



**THE CONFORMITY BETWEEN LAW NO. 1 OF 2021 AND LAW NO. 30 OF 1999
IN THE RESOLUTION OF ECONOMIC DISPUTES BETWEEN
INDONESIA AND EFTA COUNTRIES**

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ABSTRAK

Undang-Undang Nomor 1 Tahun 2021 menyebutkan bahwa terdapat materi pokok yang diatur dalam Perjanjian IE-CEPA antara lain penyelesaian sengketa. Tulisan ini bertujuan untuk menjelaskan implementasi penyelesaian sengketa ekonomi dalam persetujuan kemitraan ekonomi komprehensif antara Indonesia dan negara-negara EFTA perspektif UU Arbitrase. Penelitian ini menggunakan pendekatan kepustakaan, dimana teknik pengumpulan datanya menggunakan studi pustaka dan dokumen. Sedangkan analisis data yang digunakan adalah teknik triangulasi. Hasil penelitian menunjukkan bahwa persetujuan kerjasama ekonomi komprehensif antara Indonesia dengan negara EFTA sebagaimana diatur dalam UU No. 1 Tahun 2021 tidak bertentangan dengan UU No.30 Tahun 1999 tentang Arbitrase. Hal ini karena ada Undang-undang Acara Arbitrase yang menyertainya, khususnya mengenai pemilihan majelis arbitrase. Secara keseluruhan, terdapat 8 (delapan) perspektif yang menunjukkan kesamaan dari kedua UU tersebut, yaitu: Permohonan tertulis dalam memilih penyelesaian sengketa melalui Arbitrase; Konsiliasi dan Mediasi; Pemilihan arbiter; Pemeriksaan oleh Arbiter; Bahasa Arbitrase; Penetapan bersifat final dan mengikat; Upaya damai; Dan tidak rela seseorang untuk dipilih sebagai arbiter.

Kata kunci: Arbitrase, Sengketa, EFTA.

ABSTRACT

Law No. 1 of 2021 mentions that there are basic materials stipulated in the IE-CEPA Agreement, among others, dispute resolution. This paper aims to explain the implementation of economic dispute resolution in the approval of a comprehensive economic partnership between Indonesia and EFTA countries perspective of the Arbitration Law. This research uses a library approach, where the data collection

technique uses literature and document studies. Meanwhile, the data analysis used is a triangulation technique. The results showed that the approval of a comprehensive economic partnership between Indonesia and the EFTA country as stipulated in Law No. 1 of 2021 does not clash with Law No. 30 of 1999 on Arbitration. This is because there is an accompanying Arbitration Event Law, especially concerning the selection of arbitration panels. In all, there are 8 (eight) perspectives that show the similarity of the two Laws, namely: Written application in choosing dispute resolution through Arbitration; Conciliation and Mediation; Selection of arbitrators; Examination by the Arbitrator; Language of Arbitration; Determination is final and binding; Peaceful efforts; And not willing a person to be elected as an arbitrator.

Keywords: Arbitration, Disputes, EFTA.

A. INTRODUCTION

Part of the renewal and development of Indonesia's business field is through the means of dispute resolution. This then encourages the establishment of faster business dispute resolution arrangements and opens wide the opportunity to resolve business cases outside the court. Article 1 Paragraph (1) of Law No. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution states that Arbitration is a way of resolving a civil dispute outside the general court based on arbitration agreements made in writing by the parties to the dispute.

Alternative dispute resolution (ADR) is a responsive expression of dissatisfaction with dispute resolution

through a litigation process that is considered aggressive and *zwaarwichtig* (lingering). Arbitration clauses in the agreement seem to have become a basic necessity. Arbitration is a little-known method of quickly resolving business disputes; arbitration agreements are now commonplace in consumer contracts and employment.¹ The State takes over the responsibility of maintaining the predefined regulations. In this context, the State is present to prevent actions that deviate from the established rules.²

¹ Leake, T. (2020). Arbitration waiver and prejudice. *Michigan Law Review*, 119 *places*.(2), 397–424. <https://doi.org/10.36644/mlr.119.2.arbitration>, p. 398

² Runtung, P., Syafrudin Kalo, P., Budiman Ginting, P., Pinem, S., Runtung, Hum, S. H. M., Syafrudin Kalo, Hum, S. H. M., Budiman

The existence and function of ADR also appear in the conceptual understanding that applies dispute resolution mechanisms by prioritizing efforts that are "creative compromise" and placed as "the first resort." At the same time, the court is used as "the last resort." Arbitration is a dispute resolution that is not very rigid because the settlement procedure rests on good faith and the agreement of the parties to resolve the dispute through the arbitral institution. In the perspective of international communication, some actors play a role in the government's work. The function of institutions in dispute resolution is needed as an effort to facilitate the process of communication relations between countries.³

A conflict turns or develops into a dispute when the aggrieved party has

expressed dissatisfaction directly to the party deemed to be the cause of the loss. This shows that the dispute is a continuation of the conflict. A conflict will turn into a dispute if it cannot be resolved. Conflict will be interpreted as a conflict between the parties to solve problems that can interfere with relations if not resolved properly. Indonesia itself has regulations that mainly focus on the legal implications of dispute resolution that failed to become a simple, fast, and cheap process and recommend mediation during the process.⁴

Increased business activity, especially related to activities between countries, has the potential to cause disputes. For this reason, the State must provide the necessary facilities and infrastructure to support the harmony and continuity of existing business relations. The success of any international treaty depends on

Ginting, & Hum, S. H. M. (2020). Alternative dispute resolution in traffic accidents in North Sumatera highway. *IOP Conference Series: Earth and Environmental Science*, 452(1). <https://doi.org/10.1088/1755-1315/452/1/012074>, p.1

³ Chan, D. S. W. (2020). China's diplomatic strategies in response to economic disputes in Myanmar. *International Relations of the Asia-Pacific*, 20(2), 307–336. <https://doi.org/10.1093/irap/lcy026>, p. 310

⁴ Hidayah, K. (2018). Indonesian Tax Dispute Resolution in Cooperative Paradigm Compared to the United Kingdom and Australia. *IOP Conference Series: Earth and Environmental Science*, 175(1). <https://doi.org/10.1088/1755-1315/175/1/012203>, p. 2

whether the parties implement the treaty through national laws and comply with treaty obligations. Generally, compliance can be understood as referring to whether a party is complying with treaty obligations. In the perspective of multilateral environmental agreements, compliance can be defined as the fulfillment of obligations arising from agreements made by the parties under the multilateral environment of the treaty and any amendments or changes to such agreements.⁵

The resolution of business disputes needs to be done quickly and simply while still requiring binding legal force from the settlement results that ensure legal certainty. For example, in the arbitration process, the execution respondent should be willing to fulfill the ruling voluntarily, considering that the settlement of disputes through Arbitration is the result of the parties' agreement as outlined in the

arbitration agreement. In practice, it is not uncommon for the losing party in an arbitration ruling not to voluntarily comply with the contents of the arbitral award. Because litigating is often not to seek justice but to seek victory alone by all means. The act of execution is carried out to maintain legal certainty against the arbitral award and fulfill the sense of justice for the party that won the case. This is because disputes between multinational corporations and their business partners from the host country often arise.⁶

In the Indonesian legal system, two types of Arbitration are recognized for existence and authority to examine and resolve disputes between the parties to the dispute, namely, Ad Hoc Arbitration (volunteer) and Institutional Arbitration (permanent). Both arbitrations have the authority to adjudicate and resolve disputes that occur between the parties to the agreement. The difference between the

⁵ Latifah, E., & Imanullah, M. N. (2018). The role of Arbitration in promoting compliance to climate change law. *IOP Conference Series: Earth and Environmental Science*, 200(1). <https://doi.org/10.1088/1755-1315/200/1/012045>, p. 2

⁶ Yin, W. (2021). Domestic arbitral institutions and foreign direct investment. *International Relations of the Asia-Pacific*, 21(3), 401–429. <https://doi.org/10.1093/irap/lcaa003>, p. 402

two types of Arbitration lies in coordinated or uncoordinated. Ad hoc arbitration (uncoordinated Arbitration by an institution) while institutional arbitration (arbitration coordinated by an institution).

In principle, in practice in Indonesia, the arbitrators decide as good people according to justice. This decision is by the general principle regarding contracts in Indonesian civil Law. All contracts shall be carried out in good faith (Article 1338 of the Civil Code); arbitrators who are given the power to give decisions according to fairness and decency must also pay attention to the applicable regulations. In principle, in practice in Indonesia, the arbitrators decide as good people according to justice. This decision is under the general principle regarding contracts in Indonesian civil Law. All contracts shall be carried out in good faith (Article 1338 of the Civil Code). Arbitrators who are given the power to make decisions according to fairness and decency must also pay attention to the applicable regulations.

The European Free Trade Association (EFTA) is an intergovernmental organization established to encourage free trade and economic integration for its member states (Iceland, Liechtenstein, Norway, and Switzerland) and their partner countries. EFTA is an experienced trading and investment partner. EFTA has one of the most extensive networks of free trade agreements and economic partnerships in the world, currently covering more than 60 countries and territories, including the European Union⁷.

EFTA aims to negotiate free trade agreements and balanced economic partnerships that benefit all partners by creating an open, stable, and predictable international trade and investment⁸. As a large market with

⁷ Kalogeropoulos, K., Stathopoulos, N., Tsatsaris, A., & Chalkias, C. (2019). A survey of the Geoinformatics uses for census purposes and the INSPIRE maturity within Statistical Institutes of EU and EFTA countries. *Annals of GIS*, 25(2), 167–178. <https://doi.org/10.1080/19475683.2019.1595724>, p. 169

⁸ Broad, M. (2021). Deepening Ties but Unfulfilled Hopes: The EFTA Dimension of Western Europe's Relations with Tito's Yugoslavia. *International History Review*, 0(0), 1–18.

high purchasing power, EFTA has a reputation as a trusted long-term trading and investment partner. EFTA is the twelfth largest merchant and the seventh-largest commercial service provider in the world. In recent years, EFTA goods trade has increased faster than world trade, exports, and imports. This is due to the EFTA trade agreement network that provides a solid foundation for the continuation of trade expansion for EFTA countries and their partners. EFTA is a community that is considered by various countries in the world.⁹

The Comprehensive Economic Partnership Agreement with Indonesia (INDONESIA-EFTA Comprehensive Economic Partnership Agreement, IE-CEPA) officially began in 2007. The talks are an important part of EFTA's strategy in Southeast Asia. The Indonesia-EFTA Comprehensive

Economic Partnership Agreement (IE-CEPA) will improve and diversify trade and two-way investment. It further said that although Indonesia EFTA's cooperation in the Comprehensive Economic Partnership Agreement (CEPA) scheme, the scope of the analysis of this study is only the scope of trade in goods.

A country's foreign policy is a decision that the government has formulated to regulate a country's relations with another. This decision is a form of action or wisdom with an actor and the territories of another country to give rise to an action in the form of a policy that regulates the course of relations between one State and another; in this interaction, each country seeks to uphold and defend its national interests. The condition of fair justice is to ensure access to justice in every participant in international economic relations, legal certainty in the selection of competent courts, as well as timely and effective consideration of disputes arising from

<https://doi.org/10.1080/07075332.2021.1958361>, p. 2

⁹ Anghel, A. R., & Ciobanu, C. (2018). Aspects regarding the evolution of the transport of containerized goods through the port of Constanta in the context of European containerized trade. *IOP Conference Series: Earth and Environmental Science*, 172(1). <https://doi.org/10.1088/1755-1315/172/1/012020>, p. 4

relations complicated by foreign elements outside the parties.¹⁰

Government policy is needed to equalize justice in development in all corners.¹¹ Trade between Countries is carried out with the intention that there is an exchange of resources owned by each State, from countries with large amounts of capital resources with countries with abundant natural resources. This led to an agreement between these countries, both regional and international trade agreements. But on the other hand, the reaction to the current global financial crisis proves that some countries are reluctant to significantly open their domestic markets to foreign competition.¹²

The interest of the Government of Indonesia to agree on a Comprehensive Economic Partnership Agreement with the European Union in 2011-2016 is to reduce trade barriers by the European Union. Some forms of protectionist policies and trade barriers by the European Union against export products from Indonesia are as follows: first, the high standardization policy of EU products; second, trade barriers by the European Union due to the poor quality of Indonesian export products; And third, the Government of the European Union sets additional tax rates on export products from Indonesia. Through this agreement, the Government of Indonesia provides EU market opportunities to entrepreneurs or exporters from Indonesia.

Meanwhile, in 2017-2019 the Interests of the Government of Indonesia agreed on a Comprehensive Economic Partnership Agreement with the European Union are: first, political interests through the expanded cooperation network. Second. Economic interests through expanding

¹⁰ (Aporevich, V. N. (2019). On the Competence of Russian Arbitration Courts in Cases Involving Foreign Persons. *IOP Conference Series: Earth and Environmental Science*, 272(3). <https://doi.org/10.1088/1755-1315/272/3/032188>, p. 3

¹¹ Zhang, H., & Zhu, M. (2020). Comprehensive Economic Evaluation of Our Provinces Factor-based Analysis. *Journal of Physics: Conference Series*, 1670(1). <https://doi.org/10.1088/1742-6596/1670/1/012044>, p. 6

¹² Dent, C. M. (2010). Free trade agreements in the Asia-Pacific a decade on Evaluating the past, looking to the future. *International Relations of the Asia-Pacific*, 10(2), 201–245. <https://doi.org/10.1093/irap/lcp022>, p.

market access and improving product competitiveness; increased investment of EFTA member countries into Indonesia; and the transfer of technology, knowledge, and the like. Third, Indonesia eliminates entry tariffs into the EFTA market, where this post tariff reduction will facilitate the ease of Indonesian products entering EFTA member countries.

One of the international regulations issued by the Government of Indonesia, which includes elements of Arbitration in it is Law No. 1 of 2021 concerning the Ratification of a comprehensive economic partnership agreement between the Republic of Indonesia and the EFTA States (Comprehensive Economic Partnership Agreement Between the Republic of Indonesia, and EFTA Countries). The explanation of this Law mentions that there are main materials stipulated in the IE-CEPA Agreement, including general provisions, trade in goods, trade in services, investment, intellectual property rights protection, procurement of government goods and services, business competition, trade,

and sustainable development, cooperation and capacity building and dispute resolution.

The legal concept of business dispute resolution emerges as a concept to explain the rules that apply or a reference in resolving legal disputes in business activities carried out by the community. The dispute resolution rules are generally called procedural Law, which means the Law about procedures or procedures for resolving a dispute. Disputes arising in business or trade activities may occur after the parties have agreed to the agreement or contract they signed. When the dispute arises, then the option to resolve can be done in litigation and non-litigation. On the one hand, over the past few decades, business owners gained more trust in the justice system and began delegating decision-making in disputes to it. This results in the unavoidable, resulting in overloading the court with cases and judicial decisions. On the other hand, the most intense crisis and call for a global transformational process over the past few years is the

growth of investments that require solving if there is a problem.¹³

Law No. 1 of 2021 shows that the role of Arbitration in resolving national and international trade disputes is increasing. National entrepreneurs and international entrepreneurs have increasingly understood and relied on Arbitration to resolve trade disputes. Arbitration clauses are increasingly prevalent in trading contracts. In some countries, Arbitration has even been used as a dispute resolution mechanism that gets strong legal status. In international trade, rules are used and adapted to the countries most preferred to be applied.¹⁴ As a fundamental principle in international trade law, Arbitration has been used

intensively and extensively for a long time until now.¹⁵ Most employers prefer to resolve disputes arising between them through Arbitration rather than the courts. The reluctance of foreign business people to resolve disputes before the courts departs from the assumption that the court will be subjective to them because disputes are examined and tried based on the non-laws of their country by judges, not from their countries.¹⁶

Based on the above description, the issue discussed in this article is how to implement economic dispute resolution in the agreement of a comprehensive economic partnership between Indonesia and eFTA countries perspective of the Arbitration Law.

¹³ (Yu Yaskova, N., & Zaitseva, L. I. (2020). Alternatives of judicial, economic disputes settlement in investment and construction sphere. *IOP Conference Series: Materials Science and Engineering*, 880(1). <https://doi.org/10.1088/1757-899X/880/1/012116>, p. 4

¹⁴ Progunova, L., Voronova, T., Bogatyreva, S., & Kostyukova, O. (2019). Innovative aspects of preferential rules of goods originating in the economy of global chains: Applicability for the Eurasian Economic Union (EAEU). *IOP Conference Series: Materials Science and Engineering*, 497(1). <https://doi.org/10.1088/1757-899X/497/1/012048>, p. 2

¹⁵ Science, E. (n.d.). *Indonesia's s coffee and cocoa agribusiness opportunities in Regional Comprehensive Economic Partnership trade cooperation*. *Indonesia's s coffee and cocoa agribusiness opportunities in Regional Comprehensive Economic Partnership trade cooperation*. <https://doi.org/10.1088/1755-1315/892/1/012071>, p. 2

¹⁶ Aritonang, D. D., & Simanjuntak, M. R. A. (2020). Analysis of important factors in choosing or using process alternative dispute resolution of a construction project from contractor's perspective (case study in XYZ Company, Ltd's). *IOP Conference Series: Materials Science and Engineering*, 1007(1). <https://doi.org/10.1088/1757-899X/1007/1/012084>, p. 1

B. RESEARCH METHODS

This research is a type of qualitative research using a normative or literature approach. Data collection through literature studies is related to the focus of research in literature studies, theories, and documents. Triangulation data analysis is used in collecting data, data reduction process, presentation, and the withdrawal of conclusions.

C. DISCUSSION AND RESULT

Arbitration is the resolution of a dispute outside the general court based on the written agreement of the disputing party. Disputes themselves can arise due to a long and protracted leadership problem between countries that is not over.¹⁷ Arbitration in Indonesia is an extension of the principle of freedom of contract, i.e., all agreements made legally apply as Law

to those who make it, as stated in Article 1338 number 1 of the Civil Code.

Dispute resolution through Arbitration is still more in demand than litigation, especially for international business contracts. When a contract has been signed, there will be an opportunity for disagreement or disagreement due to differences in interpretation and physical and non-physical at the time of planning. Although these disputes are inevitable, they should be anticipated at the outset of planning accommodated by all parties. On the other hand, disputes can get worse and will reduce overall performance. Disputes are usually caused by differences in interpretation or knowledge of contract administration.¹⁸

The selection of dispute resolution by Arbitration needs to be affirmed in the agreement. In the event

¹⁷ Lai, C. J. (2019). Rhetorical traps and China's peaceful rise: Malaysia and the Philippines in the South China Sea territorial disputes. *International Relations of the Asia-Pacific*, 19(1), 117–146. <https://doi.org/10.1093/irap/lcx008>, p. 118

¹⁸ Aritonang, D. D., & Simanjuntak, M. R. A. (2020). Analysis of important factors in choosing or using process alternative dispute resolution of a construction project from contractor's perspective (case study in XYZ Company, Ltd's). *IOP Conference Series: Materials Science and Engineering*, 1007(1). <https://doi.org/10.1088/1757-899X/1007/1/012084>, p. 1

of the inclusion of an arbitration clause, they have agreed to choose a predetermined arbitration to settle their dispute in the event of a dispute between the parties. Thus the matter is in absolute discretion rather than the ordinary judicial institution. With the arbitration clause, the parties are subject to the rules applicable to the selected arbitral institution. Arbitration is generally viewed as a person as a consent-based dispute resolution tool. Arbitration subject to legal provisions must be conceptualized as an instrument of legal administration since arbitration law takes its character from the Law.¹⁹

Traders originally established Arbitration as an alternative to dispute resolution. They had to litigate in courts that often took a long time, and judges' expertise was considered very generalist. They wish to create a "private court," where they can make their event law or in arbitration terms

called the Rule as well as the Arbitrators they can raise themselves with their specified qualifications.²⁰

The absolute competence of the arbitral institution is determined by the absence of an agreement that contains arbitration clauses well before a dispute (practicum de compromittendo). or after a dispute (Acta compromise). There are 3 (three) dominant risk factors in dispute resolution in the arbitral institution, namely: (i) the arbitral award depends on the competence of the Arbitration, (ii) the lack of evidence or soliciting from each party in the contract whether the disputed matter can change the outcome of the Arbitration, (iii) the defendant does not have good faith to pay the arbitration fee so that the Applicant must pay the costs before the trial begins.²¹

¹⁹ Oppong, R. F. (2021). The Nature and Constitutionality of Statutorily-Imposed (Non-Contractual) Arbitration in Ghana. *Journal of African Law*, 65(2), 205–222. <https://doi.org/10.1017/S002185532100019X>, p. 206

²⁰ Nugroho, A., Sulistyowati, E., & Hikmah, N. (2018). A juridical review of partnership agreements that have the elements of work agreements in Indonesia. *Journal of Physics: Conference Series*, 953(1). <https://doi.org/10.1088/1742-6596/953/1/012169>, p. 1

²¹ Hayati, K., Latief, Y., & Santos, A. J. (2019). Development of construction dispute resolution process through Arbitration (Indonesian National Board of Arbitration

In the provisions of Article 11 of Law No. 30 of 1999, it is stated that a written arbitration agreement negates the right of the parties to submit dispute resolution or dissent to the District Court. Law No. 1 of 2021 is a regulation to increase access to trade markets and investment. This regulation itself was passed on May 7, 2021. The Annex of this Law mentions the discussion of Dispute Resolution in Chapter 11, which contains 10 (ten) Articles. Meanwhile, there is Law No. 30 of 1999 on Arbitration and Alternative Dispute Resolution in Indonesia itself. Based on the analysis conducted on the two laws, it can be explained as follows:

(BANI). *IOP Conference Series: Materials Science and Engineering*, 674(1).
<https://doi.org/10.1088/1757-899X/674/1/012028>, p. 6



Table 1. Comparison of Arbitration

Law No. 1 of 2021	PERSPECTIVE	Law No. 30 of 1999
Article 11.1 Paragraph (4) Notify the other party of intentions in writing	Written application in choosing dispute resolution through Arbitration	Chapter 1 Paragraph (1) Made in writing by the parties
Article 11.2 Agreed by the parties through conciliation and mediation	Conciliation and Mediation	Chapter 1 Paragraph (10) Agreed by the parties, namely out-of-court settlement employing consultation, negotiation, mediation, conciliation, or expert judgment
Article 11.4 Paragraph (3) There are Optional Rules between 2 (two) Countries	Selection of Arbitrators	Articles 14-16 There is an Arbitrator Selection Event Law
Article 11.4 Paragraph (4) The arbitrator begins the examination by being based on the Framework of Reference	Examination by the Arbitrator	Article 4 The arbitrator is authorized to determine in their judgment the rights and obligations of the parties if this is not outlined in their agreement.
Article 11.5 Paragraph (3) The process of speaking in English	Arbitration Language	Article 28 The process of speaking using Indonesian or other language desired by the parties
Article 11.6 Paragraph (3) The decision of the Arbitral Panel is final and binding.	The determination is final and binding	Article 60 The arbitral award is final and has permanent legal force, and is binding on the parties.
Article 11.7 Paragraph (4) Arbitration Panel offers peace	Peaceful efforts	Article 45 Arbitrator offers peace
Article 11.10 Paragraph (1) One can declare that one is not willing to be an arbitrator	Not willing for a person to be elected as an arbitrator	Article 16 An arbitrator appointed or appointed may accept or reject such an appointment or appointment.



The table above shows that based on comparing the two Laws (Law No. 1 of 2021 with Law No. 30 of 1999), there is no fundamental difference to the event law applicable in Arbitration. This is demonstrated through 8 (eight) perspectives. It can thus also be said that Arbitration in its arrangements is subject to the regulation of UNCITRAL (United Nations International Trade Law Commission). In the national sphere, Arbitration in the narrow sense is subject to the Arbitration Act.

Not all disputes can be resolved through Arbitration, but only disputes concerning rights that are legally controlled entirely by the parties to the dispute based on their agreement. This is intended to keep the settlement of disputes through Arbitration from becoming protracted.

Arbitration is one alternative to out-of-court dispute resolution in addition to consultation, negotiation, mediation, conciliation, and granting legal opinion. Suppose negotiations involve the parties to the dispute directly. In that case, consultation and legal opinion can be conducted jointly between the parties to the dispute. The

parties provide legal consultations or opinions, or individually to the dispute with its consultant or legal expert. Mediation and conciliation involve a third party that serves to connect the two parties to the dispute, wherein mediation the function of the third party is limited only as a tongue-in-cheek, in conciliation, the third party is actively involved in providing proposed solutions to disputes that occur.²²

The participation of third parties is possible on the condition agreed upon by the parties to the dispute, as well as approved by the arbitrator or arbitral tribunal examining the dispute.²³

Development policy in the field of trade is centered on creating a trade

²² Riyanto, B., Sekartaji, H. T., & Musjtari, D. N. (2018). The Repositioning Mediation Court Model in Civil Dispute Resolution with Justice. *IOP Conference Series: Earth and Environmental Science*, 175(1). <https://doi.org/10.1088/1755-1315/175/1/012183>, p. 1

²³ (By, E. D., & Albraith, J. E. A. N. G. (2020). U.S. Supreme Court Holds that the New York Convention Does Not Displace Domestic Doctrines Permitting Nonsignatories to Enforce Arbitration Agreements. *American Journal of International Law*, 114(4), 757–761. <https://doi.org/10.1017/ajil.2020.78>, p. 785

foundation framework that allows this field to support the implementation of sustainable national development. The role of development trade can ultimately be seen from its contribution to development in supporting economic growth and stability and equitable development and its results. Indonesia itself is a market that is targeted by many world trade communities.²⁴

Arbitration can be conducted institutionally, where the process can be carried out with the help of an arbitral institution using the rules of the arbitral institution, such as the International Court of Arbitration of the International Chamber of Commerce (ICC), Singapore International Arbitration Centre (SIAC), Kuala Lumpur Regional Arbitration Centre (KLRAC), and the Indonesian National Arbitration Board (BANI).²⁵

The Arbitration may also be conducted on an ad hoc basis where the parties can agree to use a set of rules of their own making, rules or procedures from one particular arbitral institution, such as UNCITRAL rules, arbitration rules published by the United Nations Commission on International Trade Law in Indonesia regarding ad hoc arbitration.

Based on the normative juridical approach, the settlement of business disputes through arbitration institutions can be done in two ways, namely by *factum de compromittendo*, before the dispute of the arbitration clause has been included in the principal agreement, and by making a compromise deed after the dispute of the arbitration clause is made in a written form separate from the main agreement. While the dispute resolution process through the arbitral institution according to Article 27-60 of Law No. 30 of 1999, the Applicant registers with the Arbitral Institution by

²⁴ Zaki, M. R. S., & Syahputra, R. (2021). Realism mechanism in Indonesian and European Union trade disputes regarding CPO commodity exports. *IOP Conference Series: Earth and Environmental Science*, 729(1). <https://doi.org/10.1088/1755-1315/729/1/012134>, p. 13

²⁵ Masse, R. A., & Rusli, M. (2018). Islamic Banking Dispute Resolution in National

Sharia Arbitration Board. *IOP Conference Series: Earth and Environmental Science*, 175(1). <https://doi.org/10.1088/1755-1315/175/1/012169>, p. 2

completing the administrative terms, complete description of the case and claim, by attaching a deed of agreement that according to the arbitration clause and the Applicant appoints an arbitrator.

As stated in Law No. 1 of 2021, Arbitration is among the many alternatives to trade dispute resolution. Arbitration proceedings require a forum or institution to facilitate the resolution of a dispute.

D. CLOSING

1. Conclusion.

There are 8 (eight) perspectives that show the similarity of Law No. 1 of 2021 with Law No. 30 of 1999, namely: Written application in choosing dispute resolution through Arbitration; Conciliation and Mediation; Selection of arbitrators; Examination by the Arbitrator; Language of Arbitration; Determination is final and binding; Peaceful efforts; And not willing a person to be elected as an arbitrator. In general, it can be said that Law No. 1 of 2021

and Law No. 30 of 1999 do not conflict in terms of settlement of disputes outside the court through arbitration proceedings. By referring to this equation, it indicates the potential for no problems that can arise in the future.

2. Suggestion.

Every government regulation is expected not to clash between one another, both in its formulation and implementation. Thus every policy in various areas has the support of citizens.

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