



## Juridical Analysis of Breach of Contract in the Ship Rail Crane Procurement Agreement: A Case Study of Decision Number 519/Pdt.G/2020/PN Jkt.Sel

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### Article Info

**ISSN (online):** 2583-6536

**Volume:** 05

**Issue:** 03

**May-June 2026**

**Received:** 30-03-2026

**Accepted:** 28-04-2026

**Published:** 26-05-2026

**Page No:** 170-178

### Abstract

Large-scale vessels are maritime transport instruments that are inseparable from the use of steel components. In this industry, the construction or ownership of vessels frequently involves cooperation between Limited Liability Companies (PT) formalized through a contract or agreement. However, during the execution of the procurement agreement for steel-lifting heavy equipment (ship rail crane), the risk of breach of contract may arise when one party fails to fulfill its obligations. This study aims to identify and understand the legal regulations regarding breach of contract under Indonesian positive law, and to analyze the legal liability of the parties involved in the ship rail crane agreement based on Decision Number 519/Pdt.G/2020/PN Jkt.Sel.

This study employs a normative juridical research method with a case study approach. The results indicate that the judges' consideration clearly stated that PT Istaka Karya (Persero) as the Defendant had committed a breach of contract. The Defendant's failure to respond to multiple cease-and-desist letters (*somasi*) issued by the Plaintiff demonstrated bad faith that resulted in financial losses for the Plaintiff. Based on the decision, the Defendant is ordered to settle and fulfill its legal obligations in accordance with the previously agreed contract.

**DOI:** <https://doi.org/10.54660/IJL.2026.5.3.170-178>

**Keywords:** Breach of Contract, Procurement Agreement, Ship Rail Crane, Legal Liability

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### 1. Introduction

Large-scale vessels are maritime transport instruments that are inseparable from the extensive use of steel components. Consequently, the construction, assembly, and ownership of these vessels frequently involve cross-corporate cooperation between Limited Liability Companies (PT), which is formalized through a contract or agreement. However, transactions involving steel materials or their heavy lifting equipment often trigger a breach of contract (*wanprestasi*), particularly when one of the companies procures or purchases the heavy machinery required to transport the steel.

In practice, a breach of contract may arise from a party's negligence, a lack of understanding regarding the contractual terms, or a failure to execute agreed-upon obligations. It can also occur due to unforeseen circumstances beyond human control (*force majeure*) that hinder performance, or conversely, due to intentional non-performance where one party deliberately refuses to fulfill the agreement. <sup>[1]</sup> Typical examples of *force majeure* include natural disasters such as floods, volcanic eruptions,

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<sup>1</sup> Ni Luh Martini, "Analysis of Breach of Contract Lawsuits at the Gianyar District Court (Case Study of Decision Number 95/Pdt.G/2024/GIN)," *Nusantara Hasana Journal* 5, no. 4 (September 2025): p. 33.

earthquakes, as well as the enactment of new government regulations.<sup>[2]</sup>

Historically, Yahya Harahap defines a breach of contract as a condition in which an obligation is not executed on time or is not performed in the manner specified.<sup>[3]</sup> Meanwhile, R. Setiawan states that a breach occurs when a debtor fails to meet their obligations whether by complete non-performance, delayed performance, or performing incorrectly in a way that violates contractual prohibitions.<sup>[4]</sup> Therefore, a breach of contract is fundamentally understood as the failure to fulfill an obligation or performance (*prestasi*) as promised in an agreement.

In this context, the contractual breach occurred within the scope of trading heavy machinery utilized to complete a vessel's operational components, specifically, a ship crane. A ship crane operates by lifting and lowering cargo to and from the vessel.<sup>[5]</sup> One of its primary functions is to enable immediate cargo handling when the vessel enters smaller ports that lack adequate onshore infrastructure.<sup>[6]</sup>

The cargo under consideration includes scrap metal, which is one of the most common iron-based commodities transported by bulk carriers. Additionally, iron ore the primary raw material for steel production, is transported in massive volumes using very large bulk carriers (Capesize), while steel billets or slabs represent semi-finished products from steel mills.

The breach in this particular case occurred because the buyer failed to settle payments within the specified timeframe, even though the project continued to progress. By analyzing this case, this study expects to provide deeper theoretical insights to design more effective legal solutions.

From a philosophical perspective, a breach of contract represents a violation of the underlying trust and commitment of an agreement, touching upon the ethical and moral dimensions of human interaction. Philosophically, it encompasses a complex dynamic between preserving the integrity of a promise, upholding justice for the injured party, and establishing accountability within a voluntarily created relationship. Sociologically, it can be interpreted as a situation where a contracting party fails to fulfill their obligations due to underlying social norms and interactions within society.

The most fundamental legal norm dictates that all legally binding agreements apply as law for those who make them (*pacta sunt servanda*). This means every party is legally obligated to fulfill their performance. To acquire necessary

goods, individuals or entities will inevitably enter into an agreement, which requires the explicit consent of the original owner. Consequently, a breach of contract will inevitably occur if the buyer violates the agreed terms.

Generally, a debtor is declared in default when they fail to meet their obligations, unless they can legally prove that the non-performance was caused by an act of God or circumstances beyond their fault (*overmacht*).<sup>[7]</sup> The creditor is also required to warn or reprimand the debtor to fulfill their obligations. A cease-and-desist letter (*somasi*) serves as a crucial legal instrument in the judicial system, functioning as an official notice to the party alleged to have violated a right or a standing provision.<sup>[8]</sup>

In its Arrest dated March 2, 1925, the *Hoge Raad* (Supreme Court of the Netherlands) ruled that if a *somasi* does not specify a clear deadline for performance, the debtor cannot be declared in default, even if the warning is repeated.<sup>[9]</sup> In the Indonesian legal context, Article 1238 of the Indonesian Civil Code (*Kitab Undang-Undang Hukum Perdata*) regulates the definition of a default warning, stating that a debtor is deemed negligent by a warrant or a similar deed, or by virtue of the obligation itself, if it stipulates that the debtor shall be in default after the expiration of the specified period.<sup>[10]</sup>

Juridically, a breach of contract is defined as a broken promise or negligence by the debtor in fulfilling contractual obligations, performing contrary to the agreement, or performing late.

Such agreements are often standard contracts executed because both parties mutually require specific goods in this case, a Ship Crane. For instance, in the dispute arising from the agreement between PT Mhe Demag, PT Istaka Karya (Persero), and PT Krakatau Bandar Samudra, several provisions had been mutually agreed upon in the contract. This included the buyer's commitment to make payments by the designated dates and to cooperate with the seller as stipulated. However, a dispute arose due to outstanding arrears and unauthorized payment delays, which prompted PT Mhe Demag to file a lawsuit in court.

The Plaintiff demanded the fulfillment of the contract or performance, but the Defendant offered no response regarding the obligations they were supposed to meet. To avoid further losses, the Plaintiff acting in good faith continued the procurement and installation of the A-100 rail crane at Cigading Port, located in Cilegon, Banten.

Despite the Plaintiff's good faith, the Defendant failed to

<sup>2</sup> Kartika Dewi Irianto *et al.*, *Dasar-Dasar Hukum Perikatan* [Principles of Law of Obligations] (Padang: Gita Lentera, 2025), p. 27.

<sup>3</sup> Monica Puspa Dewi Suganda Putri and Kurniawan Tri Wibowo, *Hukum Bisnis Kontemporer* [Contemporary Business Law] (Banten: Sada Kurnia Pustaka, 2025), p. 47.

<sup>4</sup> Theresia N.A. Narwadan *et al.*, *Buku Ajar Hukum Perdata* [Textbook on Civil Law] (Yogyakarta: Green Pustaka Indonesia, 2025), p. 43.

<sup>5</sup> Ade Chandra Kusuma *et al.*, *Bongkar Muat Cargo* [Cargo Loading and Unloading] (Jawa Barat: Alung Cipta, 2025), p. 13.

<sup>6</sup> Antoni Arif Priadi, *Dasar-Dasar Penanganan Dan Pengaturan Muatan Kapal Niaga* [Fundamentals of Handling and Arranging Commercial Ship Cargo] (Semarang: Oxy Consultant, 2020), p. 2.

<sup>7</sup> Ade Nugraha Salim *et al.*, "Agreements in Contracts to Prevent the Occurrence of Breach of Contract According to the Indonesian Civil Code," *Jurnal Kewarganegaraan* 8, no. 1 (June 2024): p. 896.

<sup>8</sup> Daniel Fransisco Rossi and Martono Anggusti, "The Role of Cease-and-Desist Letters (Somasi) as a Legal Attempt in Handling Tender Cases," *Jurnal Kewarganegaraan* 3, no. 4 (April 2025): p. 705.

<sup>9</sup> Yahman, *Cara Mudah Memahami Wanprestasi dan Penipuan Dalam Hubungan Kontrak Komersial* [An Easy Way to Understand Breach of Contract and Fraud in Commercial Contractual Relations], 3rd ed. (Jakarta: Prenada Media, 2019), p. 25.

<sup>10</sup> Maria Alberta Liza Quintarti, "Legal Consequences of Breach of Contract in Business Agreements," *Jurnal Kolaboratif Sains* 7, no. 8 (August 2024): p. 3181.

settle the outstanding invoices by the designated deadlines, which eventually led to the issuance of legal warnings (*somasi*).

Theoretically, the significance of this research is expected to contribute valuable perspectives to the development of legal science, particularly regarding breach of contract liabilities in heavy machinery procurement agreements. Practically, the findings of this study are expected to provide the public and readers with broader information and insights concerning contractual disputes in ship rail crane procurement.

Based on the background described above, the primary legal issues to be examined in this study are:

1. How is the legal regulation of breach of contract governed under positive law in Indonesia?
2. What is the legal liability of the parties (specifically the consumer/buyer) in the ship rail crane agreement dispute?

## 2. Research Method

This study employs a normative juridical (doctrinal legal) research method, which conceptualizes law as a coherent system of norms.<sup>[11]</sup> The approaches utilized in this research are the statute approach and the case approach.<sup>[12]</sup> The statute approach is conducted by examining the Indonesian Civil Code (*Kitab Undang-Undang Hukum Perdata*) regarding the breach of contract, while the case approach is executed by analyzing the South Jakarta District Court Decision Number 519/Pdt.G/2020/PN.Jkt.Sel.

The data source used is secondary data, comprising primary legal materials and secondary legal materials. The primary legal materials include the Indonesian Civil Code and Decision Number 519/Pdt.G/2020/PN.Jkt.Sel, whereas the secondary legal materials consist of legal textbooks, scientific journals, and literature relevant to contract law.<sup>[13]</sup> The data collection technique is carried out through library research.<sup>[14]</sup> All obtained data are subsequently analyzed qualitatively using a descriptive-analytical method to draw logical and deductive conclusions regarding the legal issues under investigation.

## 3. Discussion

### 3.1. Legal Regulations on the Occurrence of Breach of Contract Under Indonesian Positive Law

Positive law is a system of rules that applies in reality, formulating an appropriate relationship between legal facts and legal norms, which represent abstractions of judicial decisions.<sup>[15]</sup> Positive law consists of rules created by official authorities empowered to enact laws, typically through a formal process. The primary objects of positive law are legal rights and obligations.<sup>[16]</sup>

The norms within Indonesian positive law comprise both

written regulations (legislation) and unwritten rules (customary law/*adit law* and jurisprudence) that are enacted, recognized, and enforced by the state. Under the 1945 Constitution (*UUD 1945*), legal norms in Indonesia are compulsory, regulate both public and private relations, and encompass prohibitions, obligations, and permissions backed by strict legal sanctions. The primary source of positive law in Indonesia is *Pancasila*, which serves as the source of all state laws pursuant to Article 2 of Law Number 12 of 2011 concerning the Formation of Legislations, while unwritten Customary Law acts as a supplementary source.

According to Bagir Manan, "positive law is a collection of written and unwritten legal principles and norms currently in force, binding both generally or specifically, and enforced by or through the government or courts in Indonesia."<sup>[17]</sup> Meanwhile, J.J.H. Bruggink posits that positive law is a legal product of authorities empowered to create laws, which refers to State Administrative Bodies/Officials, including the legislative branch (lawmaking bodies), the judiciary (adjudicative bodies), and the government (executive bodies).

Regarding the aforementioned concepts, several key points must be noted regarding Positive Law in Indonesia:

1. The most fundamental hierarchy of laws and regulations is governed by Law Number 12 of 2011 concerning the Formation of Legislations.<sup>[18]</sup>
2. Positive law is generally written, precise, and publicly promulgated to possess binding statutory force and prevent arbitrary actions.
3. Every product of positive law must originate from and be grounded in the values of *Pancasila*.
4. In terms of its core characteristics, positive law binds generally or specifically and is subject to state or judicial enforcement.
5. A major limitation of positive law is the occasional occurrence of statutory lacunae (*vacuum of norms*), ambiguity, or conflicting regulations, such as obsolete laws lagging behind societal advancements.

In the absence of positive law, several detrimental consequences would arise:

1. If positive law (currently applicable written law) does not exist, a vacuum of norms will occur, significantly impacting social and state affairs.
2. **Legal Uncertainty:** Legal disputes would fail to find fair and definitive resolutions.<sup>[19]</sup>
3. **Chaos and Anarchy:** Individuals would act solely according to their own desires (the law of the jungle), triggering social disorder, lawlessness, and harmful behaviors.
4. **Vigilantism (*Main Hakim Sendiri*):** A lack of public

<sup>11</sup> Peter Mahmud Marzuki, *Penelitian Hukum* [Legal Research], Rev. ed., 17th pr. (Jakarta: Prenada Media, 2021), p. 32.

<sup>12</sup> Johnny Ibrahim, *Teori dan Metodologi Penelitian Hukum Normatif* [Theory and Methodology of Normative Legal Research], 3rd pr. (Malang: Bayumedia Publishing, 2007), p. 300.

<sup>13</sup> Soerjono Soekanto and Sri Mamudji, *Penelitian Hukum Normatif: Suatu Tinjauan Singkat* [Normative Legal Research: A Brief Overview], 17th pr. (Jakarta: Rajawali Pers, 2015), p. 13.

<sup>14</sup> Amiruddin and Zainal Asikin, *Pengantar Metode Penelitian Hukum* [Introduction to Legal Research Methods], 11th pr. (Jakarta: Rajawali Pers, 2018), p. 68.

<sup>15</sup> Neg Yani Nurhayani, *Pengantar Hukum Indonesia (Pemahaman Kontekstual Dalam Sistem Hukum di Indonesia)* [Introduction to Indonesian Law (A Contextual Understanding of the Legal System in Indonesia)], 1st ed. (Depok: Rajawali Buana Pustaka, 2025), p. 13.

<sup>16</sup> Dominikus Rato, *Dasar-Dasar Ilmu Hukum: Memahami Hukum Sejak Dini* [Fundamentals of Legal Science: Understanding Law from an Early Stage], 1st ed. (Jakarta: Kencana, 2021), p. 41.

<sup>17</sup> Slamet Suhartono, "Hukum Positif Problematik Penerapan Dan Solusi Teoritiknya," *Jurnal Ilmu Hukum* 15, no. 2 (2020): p. 202.

<sup>18</sup> Selfianus Laritmas, *Hukum Perancangan Peraturan Perundang-Undangan: Teori, Praktik Dan Teknik Penyusunan* [Legislative Drafting Law: Theory, Practice, and Drafting Techniques], 1st ed. (Banyumas: Reformasi Jangkar Filosofia, 2026), p. 101.

<sup>19</sup> A'an Efendi and Diah Ochtorina Susanti, *Ilmu Hukum* [Legal Science], 1st ed. (Jakarta: Kencana, 2021), p. 159.

trust in the legal system would drive society to resolve disputes through personal or violent means, potentially causing horizontal conflicts.

5. **Injustice and Human Rights Violations:** Without a positive legal basis, public rights would remain unprotected, fostering institutionalized injustice and human rights abuses.
6. **Economic Instability:** Economic growth would be severely hindered due to the lack of legal certainty surrounding business transactions, contract enforcement, and property rights protection.
7. **Absence of Public Security:** Criminal activities would proliferate, forcing citizens to live in fear because law enforcement would lack clear rules and guidance.
8. **Abuse of Power:** Rulers or powerful entities could act arbitrarily because there would be no limiting legal norms to restrain their authority.

Despite the existence of positive law in Indonesia, various unlawful practices still manifest within human interactions. One such prominent infraction is a breach of contract (*wanprestasi*). In Indonesian positive law, a breach of contract refers to a situation where a debtor fails to fulfill their contractual obligations (*ingkar janji*), which is fundamentally regulated under the Indonesian Civil Code (*Kitab Undang-Undang Hukum Perdata / KUHPer*), specifically Articles 1238 and 1243. This infraction can take the form of total non-performance, delayed performance, or defective performance. The legal consequences include claims for specific performance, compensatory damages (costs, losses, and interest), or the rescission of the agreement.

In practice, there are four distinct forms of breach of contract:<sup>[20]</sup>

1. Failing to perform the obligation as promised;
2. Performing the obligation, but not in the manner required;
3. Performing the obligation, but past the specified deadline (delayed performance);
4. Performing an entirely different obligation than what was originally agreed upon.

The legal consequences and sanctions imposed upon a defaulting party are as follows:<sup>[21]</sup>

1. The debtor is obligated to pay compensatory damages for the costs, losses, and interest suffered by the creditor (Article 1243 KUHPer).
2. In reciprocal agreements, the creditor may petition the court for the dissolution or cancellation of the contract (Article 1266 KUHPer).
3. In agreements involving the delivery of a specific item, the risk passes to the debtor from the moment the default occurs (Article 1237 paragraph 2 KUHPer).
4. The debtor can be compelled to fulfill the obligation if performance is still possible, or face contract

cancellation accompanied by damages (Article 1267 KUHPer).

5. The debtor is ordered to pay all court costs if the case is litigated before the District Court and the debtor is found liable.

These legal consequences demonstrate that a breach of contract is inherently tied to the law of obligations. Furthermore, breaches do not solely occur between individual debtors and creditors; they frequently arise between two corporations engaged in commercial cooperation, such as when one company delays payment for goods specified in a contract.

The maritime cargo transportation dispute analyzed in this study serves as a clear example. A breach of contract in maritime cargo transportation involves multiple parties, including the carrier (shipping company) and the transport instrument itself (the vessel). This situation arises when a party fails to meet their obligations under the contract of affreightment, resulting in issues such as delays, cargo damage, or total loss of goods.

Before analyzing the explicit legal regulations on breach of contract under Indonesian positive law, several fundamental contractual principles must be considered:

1. **Principle of Pacta Sunt Servanda (Legal Certainty):** This principle dictates that a contract validly entered into by the parties binds them with the force of law. Parties who fail to keep their promises are deemed to have violated the law they created for themselves. This provides a solid legal basis for the injured party to demand specific performance or compensatory damages.
2. **Principle of Good Faith:** The requirement of good faith is expressly governed by Article 1338 paragraph 3 of the KUHPer, which states that contracts must be executed in good faith.<sup>[22]</sup> A breach of contract often occurs because one party lacks good faith in executing their obligations for instance, by intentionally delaying or withholding the delivery of goods.
3. **Principle of Consensualism:** This principle emphasizes the initial formation of a contract.<sup>[23]</sup> The principle of consensualism is implied in Article 1320 of the KUHPer, which stipulates that one of the essential validity requirements of a contract is the mutual consent of the parties binding themselves.<sup>[24]</sup> Its correlation with a breach of contract is that an agreement is legally binding once consensus is reached; hence, any subsequent violation constitutes a default.

In judicial practice, a breach of contract is rooted in contract law, where the freedom of contract (*asas kebebasan berkontrak*) is strictly limited by good faith, public order, and legal propriety.

Statutorily, the legal regulation of breach of contract in Indonesia is primarily governed by Book III of the Indonesian

<sup>20</sup> Sri Ratna Suminar, *Pelayanan Transfusi Darah Di Rumah Sakit Dalam Perspektif Hukum Sebelum Lahirnya Undang-Undang Nomor 17 Tahun 2023 tentang Kesehatan* [Blood Transfusion Services in Hospitals from a Legal Perspective Prior to Law Number 17 of 2023 concerning Health], 1st ed. (Depok: Rajawali Pers, 2025), pp. 115-116.

<sup>21</sup> Yulia Mirwati and Yontri Faizal, *Penyewaan Tanah Oleh PT Kereta Api Indonesia* [Land Leasing by PT Kereta Api Indonesia], 1st ed. (Depok: Rajawali Pers, 2021), p. 145.

<sup>22</sup> Evy Savitry Gani, *Perjanjian Terapeutik Antara Dokter Dan Pasien* [Therapeutic Agreements Between Doctors and Patients], 1st ed. (Ponorogo: Uwais Inspirasi Indonesia, 2019), p. 27.

<sup>23</sup> Tulus Yudi Widodo Wibowo and Moh Jufri Ahmad, *Kegagalan Hukum Penyedia Bangunan Atas Barang Dan Jasa* [Legal Failures of Building Providers Regarding Goods and Services], 1st ed. (Yogyakarta: Jejak Pustaka, 2023), p. 15.

<sup>24</sup> Rika Ariyani *et al.*, *Hukum Perdata: Konsep, Asas, Dan Penerapannya Dalam Masyarakat* [Civil Law: Concepts, Principles, and Application in Society], 1st ed. (Jambi: RA-Media Publishing, 2026), p. 50.

Civil Code (KUHPer) concerning Obligations. Indonesian law explicitly defines the forms of default, as outlined previously, including exceeding the mutually agreed deadlines.

Furthermore, Indonesian law does not automatically declare a party in default simply because they are late or perform incorrectly. Pursuant to Article 1238 of the KUHPer, a debtor is only legally deemed negligent (in default) after being served with a written warning by the creditor. This formal written notice is commonly referred to as a *Somasi* (Cease-and-Desist Letter). However, a *somasi* is rendered unnecessary if the contract itself explicitly stipulates that the mere expiration of the performance deadline (*jatuh tempo*) is sufficient to put the debtor in default.

If accused of a breach of contract, a defendant may raise several legal defenses to dismiss the allegations:

1. **Force Majeure (Act of God):** An event or circumstance occurring beyond the power or control of the parties, which renders it impossible for them to execute their contractual rights or obligations. This includes, but is not limited to, natural disasters, fires, wars, and sudden regulatory changes.<sup>[25]</sup>
2. **Exceptio Non Adimpleti Contractus:** A legal defense whereby the accused party states that they did not perform their obligations because the accusing party has similarly failed to perform their own reciprocal obligations.
3. **Waiver of Rights (Rechtverwerking):** According to N.E. Algra, *rechtverwerking* is a legal consequence arising from the implicit or explicit waiver of a right, or from a failure to perform a mandatory legal act required by law, thereby resulting in the forfeiture of that specific right.

The legal impacts of a breach of contract within positive law, particularly in project agreements, include:

1. Delays in project completion and suboptimal maintenance during the retention period are legally qualified as forms of default. This falls under the category of delayed performance within contract law.
2. The legal consequences of a breach within construction contracts may include the imposition of administrative sanctions, liquidated damages for delay, and the contractor's obligation to rectify defective work. These provisions are explicitly detailed in the construction contracts agreed upon by the parties.
3. A breach of contract in construction projects does not merely affect the private legal relationship between the contracting parties, but also has the potential to harm the public interest. Delays in infrastructure utilization hamper public mobility and regional economic activities. Therefore, rigorous oversight by the project owner

4. (*pengguna jasa*) is crucial to ensure that the service provider executes their obligations in strict compliance with the contract.

### 3.2. Legal Liability of the Consumer (Buyer) in the Ship Rail Crane Agreement Dispute

In legal and commercial terms, a buyer is an individual or corporate entity that acquires goods, services, or property from a seller in exchange for payment, subsequently assuming ownership under agreed contractual terms. Under Indonesian law, a commercial buyer is often categorized as a consumer. Law Number 8 of 1999 concerning Consumer Protection defines a consumer as any person or entity utilizing goods and/or services available in society for personal, familial, or third-party needs, rather than for commercial resale.

As a contracting party, the buyer bears specific statutory obligations. While the seller carries extensive duties regarding title and property warranties, the buyer's primary obligation under contract law is straightforward: to pay the agreed purchase price at the designated time and place. This core obligation distinguishes a contract of sale from barter (exchange of goods) or a contract of service (exchange for labor). Conversely, the buyer's principal right—as stipulated in Article 1481 of the Indonesian Civil Code (*Kitab Undang-Undang Hukum Perdata / KUHPer*)—is to receive the goods into their lawful possession upon delivery by the seller.

Furthermore, both parties must act in good faith throughout the execution of the contract. If a party acts in bad faith—such as transacting over illicit objects—the underlying agreement is rendered void ab initio. While consumer protection laws protect businesses from bad-faith consumers, they also hold business entities liable to compensate injured consumers through litigation or alternative dispute resolution.

Enforcing these rights and duties requires a clear framework of legal liability, which fundamentally comprises capacity, legal obligations, and actionable conduct.<sup>[26]</sup> Liability reflects an entity's obligation to bear the legal consequences, lawsuits, or penalties arising from its actions.<sup>[27]</sup> In contractual disputes, analyzing the specific theory of liability is crucial to determine which party must bear the losses caused by a breach of contract.<sup>[28]</sup>

In jurisprudence, principles of legal liability are generally classified into five categories:<sup>[29]</sup>

1. **Liability Based on Fault:** A party is held legally liable only if their conduct involves negligence or intent. In civil law (Articles 1365–1367 KUHPer), a tortious act (*perbuatan melawan hukum*) requires four elements: an unlawful act, fault, quantifiable damage, and a causal link between the act and the damage.
2. **Presumption of Liability:** The defendant is presumed

<sup>25</sup> Ardhitho Bhinadi and Erni Juliana Al Hasanah Nasution, *Mendirikan Dan Mengelola Koperasi Simpan Pinjam Dan Pembiayaan Syariah* [Establishing and Managing Islamic Savings, Loans, and Financing Cooperatives], 1st ed. (Yogyakarta: Deepublish, 2022), p. 177.

<sup>26</sup> Ayu Ratih Pradnyani, *Tanggung Jawab Hukum Dalam Penolakan Pasien Jaminan Kesehatan Nasional* [Legal Liability in the Refusal of National Health Insurance Patients] (Surabaya: Scopindo Media Pustaka, 2020), p. 8.

<sup>27</sup> Mohammad Mustari, *Nilai Karakter* [Character Values] (Yogyakarta: LakssBang PRESSindo, 2011), p. 12.

<sup>28</sup> Rivan Achmad Purwantono, *Pertanggungjawaban Hukum: Regulasi Keadilan* [Legal Liability: Regulations of Justice], 1st ed. (Depok: Rajawali Pers, 2023), p. 148.

<sup>29</sup> Ronald Saija, *Perspektif Dimensi Hukum Dagang Indonesia* [Perspectives on the Dimensions of Indonesian Commercial Law] (Yogyakarta: Budi Utama, 2024), p. 104.

3. liable unless they can successfully prove the absence of fault or negligence.
4. **Presumption of Non-Liability:** The inverse of the presumption of liability, applicable only in highly restricted consumer transactions.
5. **Strict Liability (Absolute Liability):** Liability is imposed regardless of fault, subject to limited exceptions such as *Force Majeure*.
6. **Limitation of Liability:** A mechanism frequently embedded in standard contracts by businesses to limit their maximum financial exposure, which is restricted by consumer protection laws to prevent structural unfairness.

Applying these principles to the case under review, the consumers—PT Istaka Karya (Persero) and PT Krakatau Bandar Samudra failed to settle their outstanding debts to the plaintiff, PT Mhe Demag. This default severely disrupted PT Mhe Demag's financial stability, resulting in a deficit cash flow a condition where operating cash outflows exceed cash inflows within a specific period.

Statutorily, PT Istaka Karya (Persero), as the Defendant, is legally liable to pay the principal debt, compensatory damages, and late payment penalties to PT Mhe Demag due to its failure to settle the designated payment phases:

1. **Phase 1 (Down Payment):** An upfront deposit constituting 10% of the total contract value, amounting to IDR 44,000,000.
2. **Phase 2:** A payment of 65% of the contract value, amounting to IDR 2,452,450,000, due upon the arrival of the structural materials at the Defendant's site.
3. **Phase 3:** A final payment of 25% of the contract value, amounting to IDR 943,250,000, due upon the complete installation of the machinery.

The defaulted items comprised critical maritime steel components and structural apparatus, including:

1. **Rail A100:** A heavy-duty crane rail manufactured under the German DIN 536 standard, designed to support heavy wheel loads in ports and steel mills.
2. **Elastic Pad (Flexaren 14003):** A reinforced elastomeric laminated bearing pad used for vibration absorption.
3. **Soleplate (O345 B HDG):** A heavy-duty galvanized steel base plate used as a structural anchor.
4. **Non-Shrink Cementitious Grout:** A high-compressive, non-shrinking Portland cement-based compound used to secure machinery base plates.
5. **Clip Bermorail (WDM 20RL):** A specialized fastening clip for securing crane rails.
6. **Anchor Bolts:** Threaded steel rods embedded in concrete foundations to resist tensile and shear forces.
7. **Levelling Nuts:** Hydraulic-tensioned nuts used for accurate torque alignment on heavy crane structures.
8. **Earthing Nuts:** Electrical safety components connecting the crane structure to the ship's hull to prevent electrical hazards.
9. **Aluminothermic Welding:** An exothermic chemical welding process used to seamlessly join heavy rails.
10. **Crane Stopper:** A safety buffer mechanism to limit crane travel.

The Defendant's failure to pay for these materials directly impacts the contract's validity under Article 1320 of the KUHPer, which mandates specific subjective and objective

criteria for a contract to be legally binding. The failure to meet these statutory criteria triggers distinct legal outcomes:

1. **Non-Existence:** The complete absence of mutual consent prevents a contract from ever arising.
2. **Voidability (*Vernietigbaar*):** If a contract suffers from defects of consent (*wilsgebreke*) or legal incapacity (*onbekwaamheid*), the contract is voidable at the option of the aggrieved party (violating subjective criteria).
3. **Void ab Initio (*Nietig*):** If the contract lacks a defined object or is founded upon an illicit cause, it is automatically null and void by operation of law (violating objective criteria).

Furthermore, modern legal doctrines analyze standard contracts (*perjanjian baku*) and default through several lenses to protect weaker parties:

- **The "An Sich" Standard Contract Doctrine:** Highlights that standard contracts containing heavily one-sided clauses leave the adhering party with zero bargaining power or opportunity to negotiate.
- **The Doctrine of Mutual Consent:** Questions the validity of contracts where a party's inability to negotiate individual terms undermines the existence of true consensus.
- **The Public Morality Doctrine:** Posits that excessively asymmetric clauses drafted against an un-empowered party violate public decency and morality.
- **The General Duty Doctrine:** Asserts that standard contracts must not conflict with overriding public and legal obligations.

In this case, the legal relationship between the Plaintiff (PT Mhe Demag) and the Defendant (PT Istaka Karya Persero) regarding the procurement and installation of the Ship Rail Crane System was formalized through multiple Work Orders (*Surat Perintah Kerja / SPK*), specifically SPK 005, SPK 003, and SPK 006. An SPK serves as a binding contract that establishes a clear legal relationship between a project owner and a service provider. These work orders constituted a valid, legally binding agreement under Articles 1320 and 1338 of the KUHPer.

The Defendant was rightfully declared in default and held liable because the Plaintiff fully performed its obligations as a material supplier—delivering and installing the crane system in strict compliance with the requested types, specifications, and technical qualifications. Pursuant to Article 47 paragraph (4) of Law Number 2 of 2017 concerning Construction Services, an SPK must explicitly govern the reciprocal rights and obligations of the parties. Because the Plaintiff fulfilled its statutory and contractual duties while the Defendant withheld payment without authorization, the Defendant bears full civil liability to indemnify the Plaintiff for all resulting financial losses.

### 3.3. Reciprocal Rights, Obligations, and the Failure of Alternative Dispute Resolution (ADR)

To evaluate the legal relationship under the construction service contracts (*Surat Perintah Kerja / SPK*), the reciprocal rights and obligations of the parties are delineated as follows:

1. The Project Owner (PT Krakatau Bandar Samudra / PT Istaka Karya) holds the right and obligation to:
  - Oversee and inspect the work executed by the contractor;

- Request periodic progress reports regarding the execution of the project;
  - Provide the necessary facilities to ensure seamless project execution pursuant to the contract; and
  - Pay the contractor in strict accordance with the contractually agreed price.
2. The Contractor / Supplier (PT Mhe Demag) holds the right and obligation to:
- Receive timely payments for the completed work as specified in the contract;
  - Execute and complete the project according to the agreed schedule;
  - Perform the work accurately and responsibly by providing the required labor, materials, equipment, and transport; and
  - Ensure that the final deliverables comply with the contractual specifications.

Despite this clear allocation of duties, the case analysis reveals that the Defendant (PT Istaka Karya) failed to demonstrate contractual accountability. Prior to litigation, the Plaintiff attempted to resolve the dispute out of court through multiple cease-and-desist letters (*somasi*). This aligns with Article 88 paragraph (1) of Law Number 2 of 2017 concerning Construction Services, which encourages amicable settlement (*musyawarah*).

However, the Defendant ignored these notices. Legally, parties are not strictly bound to exhaust all ADR tiers under Article 6 of Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution. They may bypass certain stages due to:<sup>[30]</sup>

1. The inherently fast and efficient nature of out-of-court settlements;
2. The absence of strict statutory mandates forcing parties to exhaust every tier;
3. The overriding principle of freedom of contract, which allows parties to choose their preferred dispute resolution mechanisms; and
4. Operational effectiveness, as forcing unresponsive parties into ADR when consensus is impossible is counterproductive. Therefore, pre-litigation ADR processes constitute directory law (*regelend recht*) rather than mandatory law (*dwingend recht*).

Generally, standard ADR mechanisms include:<sup>[31]</sup>

1. **Negotiation:** A direct bargaining process between two or more parties to reach a mutual consensus.
2. **Mediation:** A structured process where an independent mediator assists the parties in isolating conflict issues, exploring settlement options, and accommodating reciprocal interests. The mediator systematically manages the process to defuse tensions, identify root causes, and facilitate a balanced compromise, while managing the risk of dangerous disclosures where private information might be inadvertently compromised.

3. **Conciliation:** A consensus-based process where parties meet with a conciliator who actively proposes acceptable terms of settlement.

Because the Defendant flatly rejected the *somasi* on December 19, 2019, and breached the ultimate payment deadline of June 21, 2019, they were legally in default. The Defendant cited financial distress; however, under contract law, internal liquidity issues do not absolve a debtor from liability for delayed performance.

### 3.4. Financial Impacts of Default and the Protections Afforded to Good-Faith Creditors

The Defendant's failure to pay triggered severe financial consequences for the creditor, including:

1. **Cash Flow Disruption:** Delays tie up working capital needed for operational expenses, vendor payments, and payroll.
2. **Bad Debt Risk:** Prolonged default turns receivables into non-performing assets, threatening permanent financial write-offs.
3. **Profit Margin Reduction:** Uncollectible accounts directly erode net corporate profits.
4. **Increased Operational Collection Costs:** Creditors must expend additional time, administrative effort, and capital on formal demands and debt collection services.
5. **Strained Business Relations:** Delays destroy professional trust and undermine future commercial cooperation.
6. **Collateral Execution Risks:** While secured creditors have the right to auction collateral under Law Number 4 of 1996 concerning Mortgage Rights, the civil litigation required to enforce this is costly and time-consuming.
7. **Bank Liquidity Devaluation:** For financial institution creditors, default inflates the Non-Performing Loan (NPL) ratio, harming institutional health.
8. **Compounding Penalties:** Accumulating interest and penalties increase uncertainty, often worsening the debtor's financial distress until they become completely insolvent.

To mitigate these risks, the Plaintiff sought judicial intervention. Under Indonesian civil jurisprudence, a party that acts in good faith throughout a transaction and trial is entitled to specific legal protections, including:

- **Protection of Proprietary Interests:** Courts will actively protect good-faith parties against legal defects engineered by the opposing party.
- **Procedural Leverage in Court-Annexed Mediation:** Under Supreme Court Regulation (PERMA) No. 1 of 2016, if a defendant shows bad faith—such as by failing to attend mediation—the good-faith plaintiff gains significant procedural advantages.
- **Restitution in Integrum:** The injured party is entitled to contract rescission and full statutory compensation (costs, damages, and interest).
- **Judicial Credibility:** Evidentiary honesty reinforces the

<sup>30</sup> Susanti Adi Nugroho, *Manfaat Mediasi Sebagai Alternatif Sengketa* [The Benefits of Mediation as an Alternative Dispute Resolution], 1st ed. (Jakarta: Kencana, 2019), p. 7.

<sup>31</sup> Supriyanta, *Bantuan Hukum Dan Alternatif Penyelesaian Sengketa* [Legal Aid and Alternative Dispute Resolution], 1st ed. (Surakarta: UNISRI Press, 2020), pp. 109–144.

judge's conviction to grant equitable relief.

The Indonesian Civil Code (KUHPer) and PERMA No. 1 of 2016 strongly shield good-faith creditors. For instance, Article 1338 paragraph (3) of the KUHPer mandates that contracts be executed in good faith. If a seller fulfills their obligations but the buyer refuses to pay, the buyer is legally acting in bad faith. Consequently, Article 1517 of the KUHPer allows the seller to rescind the sale and reclaim the delivered goods. Additionally, Articles 1266 and 1267 of the KUHPer grant the right to claim compensatory damages, while the right of retention (*hak retensi*) allows the seller to withhold remaining assets. Under Article 1 point 2 of Law Number 37 of 2004 concerning Bankruptcy and Suspension of Debt Payment Obligations (UU KPKPU), the Plaintiff is recognized as a lawful creditor holding an enforceable claim before a court of law.

### 3.5. Analysis of Conservative Attachment (*Conservatoir Beslag*) on the Rail Crane System

Due to the Defendant's persistent non-compliance, the Plaintiff successfully petitioned the court for a conservative attachment (*conservatoir beslag*). This attachment freezes the Defendant's assets to prevent them from transferring, selling, inheriting, or gifting the property during litigation. To grant a conservative attachment, two structural elements must be satisfied:

1. **The Formal Petition:** The attachment cannot be granted *ex officio*; it requires an explicit formal application from the plaintiff, which the judge will rigorously evaluate under applicable procedural laws.
2. **Statutory Timeliness and Valid Grounds:** The petition must be filed within the lawful procedural timeframe and backed by reasonable apprehension that the defendant will dissipate their assets to frustrate future execution.

The primary legal framework governing this mechanism includes:

- Article 227 paragraph (1) of the HIR / Article 261 paragraph (1) of the RBg: Empowers the court to order the conservative attachment of a defendant's assets.
- Article 227 paragraph (2) of the HIR / Article 261 paragraph (2) of the RBg: Mandates that the judge examine the grounds of the application before granting the attachment order.
- Article 720 of the Rv (*Wetboek van Burgerlijke Rechtsvordering*): Serves as the historical and doctrinal foundation for asset attachments.
- Article 197 of the HIR / Article 208 of the RBg: Regulates the formal enforcement procedures for attachments.

In judicial practice, conservative attachments prevent defendants from frustrating the enforcement of judgments by transferring ownership to good-faith third parties. Yahya Harahap emphasizes that without attachment orders, final court judgments risk becoming toothless declarations (*illusoir*) due to an absence of executable assets.

Philosophically and legally, the granting of this conservative attachment by the South Jakarta District Court rests upon three core principles:

1. **The Principle of Legal Certainty:** A final judgment must be enforceable, not merely a normative statement.

As Retnowulan Sutantio notes, attachment ensures that the assets designated to satisfy the judgment remain available, shielding the plaintiff from structural uncertainty.

2. **The Principle of Equity (Justice):** Grounded in John Rawls' theory of justice as the primary value of social institutions, legal procedures must ensure structural fairness. Because a plaintiff is vulnerable to asset dissipation during a lengthy trial, *conservatoir beslag* provides vital legal protection.
3. **The Principle of Utility (Utility):** The attachment provides practical utility by locking the dispute to the immediate parties and preventing derivative litigation involving third-party buyers.

Based on these compelling evidentiary grounds, the South Jakarta District Court granted the Plaintiff's petition, declaring the conservative attachment over the installed Rail Crane System at the port terminal valid and enforceable. This order ensures that the specific objects of the defaulted procurement contract remain legally secured to satisfy the Plaintiff's claims.

### 4. Conclusion

Based on the legal analysis and discussion regarding the case study of the South Jakarta District Court Decision Number 519/Pdt.G/2020/PN Jkt.Sel, several critical conclusions can be drawn:

First, under Indonesian positive law, primarily regulated under Book III of the Indonesian Civil Code (*Kitab Undang-Undang Hukum Perdata*), a breach of contract (*wanprestasi*) occurs when a debtor fails to perform their contractual obligations after being served a formal legal warning (*somasi*). In this case, the legal relationship between the Plaintiff (PT Mhe Demag) and the Defendants (PT Istaka Karya and PT Krakatau Bandar Samudra) was validly established through multiple Work Orders (*Surat Perintah Kerja / SPK*) for the procurement and installation of the Ship Rail Crane System, fulfilling all statutory criteria of Article 1320. The Defendant's failure to settle the designated three-phase payments past the maturity date of June 21, 2019, despite the Plaintiff's full compliance with technical specifications, legally qualifies as a classic form of default—specifically, a failure to perform on time.

Second, the legal liability of the consumer (buyer) in this dispute manifests as an obligation to pay the principal contract arrears, late payment penalties, and cumulative legal costs. The Defendant's unauthorized payment delays directly triggered a deficit cash flow and substantial financial losses for the Plaintiff. Because pre-litigation alternative dispute resolution (ADR) efforts and amicable settlements (*musyawarah*) were rejected or ignored by the Defendant, the Plaintiff—as a good-faith creditor—is fully protected by Articles 1266, 1267, and 1338 paragraph (3) of the Indonesian Civil Code. Consequently, the Defendant is statutorily compelled to provide full restitution to restore the injured party's financial position.

Third, the granting of the conservative attachment (*conservatoir beslag*) by the Panel of Judges over the installed Rail Crane System at the port terminal is legally justified under Article 227 of the HIR and Article 720 of the Rv. This judicial measure was vital to prevent the Defendant from dissipating, transferring, or selling the disputed assets to third parties during litigation. Philosophically and practically,

this conservative attachment upholds the principle of legal certainty, the principle of equity, and the principle of utility. It ensures that the court's final judgment does not become a toothless declaration (*illusoir*) and guarantees that tangible executable assets remain secured to fulfill the Plaintiff's lawful claims.

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## How to Cite This Article

Paraciladewi IAW, Asmara MG, Hamzah AS. Juridical Analysis of Breach of Contract in the Ship Rail Crane Procurement Agreement: A Case Study of Decision Number 519/Pdt.G/2020/PN Jkt.Sel. *International Journal of Judicial Law*. 2026;5(3):170–178. doi:10.54660/IJL.2026.5.3.170-178.

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