

## CHAPTER V

### CONCLUSION AND SUGGESTION

#### A. Conclusion

##### 1. Banking Dispute Resolution Mechanism through Arbitration in LAPSPI

The mechanism of dispute resolution of banks through Arbitration in LAPSPI is divided into 3 stages, they are:

###### a. Pre-examination of arbitration

The stages of pre-examination of arbitration, namely:

- 1) The parties to the dispute have or will have arbitration agreements.
- 2) One or both parties agree to settle the dispute through arbitration in LAPSPI.
- 3) One of the parties later referred to as the applicant registered the petition for arbitration in LAPSPI.
- 4) LAPSPI shall provide confirmation regarding the acceptance or rejection of the arbitration request.
- 5) If the arbitration petition is accepted, the LAPSPI Administrator appoints the secretary to the dispute.
- 6) The LAPSPI Board shall appoint the Court Arbitrator pursuant to the agreement of the disputing parties or the LAPSPI management initiative.

7) The secretary of the case shall send a summons to the arbitral hearing.

b. Arbitration Examination

The stages of arbitration examination, namely:

1) Peaceful and Respondent's Response

At the arbitration examination stage, the arbitrator seeks peace between the disputing parties through mediation or negotiation. If the peace effort is successful then the arbitrator issues a peace deed. However, if the peaceful effort fails then the examination proceeds with the response agenda of the requested party.

2) Replic

Replic is the response to the respondent's answer by the Claimant.

3) Duplic

Duplic is response to Replic by the Respondent.

4) Proof

Evidence by means of evidence includes written evidence (including electronic ones), evidence of witnesses, allegations, confessions, and oaths.

5) Conclusion and Closure of Examination Meeting

c. Post-Examination of Arbitration

Stages after the arbitration examination are:

- 1) Reading of the Arbitral Award
  - 2) Registration of Arbitral Award
  - 3) Implementation of the Arbitral Award
  - 4) Payment of Arbitration fees
2. The legal effect of Arbitral Award in Alternative Dispute Agency for Banking Dispute Resolution toward the Parties.

The legal effect of Arbitral Award in Alternative Dispute Agency for Banking Dispute Resolution toward the Parties is regulated in Article 40 of LAPSPI Regulation No.09/LAPSPI-PER/2015. Based on this article, Arbitral award shall be final and has a permanent legal force and binding on the parties, and thus shall not be appealed, cassation or review. So Arbitral award has the same characteristic with Court Decision. For the Party if does not perform the arbitral award will receive written warning from

- a. the other party with a copy of LAPSPI
- b. LAPSPI with a copy of other party
- c. LAPSPI and/or other party with a copy of LAPSPI member
- d. LAPSPI and/or other party with a copy of Financial Service Authority and all LAPSPI members.

## **B. Suggestion**

1. The Indonesian Alternative Agency for Banking Dispute Resolution should immediately add regional offices in the regions throughout Indonesia so that the settlement of bank disputes can run optimally.

2. The Indonesian Alternative Agency for Banking Dispute Resolution should add rules containing an explanation of good faith and legal consequences if not well-intentioned.