



The Role of Contract Law in Improving Legal Certainty for Business Actors

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Abstract: Legal certainty is a crucial pillar in creating a conducive business climate, especially through contract law regulated by the Civil Code (KUHPerdata). This research employs a normative approach with an analysis of legislation and literature review to evaluate the role of contract law in enhancing legal certainty for business actors in Indonesia. Through descriptive qualitative analysis, it is found that the essential aspects supporting legal certainty include the requirements for valid contracts, implementation regulations, dispute resolution mechanisms, and the recognition of electronic contracts. However, challenges such as a lack of legal understanding among business actors, regulatory uncertainty, and an inefficient dispute resolution system still hinder the effective implementation of contract law. This study emphasizes the importance of education and training on contract law for business actors, particularly SMEs, as a strategic step to improve legal certainty.

Keyword: Contract Law, Legal Certainty, Business Actors.

INTRODUCTION

Certainty law become one of the main pillars in create climate conducive business. In context business, certainty law functioning as guarantee that all party will honor the agreement that has been made. According to Andriani (2024), without certainty law, perpetrator business at risk face disputes that can result in loss significant financial as well as hinder growth business. In matter this, law contract play a role as instruments that regulate and ensure that agreement reached between perpetrator business can reliable and accountable.

Contract law set up in the Civil Code (KUHPerdata), which provides framework law For compile and implement contract. However, the rapid development of the business world and technology, especially in the digital era, demands existence Updates in regulation. With Constitution Create Work in accordance Constitution Number 6 of 2023 concerning Determination Regulation Government Replacement Constitution Number 2 of 2022 concerning Create work, there is emphasis on convenience in compilation contract and acknowledgement contract electronics. This is expected can facilitate transaction more business efficient and transparent, considering the more Lots perpetrator business that switched to digital platforms (Sjaiful, 2021).

Moment this, phenomenon use contract electronic become the more relevant, especially in e-commerce sector. Contract electronically, created and signed digitally, often facing challenge related laws with validity and admissibility in court. Many perpetrators business, especially new ones entering the digital world, no fully understand aspect law from contract electronics. Research by Gusriyani et al. (2024) show that misunderstanding This potential cause dispute later day, remembering the amount possible violations happens, like violation terms and conditions that do not clear. Therefore that 's important For give education about law contract to perpetrator efforts so that they can operate activity business with more believe self.

At the level international, perpetrator businesses also face challenges from regulation influencing global trade method contract drafted and implemented. Agreement international often contain different provisions with applicable laws in the country, which require understanding deep about law contract from perspective international (Heryanta, John Pieris, 2024). Without strong understanding about difference this, the perpetrator business at risk lost opportunity significant business or trapped in dispute prolonged law.

Temporary that, law contracts also play a role in protect consumers. In transaction business, especially those involving goods and services, provisions in contract must covers clause that protects rights consumers and guarantee justice. According to Ilmunir et al. (2024), implementation principle transparency and fairness in contract is very important For create confidence in the market. When consumers feel protected, they will more tend For transact, which in turn can push growth economy. However, the practice compilation contract in the field Still colored by many obstacles. Many actors business, especially business small and medium enterprises (SMEs), less understand importance clauses certain in contracts, such as clause settlement dispute or force majeure clause. Misunderstanding This can result in detrimental violation all parties involved (Jason & Tan, 2022). Therefore that 's important For give training and guidance to perpetrator business about method compile good and correct contracts, as well understand the rights and obligations contained in contract the. With consider various aspect said, it is clear that law contract own a very vital role in create certainty law for perpetrator effort.

In face increasing challenges complex in the business world, understanding deep about law contract No only protect rights perpetrator business, but also support creation environment more business stable and able predicted. Efforts For increase knowledge about law contract must become priority for government, institution education, and associations business, so that the perpetrators business can operate with more effective and efficient. With Thus, it is expected law contract can become powerful instrument For increase certainty law, encourage growth economy, as well as increase Power compete in the domestic market both global and local.

METHOD

Study This aiming For analyze role law contract in increase certainty law for perpetrator business in Indonesia with use approach normative. Approach This involving analysis legislation and concepts relevant laws. Data sources used in study This covering literature law, regulation legislation, as well as decision relevant courts with issue law contract.

In matter this, study literature done For gather the necessary information, where various document law and research previously made into reference For strengthen argument. Usage literature law allow researcher For get more perspective wide about How law contract applied in practice business. Besides that, analysis regulation legislation, such as Constitution Create Work in accordance Constitution Number 6 of 2023 concerning Determination Regulation Government Replacement Constitution Number 2 of 2022 concerning Create work, give description about framework the law that governs contracts in Indonesia.

Next, the technique applied data analysis in study This is analysis qualitative descriptive. With approach This, the data obtained from studies literature analyzed in a way systematic For identify patterns, themes, and relationships between law contracts and certainty law for perpetrator business. For example, analysis to decision relevant courts with dispute contract can give outlook about how judges apply principles law contract in decide matters, and the impact to certainty law in the market.

RESULTS AND DISCUSSION

Contract Law in Create Legal Certainty for Businessmen

Contract law play a very crucial role in create certainty law for perpetrator business, which is element important For sustainability and growth business. Certainty law give guarantee that the agreement made will respected and obeyed by all parties, who in turn push confidence and stability in the market. According to Kesuma (2023), uncertainty in connection contractual can cause detrimental disputes, as well as obstruct perpetrator business For invest and innovate.

Contract law provide framework clear law for perpetrator business in compile and implement agreement. In Indonesian context, settings about contract set up in the Civil Code (KUHPPerdata), which stipulates terms and conditions legitimacy A contract. Terms the covers existence agreement between the parties, the ability law, clear objects, and halal causes (Mardjuki & Yusuf, 2024). With follow provision this, the perpetrator business can compile a valid and binding contract in a way law. As example, in transaction sell buy, terms about price, quantity goods and time delivery must explained in a way Details For avoid misunderstanding later day.

Besides that, law the contract also regulates mechanism settlement dispute, the important thing is For guard certainty law. When it happens violation to provision contract, law give method For finish dispute For example, many contract covers clause settlement dispute through arbitration or mediation, which allows the parties For reach agreement without through a long and expensive litigation process (Martinelli et al., 2023). With method this, the perpetrator business can minimize risk loss and maintain connection Good with partner business they.

In the digital era today this, law contract must capable adapt with development technology, especially in matter transactions made in a way Electronics. Law Create Work in accordance Constitution Number 6 of 2023 concerning Determination Regulation Government Replacement Constitution Number 2 of 2022 concerning Create work, contract electronic acknowledged in a way valid and binding. This is give certainty law for perpetrator businesses operating in the e-commerce realm. Megawati et al. (2023) take notes that with existence arrangement this, the perpetrator business can do transaction more fast and efficient without reduce protection the law that they get. As for example, in an e-commerce platform, the terms about return goods or guarantee product can set up in a way clear in contract electronics, which protect rights consumers and sellers.

The role of law the contract also includes protection to Consumers. Terms clear law in contract give certainty that consumer will get product or service in accordance with what was promised. If it happens violation, consumer own right For demand change loss. According to Morris & Rasji (2023), protection effective consumer contribute to certainty law, where consumers feel safe and trustworthy For transact. Trust this, in turn, can push improvement Power buy and grow economy in a way overall.

Phenomenon latest showing importance law contract is increasing disputes that arise consequence implementation contracts, especially during COVID-19 pandemic. Many actors effort that does not can fulfil obligation contract Because disturbance operational, which requires existence provision like force majeure clause. Clause This arrange a state of being

that is not suspected of obstructing one of the party For fulfil his obligations. In context this, Sjaiful (2021) confirm that existence provision This help give certainty law, where the perpetrator business can plan steps furthermore without must worry to consequence severe law.

However, the challenge the biggest for perpetrator business, especially business small and medium enterprises (SMEs), are lack of understanding about importance compile good contract. Many of those who don't realize risks faced If contract No set up with clear. (Rahmadi Indra Tektona & Laoly, 2023) emphasize that lack of knowledge This can result in violation potential contract cause dispute later day. Therefore that 's important for institution government and associations business For provide training and education about law contract, so that the perpetrator business can understand method compile effective and protective contracts interest they.

Crucial Aspects of Contract Law in Increase Legal Certainty for Businessmen

Contract law play a role important in create certainty the law that is really needed by the perpetrators business. Certainty law in context contract covers various functional aspects For ensure that agreement made can relied upon and obeyed by all parties. In context this, some aspect law a crucial contract can identified, among other things, the requirements legitimacy contract, arrangement about implementation contract, settlement disputes, as well as confession to contract electronics.

Condition legitimacy contract is aspect the first thing that is very important For be noted. Based on provision In the Civil Code (KUHPPerdata), there is four condition the main thing to do fulfilled so that a contract considered valid : agreement, competence For act, clear objects, and lawful causes (Rahmadi Indra Tektona & Laoly, 2023). When all condition This fulfilled, then contract the become tie in a way law. Certainty about terms and conditions This give guarantee to perpetrator business that they operate in framework clear law, so that minimize risk future disputes.

Aspect second is arrangement about implementation contract. In every contract, important For to list clear provisions about the rights and obligations of each party. This covers provision about time implementation, place implementation, as well as quality goods or agreed services. According to Sjaiful (2021), clear details in contract allow perpetrator business For understand with appropriate what to expect from they and their partners business them. When it happens violation, clear provisions will make it easier enforcement rights and provide strong foundation For do demands law.

Aspect important other is clause settlement dispute. In practice business, dispute often not can avoided, therefore That important For to list provision about How dispute the will completed. Clause This can covers arrangement about arbitration, mediation, or track litigation. With existence clause settlement clear dispute, the perpetrator business can own certainty regarding the process that will be taken If happen dispute (Weynanda et al., 2023). This is No only reduce uncertainty law, but also encourages perpetrator business For more brave in do more transactions complex.

In the digital era, recognition to contract electronic become the more important. Law Create Work in accordance Constitution Number 6 of 2023 concerning Determination Regulation Government Replacement Constitution Number 2 of 2022 concerning Create Work confess validity contract electronics, which provides convenience for perpetrator business For do transaction online. Andriani (2024) take notes that arrangement This expand access for perpetrator business For reach a wider market wide and do transaction with more efficient. However, to ensure certainty law, important for perpetrator business For understand How contract electronic arranged and protected in a way law. Lack of understanding in aspect This Can potential cause disputes that are not need.

Other aspects that need to be considered be noticed is existence force majeure clause. Clause This arrange a condition in which one party No can fulfil obligation contract consequence external conditions control they, like disaster natural or pandemic. In the context is increasingly complex, as seen during COVID-19 pandemic, clause This become very relevant. According to Mardjuki & Yusuf (2024), with existence provision this, the perpetrator business can plan the right steps without worry will consequence severe law. Clause This give certainty that in condition certain, obligations can postponed or changed, which in the end support sustainability business.

Lastly, education and understanding about law contracts are also very important. Many actors business, especially new ones starting, often not own sufficient knowledge about aspects law crucial contract. Lack of understanding This can result in error in compile contract, which can impact on sustainability business they (Megawati et al., 2023). Therefore that 's important for institution education and association business For provide training and resources power required For help perpetrator business understand law contract with Good.

In general overall, aspects law a crucial contract in increase certainty law for perpetrator business covers condition legitimacy contract, arrangement implementation, clause settlement dispute, recognition to contract electronics, and force majeure clauses. Each aspect This contribute in create framework clear and enforceable laws reliable, which in the end support stability and growth business. With understand and apply aspects this, the perpetrator business can operate with more believe self, minimize risk disputes, and increase confidence in the market. Efforts For increase knowledge and understanding about law contract must Keep going done so that the perpetrator business can adapt with dynamics that occur in the business world.

Challenges and Obstacles in Implementing Contract Law For Reach Legal Certainty for Businessmen

Implementation law contract is aspect important in reach certainty law for perpetrator effort. However, in in practice, there are various challenges and obstacles that often faced. Challenges This can bother effectiveness law contract and influence trust perpetrator business in do transactions. Some challenge main covering lack of understanding law, uncertainty regulations, as well as problem related settlement dispute.

One of challenge the biggest in implement law contract is lack of understanding about law That themselves, especially among perpetrator business small and medium enterprises (SMEs). Many actors effort that does not own background behind law and not realize importance compile good contract. This is potential cause error in making contracts, such as No to list clear terms and conditions. According to Weynanda et al. (2023), lack of understanding This often results in violation contract that can impact on losses financial and reputational. Therefore that, education and training about law contract become very important For increase awareness and understanding perpetrator business.

Challenge other is uncertainty regulations that govern law contract. Although Indonesia has has the Civil Code (KUHPPerdata) and the Law Create Work in accordance Constitution Number 6 of 2023 concerning Determination Regulation Government Replacement Constitution Number 2 of 2022 concerning Create work, lots perpetrator effort that feels Confused with interpretation and application regulation those changes. policies that are often happen can create confusion and uncertainty, especially for perpetrator effort that does not own source Power For follow development regulation in a way active. According to Sjaiful (2021), uncertainty This can reduce interest investment and slow down growth business, because perpetrator business feel hesitant For take step brave.

One of aspect important in law contract is mechanism settlement dispute. However, the system existing justice often not efficient. Litigation process Can eat long time and high

cost, so Lots perpetrator business reluctant For to go through track law when happen dispute. In context this, Heryanta, John Pieris (2024) take notes that alternative settlement dispute like arbitration or mediation Not yet fully optimized. Although there is provision For settlement dispute outside court, still Lots perpetrator lack of effort understand benefits and procedures from mechanism This. Lack of understanding This can result in dispute that should be can completed in a way fast and efficient become prolonged and detrimental all party.

Instability economy also becomes challenge in implementation law contract. Situation economy that is not determined can result in violation contract, okay in a way intentional and also No deliberate. For example, during COVID-19 pandemic, many perpetrator effort that does not can fulfil obligation contract consequence disturbance operational. In situation like In this case, the force majeure clause becomes very relevant, however No all contract to list provision said. According to Martinelli et al. (2023), no existence clear provisions, the perpetrator business can face risk a big loss consequence an unavoidable situation Unpredictable. Uncertainty This make perpetrator business think twice before do transactions, which in turn can hinder growth business.

Besides that, the difference culture and practice business in Indonesia can also become obstacle in implementation law contract. Indonesia has diversity culture and ways doing different business in every area. In a number of case, way view to contracts and compliance to agreement Possible No as strong as in other countries. This is can cause conflict between perpetrator business originating from from background behind different cultures. As example, in practice business Traditionally, personal relationships are often more prioritized compared to with compliance to formal contract (Gusriyani et al., 2024). Mismatch This can result in misunderstanding and disbelief in connection business, which ultimately harm all party.

Challenges and obstacles in implement law contract For reach certainty law for perpetrator businesses are very diverse. Lack of understanding law, uncertainty regulation, problem settlement dispute, instability economy, as well as difference culture and practice business is a number of factors that can hinder effectiveness law contract. For overcome challenge this is important for government, institution education, and associations business For Work The same in increase education about law contract and provide support for perpetrator business. With reduce obstacle this, it is expected certainty law can created, so that push growth and development more economy good in Indonesia.

CONCLUSION

Contract law play a role important in create certainty law for perpetrator business. Certainty this is very necessary For push confidence and stability in the market, which has an impact positive on investment and innovation. The aspects crucial from law contracts, such as condition legitimacy contract, arrangement implementation, completion disputes, as well as confession to contract electronics, everything contribute in create framework clear law. However, the challenges like lack of understanding law, uncertainty regulations, and systems settlement disputes that are not efficient Still hinder implementation law contract in a way effective.

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