

**Arbitrator: Negarawan Pengusung Postulat *Honeste Vivere*****Yudi Haliman^{*a}, Huala Adolf^b, Efa Laela Fakhriah^c, Tarsisius Murwadji^d**^{abcd} Faculty of Law, Universitas Padjadjaran, Bandung, Indonesia**Article Information****Abstract**

*Corresponding author E-mail

address: yudihaliman@gmail.com

Keywords: enforceability; decision; construction dispute board

DOI:

<https://doi.org/10.63400/balj.v1i2.15>

Received: 20/2/2025

Revised: 15/4/2025

Accepted: 30/4/2025

Available Online: 13/5/2025

© 2025 The Authors. Published by BANI Arbitration Center This is an open access article under the [CC BY license](https://creativecommons.org/licenses/by/4.0/)

The emergence of the Dispute Board in Indonesia through Law Number 2 of 2017 on Construction Services raises several challenges, including the complexity of the dispute resolution process, the unclear legal status of decisions, and the lack of recognition within the existing arbitration legal framework. Using a legal normative approach, this research explores the issue in the dispute resolution mechanism under the Law Number 2 of 2017, analyses the main obstacles, and formulates recommendations for improving the effectiveness of the Dispute Board. This research in particular emphasized the enforceability of the decision of the Construction Dispute Board. The method to this problems was to analyze the provisions under the Law. In addition this article also analyzed the main provision on the settlement of disputes, including the possibility of the legal recognition of the Dispute Construction Board in view of the institutional aspects under the Law No 30 of 1999 on Arbitration and Alternative Dispute Resolution. This article found that the complexity of the dispute resolution process through the Construction Dispute Board, along with the high cost and lack of clarity regarding the enforceability of judgments, creates uncertainty for the parties. This marred the decision of the Construction Dispute Board.

I. Introduction

In 2017, the government promulgated the Construction Services Law, namely Law Number 2 of 2017 on Construction Services, replacing Law Number 18 of 1999 on Construction Services.¹ The rationale behind the existence of Law Number 2 of 2017 on Construction Services is to take into account the national development goals that promote a just and prosperous society, in accordance with the values of the state's policy of Pancasila and the 1945 Constitution of the Republic of Indonesia.

The construction services sector is considered an important element in creating infrastructure that supports the socio-economic activities of the community, and therefore, the implementation of construction services must ensure order and legal certainty. Meanwhile, Law Number 18 of 1999 on Construction Services is considered no longer to fulfill the needs of good governance and the dynamics of developments in the implementation of construction services.

One of the innovations introduced by Law No. 2 of 2017 compared to the previous regulation, Law No. 18 of 1999, is of the provision on the out-of-court dispute resolution. The Law introduces the Dispute Board. This board was not known in the previous regulation on Construction Services. Article

¹ Andi Bayu Putra, "Analysis on construction services laws for civil engineering projects on building failures," *IOP Conference Series: Earth and Environmental Science* 426, no. 1 (1 Februari 2020): 1–6, <https://doi.org/10.1088/1755-1315/426/1/012041>.

88, paragraph (5) of the Construction Services Law provides that, in addition to mediation, conciliation, and arbitration, dispute resolution may also be conducted through a dispute board as one of the dispute resolution forum options.

Based on Article 88, paragraph (5) of Law Number 2 of 2017 on Construction Services, the Dispute Board is a team formed by agreement of the parties from the beginning of the construction work contract to prevent and mediate disputes that may arise in the implementation of the project. According to Sarwono Hardjomuljadi, differences in the interpretation of contract documents often lead to serious disputes.² In order to avoid time-consuming and costly arbitration or litigation, the Dispute Board is tasked with overseeing the project and mitigating differences in interpretation during project implementation, so that disputes do not occur. While making decisions or recommendations is part of the Dispute Board's responsibility, its top priority is to prevent disputes from occurring and maintain smooth project implementation.

The Dispute Board is a member of the project team whose role is to secure agreements between the parties involved and to handle disputes through a collaborative approach, as the Dispute Board's involvement begins from the time the initial contract is signed. If negotiations between the parties fail to resolve the dispute, it will be referred to the Dispute Board for resolution.

The presence of the Dispute Board in Law Number 2 of 2017 on Construction Services is actually part of the state's efforts to improve the welfare of citizens, especially stakeholders in the Construction Services sector, and will certainly have an impact on the entire community. This is expressly stated in Article 3 of the Law, which confirms that the implementation of Construction Services aims to direct the growth and development of the construction industry towards a strong, reliable, and highly competitive business structure, and to produce quality construction work. Other objectives include creating order in the implementation of Construction Services that guarantee equality between service users and service providers, increasing public participation in the sector, organizing the Construction Services system for public safety and environmental comfort, ensuring good governance in the implementation of Construction Services, and integrating added value from each stage in the process of providing Construction Services.

In the opinion of Sonyendah Retnaningsih and Rouli Anita Velentina, business dispute resolution needs to be done quickly and easily so that the costs incurred are relatively small, and the results can be accepted by all parties involved without causing new problems or prolonging the dispute.³ There are various methods that can be used to resolve business disputes, either through court (litigation) or out of court (non-litigation/alternative dispute resolution). However, it is preferable to settle business disputes through non-litigation means, even though this method often does not completely solve the problem. This is because, even if a dispute resolution agreement is reached, the agreement does not have binding force and therefore cannot compel the parties to implement it.

According to Sarwono Hardjomuljadi, the presence of the Dispute Board has the potential to prevent disputes that would otherwise need to be resolved through arbitration. Meanwhile, according to Huala Adolf, arbitration is interesting because it is a body, institution, or dispute resolution

² Martin Putri Nur Jannah dan Dewi Nurul Musjar, "Penyelesaian Sengketa Wanprestasi Akibat Keterlambatan Pelaksanaan Perjanjian Kongsruksi Bangunan," *UIR Law Review* 3, no. 2 (3 Maret 2020): 41–49, [https://doi.org/10.25299/uirrev.2019.vol3\(02\).3489](https://doi.org/10.25299/uirrev.2019.vol3(02).3489).

³ Sonyendah Retnaningsih dan Rouli Velentina, "Small Claims Court Mechanism in Business Dispute Resolution as an Attempt to Apply Fast-Track Basis in the District Courts and its Comparison with Some Countries," *Indonesian Journal of International Law* 16, no. 4 (30 Juli 2019): 531–75, <https://doi.org/10.17304/ijil.vol16.4.765>.

mechanism whose legal rules continue to develop in line with the development and practice of resolving increasingly complex trade disputes. Additionally, arbitration is interesting because there are many factors in its development that make the international community prefer this institution, making it a preferred dispute resolution body, institution, or mechanism by the international community.⁴

However, to date, the new institution of the "dispute board" has not functioned as expected, especially in terms of the enforceability of the Dispute Board's decisions. Under FIDIC 20.6 and 20.7, either or both parties may choose not to comply with the Dispute Board's decision, and if that happens, the other party or both parties may submit the dispute resolution to arbitration, where the decision is final and binding. Based on the problems that occur, this study is entitled, "**The Enforceability of the Decision of the Construction Dispute Board in Indonesia**", while the formulation of the problem in this study is how the Enforceability of the Decision of the Construction Dispute Board in Indonesia. Based on the formulation of the problem, the purpose of this study is to find out how the Enforceability of the Decision of the Construction Dispute Board in Indonesia.

The Dispute Board should be effective and provide legal certainty in its dispute resolution process. The effectiveness of the Dispute Board must be influenced by the five factors stated by Soerjono Soekanto. These factors include the existence of legal factors, law enforcement factors, facilities that support implementation, community factors, and cultural factors. In line with this effectiveness, in resolving construction disputes between parties, decisions from the Dispute Board must be final and binding and capable of execution. Based on this, parties obtain legal certainty from the decisions given by the Dispute Board.

This study is a new one, and it shares similarities with a study authored by Nurindria Naharista Vidyapramatya and colleagues, titled "Authority of the Dispute Council in the Resolution of Construction Disputes in Indonesia." As for the differences between this study and Nurindria Naharista Vidyapramatya's, it focuses more on discussing the power of the Dispute Board's decisions, whereas Nurindria Naharista Vidyapramatya's study emphasizes the authority of the Dispute Board. Additionally, this study also shares similarities with a study written by Dody Safnul, titled "Obligations of the Parties in The Settlement of Construction Services Contract Disputes Through Arbitration in a Legal Protection Approach." The main difference with this study is that Dody Safnul's work concentrates more on settling construction disputes through arbitration, while this paper focuses on the Dispute Board. Based on these two similar studies, this research focuses on discussing the power of decisions from the Dispute Board as regulated by Law Number 2 of 2017 concerning Construction Services.

II. Research Methods

This research applies a normative legal approach with a focus on a normative juridical approach, which includes the analysis of legislation and jurisprudence (court decisions) related to the construction services sector, the provision of such services, as well as arbitration and alternative dispute resolution practices. Data is collected through literature review or secondary data that includes primary, secondary, and tertiary legal materials, with literature study as the data collection method. The analysis is conducted using the descriptive method, which aims to explain the subject and object of research in detail in

⁴ Huala Adolf, "Hukum Internasional Sebagai Lex Causae oleh Badan Arbitrase Komersial Internasional," *Indonesian Journal of International Law* 1, no. 4 (12 Agustus 2021): 785–800, <https://doi.org/10.17304/ijil.vol1.4.568>.

accordance with the results of the research. Conclusions will be presented descriptively to provide a comprehensive and directed understanding of the research findings.

III. Analysis and Discussion

The development of liberalization in the construction services sector is an inevitable phenomenon for Indonesia as a member of the World Trade Organization (WTO) since 1994, in accordance with Law No. 7 of 1994.⁵ In addition, Indonesia has also ratified its participation in the ASEAN Free Trade Area (AFTA) through Presidential Decree No. 88 of 1995 on the Ratification of the ASEAN Framework Agreement on Services. In 2007, ASEAN member states reached an agreement on the ASEAN Charter and the ASEAN Economic Community Blueprint, which laid the foundation for the establishment of the ASEAN Economic Community in 2015. All WTO and AFTA members have committed to creating a win-win agreement by removing trade barriers, including in the construction services sector, with the aim of creating an environment of efficient trade and fair competition. Therefore, competition in the construction services business is now more widespread.

The construction services sector is generally considered a risky environment due to the large value of the projects and the involvement of many parties.⁶ These risks cover various aspects, including risks related to time, cost, and job performance. The involvement of multiple parties is also a risk in this sector.⁷ To carry out optimal planning and execution of construction projects, good coordination and cooperation among all parties involved are required.

The signing of a construction contract involves two main aspects, namely the legal aspect and the business aspect.⁸ It is important to review and evaluate the draft construction contract from these two perspectives because of the important role it plays in risk sharing between both parties. For a company, drafting a construction contract becomes a strategic step to protect the company's interests, both in terms of legal and business aspects, with the aim of reducing potential losses.

The Construction Contract is one type of innominate contract. Innominate agreements or contracts are agreements that arise, grow, live, and develop in the practice of community life.⁹ This innominate agreement was not recognized at the time the Civil Code was enacted. Although not specifically regulated in the Civil Code, the existence and development of these contracts provide a unique dimension within the scope of civil law. Broadly speaking, the regulations regarding contracts can be found in Article 1319 of the Civil Code, which states that, "All agreements, whether they have a specific denomination or are not identified with a particular denomination, are subject to the general regulations contained in this chapter and other chapters." Based on the provisions of Article 1319 of the Civil Code, every agreement, whether it has a special identity or is innominate in the Civil Code, is not only bound by the regulations governing it but also obliged to comply with the provisions in the Civil Code. This includes the principles of the law of engagement that are generally recognized in the field of Civil Law.

⁵ Suhartono, "Sektor Konstruksi Nasional dan Perubahan Undang-Undang Nomor 18 Tahun 1999 tentang Jasa Konstruksi," *Jurnal Ekonomi & Kebijakan Publik* 3, no. 1 (2012): 91–107, <https://doi.org/10.22212/jekp.v3i1.175>.

⁶ G Nursetyo, "Kajian Manajemen Risiko Bisnis Jasa Konstruksi," *Jurnal Teknik Sipil dan Arsitektur* 16, no. 20 (2015): 1–12.

⁷ Deden Matri Wirabakti, Rahman Abdullah, dan Andi Maddeppungeng, "Studi Faktor-Faktor Penyebab Keterlambatan Proyek Konstruksi Bangunan Gedung," *Jurnal Konstruksia* 6, no. 1 (2014): 15–29, <https://doi.org/10.24853/jk.6.1.%25p>.

⁸ Rian Heriawan dan Basuki Anondho, "Faktor Aspek Legal Dominan yang Mempengaruhi Proyek Konstruksi di Pedesaan," *JMTS: Jurnal Mitra Teknik Sipil* 2, no. 3 (30 Oktober 2019): 199–208, <https://doi.org/10.24912/jmts.v2i3.5829>.

⁹ Azahery Insan Kamil, Pandji Ndaru Sonatra, dan Nico Pratama, "Hukum Kontrak dalam Perspektif Komparatif (Menyorot Perjanjian Bernama Dengan Perjanjian Tidak Bernama)," *Jurnal Serambi Hukum* 8, no. 2 (2014): 138–51.

Some of the aspects contained in a construction contract include technical aspects, which encompass general and specific contract requirements, technical specifications, and related drawings. Contract documents specifically outline technical aspects, such as the scope of work, period of implementation, method of implementation, implementation schedule, and method or method of measurement. Second, the legal aspects consist of several matters, such as temporary delays in the implementation of the work, completion or termination of the contract, responsibility for compensation due to delay, dispute resolution, emergency conditions, determination of applicable law, determination of language in the contract, domicile location, and other factors that can override the provisions of Article 1266 of the Civil Code regarding termination of the agreement through the court.

The written agreement of a construction contract covers technical, administrative, legal, financial/banking, taxation, and socio-economic aspects.¹⁰ In the substance of the Agreement Letter, which is prepared to regulate legal relations in the construction services industry, generally follows the pattern or systematization of agreements in accordance with those regulated in the Civil Code. In addition, the agreement must also fulfill the principles in the Law of Obligations.

The principles of the law of engagement applicable in Civil Law should be reflected in the Construction Contract, from the pre-contractual stage, formation/drafting, to implementation.¹¹ Documents that complement the Letter of Agreement include technical aspects outlined in the Annexes to the General Conditions and Special Conditions associated with the Letter of Agreement or Contract. The substance refers not only to scientific and technological concepts or theories but also to management and procedures involving the pre-contractual stage, contract formation, and contract execution.

The principles of civil law reflected in a construction contract highlight the importance of the elements of a construction work contract. These elements are regulated in Law Number 2 of 2017 on Construction Services, which confirms that a construction contract must involve parties, namely service users and service providers, with the main object of the agreement being construction activities.¹² After these elements are fulfilled, the final step is to draft a contract agreement through a document that regulates the legal relationship between service users and service providers.¹³ The contract agreement is also the basis for the parties to carry out their work in the field of construction.

The implementation of construction work is a collaboration between the party that uses construction services and the party that provides these services.¹⁴ The success of a construction project is highly dependent on the contributions made by all parties involved in the project. The interaction between service users and construction service providers is a legal relationship that arises through an agreement between them. The agreement between the user and the construction service provider is referred to as a Construction Contract, the definition of which has been clearly regulated in Article 1 point 5 of Law Number 2 of 2017 on Construction Services. A Construction Contract refers to all

¹⁰ Sri Redjeki Slamet, "Kesempurnaan Kontrak Kerja Konstruksi," *Lex Jurnalica* 13, no. 3 (2016): 191–208, <https://doi.org/10.47007/lj.v13i3.1773>.

¹¹ Niru Anita Sinaga, "Peranan Asas-Asas Hukum Perjanjian dalam Mewujudkan Tujuan Perjanjian," *Binamulia Hukum* 7, no. 2 (2018): 107–20, <https://doi.org/10.37893/jbh.v7i2.20>.

¹² Herman Herman et al., "Analisis Kritis Terhadap Daya Batas Asas Kebebasan Berkontrak dalam Kitab Undang-Undang Hukum Perdata," *PAMALI: Pattimura Magister Law Review* 2, no. 1 (2022): 61–76, <https://doi.org/10.47268/pamali.v2i1.819>.

¹³ Johan Oberlyn Simanjuntak et al., "Analisa Kontrak Proyek Konstruksi Di Indonesia," *Jurnal Visi Eksakta* 2, no. 2 (2021): 205–14, <https://doi.org/10.51622/eksakta.v2i2.394>.

¹⁴ Makale Bilgi, Anahtar Kelimeler, dan Asli Edim, "The Effect of the Death of One of the Parties on the Execution of Primary Obligations in Construction, Attorney and Employment Contracts," *Inonu University Law Review* 13, no. 2 (2022): 323–39.

contract documents that regulate the legal relationship between service users and service providers in the implementation of Construction Services. This document becomes the main basis that includes rules regarding work relations, rights, obligations, and responsibilities of each party, including an explanation of the scope of work and other requirements related to the execution of construction projects.¹⁵

The parties involved in a construction contract, both service users and service providers, represent different interests, and each party will endeavor to protect its own interests in the execution of the project. As a result, there is often negotiation between the parties to the contract, which starts from the planning stage of the contract until after the contract is formed, or in other words, an ongoing negotiation from start to finish. This situation makes construction contracts a unique phenomenon, where the negotiation process is continuous throughout the course of the project.

Based on reality, Priyatna Abdurrasyid argues that not all negotiations between parties are always successful in reaching a mutual agreement.¹⁶ This is due to the complexity and high sensitivity of the construction services industry, where almost every activity often involves claims that have the potential to develop into disputes. The elements in a construction services dispute are closely related to the construction agreement agreed upon by the parties beforehand. A construction contract is a written agreement that covers various aspects, including technical, administrative, legal, financial/banking, taxation, and socio-economic. All these aspects influence each other and together determine the success or failure of contract implementation.¹⁷ Contract implementation requires careful handling. One aspect that often leads to disputes is technical. By elaborating on each aspect of the contract, the document not only becomes an operational basis but also a legal instrument that must be carried out responsibly by the parties.

As for overcoming the problem of construction service disputes, the Government of Indonesia reformed Law No. 18 of 1999 on Construction Services into Law No. 2 of 2017 on Construction Services. The Government of Indonesia also added an out-of-court dispute resolution process. This change includes the addition of a new element, namely the Dispute Board, which was not previously regulated in the Construction Services Law.

The presence of a Dispute Board in infrastructure development or construction processes is important. Based on the explanation of Article 88, paragraph (5) of Law Number 2 of 2017 on Construction Services, the dispute board is a team formed based on the agreement of the parties from the beginning of the binding of construction services to prevent and mediate disputes arising in the implementation of construction work contracts. Broadly speaking, the function of the dispute board is to prevent and resolve disputes by providing professional and non-binding advice and considerations. However, if dispute prevention efforts are unsuccessful and a dispute occurs during the contract period, the dispute board is responsible for resolving the dispute by issuing a formal decision that is final and binding. The dispute board's legal standing is tied to the tripartite agreement that governs the legal relationship between the service user, service provider, and dispute board members.

¹⁵ Karolus E. Lature, "Analisis Penyelesaian Sengketa Konstruksi di Indonesia," *Legislasi Indonesia* 15 No. 3, no. 30 (2016): 1–23, <https://doi.org/10.54629/jli.v15i3.218>.

¹⁶ Agus Priambodo, "Mekanisme Penyelesaian Sengketa Konstruksi Menurut Undang-Undang Nomor 2 Tahun 2017 tentang Jasa Konstruksi," *Iblam Law Review* 1, no. 3 (2021): 173–83, <https://doi.org/10.52249/ilr.v1i3.49>.

¹⁷ I Wayan Adnyana, "Legal Implications Period of Liability for Building Failure in Construction Services: A Case in Indonesia," *The International Journal of Social Sciences World* 3, no. 2 (2021): 257–62, <https://doi.org/10.5281/zenodo.5598382>.

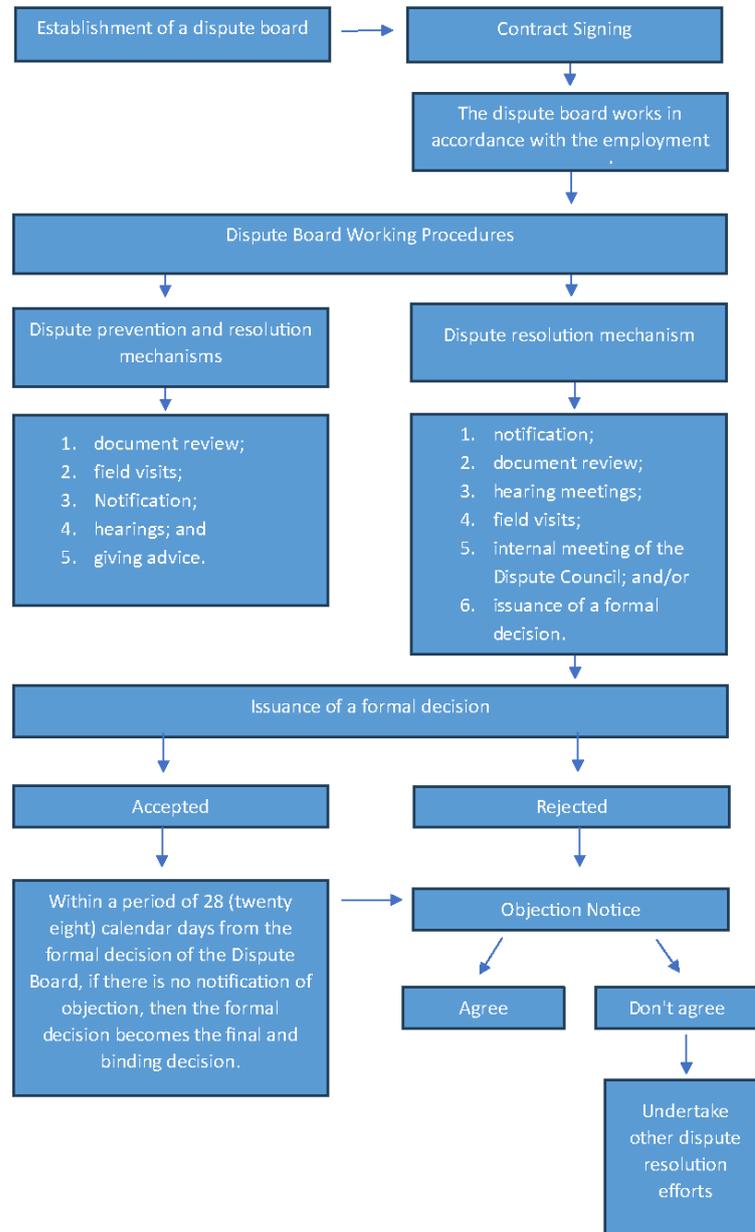
The parties, as described in the definition of the dispute board and Law Number 2 of 2017 on Construction Services, refer to service users and construction service providers as described in Article 39, paragraph (1) of the Law. In the context of the implementation of construction work related to Article 39, paragraph (1) of Law Number 2 of 2017 on Construction Services, there are several key actors, namely service providers and service users. Construction service users, as described in Article 1, Point 5 of the Law, refer to the owner or employer who utilizes Construction Services, while service providers, as described in Article 1, Point 6, refer to the provider of Construction Services. From the definition of the parties listed in Article 1, Points 5 and 6 of Law Number 2 of 2017 on Construction Services, a construction dispute may arise if one of the parties feels aggrieved or objects to the agreed construction contract.

The provisions stipulated in Law No. 2/2017 on Construction Services emphasize the importance of dispute resolution through mechanisms outside the court process. Specifically, Article 88 does not include the phrase "court" as part of the norms governing construction dispute resolution. Article 88 provides options for parties involved in a construction work contract to resolve disputes through various agreed alternatives. Some of these options include arbitration, as well as more innovative dispute resolution approaches such as mediation, conciliation, and the use of Dispute Boards. With reference to Article 88, the underlying principle in the Construction Services Law is dispute resolution in the spirit of deliberation, where agreement is reached based on the goodwill of all parties, with a focus on resolving disputes without involving litigation.

Based on the spirit of deliberation and consensus to resolve construction disputes that occur, Government Regulation Number 20 of 2020 concerning Implementation Regulations of Law Number 2 of 2017 concerning Construction Services and Minister of Public Works and Public Housing Regulation Number 11 of 2021 concerning Procedures and Technical Guidelines for the Dispute Board were issued. These implementing regulations are then carried out by the Ministry of Public Works and Public Housing of the Republic of Indonesia in implementing the dispute board as a dispute resolution method with the intention of simplifying the process, achieving favorable results efficiently and quickly, and giving priority to solutions that are beneficial to all parties.

As for Article 16 of the Regulation of the Minister of Public Works and Housing No. 11 of 2021 on the Procedures and Technical Guidelines of the Dispute Board, it is explained that in the situation of disputes between the parties involved, the settlement is regulated through a process of notification, document review, hearings, meetings, site visits, internal meetings by the Dispute Board, and/or the formation of formal decisions. However, although the process is simplified, no legal guarantees are provided regarding its implementation. This weakness is reflected in Article 22, paragraph (2) of the Minister of Public Works and Public Housing Regulation Number 11 of 2021 concerning Procedures and Technical Guidelines for the Dispute Board, and Article 95, paragraph (2) of Government Regulation No. 20 of 2020 on the Implementation Regulation of Law No. 2 of 2017 on Construction Services, which states that if no objection is received within 28 days of the decision of the dispute board, then the decision is considered final and binding for both parties. However, although the decision of the dispute board is considered final and binding, there is no further explanation regarding the implementation of the final and binding nature in Law No. 2/2017 on Construction Services, Government Regulation No. 20/2020 on the Implementation Regulations of Law No. 2/2017 on Construction Services, or Regulation of the Minister of Public Works and Public Housing No. 11/2021

on Procedures and Technical Guidelines for the Dispute Board. As for a better understanding related to the Dispute Board decision procedure, it is described as follows.



Source: Regulation of the Minister of Public Works and Public Housing Number 11 of 2021 concerning Procedures and Technical Guidelines for the Dispute Board.

The dispute resolution procedure through the Dispute Board, as depicted in the figure above, proved to be quite complex and time-consuming, resulting in high costs incurred by the parties involved. Moreover, although the Dispute Board is considered as one of the non-litigation resolution methods for construction disputes, in the context of Indonesian law, it is not considered as a valid alternative to resolve disputes. Based on this, to avoid misinterpretation, Law No. 30/1999 on Arbitration and Alternative Dispute Resolution affirms that alternative dispute resolution only includes consultation, negotiation, mediation, conciliation, or expert judgment. This expressly states that the resolution of

construction disputes through Dispute Boards in Indonesia is not included in the choice of Arbitration and Alternative Dispute Resolution forum.

The implication related to legal provisions that do not specifically regulate Dispute Boards in Indonesia is that there is no clarity related to the strength of the decisions held by Dispute Boards. As compared to the final and binding nature of arbitration decisions, as explained in Article 60 of Law No. 30/1999 on Arbitration and Alternative Dispute Resolution, this is a central and essential feature of the arbitration process. In addition, the next article confirms that when the disputing parties do not agree to voluntarily comply with the arbitral decision, enforcement will be held by order of the President of the District Court after an appeal from one of the disputing parties. This mechanism is set out in Law No. 30/1999 on Arbitration and Alternative Dispute Resolution, which provides a framework for registering arbitral decisions with the District Court so as to confer executive authority on such decisions.

The registration of arbitral awards, particularly in Indonesia, is intended to prevent one of the disputing parties from refusing to comply with the terms of the award and to give the injured party the opportunity to seek assistance from the District Court in enforcing the award. Such execution proceedings become unnecessary if both parties to the dispute voluntarily comply with the terms of the award. As such, execution is considered a measure of last resort, and its implementation should be based on the principles of humanity and justice as reflected in the values of Pancasila.

Based on the comparison of dispute resolution through arbitration, there is still a lack of clarity regarding the decision of the dispute board and there is no clarity regarding the process of registering the decision of the dispute board in court. Although the decision of the dispute board is considered final and binding, this implies that it cannot be challenged, appealed, or reviewed, and becomes an agreement between the parties. However, in reality, the dispute board does not have executive powers, so the failure of one party to comply with the terms of the decision may result in a violation of the other party's rights, whereby the enforcement of the dispute board's decision is deemed to have no legal guarantees even though it is considered final and binding.

IV. Conclusion

The Dispute Board plays an important role in resolving disputes in the Indonesian construction sector, which is regulated by Law No. 2 of 2017 concerning Construction Services. However, there are several challenges faced by the Dispute Board, including complicated processes, high costs, and uncertainty regarding law enforcement. Apart from this, the legal status of the Dispute Board is still unclear when examined through Law No. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution. Based on this, to overcome these challenges, more massive regulatory and awareness reforms are needed. Updating laws, increasing accessibility, and encouraging transparency can increase trust and effectiveness. Strengthening the Dispute Board is critical to encouraging sustainable infrastructure development and ensuring a stable business environment in the Indonesian construction industry.

References

Journals

- Adnyana, I Wayan. "Legal Implications Period of Liability for Building Failure in Construction Services: A Case in Indonesia." *The International Journal of Social Sciences World* 3, no. 2 (2021): 257–62. <https://doi.org/10.5281/zenodo.5598382>.
- Adolf, Huala. "Hukum International Sebagai Lex Causae oleh Badan Arbitrase Komersial Internasional." *Indonesian Journal of International Law* 1, no. 4 (12 Agustus 2021): 785–800. <https://doi.org/10.17304/ijil.vol1.4.568>.
- Bilgi, Makale, Anahtar Kelimeler, dan Asli Edim. "The Effect of the Death of One of the Parties on the Execution of Primary Obligations in Construction, Attorney and Employment Contracts." *Inonu University Law Review* 13, no. 2 (2022): 323–39.
- Hazmi, Raju Moh, Asep Saepudin Jahar, dan Nurul Adhha. "Construction of Justice, Certainty, and Legal Use in the Decision of the Supreme Court Number 46 P/HUM/2018." *Jurnal Cita Hukum* 9, no. 1 (30 Maret 2021): 158–78. <https://doi.org/10.15408/jch.v9i1.11583>.
- Heriawan, Rian, dan Basuki Anondho. "Faktor Aspek Legal Dominan yang Mempengaruhi Proyek Konstruksi di Pedesaan." *JMTS: Jurnal Mitra Teknik Sipil* 2, no. 3 (30 Oktober 2019): 199–208. <https://doi.org/10.24912/jmts.v2i3.5829>.
- Herman, Herman, Heri Tahir, Ririn Nurfaathirany Heri, dan Firmansyah Firmansyah. "Analisis Kritis Terhadap Daya Batas Asas Kebebasan Berkontrak dalam Kitab Undang-Undang Hukum Perdata." *PAMALI: Pattimura Magister Law Review* 2, no. 1 (2022): 61–76. <https://doi.org/10.47268/pamali.v2i1.819>.
- Insan Kamil, Azahery, Pandji Ndaru Sonatra, dan Nico Pratama. "Hukum Kontrak dalam Perspektif Komparatif (Menyorot Perjanjian Bernama Dengan Perjanjian Tidak Bernama)." *Jurnal Serambi Hukum* 8, no. 2 (2014): 138–51.
- Jannah, Martin Putri Nur, dan Dewi Nurul Musjtar. "Penyelesaian Sengketa Wanprestasi Akibat Keterlambatan Pelaksanaan Perjanjian Konstruksi Bangunan." *UIR Law Review* 3, no. 2 (3 Maret 2020): 41–49. [https://doi.org/10.25299/uirrev.2019.vol3\(02\).3489](https://doi.org/10.25299/uirrev.2019.vol3(02).3489).
- Lature, Karolus E. "Analisis Penyelesaian Sengketa Konstruksi di Indonesia." *Legislasi Indonesia* 15 No. 3, no. 30 (2016): 1–23. <https://doi.org/10.54629/jli.v15i3.218>.
- Nursetyo, G. "Kajian Manajemen Risiko Bisnis Jasa Konstruksi." *Jurnal Teknik Sipil dan Arsitektur* 16, no. 20 (2015): 1–12.
- Priambodo, Agus. "Mekanisme Penyelesaian Sengketa Konstruksi Menurut Undang-Undang Nomor 2 Tahun 2017 tentang Jasa Konstruksi." *Iblam Law Review* 1, no. 3 (2021): 173–83. <https://doi.org/10.52249/ilr.v1i3.49>.
- Putra, Andi Bayu. "Analysis on construction services laws for civil engineering projects on building failures." *IOP Conference Series: Earth and Environmental Science* 426, no. 1 (1 Februari 2020): 1–6. <https://doi.org/10.1088/1755-1315/426/1/012041>.
- Retnaningsih, Sonyendah, dan Rouli Velentina. "Small Claims Court Mechanism in Business Dispute Resolution as an Attempt to Apply Fast-Track Basis in the District Courts and its Comparison with Some Countries." *Indonesian Journal of International Law* 16, no. 4 (30 Juli 2019): 531–75. <https://doi.org/10.17304/ijil.vol16.4.765>.

- Simanjuntak, Johan Oberlyn, Bartholomeus, Salomo Simanjuntak, Partahi Lumbangaol, dan Astri Agnes. "Analisa Kontrak Proyek Konstruksi di Indonesia." *Jurnal Visi Eksakta* 2, no. 2 (2021): 205–14. <https://doi.org/10.51622/eksakta.v2i2.394>.
- Sinaga, Niru Anita. "Peranan Asas-Asas Hukum Perjanjian Dalam Mewujudkan Tujuan Perjanjian." *Binamulia Hukum* 7, no. 2 (2018): 107–20. <https://doi.org/10.37893/jbh.v7i2.20>.
- Slamet, Sri Redjeki. "Kesempurnaan Kontrak Kerja Konstruksi." *Lex Journalica* 13, no. 3 (2016): 191–208. <https://doi.org/10.47007/lj.v13i3.1773>.
- Suhartono. "Sektor Konstruksi Nasional dan Perubahan Undang-Undang Nomor 18 Tahun 1999 tentang Jasa Konstruksi." *Jurnal Ekonomi & Kebijakan Publik* 3, no. 1 (2012): 91–107. <https://doi.org/10.22212/jekp.v3i1.175>.
- Wirabakti, Deden Matri, Rahman Abdullah, dan Andi Maddeppungeng. "Studi Faktor-Faktor Penyebab Keterlambatan Proyek Konstruksi Bangunan Gedung." *Jurnal Konstruksia* 6, no. 1 (2014): 15–29. <https://doi.org/10.24853/jk.6.1.%25p>.