



Legal Agreement on Supreme Court Decision Number 2992 K/Pdt/2015: Legal Issues in Capital Goods Sale and Purchase Agreements reviewed from International Civil Law

Fitri Setyo Rini¹, Rina Arum Prastyanti²

^{1,2}Duta Bangsa University Surakarta, Indonesia

DOI:

<https://doi.org/10.xxxxx/xxxxx>

*Correspondence: Fitri Setyo Rini

Email: fitrisetyorini022@gmail.com

Received: 10-10-2024

Accepted: 11-11-2024

Published: 03-12-2024



Copyright: © 2024 by the authors. Submitted for open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

Abstract: This study highlights the importance of understanding the dynamics of international civil law in the context of capital goods sale and purchase agreements, emphasizing the legal analysis of the Supreme Court Decision Number 2992K/Pdt/2015. In the era of globalization, capital goods sale and purchase agreements are increasingly complicated because they involve various legal systems, standards, regulations, and the process of converting foreign currency to rupiah. This study identifies various legal issues that arise in international capital goods sale and purchase agreements, such as differences in legal interpretations between countries and fluctuations in currency exchange rates. Using the normative legal method, this study analyzes how the Supreme Court applies the principles of international treaty law to address these issues. The results show that this Supreme Court Decision makes an important contribution to the development of international capital goods sale and purchase agreement law in Indonesia, especially in strengthening the rules on the use of the rupiah currency in domestic transactions. This study also emphasizes the need for clear contracts and compliance with the rule of law to prevent future disputes.

Keywords: Capital Goods Sale and Purchase Agreement; Principles of International Law; Cross-Border Transactions; Currency Conversion

Introduction

Trade is always associated with people's daily lives, especially in terms of goods and services. However, this is not necessarily available domestically. The cause of all this is the distance between countries, geography between countries, natural resources and humans, economic structures, so that each country has different results. For that reason, there is a sale and purchase of goods and services in a country so that one country complements another. (Maffuadi and Khairani 2020)

Legal agreements are a fundamental aspect in civil law, especially in the context of sales and purchase agreements. In the era of globalization and the rise of international trade, it requires an understanding to understand the legal framework governing these transactions that continues to increase. The international civil law system provides an understanding of the framework governing cross-border transactions, including basic

principles such as freedom of contract and protection of the rights of the parties involved. However, this often results in differences in interpretation and application of the law between the countries involved, which can lead to disputes.

This study focuses on the importance of understanding the dynamics of international civil law in the context of capital goods sale and purchase agreements. The sale and purchase of capital goods is an agreement in which one party (the seller) agrees to hand over capital goods to another party (the buyer) in exchange for payment of a sum of money. In the era of globalization, trade is increasing, so the complexity of sale and purchase agreements is also increasing. Capital goods usually refer to assets used in the production process or business operations including machinery, equipment, and infrastructure, as well as a deep understanding of the legal aspects that govern them.

Supreme Court Decision Number 2992K/Pdt/2015 is the focus of this study, because it reflects how international civil law is applied in real cases. So the analysis of this decision is very important to identify the legal issues that arise in practice and the legal implications resulting from the decision.

Supreme Court Decision Number 2992 K/Pdt/2015 is important in the study of civil law, especially in the context of capital goods sale and purchase agreements. Sale and purchase agreements are regulated in the Indonesian Civil Code (KUHPerdata), which provides the legal basis and guidelines for the implementation of this transaction. In this context, a legal analysis of the decision will reveal the legal issues that arise in the sale and purchase agreement, including the rights and obligations of the parties and the consequences of default. Sale and purchase agreements are regulated by Articles 1457 to 1540 of the Civil Code, which cover various important aspects such as agreements between the seller and the buyer, delivery of goods, and the risk of damage or loss of goods. According to Article 1458 of the Civil Code, a sale and purchase agreement is considered valid if both parties have agreed on the object and price of the goods.

In implementing international capital goods sale and purchase agreements, there are common obstacles that often arise, so the Supreme Court plays an important role in overcoming these obstacles, especially in decision Number 2992K/Pdt/2015. Apart from that, decision Number 1992K/Pdt/2015 contributes to the development of law on the sale of international capital goods in the future

Thus, the legal analysis of the Supreme Court Decision Number 2992 K/Pdt/2015 provides in-depth insight into the application of civil law in capital goods sale and purchase agreements, as well as increasing understanding of the interaction between national and international law. The main challenges in the application of international civil law to capital goods sale and purchase agreements include differences in legal systems which can affect the interpretation and application of agreements, which can lead to confusion and disputes; various standards and regulations including aspects of safety, quality and environment, from these inconsistencies can cause complications in transactions; Legal uncertainty can also be an obstacle for transacting parties, if the parties are hesitant to continue the transaction if they are not sure about their rights and obligations; International dispute resolution is a very complicated and time-consuming process, the choice between arbitration or litigation in national courts is an important consideration, and not all parties

may agree on the method chosen. By understanding the rights and obligations of the parties and the consequences of default, we can better appreciate the importance of compliance with legal provisions in economic transactions. This also shows the need for clarity in drafting contracts to avoid future disputes.

Methodology

The method used in this study is normative juridical. This study analyzes the juridical of the Supreme Court Decision Number 2992K/Pdt/2015, which focuses on legal issues in capital goods sale and purchase agreements reviewed from international civil law in the normative juridical research method.(Sarifudin et al. 2024). The normative legal method is an approach in legal research that focuses on written legal norms, such as laws, regulations, and doctrines. Using this method involves analyzing primary and secondary legal materials, as well as conducting a case study approach to understand and analyze the legal decision.

Result and Discussion

Principles of International Treaty Law in resolving disputes over the sale and purchase of capital goods according to the Supreme Court in the case of PT Ion Exchange Indonesia vs PT National Sago Prima ddk

Disputes over the sale and purchase of capital goods involving parties in various countries often involve unique legal complexities. So in resolving a dispute, the first thing is to apply the principles of international treaty law which can be the main basis. The Supreme Court is the highest judicial institution in Indonesia which has an important role in interpreting and applying these principles in a case submitted before it.(Happy, Karisa, and BR Simanjuntak 2014)

In the case of PT Ion Exchange Indonesia vs PT National Sago Prima, the Supreme Court used and applied the principles of international treaty law and legal rules in resolving disputes over the sale and purchase of capital goods. In the decision made by the Supreme Court, there are several important aspects or points in it, namely:

1. Currency used in the Agreement

In a sale and purchase agreement between PT Ion Exchange Indonesia and PT National Sago Prima, the parties use foreign currency (US dollars). Although the agreement involves foreign currency, the Supreme Court still stipulates that in accordance with Law No. 7 of 2011 in Article 21 paragraph 1, that payment obligations within the jurisdiction of Indonesia must be made in rupiah.

2. Enforcement of Currency Law

The Supreme Court revised the District Court and High Court Decisions that originally ordered payment in US dollars. Whereas Based on the interpretation of the Supreme Court, the use of the Rupiah currency is mandatory in the settlement of financial obligations in Indonesia, even though the parties initially used US dollars in the agreement.

3. Currency Conversion

The Supreme Court changed the amount of compensation from US dollars to rupiah, this refers to the middle rate of Bank Indonesia at the time the payment transaction was made. So this becomes a binding legal principle in civil cases in Indonesia, especially

transactions involving foreign currencies.(Hanifah Ramadhani, Muhammad Yunus Sofian, and Sri Dewi Anggraini 2022)

Overall, in resolving this capital goods sale and purchase dispute, the Supreme Court upheld the legal provisions that require the use of the rupiah in payment obligations in Indonesia, even in international transactions or the use of foreign currency in agreements.

In resolving this dispute, there are relevant legal principles related to international and civil agreements that are used and applied in the Supreme Court in the case of PT Ion Exchange Indonesia vs PT National Sago Prima, namely as follows:

1. The principle of compliance with agreements
The parties are expected to comply with the provisions agreed upon in the contract, including the specifications of the goods and the payment process.
2. Legal Currency Principle
In accordance with Article 21 or 1 of Law No. 7 of 2011 concerning currency, payment of obligations must be made in Rupiah, even though the initial contract states that foreign currency is used.(Legal and Public Relations Bureau of the Supreme Court of the Republic of Indonesia Administrative Affairs Agency 2018)
3. Principle of Good Faith
The parties involved must act in good faith during the execution of the contract and during the dispute resolution period.
4. Principle of Justice
The decision must reflect justice for both parties and must also consider rights and obligations.
5. Principle of legal certainty
The creation of contracts must be clear and in accordance with applicable legal provisions, which can provide legal certainty for all parties involved.
6. Dispute Resolution Principles
The Supreme Court should encourage dispute resolution through appropriate legal approaches, including mediation or arbitration if necessary.
7. Force Majeure Principle
Although not explicitly stated in this case, this principle recognizes extraordinary circumstances that may affect the performance of a contract.
8. Principles of Jurisprudence
The decision in the Supreme Court in this case serves as a relevant jurisprudential reference for similar cases in the future.

So, these legal principles are very important in playing the settlement of capital goods sale and purchase disputes involving international elements and cross-currency transactions. The Supreme Court has applied these principles by emphasizing national enforcement, especially the use of the rupiah currency in the jurisdiction of Indonesia.(Happy, Karisa, and BR Simanjuntak 2014)

Legal Obstacles that arise in the implementation of international capital goods sales and purchases and how to overcome these obstacles in Decision Number 2992/K/Pdt/2015

In the implementation of international capital goods trading, there are several legal obstacles that often arise. These legal obstacles refer more to obstacles or problems.alah that arises in the application or implementation of the law that hinders the achievement of a goal

or resolution as expected. Usually these obstacles arise due to differences in legal regulations, conflicts between applicable laws or even ambiguity in the interpretation of the law. In addition, legal obstacles can also be in the form of a legal vacuum or can also be called a vacuum of law. This can occur when there are no more regulations that specifically regulate a particular issue, and or even when existing regulations conflict with one issue with another. In the Supreme Court Decision Number 2992 / K / Pdt / 2015 to face and resolve these obstacles requires an approach that is in line with national law. The obstacles that arise include:

1. Differences in the use of currency in international transactions

There are many international sales and purchase agreements, one of which is capital goods transactions, and use foreign currencies, such as the US dollar as a means of payment. This can cause a legal problem if the dispute must be resolved in a country that requires the use of local currency such as Indonesia.

2. Currency Conversion Uncertainty

In a dispute involving payment in foreign currency, there will definitely be problems related to exchange rate issues. The exchange rate can vary. In addition, exchange rate uncertainty can also cause losses or unfair profits for one party, making them feel disadvantaged.

3. The clash between national law and international practice

In many cases of international sales, international contract law and practice often clash with national legal regulations. In Indonesia itself, Article 21 paragraph (1) of Law No. 7 of 2011 states that the rupiah must be used in transactions involving payments in the jurisdiction of Indonesia, which may not always be in line with international customs that still use foreign currencies.

With these obstacles, the Supreme Court Decision Number 2992K/Pdt/2015 addresses these legal obstacles by converting the compensation value which was originally in US dollars into rupiah; Setting the Bank Indonesia middle rate for conversion; Following the applicable legal rules in Indonesia, and ensuring that international transactions remain compliant with local laws; and perfecting the ruling to include a conversion order. The legal principles that have been applied by the Supreme Court are also an effort to maintain compliance with national regulations in the midst of international transactions involving foreign currencies.

How does the Supreme Court Decision Number 2992K/Pdt/2015 contribute to the development of international capital goods sale and purchase agreement law in Indonesia?

In the Supreme Court Decision Number 2992K/Pdt/2015 has made a significant contribution to the development of international trade law in Indonesia, especially related to the use of foreign currency in dispute resolution. Before 2015, the Supreme Court did not question the decisions of lower courts that could impose sanctions on foreign currency. However, in 2016, the Supreme Court changed its position and began to interpret Article 21 paragraph 1 of Law Number 7 of 2011 concerning Currency, which states that the Rupiah is a mandatory currency for transactions or transactions in Indonesia.

In the case of PT National Sago Prima vs PT Ion Exchange, the Supreme Court made a ruling by upholding the first instance court's decision ordering the defendant to pay

compensation in US dollars. However, the Supreme Court changed the ruling by converting the compensation from US dollars to rupiah, which refers to Article 21 paragraph 1 of the Currency Law. So that in this ruling it marks a significant change in the Supreme Court's approach to foreign exchange transactions in international agreements.

The Supreme Court's decision was then followed by other cases, including Judicial Review (PK) No. 168PK/Pdt/2016 involving a share sale dispute. In this case, the Supreme Court again changed its decision by converting the compensation from US Dollars to Rupiah, which refers to Article 21 paragraph 1 of the Law on Currency.(Saprida 2018)

From the Supreme Court's attitude towards the obligation to use the rupiah in foreign exchange transactions, it is now increasingly strengthened in subsequent decisions, one of which is included in the PK Decision No.663 PK/Pdt/2017, which involves a debt dispute in Australian dollars. In this case, the Supreme Court ordered the defendant to pay the debt using the rupiah currency, citing article 21 paragraph 1 concerning the Law governing Currency.(Legal and Public Relations Bureau of the Supreme Court of the Republic of Indonesia Administrative Affairs Agency 2018)

The main contributions put forward by the Supreme Court decision Number 2992K/Pdt/2015 to the development of international capital goods sale and purchase agreement law in Indonesia include the following.

1. Affirmation of the Principles of Using the Rupiah

This decision is written explicitly in it, affirming that in the settlement of obligations that must be fulfilled with money in the territory of the Unitary State of the Republic of Indonesia, it is stated that it is mandatory to use the rupiah currency. This provides legal certainty for business actors and can reduce legal uncertainty related to the use of foreign currency in commercial transactions.

2. Harmonization of National and International Law

This decision shows the Supreme Court's efforts to harmonize national law in accordance with the Currency Law with international law, especially in the context of international capital goods trading.

3. Protection against Rupiah Stability

By requiring the use of the rupiah in commercial transactions, this decision contributes to maintaining the stability of the rupiah's value and reducing the risk of foreign exchange rate fluctuations that could harm domestic business actors.

4. Strengthening National Legal Institutions

This decision can strengthen the position of the Supreme Court as the highest institution in interpreting and implementing law in Indonesia, and can also show the consistency of the Supreme Court in maintaining state sovereignty through the use of national currency.

This decision also has quite significant implications for business practices, especially for companies trying to carry out international capital goods sales transactions.(Dimlana et al. 2024).Implications that need to be considered include:

1. Contract adjustment

Companies need to make adjustments to previously made sales and purchase contracts, especially those governing the payment currency.

2. Financial planning

Companies need to carry out more mature financial planning, including calculating fluctuations in the rupiah exchange rate against foreign currencies.

3. Legal Consultation

It is advisable for companies to consult with legal experts to obtain appropriate legal advice regarding the application of this decision in business practices.

So from the description above, it can be concluded that the Supreme Court Number 2992K/Pdt/2015 has made a very important contribution to the development of international capital goods sale and purchase agreement law in Indonesia. In this decision, it provides legal certainty and strengthens the position of the rupiah as the only legal means of payment in the territory of the Republic of Indonesia. However, there are still several aspects that need to be further developed to ensure that the implementation of this decision can run effectively and does not hinder economic growth.

Conclusion

This study concludes that the Supreme Court Decision Number 2992K/Pdt/2015 has a significant impact on the development of law in international capital goods sale and purchase agreements in Indonesia. In this decision, the Supreme Court emphasized that every transaction involving payment obligations in Indonesia must use the rupiah currency, in accordance with the provisions of the Currency Law. This affirmation provides legal certainty for parties involved in international transactions, especially in dealing with frequently arising problems, such as the use of foreign currency, differences in legal systems between countries, and uncertainty related to exchange rates.

This decision also illustrates the efforts to harmonize national law with the principles of international agreements, which at the same time strengthens the role of national law in maintaining the stability of the Indonesian economy. The change in payment obligations from US dollars to rupiah in this case is an important example (precedent) that will affect the implementation of international commercial transactions in the future, especially in relation to the use of local currency in Indonesia. Therefore, this study highlights the importance of drafting clear contracts and compliance with applicable legal rules to avoid disputes and ensure smooth transactions in the future.

References

- Amaluis, YHYUD (2016). Marketing analysis and international trade policy in West Sumatra. *Journal of Economic and Economic Education* Vol , 4 (2), 269-287.
- Anggraeni, N. (2019). Trade War in International Trade Law. *Al Ahkam* , 15 (1), 1-7.
- CIA, R. (2024). FOREIGN PAPER MONEY BUYING AND SELLING TRANSACTIONS IN THE PERSPECTIVE OF ISLAMIC LAW (Study at PT. Mitra Muda Reksa Mandiri, Bandar Lampung City District) (Doctoral dissertation, UIN RADEN INTAN LAMPUNG).
- Dimlana, Rizky Satria, Laila Yuniar Irsan, Muhamad Fadly Darmawan, M. Naufal Raihan Sukmana, and Mustika Mega Wijaya. 2024. "Implications of Free Trade Agreements on the Principles of International Private Law: An In-depth Analysis of the

- Implementation of International Dispute Settlement.” *Jaksa: Journal of Legal and Political Studies* 2 (2): 138–52.
- Estetika, M., & Elake, GL (2022). Analysis of International Trade Dynamics and Its Influence on United States Protectionist Trade Policy. *Sriwijaya Journal of International Relations* , 2 (2), 42-69.
- Gustavito, DF, Priyono, EA, & Aminah, A. (2023). CASE ANALYSIS OF BREACH OF PERFORMANCE IN LEASE AGREEMENTS USING FOREIGN CURRENCY BASED ON LAW NUMBER 7 OF 2011 CONCERNING CURRENCY (CASE STUDY OF DECISION NUMBER: 22/Pdt. G/2018/PN. JKT. PST.). *Diponegoro Law Journal*, 12(1).
- Hanifah Ramadhani, Muhammad Yunus Sofian, and Sri Dewi Anggraini. 2022. “Analysis of Changes in the Rupiah Exchange Rate Against Foreign Currencies in Facing the 2023 Recession.” *Journal of Management and Creative Economy* 1 (1): 100–112. <https://doi.org/10.59024/jumek.v1i1.34>.
- Happy, Merry Paulina, Immaculata Anindya Karisa, and Putri Lestari BR Simanjuntak. 2014. “Legal Principles in International Contracts.” *Private Law* 2 (4): 1–16.
- Legal and Public Relations Bureau of the Administrative Affairs Agency of the Supreme Court of the Republic of Indonesia. 2018. “Collection of Supreme Court Jurisprudence Up to 2018, First Edition, Supreme Court of the Republic of Indonesia,” 5.
- Maffuadi, Maffuadi, and Khairani Khairani. 2020. “Legal Review of the Use of Letter of Credit (L/C) in the Implementation of Export Import of Goods in Indonesia.” *Student Scientific Journal in the Field of Civil Law* 4 (2): 304–13.
- Mawardi, K. (2023). The Impact of Currency Exchange Rates on International Trade. *Ocean Engineering: Journal of Maritime Engineering and Technology*, 2(1), 88-102.
- Nawiyah, N., Aprilia, M., Febriningrum, NS, & Jihanisa, N. (2023). GOVERNMENT EFFORTS TO STABILIZE CURRENCY IN INTERNATIONAL TRADE. *JOURNAL OF ECONOMICS*, 2(12), 3768-3776.
- Ramadhani, H., Sofian, MY, & Anggraini, SD (2023). Analysis of changes in the rupiah exchange rate against foreign currencies in facing the 2023 recession. *Journal of Management and Creative Economy*, 1(1), 100-112.
- Saprudin, S., Aini, Q., & Napitupulu, AMP (2021). Accounting Treatment of Exchange Rate Differences in Foreign Currency Transactions on Net Income at PT. Dianta Mitrafairindo Internasional. *Jayakarta Journal of Accounting and Taxation* , 3 (1), 30-43.
- Saprida, Saprida. 2018. “Salam Contract in Sale and Purchase Transactions.” *Mizan: Journal of Islamic Law* 4 (1): 121–30. <https://doi.org/10.32507/mizan.v4i1.177>.

-
- Sarifudin, Muhammad, Faculty of Law, Pancasakti University, and Central Java. 2024. "Legal Correlation Between Landmark Decisions of the Supreme Court and Indonesian Jurisprudence, a country whose Constitution of the Republic of Indonesia also states that the Indonesian government is "based on a constitutional system, which requires," 69–78.
- Suryanto, S., & Kurniati, PS (2022). Analysis of Indonesia's International Trade and Factors Influencing It. *Intermestic: Journal of International Studies* , 7 (1), 104-122
- Umam, K. (2020). Foreign Exchange Trading in Islamic Economics. *Syar Iqtishadi: Journal of Islamic Economics, Finance and Banking*, 4(2), 18-35.