


Regulations on the Use of Indonesian in Making Contracts According to Indonesian Positive Law

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Abstract

Introduction: Contracts form the backbone of business dealings, establishing the foundations and binding all collaborative endeavors between parties involved. In the Indonesian context, the use of the national language in contractual agreements has been explicitly governed by laws and regulations, specifically Law Number 24 of 2009 concerning the National Flag, Language, Emblem, and Anthem.

Purposes of the Research: This study aims to scrutinize and analyze the regulatory framework surrounding the use of the Indonesian language in contract drafting, as mandated by the positive laws of Indonesia. Additionally, it seeks to elucidate the legal ramifications that may arise from non-compliance with these provisions. Furthermore, the research endeavors to provide legal clarity and offer recommendations pertaining to this issue.

Methods of the Research: This research adopts a normative legal approach, employing both statutory and conceptual frameworks. The legal materials utilized encompass primary, secondary, and tertiary sources. The collection of legal materials is facilitated through library research, while the analysis of these materials is conducted qualitatively, employing content analysis and legal interpretation techniques.

Results of the Research: The findings of this research present a comprehensive analysis of the regulations governing the use of the Indonesian language in contract drafting, shedding light on the legal implications of non-compliance with these provisions. Furthermore, the research offers recommendations and suggestions tailored for government agencies, business entities, and legal practitioners, guiding them in implementing the use of the Indonesian language in contracts in accordance with the applicable legal framework.

Keywords: Contract; Indonesian; Positive Law; Covenant; Legal Certainty.


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INTRODUCTION

In the modern era full of dynamics and complexity, a contract is not just a piece of paper filled with words, but is a binding moral and legal basis to ensure smooth business interactions. Contracts are part of contract law, which is defined as written agreements.¹ The philosophy behind the agreement is not solely about distrust, but rather the upholding of rights, justice, and mutual agreement. This is why the role of language in contracts is so vital. In every business activity, contracts are an important element that underlies and binds all cooperation that occurs between the parties. This written contract or agreement regulates the rights and obligations of each party, and becomes a binding legal basis if a dispute

¹ Ronald Fadly Sopamena, "Kekuatan Hukum MoU Dari Segi Hukum Perjanjian," *Batulis Civil Law Review* 2, no. 1 (May 31, 2021): 1, <https://doi.org/10.47268/ballrev.v2i1.451>.

occurs in the future. One important element in making a contract is the use of language used in formulating the contents of the agreement.

Language acts as a pillar of communication that determines understanding and guarantees clarity of contract contents. The language used must be precise, clear and unambiguous, so as not to give rise to multiple interpretations that could lead to conflict in the future. Each phrase, clause and word has significant weight in determining the rights and obligations of each party. Therefore, choosing the right words is very important in ensuring fidelity to the essence of the agreement that has been agreed. Apart from that, the language in the contract also reflects the ethical and integrity values adhered to by the parties. The language used must reflect good intentions and integrity in carrying out agreed obligations. Thus, contracts are not only a formality tool, but also a form of moral commitment in carrying out business activities.

In the era of growing globalization and interconnection, the language in contracts must also consider multicultural and multidimensional aspects. The choice of words and phrases must take into account the cultural nuances and diversity of the parties involved, so that the contract can be interpreted correctly and respected by all parties involved. Thus, a contract is not just a formal document, but a manifesto of commitment, trust and integrity in carrying out business activities in the modern era. Therefore, it is important for business people to understand the role of language in contracts and use it wisely to ensure smoothness and fairness in every transaction carried out. In Indonesia, the use of Indonesian in making contracts has been specifically regulated in statutory regulations, namely Law Number 24 of 2009 concerning the National Flag, Language and Emblem, as well as the National Anthem (hereinafter referred to as the Language Law). Article 31 paragraph (1) of the Language Law states that "Indonesian language must be used in memorandums of understanding or agreements involving state institutions, government agencies of the Republic of Indonesia, Indonesian private institutions or individual Indonesian citizens."

This provision is not only a formal legal regulation, but also reflects the state's efforts to maintain the identity and cultural integrity of the nation. Language, as one of the pillars of nationality, is a symbol of unity and diversity in Indonesian society. By requiring the use of Indonesian in contracts, the state provides protection for the mother tongue and avoids the domination of foreign languages which might damage the cultural integrity of the nation. The function of the unified state language is to become the official state language; as an introductory tool for educational forums; Official language at national level for Development planning; Official language Cultural development and utilization of science and technology development.²

Apart from the national aspect, the use of Indonesian in contracts also has significant practical implications. Language that is understood by all parties involved in the contract ensures that the contents of the agreement can be understood clearly and does not create uncertainty in interpretation. This also minimizes the risk of future misunderstandings or disputes caused by ambiguity in language use. Thus, the provisions regulated in the Language Law are not merely about compliance with legal regulations, but are also a manifestation of awareness of the importance of cultural diversity and the protection of national languages. Through the use of Indonesian in contracts, Indonesia not only builds a

² Moch Ilham Nurdiansyah, Humiati, and Ahmad Sukron, "Penggunaan Bahasa Indonesia Dalam Perjanjian Elektronik Di Media Sosial," *Yurijaya* 4, no. 3 (2022): 273–82.

solid legal foundation, but also strengthens its cultural identity as a sovereign and cultured nation.

Apart from regulating the language in making contracts, the basis for making contracts cannot be separated from the rules contained in Book III of the Civil Code (hereinafter referred to as the KUHPdt). The principles in contracts consist of the principle of freedom of contract, the principle of concessionality, the principle of binding force of contracts, the principle of good faith and the principle of personality.³ Apart from that, it also pays attention to the legal conditions of the agreement in Article 1320 of the Criminal Code. The terms of a valid agreement consist of:⁴ agreement, where the agreement is a conformity of the will, free will of the parties before the birth of the contract. An agreement or consensus must not be followed by a defect of will, in other words it must not be followed by fraud, mistake and coercion.

The next legal requirement is competence, this relates to the authority of a person or legal entity in carrying out legal acts. The third condition is certain things related to the performance of the parties and the fourth is halal causes, where the making of the contract must not conflict with the law, morality and public order. Determining agreement on the legal conditions of the agreement above is a norm of the principle of consensualism which is the key to the birth of the agreement. However, the Criminal Code does not clearly explain the process by which an agreement is formed. If described, the agreement is born through 3 (three) stages, namely the pre-contract stage, contract implementation stage and post-contract stage. The pre-contract stage is a stage related to the process of forming an agreement, where in this stage the parties carry out an offer and acceptance process and, if necessary, carry out negotiations by negotiating what will be regulated as the contents of the agreement. The formation of an agreement in the Criminal Code is only limited by the presence of a defect of will in the form of error, coercion and fraud as stipulated in Article 1321 of the Criminal Code,⁵ This process does not clearly explain the moral values held by each party.⁶

This research will carry out a review of several previous literature and research that is relevant to the topic of regulating the use of Indonesian in making contracts according to Indonesian positive law. The following is some literature and research that will be used as a reference: Research conducted by Chintya Indah Pertiwi and FX Joko Priyono in 2018, examined in depth the legal implications of the use of foreign languages in international business contracts in Indonesia.⁷ This research is important considering the increasing number of cross-border business activities involving parties from countries with different national languages. In the Indonesian context, the use of foreign languages in international business contracts must take into account the provisions in Law Number 24 of 2009 concerning the National Flag, Language and Emblem, as well as the National Anthem (hereinafter referred to as the Language Law).

³ Ridwan Khairandy, *Hukum Kontrak Indonesia Dalam Pespektif Perbandingan (Bagian Pertama)* (Yogyakarta: FH UII Press, 2013).

⁴ R. Subekti and R. Tjitrosudibio, *Kitab Undang-Undang Hukum Perdata* (Jakarta: Pradnya Pratama, 2008).

⁵ The applicable doctrine also includes abuse of circumstances. Read Khairandy, *Hukum Kontrak Indonesia Dalam Pespektif Perbandingan (Bagian Pertama)*.

⁶ Riky Rustam and Rumi Suwardiyati, "Protection In A Build-Operate-Transfer Agreement On Privately-Owned Land Not Accompanied By The Granting Of A Building Rights Title," *Jurisdictie: Jurnal Hukum Dan Syariah* 15, no. 1 (July 9, 2024): 149-70, <https://doi.org/10.18860/j.v15i1.26214>.

⁷ Chintya Indah Pertiwi, "Implikasi Hukum Kontrak Bisnis Internasional Yang Dibuat Dalam Bahasa Asing," *Notarius* 11, no. 1 (May 11, 2018): 13, <https://doi.org/10.14710/nts.v11i1.23122>.

Through this research, Pertiwi and Priyono critically analyzed the provisions in the Language Law which regulate the use of Indonesian in contracts, especially in the context of international business contracts involving foreign parties. One of the important findings from this research is that there is ambiguity in the Language Law regarding which language version is considered valid and binding if a contract is made in Indonesian and a foreign language. This lack of clarity can give rise to potential disputes and legal uncertainty in the implementation of international business contracts in Indonesia.

So it is necessary to deepen the study regarding the use of Indonesian in foreign contracts in Indonesia. Another research which is an important reference is a thesis written by Windy Yolandini in 2020 with the title "Requirements for Using Indonesian in Foreign Contracts in Indonesia". This thesis specifically discusses the obligation to use Indonesian in foreign contracts in Indonesia, as well as analyzing the legal consequences if this obligation is not fulfilled. Yolandini conducted an in-depth study of the provisions in the Language Law and other related regulations, as well as analyzing court decisions related to this issue.⁸

In the same research and written in her thesis, Yolandini concluded that although the Language Law requires the use of Indonesian in contracts involving Indonesian parties, it does not automatically cause contracts that do not use Indonesian to become null and void. According to him, a contract can be said to be null and void if it does not comply with the provisions in Article 1320, Article 1335 and Article 1337 of the Civil Code which regulate the conditions for the validity of the agreement and lawful reasons. However, Yolandini acknowledged that there are different views among legal experts and practitioners regarding the legal implications of non-compliance with the obligation to use Indonesian in contracts.

Another research that is relevant to this topic is that conducted by Ifada Qurrata A'yun Amalia in 2018. Although it does not specifically discuss the use of Indonesian in contracts, this research analyzes the general legal consequences of canceling agreements, including agreements that do not use Indonesian, as regulated in the Language Law. Amalia highlighted that there are different views among legal experts and practitioners regarding whether non-compliance with the obligation to use Indonesian in contracts can cause the contract to be null and void or can only be requested for cancellation through court proceedings.⁹ By reviewing the literature and previous research, it is hoped that we can provide a comprehensive picture regarding the regulations for the use of Indonesian in making contracts according to Indonesian positive law, as well as the legal implications that arise if these provisions are not fulfilled.

METHODS OF THE RESEARCH

This research is normative legal research, which involves analysis of legal materials sourced from texts to answer the problems that are the focus of the research and focuses on studying rules or norms in positive law.¹⁰ The research approaches used are the statutory approach, the case approach and the conceptual approach. This research will analyze the regulations for the use of Indonesian in making contracts according to Indonesian positive

⁸ Windy Yolandini and Mada Apriandi, "Kewajiban Penggunaan Bahasa Indonesia Dalam Kontrak Asing Di Indonesia," *Lex LATA* 2, no. 1 (January 19, 2022), <https://doi.org/10.28946/lexl.v2i1.555>.

⁹ Ifada Qurrata A'yun Amalia, "Akibat Hukum Pembatalan Perjanjian Dalam Putusan Nomor 1572 K/Pdt/2015 Berdasarkan Pasal 1320 Dan 1338 Kuh Perdata," *Jurnal Hukum Bisnis Bonum Commune* 1, no. 1 (August 1, 2018): 61, <https://doi.org/10.30996/jhbbc.v0i0.1757>.

¹⁰ Johny Ibrahim, *Teori Dan Metodologi Penelitian Hukum Normatif* (Malang: Bayumedia Publishing, 2007).

law. This normative approach is descriptive and analytical, with a focus on legal norms contained in statutory regulations, court decisions, legal doctrine, and other legal literature.¹¹

RESULTS AND DISCUSSION

In connection with the use of language within the framework of the Indonesian positive legal system, there are regulations that specifically regulate the use of Indonesian in the process of drafting contracts or agreements. This provision is regulated in Law Number 24 of 2009 which discusses the National Flag, Language and Emblem, as well as the National Anthem. Article 31 paragraph (1) in the law clearly states that "Indonesian must be used in drafting memorandums of understanding or agreements involving state institutions, government agencies of the Republic of Indonesia, private Indonesian institutions, or individual Indonesian citizens." Thus, this regulation requires the use of Indonesian in every contract or agreement drawn up in Indonesian territory, without exception, whether it involves state institutions, government agencies, Indonesian private institutions, or individual Indonesian citizens.

However, this law also accommodates the possibility of foreign parties being involved in the contract or agreement. In paragraph (2) of Article 31, it is regulated that "The memorandum of understanding or agreement as intended in paragraph (1) involving a foreign party shall also be written in the national language of the foreign party and/or English." Thus, in contracts involving foreign parties, apart from using Indonesian as the mandatory language, it is also permissible to write the contract in the national language of the foreign party concerned and/or in English as an international language commonly used in cross-border business transactions.

This provision indicates an effort to achieve a balance between national interests in maintaining the existence of Indonesian as the country's official language, with practical interests in carrying out international business transactions which often involve parties with different linguistic backgrounds. Nevertheless, the fact that Indonesian is required to be used in every contract or agreement involving Indonesian parties, shows the important and special position of Indonesian in the realm of law and business in Indonesia. With this provision, it is hoped that it can ensure the use of Indonesian as the legal state language in all contracts or agreements made in Indonesia, while providing space for parties to use other languages as needed, especially in contracts involving parties from abroad.

In research conducted by Chintya Indah Pertiwi and FX Joko Priyono in 2018, they noted that Law Number 24 of 2009 concerning the National Flag, Language and Emblem, as well as the National Anthem did not provide an adequate explanation of which language was considered valid and binding if the contract is drawn up in Indonesian and a foreign language. In the research, the statement was explicitly quoted that "Without providing clarity as to which version is considered valid and binding if the agreement is made in Indonesian and a foreign language." In other words, there is ambiguity or lack of clarity in the law regarding the legal status and binding force of the language version used in the contract, especially if there are differences between the Indonesian version and the foreign language version.

¹¹ Peter Mahmud Marzuki, *Penelitian Hukum* (Jakarta: Kencana, 2021).

This lack of clarity can of course give rise to potential problems and disputes later in the implementation of contracts involving foreign parties. If there is a difference in interpretation between the Indonesian version and the foreign language version, there are no provisions that explicitly regulate which version must be considered as the valid and binding version. As a result of this ambiguity, there are different views among legal experts and practitioners regarding the legal implications if contracts do not use Indonesian. Some experts and practitioners are of the opinion that contracts that do not use Indonesian do not necessarily become null and void, as long as they do not violate the provisions in Article 1335, and Article 1320 of the Criminal Code which regulates the conditions for the validity of an agreement in point 4 states about halal causes.

Halal cause or permissible cause is interpreted as the aim or purpose of the agreement. Meanwhile, another opinion which gives the meaning of cause or cause is the content of the agreement itself, thus cause is the achievements and counter-achievements that are mutually exchanged between the parties.¹² Because what is halal has two functions, namely the contract must have a cause, without this condition the contract is void, the reason must be void if it is not halal the contract is void.¹³ In Article 1335 of the Criminal Code, it is stated that "an agreement made without reason or made for false or prohibited reasons has no force". A contract does not have binding legal force (cancel) if it has no cause, the cause is false, the cause is contrary to law, morality and public order.¹⁴ This is related to the use of language in contracts which are regulated in the Language Law and require the use of Indonesian. It can be interpreted that this is mandatory law, there must be no deviation in making contracts in Indonesia. Where it is mandatory to use Indonesian.

In international business contracts, the position of the term of language is very important, where its position is the same as the choice of law and choice of jurisdiction clauses (these three clauses are interconnected).¹⁵ Why is this important for legal certainty for the parties in interpreting the contents of the contract if there are differences in interpretation. In other words, the choice of language minimizes disputes in the future. When making a contract, you also need to look at the rules of the country where the contract is made, for example in France, it is mandatory for several types of contracts to use or be written in French.¹⁶ This is implemented in Indonesia through the Language Law, so it can be understood that if there are regulations regarding this matter, it is better to implement them so that they are not categorized as violating the law.

An alternative opinion states that contracts that do not use Indonesian can be submitted for cancellation to court if there is evidence of breach of contract or violation of the contents of the contract. However, there are also court decisions which conclude that contracts that only consist of a foreign language without the availability of an Indonesian version are considered to violate Law Number 24 of 2009 and are considered legally void. This can be seen in the District Court decision Number 451/PDT.G/2012/ Jkt. Brt and confirmed by the High Court decision Number 48/Pdt/2014/PT.DKI, this difference in interpretation reflects the lack of clarity and potential for various interpretations in the law, which can create

¹² Subekti, *Aneka Perjanjian*, 4th ed. (Bandung: Alumni, 1995).

¹³ Sophar Maru Hutagalung, *Kontrak Bisnis Di Asean (Pengaruh Sistem Hukum Common Law Dan Civil Law)* (Jakarta: Sinar Grafika, 2013).

¹⁴ Agus Yudha Hernoko, *Hukum Perjanjian "Asas Proporsionalitas Dalam Kontrak Komersial"* (Yogyakarta: Laksbang Mediatama, 2008).

¹⁵ Afifah Kusumadara, *Kontrak Bisnis Internasional, Elemen-Elemen Penting Dalam Penyusunannya* (Jakarta: Sinar grafika, 2013).

¹⁶ Roger LeRoy Miller and Frank B. Cross, *The Legal Environment Today : Business In Its Ethical, Regulatory, E-Commerce and Global Setting* (Ohio: South-Western Cengage Learning, 2010).

uncertainty in its application.¹⁷ Therefore, further improvements and improvements to the regulations governing the use of Indonesian in contracts are needed to provide greater legal clarity and reduce the possibility of disputes due to differences in understanding.

In other research conducted by Windy Yolandini in 2020, she argued that contracts that do not adopt Indonesian are not automatically considered legally invalid. This idea originates from the regulations contained in the Civil Code (KUHPerdata) which determine the prerequisites for the validity of an agreement. Yolandini quoted that "The consequences of contracts that do not use Indonesian cannot actually be said to be null and void, this is because an agreement can be said to be null and void if it does not comply with the provisions in article 1320, article 1335 and article 1337 of the Civil Code." In other words, Yolandini is of the opinion that non-compliance with the obligation to use Indonesian in a contract does not automatically cause the contract to become null and void. Yolandini's opinion is in line with research conducted by Ifada Qurrata A'yun Amalia in 2018. In her research, Amalia stated that "Agreements that do not use Indonesian can be requested to be canceled if they fulfill the elements of default in the agreement." Thus, both Yolandini and Amalia have the same view, that contracts that do not use Indonesian are not automatically null and void. However, cancellation of the contract can be requested through court proceedings if it is proven that there is an element of breach of contract or violation of the contents of the contract. This view is of course different from several court decisions which state that contracts that are only made in a foreign language without an Indonesian version are considered contrary to Law Number 24 of 2009 and are null and void. These differing views indicate the existence of ambiguity and potential for multiple interpretations in the law, which may result in doubts about its implementation. However, the point of view expressed by Yolandini and Amalia offers a different perspective, namely that a violation of the obligation to use Indonesian in a contract does not automatically cause the contract to be invalid, but must be assessed based on the terms of its validity in accordance with Civil Law Provisions.

Where there are differences in views, of course further efforts are needed to achieve uniformity and legal certainty in the application of provisions related to the use of Indonesian in contracts. This can be done by making improvements and improvements to the provisions in the law, as well as efforts to harmonize them with other provisions in the Civil Code. However, there are also different views, as reflected in the Supreme Court Cassation Decision Number 601 K/Pdt/2015 in the case between Nine Am Ltd. and PT. Build Karya Pratama Lestari. In this decision, the Supreme Court stated that a contract made only in English without an Indonesian version was contrary to Article 31 paragraph (1) of the Language Law, so the contract was declared null and void. However, it turns out that not all judges have considerations like this dispute case. Several court decisions indicate differences in judges' interpretations regarding the obligation to use Indonesian in agreements. In the Gunawan Halim case against PT ISS Facility Services, the court ignored the Indonesian language obligation provisions and considered contracts that were only in English to remain valid. In the case of annulment of the arbitration award between PT Kerui Indonesia and PT Agung Glory, the court also did not question the violation of the Indonesian language obligation in the arbitration award. In the case of Alexander William Ford versus Man Lee Ford Cheung, even though the parties were foreign nationals, the

¹⁷ Pertiwi, "Implikasi Hukum Kontrak Bisnis Internasional Yang Dibuat Dalam Bahasa Asing.", *Op. Cit.*

judge was of the opinion that the Indonesian language obligation in the contract had enforceability, but did not mean it was part of the legal terms of the agreement in the Civil Code. The judge considers that there are no sanctions for violating Indonesian language obligations, unless it can be proven that there is a loss due to not using Indonesian. Thus, contracts that do not use Indonesian do not immediately become null and void by law.

Meanwhile, Aria Suyudi, lecturer at STHI Jentera, believes that from the start, the Language Law should be understood to only relate to cultural aspects, not private commercial law aspects. He considers the Indonesian language obligation in the Language Law to be a mandatory norm without sanctions (*lex imperfecta*). Presidential Decree Number 63 of 2019 has also reduced the Indonesian language obligation to just a formality. According to Aria, it should be explained that the norms of the Language Law do not apply to civil law commercial contracts. Basuki Rekso Wibowo acknowledged the validity of the judge's opinion which ignored the Language Law in non-Indonesian language contract disputes. However, he still believes that the Language Law binds the civil law regime, including commercial contracts. He suggested that the contract be made in two languages (bilingual) with a sworn translator as a middle ground to avoid major disputes. Basuki Rekso Wibowo (hereinafter referred to as BRW) expressed critical notes regarding the Supreme Court Circular Letter (hereinafter referred to as SEMA) Number 3 of 2023 which regulates guidelines for the implementation of court duties. The criticism expressed by BRW focuses on the Civil Chamber's legal formula which allows agreements between Indonesian private institutions or Indonesian individuals and foreign parties to be made in a foreign language without being translated into Indonesian, unless there is evidence of a lack of goodwill on the part of one of the parties.

According to BRW, this provision is contrary to regulations requiring the use of Indonesian in agreements involving parties from Indonesia, as mandated by Article 31 paragraph (1) of Law Number 2 of 2009 and Presidential Regulation Number 63 of 2019. This raises concerns about potential confusion and future legal risks, especially in terms of contract interpretation and implementation. BRW highlights that the use of foreign languages in contracts can hinder understanding and interpretation for the parties involved, especially if they are not accompanied by accurate translations into Indonesian. This can increase the probability of errors, disputes, and deficiencies in the resolution of legal issues that arise. In addition, BRW also notes that policies that allow the use of foreign languages without translation may provide an unfair advantage to foreign parties, as they may have better access to information and understanding of the foreign language used in the contract.

Regarding this matter, BRW urges the Supreme Court to reconsider its legal formulation and ensure that the provisions on the use of Indonesian in the agreement are fully respected. This is important to ensure clarity, fairness and legal protection for all parties involved in the contract, in accordance with the legal principles applicable in Indonesia. Presidential Regulation Number 63 of 2019 concerning the Use of Indonesian was issued by the Indonesian government as an effort to provide legal certainty regarding the issue of language use in contracts, especially those involving foreign parties. This regulation is a follow-up step to Law Number 24 of 2009 concerning the National Flag, Language and Emblem, as well as the National Anthem. In essence, this regulation reaffirms the importance of using Indonesian in every agreement involving parties in Indonesia.

The presence of this Presidential Regulation reflects the country's awareness of the importance of maintaining cultural identity and the integrity of the national language in the midst of increasing globalization and international interaction. Language, as an important cultural aspect, is a symbol of a nation's pride and sovereignty. Therefore, the existence of this regulation provides a strong legal basis to ensure that Indonesian is used consistently and conservatively in the context of business transactions in Indonesia. However, even though there are regulations governing the use of Indonesian in contracts, challenges remain in implementing them. Some cases may occur where the contents of the agreement or contract do not comply with the terms of use of the Indonesian language. In this context, the judge's decision plays an important role in enforcing compliance with these regulations.

Analysis of the judge's decision to cancel the contents of an agreement or contract that does not contain Indonesian shows that the judge took into account the principles of justice and legal certainty. In many cases, judges consider that the absence of Indonesian can create ambiguity and uncertainty in the interpretation of the contents of the agreement, which in turn can result in disputes at a later date. Therefore, by canceling the contents of the agreement, the judge is trying to ensure that justice and legal certainty are maintained. On the other hand, there are also cases where the judge considers the impact of losses resulting from the absence of Indonesian in the contract. Analysis of the judge's decisions shows that judges tend to focus more on the substantive aspects rather than the formal aspects. They consider that not including Indonesian in the contract could potentially harm one of the parties, especially if there is a misunderstanding or detrimental interpretation.

Overall, the analysis of the judge's decisions related to the use of Indonesian in contracts shows the complexity in enforcing the legal rules and principles contained in Presidential Regulation Number 63 of 2019. Although these regulations provide a strong legal basis, their interpretation and application remains dependent on discretion and judge's assessment in upholding justice and legal certainty. Therefore, it is important for business people to understand the legal implications of using Indonesian in contracts and ensure compliance with applicable regulations. One of the significant regulations in this Presidential Regulation concerns resolving controversies if there are differences in interpretation between the Indonesian version and the foreign language version of a contract. Article 26 paragraph (4) of Presidential Regulation Number 63 of 2019 stipulates that "If there are differences in interpretation regarding the equivalent or translation as described in paragraph (3), the language that has been approved in the memorandum of understanding or agreement will be used as a reference." This provision confirms that in situations where there is a disagreement in interpretation between the Indonesian version and the foreign language version, the language agreed upon in the contract will be the basis for resolution. This means that the parties involved in the contract must clearly define the language that will be used and considered valid in dealing with differences in interpretation that may arise.

This shows the importance of clarity in establishing language in contracts, especially when involving foreign parties. By explicitly setting out the language to be used, parties can avoid potential conflicts of interpretation in the future and ensure that the terms of the contract can be implemented effectively and efficiently in accordance with their mutual interests. This provision is of course very important to avoid disputes and legal uncertainty in the implementation of contracts involving foreign parties. Previously, Law Number 24 of

2009 did not provide clarity regarding which language version was considered valid and binding if the contract was made in Indonesian and a foreign language. With Presidential Regulation Number 63 of 2019, parties making contracts can obtain legal certainty and avoid the risk of disputes in the future. They can clearly agree on which language will be used and considered valid in the contract, so that there are no differences in interpretation that could cause legal problems.

However, it is important to note that this provision does not eliminate the obligation to use Indonesian in contracts involving Indonesian parties. The use of foreign languages is only permitted as a complement, not as a substitute for Indonesian. It is feared that using a foreign language will become a weak point for Indonesians who do not understand the foreign language, causing it to be detrimental.¹⁸ Regarding the context of compliance with legal provisions regarding the use of Indonesian in contracts, it is important for parties making contracts, whether involving foreign parties or not, to understand and follow the applicable regulations, such as Law Number 24 of 2009 and Presidential Regulation Number 63 of 2019. Compliance with this regulation is not only a legal obligation, but also an important step to maintain legal certainty and order in contract implementation. By ensuring the use of Indonesian in contracts, parties can minimize the risk of disputes and increase clarity in the interpretation of the contents of the contract, so that the objectives and rights and obligations of each party can be clearly understood.

Moreover, compliance with the provisions on the use of Indonesian in contracts also has broader implications in the context of the sustainability of Indonesian as the country's official language. Language is an important cultural aspect and is a symbol of a nation's sovereignty and identity. In the Indonesian context, Indonesian has a very important role as a unified language that connects various ethnicities and diverse cultures. Therefore, by ensuring the use of Indonesian in contracts, we not only safeguard legal interests, but also preserve the presence and existence of Indonesian as one of the nation's most valuable cultural assets. However, even though there are regulations governing the use of Indonesian in contracts, dynamics and challenges remain in its implementation. Various judge decisions related to contract cases show that the interpretation and enforcement of rules still requires careful consideration. These decisions reflect the complexity of finding a balance between the interests of law, justice and the sustainability of a national language. The researcher's hope is that business people, both on a national and international scale, can better understand and respect the importance of using Indonesian in contracts. In addition, it is hoped that the government can continue to carry out effective supervision and law enforcement against violations related to the use of Indonesian in contracts. In this way, a business environment that is more stable, fair and based on national and cultural values can be created. It is hoped that all of this will make a positive contribution to economic development and sustainability as well as the continuity of Indonesian as the country's official language which is highly respected.

CONCLUSION

¹⁸ Fadilla Mariska Putri and Adi Sulistiyono, "Kepastian Hukum Terhadap Kontrak Bisnis Berbahasa Asing Pasca Berlakunya Undang-Undang Nomor 24 Tahun 2009 Tentang Bendera, Bahasa, Dan Lambang Negara, Serta Lagu Kebangsaan," *Privat Law* 6, no. 2 (2018): 202-7.

Indonesia's positive legal framework, the use of Indonesian in drafting contracts has been clearly regulated by Law Number 24 of 2009 which discusses the Flag, Language, National Emblem and National Anthem. According to Article 31 paragraph (1) of the law, the obligation to use Indonesian in drafting a memorandum of understanding or agreement is mandatory for the parties involved, including state institutions, government agencies, Indonesian private institutions, as well as individual Indonesian citizens. contracts involving foreign parties, Article 31 paragraph (2) allows such contracts to be written in the foreign party's national language and/or English. However, there is uncertainty regarding which language version is considered valid and binding if there are differences in interpretation between the Indonesian version and the foreign language version. Regarding the legal implications if the contract does not use Indonesian, there are different views among legal experts and practitioners. Some argue that contracts that do not use Indonesian do not necessarily become null and void, unless they meet the elements of breach of contract. However, there are also court decisions which state that contracts that are only made in a foreign language without an Indonesian version are contrary to the law and are null and void. In an effort to provide legal certainty, Presidential Regulation Number 63 of 2019 concerning the Use of Indonesian Language regulates that if there is a difference in interpretation between the Indonesian version and the foreign language version of a contract, then the language used and applicable is the language agreed upon in the contract. This provision is intended to avoid disputes and legal uncertainty in the implementation of contracts involving foreign parties

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