

# ACTIO

ISSUE NO. 12 / FEBRUARY 2020

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**New Regulation List of Positive  
Investment for Investor**

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**Stages of International Arbitration  
Execution in Indonesia**

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**Have BANI Regulations  
Accommodated Investor  
Aspirations?**



# ARBITRATION



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We, Akasa Cipta Tama (ACT), was established in April 2015 as a response to the demand of highly qualified translators for business, legal, technical, and general documents; as well as interpreters and note takers for meetings, seminars, and conference. Our translators, interpreters and note takers have extensive experiences in their respective fields.

With a comprehensive database of qualified human resources, ACT works to ensure the best results in every project we run. Some of our top personnel have worked for various international events and some of our clients include the Office of the President of the Republic of Indonesia, People's Consultative Assembly, The United Nations, The World Bank, AusAID, USAID, and some prominent law firms in Indonesia.



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Looking forward to hearing from you.

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Perlu kami sampaikan bahwa telaaah, opini, maupun informasi dalam Actio merupakan kontribusi pribadi dari para partners dan/atau associate yang tergabung di kantor hukum Anggraeni and Partners dan merupakan pengetahuan hukum umum. Telaaah, opini, dan informasi dalam Actio tidak dimaksudkan untuk memberikan pendapat hukum ataupun pandangan kantor hukum Anggraeni and Partners terhadap suatu permasalahan hukum tertentu.

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**“At all events,  
arbitration is  
more rational,  
just, and humane  
than the resort to  
the sword.”**

- Richard Cobden

Dear Readers,

Currently, to resolve a civil dispute can be conducted outside the court, namely through Arbitration. In Indonesia, interest to resolves their disputes through arbitration is increase since the promulgation of Law No. 30 of 1990 concerning Arbitration and Alternative Dispute Resolution.

Arbitration to some parties considered to be more effective in resolving disputes than in court because of its confidentiality, freedom to appoint arbitrators, the decision is final & binding.

Therefore, for this edition, ACTIO 12 use Arbitration as the theme. Some of the articles written including “Some Advantages of Arbitration Compared to Courts” and “Implementation of Arbitration Award”.

To conclude, our entire ACTIO Team hope that our articles will be useful for the readers.

Regards,

Setyawati Fitri A, S.H., LL.M., FCIArb., FAIADR.



## MERGER OF 6 INSTITUTIONS INVOLVED IN FINANCIAL SERVICES DISPUTE SETTLEMENT

The Financial Services Authority (OJK) set December 2020 as a target for the merger of six institutions of involved in financial services dispute resolution. Arbitration institutions such as: 1. the Indonesian Capital Market Arbitration Board (BAPMI); 2. Indonesian Insurance Arbitration and Mediation Agency (BMAI); 3. Indonesian Arbitration and Mediation Agency for Underwriting Companies; (BAMPPPI); 4. Pension Fund Mediation Agency (BMDP); 5. Indonesian Alternative Dispute Resolution Institution for the Banking Sector (LAPSPI); 6. Indonesian Financing, Pawnshop and Venture Capital Mediation Agency (BMPPVI), will be merged into one Alternative Dispute Resolution Agencies (LAPS).

Up to this moment, the six institutions are still operating separately in accordance with their respective sectors

requirements. Meanwhile, OJK is in the process of preparing the necessary organizational structure and human resources especially related to the management board, which will be representative of the six sectors.

According to OJK, these several institutions only received a few complaints while non of these institutions have received any large numbers of complaints themselves and were able to cope without difficulty with the number of complaints and disputes. This has triggered OJK to merge those institutions into LAPS for greater efficiency and to reduce operational costs. Moreover, considering that the number of integrated financial products continue to increase, it is also expected that LAPS will be able to improve efficiency of consumer protection. **KBA/HES**

Source: <https://jateng.tribunnews.com/2019/12/14/lembaga-sengketa-industri-keuangan-selesai-di-2020>

## POSITIVE INVESTMENT LIST

The Ease of Doing Business in Indonesia remains ranked 73 out of 190 countries in the Doing Business 2020 report released by the World Bank. Although the rank remained unchanged, based on the report, Indonesia recorded an increase in the index score from 67.96 last year to 69.6<sup>1</sup>. Further, the government continues to help boost the country's economic growth, one of which will change the Negative Investment List (DNI) into a Positive Investment List (DPI) in January 2020.

Unlike the DNI providing business sectors, which are closed or partially open to foreign investment, the DPI, however, will include the Standard Classification of Indonesian Business Fields (KBLI) allowing 100% foreign shareholding. DPI will be a reference for what investments are allowed in Indonesia and are contained in a special regulation. Business sectors which are included in the DPI shall be entitled to numerous incentives offered by the government, such as tax holiday, as well as a super deduction tax for investors covering not only money, technology, and knowledge, but also creating productive activities in Indonesia.

Meanwhile, a list of closed business sectors shall remain and will be regulated under the omnibus law, which would

regulate multi-sector of business fields. The new Law will also revise and revoke several existing provisions in other complicated and overlapping laws<sup>2</sup>. Six business sectors which are closed for investment include the following<sup>3</sup>:

1. Marijuana cultivation;
2. Catching fish species listed in Appendix I of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);
3. Utilization (Retrieval) of Coral/ Coral from Nature for Building Materials/Limestone/Calcium, Aquariums, and Souvenirs/Jewelry, as well as Live Coral or Recent Death Coral from Nature;
4. Chlor-Alkali Making Industry with Mercury Process;
5. Chemical Industry of the List-1 Chemical Weapons Convention as set out in Appendix I of Law No. 9/2008 on Use of Chemicals as Chemical Weapons; and
6. Gambling/Casino.

Despite hopes that DPI can boost investment, the policy might, at the same time, put the Micro, Small and Medium Enterprises (UMKM) in Indonesia which are not yet competitive in danger. To protect the UMKM, a small number of foreign investors shall be required to partner with local small businesses or cooperatives. **HWO/HES**

1. Doing Business 2020 Economy Profile Indonesia: Comparing Business Regulation in 190 Economies, World Bank Group;  
 2. Mengenal "Omnibus Law" yang akan dibahas Pemerintah dan DPR, <https://nasional.kompas.com/read/2019/11/29/13511951/mengenal-omnibus-law-yang-akan-dibahas-pemerintah-dan-dpr?page=all> diakses pada tanggal 2 Desember 2019;  
 3. Muhamad Wildan, Daftar Positif Investasi: Status dari 14 Bidang Usaha Belum ditentukan, <https://ekonomi.bisnis.com/read/20191121/9/1173007/daftar-positif-investasi-status-dari-14-bidang-usaha-belum-ditentukan> diakses pada tanggal 2 Desember 2019.

**Q:** Do District Court had authorization to take on dispute which has been bound by arbitration agreement through Indonesia National Arbitration Centre (BANI)?

**A:** If in the agreement has been agreed that any dispute arise will be settled through arbitration conducted by Indonesia National Arbitration Centre (BANI) or other recognized arbitration entity based on Article 1 point 9 Law No. 30 of 1999 (Arbitration Law), referring to the provision of Article 3 Arbitration Law then District Court shall not have authority to take on the dispute.

Moreover, Article 11 of Arbitration Law regulate that parties that has agreed to settle their differences through arbitration will caused both parties to lose their rights to file dispute resolution to District Court. Furthermore, District Court according to Article 11 paragraph 2 must reject any dispute settlement, which has been determined through arbitration.

In conclusion, in the event in the agreement has been agreed to settle their differences through arbitration, then based on its competence District Court doesn't have jurisdiction to take on the settlement process. **MAD/HES**

**Q:** Who can be appointed to become an arbitrator in Indonesia National Arbitration Centre (BANI)? How far is Arbitrator's responsibility when taking on arbitration case?

**A:** Pursuant to Law No. 30 of 1999 (Arbitration Law) to be appointed as an arbitrator must be one or more individuals chosen by the disputed party or appointed by District Court or arbitration institute to decide on a certain matter which are settled through arbitration. In addition, based on Article 12 of the Arbitration Law and Article 10 paragraph 3 BANI Rules, it is stated that to be appointed as an arbitrator one shall not act as a judge, prosecutor, clerk of court or other government official.

On commencing its duty as an arbitrator on arbitration process, BANI Rules has yet to provide specific regulation, however pursuant to Article 21 Arbitration Law stipulates that the arbitrator or arbitration tribunal may not be held legally responsible for any action taken during the proceedings to carry out the function of arbitrator or arbitration tribunal unless it is proved that there was bad faith in the action. **MAD/HES**

**Q:** What is Anton Piller Order? Is it possible to enforce Anton Piller Order on the Indonesia National Arbitration Centre (BANI)?

**A:** Anton Piller Order is one of the types of injunction, commonly used by the Anglo-Saxon country. Anton Piller Order originated from the Anton Piller KG v Manufacturing Processes Ltd. Case, which resulted claimant without giving notification to the defendant (Ex Parte), conduct inspection on the property of defendant in which the claimant is authorized to conduct seizure, discovery or copy of evidence related to the case.

Based on the above explanation can be informed that based on Supreme Court Regulation No. 5 of 2012 only dispute of intellectual property rights through the jurisdiction of Commercial Court that recognize the submission of injunction. However, even though the practice did not recognize the concept of injunction, on the elucidation of Law No. 30 of 1999 (Arbitration Law), the arbitrator at the request of one of the parties may make a provisional award or other interlocutory decision including decreeing a security attachment, ordering the deposit of goods or the sale of perishable goods and also to hear witness and expert statement. **MAD/HES**

## Q: Do BANI rules allow for the challenge of an arbitrator's appointment?

**A:** In short, yes. Pursuant to Article 11, 2018 BANI's Rules and Procedures (BANI Rules), the parties to an arbitration may challenge an arbitrator on the grounds that there exists a situation that give rise to any justified doubts as to the arbitrator's impartiality and/or independence of the arbitrator. In general, Law No. 30 of 1999 of Arbitration and Alternative Dispute Resolution (Indonesian Arbitration Law) which sets out the following requirements for arbitrators: (i) is not considered as a first or second degree relatives with one of the parties involved in the dispute; (ii) has no financial or other interests in the arbitration award.

In addition to the requirements set out in the Arbitration Law, and common in international arbitration practice, the IBA Guidelines on Conflicts of Interest in International Arbitration ("IBA Conflicts Guidelines") are also often used as a supplemental guide to determine the impartiality or independence of arbitrators in circumstances that give rise to any justified doubts concerning an arbitrator's impartiality or independence. The IBA Conflicts Guidelines provide a non-exhaustive list of facts and situations that are generally considered likely to give rise to situations of conflict. The IBA Conflict Guidelines break down these situations into the following categories:<sup>1</sup>

1. Red List, provides a non-exhaustive list of situations which give rise to an objective conflict of interest. The Red List is classified into Non-Waivable Red List and Waivable Red Lists.
  - a. The Non-Waivable Red List are a list of situations that can violates the principle *nemo iudex in causa sua*, such that disclosure alone cannot resolve the conflict. In case of a situation provided in the

Non-Waivable Red List, the arbitrator must resign from the case, e.g. the situation where the arbitrator is a manager, director or member of the supervisory board or has a similar controlling influence in one of the parties;

- b. Waivable Red List are a list of situations which require not only the disclosure of the arbitrator of the situation, but also a specific waiver from the prejudiced party, e.g. the arbitrator holds shares, either directly or indirectly, in one of the parties or an affiliate of one of the parties that is privately held.
2. Orange List are a list of situations that may give rise to justifiable doubts as to arbitrator's impartiality or independence. However, disclosure of such situations should not automatically disqualify the arbitrator, e.g. The arbitrator currently serves, or has served within the past three years, as arbitrator in another arbitration on a related issue involving one of the parties or an affiliate of one of the parties
3. Green List, provides a list of situations which do not required disclosure by the arbitrator because such situations are considered as not situations resulting in any actual apparent conflict of interest from the relevant point of view, e.g. The arbitrator and counsel for one of the parties or another arbitrator have previously served together as arbitrators or as co-counsel

We note that the IBA Guidelines are not binding in regards to any arbitration institution and only serve as a useful guideline in issues of conflict of interest and challenges to the appointment of an arbitrator.

The procedure for challenging an arbitrator under BANI Rules are as follows:

- a. If the arbitral tribunal has not yet been formed, a party may submit a challenge of a prospective arbitrator whose impartiality and independence is being doubted. If the challenged prospective arbitrator does have a conflict of interest with the case or the party in dispute, he must resign;<sup>2</sup>
- b. If the arbitral tribunal has been formed, the challenging party shall notify BANI inwriting within 14 (fourteen) days after they have been advised the identity of such arbitrator or 14 (fourteen) days after the challenging party receives the information about the circumstances that give rise to the arbitrator's impartiality or independence, by attaching the documents establishing the basis for such challenge;<sup>3</sup>
- c. BANI will establish a special team to review the challenge document. There are 2 possible result of the challenge. If the challenged arbitrator agrees to resign, or another party agrees with the challenge, a replacement arbitrator shall be appointed in the same manner as the appointment of the recused arbitrator;<sup>4</sup>
- d. If the other party or the challenged arbitrator does not agree to the challenge and the Chairman of BANI also considers that the challenge is groundless, then the challenged arbitrator shall continue their duties as an arbitrator.<sup>5</sup>

Challenge shall only be done if there are circumstances that clearly indicate that the arbitrator has a conflict of interest. This is due to the fact that in the case that BANI considers the challenge to be groundless, the challenged arbitrator shall continue their duty, which in turn may bring the party in a disadvantageous position. **WNA/HES**

1. <https://singaporeinternationalarbitration.com/2012/07/19/iba-guidelines-on-conflicts-of-interest-in-international-arbitration/>; 2. Article 12 paragraph 2 BANI Rules; 3. Article 12 paragraph 1 BANI Rules; 4. Article 12 paragraph 2 BANI Rules; 5. Article 12 paragraph 3 BANI Rules.

## SHOULD BANI RULES ACCOMMODATE ASPIRATION OF THE INVESTORS?



**A**s a national arbitration center, Badan Arbitrase Nasional Indonesia (BANI) should be the primary arbitration center to resolve any business dispute or discrepancy of opinion involving Indonesian investor. However, many Indonesian investors prefer to settle their dispute through Singapore International Arbitration Center (SIAC). The SIAC Annual Report 2018 reported that as many as 62 Indonesian parties arbitrating at SIAC in 2018. The SIAC Annual Report 2018 also has placed Indonesia at the 5th rank for the states with the highest cases resolved at the SIAC.

The preference of investors both domestic and foreign investors in choosing an arbitration center are determined by various factors, including the ability of the arbitration center to accommodate the aspiration of the disputed investors. Pursuant to the foregoing, BANI and its rules as regulated under Arbitration Rules and Procedures of BANI as per 1st January 2018 (“BANI Rules”), are deemed to have not accommodated aspiration of the investors when it is compared to SIAC under Arbitration Rules of the SIAC as per 1st August 2016 (“SIAC Rules”).



First, Article 11.3 of the BANI rules provide third arbitrator (presiding arbitrator) shall remain be designated by the Chairman of BANI regardless the parties agree otherwise. BANI argues that as the parties have appointed its each arbitrator, then the presiding arbitrator shall be appointed by the Chairman of BANI. This is different to SIAC Rules, the SIAC Rules grant freedom for the parties to appoint the presiding arbitrator. Article 11.3 of SIAC Rules stipulates unless otherwise mutually agreed by the parties on other procedures to appoint the presiding arbitrator, or if the agreed procedures do not result to an appointment within determined time period by the parties or the Registrar, the President of SIAC shall appoint third arbitrator who will serve as the presiding arbitrator.

Second, Article 10.1 of the BANI Rules provides that the parties may only appoint arbitrator listed in BANI list of arbitrators to act as arbitrator in order to resolve the dispute. The appointment of arbitrator who is not listed in the BANI list of arbitrators (external arbitrator) may be conducted by submitting application to the Chairman of BANI provided that such external arbitrator shall possess special expertise. If the Chairman of BANI does not approve the designation of the external arbitrator, the Chairman must recommend, or designate, with his own choice, an alternative arbitrator chosen from

the BANI list of arbitrators or an expert meeting the requirements in the required field but is not registered in the BANI list of arbitrators. Otherwise, SIAC Rules grant freedom to the parties to designate the presiding arbitrator, regardless such arbitrator is registered at the SIAC or not.

Third, restriction to designate external arbitrator is not fully supported by the number of arbitrators listed at the BANI. Pursuant to the BANI's official website, only as many as 149 arbitrators had been registered at BANI in September 2019. Meanwhile, SIAC's official website recorded as many as 536 arbitrators had been registered at SIAC for the same period.

In the end, It deems necessary for BANI to amend BANI Rules to more accommodate aspiration of the investors, considering that the determination of arbitration forum and applicable rules are solely authority of the parties in accordance with "Party's Autonomy" principle as implemented in Arbitration Clause. Therefore, to increase the investor's interest in resolving their cases through BANI, the BANI Rules is advised to grant freedom for the investor to designate the presiding arbitrator, or arbitrators outside the BANI list of arbitrators. In the same time, BANI is encouraged to increase the quantity and quality of its arbitrators to enrich option for the investors. **SCN/HES**



## ARBITRATION: ADVANTAGES OUTSIDE THE STATE COURT SYSTEM

The era of globalization that has swept across the world affects various aspects of life, one of the affected is the economic aspect. At the present time, the world is more integrated, as though without borders (the borderless world), while competition between business people is getting more competitive. In the event of a business dispute, the parties in the business are generally confronted with the choice of dispute resolution through the courts (litigation) or outside the courts (non litigation). The legal basis for the parties to choose a forum for resolving business disputes is also clearly regulated in Article 58 Law Number 48 of 2009 concerning Powers of Judiciary ("Law 48/2009") which expressly states that "Settlement to resolve civil dispute can be done outside the State Court through arbitration or alternative dispute resolution". Thus also in Article 6 paragraph (1) of Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution ("Law 30/1999") states that "Disputes or differences of opinion may be resolved by the parties by alternative dispute resolution based on good faith by waiving the resolution by litigation in the District Court. Referring to the above mentioned laws, it can be seen that the parties are given the discretion to choose dispute resolution, either through court forums or alternative dispute resolution. One alternative dispute resolution that can be chosen by the parties is through an arbitration mechanism.

Article 1 paragraph (1) of Law 30/1999 "Arbitration shall mean a mechanism of settling civil disputes outside the general courts based upon an arbitration agreement entered into in writing by the disputing Parties". While discussing arbitration as a dispute resolution, it is important to remember that Indonesian Law requires an object of arbitration. The Object of arbitration is the matters discussed or which can be resolved through arbitration. Arbitration is an option to settle disputes outside the court, but not all disputes can be resolved through arbitration. Only specific dispute can be the object of arbitration. Article 5 of Law 30/1999 deals with an object of a dispute that can be resolved through arbitration and provides that "The only disputes which may be settled by arbitration are disputes in the commercial sector concerning rights which, according to the law and regulations, have the force of law and are fully controlled by the parties in dispute". That article does not provide whether the object includes the trade sector. However, Article 66 of Law 30/1999, explains that "the scope of trade law" are activities such as Commerce, Banking, Finance, Investment, Industry, and Intellectual Property Rights. Article 5 of Law 30/1999 also states what cannot be an object of an arbitration dispute as "Disputes which may not be resolved by arbitration are disputes that cannot be settled amicably under the regulations and the force of law".

Arbitration provide several advantages compared through the court and some of these advantages are as follows:

1. Arbitrators chosen by the parties are arbitrators who do have specialised expertise and competence in the concerned business fields. Article 12 paragraph (1) e of Law 30/1999 provides that to be appointed as arbitrators, persons must "Having at least 15 years experience and active mastery in the field" Thus it can be ensured that the arbitrator has a sufficient experience related to the business in which the case arises.
2. There is a guarantee of confidentiality. The confidentiality in the arbitration procedure makes the arbitration seen as an alternative dispute resolution in accordance with the needs of the business world. This is because the process of resolving disputes through arbitration is closed and the decisions are not published. Referring to Article 27 Law 30/1999 state that "All hearings of arbitration disputes shall be closed to the public". This is an added value for the parties because the parties may not want to make public their disputes. This is especially so for public listed companies and technology and pharmaceutical cases where trade secrets become matters in dispute. There is also the matter of public reputation.
3. There are opportunities for the parties to the dispute to keep their business cooperation after the case is decided. Because the main thrust of the parties is to find a win-win solution. Solution, it is hoped that Parties are able to continue some form of business relationship once the matter is resolved. This is contrasted with Court proceeding which are usually more adversarial where the general purpose of the parties is only to termi-

nate or cancel the contract to claim compensation for the damages. This can make arbitration the best choice for business parties who want to solve existing problems whilst keeping and maintaining good relationship with the other parties.

On the other hand, alternative dispute resolution through arbitration carries with it certain disadvantages. These include :

1. Arbitration is not widely known, both by the general public and the business community.
2. Public has not put sufficient trust so that they are unwilling to submit their cases to arbitration institutions. This can be seen from the few cases that have been submitted and resolved through the existing arbitration institutions.
3. Arbitration institution and ADR do not have the power or authority to execute an award.
4. Lack of compliance of the parties to the results of the settlement achieved in arbitration and denial of the fruits of litigation.

Conclusion:

Arbitration is a form of dispute resolution outside the State court system. The parties who intend to settle disputes through arbitration must express this intention in writing. The selection of arbitration as a forum for resolving disputes outside the court is based on various considerations of the various benefits of arbitration. Arbitration is an important feature of international business in the 21st Century and Parties are well warned to understand the implications and consequences of including arbitration clauses in their Agreements. **YIO/HES**

## ENFORCEMENT CHALLENGES OF ARBITRAL AWARDS



The award rendered by the arbitrator(s) or the tribunal is final and binding as stipulated under Article 60 of Law No. 30/1999. Basically, the parties should implement an arbitral award voluntarily. Having said that, however, the discretionary nature of Article 61 of Law No. 30/1999 leaves room for national courts to give effect to those awards that have been set aside by the aggrieved party. Unlike a national court judgment, arbitral award is incapable of direct enforcement. Thus, arbitration is often cited as being a "quasi-judicial tribunal", and national courts are, therefore, necessarily involved in the recognition and enforcement of arbitral awards. The registration period for domestic arbitral award is 30 (thirty) days after the receipt of the award, whereas provision for foreign arbitral awards is silent under Law No. 30/1999.

With regards to obtaining an exequatur, it is important to note that there shall be no intervention in any form of appeal or recourse. The aggrieved party, however, may sometimes anticipate writing a letter to the authorized Chairman of the District Court to annul the award. Under Article 70 of Law No. 30/1999, an application to annul an arbitral award may be made if any of the following conditions are alleged to exist:

1. Letters or documents submitted in the hearings are acknowledged to be false or forged or are declared to be forgeries after the award has been rendered;
2. After the award has been rendered documents are founded which are decisive in nature and which were deliberately concealed by the opposing party; or
3. The award was rendered as a result of fraud committed by one of the parties to the dispute.

To mitigate the risk of annulment, it is noteworthy that the relevant parties must adhere to the conditions stipulated in Article 70 of Law No. 30/1999. With regards to international arbitration award, the award will be recognized and enforceable in Indonesia if the following conditions are fulfilled:

1. The award is rendered by an arbitrator or arbitral tribunal in the New York Convention 1958 States;
2. The award falls within the scope of commercial law;
3. The award does not contravene the public policy in Indonesia; and
4. The award obtains an exequatur order from the Chairman of the Central Jakarta District Court.

**HWO/HES**



## INTERNATIONAL ARBITRATION AWARD:

# STRATEGIES WHEN DEALING WITH THE RECOGNITION AND ENFORCEMENT OF FOREIGN ARBITRAL AWARDS IN INDONESIA

Indonesia has ratified The Convention on The Recognition and Enforcement of Foreign Arbitration Awards or widely known as the New York Convention on the 5th of August 1981. This Convention is significant because it governs: (1) The validity of arbitral agreements, and (2) The recognition and enforcement of the arbitral awards.

The current law in Indonesia that governs Arbitration is Law No. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution (Arbitration Law). Article 1 of Arbitration Law defines an international arbitration award as an award, which is handed down by an arbitration forum outside the jurisdiction of the Republic of Indonesia. For the award to be implemented and enforced in Indonesia, there are several requirements, which must be fulfilled:

1. There must be an Arbitration Agreement, which states that dispute resolution will be settled through arbitration.
2. The awards are issued by the arbitrators from a country that is bound bilaterally or multilaterally with Indonesia (a member of the New York Convention).
3. The scope of disputes is limited to trade law.
4. The awards do not conflict with public order.
5. One Party obtains an execution order (exequatur order) from the Central Jakarta District Court.
6. If the State of the Republic of Indonesia is included as a party to the dispute, the interested party must obtain an order of execution from the Supreme Court which will then be transferred to the Central Jakarta District Court.

What then are the procedures to enforce the awards?  
The procedures can be looked at as three stages:

**1. Submission and Registration of the Awards**

The Arbitrator or the interested party’s attorney submits and registers the award to the Registrar of the Central Jakarta District Court by enclosing:

- a. Original sheets or authentic copies of the award
- b. Official translation in Indonesian of the above-mentioned document (letter a)
- c. Original sheet or authentic copy of the arbitration agreement
- d. Official translation in Indonesian of the above-mentioned document (letter c)
- e. Letter of Statement from the diplomatic representative of the Republic of Indonesia in the country where the awards were issued stating that they confirm that the applicant’s State is bound bilaterally or multilaterally with Indonesia.

**2. Issuance of Exequatur of the Awards**

The Chief of the District Court, before giving an exequatur of the awards, is obliged to examine substantively whether the awards:

- a. Exceeds the authority of the arbitrator
- b. Is Contrary to public order and decency and
- c. Has fulfilled the requirements that the dispute is within the scope of a trade dispute that cannot be reconciled and
- d. Concerns the rights under a parties’ control



**3. Execution of the Awards**

Upon the issuance of exequatur, the enforcement of the awards will be the delegated to the Chief of the District Court who is authorized to enforce it. Based on the Arbitration Law, the procedures for implementing the arbitral award are guided in the Indonesian Civil Code, as follows:

- a. Warning/reprimand (aanmaning)
- b. Confiscate execution (executorial beslag)
- c. Sale/auction
- d. Emptying.

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