

The Legal Consequences of Default in the Oral Lease Agreement based on Indonesia Private Law (Decision Study of Supreme Court No. 2368K/Pdt/2019)

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ABSTRACT

An oral lease agreement is a lease agreement made by the parties in an oral form without a written agreement being the instrument they agree on. The risk of this agreement came in many forms, one of them is when either one of the parties cannot fulfil one of the clauses that they had agreed on. The research was conducted in order to determine what the legal consequences is for parties who default on the implementation of the oral lease agreement to rent a warehouse and whether the implementation of the oral lease agreement is in accordance with the laws and order based on the supreme court decision. In this case study, the district court decision and the high court decision states that the oral lease agreement is not valid because of the lack of proof and evidence. But in the Supreme Court decision, this oral lease agreement declared to be a valid agreement and the defendant is declared in default. This research uses a normative juridical research with a descriptive analysis and data collection tools of literature and observation research. The results shows that the legal consequences of the oral lease agreement are that the defendant is in default. And from the Supreme Court decision it is known that the implementation of the oral lease agreement is valid and in accordance with the prevailing laws and regulations in Indonesia, whereas the lease agreement which is made orally, is basically not prohibited based on the principle of freedom of contract.

Keywords: *Validity of an agreement, Lease, Default*

1. INTRODUCTION

Interaction between human beings is one of the main things that cannot be avoided as social beings in order to fulfill their needs. These needs always develop along with the times. From meeting basic needs such as housing to supporting needs, namely a place to carry out their business in order to earn a living for their daily needs. Another way that can be done by the owner of the place of business is to rent out the place of business to be used by other people who consider the place of business to be a strategic and appropriate place to carry out their business. The needs between each of these legal subjects in running a business or business are certainly different from one another. In the context of leasing, the lessee and the lessor have different interests, namely the one who rents out needs money and the tenant needs a place to run his business. To accommodate these different needs among legal subjects, an agreement can be made, especially the so-called lease agreement. Generally, the interested parties will include their wishes or desires in an agreement. With the agreement,

the subject, object and even the rights and obligations of the parties are clearly visible. An agreement is an agreement between two parties in which the parties bind themselves to the other party to carry out a certain thing [1]. Juridically, the meaning of agreement is regulated in the third book on engagement. The definition of an agreement according to Article 1313 of the Civil Code (KUHPperdata) is an act in which the name of one or more persons binds himself to one or more other persons [2].

Agreements when viewed from the form can be divided into 2 types, namely agreements made in written form and those made orally (not written) [3]. So that there is no obligation that requires the parties to form a written agreement. The choice of the form of the agreement is of course carried out on the basis of the agreement of the parties which is an application of one of the principles of the existing agreement, namely the freedom of contract.

Article 1338 of the Civil Code states that all agreements made legally apply as law for those who make them. The agreement made and agreed upon by the parties applies to each party where the parties are obliged to carry out or comply with the contents of the agreement. Therefore, the content of the agreement itself must be known and understood by the parties to the agreement. In this case, each

party has the freedom to enter into an agreement (freedom to contract) both from the form, content and additional matters stipulated in the agreement. This is also known as the principle of freedom of contract which is regulated in Article 1330 of the Civil Code.

In the case of a lease agreement, leasing is a civil act that can be carried out by a legal subject (person and legal entity). The lease agreement is regulated in Articles 1548-1549 of the Civil Code. In the lease agreement, it is the right of the lessee to receive and enjoy the leased object and to pay the rental fee on time is the main obligation. As for the party who rents out, the right is to receive rental payments and is obliged to hand over the object of the lease to the lessee and other obligations that have been agreed upon by the parties. Thus, there are always two or more people who promise each other to do something either as an obligation or as a right of the renter and the lessee.

However, in practice in the field, not all lease agreements can be carried out in accordance with what has been agreed, sometimes the renting party cannot fulfill the obligations as agreed in the agreement. The non-fulfillment of these obligations is due to negligence or intentional or due to an event that occurs outside of each party or can also be called default and *overmacht*. Not only that, the lack of understanding and awareness of the parties making the agreement itself is also one of the factors causing the debtor's negligence in fulfilling the achievements (default) that have been agreed in the agreement, either in written form or orally.

The number of verbal agreements in which one of the parties has been negligent in carrying out the performance (default) but due to a lack of understanding from the parties concerned in the end no follow-up is carried out on the default and also coupled with the difficulty of determining the validity of the verbal agreement if there is not sufficient evidence to support the verbal agreement and also the occurrence of denial of the parties both the landlord and the lessee against the agreement that has been agreed orally.

One of them is in the case between Flavianus Fexa and Cau Phen. The late Michael Murep who was the owner of the object for rent in the form of a Warehouse had died and bequeathed the object in the form of a Warehouse to his heirs, namely his son, Flavianus Fexa. Thus, Flavianus Fexa becomes the legal owner of the Warehouse. In the past, Michael Murep had entered into a verbal lease agreement with Cau Phen to rent out his warehouse as a sand business/office, and an annual rental price was agreed upon and he paid a portion of the rent for 1 (one) year for the year. 2006 to 2007. And it has been determined since the payment was made, since then the time for the lease agreement to occur. And the tenant immediately uses the rented warehouse as a place of business. However, until 2017, Cau Phen did not pay the rent at all, while the warehouse was still used by him to store his assets and belongings and the condition of the warehouse was not well maintained and unfit for reuse.

Although Flavianus Fexa had repeatedly been billed and reminded to pay the rent, Cau Phen did not respond. So this gives rise to a default. Flavianus Fexa finally took legal action by suing Cau Phen in court. The judge in his decision at the District Court level decided that due to a firm rebuttal by Cau Phen who felt that he had never entered into a verbal lease agreement, and Flavianus Fexa also did not have a strong basis or reason to prove that it was true that there had been a binding lease agreement. rent orally, then finally the demands of Flavianus Fexa were rejected by the judge. Then Flavianus Fexa filed his lawsuit again at the High Court level, but the High Court Judge still rejected his claim and upheld the District Court's decision so that the agreement was considered invalid. After that, Flavianus Fexa re-filed his lawsuit at the Cassation level, this is where Flavianus Fexa's lawsuit was granted and the agreement is considered valid.

The research question is: What are the legal consequences for the parties to a verbal lease agreement in the event of a default according to the laws and regulations in Indonesia? How is the validity of an oral leasing agreement in the event of default according to the laws and regulations in Indonesia?

2. METHOD

The research method used in this research is normative legal research, which is a process to find a rule of law, legal principles, and legal doctrines to answer the legal problems faced [3]. The nature of the research in this paper is prescriptive, namely studying the purpose of law, values of justice, validity of the rule of law, legal concepts and legal norms [4]. The type of data used is secondary data and the legal material used is primary legal material, which is authoritative legal material, meaning that it has authority [5] in the form of laws and court decisions, secondary legal materials in the form of all information relevant to legal issues and have a persuasive influence in the formation of law, but cannot be considered as legal rules that have been promulgated or announced as products of legislative, judicial bodies, executive, and/or state administration [6] such as doctrines, legal books and journals. While the research approach used is the legal approach, which is an approach that is carried out by examining all laws and regulations related to the legal issues being handled [7].

The data analysis technique used is deductive data analysis technique. In the deductive data analysis technique, which is positioned as the major premise is the legal basis and what is proposed as the minor premise is the case (which is an event or legal action whose legal consequences are being questioned) [8].

3. DISCUSSION

3.1. Legal Consequences for The Parties to an Oral Lease Agreement in the Event of a Default According to The Laws and Regulations in Indonesia

An unnamed agreement is an agreement that is regulated outside of what has been stipulated in the law and results in a legal consequence desired by the parties. An agreement like this is a form of agreement in a broad sense. By agreement means that a person binds himself to another party, this is in accordance with Article 1313 of the Civil Code. This means that in an agreement there is an obligation and or fulfillment of a certain achievement to the parties concerned which must be carried out, implemented or fulfilled by the parties [9].

The agreement that has been stated in the form of a valid agreement and which of course contains the rights and obligations of the parties requires the parties to fulfil what is in the contents of the agreement. The things that cause the termination or termination of the engagement itself can be seen in books III – IV of the Civil Code which states the reasons for the termination of the engagement, namely: payment, offer of cash payment, followed by safekeeping or safekeeping, meeting debt, debt relief, renewal debt, debt mixing, destruction of debts, lapse of a predetermined time. The lease agreement entered into by Michael Murip (M) with Chau Phen (C) is valid and binding for the parties so that C is said to have defaulted. This is clearly stated in the judge's decision which is already a decision that has permanent legal force with the decision of the Supreme Court judge number 2368K/Pdt/2019. Although previously in the decisions of the District Court and High Court the agreement was said to be invalid because the Panel of Judges concluded that the verbal lease agreement between the Plaintiff and the Defendant as argued by the Plaintiff in his lawsuit did not have a strong basis or reason to prove that it was true. a verbal lease agreement was signed between the Plaintiff and the Defendant.

The community has the freedom to enter into agreements with any party, both for existing agreements regulated and mentioned in the law as well as for types of agreements that have not been regulated in law. This is due to the nature of the Civil Code itself which is an open system adherent. In Indonesia itself, the formal and material legal sources used are still guided by the Civil Code, in which there is a special chapter that regulates contract law, so it can be concluded that the source of law and treaty law arrangements in Indonesia is in the Civil Code. In the Civil Code it is not explained in detail related to the form of entering into an agreement or engagement, so that everyone who wants to make an agreement or engagement has freedom. That is, the parties can make an agreement or engagement in oral or written form. The application of this is often referred to as

the principle of freedom of contract. This principle is a principle that gives freedom to the parties to:

- a. Making or not entering into an agreement;
- b. Entering into an agreement with anyone;
- c. Determine the contents of the agreement, its implementation, and its requirements; and
- d. Determine the form of the agreement, namely written or oral.

The following is a list of agreements stated in the law that the agreement must be made in written form and in an authentic deed, as follows:

- a. Grant Agreement;
- b. Agreement to grant power of attorney to install mortgages on ships;
- c. Receivable transfer agreement guaranteed by mortgage;
- d. Subrogation agreement;
- e. Transfer agreement (especially sale and purchase and grant) of land rights, except through auction, for registered lands;
- f. Transfer agreements (especially sale and purchase agreements and grants) of property rights to the land of the apartment unit, except through auction;
- g. Agreement on the transfer of land rights or ownership rights to the apartment unit by auction;
- h. The agreement to grant power of attorney imposes mortgage rights;
- i. Mortgage guarantee agreement;
- j. Fiduciary guarantee agreement;
- k. Firm establishment agreement;
- l. Cooperative establishment agreement;
- m. Foundation establishment agreement;
- n. Limited Liability Company establishment agreement.

With respect to the above-mentioned agreements which have been clearly stated by law regarding their form, it is obligatory to carry out in accordance with those described. If these types of agreements are not made as they should be, there will be legal consequences where the agreement will be null and void or it can be said that the agreement was deemed to have never happened from the start. This means that the implementation of the above agreements cannot be made in a form other than written and in the form of an authentic deed because the form has been determined by law. It is another matter if the agreement made is not included in the type of agreement mentioned above, then for the agreement if it is made in any form, especially verbal, then the agreement is a valid agreement and binds the parties who make it.

That it is important to know whether or not an agreement is valid so that it can be said that the agreement is indeed binding on the parties, especially if one party is in default and demands the fulfilment of its achievements to the other party. It is regulated and confirmed in Article 1338 paragraph (1) of the Civil Code that all agreements made

legally will apply as law for those who make them". It is also regulated in Article 1320 of the Civil Code related to the conditions for the validity of the agreement which is one of the legal tools or instruments in seeing whether an agreement can be said to be valid and binding or not. As for the contents of the article, it is stated that there are 4 (four) conditions that must be met so that an agreement can be said to be valid, namely as follows:

- a. Agree for those who bind themselves;
- b. The ability to make an engagement;
- c. A certain matter;
- d. A lawful cause.

In the article it can be seen that it is not specifically regulated that an agreement must be made in what form, so it can be concluded that as long as the 4 criteria conditions are met, whatever the form, whether oral or written, the agreement can be said to be a valid agreement. and binding on the parties who make it. And also, as previously explained, only certain types of agreements that have been regulated and determined by law must be made in written form, so as long as the type of agreement is not included in the type of agreement that has been determined, then the agreement in any form is legal. In the event that the agreement, which in this case is an oral agreement, is a valid agreement because it has fulfilled the four conditions for the validity of the agreement, if in fulfilling the obligations in the agreement, there is one party who cannot fulfil it, then the oral agreement is the basis that can declare that the party has defaulted.

Obligations that cannot be fulfilled by one of the parties in accordance with the agreed terms, it can be said that he has defaulted. Another language that is often used is negligent or broken promise so that a violation occurs in accordance with the agreed agreement [10]. The party who is negligent in carrying out the achievements in an agreement must pay the required sanctions or fines. There are four consequences of default, which are as follows:

- a. The existence of an engagement, the lessor can carry out the performance to the lessor, if he is late in carrying out the performance. The lessee has the right to ask for compensation if there is a delay in fulfilling his achievements, because the lessee becomes a loss because the lessor cannot fulfil his achievements in a timely manner.
- b. The lessor is obliged to pay compensation.
- c. The risk burden is transferred to the debtor's loss, if the obstacle arises after the debtor defaults, unless there is a big gap or error on the part of the creditor. Therefore, the debtor is not justified in adhering to coercive circumstances.
- d. If the engagement is born from a reciprocal agreement, the creditor can burden himself from his obligation to provide a performance contract by using article 1266 of the Civil Code [11].

Legal consequences are born from the existence of an act or legal relationship between parties. In this case, in a lease agreement, if you do not pay attention to the legal side, it

can cause legal consequences that are burdensome or beneficial to one party so that the emphasis is always on the law itself.

The determination of when the party who is negligent in default must consider the time period given by the other party to the party being able to fulfil its performance. If there is a specified period of time, the party who must fulfil the achievement is obliged to fulfil the achievement within the stated period, if it cannot fulfil it, then the agreement can be cancelled and does not apply to both the renter and the lessee Achievements must be fulfilled as a whole so that the agreement can run well without harming both parties [12].

In this case, the case started from an agreement that had been made by Michael Murip (M) with Cau Phen (C) verbally which stated that M would lease the warehouse and dock to C and C would maintain the warehouse and dock until the end of the lease period. C has made payments to M for a 1-year lease period, from October 2006 to October 2007. However, until 2017, C still has not paid the rent until M dies so it falls to his legal heirs, namely F. F knows this This gave a warning and a subpoena to C to pay off the remaining unpaid rent, but C still ignored this. Seeing this, F went to the object area of the lease and saw that the warehouse was still being used by C to store goods and machines belonging to C, as well as the condition of the warehouse which is very poorly maintained and it is feared that if renovations/repairs are not carried out immediately, the warehouse will collapse. Seeing this, F finally filed a legal action to the district court on the basis that C was in default. C in his defence to the District Court postulated that he never felt that he had made a lease agreement with M. The judge's considerations regarding this matter also strengthened C's defence, namely that the recognition of the lease agreement between M and C was a one-sided confession which was only recognized by F, because apart from F no one can prove the existence of the lease agreement.

The warehouse rental agreement was made by the plaintiff and the defendant, the plaintiff in his posita explained that the agreement was made in oral form. Where in practice, the trust given by the party who rents out is inversely proportional to the tenant himself who does not have good intentions to carry out his achievements, causing losses to the plaintiff.

The defendant who cannot carry out the achievements that have been agreed in the lease agreement, it can be said that the defendant has been negligent or has defaulted. If it is seen that the warehouse rental agreement which is carried out verbally, it is appropriate and meets the four criteria in Article 1320 of the Civil Code. In the verbal warehouse rental agreement, there were several defaults made by the defendant, one of which was where the plaintiff had given a warning letter to pay the rent, but the defendant ignored it and the defendant's goods were still in the plaintiff's warehouse.

So, it can be concluded that the actions carried out by the defendant above made the plaintiff suffer losses due to that

at that time the lessor did not benefit from the warehouse while the defendant still enjoyed what was the right of the plaintiff. This can happen and can lead to conflict if the lessor wants to enter into a warehouse rental agreement with another party who can pay the rent he should have received, because the warehouse is still being used by the tenant. If C does not want to extend the lease term to F, then C should be obliged to vacate the Warehouse and hand over the Warehouse to F in good physical condition.

Another thing that resulted in a default in the Warehouse rental agreement was that C did not pay rent to party F. As a result of C's negligence, F required C to complete payments to F.

Even though F has sent subpoenas 3 times and notified C to pay the rent, the summons or notification was ignored, so it can be concluded that F's desire to terminate the lease agreement. Therefore, F must vacate the Warehouse in accordance with the previously agreed basis.

Another thing that can be said that C has been negligent in fulfilling the achievements in the verbal warehouse rental agreement is that C does not care for or maintain the warehouse as if the warehouse is his own. This can be seen in the damages that are clearly visible on the outer physical form of the two Warehouses themselves. Where it can be seen from the condition of the warehouse, which according to the plaintiff, cannot be reused because it can be seen from the warehouse building which looks like it will collapse. As a result of C's negligence, F in his posita asks C for compensation for warehouse renovation. F in the Warehouse rental agreement also provides sanctions due to C's negligence, namely in the form of fines and confiscation of collateral for C's belongings in the warehouse.

The definition of leasing according to Article 1548 of the Civil Code is an agreement between the parties in which one party agrees to provide the enjoyment of an item to the other party for a certain period of time, with the payment of a price agreed by the party receiving the enjoyment. The leased goods can be either movable or immovable. The meaning of "for a certain time" here is that there is a determination of how long the goods are leased. However, according to Subekti, the lease agreement does not need to be stated for how long the goods are leased. With an agreement in the rental price for one day, month or year, if it is not explicitly stipulated for a certain time, he has the right to terminate the rental at any time with prior notice. Regarding Subekti's statement, the verbal lease agreement is also specifically regulated in Article 1571 of the Civil Code which stipulates that if the lease agreement is not made in writing, the termination of the agreement is not at a predetermined time, but after one of the parties notifies the party who previously stated that he would terminate his lease regardless of the lease term that has been agreed upon in the agreement.

Based on the explanation above, the verbal lease agreement which does not mention the time limit can be terminated if one of the parties has previously notified the other party regarding the termination of the lease agreement, regardless

of the rental period or grace period at the beginning of the agreement. there is no prior notification, then the rental period will be automatically extended for the same period. The warehouse rental agreement between M and C can be said to have not ended. This can be seen from the lack of desire from C to move his belongings from the object of the lease and M in his posita also explains that if C wants to continue to use the warehouse, then C can pay the rent per year, but this does not happen. ignored by C. In this case, then C can also be said to have committed an unlawful act. According to Munir Fuady, the elements of an unlawful act are as follows:

- a. Acts that violate applicable laws;
- b. Which violates the rights of others guaranteed by law;
- c. Actions that are contrary to the legal obligations of the perpetrator;
- d. Actions that are contrary to decency; or
- e. Actions that are contrary to good attitudes in society to pay attention to the interests of others.

Judging from the explanation above, it can be concluded that where the tenant's belongings are still in the warehouse belonging to the lessee, it has violated the rights of the lessor who is the owner of the warehouse and is also contrary to good attitude in society to pay attention to the interests of others. Therefore, in addition to default, the tenant has also consciously committed an unlawful act depending on the status of the goods in the warehouse.

The status of the goods in the tenant's warehouse becomes the next question, whether the goods are the property of the renter or remain the property of the tenant. The consequences related to the status of the goods can be taken by looking at the end of the lease agreement itself. The verbal lease agreement will terminate if either party decides to terminate the existing lease. If it is seen from the posita and petitum submitted by both the plaintiff and the defendant, it is not stated that one of the parties wants to stop the rental of the warehouse. At the time the plaintiff sued, it was only submitted to the judge that the plaintiff wanted to terminate the lease agreement so that it can be said that C had defaulted and acted against the law.

The conclusion that the author can take in this case is that the verbal warehouse rental agreement is still valid and binding on the parties so that the rights and obligations contained in the agreement do not become lost.

The strength and legal certainty of an agreement made not in writing is very weak when compared to an agreement made in writing. The thing is, the proof in the lease agreement is difficult and cannot be proven so that it can be a legal consideration if a problem occurs in the future. Therefore, it is very important for an agreement to be made in writing as a guide in the judge's decision regarding the validity or invalidity of an agreement. The judge can also use the written agreement as a reference to facilitate the process of proving both regarding the rental period, proof related to payments made and other matters that have been agreed upon by the parties in an agreement. This is what is

expected to make the parties more responsible for carrying out the contents of the agreement that has been agreed in writing.

3.2. Validity of an Oral Leasing Agreement in the Event of Default according to The Laws and Regulations in Indonesia

In Indonesian law, especially in the Civil Code, it is not stated that the lease agreement must be made in oral or written form. A very influential reference in determining the contents of a verbal lease agreement is a statement from the lessee. This right is because the lessee in making a verbal lease agreement can be said to be a weak party. Therefore, the statement submitted by the lessee must be properly accepted [13].

The proof of this verbal lease agreement is very interesting to discuss, because there is no physical or written evidence related to the agreement or agreement contained in the agreement. The physical evidence referred to here is related to the agreement deed, whether made under the hand or authentically. Due to this, the most worrying consequence is related to evidence rather than the contents of the agreement itself.

However, the above is not merely an oral lease agreement, it cannot be proven at all, especially if one of the parties is in default. In this case, the proof in question is related to payments made by the lessee to the lessor. In making a lease agreement, it will usually be agreed in advance about the rental price for a certain period of time and the method of payment that will be made at the beginning of the agreement. Therefore, even though there is no written evidence regarding the lease agreement, it will not be a problem if there is other evidence, namely a receipt for payment of rent that has been made by the lessee at the beginning of the implementation of the agreement.

Receipts are an important evidence in today's era in the civil sector. Receipts or what is also referred to as evidence that payments have been made are categorized as underhanded deeds [14]. So, it can be said that if there are no parties who deny the contents and signatures in the underhand deed, then the strength of the proof becomes the power of proof is perfect, which is the same as the strength of evidence in the authentic deed [15].

Receipts have a very important role in the evidentiary process in civil trials, because the types are included in the deed under the hand, the receipt can be used to confirm and state that there is a legal relationship between the parties in the agreement. In addition to the functions mentioned above, the use of other receipts is as a reference to declare someone has been negligent or in default in paying rent so that in proving civil proceedings, receipts have a very decisive role. However, the receipt does not fully convince the judge in deciding that the tenant has defaulted, so the lessee must first prove that the object of the lease is his.

The proof that can be done can be in the form of proving that it is true that the object of the lease belongs to the lessor,

then also by providing an existing receipt as evidence that it is true that the payment of the rent has taken place, besides those witnesses are also presented who can testify that it is true that the lessor is the party that occupies the object of the lease for the first time before the tenant comes to occupy the object of the lease. Of course, this is intended so that the judge can decide based on evidence that was previously considered lacking because the lease agreement was only carried out verbally.

For proof in the form of an acknowledgment from the lessee or the lessor, it is an acknowledgment of part or all of the existing lawsuit. Therefore, it can be said that acknowledgment arises when there is awareness of the parties who acknowledge in making the confession.

Therefore, in this case, the evidentiary process in proving that a breach of contract has occurred, the proof is highly dependent on the evidence and information held by the parties. The evidence is based on civil procedural law, namely evidence of letters, witnesses, suspicions, confessions and oaths. And also in proceedings in a civil case, he is the one who postulates, so he is also the one who must prove it, and then the opposing party will follow up who proves otherwise. If one party cannot refute the argument regarding the evidence submitted by the other party, then that party will lose.

Judges in proving in an oral agreement may use the testimony of witnesses who are recognized as evidence of suspicion. He admitted as evidence of suspicion because of the similarities between the witnesses who were acknowledged and the suitability that the warehouse actually belonged to F. This was taken into consideration by the judge in deciding that the defendant had indeed defaulted on the implementation of the agreement.

Negligence referred to in a lease agreement, both verbally and in writing, there is no significant difference. This is because the notion of negligence or default itself is not fulfilling, or being late in fulfilling achievements and negligent in maintaining and caring for the object of the lease as well as the implementation of other obligations contained in the agreement that has been agreed upon itself or which has been regulated in the law. especially the Civil Code.

Therefore, the Panel of Judges in their decision in Supreme Court Decision No. 2368K/Pdt/2019 decided that the verbal lease agreement was valid and the defendant was deemed to have defaulted.

4. CONCLUSION

Lease agreements made orally or unwritten according to the concept of agreement law in the Civil Code are still binding on the parties and do not eliminate both the rights and obligations of the parties to the agreement. An agreement made orally has legal force or weak legal certainty if there is a problem or violation of one of the parties making the agreement. However, if it can be proven that there has been an agreement between the parties, then the agreement can

be declared valid and the legal consequence is that the defendant is declared to have defaulted. The Supreme Court judge in his decision stated that the agreement was valid and the defendant had defaulted. In addition to default, if it is reviewed from the point of view of the status of the existence of the defendant's property which is still in the Plaintiff's warehouse, another legal consequence is that the defendant has also committed an unlawful act. So it can be concluded that the verbal lease agreement if examined according to the definitions and concepts of the contract law contained in the Civil Code, the verbal lease agreement is valid as long as an agreement has been reached.

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