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## **Implementation of The Basic Freedom of Contract in Review** From The Shariah Alliance

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Abstract

#### **Article Info**

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In civil matters, the parties will not be separated from the legal relationship. The legal relationship itself arises when there are rights and obligations of the parties so that what is agreed can be achieved. The parties are given freedom to make a contract. The contract itself must meet both subjective and objective requirements. One of the subjective conditions, which is the agreement between the parties, must be based on the principle of freedom of contract. The basis of freedom of contract according to Article 1338 BW "All legally made agreements are legally binding on those who make them". The purpose of Article 1338 BW is that the basis for the parties to carry out the contract must be equality, justice, honesty and truth. The meaning of freedom of contract does not mean that the law allows parties to deviate from legal regulations or immoral acts. The Draft Law or what is known as (RUU) Engagements is a draft sub-codification of the national engagement law which previously, sub-engagements were regulated in Book III BW/Perdata. A special codification of contract law regulates sharia contracts as a form of implementing cooperation or business agreements with sharia principles. Therefore, in this article the author will explore the principle of freedom of contract in sharia agreements in cooperation agreements between parties in society. This research is legal research (doctrinal research) with an analytical approach (analytical research), a statutory approach (statues approach), and a conceptual approach (conceptual approach). The formulation of the problem to be studied is as follows, first Basis of Freedom of Contract in Agreements, Second, Freedom of the parties in carrying out the agreement, and third, The application of the basic freedom of contract is reviewed from the sharia alliance. The results of the research explain firstly, freedom of contract in contractual relationships is the essence of individuals being able to carry out the agreements agreed to in the contract as long as they do not conflict with public order and legislation. Second, freedom of contract on a contract must be based on good faith (good faith) the parties and state their wishes (conduct) proportionally. Third, The application of freedom of contract in sharia agreements places greater emphasis on benefits for the benefit of the parties and is not merely individualistic.

#### **INTRODUCTION**

In activities carried out by human beings, both individually and in groups, there is no such thing as a contractual relationship. This contractual relationship is the existence of rights and obligations that directly or indirectly occur in achieving a goal. These goals depend on what has been agreed upon by the parties in the economic, business, legal and other domains. The correlation in the development of contractual relationships cannot be separated from the habits of individuals and groups who continue to be creative in fulfilling their lives through the contractual relationship itself. Indonesia is a country that upholds legal values, which means that all actions must be carried out based on applicable legal provisions.

In the Civil Code or abbreviated (KUHPerdata) through Article 1313, the formulation of "contract or agreement" is "*An agreement is an act by which one or more people bind themselves to one or more other people*". In a contractual relationship there are at least 2 (two) or more legal subjects, namely persons or legal entities. The existence of a contract will create an agreement as a form of carrying out the rights and obligations of the parties until an agreement has been reached. H.F.A. Vollmar, by analyzing its contents, it turns out that the agreement exists as long as the person (debtor) has to perform something which may be enforced against the creditor, if necessary with the help of a judge<sup>1</sup>. The agreement itself is a bridge for proof that if one day one of the parties does not carry out its obligations then the legal consequences can be brought to court on the basis of breach of contract.

The development of contract law continues to experience very high complexity resulting in many parties' interests having to be accommodated in order to obtain legal certainty. Legal certainty in contract law must of course refer to the legal principles that apply in the agreement, one of which is the principle of balance. The principle of balance is a state of calm or harmony because of the various forces at work, none of which dominates the others, or because not one element dominates the others.<sup>2</sup>. This principle of balance requires the parties to be fair in carrying out their respective roles that have been delegated in the agreement. However, with the development of the principle of balance, it has changed to the principle of proportionality which is desired by the parties. The principle of proportionality assumes that the division of rights and obligations is realized in the entire contractual relationship process, both in the precontractual phase of contract formation and contract implementation (*pre-contractual*, *contractual*)<sup>3</sup>.

Not only the proportional basis in making contractual arrangements, in the agreement does not regulate the limitations for the parties who will perform contractual relations. These limitations do not apply in the agreement because there is a fundamental freedom of contract for the parties. Before the negotiation or until the execution of the contract, of course the parties can freely choose to enter into a contractual relationship as long as it does not conflict with applicable laws and regulations. According to Agus Yudha Hernoko by quoting Peter Mahmud Marzuki, that the principle of freedom of contract states that a person or parties generally have a free choice to enter into an agreement<sup>4</sup>. Freedom of contract is not only about the parties being able to choose or enter into a contractual relationship with anyone but with the form or way to enter into a contractual relationship as long as it is recognized by law.

In current developments, sharia principles in regulating people's lives have become a priority. This priority is due to the fact that the majority of Indonesian people are Muslim and the principles of sharia are an advantage to be implemented. The Draft Law on Engagement Law which will be codified regulates sharia-based engagement as a form of providing attraction and public trust. This attraction is a form of accommodation for Islamic communities to be able to contract with sharia values. However, of course there is a difference in the principles of freedom of contract between sharia and conventional. According to Faturrahman Djamil, "Islamic Sharia gives freedom to every person who enters into a contract according to his wishes or wishes, but what determines whether the conditions are valid or not are religious

<sup>&</sup>lt;sup>1</sup> Agus Yudha Hernoko, "Contract Law: Proportional Principles in Commercial Contracts". Jakarta: Prenadamedia Group.Pg.20

<sup>&</sup>lt;sup>2</sup> Muhammad Irayadi, "Basis of Balance in Contract Law". HERMENEUTICS VOL. 5, NO. 1, FEBRUARY 2021.pp.99-107

<sup>&</sup>lt;sup>3</sup> Agus Yudha Hernoko, "The Principle of Proportionality as a Foundation for the Exchange of Rights and Obligations of Parties in Commercial Contracts". Journal of Law and Justice, Volume 5 Number 3, November 2076 : 447 - 466

<sup>&</sup>lt;sup>4</sup> Agus Yudha Hernoko, Contract Law: The Principle of Proportionality in Commercial Contracts, Jakarta: Kencana Prenada Media Group, 2013), p. 110.

teachings.<sup>5</sup>. Thus, there is non-absoluteness to the application of the principle of freedom of contract between conventional and sharia. Therefore, the author will analyze about "*Application of the Basic Freedom of Contract in Review From the Law of Alliance*". Problem Formulation

1) Basis of Freedom of Contract in Agreements

- 2) Freedom of the parties in carry out the agreement
- 3) The application of the basic freedom of contract is reviewed from the sharia alliance

#### **RESEARCH METHODS**

Peter Mahmud Marzuki, normative legal research is a process of searching for legal rules, legal principles, and legal doctrine to answer legal problems that occur.<sup>6</sup>. The approach in this research uses a statutory approach (*statues approach*), analytical approach (*analitycal approach*) and conceptual approaches (*conseptual approach*)

#### DISCUSSION

#### **Basis of Freedom of Contract in Agreements**

Fundamentals of freedom of contract in English: *freedom of contract, liberty of contract, dan party autonomy*<sup>7</sup>. In Arabic: *mabda 'hurriyah al-ta'aqud*. So the principle of freedom of contract is that everyone is free to enter into any kind of agreement whether the agreement has been regulated in the law or not yet regulated in the law<sup>8</sup>. In implementing the principle of freedom of contract, it must be in accordance with what is regulated in Article 1320 BW, namely

In order for a valid agreement to occur, four conditions must be met

- 1. Their agreement binds them;
- 2. Ability to create an engagement;
- 3. A specific issue;
- 4. A reason that is not prohibited

Article 1320 of the Civil Code is a subjective and objective condition in entering into an agreement. The source of freedom of contract is individual freedom, so that the starting point is the interest of the individual, so it can be understood that individual freedom gives him the freedom to contract<sup>9</sup>. Not only focused on individuals, freedom of contract as the freedom of groups or business entities in carrying out a contract.

The existence of freedom of contract also creates the development of forms of agreement that actually accommodate the interests of the parties. Initially, the sale and purchase agreement product was not regulated in law but only regulated the sale and purchase. In terms of making a binding sale and purchase agreement, it is an agreement between the parties who agree based on the principle of freedom of contract as long as the agreement made does not conflict with applicable laws.<sup>10</sup>. The development of agreements as a result of the existence of the basis of freedom of contract as well as the emergence of nominee agreements are not explained in the Law. Agreement *nominee* or *trustee* is an agreement that uses a power of attorney, namely an agreement that uses the name of an Indonesian citizen and the Indonesian citizen hands over a

<sup>&</sup>lt;sup>5</sup> Lukman Santoso, Contract Law, Malang: Setara Press, 2016), p. 58

<sup>&</sup>lt;sup>6</sup> Mahmud Marzuki, Legal Research (Prenada Media 2005).p.35

<sup>&</sup>lt;sup>7</sup> Ghansam Anand, "Principles of Freedom of Contract in the Drafting of Contracts". Juridical. Vol. 26. No.2.2011.p. 89-101

<sup>&</sup>lt;sup>8</sup> A. Qirom Meliala, Basics of Contract Law and Its Development, Yogyakarta, Liberty, 1985, p. 18

<sup>&</sup>lt;sup>9</sup> Op.Cit. Ghansam Anand, "Principles of Freedom of Contract...pp.89-101

<sup>&</sup>lt;sup>10</sup> Riza Firdaus, "Legal Protection for Buyers in Sale and Purchase Agreements for Land that Still Has Management Rights". LamLaj. Vol.2.Issue 1. 2017.p. 112-122

power of attorney to a foreign citizen to be free to carry out legal actions on the land he owns.<sup>11</sup>. The existence of a sale and purchase agreement or an alliance is a basic form of freedom of contract that is able to meet the needs of the community in making a contract as long as it meets the subjective and objective conditions.

Freedom of contract is basically a manifestation of free will, a manifestation of human rights whose development is based on the spirit of liberalism that glorifies individual freedom<sup>12</sup>. Free will by individuals as a form of desire for all business relationships or assets to be protected by law. The open system of Book III BW is reflected in the substance of Article 1338 (1) BW which states that "*All legally made agreements are legally binding on those who make them.*" According to the Subject, the way to conclude the basis of freedom of contract is by emphasizing the words "*all*" which is in front of the word "*agreement*". According to Sutan Remi Sjahdeini, the principle of freedom of contract according to Indonesian contract law covers the following scope<sup>14</sup>;

- 1. Freedom to make or not make agreements
- 2. Freedom to choose the party with whom he wishes to make an agreement
- 3. Freedom to determine or choose the cause of the agreement that will be made
- 4. Freedom to determine the object of the agreement
- 5. Freedom to determine the form of an agreement
- 6. Freedom to accept or deviate from optional provisions of the law (additional, optional)

Freedom in the principle of freedom of contract provides convenience and flexibility for parties in making an agreement if the law does not explicitly regulate it. The only restrictions on freedom are what is called "public order and morality". The provisions of "public order and decency are regulated in Article 1337 BW, namely"*A cause is prohibited if the cause is prohibited by law or if the cause is contrary to morality or public order*". One of the prohibitions in the exercise of freedom of contract in making a contractual relationship is a contract marriage agreement, gambling agreement, or Rahim rental agreement. The agreement (*surrogate mother*) is an invalid agreement and cannot be allowed or legalized in Indonesia. Because based on article 1320 of the Civil Code regarding the conditions for the validity of an agreement, namely the objective conditions, that is, the halal reason is not fulfilled, in addition to the womb rental agreement (*surrogate mother*) is contrary to decency, that is, it is not in accordance with the moral norms and customs or habits of Indonesian society in general, it is also contrary to the beliefs held by one of the official religions in Indonesia (Islam), because there are elements of adultery<sup>15</sup>.

The principle of freedom of contract requires that all objects agreed upon must be legally valid. As specified in Article 1320 paragraph (4) BW, this is a cause that is not prohibited. Potential violation of provisions "*a cause that is not forbidden*" will potentially result in invalidation for the sake of law. On the other hand, in freedom of contract there is absolutely no balance between the parties in the contract. Sometimes one of the parties in the agreement can abuse the situation or opportunity as a form to gain profit. One of the conditions that can be abused is the existence of economic power (*economic dominance*) on one of the parties that disturbs the balance between the two parties, so that the free will to give consent which is one

<sup>&</sup>lt;sup>11</sup> Johan Kadir Putra, et al "Legal Review of Nominee Agreements Given Orally". Lex Supreme Journal. Volume III Number 2 September 2021. Pg. 783-802

<sup>&</sup>lt;sup>12</sup> Op. Cit. Agus Yudha Hernoko, Contract Law: The Principle of Proportionality in... P.109

<sup>&</sup>lt;sup>13</sup> Subekti, Various Agreements, Cet. Sixth, Alumni, Bandung, 1995. pp. 4-5

<sup>&</sup>lt;sup>14</sup> Sutan Remy Sjahdeini, 1993. "Freedom of Contract and Balanced Protection for Parties in Bank Credit Agreements in Indonesia, Jakarta: Institut Bankir Indonesia. Hlm.47

<sup>&</sup>lt;sup>15</sup> Rutellin, "Judicial Analysis of Surrogate Mother Agreements Based on the Civil Code". Vol.3. No.3.2015.p.1-88

of the conditions for the validity of an agreement does not exist (defective will)<sup>16</sup>. In line with the limitations of the freedom of contract above, according to the Subject, the contract law adheres to an open system in the sense that the contract law gives the widest possible freedom to the community to enter into an agreement containing anything, as long as it does not violate public order and decency<sup>17</sup>.

In practice, abuse of freedom of contract in the current era is still carried out in order to obtain what is expected by both parties. However, even though abuse in carrying out a contract continues to occur, at least there are legal signs that can cancel it as a form of minimizing disruption to public order. In essence, contracts are a common means by which property owners are united together socially. The way individuals relate to each other is expected to shape the nature of society as a whole. Therefore, freedom of contract is the basis for parties in carrying out contractual relations regulated by law. The principle of freedom of contract is defined as giving parties the freedom to make or not make an agreement, enter into an agreement with anyone, determine the content and form of the agreement, its implementation and conditions, and determine the form of the agreement.<sup>18</sup>.

#### Freedom of the Parties in Carrying out the Agreement

The freedom of the parties to carry out an agreement is not necessarily without restrictions. The limitations on freedom of contract are explained in Article 1337 BW, as long as they do not disturb public order and violate the law. The parties as legal subjects must understand and know the subjective and objective requirements stated in Article 1320 BW. When the parties make an agreement they must have good faith. Good faith is a principle in making a contract where the parties must openly carry out the agreement in good faith without any deception to gain profit. Furthermore, in the National Civil Symposium organized by the National Legal Development Agency ("BPHN"), it was explained that good faith should be interpreted as<sup>19</sup>;

- a. Honesty when making contracts;
- b. At the manufacturing level, it is emphasized that when the contract is made in front of the office, the parties are considered to be in good faith (although there are also opinions that express objections);
- c. As appropriate in the implementation stage, which is related to a good assessment of the behavior of the parties in carrying out what has been agreed in the contract, solely aimed at preventing inappropriate behavior in implementing the contract.

Juridically, the agreement gives the widest possible freedom to the community to enter into agreements containing anything as long as it does not violate public order and morality.<sup>20</sup>. This means that the parties entering into an agreement are allowed to make their own provisions that deviate from the legal articles of the agreement and they are allowed to regulate their own interests in the agreement they enter into.<sup>21</sup>. The parties in applying the principle of freedom of contract must be based on a need that is needed by the community. What the community needs

<sup>&</sup>lt;sup>16</sup> Op. Cit. Ghansam Anand, "Principles of Freedom of Contract.....pp.89-101

<sup>&</sup>lt;sup>17</sup> Subekti, Contract Law, Intermasa, Jakarta, 1992, p. 13.

<sup>&</sup>lt;sup>18</sup> Anggitariani Rayi Larasati Siswantadan Maria Mu'ti Wulandari, "The Basic Application of Contractual Freedom in Standard Agreements in Employment Agreements". Sudirman Law Review. Vol.4. No.4.2022.pp.409-420

<sup>&</sup>lt;sup>19</sup> Erizka Permatasari, "The Basics That Happen in Contract Law". hukumonline.com. <u>https://www.hukumonline.com/klinik/a/asas-asas-hukum-kontrak-lt617a88d958bb9/</u> accessed on August 30, 2024

<sup>4</sup>f18e88d.pdf.p.1-12 accessed on 30 August 2024

<sup>&</sup>lt;sup>21</sup> Mukhidin, "The Basis of Freedom of Contract....pp.1-12

is that if a rule is not stated or regulated then the parties can make an agreement as long as it does not conflict with public order and morality.

The paradigm of freedom of contract in an agreement where there is a space without intervention by the government to the parties who have legal relations regarding property. State intervention without a valid reason is an unjust action, because it violates individual rights<sup>22</sup>. The individual rights referred to are the freedom given to citizens in carrying out private or civil relations without having to interfere with the government as a public body/official.

In exercising freedom of contract, the parties are not necessarily able to make an agreement based on their needs. When making an agreement, the parties must state their rights and obligations as a statement of their will. In the statement of will, the parties must be aware and without any coercion in formulating the clauses in the form of their rights and obligations stated in the contract. However, the practicality of a statement of will which then becomes a clause in the parties' agreement does not always reflect the balance of the parties' positions in the agreement<sup>23</sup>. Indeed, the positions of the parties are not absolutely balanced. However, it is important to remember that when making an agreement, the parties are required to play a role in implementing the contract based on proportionality. Therefore, in exercising freedom of contract, a contract must be based on good intentions (*good faith*) the parties and state their wishes (*conduct*) proportionally.

#### The Basic Application of Freedom of Contract in Review From the Sharia Alliance

The parties are mutually binding arising from the fact that there has been a contractual relationship that has been agreed upon at the beginning. In the contract, there are rights and obligations of the parties that have been agreed to be carried out until each goal is achieved. The contract itself serves as a guideline for the parties that there is an alliance. In the law of engagement, everyone can enter into an engagement based on an agreement, any agreement and however, whether it is regulated by law or not, this is what is called freedom of contract, with the condition that freedom of contract must be halal and not violate the law, as stipulated in law<sup>24</sup>. If we refer to Article 1233 BW, "Engages arise because of an agreement or because of law. In implementing freedom of contract, the parties in designing or determining a clause must be based on agreement. This agreement is the initial gateway to the emergence of the agreement.

In an agreement, if we refer to Article 1234 BW, "An agreement is intended to give something, to do something, or not to do something." The bond in an agreement aims at actions that must be done and must not be done so that the initial agreement results in the success of the agreement. Indonesia, as a country with a Muslim majority population, has gathered and formed a sharia-based national economy. A sharia-based economy can introduce sharia principles in agreements. Aspects of sharia agreements are part of legal protection for the majority Muslim community, which of course believes that there is trust when applied in the business world.

The Law of the Islamic Covenant in principle also adheres to the principle of freedom of contract which is set forth in antaradhin as stipulated in QS. An-Nissa verse 29 and the Hadith of the Prophet Muhammad SAW, that is, an alliance or agreement will be valid and binding on

<sup>&</sup>lt;sup>22</sup> Christiana Tri Budhayati, "The Basis of Freedom of Contract in Indonesian Contract Law". Widya Sari. Vol.10.No.3.2009.p.232-248

<sup>&</sup>lt;sup>23</sup> M. Natsir Asnawi and Edi Hudiata, "Basic Restrictions on Freedom of Contract and the Corrective Function of the Judge Assessing the Position of the Parties in the Agreement". *Published by Iwan Kartiwan on* June 5, 2017. <u>https://badilag.mahkamahagung.go.id/artikel/publikasi/artikel/pembatasan-asas-kebebasan-berkontrakdan-fungsi-korektif-hakim-menilai-kedudukan-para-pihak-dalam-perjanjian-oleh-m-natsir-asnawi-dan-edihudiata-5-6</u> accessed on August 30, 2024

<sup>&</sup>lt;sup>24</sup> Wilopo Cahyo Figur et al, "Principles of the Formation of Engagements in Sharia-Based Sales and Purchase Agreements". NOTARIUS, Volume 13 Number 1.2020.pp.294-311

the parties if there is an agreement (*antaradhin*) which is realized in two pillars, namely *consent* (offer) and *acceptance* (acceptance). The offer and the recipient are generally the same through the level of negotiation between the parties. A covenant is also called a contract which is a promise of loyalty to God where the promise is made by humans with fellow humans in their daily interactions as social beings.<sup>25</sup>. According to Irma Devita, the differences in sharia contracts adhere to principles that are not adhered to by contract law in positive law, namely: a) do not change (constant), meaning, regarding the value of the object of sale and purchase (in the case of a sale and purchase agreement).<sup>26</sup>

The basis of freedom of contract in the Islamic Agreement *Mabda' Hurriyah at Ta'aqud*. This principle is a basic principle in Islamic contract law in the sense that the parties are free to enter into an agreement (*Freedom of Making Contract*) verbally or in writing. Free to determine the object of the agreement and free to determine with whom to make the agreement and free to determine how to determine the resolution of a dispute if problems arise in the future<sup>27</sup>. In Islam, freedom of contract is a guideline for the parties to be able to make an agreement as long as the parties are mutually fair in determining it. The basis for the existence of the principle of freedom of contract in Islam basically refers to several propositions in the Qur'an" and the Hadith of the Prophet Muhammad as the main source of Islamic Law, namely: the Word of Allah SWT, "*O you who believe, fulfill your covenants (agreements)*" (Quran Surah Al-Maidah; Verse (1); and the words of the Prophet Muhammad SAW, "*Muslims are always loyal to their terms (promises)*."<sup>28</sup>. In sharia agreements, fulfilling promises is something that must be carried out without exception. What this means is that none of the provisions of sharia allow the parties to carry out an agreement that is not in accordance with what was agreed at the beginning.

The author analysed, there is no difference with the provisions of Article 1234 BW with the syariah covenant which is regulated in Surah Al-Maidah Verse 1 in the fulfillment of promises. In addition, the basic urgency of freedom of contract guaranteed by syariah is to show that freedom of contract is basically a human nature that must be maintained. Freedom of contract in sharia emphasizes the benefit or benefit for everyone. Whereas conventional freedom of contract emphasizes individualistic liberalism. The limitations of freedom of contract in sharia alliances emphasize not to violate sharia values found in Islamic teachings. In reality, freedom of contract emphasizes the absence of adversaries or differences in carrying out contractual relationships. This basis places the contracting parties in a proportionally equal position, this basis does not place the parties to confront each other, knock down, and kill each other as opponents of the contract, on the contrary, this basis places the parties as contractual partners in the exchange of their interests<sup>29</sup>.

In addition to the principle of freedom of contract from the perspective of sharia agreements, it is also limited by the provision of the absence of elements of coercion, error and fraud. The basis of this basic law is stated in Surah Al-Baqarah verse 256 with the word "there is no compulsion" as stipulated in the Qur'an Surah Al-Baqarah verse  $256^{30}$ . The existence of the word no coercion emphasizes that Islam requires that any action must be based on freedom to act as long as it is right and does not conflict with sharia values. This means that in Islamic

<sup>&</sup>lt;sup>25</sup> Anwar, S. (2007). Sharia Contract Law: A Study of Contract Theory in Muamalat Fiqh. Jakarta: Raja Grafindo.p.18

<sup>&</sup>lt;sup>26</sup> Op.Cit. Wilopo Cahyo Figur et al, "Principles of the Formation of Engagements....pp.294-311

<sup>&</sup>lt;sup>27</sup> Dewi, Gemala, et al, Islamic Engagement Law in Indonesia, (Jakarta: Kencana Prenada Media Group, 2007), p.31.

<sup>&</sup>lt;sup>28</sup> Syamsul Anwar, Sharia Contract Law, Study of Contract Theory in Muamalat Fiqh, (Jakarta: PT Raja Grafindo Persada, 2007), p. 84-85

<sup>&</sup>lt;sup>29</sup> On. Cit. Agus Yudha Hernoko, "Contract Law (Principle of Proportionality in.... p. 116

<sup>&</sup>lt;sup>30</sup> Op.Cit. Wilopo Cahyo Figur et al, "Principles of the Formation of Engagements....pp.294-311

law both parties are free to make an agreement as long as it does not conflict with Islamic law<sup>31</sup>. Therefore, freedom of contract in its application in sharia agreements places more emphasis on the benefits and welfare of society, not just prioritizing liberal individualistic interests.

At this time, Indonesia will soon have a codification of the Draft Law on Engagement Law. The existence of the Draft Law on Engagement aims to adapt the development of contracts required by Indonesian society. One thing that influences the existence of the Engagement Bill is the control of Sharia. Sharia control over efforts to reach an agreement is mostly carried out through the determination of various principles that apply in the formation of a valid contract (formation) as well as all aspects of its implementation (performance).<sup>32</sup> from a contract. It is hoped that the Draft Law on Contracts in Indonesia will be able to adopt and increase the sense of trust of the parties, especially those who are predominantly Muslim, in making a contract to create benefits or prosperity for the parties.

#### **CONCLUSION AND SUGGESTION**

#### Conclusion

Freedom of contract in contractual relationships is the essence of individuals being able to carry out agreements agreed to in contracts as long as they do not conflict with public order and legislation. The principle of freedom of contract is defined as giving parties the freedom to make or not make an agreement, enter into an agreement with anyone, determine the content and form of the agreement, its implementation and conditions, and determine the form of the agreement.

In the implementation of freedom of contract, the parties are not immediately able to make an agreement based on their needs. When making an agreement, the parties must include rights and obligations as a statement of will. freedom of contract on a contract must be based on good faith (*good faith*) the parties and state their wishes (*conduct*) proportionally. Indeed, the positions of the parties are not absolutely balanced. However, it is important to remember that when making an agreement, the parties are required to play a role in implementing the contract based on proportionality.

The basic freedom of contract perspective of the sharia agreement, is also limited by the provision of the absence of elements of coercion, error and fraud. This basis places the contracting parties in a proportionally equal position, this basis does not place the parties to face each other, knock down, and kill each other as opponents of the contract, on the contrary, this basis places the parties as contractual partners in the exchange of their interests. The application of freedom of contract in syariah alliances emphasizes the benefit for the welfare of the parties and not just being individualistic.

#### Suggestion

The adoption of freedom of contract in sharia alliance is one of the options for the parties to enter into an agreement. The sharia alliance in freedom of contract aims not to focus on individualistic interests but rather, the interests of partners or partners between the parties. That way, the parties can minimize disputes in the future when applying the values of usefulness in contracting.

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<sup>&</sup>lt;sup>31</sup> Op. Cit. Wilopo Cahyo Figur et al., "Principles of the Formation of Engagements .....p.294-311

<sup>&</sup>lt;sup>32</sup> Academic Manuscript of Draft Law on the Law of Alliance

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