# THE AUTHORITY OF EXECUTION BY COURT ON THE INTERNATIONAL ARBITRATION DECISION

Zulhilmi Rizki Filhaj

Faculty of Law Universitas Muhammadiyah Surabaya

Jl. Sutorejo No 59, Dukuh Sutorejo, Kec. Mulyorejo, Kota Surabaya, Jawa Timur 60113 E-mail: <u>zulhilmi.rizki.filhaj@gmail.com</u>

Accept: 14 <sup>th</sup> December 2019	Review: 7 <sup>th</sup> April 2020	Publish: 20 <sup>th</sup> April 2020

# Abstrak -

The winner of Singapore International Arbitration Center Number 062/08 made an Indonesian national legal effort, namely the application for recognition and implementation of international arbitration decisions as stipulated in Act Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution. However, after the application was registered with the Central Jakarta Court, it provided a decree which basically refused because the arbitration dispute was not included in the scope of the trade and violated public order. And It received rejection too From the Supreme Court. Thus, the international arbitration award could not get recognition and implemented in the Republic of Indonesia.

Keywords: International Arbitration, recognition and implementation

# A. Introduction

Indonesia is a member of the United Nations (United Nations) since 1966 until now after being withdrawn in 1995. The United Nations Commission on International Trade Law (UNCITRAL) is another Multilateral Agency or Supporting Organ in the United Nations system (United Nations) (United Nations, 2008). The Convention on the Recognition and Enforcement of Foreign Arbitration (Convention on the Recognition and Enforcement of Foreign Arbitral Awards) held by UNCITRAL in 1958 in New York is the birth of Arbitration or an alternative trade dispute resolution outside the court

throughout the World, only the State that ratified the convention that can run everything the provisions agreed upon at the convention.

The purpose of making a convention on the Recognition and Enforcement of Foreign Arbitration (Convention on the Recognition and Enforcement of Foreign Arbitral Awards) is to protect foreign arbitral awards to be implemented in a State that ratifies the convention. Furthermore, if a State ratifies the convention it will greatly affect the the increase of foreign investors into the country because foreign investors will generally have more confidence in the

settlement of trade disputes through Arbitration than the court where he invests because of speed in the process, the right to elect / appoint arbitrators is in the hands of the parties, as well as the confidentiality aspect / Confidentiality. "Arbitration and jurisdiction agreements are frequently used in transnational commercial contracts to reduce risk, gain efficacy and obtain certainty and predictability.<sup>1</sup>

Previously, the source of the law on already existed arbitration in the HerzieneInlandsch Regulations (HIR), the Rechtsreglementvoor de Buitengewesten (RBG), the Reglement de op BurgerlijkeRechtsvordering (RV), and after Indonesia's independence the strict provisions containing the arbitration be institution found in can the memorandum of Article explanation 3 paragraph (1) of Law No. 14 of 1970 concerning the Basic Provisions of Judicial Power, which states "Settlement of cases outside the court on the basis of peace or through referees or arbitration remains permissible".

Indonesia ratified the Convention on the Recognition and Enforcement of Foreign Arbitral Awards on August 5, 1981 after the convention was signed on June 10, 1958. Through Presidential Decree (Presidential Decree) No. 34 of 1981. Furthermore, the Supreme Court regulation (PERMA) No. 1/1990 concerning the Procedure for Implementing a Foreign Arbitration Award, on 1 March 1990, which took effect from the date of issuance. And then born and in effect until now Indonesia issued Law No. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution that was ratified by President BacharuddinJusufHabibie on August 12, 1999. When this Law came into force, the provisions regarding arbitration as referred in Articles 615 to Article 651 of the Civil Procedure Regulations (Reglement of de Rechrsvordering, Staatsblad1847.52) and Article 377 of the Updated Indonesian Regulations (Het HerzieneIndonesischReglement, Staatsblad 1941.44) and Article 705 of the Event Regulations for the Outer Islands and Java (Reehtsregement Buitengewesten, Staatsblad 1927: 227), is declared invalid.

According to David Caron and Lee Caplan in their book Oxford Commentaries on International Law the UNCITRAL Arbitation Rules: "Arbitration is a form of dispute settlement based on agreement between parties who may wish for various

<sup>&</sup>lt;sup>1</sup>Tang, z. S. (2014). Jurisdiction and arbitration agreements in international commercial law. New york: routledge. Page xxxvii

reasons to avoid proceedings before domestic courts.<sup>2</sup>

"Based on Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolutions, "Arbitration is a way of settling a civil dispute outside the general court based on arbitration agreements made in writing by the parties to the dispute".

Dispute resolution through arbitration has benefits for the parties :

- a. Speed in the process, the parties to the dispute have the right determine the time period when the dispute resolution ends accordingly agreement of the parties, this is different from the term court the time cannot be determined by the parties, but if the parties are the dispute does not determine when the dispute resolution ends then the arbitral tribunal will determine. The following is the sound of article 31 paragraph (3) of the Law Number 30 of 1999: "There must be agreement on the term provisions the time and place of the arbitration and if the time period and the place of arbitration is not determined, the arbitrator or the arbitral tribunal to be determine".
- b. The right to elect / appoint an arbitrator is in the hands of the parties, that is the parties to the dispute are free to choose

who the arbitrators will be chosen for in accordance with the background of the dispute being faced, this matter aims so that the arbiter can really understand technical matters in dispute resolution process.

- c. Confidentiality aspects, excess dispute resolution through subsequent arbitration is the confidentiality aspect of the parties who disputes are guaranteed, this is in accordance with the needs of the world business, because if through a dispute resolution in general justice its nature is open to the public, so anyone can see it including journalists to be covered in mass media, this can make a bad image for a company name.
- Besides its strengths, arbitration also has very vital shortcomings, that is:
- The arbitration institution is not a state institution, so that the institution does not have public authority that can be enforced by force to other parties;
- There is no legal basis for the arbitral institution to carry out the execution of its own decision;
- 3. Arbitration institutions do not have bailiffs as there are judicial institutions

arbitation rules. London: oxford university press. Pg. 17

Volume 4, No.1 April 2020 ISSN Cetak: 2579-9983,E-ISSN: 2579-6380 Halaman. 87 - 101

89

<sup>&</sup>lt;sup>2</sup> Caron, D., & Caplan, L. (2013). Oxford commentaries on international law the uncitral

whose job is to carry out actions related to execution.<sup>3</sup>

For all these advantages and disadvantages, dispute resolution through arbitration is not a few who choose International arbitration rather than general justice, especially in Indonesia. However, in very vital cases the International Recognition and Execution of Arbitration depends on the District Court.

As legal facts and legal norms above, the authors intend to analyze the issue / or legal facts as a thesis with a case approach (statute approach), or an approach that moves from the applicable laws and regulations in Indonesia with the title "Authority of Execution by the Court The State of the Decision of International Arbitration "

So with the above matters, the problem can be formulated, namely: Legal Position of the Parties in choosing Trade Dispute Settlement involving Foreign elements and the Authority to Execute all International Arbitration decisions by the Central Jakarta District Court.

## **B.** Research Methodology

The writing of this Legal Research is normative juridical writing, while the approach used is the Statute approach, or an approach that moves from the prevailing laws in Indonesia that solves the legal issues proposed in accordance with the hierarchy and the principles of legislation.<sup>4</sup> "As well as being based on statutory regulations as the central review and regulation concerned with legal issues that handled both vertically are and horizontally.<sup>5</sup>" researchers to compile legal arguments and legal opinions in solving legal issues under investigation.

## C. Discussion

The Parties in the decision of the Supreme Court No. 01 K / Pdt.Sus / 2010 are Foreign Companies as Cassation Appellants having address outside the Republic of Indonesia against Limited Liability Companies as Cassation Respondents having a address in the Republic of Indonesia.

1) Applicant's Legal Standing

The applicants for cassation are as follows:

a. ASTRO NUSANTARA INTERNATIONAL BV,

Volume 4, No.1 April 2020 ISSN Cetak: 2579-9983,E-ISSN: 2579-6380 Halaman. 87 - 101

<sup>&</sup>lt;sup>3</sup>hiariej, e. O., agusman, d. D., nugraha, p. C., purwanto, h., hikmah, m., & sidqi, a. (2013). Jurnal hukum dan perjanjian internasional. *Jurnal opinio juris, xiii*, Pg. 84

<sup>&</sup>lt;sup>4</sup>marzuki, p. M. (2005). *Penelitian hukum*. Jakarta: kencana prenada groub. Pg. 136-137
<sup>5</sup>wijayanti, a. (2002). *Penulisan hukum normatif*. Bandung: lubuk agung. Pg. 71

#### JUSTITIA JURNAL HUKUM

#### FAKULTAS HUKUM UNIVERSITAS MUHAMMADIYAH SURABAYA

- b. ASTRO NUSANTARA HOLDING
  BV, both of which are located at Claude
  Debussylaan 24, 1082 MD Amsterdam,
  Postbus 11063, 1001 GB
  AMSTERDAM,
- c. ASTRO MULTIMEDIA CORPORATION N.V,
- d. ASTRO MULTIMEDIA N.V, both rescued at SchottengatwegOost 1911-A Curacao, Netherlands Antilles,
- e. ASTRO OVERSEAS LIMITED, having its address at Canon's Court 22, Victoria Street, Hamilton HM12, Bermuda,
- f. ASTRO ALL ASIA NETWORK PLC, a company established and subject to UK law, having its address at All Asia Broadcast Center, Technology Park, Malaysia, LebuhrayaPuchong-Sungai BesiJalil, Kuala Lumpur 57000, Malaysia,
- g. MEASAT BROADCAST NETWORK SYSTEM SDN BHD, a company established and subject to Malaysian law, having its address at the 3rd Floor Administration Building, All Asia Broadcast Center, Technology Park, Malaysia, LebuhrayaPuchong-Sungai BesisJalil, Kuala Lumpur 57000, Malaysia,
- h. ALL ASIA MULTIMEDIA
   NETWORK FZ-LLC, having its address at Commercial Building No.3, 2rd floor, office No. 6 Dudai Studio City, Dubai

United Arab Emirated, in this matter authorizing: T. MulyaLubis, SH., LLM., And friends, lawyers, and offices in Mayapada Tower Lt.5, JalanJenderalSudirman, Kav.28 Jakarta 12920.

Previously, the petitioners filed applications for the recognition and implementation of international arbitration awards with Decree No. : 05 / PPdt.ARB.INT / 2009 dated 28 October from the Central Jakarta District Court whose ruling is as follows:

- To declare the above petition of the Petitioners not being granted;
- Declares the International Arbitration award based on SIAC Regulation Number: 062 of 2008 (ARB 062/08 / JL) which was decided on May 7, 2009, Non-Equatorial cannot be implemented;
- Ordered the Registrar of the Central Jakarta District Court to send derivatives of this non-equatorial Determination to the parties concerned.

Based on the Amar Stipulation of the Central Jakarta District Court the petitioners filed an appeal in accordance with Law number 30 of 1999 concerning Arbitration and Alternative dispute resolution Article 60 letter d stated "The International Arbitration Award can be carried out in Indonesia after obtaining an equator from the Chairperson of the Central

91

Volume 4, No.1 April 2020 ISSN Cetak: 2579-9983,E-ISSN: 2579-6380 Halaman. 87 - 101 Jakarta District Court. "Furthermore, in Article 68 paragraph (2):" With respect to the decision of the Chairperson of the Central Jakarta District Court as referred to in Article 66 letter d who refuses to recognize and implement an International Arbitration Award, an appeal may be filed ". This means that the applicant has a legal standing in submitting an appeal to the Supreme Court of the Republic of Indonesia.

## 2) Respondent

The Cassation Respondents are as follows:

- a. PT. AYUNDA PRIMAMITRA, address at Gedung Citra Graha, 4th Floor Jalan Gatot Subroto kav. 35-36 South Jakarta 12950, Indonesia,
- b. PT. FIRST MEDIA, TBK (formerly PT.BROADBAND MULTIMEDIA, having its address at Boulevard Gajah Mada, Ruko Cyberpark No.2088, LippoKarawaci-Tangerang 15811, Indonesia,
- c. PT. DIRECT VISION, having its address at GedungGatotSubrotoKavling 35-36 Jakarta 12950, Indonesia.

Previously the defendants were declared defeated in the SIAC Arbitration International arbitration award. 062/08 against the applicants of foreign companies, in consideration of the defendants finally filed a lawsuit to the South Jakarta District Court number 1100 / Pdt.G / 2008 / PN.JKT.Sel.

3) Respondent's Legal Standing

The SIAC Arbitration Respondent No. 062/08 because they felt defeated, they filed a lawsuit in the South Jakarta District Court on September 3, 2008 and then decided and read out on September 17, 2009 with the following documents:

I. In the exception -Receiving an Exception Defendant IX. from Defendant X and Defendant XII (cassation applicants) regarding the Plaintiff (the Cassation Respondent) does not have a Legal Standing to file a lawsuit in this case; - Refuse the Defendants' Exception I, II, III, IV, V, VII, VIII, IX, X, XI and Defendant XII for the others and the rest;

Comparison	Public	Private
	Arbitration	Arbitration
Subject	Country vs	Company vs.
	Country	company
Object	Disputes	Disputes on
	Regarding	trade
	territorial	agreements
	rights,	
	International	
	treaties subject	
	to Vienna 1969	
The region	Between	Between
	countries	Countries and
		Peers

Table 1. Comparative table of public and private arbitration courts

#### JUSTITIA JURNAL HUKUM

FAKULTAS HUKUM UNIVERSITAS MUHAMMADIYAH SURABAYA

II. In the subject matter - stated the Plaintiff's claim cannot be accepted (*Niet Ontvankelijke Verklaard*);

Penalty the Plaintiff to pay the court fee in this case amounting to Rp 4,961,000 (Four million nine hundred sixty-one thousand rupiah). The appellants in their lawsuit in the South Jakarta District Court did not have Legal Standing, as is known there is a legal norm that explicitly mentions Article 3 of the Arbitration Law:

"The District Court is not authorized to adjudicate the disputes of parties who have been bound in an arbitration agreement" Juncto Article 60 Arbitration Law: "An arbitration award is final and has power.

1	Arbitrase Ad	1. formalities and procedures for carrying out	
1	Hoc (Volunter)	arbitration, submitted or determined by the	
	Hoc (volumer)		
		parties to the dispute	
		2. the appointment of the arbitrator	
		individually	
		3. is incidental and a certain period	
		4. weaknesses: in practice often experience	
		obstacles, difficulties in negotiating. Establish	
		procedural rules, the determination of	
		arbitrators agreed by both parties	
2	Institusional	1. formed by a particular organization	
	Arbitration	2. is permanent	
2a.	National	1. The elements in the arbitration agreement	1. The Indonesian National
	Arbitration)	are only national in nature	Arbitration Board (BANI), is the
			Indonesian national arbitration
			body established by the Chamber
			of Commerce and Industry
			(KADIN).
		2. Only on a national scale when viewed from	2. The Netherlands Arbitration
		the region or its territory.	Institute, the national arbitration
			center of the Netherlands.
			3. The Japanese Commercial
			Arbitration Association, as Japan's
			national arbitration center within
			the Japanese Chamber of
			Commerce.

#### JUSTITIA JURNAL HUKUM

ERSITAS MUHAMMADIYAH SURABAYA

2b.	International	1. There are foreign elements in the arbitration	1. Court of Arbitration of the
	Institutional	agreement	International Chamber of
	Arbitration		Commerce (ICC). It is an
			international arbitration center
			established in Paris in 1919
		2. Dispute resolution can be done outside or	2. The International Center for
		within a country of one of the parties	Settlement of Investment Disputes
			(ICSID). This arbitration is an
			international arbitration body
			which regulates international
			investment disputes.
			3. United Nation Commission on
			International Trade Law
			(UNCITRAL)
2c.	Regional	1. the scope of its existence and jurisdiction	1. Regional Center for Arbitration
	Institutional	with regional insight	established by the Asia-Africa
	Arbitration		Legal Consultative Committee
	(Regional		(AAALC) <sup>6</sup>
	Arbitration)		

 Table 2. Comparison table Types of arbitration

With the information above, there is a clear difference between public and private arbitration in terms of subjects, objects and territories. Examples of public arbitration are the Permanent Court of Arbitration (PCA) which was established in 1899 in the Netherlands, and private arbitration, the Singapore International Arbitration Center (SIAC).

 Recognition of International Arbitration of National Law

The 1958 Convention on the Recognition and Enforcement of Foreign Arbitral Awards was the beginning of the recognition of international arbitration of the law of a State, the terms of a convention recognized in a State are the way the State itself accepted it by ratifying the international convention as explained in the previous chapter. Recognition of International Arbitration contained in "Decree of the President of the Republic of Indonesia No. 34 of 1981 "decided:

<sup>&</sup>lt;sup>6</sup> batubara, s., & purba, o. (2013). Arbitrase internasional penyelesaian sengketa investasi asing melalui icsid, uncitral, dan siac. Jakarta: swadaya grup. Pg. 10-14

Ratified the "Convention on the Recognition and Enforcement of Foreign Arbitral Awards" which was signed in New York on 10 June 1958 and entered into force on 7 June 1959, accompanied by a statement, the texts of which are attached to this Presidential Decree. Stipulated by the President of the Republic of Indonesia SOEHARTO.

After the issuance of Presidential Decree of the Republic of Indonesia Number 34 of 1981, it is deemed necessary to stipulate provisions concerning the procedure for implementing a Foreign Arbitration award in a Supreme Court regulation, namely the Supreme Court Regulation of the Republic of Indonesia Number 1 of 1990 concerning Procedures for the Implementation of Foreign Arbitration Award.

The discussion in this section will discuss the authority of the Central Jakarta District Court in hearing cases involving foreign elements and the requirements of the Central Jakarta District Court in trying cases involving foreign elements.

5) Requirements Of The Central Jakarta District Court To Deal With Matters Of Recognition And Implementation Of Cases Involving Foreign Elements

"In the UNCITRAL Model Law 1955, Article 1 paragraph (3) states that: an arbitration is said to be international if it meets one of the following conditions:

- a) The parties involved in the arbitration agreement have a place of business activity in a different State, at the time of signing the agreement ("... their place of business in defferent State."); or
- b) One of the following places is outside the State where the parties have their place of business activities, namely:
  - Place of arbitration if specified in the arbitration agreement;
  - 2. Every place where the greatest obligations of commercial relations will be carried out; or the place where the problem in dispute has the closest relationship ("... which subject-matter of the dispute is most closely connected"); or
  - The parties expressly agree that the scope of the arbitration agreement relates to more than one Country.<sup>7</sup>

Not all International Arbitration Awards can be recognized and implemented by the Central Jakarta Court,

<sup>&</sup>lt;sup>7</sup>Gatot, S. (2006). *Arbitrase dan mediasi di indonesia*. Jakarta: pt gramedia pustaka utama. Pg. 30

there are conditions that must be met to be recognized and implemented.

The requirements referred to in article 66 of Law No. 30 of 1999 concerning Arbitration, which is all about regulating of implementation the international arbitration decisions, namely the Central Jakarta District Court which has the authority to handle issues of recognition implementation of international and arbitration awards, the second concerning an arbitration award is only recognized and can be carried out in the jurisdiction of the Republic of Indonesia if it meets the conditions as follows :

- a) An International Arbitration Award is imposed by an arbitrator or arbitral tribunal in a country with which Indonesia is bound by an agreement, both bilaterally and multilaterally, concerning the recognition and implementation of the International Arbitration Award.
- b) International Arbitration Awards as referred to in letter a are limited to decisions that comply with Indonesian law, including the scope of trade law.
- c) International Arbitration Award as referred to in letter a can only be implemented in Indonesia limited to

decisions that do not conflict with public order.

- d) International Arbitration Award can be carried out in Indonesia after obtaining an award from the Chairperson of the Central Jakarta District Court; and
- e) The International Arbitration Award as referred to in letter a relating to the State of the Republic of Indonesia as one of the parties to the dispute, can only be carried out after obtaining an instrument from the Supreme Court of the Republic of Indonesia which is subsequently delegated to the Central Jakarta District Court.

Thus, according to the decision of the Supreme Court No. 01 K / Pdt.Sus / 2010 stated that the arbitration institution which decided the International Arbitration case was "SIAC (Singapore International Arbitration Center. SIAC, which commenced operations in 1991 as an independent not-for-profit organization, has a proven track record in providing quality, neutral arbitration services to the global business community.<sup>8</sup>

This statement is also contained in the 1958 New York convention, this can be seen from the sentence "... which are considered as commercial under the

<sup>&</sup>lt;sup>8</sup>Siac (singapore international arbitration centre). (2017). *Siac*. Retrieved may 9, 2019, from siac: http://www.siac.org.sg/

national law of the states making such declarations".<sup>9</sup>

Regarding the position of the parties between foreign companies is and companies from Indonesia, they previously established their dispute resolution forum in SIAC Arbitration based on the principle of freedom of contract in accordance with article 1338 paragraph (1) of the Civil Code juctoKeppres no. 34 of 1981 Juncto Article 7 of Law No. 30 of 1999 concerning Arbitration this case is strengthened by the decision No. 1100 / Pdt.G / 2008 / PN.JKT.Sel that the Plaintiff (the petition of appeal) is declared to have no Legal Standing, It is therefore true that the parties have established a dispute resolution forum through SIAC arbitration.

 Executorial Authority Of The Central Jakarta District Court By The International Arbitration Award

Strictly Article 1 PERMA No. 1 of 1990 concerning Procedures for Implementing Foreign Arbitration Award, states:

"The person authorized to deal with matters relating to the Recognition and Implementation of the Foreign Arbitration Award is the Central Jakarta District Court". And explicitly also Article 65 of Law No. 30 of 1999 states:

"The one authorized to handle the issue of recognition and implementation of the International Arbitration Award is the Central Jakarta District Court."

Therefore a Foreign / or International Arbitration Award does not have the power and authority to execute its own decision in Indonesia unless it is granted an order (in the form of an implementation order) from the Chairperson of the Central Jakarta District Court.

It is very clear that the provisions of the Law and Perma mentioned above state that the Central Jakarta District Court is authorized by Law No. 30 of 1999 and Perma No.1 of 1990 concerning Procedures Implementation of Foreign for the Arbitration Awards, but not all international arbitration awards are recognized and implemented in Indonesia, the Law has limited conditions, only those that fulfill those conditions are international arbitration awards. recognition and can be carried out in Indonesia from the central Jakarta district court, as stated in article 66 of Law no. 30 of 1999:

 a. International Arbitration Decisions are handed down by arbitrators or arbitral tribunals in a country with which

<sup>9</sup>Ibid. Pg 202

Indonesia is bound by an agreement, both bilaterally and multilaterally, concerning the recognition and implementation of an International Arbitration Award.

- b. International Arbitration Award as referred to in letter a is limited to decisions that comply with the provisions of Indonesian law, including the scope of trade law.
- c. International Arbitration Award as referred to in letter a can only be implemented in Indonesia is limited to decisions that do not conflict with public order.
- An International Arbitration Award can be implemented in Indonesia after obtaining an award from the Chairperson of the Central Jakarta District Court; and
- e. The International Arbitration Award as referred to in letter a concerning the State of the Republic of Indonesia as one of the parties to the dispute, can only be carried out after obtaining an instrument from the Supreme Court of the Republic of Indonesia which is subsequently transferred to the Central Jakarta District Court.

If it is concluded the requirements to be recognized and can be implemented in

the jurisdiction of the Republic of Indonesia are:

- The country where the arbitration decides on a dispute is bound by an agreement, both bilateral and multilateral
- Arbitration awards are only in the scope of trade
- Does not conflict with public order
- Obtain the equator from the head of the Central Jakarta District Court
- Specifically relating to the State of the Republic of Indonesia, the extracurricular was obtained from the Supreme Court.

As the Civil Case has been decided by the Supreme Court number 01 / K / PDT.SUS / 2010, that stated in the decision page 5 letter b. The original agreement which became the basis of SIAC Arbitration Decision No. 062/08 namely Subcription Shareholders the and Agreement signed on March 11, 2005 "which is a joint venture in which the parties (Astro Group Malaysia and PT Ayunda Prima Mitra) have agreed to invest in PT. Direct Vision in carrying out activities in the field of satellite-based television broadcasting services in Indonesia<sup>10</sup>.

Volume 4, No.1 April 2020 ISSN Cetak: 2579-9983,E-ISSN: 2579-6380 Halaman. 87 - 101

98

<sup>&</sup>lt;sup>10</sup>Panggabean, J. I., Suhaidi, Leviza, J., & Siregar, M. (2015). *Analisis yuridis penolakan eksekusi* 

putusan arbitrase internasional. Usu law journal, iii, pg. 51

"Initially the parties agreed and carried out their agreement to resolve disputes in foreign arbitration or SIAC (Singapore International Arbitration Center) but after being decided the losing party in the SIAC arbitration award filed a lawsuit to the South Jakarta Court and was adjourned through No.46 / Pdt.G / 1999 and it was stated that in essence it was unacceptable because the plaintiff did not have a Legal Standing to file a law suit.

After that the winner of the SIAC arbitration award submits an appeal to the Supreme Court because the petition was rejected by the Central Jakarta Court, because it was considered to violate public order and outside the scope of trade, the Supreme Court in its decision justified the decision of the Central Jakarta Court. Thus the winner of the foreign arbitration in this case cannot carry out the affairs of implementing the international arbitration award because it violates article 66 letter c regarding public order and article 66 letter b concerning the scope of trade Law No. 33 of 1999.

# **D.** Conclusion

The winner in the settlement of dispute in SIAC (Singapore International Arbitration Center) Arbitration No. 062 of 2008 Dated May 7, 2009 undertook Indonesian national legal remedies to register an application for an executive / or implementation of an international arbitration award to the Central Jakarta Court stating in its determination that the dispute in SIAC Arbitration Decision No. 062 (ARB062 / 08 / JL), is not a dispute regarding the legal space of trade as specified in Article 66 paragraph b of Law No. 30 of 1999.

Whereas the dispute in SIAC Arbitration Award No. 062 (ARB062 / 08 / JL), is an intervention against the enforcement of the civil procedural law in Indonesia, which can be seen in its ruling that reads: "Immediately stop the judicial process in Indonesia (Case No. 1100 / Pdt.G / 2008 / PN.JKT .CELL).

- Following up on the Central Jakarta District Court Decree, the winner of the SIAC arbitration award appealed to the Supreme Court for the refusal of the request for extracurricular.
- In its decision, the Supreme Court, number 1\_K\_PDT.SUS\_2010, states:
- JudexFacti (District Court) is not wrong to apply the law:
- a. In terms of procedural law:

Although Article 66 of the Arbitration Law does not stipulate that a third party may provide a rebuttal during the registration process to obtain recognition and implementation of a foreign arbitration award, the principle of

procedural law in force in Indonesia gives the rights of everyone concerned to defend their rights that have been violated or threatened under the principle of "Point de Interest Poin't de action" grants the right to the party concerned with the arbitration award to give a rebuttal to the possibility of execution that would harm him.

Acts of the executor by the Chair of the District Court as money are regulated in Article 66 letter d of Law No. 30 of 1999 is the initial step for the implementation (execution) of the SIAC arbitration award having an interest in the petition for the execution of an executor by the Petitioner; b. In terms of material law.

- That JudexFacti's refusal was given by JudexFacti was correct and right because:
- The order in the arbitration award to stop the judicial process in Indonesia, is in violation of the Souvereignty principle of the Republic of Indonesia, there is not any foreign power that can interfere with the legal process that is currently running in Indonesia. This clearly violates public order (public order) in Indonesia;
- Material contained in the SIAC arbitration award is not included in the field of trade but is included in the procedural law;

Then with this decision the petitioner is declared not to meet article 66 letter b as a material requirement must include the scope of trade and violate article 66 letter c, namely regarding public order Law No. 30 of 1999 concerning Arbitration, in other words the winner of the SIAC arbitration award was not recognized and failed to carry out his Arbitration Award in the Republic of Indonesia. Based on the above problems, there are a number of recommendations, including:

- Because in the decision which has been denied giving recognition and implementation, there is inherent in the ideology of nemis outlined in Article 1917 of the Civil Code. Therefore, it may no longer be submitted, examined, and terminated in the same forum. Therefore, in order to resolve an issue which is considered unfinished the parties must make peace after that resubmit a civil suit to the Court.
- Because the jurisprudence already exists, the author recommends that all parties who will or are in dispute in international arbitration not order to stop the judicial process in Indonesia, even though one of the parties feels victorious in the international arbitration award because it can be considered to violate public order and has been confirmed in the decision MA that no foreign powers

can interfere in the legal process in Indonesia. And for dispute material as already limited in Law no. 30 of 1999 must be included in the scope of trade, as explained in the explanation of article 66, including:

- Commerce
- Banking
- Finance
- Capital investment

# E. Bibliography

- Batubara, S., & Purba, O. (2013). Arbitrase
  Internasional Penyelesaian Sengketa
  Investasi Asing Melalui ICSID,
  UNCITRAL, dan SIAC. Jakarta:
  Penebar Swadaya Grup.
- Caron, D., & Caplan, L. (2013). Oxford Commentaries On International Law The UNCITRAL Arbitation Rules. London: Oxford University Press.
- Dr. Sukarmi, S. (2008). Cyber Law Kontrak Elektronik dalam bayang-bayang pelaku usaha. Jakarta: PUSTAKA SUTRA.
- Gatot, S. (2006). *Arbitrase dan Mediasi di Indonesia*. Jakarta: PT Gramedia Pustaka Utama.
- Hiariej, E. O., Agusman, D. D., Nugraha, P.
  C., Purwanto, H., Hikmah, M., &
  Sidqi, A. (2013). Jurnal Hukum dan
  Perjanjian Internasional. JURNAL
  OPINIO JURIS, XIII, 84.

Marzuki, P. M. (2005). *Penelitian Hukum*. Jakarta: Kencana Prenada Groub.

- panggabean, J. I., Suhaidi, Leviza, J., & Siregar, M. (2015). Analisis Yuridis Penolakan Eksekusi Putusan Arbitrase Internasional. USU LAW JOURNAL, III, 51.
- Parthiana, W. (2002). *Hukum Perjanjian Internasional Bag: 1.* Bandung: penerbit mandar maju.
- SIAC (Singapore International Arbitration Centre). (2017). SIAC. Retrieved MAY 9, 2019, from SIAC: http://www.siac.org.sg/
- Tang, Z. S. (2014). Jurisdiction and Arbitration Agreements in International Commercial Law. New York: Routledge.
- United Nations. (2008). 2008 Treaty Event Universal Participation and Implementation - Dignity and Justice for All of Us. Retrieved April 02, 2019, from United Nations Information Servise: http://www.unis.unvienna.org/pdf/Tr eaty 2008 fact sheet 1.pdf
- Wijayanti, A. (2002). *Penulisan Hukum Normatif.* Bandung: Lubuk Agung.

101