

Legal Certainty in Trade Receivable Disputes As Reviewed from Klaten District Court Decision Number 14/Pid.B/2022/PN KLN

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ABSTRACT

The shift from civil dispute resolution to the criminal realm has become a significant concern in Indonesian legal practice, particularly in trade receivables disputes. Many breach of contract cases in commercial relationships that should be resolved through civil mechanisms are instead processed as criminal offenses, creating uncertainty regarding the boundaries between civil and criminal law. This issue raises concerns regarding the application of the principle of legal certainty, especially for business actors facing uncertainty in resolving disputes. The Klaten District Court Decision Number 14/Pid.B/2022/PN KLN is used as a concrete example in this study.

This research examines the application of the principle of legal certainty in resolving trade receivables disputes and how judges distinguish between breach of contract as a civil violation and alleged criminal acts. This study aims to assess the role of courts in providing legal protection and preventing arbitrary criminalization of civil disputes.

The research applies a normative juridical method using a case study approach and statutory approach. Data were obtained from court decisions, legal documents, and relevant legal literature. The analysis was conducted qualitatively through interpretation of legal norms and their application.

The results show that the judge firmly categorized the case as a civil matter and rejected the criminalization of breach of contract. This decision reinforces legal certainty, protects business actors, and emphasizes good faith and contractual responsibility. It also serves as a reference for law enforcement officials to respect the distinction between civil and criminal law and avoid misuse of criminal proceedings in resolving business disputes.

Keywords: *Account Receivable; Civil Law; Default; Legal Certaint.*

1. Introduction

The criminalization of business disputes involving debts and receivables between business actors is a growing phenomenon in Indonesia. Data from Supreme Court cassation reports shows that fraud cases ranked highest in 2017. This finding indicates two important issues: the blurring of the boundaries between civil and criminal law in commercial disputes, and the tendency to criminalize civil disputes. The practice of imposing criminal charges (particularly fraud and embezzlement) in cases that are essentially rooted in contractual breaches creates legal uncertainty and concerns for the business community. Academics and legal practitioners emphasize that this measure can be used as ammunition to force the fulfillment of civil obligations, even though legally, debt and receivable issues

should be resolved solely within the civil realm.

Conceptually, breach of contract and fraud are two distinct forms of legal liability. Breach of contract refers to the violation of a civil obligation arising from an agreement, while fraud is a criminal offense requiring malicious intent and manipulation. Breach of contract (breaking a promise) is a breach of contractual obligations under civil law. Fraud, on the other hand, is a criminal offense, the substance of which is covered under the Fraudulent Acts Chapter of the Criminal Code. This offense occurs when a person, with the intent of unlawfully benefiting themselves or another person, uses fraudulent means such as a false name, false dignity, deception, or a series of lies to induce another person to hand over goods, grant credit, or write off a receivable. If the value of the goods or receivables in question is very small, the act is categorized as minor fraud, which carries a lesser penalty.

This fundamental difference is clarified in Supreme Court (MA) jurisprudence. The MA has consistently held that if a contract is validly entered into without bad faith, and then someone fails to fulfill their contractual obligations, the action is not a criminal act but rather a purely civil breach of contract. Supreme Court Decision No. 598K/Pid/2016 states that a debtor's default on a debt is a civil matter, so the defendant "must be declared free from all criminal charges." Similar opinions are expressed in Decisions No. 1357K/Pid/2015 and 1316K/Pid/2016, which emphasize that a breach of contract without an element of fraud is merely a civil dispute.¹ Thus, if there is no evidence of fraud from the start of the contract, criminal law may not be used to prosecute the perpetrator of the breach of contract, because this is a civil matter that must be resolved through a lawsuit mechanism, not criminalization.

The validity of the agreement is emphasized by the principle of *pacta sunt servanda* (Article 1338 of the Civil Code) which states that all agreements made in accordance with the law apply as law for the parties.² This means that a valid agreement binds the parties as the law binds them, so the contract must be executed in good faith.³ The criminalization of civil disputes raises serious issues related to legal certainty. Legal certainty for well-intentioned business actors is guaranteed through the right to contract. Article 1754 of the Civil Code stipulates that debts constitute valid loan agreements, as long as they meet the requirements for a valid agreement as defined by Article 1320 of the Civil Code, namely agreement between the parties, capacity to enter into a contract, a specific matter, and a lawful cause. As long as the agreement is valid and executed in good faith, creditors can only collect obligations through civil channels. If the business process has been carried out based on a valid contract, then a business actor in default should face civil lawsuits, not criminal proceedings. This aligns with the principle

¹ 'Putusan3.Mahkamahagung.Go.Id, —Yurisprudensi, Nomor Katalog: 4/Yur/Pid/2018.l'.

² Muhamad Sadi Is, *Hukum Perdata*, Ed. Ermanto Fahamsyah (Intelektual Manifes Media, 2024).

³ Martha Eri Safira, *Hukum Perdata*, Ed. Sofyan Hadi Nata (Nata Karya, 2017).

of legality in criminal law, which emphasizes that no crime exists without clear and firm legal provisions. The principle of "*nullum crimen sine poena legali*" asserts that no crime exists without statutory criminal provisions. The lack of legal protection for victims of acts not prohibited by criminal law is a logical consequence of this principle.⁴

Similar concerns have emerged in the business world. The case of PT Bone Sulawesi vs. PT Bima Sakti Mineral in Surabaya (late April 2025) illustrates this tension: the legal team of a client who had fulfilled his contractual obligations stated that the police "ignored the fact" that the root of the problem was a breach of contract, so that the determination of the suspect felt forced. Experts emphasize the principle of *praejudicieel geschil* that contract disputes must be fully resolved first in civil court before proceeding to the criminal realm. Then another case that became a case study of the Klaten District Court Decision Number 14/Pid.B/2022/PN Kln illustrates the pattern of criminalization as above. Based on the decision, there was a trade receivables dispute related to an oral agreement to buy and sell basic necessities between the Defendant (Mega Putri) and the Victim (Suprpto), in which the Defendant repeatedly took merchandise (basic necessities) belonging to the Victim with a promise to pay after the goods were sold, but until the examination did not make payment. The Panel of Judges considered that the act of delaying/ignoring the obligation to pay was not a criminal offense (default), but rather the realm of civil law (civil default) because there was no proven intent to defraud or embezzlement in a criminal manner and the agreement was only verbal. The amount of the disputed receivables was the total value of the basic necessities that had been taken but not yet paid, which was Rp 312.958.000 (three hundred twelve million nine hundred fifty-eight thousand rupiah).

The court ruling brought trade receivables disputes between business actors into the realm of criminal fraud, sparking debate about the understanding of breach of contract, as the potential for criminalization could negatively impact the business climate. Business actors acting in good faith in their operations could be threatened with detrimental criminal charges, even if there was no malice in the contractual breach. Therefore, clarity regarding the boundaries between civil and criminal law is crucial to creating legal certainty, fair legal protection, and a healthy business environment. An in-depth analysis of Klaten District Court Decision No. 14/Pid.B/2022/PN Kln will demonstrate how the elements of criminal fraud are applied in the context of debt and receivables and the court's response to the breach of contract argument. This comprehensive approach emphasizes the conceptual basis for the distinction between breach of contract and fraud, as well as its implications for legal certainty and protection for business. The ruling is also relevant for exploring the application of the principle of legal certainty and protection for business actors. Given the importance of protecting business actors

⁴ Deni SB Yuherawan, 'Asas Nullum Crimen Sine Poena Pada Rancangan Kitab Undang-Undang Hukum Pidana', *Jurnal Hukum Pidana Dan Kriminologi*, 2.1.

acting in good faith and distinguishing civil from criminal cases, this study aims to examine how the courts resolve this issue and its impact on the Indonesian legal system.

2. Research Method

The approach used in normative legal research plays a crucial role in exploring, examining, and interpreting legal norms relevant to the subject matter. This study utilizes several complementary approaches to provide a comprehensive analysis of criminalized trade receivables disputes. The legal materials used in this study are primary legal materials, namely applicable legal regulations and court decisions, which in this study refer to the Klaten District Court Decision Number 14/Pid.b/2022/PN.Kln. Secondary legal materials include legal literature, including legal textbooks, scientific journal articles, legal doctrines, and the opinions of legal experts closely related to the issues of legal certainty, the differences between criminal and civil law, and the resolution of trade receivables disputes.

3. Result and Discussion

3.1. Legal Classification of Trade Receivables Disputes in the Klaten District Court Decision Number 14/Pid.b/2022/PN Kln

The Klaten District Court's decision No. 14/Pid.B/2022/PN Kln serves as a concrete example of the distinction between breach of contract under civil law and fraud under criminal law. This dispute began with a business relationship based on an oral agreement, which then escalated into a legal matter due to the debtor's failure to pay. During the trial, the panel of judges comprehensively assessed the evidence, good faith, and legal construction presented before ultimately ruling that the case did not meet the elements of a criminal offense and fell entirely within the civil realm.

a. Oral Agreements and the Validity of Commercial Law

The root of the dispute in the Klaten District Court Decision Number 14/Pid.B/2022/PN Kln lies in an oral agreement between Suprpto (the complainant/creditor/victim) and Mega Putri Dea Bella Binti Gunawan (the respondent/debtor/defendant), in which the Defendant repeatedly took merchandise in the form of basic necessities with a promise of payment after the sale. Although not stated in written form, this agreement is still recognized as a valid contract under civil law.

Based on Klaten District Court Decision Number 14/Pid.B/2022/PN Kln, the Panel of Judges clearly noted that the verbal purchase and sale of basic necessities had been taking place since June 2020. Witnesses, including the victim, Suprpto, testified that the Defendant was free to take the goods and only had to pay after the goods were sold. This demonstrates the legal framework behind the trade relationship, with the verbal agreement as its manifestation. This fact, which falls within the realm of "abstract vs. concrete obligations," demonstrates that the

nuances of civil default far outweigh the elements of criminal fraud.

The legal consequences of an agreement that arises from an agreement are indeed desired by the parties.⁵ On the other hand, the legal consequences of an agreement that arises from law may not be desired by the parties.⁶ At the indictment stage, the Prosecutor had charged the Defendant with Article 378 of the Criminal Code in conjunction with Article 64 paragraph (1) of the Criminal Code (fraud) or, alternatively, Article 372 of the Criminal Code (embezzlement). However, the Panel rejected both charges on the grounds that there was no indication of the use of deception, misuse of a false name, or malicious intent (*dolus*). On the contrary, there was evidence of good faith, namely that the Defendant repeatedly promised to pay part of his debt even though he was not yet able to pay it all. This confirmed that the dispute was rooted in contractual breach of contract – according to the framework of “abstract vs. concrete obligations” – not the intention to defraud which is the basis of the crime.

The Klaten District Court Decision Number 14/Pid.B/2022/PN Kln confirms that Suprpto and the Defendant had established a trade relationship based on an oral agreement, which constitutes a sale and purchase agreement under Article 1319 of the Civil Code, so that all provisions of the agreement – both regarding implementation and compensation – apply. Furthermore, Articles 1314 to 1317 of the Civil Code regulate various forms and parties to an agreement. Agreement can be gratuitous or burdensome, depending on whether there is reciprocity. A person can generally only bind themselves (Article 1315), but they can guarantee the actions of a third party (Article 1316), and can even enter into an agreement for the benefit of a third party, as long as the third party states that they will exercise that right (Article 1317).

Klaten District Court Decision No. 14/Pid.B/2022/PN Kln stated that there was no sufficiently serious “mistake,” coercion, or fraud to render the oral agreement null and void. The defendant did not pay on time – but he repeatedly came to seek repayment – proving his ability, agreement, and good faith. Therefore, all legal consequences of the default – such as the creditor's right to demand enforcement or compensation – must be pursued through a civil lawsuit based on Articles 1238–1243 of the Civil Code, not through criminal prosecution. The panel then returned the case to the civil realm by acquitting the defendant (*onslag van alle recht vervolging*) in accordance with Article 191 paragraph (2) of the Criminal Procedure Code. The description of the Civil Code norms (Articles 1313–1322) strengthens the classification of the dispute in Klaten District Court Decision No. 14/Pid.B/2022/PN Kln as a default. By combining the contents of the decision and the provisions of the above agreements, it is clear that the legal relationship that arises is an abstract agreement that is manifested in an oral sales agreement, which has implications for default if there is a failure to pay, and is entirely in the civil

⁵ Suharnoko, *Hukum Perjanjian: Teori Dan Analisa Kasus* (Kencana Prenada Media Group, 2009).

⁶ Abdulkadir Muhammad, *Hukum Perjanjian* (Alumni, 2013).

realm.

b. Evidence of Receivables and Indications of Default without Criminal Elements

The amount of debt is a central element in determining the legal classification of a receivables dispute. In case No. 14/Pid.B/2022/PN Kln, victim Suprpto submitted transaction records showing a total receivable of Rp 312.958.500, recorded on two white folios detailing four collections of goods in November 2020. This amount provides a concrete basis for assessing whether this case constitutes a breach of contract worthy of civil litigation or can be classified as a criminal offense.

The Panel of Judges reviewed the details of the debt amount based on the sequence of transactions, the time of collection, and the information provided. The decision noted that the figure does not stand alone but is supported by direct testimony and a pattern of ongoing business relationships. This approach demonstrates that the nominal figure is not merely mathematical data, but the result of business interactions with a strong civil legal basis. Decision No. 14/Pid.B/2022/PN Kln demonstrates how the Panel distinguishes the economic value (nominal debt) as the object of a civil claim from the element of malicious intent required under criminal law. The emphasis on the specific amount on the folio sheet emphasizes that the issue at hand is one of fulfilling payment obligations, not misinformation or deception. There was no data manipulation or attempt to conceal the transaction value, thus positioning the accounts receivable as valid evidence for a default lawsuit.

Normative analysis emphasizes that civil law prioritizes clarity of value in assessing payment default. Article 1239 of the Civil Code grants creditors the right to demand performance of obligations or compensation if the debtor defaults, and the element of loss (real loss) can be proven through documentation such as transaction records. Therefore, the existence of this quantitative evidence is not only factually important but also has an explicit legal basis that directs resolution to civil litigation.

Through a critical-juridical analysis, it appears that the clarity of the debt amount, supported by transaction records, indicates no criminal motive by the victim or investigators. Instead, it raises critical questions about the Public Prosecutor's decision to elevate this case to the criminal realm, even though the substance of the dispute is entirely contractual. This reflects a larger issue: the tendency to criminalize trade relations that should be resolved through civil mechanisms. This critical approach highlights the need for caution in case classification to avoid creating legal uncertainty and fear in the business world. Therefore, the proof of the amount of receivables in this case is not only formally and materially valid, but also a strong indicator that the dispute falls within the purely civil realm.

c. Judge's Assessment of the Legal Elements and Facts of the Trial

The Panel of Judges in case No. 14/Pid.B/2022/PN Kln emphasized that the

element of special deception—namely, the initial intent to defraud—was not proven. The Defendant's untimely payment cannot be automatically interpreted as malicious intent. The trial evidence shows that the Defendant did not avoid communication and even made partial payments. Therefore, there is no indication that deception occurred from the outset as required by Article 378 of the Criminal Code.

The legal relationship between the Defendant and the victim changed from an abstract to a concrete one through repeated oral agreements. The Panel found the oral agreement valid because it met the requirements of Article 1320 of the Civil Code, namely, agreement, capacity, a specific object, and a lawful cause. The agreement was consistently enforced, reinforcing the fact that this case is a purely civil, not a criminal, relationship.

The panel also confirmed that the Defendant is a competent legal subject. There is no evidence that the Defendant is under guardianship or has any legal limitations. This confirms that the agreement is subjectively valid, and therefore, the legal consequences of breach of contract must be addressed through civil, not criminal, channels.

Furthermore, the Panel found inconsistencies between the prosecutor's charges and the facts proven at trial. The element of fraud could not be concretely proven. The prosecutor's action in criminalizing the breach of contract dispute demonstrates a lack of consistency in the charges. This demonstrates the importance of caution in distinguishing between civil violations and criminal offenses.

To support its argument, the Panel referred to Supreme Court jurisprudence, such as Decisions No. 1316 K/Pid/2016 and No. 208 K/Pid/2013. These precedents demonstrate that failure to repay a debt, even if detrimental, cannot be categorized as a criminal offense if there is no element of *dolus*. The use of this jurisprudence strengthens legal certainty and the consistency of criminal law application.

d. Affirmation of Disputes as a Civil Matter

The Panel of Judges in case No. 14/Pid.B/2022/PN Kln firmly assessed that civil law was the most appropriate forum to resolve this dispute. All elements required for a criminal offense, both under Article 378 of the Criminal Code (fraud) and Article 372 of the Criminal Code (embezzlement), were not met. Therefore, the Panel stated that resolving a breach of contract in a business relationship like this should be done through a civil lawsuit, not through criminalization. This reflects the application of the principle of *ultimum remedium*, namely, criminal law as a last resort, not a primary instrument in resolving civil conflicts.

3.2. Application of the Principle of Legal Certainty in the Decision of the Klaten District Court Number 14/Pid.B/2022/PN KLN

The principle of legal certainty is a key foundation of the judicial system, particularly in distinguishing between criminal offenses and civil disputes. In the trade receivables

dispute case, based on the Klaten District Court Decision No. 14/Pid.B/2022/PN Kln, the Panel of Judges explicitly applied this principle to ensure that the decision was made objectively, did not exceed its authority (*ultra petita*), and guaranteed the rights of the parties proportionally.

a. Certainty of the Elements of Criminal Substance

The Klaten District Court's decision Number 14/Pid.B/2022/PN Kln clearly reflects efforts to achieve legal certainty in criminal cases stemming from trade debt disputes. In this case, the defendant was charged with fraud under Article 378 of the Criminal Code. However, in its decision, the Panel of Judges stated that the element of *dolus* or malicious intent was not met, thus issuing a verdict of *onslag van alle recht vervolging*, which acquitted the defendant of all legal charges. This decision demonstrates that the law does not necessarily criminalize breach of contract in civil relations but rather places it appropriately in accordance with applicable legal norms.

This is as explained by R. Soesilo and Soenarto Soerodibroto, namely that fraud is a criminal act against assets which requires the intention to benefit oneself or another person in an unlawful manner, persuade another party to hand over goods, and use deception such as a false name or false statements.⁷ Meanwhile, in case No. 14/Pid.B/2022/PN Kln, no elements of persuasion accompanied by malicious intent or deception were found that met these criteria. Based on decision No. 14/Pid.B/2022/PN Kln, the court also applied the principle of legal certainty by formulating legal considerations that were logical, detailed, and based on the trial facts. Each element of the indictment was discussed openly and transparently in the verdict, allowing the public to access and understand the reasons behind the defendant's acquittal. This simultaneously prevented abuse of judicial authority and reinforced the principle of due process of law.

This decision demonstrates prudence and professionalism in maintaining the boundaries of civil and criminal jurisdiction. The court refused to use the alternative charge of embezzlement as the basis for sentencing, as no unlawful possession of property by the defendant was found. This refusal reflects the application of the *non ultra petita* principle, which requires the court to not exceed or deviate from what the public prosecutor demanded, and to maintain the integrity of a fair and measured legal process. In line with the principle of legal certainty, the Panel of Judges also referred to Supreme Court jurisprudence, such as Decisions Number 1316 K/Pid/2016 and 208 K/Pid/2013, which also acquitted the defendant in a similar case due to the failure to fulfill the elements of a crime. The use of this jurisprudence demonstrates that the panel considered legal precedent to ensure consistency in its decisions. Therefore, this decision not only serves as an individual solution but also contributes to the development of more

⁷ R. Soesilo, *Kitab Undang-Undang Hukum Pidana (KUHP) Serta Komentar-Komentarnya Lengkap Pasal Demi Pasal* (Politea, 1991).

predictive and uniform judicial practices.

b. Procedural Certainty and Protection of the Rights of the Defendant

The Panel of Judges in case Number 14/Pid.B/2022/PN Kln applied Article 191 paragraph (2) of the Criminal Procedure Code, which allows the defendant to be acquitted if his actions are proven, but do not constitute a crime. The use of this article appropriately demonstrates the firmness of the law in distinguishing between civil and criminal violations. Based on this, the court restored all the defendant's rights, including the right to liberty and a good name, so that the principle of legal certainty is present not only in the final decision, but also in post-trial recovery.

However, in practice, the boundary between civil and criminal law is not always strictly enforced by the parties. It is common for a creditor to have difficulty obtaining performance from a debtor, and to report the incident to the police on charges of fraud. There are several motivations for people to take such shortcuts, ranging from simply trying to intimidate the debtor into fulfilling their obligations to actually seeking to imprison the debtor due to frustration with the debtor's continued evasion of their obligations. Decision Number 14/Pid.B/2022/PN Kln also explicitly avoids criminalizing contractual breaches. In commercial relations, late payment or default is not necessarily evidence of fraud. The Panel of Judges rejected constructing a criminal case based on a failed business relationship, arguing that criminal law should not be used to resolve disputes that are essentially civil in nature. This approach demonstrates the substantive application of the principle of legal certainty, as it does not confuse different legal jurisdictions.

The facts used by the Panel of Judges are derived entirely from the trial process. None of the considerations rely on assumptions beyond the facts revealed during the trial. This emphasis is crucial in ensuring the principles of due process and legal certainty. When only valid facts are used as the basis for a decision, justice can be objectively accounted for, and the public can have confidence in the legal process.

If a case has already been examined in court, based on the permanent jurisprudence of the Supreme Court in several of its decisions—including Supreme Court Decisions Number 1061 K/Pid/1990, 411 K/Pid/1992, 449 K/Pid/2001, 424 K/Pid/2008, and 2161 K/Pid/2008—the alleged act can be declared proven but not a criminal offense and a verdict of acquittal of all legal charges (onslag van alle rechtsvervolging). Overall, the application of the principle of legal certainty in these points demonstrates a justice system that is not only based on written norms, but also on careful and contextual interpretation. This decision provides an important message that not all financial problems must be resolved through criminal channels. Thus, the balance between certainty, justice, and legal benefits can truly be realized.

c. Certainty in Legal Arguments and Trial Facts

The panel of judges in case No. 14/Pid.B/2022/PN Kln emphasized the importance of accurate trial facts as the sole basis for issuing a verdict. All arguments in the verdict were drawn from evidence presented at trial, including witness testimony, transaction documents, and defenses from legal counsel. There were no deviations or unilateral conclusions outside the scope of procedural law. This approach upholds the principle of legal certainty by ensuring that the final decision is objective and legally and ethically accountable.

Legal considerations also include thoroughness in calculating losses, where the panel is careful in accepting a plaintiff's loss claim. Only losses that can be truly and legitimately proven are recognized. This cautious approach adds transparency and demonstrates that every element of the decision has been tested logically and mathematically. In the context of the principle of legal certainty, this demonstrates that court decisions are based not only on norms but also on the accuracy of the data.

The assessment of the extent of the damages also impacts the sanctions or legal action taken. With a precise and unambiguous calculation of the damages, the court is able to render a proportionate and just decision. Legal certainty exists not only in formal legal terms but also in substantive justice, namely the correspondence between the facts, the damages, and the final decision.

Finally, the Panel of Judges confirmed that in deciding this case, there was no intermingling of criminal and civil law. By rejecting pressure to resolve business disputes in a criminal forum, the court asserted its legal position firmly and professionally. This provides assurance to business actors that criminal law will not be used as a tool of pressure in civil disputes. This stance strengthens the integrity of the judicial system and upholds the principle of legal certainty.

d. Certainty in the Limits of Authority and Decision Structure

In the Klaten District Court's decision No. 14/Pid.B/2022/PN Kln, the panel of judges consciously ensured that the criminal and civil spheres were not mixed, as reflected in the avoidance of conflict of interest in this case. A debt dispute, which is inherently a civil matter, should not be automatically converted into a criminal case simply because a police report is filed. By returning the matter to the appropriate forum, the court sent a clear signal that legal mechanisms must be used as intended, a crucial implementation of the principle of legal certainty.

This assertion aligns with the view that it is currently very easy for someone to be subjected to criminal proceedings, even though the problem they face is not actually a criminal offense. Often, these problems begin as civil matters related to business agreements or contracts between two parties, which then lead to a breach of contract. However, this breach of contract is often considered a criminal offense by the aggrieved party. Worse still, law enforcement officials support this mistaken view. As a result, disputes that should fall within the civil realm can instead be processed criminally, for example, with allegations of fraud. This is not

only relevant but also reinforces the importance of distinguishing between breach of contract and fraud within an appropriate legal framework. Therefore, courts must be careful and adhere to a normative framework to maintain legal certainty for all parties involved in the dispute.

Furthermore, in maintaining a balance between substance and procedure, the Panel of Judges in the Klaten District Court Decision Number 14/Pid.B/2022/PN Kln also demonstrated consistency between substantive and procedural legal certainty. From case registration, setting the trial schedule, summoning the parties, to the pronouncement of the verdict, everything proceeded in accordance with the Criminal Procedure Code (KUHAP) and the principle of fair trial. This indicates that legal certainty is not merely about the content of the verdict, but also about how the process is carried out fairly and legally.

This consistency is further evident in the application of the *non ultra petita* principle, which does not impose a sentence exceeding that requested or charged. In this case, the defendant was tried solely based on the indictment, without any expansion of charges or additional penalties not proposed by the prosecutor. This principle is crucial to ensure that the court remains within formal legal boundaries and does not abuse its authority. Equally important, the principle of *audi et alteram partem*—listen to both sides—was effectively implemented in the trial process. The defendant was given sufficient space and time to defend himself, present witnesses, and present evidence. Thus, the resulting decision can be said to be the result of a fair, transparent, and participatory process—a clear reflection of substantial legal certainty.

The affirmation of the limits of legal authority was also evident at the end of the trial, where the court explicitly stated that this case was a civil matter, not a criminal one. By concluding that the element of fraud was not proven and acquitting the defendant based on Article 191 paragraph (2) of the Criminal Procedure Code, the Panel not only provided factual justice, but also educated the public that legal channels must be appropriate to the nature of the case.

3.3. Implications of Klaten District Court Decision Number 14/Pid.B/2022/PN Kln on Legal Protection for Well-Faith Business Actors

The Klaten District Court's Decision No. 14/Pid.B/2022/PN Kln provides a new direction in legal protection for business actors acting in good faith, particularly in the context of breach of contract in commercial relations. By affirming that civil disputes are not automatically criminalized, this decision not only sets an important precedent in preventing contractual criminalization but also strengthens legal certainty in business practices.

a. Prevention of Criminalization for Default

The Klaten District Court's Decision No. 14/Pid.B/2022/PN Klaten firmly

establishes an important precedent in efforts to prevent the criminalization of default, particularly in the context of trade receivables. This ruling affirms that late payment of debts in business relationships, as long as it does not meet the element of *dolus* (malicious intent), is not a criminal offense. This reinforces the principles of legality and legal certainty, stating that only acts that truly violate criminal law can be prosecuted. Thus, business actors are no longer vulnerable to criminal prosecution for purely contractual issues.

This ruling provides long-term legal protection for business owners acting in good faith. The defendant in this case did not flee, did not evade responsibility, and consistently demonstrated a good faith commitment to repay the debt, even though it was outstanding. This type of treatment is an important parameter in distinguishing between contractual breaches and fraud. Therefore, business owners need not fear criminalization as long as they operate their businesses with good intentions and transparency.

Furthermore, the court provides a sense of legal security for business owners, especially those operating small and medium-sized enterprises. In practice, MSMEs often face legal pressure over outstanding debts due to external factors such as late payments from third parties or the economic situation. This ruling ensures that business owners will not be immediately criminalized without malicious intent. This is crucial for maintaining the sustainability and growth of the local economy.

Cases based on breach of contract and not disrupting the public interest should not be considered criminal cases. Furthermore, accurate application of the law is the primary goal of studying criminal law.⁸ A person who commits a crime cannot always be punished. Even if the act appears to be formally against the law, the court must examine whether there is an element of guilt or *dolus*.⁹ This is closely related to the purpose of proof in criminal cases, namely seeking material truth or the truth beyond reasonable doubt, not merely a procedural formality.¹⁰ Thus, a cautious approach such as that in this decision actually demonstrates the high quality of the judicial system that upholds substantive justice.

b. Legal Certainty in Business Practices

The Klaten District Court's decision No. 14/Pid.B/2022/PN Kln demonstrates the importance of standardizing the definition of default in the context of business law. In its deliberations, the panel of judges stated that the distinction between default and fraud must be examined in detail from both objective and subjective perspectives. This creates a clear reference for advocates, prosecutors, and judges handling similar cases, eliminating the uncertainty caused by unclear interpretations of unpaid debts.

⁸ Adami Chazawi, *Pelajaran Hukum Pidana 1* (Raja Grafindo Persada, 2008).

⁹ Tolib Setiady, *Pokok-Pokok Hukum Penitensier Indonesia* (Alfabeta, 2007).

¹⁰ Andi Sofyan, *Hukum Acara Pidana: Suatu Pengantar* (Rangkang Education, 2013).

The terms fraud and breach of contract are frequently used interchangeably in the business world. While both can cause losses, they have very different legal consequences, as fraud falls under criminal law, while breach of contract falls under civil law.¹¹ The consequences of this affirmation are not merely theoretical but also have a direct impact on business practices. With these standards, business actors can formulate their business strategies more precisely and avoid the risk of unfounded criminal prosecution. Furthermore, the consistent recognition of the rights of defendants in the legal process, as seen in this case, provides assurance that business actors will not be victimized in the criminal process as long as they cooperate. This decision demonstrates that the Indonesian criminal justice system, when implemented properly, is capable of providing proportional legal protection.

Furthermore, the judge's considerations in this case also demonstrated sensitivity to the business context underlying the case. The panel of judges also took particular note of the defendant's good faith in making installment payments, even though he had not yet settled the entire debt. This was considered an indication that the defendant did not intend to defraud but was simply facing business constraints. Therefore, criminal penalties in such cases are contrary to the values of justice and the principle of legality.

Fundamentally, a debt-receivable relationship is a civil legal relationship between the party providing the loan (creditor) and the party receiving it (debtor). If the debtor fails to fulfill their obligations on time, this constitutes a breach of contract or default – not a criminal act. However, in practice, many parties still take these matters to the police, as if failure to repay a debt is a form of fraud. However, criminal law is not designed to resolve civil disputes, let alone as a means of debt collection. Criminalization efforts in this context can actually deviate from the purpose of the law itself, which should be to provide justice through channels appropriate to the nature of the case.

The domino effect of a proportional approach can create guarantees for groups vulnerable to economic criminalization. This decision also reduces the possibility of criminalization of small business owners who lack the ability to mount a strong legal defense. By upholding the principles of legality and procedure, the Klaten District Court's decision No. 14/Pid.B/2022/PN Kln ensures that the legal process will favor the logic of justice, not the pressure of a financially stronger party. According to Ramlan Ginting, fraud can be either civil or criminal. Civil fraud can be grounds for canceling an agreement, but to prove criminal fraud, there must be an element of deceit, as stipulated in Article 378 of the Criminal Code.¹² In this way, Micro, Small, and Medium Enterprises (MSMEs) and individuals in the informal sector have the courage to continue running their businesses without

¹¹ Eka Aqimuddin, *Tip Hukum Praktis: Solusi Bila Terjerat Kasus Bisnis* (Raih Asa Sukses, 2010).

¹² Ramlan Ginting, *Transaksi Bisnis Dan Perbankan Internasional* (Salemba, 2007).

unwarranted fear.

c. Support for a Healthy Business Climate

The Klaten District Court's Decision No. 14/Pid.B/2022/PN Kln has had a significant impact on improving legal predictability in the business sector. By considering only the trial facts and limiting the scope for free interpretation of the defendant's intentions, the panel of judges created more measurable legal parameters. This is crucial because business actors rely on legal certainty in making long-term business decisions, including establishing contracts and financial partnerships.

Furthermore, the existence of the default doctrine affirmed in this decision helps align understanding between law enforcement officials and the business community. When the court refuses to criminalize late payments or defaults that are not based on malicious intent, it sends a message that contractual settlements should not be burdened by the threat of criminal penalties. This doctrine is crucial for bridging the gap between civil law theory and criminal law enforcement practice. All these considerations encourage the creation of a healthy and competitive business climate, where compliance with contracts is valued and business errors are addressed with a rational approach. The law is no longer used as a tool of intimidation, but rather as a means of reconciliation and resolution.

Ultimately, by strengthening doctrine and reforming perspectives on civil relations, this ruling marks a significant milestone in the development of Indonesian business law. It not only justly resolves one case but also provides direction for many similar cases in the future. Support for a healthy business climate is not mere rhetoric, but a reality demonstrated through court decisions that support legal logic and substantive justice.

d. Systemic Protection for Small Businesses and MSMEs

The Klaten District Court's Decision Number 14/Pid.B/2022/PN Kln also demonstrates a focus on protecting small businesses and MSMEs, who are vulnerable to criminalization due to limited legal resources. When micro or small businesses experience payment difficulties and are reported for fraud, they are often unable to adequately defend themselves. However, with precedents confirming that not all late payments are criminal, MSMEs have more concrete legal protection. In a social context, avoiding criminalization of small businesses helps prevent the emergence of negative stigma that can damage a business's reputation and sustainability. A criminal conviction—even if the defendant is ultimately acquitted—can be a reputational disaster for MSMEs, eroding the trust of business partners, and even limiting access to financing. Therefore, court decisions that are sensitive to this aspect are strategic in supporting the economic resilience of the informal sector and small businesses. Buying and selling is one of the halal ways to develop assets. Buying and selling is difficult without a contract, even if it is simple. In this context, agreements are the foundation of economic activity and should be resolved through civil litigation if a violation occurs.

Furthermore, the Klaten District Court's decision No. 14/Pid.B/2022/PN Kln demonstrates the direction of future commercial law policy. Amidst the complexity of modern contractual relationships, regulatory reforms are needed that clearly differentiate between breach of contract and fraud. This decision can serve as a consideration for policymakers in developing more accommodating and proportional regulations, for example through revisions to the Criminal Procedure Code or the creation of specific implementing regulations on trade receivables. To determine the consequences of non-fulfillment of an obligation, it is necessary to first identify the party who failed to fulfill the obligation. A careful and systematic assessment of negligence is a crucial basis for determining the appropriateness of a breach of contract lawsuit, rather than a criminal one.

4. Conclusion

Based on the results of a normative study of the Klaten District Court Decision Number 14/Pid.B/2022/PN Kln, this thesis concludes several main points, namely the trade receivables dispute arising from the business agreement relationship between Suprpto and Mega Putri Dea Bella Binti Gunawan is a pure contractual breach of contract, so that its resolution should be pursued through a breach of contract lawsuit, not criminal channels. The use of criminal law in civil cases has the potential to create legal uncertainty and deviate from the basic principles of the Indonesian civil law system. The judge's decision to declare the defendant not guilty and acquit him reflects the proper application of the principle of legal certainty, as the panel of judges clearly distinguished between contractual violations (default) and criminal elements (fraud). By separating the civil and criminal realms in accordance with the Civil Code, this decision avoids criminalizing parties who fail to fulfill civil obligations without malice. This decision strengthens legal protection for business actors who act in good faith and sets a positive precedent in judicial practice. The clarity of the boundaries between civil and criminal law encourages law enforcement officials to be more careful in classifying debt cases, so that legal certainty and substantive justice are created in the national legal system.

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