

Conference Paper

Legal Aspect of Sports Contract: Analysis of Legal Instruments In Implementing E-Sports Contract

Nurharsya Khaer Hanafie*, Virmansyah, and Fatimah Hidayahni Amin

Hukum Bisnis, Universitas Negeri Makassar, Makassar, Indonesia

ORCIDNurharsya Khaer Hanafie: <https://orcid.org/0000-0001-7907-1810>**Abstract.**

E-sports, or electronic sports, has become a global phenomenon that has experienced rapid growth in recent years. In Indonesia, e-sports has also experienced significant development. The emergence of professional players has an impact on the relationship between players and e-sports clubs as a professional relationship. This study aims to analyze the legal instruments of e-sports contracts in Indonesia. As a relatively new sport in Indonesia, it is important to know what legal instruments govern the contractual aspects of e-sports. This study uses a qualitative approach by conducting a literature review, interviewing e-sports players, and analyzing secondary data. The results of the study show that e-sports in Indonesia have experienced rapid growth, with an increasing number of tournaments and competitions being held locally and internationally. Thus, the player's relationship with the club is bound by a professional contract, which in this case is based on the legal instrument of the Labor Law No. 13 of 2003 which regulates general provisions in work agreements. Indonesian Esports Executive Board Regulations Article 5 Paragraph 1 PPBESI 34/2021 regulates the rights obtained by players in contracts and articles 1320 and 1338 of the Civil Code as the fundamental basis for making contracts for both professional and amateur players.

Keywords: E-sports, contract, sports

Corresponding Author:

Nurharsya Khaer Hanafie; email:
nurharsya.khaer@unm.ac.id**Published** 3 January 2024Publishing services provided by
Knowledge E

© Nurharsya Khaer Hanafie et

al. This article is distributed under the terms of the [Creative Commons Attribution License](#), which permits unrestricted use and redistribution provided that the original author and source are credited.

Selection and Peer-review under the responsibility of the ICHELSS Conference Committee.

1. Introduction

The development of online games has become an extraordinary phenomenon in the technological era that we live in today. With the advancement of Internet and computer technology, online games have changed the way we play and interact with games. At first, computer games were limited to single-player experiences played on local computers. However, with faster and more stable Internet connections, the gaming industry is starting to see the great potential in delivering multiplayer gaming experiences online. The development of online games has opened the door for collaboration and interaction between players from different parts of the world. Players can communicate,

OPEN ACCESS

cooperate or compete in a dynamic virtual environment. In online games, players can form communities, join teams and compete in global competitions.

In addition, online games have also become a powerful social platform. Through features such as voice or written chat, players can interact in real-time with their fellow players in the game. This opens up opportunities to build friendships, broaden social networks, and even develop communication and collaboration skills. The development of online games has also opened up new opportunities in the entertainment industry. Game companies can continue to develop new content, bring updates and expansions online, and keep players engaged for a longer period of time. The subscription or microtransaction business model in online games has become a significant source of revenue for many game developers.

In addition, online games also provide opportunities for players to try their skills in e-sports matches. E-sports competitions have become a popular arena where players compete in online games with big prizes. Players with extraordinary skills can become celebrities in the gaming world and earn income through sponsorships, merchandising or live streaming. The government is starting to pay attention to e-sports because the enthusiasm of the people, especially millennials, is very high and the game market value in Indonesia is 13 trillion, up 17.4 percent annually. In Indonesia alone, there have been many E-sports that have even penetrated into the international world, such as Aura E-sports, RRQ E-sports, EVOS E-sports, ONIC E-sports, BOOM E-sports and so on. One of the existing E-sports is RFG E-sports [1]. However, the development of online games also has challenges that need to be overcome. For example, there are concerns about game addiction, personal data security, and player protection issues, especially for those who are still children.

As a sport that tends to be new, there are many things that need to be considered as one of the modern and global sports, including the professionalism side. As a professional sport, player protection needs to get a portion as part of efforts to strengthen legal instruments. The legal instrument in question is to protect the rights of players including binding contracts between the player and the club where he is currently under the auspices. Thus, strengthening legal instruments in ensuring what rights players must receive in order to obtain legal certainty in all their professional actions. It is possible that if there is no clarity regarding the basic rules regarding fulfilling player rights, then the potential for violations against players is wide open.

In the context of E-sports coaching, training must have a clear legal basis as a professional basis. The contract as the basis for the bond between the player and the employer regulates the rights and obligations of each party which must be balanced

in the context of its manufacture. The agreement should not be one-sided or tend to benefit only one party. For this reason, it is necessary for e-sports athletes to know the law in making the contract so that it does not harm either party.

Overall, the development of online games has led to a more social, interactive and connected gaming experience. Online games are not only a form of entertainment, but also a platform for making social connections, developing skills and being part of a wider community. In this era of ever-evolving technology, we can expect further innovations in the world of online games that will bring gaming experiences that are even more interesting and challenging. However, this development should be supported by adequate legal instruments, at the very least, providing legal certainty so that the players get certainty in obtaining the rights they deserve.

From the description above, we can see that e-sports as a new industry in Indonesia still needs improvement in the implementation of work contracts. For this reason, the authors are interested in analyzing contract law instruments in implementing sports contracts.

2. Method

The method used is a normative juridical research method, namely research on the rules behind an e-sports work contract and the construction of work relations between athletes and clubs. While the data analysis method used is a qualitative method and the data collection tool used is a document study and the approach used is the statutory approach. This approach is intended to comprehensively explore regulatory aspects to identify what are the legal instruments that underlie e-sports work contracts, considering that this is still something new, so it is necessary to obtain legal certainty in terms of its legality. Based on this analysis can produce a description of data that is descriptive analytical.

3. Results and Discussion

3.1. Juridical construction of work relations between e-sports athletes and employers (Clubs)

Before discussing further about contract law instruments between players and the club where they belong, it is first necessary to analyze what the working relationship is like between the two. This will certainly provide clarity regarding legal standing between

the parties to emphasize that professional work relationships must be supported by legal certainty to provide a fair bargaining value, as well as a proportional distribution of rights and obligations.

Based on Article 1 number 15 of Law Number 13 of 2003 concerning Manpower, what is meant by an employment relationship is a relationship between employers and workers based on a work agreement, which has elements of work, wages and direction. According to existing research, the term employment relationship refers to the relationship between workers and employers that begins with an employment agreement made by workers and employers, in which workers claim to work for employers by receiving wages, and employers also claim to hire workers by paying wages.

From the description of the article and references regarding the definition of work relations, it can be identified that the main fundamental thing about work relations is the status of legal subjects. That the legal subjects who are mutually bound in an employment relationship are the workers and the employers themselves. In this case, to find out whether a club or employer is included in the category of employers as meant in Article 1 paragraph 5 of Law Number 13 of 2003 concerning Manpower Law that includes employers are individuals, partnerships or legal entities that run self-owned companies, companies belonging to other people, as well as companies established in Indonesia to represent companies outside the territory of Indonesia. So from this understanding, it explains that employers or clubs should be in the form of business entities or legal entities.

The term legal entity itself is commonly known and used in the traffic of community activities, including in various legal activities. Legal entities are legal subjects other than humans. In Dutch, a legal entity as a legal subject is a translation of *rechtspersoon*, while humans as legal subjects are interpreted as *natuurlijke persoon* [3]. According to Utrecht, a legal entity is any soulless supporter of rights that is not human, the most important thing is that a legal entity has a property that is completely separate from the wealth of its members [4]. In addition to legal entities, CV can also be used as a business entity, CV is an abbreviation of *commanditaire vennootschap* which is commonly referred to as a limited partnership or limited liability company, but still uses CV as an abbreviation [5].

Based on the description above, the club as an employer should be in the form of a legal entity or at least a business entity, because then the club can establish cooperation and provide work with a professional mechanism. With a clear status as a legal subject, all business activities can be carried out based on definite legal mechanisms, this

certainty certainly gives legal force in granting rights and obligations in a professional and proportionate manner.

Furthermore, athletes are the second legal subject. E-sports athletes can be considered workers if they fit the definition of the term “worker”, i.e. anyone who works for a salary or other compensation. In this situation, the e-sports athlete who works for the club or the employer receives a monthly wage from the employer, and they carry out the routine work agreed upon by both parties. Thus, e-sports athletes are considered as workers referred to by the Labor Law.

The second substantial thing about the employment relationship is that the relationship that exists between the worker and the employer is based on the work agreement as contained in article 59 of Law No. 13 of 2003 concerning manpower. With the existence of a work agreement, consequences arise, namely the rights and obligations of the parties. Based on Article 1 point 14 of the Labor Law, a work agreement is an agreement involving a worker and an employer or employer which contains the terms of work, rights and obligations of the parties involved in the work agreement. There are two types of work agreements, the first is a specified time work agreement (PKWT). PKWT means that workers in carrying out their work are limited by a certain time or not forever and workers based on PKWT are usually known as contract workers or casual daily workers. The definition of PKWT based on the decision on the Provisions for the Implementation of a Specific Time Work Agreement of the Minister of Manpower and Transmigration Number KEP:100/MEN/VI/2004 Article 1 point 1 Transmigration of the Republic

3.2. Contract legal instruments (agreement) between e-sports athletes and clubs

The term agreement in contract law refers to the Dutch term, namely *overeenkomst* or contract in English. As previously explained that one of the sources of the engagement is the agreement, so it can be understood that the engagement is something abstract because the scope of the engagement lies in the legal relationship of the parties, while the agreement is a concretization of the engagement. This can be interpreted as a legal relationship between two parties whose contents are rights and obligations, a right to demand something and an obligation to fulfill these demands [7].

Therefore it is important to understand what is meant by an agreement, as defined by several experts.

1. Referring to article 1313 of the Civil Code, an agreement is “an act by which one or more people bind themselves to one or more other people”.
2. According to Sudikno Mertokusumo that an agreement must be distinguished from a promise, even though the promise is based on an agreement, the agreement is not to cause legal consequences, meaning that if the promise is violated there are no legal consequences or no sanctions.
3. According to R. Subekti, an agreement is an event where a person promises to do something [8].
4. According to M. Yahya Harahap, an agreement is a legal relation of wealth between two or more people which gives legal force to a party to obtain achievements and at the same time obliges the other party to carry out achievements [9].

Based on the definition of an agreement that has been described by several experts based on the literature, it can be understood that an agreement regulated in the Civil Code is an agreement that has legal consequences, in this case binding on the parties, and if the agreement is violated, sanctions can be given based on a court decision. Agreements or contracts made in addition to being binding also have a legal basis. In connection with the basic thing in the agreement is how an agreement can be formed legally, therefore the validity of the agreement can be seen from several things that have been regulated in article 1320 of the Civil Code as a benchmark for the validity of an agreement, namely:

1. Agreement of the Parties

An agreement can be understood as a conformity of the will of the parties, it can also be said that the will of the parties meets, whatever the definition is, the most important thing is what is desired unanimously. The meeting of will concerns the main matters agreed in the agreement so that the legal consequences that arise are that the parties are bound by a reciprocal relationship. Usually the will of the parties must be shown, for example expressing their attitude towards their agreement, it could also be by signing an agreement and handing over an item as a form of agreement.

2. Competence of the Parties

The basic concept is that the person who makes the agreement is a legal person. In terms of legal norms, there are two stipulations regarding the legal age limit. First, it can be seen in article 330 of the Civil Code that “a person is considered an

adult if he is 21 years old or has been married” So the conclusion is that all legal persons except those who are not yet mature, are under guardianship, have dark eyes, are stupid, have an ill memory, are wasteful.

3. A Certain Thing

A certain thing can be interpreted that regarding the agreement should be determined the object of the agreement. The object of the agreement can be specified in type, amount, form in the form of goods, services, and not to do something. In article 1333 of the Civil Code it is stated that the agreement must have the object being agreed upon, namely “objects” of which type is at least determined. Objects are meant not only objects or goods in a narrow sense, but also in a broader sense [10]. Understanding the meaning of the object of the agreement in this case is the achievement which is the subject of the agreement in question, which can be in the form of behavior such as giving something, doing something or not doing something [11].

4. Halal Cause

The term used, namely halal, has absolutely nothing to do with religious terminology in Islamic law, but the use of the sentence that is halal emphasizes the substance of the main contents of the agreement which does not conflict with statutory regulations. Subekti gives an analogy in the knife sale and purchase agreement, where in the sale and purchase transaction the knife the buyer will use to kill, in the sale and purchase transaction the knife is a cause or cause that is lawful like buying and selling in general. It is different if the second scenario regarding murder is included in the agreement, where the seller is willing to sell the knife to the buyer if the buyer uses it to kill someone. Then automatically the agreement in substance becomes prohibited or because it is not lawful [12].

4. Conclusion

Based on the results of the research and discussion, it can be concluded that the legal instruments in e-sports athlete work contracts with clubs are based on labor law, the Civil Code and PPBSI as the basis for making contracts. Labor law is the basis of the working relationship between employers and workers so that there is a subordinate relationship that makes the parties subject to the relevant regulations. While the Civil Code is the basis for referring to the validity of an agreement, so there are special conditions that must be met so that a contract can be formed and the basis for the

binding force of the contract. And finally, the special rules, namely PPBSI regulates the rights of athletes, so in this case the agreement is mandatory to refer to these rules, considering that these rules are special rules for e-sports athletes.

Acknowledgement

This research certainly would not have run smoothly without the help of various parties. Therefore, on this occasion the author would like to express his gratitude and high appreciation to all parties who have supported both moral and academic support, especially to discussion partners and colleagues of business law lecturers at Makassar State University. As well as all levels of the dean who have given their trust and supported this research process.

References

- [1] Audi E. Prasetyo.. Penonton E-sports Lebih Banyak dari Olahraga Tradisional. <https://www.ggwp.id/2017/09/17/penonton-eSport-di-atasolahraga/> , (2017)
- [2] Lanny Ramli, Hukum Ketenagakerjaan, hlm. 23. Airlangga University Press, Surabaya (2008)
- [3] Gede, Perbedaan Badan Hukum Publik Dan Badan Hukum Privat, Vol.5, No 2, hlm. 152, (2019)
- [4] Utrecht, Pengantar Dalam Hukum Indonesia, hlm. 15. PT Ichtiar Baru, Jakarta. (1983)
- [5] Rudhi Prasetya, Maatschap Firma dan Persekutuan Komanditer Edisi Revisi, hlm. 1. Citra Aditya Bakti, (2004)
- [6] Devi Rahayu, Hukum Ketenagakerjaan Teori dan Studi Kasus, hlm. 76. New Elmatara. (2011)
- [7] Subekti, Aspek-Aspek Hukum Perikatan Nasional, Cetakan ke-4, PT. Citra Aditya Bakti, hlm. 5. Bandung, (1992)
- [8] R. Subekti, 1984, Aneka Perjanjian, PT. Alumni, hlm. 1. Bandung (1984)
- [9] M. Yahya Harahap, Segi-Segi Hukum Perikatan, PT. Alumni, hlm. 3. Bandung, (1982)
- [10] J. Satrio, Hukum Perjanjian (Perjanjian Pada Umumnya), Citra Aditya Bakti, hlm. 293. Bandung (1992)
- [11] J. Satrio, Hukum Perjanjian (Perjanjian Pada Umumnya), Citra Aditya Bakti, hlm. 294. Bandung (1992)
- [12] Subekti, Hukum Perjanjian, Intermasa, hlm. 19-20. Jakarta, (2002)

[13] Undang-Undang No 13 Tahun 2003 tentang Ketenagakerjaan

[14] Peraturan Pengurus Besar E-Sports Indonesia Nomor 034/PB-ESI/B/VI/2021