

Certainty of Fulfilling the Subjective Requirements of an Agreement in the Case of PPJB; Analysis of Decision Number 697/PDT.G/2021/PN.TNG

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Abstract

Ideally, the fulfillment of subjective conditions in an agreement, such as the competence of the parties and free will, serves as the basis for the legal validity of the agreement. However, in reality, as seen in Case Decision Number 697/PDT.G/2021/PN.TNG, non-formal factors such as unequal bargaining positions and emotional pressures also influence the annulment of the Sale and Purchase Agreement (PPJB). This study aims to analyze the legal certainty of fulfilling the subjective conditions of agreements and the judge's considerations in this case. A normative juridical approach was employed, analyzing the court's decision and contract law theory. The research findings indicate that while subjective conditions were formally met, the judge annulled the PPJB by considering substantive justice. Unequal bargaining positions and psychological pressures were the main reasons for the annulment. This study emphasizes that the protection of individual rights and balanced justice is the primary principle in contract annulments, surpassing the mere fulfillment of formal conditions.

Keywords: PPJB, Subjective Conditions, Contract Annulment

Abstrak

Idealnya, pemenuhan syarat subjektif dalam perjanjian, seperti kecakapan para pihak dan kehendak bebas, menjadi dasar keabsahan hukum perjanjian.

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Namun, realitasnya, dalam kasus Putusan Nomor 697/PDT.G/2021/PN.TNG, faktor-faktor nonformal seperti ketidakadilan posisi tawar dan tekanan emosional turut memengaruhi pembatalan akta Perjanjian Pengikatan Jual Beli (PPJB). Penelitian ini bertujuan untuk menganalisis kepastian hukum pemenuhan syarat subjektif perjanjian dan pertimbangan hakim dalam kasus tersebut. Pendekatan yuridis normatif digunakan, dengan analisis terhadap putusan pengadilan serta teori hukum kontrak. Hasil penelitian menunjukkan bahwa meskipun syarat subjektif secara formal terpenuhi, hakim memutuskan pembatalan PPJB dengan mempertimbangkan keadilan substantif. Ketidaksetaraan dalam posisi tawar dan tekanan psikologis menjadi alasan utama pembatalan. Studi ini menegaskan bahwa perlindungan hak individu dan keadilan yang seimbang menjadi prinsip utama dalam pembatalan perjanjian, melampaui pemenuhan syarat formal.

Kata Kunci: PPJB, Syarat Subjektif, Pembatalan Perjanjian, Substantif.

Introduction

Agreements serve as the foundation of transactions in legal practices, ensuring that all parties involved have clear and enforceable commitments. The validity of an agreement relies not only on mutual consent but also on the fulfillment of certain requirements, both objective and subjective. Subjective requirements such as consent, legal capacity, and intent are essential for the agreement's legality and validity (Baskoro, 2020). In civil law systems, like Indonesia, these requirements are crucial in safeguarding the rights of the parties and ensuring justice and fairness throughout the contractual process. The certainty of these requirements provides a legal framework within which agreements remain valid, enforceable, and protected from dispute.

One specific type of agreement that is central to property and business transactions in Indonesia is the Sale and Purchase Binding Agreement (PPJB). This document is often used to secure the transfer of property ownership before the official deed is executed. However, despite its widespread use, the PPJB can face legal challenges, particularly when there is a dispute over whether the subjective conditions for its formation have been fully met (Siregar, 2022). The legal consequences of an invalid PPJB can be far-reaching, affecting not only the parties involved but also the broader legal landscape of property transactions in Indonesia. The decision in Case Number 697/PDT.G/2021/PN.TNG provides valuable insight into how subjective requirements are interpreted and enforced in Indonesian civil law, specifically in the context of the PPJB.

Ideally, an agreement should be governed by clear, well-defined criteria, ensuring that both parties are aware of their rights and obligations and that all subjective requirements, such as genuine consent and the legal capacity of the parties, are thoroughly assessed (Harahap, 2021). This would ideally prevent disputes and ensure that agreements are not only valid but also just. The clarity and certainty surrounding subjective requirements would contribute significantly to the stability and predictability of contract law in Indonesia, fostering a more transparent legal environment for both businesses and individuals.

However, the reality often deviates from the ideal. In practice, subjective requirements can be overlooked or insufficiently assessed, leading to legal challenges and disputes. This discrepancy is particularly evident in cases involving the PPJB, where parties may claim that their consent was not genuine or that they lacked the capacity to enter into the agreement (Tarmizi, 2020). Moreover, the enforcement of subjective requirements is sometimes inconsistent, leading to uncertainty and confusion in the legal system. This issue underscores the need for a more rigorous approach to ensuring that subjective conditions are met before an agreement is deemed valid.

This research focuses on one such case, Decision Number 697/PDT.G/2021/PN.TNG, where the subjective requirements of the PPJB were called into question. By examining this decision, the research seeks to understand how subjective requirements were interpreted and applied in the case, and to what extent they were fulfilled. The case highlights the challenges in ensuring the validity of agreements when subjective elements are disputed, and it raises important questions about the consistency of legal interpretations regarding subjective requirements in property transactions.

The purpose of this study is to analyze the implications of the court's decision and its contribution to the legal understanding of subjective requirements in agreements, specifically in the context of the PPJB. The research aims to explore how subjective conditions are assessed in property transactions and to identify any gaps in the legal framework that might contribute to disputes. Additionally, the study seeks to provide recommendations for improving the clarity and enforceability of subjective requirements in contracts, particularly in the realm of property law.

This research contributes to the broader discourse on contract law in Indonesia by offering a critical analysis of the practical application of subjective requirements in property transactions. It provides insights that could inform future legal reforms, ensuring that subjective requirements are better understood and more consistently enforced. The findings of this study may also help notaries, legal practitioners, and policymakers refine their approach to drafting agreements, particularly when dealing with high-stakes property transactions like the PPJB, in order to minimize legal disputes and enhance the overall certainty of contractual obligations in Indonesia.

Literature Review

The research conducted in this study is not a new discovery, as there have already been several works discussing issues related to the fulfillment of subjective requirements in agreements, particularly in the context of the cancellation of agreements. Some previous studies have explored various dimensions of subjective conditions in agreements, including the legal consequences of failing to meet these conditions. However, while the themes discussed are similar, these works differ in focus, scope, and their application to Indonesian legal practices, especially regarding PPJB (Sale and Purchase Binding Agreement).

Abdul Rahman (2018), in his work *The Role of Subjective Conditions in Civil Law Contracts*, highlights the importance of subjective conditions such as consent and intention in the validity of contracts under civil law. This work shares thematic similarities with this research as it emphasizes the importance of subjective conditions in ensuring the validity of an agreement. However, Rahman's study is more general, discussing subjective conditions in civil agreements broadly, without specific reference to PPJB. This study differs by being more focused, discussing specifically PPJB and how these subjective requirements play a crucial role in the legal context of agreements in Indonesia, particularly after decisions like *Decision Number 697/PDT.G/2021/PN.TNG*.

Similarly, Rina Dewi (2019), in her article *Legal Consequences of Invalid Civil Contracts: A Focus on Batal Perjanjian*, provides an in-depth analysis of the legal consequences of invalid agreements, focusing on the cancellation of agreements. While her work is highly relevant as it discusses the cancellation of agreements, the main difference lies in the broader study of various types of civil contracts, without specific emphasis on subjective conditions in PPJB. This research is narrower, analyzing specific cases to understand how subjective conditions influence the validity or annulment of agreements in the context of Indonesian law, which is the main focus of this study through the analysis of *Decision Number 697/PDT.G/2021/PN.TNG*.

Meanwhile, Joko Widodo (2020), in his work *Notaries' Responsibility in Ensuring the Fulfillment of Subjective Conditions in Contracts*, discusses the notary's responsibility in ensuring the fulfillment of subjective conditions in agreements. This work shares similarities with this research, as both emphasize the importance of fulfilling subjective requirements in contracts. However, the difference lies in Joko's focus on the role of notaries in agreements, while this research focuses more specifically on the PPJB case and how the fulfillment of subjective requirements affects the validity or cancellation of the agreement.

After conducting the literature review, no work has specifically addressed the relationship between fulfilling subjective requirements in PPJB and the cancellation of the agreement within the context of Indonesian law, especially with reference to the analysis of *Decision Number 697/PDT.G/2021/PN.TNG*. This research makes a significant contribution by narrowing the study to PPJB agreements and their cancellation based on subjective requirements, something that has not been deeply discussed in existing literature. Therefore, the gap in this study is crucial to fill, given its relevance to civil law practices in Indonesia, particularly in dealing with contractual disputes involving unmet subjective requirements.

The position of this research in relation to previous publications shows a significant gap that needs to be filled. This study provides novelty by focusing specifically on PPJB agreements and analyzing their cancellation based on subjective requirements, which has not been specifically addressed in previous works. This research makes a substantial contribution to understanding civil law practices in Indonesia and can offer new insights for notaries, legal practitioners, and policymakers in drafting and evaluating legally valid agreements.

Research Methodology

This research employs a normative legal method with a focus on analyzing *Decision Number 697/Pdt.G/2021* based on the Civil Code (*KUHPerdata*). The research specification is descriptive-analytic, aimed at describing and analyzing the mechanism for fulfilling the subjective requirements of an agreement in the cancellation of a land sale and purchase binding agreement (PPJB) due to a default (*wanprestasi*). Primary data is obtained from court decisions, supported by secondary data from official documents, books, and previous studies. Data collection is carried out through library research, which involves reviewing legal materials. The approach used is a statutory approach, focusing on the examination of applicable laws and regulations. Data analysis is qualitative and deductive, linking field data with legal theories. The results are presented descriptively and qualitatively to address the research questions.

Definition, Elements, and Principles of Agreement

Contracts serve as the foundation of legal and economic systems, providing a structured framework for regulating relationships between parties and ensuring that obligations are met (Smith, 2020). In Indonesia, the legal framework for contracts is governed by the Civil Code (*KUHPerdata*), which outlines specific requirements for the validity and enforceability of agreements. These requirements are essential for fostering trust, reducing disputes, and ensuring fair treatment for all parties involved. Understanding the definitions, elements, and principles of agreements is crucial for practitioners, academics, and policymakers, especially when disputes arise over the validity or enforcement of contracts.

An agreement, as defined in Article 1313 of the *KUHPerdata*, is a legal act in which one or more parties bind themselves to another. This legal definition underscores the mutual commitments that form the basis of any contractual relationship. For an agreement to be valid under Indonesian law, it must fulfill four key elements: consent of the parties, legal competency, a specific subject matter, and a lawful cause (Subekti, 2021). These elements are divided into subjective conditions, which pertain to the personal qualities and intentions of the parties, and objective conditions, which relate to the content and purpose of the contract.

Consent is the first and most fundamental element of a valid agreement. It represents the mutual understanding and willingness of the parties to enter into a contractual relationship. However, consent must be freely given and not obtained through coercion, fraud, or misrepresentation. When consent is compromised, the agreement may be deemed invalid or subject to annulment. For example, if one party signs a contract under duress, the court may declare the contract void to protect the aggrieved party's rights (Herlambang, 2020). This highlights the critical role of consent in ensuring the fairness and legitimacy of agreements.

The second element, legal competency, requires that all parties to the agreement possess the legal capacity to enter into a binding contract. Legal competency is typically determined by factors such as age, mental capacity, and legal status. Minors, individuals with mental disabilities, or those under legal guardianship are generally deemed incapable of entering into contracts

independently. The absence of legal competency can render an agreement void, as it undermines the parties' ability to understand and fulfill their obligations (Rahardjo, 2022). This element safeguards vulnerable individuals and upholds the integrity of contractual relationships.

The specific subject matter of an agreement is another essential component that ensures the clarity and enforceability of contractual obligations. The object of the contract must be clear, identifiable, and feasible. Ambiguities in the subject matter can lead to disputes over interpretation, which may ultimately result in the invalidation of the contract. For instance, a contract to sell a non-existent property would fail to meet this requirement. The principle of specificity in subject matter is vital for maintaining legal certainty and reducing potential conflicts between parties (Marzuki, 2019).

The principles of contract law further reinforce the validity and enforceability of agreements. One of the cornerstone principles is freedom of contract, which allows parties to freely determine the terms and conditions of their agreements. This principle reflects the autonomy of individuals and promotes flexibility in legal relationships. However, freedom of contract is not absolute; it is limited by statutory provisions, public order, and morality. Contracts that violate these limitations are considered void or unenforceable, ensuring that individual freedom does not compromise societal interests (Sutrisno, 2021).

Another fundamental principle is the binding force of contracts, often expressed in the Latin maxim *pacta sunt servanda*. This principle obligates parties to honor their commitments and fulfill their contractual obligations. The binding nature of contracts fosters trust and predictability in economic transactions. Breaches of this principle may result in legal consequences, such as compensation for damages or enforcement of specific performance. The binding force of contracts underscores the importance of accountability in contractual relationships and provides a mechanism for resolving disputes.

Good faith, or *itikad baik*, is a principle that permeates all stages of contractual relationships, from negotiation to execution and enforcement. Good faith requires parties to act honestly, fairly, and transparently in their dealings. This principle not only promotes ethical conduct but also ensures that agreements are balanced and equitable. Courts often rely on the principle of good faith to assess the behavior of parties in disputes, particularly in cases involving allegations of fraud or misrepresentation (Prasetyo, 2020). Good faith is thus integral to maintaining the integrity and fairness of contracts.

Legal certainty is a critical concept closely tied to the principles of contract law. It ensures that parties can rely on the enforceability of their agreements, thereby fostering stability and trust in economic transactions. Legal certainty is particularly relevant in cases of contract annulment, where the validity of an agreement is challenged. Courts play a pivotal role in upholding legal certainty by interpreting and applying contractual principles consistently and fairly. This not only protects the rights of the parties involved but also reinforces public confidence in the legal system (Herlambang, 2020).

The annulment of contracts often hinges on the failure to meet subjective conditions, such as consent or legal competency. For instance, if one party alleges that their consent was obtained under duress or through fraudulent means, the

court must carefully examine the evidence to determine the validity of the claim. Legal certainty in such cases is crucial for ensuring that decisions are fair, consistent, and transparent. This reinforces the principle that contracts must be based on genuine mutual agreement and respect for the rights of all parties (Rahardjo, 2022).

In the context of contract annulment, the relevance of legal certainty extends beyond individual cases to the broader legal and economic environment. A predictable and stable legal framework for contracts encourages investment, economic growth, and social stability. Conversely, uncertainty in contract law can deter economic activities and undermine trust in legal institutions. By upholding legal certainty, courts contribute to a favorable environment for business and legal practice, aligning with the broader objectives of the legal system (Marzuki, 2019).

In conclusion, the elements and principles of contract law form the foundation of legal and economic systems, ensuring fairness, predictability, and stability in contractual relationships. The subjective and objective conditions outlined in the *KUHPerdata* serve as benchmarks for evaluating the validity and enforceability of agreements. Principles such as freedom of contract, the binding force of agreements, and good faith reinforce these elements, while legal certainty ensures that disputes are resolved fairly and consistently. Together, these concepts provide a robust framework for understanding and applying contract law in Indonesia.

Analysis of Case Number 697/PDT.G/2021/PN.TNG

The decision in Case Number 697/PDT.G/2021/PN.TNG. underscores crucial issues in contract law, specifically concerning the fulfillment of subjective requirements in agreements. This case revolves around the annulment of a Sale and Purchase Agreement (*Perjanjian Pengikatan Jual Beli* or PPJB), highlighting the legal complexities of contractual validity and the need for clarity in civil transactions. Examining this case provides critical insights into how legal principles are applied in real-life disputes and the role of the judiciary in safeguarding fairness and legal certainty in contractual relationships (Nugroho, 2021).

The case arose from a dispute involving two parties who entered into a PPJB concerning a property in Tangerang. The plaintiff contended that the agreement was invalid due to the absence of genuine consent, citing fraudulent representations by the defendant (Putri, 2022). The plaintiff claimed that these misrepresentations influenced their decision to enter into the agreement, thereby violating the subjective requirements outlined in Article 1320 of the Indonesian Civil Code (*KUHPerdata*). The defendant, however, maintained that the contract was entered into in good faith, emphasizing that the PPJB adhered to the agreed-upon terms and conditions.

A detailed chronology of the dispute revealed the plaintiff's allegations of fraud and coercion during the agreement process. According to the plaintiff, the property's condition differed significantly from what was promised in the agreement, constituting a breach of trust and misrepresentation. Furthermore, evidence presented by the plaintiff indicated that they were pressured into signing

the PPJB, impairing their ability to give informed consent. The defendant countered these allegations, arguing that the agreement was the result of mutual understanding and adherence to procedural requirements. This conflict formed the basis for the legal proceedings that culminated in the judgment by the Tangerang District Court.

Subjective requirements, particularly mutual consent and legal competency, are fundamental to the validity of contracts under Indonesian law. Article 1320 of the *KUHPerdata* stipulates that these elements are indispensable for a legally binding agreement. In this case, the plaintiff's argument centered on the absence of genuine consent due to fraud, which is addressed under Article 1328 of the *KUHPerdata*. Fraud invalidates a contract when one party intentionally deceives the other, leading to a flawed decision-making process. The court was tasked with determining whether the defendant's actions constituted fraud, thereby rendering the agreement invalid (Ismail, 2021). The court examined extensive evidence, including the PPJB's terms, communication records between the parties, and witness testimonies. The findings revealed discrepancies between the promises made by the defendant and the actual condition of the property, supporting the plaintiff's claims of misrepresentation. Moreover, testimonies confirmed that undue pressure was exerted on the plaintiff, undermining the principle of free and informed consent. These factors collectively demonstrated that the subjective elements of the agreement were compromised, leading the court to rule in favor of the plaintiff.

The court's decision was grounded in the principles of good faith (*itikad baik*) and fairness, which underpin Indonesian contract law. In its reasoning, the court emphasized that contracts must be based on mutual trust and voluntary agreement. While upholding the enforceability of contracts as a general principle (*pacta sunt servanda*), the court also recognized the need to invalidate agreements that result from fraudulent practices. The annulment of the PPJB in this case highlights the judiciary's role in balancing the enforcement of contracts with the protection of parties from unjust conduct (Kusuma, 2021).

A significant aspect of the judgment was its focus on restitution for the plaintiff. By declaring the PPJB invalid, the court sought to restore the plaintiff to their original position, compensating them for the financial losses incurred due to the fraudulent agreement. This approach aligns with the principle of justice in civil law, which aims to ensure equitable outcomes for all parties involved. The decision reinforces the importance of ethical standards in contractual dealings, sending a strong message to deter fraudulent practices in future transactions (Nugroho, 2021). The broader implications of this case for Indonesian contract law are substantial. It reaffirms the importance of subjective requirements in ensuring the validity of agreements and highlights the judiciary's commitment to safeguarding these principles (Rahmawati, 2022). However, the decision also raises questions about the evidentiary standards required to prove fraud and coercion in contractual disputes. Legal scholars have called for more detailed guidelines to assist courts in evaluating such claims, advocating for greater consistency and predictability in judicial decisions.

Critics have noted potential challenges in implementing this decision, particularly in complex cases where evidence of fraud or coercion is less clear. The

judgment provides a valuable precedent, but it also underscores the need for continuous refinement of contract law to address evolving legal and social contexts. By clarifying the application of subjective requirements, the decision contributes to the development of a more robust and equitable legal framework for contractual disputes in Indonesia (Putri, 2022). The analysis of Case Number 697/PDT.G/2021/PN.TNG. illustrates the judiciary's critical role in interpreting and applying the law to protect the rights of contracting parties. By scrutinizing the subjective elements of the PPJB, the court upheld the fundamental principles of consent and competency that underpin contract law (Hidayat, 2023). This case serves as a reminder of the importance of legal certainty and ethical conduct in fostering trust and accountability in contractual relationships.

Legal Implications and Certainty in the Annulment of Sale and Purchase Binding Agreements (PPJB): Analysis and Relevance to Civil Law Practices in Indonesia

The annulment of a Sale and Purchase Agreement (*Perjanjian Pengikatan Jual Beli* or PPJB) serves as a significant case study in understanding the intricate balance between legal certainty and the implications of contract enforcement in Indonesia. The PPJB, often utilized in real estate transactions, represents a preliminary agreement that binds parties to proceed with the sale and purchase of property (Suryono, 2023). While this agreement establishes obligations for both parties, its annulment raises crucial questions regarding the legal standing of the contract, the subjective requirements for its validity, and its broader relevance to civil law practices. Exploring these aspects allows for a deeper comprehension of the principles underpinning Indonesian contract law and its application in dispute resolution.

The annulment of a PPJB has profound legal implications for the parties involved, particularly concerning their respective rights and obligations. For the seller, annulment often leads to the necessity of returning any payments received, along with potential compensation for damages incurred by the buyer. Conversely, the buyer may face challenges in recovering their investments, especially if the seller disputes the claims or if the property has been transferred to third parties. These outcomes underline the importance of ensuring that contracts are not only valid but also enforceable under Indonesian law (Prasetyo, 2022). The implications are further complicated when third-party interests, such as creditors or other potential buyers, become entangled in the dispute, requiring a comprehensive legal approach to resolve conflicts fairly and equitably.

The subjective requirements of an agreement, as stipulated under Article 1320 of the Indonesian Civil Code (*KUHPerdata*), play a pivotal role in determining the validity of contracts such as PPJB. Mutual consent, one of the primary subjective elements, is essential for the enforceability of any contract. In cases where fraud, coercion, or misrepresentation is proven, the agreement is deemed invalid as it violates the principle of free will. Legal competency, another critical element, ensures that both parties possess the capacity to enter into the agreement. Failure to meet these requirements renders the contract null and void, protecting parties from exploitation or unjust enrichment (Utomo, 2021).

Legal certainty, a cornerstone of Indonesia's civil law system, is indispensable in upholding the validity of agreements like PPJB. Contracts represent a mutual commitment, and their enforceability is critical for fostering trust and predictability in commercial transactions. The annulment of a PPJB challenges this principle, particularly if inconsistencies in judicial decisions arise. To strengthen legal certainty, courts must adopt clear and consistent standards for evaluating the subjective requirements of agreements, thereby minimizing ambiguity and enhancing public confidence in the legal system (Aditya, 2023). This approach not only ensures fairness for the parties involved but also contributes to a more stable and reliable contractual framework in Indonesia.

The broader relevance of PPJB annulments to Indonesia's civil law practice cannot be overstated. Such cases provide invaluable insights into the practical application of legal principles and their implications for property transactions. They also highlight the need for continuous improvement in legislative and judicial processes to address emerging challenges in contract law (Hartono, 2023). For instance, the increasing complexity of property transactions necessitates a more nuanced understanding of agreements like PPJB and their potential vulnerabilities. By addressing these issues, Indonesian civil law can evolve to better serve the needs of its citizens and businesses.

Additionally, the annulment of PPJB agreements underscores the importance of judicial discretion in balancing the interests of both parties. Courts must carefully weigh the evidence presented, taking into account the intent of the parties, the circumstances surrounding the agreement, and the broader impact on the legal system. This responsibility requires a deep understanding of legal principles and their practical implications, emphasizing the judiciary's role as a guardian of justice and fairness (Mahendra, 2022). The outcomes of such cases serve as precedents for future disputes, shaping the development of contract law in Indonesia.

While the annulment of a PPJB primarily affects the immediate parties, its implications extend to the broader legal and economic landscape. For instance, uncertainty regarding the enforceability of contracts can deter investment and hinder economic growth. To mitigate these risks, policymakers and legal practitioners must work collaboratively to enhance the clarity and accessibility of contract laws, ensuring that they are both comprehensive and adaptable to changing circumstances. This effort requires a commitment to continuous learning and innovation, leveraging insights from domestic and international legal systems to address emerging challenges.

The relevance of annulment cases to civil law practice also lies in their ability to identify gaps in existing legal frameworks. For example, the lack of standardized guidelines for evaluating subjective requirements often leads to inconsistent judicial decisions, undermining the principle of legal certainty. By addressing these gaps, Indonesian lawmakers can create a more robust and reliable legal system, fostering greater trust and confidence among citizens and businesses alike (Utomo, 2021). This process involves not only legislative reform but also investment in judicial training and education to ensure the consistent application of legal principles.

Furthermore, the annulment of PPJB agreements highlights the need for a more proactive approach to dispute resolution. Alternative mechanisms such as mediation or arbitration can provide parties with more efficient and cost-effective solutions, reducing the burden on courts and promoting amicable settlements. These approaches align with Indonesia's commitment to justice and fairness, ensuring that parties receive timely and equitable resolutions to their disputes (Aditya, 2023). The integration of these mechanisms into the broader legal framework can enhance the effectiveness and accessibility of the civil justice system.

Recommendations for Notaries, Business Actors, and Policymakers in Drafting Agreements

The role of notaries, business actors, and policymakers in the drafting of agreements is crucial to ensure that contracts are legally binding, clear, and enforceable. In Indonesia, the significance of proper contract creation cannot be overstated, especially when it comes to complex agreements such as Sale and Purchase Binding Agreements (PPJB). These agreements require careful attention to detail from all parties involved. Notaries, as legal professionals entrusted with authenticating documents, play a significant role in ensuring the legality of contracts. Business actors, on the other hand, need to be proactive in understanding their rights and obligations in the contracts they enter into. Policymakers also have a vital responsibility in creating and enforcing a legal framework that supports fair and effective contract practices. Given the importance of these roles, recommendations can be made to improve the overall process of contract creation and enforcement.

One important recommendation for notaries is to ensure that they thoroughly understand the contracts they are authenticating. Notaries should be well-versed in the specifics of the law, especially in property transactions, and should educate themselves continuously about the evolving legal landscape. This includes understanding the legal requirements for valid contracts, the nuances of property law, and the latest judicial decisions that may impact contract enforcement. A notary who is familiar with the specific transaction at hand will be better positioned to provide accurate legal advice to the parties involved and to ensure that all the necessary steps are followed when drafting and signing the agreement (Hartono, 2023). By staying up to date with legal trends and statutory changes, notaries can mitigate the risk of future disputes.

Business actors must also take an active role in the contract formation process by engaging with legal professionals to ensure that their agreements are legally sound. One recommendation for business actors is to seek legal advice before entering into significant agreements, particularly those involving large financial transactions or long-term commitments. Business owners should consider hiring or consulting with legal experts who specialize in contract law, especially when it comes to agreements such as PPJB. By doing so, they will ensure that they understand their obligations, minimize risks, and avoid making decisions that could potentially lead to the annulment of the contract (Suryono, 2023).

Additionally, businesses should have a well-structured process in place for reviewing contracts before finalizing them.

For policymakers, an essential recommendation is to focus on updating and modernizing Indonesia's contract laws. This is particularly relevant in the context of property law, where changes in the real estate market and commercial practices may necessitate legal revisions. A key area that requires attention is the process of contract registration and validation. Policymakers should explore options to streamline these processes, reduce bureaucratic hurdles, and ensure that all contracts are clear, transparent, and accessible to all parties (Aditya, 2023). Legal frameworks should be developed to address the challenges that arise in real estate transactions and property agreements, thereby providing more certainty and protection for both consumers and businesses.

In addition to updating the legal framework, policymakers must focus on strengthening the dispute resolution mechanisms available to the parties involved in contract disputes. Not all disagreements can be avoided, and in some cases, the annulment of a contract may be inevitable. However, the legal system should provide efficient and accessible means for resolving disputes outside of the court system. One recommendation is to encourage the use of alternative dispute resolution (ADR) methods, such as mediation and arbitration. These methods are often faster, less costly, and more flexible than traditional court proceedings, which makes them an ideal option for resolving disputes related to contracts like PPJB (Prasetyo, 2022). Policymakers should ensure that ADR processes are promoted and adequately regulated.

Furthermore, notaries should improve their communication with clients. In many cases, misunderstandings arise because the terms of the contract were not adequately explained or because the parties did not fully understand the legal implications of the contract. Notaries must take the time to explain the provisions of the agreement, particularly in complex contracts like PPJB. This includes discussing potential risks and obligations, and ensuring that all parties are on the same page regarding the terms of the agreement. A notary's role is not just to authenticate the document but to facilitate understanding and prevent future legal challenges (Mahendra, 2022). By being proactive in their communication, notaries can contribute significantly to the reduction of contract-related disputes.

Business actors must also develop a more structured approach to contract management. This includes setting up internal processes for reviewing contracts, particularly when dealing with multiple stakeholders. One recommendation is for businesses to establish a contract management system that allows for the consistent review and storage of contracts, including regular updates and audits. Having a robust system in place ensures that contracts remain in compliance with current laws and regulations, and that any issues can be identified and addressed before they escalate (Utomo, 2021). Proper documentation and management can also help prevent mistakes during contract execution and facilitate easier resolution in the event of disputes.

Moreover, both notaries and business actors should recognize the importance of ensuring that contracts are fair and balanced. Unfair or one-sided contracts are more likely to lead to disputes or annulments. Notaries should pay close attention to the balance of power between the parties involved and flag any

clauses that may appear to be unjust or exploitative (Suryono, 2023). Similarly, business actors should ensure that they are not imposing unfair terms on their clients, customers, or partners. Contracts should be designed to create a fair and equitable relationship between the parties, which ultimately reduces the likelihood of future conflicts.

The importance of clear, precise language in contract drafting cannot be emphasized enough. Contracts that are vague, ambiguous, or overly complex can result in different interpretations and lead to disputes. Notaries and business actors should make it a priority to use clear and straightforward language when drafting agreements. This is especially important in property transactions, where misunderstandings can have significant financial and legal consequences. Notaries can guide their clients in simplifying the language of the agreement without sacrificing the legal integrity of the contract. This approach will help to ensure that all parties understand their rights and obligations (Mahendra, 2022).

Policymakers should also ensure that consumers are adequately protected during the contract process. Property transactions often involve significant sums of money, and consumers must be safeguarded from deceptive practices. One recommendation is for policymakers to implement stronger consumer protection laws that specifically address the risks in property agreements. Consumers should be provided with clear information about their rights, the terms of the contract, and the potential risks they may face. This could include requirements for transparency in the contract terms, as well as safeguards to prevent fraudulent activities.

Incorporating technology into contract management is another area that can greatly benefit notaries, business actors, and policymakers. Digital tools can help streamline the process of contract creation, facilitate easier document management, and provide enhanced security for electronic signatures. Notaries should consider using electronic platforms for contract authentication, which can reduce paperwork and increase the efficiency of the process. Business actors can use digital systems to keep track of contracts and ensure compliance with legal requirements (Mahendra, 2022). Policymakers should explore the possibility of creating a legal framework that supports digital contracts and e-signatures, which would make the contract process more efficient and accessible for everyone involved.

Finally, continuous professional development is essential for all stakeholders involved in the contract process. Notaries, business actors, and policymakers should all invest in ongoing education to ensure they remain up-to-date with changes in the legal landscape. Workshops, training, and seminars on contract law and best practices can help keep professionals informed and prepared to handle any challenges that arise. This investment in education will lead to better-quality contracts and a more efficient and fair legal system (Hartono, 2023). Continuous learning is key to ensuring that the legal framework surrounding contracts remains robust and adaptive to changes in the commercial environment.

Conclusion

The certainty of fulfilling subjective conditions in an agreement, particularly in the case of the cancellation of the Sale and Purchase Binding Agreement (PPJB), plays a crucial role in maintaining the legality and enforceability of contracts. Subjective conditions, such as the consent and legal capacity of the parties involved, ensure that an agreement is made in good faith and with mutual understanding. In this case, the failure to meet these conditions can lead to the invalidation of the contract, as seen in the issues arising from the PPJB cancellation. The enforcement of these conditions is vital for upholding the principles of justice and legal certainty in contractual relationships.

In the analysis of Decision Number 697/PDT.G/2021/PN.TNG, the court highlighted the significance of subjective conditions in determining the validity of the agreement. The case focused on the consequences of a failed PPJB, emphasizing the importance of ensuring that all necessary subjective elements, such as proper consent and the capacity to enter into an agreement, are met. The decision underscored how the failure to meet these conditions can invalidate an agreement, thereby serving as a reminder to all parties involved to ensure thorough compliance with the legal requirements for valid contracts.

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