

**DEFAULT AND TERMINATION OF CONTRACT OF WORK  
BETWEEN THE GOVERNMENT OF REPUBLIC OF INDONESIA  
AND PT NEWMONT NUSA TENGGARA**

**A BACHELOR DEGREE THESIS**



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## ABSTRACT

*PT. Newmont Nusa Tenggara and The Government of Republic of Indonesia entered into Contract of Work to explore and exploit mineral in Sumbawa Island and put divestment obligation in the clause of the contract. However, the process of divestment was not performed based on the Article 24 (3) of Contract of Work. Government brought the case to UNCITRAL requested to the panel of arbitrator to terminate the Contract of Work based on the default of PT NNT in performing divestment obligation stated in Article 24 (3). This research aims to get a better understanding whether or not PT NNT was to be found in default and whether or not the contract needs to be terminated as the result of the default.*

*This research is a normative research which identifies legal norms and legal view. The purpose of this research is to understand the object of study using juridical normative approach method. Secondary data used in this research are references and bibliography studies. The data is collected and analyzed qualitatively in order to draw conclusion.*

*The result of this research are, that PT Newmont Nusa Tenggara (PT NNT) had found to be in default of the Article 24 Contract of Work and that The Government of Republic of Indonesia cannot terminate the Contract of Work automatically after the default committed by PT NNT occurred. The writer recommends both parties to respect and to perform the Contract of Work based on its provision. In order to avoid future dispute there should be a provision governs the transfer of right to buy share to the third party in the contract.*