

Analysis of the Validity of Oral Agreements According to Civil Law in Indonesia

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Abstract: In everyday life, the practice of making agreements often occurs informally and without written documentation, particularly in casual social interactions and economic activities. This raises important legal questions regarding whether verbal agreements hold valid legal force. The purpose of this study is to examine the legal status of verbal agreements under Indonesian civil law, particularly in relation to the requirements for the validity of an agreement as outlined in Article 1320 of the Civil Code (KUHPerdara). The study employs a normative juridical approach, focusing on legal provisions and legal doctrines to explore the issue. According to the findings, while verbal agreements are legally binding, they must still meet the requirements stipulated in Article 1320 of the Civil Code. These requirements include mutual consent, the capability of the parties involved, a lawful object, and a legal cause. Despite the lack of a written record, verbal agreements can still be considered valid as long as these criteria are met. However, a significant challenge arises when disputes occur, as proving the existence and terms of a verbal agreement can be difficult without written evidence. This is where the importance of written agreements comes into play, as they provide stronger legal protection in case of legal conflicts. The study also highlights that although Indonesian civil law recognizes verbal agreements, it strongly encourages parties to formalize agreements in writing to avoid ambiguity and ensure legal certainty. In conclusion, while verbal agreements are valid under the law, the need for written documentation is crucial for protecting the interests of the parties involved and providing clear evidence in the event of a legal dispute.

Keywords: Agreement, Civil Law, Validity

1. Introduction

In everyday life in Indonesia, verbal agreements are still very common, especially in informal matters based on trust. Examples include activities like lending money, buying and selling household goods, or small business partnerships. This practice arises because people tend to prioritize social closeness and mutual trust over written documents. In civil law practice, verbal agreements create problems when disputes arise between the parties. Many people struggle to prove the existence of an agreement due to the lack of a written document. In these situations, the existence of evidence becomes crucial in court. Therefore, although verbal agreements can be considered valid, they still have weaknesses in terms of proof.

Based on Article 1320 of the Civil Code, an agreement is valid if it meets four elements: agreement, legal capacity of the parties making it, the existence of an object agreed upon, and a purpose that is not unlawful. From this provision, it is clear that Indonesian law does not require a written agreement to be legally recognized. This means that as long as these requirements are met, an oral agreement is also valid. This demonstrates that Indonesian civil law adheres to the principle of agreement or consensualism.

Although considered legally valid, oral agreements remain vulnerable to litigation. This is because oral agreements are difficult to prove without supporting documentation or

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witnesses. Research by Sihite and Sinaga (2024) shows that oral agreements in agricultural product sales often make it difficult for the aggrieved party to prove the terms of the agreement.

Legal experts recommend that people still create written documents, even if the agreement seems simple. This provides stronger legal protection if problems arise later. A study by Purwaningsih (2024) explained that many informal sector workers lack written contracts, leaving them in a vulnerable position when faced with legal challenges.

Another study by Juli and colleagues (2024) explains that in the context of gifts and inheritance, the form of the agreement significantly influences legal certainty. Although gift agreements can be conveyed orally, written agreements are still considered stronger, especially when used in administrative and court proceedings. This demonstrates that the format of the document plays a crucial role in legal protection

2. Research Methods

This research uses a normative juridical method, which aims to analyze the applicable legal norms regarding legal protection in franchise contracts. in Indonesia. Method This focus on studies literature with examine laws and regulations, as well as relevant legal literature. Primary legal materials: Civil Code, Law Number and decision court. Material law secondary: literature law, journal scientific, as well as doctrine from for expert civil law. The analysis technique in this study uses a conceptual approach method.

3. Content and Discussion

3.1 Are Oral Agreements Recognized as Valid Agreements in Indonesian Civil Law?

In Indonesian civil law, an agreement is considered valid if it meets four requirements as stipulated in Article 1320 of the Civil Code (KUHPerdata), namely: agreement between the parties, capacity to enter into an agreement, a specific object, and a lawful cause. This provision does not mention the requirement for a written form, so it can be concluded that Indonesian law recognizes the validity and validity of agreements made orally, as long as these requirements are met.

Furthermore, the principle of consensualism in Indonesian civil law reinforces the view that form is not an absolute factor in determining the validity of an agreement. This means that when two parties have agreed on something and fulfilled the other elements, the agreement remains valid even if only verbally. This is evident in informal commercial agreements, such as shop rentals or distribution agreements, which are often conducted without written documentation but still have legal force.

The problem that often arises is not about legality, but rather the difficulty of proving it. In court practice, written agreements are easier to use as evidence than oral agreements. Oral agreements require additional evidence, such as witnesses or recordings, which may not be

readily available or acceptable to judges. Pamungkas & Bangsawan (2024) note that, despite being legal, proving oral agreements in local business disputes, such as between suppliers and shop owners, often presents challenges due to the lack of formal documentation.

This situation is reinforced by Krisnadewi's (2024) findings in a study of boarding house rentals in Denpasar, where tenants and landlords often reach agreements only verbally. When a breach or breach occurs, dispute resolution becomes difficult because there is no written evidence of the content and duration of the agreement, even though the legal relationship between the two parties is still recognized by the courts.

As a form of legal protection, parties entering into verbal agreements are advised to at least document their agreements, for example through text messages, emails, or audio recordings that can be used as supporting evidence. This is crucial to ensure the agreement's effective enforcement within the legal system and to facilitate resolution in the event of a conflict. This is also emphasized by, who states that even in religious court proceedings, verbal agreements can still be processed as long as additional evidence can be presented.

Thus, oral agreements are recognized as valid under Indonesian civil law. However, for their enforceability in practice, the parties involved need to seriously consider the evidentiary aspect. Civil law does not reject verbal agreements, but proof remains a major challenge in achieving substantive justice.

3.2 Legal Obstacles in Proving Oral Agreements

One of the biggest challenges in proving oral agreements under Indonesian civil law is the lack of concrete physical evidence. Unlike written agreements, which can be readily demonstrated in document form, oral agreements rely on the memories and testimonies of the parties involved. This makes it difficult for judges to assess the validity and veracity of the agreement's contents. According to the Indonesian Constitution, oral agreements can only be effectively proven if accompanied by other evidence, such as audio recordings or credible witnesses, which are not always available in practice.

Besides the lack of physical documents, another obstacle lies in the limited evidence recognized in civil procedural law. The Civil Code stipulates that valid evidence includes written evidence, witnesses, confessions, oaths, and allegations. In cases of oral agreements, often only witnesses are available, but the presence of witnesses alone is not necessarily enough to convince the judge, especially if the witnesses are not independent. revealed that in the context of breach of contract, oral evidence rarely can outweigh the strength of legally valid written evidence.

Another obstacle that arises is the assumption of bias against oral forms in formal legal practice. Many legal practitioners and even judicial officials still believe that agreements not set out in written form have weak legal force. In practice, although the law recognizes oral agreements, parties who rely on these forms often suffer from a lack of evidentiary protection. This imbalance leads to injustice, especially for parties with low levels of legal literacy.

Problems also arise in proving the intent and content of oral agreements. Without a written document, each party may have a different perception of what was agreed upon. This creates conflicting interpretations that are difficult for the courts to resolve. One of the main weaknesses of oral agreements is that they are too open to interpretation, allowing for differing versions between the parties, further complicating disputes.

Another common technical obstacle is the difficulty in producing reliable witnesses. In many cases of oral agreements, the agreement is made privately and without the presence of a third party. Even if a witness is present, the court will examine their impartiality and impartiality. Without other supporting evidence, a single witness is difficult to substantiate claims in an oral agreement, as they may be perceived as lacking objectivity or having an emotional connection to one of the parties.

Verbal agreements are valid under Indonesian civil law, but proving them in court faces various obstacles. Therefore, to mitigate legal risks, it is recommended that agreements, no matter how small, be written down or documented digitally. The goal is to create legal certainty and stronger protection for the parties, as concluded by Wibowo et al. (2022) in their study on proof in online and offline sales transactions.

One of the most common forms of verbal agreements in society is a loan agreement between individuals, for example, friends, neighbors, or family members. In such situations, due to close social relationships and mutual trust, agreements are usually made verbally without a written document. However, problems arise when the borrower defaults on their obligations and denies receiving the loan. In such cases, the lender is in a difficult position, having to prove that the transaction actually occurred.

A concrete example can be seen in the decision of a case analyzed by M. Iman (2024), where a plaintiff demanded repayment of a loan given to a friend without written evidence. In this case, the court declared the lawsuit inadmissible due to insufficient supporting evidence, considering that the plaintiff only relied on personal testimony without witnesses or additional evidence. The judge in this case referred to the principle of proof regulated in the Civil Procedure Code, where the burden of proof lies with the party filing the lawsuit.

Wahjoeono (2023) explained a similar point in his study of breach of contract in oral agreements. He stated that many people don't realize that even though oral agreements are legally valid, they still require supporting evidence according to procedural law. Without documents, recordings of conversations, or witnesses who directly witnessed the agreement, it is very difficult to obtain a court decision in favor of the aggrieved party.

This situation underscores the importance of educating the public about the legal risks of entering into undocumented agreements. A realistic solution is to seek at least preliminary written evidence, such as WhatsApp chats, text messages, or even simple loan notes. A study by Nisya and Yuliawan (2023) demonstrated that digital evidence in verbal agreements, even if not authentic documents, can still be considered by judges as corroborating evidence.

Thus, from a practical perspective, oral debt agreements require extra caution. Although the law does not require a written form for validity, the reality in courts shows that oral agreements make it difficult to prove and are therefore more vulnerable to breach. This is important to understand, especially for those unfamiliar with the law, to avoid losses due to misunderstandings or violations that are difficult to prosecute.

4. Conclusion

Oral agreements remain legally binding as long as they meet the requirements for a valid agreement as stipulated in Article 1320 of the Civil Code. Indonesian civil law does not require written agreements, except for certain agreements specifically regulated by law (e.g., land sales). Oral agreements are prone to disputes due to weak evidence. Therefore, even though the law does not require a written form, it is highly recommended that agreements be set out in writing or accompanied by other supporting evidence to anticipate future disputes.

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