

LAW OF THE REPUBLIC OF INDONESIA  
NUMBER 30 OF 1999  
ON  
ARBITRATION AND ALTERNATIVE DISPUTE RESOLUTION  
  
BY THE BLESSINGS OF ALMIGHTY GOD  
  
PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering : a. that based on the applicable legislation, the settlement of civil disputes can be submitted to the general court or through arbitration and alternative dispute resolution;  
b. that the legislation currently in force for dispute resolution through arbitration are no longer in line with developments in the business world and the law in general;  
c. that based on the considerations as referred to in point a and point b, it is necessary to enact a Law on Arbitration and Alternative Dispute Resolution;
- Considering : 1. Article 5 section (1) and Article 20 section (1) of the 1945 Constitution;  
2. Law Number 14 of 1970 on the Basic Provisions of Judicial Power (State Gazette of the Republic of Indonesia of 1970 Number 74, Supplement to the State Gazette Number 2951);

With the approval of  
THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF INDONESIA

HAS DECIDED:

To enact : LAW ON ARBITRATION AND ALTERNATIVE DISPUTE RESOLUTION.

CHAPTER I  
GENERAL PROVISIONS

Article 1

In this Law:

1. Arbitration means a method of resolving civil disputes outside of the general court system based on an arbitration agreement made in writing by the disputing parties.
2. The parties mean legal entities, both under civil law and public law.

3. Arbitration agreement means an agreement in the form of an arbitration clause contained in a written agreement made by the parties before a dispute arises, or a separate arbitration agreement made by the parties after a dispute arises.
4. District Court means the District Court whose jurisdiction covers the place of residence of the respondent.
5. Claimant means the party who files a request for dispute resolution through arbitration.
6. Respondent means the party opposing the Claimant in the dispute resolution through arbitration.
7. Arbitrator means a person or persons selected by the disputing parties or appointed by a District Court or arbitration institution to render a decision on a specific dispute submitted for resolution through arbitration.
8. Arbitration Institution means a body selected by the disputing parties to render a decision on a particular dispute; the institution may also provide a binding opinion on a particular legal relationship in cases where no dispute has yet arisen.
9. International Arbitration Award means a decision rendered by an arbitration institution or individual arbitrator outside the jurisdiction of the Republic of Indonesia, or a decision by an arbitration institution or individual arbitrator that is considered an international arbitration award under the law of the Republic of Indonesia.
10. Alternative Dispute Resolution means a dispute resolution institution or disagreement through procedures agreed upon by the parties, namely settlement outside of court through consultation, negotiation, mediation, conciliation, or expert assessment.

#### Article 2

This Law regulates the resolution of disputes or differences of opinion between the parties in a particular legal relationship that have entered into an arbitration agreement which explicitly states that all disputes or differences of opinion arising or which may arise from a legal relationship will be resolved by arbitration or through alternative dispute resolution.

#### Article 3

The District Court has no jurisdiction to try disputes between parties bound by an arbitration agreement.

#### Article 4

- (1) In the event that the parties have agreed that disputes between them are to be resolved through arbitration and have granted such authority, the arbitrators have the authority to determine in their award the rights and obligations of the parties, if these matters are not stipulated in their agreement.
- (2) The agreement to resolve disputes through arbitration as referred to in section (1) is contained in a document signed by the parties.

- (3) In the event that an agreement is made to resolve a dispute by an exchange of letters, the sending of telexes, telegrams, faxes, e-mails, or any other form of communication is required to be accompanied by a record of receipt by the parties.

#### Article 5

- (1) The only disputes which may be settled by arbitration are disputes in the commercial sector concerning rights which, according to the legislation, have the force of law and are fully controlled by the parties in dispute.
- (2) Disputes which may not be resolved by arbitration are disputes that cannot be settled amicably under the legislation and the force of law.

#### Article 6

- (1) 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.
- (2) The resolution of disputes or differences of opinion through alternative dispute resolution as referred to in section (1) is carried out by a direct meeting of the parties within 14 (fourteen ) days, the outcome of which will be set out in a written agreement.
- (3) If the dispute or difference of opinion as referred to in section (2) cannot be resolved, the dispute or difference of opinion between the parties may, with the written agreement of the parties, be resolved with the assistance of one or more expert advisors or a mediator.
- (4) If the parties fail to reach an agreement within fourteen (14) days with the assistance of one or more expert advisors or a mediator, or the mediator does not succeed in bringing the two parties together, the parties may contact an arbitration institution or an alternative dispute resolution institution to appoint a mediator.
- (5) After the appointment of the mediator by the arbitration institution or the alternative dispute resolution institution, the mediation process must begin within 7 (seven ) days.
- (6) Attempts at resolving the dispute or difference of opinion through a mediator, as referred to in section (5) must, maintaining strict confidentiality, reach an agreement in written form, signed by all parties concerned, within 30 (thirty) days.
- (7) The written agreement resolving the dispute or difference of opinion is final and binding on the parties for execution in good faith, and is required to be registered at the District Court within 30 (thirty) days after it has been signed.
- (8) The agreement for resolution of the dispute or difference of opinion as referred to in section (7) is required to be completely implemented within 30 (thirty) days after its registration.
- (9) If attempts to reach an amicable settlement, as referred to in section (1) to section (6), are unsuccessful, the parties, based on a written agreement, may submit the matter to

resolution by an arbitration institution or adhoc arbitration.

#### Article 7

The parties may agree that a dispute which occurs or which will occur between them will be resolved by arbitration.

#### Article 8

- (1) In the event that a dispute arises, the claimant must inform the respondent by a registered letter, telegram, telex, fax, e-mail, or by courier that the terms for arbitration between the claimant and respondent apply.
- (2) The notification of the arbitration as referred to in section (1), clearly states:
  - a. the names and addresses of the parties;
  - b. [reference](#) to the applicable arbitration clause or agreement;
  - c. the agreement or problem in dispute;
  - d. the basis for the claim and the amount claimed, if any;
  - e. the method of resolution desired; and
  - f. the agreement entered into by the parties concerning the number of arbitrators, or if no such agreement has been entered into, the claimant may submit a proposal about the odd number of arbitrators desired.

#### Article 9

- (1) In the event that the parties choose resolution of the dispute by arbitration after the dispute occurs, their agreement to this must be given in a written agreement, signed by the parties.
- (2) If the parties are unable to sign a written agreement, as referred to section (1), the written agreement must be made in the form of a notarial deed.
- (3) The written agreement as referred to in section (1) must contain:
  - a. details of the matter in dispute;
  - b. the full names and places of residence of the parties;
  - c. the full names and places of residence of the arbitrator or the arbitration panel;
  - d. the place where the arbitrator or arbitration panel will make their decision;
  - e. the full name of the secretary;
  - f. the period for resolution of the dispute;
  - g. a statement of acceptance by the arbitrator; and
  - h. a statement of acceptance from the disputing parties that they will bear all costs necessary for the resolution of the dispute through arbitration.
- (4) A written agreement that does not contain the matters as referred to in section (3) is null and void.

#### Article 10

An arbitration agreement will not become null and void due to the following the circumstances :

- a. the death of one of the parties;
- b. the bankruptcy of one of the parties;
- c. novation;
- d. the insolvency of one of the parties;
- e. inheritance;
- f. the conditions to terminate the main agreement become effective;
- g. the implementation of the agreement is assigned to a third party, with the consent of the parties who made the arbitration agreement; or
- h. the main contract expires or is nullified.

#### Article 11

- (1) The existence of a written arbitration agreement eliminates the right of the parties to submit the resolution of the dispute or difference of opinion contained in the agreement to the District Court.
- (2) The District Court is obligated to refuse to and will not interfere in any dispute settlement which has been determined by arbitration, except in particular cases determined in this Law.

#### Article 12

- (1) The parties who may be appointed or designated as arbitrators must meet the following requirements:
  - a. be competent to perform legal actions;
  - b. be at least 35 years of age;
  - c. not have a family relationship by blood or marriage to the second degree with one of the disputing parties;
  - d. not have any financial or other interest in the arbitration award; and
  - e. have at least 15 years' experience and active expertise in the field.
- (2) Judges, prosecutors, court clerks, and other officials of justice cannot be appointed or designated as arbitrators.

#### Article 13

- (1) If the parties cannot reach agreement on the choice of arbitrators or no terms have been made concerning the appointment of arbitrators, the Chief Judge of the District Court may appoint the arbitrator or arbitration panel.
- (2) In an adhoc arbitration, where there is any disagreement in the appointment of one or more arbitrators, the parties may submit an application to the Chief Judge of the District Court to appoint one or more arbitrators to resolve the parties' dispute.

#### Article 14

- (1) In the event that the parties have agreed that a dispute is to be examined and decided by a sole arbitrator, the parties are obligated to reach an agreement concerning the appointment of the sole arbitrator.
- (2) The claimant may propose to the respondent by a registered letter, telegram, telex, fax, e-mail or courier service the name of a person to be appointed as the sole arbitrator.

- (3) If, within 14 (fourteen) days after the respondent receives the claimant's proposal as referred to in section (2), the parties do not succeed in agreeing on the sole arbitrator, then the Chief Judge of the District Court, at the request of one of the parties, may appoint the sole arbitrator.
- (4) The Chief Judge of the District Court will appoint a sole arbitrator from a list of names submitted by the parties, or obtained from the arbitration organisation or institution as referred to in Article 34, with due attention to the recommendations of or objections to the person concerned submitted by the parties.

#### Article 15

- (1) The appointment of two arbitrators by the parties gives the two arbitrators the authority to choose and appoint a third arbitrator.
- (2) The third arbitrator as referred to in section (1) will be appointed as the chair of the arbitration panel.
- (3) If within 30 (thirty) days after notification is received by the respondent, as referred to in Article 8, section (1), one of the parties fails to appoint someone to be a member of the arbitration panel, the arbitrator chosen by the other party will act as a sole arbitrator and his or her award will bind both parties.
- (4) In the event that the two arbitrators appointed by the parties as referred to in section (1) do not succeed in appointing the third arbitrator within 14 (fourteen) days after the last arbitrator was appointed, the Chief Judge of the District Court, at the request of one of the parties, may appoint a third arbitrator.
- (5) No attempt may be made to nullify the appointment of an arbitrator by the Chief Judge of the District Court as referred to in section (4).

#### Article 16

- (1) The arbitrator appointed or designated may accept or reject the appointment or designation.
- (2) The arbitrator is obligated to inform the parties in writing of the acceptance or rejection as referred to in section (1), within 14 (fourteen) days as from the date of the appointment or designation.

#### Article 17

- (1) With the appointment in writing by the parties of one or more arbitrators, and the acceptance in writing of the appointment by the arbitrator(s), there is a civil contract existing between the appointing parties and the arbitrator accepting the appointment.
- (2) The appointment as referred to in section (1) has the effect that the arbitrator or arbitrators will render an award honestly, fairly, and in accordance with the prevailing provisions, and the parties will accept the award as final and binding, as jointly agreed.

#### Article 18

- (1) A prospective arbitrator who is asked by one of the parties to sit on the arbitration panel is obligated to inform the parties of anything which could influence his or her independence or give rise to bias in the award to be rendered.
- (2) Anyone accepting an appointment as arbitrator, as referred to in section (1), must inform the parties of his or her appointment.

#### Article 19

- (1) In the event that an arbitrator states his or her acceptance of the appointment or designation, as referred to in Article 16, he or she may not withdraw his or her acceptance, except with the consent of the parties.
- (2) In the event that the arbitrator as referred to in section (1), who has accepted the appointment or designation, wishes to declare his or her withdrawal, he or she is obligated to submit a written request to the parties.
- (3) In the event that the parties consent to the request to withdraw as referred to in section (2), the arbitrator concerned may be released from his or her duties as arbitrator.
- (4) In the event that the request for withdrawal does not receive the consent of the parties, the release of the arbitrator from his or her duties is to be determined by the Chief Judge of the District Court.

#### Article 20

In the event that an arbitrator or arbitration panel, for no valid reason, fails to render an award within the period specified, the arbitrator(s) may be ordered to pay the parties compensation for the costs and losses caused by the delay.

#### Article 21

The arbitrator or arbitration panel may not be held legally responsible for any action taken during the proceedings to carry out the function of arbitrator or arbitration panel, unless it is proved that there was bad faith in their action.

#### Article 22

- (1) A demand for refusal may be submitted against an arbitrator if there are sound reason and sufficient authentic evidence to give rise to doubts that the arbitrator will not perform his or her duties independently, or will be biased in rendering an award.
- (2) Demands to refuse an arbitrator may also be made if it is proved that there is any family, financial, or employment relationship with one of the parties or its attorney.

#### Article 23

- (1) The right to refuse an arbitrator appointed by the Chief Judge of a District Court is submitted to the District Court concerned.

- (2) The right to refuse a sole arbitrator is submitted to the arbitrator concerned.
- (3) The right to refuse a member of an arbitration panel is submitted to the arbitration panel concerned.

#### Article 24

- (1) An arbitrator who was not appointed by court decree may only be refused for a reason which only became known to the party applying the right of refusal after the appointment of the arbitrator concerned.
- (2) An arbitrator appointed by the court decree may only be refused for a reason which became known after receipt of the court decree.
- (3) The party objecting to the appointment of an arbitrator made by the other party must submit its demand for refusal within 14 (fourteen) days of the appointment.
- (4) In the event that the reason as referred to in Article 22 section (1) and section (2) becomes known at a later date, the demand for refusal must be submitted within 14 (fourteen) days of it becoming known.
- (5) The demand for refusal must be submitted in writing, either to the other party or to the arbitrator concerned, stating the reason for the demand.
- (6) If the other party consents to the demand for refusal submitted by one of the parties, the arbitrator concerned must resign and a substitute arbitrator will be appointed in accordance with the procedure set out in this Law.

#### Article 25

- (1) In the event that the other party does not consent to the demand for refusal submitted by one of the parties, and the arbitrator concerned is unwilling to resign, the party concerned may submit a demand for refusal to the Chief Judge of the District Court, whose judgment will bind the two parties, and no objection against it may be submitted.
- (2) In the event that the Chief Judge of the District Court decides that the demand as referred to in section (1) is well founded, a substitute arbitrator must be appointed in the manner applied to the appointment of the arbitrator he or she is replacing.
- (3) In the event that the Chief Judge of the District Court rejects the demand for refusal, the arbitrator continues to perform his or her duties

#### Article 26

- (1) An arbitrator's authority will not be nullified by the death of the arbitrator and the authority is continued by a substitute appointed in accordance with this Law.
- (2) An arbitrator may be released from his or her duties if he or she is proved to be biased or acting inappropriately, which must be legally proved.
- (3) In the event that, during the examination of the dispute, an arbitrator dies, becomes incapacitated, or resigns, and as a result is unable to meet his or her obligations, a substitute arbitrator will be appointed in the manner



- applied to the appointment of the arbitrator concerned.
- (4) In the event that a sole arbitrator or the chair of the arbitration panel is replaced, all examinations previously held have to be repeated.
  - (5) In the event that a member of the arbitration panel is replaced, the examination of the dispute will only be repeated in an orderly manner by the arbitrators.

#### Article 27

All examinations of disputes by arbitrators or panels of arbitrators are closed to the public.

#### Article 28

The Indonesian language is used in all arbitration proceedings, although the parties may choose to use another language, with the consent of the arbitrator or arbitration panel.

#### Article 29

- (1) The parties in dispute have the same right and opportunity to state their opinions.
- (2) The parties in dispute may be represented by an attorney with a specific power of attorney.

#### Article 30

Third parties outside the arbitration agreement may participate and join the proceedings for the resolution of disputes by arbitration, if any element of related interest is found and their participation is agreed to by the parties in dispute and by the arbitrator or arbitration panel examining the dispute.

#### Article 31

- (1) The parties are free to determine in an explicit written agreement the arbitration procedure to be used in examining the dispute, provided it does not conflict with the provisions of this Law.
- (2) In the event that the parties do not decide themselves the terms of the arbitration proceedings to be used in the examination, and the arbitrator or arbitration panel has been appointed in accordance with Article 12, Article 13, and Article 14, all disputes whose resolution has been handed over to an arbitrator or arbitration panel will be examined and decided in accordance with the provisions in this Law.
- (3) In the event that the parties have chosen an arbitration procedure, as referred to in section (1) they must agree on provisions for the timeframe and venue of the arbitration, and if the timeframe and venue are not determined, the arbitrator or arbitration panel will determine them.

#### Article 32

- (1) At the request of one of the parties, the arbitrator or arbitration panel may make a provisional award or other interlocutory decision on how to organize the examination of the dispute, including awarding a security attachment, ordering the deposit of goods with third parties, or the sale

of perishable goods.

- (2) The period for implementing the provisional award or other interlocutory decision as referred to in section (1) will not be counted in the period as referred to in Article 48.

#### Article 33

The arbitrator or arbitration panel is authorised to extend its term of office if:

- a. an application is made by one of the parties in special circumstances;
- b. it is extended as a result of a provisional award or other interlocutory decisions being made; or
- c. it is deemed necessary by the arbitrator or arbitration panel in the interests of the examination.

#### Article 34

- (1) A dispute that is resolved through arbitration may be conducted through national or international arbitration institutions based on the agreement of the parties.
- (2) A dispute through arbitration institutions, as referred to in section (1), is conducted according to the rules and procedure of the institution chosen, unless otherwise determined by the parties.

#### Article 35

The arbitrator or arbitration panel may order that any document or evidence be accompanied by a translation in the language determined by the arbitrator or arbitration panel.

#### Article 36

- (1) The process of the dispute in arbitration must be conducted in writing.
- (2) Verbal examination is permissible based on the parties' consent, or if it is deemed to be necessary by the arbitrator or arbitration panel.

#### Article 37

- (1) The venue of arbitration is determined by the arbitrator or the arbitration panel, unless it is decided by the parties themselves.
- (2) The arbitrator or arbitration panel may obtain information from witnesses or hold any meetings deemed necessary at particular places outside the location where the arbitration is taking place.
- (3) Witnesses and expert witnesses must be examined before the arbitrator or arbitration panel in accordance with the provisions in civil procedural law.
- (4) The arbitrator or arbitration panel may conduct on the spot hearings on the goods in dispute or other matters connected with the dispute being examined, if necessary, the parties will be lawfully summoned, so that they may also be present at the examination.

#### Article 38

- (1) Within the period determined by the arbitrator or the arbitration panel, the claimant must submit a statement of his or her claim to the arbitrator or arbitration panel
- (2) The statement of claim must contain at least:
  - a. the full names and residences or domiciles of the parties;
  - b. a short description of the dispute, accompanied by evidence in the form of exhibits; and clear contents of the claim.

#### Article 39

After receiving the statement of claim from the claimant, the arbitrator or the chair of the arbitration panel will forward a copy of the claim to the respondent, together with an order that the respondent must reply and give its answer in writing within 14 (fourteen) days as from the date a copy of the claim is received by the respondent.

#### Article 40

- (1) Immediately after receiving the respondent's reply based on the order of the arbitrator or the chair of the arbitration panel, a copy of the reply is delivered to the claimant.
- (2) At the same time, the arbitrator or the chair of the arbitration panel orders the parties or their attorneys to appear at an arbitration hearing determined within 14 (fourteen) days as from the issue of the order.

#### Article 41

In the event that the respondent has not, after the elapse of the 14 (fourteen) day period as referred to in Article 39, presented its reply, the respondent will be summoned under the provisions as referred to in Article 40, section (2).

#### Article 42

- (1) In his or her reply or at the latest in the first hearing, the respondent may submit a counterclaim and the claimant will be given an opportunity to respond to this counterclaim.
- (2) The counterclaim as referred to in section (1) will be examined and decided by the arbitrator or arbitration panel together with the main dispute.

#### Article 43

If, on the day determined as referred to in Article 40, section (2), the claimant, for no valid reason, fails to appear after being duly summoned, the statement of claim will be deemed cancelled and the duty of the arbitrator or arbitration panel will be deemed completed

#### Article 44

- (1) If on the day determined, as referred to in Article 40, section (2), the respondent, for no valid reason, fails to appear, although the respondent has been duly summoned, the arbitrator or arbitration panel immediately summons the respondent again.

- (2) If within 10 (ten) days after the respondent receives the second summons, the respondent, for no valid reason, still fails to appear at the hearing, the proceedings will be continued without the respondent, and the claimant's claim will be entirely accepted, unless the claim is groundless or is not based on law.

#### Article 45

- (1) In the event that the parties appear on the determined day, the arbitrator or arbitration panel first attempts to bring about an amicable settlement between the parties in dispute.
- (2) In the event that the attempt as referred to in section (1) succeeds, the arbitrator or arbitration panel will make a deed of amicable settlement, which will be final and binding on the parties, and will order the parties to comply with the terms of the amicable settlement.

#### Article 46

- (1) Examination of the merits of the dispute will proceed if the attempt to settle the dispute amicably, as referred to in Article 45 section (1) is not successful.
- (2) The parties are given a final opportunity to explain in writing their arguments and to submit evidence deemed necessary to uphold their arguments in a period determined by the arbitrator or arbitration panel.
- (3) The arbitrator or arbitration panel has the authority to ask the parties to submit supplementary written explanations, documents or other evidence deemed necessary in a period determined by the arbitrator or arbitration panel.

#### Article 47

- (1) Until the respondent submits a reply, the claimant may withdraw its request for resolution of the dispute through arbitration.
- (2) In the event that the respondent has already submitted a reply, an amendment or supplement to the statement of claim may only be allowed with the consent of the respondent, and as long as the amendment or supplement includes only actual matters and does not involve the legal grounds which form the basis of the claim.

#### Article 48

- (1) Examination of the dispute must be completed within 180 (one hundred and eighty) days from the appointment of the arbitrator or the formation of the arbitration panel.
- (2) The period as referred to in section (1) may be extended with the consent of the parties and if required in accordance with the provisions of Article 33.

#### Article 49

- (1) By the instruction of the arbitrator or arbitration panel or at the request of the parties, one or more witnesses or expert witnesses may be called to be heard.

- (2) The costs of the summons and the witnesses', or expert witnesses' travel expenses will be charged to the party that requested them.
- (3) Before they make a statement, the witnesses or expert witnesses is obligated to take an oath.

#### Article 50

- (1) The arbitrator or arbitration panel may request the assistance of one or more expert witnesses to give written evidence on specific issues related to the merits of the dispute.
- (2) The parties are obligated to give all the information required by the expert.
- (3) The arbitrator or arbitration panel forward copies of the expert witnesses' statements to the parties so that they may reply in writing.
- (4) If the statement of the relevant expert witness is unclear, interested parties may request that the expert witness further explains his or her statement at an arbitration hearing attended by the parties or their attorneys.

#### Article 51

A record of the examination proceedings and the arbitration hearing will be prepared by a secretary.

#### Article 52

Parties to an agreement are entitled to request a binding opinion from an arbitration institution on a particular legal issue in an agreement.

#### Article 53

No legal remedy is available to challenge the binding opinion as referred to in Article 52.

#### Article 54

- (1) An arbitration award must contain:
  - a. the heading "*DEMI KEADILAN BERDASARKAN KETUHANAN YANG MAHA ESA*" (In the Name of Justice, Based on Belief in God Almighty);
  - b. full names and addresses of the parties;
  - c. a short description of the dispute;
  - d. the arguments of the parties;
  - e. full names and addresses of the arbitrators;
  - f. the considerations and conclusions of the arbitrator or arbitration panel regarding the whole dispute;
  - g. the opinion of each arbitrator, if any differences of opinion arise within the arbitration panel;
  - h. the award;
  - i. the place and date of the award; and
  - j. the signature of the arbitrator or arbitration panel.
- (2) The validity of the award will not be affected even if one of the arbitrators is unable to sign the arbitration award due to sickness or death.

- (3) The reason for not signing, as referred to in section (2), must be recorded in the award.
- (4) The award states a period within which the award must be carried out.

#### Article 55

After the examination of the dispute has been completed, it will be closed and a hearing date will be fixed for the arbitration award to be rendered.

#### Article 56

- (1) The arbitrator or arbitration panel will base his or her or its decision on the provisions of the law or on justice and fairness.
- (2) The parties are entitled to determine the applicable law to resolve any disputes which may arise or which have arisen among the parties.

#### Article 57

The award must be rendered within 30 (thirty) days after the examination is closed.

#### Article 58

Within 14 (fourteen) days after receiving the award, the parties may submit a request to the arbitrator or the arbitration panel to correct any administrative errors and/or to add to or reduce the award

#### Article 59

- (1) Within 30 (thirty) days from the date the award is rendered, the original text or an authentic copy of the arbitration award is delivered to the Clerk of the District Court and registered there by the arbitrator or his or her or its attorney.
- (2) The delivery and registration as referred to in section (1) is carried out by the marking and signing of the last part or the margin of the award by the Clerk of the District Court and the arbitrator or his or her or its attorney that delivers it, and this record constitutes a deed of registration.
- (3) The arbitrator or his or her or its attorney is obligated to deliver the award and the original text of his or her appointment as arbitrator, or an authentic copy of it, to the Clerk of the District Court.
- (4) Non-fulfilment of the provisions as referred to in section (1) will render the arbitration award unenforceable.
- (5) All costs connected with the deed of registration are to be charged to the parties.

#### Article 60

The arbitration award is final and has a permanent and binding legal effect on the parties.

#### Article 61

In the event that the parties do not voluntarily implement the arbitration award, it may be enforced by an order from the Chief

Judge of the District Court at the request of one of the parties to the dispute.

Article 62

- (1) The order as referred to in Article 61 is issued within 30 (thirty) days after the application for execution has been registered with the Clerk of the District Court.
- (2) The Chief Judge of the District Court as referred to in section (1) first examines whether the arbitration award fulfils the provisions of Article 4 and Article 5 and ensure that it does not conflict with public morality and order before issuing the order for its execution.
- (3) In the event that the arbitration award does not fulfil the conditions as referred to in section (2), the Chief Judge of the District Court rejects the request for execution, and no legal remedy is available against the judgment of the Chief Judge of the District Court.
- (4) The Chief Judge of the District Court will not examine the reasons or considerations for the arbitration award.

Article 63

The order of the Chief Judge of the District Court is written on the original text and the authentic copy of the arbitration award.

Article 64

The arbitration award to which the order of the Chief Judge of the District Court is affixed must be enforced in accordance with the provisions on the execution of final and binding judgements in civil cases.

Article 65

The Central Jakarta District Court is the court that has the authority to handle matters with respect to the recognition and enforcement of International Arbitration Awards.

Article 66

International Arbitration Awards will only be recognised and may be enforced in the jurisdiction of the Republic of Indonesia if they fulfil the following criteria:

- a. the International Arbitration Award is rendered by an arbitrator or arbitration panel in a country which is bound to the Republic of Indonesia by a bilateral or multilateral treaty on the recognition and enforcement of International Arbitration Awards;
- b. the International Arbitration Awards as referred to in point a are limited to awards which are included within the scope of commercial law under Indonesian law;
- c. the International Arbitration Awards as referred to in point a, which may only be enforced in Indonesia, are limited to those which do not conflict with public order;
- d. an International Arbitration Award may be enforced in Indonesia after obtaining a writ of execution from the Chief Judge of the Central Jakarta District Court; and

- e. the International Arbitration Awards as referred to in point a, which involve the State of the Republic of Indonesia as one of the parties to the dispute, may only be enforced after obtaining a writ of execution from the Supreme Court of the Republic of Indonesia, which will then delegate it to the Central Jakarta District Court.

#### Article 67

- (1) An application to enforce an International Arbitration Award may be submitted after the award has been delivered to the Clerk of the Central Jakarta District Court and registered there by the arbitrator or his or her or its attorney.
- (2) The submission of the application for enforcement as referred to in section (1) must be forwarded together with:
  - a. the original text or an authentic copy of the International Arbitration Award in accordance with the provisions on authentication of foreign documents and an official Indonesian translation of the text;
  - b. the original text or an authentic copy of the agreement that is the basis for the International Arbitration Award, in accordance with the provisions on authentication of foreign documents and an official Indonesian translation of the text; and
  - c. a statement from the diplomatic representative of the Republic of Indonesia in the country where the International Arbitration Award was rendered, stating that the claimant's country is bound to the Republic of Indonesia by bilateral or multilateral treaty on the recognition and execution of International Arbitration Awards.

#### Article 68

- (1) No appeal to the Supreme Court, may be made against a decision of the Chief Judge of the District Court as referred to in Article 66, point d which recognises and enforces the International Arbitration Award.
- (2) An appeal to the Supreme Court may be made against a decision of the Chief Judge of the District Court as referred to in Article 66 point d for refusing to recognise and enforce an International Arbitration Award.
- (3) The Supreme Court reviews and decides on any appeal submitted to it, as referred to in section (2) within a period of 90 (ninety) days after the application for appeal has been received by the Supreme Court.
- (4) No appeal can be submitted against the decision of the Supreme Court as referred to in Article 66, point e.

#### Article 69

- (1) After the Chief Judge of the Central Jakarta District Court has issued the writ of execution as referred to in Article 64, further enforcement will be delegated to the Chief Judge of the District Court which has jurisdiction to enforce it.
- (2) An attachment may be imposed on the assets and goods of the petitionee.



- (3) The procedure for the attachment and enforcement of the award follows the procedure set out in the Civil Procedural Law.

#### Article 70

An application to nullify an arbitration award may be made if the award is alleged to contain the following elements:

- a. letters or documents submitted in the hearings which are admitted to be forged or are declared to be forgeries after the award has been rendered;
- b. documents are found after the award has been rendered which are decisive in nature and were deliberately concealed by the opposing party; or
- c. an award is made based on fraud committed by one of the parties to the dispute.

#### Article 71

An application for nullification of an arbitration award must be submitted in writing within 30 (thirty) days as from the day the arbitration award was delivered to and registered with the Clerk of the District Court.

#### Article 72

- (1) An application to nullify the arbitration award must be submitted to the Chief Judge of the District Court.
- (2) If the application as referred to in section (1) is granted, the Chief Judge of the District Court further determines the consequence of the nullification of the whole or only part of the arbitration award.
- (3) A decision on the application for nullification is rendered by the Chief Judge of the District Court within 30 (thirty) days from the date when the application as referred to in section (1) is received.
- (4) An appeal against the judgement of the District Court may be lodged with the Supreme Court, which decides, being the court of final instance.
- (5) The Supreme Court considers and decides on the appeal as referred to in section (4) within 30 (thirty) days after the Supreme Court receives the appeal.

#### Article 73

The arbitrators' task will be deemed completed when:

- a. the award regarding the dispute has been rendered;
- b. the period as determined in the arbitration agreement or after any extension thereto by the parties has expired; or
- c. the parties agree to withdraw the arbitrators' appointment.

#### Article 74

- (1) The death of one of the parties will not cause the task of the arbitrator(s) to end.
- (2) The period for the arbitrators' task as referred to in Article 48 may be postponed for no more than 60 (sixty) days as from the death of one of the parties.

#### Article 75

- (1) In the event that the arbitrator dies or a waiver or the dismissal of one or more arbitrators is granted, the parties must appoint (a) replacement arbitrator(s).
- (2) If the parties have not reached an agreement on the appointment of (a) replacement arbitrator(s) within 30 (thirty) days as referred to in section (1), the Chief Judge of the District Court may, at the request of the interested parties, appoint one or more replacement arbitrators.
- (3) The replacement arbitrator(s) continue the settlement of the dispute, based on the most recent conclusions drawn.

#### Article 76

- (1) The arbitrator(s) determine the arbitration fee.
- (2) The fee as referred to in section (1) includes:
  - a. the arbitrators' honorarium;
  - b. travel expenses and other expenditure incurred by the arbitrator(s);
  - c. the costs of witnesses and expert witnesses needed in the examination of the dispute; and
  - d. administrative costs.

#### Article 77

- (1) Arbitration fees are charged to the losing party.
- (2) In the event that a claim is only granted partially, the arbitration fees will be charged to the parties equally.

#### Article 78

For those disputes which have already been submitted to an arbitrator or an arbitration institution but which are not examined before this law becomes effective, the examination process will be conducted according to this Law.

#### Article 79

Disputes which have already been reviewed but which have not been decided when this law comes into effect, are still reviewed and decided in accordance with the old legislation.

#### Article 80

Disputes which have already been finally decided and the award is final and binding when this Law comes into effect are enforced in accordance with this Law.

#### Article 81

At the time this Law comes into effect, Article 615 to Article 651 of the Civil Procedure Rules (*Reglemen Acara Perdata (Reglement op de Rechtsvordering)*, *Staatsblad* 1847:52), Article 377 of the Renewed Indonesian Rules (*Reglemen Indonesia Yang Diperbaharui (Het Herziene Indonesisch Reglement)*, *Staatsblad* 1941:44) and Article 705 of the Procedural Rules for Areas Outside Java and Madura (*Reglemen Acara Untuk Daerah Luar Jawa dan Madura (Rechtsreglement Buitengewesten)*, *Staatsblad* 1927:227) are ineffective.

Article 82

This Law comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Law by its placement in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta  
on 12 August 1999

PRESIDENT OF THE REPUBLIC OF INDONESIA,

signed

BACHARUDDIN JUSUF HABIBIE

Promulgated in Jakarta  
on 12 August 1999

MINISTER OF STATE SECRETARY  
OF THE REPUBLIC OF INDONESIA,

signed

MULADI

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 1999 NUMBER 138

Jakarta, 25 September 2025  
Has been translated as an Official Translation  
on behalf of the Minister of Law  
of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION,



DHAHANA PUTRA

ELUCIDATION OF  
LAW OF THE REPUBLIC OF INDONESIA  
NUMBER 30 OF 1999  
ON  
ARBITRATION AND ALTERNATIVE DISPUTE RESOLUTION

I. GENERAL

The administration of judicial power is entrusted to judicial bodies in accordance with Law Number 14 of 1970 on the Basic Provisions of Judicial Power. This is the main and general framework that lays down the foundations and principles of the judiciary and guidelines for the general judiciary, religious courts, military courts, and administrative courts, each of which is regulated in a separate Law.

The elucidation of Article 3 section (1) of Law Number 14 of 1970 states, among other things, that settlement of cases outside of court on the basis of reconciliation or through arbitration is still permitted, but the arbitrator's decision only has executory power after obtaining permission or an order for execution from the court.

Until now, the basis for arbitration proceedings in Indonesia has been Articles 615 to 651 of the Civil Procedure Code (*Reglement op de Rechtsvordering*, *Staatsblad* 1847:52) and Article 377 of the Revised Indonesian Regulations (*Het Herziene Indonesisch Reglement*, *Staatsblad* 1941:44) and Article 705 of the Regulations for Areas Outside Java and Madura (*Rechtsreglement Buitengewesten*, *Staatsblad* 1927:227).

In general, arbitration institutions have advantages over judicial institutions. These advantages include:

- a. the confidentiality of the dispute between the parties is guaranteed;
- b. delays caused by procedural and administrative matters can be avoided;
- c. the parties may select an arbitrator who, in their opinion, has sufficient knowledge, experience, and background regarding the matter in dispute, and is honest and fair;
- d. the parties may determine the choice of law to resolve the dispute as well as the process and venue of arbitration; and
- e. The arbitrator's decision is binding on the parties and can be enforced through simple procedures or directly.

In reality, not everything mentioned above is true, because in certain countries the judicial process can be faster than arbitration. The only advantage of arbitration over the courts is its confidentiality, as the decisions are not published. However, dispute resolution through

arbitration is still more popular than litigation, especially for international business contracts.

With the development of the business world and the development of traffic in the field of trade, both nationally and internationally, as well as developments in law in general, the regulations contained in the Civil Procedure Code (*Reglement op de Rechtsvordering*) used as a guideline for arbitration are no longer appropriate and need to be adjusted because international trade regulations are a *conditio sine qua non* requirement, whereas this is not regulated in the Civil Procedure Code (*Reglement op de Rechtsvordering*). Based on these conditions, it is time to implement fundamental changes to the Civil Procedure Code (*Reglement op de Rechtsvordering*), both philosophically and substantively.

Arbitration as regulated in this Law is a means of resolving disputes outside of the general court system based on a written agreement between the disputing parties. However, not all disputes can be resolved through arbitration, but only disputes concerning rights that are fully controlled by the disputing parties based on their agreement.

This is intended to prevent dispute resolution through arbitration from becoming protracted. Unlike domestic court proceedings, where parties can still file appeals and cassation against the verdict, in dispute resolution through arbitration, there is no possibility of appeal, cassation, or review.

In order to establish comprehensive formal law, this Law contains provisions on the implementation of national and international arbitration.

Chapter VI explains the arrangement for the implementation of decisions in a single package, so that this Law can be operationalized until the implementation of decisions, both those concerning national and international arbitration, and this is justified by the legal system.

Chapter VII regulates the annulment of arbitration awards. This is possible for several reasons, including:

- a. letters or documents submitted during the examination, after the verdict has been handed down, are recognized as false or declared false;
- b. after the decision was made, decisive documents were found that had been deliberately concealed by the opposing party; or
- c. the decision was made based on deception committed by one of the parties during the dispute examination.

A request for annulment of an arbitration award is submitted to the Chief Judge of the District Court, and an appeal against the District Court's decision may only be submitted to the Supreme Court, which decide in the first and final instance.

Furthermore, Chapter VIII regulates the termination of the arbitrator's duties, stating, among other things, that the arbitrator's duties shall terminate when the term of office has expired or when both parties agree to withdraw the appointment of the arbitrator. The death of one of the parties does not result in the termination of the duties assigned to the arbitrator.

Chapter IX of this Law governs arbitration costs determined by the arbitrator.

Chapter X of this Law regulates transitional provisions concerning disputes that have been filed but not yet processed, disputes that are currently in process, or those that have been decided and have obtained permanent legal force.

Meanwhile, Chapter XI states that with the enactment of this Law, Articles 615 to 651 of the Civil Procedure Regulation (Reglement op de Rechtsvordering, Staatsblad 1847 No. 52), Article 377 of the Revised Indonesian Regulation (Het Herziene Indonesisch Reglement, Staatsblad 1941 No. 44), and Article 705 of the Procedural Regulation for Areas Outside Java and Madura (Rechtsreglement Buitengewesten, Staatsblad 1927 No. 227) are declared no longer in effect

## II. ARTICLE BY ARTICLE

### Article 1

Sufficiently clear.

### Article 2

Sufficiently clear.

### Article 3

Sufficiently clear.

### Article 4

Sufficiently clear.

### Article 5

Sufficiently clear.

### Article 6

Sufficiently clear.

### Article 7

Sufficiently clear.

### Article 8

Sufficiently clear.

### Article 9

Sufficiently clear.

### Article 10

#### point a

Sufficiently clear.

#### point b

Sufficiently clear.

#### point c

The term “novation” means the renewal of debt.

#### point d

The term “insolvency” means the inability to pay.

#### point e

Sufficiently clear.

#### point f

Sufficiently clear.

#### point g

Sufficiently clear.  
point h  
Sufficiently clear.

Article 11  
Sufficiently clear.

Article 12  
Section (1)  
Sufficiently clear.  
Section (2)  
The prohibition on officials mentioned in this section becoming arbitrators is intended to ensure objectivity in the examination and decision-making by arbitrators or arbitration panels.

Article 13  
Section (1)  
With this provision, it is avoided that in practice there will be a deadlock if the parties in the arbitration agreement do not properly and carefully regulate the procedures that must be followed in the appointment of arbitrators.  
Section (2)  
Sufficiently clear.

Article 14  
Sufficiently clear.

Article 15  
Sufficiently clear.

Article 16  
Sufficiently clear.

Article 17  
Sufficiently clear.

Article 18  
Sufficiently clear.

Article 19  
Sufficiently clear.

Article 20  
Sufficiently clear.

Article 21  
Sufficiently clear.

Article 22  
Sufficiently clear.

Article 23  
Sufficiently clear.

Article 24  
Section (1)

Before appointing an arbitrator, the parties must have considered the possibility of grounds for exercising the right of refusal. However, if the arbitrator is still appointed by the parties, then the parties are deemed to have agreed not to exercise the right of refusal based on the facts known to them when appointing the arbitrator. However, this does not preclude the possibility of new facts emerging that were not previously known, thereby giving the parties the right to exercise their right of recusal based on these new facts.

Section (2)

Sufficiently clear.

Section (3)

This article regulates the filing of counterclaims and their time limits. These time limits are deemed necessary so that proceedings are not constantly obstructed by counterclaims.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Article 25

Section (1)

The decision of the Chief Judge of the District Court in the breach of contract lawsuit is binding on both parties and is final and not subject to appeal.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 26

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

If only one arbitrator is replaced, the examination may be continued based on the existing minutes and letters, by the existing arbitrators alone.

Article 27

The provision that hearings are conducted in closed session deviates from the provisions of civil proceedings applicable in District Courts, which are in principle open to the public. This is to further emphasize the confidential nature of arbitration settlements.

Article 28

Sufficiently clear.



Article 29

Section (1)

Sufficiently clear.

Section (2)

In accordance with the general provisions regarding civil proceedings, the parties are given the opportunity to appoint a representative by means of a special power of attorney.

Article 30

Sufficiently clear.

Article 31

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

The parties may agree on the place and time period they desire. If they do not make any provisions in this regard, the arbitrator or arbitration panel will determine them.

Article 32

Sufficiently clear.

Article 33

point a

The term “certain specific circumstances” means, for example, the existence of an inter parties claim or incidental claim outside the main dispute, such as a request for security as referred to in Civil Procedure Law.

point b

Sufficiently clear.

point c

Sufficiently clear.

Article 34

Section (1)

Sufficiently clear.

Section (2)

This clause gives the parties the freedom to choose the rules and procedures to be used in resolving disputes between them, without having to use the rules and procedures of the chosen arbitration institution.

Article 35

Sufficiently clear.

Article 36

Section (1)

Sufficiently clear.

Section (2)

In principle, arbitration proceedings are conducted in writing. If the parties agree, the examination may be conducted orally. Also, expert witness testimony as referred to in Article 50 may be conducted orally if deemed necessary by the arbitrator or arbitration panel.

Article 37

Section (1)

The provisions regarding the place of arbitration are important, especially if there are foreign legal elements and the dispute becomes an international civil law dispute. As is customary, the place of arbitration can also determine the law that must be used to examine the dispute if the parties do not determine it themselves, then the arbitrator can determine the place of arbitration.

Section (2)

Section (2) of this article provides for the possibility of hearing witnesses in a place other than where the arbitration is held, including in relation to the place of residence of the witness concerned.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 38

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

A copy of the arbitration agreement must also be submitted as an attachment.

Point c

The content of the claim must be clear, and if the claim involves money, the exact amount must be specified.

Article 39

Sufficiently clear.

Article 40

Sufficiently clear.

Article 41

Sufficiently clear.

Article 42

Section (1)

This article regulates counterclaims filed by the respondent.

Section (2)

Sufficiently clear.

Article 43

In accordance with civil procedure law, the dispute is dismissed if the petitioner does not appear on the first day of the hearing.

Article 44

Sufficiently clear.

Article 45

Sufficiently clear.

Article 46

Sufficiently clear.

Article 47

Sufficiently clear.

Article 48

Section (1)

The determination of a period of 180 (one hundred and eighty) days as the period for the arbitrator to resolve the dispute in question through arbitration is to ensure certainty regarding the time for completion of the arbitration proceedings.

Section (2)

Sufficiently clear.

Article 49

Sufficiently clear.

Article 50

Sufficiently clear.

Article 51

Sufficiently clear.

Article 52

Even in the absence of a dispute, an arbitration institution may accept a request submitted by the parties to an agreement to provide a binding opinion on a matter relating to the agreement. For example, regarding the interpretation of unclear provisions, additions or changes to provisions related to the emergence of new circumstances, and so on. With the issuance of an opinion by the arbitration institution, both parties are bound by it and any party acting contrary to that opinion will be considered in breach of the agreement.

Article 53

Sufficiently clear.

Article 54

Sufficiently clear.

Article 55

Sufficiently clear.

Article 56

Section (1)

In principle, the parties may enter into an agreement stipulating that the arbitrator must decide the case based on legal provisions or in accordance with fairness and equity (*ex aequo et bono*).

In the event that the arbitrator is given the discretion to render a decision based on fairness and equity, then legislation may be disregarded. However, in certain cases, mandatory rules (*dwingende regels*) must be applied and cannot be deviated from by the arbitrator.

In the event that cases where the arbitrator is not given the authority to render a decision based on justice and equity, the arbitrator can only render a decision based on substantive legal principles as would be done by a judge.

Section (2)

The disputing parties are given the discretion to determine which law will be applied in the arbitration process. Unless the parties determine otherwise, the law applied is the law of the place where the arbitration is conducted.

Article 57

Sufficiently clear.

Article 58

The term “correct any administrative errors” means correction of matters such as typographical errors or errors in the writing of names, addresses of parties or arbitrators, etc., which do not alter the substance of the decision.

The term “to add to or reduce the award” means that one party may raise an objection to the decision if the decision, among other things:

- a. has granted something that was not claimed by the opposing party;
- b. does not contain one or more matters requested to be decided; or
- c. contains binding provisions that contradict each other.

Article 59

Sufficiently clear.

Article 60

Arbitration awards are final and therefore cannot be appealed, reviewed, or reconsidered.

Article 61

Sufficiently clear.

Article 62

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

The District Court Chief Judge did not examine the reasons or considerations behind the arbitration award so that the award would be truly independent, final, and binding.

Article 63

Sufficiently clear.

Article 64

Sufficiently clear.

Article 65

Sufficiently clear.

Article 66

Point a

Sufficiently clear.

Point b

The term “scope of trade law” refers to activities in areas such as:

- commerce;
- banking;
- finance;
- investment;
- industry;
- intellectual property rights.

Point c

Sufficiently clear.

Point d

An international arbitration award can only be enforced by a decision of the Chief Justice of the Central Jakarta District Court in the form of an enforcement order (exequatur).

Point e

Sufficiently clear.

Article 67

Sufficiently clear.

Article 68

Sufficiently clear.

Article 69

Sufficiently clear.

Article 70

A petition for annulment may only be filed against an arbitration award that has been registered with the court. The grounds for annulment referred to in this article must be proven by a court decision. If the court finds that these grounds are proven or unproven, this court decision may be used as a basis for the judge to grant or deny the petition.

Article 71

Sufficiently clear.

Article 72

Section (1)

Sufficiently clear.

Section (2)

The Chief Judge of the District Court is authorized to examine requests for annulment if requested by the parties, and to determine the consequences of annulment of all or part of the arbitration award in question.

The Chief Judge of the District Court may decide that after the annulment is pronounced, the same arbitrator or another arbitrator will re-examine the dispute in question or determine that a dispute can no longer be resolved through arbitration.

Section (3)

Sufficiently clear.

Section (4)

The term “appeal” means only to the annulment of an arbitral award as referred to in Article 70.

Section (5)

Sufficiently clear.

Article 73

Sufficiently clear.

Article 74

Sufficiently clear.

Article 75

Sufficiently clear.

Article 76

Sufficiently clear.

Article 77

Sufficiently clear.

Article 78

Sufficiently clear.

Article 79

Sufficiently clear.

Article 80

Sufficiently clear.

Article 81

Sufficiently clear.

Article 82

Sufficiently clear.