

CHAPTER V

CONCLUSION, LIMITATION AND RECOMMENDATION

A. Conclusion

1. There are similarities on how to make a commercial contract between Indonesia and Singapore. Even though Indonesia is a member of UPICC, but it does not diminish the opportunity for other non-member state of UPICC to use or refers to the UPICC for their regulations and acts regarding commercial contract. The similarities can be seen from one of the requirements in Indonesia and Singapore, in which both countries requires the parties to have a capacity to enter a contract.
2. There are differences between the principles on a member state of UPICC in this case Indonesia and the non-member state of UPICC, in this casse is Singapore.

The differences on the principles that act as a base for an agreement or trade contracts in Indonesia and Singapore

Table 5.1

Differences between Indonesia and Singapore contract law

Indonesia	Singapura
1. The principle of freedom of contract;	1. Offer and Acceptance
2. The principle of consensualism;	2. Consideration
	3. Intention to Create Legal Relations

3. The principle of trust;	4. Terms of the Contract
4. The principle of the power to bind;	5. Capacity to Contract
5. The principle of equality of law;	6. Privity of Contract
6. The principle of balance;	7. Discharge of Contract
7. The principle of legal certainty;	8. Mistake
8. The principle of morality;	9. Misrepresentation
9. The principle of decency.	10. Duress, Undue Influence and Unconscionability
	11. Illegality and Public Policy
	12. Judicial Remedies for Breach of Contract

Source: Compiled by author

Table 5.2

The requirements for a valid agreement are also differs between Indonesia and Singapore.

Indonesia	Singapura
i. There must be a consent of the individuals who are bound thereby;	1. A meeting of the minds between the parties, manifested through offer and acceptance;
ii. There must be capacity to enter obligation	2. Consideration;

iii. There must be a specific subject matter	3. An intention to create legal relations;
iv. There must be a permitted cause	4. Parties must have a capacity to contract; and
	5. The parties must freely consent to the agreement.

Source: Compiled by author

3. On adopting UPICC and applying UPICC on making a contract or commercial agreement, it will be easier for the parties to make and execute that commercial contract. Based on the purpose of UPICC and to actualize the Theory of Development from Mochtar Kusumaatmadja, UPICC can help member states or non-member states by allowing the parties in both states to use UPICC as the base of their agreement or contract. And both states will always try to raise the standard of law for their people.

Indonesia as a member of UPICC is greatly facilitated on making and executing contracts or commercial agreements. For the parties in Indonesia that want to make an agreement or commercial contract, they can directly use UPICC as their base for the agreement or commercial contract.

UPICC can also be used as a model law on a national or international level. UPICC can be used as a base or a guidance to make a regulation

on a state. Whether that state is a member or a non-member of UPICC.

Parties in all of the world can use UPICC as their base on making a contract or commercial agreement.

4. There are still a lot of states that are not a member of UPICC but that does not mean those countries does not have any regulations on commercial contract or has a regulation that is not good. From the discussion above, it can be concluded that eventhough Singapore is a non-member of UPICC, but there are still several points from the regulations in Singapore regarding commercial contract that correlates with UPICC or similar with UPICC.

Indonesia who is a member of UPICC even has not perfected every commercial agreement in Indonesia. From the example of the agreement attached, there are still some terms that has not been included in the agreement.

B. Limitation

Finding difficulties on finding a factual example of international trade agreement. Most of the trade agreements are confidential and cannot be published to other party other than the party of interests.

C. Recommendation

a. Government

A special law has to be made for commercial contract because the regulations nowadays is too common (*lex generalis*) and if there is a *lex specialis* that goes into more detail it will

ease the parties to do make a commercial contract agreement. Also the parties will not find difficulties on having to go through Indonesia Civil Code where they can directly go through the specialized law.

The government has to do counseling's on how to make a good contract and agreement based by UPICC since Indonesia is a member of UPICC.

b. Society

The society who wants to make an agreement or commercial contract should first do researches on how to make and execute the agreement or commercial contract.

The society has to be more aware on how to make an agreement or commercial contract that is suitable with the standard of the regulations in Indonesia and also correlates with the principles of UPICC.

c. Science

The enhancement of the standard of science can increase the society's standard. With UPICC and having science that informs the principles of UPICC to the society, society will be more aware and know the principles of UPICC and they will use it as a base for their agreement and commercial contract.

Science does take effect on the society. The regulations in Indonesia about law of agreement has to be used more so that

the society knows how to make and execute an agreement that is suitable with the regulation and acts in Indonesia and also with the principles of UPICC.