


Legal Frameworks for Setting Aside Arbitral Awards in Taiwan and Indonesia: A Cross-Country Analysis

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Abstract

Introduction: Arbitration awards are one of the effective ways to resolve international business disputes. However, as in other countries, in Taiwan and Indonesia, arbitral awards may be annulled under certain conditions.

Purposes of the Research: This study aims to conduct a cross-country analysis of the legal framework used to annul arbitral awards in Taiwan and Indonesia and evaluate the differences and similarities between the two countries.

Methods of the Research: The research method used is normative legal research with a statutory approach.

Results Main Findings of the Research: The results showed significant differences in the legal framework used to annul arbitral awards in Taiwan and Indonesia. In Taiwan, courts have broad authority to annul arbitral awards, whereas in Indonesia, courts can only annul arbitral awards under certain conditions. However, the two countries have similarities in the mechanism for the annulment of arbitral awards, such as the submission of annulment requests to the courts and the requirements and time limits that must be met to apply for an annulment.

Keywords: Legal Frame Works; Arbitral Award; Annulment.

Submitted: 2025-03-12

Revised: 2025-07-24

Accepted: 2025-07-28

Published: 2025-07-31

How To Cite: Wahyudi Umar, Rasmuddin, Ismi Fadrijah Hamzah, and Matthias Wetzel. "Legal Frameworks for Setting Aside Arbitral Awards in Taiwan and Indonesia: A Cross-Country Analysis." *Batulis Civil Law Review* 6 no. 2 (2025): 96-105. <https://doi.org/10.47268/ballrev.v6i2.2938>

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INTRODUCTION

In arbitration, there are two important features, one of which is the finality of the award. Although arbitral awards are considered final after being issued by the arbitral tribunal, in most jurisdictions, arbitral awards are still subject to a system of court oversight. If an arbitral award is submitted, one of the parties may seek to have it annulled, while the other party may request its enforcement in the supervising court system.¹ Therefore, the annulment of arbitral awards is an important and exciting phenomenon to be researched in Indonesia, considering that arbitration practices are increasingly used to resolve business disputes in Indonesia. One of the attractive advantages of using arbitration is the guaranteed confidentiality of the proceedings, as there is no obligation to make public decisions like in national courts. This means that the decision in arbitration does not need to be publicly announced like in regular courts.² This is because arbitration is a mechanism for resolving

¹ Sujayadi Sujayadi, "Interaction Between The Setting Aside Of An Award And Leave For Enforcement," *Yuridika* 30, no. 2 (2015): 333-51, <https://doi.org/10.20473/ydk.v30i2.4661>.

² Sefriani, "Investment Arbitration Bagi Negara Berkembang Dan Terbelakang," *Yustisia Jurnal Hukum* 2, no. 2 (2013), <https://doi.org/10.20961/yustisia.v2i2.10186>.

disputes arising from contracts. The arbitration process is established when both parties agree to settle their dispute through the guidance of an arbitration panel.³

The importance of annulling arbitral awards in Indonesia has risen as arbitration becomes more common, particularly in terms of maintaining legal certainty and boosting investor trust in arbitration as a successful and efficient alternative for resolving disputes. The issue of annulment of arbitral awards in Indonesia can also have an impact on investor confidence in the arbitration system in Indonesia.⁴ Investor confidence in the arbitration system is crucial in strengthening investment and business development in Indonesia. If investors do not trust the existing arbitration system in Indonesia, they may choose to resolve business disputes abroad, which can hurt the Indonesian economy.⁵ The Indonesian Law Number 30 of 1999 on Arbitration and Alternative Dispute Resolution and The Arbitration Law of ROC in Taiwan both specify the conditions for a district court to annul an arbitral award.

Despite the Arbitration Law in Indonesia, there have been numerous cases where district courts have annulled arbitral awards. Such cases suggest district court decisions to annul arbitral awards are often subjective and unclear.⁶ Many parties also feel that district courts are not impartial and tend to favor parties in their jurisdiction. Two South Jakarta District Court decisions (529/Pdt.G.ARB/2018/PN.Jkt.Sel and 564/Pdt.G/2011/PN.Jkt.Sel) made incorrect rulings that did not follow Article 70 of the Arbitration Law. Still, the Supreme Court later overturned the latter decision.

In various cases, including in Indonesia and Taiwan, arbitration awards have been invalidated by the Supreme Court due to tribunals applying equitable principles that ignored the parties' chosen applicable law.⁷ Seeing the phenomenon, the author will conduct a cross-country analysis of the legal framework used to annul arbitral awards in Taiwan and Indonesia and evaluate the differences and similarities between the two countries in this regard.

METHODS OF THE RESEARCH

This study uses doctrinal legal research with a statute, conceptual and comparative approach. It uses primary legal materials that are authoritative and binding, such as laws and regulations, and secondary legal materials. This study uses legal interpretation techniques as analysis techniques.

RESULTS AND DISCUSSION

A. The Legal Frameworks for Setting Aside Arbitral Awards Based on Indonesia Arbitration Law

³ Y Sogar Simamora, Sujayadi, and Yuniarti, "Binding Effect of Arbitration Clause to Third Parties: Privity of Contract Doctrine Vs. Piercing The Corporate Veil," *Yuridika* 33, no. 1 (2018): 171, <https://doi.org/10.20473/ydk.v33i1.7256>.

⁴ Panusun Harahap, "The Implementation of International Arbitration Decisions in Indonesia and Some Foreign Countries," *Yuridika* 34, no. 1 (2019): 116, <https://doi.org/10.20473/ydk.v34i1.11402>.

⁵ Grasia Kurniati, "Studi Perbandingan Penyelesaian Sengketa Bisnis Dan Implementasinya Antara Lembaga Badan Arbitrase Nasional Indonesia Dan Singapore International Arbitration Centre," *Jurnal Ilmiah Hukum De'Jure* 1, no. 2 (2016): 201-34.

⁶ Siti Chadijah, "Problematika Pembatalan Putusan Arbitrase Oleh Pengadilan (Studi Kasus : Pt Geo Dipa Energi (Persero) Dengan Pt Bumigas Energi)," *Rechtsregel : Jurnal Ilmu Hukum* 2, no. 1 (2019): 479-94, <https://doi.org/10.32493/rjih.v2i1.2982>.

⁷ Angela Y Lin and Nigel N T Li, "Arbitration in Taiwan, the Republic of China," *International Commercial Arbitration* 1, no. 1 (2013): 1-19.

The agreement's arbitration clause specifies that the decision made by the arbitrator is conclusive and obligatory. However, parties can appeal to the arbitrator if errors are found. The process is outlined in Article 58 of Law Number: 30/1999 and must be done within 14 days of the award.⁸ To account for potential errors in the arbitral award, the law includes a clause allowing for the award's annulment. Although the arbitral award is viewed as conclusive and obligatory, the parties have the option to pursue an annulment of the award if needed.⁹ To nullify a decision made by an arbitrator, one must request the Chief Justice of the District Court. If there is a need to appeal the District Court's ruling, the only option is to go to the Supreme Court, where the final decision will be made.¹⁰ Under Article 70 of the law, parties are permitted to request the annulment of an arbitral award if they believe the award contains certain elements. Grounds for challenging an arbitration award include false documents, hidden evidence, and deceit by one party during the dispute examination.

The explanation provided by the Arbitration Law lays out standards detailing the necessary qualifications for an individual seeking to annul an arbitral award.¹¹ Registration of the arbitral award with the Court is the first step that needs to be taken.¹² Approval from the Chief Justice of the Judgment is necessary for the reasons behind the annulment application. Court decisions explaining the annulment of an arbitral award are not included in the application.¹³ According to the Arbitration Law, an application for annulment must be submitted within 30 days of the award's registration, and the Court has 60 days to determine the grounds for the application. Nevertheless, some individuals struggle to enforce these provisions and believe they conflict with the principle of *lex non cogit impossibilia*.¹⁴ To nullify an arbitral award, it is necessary to submit an "application," although, a claim for an arbitral award is often submitted in the form of a lawsuit.¹⁵ The parties are relieved of the obligation to register the award with the Court within 30 days, as this becomes the responsibility of the arbitrator.¹⁶ During a hearing, the Court's role is restricted to assessing the validity of the decision-making process in the dispute, such as appointing arbitrators and applying the law. If an arbitral award has not been registered, it cannot be enforced by the Court's Chief Justice. Once registered, the party who did not comply with the arbitral award may be executed. Identifying the District Court that holds jurisdiction over the nullification of an arbitral award is crucial. "*District Court means the District Court having jurisdiction over Respondent.*" (Article 1(4)) "*The Respondent is the party opposing the Claimant in the resolution of the dispute by arbitration.*" (Article 1(6)).

⁸ S Sujayadi, "Patologi Dalam Arbitrase Indonesia: Ketentuan Pembatalan Putusan Arbitrase Dalam Pasal 70 Uu No. 30/1999," *ADHAPER: Jurnal Hukum Acara Perdata*, 2015, <http://jhaper.org/index.php/JHAPER/article/view/19%0Ahttps://jhaper.org/index.php/JHAPER/article/download/19/25>.

⁹ Mosgan Situmorang, "Pembatalan Putusan Arbitrase," *Jurnal Penelitian Hukum De Jure* 20, no. 4 (2020): 573, <https://doi.org/10.30641/dejure.2020.v20.573-586>.

¹⁰ Ilhami Ginang Pratidina, "Interpretasi Mahkamah Agung Terhadap Alasan Pembatalan Putusan Arbitrase Dalam Pasal 70 Uu No. 30/1999," *Yuridika* 29, no. 3 (2014): 310–29, <https://doi.org/10.20473/ydk.v29i3.374>.

¹¹ Tri Aripurabowo and R. Nazriyah, "Pembatalan Putusan Arbitrase Oleh Pengadilan Dalam Putusan Mahkamah Konstitusi Nomor 15/PUU-XII/2014," *Jurnal Konstitusi* 14, no. 4 (2018): 701, <https://doi.org/10.31078/jk1441>.

¹² Muhammad Andriansyah, "Pembatalan Putusan Arbitrase Nasional Oleh Pengadilan Negeri," *Jurnal Cita Hukum* 2, no. 2 (2014), <https://doi.org/10.15408/jch.v1i2.1472>.

¹³ Mieke Komar Kantaatmadja, "National Court and the Interactions with Tribunals, the Indonesian Experience," in *Proceeding Sixth RAIFF Conference on International Arbitration*, 2012, 7.

¹⁴ Sujayadi, "Patologi Dalam Arbitrase Indonesia: Ketentuan Pembatalan Putusan Arbitrase Dalam Pasal 70 Uu No. 30/1999."

¹⁵ Gatot P. Soemartono, *Arbitrase Dan Mediasi Di Indonesia*, 2006, https://books.google.co.id/books?id=mrZ_ekR8go0C.

¹⁶ BP Lawyers, "Prosedur Mendaftarkan Putusan Arbitrase Di Pengadilan Negeri," blog.bplawyers.co.id, 2016, <https://blog.bplawyers.co.id/prosedur-mendaftarkan-putusan-arbitrase-di-pengadilan-negeri/>.

As per the articles, the cancellation application for an arbitral award needs to be submitted in written form to the District Court head within 30 days of the registration of the award with the Registrar. If a cancellation request is approved, the District Court's Presiding Judge will assess the consequences of the cancellation, which could result in the complete or partial invalidation of the arbitration decision. The arbitrator assigned to the case may be kept or replaced, and it is also possible for the Court to determine that the dispute cannot be settled through arbitration. The Court is responsible for determining whether the reasons for the cancellation request are accurate, but its role is restricted to a declarative function and does not involve the ability to investigate or make decisions on the merits of the disagreement.¹⁷

If there is a disagreement, people have the option to file a petition with the highest court within a period of 30 days after the submission of the appeal. The Supreme Court will act as the final Court of appeal and decide within the given time frame. It is crucial to understand that the only decision that can be appealed is the one made by the District Court that overturned the arbitral award, as the original award is deemed to be conclusive and binding.¹⁸ Arbitral awards can be annulled through a clear process outlined in the Arbitration Law, starting with the award's registration, and including appeals to the District Court, ultimately leading to the Supreme Court.

The request for judicial review of Law Number 30 of 1999 on Arbitration and Alternative Dispute Resolution was accepted by the Constitutional Court in 2014, leading to the invalidation and removal of the explanatory provision of Article 70.¹⁹ The decision made in an arbitral award is typically seen as conclusive and obligatory for both parties to follow, based on the principle of "*Pacta Sunt Servanda*".²⁰ The revocation of an arbitration decision can only be authorized in uncommon situations or remarkable circumstances.²¹ An arbitral award may not be annulled unless specific and compelling reasons warrant such action.²² Article 70 of Law Number 30 of 1999 addresses the annulment of arbitral awards, as follows: "An application to annul an arbitral award may be made if one of the following conditions is alleged to exist: 1) Letters or documents submitted at the hearing are admitted as false or falsified or otherwise stated to be a forgery after the verdict has been rendered; 2) Once the award is awarded, a document is established that determines in nature that which the opposing party deliberately hides; or 3) The award is due to fraud committed by one of the insiders' disputes." As for Article 70 of the Arbitration law, it provides a general explanation which states: "An application for annulment may only be filed against an arbitral award already registered with a court. The reason for the application for cancellation as referred to in this article must be proven by a court decision. If the Court states that these reasons are proven or not proven, then the Court's decision can be used as a basis for the judge's consideration to grant or reject the application."

¹⁷ M. Yahya Harahap, *Arbitrase* (Jakarta: Sinar Grafika, 2006).

¹⁸ Rengganis, "Tinjauan Yuridis Pembatalan Putusan Arbitrase Nasional Berdasarkan Pasal 70 Undang-Undang No. 30 Tahun 1999 (Studi Kasus Terhadap Beberapa Putusan Mahkamah Agung RI)" (Universitas Indonesia, 2011).

¹⁹ Mahkamah Konstitusi Republik Indonesia, "Putusan Mahkamah Konstitusi No. 15/PUU-XII/2014 Tentang Pengujian Undang-Undang Nomor 30 Tahun 1999 Tentang Arbitrase Dan Alternatif Penyelesaian Sengketa" (2014).

²⁰ Vunieta and Walida Ahsana Haque, "Legal Protection Against the Failure To Compensate on International Investment Dispute," *Yustisia Jurnal Hukum* 8, no. 2 (2019): 205, <https://doi.org/10.20961/yustisia.v8i2.28490>.

²¹ Sutiyoso Bambang, "Penyelesaian Sengketa Bisnis," *Citra Media Yogyakarta*, 2006, 3.

²² Munir Fuadi, "Arbitrase Nasional : Alternatif Penyelesaian Sengketa Bisnis," 2000, x, 260 pages ; 24 cm.

According to the ruling of the Constitutional Court (Number: 15/PUU-XII/2014), the term 'alleged' in Article 70 implies that the petitioner's accusation against the prerequisites for an application to invalidate an arbitral award is based on personal opinions and assumptions. It can also be interpreted as presupposing the situation before any actual investigation or observation.²³ Article 70 of the Arbitration law now requires court decision to prove errors, per the Constitutional Court's interpretation, creating a new norm.²⁴ Article 70 stipulates that the charges should be established beforehand. In contrast, clarifying Article 70 alters the meaning of the accusation to something specific based on a Court decision made after the investigation. This post-investigation decision sheds light on the actual situation.²⁵ According to the Constitutional Court decision (Number: 15/PUU-XII/2014), article 70 of the Arbitration Law was deemed clear and did not require interpretation. However, the explanation of Article 70 resulted in various interpretations regarding requests for the annulment of arbitral awards. That interpretation implies legal uncertainty and leads to injustice. However, such a course of action may lead to a lengthy process, which contradicts the principle of expedited arbitration, as stipulated in Article 71 of the Arbitration Law, which sets a maximum time limit of 30 days for the resolution of arbitration cases.

B. Legal Frameworks for Setting Aside Arbitral Awards Based on Taiwan Arbitration Act

When an arbitral award is issued, it holds the same legal weight as a final and unchangeable court award, as stated in Article 37. If the party that lost the case does not follow the award voluntarily, the victorious party can request that an arbitration court in China enforce the decision.²⁶ However, if there is a serious violation of procedural fairness, Articles 38 and 40 of the Arbitration Law allow either party to initiate civil action to annul the award.

Article 38 states: "The Court shall reject an application for enforcement in any of the following circumstances where: 1) The arbitral award concerns a dispute not contemplated by the terms of the arbitration agreement, or exceeds the scope of the arbitration agreement, unless the offending portion of the award may be severed, and the severance will not affect the remainder of the award; 2) The reasons for the arbitral award were not stated, as required, unless the arbitral tribunal corrected the omission; 3) The arbitral award directs a party to act contrary to the law." While Article 40 states: "Under certain circumstances, a party may request the Court to nullify an arbitral award, as follow: 1) The presence of any circumstances mentioned in Article 38 is considered; 2) Suppose the agreement for arbitration is deemed null and void, invalidated, not yet in effect, or becomes invalid before the conclusion of the arbitration proceedings. In that case, it will impact the validity of the arbitration process; 3) If any party is not allowed to present their case during the arbitration process, or if they are not legally represented, this could be seen as a breach of due process and potentially lead to questioning the impartiality of the arbitration; 4) Failure to provide all parties with an opportunity to present their case or legal representation during the

²³ (KBBI, 2023)

²⁴ Aripabowo and Nazriyah, "Pembatalan Putusan Arbitrase Oleh Pengadilan Dalam Putusan Mahkamah Konstitusi Nomor 15/PUU-XII/2014."

²⁵ (KBBI, 2023)

²⁶ Jingzhou Tao, "Salient Issues In Arbitration In China," *American University International Law Review* 27, no. 4 (2012): 807-30, https://scholar.google.co.uk/scholar?hl=en&q=commercial+arbitration+in+asia&btnG=&as_sdt=1%2C5&as_sdt=#7.

arbitration process may result in a breach of due process and raise concerns about the impartiality of the arbitration; 5) When an arbitrator doesn't comply with the obligation to disclose information as required in Article 15, paragraph 2, and displays indications of prejudice or has been requested to step down but remains involved, except if the Court has rejected the withdrawal request, it will be considered when assessing the arbitrator's impartiality and involvement; 6) Suppose an arbitrator breaches any duty assigned to them during the arbitration process, and such violation is considered a criminal offense. In that case, it will be considered in assessing the arbitrator's actions and may have legal consequences; 7) Suppose a party or representative involved in the arbitration has committed a criminal offense relating to the arbitration proceedings. In that case, this will be considered when assessing the arbitration process and its results; 8) Suppose any evidence or translated material used in the arbitration decision is discovered to be falsified, fraudulently tampered with, or involves any other misrepresentations. In that case, it will be considered when evaluating the legitimacy and dependability of the decision; 9) When a decision in a criminal or civil case, or a ruling from an administrative authority that serves as the foundation for an arbitration award, is overturned or significantly altered by a subsequent decision or ruling from an administrative authority, the implications of such a reversal or alteration should be considered; 10) Conditions 6 through 8, as previously stated, only apply if there has been a conclusive conviction or if the criminal case cannot be pursued or continued due to reasons other than insufficient evidence; 11) The provisions outlined in point 4, which refer to instances that breach the arbitration agreement, and points 5 through 9 mentioned in the first paragraph of this article, only apply to the degree that they significantly affect the arbitral decision.

Under ROC law, an act of annulment falls under civil matters. In case of a losing party, they can appeal the decision to the appellate Court.²⁷ Under Article 41(1) of the Arbitration Law, the authority of the Court to nullify an award is not absolute and may be subject to determination. It is important for the party applying for the cancellation action to comply with the procedural requirements, whereby the cancellation action must be filed within 30 days of receiving the written judgment, except in a few exceptions. If the annulment action is validly filed and the plaintiff provides sufficient guarantees to warrant the execution of the judgment, then the Court may delay the execution of the judgment.

In arbitral proceedings, the courts have the authority to provide different kinds of support, including but not limited to interim measures, the selection of arbitrators, and the resolution of challenges regarding arbitrators.²⁸ Courts and arbitral awards widely supporting arbitral proceedings are typically recognized and enforced per the relevant laws.²⁹ In 2021, 18 claims to annul arbitral awards were submitted to district courts, but only 2 were approved by district court judges.³⁰ The main principle is that the Court will not re-

²⁷ Chang-Fa Lo, *Taiwan - Arbitration Law and Practice in Asia*, Second (Taiwan: JURIS Arbitration Law, 2023), <https://arbitrationlaw.com/library/taiwan-arbitration-law-and-practice-asia-second-edition>.

²⁸ Marianne Chao, *Arbitration in Hong Kong: A Practical Guide*, ed. Denis Brock, 5th Editio (Sweet & Maxwell, 2021), <https://www.sweetandmaxwell.com.hk/BookStore/showProduct.asp?countrycode=HK&id=2923&subjID=&ptab=1&bookstore=0&g=e84l&ec=QSNBGDKTJJVZRUIQFVYYUAEDBTQRLIGGGRYABQHEUINZJSCKSLOVIKV>.

²⁹ Jeffrey Lo and Winnie Jo-mei Ma, "Arbitration in Taiwan: Recent Developments," 2018, <http://www.aprag.org/wp-content/uploads/2021/05/4-Arbitration-in-Taiwan-Recent-Developments.pdf>.

³⁰ Judicial Yuan, "Judicial Statistic Yearbook, State and Subject-Matter Amounts of Money of Civil Cases Terminated in the First Instance by the District Courts - by Litigation Type (Cont. End)" (Taiwan, 2021), <https://www.judicial.gov.tw/en/lp-2206-2-xCat-09-1-60.html>.

examine the substance of the dispute and will limit its examination to whether there is a legal basis justifying the annulment of the award.³¹ The low number of annulment cases approved by district court judges is based on the jurisprudence of the Supreme Court Decision 2004. Even if the arbitral tribunal has mistakenly applied the law, the award cannot be annulled according to this explanation.³²

In several cases, the Supreme Court dismissed an annulment action in which the plaintiff challenged the grounds of the award.³³ The Court explained that regardless of whether the reasons are sufficient or even consistent with each other if the reasons are given, the judgment must be considered reasonable. The Supreme Court maintains the same viewpoint in more recent cases. This cautious approach shows that ROC courts will not interfere too much in arbitration proceedings conducted in Taiwan.³⁴ If a party requests the cancellation of an arbitral award, the Court can agree to halt the enforcement of the award if the applicant provides appropriate and guaranteed security. When the Court sets aside an arbitral award, it must simultaneously cancel any orders issued for enforcing the award. This is stated in Article 42. In case the arbitral award is deemed invalid by the Court's ultimate determination, either party may opt to escalate the dispute to Court, unless the parties have previously agreed otherwise (as per Article 43).

C. Comparison of Legal Frameworks for Setting Aside Annulment of Arbitral Awards Based on the Taiwan Arbitration Act & Indonesia's Arbitration Law

Although the mechanism for annulment of arbitral awards in Taiwan and Indonesia has almost the exact requirements, there are some differences. a) Grounds of Annulment: Under the Taiwan Arbitration Act, there are 11 grounds for requesting the cancellation of an arbitral award, such as situations where the award goes beyond the limits of the dispute specified in the arbitration agreement or when it requires parties to engage in illegal actions. On the other hand, the Indonesian Arbitration Law only allows for three grounds for annulment, including cases where a document or letter submitted during the trial is later determined to be false or falsified, or if the losing party conceals a new document that specifies its willful nature, or if one of the parties committed fraud to secure the award; b) Time Limit for Filing Annulment: There are disparities between the Taiwan Arbitration Act and the Indonesian Arbitration Law regarding the timeframe for submitting requests to nullify arbitral awards. The first requirement is to submit the application within 30 days after the award is issued, while the second allows for a 30-day period after the arbitral award is submitted and registered with the District Court Registrar; c) Jurisdiction of the Court: To seek the annulment of an arbitral award in Taiwan, they need to submit it to the Court of the Place of Arbitration. In Indonesia, the authorized court for this purpose is not clearly specified, but it appears that only the District Court with jurisdiction over the Respondent has the authority to handle it, as stated in Article 1(4) and Article 1(6) of the Arbitration Law.

The Taiwan Arbitration Act provides more detailed and explicit regulations on the grounds for annulling arbitral awards compared to the Arbitration Law. This prevents legal conflicts such as multiple interpretations of articles. According to a Supreme Court Decision

³¹ Lin and Li, "Arbitration in Taiwan, the Republic of China."

³² Supreme Court, "Judgment 93-Tai-Shang-Tzu No. 1690" (2004).

³³ Supreme Court, "Judgment 99-Tai-Shang-Tzu No. 1788" (2010).

³⁴ D Sturzaker, "Arbitration in Asia," *ADR Bulletin* 4, no. 2 (2001): 1-6, <http://epublications.bond.edu.au/cgi/viewcontent.cgi?article=1134&context=adr>.

in 2004, it is stated that an award cannot be invalidated even if the arbitral tribunal has made an error in the application of the law. Thus, regardless of whether the reasons are adequate or even consistent with one another if reasons are given, the award should be reasoned. The Supreme Court maintained the same point of view in its more recent cases. This prudent approach suggests that ROC courts will not unduly interfere with an arbitration proceeding conducted in Taiwan. This makes the Taiwan Arbitration Act have more points in terms of legal certainty.

While, the Indonesia Arbitration Law, articles related to the reasons for cancellation cause multiple interpretations and even make inconsistencies in the decisions of Supreme Court Judges. To identify inconsistencies in the Supreme Court's decision-making on the annulment of arbitration awards under Article 70 of the Arbitration Law, the author will divide them into two categories. According to a Supreme Court ruling on Article 70, the reasons for canceling an arbitration award should be restricted to the provisions outlined in decision Number: 293 K/Pdt.Sus/2012. Hence, an arbitration award that does not make any reference to Article 70 cannot be reasonably invalidated. The second category pertains to the Supreme Court ruling, which contradicts Article 70. The grounds for invalidating an arbitral award may go beyond what is outlined in Article 70 and are not limited to those acknowledged in the Supreme Court Decision Number: 26 B/Pdt.Sus-Arbt/2014. The Supreme Court believes that while Article 70 of the Arbitration Act is ambiguous and mandatory, it may be supplemented and amended based on the grounds derived from the article's content and relevant reasons. The Supreme Court Decision Number: 03/Arb.Btl/2005, which deals with the annulment of an arbitral award.

CONCLUSION

Upon reviewing the legal framework for annulling arbitral awards in Taiwan and Indonesia, it has been discovered that both countries have established legal frameworks for this purpose. Nonetheless, there are significant variations in the methods and conditions for annulling awards. The Taiwan Arbitration Act has more comprehensive and explicit provisions than the Indonesian Arbitration Law regarding the grounds for annulling arbitration.

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Conflict of Interest Statement: The author(s) declares that research was conducted in the absence of any commercial or financial relationship that could be construed as a potential conflict of interest.

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