Abstract: The purpose of this research study aims to dissect the concept of Breach of contract in the civil law of two countries between Indonesia and Malaysia. As a country that has a different legal system but also recognizes Breach of contract or breaking promises in civil relations. In this research method, the type of research that the author uses is normative research. The nature of the research in this paper is the nature of comparative descriptive research. The approach used in this legal research is the statute approach, and the conceptual approach. The results of the study found that the Breach of contract in Indonesian civil law. This is a deviant act committed by one of the parties to the agreement from what was previously agreed without coercion which can result in losses for the opposing party and default in civil law in Malaysia as regulated in the 1950 Contract Law which is called Contract impossibility, a contract may be terminated. If the contracting parties fail to carry out the responsibilities contained in the contract.

Keywords: Denial; Comparative Law; Civil.

1. INTRODUCTION

The interaction of an increasingly universal society often brings conflicts of law in theory and practice, another result of this interaction is the emergence of various forms of agreements. An agreement is a legal action where a person promises to one or more people, where they promise each other to carry out an agreement. While the agreement itself is a source of engagement other than the law. The agreement itself is said to be valid when the legal conditions of the agreement are fulfilled in 1320 BW (Burgerlijk Wetboek voor Indonesie), namely agreeing, being capable, a certain thing,
and a lawful cause legal. When both parties agree to the agreement made, the parties are bound by law to fulfill it.

In this era of freedom of contract, agreements often result in non-fulfillment when what has been promised by one of the parties can be said to be a breach of contract or breaking a promise. Breach of the contract itself can be interpreted as the non-fulfillment of its obligations as stated in the agreement.

In Indonesia, a breach of contract is regulated in Article 1242 BW (Burgerlijk Wetboek voor Indonesie) which states

"If the engagement is intended not to do something, then either party, if the act is contrary to the engagement, because of the violation and because of the violation and only because of that."

Then the party is obligated to reimburse coast, losses and interest" according to article 1243 BW (Burgerlijk Wetboek voor Indonesie) states

"Reimbursement of costs, losses and interest due to non-fulfillment of an agreement begins to be required, if the debtor, even though it has been declared Default, still fails to fulfill the engagement, or if something that must be given or done can only be given or done within the time that has exceeded the specified time”.

Breach of contract usually occurs because one of the parties is negligent or intentionally does not fulfill its performance which results in losses for the party receiving the achievement. However, the breach of contract may be purely the fault of the party. It is possible that the party committing the breach of this contract is indeed unable to fulfill it due to a compelling situation beyond his control which was not predicted before the agreement was ratified. A breach of contract can also be said when it can fulfill what has been agreed upon but is not carried out as per the specified time. And, have carried out the contents of the agreement but are not in following it so that it is still a breach of contract.

Breach of contracts in Indonesia itself is packaged in an estuary that emerges from legal relationships made, both various kinds of agreements, as well as contracts and so on which are sourced from Book III BW (Burgerlijk Wetboek voor Indonesie) on Engagement. Looking at the neighboring country, namely Malaysia, the agreement is different in Malaysia, which distinguishes between agreements and contracts. In Malaysia, contracts have legal consequences for what has been agreed. However, this is not the case with the agreement in Malaysia. Then when the contents of the agreement are not fulfilled, will it be called a Breach of contract as well as in Indonesia. Then how about the concept of Breach of contract in Malaysia.

it can be seen that Indonesia and Malaysia law both regulate Breach of contracts, but arranged in different forms and contents, therefor we are interested in discussing more further on the Comparison of Breach of contract in Indonesia and Malaysia. Based on the description above, this study aims to compare answers the concept of a breach of contract in Indonesia and Malaysia?
2. METHODS

The method used in study is normative of legal research (pure legal research) with the nature of comparative descriptive research. The approach used in this legal research is the statute approach and the conceptual approach.

3. RESULTS AND DISCUSSION

3.1. The Concept Of Breach Of Contract In Indonesia

Breach of contract is negligence, intentional, breach of contract, or failure to fulfill obligations as agreed upon. Breach of contract is a condition in which one of the parties cannot fulfill the achievements or obligations as stated in the agreement in the sense that it is not in a state of coercion. Breach of the contract itself is the opposite of achievement which can be interpreted as a fulfillment of the agreement of the parties as agreed.

Breach of the contract itself according to experts has various interpretations such as, According to R. Soebekti "Breach of contract means that when the debtor does not do what he promised, then it is said that he committed default. He is negligent or he breaks his promise or he breaks the agreement when he does or does something that he cannot do".1 According to M. Yahya Harahap "Breach of contract is the execution of an obligation that is not on time or done improperly".2

The State of Indonesia with its Civil Code or Burgerlijk Wetboek voor Indonesie (BW) regarding breach of contract is regulated in Article 1242 BW (Burgerlijk Wetboek voor Indonesie) stating

"If the engagement is intended not to do something, then either party, if the party acting contrary to the engagement, because of the violation and because of the violation and even then, it is obligatory for him to be reimbursed for costs, losses and interest"

then in Article 1243 BW (Burgerlijk Wetboek voor Indonesie) states

"Reimbursement of costs, losses and interest due to non-fulfillment of an engagement began to be required, if the debtor, even though it has been declared negligent, still fails to fulfill the engagement, or if something that must be given or done can only be given or done within the time that has exceeded the specified time”.

Breach of contract is a term that refers to non fulfillment of the contract by the debtor.3 In essence, an agreement is a mutual agreement that requires commitment

---

1 Subekti, Covenant Law, Jakarta, Internasa, 2005, page 45.
2 M. Yahya Harahap, Aspects of Covenant Law, Bandung, Alumni, 1986, page 60
from all parties to fulfill what was agreed upon. If a situation arises, one of the parties does not do what has been agreed, or has done but is not following what was agreed upon and is not on time, then in this agreement it is called a Breach of contract.

An agreement can be said to be legally valid when the elements of 1320 BW *(Burgerlijk Wetboek voor Indonesie)* are fulfilled

"for the validity of an agreement four conditions are needed:

1. Agree on those who bind themselves;
2. The ability to make an engagement;
3. A certain thing;
4. A lawful cause."

The legal terms of the agreement at 1320 BW *(Burgerlijk Wetboek voor Indonesie)* have two main elements, namely subjective conditions and objective conditions. Subjective requirements consist of agreement and skill. The agreement here is interpreted.

When the subject or the parties agree to agree on the contents of the agreement made without any oversight, coercion or fraud. Proficiency is defined as the subject or the parties who are adults or are not under guardianship and meet the age of maturity as stipulated in the law. As for objective conditions, it consists of a certain thing and a lawful cause. A certain thing can be interpreted, can be calculated or measured, can be categorized by type, then can be traded. If this includes electronic or digital then the image must be in accordance with reality. A lawful cause means that the thing agreed here does not violate the law, moral norms, and public order.

The consequences of the agreement that was agreed upon earlier apply like the law for them. To validate the party deemed to be in breach of the contract, it must first be proven whether there is an element of good faith or not from the person who fulfills the obligation. Because an agreement before it is said to be a breach of contract can be interpreted as null and void as stated in Article 1321 BW *(Burgerlijk Wetboek voor Indonesie)*.

"There is no valid agreement if the agreement was given by mistake or obtained by coercion or fraud"

Breach of contract can be identified through several benchmarks such as the source of the occurrence of Breach of contract because the Breach of contract arises from the agreement. Then look at the emergence of the right to claim compensation. And in terms of claims for compensation.4

An engagement that comes from an agreement or other legal relationship, the rights and obligations of the parties are guaranteed by law. In other words, when a party does not fulfill its obligations is not fulfilled, this is the basis for the emergence

---

that the party has carried out a Breach of contract to file a lawsuit to the Court. So 
Breach of a contract becomes the basis in civil lawsuits to be able to claim their rights 
through the Court. Parties who are declared a Breach of contract can be determined in 
the form of the following:

a. Completely not fulfilling achievements

In this condition, a debtor does not carry out or fulfill his achievements at all, 
causing losses to creditors/others. In his inability to fulfill his achievements, the 
debtor must prove that he did not fulfill his achievements because of what, whether 
by circumstances of force (overmacht), because the creditor is also a breach of 
contract or because there has been a waiver of rights.

b. Improper achievements

In this condition, a debtor carries out or fulfills his achievements but is not perfect. 
Similar to the above, the debtor has to prove that he did not fulfill his achievements 
due to what, whether by force majeure (overmacht), because the creditor is also a 
breach of contract.

c. Late in fulfilling achievements

In this condition, a debtor carries out or fulfills his achievements but is late. Again, 
he has to explain and prove that his delay in fulfilling his achievements was caused 
by what factors, whether by circumstances of force (overmacht), or because the 
creditor breaches contract.

d. Doing what is prohibited in the agreement

In this condition, a debtor carries out or does what is prohibited in the agreement 
to do. In other words, the debtor does things beyond what was agreed upon or not.

When a breach of contract, it creates a new result and action, as follows:

a. Keep running the existing engagement

b. Paying compensation as referred to in Article 1243 BW (Burgerlijk Wetboek voor 
Indonesie)

"reimbursement of costs, losses, and interest, due to non-fulfillment of an 
engagement, then becomes obligatory if the debtor after being declared negligent 
in fulfilling his engagement, continues to neglect it or if something must be given or 
made can only be given or made within the lapse of time."

c. The risk burden shifts to the debtor's loss, if the obstacle arises after the debtor has 
reached the contract, unless there is a big gap or error on the part of the creditor. 
Therefore, the debtor is not justified in adhering to coercive circumstances.

d. If the engagement is born out of a reciprocal agreement, the creditor can absolve 
himself of his obligation to provide counter-performance by using Article 1266 BW

---

agreement” Journal of Mitra Manajemen Vol. 7 No. (2), 2015
"the conditions for cancellation are considered to be always included in reciprocal agreements. When one of the parties does not fulfill its obligations. In such case the agreement is not null and void, but the cancellation must be requested from the judge. This request must also be made even though the void conditions regarding non-fulfillment of obligations are stated in the agreement. If the conditions for cancellation are not stated in the approval of the judge, he is free to according to the circumstances at the request of the defendant, to give a period of time to still fulfill his obligations, which period but that cannot be more than one month."

The party who breaks the contract suffers a loss as a result. If the other party is harmed as a result of the breach of contract, then the party who breaks the contract must bear the consequences of the other party's demands, which can be in the form of:

a. The debtor must pay compensation for the losses suffered by the creditor (article 1243 BW (Burgerlijk Wetboek voor Indonesie))

b. Cancellation of the agreement accompanied by payment of compensation (article 1267 BW (Burgerlijk Wetboek voor Indonesie))

c. Transfer of risk to the debtor from the time the Breach of contract occurs (Article 1237 paragraph (2) BW (Burgerlijk Wetboek voor Indonesie))

d. Payment of court fees if brought before a judge (Article 181 paragraph (1) HIR (Het Herziene Indonesisch Reglement))

According to the principle of protection of the aggrieved party, in the event of a breach of contract against an agreement, the parties to the agreement are given various rights to protect the injured party. The principle of protection in contract law means that the parties must be protected, especially the injured party, namely:

a. *Exceptio non adimpleti contractus* refuses to perform its performance or refuses to perform further achievements when the other party has performed a Breach of the contract.

b. Refusal of further achievements of the opposing party. If the opposing party has carried out a Breach of the contract, for example starting to send damaged goods in a sale and purchase agreement, then the aggrieved party has the right to refuse the implementation of the other party's further achievements, for example refusing to accept the next item to be sent by the opposing party in the sample agreement. the sale and purchase.

c. Demand restitution. There is a possibility that when the opposing party performs a Breach of the contract, the other party has completed or has started to perform its performance as promised in the relevant agreement. In this case, the party who has made the achievement has the right to demand restitution from the opposing party, namely demanding that he be given back or paid for every achievement he

* (Burgerlijk Wetboek voor Indonesie)
Not only do parties who are harmed as a result of the breach of contract receive legal protection, but the party who defaulted earlier also received legal protection, namely:

**a.** With a certain mechanism to break the agreement. So that the termination of the agreement is not carried out arbitrarily even though the other party has carried out the Breach of the contract, the law determines certain mechanisms in terms of terminating the agreement. The mechanism is as follows:

1. Obligation to carry out subpoena (Article 1238 Burgerlijk Wetboek voor Indonesie).
2. The obligation to decide reciprocal agreements through the courts (Article 1266 Burgerlijk Wetboek voor Indonesie).

**b.** Restrictions on termination of the agreement. As has been explained that if one of the parties has carried out a Breach of contract, then the other party in the agreement has the right to terminate the agreement in question. However, the right to decide the agreement by the party who has been harmed as a result of this Breach of contract applies several juridical restrictions in the form of:

1. Breach of contract must be serious. The mechanism for determining the seriousness of a Breach of contract to an agreement is as follows:
   a) See if there are provisions in the agreement that confirm the implementation of which obligations are considered a breach of contract against the agreement, or
   b) If there is a provision in the agreement, the judge can determine whether not carrying out the obligation is serious enough to be considered a breach of contract to the agreement in question.

2. The right to terminate the agreement has not been ruled out. The waiver of the right to terminate the agreement has the following legal consequences: Loss of the right to terminate the agreement and does not affect the receipt of compensation. In principle, the waiver of the right to terminate an agreement by the party who is harmed by the existence of a breach of contract action can be carried out in two ways as follows:

3. Termination of the agreement is not too late. Termination of an agreement can be carried out on the basis that both parties agree to terminate the agreement between them before the occurrence of deviations that occur as stated in Article 1338 BW (Burgerlijk Wetboek voor Indonesie) "all agreements made under the law apply as law for them. who made it. The agreement cannot be withdrawn other than by agreement of both parties, or for reasons determined by law. Approval must be carried out in good faith.

---

Breach of contract is accompanied by an element of error. When the element of "error" is required to provide compensation, then the element of "error" is also needed to exercise the rights of the injured party to be able to terminate the agreement. However, in principle the termination of the agreement is at the discretion of the Court.

Another protection is by allowing the debtor to defend himself. If a person is accused of failing to meet his or her performance, they should also be allowed to present their defense to show why they should be allowed to avoid any penalty, namely:

a. Forced circumstances as stated in Article 1244 BW (Burgerlijk Wetboek voor Indonesie). The state of coercion here means that the debtor is given a dispensation by the creditor not to reimburse costs, losses, and interest. This is when the debtor does not perform the engagement or does not fulfill the engagement on time. Due to a coercive situation or unintentional event beyond the control of the debtor.

b. That states that the creditor is also negligent in carrying out his obligations (exemptio non adimpleti cinctactus). The point here is that the creditor is also negligent in fulfilling the rights of the debtor, so they both do not fulfill the rights and obligations between the creditor and the debtor. The debtor can fend off so that he cannot be held responsible for the non-performance of the agreement.

That states the creditor has relinquished his rights. The creditor here relinquishes his right to the claim against the debtor when he knows that the fulfillment of the achievement will be carried out but if the fulfillment is several days late not far from the specified time interval, then this is considered the creditor has relinquished his rights. As article 1963 BW (Burgerlijk Wetboek voor Indonesie) states

"A person who in good faith acquires an immovable property, an interest, or another receivable that does not have to be paid on show with an asset for twenty years, acquires ownership rights over it by way of past time"

The concept of breach of contract can be said when one party does not fulfill the performance to the other party or agrees to do something for the other party, based on a previous agreement. This is a deviant act committed by one of the parties to the agreement from what has been previously agreed without coercion which can result in losses for the opposing party. However, an act that is not planned or carried out under the agreed criteria cannot be immediately declared a breach of contract, unless specifically regulated in the provisions of the Civil Code.

3.2. The Concept Of Breach Of Contract In Malaysia (Kemungkinan Contract)

Malaysia by embracing the Common Law in making a contract must have the conditions listed, but if not fulfilled then the contract is considered invalid, as follows:

a. There is an offer;
b. There is reception;
c. There is a reply;
d. Intention to create a relationship that is legal and protected by law;
e. Ability or eligibility to enter into a contract;
f. Certainty or provision of the terms and terms of the contract;
g. Free will (not prompted or forced).

This unilateral contract principle was introduced in the case of Carlill v Carbolic Smoke Ball Co. Ltd. [1892] 2 QB 484, where the court held that an offer could be handled worldwide. His real intention was not to make a contract with the rest of the world but with whoever came forward to do all that the offer required. In this case, the defendant Carbolic Smoke Ball Co. Ltd. is a company that sells drugs known as Carbolic Smoke Balls. The advert for the drug states: Whoever has a cold and buys and uses the medicine according to certain directions for a certain time but still doesn't recover will win £100. This offer is made to show that the company firmly believes in the effectiveness of the drug. To further strengthen the offer, the company informed that £1000 has been deposited in the bank. The plaintiff, Carlill, convinced by the advertisement, bought the drug and took it as directed and within the prescribed time frame, but still did not recover from the flu. He demanded the amount of £100 as promised. The court ruled that he was entitled to the money because the offer was valid even though it was not addressed to a specific party.

As in Indonesia in Article 1320 BW (Burgerlijk Wetboek voor Indonesie) the terms of the agreement can be said to be valid when there is an agreement, competence, a certain matter, and a lawful cause. Disqualification of contracts is regulated in the Contract Act 1950.

Malaysia distinguishes between agreements and contracts. A contract is a form of agreement that has legal consequences while an agreement does not. In Indonesia, an agreement carried out by the parties is said to be a breach of contract when the performance of the fulfillment of obligations is not fulfilled. Different breach of contract a term in Malaysia which is often known as the term breach of contract (breach of contract). Breach of contract is "A contract can also be terminated through breach or breach of contract which is when the contracting parties fail to fulfill the responsibilities contained in the contract". When one of these parties does not perform or does not allow the party to perform the entire contract, in the Contract Law 1950 section 40 gives the power to the other party to complete the contract. Section 40 states

"When a contracting party refuses to perform, or does not enable himself to perform, the whole of his promise, the promisee may terminate the contract, unless he has shown, by word or conduct, his continued compliance".

The cancellation of the contract arises when the defaulting party does not implement the entire content of the contract or terms that are important to the

---

contract, then it is up to the court to assess whether the breach of contract gives rise to the right to terminate the contract or not.

The provision in section 40 also states that in the status of a contract that has been in breach of contract (breach of contract) the creditor has the option of canceling the contract or continuing it. Breach of contract (breach a contract) in section 40 is subject to section 65 regarding the return of what has been done with the note of the contract being cancelled.

Breach of contract can be resolved in several ways based on the 1950 Contract Law, among others:

a. Damages (sections 74 to 76 of the 1950 Act);
b. Specific implementation;
c. Injunction;
d. Quantum of merit;
e. Contract termination.

In addition, in general, if the buyer fails to proceed with the purchase, he is not considered a breach of the sales contract, but he may face obligations only under the order contract, such as loss of security deposit and so on. If the seller fails to fulfill the promise in the reservation that has been made, the buyer cannot take action under the sale and purchase contract such as a special execution claim because the sale and purchase contract has not been fulfilled. signed. However, the seller may be subject to a small amount of compensation for not meeting the requirements of the order. However, all of these principles are subject to the express agreement contained in the order involved. For example, some agreements stipulate that the deposit will be returned to the buyer if he cancels the purchase, and on the other hand, some stipulate otherwise. Therefore, contractors, especially users, need to be careful before signing any order documents.

In addition, the contract also contains issues related to fraud. In general, fraud cannot be carried out in secret. This means that a contract cannot be considered to contain an element of fraud if the party accused of fraud is silent. This method is based on the principle that “the contracting party is not responsible for explaining all the facts related to the contract.” The party who wants to know the facts about the contract must ask for an explanation from the other party.

According to Muhammad Fathi Yusof, deception in silence can occur if people who are silent are obliged to speak in situations where there is a relationship of trust. A

---

fiduciary relationship here refers to a close relationship and a bond of dependence that makes the recipient of the information give full trust to the informant. For example, in the relationship between a doctor and a patient, the doctor must provide all necessary information regarding the risks of the given treatment. Every patient has the right to decide what he wants or doesn't want to do to his body. Problems related to health are an important issue. Every individual has the right to medical care. Health problems are also very important in the life of a society. Therefore, there must be the best solution for these health problems.

In conclusion, understanding contractual issues are not only important for entrepreneurs or managers, but also consumers as a whole. By understanding this law, we will be more daring to make transactions and at the same time be aware of the risks that may be faced.

4. CONCLUSIONS

It can be conclude from the study:

The concept of breach of contract in Indonesia is when one party does not fulfill the performance to the other party based on a previous agreement. This is a deviant act committed by one of the parties against the agreement of what was previously agreed upon without coercion. However, an act that is not planned or carried out following the agreed criteria cannot be immediately declared a breach of contract, unless specifically regulated in the provisions of the Civil Code. The concept of a breach of contract in Malaysia is regulated in the 1950 Contract Law which is called the impermissibility of a contract, namely a contract may be terminated if the contracting parties fail to carry out the responsibilities contained in the contract. Each applies the concept of breach of contract according to their respective characteristics. contracts are something we often do in our daily lives. All forms of business depend on the rules of the contract. When we buy nasi lemak at a warung, we make a contract with the seller. Likewise, when we want to buy a book in a store, for example, we have made a contract that is subject to the laws of that country.

References:


Acknowledgement: "The completion of this publication manuscript cannot be separated from the assistance and support of various parties. I would like to express my deep and sincere gratitude to my research supervisor, especially to Madam Dr. Siti Anisah S.H., M.Hum as the supervisor of the Final Project or Undergraduate Thesis. It is an honor to be given the opportunity for writers to become a student of her guidance because her advice and direction the writer can finish the manuscript of this publication immediately. Hopefully for all the goodness and knowledge given to the writer, she will be given the ease and fluency in carrying out all her affairs and continue to get extraordinary achievements in her life. I am extremely grateful to my parents for their prayers, caring and sacrifices for educating and preparing me for my future. I am very much thankful to my sisters, my friends and all persons for their support and valuable prayers".

Funding: "This research received no external funding".

Conflicts of Interest: The authors declare no conflict of interests.

REFERENCES

Books
Kartini Muljadi and Gunawan Widjaja *Engagements Born from Agreements*, Jakarta: Raja Grafindo Persada, 2003


Subekti, *Covenant Law*, Jakarta, Intermasa, 2005

Journals


Mohd Zamre Mohd Zahir, Tengku Noor Azira Tengku Zainudin, Ramalinggam

Mohd Zamre Mohd Zahir, Tengku Noor Azira Tengku Zainudin, Ramalinggam

Mohd Zamre Mohd Zahir, Tengku Noor Azira Tengku Zainudin, Ramalinggam

Rajamanickam, Ahmad Azam Mohd Shariff, Zainunnisaa Abd Rahman, Ma Kalthum Ishak, Syafiq Sulaiman, Nor Hikma Mohamad Nor. 2021. Prospect and legal challenges of medical tourism in relation to the advance medical directive (AMD) in Malaysia. Special Issue of Pertanika Journal Social Sciences and Humanities (JSSH) 29 (S2): 17-28


