



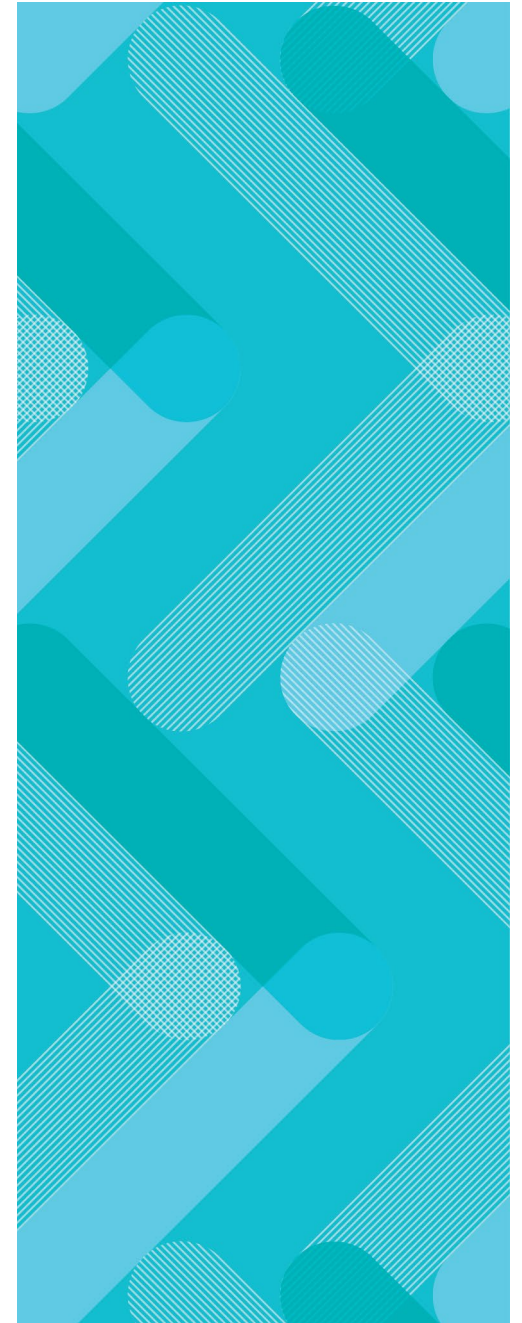
HERBERT
SMITH
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Contemporary Legal Knowledge and Practice

Comparative Laws - Singapore Institute of Legal Education

Session 1

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Introduction to Civil Law and the Civil Code

1. Introduction to the Common Law and Civil Law traditions
2. The Civil Code in Indonesia
3. The Civil and Commercial Code in Thailand
4. Minimal stare decisis: the practical significance

Introduction to the Common Law and Civil Law traditions

Some key differences to keep in mind:

- Common law relies on statutes, it is largely based on precedent and development of case law.
- Civil law is codified. The main source of law is to be found in different codes.
- Civil law systems offer a formalised framework for contract law laying out the rules governing the agreements.

Fact Pattern

You have been approached for advice by Sophie Publishing Limited ("SP"), based in Jakarta.

SP publishes a very successful women's monthly magazine, (Her)Story, which was launched three years ago by founder and CEO Sophie Ahmad as a more intelligent alternative to the usual titles. It combines fashion and lifestyle with more thought-provoking articles. (Her)Story's success is largely credited to its forward-thinking editor, Veronique Moreau, who will shortly be leaving the magazine to work for a rival publisher. Her departure was announced publicly on 28 June 2024.

Ms Moreau's departure has provoked anger on the part of a major new advertiser, Suey Mak Mak ("SMM"), a Thai-based designer leather goods brand which has become a household name in Thailand, Singapore, and Malaysia, and is now trying to break into the Indonesian market. Advertising in publications that appeal to its target market of young, upwardly mobile professionals is crucial to its strategy.

SMM entered into a one-year advertising contract with SP on 1 June 2024. The first edition containing SMM's advertising has already gone to print, but SMM is threatening to pull out from the remaining editions. SMM is demanding to know when Ms Moreau gave SP the notice of her resignation.

In a phone call received by Ms Ahmad shortly after the announcement of Ms Moreau's departure, SMM's owner and creative director (Madeleine Zhang) claimed she made it clear from the outset that SMM was interested in advertising in (Her)Story because of Ms Moreau's sophisticated editorial style, which was closely aligned to SMM's own sophisticated brand image, and she saw Ms Moreau as essential to the deal. She is particularly angry because Ms Moreau was closely involved in the discussions with SMM and gave presentations about her plans for the magazine over the next 12 months. Ms Zhang says that if SP had known that Ms Moreau was leaving, as it must have known by the time the contract was signed, SMM should have been told. Ms Zhang says that SP and Sophie Ahmad have deliberately tricked and cheated her and they should not be allowed to get away with such terrible behaviour.

Sophie Ahmad agrees that Ms Zhang referred to having been attracted to Ms Moreau's reputation and editorial style, but she doesn't recall anything about Ms Moreau being essential to the deal. She tells you that editors frequently move magazines after a couple of years or so, and SMM's experienced marketing team would have been well aware of this.

Ms Moreau did not give formal notice of her resignation until shortly after the contract with SMM was signed. However, she sent an email to Mr Wijaya (the lawyer), copied to Sophie Ahmad, two weeks beforehand, which said she intended to leave but recognised that news of her departure would not help the negotiations with SMM, and so she was planning to hold back giving formal notice until after the deal was concluded. She said she was letting SP know in advance so that Sophie Ahmad would have maximum time to think about continuity planning.

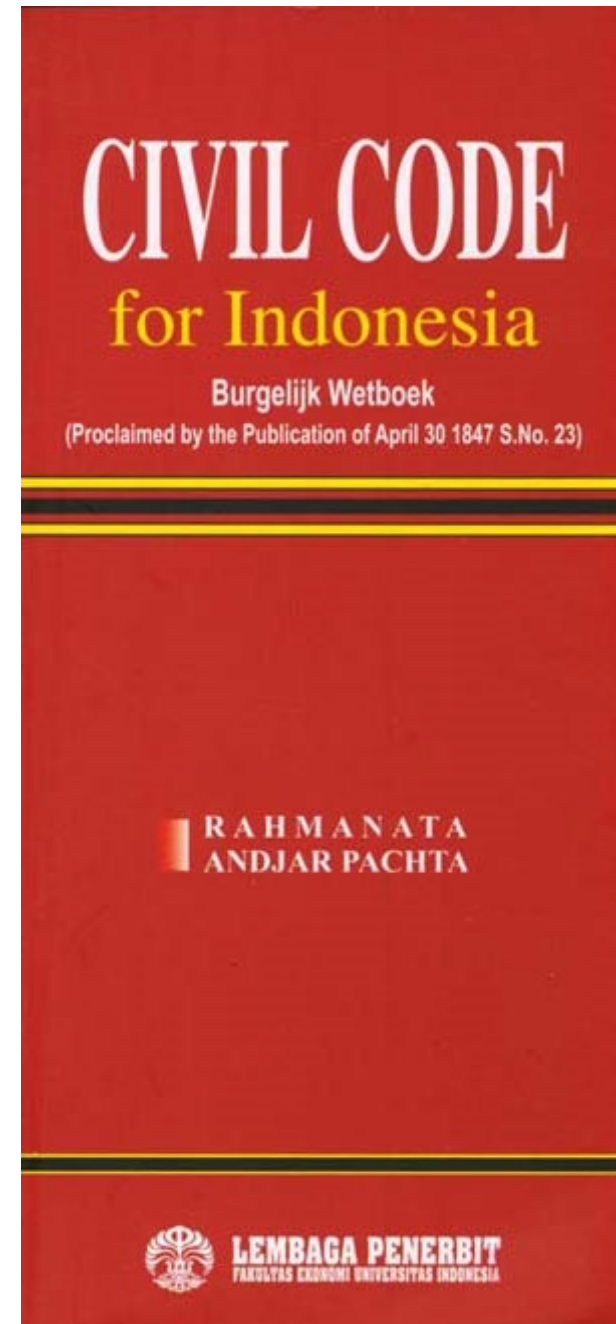
Mr Wijaya tells you that on receipt of this email he received a WhatsApp message from Ms Ahmad asking him as to what she should do and he immediately replied to Ms Ahmad advising her not to respond to Ms Moreau, so he does not believe there was any further email discussion on the issue.

Based on these facts, Mr Wijaya would like your initial advice both generally and in particular on the questions listed below. However, he is concerned about costs so does not want at this stage to provide you with a full copy of the agreement. He would just like you to advise at the moment based on the information and the extracts from the agreement reproduced below.

You should assume that Mr Wijaya has no familiarity with Indonesian law and no previous experience of disputes.

- (1) Will SMM be able to unilaterally terminate the agreement on its own?
 - a. If yes, would your answer be different if the agreement is governed by Indonesian law?
 - b. If not, what other grounds could SMM use to get out of the agreement? Can SMM invalidate the contract?
- (2) If SMM decides to bring a formal claim against SP, what is the likely basis on which it will formulate its claims?
- (3) Is SP entitled to payment of the monthly fees even if SMM does not place further ads? If the answer is yes:
 - a. on what basis and how should SP claim it in any proceedings if SMM refuses to pay?
 - b. would your answer be different if the agreement is governed by Singapore law?
- (4) SMM commenced proceedings against SP in the Central Jakarta District Court seeking, amongst others, termination of the agreement, and for any other relief in accordance with the principles of fairness and justice (*ex aequo et bono*). However, SMM had identified SP wrongly in the claim forms. The Court bailiff nonetheless served the claim forms on SP.
 - a. Should SP challenge the Court's jurisdiction on the basis that the wrong party was identified, and if your answer is yes, why? If not, what steps should SP take in the Central Jakarta District Court or anywhere else?
 - b. Suppose SP brings a counterclaim for the monthly fees, could the Court refuse to award that claim even if it finds the agreement to be valid and binding, and if so, on what basis?
 - c. In the proceedings before the Central Jakarta District Court, can SMM demand or compel SP to produce the communications (i) sent by Ms Moreau to Mr Wijaya and Ms Ahmad, and (ii) the WhatsApp messages between Mr Wijaya and Ms Ahmad?
 - i. Would your answer be different if the request was made in the HK seated ICC arbitration?
 - ii. Suppose the Central Jakarta District Court ordered / directed SP to produce these communications. Can SP refuse to produce them and on what grounds?
 - d. Can SP claim for its legal costs in the proceedings?

2. The Civil Code in Indonesia



BOOK ONE - INDIVIDUAL

Contents

Chapter I - Concerning the enjoyment and the loss of civil rights
Chapter II - Concerning assets and the distinctions between them
Chapter III - Concerning residence or domicile
Chapter IV - Concerning matrimony
Chapter V - Concerning the rights and obligation of the spouses
Chapter VI - Concerning legal community property and management thereof
Chapter VII - Concerning prenuptial agreements
Chapter VIII - Concerning community property or prenuptial agreements in the event of second or further marriages
Chapter IX - Concerning the division of assets
Chapter X - Concerning the dissolution of marriage
Chapter XI - Concerning separation from bed and board
Chapter XII - Concerning fatherhood and the descent of children
Chapter XIII - Concerning the relationship by blood and marriage
Chapter XIV - Concerning parental authority
Chapter XIV A - Concerning the stipulation, amendment and revocation of support payments
Chapter XV - Concerning minority and guardianship
Chapter XVI - Concerning emancipation
Chapter XVII - Concerning conservatorship
Chapter XVIII - Concerning absence

BOOK TWO - ASSETS

Contents

Chapter I - Concerning assets and the distinctions between them
Chapter II - Concerning possession and the rights resulting therefrom
Chapter III - Concerning ownership
Chapter IV - Concerning the rights and obligations among owners of neighboring plots of land
Chapter V - Concerning the rights and obligation of the spouses
Chapter VI - Concerning servitude
Chapter VII - Concerning the right of building
Chapter VIII - Concerning right of tenure by long lease
Chapter IX - Concerning ground rents and one tenth
Chapter X - Concerning use of proceeds
Chapter XI - Concerning use and occupation
Chapter XII - Concerning succession by demise
Chapter XIII - Concerning last wills
Chapter XIV - Concerning executors of last wills and managers
Chapter XV - Concerning the right of deliberation and the privilege of estate description
Chapter XVI - Concerning the acceptance and rejection of inheritances
Chapter XVII - Concerning estate division
Chapter XVIII - Concerning ungoverned inheritances
Chapter XIX - Concerning priority of debts
Chapter XX - Concerning pledges
Chapter XXI - Concerning mortgages

BOOK THREE - CONTRACTS

Contents

Chapter I - Concerning contracts in general
Chapter II - Commitments arising from contracts or agreements
Chapter III - Contracts arising by force of law
Chapter IV - Concerning the nullification of contracts
Chapter V - Concerning sale and purchase
Chapter VI - Concerning exchange
Chapter VII - Concerning granting on lease and taking on lease
Chapter VII A - Concerning agreements regarding the performance of services
Chapter VIII - Concerning partnerships
Chapter IX - Concerning legal entities
Chapter X - Concerning gifts
Chapter XI - Concerning deposits
Chapter XII - Concerning lending for use
Chapter XIII - Concerning loans for consumption
Chapter XIV - Fixed or perpetual interest
Chapter XV - Concerning aleatory agreements
Chapter XVI - Concerning the issuance of mandates
Chapter XVII - Concerning guarantees
Chapter XVIII - Concerning settlement

BOOK FOUR - CONCERNING EVIDENCE AND PRESCRIPTION

Contents

Chapter I - Concerning evidence in general
Chapter II - Concerning evidence
Chapter III - Concerning evidence by witnesses
Chapter IV - Concerning inferences
Chapter V - Concerning confessions
Chapter VI - Concerning the legal oath
Chapter VII - Concerning Prescription
Chapter I - Concerning evidence in general

Indonesia's New Government Regulation on Toll Road

Law No 38 of 2004 on Roads was amended on 12 January 2022 by Law Number of 2022 (“Law No. 2/2022”).

Three other grounds for tariff adjustment were introduced:

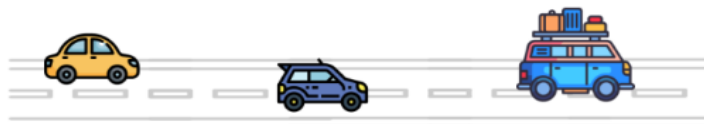
- i. there is a procurement of traffic services in the toll road network system in certain regions;
- ii. there is an expansion of scope in the business plan of BUJT that impacts investment viability; and/or
- iii. there is a central government policy that affects investment viability.

Government Regulation Number 23 of 2024 on Toll Roads ("GR No. 23/2024") has been enacted on 20 May 2024 as the replacement of Government Regulation Number 15 of 2005 on Toll Roads ("GR No. 15/2005").

Purpose of GR No. 23/2024 Enactment

GR No. 23/2024 enacted as the implementing regulation related to Article 35H, Article 45 paragraph (7), Article 48 paragraph (8), Article 49 paragraph (2), Article 50 paragraph (16), Article 51 paragraph (4), Article 51A paragraph (7), Article 51B paragraph (2), Article 52 paragraph (5), Article 52A paragraph (2), Article 55 paragraph (5), Article 56A paragraph (3), Article 57 paragraph (4), and Article 61 Law Number 38 of 2004 on Roads, as amended several times, most recently by Law Number 6 of 2023 on the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation into Law ("Law No. 38/2004").

Consideration of GR No. 23/2024



GR No. 23/2024 contains total of 114 (one hundred and fourteen) articles, which are categorized in 9 (nine) chapters, as follows:

- | | |
|-------------------------|--|
| a General Provision | f Toll Road Supervision |
| b Toll Road Management | g Fund Management Unit |
| c Toll Road Regulation | h Toll Road Regulatory Agency |
| d Toll Road Development | i Rights and Obligation of Toll Road Business Entity |
| e Toll Road Business | |

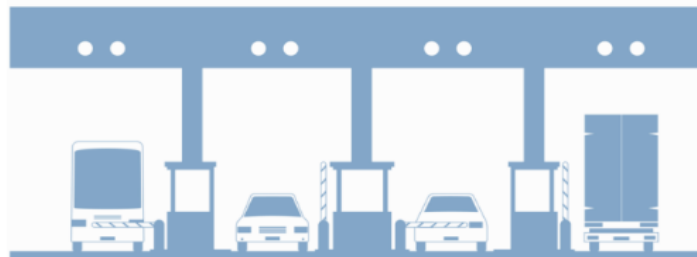
History of GR No. 23/2024

Over more than a decade, there have been various new developments and legal needs in the administration of toll road that have not been accommodated by Law Number 38 of 2004 on Roads. On 12 January 2022, Law Number 2 of 2022 on the Second Amendment to Law Number 38 of 2004 on Roads ("Law No. 2/2022") was enacted in order to meet current legal needs and align with the increasingly dynamic developments of the times.

Further implementation of the regulation on toll road in the Law No. 38/2004 requires a Government Regulation that is in accordance with the mandate of Law No. 38/2004.

Based on Article 67A paragraph (1) Law No. 38/2004, the implementing regulation of Law No. 2/2022 shall be established no later than 1 (one) year from the date of Law No. 2/2022 is enacted.

Before the enactment of GR No. 23/2024, regulations regarding toll roads were set out in GR No. 15/2005. Basically, GR No. 23/2024 has several provisions that are similar to the GR No. 15/2005. However, the Government deemed that the changes required were massive, and thus it was decided to establish a new government regulation concerning toll road.



GR No. 23/2024 provision elaborated in this Publication



Electronic Toll Collection System



Excess Profit Sharing / Clawback



Tariff Adjustment



Minimum Service Standard



Supervision by Government Agency



Land Acquisition Funding in Unsolicited Project



Land Value Capture



Government Actions for Terminated Concession

Periodic Tariff Adjustment

In relation to toll tariff, BPJT will conduct an evaluation and adjustment once in 2 (two) years. The result of the evaluation will be recommended to the MoPWH, and then the MoPWH will issue a stipulation of tariff adjustment based on the evaluation in question. Below are the basis for stipulating a tariff adjustment under GR No. 23/2024.

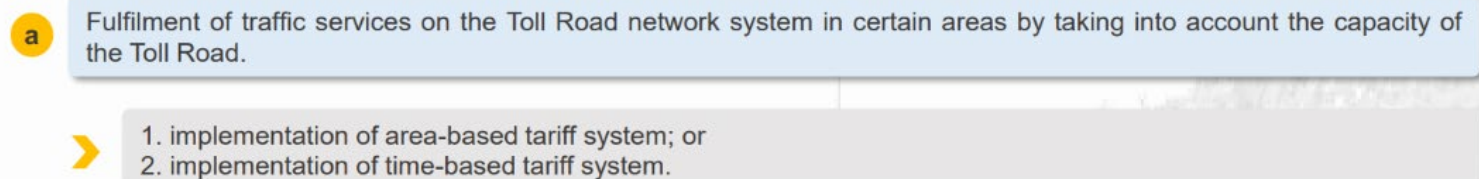
Art. 83 (1) and (4) of GR No. 23/2024



Special Tariff Adjustment

Beside the Periodic Tariff Adjustment, GR No. 23/2024 is also regulating the special tariff adjustment. The Special Tariff Adjustment may be implemented under the following conditions:

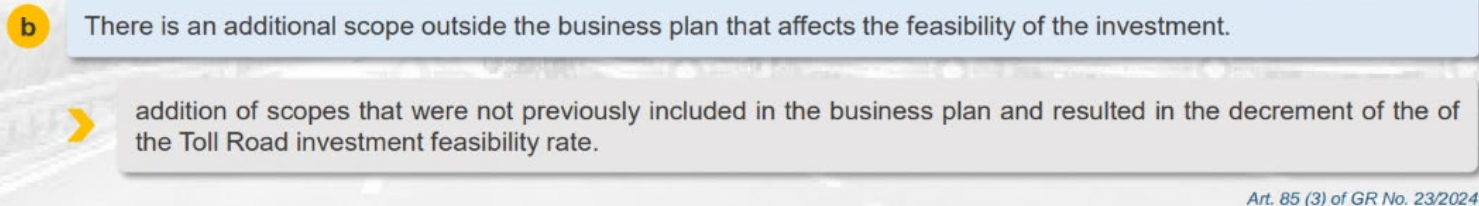
Art. 84 (1) of GR No. 23/2024



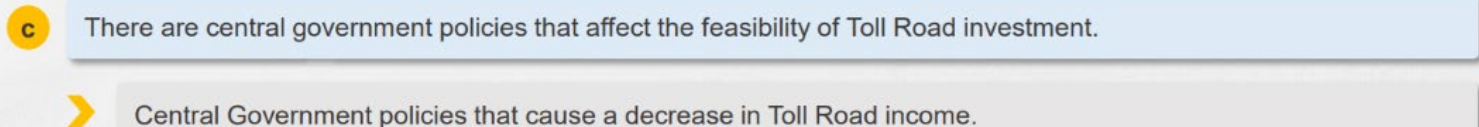
Art. 84 (2) of GR No. 23/2024

In the event that the MoPWH conducts an evaluation and adjustment of toll tariff considering this condition, the toll revenue difference shall be designated as non-tax state revenue used for the development of the toll road network.

Art. 84 (2) of GR No. 23/2024

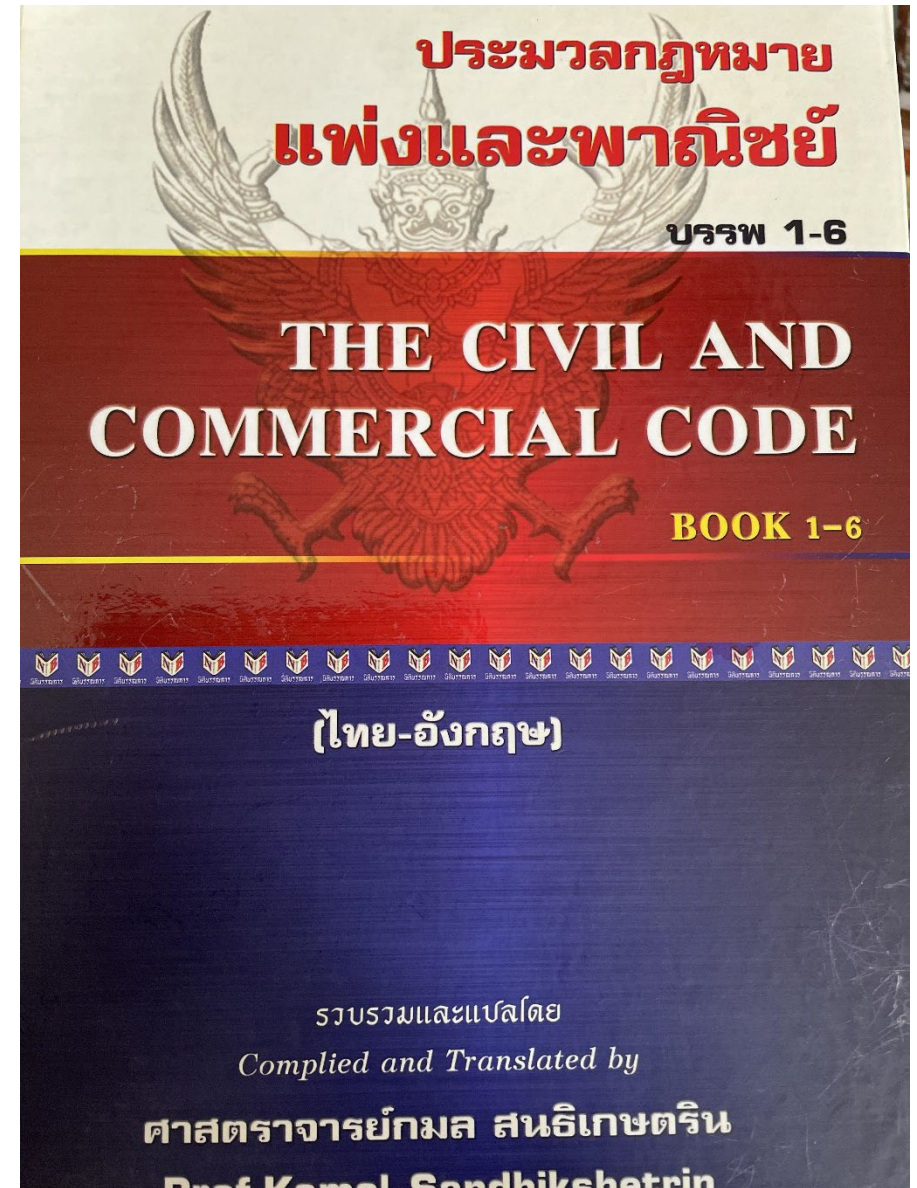


Art. 85 (3) of GR No. 23/2024



Art. 85 (5) of GR No. 23/2024

3. The Civil Code and Commercial Code in Thailand



3. The Civil and Commercial Code in Thailand

- **Book 1 General Principles**

Book 1 Title 1	General Provisions
Book 1 Title 2	Persons <ul style="list-style-type: none">• Chapter 1 Natural Persons• Chapter 2 Juristic Persons
Book 1 Title 3	Things
Book 1 Title 4	Juristic Acts
Book 1 Title 5	Periods of time
Book 1 Title 6	Prescription

- **Book 2 Obligations**

Book 2 Title 1	General Provisions <ul style="list-style-type: none">• Chapter 1 Subject of Obligations• Chapter 2 Effects of Obligation• Chapter 3 Plurality of Debtors and Creditors• Chapter 4 Transfers of Claims• Chapter 5 Extinction of Obligations
Book 2 Title 2	Contracts
Book 2 Title 3	Management of Affairs Without Mandate
Book 2 Title 4	Unjust Enrichment
Book 2 Title 5	Torts

3. The Civil and Commercial Code in Thailand

- **Book 3 Specific Contracts**

Book 3 Title 1	Sale
Book 3 Title 2	Exchange
Book 3 Title 3	Gift
Book 3 Title 4	Hire of Property
Book 3 Title 5	Hire-Purchase
Book 3 Title 6	Hire of Services
Book 3 Title 7	Hire of Work
Book 3 Title 8	Carriage
Book 3 Title 9	Loan
Book 3 Title 10	Deposit

Book 3 Title 11	Suretyship
Book 3 Title 12	Mortgage
Book 3 Title 13	Pledge
Book 3 Title 14	Warehousing
Book 3 Title 15	Agency
Book 3 Title 16	Brokerage
Book 3 Title 17	Compromise
Book 3 Title 18	Gambling and Betting
Book 3 Title 19	Current Account
Book 3 Title 20	Insurance
Book 3 Title 21	Bills
Book 3 Title 22	Partnerships and Companies
Book 3 Title 23	Associations (Repealed)

- **Book 4 Property**
- **Book 5 Family**
- **Book 6 Succession**

3. The Civil and Commercial Code in Thailand

- **Book 2 Obligations – Examples of Obligations**

Title 5 Chapter 1 Liability for Torts

Liability for a person's own actions

Direct Liability

Section 420. Any person who, intentionally or negligently, has unlawfully injured the life, body, health, freedom, property or any right of another person is said to commit a tortious act and shall be obligated to pay compensation for such act.

Liability for another person's actions or objects

Indirect Liability

- **Section 425.** The employer shall be jointly liable with his or her employee for the consequences of a tortious act committed by such employee in the course of his or her employment. This is similar to Section 427. (principal and agent), and Section 428. (employer and contractor)
- Owners or controller of vehicle shall be responsible for injury arising from such vehicle, unless it can be proven that the injury results from force majeure or fault of the injured person. (Section 437.), etc.

Compensations for Wrongful Acts

- **Section 438.** A court shall decide on the manner and the extent of compensation according to the circumstances and the severity of the tortious act.
Compensation shall include restitution of the property of which the injured person has been deprived by a tort or its value, including compensation to be granted for any damage arising.

Prescription

- **Section 448.** The right to claim compensation for damages in tort shall be barred by prescription after one year has elapsed from the date on which the injured person comes to know of the tortious act and the identity of the person bound to pay compensation, or ten years have elapsed from the date of the tortious act.
- However, if the damages are claimed based on an act punishable under the criminal law for which a longer prescription is provided, such longer prescription shall apply.



4. Minimal Stare Decisis: The Practical Significance

4. Minimal Stare Decisis: The Practical Significance

- Civil law jurisdictions do not adopt a stare decisis in adjudication. No single decision binds a court.
- Once uniform case law develops, courts treat precedents as a persuasive source of law, taking them into account when reaching a decision.
- Principle of *jurisprudence constante* deriving from French Civil law.