

Legal Consequences of Breach of Promise for Buyers in the Sale and Purchase of Purchase Order (Po) System



Giflianny Rasimona Tjuluku¹, Dorothea Priska Windawati², Theresia Anita Christiani³

^{1,2}Magister of Law Post Graduates, Universitas Atma Jaya Yogyakarta, Indonesia

³Lecturer of Faculty of Law, Universitas Atma Jaya Yogyakarta, Indonesia

ABSTRACT: Purchase Order (PO) is an anonymous agreement not regulated in codification, especially in the Civil Code, including the legal consequences of default in buying and selling PO systems. This research aims to know, analyze, and find the legal status of purchase orders (PO) as a buying and selling system. This research is also to know, analyze and find the legal consequences of a case of default for the Buyer in the purchase order system (PO). Parties who have agreed to make a sale and purchase using PO, sometimes one party needs to carry out its obligations to the detriment of the other party. This research was conducted using the normative juridical method. The results showed that PO has legal force and is an agreement. Therefore, legal consequences in the form of sanctions must be accepted by parties who are negligent in their obligations, such as providing compensation and receiving sanctions with the cancellation of the agreement based on a court decision.

KEYWORDS: Analysis, Legal Consequences, Agreement, Buy and sell, Purchase Order (PO)

I. INTRODUCTION

Society as a social being always needs each other. This need is marked by the existence of legal relationships that exist in society because humans are social creatures. One of the parties that have a legal relationship is buying and selling. Buying and selling are included in mutually beneficial activities between sellers and buyers. Based on developments, buying, and selling can be done in various forms, one of which uses a Purchase Order (PO). PO is a letter of agreement between the two parties that must be carried out as agreed upon following rights and obligations. Based on the understanding of the PO, the parties who agree on the goods and prices must be responsible for their respective obligations to be mutually beneficial.

Jeremy Bentham (utilitarianism theory) expressed his opinion simply regarding the purpose of the law. The purpose of the law is a process to maximize the usefulness of action so that from the process that occurs, the subject can obtain a benefit, happiness, profit, and enjoyment, which hopefully does not cause feelings that make the subject unhappy (Endang Pratiwi et al., 2022, p. 277). One party often violates its obligations to the other party's detriment when buying and selling the PO system. The existence of these losses is certainly not in line with the purpose of the law, according to Bentham, because there is no happiness and profit.

Parties who have agreed to use POs as a sale and purchase must carry out all their obligations without exception, according to Article 1513 of the Civil Code (KUH Perdata), which explains the Buyer's obligation, namely to give the money according to the price of the goods as promised. Based on the facts, buyers still violate their obligations to the detriment of the other party, namely the seller.

Based on Judge Decision Number 730/Pdt.G/2019/PN Jkt. However, The seller (PT Elektra Baru Sukses) and the Buyer (PT Multi Sistem Komunikasi) initially agreed to provide goods using the PO system. The Buyer has paid 10% of the agreement and the remaining 90% payment after the goods arrive. The seller then fulfilled his obligations by delivering the goods according to the predetermined quantity and time and even arrived before time. However, the Buyer then broke his promise or did not fulfill his obligations by making payment of the remaining 90% of the agreed-upon time. The seller filed a lawsuit with the Court. However, the Judge refused because the PO did not have legal status as an agreement, so it was necessary to examine whether the PO was included as an agreement or not according to the Civil Code because the PO was a new type of agreement. The Buyer has violated his obligations according to Article 1513 of the Civil Code. One party does not carry out its obligations according to the PO agreement, which means that it has legal consequences. Therefore, analyzing the legal consequences of the Buyer's actions that have harmed the seller in the sale and purchase carried out using the PO system is necessary.

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This research has 2 (two) objectives; the first is to know, analyze and find the legal status of the purchase order (PO) as a buying and selling system. The second research objective is to find out, analyze and discover the legal consequences of a case of breach of promise for the Buyer in the purchase order system. The research differs from other studies, such as those by Dhoni Yusra and Nelly Nilam Sari; they discuss the "analysis of purchase orders as a sale and purchase agreement" in *Lex Jurnalica* Vol. 9, No. 1, April 2012. The research discusses PO as an agreement in terms of the Civil Code, namely Article 1320 of the Civil Code, and the principle of contract law or agreement, namely the principle of freedom of contract. While the author in this study analyses using the theory of legal objectives or utility from Jeremy Bentham and then describes it with the contents of other articles of the Civil Code (BW) related, the author also reviews the latest sources of contract or agreement law books with the opinions of experts, as well as the principles of contract law, namely the principle of consensual and the principle of *pacta sunt servanda*.

The following research that can be distinguished from the author's research is Sri Wahyuni's research which discusses "Legal Protection for Business Actors as a Result of Unilateral Cancellation by Consumers in the Online Buy and Sell Pre-Order (PO) System" This is a thesis in 2019. This researcher discusses in terms of legal protection, but the author discusses in terms of legal consequences, so there are no similarities in this research. Then another similar research belonging to Debora related to "Purchase Order (PO) Seen from the Law of the Agreement and its Juridical Implications." This researcher discusses that the PO approved by the two subjects is a letter that can be mentioned as a source of formal law. POs give rights and obligations to parties who agree to use them. Meanwhile, the author discusses the same thing looking for the legal force of the PO, but analyses using the theory of legal objectives and principles of agreement and reviews the relevant articles in the Civil Code.

The next difference is in other studies that discuss the late issuance of purchase orders, thus proving their legal strength. This research differs from the author's research because it discusses that the Purchase Order (PO) can be used as evidence in Court if there is a dispute or if one party fails to carry out its obligations. This research discusses the proof of PO letters published late, but the author discusses the legal status of PO letters according to the publication time agreed by both parties. The author discusses the same thing but further reviews the legal force of the PO using the principles of the agreement and is analyzed using the theory of legal objectives and articles in the Civil Code that are related in order to specifically explain that the PO is an agreement and can be used as evidence. Thus, this author's research has nothing in common with other researchers' research because there is no similarity even though it uses the same theme.

II. METHODS OF RESEARCH

This research uses legal research, which means research used to find solutions to various legal issues that arise (Peter Mahmud Marzuki, 2021: 83). The problems or legal issues are answered using normative juridical research. Normative juridical research collects and uses secondary data and focuses on laws and regulations (Muhaimin, 2020, p. 45). Secondary data consists of related law books, journals, and others supporting this research (Muhaimin, 2020, p. 61); therefore, it does not use primary data. The data were analyzed using qualitative analysis techniques and conclusions using deductive-inductive conclusions, namely departing from general matters and then ending in specific matters specifically related to the problem (Suteki, Galang Taufani, 2018: 180-181).

III. RESULT AND DISCUSSION

A. Review Of The Broken Promise And Buy And Sale Of Purchase Order (PO) System

1. Setting and definition of breach of promise

The regulation of default is regulated in Article 1239 of the Civil Code, which states that if the debtor is unable to fulfill the obligation, the settlement provides for reimbursement of costs, losses, and interest, whether the obligation is intended to do something or not to do something. Article 1243 of the Civil Code also explains agreements that are not fulfilled, so costs, losses, and interest must be reimbursed. Even though it has been declared negligent, it is still negligent in fulfilling the agreement or something that can only be done at a time that has exceeded the time of the agreement. Ingkar Janji or default is also known as negligence or negligence, namely the non-performance of an agreement because of the fault or negligence or breach of promise of the parties which carry it out.

Default is a word originating from Dutch (*wanprestatie*), meaning that the obligations specified in the agreement are not fulfilled. If the debtor or Buyer does not perform as agreed upon, he is said to have defaulted (Kavin Ludgerus Dimpudus, Christine S Tooy, Royke A Taroreh, 2021: 227). Ingkar janji, in the sense of not fulfilling the obligation, is divided into 3 (three) forms (Sedyo Prayogo, 2016: 283):

- a) The debtor does not fulfill the agreement at all
- b) The debtor is late in fulfilling the agreement

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c) The debtor is mistaken or inappropriate to fulfill the agreement

The concept of default is a domain in civil or private law rules. Article 1234 of the Civil Code contains the purpose of an obligation or agreement to be able to give something, do something or not do something. There is a difference between the concept of doing something and not doing something, which often causes confusion and requires further explanation because there are negative and positive sides. Doing something means giving away property rights or giving a sense of usefulness to an item. The meaning of not doing something is to leave something alone or to maintain something that looks like there is no agreement to be made (Yahman, 2016, p. 52).

Default is part of a person's negligence, so when the debtor is mistaken in the performance, and the mistake is based on good faith, a statement of negligence or a summons is required. However, if it is carried out based on bad faith, it does not require a negligence statement. Warnings against negligent statements or summonses are required for agreements that are not fulfilled based on the specified time because the debtor still has the will to fulfill the performance; it is just that he is late (Sedyo Prayogo, 2016, p. 284).

A contractual relationship always precedes the characteristics of default. Contracts or agreements are used as special instruments that regulate private legal relationships. If violated, interests in society or individuals will cause problems, such as conflicts of interest involving rights and obligations (Yahman, 2016: 51).

Default occurs due to an obligation or agreement made by related legal subjects. Agreement means an agreement when two people are willing to be bound by each other (Article 1314 of the Civil Code); even someone who agrees cannot enter into it for another person but only himself (Article 1315 of the Civil Code). The agreement or consent of the parties can be executed in any form, whether it already has a specific name in the regulations or there is no specific name, as long as it does not conflict with the regulated regulations (Article 1319 of the Civil Code). One of the agreements based on achievement is a reciprocal agreement (Bambang P. Purwoko, 2021: 65). The subjects in the agreement have their obligations, the purpose of which is to benefit each other by fulfilling their needs.

The default can occur if the agreement occurs and is proven by the terms of the validity of the agreement, which should be regulated in Article 1320 of the Civil Code, namely the agreement of the parties who bind themselves to each other, are capable of entering into an agreement, there are things that are agreed together. The cause of the agreement is not something that is prohibited by law. The validity of the agreement is determined by fulfilling all the elements in Article 1320 of the Civil Code, namely subjective and objective requirements (Bambang P. Purwoko, 2021: 69). The condition of the agreement means that the parties have deliberated and are consistent with the principal matters in the agreement. Agreements made without physical or psychological coercion, oversight, and fraud (Bambang P. Purwoko, 2021: 69). Capacity to perform legal actions means that they are adults because they have reached the age of 21 years or have married (Salim HS, 2019: 33). The agreed object is also one of the conditions called achievement. Achievement in the form of the rights of one subject is the obligation of the other subject (Salim HS, 2021, p. 34). The *halal causa* requirement means that the object of the agreement between the two parties does not conflict with the law, decency, and public order (Article 1337 of the Civil Code).

Agreements have supporting principles, namely (I Ketut Oka Setiawan, 2020: 45-49):

- a) The principle of freedom of contract is a principle that allows others to enter into a promise, be free to make or not make a physical agreement, and determine the contents of the contract in all kinds of provisions. It can all be done if it is separate from the rules. The free will expressed by the parties is a reflection of their rights.
- b) The principle of consensual is a principle that means that there is a willingness arising from the parties to participate in agreeing. The existing willingness can give birth to a sense of trust that the agreement will later be fulfilled. The principle of consensual focuses on a promise that arises at the time of a consensus between the two parties, such as the subject matter that is the object of the agreement.
- c) The principle of personality and the rules regarding this principle of personality are found in Article 1315 to Article 1340 of the Civil Code. Article 1315 generally explains that no one can take or demand a promise on his behalf other than for his benefit. Article 1340 of the Civil Code also explains that the contract is only valid for those who sign according to the agreement. The purpose of this principle policy is to limit the agreement's validity only to the parties to the agreement.
- d) The principle of balance, this principle means that people must be balanced in fulfilling the agreement. The Buyer has the right to make demands for achievements that the seller must fulfill because it must be balanced; the Buyer also has the burden to carry out his promises according to a sense of good faith.
- e) The principle of legal certainty (*pacta sunt servata*) The agreement is a form of law because the agreement's contents will be legal. This legal certainty arises because, in the agreement, there is a binding force, namely, the agreement used as a rule applies to the parties to the agreement, which is in line with Article 1338 Paragraph (1) of the Civil Code.

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f) This moral principle is in line with Article 1339 of the Civil Code because the agreement is not limited to exact and natural things written down but must also be followed by custom and morals.

g) The principle of propriety, Article 1339 of the Civil Code, interprets the license agreement not only about what is specified but all kinds of necessary things, depending on the nature of the license. This principle means that a sense of fairness determines the relationship between the parties to the agreement.

Agreements can end per Article 1381 of the Civil Code for the following reasons (Ahmadi Miru, 2018, pp. 87-110).

a) Payment

The definition of payment here is valued in money and intends to fulfill various forms of achievement.

b) Cash payment offer followed by storage or custody

The meaning is that if a creditor refuses payment from the debtor, the debtor can offer to pay in cash regarding the debt, and if the creditor still refuses, the goods or money from the debtor are deposited in Court.

c) Debt renewal

Debt renewal, referred to here, replaces an old object or subject of an agreement with a new object or subject of the agreement.

d) Debt set-off or compensation

When both parties owe each other, the agreement is finalized, and they are released from their debts because the debts accumulate, and after calculation, it turns out that the value of each debt is the same.

e) Debt commingling

The position of the creditor and debtor are linked in one case; the loan may be suspended or terminated by law. Therefore, debt consolidation eliminates debt.

f) Debt exemption

If the borrower can return the receipt, it is evidence of being free of debt. If the loan is not repaid for a long time, the loan must be repaid so that the borrower is not considered harmful.

g) Destruction of the goods owed

The agreement or contract becomes void if the item used as the object is lost and can no longer be traded or the object has perished but not the negligence of the loan recipient.

h) Cancellation or annulment

This contract can be terminated because it is null and void, usually terminated if the agreement does not comply with the rules of Article 1320 of the Civil Code. Agreements that are unclear or unauthorized are void.

i) Applicability of void condition

Cancellation occurs when the parties have reached an agreement with a void condition. The agreement is terminated as soon as the condition is fulfilled.

j) Expiration

An agreement can expire or be nullified if the agreement made by the parties has passed the time based on Article 1967, which relates to the passage of time.

k) Unilateral termination of contract or agreement

The agreement is an absolute thing and must be carried out by the parties based on acts of good faith because one of the parties often does not comply with the agreement's contents even though it has been given consecutive warnings. This unilateral termination of the agreement is carried out by force by the person who feels disadvantaged because one of the parties has neglected its obligations.

l) Court Decision

An agreement or contract can be terminated based on a court decision because the party who feels he has suffered a loss in the agreement files a claim with the Court. The termination of the contract due to this court decision is based on the Judge's decision following the evidence presented and heard. So that if it is void, the contract or agreement is no longer valid for the parties and has a permanent legal force (Salim HS, 2021, p. 178).

The agreement that both parties have implemented must be carried out properly because if it is not implemented, it will cause conflicts that have legal consequences. (Dijan Widijowati, 2018: 190) Argues that every person or legal subject experiences legal consequences. Those who violate are entitled to be responsible. The responsibility that must be carried out by a legal subject who violates the rights of other legal subjects is carried out in front of the Court because it is prosecuted by the party whose rights are violated. Legal consequences can arise for all parties, namely humans and legal entities when they have committed legal acts or events. Legal events caused by specific events give rise to the rights and obligations of each person or

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legal subject. The legal effect that arises is an effect that has been regulated by legal force so that it is considered that the perpetrator of the action wants it (Junaidi, Muhammad Farid Wajdi, et al., 2023: 77-78).

The form of this legal effect is 3 (three), namely the first form in the form of birth, change, or disappearance of legal conditions, meaning that this form provides legal consequences that are not fixed or changeable. When a person has reached the age of majority?, namely, 21 years old, then. As a result, he becomes capable of law from previously incapable. The second form of birth, change, or disappearance of a legal relationship means that the legal subject between two or more has a relationship that gives rise to the rights and obligations of the parties facing each other. We can find this in buying and selling. Then the third form is the birth of a sanction if an act of resistance to the law is carried out (Junaidi, Muhammad Farid Wajdi, et al., 2023: 78).

Based on legal consequences, buying, and selling are included in the birth, change, or disappearance of a legal relationship which must be carried out by the parties when they are bound in a legal relationship between the two parties.

2. Arrangements and understanding of buying and selling using the Purchase Order (PO) system

According to the Legal Dictionary, buying and selling means a relationship between buying and selling; this agreement is because there is an attachment between the seller and the Buyer, the seller is the one who delivers the goods and delivers them, and the Buyer pays the price of the goods purchased, this is closely related to the relationship of the contents of Articles 1457, 1458 and 1459 of the Civil Code (Sudarsono, 2009, p. 196). The regulation of buying and selling can be found in Article 1457 of the Civil Code, buying and selling as an agreement because one party binds himself to deliver goods, and the other party must pay the price as promised (Article 1457 of the Civil Code).

Sale and purchase is an agreement involving one party having property rights to goods and the transfer of the goods to the Buyer. Buying and selling is an activity of legal relations included in the agreement because the agreement bond can provide security of interest to prospective sellers and buyers. Selling and buying is an agreement that gives rise to rights and obligations but is not limited to what is agreed upon but must be based on what is required, namely decency, custom, and public order (Subekti and Veronika Nugraheni Sri Lestari, 2020: 78-79).

Buying and selling in development can be done with a Purchase Order (PO) system called a purchase order in Indonesian. PO system is an agreement that uses a letter of request to the seller to provide a stock of goods or services, along with detailed information, including the price to be paid, delivery method, and payment date. A PO is a letter approved by the signing of both parties to the agreement.

Willem Siahaya explained that PO is a form of the agreement made between the first party and the second party, namely the user and the seller of goods, to procure the required goods. Another opinion from a practitioner in export and import, Komang Oko Berata, said that a PO is a form of proof of order or a letter of order which must be made and agreed upon together before receiving goods. Then according to Supriyanto and also Masruchah, defines that PO is a purchase order in which a written request is submitted to the provider of goods according to the agreed delivery time at the time and must be included in the order (Leon A Abdillah, 2021: 61).

PO system sale and purchase is not explicitly regulated in the codification or Civil Code but exists in the community, so it is referred to as an unnamed agreement or nominal.

B. The Purpose of Law (Jeremy Bentham) in Economic Activity

According to Bentham, the theory of legal purpose or utility is given the meaning of being able to provide the most significant value for the sense of happiness and pleasure for everyone. According to him, the purpose of the law is happiness and enormous benefit for each subject in large numbers. This theory explains that society should be ideal by increasing happiness and minimizing sadness. A society that endeavors to overcome unhappiness may even have little that can be felt by the community (Teguh Prasetyo, Kadarwati Budihardjo, Purwadi, 2019: 10-11).

By popular definition, economics can be interpreted as "All human behavior or a group of people to meet relatively unlimited needs with limited means of satisfying needs." Economic activities in society are essentially a series of extraordinary legal acts due to the many types, qualities, varieties, and variations carried out by several people, namely between individuals, between companies, between groups, and between countries from various places (Muchamad Taufiq, 2019, p. 8).

The presence of law in economic activities to achieve the objectives of law and the economy. The aspect of law in economic activities has several functions related to legal objectives, according to Jeremy Bentham, namely (Muchamad Taufiq, 2019, pp. 8-9):

1. Law as an external factor that has benefits
2. The law can be used as a benefit to safeguard economic activities and goals to be achieved.
3. Law is used to supervise the deviation of economic behavior for other interests.

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4. The law can be used to maintain a balance of interests in society.

The purpose of law in economic activity is to fulfill needs for the benefit of many people and welfare or happiness. The purpose of the law can be achieved when the community's needs are met, especially with the buying and selling process between buyers and sellers, to provide full benefits for both parties.

C. Legal Status of Purchase Order (PO) as a Sale and Purchase System

A purchase Order (PO) will be reached when the agreement has been finalized regarding the goods provided and the price to be paid by the recipient. The agreement is made following the will of both parties and is based on clear objectives regarding matters mutually agreed upon by the party. The terms or contents of the agreement must not conflict with order, decency, and the rule of law. Both parties have the right to demand that the other party perform their promises (Joni Emirzon, Muhamad Said Is, 2021: 24). Jeremy Bentham's theory suggests that the law has a goal to make the subject of law happy, not to make the subject of law feel unhappy, especially if the existing rules are then not appropriately applied based on the expected legal objectives. Based on the contents of Article 1458 of the Civil Code, an agreement has occurred after the conformity of a will between the two parties (Article 1458 of the Civil Code), which, if it is related to buying and selling, relates to the Buyer and Seller. The PO agreed by the parties is an agreement because it is based on Article 1458 of the Civil Code.

Based on the analysis of the theory of agreement, the PO falls under one of the theories of agreement, namely, the "acceptance theory." The acceptance theory means that the agreement has been born when the offer to provide goods made by the Buyer reaches the seller, then the seller has agreed to the type and quantity of goods to be provided in the form of an answer letter. Nowadays, a letter of reply to the PO can be sent quickly by e-mail. An agreement occurs when the Buyer has received the PO reply letter; it does not matter if it has been read.

A sale and purchase agreement is when the two legal subjects reach a consensus. The facts found that buying and selling using this PO is carried out with the delivery (levering) of goods/objects (Salim, 2021, p. 49), where the delivery is carried out using the sale and purchase of the panjar system. After an agreement emerges, the Buyer pays with the panjar system first. Thus the goods are included in the Buyer's responsibility.

Purchase Order (PO) is a method that has been used by various parties to sell and buy even throughout the world because PO is no longer something foreign to people. The legal status of POs can be viewed from the legal requirements of an agreement or contract according to American law of contract, namely (Salim, 2021, pp. 35-40):

- a) Offer and acceptance: This is an offer made to any person and is a promise in which the content of the promise is to be able to do something and not do something specifically on the next day or time. Meanwhile, acceptance is the agreement of the party who accepts the offer from the bidder. This acceptance must be absolute and unconditional.
- b) Meeting of minds (conformity of will): An agreement is valid when the parties have a corresponding will. Conformity is the will of the same parties regarding the object of an agreement.
- c) Consideration: Abdul Kadir Muhammad believes that the only meaning of consideration is the performance promised or agreed upon by both parties, so it must be carried out because it is required. It has a form such as going to do or already doing.
- d) Competent parties and legal subject matter: The meaning here is the subject's ability to agree. The person who executes an agreement must be an adult. Then there must be a legal subject matter which is related to a subject matter that is said to be valid. This is the same as the *halal causa* in the Civil Code.

The sale and purchase of the PO system carried out by the parties is an agreement binding. Suppose it meets the requirements of a valid agreement according to the law, such as the requirements of an offer and receipt between the parties. In that case, there is an agreement or similarity of will and consideration, namely the existence of achievement that must be fulfilled and the ability and validity of the parties who make promises to each other.

In addition to the legal requirements of an agreement according to American Contract Law, the legal status of a PO letter can also be based on the legal requirements of an agreement based on Article 1320 of the Civil Code. The sale and purchase agreement in the PO system is an agreement if it fulfills the subjective and objective requirements of Article 1320 of the Civil Code, the contents of which are the existence of an agreement, capacity/maturity according to age, there is a matter to be agreed upon, and the object being agreed upon is *halal*. This PO is included in the agreement with perfect language that is written and not written down. It is done in writing so that it becomes valid legal information provided in the event of a dispute between the parties, namely the seller and the Buyer, in the future (Salim, 2021: 33). POs that use perfect language and are carried out orally and even in writing mean that before issuing the letter, the parties first negotiate orally, either by telephone or directly by meeting face to face, then agree on the results of the negotiations regarding the goods to be provided and the price to be paid. After reaching an oral agreement, it is made in writing using the Buyer making a PO letter containing the type of

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goods, price, and number, then sending the letter to the seller; after the seller receives and agrees, the agreement has occurred. In addition to the agreement, the parties must meet the Capacity requirements. The parties to the contract must be able to carry out legal acts. In connection with the problem that the author found, the PO made by the parties as individuals but representing the company means that the parties are adults and have even exceeded 21 years. Hence, they can take legal action (Salim, 2021, pp. 33-34). The following requirement is the object of the agreement, namely the achievement, which has to do with the rights and obligations between the two parties (Salim, 2021: 34). The goods that are the object of the problem that the author finds the Buyer (PT. Multi Communication System) buys the seller (PT. Elektra Baru Sukses) electric schneider goods so that the seller must provide the goods and the Buyer must pay according to the mutually agreed price. The existence of a *halal causa* is the last valid condition of the agreement. Because the object promised by the subjects in the sale and purchase of the PO system is an object that has no conflict with Article 1337 of the Civil Code, namely law, decency, and public order, the sale and purchase of the PO system is valid and justified.

Based on these conditions, if the PO letter has fulfilled all the valid requirements of the agreement, then the PO agreement is valid and can be proven if later there is a conflict between the two subjects because one party is disadvantaged. The purpose of the law is achieved and can make the parties happy if this condition is fulfilled following the provisions of Article 1320 of the Civil Code. Legal objectives can be achieved by buying and selling using a PO letter because its legal status can be reviewed from the principle of agreement. PO is a form of agreement because it can be categorized as an agreement in nominated; the reason is that PO is an actual agreement and is not explicitly mentioned in the Civil Code, so PO is based on the principle of freedom of contract in the Civil Code. This principle of freedom of contract explains that the parties involved in buying and selling the PO system are free to make and accept certain obligations, as long as the agreed achievements of them are possible not to be denied and do not contradict the rules (Dhoni Yusra, Nelly Nilam Sari, 2012: 29). This principle gives complete freedom to the parties both in terms of making agreements in black and white or not making agreements (Joni Emirzon, Muhamad Said Is, 2021: 25-26). The PO is not in the form of an agreement letter but in the form of a PO letter made by the Buyer based on the agreement of the parties, so the PO is a valid agreement, and there is a binding force on the parties because it is based on this principle.

PO also adheres to the principle of consensual because there is an agreement with those who bind themselves. POs that are made following agreed outcomes and not by force (*dwang*), deception (*bedrog/fraud*), and also abuse of circumstances, then the agreement is considered valid because it does not contain legal defects (Joni Emirzon, Muhamad Said Is, 2021: 27-28). This principle underlies that PO is an agreement because this principle also supports Article 1320 of the Civil Code, which means that there is an agreement from those involved in the agreement, especially sellers and buyers, and also mutual participation to carry out promises between them (Taryana Soenandar et al., 2016, p. 83).

The legal objective of Article 1458 of the Civil Code can be achieved by the principle of *pasta sunt servanda*, which explains the legal status of the PO. The PO letter made by the subjects is an agreement. It applies as a law to them (Joni Emirzon, Muhamad Said Is, 2021: 32) as in the PO problem found by the author; the seller himself agrees that the goods ordered by the customer will be delivered according to the time determined together. In addition, because the Buyer has also agreed, he must be responsible for the appropriate payment on the PO letter.

D. Analysis of the Breach of Promise Legal Consequences on the Sale and Purchase Order System (PO)

The Buyer has the right to receive the goods that have been determined from the seller; not only that, but the Buyer also has obligations that must be fulfilled, namely following Article 1513 of the Civil Code, namely paying the price according to what is mutually agreed upon. The agreement gives birth to the parties' obligations, called achievements. This PO letter is an agreement if it has fulfilled Article 1320 of the Civil Code and its legal status is transparent so that the parties in it are obliged to carry out what is their obligation. Based on the facts, often in this PO system sale and purchase agreement, the parties are negligent in carrying out their achievements and even want to unilaterally cancel the PO agreement, in this case, primarily if the seller fulfills his obligations by negotiating the delivery of goods, where the Buyer obliges the seller to deliver them. However, otherwise, he does not pay the agreed price at the time and place he ordered.

The Buyer's action was then unjustified because it resulted in a massive loss to the seller. The Buyer's order has been ordered to the factory by the seller and is already available, and even though the seller has given a summons several times, the Buyer's obligations still need to be fulfilled. The sale and purchase in the PO system is an agreement with legal consequences if it does not carry out as promised. Negligent buyers who violate the agreement or do not carry out their responsibilities are said to have made a default or have broken their promise (I Ketut Oka Setiawan, 2020: 19).

Based on the rules contained in Article 1243, it explains and can be interpreted that debtors who have been declared negligent in fulfilling their obligations are obliged to be able to compensate for costs, losses, and interest. The debtor is still

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declared negligent even if he gives something but has passed the specified time. In connection with this understanding, the Buyer can compensate the seller for costs, calculable losses, and interest due to the Buyer's negligence in completing his obligations.

The legal consequences for the Buyer because of the default committed in the PO system sale and purchase agreement are legal consequences such as the birth of sanctions which sanctions are received by the Buyer because of the demands of the seller (the injured party). The demands that the seller can choose are (Salim, 2021: 99):

- a) The seller may demand the fulfillment of the performance only from the Buyer in default;
- b) The seller may demand the fulfillment of the performance along with a claim for compensation from the Buyer (Interpretation of Article 1267 of the Civil Code);
- c) The seller may demand the fulfillment of the performance and request compensation based on the loss due to a delay in payment (Interpretation of HR November 01, 1918);
- d) The seller may sue for rescission of the contract;
- e) The seller may demand the rescission of the contract accompanied by a request for damages. Such damages may include the payment of a fine.

The legal consequences that the Buyer must accept because of the default that has been committed in the sale and purchase agreement using PO, namely, the Buyer pays all compensation suffered by the seller as the party entitled to receive these achievements (interpretation of Article 1234 of the Civil Code), then the Buyer must accept the termination of the agreement which is also accompanied by paying compensation to the seller. If the termination of this agreement is based on the agreement of the parties, it can be canceled. However, if there is no agreement, there must be a cancellation according to a court decision (interpretation according to Article 1266 of the Civil Code). Furthermore, the Buyer must accept all risks starting from the default, and the Buyer is required to pay court costs when the matter is litigated before the Court or before a judge (interpretation of Article 181 paragraph (1) HIR) (Kavin Ludgerus Dimpudus, Christine S Tooy, Royke A Taroreh, 2021: 227).

According to the interpretation of Subekti's opinion, the cancellation of the agreement is not due to the negligence or negligence of the debtor or, in this case, the Buyer, but because the decision to cancel the agreement is based on the Judge. This provides a legal basis for the existence of legal relations and agreements. The Judge's decision can be confirmed by positive opinions and experts where this decision is legally based on evidence read (I Ketut Oka Setiawan, 2020: 21). In connection with the cancellation of the agreement, the Judge has a power called discretionary, meaning that the Judge has the authority to assess the default that the Buyer has committed. If, in the opinion of the Judge, the performance that should be carried out or carried out is too small, the Judge has the right to refuse to cancel the agreement, even though the compensation requested from the seller has been granted.

The legal consequences are not only the provisions of the cancellation of the agreement; there are also provisions regarding compensation by the party who has committed an act of breach of promise. In connection with the compensation that the seller can claim as the injured party, the elements can be mentioned following Article 1248 of the Civil Code, namely as (I Ketut Oka Setiawan, 2020: 21-22):

- a) Costs (kosten), meaning there are costs related to all actual expenses that have been incurred. If it is related to the case in the sale and purchase of goods using this PO, where the seller must provide the goods according to the Buyer's request, and, of course, the goods must be ordered in advance to the factory so that the payment uses the seller's costs or money first and uses the Buyer's money because it will later be paid or replaced by the Buyer when the goods are available.
- b) Loss (shades), what is meant here is the loss suffered from damage to the seller's goods as a result of negligence by the Buyer;
- c) They are related to profit, namely loss, which can be a loss of an expected profit. Selling and buying using the PO system are when the seller has provided the goods. However, the Buyer needs to carry out his obligations by taking the goods and paying the fees, so the seller does not get a profit but gets a massive loss due to the Buyer neglecting to carry out his performance or not paying for the goods. It is not achieved if it is associated with the theory of Legal Objectives because there is no happiness. Moreover, suppose the goods are already available and need to be paid. In that case, they cannot be resold because the goods sold are Schneider electric goods, which have few opportunities to be sold elsewhere. After all, they depend on the needs of the other party.

Compensation in the act of breach of promise which can then be prosecuted against, is based on Article 1243 of the Civil Code, which the contents of this article provide regulations in principle relating to compensation to sufferers with non-fulfillment of an agreed obligation. The compensation, as mentioned, is in the form of costs, losses, and interest (Sri Redjeki Slamet, 2013: 114). This compensation is an understanding in Book III of the Civil Code. According to the Civil Code, compensation is detailed in

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elements consisting of 2, namely damages, which means that the things mentioned are costs and losses. While the second element is interest is a meaning that can be equated with interest, where this interest is interpreted as a profit (Sri Redjeki Slamet, 2013: 114-115).

Damages are only some of what can be requested for reimbursement. The law provides provisions regarding what must be included in this compensation. The contents of Article 1247 of the Civil Code explain that the perpetrator of a breach of promise has an obligation that is required to reimburse costs, losses, and interest that are available or should be expected when the agreement is issued, excluded if the agreement was born due to deception committed by himself. According to the explanation of this provision, it can be given that the meaning of compensation is limited and only relates to foreseeable losses directly resulting from a breach of promise. This foreseeable condition which is a direct result of the default, is very closely related to one another. Based on the theory of cause and effect, an event is considered as another effect when the second event directly causes the first event, and based on the experience of legal subjects, it may happen again (Sri Redjeki Slamet, 2013: 115).

If based on jurisprudence, the conditions included in the foreseeability include the amount of loss. Losses whose amount exceeds the limits of foreseeability may not be obliged to the defaulting party to make payments, except when he has been deceitful but is still within limits outlined in the provisions of Article 1248 of the Civil Code (Sri Redjeki Slamet, 2013: 115).

The requirements that must be followed in compensation for damages due to breach of promise/default are following the contents contained in the law, considering that every loss suffered by the person whose promise is broken is not all required to be compensated by the subject, which made a breach of promise (the debtor), which in this case is the Buyer. The requirements to fulfill compensation according to the law are (Sri Redjeki Slamet, 2013: 118-119):

a) There is an act of breach of promise by the subject of the breach, and it needs to be proven only at the passage of time restrictions as specified in the initial agreement.

b) There is a loss, which can be classified as:

1) The loss that was foreseeable or reasonably foreseeable at the time the agreement was reached.

The contents of Article 1247 of the Civil Code mean that the debtor/debtor party is only obliged to compensate for foreseeable losses when the agreement is made unless there is an intentional act. This intentional act is interpreted if the debtor intentionally and even consciously violates his obligations, regardless of whether or not there is an intention from the debtor to do something that causes loss. The word foreseeable must have an objective meaning; according to the subject of law, the incurrance of losses must later be foreseeable for a normal human being.

2) The loss is a direct result of the breach of promise/ default. It means there must be a causal relationship between the loss and the breach of promise; if there is no relationship, the loss suffered is not required to be compensated. Specifically, there are two theories relating to the causal relationship, which are described as follows:

The condition sine qua non theory (from Van Buri) explains that the effect caused by an event cannot be excluded from the effect. The event in question is an integral and inseparable entity called the cause of the doctrine. Conditions cannot be eliminated because they are valuable, and assume that every condition issued is a cause. Furthermore, the theory of adequate vewoorzaking (by Von Kries) believes that the condition is a cause if it can cause an effect according to its general nature. This theory is also explained by the opinion of the Hoge Raad, which provides a formulation following its decision on November 18, 1927, namely that an act is a cause if, according to experience, it can be expected or expected that a related effect will occur.

Compensation relating to cash that must be delivered but was not delivered, then compensation can be requested such as interest which according to the law is referred to as moratoria interest, which is 6% a year whose calculation starts from the date of filing a lawsuit to the Court, if in this case, it started on September 11, 2019. The parties can also determine the amount for compensation following Article 1249 of the Civil Code, but if the parties do not agree, the value of the costs must be calculated based on the actual losses experienced by the seller with a note that compensation cannot be charged to the Buyer beyond the estimated limit (Muhammad Syaifuddin, 2012: 349).

Buyers who have broken promises or have neglected to carry out their obligations must bear all the legal consequences obtained due to the default that has been committed. The legal consequences arising from these actions include demands included in the default, where the seller gives the demands as the sufferer, both demands for fulfilling performance, cancellation of the agreement, and compensation.

The theory of legal objectives can be fulfilled if there are provisions for compensation for the seller following the losses he experienced. When the loss is compensated, it automatically creates happiness for the seller.

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IV. CONCLUSION

1. The legal status of a purchase order (PO) as a sale and purchase system is that it has a binding bond between the parties because the PO letter agreed upon by both parties is a valid agreement because it has fulfilled the elements of the legal requirements of an agreement according to Article 1320 of the Civil Code, the principle of freedom of contract, the principle of consensual and *pacta sunt servanda*, so that the legal objectives of Jeremy Bentham are achieved because they have binding force and can protect both parties to reduce unhappiness.
2. The legal consequences of a case of breach of promise for the Buyer in the sale and purchase of a purchase order (PO) system are to pay compensation suffered directly by the seller, the agreement cannot be canceled unilaterally, but there must be a judge's decision. The canceled agreement is also accompanied by compensation based on the amount of loss that arises or according to the Judge's decision in Court.

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