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BANI ARBITRATION RULES 2025: A MODERNIZED FRAMEWORK FOR DISPUTE RESOLUTION





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Overview & Introduction

The BANI Arbitration Rules 2025 establish the procedural framework governing all arbitrations administered by the Indonesian National Arbitration Board (BANI). As a comprehensive modern update, the Rules refine jurisdictional authority, tribunal constitution procedures, evidentiary standards, interim measures, and enforcement mechanisms. In addition, specialized annexes introduce Emergency Arbitration and Electronic Arbitration, enabling BANI to address urgent and technology-driven disputes. Collectively, these Rules codify a more predictable, efficient, and internationally aligned arbitral process for commercial disputes brought under BANI's administration.

Key Takeaways from BANI Arbitration Rules 2025

1. Scope and Foundational Provisions

The Rules begin by articulating the institutional authority of BANI in administering, supervising, and directing all arbitral processes conducted under its auspices. Parties who designate BANI as the forum for dispute resolution are deemed, by operation of the Rules, to have accepted its procedures in their entirety, including BANI's authority to interpret, supplement, and apply the Rules where procedural matters arise that are not explicitly regulated. This institutional mandate ensures that proceedings remain orderly, consistent, and insulated from unnecessary judicial involvement. The Rules also reaffirm that confidentiality is an inherent characteristic of all BANI-administered arbitrations, binding the institution, arbitrators, parties, and any third parties involved to maintain the secrecy of pleadings, evidence, hearings, deliberations, and awards, except where disclosure is permitted or required by law or mutual agreement.

A significant feature of this foundational section is the emphasis on BANI's competence to determine its own jurisdiction over a dispute. The Rules expressly recognize the tribunal's authority to decide on matters of arbitrability, including challenges to the validity, scope, or existence of the arbitration agreement, and allegations that the dispute falls outside the tribunal's mandate. By affirming the primacy of the arbitral tribunal in resolving jurisdictional questions, the Rules minimize reliance on national courts and underscore the principle that procedural objections must be resolved within the arbitral process itself, except in the limited circumstances contemplated under Indonesian arbitration law. The Rules further

highlight the obligation of parties to participate in good faith, comply with procedural directives, and engage constructively in the resolution process, including through amicable settlement mechanisms where appropriate.

Additionally, this section delineates the procedural framework that governs the progression of disputes from the initiation stage through the constitution of the tribunal. It provides clear classifications for the types of submissions—such as requests, claims, replies, counterclaims, and amendments along with corresponding administrative and documentary requirements. The Rules establish default procedural timelines, designate the languages that may be used in the proceedings, and authorize BANI to issue binding administrative instructions to maintain the efficient advancement of the case. These procedural foundations ensure predictability, uniformity, and transparency, forming a coherent operational structure that supports all subsequent stages of arbitration conducted under the BANI system.

2. Arbitration Process, Tribunal Constitution, and Proceedings

The Rules provide a detailed sequence of requirements that govern the initiation of arbitration, beginning with the submission of the Request for Arbitration and supporting documentation. The Respondent is required to file a written Reply within the stipulated period, ensuring that the core issues of the dispute are clearly defined at the outset. The Rules also permit counterclaims and additional claims so long as they are compatible with the existing proceedings and do not prejudice the parties' procedural rights. This initial exchange of submissions enables BANI to determine whether any jurisdictional or administrative issues exist before a tribunal is constituted, ensuring that the case proceeds smoothly and without ambiguity.

The constitution of the arbitral tribunal is governed by mechanisms designed to ensure fairness, neutrality, and procedural integrity. The Rules allow for either a sole arbitrator or a three-member tribunal depending on the parties' agreement or the complexity of the dispute. If the parties are unable to reach consensus on the appointment of arbitrators, the Chairman of BANI is authorized to act as the appointing authority. Arbitrators must satisfy strict independence and impartiality requirements and are obligated to provide disclosures throughout the proceedings regarding any circumstances that may give rise to doubts about their neutrality. These safeguards promote confidence in the arbitral process and uphold the credibility of tribunals established under BANI.

Once the tribunal has been formed, it assumes broad procedural powers to manage the proceedings efficiently and fairly. The tribunal is authorized to determine evidentiary rules, hearing formats, and procedural timelines, while ensuring that each party is afforded a full and equal opportunity to present its case. Hearings may be conducted physically, virtually, or through hybrid formats in accordance with the Electronic Arbitration Annex. The tribunal may also issue interim measures to safeguard assets, evidence, or procedural integrity. The Rules expressly recognize the tribunal's ability to facilitate party settlement, including the issuance of consent awards when the parties reach an agreement. After the close of hearings, the tribunal

may receive post-hearing submissions before proceeding to deliberation and preparation of the final award.

3. Awards, Enforcement, and Supplementary Mechanisms

The Rules require arbitral tribunals to render their final awards within a specific period after the conclusion of the proceedings unless an extension is granted by BANI for justified reasons. Each award must state the reasons for the decision, the dispositive orders, the signatures of the arbitrators, and the date and place of issuance. Once rendered, the award becomes final and binding on the parties, subject only to limited mechanisms for correcting clerical or computational errors. These correction procedures ensure that the finality of the award is preserved while allowing the tribunal to remedy technical inaccuracies. This framework supports enforceability under Indonesian arbitration legislation and aligns with international standards that emphasize the final and binding character of arbitral awards.

The Rules emphasize voluntary compliance with the award, though parties may seek enforcement through the Indonesian judiciary when necessary. For domestic awards, enforcement proceeds through the exequatur process before the District Court, which serves as the gateway for execution under national law. The Rules also accommodate the issuance of interim and partial awards, providing tribunals with procedural flexibility to address discrete issues during the course of the arbitration. Additional administrative provisions govern the allocation of costs, payment of deposits, and adherence to BANI's fee schedule, promoting financial transparency throughout the process.

To enhance procedural capability, the Rules incorporate two annexes that significantly modernize BANI's dispute-resolution framework. The Emergency Arbitration Annex enables parties to request urgent interim relief prior to the formation of the arbitral tribunal, which is critical when evidence, assets, or contractual rights may be at risk of immediate harm. The Electronic Arbitration Annex establishes comprehensive requirements for digital filings, virtual hearings, cybersecurity standards, document authentication protocols, and privacy protections tailored to online proceedings. These enhancements position BANI to meet contemporary expectations for efficiency, accessibility, and technological readiness, aligning Indonesia's arbitral framework with global best practices.

4. Conclusion

The BANI Arbitration Rules 2025 represent a significant modernization of Indonesia's institutional arbitration framework, aligning BANI's procedural standards with contemporary international practice while preserving core principles of confidentiality, autonomy, and procedural fairness. Through clearer jurisdictional provisions, streamlined tribunal formation, strengthened evidentiary rules, and enhanced digital capabilities, the Rules establish a more predictable and efficient forum for commercial dispute resolution.

The integration of emergency arbitration procedures and electronic arbitration annexes reflects an acknowledgment of evolving business needs, providing parties with faster access to interim relief and flexible, technology-driven hearing formats.

Meanwhile, the detailed provisions governing awards and post-award processes reinforce the enforceability and integrity of BANI awards within Indonesia's legal system. Collectively, these reforms reinforce BANI's role as a central arbitral institution in Indonesia and offer parties a robust, updated, and commercially responsive mechanism for resolving complex disputes.

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