

COURT DECISION ON LANGUAGE LAW

Nov 19, 2013

The West Jakarta District Court, under Decision No. 451/Pdt.G/PN.Jkt.Bar, ruled that an agreement involving an Indonesian entity which was not drawn up in the Indonesian language was null and void. The panel of judges was of the opinion that Law No. 24 of 2009 on the National Flag, Language, Emblem and Anthem (“**Law No. 24/2009**”) requires the Indonesian language to be used for any agreement involving an Indonesian party and any failure to comply will cause the agreement to be considered not to have a lawful cause as required under Art. 1335 jo.1337 of the Indonesian Civil Code. The requirement to have an agreement drawn up in Indonesian under Law No. 24/2009 has caused significant debate in the Indonesian legal community, in particular with regard to its legal impact. Some follow the conservative point of view and translate agreements into the Indonesian language, while others are comfortable with including an article under which the parties agree to translate the document if required to do so. However, now, given the West Jakarta District Court’s ruling, parties to an agreement involving an Indonesian party must be very careful about drafting the agreement in a foreign language. This ruling is on appeal and we will keep you updated.