



LEGAL ANALYSIS OF UNILATERAL CONTRACT TERMINATION IN PROFESSIONAL FOOTBALL: A CASE STUDY OF LUIS FIGO'S TRANSFER UNDER THE INDONESIAN CIVIL CODE PERSPECTIVE

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Abstract

This research examines the legal complexities of professional football contracts through a case study of Luis Figo's controversial transfer from FC Barcelona to Real Madrid. Utilizing the Indonesian Civil Code (KUHP) as a normative legal framework, this study analyzes whether the unilateral termination of a contract during its term constitutes a breach of contract (wanprestasi) under Article 1243. Furthermore, it explores the legal standing of "Buy-out Clauses" in relation to the principle of freedom of contract as stipulated in Article 1338. The findings suggest that while a mid-term departure traditionally fulfills the elements of wanprestasi, the presence of a pre-agreed release clause functions as a valid legal mechanism for early termination, provided that the financial compensation is fully satisfied. This study also considers the role of "good faith under Article 1338(3) regarding the player's subjective reasons for contract termination.

1. INTRODUCTION

A. Background

Football is arguably the most popular sport in the world. Over the centuries, the game evolved and acquired its modern structure in England, eventually becoming a global industry requiring sophisticated systems. In its simplest form, football is a contest of strategy and skill between two teams of eleven players, with the primary goal of scoring goals while maintaining defensive integrity.¹

¹ Hasanah. (2009). Sejarah dan Perkembangan Sepak Bola. Dalam Kajian Teori Peranan Media Gawang Kecil terhadap Ketepatan Tendangan. Universitas Pendidikan Indonesia

However, as football transitioned from a traditional pastime to a professional industry, the legal complexity surrounding its participants, especially the players, increased significantly. This professionalization introduced the concept of *Lex Sportiva*, a specialized global legal framework that often creates complex intersections between international sporting regulations and national civil law. One of the most fundamental challenges in this area is the tension between the principle of contractual stability and the dynamic nature of athlete transfers. The case of Luis Figo's transfer from FC Barcelona to Real Madrid in 2000 remains controversial, with the two Spanish clubs often dubbed "eternal rivals." In the context of Indonesian civil law, professional football contracts are essentially fixed-term employment agreements. Therefore, such contracts are strictly regulated by the Indonesian Criminal Code (KUHP). The essence of this legal relationship lies in Article 1338, which establishes the principle of *Pacta Sunt Servanda*, the doctrine that all valid agreements are legally binding on the parties.² However, the inclusion of "Buy-Back Clauses" in modern contracts has introduced a mechanism for premature termination of these agreements. This raises a critical legal question: does the activation of such clauses constitute a valid exercise of contractual rights, or constitute a form of Breach of Contract as defined in Article 1243 of the Indonesian Civil Code? Furthermore, the enforcement of contracts in civil law is not only a matter of literal compliance but also ethical behavior. Article 1338 paragraph (3) of the Indonesian Civil Code requires that every agreement be executed in good faith.³ In Figo's case, the player's perceived disrespect and lack of professional appreciation are crucial elements in analyzing whether the principle of "good faith" has been upheld. By integrating the FIFA Regulations on the Status and Transfer of Players (RSTP) and the legal framework of the Indonesian Criminal Code, this study aims to analyze how the principle of good faith should be balanced with the rigid doctrine of *Pacta Sunt Servanda* in the modern sports industry.⁴

² Haryono. (2022). Penerapan Asas *Pacta Sunt Servanda* pada Perjanjian Kerja Waktu Tertentu di PT. Energi Bumi Sakti Semarang (Tesis Magister Kenotarian, Universitas Islam Sultan Agung). UNISSULA Repository

³ Subekti, R. (2017). *Hukum Perjanjian*. Intermassa.

⁴ FIFA. (2025). *Regulations on the Status and Transfer of Players* (January 2025 Edition). FIFA Legal Handbook.

Furthermore, the enforcement of contracts in civil law is not only a matter of literal compliance but also ethical behavior. Article 1338 paragraph (3) of the Indonesian Civil Code requires that every agreement be executed in good faith. In Figo's case, the player's perceived disrespect and lack of professional appreciation are crucial elements in analyzing whether the principle of "good faith" has been upheld. By integrating the FIFA Regulations on the Status and Transfer of Players (RSTP) and the legal framework of the Indonesian Criminal Code, this study aims to analyze how the principle of good faith should be balanced with the rigid doctrine of Pacta Sunt Servanda in the modern sports industry.⁵

2. RESEARCH METHODS

This research uses a normative legal research method. It analyzes legal material, specifically the Indonesian Civil Code (KUHP Indonesia) and the FIFA Regulations on the Status and Transfer of Players (RSTP).⁶ The approach used is statutory and conceptual, comparing the facts of the Figo case with the principles of Pacta Sunt Servanda and Good Faith.⁷

3. RESULT AND DISCUSSION

1. Financial Consequences of Unilateral Contract Termination (Articles 1243 & 1244 Civil Code)

Unilateral contract termination in professional football, as seen in the case of Luis Figo, constitutes a breach of contract that leads to legal consequences in the form of compensation. Under Indonesian civil law, this is regulated in Article 1243 of the Civil Code, which states that a party who fails to fulfill its obligation must pay costs, damages, and interest.

⁵ Khairandy, R. (2015). Kebebasan Berkontrak & Pacta Sunt Servanda Versus Iktikad Baik: Sikap yang Harus Diambil Pengadilan. FH UII

⁶ Marzuki, P. M. (2008). Pengantar Ilmu Hukum. Kencana Prenada Media.

⁷ Marzuki, P. M. (2022). Penelitian Hukum: Legal Research (Edisi Revisi). Sinar Grafika.

However, in the football industry, the concept of breach of contract cannot be understood in a narrow sense as in ordinary employment relationships. The principle of *pacta sunt servanda* emphasizes that agreements legally bind the parties as law. This means that both players and clubs are fully bound by the contract they have signed. In practice, this principle is not absolute. FIFA regulations, particularly the Regulations on the Status and Transfer of Players (RSTP), still require respect for contracts but allow termination under certain conditions, with financial consequences. This shows that contractual stability in football is conditional rather than absolute.⁸ Therefore, compensation is not only based on actual losses but also includes potential losses, such as loss of market value, team performance impact, and commercial losses. This reflects the complex economic nature of modern football.

2. Legal Protection and Athlete Welfare

The development of sports as a global industry places athletes as legal subjects who have economic and social rights that must be protected. In this context, employment contracts function not only as binding instruments but also as preventive legal protection tools. According to recent research, legal protection for athletes in Indonesia still faces challenges, particularly weak contract standardization and unequal bargaining positions between athletes and clubs. The application of the principle of good faith in professional contracts, particularly within the framework of Article 1338(3) of the Civil Code, cannot be understood merely as a formal obligation to fulfill the terms of the agreement, but also as an ethical standard that guides how the contract is carried out in a proper, reasonable, and fair manner. This norm expands the meaning of the principle of *pacta sunt servanda* that agreements are binding as law by adding a moral dimension in the form of the requirement to act in good faith during the execution of the contract.

⁸ Reck, A. N. (2025). Liquidated Damages, Penalty Clauses and Buy-outs in Football-Related Employment Contracts under the FIFA Regulations. European Leagues Legal Newsletter

In the context of professional contracts in the soccer industry, this principle becomes increasingly complex because the legal relationships formed are not purely commercial in nature, but are also steeped in non-legal values such as loyalty, identity, and public expectations. The case of Luis Figo's transfer from FC Barcelona to Real Madrid in 2000 serves as a concrete illustration of how legal and ethical dimensions can overlap and even conflict.

Legally speaking, Figo's actions cannot be classified as a breach of contract. He invoked the buy-out clause, which was explicitly stipulated in his contract, meaning that the termination of his relationship with Barcelona was carried out through lawful channels. Within the framework of positive law, this reflects the legitimate exercise of contractual rights. However, when analyzed through the lens of Article 1338(3), a deeper question arises: has the exercise of that right met the standards of propriety and good faith.

Figo's transfer to Real Madrid known as Barcelona's historic rival had a significant social and emotional impact, both on the club and its supporters. In this context, loyalty as an unwritten value (implicit terms) in professional contracts becomes relevant to consider. Although not explicitly stated, loyalty is often viewed as part of the inherent expectations in the working relationship between an athlete and a club. Therefore, Figo's actions can be interpreted as a disregard for this ethical dimension, even though they do not violate written legal norms.

If the exercise of a right is carried out without regard for propriety or even with full awareness of the potential for significant harm to another party, this may constitute an abuse of rights (*misbruik van recht*). In civil law doctrine, abuse of rights occurs when a person exercises their right not for a reasonable purpose, but in a manner that conflicts with the social purpose of that right or disproportionately harms another party.

It is important to emphasize that the principle of good faith must not be interpreted so broadly as to undermine individual freedom. In the modern professional world, including soccer, career mobility is a fundamental right of an athlete. Preventing a player from developing or transferring to another club solely on the basis of loyalty actually risks violating the principle of fairness itself. Therefore, Figo's use of the buy-out clause can also be seen as a form of protection for his economic and professional rights.

On the other hand, the principle of good faith also applies to the club. The club serves not only as an employer but also as an institution obligated to create a fair professional environment that values players' contributions. A player's dissatisfaction with the club's treatment whether regarding financial matters, recognition, or playing opportunities can serve as a moral justification for utilizing legally valid exit mechanisms. In other words, good faith is a reciprocal obligation, not a one-sided burden.

The principle of good faith under Article 1338(3) of the Civil Code serves as a corrective mechanism against the rigidity of contract law. It bridges the gap between legal certainty and substantive justice, particularly in dynamic sectors such as professional sports. The Figo case demonstrates that compliance with the law is not necessarily synonymous with propriety, and conversely, a violation of moral expectations is not necessarily a legal violation.

An analysis of professional contracts cannot be limited to the text of the agreement alone, but must take into account the social context, the values prevalent in society, and the balance of interests among the parties. The principle of good faith serves as the "spirit" of contract law, ensuring that every right is exercised not only lawfully, but also fairly and equitably.

In the case of Luis Figo, the existence of a buy-out clause can be seen as a dual protection mechanism:

1. It protects the club from financial loss when a player leaves unexpectedly
2. It gives the player a legal way to move to another club

This reflects the importance of the principle of good faith. A contract should not benefit only one party but must create a fair balance between both parties.

Furthermore, the principle of *pacta sunt servanda* should not be applied rigidly. Although contracts are binding, their implementation must still consider fairness and reasonableness. Therefore, contracts in professional sports should not become tools of exploitation against athletes.

3. Finality of Sports Arbitration

Disputes in professional football have unique characteristics compared to general civil disputes, especially the need for fast and efficient resolution. FIFA regulations emphasize contractual stability and provide dispute resolution mechanisms through specialized bodies such as football tribunals.⁹ This approach aims to avoid long litigation processes in national courts, which could harm both players and clubs. However, in Indonesia, there are still challenges related to overlapping authority between sports arbitration and general courts. As a result, arbitration decisions, which should be final and binding, are sometimes still challenged in court. This situation creates legal uncertainty and reduces the effectiveness of sports dispute resolution systems. In professional football, legal certainty is essential to maintain competition stability and protect athletes' careers. Therefore, harmonization between national law and international FIFA regulations is necessary.¹⁰ Without such harmonization, the principle of final and binding arbitration cannot be fully implemented.

4. CONCLUSION

⁹ Wahyunitha, A., Wijaya, A., & Nugraha, S. (2026). Penyelesaian Sengketa Keolahragaan dan Kepastian Hukum dalam Sistem Hukum Indonesia. *Jurnal USM Law Review*, 9(1), 152-168.

¹⁰ Republik Indonesia. (1947). *Kitab Undang-Undang Hukum Perdata (Burgerlijk Wetboek)*

Based on the legal analysis of Luis Figo's transfer within the framework of the Indonesian Civil Code (KUHPerdata) and global sports regulations, several key conclusions can be drawn. First, football has evolved from a traditional pastime into a highly regulated global industry that demands strict contractual compliance. Under Article 1338 of the KUHPerdata, the principle of *Pacta Sunt Servanda* ensures that employment contracts are legally binding and must be respected by both players and clubs to maintain professional stability.

Second, the study finds that the activation of a "Buy-out Clause" does not constitute a traditional Breach of Contract (*Wanprestasi*) under Article 1243. Instead, it serves as a "liquidated damages" provision or a "forfeit clause" that provides a legal exit strategy. When the agreed compensation is paid, the contract is terminated through a pre-approved mechanism, providing legal certainty and reducing long-term litigation as suggested by the FIFA RSTP 2025.

Finally, the application of Good Faith under Article 1338(3) is essential in balancing the rights of the athlete and the club. A contract should not function as a barrier to an athlete's career development. If a player feels undervalued, the use of a buy-out clause is a legitimate legal tool to protect their welfare. In conclusion, while contractual stability is vital, the law provides flexible mechanisms like buy-out clauses and the principle of good faith to ensure fairness and professional growth in the modern football industry.

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