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Legal Review of Share Ownership in a Joint Venture Company

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In cooperation between foreign and national investors, it cannot be denied that it will lead to various implications and one of them is the occurrence of disputes that certainly require complete resolution so as not to cause bad perceptions of foreign investors. In this regard, the problem is how to regulate the ownership of shares in a joint venture company, and dispute resolution in the event of a problem in a joint venture company. Based on the results of the study, it was found the restrictions on foreign ownership of shares in this joint venture company are not the same, depending on the business sector or line of business chosen by the parties in conducting their business and the purpose of this limitation is to control the activities of foreign companies in carrying out activities businesses in the territory of the Republic of Indonesia. In the event of an investment dispute between a foreign investor and the Government of the Republic of Indonesia, the settlement can be done through an international arbitration institution, or other dispute resolution institution based on the agreement of the parties.

Key words: *Joint Venture, Company, Indonesia.*

Introduction

A joint venture is a form of investment activity through joint ventures carried out by foreign investors and domestic investors in the territory of the Republic of Indonesia. The basis for establishing a joint venture company is that a joint venture agreement made by the parties before forming a joint venture company. Joint venture agreements can generally be known as a partnership between a foreign investor and a domestic investor based on an agreement, or a contract between two or more companies to form a new company which is then known as a joint venture company.

The aspects to be considered in making a joint venture agreement include aspects of the responsibilities of the parties, efficiency in operating the business, tangible profits, and fair relations between the parties. This joint venture agreement contains at least the object of the joint venture, the period of the joint venture, the capital and the proportion of each shareholder, share ownership and possible transfer of shares to another party, management (directors and management), company control or control, profit sharing, risk allocation, intellectual property rights, default clause, choice of law clause and dispute resolution clause (Handayani I.G.A.K.R, As'Adi E, Hamzah.G, Leonard T, Gunarto G, 2017).

It will be very detrimental to local or Indonesian parties in the future if there is a legal vacuum. Because with the existence of a cooperative effort between foreign and national investors, it cannot be denied that there will be various implications; one of them is the occurrence of disputes that certainly require complete resolution so as not to cause bad perceptions of foreign investors. Joint venture companies in Indonesia must take the form of Limited Liability Companies as stipulated in Act Number 25 of 2007 concerning Investment, that foreign investment must be in the form of Limited Liability Companies under Indonesian law within the territory of the Republic of Indonesia (Surachman A, Handayani I.G.A.K.R, Taruno Y., 2017).

In Indonesia, foreign investment was initially regulated in Law Number 1 of 1967 concerning Foreign Investment, the arrangement was amended by Act Number 11 of 1970 concerning Amendment and Supplement to Law Number 1 of 1967 concerning Foreign Investment, and then renewed again with Law Number 25 of 2007 concerning Investment, and regulated by Presidential Regulation Number 36 of 2010 concerning List of Closed Business Fields and Opened Business Fields with Requirements in the Field of Investment which are then renewed by Presidential Regulation Number 44 of 2016 concerning List of Closed Business Fields and Opened Business Fields with Requirements in the Field of Investment, relating to the Regulation of the Investment Coordinating Board Number 5 of 2019 concerning Amendments to the Regulation of the Investment Coordinating Board Number 6 of 2018 concerning Guidelines and Procedures for Licensing and Investment Facilities Capital (Yulfitri Nurjanah, Lego Karjoko, 2019).

The substance of the agreement in the drafting of a joint venture agreement must be made completely and accurately. Previous research has been carried out including Legal Analysis of Retail Government Bond Issuance (ORI), ORI in Legal Perspectives in Indonesia, Legal Analysis on Bond Issuance of the Retail, Legal Protection for Defaulted Bonds Based on Values of Justice, Reconstruction of Bond Settings in the Indonesian Capital Market Based on Justice Values, Reconstruction of Bonds Arrangements in Indonesian Capital Market Justice-Based Value, Reconstruction of Decision BAPEPAM-LK Number 412 / B1 / 2010 Concerning Justice and Legal Certainty Trustee Contracts, Model of Bond Regulation

Construction as Legal Protection Efforts for Capital Market Investors in Indonesia Based on Justice and Legal Certainty (Abdullah Jamaludin Lego Karjoko, 2019).

The Concept of Legal Protection of Trustees in the Capital Market.
The results of this study were conducted to support previous studies. The provincial government of East Kalimantan in obtaining shares of PT. KALTIM Prima Coal (KPC - now a joint venture company between PT. BUMI RESOURCES TBK, Indonesia, and Tata Power Ltd, India) always experiences obstacles until it continues to International Arbitration. The East Kalimantan Provincial Government issuing KPC's old owners BP and Rio Tinto and other related parties because of ownership of 51% of KPC shares which should have been the rights of the regional government to be sold to PT. BUMI RESOURCES TBK. His case was registered at the International Centre for Settlement of Investment Disputes (ICSID) on January 18, 2007. In the arbitration, the provincial government fought for 51% ownership of KPC shares which should have been the government's right.

Results and Discussion

Arrangements Regarding Ownership of Shares in Joint Venture Companies Foreign investment and the rise of domestic investment in 1966, and Indonesian investment began to develop in the same year in the new order. The investor is a term for people who carry out investment activities. In enhancing the development of the Indonesian economy a very large role for investment is needed. Therefore, there is a need for serious efforts to create an investment climate because the investment climate can encourage economic growth in a country. The investment climate that began to improve due to the influx of foreign investment and the emergence of domestic investment in the New Order era encouraged the Indonesian government at that time to provide legal protection for investors by making legal products enacted at almost the same time (Abdul Kadir Jaelani, I Gusti Ayu Ketut Rachmi Handayani, Isharyanto, 2019).

In general, all business fields or types of business are open for investment activities, except business fields or types of businesses that are declared closed and open with requirements. The production of weapons, gunpowder, explosive devices, war equipment, and business fields that are explicitly declared closed based on the law are business fields that are closed to foreign investment as mentioned in article 12 of the Investment Law. The basis for determining business sectors that are closed to investment, both foreign and domestic, are considerations in terms of health, morals, culture, environment, national defence and security as well as other national interests. Foreign investment has close links with business fields that are open to foreign investment as determined by statutory regulations. The government determines open business fields with requirements based on criteria of national interest, namely protection of natural resources, development of micro, small, medium and

cooperative businesses, supervision of production and distribution, enhancement of technological capacity, the participation of domestic capital, and collaboration with designated business entities in government (Abdul Kadir Jaelani, I Gusti Ayu Ketut Rachmi Handayani, Lego Karjoko, 2019).

Based on Presidential Regulation No. 44 of 2016 concerning the List of Closed Business Fields and Opened Business Fields with Requirements in the Field of Investment show the maximum limits on foreign share ownership and types of business fields open to foreign investment include:

- In the agricultural sector, the number of restrictions on foreign ownership is as follows:
    - First, up to 49% in the business of seeding/seedling and cultivation of staple food crops with an area of more than 25 hectares, research, and development of technological science and engineering of agricultural genetic resources and GMO products .
    - Second, up to 95% in the field of industrial business in plantation seedlings with an area of 25 hectares or more, plantation businesses with an area of 25 hectares or more to a certain area without processing units or integrated with processing units with capacities equal to or exceeding certain capacities.
    - Third, up to 30% in the business sector with: seedling and cultivation of annual fruit crops, grapes, tropical fruit, oranges, apples and stone fruit, berries, mushrooms, and seedlings of annual vegetable crops, annual vegetables, medicinal plants, floriculture, and cultivation leaf vegetables, tuber vegetables, fruit vegetables, chill and peppers, ornamental plants and non-flowering plants, and also the horticultural processing industry including research businesses, quality testing laboratory businesses, tourism businesses, development consultants, landscaping, course services (Lego Karjoko, I Gusti Ayu Ketut Rachmi Handayani, Adi Sulistiyono, 2017).

- In the forestry sector, the number of restrictions on foreign ownership is as follows:
    - First, up to 49% in the business sector: the hunting of hunting parks and hunting blocks, captive breeding of animals and plants and conservation institutions.
    - Second, up to 51% in the field of business: natural tourism exploitation (especially foreign investors from ASEAN countries, ownership limits up to 70%).

- In the energy and mineral resources sector, the number of restrictions on foreign ownership is as follows:
    - First, up to 75% in the business sector: construction services and oil and gas drilling at sea.
    - Second, up to 49% in the business sector: construction services and oil and gas surveying services, small scale power plants (1-10 MW), construction and installation as well as inspection and testing of electric power installations for high / extra high voltage electric power installation installations.
    - Third, up to 95% in the field of business: geothermal survey services, more than 10 MW of electricity generation and transmission and distribution of electricity (foreign investors can own 100% if in the framework of private government cooperation during the concession period), consultations in the field of installation electric power, construction and installation as well as operation and maintenance of electric power installations. (Abdullah Jamaludin, Lego Karjoko, 2019)
    - Fourth, up to 90% in business: geothermal operation and maintenance services.
    - Fifth, up to 67% in the business sector: geothermal power plants with capacities smaller or equal to 10 MW.

- In the industrial sector, the number of restrictions on foreign ownership of shares is up to 49% in the field of car maintenance and repair business.

- In the defence and security sector, the number of restrictions on foreign ownership of shares up to 49% in the business sector:
    - raw material industry for explosives and main and / or supporting components and components and/ or supporters (with 51% for SOEs),
    - security consulting services, services for providing security personnel,
    - escorts to transport money and valuables,
    - providing security services using animals / animals, services for implementing security equipment, education services and security training.

- In the public works sector, the number of restrictions on foreign ownership is as follows:
    - First, up to 95% in the business sector: drinking water exploitation. (Jaelani A.K, Handayani I.G.A.K.R, Isharyanto, 2019).
    - Second, up to 67% (specifically foreign investors from ASEAN countries, ownership limits up to 70%) in the business sector: construction services that use high technology and/or high risk and/or value of work more than Rp. 50,000,000,000.00, business services / construction consulting services that

use high technology and / or high risk and / or work value of more than Rp.10,000,000,000.00.

- In the trade sector, the number of restrictions on foreign ownership is as follows:
  - First, up to 67% in the business sector: Department stores with a sales floor area of 400 m2 - 2,000 m2, warehousing, trading distributors who are not affiliated with the production.
  - Second, especially for foreign investors from ASEAN countries, the ownership limit of up to 70% in the business sector: survey services/ community polls and market research.

- In the tourism sector and the creative economy, the number of restrictions on foreign ownership is as follows:
  - First, up to 67% in the business sector: museum management; travel agency; catering / catering services; motel; billiard house; bowling alley; Golf course; impressionist services; organization of meetings; incentive travel; conference; and exhibitions (specifically for foreign investors from ASEAN countries, ownership limits up to 70%), historical heritage management, two-star hotels, one-star hotels, non-star hotels, art galleries, art buildings, karaoke, dexterity, exploitation of natural attractions outside the conservation area.
  - Second, specifically for foreign investors from ASEAN countries, the ownership limit is up to 51% in the business sector: SPA (Sante Par Aqua), making film promotion facilities.

- In the transportation sector, the number of restrictions on foreign ownership of shares up to 49% in the business sector:
  - public goods transportation, special goods, people with land modes in the route or not, domestic and foreign sea modes of transportation, public crossings and pioneering transportation between provinces, between regencies - cities, in regencies, river and lake transportation for passengers, general and / or animal goods, special goods, dangerous goods with fixed and regular routes or not, provision of port facilities in the form of waste collection, airport services, supply and operation ferry ports and river and lake ports, whether domestic or foreign scheduled commercial air transport modes, the implementation of periodic testing of motor vehicles, construction of land transportation passenger terminals, multimodal transportation.
  - Second, especially for foreign investors from ASEAN countries, the ownership limit of up to 70% in the business sector: overseas sea transportation for passengers and goods. (Abdul Kadir Jaelani, I Gusti Ayu Ketut Rachmi Handayani, Lego Karjoko, 2019)

  - Third to 67% in the business sector: supporting businesses in terminals, airport-related services, goods loading, and unloading services, transportation management services, aircraft freight forwarding services, general sales agents, foreign air transport companies.

- In the communications and information technology sector, the number of restrictions on foreign ownership is as follows:
  - First, up to 67% in the business sector: the operation of fixed, mobile telecommunications networks integrated with telecommunications services, the provision of telecommunications services for content services, information service centers and value-added services. Other telephone services, internet access services include data communication systems, internet telephones for public use, internet interconnection, and other multimedia (Handayani I.G.A.K.R, Sulistiyono A, Leonard L, Gunardi A, Najicha F.U, 2018).
  - Second up to 49% in the business sector: post-administration, trade transactions through electronic systems with an investment of less than Rp. 100,000,000,000,000.
  - Third, up to 20% in the business sector: private broadcasting institutions and subscriptions.

- In the financial sector, the number of restrictions on foreign ownership is as follows:
  - First, up to 85% in the business sector: investment finance companies, working capital, multipurpose, venture capital.
  - Second, up to 80% in the business sector: loss insurance companies, life insurance companies, reinsurance companies, insurance loss assessment companies, insurance agent companies, insurance brokerage companies, reinsurance brokerage companies, actuarial consulting companies. Third, up to 30% of the guarantee business. (Subekti R, Sulistiyono A, Handayani I.G.A.K.R, 2017).

- Then in the employment sector, the number of restrictions on foreign ownership of shares up to 49% in the business sector:
  - First, placement services for Indonesian workers in the country, the provision of services for workers/laborers.
  - Second, up to 67% in the field of job training business.

- In the health sector, the number of restrictions on foreign share ownership is as follows:
  - First, up to 85% in the business of the finished drug industry.

- Second, up to 67% in the business sector: medical equipment testing institutions, fumigation services, medical and ambulatory evacuation services, hospitals, main clinics (specifically hospitals and main foreign investment clinics from ASEAN countries a maximum of 70%).
- Third, up to 49% in the field of acupuncture service businesses, distributors of medical devices (Jaelani A.K, 2017).
- Fourth, up to 33% in the business sector of the medical equipment industry class A.

Share divestment regulation in Government Regulation Number 1 of 2017 concerning the Fourth Amendment of Government Regulation Number 23 of 2010 concerning Implementation of Mineral and Coal Mining Business Activities which is an implementing regulation of Law Number 4 of 2009 concerning Mineral and Coal Mining is a law for foreign companies , or in other words foreign companies are obliged to transfer their shares to Indonesian participants. Simply put, divestment of shares is the release, release, and reduction of capital. More broadly, divestment of shares or also called divestment is a provision that requires companies whose entire shares are owned by foreign investors to transfer these shares to national business partners whose processes are carried out in a certain and gradual manner.

In Article 97 Government Regulation Number 1 of 2017 concerning Implementation of Mineral and Coal Mining Business Activities regulates the amount of the percentage of share divestment obligations, the procedure for offering and the period for shares divestment for holders of Mining Business Licenses (IUP) and Special Mining Business Permits (IUPK). Holders of IUP and IUPK who have been producing for five years must divest their shares in stages, namely in the sixth year 20%, seventh year 30%, eighth year 37%, ninth year 44%, so that in the tenth year the divestment of shares will reach 51% at least owned by Indonesian participants. The intended Indonesian participants consists of the Government, Provincial Governments or Regency / City Governments, BUMN and BUMD, or national private business entities. The initial offering of shares is offered to the Government.

If the Government is not willing to buy shares, then it is offered to Provincial Governments or Regency / City Governments. If the Provincial Regional Government or Regency / City Regional Government is not willing to buy shares, it is offered to BUMN and BUMD, and finally, if BUMN and BUMD are not willing to buy shares, it is offered to national private business entities. Furthermore, Government Regulation No. 77 of 2014 regulates the obligations of mineral and coal companies to divest their shares by 51% if the mine is not integrated with a smelter. Then if integrated with a smelter, the obligation to divest shares is only 40%, and if developing an underground mine is obliged to divest only 30%. The mechanism for offering divestment shares in stages is also confirmed in Government

Regulation Number 77 of 2014. (Akhmaddhian S, Hartiwiningsih, Handayani I.G.A.K.R, 2017)

To avoid the occurrence of a joint venture company that is normatively owned by someone, but materially or in substance the owner of the joint venture company is another party, then in Article 33 paragraph (1) of Law Number 25 Year 2007 Concerning Investment, it is stated that investment in the form of Limited liability companies conducted by foreign investors and domestic investors are prohibited from entering into or making agreements and/or statements confirming that the ownership of shares in the limited liability company is for and on behalf of other people. If doing otherwise, the consequences that must be borne by the parties, namely the agreement and/or statement become null and void, as contained in Article 33 paragraph (2) of the Investment Law. Through a one-stop integrated service, investment companies that will carry out business activities are required to obtain permits following the applicable laws and regulations. The ease of obtaining or the purpose of doing one-stop integrated services for investors is the ease of licensing services, fiscal facilities, and information about the investment (Algonin A.A, Shleag A.M, Handayani I.G.A.K.R, Setyono P, 2014).

The requirements for obtaining facilities provided by the government for investors who make investments that is to expand businesses or make new investments, must meet the following criteria, namely: absorb a lot of labour; including high priority scale; including infrastructure development; transfer technology; pioneering industry; located in remote areas, disadvantaged areas, border areas, or other areas deemed necessary; preserve the environment; carry out research, development and innovation activities; partner with micro, small, medium or cooperative businesses; or industries that use capital goods or machinery or equipment produced domestically. Arrangements regarding investment provide a very clear picture that foreign investors in Indonesia who will carry out their business are required to conduct joint venture or joint venture with national parties, both private and government, with the aim of further increasing investment activities both from domestically and from abroad to accelerate development by continuously increasing the calculation of micro, small and medium enterprises, cooperatives and various national strategic sectors and increasing economic competitiveness in the face of the ASEAN economic community and the dynamics of economic globalization. The development of a country requires funds in very large amounts (Jaelani A.K, Basuki U, 2018).

Therefore, investment is also very necessary because it can be an alternative to solve capital difficulties in implementing national development. In investing in Indonesia, foreign investors must also first examine the Indonesian Negative List (DNI) which contains a business sector that is completely closed to all forms of investment, a business sector that is only closed to foreign investment, and a business sector that is still open with certain

requirements. In Presidential Regulation Number, 44 the Year 2016 concerning List of Closed Business Fields and Opened Business Fields with Requirements in the Field of Investment contains maximum limits on foreign share ownership. The restrictions on foreign ownership of shares in this joint venture company are not the same, depending on the business sector or line of business chosen by the parties in running their business. The implication of ownership of shares shows ownership of a company. Accordingly, the purpose of this restriction is to control the activities of foreign companies in carrying out business activities in the territory of the Republic of Indonesia (Jaelani A.K, Basuki U, 2018).

Investors who will enter the capital market of a country, in general, will pay attention to aspects of security and legal certainty so that the interests of investors can be protected and goods by capital market regulations in the country of destination. A country's capital market that has a set of rules to provide guarantees for protection, legal certainty, and justice will motivate investors to enter the capital market in the country concerned. The existence of legal certainty and guarantees of financial market management that are professional and of an international standard are needed by investors. In realising a just, prosperous and prosperous society based on Pancasila and the 1945 Constitution of the Republic of Indonesia requires legal certainty to investors and the government's commitment to managing the financial sector that is transparent, professional, and responsible. In the event of a dispute between the Government and investors in the investment field, the settlement of the dispute must first be settled through deliberation and consensus as referred to in article 32 paragraph (1) of chapter XV of the Republic of Indonesia Law No. 25/2007 concerning Investment. Then paragraph (2) states that if a dispute resolution through deliberation and consensus is not reached, the dispute resolution can be done through arbitration or an alternative dispute resolution or court following the provisions of the legislation. Paragraph (4) states that dispute resolution is carried out through international arbitration which must be agreed by the parties in the event of a dispute in the field of investment between the Government and foreign investment (Tommy Leonard, Heriyanti, Elvira Fitriyani Pakpahan, 2016).

Basically, in a joint venture agreement agreed by the parties, the pattern of dispute resolution is closely related to the regulation of the Choice of Forum or Choice of Jurisdiction or Choice of Court clause, which based on the agreement of the parties determines which forum will adjudicate the parties' disputes. The agreement of the parties and this clause gives certainty, directs the forum parties what they should use in resolving disputes, as well as giving birth to authority or jurisdiction to the forum chosen and who will handle the parties' disputes. The existence of a forum choice clause in a joint venture agreement is for legal certainty. The legal certainty in question is the certainty as to which institution or court is authorised to adjudicate or resolve disputes between the parties. Based on the principle of Indonesian treaty law, there are three conditions in the choice of the forum namely the parties must state their

choice firmly, the parties must state the choice of the forum before the dispute, the parties cannot determine the choice of the forum after the dispute.

The implementation of dispute resolution is divided into dispute resolution through the court (litigation) and dispute resolution outside the court (no litigation). The implementation of dispute resolution outside the court is a settlement that is mostly chosen by business actors, which is then referred to as alternative dispute resolution. This alternative dispute resolution consists of negotiation, mediation, conciliation, and arbitration. The alternative dispute resolution that is often used in arbitration. In Indonesia's positive law, the regulation on arbitration is contained in Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution. Arbitration itself is an event to settle a civil dispute outside the general court which is based on an arbitration agreement made in writing by the parties to the dispute as referred to in article 1 item 1 of Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution. The selection of arbitration can be done by appointing an existing arbitration body (institutional arbitration) or forming an ad hoc arbitration, that is, an arbitration council that is formed after the dispute occurs. Geographically, the classification of arbitration forums is divided into two namely national and international arbitrations. Arbitration bodies in the national sphere, for example, are the Indonesian National Arbitration Board (BANI), the Indonesian Muamalat Arbitration Board (BAMUI). Internationally, for example, the London Court of International Arbitration (LCIA) is based in London, the International Chamber of Commerce (ICC) arbitration body is located in Paris, the International Center for Settlement of Investment Disputes (ICSID) arbitration body is based in Washington, or an agency United Nations Commission on International Trade Law (UNCITRAL) arbitration. (Handayani I.G.A.K.R, As'Adi E, Hamzah.G, Leonard T, Gunarto G, 2017).

Arbitration agreements consist of two forms, namely factum de compromised and deed of compromise. Factum de compromised is an agreement to settle a dispute through arbitration that has been agreed from the beginning by the parties before the dispute occurs. Whereas the dispute settlement agreement through arbitration agreed by the parties after the dispute occurs is a compromised deed. In implementing a foreign arbitration award in Indonesia contained in article 66 of Law Number 30 Year 1999 concerning Arbitration and Alternative Settlement of Disputes, it must meet several requirements, namely the recognition and implementation of an International Arbitration Award imposed by an arbitrator or arbitral tribunal in a country with the state of Indonesia is related to an agreement both bilaterally and multilaterally, the decision according to the provisions of Indonesian law is included in the scope of trade law and does not conflict with public order, and the International Arbitration Award can be implemented after obtaining the extracurricular from the Supreme Court of the Republic of Indonesia which is subsequently delegated to the District Court Central Jakarta.

In article 65 of Law Number 30 of 1999 Concerning Arbitration and Alternative Dispute Resolution, it states that the Central Jakarta District Court is the party authorised to handle the issue of recognition in the implementation of international arbitration awards. The settlement of disputes in Joint Venture Companies relating to disputes between shareholders is carried out by referring to the agreement contained in the dispute resolution clause (settlement dispute clause) which governs the chosen dispute resolution forum (choice of forum) in the agreement. Thus, the settlement of disputes that occurs among shareholders depends on the choice of forum, or choice of jurisdiction, or choice of the court that has been agreed upon. Therefore, dispute resolution that occurs among shareholders can be resolved either through court or arbitration and alternative dispute resolution. Furthermore, dispute resolution if a dispute that occurs in a joint venture company involves a dispute between fellow members of the directors of the joint venture company, then it is done through the District Court according to Law Number 40 of 2007 concerning Limited Liability Companies. The settlement of disputes that occurs in joint ventures involving disputes between shareholders and members of the board of directors of joint venture companies in the case of derivative lawsuits is also carried out through the District Court. In the event of an investment dispute between a foreign investor and the Government of the Republic of Indonesia, the settlement can be done through an international arbitration institution, such as ICSID, or other dispute resolution institutions based on the agreement of the parties. (Bambang A.K, Abdul.K.J,, 2018)

Conclusion

Based on the results of the discussion, the following conclusions can be described in the settlement of disputes in Joint Venture Companies relating to disputes between shareholders and is carried out concerning the choice of forum, or choice of jurisdiction, or choice of a court that has been agreed. Therefore, dispute resolution that occurs among shareholders can be resolved either through court or arbitration and alternative dispute resolution. Furthermore, dispute resolution if a dispute that occurs in a joint venture company involves a dispute between fellow members of the board of directors, a dispute between the shareholders and the board of directors in the case of a derivative suit, then it is conducted through the District Court according to Law Number 40 of 2007 concerning Limited Liability Companies. In the event of an investment dispute between a foreign investor and the Government of the Republic of Indonesia, the settlement can be done through an international arbitration institution, such as ICSID, or other dispute resolution institutions based on the agreement of the parties.

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