

ABSTRACT

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Supreme Court Decision No. 1796 K/Pdt/2015: A Case Study on Breach of Contract in a Construction Work Agreement
(xii + 102 pages, 1 Appendix)

*The issue of breach of contract (wanprestasi) in construction agreements is a critical legal concern that poses a serious threat to legal certainty and disrupts the orderly execution of infrastructure projects. This concern is particularly acute in the construction sector, where contract values are typically high, project execution is technically complex, and the legal relationships among parties often involve multiple layered agreements. In practice, disputes frequently arise over the identification and qualification of contractual breaches, especially when one party unilaterally takes over the remaining work without adhering to the contractual or statutory procedures for termination or substitution. Such actions often raise questions regarding the validity of the termination, the fulfillment of payment obligations, and the legal consequences for both parties involved. This study examines Supreme Court Decision No. 1796 K/Pdt/2015, in which the plaintiff, a contractor, claimed to have completed 97.036% of the contracted work but was ultimately denied the right to payment. Using a normative juridical method—analyzing statutory law, legal doctrine, and relevant court decisions—this research explores the legal positioning of breach of contract in this case, as well as its broader implications for the enforcement of construction contracts and the promotion of legal certainty in Indonesia. The findings reveal that both the District Court and the High Court (as *judex facti*) assessed the case predominantly through a procedural and administrative lens, without adequately evaluating the substance of contractual performance. This led to a legal outcome that neglected essential principles of contract law, particularly *pacta sunt servanda* and good faith, and may create dangerous precedents that allow project owners to unilaterally terminate contracts without fulfilling financial obligations. The Supreme Court (as *judex juris*) upheld the lower courts' decisions without a substantive review of the fairness of the outcome. This study concludes that a more balanced approach is needed—one that integrates procedural compliance with the equitable assessment of actual performance. It recommends strengthening the application of substantive justice, good faith, and the principle of mutual obligation in judicial interpretations of construction disputes, in order to ensure fair protection of rights and promote sustainable legal certainty in the Indonesian construction industry.*

References : 48 (2015 – 2023)

Keywords : *Breach of Contract, Construction Contract, Supreme Court Decision, Legal Certainty, Pacta Sunt Servanda.*