DECIDES :

To stipulate :
THE DECREE OF THE MINISTER OF FINANCE ON THE AMENDMENT TO THE DECREE OF THE MINISTER OF FINANCE NO. 183/KMK.017/1999 CONCERNING THE ISSUE OF BONDS IN THE FRAMEWORK OF THE RECAPITALISATION PROGRAM FOR COMMERCIAL BANKS AND THE RESTRUCTURING OF NATIONAL BANKS

Article I

To amend the provision in Article 2 paragraph (1) letter of the Decree of the Minister of Finance No. 183/KMK.017/1999 on the issue of bonds in the framework of the recapitalisation program for commercial banks and the restructuring of national banks, so as to read as follows :

"Article 2

(1) The bonds as meant in Article 1 shall be issued in 3 (three) kinds, namely :
a. Bonds with a floating interest rate :
i. the interest rate is stipulated periodically as high as the result of auctions of Bank Indonesia Certificates for 3 (three) months.
ii. the interest rate is stipulated as high as the interest rate of the US dollar SIBOR for 3 (three) months plus maximally two hundred basis points of the principal sum of debts which is adjusted periodically to the exchange rate of the Rupiah against the US dollar.
b. Bonds with a fixed interest rate :
The interest rate is stipulated upon the issue and is effective up to the maturity of bonds;
c. Indexed bonds :
The interest rate is stipulated upon the issue for the principal sum of debts which is adjusted periodically to the inflation rate."

Article II

This decree shall come into force from the date of stipulation.
For public cognizance, this decree shall be published by placing it in State Gazette of the Republic of Indonesia.

Stipulated in Jakarta
On December 24,1999
THE MINISTER OF FINANCE
sgd
BAMBANG SUBIANTO
---- = = = (R/A) = = = ----

ARBITRATION AND ALTERNATIVE (Law No. 30/1999 dated August 12,1999)

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering :
a. that pursuant to the laws in forces, the settlement of civil disputes, besides being filed to the public court, can also be arranged through arbitration and the dispute settlement alternative;
b. that the current laws in force for the settlement of diputes through the arbitration is no longer compatible to developments of business entities and laws in general;
c. that on the basis of the considerations as meant in letters a and b, it is necessary to set forth a law on arbitration and the dispute settlement alternative.

In view of :
1. Article 5 paragraph (1) and Article 20 paragraph (1) of the Constitution of 1945;
2. Law No. 14/1970 on the judicative principle provisions.

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

DECIDES :

To stipulate :
LAW ON THE DISPUTE SETTLEMENT ARBITRATION AND ALTERNATIVE

CHAPTER I
GENERAL PROVISION
Article 1

Referred to in this law as :
1. Arbitration shall be a means of settlement of certain civil disputes out of the court which is based on an arbitration agreement made out in writing by parties in dispute.

2. Parties ....

2. Parties shall be legal subjects, according to both the civil law and the public law.
3. Arbitration agreement shall be an agreement in the form of arbitration clauses which are mentioned in a written agreement made out by parties before the onset of disputes, or an arbitration agreement specially made out by parties after the onset of disputes.
4. State Court shall be the state court whose jurisdiction covers domiciles of defendants.
5. Plaintiffs shall parties filing applications for the settlement of disputes through arbitration.
6. Defendants shall be opposites to plaintiffs in the settlement of disputes through arrbitration.
7. Arbitrator shall be a person or more chosen by parties in dipute or appointed by the Public Court or arbitration institution, to make a decision on certain disputes whose settlement is entrusted through arbitration.
8. Arbitration institution shall be an agency chosen by parties in dispute to make a decision on certain disputes; the institution can also give binding opinion about a certain legal relation in the case of disputes not yet occurring.
9. International Arbitration Decision shall be a decision imposed on an arbitration institution or individual arbitrator outside the jurisdiction of the Republic of Indonesia, or a decision of an arbitration institution or individual arbitrator which according to provisions of laws of the Republic of Indonesia is deemed an international arbitration decision.
10. Dispute Settlement Alternative shall be an institution for the settlement of disputes or divergent views through the procedure agreed upon by parties, namely the settlement out of the court by means of consultation, negotiation, mediation, conciliation or evaluation of experts.

Article 2

This law shall regulate the settlement of disputes or divergent views between parties in a certain legal relation which have already engaged in arbitration agreements clearly stating that all disputes or divergent views which arise or may arise from the legal relation will be settled by means of arbitration or the dispute settlement alternative.

Article 3

Public Courts shall not be authorized to try disputes between parties already bound in an arbitration agreement.

Article 4

(1) In the case of parties already agreeing that the disputes between them will be settled through arbitration and parties already delegating authority, an arbitrator shall be authorized to stipulate decisions on rights and obligations of parties if the matters are not regulated in their agreement.
(2) The approval of the settlement of disputes through arbitration as meant in paragraph (1) shall be mentioned in a document signed by parties.
(3) In the case of the settlement of disputes through arbitration being approved in the form of the exchange of letters, the dispatch of the letters by telex, telegram, facsimile, e-mail or other telecommunication facilities shall be accompanied by a note of receipt by parties.

Article 5

(1) Disputes which can be settled through arbitration shall only be disputes in the field of trade and concerning rights which according to the laws in force are fully controlled by parties in dispute.
(2) Disputes which can not be settled through arbitration shall be disputes which according to the laws in forces can not be reconciled.

CHAPTER II

ALTERNATIVE FOR THE SETTLEMENT OF DISPUTES

Article 6

(1) Civil disputes or divergent views can be settled by parties through the dispute settlement alternative based on the good intention by ignoring the litigious settlement in the State Court.
(2) The settlement of disputes or divergent views through the dispute settlement alternative as meant in paragraph (1) shall be settled in direct meetings between parties not later than 14 (fourteen) days and the results are contained in a written agreement.
(3) In the case of the disputes or divergent views as meant in paragraph (2) failing to be settled, on the basis of the written agreement between parties, the disputes or divergent views can be settled through the assistance of one expert councel or more or a mediator.
(4) In the case of the parties failing to reach an agreement with assistance of one expert councel or more or a mediator for 14 (fourteen) days at the maximum and the mediator failing to meet both parties, the parties can contact an arbitration institution or an alternative institution for the dispute settlement to appoint a mediator.
(5) Following the appointment of a mediator by the arbitration institution or alternative institution for the dispute settlement, mediation shall start not later than 7 (seven) days.
(6) Efforts to settle disputes or divergent views through the mediator as meant in paragraph (5) by firmly keeping the secrecy, shall reach an agreement in writing which is signed by all parties concerned not later than 30 (thirty) days.
(7) The agreement on the settlement of disputes or divergent views in writing shall be final and binding parties for implementing it with good intention and must be registered at the Public Court not later than 30 (thirty) days as from the signing.
(8) The implementation of the agreement on the settlement of disputes or divergent views as meant in paragraph (7) shall be finished not later than 30 (thirty) days as from the registration.
(9) In the case of efforts to achieve reconciliation as meant in paragraph (1) up to paragraph (6) meeting with failure, parties on the basis of the written agreement can file settlement through the arbitration institution or ad-hoc arbitration.

CHAPTER III ....
(To be continued)

----= = = (R/A) = = =-----

Article 2

Secretary of Government Supervision shall have the task of providing service at any time for the President in the process of decision making and supervision of the realisation of government policies and activities of communication with all parties concerned in the government and society.

Article 3

In executing the task as meant in Article 2, Secretary of Government Supervision shall perform the following functions :

a. to gather, compile and prepare all material needed for study by the President in making decisions and stipulating government policies as well as supervising the implementation of the decisions and policies.
b. to organize reciprocal relations between the President and government officials, state agencies, other state institutions needed and external relations with the public, including to accompany and maintain documentation of every talk or negotiation which is made.
c. to execute other tasks assigned by the President.

Article 4

In performing the functions, Secretary of Government Supervision shall arrange mutual assistance and coordination with the State Secretary, Secretary of President and Secretary of President in charge of Military Affairs.

Article 5

All costs required for the execution of the task of Secretary of Government Supervision shall be borne by the State Budget of Revenue and Expenditure.

Article 6

To appoint Ir. BONDAN GUNAWAN as Secretary of Government Supervision, starting from the date of stipulation of this decree.

Article 7

This Presidential Decree shall come into force as from the date of installing.

Stipulated in Jakarta
On January 4,2000
THE PRESIDENT OF THE REPUBLIC OF INDONESIA
sgd
ABDURRAHMAN WAHID

----= = =(R)= = =----

ARBITRATION AND ALTERNATIVE
(Law No. 30/1999 dated August 12,1999)

Continued from Business News No. 6415/6416 pages 4A - 5A

CHAPTER III
REQUIREMENTS FOR ARBITRATION, APPOINTMENT OF ARBITRATOR AND THE RIGHT TO DENY
Part One
Requirements for Arbitration
Article 7

Parties can approve a dispute which occurs or will occur between them to be settled through arbitration.

Article 8

(1) In the case of the onset of disputes, plaintiffs shall notify through a registered letter, telegram, telex, facsimile, e-mail or despatch book to defendants that requirements for arbitration already made by the plaintiffs or defendant are effective.
(2) The letter of notification to undertake arbitration as meant in paragraph (1) shall clearly mention the following matters:
    a. names and domiciles of parties;
    b. reference to clauses or arbitration agreement in force;
    c. agreements or problems in dispute;
    d. basis of the suit and amounts which are demanded, if any;
    e. methods of settlement intended; and
    f. agreements made by parties on the number of arbitrators or in the case of such agreements being never made, plaintiffs can propose the arbirators intended in an even number.

Article 9 ....

Article 9

(1) In the case of parties choosing the settlement of diputes through arbitration after the onset of disputes, the approval of the matter shall be made in a written agreement signed by parties.
(2) In the case of parties failing to sign the written agreement as meant in paragraph (1), the agreement shall be made in the form of a notarial deed.
(3) The written agreement as meant in paragraph (1) shall contain :
   a. problems in dispute;
   b. full names and domiciles of parties;
   c. full name and domicile of the arbitrator or arbitration council;
   d. places where the arbitrator or arbitration council will make decisions;
   f. full name of the secretary;
   g. period of settlement of disputes;
   h. statement of readiness of the arbitrator; and
   g. statement of readiness of parties in dispute to bear all costs needed for the settlement of disputes through arbitration.
(4) The written agreement which does not contain the matters as meant in paragraph (3) shall be void by virtue of law.

Article 10

An arbitration agreement shall not be void because of the following conditions :

a. the death of one party;
b. the banckruptcy of one party;
c. novation;
d. insolvency of one party;
e. inheritance;
f. enforcement of requirements for the mullification of the principal commitments;
g. in the case of the execution of the agreement being transferred to the third party with the approval of parties engaging in an arbitration agreement; or
f. the termination or annulment of principal agreement.

Article 11

(1) The presence of an arbitration agreement shall eliminate rights of parties to file the settlement of disputes or divergent views contained in the agreement to the Public Court.
(2) The Public Court shall refuse or not be involved in the settlement of a dispute already stipuleted through arbitration, except in certain cases stipulated in this law.

Part Two

Requirements for Appointment of Arbitrator

Article 12

(1) The person who can be appointed or assigned to become an arbitrator shall fulfill the following requirements :
   a. being capable of undertaking legal actions;
   b. being 35 years old at the minimum;
   c. having no relations by blod or marriage to the second degree with one party in dispute;
   d. having no financial interests or other interests in decisions of arbitration; and
   e. having experience and actively mastering the field for at least of 15 years.
(2) Judges, prosecutors, secretaries and other officials of court can not be appointed or assigned to become an arbitrator.

Article 13

(1) In the case of parties failing to reach an agreement on the choosing of an arbitrator or the absence of provisions on the assignment of an arbitrator, the Chairman of the Public Court can appoint an arbitrator or arbitration council.
(2) In the case of ad hoc arbitration for any disagreement on the appointment of an arbitrator or more, parties can file applications to the Chairman of the Public Court to appoint an arbitrator or more in the framework of the settlement of disputes between them.

Article 14

(1) In the case of parties already agreeing that disputes occurring will be examined and decided by a sole arbitrator, parties shall be obliged to reach an agreement on the appointment of the sole arbitrator.
(2) Plaintiffs through a registered letter, telegram, telex, facsimile, e-mail or despatch book shall propose the name of person who can be appointed as the sole arbitrator, to defendants.
(3) In the case of not later than 14 (fourteen) days after the receipt of the proposal as meant in paragraph (2) by defendants, parties failing to determine the sole arbitrator, the Chairman of the Public Courts can appoint the sole arbitrator on the basis of the application of one party.
(4) The Chairman of the Public Court can appoint the sole arbitrator on the basis of list of names conveyed by parties, or obtained from arbitration organisations or institutions as meant in Article 34, by observing both recommendations and objections raised by parties to the relevant person.

Article 15 ....

Article 15

(1) The appointment of two arbitrators by parties shall delegate authority to the two arbitrators to choose and appoint the third arbitrator.
(2) The third arbitrator as meant in paragraph (1) shall be appointed by the Chairman of the Arbitration Council.
(3) In the case of not later than 30 (thirty) days after the receipt of notification by defendants as meant in Article 8 paragraph (1) one party turning out to not appoint one person to become a member of the arbitration council, the arbitrator appointed by the opposite party shall act as the sole arbitrator and any decision of the sole arbitrator binds the both parties.
(4) In the case of the two arbitrators who have already been appointed by the respective parties as meant in paragraph (1) failing to appoint the third arbitrator in the period not later than 14 (fourteen) days after the appointment of the last arbitrator, the Chairman of the Public Court can appoint the third arbitrator on the basis of the application of one party.
(5) Against the appointment of the arbitrator made by the Chairman of the Public Court as meant in paragraph (4), efforts of cancellation can not be raised.

Article 16

(1) The arbitrator appointed or assigned can accept or reject the appointment or assignment.
(2) The acceptance or rejection as meant in paragraph (1) shall be notified in writing to parties not later than 14 (fourteen) days as from the date of appointment or assignment.

Article 17

(1) With the appointment of an arbitrator or several arbitrators by parties in writing and the acceptance of the appointment by an arbitrator or several arbitrators in writing, a civil agreement shall occur between the parties appointing and the arbitrator (s) accepting the appointment.
(2) The appointment as meant in paragraph (1) shall cause that an arbitrator or arbitrators will make decisions honestly, fairly and in accordance with the provisions in force and parties accept the decisions in a final and binding manner as agreed upon.

Article 18

(1) A prospective arbitrator asked by one party to sit in the arbitration council shall notify parties matters which are possible to affect the freedom of the relevant arbitrator or cause partiality of decisions which are made.
(2) A person accepting the appointment as the arbitrator as meant in paragraph (1) shall notify the appointment to parties.

Article 19

(1) In the case of an arbitrator already stating the acceptance to the appointment or assignment as meant in Article 16, the relevant arbitrator can not withdraw himself/hereself, except with the approval from parties.
(2) In the case of the arbitrator as meant in paragraph (1) who has accepted the appointment or assignment, proposing the withdrawal the relevant arbitrator shall submit a written application to parties.
(3) In the case of parties being able to approve the application for withdrawal as meant in paragraph (2), the relevant arbitrator can be freed from the tasks of an arbitrator.
(4) In the case of the application for resignation failing to obtain the approval from parties, the relief of tasks of an arbitrator shall be stipulated by the Chairman of the Public Court.

Article 20

In the case of the arbitrator or the arbitration council making no decisions in the period already stipulated without legitimate reasons, the arbitrator can be charged to pay costs and losses arising from the lateness to parties.

Article 21

The arbitrator or arbitration council can not be subjected to whatever legal responsibilities for all actions taken during the process of court sessions to perform the function as an arbitrator or arbitration council, unless any bad intention of the actions can be proven.

Parth three ....
(To be continued)

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ARBITRATION AND ALTERNATIVE
(Law No. 30/1999 dated August 12,1999)
(Continued from Business News No. 6471 pages 4A - 6A)

Part Three
The Right to Deny
Article 22

(1) A denial indictment can be filed against the arbitrator if authentic evidences causing a doubt that the arbitrator will not execute the tasks independently and will side with one party in making decisions are found sufficiently.
(2) A denial indictment against an arbitrator can also be filed if the arbitrator is proven to have family, financial or working relations with one party or proxy.

Article 23

(1) The right to deny an arbitrator appointed by the Chairman of the Public Court shall be filed to the relevant Public Court.
(2) The right to deny the sole arbitrator shall be filed to the relevant arbitrator.
(3) The right to deny members of the arbitration council shall be filed to the relevant members of the arbitration council.

Article 24

(1) An arbitrator who is not appointed by a stipulation of the court can only be denied on the basis of reasons just known by parties exercising the right to deny after the appointment of the arbitrator.
(2) An arbitrator who is appointed by a stipulation of the court can only be denied on the basis of reasons known after the receipt of the decision of the court.
(3) Parties raising an objection against the appointment of an arbitrator which is made by other parties shall file a denial charge not later than 14 (fourteen) days as from the appointment.
(4) In the case of the reasons as meant in Article 22 paragraphs (1) and (2) being informed later, the denial indictment shall be filed not later than 14 (fourteen) days as from the date when the matter is known.
(5) The denial indictment shall be in writing, to both the other party and the relevant arbitrator by mentioning reasons for the charge.
(6) In the case of the denial indictment which is filed by one party being not approved by the other party, the relevant arbitrator shall withdraw himself and a substitute arbitrator is to be appointed according to the method stipulated in this law.

Article 25

(1) In the case of denial indictment filed by one party being not approved by the other party and the relevant arbitrator being not ready to resign, the interested party can file a claim to the Chairman of the Public Court whose decision binds the two parties, and a rejoinder can not be filed.
(2) In the case of the Chairman of the Public Court deciding that the indictment as meant in paragraph (1) being reasonable, a substitute arbitrator shall be appointed by the procedure effective for the appointment of the arbitrator replaced.
(3) In the case of the Chairman of the Public Court rejecting the denial indictment, the arbitrator shall continue to execute tasks.

Article 26

(1) The authority of an arbitrator can not be revoked by the death of the relevant arbitrator and the authority is subsequently continued by the successor who is later appointed in accordance with this law.
(2) An arbitrator can be relieved of the post if the relevant arbitrator is proved to side with or show disgraceful behavior which must be proved through legal proceedings.
(3) If during the examination of disputes, an arbitrator dies, fails to execute tasks or withdraw himself, thus failing to fulfill obligations, a substitute arbitrator can be appointed by the procedure effective for the appointment of the relevant arbitrator.
(4) In the case of a sole arbitrator or the Chairman of the arbitration council being replaced, the whole examination already executed shall be repeated.
(5) In the case of members of the council being replaced, the examination of disputes shall only be repeated in an orderly manner between arbitrators.

CHAPTER IV
PROGRAMMES EFFECTIVE BEFORE ARBITRATION COUNCIL
Part One
Programme of arbitration
Article 27

All examination of disputes by an arbitrator or arbitration council shall be done behind closed doors.

Article 28

The language used for all processes of arbitration shall be the Indonesian language, except for the approval of an arbitrator or arbitration council, in which parties can choose other languages to be used.

Article 29 ....

Article 29

(1) Parties in dispute shall have the same rights and opportunities in expressing the respective opinions.
(2) Parties in dispute can be represented by proxies with special letters of authorisation.

Article 30

The third party outside an arbitration agreement can participate in and join the process of settlement of disputes through arbitration, in the case of elements of related interests being found and the participation being agreed by parties in dispute as well as being approved by arbitrators of the arbitration council which examines the relevant disputes.

Article 31

(1) Parties in a clear and written agreement can freely determine programmes of arbitration used in the examination of disputes as long as they do not contravene the provisions in this law.
(2) In the case of parties failing to determine the provisions on programmes of arbitration to be used in the examination, and an arbitrator or arbitration council already being established in accordance with Articles 12, 13 and 14, all disputes whose settlement is entrusted to the arbitrator or arbitration council shall be examined and decided according to the provisions in this law.
(3) In the case of parties already choosing programmes of arbitration as meant in paragraph (1), an agreement on the stipulation of the period and venue of arbitration shall exist, and in the case of the period and venue of arbitration being not determined, the period and venue shall be determined by an arbitrator or arbitration council.

Article 32

(1) Based on an application of one party, an arbitrator or arbitration council can make a provisional decision or other interim decision to ensure the orderly examination of disputes, including the determination of guarantee confiscation, order to deposit goods with the third party, or sell perishable goods.
(2) The period of implementation of the provisional decision or other interim decisions as meant in paragraph (1) shall be excluded from the period as meant in Article 48.

Article 33

An arbitrator or arbitration council shall be authorized to extend the period of execution of tasks, in the case of :
a. an application for a special matter being submitted by one party;
b. as the consequence of the stipulation of a provisional decision or other interim decision; or
c. arbitrator or arbitration council deeming it necessary for examination purpose.

Article 34

(1) The settlement of disputes through arbitration can be done by using a national or international arbitration institution on the basis of the agreement of parties.
(2) The settlement of disputes through the arbitration institution as meant in paragraph (1) shall be done in accordance with the regulations and programmes of the institution choosen, unless otherwise stipulated by parties.

Article 35

An arbitrator or arbitration council can ask every document or evidence to be accompanied by a translation copy in the language determined by the arbitrator or arbitration council.

Article 36

(1) The examination of disputes in arbitration shall be sumitted in writing.
(2) The examination can be done verbally in the case of such an examination being approved by parties or being deemed necessary by an arbitrator or arbitration council.

Article 37

(1) The venue of arbitration shall be determined by an arbitrator or arbitration council, unless the venue is determined by parties.
(2) An arbitrator or arbitration council can hear information from witnesses or hold meetings deemed necessary in a certain place outside the venue of arbitration.
(3) The examination of witnesses and expert witnesses before an arbitrator or arbitration council shall be done in accordance with the provisions in the Civil Law.
(4) An arbitrator or arbitration council can conduct local inspection of goods in dispute or other matters connected with disputes which are examined, and if deemed necessary, parties are summoned legitimately to be present in the inspection.

Article 38

(1) In the case of the period being determined by an arbitrator or arbitration council, the plaintiff shall convey a letter of indictment to the arbitrator or arbitration council.
(2) The letter of indictment shall at least contain the following matters :

a. full ....

a. full names and addresses or domiciles of parties;
b. brief description of disputes along with attachments of evidences; and
c. clear contents of indictment.

Article 39

After receiving the letter of indictment from the plaintiff, an arbitrator or the chairman of arbitration council shall convey a copy of the indictment to the defendant along with the order that the defendant must respond and give a response in writing not later than 14 (fourteen) days as from the receipt of the copy of indictment by the defendant.

Article 40

(1) Shortly after the receipt of the response from the defendant, based on the order of the arbitrator or the chairman of arbitration council, the copy of response shall be given up to the plaintiff.
(2) At the same time, the arbitrator or the chairman of arbitration council shall order parties or proxies to appear before an arbitration meeting stipulated not later than 14 (fourteen) days as from the issue of the order.

Article 41

In the case of the defendant not submitting response after the period of 14 (fourteen) days as meant in Article 39 elapses, the defendant shall be summoned pursuant to the provision as meant in Article 40 paragraph (2).

Article 42

(1) In the response or not later than the first meeting, the defendant can file a counter indictment and the plaintiff is given opportunity to respond the counter indictment.
(2) The counter indictment as meant in paragraph (1) shall be examined and decided by an arbitrator or arbitration council together with principal disputes.

Article 43

In the case of on the date which is determined as meant in Article 40 paragraph (2), the plaintiff failing to appear without any legitimate reason, while the plaintiff has already been summoned properly, the letter of indictment of the plaintiff shall be declared abortive and tasks of the arbitrator or arbitration council are considered completed.

Article 44

(1) In the case of on the date already determined as meant in Article 40 paragraph (2), the defendant failing to appear without any legitimate reason, while the defendant has already been summoned properly, the arbitrator or arbitration council shall promptly summon once again.
(2) Not later than 10 (ten) days after the second summons being received by the defendant and the defendant also failing to attend the court without any legitimate reason, the examination shall be continued without the presence of the defendant and the indictment of the plaintiff is wholly approved, unless the indictment is unfounded or not based on law.

Article 45

(1) In the case of parties appearing on the date already determined, an arbitrator or arbitration council shall first strive to reconcile the parties in dispute.
(2) In the case of efforts to reconcile as meant in paragraph (1) being reached, the arbitrator or arbitration council shall make a deed of reconciliation which is final and binding, and ask the parties to fulfill the provisions of the reconciliation.

Article 46

(1) The examination of the principal disputes shall be continued in the case of the efforts to reconcile as meant in Article 45 paragraph (1) being unsuccessful.
(2) Parties shall be given the last opportunity to explain the respective stances in writing as well as to convey evidences deemed necessary to support their stances in the period determined by the arbitrator or arbitration council.
(3) An arbitrator or arbitration council shall be entitled to ask parties to convey additional explanations in writing, other documents or evidences deemed necessary in the period determined by the arbitrator or arbitration council.

Article 47

(1) Before the defendant makes any response, the plaintiff can abrogate the letter of application for the settlement of disputes through arbitration.
(2) In the case of the existence of response from the defendant, any change in or addition to the letter of indictment shall only be allowed by the approval of the defendant and as long as the change or addition merely concerns factual matters and is not connected with legal foundations which become the basis of the application.

Article 48

(1) The examination of disputes shall be finished not later than 180 (one hundred and eighty) days as from the establishment of the arbitrator or arbitration council.
(2) With the approval of parties and if necessary according to the provision in Article 33, the period as meant in paragraph (2) can be extended.

Part two ....

Part Two
Witnesses and expert witnesses
Article 49

(1) Based on the order of an arbitrator or arbitration council or the request of parties, one witness or more or one expert witness or more can be summoned to hear explanations.
(2) Costs of summons and travel expenses of the witness(es) or expert witness(es) shall be borne by parties making the request.
(3) Before giving explanations, the witness(es) or expert witness(es) shall be obliged to take the oath.

Article 50

(1) An arbitrator or arbitration council can ask assistance from one expert witness or more to give written explanation on a special problem connected with the principal disputes.
(2) Parties shall be obliged to give all explanations needed by expert witnesses.
(3) An arbitrator or arbitration council shall convey copies of explanations of the expert witnesses to parties to be responded to in writing by parties in dispute.
(4) In the case of the existence of matters which need further clarification, based on the request of interested parties, explanations of the relevant expert witnesses can be heard in an arbitration meeting attended by parties or proxies.

Article 51

Account on activies in the examination and arbitration meeting shall be made out by a secretary.

CHAPTER V
ARBITRATION OPINIONS AND DECISION
Article 52

Parties in an agreement shall be entitled to request binding opinions about certain legal relations of an agreement from an arbitration institution.

Article 53

The binding opinions as meant in Article 52 can not be countered by a rejoinder through whatever legal proceedings.

Article 54

(1) A decision of arbitration shall contain :
   a. the head of the decision reading "FOR THE SAKE OF JUSTICE ON THE BASIS OF THE ALMIGHTY GOD";
   b. full names and addresses of parties;
   c. brief description of disputes;
   d. stances of parties;
   e. full name and address of arbitrator;
   f. consideration and conclusion of arbitrators or arbitration council on the disputes;
   g. opinion of each arbitrator in the case of divergent views in the arbitration council;
   h. dictums of decision;
   i. place and date of decision; and
   j. signature of arbitrator or arbitration council.
(2) A decision of arbitration which is not signed by an arbitrator because of reasons of illness or death shall not affect the validity of the decision.
(3) The reason for the absence of the signature as meant in paragraph (2) shall be mentioned in the decision.
(4) A period of implementation of the decision shall be mentioned in the decision.

Article 55

In the case of the examination of disputes being already finished, the examination shall be closed and the date of meeting to read a decision of arbitration is determined.

Article 56

(1) An arbitrator or arbitration council shall make a decision on the basis of legal provisions, or justice and propriety.
(2) Parties shall be entitled to determine legal choices to be effective for the settlement of disputes which may arise or have alreay arises between them.

Article 57

The decision shall be read not later than 30 (thiry) days after the examination is closed.

Article 58

Not later than 14 (fourteen) days after the receipt of the decision, parties can file an application to the arbitrator or arbitration council for correcting administrative mistakes and/or supplementing or substracting points of indictment of the decision.

CHAPTER VI ....
(To be continued)

----= = = (R/A) = = =----

b. that in relation thereto, it is necessary to stipulate the criteria for small-scale businesses and cooperatives to obtain growth quotas in 2000 by issuing a decree of the Minister of Finance.

In view of :
1. Law No. 9/1995 on small-scale businesses;
2. Presidential Decree No. 44/1974 on principles of organizations of ministries;
3. Presidential Decree No. 122/M/1998 on the establishment of the Development Reforms Cabinet;
4. Presidential Decree No. 61/1998 on the status, tasks, organisational structures and working arrangements of ministries as laready amended several times the latest by Presidential Decree No. 115/1989;
5. Decree of the Ministry of Industry and Trade No. 374/MPP/Kep/8/1998 concerning general provisions on export quotas of textile and clothing;
6. Decree of the Minister of Industry and Trade No. 444/MPP/Kep/9/1998 jo. No. 24/MPP/Kep/1/1999 on the organisation and working arrangement of the Ministry of Industry and Trade;

D E C I D E S :

To stipulate :
FIRSTLY :

Criteria for small-scale businesses and cooperative producing textile and clothing to obtain growth quotas (KPt) in 2000 shall fulfill the following requirements :

a. the value of property/assets of company not exceeding Rp 600 million, excluding land and buildings;
b. having production units as many as 15 - 150 units of high speed machines (industrial sewing machines) or flat knitting machines in operational condition;
c. being independent, not subsidiaries or branches of companies owned, controlled by or affiliated directly or indirectly to medium or large-scale companies.
d. being in the form of business entities having statutory bodies which have been registered as producer ETTPT and are owned by Indonesian citizens.
e. location of factory being in accordance with the address of licence owned with not more than one ETTP producer company in one address.
f. not selling allocation of Growth Quotas (KPt) obtained in 1999 and being not the address of companies ever obtaining previous KPt with the KPt already sold.
g. ETTPT filing applications for KPt for more than one company which are owned by one person can only obtain KPT for one company.
h. In the framework of providing opportunity for ETTPT which have not yet received KPt, ETTPT ever obtaining KPt three times consecutively since 1996 or having the export value of above US$500,000 in 1999 receive no KPt in 2000.

SECONDLY :

This decree shall come into force as from the date of stipulation.

Stipulated in Jakarta
On October 6,1999
THE MINISTER OF INDUSTRY AND TRADE
sgd
RAHARDI RAMELAN
---- = = = (R) = = = ----

ARBITRATION AND ALTERNATIVE
(Law No. 30/1999 dated August 12, 1999)

Continued from Business News No. 6418/6419 pages 14A - 17A

CHAPTER VI
EXECUTION OF ARBITRATION DECISION
National Arbitration
Article 59

(1) Not Later than 30 (thirty) days as from the date when the decision is read, the original sheet or authentic copy of the arbitration decision shall be given up and registered by the arbitrator or proxy at the Secretary of Public Court.
(2) The giving up and registration as meant in paragraph (1) shall be done by recording and signing the end part or side of the decision by the Secretary of Public Court and arbitrator or proxy giving up, and the record constitutes a deed of registration.
(3) The arbitrator or proxy shall be obliged to give up the decision on and original sheet of the appointment as an arbitrator or the authetic copy to the Secretary of Public Court.
(4) Any failure to fulfill the provision as meant in paragraph (1) shall prevent the arbitration decision from being executed.
(5) All costs connected with the making out of registration documents shall be borne by parties.

Article 60 ....

Article 60

The arbitration decision shall be final and have permanent legal power and bind parties.

Article 61

In the case of parties failing to execute the arbitration decision voluntarily, the decision shall be executed on the basis of an order of the Chairman of Public Court at the request of one party in dispute.

Article 62

(1) The order as meant in Article 61 shall be given not later than 30 (thirty) days after the application for execution is registered at the Secretary of Public Court.
(2) The Chairman of Public Court as meant in paragraph (1) before giving the order of execution, shall first examine whether the arbitration decision fulfills the provisions in Articles 4 and 5 and does not contravene the public decency and order.
(3) In the case of the arbitration decision not fulfilling the provisions as meant in paragraph (2), the Chairman of Public Court shall reject the application for the implementation of execution and the decision made the Chairman of Public Court is not open to whatever legal proceedings.
(4) The Chairman of Public Court shall not examine reasons or considerations of the arbitration decision.

Article 63

The order of the Chairman of Public Court shall be read in the original sheet and authentic copy of the arbitration decision issued.

Article 64

The arbitration decision already bearing by the order of the Chairman of Public Court shall be executed in accordance with provisions on execution of decisions in civil cases already having permanent legal power.

Part Two

International Arbitration

Article 65

The party authorized matters of recognition and execution of an international arbitration decision shall be the Public Court of Central Jakarta.

Article 66

The international arbitration decision shall only be recognized and can be executed in the jurisdiction of the Republic of Indonesia, if the decision fulfills the following requirements :

a. the international arbitration decision is made by an arbitrator or arbitration council in a country which has bilateral and multilateral relations in the field of recognition and execution of international arbitration decisions with Indonesia.
b. the international arbitration decision as meant in letter a is limited to the decision which according to the provision in Indonesian laws belongs to the scope of trade law.
c. the international arbitration decision as meant in letter a can only be executed in Indonesia to the extent of the decision which does not contravene the public order.
d. the international arbitration decision can be executed in Indonesia after securing an execution order from the Chairman of Public Court of Central Jakarta.
e. the international arbitration decision as meant in letter a which concerns the State of the Republic of Indonesia as a party in dispute, can only be executed after securing an execution order from the Supreme Court of the Republic of Indonesia which is later delegated to the Public Court of Central Jakarta.

Article 67

(1) The application for execution of the international arbitration decision shal be made after the decision is turned over and registered by the arbitrator or proxy to the Secretary of the Public Court of Jakarta.
(1) The submission of documents of the application as meant in paragraph (1) shall be accompanied by :
a. original sheet or authentic copy of the international arbitration decision according to the provisions on authetication of foreign documents and official translation copy in the Indonesian language.
b. original sheet or authentic copy of the agreement which is the basis of the international arbitration decision according to the provisions on authetication of foreign documents and official translation copy in the Indonesian language.
c. remarks from the diplomatic representative of the Republic of Indonesia in the country where the international arbitration decision is stipulated, certifying that the plaintiff country is bound by bilateral and multilateral agreements on the recognition and execution of international arbitration decisions with the Republic of Indonesia.

Article 68

(1) An appeal to the Higher Court or appeal to the Supreme Court can not be filed against the decision of the Chairman of Public Court of Central Jakarta as meant in Article 66 letter d which recognize and execute the international arbitration decision.

(2) An ....

(2) An appeal to the Supreme Court can be filed against the decision of the Chairman of Public Court of Central Jakarta as meant in Article 66 letter d which refuse to recognize and execute an international arbitration decision.
(3) The Supreme Court shall consider and decide every appeal to the Supreme Court as meant in paragraph (2) not later than 90 (ninety) days after the date of receipt of the application by the Supreme Court.
(4) A rejoinder can not be made against the decision of the Supreme Court as meant in Article 66 letter e.

Article 69

(1) After the Chairman of Public Court of Central Jakarta gives the execution order as meant Article 64, the further execution shall be delegated to the Chairman of Public Court relatively authorized to execute.
(2) The execution confiscation can be conducted to assets and property of defendants in the execution.
(3) The procedure for confiscation and the execution of the decision shall follow the procedure as stipulated in the Code of Civil Law.

CHAPTER VII ....
(To be continued)

----= = =(R)= = =----

CLARIFICATION OF ARTICLE 2 PARAGRAPH (2) OF REGULATION OF THE MINISTER OF MANPOWER NO.PER-04/MEN/1994 ON RELIGIOUS HOLIDAY ALLOWANCES (Circular of the Minister of Manpower No.SE-07/M/BW/1999 dated November 18, 1999)

To,
All Companies and Employees,
throughout Indonesia.

Since the issuance of the Regulation of the Minister of Manpower No.PER-04/MEN/1994 on religious holiday allowances, there has been no problem with the implementation of the rule and it has proceeded properly. However, with the forthcoming 2 (two) Id'ul Fitr holidays in the year 2000 viz. in January and in December, the public have raised questions about the application of Article 2 paragraph (2) of the said Regulation of the Minister of Manpower, which stipulates that "Holiday allowances (THR) shall be granted once in a year".

For the sake of uniformity in interpretation and certainty in application, religious THR for the year 2000 need to be clarified as follows:

1. According to Article 1 point d of the said Regulation, religious THR constitute the income of workers which shall be paid by companies/employers to employees/workers or their families on the days approaching religious holidays in the form of money or other forms.
   With this provision, in essence the religious THR do not constitute the income of workers which is paid on an annual basis, but rather on the basis of religious holidays which are celebrated by workers.

2. Based on the provision, Article 2 paragraph (2) of the said Regulation stipulating that THR are granted once in a year is to be interpreted as once in a year for the religious holidays celebrated by the relevant workers.

3. With the clarification, companies are obliged to grant religious THR on the Id'ul Fitr holiday of January 2000 (Syawal 1, 1420 Hijriah) and that of December 2000 (Syawal 1, 1421 Hijriah).
   This is for your attention and guidance.

For THE MINISTER OF MANPOWER,
THE DIRECTOR GENERAL OF MANPOWER SUPERVISION,
sgd.
MOHD. SYAUFIL SYAMSUDDIN.

Copies addressed to:
1. The Minister of Manpower (as a report);
2. Regional Offices of the Ministry of Manpower throughout Indonesia.
3. F i l e s.

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THE USE OF REMAINING STANDARD TAX INVOICES ALREADY PRINTED WITH THE YEAR 19 .... TO BE REPLACED BY THE YEAR 20.... (Circular of the Director General of Taxation No. SE-27/PJ.54/1999 dated December 21,1999)

To :
1. Heads of Regional Offices, Directorate General of Taxation;
2. Heads of Tax Service Offices;
3. Heads of Tax Audit and Investigation Offices;
4. Heads of Tax Counseling Offices throughout Indonesia

In connection with the many questions about standard tax invoices already printed in a large quantity but still using the year 19 .... in the column of "Date of Delivery/Payment*)" and the column of date of making out of standard tax invoices as well as being still left over when entering the year 2000 and so on, the following affirmations are provided :

1. Taxable companies giving up taxable goods and services are obliged to make out tax invoices according to the provisions as stipulated in the Decision of the Director General of Taxation No. KEP-53/PJ./1994 dated December 29,1994 on the stipulation of the moment of making out, form, size, procurement, procedures for conveyance and procedures for rectification of standard tax invoices.
2. In relation thereto, taxable companies have already printed standard tax invoices in a large quantity by the using th year 19 .... in the column of "Date of Delivery/Payment*)" and the column of date of making out of standard tax invoices and part of the invoices are still left over when entering the year of 2000 thus being no longer unable. It is because the year 19.... in the tax invoices must be crossed out so that they are categorized as defective tax invoices.
3. Considering the economic condition which does not yet recover and in view of the fact that the large quantity of remainder of standard tax invoices already printed with the year 19 .... in the column of "Date of Delivery/Payment*) and the column of date of making out of standard tax invoices, it is herewith affirmed that the remainder of tax invoices already printed with the year 19 .... can still be used up by means of crossing out the year 19 .... to be replaced by the year 20 ....
4. By buyers of taxable goods or recipients of tax services, the standard tax invoices crossed out can still be used as the basis for the crediting of input tax as long as they are completed in accordance with the provision in Article 13 paragraph (5) and are excluded from the category as meant in Article 9 paragraph (8) of Law No. 8/1983 as already amended by Law No. 11/1994.

This is for your attention and dissemination to taxpayers within your working areas.

THE DIRECTOR GENERAL OF TAXATION
sgd
A. ANSHARI RITONGA

CC :
1. Inspector General of the Ministry of Finance;
2. Head of Legal Affairs and Public Relations Bureau, Ministry of Finance;
3. Secretary of the Directorate General of Taxation;
4. Directors/Heads of Centers within the Head Office of the Directorate General of Taxation.

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ARBITRATION AND ALTERNATIVE (Law No. 30/1999 dated August 12,1999)

Continued from Business News No. 6240 pages 15A - 17A

CHAPTER VII
ANNULMENT OF ARBITRATION DECISION
Article 70

Parties can file an application for the annulment of an arbitration decision in the case of the decision being suspected to contain the following elements :

a. letters or documents conveyed in the inspection, after the decision is made, are recognized as being fake or declared fake;
b. after the decision is made, decisive documents that the opposite party hides are found; or
c. the decision is made from results of deceit made by one party in the examination of disputes.

Article 71

The application for the annulment of an arbitration decision shall be conveyed in writing not later than 30 (thiry) days as from the date of the giving up and registration of the arbitratin decision at the Secretary of Public Court.

Article 72 ....

Article 72

(1) The application for the annulment of an arbitratin decision shall be filed to the Chairman of Public Court.
(2) In the case of the application as meant in paragraph (1) being approved, the Chairman of Public Court shall further determine consequences of the annulment of the arbitration decision wholly or partly.
(3) The decision on the application for the annullment shall be stipulated by the Chairman of Public Court not later than 30 (thiry) days as from the date of receipt of the application.
(4) Against the decision of Public Court, an application for appeal to the Supreme Court which decides in the first and last instances can be filed.
(5) The Supreme Court shall consider and decide the application for the appeal as meant in paragraph (4) not later than 30 (thirty) days after the date of receipt of the application for appeal by the Supreme Court.

CHAPTER VIII
TERMINATION OF TASKS OF ARBITRATOR
Article 73

The tasks of an arbitrator shall terminate because :

a. the decision on disputes has already been made;
b. the period determined in an arbitration agreement or after being extended by parties elapses; or
c. parties agree to withdraw the appointment of an arbitrator.

Article 74

(1) The death of one party shall not cause tasks which have already been assigned to an arbitrator to be finished.
(2) The period of assignment of an arbitrator as meant in Article 48 shall be delayed not later than 60 (sixty) days after the death of one party.

Article 75

(1) In the case of the death of an arbitrator, the sanctioning g of a denial indictment or the relief of one arbitrator or more, parties shall appoint substitute arbitrator (s).
(2) In the case of parties failing to reach an agreement on the appointment of the substitute arbitrator as meant in paragraph (1) within the period of 30 (thirty) days at the maximum, the Chairman of Public Court, at the request of interested parties, shall appoint one substitute arbitrator or more.
(3) The substitute arbitrator (s) shall have the task of continuing the settlement of the relevant disputes on the basis of the last conclusion already made.

CHAPTER IX
ARBITRATION FEES
Article 76

(1) Arbitrator(s) shall determine arbitration fees.
(2) The fees as meant in paragraph (1) shall cover :
    a. honorariums of arbitrator (s);
    b. travel expense and miscellaneous costs spent by arbitrator(s);
    c. costs of witnesses or expert witnesses needed in the examination of disputes; and
    d. administrative costs;

Article 77

(1) The arbitration fees shall be borne by the loser.
(2) In the case of only part of the indictment being sanctioned, the arbitration fees shall be charged equally to parties.

CHAPTER X
TRANSITIONAL PROVISION
Article 78

The settlement of disputes already filed to arbitrator(s) or arbitration institution upon the enforcement of this law, but they are not yet examined, shall be done on the basis of this law.

Article 79

The disputes already examined upon the enforcement of this law, but they are not yet decided, shall continue to be examined and decided on the basis of the provisions in this law.

Article 80

The disputes which have already been decided upon the enforcement of this law and whose decision has already secured permanent legal power, shall base the execution of its decision on this law.

CLOSING PROVISION
Article 81

Upon the enforcement of this law, the provisions on arbitration as meant in Article 615 up to Article 651 of the Regulation Civil Proceedings (Reglement op de Rechtvordering, Statute Book of 1847 No. 52), Article 377 of the Renewed Regulation of Indonesia (Het Herziene Indonesisch Reglement, Statute Book of 1941 No. 44) and Article 705 of the Regulation on No-Jave/Madura Proceedings (Rechstreglement Buitengwesten, Statute Book of 1927 No. 227) shall be declared null and void.

Article 82 ....

Article 82

This law shall come into force as from the date of promulgation.
For public cognizance, this law shall be promulgated by placing it in Statute Book of the Republic of Indonesia.

Promulgated in Jakarta
On August 12,1999
THE MINISTER OF STATE/SECRETARY
sgd
M U L A D I

Endorsed in Jakarta
On August 12,1999
THE PRESIDENT OF THE REPUBLIC
OF INDONESIA
sgd
BACHARUDDIN JUSUF HABIBIE

STATUTE BOOK OF THE REPUBLIC OF INDONESIA OF 1999 NO. 138

E L U C I D A T I O N
ON
LAW NO. 30/1999
CONCERNING
ARBITRATION AND DISPUTE SETTLEMENT ALTERNATIVE

GENERAL

The exercise of judicial power is entrusted to judicial institutions by referring to Law No. 14/1970 concerning the principle provisions on judicial power. The matter constitutes the principal and general frame laying down the basis and principles of judicature and reference to public, religious, military and public administration courts respectively regulated in separate laws.

Elucidation on Article 3 paragraph (1) of Law No. 14/1970 states, among others, that the out-of-court settlement of cases on the basis of reconciliation or arbitration is still allowed, but an arbitration decision only has the executorial power after securing a licence or order to be executed (executoir) from the court.

The bases for arbitration examination which has so far been used in Indonesia are Article 615 up to Article 651 of the Regulation Civil Proceedings (Reglement op de Rechtvordering, Statute Book of 1847 No. 52), Article 377 of the Renewed Regulation of Indonesia (Het Herziene Indonesisch Reglement, Statute Book of 1941 No. 44) and Article 705 of the Regulation on No-Jave/Madura Proceedings (Rechstreglement Buitengwesten, Statute Book of 1927 No. 227)

Arbitration institutions generally have advantages over judicial institutions. The advantages include :

a. the secrecy of disputes between parties is guaranteed;
b. any delay arising from procedural and administrative matters is avoidable;
c. parties can choose an arbitrator who according their belief has proper knowledge, experience and backgrounds in prooblems being disputed, is honest and fair;
d. parties can determine legal procedures for the settlement of the problems, as well as processses and places of the implementation of arbitration; and
e. the arbitration decision constitutes a decision binding parties and can be executed directly or through the simple procedure.

In fact, the above mentioned matters are not true entirely because in certain countries, the judicial process can be faster than the arbitration process. The one advantage of arbitration over the court is the secrecy because the decision is not published. Nonetheless, the settlement of disputes through arbitration still draw more interest than litigation, especially for international business contracts.

In line with the development of business entities, the flow of national and international trade and the development of laws in general, regulations contained in the Regulation on Civil Proceedings (Reglement op de Rechtvordering) used as the reference to arbitration are no longer suitable thus needing adjustment because international trade regulations have become conditio sine qua non, while the matters are not regulated in the Regulation on Civil Proceedings (Reglement op de Rechtvordering). In view of the condition, the time has come for the execution of principle amendment to the Regulation on Civil Proceedings (Reglement op de Rechtvordering) philosophically and substantially.

Arbitration regulated in this law is a method of out-of-court settlement of a dispute which is based on a written agreement between parties in dispute. Yet, arbitration can only be used for the settlement of disputes about rights which according to law are fully held by parties in dispute on the basis of their agreement, instead of all disputes.

Apart from that, the provision banning a woman to function as an arbitrator as meant in Article 617 paragraph (2) of the Regulation on Cil Proceedings (Reglement op de Rechtvordering) is no longer suitable to the development of conditions currently, and can no longer be maintained in the climate of freedom, which fully recognizes equal rights of women and men. Therefore, this law no longer mentions that a woman can not be appointed as an arbitrator. The whole matters are regulated in Chapter I on General Provisions.

Chapter II regulates alternative dispute settlement through consensus of parties in dispute. Alternative dispute settlement/alternative dispute resolution (ADR) is a dispute or divergent view settlement institution through the procedures agreed upon by parties, namely the out-of-court settlement by means of consultation, negotiation, mediation, conciliation or expert evaluation.

Chapter III ....

Chapter III gives a special summary of requirements which must be fulfilled for arbitration and requirements for the appointment of arbitrator(s) as well as regulating the denial right of parties in dispute.

Meanwhile, Chapter IV regulates the procedure for making a programme before the arbitration council and provides arbitrator(s) with possibilities of making provisional decisions or other ad interim decisions including to stipulate guarantee confiscation, to order the deposit of goods or to sell goods already damaged as well as to hear information from witnesses and expert witnesses.

Like a decision of the court, the word reading "FOR THE SAKE OF JUSTICE ON THE BASIS OF THE ALMIGHTY GOD" must also be mentioned in the head of an arbitration decision.

Moreover, other requirements effective for an arbitration decision are also mentioned in Chapter V.

Later, this chapter also regulates the possibilities of occurrence of a dispute about the authority of arbitrator(s), the execution of national and international arbitration decisions and rejection of orders to execute arbitration decisions by the Chairman of Public court at the first and last instances, and the Chairman of Public Court not examining reasons or considerations of arbitration decisions.

The matter is intended to prevent the occurence of protracted dispute settlement through arbitration. Unlike the public court process in which parties still can file an appeal to the higher court and appeal to the Supreme Court against the decision, in the process of dispute settlement through arbitration, legal proceedings of an appeal to the Supreme Court and review are not open.

In the framework of formulating the whole formal law, this law stipulates provisions on the execution of tasks of national and international arbitrator(s).

Chapter VI explains regulation on the execution of the decision at the same time in a package, so that this law can be operated to the extent of the execution of the decision connected with both national and international arbitration matters and that is justified by law.

Chapter VII regulates the annulment of arbitration decisions. The annulment is possible because of several reasons, among others :

a. letters or documents filed in the inspection, after the decision is made, are recognized as being fake or declared fake;
b. after the decision is made, decisive documents that the opposite party intentionally hides are found;
c. the decision is made from the results of deceit made by one party in the examination of disputes.

The application for the annulment of an arbitration decision is filed to the Chairman of Public Court and only an appeal to the Supreme Court deciding at the first and last instances can be filed against the decision of the Chairman of Public Court.

Subsequently, Chapter VIII regulates the termination of tasks of arbitrator(s), stating, among others, that the tasks of arbitrator(s) terminate because the period of assignment of arbitrator(s) has already elapsed or both parties agree to withdraw the appointment of arbitrator(s). The death of one party does not cause the tasks already assigned to arbitrator(s) to terminate.

Chapter IX of this law stipulates arbitration fees determined by arbitrator(s).

Chapter X regulates transitional provisions on disputes already submitted but they are not yet processed, decided, disputes which are in the process or have already been decided and have permanent legal power.

Meanwhile, Chapter XI stipulates that with the enforcement of this law, Article 615 up to Article 651 of the Regulation Civil Proceedings (Reglement op de Rechtvordering, Statute Book of 1847 No. 52), Article 377 of the Renewed Regulation of Indonesia (Het Herziene Indonesisch Reglement, Statute Book of 1941 No. 44) and Article 705 of the Regulation on No-Jave/Madura Proceedings (Rechstreglement Buitengwesten, Statute Book of 1927 No. 227) are declared null and void.

ARTICLE BY ARTICLE

Article 1 up to Article 9

Sufficiently clear

Article 10

Letters a and b

Sufficiently clear

Letter c

Novation means debt renewal

Letter d

Insolvency means in the condition of being unable to pay.

Letter e up to letter h

Sufficiently clear

Article 11

Sufficiently clear

Article 12

Paragraph (1)

Sufficiently clear

Paragraph (2)

The prohibition of officials as meant in this paragraph from acting as arbitrator (s) is intended to ensure objectivity in the examination and granting of a decision by arbitrator(s) or the arbitration council.

Article 13 ....

Article 13
Paragraph (1)

With the existence of this provision, a deadlock in practice can be avoided, in the case of parties not regulating properly and thoroughly programmes which must be executed in the appointment of an arbitrator.

Paragraph (2)
Sufficiently clear
Article 14 up to Article 23
Sufficiently clear
Article 24
Paragraph (1)

Before appointing arbitrator(s), parties have already considered possibilities which become reasons for the use of denial rights. If the relevant arbitrator(s) continues to be appointed by parties, the parties are considered not to use denial rights on the basis of facts that they know when appointing the arbitrator(s). However, new facts which are not known previously remain possible to appear, so as to entitle to parties to use their denial rights on the basis of the new facts.

Paragraph (2)
Sufficiently clear
Paragraph (3)

This paragraph stipulates the procedure for the submission of a denial indictment and the period.

The period is deemed necessary so as not to be hampered at any time with the existence of denial indictment.

Paragraph (4) up to paragraph (6)
Sufficiently clear
Article 25
Paragraph (1)

A decision of the Chairman of Public Court on a denial indictment binds both parties and the decision is final and a rejoinder can not be filed against it.

Paragraphs (2) and (3)
Sufficiently clear
Article 26
Paragraph (1) up to paragraph (4)
Sufficiently clear
Paragraph (5)

In the case of only one arbitrator being substituted, the examination can be continued on the basis of the existing accounts and letters by the available arbitrators.

Article 27

The provision that the examination is done behind closed doors deviates from the provision on civil proceedings effective in the Public Court which is in principle open to the public. The matter is to further affirm the secrecy of arbitration settlement.

Article 28
Sufficiently clear
Article 29
Paragraph (1)
Sufficiently clear
Paragraph (2)

Pursuant to the general provisions on civil proceedings, opportunities are given to parties to appoint proxies by special letter of authorization.

Article 30
Sufficiently clear
Article 31
Paragraph (1) and (2)
Sufficiently clear
Paragraph (3)

Parties can approve the place and period that they intend. In the case of they making no provision on the matter, the arbitrator or arbitration council determines.

Article 32
Sufficiently clear
Article 33
Letter a

"Special matter" means e.g. the existence of an ongoing lawsuit or incidental lawsuit outside the principle disputes, like the application for guarantees as meant in the Civil Proceedings Law.

Letters b and c
Sufficiently clear
Article 34
Paragraph (1)
Sufficiently clear

Paragraph (2) ....

Paragraph (2)

This paragraph gives freedom to parties to choose regulations and programmes to be used for the settlement of disputes between them, without having to use regulations and programmes from the arbitration institution chosen.

Article 35

Sufficiently clear

Article 36

Paragraph (1)

Sufficiently clear

Paragraph (2)

In principle, the arbitration programmes are done in writing. In the case of the existence of an agreement from parties, the examination can be done verbally.

Also statements from the expert witnesses as meant in Article 50 can be done verbally if deemed necessary by arbitrator(s) or the arbitration council.

Article 37

Paragraph (1)

The provision on the place of arbitration is important particularly in the case of the presence of elements of foreign laws and disputes becoming a dispute of international civil law. Commonly, the place where arbitration is executed can also determine the law which must be used for examining the disputes, if parties do not set it by themselves, arbitrator (s) can determine the place of arbitration.

Paragraph (2)

In paragraph (2) of this article, possibilities of hearing witnesses in places other than the place where the arbitration is executed, among others, due to the domiciles of witnesses, are allowed.

Paragraphs (3) and (4)

Sufficiently clear

Letter a

Sufficiently clear

Letter b

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

Letter c

Contents of an indictment must be clear and in the case of the indictment involding money, the exact amount must be mentioned.

Article 39 up to Article 41

Sufficiently clear

Article 42

Paragraph (1)

This article regulates reconvention indictment submitted by defendants.

Paragraph (2)

Sufficiently clear

Article 43

Pursuant to the Civil Proceedings Law, disputes become abortive in the case of the plaintiff failing to appear on the first day of examination.

Article 44 up to Article 47

Sufficiently clear

Article 48

Paragraph (1)

The determination of the period of 180 (one hundred and eighty) days as the period for arbitrator(s) to settle the relevant disputes through arbitration is to ensure the time certainty for the completion of arbitration examination.

Paragraph (2)

Sufficiently clear

Article 49 up to Article 51

Sufficiently clear

Article 52

Without a dispute, the arbitration institution can receive the request submitted by parties in an agreement to give a binding opinion about a problem connected with the agreement, e.g. the intrepretation of provisions which are less clear, supplement or amendment to provisions connected with the occurence of new conditions and others. With the opinion being given by the arbitration institution, both parties are bound to the opinion and one party acting on contrary to the opinion will be considered to violate the agreement.

Article 53 .....
(To be continued)

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ARBITRATION AND ALTERNATIVE
(Law No. 30/1999 dated August 12,1999)
(Continued from Business News No. 6421/6422 pages 12A - 17A)

Article 53 up to Article 55
Sufficiently clear

Article 56
Paragraph (1)

In principle, parties can make an agreement to determine that arbitrators in deciding a case are obliged to be based on legal provisions or in accordance with the sense of justice and appropriateness (*ex aequo et bono*).

In the case of the freedom to make a decision on the basis of justice and approprieteness being given to arbitrators, laws can be ignored. Yet, in certain cases, an forceable law *(dwigende regels)* must be applied and can not be ignored by arbitrators.

In the case of authority to make a decision on the basis of justice and approprieteness being not given to arbitrators, the arbitrators can only make a decision on the basis of norms of material laws as adopted by judges.

Paragraph (2)

Parties in dispute are given freedom to determine the laws to be adopted in the arbitration process. In the case of parties not determining other laws, the law adopted is local law where arbitration is executed.

Article 57
Sufficiently clear

Article 58

"Corrections to administrative mistakes" mean corrections to matters like typographical errors or mistakes in writing names, addresses of parties or arbitrators and others, which cause no change to the substance of a decision.

"To add or reduce indictment" means that one party can raise objection against a decision, in the case of the decision, among others :

a. already approving something not indicted by the opposite party;
b. not containing one or more matters asked to be decided; or
c. containing binding provisions which contradict one another.

Article 59
Sufficiently clear

Article 60

An arbitration decision constitutes a final decision and therefore, an appeal to the higher court, an appeal to the Supreme Court or review can not be filed.

Article 61
Sufficiently clear

Article 62
Paragraph (1) up to paragraph (3)
Sufficiently clear

Paragraph (4)

The Chairman of the Public Court does not examine reasons for or considerations of an arbitration decision to ensure that the decision is really independent, final and binding.

Article 63 up to Article 65
Sufficiently clear

Article 66
Letter a
Sufficiently clear

Letter b

The scope of the trade law covers, among others, activities in the following fields :

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

Letter c
Sufficiently clear

Letter d

An international arbitration decision can only be executed by a decision of the Chairman of the Central Jakarta Public Court in the form of an order to execute *(eksekuatur)*.

Letter e ....

Letter e
Sufficiently clear
Article 67 up to Article 69
Sufficiently clear
Article 70

Applications for annulment can only be filed against arbitration decisions already registered at the court. Reasons for the applications for annulment mentioned in this article must be proven by decisions of the court. In the case of the court stating that the reasons are proven or not proven, the court decision can be used as the basis for consideration by judges to approve or reject the application.

Article 71
Sufficiently clear
Article 72
Paragraph (1)
Sufficiently clear
Paragraph (2)

The Chairman of the Public Court is authorized to examine any indictment of annullment if asked by parties, and regulate consequences of the annulment of the whole or part of an arbitration decision.

The Chairman of the Public Court can decide that after reading out the annullment, the same arbitrators or other arbitrators will re-examine the relevant dispute or determine that a dispute is no longer possible to settle through arbitration.

Paragraph (3)
Sufficiently clear
Paragraph (4)

"Appeal" is only effective for the annulment of arbitration decisions as meant in Article 70.

Paragraph (5)
Sufficiently clear
Article 73 up to Article 82
Sufficiently clear

SUPPLEMENT TO STATUTE BOOK OF THE REPUBLIC OF INDONESIA NO. 3872

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COMMERCIAL BANKS
(Decision of the Board of Executive Directors of Bank Indonesia No. 32/33/KEP/DIR dated May 12,1999)

(Continued from Business News No. 6424/6245 pages 13A - 18A)

CHAPTER XI
CHANGE IN BUSINESS ACTIVITIES AND
OPENING OF SYARIAH BRANCH OFFICES
Part One
Licencing to change in business activities
Article 43

(1) Banks can only change business activities into business activities based on the Syariah principle by licences from the Board of Executive Directors of Bank Indonesia.
(2) Any plan for the change in business activities of banks as meant in paragraph (1) shall be mentioned in annual working plans of the banks.
(3) The granting of the licences as meant in paragraph (1) shall be made in two phases :
    a. principle approval, namely the approval of undertaking preparation for the change in business activities;
    b. licences to change business activities, namely licences to urdertake business activities of banks on the basis of the Syariah principle after the preparation as meant in letter a is finished.

Article 44

Applications for securing the principle approval as meant in Article 43 paragraph (3) letter a shall be submitted by boards of executive directors of banks to the Board of Executive Directors of Bank Indonesia according the model in Attachment 22 along with reasons for the change and shall be accompanied by the following documents :

a. draft amendments to articles of associations clearly mentioning that banks undertake business activities on the basis of the Syariah principle and placement and tasks of the Syariah Supervisory Board;
b. plans for organizational structure;
c. plans for the settlement of all rights and liabilities of banks to customers not ready to become customers of banks based on the Syariah principle.

d. working ....