



**KETUA MAHKAMAH AGUNG  
REPUBLIK INDONESIA**

**Message from  
the Chief Justice of the Supreme Court  
and Chairman of ALA Indonesian Chapter**

In the last five years, Indonesia has been a country in transition – a transition from a country governed by power to a country that is to be governed by the rule of law. This period of transition has seen Indonesia experience tremendous levels of law reform. This reform has been notably for many reasons, as the process has not only involved the reform of substantive laws but also the reform of both the legal institutions themselves and the legal professions that support it as well as the community that will ultimately benefit from greater legal knowledge of the system.

The reform process and the changes that it has facilitated means that much of the information on the Indonesian legal system, particularly in English, is outdated and in many cases obsolete. A mere five years ago the Constitutional Court did not exist let alone being the primary guardian of the Constitution. Therefore, the need to update Indonesian legal resources to reflect the reforms is matched by an equivalent need to update the English language information sources regarding Indonesian law. The law reform programs have had an affect on almost all institutions of the Indonesian judiciary and the Supreme Court is no exception having undergone significant reform as a result if the introduction of the one roof system. The introduction of the one roof system has seen the Supreme Court gain greater independence and responsibility for the administration of justice through the judicial system, as a result of the transfer of responsibility from the Department of Justice to the Supreme Court in 2004.


It is particularly worth noting the changes that have been implemented in the field of economic laws including Bankruptcy, Copyright, Patent, Telecommunications, Oil and Gas, and Mining Law all of which are intimately linked to Indonesia's development. Reform in the economic laws field is intended to provide greater legal certainty for investors and support the creation of a community based on the rule of law.

Law reform is a long-term program whose results will be most noticeable in the future. The process requires not only patience, but energy, funds, and an ongoing commitment to succeed. Anybody who thought that law reform would occur overnight will have been sadly disappointed, as Indonesia's experience highlights the effort required to install lasting law and legal reform is a long-term commitment to the principles of change.

The intention of this book is to describe in general the current Indonesian legal system, particularly the changes that have occurred as a result of the law reform process through to December 2004. It is expected that the book will serve as introductory guide in understanding the Indonesian legal system. Nevertheless, readers should be aware that the book does not intend nor does it cover the structural reform of legal institutions or the reform of the legal culture that supports these institutions.

It is our sincere hope that the readers will benefit from this book.

Jakarta, March 2005

A handwritten signature in blue ink, appearing to read 'Bagir Manan', with a small 'c' above the 'n'.

**Prof. Dr. Bagir Manan, SH., MCL**