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From Signatures to Seals:

*HOW DOCUMENT VALIDITY DIFFERS IN
INDONESIA AND CHINA*

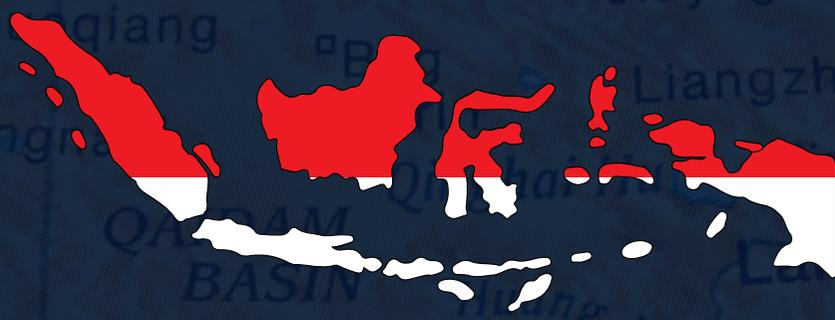
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THE KEY DIFFERENCES



In Indonesia, documents are generally considered legally valid based on the **signatures of the authorized parties**, as long as there is a clear consensus between the two parties. The law does not require companies to use a stamp or seal for a document to be binding, and an agreement can still be enforceable even without a company stamp. **The company seal**, when used in standard business practice, typically **serves as formal acknowledgement and endorsement of legal documents by the company**.



In China, the company seal is a **key indicator of a company's legal intent**, widely used to **validate contracts, official filings, and major corporate decisions**. Its use is generally understood as reflecting the company's **genuine consent and responsibility**. The company seal is indispensable, legally binding signature of businesses in China, **taking precedence over personal signatures** on contract and official documents. Official seals of the company must be filled with the Local Public Security Bureau (PSB) to avoid the misuse of company seals by the irresponsible party.

SIGNATURES IN INDONESIA

Under Indonesian law, especially **Article 1874 Indonesian Civil Code**, a document becomes **legally binding** when it is signed by parties with the legal authority to represent an individual or a corporate entity. The signature serves as clear evidence of the signatory's intent to **read, understand, and be bound by** the document's contents. Indonesian law also acknowledges the legal validity of electronic signatures, provided that they are certified and issued through service providers registered with the competent government authority.



Indonesian law primarily emphasizes the identity, authority, and intent of the signatory in creating legal obligations. Although company stamps are commonly used for administrative purposes, a stamp alone is **not sufficient** to establish enforceability without a valid signature.

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THE USE OF COMPANY SEALS IN CHINA



The use of seals in China evolved from an imperial tradition into a personal practice during **the Ming and Qing dynasties**, when individuals began using name seals for important documents. Today, seals continue to play a key role in **validating and authorizing official documents; and symbolizing authenticity**. All companies are supposed to have at least three seals in total, namely a **Company Seal, the Legal Representative Seal, and the Financial Seal**.

After a company is established and obtains its business license, it must register its company seal with the **Public Security Bureau (PSB)** to prevent misuse. As standard business practice, seals are kept under strict internal control, as loss or theft may cause legal and financial harm.

If a seal is lost or stolen, the company must report it to the PSB and issue a public notice to invalidate the seal. Chinese law also recognizes electronic seals, and company seals are strictly regulated, including their **design, dimensions, and anti-counterfeiting features**.



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LEGAL RISK AND PRACTICAL IMPLICATIONS

Differences between signature-based and seal-based systems can create legal risks in cross-border transactions. A contract signed under Indonesian law may be difficult to enforce in China without a valid company seal, while a sealed document in China may bind a company even if internal approvals are lacking.



To reduce these risks, parties involved in China–Indonesia transactions should apply extra care, with the use of both authorized signatures and official company seals as a practical way to ensure legal certainty.

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Understanding how legal intent is expressed differently across jurisdictions, a document that is valid in one country may not be enforceable in another.

Legal awareness is therefore not only a matter of compliance, but a strategic necessity in cross-border business.

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