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Comprehending Non-Litigative Resolution of Construction Disputes Through Arbitration

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Abstract: Construction projects are inherently complex, and involve multiple stakeholders with diverse interests and goals. The construction industry has explored the use of hybrid dispute resolution methods, such as the combination of arbitration and mediation, known as "med-arb." However, the effectiveness of arbitration in construction disputes is not challenging. The challenge to be examined is the choice of construction dispute resolution using arbitration, which is still widely used in Indonesian projects. During the 44 years of work, the Indonesian National Arbitration Board handled more than 1000 cases. Regulation reflects the evolving dynamics and challenges faced by the Indonesian legal system and the ongoing efforts to create a more democratic and rights-respecting legal framework.

Keyword: Arbitration, Contruction Disputes, Non-Litigative Resolution.

INTRODUCTION

Construction projects are inherently complex, and involve multiple stakeholders with diverse interests and goals. Inevitably, disputes arise during these projects, which can significantly impact their successful completion (Alshahrani, 2017; El-Sayegh et al., 2020). To address this challenge, the construction industry has explored various dispute-resolution methods beyond traditional litigation (Chong & Zin, 2012).

One prominent non-litigation approach is arbitration, which has gained widespread recognition and acceptance among construction practitioners (Lingasabesan and Abenayake, 2022). Arbitration is a private, binding dispute resolution process in which an impartial third party, the arbitrator, makes a decision on the dispute (Ng & Banaitis, 2017). This method is often preferred over litigation because of its potential for faster resolution, lower costs, and ability to maintain confidentiality (Ansary et al., 2017).

The arbitration process typically involves the following steps: (1) the parties agree to submit their dispute to arbitration, (2) they select an arbitrator or panel of arbitrators, (3) the parties present their evidence and arguments, and (4) the arbitrator(s) render a binding decision (Kurniawan, 2023). Compared with litigation, arbitration is generally considered a more

efficient and cost-effective method of dispute resolution in the construction industry (Ojiako et al., 2018).

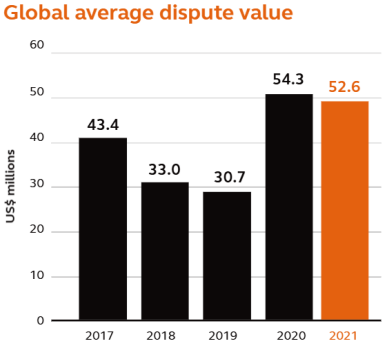
However, the effectiveness of arbitration in construction disputes is not challenging. Factors such as the complexity of the dispute, the expertise of the arbitrator, and the willingness of the parties to cooperate can impact the success of the arbitration process (Li & Cheung, 2022). Additionally, the enforceability of arbitration awards and the potential for judicial review are also concerns (Saeb et al., 2018).

To address these challenges, the construction industry has explored the use of hybrid dispute resolution methods, such as the combination of arbitration and mediation, known as "med-arb" (Waisapi, 2023). These hybrid approaches aim to leverage the strengths of different dispute-resolution techniques to achieve more efficient and effective outcomes (Getahun, 2016).

Arbitration has emerged as a prominent non-litigation method to resolve construction disputes, offering potential benefits in terms of speed, cost, and confidentiality. However, the successful implementation of arbitration requires careful consideration of the unique characteristics of each dispute and effective management of the process by all involved parties (Malkanthi, 2023).

With the development of the construction industry sector, more and more projects are being implemented, both private and government projects. Construction projects arise because of the meeting of two interests: demand (needs) from Service Users, and Service Providers offer their services. In Law Number 2 of 2017 concerning Construction Services in Article 1, Paragraphs (5) and (6) define Service Users as owners or employers who use construction services, whereas service providers are providers of construction services.

A project is a complex, non-routine activity, and a temporary effort that is limited by time, budget, resources, and performance specifications designed to meet customer needs (Larson & Greenwood, 2004). A project is a temporary activity that requires resources, costs money, and produces something within a certain period to achieve specific goals. Projects can have various shapes, sizes, durations, and complexities. Projects are usually a response to urgent needs and business problems (business cases) for organizations. Construction is one of the most complex industries, because there are multi-disciplinary sciences that deal with many people who have their own interests. This condition also opens up opportunities for disputes to become larger. Disputes in construction work contracts or construction disputes are incidents that sometimes arise and cannot be avoided in the implementation of contracts because there are many uncertainties in a project. Uncertainty in a project can result in disputes, according to the Arcadis 2022 Global Construction Disputes Report (Arcadis, 2022), the value of the disputes that occur are as follows:



Source: Arcadis 2022

Figure 1. Average value of disputes in the world

The most commonly used methods are as follows:

Table 1. Most common methods of alternative dispute resolution

Methods of alternative dispute resolution	Rank	
	2020	2021
Party-to party negotiation	1	1
Adjudication	3	2
Mediation	2	3

Source: Arcadis 2022

The government has ratified Law No. 2 of 2017, concerning construction services, which also discusses the issue of Dispute Resolution, namely in Chapter XI, Article 88,

1. Disputes that occur in construction work contracts are resolved with the basic principle of deliberation to reach a consensus.
2. In the event that the deliberation of the parties, as referred to in paragraph (1), cannot reach a consensus, the parties take the stages of dispute resolution efforts listed in the Construction Work Contract.
3. In the event that the dispute resolution efforts are not listed in the Construction Work Contract, as referred to in paragraph (2), the disputing parties make a written agreement regarding the dispute resolution procedures to be selected.
4. The stages of dispute resolution efforts, as referred to in paragraph (2), include:
   a. mediation;
   b. conciliation; and
   c. arbitration.
5. In addition to efforts to resolve disputes as referred to in paragraph (4) letters a and b, the parties may form a construction dispute council,
6. In cases where efforts to resolve disputes are made by forming a dispute council as referred to in Article (5), the selection of council membership is carried out based on the principle of professionalism and not being part of one of the parties.
7. Further provisions regarding dispute resolution, as referred to in paragraph (1), are regulated by Government Regulation.

The problem to be examined is the choice of construction dispute resolution using arbitration, which is still widely used by projects in Indonesia: during 44 years of work, (Indonesian National Arbitration Board) has handled more than 1000 cases.

METHOD

The research method outlined in the user task was normative legal. Normative legal studies or doctrinal research emphasizes the theoretical and conceptual analysis of law (Alshahrani, 2017). This method analyzes law as an autonomous system, focusing on the interpretation and examination of legal principles, rules, and doctrines (El-Sayegh et al., 2020).

This study employed a legislative strategy to address this problem. The legislative approach entails the analysis and interpretation of pertinent laws and regulations related to a research issue (Chong & Zin, 2012). This method seeks to comprehend the legal framework and foundational principles that regulate the particular situation under examination.

The compilation of legal materials involves recording and documentation of primary legal sources, such as statutes and regulations, with secondary legal sources, including books and articles (Lingasabesan & Abenayake, 2022). Primary legal materials provide authoritative sources of law, whereas secondary legal materials offer a supplementary background and interpretation.

The examination of legal information employs deductive techniques, progressing from general to specific (Ng & Banaitis, 2017). This method begins with an analysis of overarching

legal concepts, and subsequently applies them to a particular research problem or issue at hand. The deductive technique enables the researcher to derive conclusions and make inferences from an examination of the gathered legal documents.

RESULTS AND DISCUSSION

Review of Law No. 2 of 2017, concerning construction services, CHAPTER XI, Article 88 concerning dispute resolution

1) First, deliberation must be carried out between the disputing parties.

The next stages of dispute resolution efforts, if no agreement is reached, are as follows:

a) Mediation is an effort to resolve disputes by involving a third party (mediator), who acts as a facilitator. The mediator is only tasked with bridging the parties without providing opinions regarding dispute resolution, is impartial and neutral, and helps the disputing parties reach a voluntary agreement on disputed issues. The mediator does not have the authority to force but is obliged to bring together the disputing parties. The mediator must be able to create conducive conditions that can guarantee the creation of a compromise between disputing parties to obtain mutually beneficial results.

b) conciliation is an effort to resolve a dispute by involving a third party (conciliator) who intervenes actively to provide solutions to the disputed issues and brings together or provides facilities for the disputing parties to resolve their dispute peacefully. Conciliation is more formal than is mediation. The conciliator can provide opinions to the parties regarding the disputed issues, but these opinions are not bound to the parties.

c) arbitration. is a settlement using the assistance of a third party (arbitrator), where the parties state that they will comply with the arbitrator's decision.

2) In addition to dispute-resolution efforts, as referred to in paragraph (4) letters a and b, the parties may form a construction dispute council. In the explanation of Law No. 2 of 2017, Government Regulation no. 22 of 2020, it is written as follows: What is meant by "dispute council" is a team formed based on the agreement of the parties since the binding of the Construction Services to prevent and mediate disputes that occur in the implementation of the Construction Work Contract.

3) Further provisions regarding dispute resolution, as referred to in paragraph (1), are regulated by Government Regulation.

Review of Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution (AAPS Law).

Settlement through non-litigation is the settlement of disputes carried out using methods outside the court or using alternative dispute-resolution institutions. Based on Article 5 Number (2) Letter C of Law Number 2 of 2017; The Government has the authority to support the parties to resolve disputes using non-litigation channels. This shows that the government has the authority granted by law to encourage construction disputes to be resolved outside court. In Indonesia, there are two types of non-litigation settlement: Arbitration and Alternative Dispute Resolution. Arbitration comes from the word arbitrare (Latin), which refers to the power to resolve a case based on wisdom. Arbitration is the voluntary submission of a dispute to a neutral third party, namely an individual or temporary arbitration (ad hoc). Arbitration can only resolve disputes in the field of trade and regarding rights that, according to law and statutory regulations, are fully controlled by disputing parties. The district court has no authority if there is already an arbitration agreement (Article 3, Law Number 30 of 1999).

Arbitration is used as a non-litigation dispute resolution method in Indonesia for several reasons, one of which is confidentiality. According to Article 27 of Law Number 30 of 1999, all examinations, investigations, and trials conducted in arbitration, including the issuance of decisions, are carried out in secrecy. This aspect of confidentiality is particularly important for

business actors in the trade sector, as it ensures that sensitive information remains undisclosed to the public.

a. Flexibility in procedures and administrative requirements: The applicant can be represented by a legal representative; the legal representative and power of attorney must be fulfilled, pay 50% of the court costs, submit an arbitration request, and determine the schedule for the first hearing. Furthermore, the Arbitration Secretariat will submit the arbitration request to the Respondent, and summon the Respondent to settle 50% of court costs.
b. The selection of the arbitrator is in the hands of the disputing parties according to Article 15, Law Number 30 of 1999. The applicant appoints one Arbitrator, the Respondent appoints one Arbitrator, both Arbitrators appoint a third arbitrator. If the Respondent does not appoint an arbitrator within 30 days, then the Arbitrator from the Applicant becomes the sole arbitrator. If within 14 days, the two arbitrators from the applicant and the respondent do not appoint the third arbitrator, then they can ask the court to determine the third arbitrator, and the appointment by the Court cannot be canceled. After the Arbitrators are determined by the Arbitration institution, the Arbitrators may no longer have any contact with the Applicant or the Respondent. The arbitrators may not be judges, prosecutors, clerks or other judicial officials.
c. The choice of law, forum, and settlement procedures are in the hands of the parties. The applicable law in resolving disputes is Indonesian Civil Law, but Arbitration tends to use ex aequo et bono, namely, on the basis of propriety and justice, because business continuity is prioritized. If the Applicant does not request a decision on the basis of ex aequo et bono, then the Arbitration will use the applicable Law
d. The Arbitration Decision is final and binding (final & binding). The Arbitration Decision is final and binding (Inkracht van gewijsde), namely, a final decision that has permanent force and is binding on the parties (Article 60 of Law Number 30 of 1999). If there is an administrative error in the decision that is handed down, the parties are given the right within 14 days from the date the decision is handed down to request a correction.
e. Relatively short settlement, 180 days, compared to the litigation process. Different from the decision in the General Court in handling civil disputes, because there are many levels that will be passed, namely,
   - Level I, the decision of the District Court on the Lawsuit;
   - Level II, the High Court's decision on the Appeal.
   - Level III: Decision of the Supreme Court on the Cassation;
   - Level IV, the decision of the Supreme Court on the Judicial Review
f. Execution of the Arbitration decision at the District Court. Although Arbitration is an institution that resolves disputes outside court, the execution of the arbitration decision must be carried out by the District Court (Article 62 of Law Number 30 of 1999). The Arbitration Decision will be registered at the district court at the District Court at the Respondent's domicile.

Arbitration Agreement Review

How can disputes be resolved using arbitration institutions? Dispute resolution through an arbitration institution must be preceded by a written agreement by the parties to resolve using an arbitration institution. The parties agree and bind themselves to resolve disputes that will occur by arbitration before a real dispute occurs, by adding this clause to the main agreement. If the parties have not included it in the main agreement clause, they can make an agreement if a dispute has occurred by using a deed of compromise signed by both parties and witnessed by a Notary.

Overview of Arbitration Rules and Procedures.

The following are the stages of the trial in Arbitration

1. Examination of the parties in the trial is carried out in private, only the parties and their attorneys may attend the trial
2. The parties explain the disputed issues, according to the Petitioner's Application and the Respondent's Response;
3. The Panel requests that the Petitioner's Reply and the Respondent's Duplicate (Rebuttal to the Petitioner's Reply) be submitted to the Trial Clerk.
4. Examination of evidence: Documents, Factual Witnesses, Expert Statements, Confessions of the Parties, and Judge's Knowledge.
5. Conclusions of the parties
6. Arbitration DECISION.

Although Article 3 of Law Number 30 of 1999 states that the District Court has no authority if there is already an arbitration agreement, in practice, many cases that have been decided by BANI are also registered with the District Court, even with the Supreme Court.

Review of the Annulment of Arbitration Award.

Although the Arbitration decision is final and binding, many cases decided by arbitration are resubmitted through litigation. Putri Cahya Pertiwi in her research stated that there were 35 BANI decisions that were submitted for cancellation to the District Court during the period 2010 to 2022, 14 cases were accepted and 21 cases were rejected by the District Court (Pertiwi et al., 2024).

Of the 14 BANI decisions annulled by the Court, the judges found that the arbitrators were not sufficiently careful in detecting elements of fraud in the cases. These fraudulent elements included fake documents, hidden documents, or deceptive practices, as outlined in Article 70 of Law No. 30 of 1999. An in-depth study of two annulled BANI decisions reveals that Court Judges demonstrated greater diligence in assessing the validity of disputed documents in construction contracts and detecting fraud compared to BANI Arbitrators. However, BANI Arbitrators showed a stronger ability to evaluate the substance of construction contract disputes and understand the core issues involved.

Among the 14 BANI decisions annulled by the District Court, two main types of disputes were identified: eight cases involving legal substance disputes and six cases related to construction substance disputes. In the six construction-related cases, BANI's considerations aligned with the provisions of FIDIC contracts, JCT standards, guidelines issued by the Department of Public Works, as well as relevant Presidential Regulations, Government Regulations, LKPP regulations, and construction service contract literature.

One of the cases filed a litigation process after the BANI decision between PT. KARYA BERSAMA TAKAROB (Applicant) and INDONESIAN NATIONAL ARBITRATION BOARD (BANI) (Respondent), and PT. ADHI KARYA (PERSERO) Tbk (Co-Respondent). The Applicant was the Assignee/Developer of the Mall in Cirebon, which gave construction work to the Respondent. After the dispute occurred, PT Adhi Karya filed its case with BANI. BANI Decision no. 526/IV/ARB-BANI/2013, dated February 14, 2014, won Applicant (PT Adhi Karya).

PT Karya Bersama Takarob filed its case through litigation, namely by suing BANI and PT Adhi Karya to the South Jakarta District Court, and it was decided on June 17, 2014, with decision number 188 Pdt.G.ARb.2014, the contents of which rejected the request to suspend the BANI Arbitration Panel's decision.

PT Karya Bersama Takarob filed an appeal to the Supreme Court to cancel the decision of the South Jakarta District Court and Supreme Court with decision no. 663 B/PDT.SUS-ARBT/2014, dated December 23, 2024, upholds the decision of the South Jakarta District Court.

PT Karya Bersama Takarob filed a Judicial Review (PK) by the Supreme Court, as the applicant against the INDONESIAN NATIONAL ARBITRATION BOARD (BANI) as the

Respondent for Judicial Review and PT. ADHI KARYA (PERSERO) TBK. As a Co-Respondent for Judicial Review, Decision No. 2 PK/Pdt.Sus-Arbt/2017, dated February 14, 2017, rejected the Judicial Review Application from the PK Applicant.

In this case, both the District Court and the Supreme Court in the Cassation and PK upheld the BANI's decision. However, there are also many cases in which the BANI Decision system overturns the litigation system. The arguments put forward by the parties who filed an appeal through litigation are as follows.

1. In accordance with the provisions of Article 70 letter c of Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution, the BANI decision can be annulled for the following reasons: "The parties may file an annulment request for an arbitration decision if the decision is suspected of containing the following elements:
   a. Letters or documents submitted in the examination after the decision is rendered are recognized as false or declared false.
   b. After the decision is rendered, a document is found to be decisive, which is hidden by the opposing party.
   c. The decision is rendered as a result of trickery carried out by one of the parties in the dispute examination.
2. The reasons for canceling a BANI decision can also be found in other regulations outside the Arbitration Law, as follows:
   a. Article 643 Rv states: "Regarding a referee's decision that cannot be appealed, its annulment may be requested in the following cases:
      - If the decision is taken outside the limits of compromise.
      - If the decision was based on a compromise that was worthless or had lapsed
      - If the decision was made by several referees who were not authorized to make decisions outside the presence of others
      - If it was decided on something that was not demanded or with that more was given than was demanded.
      - If the decision contains provisions that contradict each other
      - If the referees neglect to decide on one or more things that should have been decided in accordance with the provisions of the compromise
      - If it violates the established form of the event with the threat of annulment, this is only if it is expressly agreed in the compromise that the referees are obliged to comply with the rules of ordinary events.
      - If it is decided in letters that after the referees' decision, are recognized as false or declared false;
      - If after the decision, decisive documents are found that were hidden by one of the parties.
      - If the decision is based on fraud or deception which is later discovered during the investigation."
   b. Article 52 of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (commonly referred to as the Washington Convention), which has been ratified by the Indonesian Government through Law Number 5 of 1968, which states: "Either party may request annulment of the award by an application in writing addressed to the Secretary-General on one more of the following ground:
      - that the tribunal was not properly constituted
      - that the tribunal has manifestly exceeded its power.
      - that there was corruption on the part of a tribunal member.
      - that there has been a serious departure from a fundamental rule of procedure; or
      - that the award has failed to state the reason on which it is based"

M. Yahya Harahap, SH in his book entitled "Arbitration" (Publisher: Sinar Grafika, 3rd Edition, November 2004) page 277 also states "However, regarding the general provisions

which stipulate that arbitration decisions are final and binding, there are exceptions. For very "exceptional" reasons, objections or "pleas" can be submitted in the form of a request for annulment or "cancellation" of the decision";

Dr. Frans Hendra Winarta, SH., MH., in his book entitled "Indonesian National & International Arbitration Dispute Resolution Law" (Publisher: Sinar Grafika, First Edition, October 2011) on page 85 states "In Law Number 30 of 1999 the parties may file for cancellation if the arbitration decision is suspected of containing elements including:

- Letters or documents submitted during the examination after the decision is rendered are recognized as false and/or declared false.
- After the decision is rendered, a document is found that is decisive and hidden by the opposing party, or
- "The decision was made as a result of trickery carried out by one of the parties in the Dispute examination."

Jimmy Joses Sembiring, SH., and M. Hum in his book entitled "How to Resolve Disputes Outside the Court" (Publisher: Visimedia, First Edition, 2011) on page 95 also said that "The arbitration decision is a final and binding decision. However, the arbitration decision cannot be appealed for cancellation. The requirements for being able to cancel an arbitration decision are regulated by Article 70 of Law Number 30 of 1999.

Based on the above descriptions, an arbitration award can be filed for an annulment as long as it can be proven by the party filing the annulment of the arbitration award, as regulated in the provisions of the law (vide Article 70 of the Arbitration Law) and supported by the opinions of the experts mentioned above.

The annulment of an arbitration award is a "normal" legal remedy that applies universally, because arbitration law in any country must regulate the legal remedies that can be taken against an arbitration award, although the terms they use may vary. In the United States, for example, the term "vacating the award" is used; in France, as in the Netherlands and Indonesia, the term annulment (recours en onnulation); in several other countries the term "setting aside" is used; Based on the rules and legal opinions as referred to above, by law the a quo annulment request must be accepted by the Panel of Judges examining the a quo case; Article 71 of the Arbitration Law stipulates that the cancellation of an arbitration award must be submitted in writing within a maximum of 30 (thirty) days from the date of submission and registration of the arbitration award to the Clerk of the District Court; Article 71 of the Arbitration Law: "An application for cancellation of an arbitration award must be submitted in writing within a maximum of 30 (thirty) days from the date of submission and registration of the arbitration award to the Clerk of the District Court

This is in line with the opinion of Cicut Sutiarso in his book entitled "Implementation of Arbitration Awards in Business Disputes" (Publisher: Yayasan Pustaka Obor Indonesia, First Edition, May 2011) on page 185 stating that "An application for cancellation of an arbitration award must be submitted in writing to the Chairman of the District Court within a maximum of 30 (thirty) days from the date of registration of the arbitration award to the Clerk of the District Court.

Law No. 30 of 1999 states the grounds for the annulment of an arbitration decision. An arbitration decision can be annulled by the district court if

- The decision was made by fraudulent means or contrary to public order.
- The arbitrator is not legally competent or has interests that conflict with parties.
- The arbitration process was not conducted fairly or transparently.

An application to annul an arbitration award must be submitted to the district court within 30 days of registration.

Review of the Regulation of the Supreme Court of the Republic of Indonesia Number 3 of 2023

The Regulation of the Supreme Court of the Republic of Indonesia Number 3 of 2023 represents a significant development in the Indonesian legal system, as it aims to address the legal void and provide guidance in handling specific cases (ILHAM MARTHEN ARIE, NUR AZISA, 2023). This regulation is a response to the evolving dynamics and challenges faced by the Indonesian legal system, particularly the judiciary (Nining, 2023).

The regulation is grounded in the principle of independence of judicial power, which is free from all forms of intervention, except on the basis of Pancasila philosophy and the 1945 Constitution of the Republic of Indonesia (Yasin, 2023). The Supreme Court, as the highest judicial institution in Indonesia, has the authority to conduct a judicial review of laws and regulations to ensure compliance with the constitution (Shakti et al., 2023).

The regulation also reflects efforts towards a more democratic legal system that respects human rights, with the existence of the Constitutional Court (MK) as a constitutional judiciary institution significantly impacting the consistency of legislation with the 1945 Constitution (Nining, 2023). The Constitutional Court has the authority to conduct judicial review and can invalidate laws produced by the legislature, which is often regarded as the judicialization of politics (Omara, 2023).

The regulation addresses the issue of the dual structure of the judicial system in Indonesia, comprising the Supreme Court and the Constitutional Court, which has led to the perception of judicial review as ineffective (Hidayat, 2023). To address this, the regulation proposes reforming the judicial review process to include both executive and legislative branches, aligning with the French model of legislative review (Al, 2023). The regulation emphasizes the importance of the Judicial Commission (KY) in proposing the appointment of Supreme Court Justices and maintaining the honor, dignity, and conduct of judges (Syafaq et al., 2023). KY plays a crucial role in ensuring the independence and integrity of the judiciary, which is essential for upholding the rule of law and delivering impartial justice (Karim 2023).

Furthermore, the regulation highlights the need for a concrete review authority in the Indonesian Constitutional Court, similar to the German Federal Constitutional Court, to protect fundamental rights from legislative violations (Lailam 2023). This would strengthen the role of the Constitutional Court in the constitutional system and enhance its ability to address the evolving dynamics and challenges of the Indonesian legal system (Nining, 2023).

The regulation also addresses the appointment and dismissal of Supreme Court judges, as regulated in Article 24A, paragraph 3 of the 1945 Constitution and the Supreme Court Law (Agustian, 2023). This regulation aims to ensure that the appointment process is transparent, accountable, and aligned with the principles of judicial independence.

Additionally, the regulation touches on the role of the House of Representatives (DPR) in the judicial system, particularly regarding the removal of Constitutional Court judges (Hong, 2023). This highlights the importance of maintaining a balance of power between the legislative, executive, and judicial branches to ensure the effective functioning of the constitutional system.

Overall, Regulation of the Supreme Court of the Republic of Indonesia Number 3 of 2023 is a comprehensive and significant development in the Indonesian legal system. It aims to address the legal void, enhance the independence and integrity of the judiciary, and strengthen the judicial review process to ensure consistency of legislation with the Constitution. Regulation reflects the evolving dynamics and challenges faced by the Indonesian legal system and the ongoing efforts to create a more democratic and rights-respecting legal framework.

CONCLUSION

Law No. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution is an important instrument for supporting faster, fairer, and more efficient dispute resolution in

Indonesia. The selection of arbitration as an effort to resolve non-litigation construction (trade) disputes is widely chosen today because of the many advantages for the parties involved in the dispute, both from the freedom to choose the legal basis for decision-making, relatively short settlement time, Arbitration Panel that can be chosen by the parties, and importantly, the confidentiality of the examination and trial process that is closed, is preferred in business terms because the public does not need to know about the case that occurred. The obstacle of there still being dispute cases that have been decided by arbitration but are still brought to the realm of litigation needs to be addressed by all levels of the judiciary.

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