibility of digital content as collateral, yet there remains considerable disagreement among scholars and practitioners regarding the most appropriate valuation approach. Existing literature identifies three principal methodologies for intellectual property valuation: the cost approach, the market approach, and the income approach. Each method offers specific advantages and limitations depending on the nature of the asset, the availability of market data, and the purpose of valuation. Consequently, determining the most suitable valuation framework for digital content collateral remains a major unresolved issue within both academic discourse and financial practice (Masera, 2020; Sartor et al., 2020).

The cost approach estimates intellectual property value based on the expenditures incurred during its creation, development, and reproduction. Although this method provides an objective and auditable basis for valuation, many scholars argue that historical costs do not necessarily reflect current economic utility or future earning potential. Consequently, the cost approach is often considered less suitable for valuing intellectual property assets intended for financing purposes. In contrast, the market approach determines value by analyzing comparable transactions involving similar intellectual property assets. This method benefits from its reliance on observable market behavior and actual transaction prices. However, the application of the market approach to digital content faces substantial challenges because intellectual property assets are often unique and lack sufficiently comparable market transactions. The scarcity of transparent intellectual property markets further limits the availability of reliable benchmark data. Meanwhile, the income approach focuses on the present value of future economic benefits generated by the asset. This method is widely regarded as theoretically robust because it captures the income-generating capacity of intellectual property. Nevertheless, its effectiveness depends heavily on assumptions regarding future cash flows, market performance, and discount rates, all of which introduce significant uncertainty into valuation outcomes. These methodological complexities illustrate the difficulty of establishing a universally accepted framework for valuing digital content collateral within banking systems (Fabbri & Giribone, 2020; Sartor et al., 2020).

In addition to valuation difficulties, financial institutions face substantial risk management concerns when accepting digital content as collateral. Traditional banking practices emphasize prudential principles, particularly the assessment of collateral quality as part of comprehensive credit evaluation procedures. The well-established 5C framework—Character, Capacity, Capital, Collateral, and Conditions of Economy—requires lenders to ensure that collateral possesses measurable value, legal enforceability, and recoverability in the event of borrower default. Digital content challenges these assumptions because its value may fluctuate dramatically due to technological changes, shifts in consumer demand, copyright disputes, platform policy changes, and competitive market dynamics. Furthermore, the liquidation process for digital content assets remains relatively underdeveloped compared to traditional collateral markets. The absence of mature secondary markets for intellectual property assets increases uncertainty regarding collateral recovery and realization. International experiences demonstrate that successful implementation of intellectual property-backed financing requires sophisticated valuation mechanisms, specialized regulatory frameworks, institutional support systems, and effective risk mitigation instruments. Without these supporting structures, financial institutions may remain reluctant to integrate digital content into mainstream lending practices despite regulatory authorization (Han & Shangguan, 2024; Li & Li, 2023; Naim & Kasri, 2025).

Several countries have developed innovative approaches to intellectual property-backed financing that provide valuable comparative insights. South Korea, for example, has established an advanced intellectual property financing ecosystem supported by government institutions, valuation agencies, and recovery mechanisms specifically designed for intellectual property assets. China has implemented intellectual property pledge financing systems that enable enterprises to utilize patents, trademarks, and copyrights as collateral for obtaining loans. Similarly, legal frameworks in the United Kingdom and Germany have evolved to accommodate intellectual property within secured transaction systems. These international experiences demonstrate that the success of intellectual property-based financing depends not only on legal recognition but also on the availability of standardized valuation methodologies, transparent markets, specialized institutions, and professional expertise. Despite these developments, significant challenges continue to persist regarding valuation accuracy, risk assessment, legal enforcement, and market transparency. Consequently, the international literature reveals an ongoing debate concerning the optimal balance between promoting access to finance and safeguarding financial stability when intangible assets are used as collateral (Kang, 2023; Talisa & Badriyah, 2023; Zachariah, 2022).

Although existing studies have extensively examined intellectual property valuation, intellectual property-backed financing, and creative economy development, a significant research gap remains regarding the specific problem of digital content valuation as collateral within the context of Government Regulation Number 24 of 2022. Previous studies generally focus on patents, trademarks, copyrights, or intellectual property rights in broader contexts, while limited attention has been devoted to the practical mechanisms for assessing the economic value of digital content as collateral in banking transactions. Furthermore, most valuation studies emphasize theoretical models without adequately addressing their applicability within prudential banking frameworks. Similarly, legal analyses often concentrate on regulatory recognition of intellectual property rights while overlooking operational challenges faced by financial institutions during collateral assessment and risk evaluation. Therefore, there remains a need for comprehensive research that integrates legal, financial, valuation, and regulatory perspectives to examine the practical challenges associated with digital content collateralization under Indonesia's emerging intellectual property financing regime. This gap highlights the necessity of investigating how valuation methodologies can be adapted to support banking prudence while facilitating broader access to financing for creative economy actors.

Based on the foregoing discussion, the novelty of this research lies in its examination of the intersection between intellectual property valuation theory, banking risk management principles, and the implementation of Government Regulation Number 24 of 2022 concerning creative economy financing. Unlike previous studies that primarily analyze intellectual property as a legal object or economic asset, this research specifically focuses on the valuation challenges associated with digital content as collateral within banking institutions. The study seeks to identify the conceptual, methodological, and regulatory obstacles that hinder the effective implementation of intellectual property-based financing schemes while exploring potential valuation frameworks capable of supporting both financial inclusion and banking stability. Accordingly, the objective of this research is to analyze the problems associated with assessing digital content as collateral for bank financing and to evaluate the implications of Government Regulation Number 24 of 2022 for banking practices. The central research question guiding this study is: **How can digital content be appropriately valued as collateral for bank financing within the regulatory framework established by Government Regulation Number 24 of 2022 while maintaining prudential banking principles and effective risk management?**

## Method

This study employs a normative juridical research design to examine the legal, economic, and institutional challenges associated with the valuation of digital content as collateral in banking financing under Government Regulation Number 24 of 2022 concerning the Creative Economy. Normative juridical research was selected because the primary objective of the study is to analyze legal norms, regulatory frameworks, valuation principles, and banking practices related to the utilization of intellectual property assets as financing collateral. Unlike empirical studies that focus on observable social behavior, normative legal research emphasizes the examination of legal doctrines, statutory regulations, legal principles, and scholarly interpretations that govern a particular legal issue. The approach is particularly appropriate for investigating emerging regulatory developments where practical implementation remains limited and legal certainty continues to evolve. Through this approach, the study seeks to assess the compatibility of existing banking regulations, intellectual property laws, and creative economy policies with the concept of digital content-based financing. Furthermore, the research explores how valuation methodologies can support the practical implementation of intellectual property-backed lending while maintaining prudential banking principles. The normative approach enables a comprehensive examination of the legal implications arising from the recognition of digital content as a financing asset.

The primary sources of data used in this study consist of legal materials and academic literature relevant to intellectual property valuation, banking law, secured transactions, and creative economy financing. Primary legal materials include Government Regulation Number 24 of 2022 concerning the Implementation of the Creative Economy Law, relevant provisions of banking legislation, intellectual property laws governing copyrights and related rights, and regulations concerning secured lending and collateral management. Secondary legal materials comprise scholarly journal articles, books, research reports, conference proceedings, and academic publications discussing intellectual property valuation, intangible asset financing, risk management, and intellectual property-backed lending systems. Particular attention is given to literature addressing the three principal intellectual property valuation approaches, namely the cost approach, market approach, and income approach, as well as studies examining international experiences in intellectual property financing. These sources provide the theoretical and conceptual foundation necessary to evaluate the challenges of determining the economic value of digital content for financing purposes. The combination of legal and academic materials facilitates a multidisciplinary analysis that integrates legal reasoning with financial and valuation perspectives.

Data collection was conducted through an extensive library research process. Relevant legal documents, regulations, judicial interpretations, policy reports, and academic publications were systematically identified, collected, and reviewed. The selection of literature focused on materials addressing intellectual property valuation methodologies, digital content commercialization, banking risk assessment, intellectual property-backed financing frameworks, and regulatory developments in creative economy financing. The collected materials were subsequently classified according to thematic categories, including legal recognition of intellectual property as collateral, valuation methodologies, banking risk management, regulatory implementation challenges, and comparative international practices. This categorization enabled the researcher to identify recurring themes, conceptual relationships, and areas of disagreement within the existing literature. In addition, doctrinal analysis was employed to examine the consistency and coherence of legal norms governing intellectual property financing. The library-based data collection strategy ensures that the study is grounded in authoritative legal and scholarly sources while maintaining analytical rigor.

The data were analyzed using qualitative legal analysis techniques. The analysis began with the interpretation of relevant legal provisions to determine the extent to which digital content may legally function as collateral within banking transactions. Subsequently, conceptual analysis was employed to examine the theoretical foundations of intellectual property valuation and their applicability to digital content assets. Comparative analysis was also utilized to assess international experiences in intellectual property-backed financing and to identify best practices that may inform policy implementation in Indonesia. The study further applied descriptive-analytical methods to evaluate the strengths and limitations of existing valuation approaches, particularly the cost approach, market approach, and income approach, in the context of banking collateral assessment. Findings from legal, financial, and valuation literature were synthesized to identify regulatory gaps, methodological challenges, and institutional constraints affecting the implementation of Government Regulation Number 24 of 2022. Through this analytical framework, the research aims to generate a comprehensive understanding of the legal and practical problems associated with valuing digital content as collateral and to contribute recommendations for improving intellectual property-based financing mechanisms within the banking sector.

## Result and Discussion

This study investigates the challenges associated with valuing digital content as collateral for bank financing following the enactment of Government Regulation Number 24 of 2022 concerning the implementation of the Creative Economy Law. The regulation formally recognizes intellectual property-based financing and allows intellectual property assets, including digital content, to be utilized as collateral in obtaining financing from financial institutions. However, the implementation of this regulatory framework raises significant questions regarding valuation mechanisms, risk assessment procedures, legal certainty, and banking prudence principles. The research was conducted through a normative juridical approach involving the analysis of statutory regulations, banking regulations, intellectual property laws, and scholarly literature related to intellectual property valuation and financing systems.

The findings indicate that while Government Regulation Number 24 of 2022 establishes a legal basis for intellectual property-based financing, substantial obstacles remain regarding the practical assessment of digital content as collateral. These obstacles primarily concern valuation methodologies, risk management considerations, market liquidity, and institutional readiness among financial institutions. The study identified several themes emerging from the legal and theoretical analysis, which are presented below without interpretation.

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**Description of Research Object**

**Table 1. Research Object and Sources of Analysis**

| Category | Description |
|---|---|
| **Primary Legal Source** | Government Regulation Number 24 of 2022 |
| **Supporting Regulations** | Banking Law, Copyright Law, Patent Law |
| **Research Approach** | Normative Juridical |
| **Main Object** | Digital Content as Financing Collateral |
| **Analytical Focus** | Valuation, Risk Assessment, Legal Feasibility |
| **Sector** | Banking and Creative Economy |

The research object consists of digital content categorized as intellectual property assets with economic value capable of generating future income streams. Such content includes digital music, audiovisual works, films, online media products, creative content platforms, digital publications, and other forms of copyrighted works recognized under intellectual property regulations. The study found that the legal status of digital content as an intangible asset is recognized within the intellectual property framework; however, its status as collateral remains dependent upon valuation certainty and enforceability mechanisms.

**Findings Related to Content Valuation Methods**

The analysis identified three principal valuation approaches applicable to digital content assets.

**Table 2. Identified Valuation Approaches**

| Valuation Method | Main Basis | Characteristics |
|---|---|---|
| **Cost Approach** | Development and production costs | Historical value-oriented |
| **Market Approach** | Comparable market transactions | Market-based valuation |
| **Income Approach** | Future revenue generation | Cash flow-oriented |

**1. Cost-Based Valuation**

The cost approach evaluates digital content based on expenditures incurred during creation, production, development, registration, promotion, and commercialization processes. Under this approach, the assessed value reflects the investment required to reproduce or recreate the content asset. The findings indicate that this method offers relatively objective documentation because costs can be verified through financial records. However, digital content with limited production costs may nevertheless generate substantial economic returns. Consequently, identical production expenditures do not necessarily correspond to equivalent economic values.

**2. Market-Based Valuation**

The market approach assesses value through comparison with similar intellectual property transactions occurring within the market. This method relies upon the existence of comparable content assets that have been licensed, transferred, sold, or otherwise commercialized. The analysis identified that digital content markets frequently lack sufficient comparable transactions due to the uniqueness of individual intellectual property assets. Therefore, obtaining reliable benchmarking information remains difficult. The study found that limited transparency regarding intellectual property transactions contributes to valuation uncertainty.

**3. Income-Based Valuation**

The income approach determines value according to projected future earnings generated by digital content. Revenue sources may include licensing income, royalties, subscriptions, advertisements, streaming revenues, franchising arrangements, and commercialization agreements. Findings indicate that this method is frequently considered the most economically representative because it reflects the asset's ability to generate future benefits. Nevertheless, substantial uncertainty exists regarding revenue projections, consumer preferences, platform policies, technological developments, and market sustainability.

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**Findings Concerning Banking Risk Assessment**

The study identified several categories of risk associated with accepting digital content as collateral.

**Table 3. Risks Identified in Digital Content Financing**

| Risk Category | Description |
|---|---|
| **Valuation Risk** | Difficulty determining accurate value |
| **Legal Risk** | Ownership and enforceability issues |
| **Market Risk** | Changes in consumer demand |
| **Liquidity Risk** | Difficulty selling collateral |
| **Technology Risk** | Platform and technological disruption |
| **Operational Risk** | Limited institutional expertise |

The findings indicate that valuation risk represents the most prominent challenge. Unlike physical assets such as land or buildings, digital content lacks standardized valuation benchmarks accepted across the banking industry. Consequently, financial institutions encounter difficulties when determining collateral value and financing ceilings.

Legal risks arise from ownership verification, licensing arrangements, copyright disputes, and limitations associated with transferring rights during default situations. The study found that although intellectual property rights are legally transferable, practical enforcement mechanisms remain insufficiently developed. This condition affects lender confidence in accepting digital content as collateral.

Liquidity risks were also identified. Traditional collateral assets typically possess established secondary markets, whereas digital content assets often lack organized markets capable of facilitating rapid liquidation. As a result, banks may encounter difficulties converting intellectual property collateral into recoverable value during loan default situations.

**Findings Regarding Prudential Banking Principles**

The research identified the continued relevance of the 5C Principle in assessing financing applications involving digital content collateral.

**Table 4. Application of the 5C Principle**

| Principle | Assessment Focus |
|---|---|
| **Character** | Borrower's credibility |
| **Capacity** | Repayment ability |
| **Capital** | Financial strength |
| **Collateral** | Asset security |
| **Conditions** | Economic environment |

The findings indicate that collateral assessment remains only one component of broader credit analysis. Financial institutions continue to emphasize repayment capacity, business sustainability, and borrower reliability. Therefore, the existence of valuable digital content alone does not automatically guarantee financing approval. Banks must simultaneously evaluate the borrower's ability to generate income and fulfill financial obligations.

The study further identified that the valuation of digital content must satisfy prudential requirements regarding reliability, verifiability, and economic sustainability before it can function effectively within banking operations.

**Findings Regarding Institutional Readiness**

The analysis revealed institutional challenges associated with implementing intellectual property-based financing.

**Table 5. Institutional Challenges**

| Challenge | Description |
|---|---|
| **Lack of Certified Valuators** | Limited availability of IP valuation experts |
| **Limited Banking Experience** | Few precedents for IP-based lending |
| **Regulatory Uncertainty** | Operational guidelines remain limited |
| **Market Infrastructure Gaps** | Lack of secondary IP markets |
| **Capacity Building Needs** | Insufficient technical expertise |

The findings indicate that successful implementation requires specialized valuation institutions capable of conducting independent assessments of digital content assets. Financial institutions generally lack internal expertise necessary for evaluating intellectual property assets. Consequently, collaboration with certified valuation professionals is considered necessary.

Furthermore, the study identified a need for standardized valuation methodologies and operational guidelines that can be applied consistently across financial institutions. Existing regulatory provisions establish legal recognition but provide limited technical guidance regarding valuation procedures.

**Findings on the Implications of Government Regulation Number 24 of 2022**

The analysis identified several implications arising from the regulation.

**Table 6. Regulatory Implications**

| Implication | Description |
|---|---|
| **Expansion of Financing Access** | New opportunities for creative economy actors |
| **Recognition of IP Value** | Formal acknowledgment of IP as an economic asset |
| **Banking Adaptation Requirements** | Need for revised risk management systems |
| **Institutional Development** | Need for valuation and support institutions |
| **Regulatory Harmonization** | Need for alignment among legal frameworks |

The findings demonstrate that Government Regulation Number 24 of 2022 introduces a new financing paradigm by formally recognizing intellectual property assets as financing collateral. This recognition potentially expands access to capital for creative economy actors who possess valuable intellectual property but lack traditional physical collateral.

The regulation also creates new responsibilities for financial institutions, requiring adaptation of risk management systems, valuation practices, and collateral assessment frameworks. The findings indicate that banking institutions must develop mechanisms capable of integrating intangible assets into existing credit evaluation processes while maintaining prudential standards.

## Digital Content as a New Form of Financing Collateral in the Creative Economy

The findings of this study demonstrate that Government Regulation Number 24 of 2022 introduces a significant transformation in Indonesia's financing landscape by recognizing intellectual property, including digital content, as a potential object of financing collateral. This development reflects a broader global shift from asset-based economies dominated by tangible resources toward knowledge-based economies where intellectual capital serves as a primary source of value creation. The emergence of digital content as a collateralizable asset illustrates how economic value is increasingly generated through creativity, innovation, and digital commercialization rather than through physical property ownership alone. This finding is consistent with previous studies emphasizing that intellectual property has evolved into an economically valuable asset capable of supporting financing, investment, and entrepreneurial development (Mayana & Santika, 2024; Muhammad et al., 2023). The recognition of digital content as collateral provides new opportunities for creative economy actors who often possess substantial intellectual assets but lack conventional collateral required by financial institutions. Consequently, the regulation has the potential to improve financial inclusion within the creative sector while simultaneously encouraging the commercialization and protection of intellectual property assets.

The findings further reveal that the economic significance of digital content extends beyond its legal status as a copyrighted work. Digital content functions as an income-generating asset capable of producing royalties, licensing revenues, advertising income, subscription fees, and commercialization returns. This characteristic supports the conceptual argument advanced in intellectual property financing literature that intangible assets can serve as productive economic resources when appropriate valuation mechanisms exist (Naim & Kasri, 2025). The ability of digital content to generate recurring cash flows aligns with contemporary financing models that increasingly emphasize future income streams rather than physical asset ownership. As demonstrated in international experiences, intellectual property-backed financing has become an important instrument for supporting innovation, entrepreneurship, and technological development. Therefore, the Indonesian regulatory framework reflects an attempt to integrate the creative economy into broader financial systems by recognizing the commercial potential embedded within intellectual property assets.

**Valuation Challenges and the Research Gap in Intellectual Property Financing**

One of the most significant findings of this research concerns the difficulty of determining the economic value of digital content. The study identified three principal valuation approaches—the cost approach, market approach, and income approach—each of which presents unique advantages and limitations. These findings correspond closely with the intellectual property valuation literature, which consistently highlights the absence of a universally accepted valuation methodology for intangible assets (Sartor et al., 2020). The existence of multiple valuation methods reflects the inherent complexity of intellectual property assets, whose value is often influenced by legal protection, market demand, technological developments, and future commercialization opportunities.

The cost approach provides an objective and verifiable method because it relies on documented expenditures associated with content creation and development. However, the findings indicate that production costs frequently fail to capture the actual economic potential of digital content. A relatively inexpensive digital product may generate substantial revenues, while highly expensive productions may achieve limited commercial success. This finding supports the argument of Sartor et al. (2020) that historical expenditure does not necessarily correspond to current economic utility or future profitability. Consequently, the cost approach may underestimate high-performing digital assets while overestimating assets with limited commercial viability.

Similarly, the market approach offers theoretical advantages because it relies on observable market transactions. Nevertheless, the findings reveal that comparable transaction data are rarely available in intellectual property markets. Digital content assets are frequently unique, making direct comparison difficult. This observation aligns with previous research emphasizing the opacity and fragmentation of intellectual property markets, where transparent transaction records remain limited (Mazzeo & Gianfrancesco, 2020). Without sufficient market comparables, valuation outcomes become highly subjective, reducing their reliability for financing purposes.

The income approach emerged as the most economically representative method because it evaluates digital content according to its capacity to generate future revenue streams. This finding corresponds with the literature describing income-based valuation as the most theoretically rigorous methodology for intellectual property assessment (Fabbri & Giribone, 2020). However, the research also identified significant uncertainties associated with forecasting future income. Consumer preferences, platform algorithms, technological disruptions, regulatory changes, and market competition all influence the sustainability of future cash flows. Consequently, although the income approach may provide the most realistic estimate of economic value, it also introduces substantial forecasting risk.

The coexistence of these valuation challenges reveals an important research gap within intellectual property financing literature. Existing studies generally discuss valuation methodologies separately from banking risk management frameworks. This study contributes to the literature by demonstrating that valuation accuracy and financial prudence are inseparable components of successful intellectual property-backed financing systems. Without reliable valuation mechanisms, financial institutions remain unable to determine appropriate financing limits, collateral coverage ratios, or risk-adjusted lending decisions.

**Banking Risk Management and Prudential Principles**

Another major finding concerns the relationship between intellectual property financing and banking risk management. The results indicate that valuation uncertainty directly influences multiple categories of risk, including legal risk, market risk, liquidity risk, operational risk, and technological risk. This finding is consistent with international studies emphasizing that intellectual property-backed financing requires specialized risk management systems beyond those traditionally used for physical collateral (Han & Shangguan, 2024; Li & Li, 2023).

The study reveals that valuation risk represents the foundation of all other risk categories. If the economic value of digital content cannot be accurately determined, financial institutions face difficulties assessing loan-to-value ratios, capital adequacy implications, and collateral recovery potential. This finding reinforces the argument that valuation methodologies constitute a critical prerequisite for intellectual property financing rather than merely a technical assessment tool. In practical terms, inaccurate valuation may expose financial institutions to either excessive credit risk or unnecessary financing restrictions.

The research further demonstrates that legal risks remain a significant concern despite regulatory recognition of intellectual property as collateral. Ownership disputes, licensing arrangements, infringement claims, and limitations on enforcement procedures create uncertainty regarding the realization of collateral value. These findings correspond with comparative international studies showing that legal infrastructure plays a crucial role in determining the effectiveness of intellectual property financing systems (Zachariah, 2022; Talisa & Badriyah, 2023). Countries with well-developed intellectual property registration systems, enforcement mechanisms, and collateral recovery procedures tend to exhibit greater success in implementing intellectual property-backed lending programs.

Liquidity risk also emerged as a major challenge. Unlike land, vehicles, or financial securities, digital content often lacks established secondary markets capable of facilitating rapid liquidation. This finding supports previous observations that intellectual property markets remain relatively illiquid and fragmented compared with traditional asset markets (Sartor et al., 2020). The absence of efficient secondary markets reduces the attractiveness of intellectual property collateral from a lender's perspective because collateral recovery depends upon the ability to convert assets into cash within a reasonable timeframe.

Importantly, the findings indicate that traditional prudential banking principles remain highly relevant despite the emergence of new collateral forms. The 5C framework—Character, Capacity, Capital, Collateral, and Conditions of

Economy—continues to provide the primary foundation for credit assessment. This finding demonstrates that intellectual property collateral does not replace comprehensive borrower evaluation but rather supplements existing credit analysis procedures. Even where digital content possesses substantial economic value, financing decisions remain dependent upon the borrower's repayment capacity, financial condition, and business sustainability. This observation contributes to the literature by clarifying that intellectual property financing should be viewed as an enhancement of conventional lending frameworks rather than a substitute for prudential banking standards.

**Institutional Readiness and Capacity Building**

The findings also highlight the importance of institutional readiness in supporting intellectual property financing systems. The study identified a shortage of qualified intellectual property valuation professionals, limited banking expertise regarding intangible assets, and insufficient operational guidelines governing intellectual property-backed lending. These findings correspond with international survey evidence indicating that deficiencies in human capital, professional expertise, and institutional infrastructure represent major barriers to intellectual property commercialization and financing (Sartor et al., 2020).

The absence of specialized valuation institutions creates substantial implementation difficulties. Financial institutions generally lack internal expertise necessary to evaluate digital content assets. Consequently, independent valuation professionals play a critical role in bridging the gap between intellectual property economics and financial decision-making. The findings suggest that establishing a professional ecosystem consisting of appraisers, legal experts, intellectual property consultants, and financial analysts is essential for ensuring valuation reliability and market confidence.

International experiences provide further support for this conclusion. South Korea's intellectual property financing system, for example, benefits from strong government support, specialized valuation agencies, and institutional mechanisms designed specifically for intellectual property collateralization (Muchtar et al., 2023). Similarly, China's intellectual property pledge financing programs demonstrate the importance of coordinated institutional development involving banks, valuation agencies, government authorities, and intellectual property offices (Li & Li, 2023). These international examples suggest that regulatory recognition alone is insufficient; successful implementation requires comprehensive institutional ecosystems capable of supporting valuation, monitoring, enforcement, and commercialization activities.

**Theoretical and Practical Contributions**

This research contributes to the existing literature in several important ways. First, it extends intellectual property valuation theory by examining the specific challenges associated with digital content as financing collateral. While previous studies often focus on patents, trademarks, or intellectual property generally, this research highlights the distinctive characteristics of digital content, including platform dependency, rapidly changing market conditions, and uncertain future revenue streams.

Second, the study integrates intellectual property valuation literature with banking risk management theory. Existing scholarship frequently treats valuation and financing as separate domains. This research demonstrates that effective intellectual property financing requires simultaneous consideration of economic valuation, legal enforceability, and prudential banking principles. This integrated perspective provides a more comprehensive framework for understanding the practical challenges associated with digital content-backed financing.

Third, the study contributes to policy discussions concerning the implementation of Government Regulation Number 24 of 2022. By identifying specific operational challenges, the research provides evidence-based insights for policymakers seeking to improve intellectual property financing frameworks. The findings suggest that regulatory recognition should be complemented by standardized valuation methodologies, professional certification systems, secondary market development, and institutional capacity-building programs.

**Practical Implications**

Several practical implications emerge from the findings. For policymakers, the research highlights the need to develop detailed technical guidelines governing intellectual property valuation and financing practices. Standardized valuation procedures would reduce uncertainty and improve consistency across financial institutions.

For financial institutions, the findings emphasize the importance of developing specialized expertise in intellectual property assessment. Banks may need to establish dedicated intellectual property financing units or collaborate with certified valuation professionals to ensure accurate collateral assessment and risk management.

For creative economy actors, the research demonstrates that intellectual property protection and commercialization strategies play a crucial role in accessing financing opportunities. Proper registration, documentation, revenue tracking, and portfolio management enhance the credibility and financeability of digital content assets.

For valuation professionals, the findings underscore the growing demand for specialized intellectual property valuation services. As intellectual property financing expands, professional standards and certification systems will become increasingly important in ensuring valuation quality and market confidence.

**Research Limitations**

Despite its contributions, this study possesses several limitations. First, the research adopts a normative juridical approach and therefore relies primarily on legal and theoretical analysis rather than empirical financing transactions. Future studies could examine actual intellectual property-backed lending cases to evaluate practical implementation outcomes.

Second, the study focuses primarily on the Indonesian regulatory context. Comparative empirical research involving multiple jurisdictions could provide deeper insights into best practices and alternative implementation models.

Third, the research concentrates on digital content as a category of intellectual property. Different forms of intellectual property, such as patents, trademarks, and industrial designs, may present distinct valuation and financing challenges that require separate investigation.

Fourth, the rapidly evolving nature of digital markets means that valuation methodologies may require continuous adaptation to technological developments, platform innovations, and changing consumer behaviors.

## Conclusion

This study examined the challenges associated with the valuation of digital content as collateral for bank financing within the regulatory framework established by Government Regulation Number 24 of 2022 concerning the implementation of the Creative Economy Law. The findings demonstrate that the regulation represents a significant legal milestone in recognizing intellectual property as an economically valuable asset capable of supporting financing activities. By allowing intellectual property-based financing schemes, the regulation creates new opportunities for creative economy actors who possess valuable digital content but lack conventional tangible collateral required by financial institutions. Consequently, the regulation has the potential to improve financial inclusion and facilitate greater access to capital within Indonesia's rapidly expanding creative economy sector.

Despite this regulatory advancement, the study reveals that the practical implementation of digital content-backed financing remains constrained by several significant challenges. The most critical issue concerns the valuation of digital content. The findings identified three principal valuation approaches—cost, market, and income approaches—each possessing distinct advantages and limitations. The cost approach provides objective documentation but often fails to capture future economic potential. The market approach offers market-based evidence but is limited by the scarcity of comparable intellectual property transactions. Meanwhile, the income approach most accurately reflects the economic value of digital content through projected future cash flows but introduces considerable uncertainty regarding revenue forecasts and risk assessment. As a result, no single valuation methodology currently provides a universally accepted solution for determining the financing value of digital content assets.

The study further demonstrates that financial institutions face multiple risks when accepting digital content as collateral, including valuation risk, legal risk, liquidity risk, market risk, technological risk, and operational risk. These risks are compounded by the absence of standardized valuation frameworks, limited secondary markets for intellectual property assets, and insufficient institutional expertise regarding intellectual property financing. The findings also confirm that prudential banking principles, particularly the 5C framework, remain fundamental in evaluating financing applications involving digital content collateral. Therefore, intellectual property collateral should be viewed as a complementary financing instrument rather than a substitute for comprehensive credit assessment procedures.

The principal contribution of this research lies in its integration of intellectual property valuation theory, banking risk management principles, and the implementation challenges associated with Government Regulation Number 24 of 2022. The study highlights the necessity of developing standardized valuation methodologies, strengthening institutional capacity, establishing professional intellectual property appraisal systems, and improving regulatory coordination among stakeholders. These measures are essential for ensuring that intellectual property-based financing can function effectively while maintaining financial stability and banking prudence.

Future research should move beyond normative legal analysis and examine actual cases of intellectual property-backed financing within banking institutions.

Empirical studies involving financial institutions, valuation professionals, regulators, and creative economy actors would provide deeper insights into the operational realities of implementing digital content collateralization. Comparative studies involving countries with more advanced intellectual property financing ecosystems, such as South Korea, China, and the United Kingdom, would also contribute valuable lessons for policy refinement and institutional development. Furthermore, future research should explore the development of hybrid valuation models capable of integrating legal certainty, market performance indicators, and projected economic returns to improve the accuracy and reliability of digital content valuation for financing purposes.

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