

Legal Protection of BOT Agreement in Korea Town Project: Supreme Court Decision Number 600K/Pdt/2018

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Abstract

This study analyzes legal protection in Build, Operate, and Transfer (BOT) agreements through examination of Supreme Court Decision No. 600K/Pdt/2018 concerning The High End City Korea Town (THECKT) project of Indonesia Number 600K/Pdt/2018. The purpose of this research is to analyze the application of the principles of justice and balance in the legal relationship between the landowner and the investor, as well as to assess the extent of legal protection granted to the parties in the event of unilateral termination of the BOT agreement. The research employs a normative juridical method with statutory, case, and comparative approaches. The data consist of primary and secondary legal materials, along with relevant non-legal materials. The analysis is conducted qualitatively using deductive reasoning. The findings reveal that unilateral termination without clear legal grounds violates the principle of legal protection and may cause economic losses to investors. The Supreme Court's decision affirms that BOT agreements must be interpreted through the principle of legal protection. Unilateral termination of the agreement without clear legal grounds constitutes a violation of the principle of legal protection and may cause economic losses to the investor. Therefore, the application of the principle of justice as proposed by John Rawls' theory of justice and the principle of balance in contract law serves as an essential foundation to create a fair and proportional legal relationship in the implementation of BOT agreements in Indonesia.

1. Introduction

Infrastructure development is a key prerequisite for economic growth and improving public welfare. In developing countries, limited state fiscal capacity is often a major obstacle to providing adequate public infrastructure. To address these limitations, various countries have adopted public-private partnership (PPP) schemes, one of which is through Build, Operate, and Transfer (BOT) agreements¹. BOT schemes allow the private sector to finance, build, and operate infrastructure projects for a specified period before transferring the project back to the government as the asset owner². However, as a consequence of this progress, a significant population increase has also become inevitable. The surge in population density logically brings about challenges that require serious attention from the government to provide, improve, and develop public facilities and infrastructure to ensure that all sectors of national life function effectively and efficiently. This effort aligns with Indonesia's national development goals as reflected in the values of Pancasila and the 1945 Constitution, which aim to create a just and prosperous society.

In practice, BOT agreements serve not only as a development financing instrument but also as a contractual legal relationship fraught with potential conflicts of interest. The

¹ Darrin Grimsey dan Mervyn Lewis, "Public Private Partnerships: The World Revolution in Infrastructure Provisions and Project Finance," *Agenda* 14, no. 2 (2007): 171-88.

² E.R Yescombe, *Public-Private Partnerships in Sub-Saharan Africa Case Studies for Policymakers* (Tanzania: Mkuki na Nyota for UONGOZI Institute, 2017).

imbalanced bargaining power between landowners (government/regional-owned enterprises) and investors often gives rise to disputes, particularly regarding unilateral agreement termination, project delays, and legal protection for investors³. This situation demonstrates that the success of BOT is not solely determined by economic aspects, but also depends heavily on legal certainty and a balance of protection for the parties.

To achieve the national goal of establishing justice and prosperity across all aspects of life, the government must continuously develop infrastructure throughout the Indonesian territory⁴. Such development requires substantial capital, which would be burdensome if funded solely through the State Budget (APBN) or Regional Budget (APBD). Due to these financial limitations, alternative funding sources are necessary, particularly through collaboration with private sectors (both domestic and foreign) to participate in government projects⁵. Cooperation between the central or regional government and private parties in the development of public projects is formalized through agreements that create binding legal relationships between the parties⁶. According to legal scholar R. Subekti, "A contract is an event in which one person makes a promise to another, or in which two people make mutual promises regarding certain matters⁷."

In regional infrastructure projects, private sector participation has often become an alternative funding solution⁸. Private involvement may be directed toward large-scale projects such as toll road construction, oil and gas development, dams, malls, office buildings, airport expansion, and power plants, or smaller-scale projects such as market renovations, terminals, truck stations, rest areas, and resorts. The essential purpose is to generate economic income for contractors while optimizing the use of government land for national and regional development. The Build, Operate, and Transfer (BOT) agreement is one form of cooperation commonly adopted between the government and private investors. It involves granting the investor rights to construct and operate a building or infrastructure on government-owned land for a specific period, after which ownership and operational rights are transferred back to the landowner. BOT plays a crucial role in supporting national and regional economic growth by increasing infrastructure development and revenue generation. Although BOT is often used in government projects, it may also be applied to private sector projects involving individuals or companies.

The principles underlying BOT cooperation include:

1. Alignment with national development goals and principles;
2. Mutual need, strength, and benefit;

³ Ika Yuliyanti dan Budi Santoso, "Analisis Perjanjian Build Operate And Transfer (BOT) Pada Pembangunan Aset Milik Daerah," *Notarius* 16, no. 2 (2023): 839-49, <https://doi.org/10.14710/nts.v16i2.42458>.

⁴ Ahmad Muliadi, *Politik Hukum Pertanahan Dalam Meningkatkan Penanaman Modal Di Bidang Agribisnis* (Jakarta: Akademia Permata, 2013).

⁵ Yuliyanti dan Santoso, "Analisis Perjanjian Build Operate And Transfer (BOT) Pada Pembangunan Aset Milik Daerah."

⁶ Wirjono Prodjodikoro, *Asas-Asas Hukum Perjanjian* (Bandung: Bale Ba, 1986).

⁷ R. Subekti, *Hukum Perjanjian* (Jakarta: Intermasa, 1985).

⁸ Israni Cahyanti et al., "Perjanjian Build Operate and Transfer (BOT) dalam Perspektif Hukum Bisnis," *Jurnal Kajian Hukum dan Pendidikan Kewarganegaraan* 2, no. 1 (2025): 470-73.

3. Efficiency and quality improvement of infrastructure development;
4. Economic growth stimulation;
5. Service quality improvement and broader social benefits;
6. Compliance with national laws and full adherence to Indonesian legal jurisdiction.

According to William W. Ambrose, BOT is defined as follows: "Build, Operate, and Transfer: Investors build local infrastructure under government direction and operate it for a specified period. The private operator recovers their investment and returns through operating revenues during this period. When the term expires, ownership of the assets is transferred to the state for public management⁹." BOT is a financing system typically applied to large-scale government projects, wherein feasibility study, procurement, financing, construction, operation, and revenue collection are entrusted to a private party. This party is given the right to operate and benefit from the project during the concession period to recover its investment and gain profit¹⁰. Budi Santoso adds that BOT is essentially a project financing method where the contractor provides its own capital and resources to complete a project, assuming responsibility for procurement and construction in exchange for the right to operate and earn income from the project for a specified period¹¹.

The fundamental elements of a BOT agreement include:

1. The existence of two parties the investor (fund provider) and the landowner (government or private);
2. The object of the agreement land and/or buildings;
3. The investor's right to operate and earn revenue for a specified period through revenue sharing or compensation mechanisms;
4. The transfer of ownership and management rights back to the landowner or government after the operation period ends.

According to Herlin Budiono, BOT implementation is grounded in both traditional Indonesian contract principles such as mutual cooperation, kinship, harmony, and propriety and modern legal principles, including consensualism, freedom of contract, and *pacta sunt servanda*¹². These converge into the "Principle of Balance," which emphasizes fairness and proportionality between the contracting parties. Private participation in BOT projects allows the government to benefit from private investment in infrastructure without fully relying on public funds. Investors, in turn, gain operational rights and economic benefits for a defined period¹³. The BOT scheme for government owned property is regulated under the Decree of

⁹ William W Ambrose, Paul R Hennemeyer, dan Jean-paul Chapon, *Privatizing Telecommunication System: Business Opportunity in Developing Countries* (Washington DC: The World Bank, 1990).

¹⁰ Felix O. Soebagjo, *Pengkajian Tentang Aspek Hukum Build Operate and Transfer* (Jakarta: Penelitian BPHN, 1993).

¹¹ Budi Santoso, *Aspek Hukum Pembiayaan Proyek Infrastruktur Model BOT (Build Operate and Transfer)* (Solo: Genta Press, 2008).

¹² Ramlan Rahmat Ramadhani, "PERJANJIAN BUILD OPERATE AND TRANSFER (BOT) LAPANGAN MERDEKA MEDAN DALAM PANDANGAN HUKUM ADMINSTRASI NEGARA DAN HUKUM BISNIS," *DE LEGA LATA Jurnal Ilmu Hukum* 4, no. 2 (2019): 255-70, <https://doi.org/https://doi.org/10.30596/dll.v4i2.3182>.

¹³ Vanny Aryanti dan Siti Nurbaiti, "Akibat Hukum Pembatalan Perjanjian Bot (Build Operate Transfer) Yang Dibatalkan Secara Sepihak Oleh Pemegang Hak Atas Tanah (Studi Kasus : Putusan

the Minister of Finance of the Republic of Indonesia Number 470/KMK.01/1994 concerning the Procedures for the Disposal and Utilization of State-Owned Property, dated September 20, 1994. This regulation defines BOT as the utilization of state-owned land by another party, whereby the latter constructs and operates facilities for a specific period before returning them to the government upon contract expiration.

The key principles of BOT agreements are:

1. Mutual Benefit Principle, both landowners and investors gain tangible benefits from the cooperation;
2. Legal Certainty Principle, ensuring the investor's obligation to return the developed assets to the landowner upon contract completion;
3. Deliberation Principle, disputes between the parties should be resolved amicably through discussion, and only through court proceedings if necessary.

In conclusion, the BOT system serves as a strategic mechanism to stimulate business and infrastructure growth through equitable cooperation between the government and the private sector. Based on the background described above, this research aims to examine the strengths, weaknesses, and legal issues arising in the implementation of BOT agreements, particularly in the case of The High End City Korea Town (THECKT) project involving PT Pulo Mas Jaya as the landowner and PT Korea World Center Indonesia as the investor, as analyzed in the Supreme Court Decision Number 600K/Pdt/2018.

Indonesia is undergoing rapid development in the economic, social, political, cultural, and technological sectors, which also results in significant population growth. To support national development and achieve the goals of justice and prosperity as stated in Pancasila and the 1945 Constitution, the government must continue expanding infrastructure. However, APBN/APBD make it necessary to involve private sector participation as alternative funding through public-private partnerships. One common form of such cooperation is the BOT agreement, where an investor constructs and operates a facility on government-owned land for a certain period before transferring ownership back to the government. This model benefits both parties: the government gains infrastructure development without fully funding it, while investors recover their capital and earn profits during the operational phase.

Several previous studies have examined BOT agreements from various perspectives. emphasized that the BOT agreement for the Medan Merdeka Square project must align with the principles of state administrative law and business law¹⁴. highlighted the importance of a clear division of rights and obligations in the BOT agreement for regional assets to prevent disputes¹⁵. Meanwhile, analyzed the legal consequences of unilateral cancellation of a BOT

N0. 97/Pk/Pdt/2017),” *Jurnal Hukum Adigama* 1, no. 1 (2018): 1781, <https://doi.org/10.24912/adigama.v1i1.2273>.

¹⁴ Rahmat Ramadhani, “PERJANJIAN BUILD OPERATE AND TRANSFER (BOT) LAPANGAN MERDEKA MEDAN DALAM PANDANGAN HUKUM ADMINSTRASI NEGARA DAN HUKUM BISNIS.”

¹⁵ Ikka Puspitasari dan Budi Santoso, “PERJANJIAN KERJASAMA PEMERINTAH DAN SWASTA DENGAN POLA (BOT) BUILD OPERATE TRANSFER DALAM PEMBANGUNAN JALAN TOL (Studi Pembangunan Jalan Tol Semarang-Solo),” *Law Reform* 14, no. 1 (2018): 57, <https://doi.org/10.14710/lr.v14i1.20237>.

agreement in Supreme Court Decision Number 97 PK/Pdt/2017 and concluded that unilateral cancellation violates the principles of *pacta sunt servanda* and good faith¹⁶.

While relevant, these studies still have limitations. First, these studies remain largely normative and have not deeply integrated the principle of contractual justice into the analysis of concrete BOT disputes.. Second, previous studies have not specifically linked unilateral termination of the BOT to John Rawls's theory of justice as a framework for evaluating the balance of legal protection. Third, most studies have not considered court decisions as the primary instrument for empirically assessing the implementation of the principles of balance and legal certainty in judicial practice.

This study, based on previous research, specifically analyzes the BOT dispute in The High End City Korea Town (THECKT) project based on Supreme Court Decision No. 600K/Pdt/2018, integrating the principle of balance in contract law and Rawls's theory of justice. This approach offers novelty because it not only assesses the formal validity of the BOT agreement but also examines the extent to which the judge's decision reflects substantive justice in protecting investors from potentially detrimental unilateral termination.

BOT is a financing system that delegates construction, operation, and revenue collection to private investors for a concession period¹⁷. The main principles guiding BOT agreements include mutual benefit, legal certainty, and deliberation¹⁸. BOT implementation must also adhere to the principle of balance, ensuring fairness between the government (or landowners) and investors¹⁹. The system is legally regulated under the Indonesian Ministry of Finance Decree Number 470/KMK.01/1994 concerning the management and utilization of state property. In this context, Thus, this study aims to analyze the application of the principles of justice and balance in the legal protection of the parties in the BOT agreement, specifically in the case of the dispute between PT Pulo Mas Jaya and PT Korea World Center Indonesia. Academically, this study is significant in filling the gap in studies regarding the relationship between the theory of contractual justice and judicial practice in BOT disputes, and practically contributes to strengthening legal certainty in the public-private partnership scheme in Indonesia.

2. Methods

This study employs a normative juridical approach focusing on the analysis of positive law related to the legal principles and norms governing BOT agreements. This approach is chosen because normative legal research aims to identify relevant legal rules, principles, and doctrines to address the legal issues being examined. The research data consist of primary, secondary, and non-legal materials²⁰. Primary legal materials include statutory regulations and court decisions related to the implementation of the BOT principle. Secondary materials comprise legal literature, journals, and expert opinions discussing BOT and contract law

¹⁶ Aryanti dan Nurbaiti, "Akibat Hukum Pembatalan Perjanjian Bot (Build Operate Transfer) Yang Dibatalkan Secara Sepihak Oleh Pemegang Hak Atas Tanah (Studi Kasus : Putusan N0. 97/Pk/Pdt/2017)."

¹⁷ Ambrose, Hennemeyer, dan Chapon, *Privatizing Telecommunication System: Business Opportunity in Developing Countries*.

¹⁸ Soebagjo, *Pengkajian Tentang Aspek Hukum Build Operate and Transfer*.

¹⁹ Santoso, *Aspek Hukum Pembiayaan Proyek Infrastruktur Model BOT (Build Operate and Transfer)*.

²⁰ Zainuddin Ali, *Metode Penelitian Hukum* (Jakarta: Sinar Grafika, 2013).

principles. Non-legal materials are used in a limited scope, particularly from the field of corporate economics, to analyze bankruptcy phenomena within the context of BOT agreements. Data collection was conducted through literature study, involving the systematic and logical identification, classification, and selection of legal materials. Data analysis was performed qualitatively using the statutory approach, comparative approach, and case approach, which complement each other. The analysis applied deductive reasoning, drawing conclusions from general legal principles to resolve the specific legal problems discussed in this research²¹.

3. Results and Discussion

3.1. Legal Issues Arising from the Dispute in the BOT Agreement between PT Pulo Mas Jaya and PT Korea World Center Indonesia

Theoretically, a BOT agreement is a reciprocal contract (*wederkerige overeenkomst*) that creates equal rights and obligations for the parties. In civil law, this reciprocal nature makes the termination of the agreement a legal mechanism that cannot be carried out unilaterally without a court decision, as stipulated in Article 1266 of the Civil Code. This provision is intended to prevent the abuse of a dominant position by one party in a contractual relationship²². In the case of *PT Pulo Mas Jaya v. PT Korea World Center Indonesia*, the BOT agreement was unilaterally terminated under the pretext of breach of contract. However, legally, breach of contract does not automatically justify contract cancellation without a valid legal mechanism. Modern contract law doctrine stipulates that breach of contract must be proven proportionally, taking into account the principles of reasonableness and fairness²³. Therefore, the act of taking over BOT assets without a court decision represents a form of self-help prohibited in a state governed by the rule of law.

Supreme Court Decision No. 600K/Pdt/2018 implicitly asserts that such unilateral termination is inconsistent with the principle of legal certainty, which emphasizes that contracts in modern business practice serve not only as formal instruments but also as trust mechanisms that must be protected by the legal system. Thus, the Supreme Court assesses not only the procedural aspects of the contract but also the long-term stability of the investment relationship²⁴.

In foreign investment activities, disputes between investors and the government often arise due to breaches of agreement, license revocation, or violations of investors' rights. A similar issue occurred in the cooperation between PT Pulo Mas Jaya and PT Korea World Center Indonesia, despite their BOT agreement being structured based on the principles of contract law and the balance of rights and obligations. The dispute began when PT Korea World Center Indonesia was accused of failing to fulfill its obligations to construct *THECKT*

²¹ Amiruddin dan Zainal Asikin, *Pengantar Metode Penelitian Hukum (Ketujuh)*, Jakarta: Raja Grafindo Persada (Jakarta: PT. Raja Grafindo Persada, 2018).

²² Agus Yudha Hernoko, *Hukum Perjanjian: Asas Proporsionalitas dalam Kontrak Komersial* (Jakarta: Kencana, 2010).

²³ Lord Bingham, "The rule of law," *Cambridge Law Journal C.L.J.* 66, no. 1 (2007): 67–85.

²⁴ Stewart Macaulay, "The Real and the Paper Deal: Empirical Pictures of Relationships, Complexity and the Urge for Transparent Simple Rules," *Law and Philosophy Library* 133, no. 1 (2020): 415–56, https://doi.org/10.1007/978-3-030-33930-2_17.

project in East Jakarta. PT Pulo Mas Jaya considered this a breach of contract (*wanprestasi*) and unilaterally terminated the cooperation agreement, taking over the project site in December 2015²⁵. PT Korea World Center Indonesia, however, rejected the allegation, arguing that the termination was unilateral, lacked legal basis, and violated the dispute resolution mechanism stipulated in the BOT agreement. The company maintained that project delays were caused by external factors beyond their control. As a result, the cooperation between the two parties was disrupted, and the investor's rights were not protected since the agreement termination was conducted unilaterally and without proper legal procedures²⁶.

3.2. General Overview of Agreement Termination and Unilateral Contract Cancellation by PT Pulo Mas Jaya

In BOT (Board-Owned Enterprises) contracts, landowners (regional-owned enterprises/local governments) often hold a dominant position due to their control over vital assets, such as state land. This imbalance places investors in a vulnerable position, especially when the project has not yet generated profits. This phenomenon is known as inequality of bargaining power, which is a primary source of contractual injustice in modern business relationships²⁷. PT Pulo Mas Jaya's actions in terminating the agreement and repossessing project assets while investors were still in the payback phase indicate *misbruik van omstandigheden*. This doctrine developed to protect parties in structurally weak positions²⁸. In the BOT context, investors' dependence on the continuation of the contract makes unilateral termination a coercive instrument that violates the principle of proportionality.

Agreement Cancellation may be requested by the aggrieved party if the contract was made by a legally incompetent person, contradicts the law or morality, or was made under mistake, coercion, or fraud²⁹. According to the Indonesian Civil Code (*KUH Perdata*), there are two types of cancellation: absolute nullity (*absolute nietigheid*), where the agreement is considered void from the beginning, and relative nullity (*relatief nietig*), which applies only to the party requesting the cancellation. Under Article 1266 of the *KUH Perdata*, cancellation can only occur if the agreement is reciprocal, a breach of contract (*wanprestasi*) occurs, and it is decided by the court. Unilateral cancellation is deemed invalid because a valid contract holds binding legal force similar to law between the parties (Article 1338 *KUH Perdata*). Therefore, termination must be based on mutual consent or a court decision to prevent arbitrary actions that may harm one party³⁰.

²⁵ Robertus Belarminus, "Tak Kunjung Jadi Tempat Budaya Korea, PT Pulomas Ambil Alih Lahan Dari PT KWCI," *Kompas*, 2015.

²⁶ Harry Siswoyo and Anwar Sadat, "'PT Pulo Mas Ambil Alih Aset Pemprov DKI'," *Viva.co.id*, 2015.

²⁷ P. S Atiyah, *Introduction to the law of contract*, Oxford University Press (Oxford, 1986), <https://doi.org/10.4324/9781315678283-1>.

²⁸ C Hartkamp, A., & Sieburgh, Mr. C. *Assers Handleiding tot de beoefening van het Nederlands Burgerlijk Recht* (Kluwer, 2014).

²⁹ Diah Pitaloka dan Sasmiar Sasmiar, "Pemutusan Perjanjian Secara Sepihak (Studi Kasus Putusan MA No.31/Pdt.G/2018/PN DPK)," *Zaaken: Journal of Civil and Business Law* 2, no. 1 (2021): 111-28, <https://doi.org/10.22437/zaaken.v2i1.8948>.

³⁰ Prita Anindya, "'Pembatalan Perjanjian Secara Sepihak,'" Universitas Indonesia, 2009, <https://lib.ui.ac.id/detail?id=122527&lokasi=lokal>.

Supreme Court Decision No. 600K/Pdt/2018 reflects judicial recognition of this inequality. This approach aligns with the development of modern contract law, which is no longer formally neutral but instead seeks to correct structural injustices in business relationships³¹. Thus, the Supreme Court not only upholds the text of the agreement, but also the substance of contractual justice.

In the dispute between PT Korea World Center Indonesia and PT Pulo Mas Jaya, PT Pulo Mas Jaya unilateral termination of the contract was considered a violation of the principles of good faith and legal certainty. As an investor, PT Korea World Center Indonesia suffered losses, including the loss of invested capital and management rights over the BOT project. Based on Law Number 25 of 2007 on Investment, every investor is entitled to legal protection, certainty of rights, and fair treatment from the government. However, the implementation of the BOT agreement between PT Pulo Mas Jaya and PT Korea World Center Indonesia showed an imbalance that led to potential breach of contract and legal disputes. Consequently, PT Korea World Center Indonesia filed a civil lawsuit with the East Jakarta District Court (Decision Number 468/Pdt.G/2015/PN.Jkt.Tim) to challenge PT Pulo Mas Jaya unilateral takeover of the project land. PT Korea World Center Indonesia asserted that the agreement was still legally binding, making PT Pulo Mas Jaya actions contrary to the principles of good faith and legal certainty as stipulated in Article 1338 paragraph (3) of the *KUH Perdata*.

3.3. Legal Protection for Investors and The BOT Agreement Constitute a Form of Legal Certainty between PT Pulo Mas Jaya and PT Korea World Center Indonesia

Legal protection for investors is a key prerequisite for a healthy investment climate. The World Bank (2019) emphasized that certainty of contract enforcement is directly correlated with increased foreign investment flows. In the context of PPP/BOT, contracts are not merely private documents, but rather public policy instruments to attract private capital for infrastructure development³². Supreme Court Decision No. 600K/Pdt/2018 demonstrates that BOT agreements are positioned as both preventative and repressive forms of legal protection. Preventive, because the agreement specifies rights and obligations in detail; repressive, because the courts act as a corrective mechanism when deviations occur. This approach is consistent with the findings of ³³that the success of PPPs depends heavily on judicial guarantees of contractual stability.

Legal protection is a guarantee provided by the state to ensure that the rights of every legal subject are safeguarded against any form of violation or loss³⁴. According to Satjipto Rahardjo, legal protection encompasses the safeguarding of human rights, the provision of security and legal certainty, and the implementation of both preventive and repressive measures by the state to balance individual and public interests. The essential elements of legal protection include government supervision, legal certainty, respect for citizens' rights, and

³¹ Hugh Collins, "The law of contract," in *The Cambridge Law Journal* (London: Cambridge University Press, 2017), 53-77, https://doi.org/10.1007/978-3-319-57252-9_4.

³² E.R Yescombe, *Public-Private Partnerships in Sub-Saharan Africa Case Studies for Policymakers*.

³³ Darrin Grimsey dan Mervyn Lewis, "Public Private Partnerships: The World Revolution in Infrastructure Provisions and Project Finance."

³⁴ Andre Ferdiananto Amelia Syauket, Rabiah Al Dawiah, *hukum perlindungan investor Analisis Investasi Illegal Binomo* (Malang: CV Literasi Nusantara Abadi, 2022).

sanctions for any violations of the law. In the context of investment and development, legal protection is manifested through formal and legally binding agreements, such as the BOT system. The BOT scheme serves as a legal instrument that provides certainty for the parties involved by defining their rights, obligations, and mechanisms for cooperation in asset construction and management. BOT is widely used in public infrastructure projects involving partnerships between the government and private entities-both domestic and foreign-to promote efficiency and encourage investment without burdening the state budget³⁵.

A prominent example of BOT implementation is the cooperation between PT Pulo Mas Jaya, a Regional-Owned Enterprise (BUMD) of the Jakarta Provincial Government, and PT Korea World Center Indonesia, a foreign investment company engaged in property development and management. This partnership is formalized in Notarial Deed Number 03 dated April 4, 2012, titled Agreement on the Development and Management of THECKT in Pulomas, East Jakarta. Under this agreement, PT Pulo Mas Jaya grants PT Korea World Center Indonesia the right to construct, manage, and derive economic benefits from the facilities for a 30 years concession period, after which all assets must be returned to PT Pulo Mas Jaya without compensation. The agreement comprehensively outlines: The identities of the parties, the object of the agreement, and the duration of construction and management; The rights and obligations of each party, including construction, maintenance, reporting, and supervision responsibilities; Provisions on force majeure, delays, and dispute resolution mechanisms, which prioritize amicable settlement before submission to the East Jakarta District Court.

From a legal perspective, this BOT agreement adheres to the principles of legal certainty, balance, transparency, and accountability, providing protection for investors while ensuring the government's rights as the landowner³⁶. The existence of a notarial deed strengthens the agreement's binding force and serves as a legal safeguard against unilateral actions (*eigenrichting is verboden*). In conclusion, the BOT agreement between PT Pulo Mas Jaya and PT Korea World Center Indonesia represents a concrete form of legal protection and legal certainty for investors, as it clearly regulates the rights, duties, and legal responsibilities of the parties throughout the project's implementation. Moreover, this cooperative model supports regional economic development, strengthens bilateral relations between Indonesia and South Korea, and fosters a fair partnership between the public and private sectors. By overturning the implication of unilateral termination, the Supreme Court sends a strong signal that the state protects investors from arbitrary actions by its contractual partners. This aligns with the principle of fair and equitable treatment in international investment law, which requires states to ensure the stability and predictability of legal relationships³⁷.

4. Conclusions

This study shows that PT Pulo Mas Jaya deliberate unilateral termination of the cooperation agreement and its attempt to evict the project site without following legal procedures constitute an abuse of power and dominant position (*misbruik van omstandigheden*) in a contractual relationship. The unilateral decision was made with full

³⁵ Anindya, "Pembatalan Perjanjian Secara Sepihak."

³⁶ Irawan Soerodjo, *Hukum Perjanjian dan Pertanahan, Perjanjian Build, Operate, and Transfer (BOT) atas Tanah, LaksBangs PRESSindo* (Yogyakarta, 2016).

³⁷ C Dolzer, R., & Schreuer, *Principles of International Investment Law* (Oxford University Press, 2012).

awareness of its legal consequences and the harm it would cause PT Korea World Center Indonesia as its partner, yet was carried out for self-interest. Such actions clearly disregard the principles of justice, fairness, and balance of rights that should underpin the implementation of a (BOT) agreement. The court rulings, both at the High Court and the Supreme Court levels, demonstrate that the judges' considerations were not limited to the formal aspects of the contract, but also emphasized the importance of equality between the parties, lawful contract performance, and protection of the aggrieved party. These considerations reaffirm the application of the principles of justice, propriety, and good faith as integral elements of Indonesia's civil law. Moreover, the decisions reflect protection for foreign investors, in this case PT Korea World Center Indonesia, in line with national legal policies stipulated under Presidential Decree Number 8 of 1994 and other investment regulations. Thus, the Supreme Court's decision not only upholds justice for the parties but also serves as an important precedent for enforcing legal certainty and safeguarding foreign investment in Indonesia. Supreme Court Decision No. 600K/Pdt/2018 has systemic implications for BOT practices in Indonesia. First, this ruling affirms that state asset owners do not have legal immunity in business contractual relationships. Second, this ruling reinforces the doctrine that contract stability is part of the public interest in infrastructure development. This finding aligns with research³⁸, which states that the legitimacy of PPPs is largely determined by the consistency of contract enforcement by the courts. Thus, the Supreme Court acts as a guardian of the investment climate by protecting BOT contracts

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³⁸ Graeme A. Hodge dan Carsten Greve, "On Public-Private Partnership Performance: A Contemporary Review," *Public Works Management and Policy* 22, no. 1 (2017): 55–78, <https://doi.org/10.1177/1087724X16657830>.

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