



Legal Responsibility of Arbitrators and Arbitration Institutions in Cancelling Arbitration Awards

Khairunnisa Siregar¹, Najwa Fadila², Nabila Putri Aulia³, Randy Harahap⁴, Mhd Imran Pradipta⁵

¹Yogyakarta State University

²³⁴⁵State Islamic University of North Sumatra

E-mail: khairunnisasiregar.2021@student.uny.ac.id najwafadhilah2004@gmail.com nabilaaulian06@gmail.com randyharahap045@gmail.com mhd.imrandipta@gmail.com

Info Articles

Article History

Received: 2026-01-17

Revised: 2026-01-24

Published: 2026-01-30

Keywords:

Arbitration; Annulment of Decision; Liability; Legal Procedure

Abstract

The annulment of an arbitration award in Indonesia is an exceptional legal mechanism and is strictly regulated in Article 70 of Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution (AAPS Law). Although an arbitration award is final and binding, annulment can be carried out if forged documents, concealed decisive documents, or a decision born of deception are found. The submission mechanism is carried out in writing to the District Court within 30 days of the registration of the award, with supporting evidence. Arbitrators and arbitration institutions enjoy legal immunity, but liability can arise if there is a serious violation of the integrity of the process. This study discusses the legal basis for annulment, the forms of accountability of arbitrators and arbitration institutions, the submission mechanism, and the legal consequences of annulment of an award, to provide a comprehensive understanding of legal protection and legal certainty in arbitration.

I. INTRODUCTION

Arbitration is a dispute resolution mechanism widely chosen in business and commercial relationships because it offers a more flexible and confidential process and provides certainty through a final and binding decision. The parties' trust in arbitrators and arbitration institutions is reflected in the delegation of dispute resolution authority to them, with the expectation that the decisions rendered will protect the interests of the parties fairly and in accordance with the law and the underlying agreement. However, the existence of a mechanism for annulling arbitration awards through the courts indicates that the finality of arbitration awards is not completely absolute, as there is room for correction of certain errors or violations deemed detrimental to the arbitration process.

This situation raises an important academic issue: the extent to which arbitrators and arbitration institutions can be held legally accountable if their decisions are subsequently overturned by a court. The annulment of an arbitration award does not necessarily indicate negligence or error on the part of the arbitrator or arbitration institution, but it can have legal implications that affect the trust of the parties and the credibility of arbitration as a dispute

resolution forum. Furthermore, the lack of clear regulations regarding the limits and forms of arbitrator and arbitration institution liability leaves room for wide interpretation, necessitating a more in-depth study to understand the relationship between the annulment of an arbitration award and the legal responsibility of those exercising arbitration authority.

Based on the importance of maintaining a balance between the principles of finality and accountability, this study attempts to unravel the legal basis that establishes the accountability of arbitrators and arbitral institutions in the context of annulling arbitral awards. The research is conducted through a normative juridical approach based on the interpretation of laws and regulations, legal literature, and a review of relevant court decisions. Through this approach, annulling an arbitral award is understood not merely as the result of procedural corrections, but as a gateway to analyzing whether there has been a violation of professional obligations or principles of dispute resolution that could have implications for legal accountability.

Thus, this research is expected to provide a clearer picture of the limits of arbitrator and arbitral institution accountability without

eliminating the finality that is a fundamental characteristic of arbitration. A more structured understanding of the relationship between annulment of an award and legal accountability is expected to strengthen the parties' trust in arbitration and contribute to the development of more accountable and effective dispute resolution practices.

II. RESEARCH METHODS

The author's research used a qualitative descriptive approach. Qualitative examination techniques, including descriptive data, originate from the actors or objects being observed and can be recorded in written or unwritten form. The exploratory technique used in this research is a qualitative examination using a descriptive model. This approach describes the observed problems and then conducts an analysis to produce accurate exploratory findings. Sugiono stated that the purpose of a qualitative approach is to analyze and then characterize existing things based on behavior, attitudes, and opinions or social perceptions.

III. RESULTS AND DISCUSSION

A. Legal Basis for Cancellation of Arbitration Award

The annulment of arbitration awards in Indonesia is expressly regulated in Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution (AAPS Law), particularly through Article 70. In principle, arbitration awards are final and binding on the parties, and therefore cannot be appealed or cassated, unlike court decisions. However, the law still allows for very limited room for correction through an annulment mechanism if certain circumstances are found that are deemed contrary to the principle of justice or damage the integrity of the arbitration process. In other words, annulment is a limited exception, not a means to reassess the substance of the dispute, but rather to assess the validity of the process and the basis for its realization (Saragih, 2025).

Although arbitration awards are, in principle, final and binding on the parties, the law provides limited legal space for filing an annulment request. This space is contained in Article 70 of Law No. 30 of 1999, which provides the legal basis for an aggrieved party to request that the court annul the arbitration award for certain exceptional or extraordinary reasons. This means

that an annulment request is not a means of reassessing the merits of the case or the substance of the dispute, but rather a mechanism for addressing serious violations of the integrity of the arbitration process (Berutu et al., 2024).

It is important to understand the characteristics of arbitration as a basis for assessing the merits of this mechanism. Arbitration is a frequently used dispute resolution approach and can be used as a model for humane resolution, as it prioritizes agreement, justice, and certainty for the disputing parties (Rigel & Soermartono, 2025). Normatively, Article 70 of the AAPS Law outlines three main grounds that can be used as a basis for a request for annulment:

- 1) Arbitration awards are based on documents or letters that are later proven to be forged. The first reason refers to situations where documents, letters, or written evidence submitted during the arbitration hearing process are found to be forged, or are only declared forged through legal proceedings after the arbitration award has been rendered. In this context, forged documents are crucial because written evidence often forms the primary basis for the arbitration panel's considerations in assessing the facts and arguments of the parties. If such documents are found to be invalid or fabricated, the arbitration award becomes tainted because it is based on evidence that does not conform to legal reality. Therefore, annulment becomes relevant as an effort to maintain the integrity of the dispute resolution process and avoid granting legal legitimacy to fraudulent acts (Taufik, 2024).
- 2) Discovery of a decisive document concealed by the opposing party. The second reason relates to the discovery of a crucial document that was not submitted or intentionally concealed by one of the parties during the arbitration hearing. The document in question must be decisive evidence, meaning its existence could significantly alter or influence the outcome of the decision when considered by the arbitration panel. Concealing documents violates the principles of fair trial and good faith, which are the primary foundations of dispute resolution through arbitration. Therefore, if it is proven that a party withheld or concealed documents with the intention of influencing the outcome of the hearing, annulling the award becomes a corrective measure to

restore the balance of justice and ensure that the arbitration process is not abused for unilateral gain (Felina et al. 2023).

- 3) An arbitral award arises from deception or fabrication by one of the parties during the examination process. The third reason states that a request for annulment can be filed if it is proven that the arbitral examination process took place with fraud, fabrication, manipulation, false statements, or other forms of deception perpetrated by one of the parties. Deception in this context is not only limited to document falsification, but can also include systematic actions to deceive the arbitral tribunal, such as providing false statements, fabricating facts, influencing witnesses, or other actions that ultimately mislead the examination and result in a decision that does not reflect the true situation. Because arbitration upholds the principles of trust, confidentiality, and consensus between the parties, the existence of deception is a serious violation of the integrity of the arbitral forum, making the continuation of a decision resulting from such actions untenable (Putri & Hartanto 2019).

An application for annulment of an arbitration award can only be made after the arbitration award has been registered first with the District Court in accordance with the provisions of Article 59 of Law No. 30 of 1999. After that, the aggrieved party can submit a written application for annulment to the Head of the authorized District Court, by stating the reasons for the annulment as regulated in Article 70 of the AAPS Law and attaching relevant supporting evidence. This application must be submitted no later than 30 days after the decision is registered (Septiyanda & Abdurrahim, 2025).

Once the application is received, the District Court will review the formalities and determine whether the grounds for annulment can be substantiated. This examination is not intended to re-evaluate the merits of the dispute, but rather to ensure the integrity of the arbitration process. If the grounds are substantiated, the court may annul the arbitration award in whole or in part; however, if they are not substantiated, the application will be rejected, and the arbitration award will remain valid and binding on the parties.

B. Forms of Accountability of Arbitrators and Arbitration Institutions

The liability of arbitrators and arbitration institutions in Indonesia is essentially limited due to legal immunity in exercising their authority. This protection is regulated in Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution (AAPS Law), which stipulates that arbitrators cannot be held civilly or criminally liable for actions, assessments, or decisions taken during the dispute resolution process, as long as the arbitrator carries out their duties independently, impartially, and in accordance with the principle of prudence. This immunity is intended to maintain the arbitrator's freedom to render decisions without pressure from any party, thereby maintaining the integrity of the arbitration process (Fulena & Chittoo 2023).

However, this limitation of liability is not absolute. Immunity does not preclude liability if serious violations of the integrity of the examination process are proven, such as falsification of documents, concealment of important evidence, or acts of deceit that significantly affect the material truth of the decision. In such circumstances, the parties can pursue the annulment mechanism for the decision under Article 70 of the AAPS Law. This means that although arbitrators and arbitration institutions are protected from direct prosecution, the validity of the resulting legal product can still be tested through annulment if there are elements of a violation that can be legally proven. This demonstrates that accountability in arbitration is not directed at the individual arbitrator, but rather at the legitimacy of the process and the outcome of the decision (Publica Scientific Journal, 2022).

Arbitrators are responsible for maintaining neutrality, independence, and compliance with procedures as stipulated in Article 16 of Law No. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution (AAPS Law). Violations such as conflicts of interest can lead to the arbitrator's denial or resignation, who will then be replaced according to the arbitration institution's mechanism. However, arbitrators do not bear direct responsibility for the substance of the decision because their quasi-judicial status provides immunity as long as the arbitrator acts independently and impartially (Mubarok, Mutolip & Sasi, 2025).

The arbitration institution is responsible for organizing the arbitration process fairly and orderly through administrative functions, such as appointing arbitrators, regulating examination procedures, and handling arbitrator objections in the event of alleged non-neutrality. However, the arbitration institution is not responsible for the substance of the decision because its position is only as a forum organizer, not a party deciding the case. The institutional immunity of the arbitration institution also limits direct legal liability, so that its responsibilities are more focused on ensuring compliance with internal rules, maintaining the integrity of the process, and conducting preventive supervision to prevent ethical violations or conflicts of interest. Thus, the role of the arbitration institution is organizational and supporting, while legal responsibility for the content of the decision remains with the arbitrator (Limpong & Soemartono, 2025).

Legal liability for arbitrators and arbitration institutions is, in principle, limited by the scope of their arbitration authority. As long as their actions fall within the scope of their dispute resolution duties, both parties enjoy immunity protection, preventing them from being sued in civil or criminal proceedings for the content of their decisions. However, this immunity is not absolute. Liability can arise if there are actions that exceed the arbitration authority (*ultra vires*), such as document falsification, evidence manipulation, or other unlawful acts that fall outside the arbitration function. In such circumstances, liability is not linked to the arbitration award itself, but rather to individual actions that violate common law and can be prosecuted through civil or criminal mechanisms. Meanwhile, arbitration awards remain final and binding, unless annulled through a request for annulment in court for reasons stipulated by law, without automatically holding the arbitrator or arbitration institution personally liable (Sinaga & Susanti, 2025).

C. Mechanism for Submitting and Limiting Cancellation of Arbitration Awards

The mechanism for filing an annulment of an arbitration award in Indonesia is regulated in Articles 70 to 72 of Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution (AAPS Law). The application is submitted in writing to the Head of the competent District Court, namely the court in the

jurisdiction where the arbitration award is registered. The application can only be made after the arbitration award has been registered with the court and must be accompanied by evidence supporting the reasons for the annulment as stipulated by law. After the application is received, the court examines the fulfillment of formal and material requirements, including whether the reasons for the annulment submitted are valid according to Article 70. If the evidence is successful, the court can declare the arbitration award null and void, thereby having no binding legal force for the parties (SIP LAW FIRM, 2024).

An application to annul an arbitration award is submitted in writing to the Clerk of the District Court whose jurisdiction covers the location where the arbitration award was registered. Based on Article 59 paragraph (1) of Law No. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution (AAPS Law), the application must be submitted within 30 days of the award being delivered and registered with the court. In the application, the aggrieved party must state the reasons for the annulment in accordance with Article 70 of the AAPS Law, complete with supporting evidence, such as an admission of falsification of documents stipulated in another court decision or other relevant evidence. Once received, the court will conduct a formal and material examination to assess whether the application meets legal requirements. This process is generally decided within 30 days, and the court's decision can be to annul all or part of the arbitration award if the reasons submitted are proven to be legally valid.

A request to annul an arbitration award must be submitted within 30 days of the date the arbitration award is registered with the District Court Clerk. The grounds for annulment must be legally substantiated, for example through a previous court decision or relevant supporting documents. If the arbitration award has not been registered, an annulment request cannot be submitted, as the legal mechanism requires registration as the basis for the court's jurisdiction. A court decision on an annulment request is final and cannot be appealed unless specific provisions permit further legal action.

If the court grants the annulment request, the arbitral award is void, either in whole or in part, allowing the dispute resolution process to be repeated according to applicable procedures. Conversely, if the court rejects the request, the

arbitral award remains valid and enforceable, reinforcing the principle of finality and bindingness of arbitral awards. This annulment mechanism aims to prevent abuse of arbitration procedures while maintaining the integrity of the process, thereby ensuring legal certainty for the parties.

IV. CONCLUSION AND SUGGESTIONS

A. Conclusion

The annulment of an arbitral award is exceptional and limited, with a clear legal basis outlined in Article 70 of the AAPS Law. This mechanism maintains a balance between the finality of the arbitral award and legal protection for the injured party. Arbitrators and arbitral institutions enjoy legal immunity, but liability may arise in the event of serious violations. Thus, the annulment mechanism serves as a corrective tool that ensures fairness, process integrity, and legal certainty.

B. Suggestion

Based on the discussion, it is recommended that arbitrators and arbitral institutions improve their adherence to codes of ethics, internal procedures, and the principle of good faith, including through regular training and performance evaluations, to minimize the risk of annulment of awards and maintain the integrity of the arbitral forum. Furthermore, strengthening legal mechanisms, particularly those related to annulment deadlines and evidentiary requirements, should be considered to be more adaptable to modern arbitration practices, including online arbitration. Education and outreach to the parties regarding their rights, obligations, and annulment mechanisms are also crucial to reduce the potential for disputes arising from miscommunication or procedural abuse. Furthermore, further research on the practical implications of annulment of arbitral awards on legal certainty, the efficiency of dispute resolution, and the reputation of arbitral institutions in Indonesia is highly recommended, including comparative studies with other countries as a basis for recommendations for improving national arbitration law.

REFERENCE LISTAN

Berutu, A., Harahap, M.S., Aulia, N., Nasution, P.S.F. & Iskandar, Z. (2024). Putusan Arbitrase: Finalitas, Kekuatan Mengikat,

Dan Implikasi Hukum Di Indonesia. *Jurnal Cendikia Isnu Su*, 1(3), 183–189.

Ezter Limpong, M.J. & Soemartono, G.P. (2025). Virtual To Factual: Online Arbitral Awards Annulled By The Court. *Kertha Semaya: Journal Ilmu Hukum*, 13(11), 2536–2552.

Felina, C., Kamello, T., Sembiring, R. & Sembiring, I.A. (2023). Penemuan Dokumen Yang Bersifat Menentukan Disembunyikan Pihak Lawan Sebagai Penyebab Pembatalan Putusan Arbitrase. *Locus Journal Of Academic Literature Review*, 2(10), 861–873.

Fulena, V. & Chitto, H.B. (2023). The “Arbitral Immunity” Dilemma – What Is The Balance? *Advances In Social Sciences Research Journal*, 10(2), 465–473.

Jurnal Ilmiah Publika (2022). Tanggung Jawab Hukum Arbiter Dan Badan Arbitrase Atas Putusan Arbitrase Yang Diajukan Pembatalan Di Pengadilan. *Jurnal Ilmiah Publika*, 10(1), 137–146.

Mubarok, M.A.A., Mutolip, W.A. & Sasi, Y.M. (2025). Tanggung Jawab Etis Dalam Profesi Arbiter Dan Prinsip-Prinsip Penyelesaian Sengketa Melalui Arbitrase. *Jurnal Arbitrase Indonesia (Jarbi)*, 1(2), 23–36.

Putri, A.S. & Hartanto, H. (2019). Pembuktian Unsur Tipu Muslihat Pada Gugatan Pembatalan Putusan Arbitrase. *Jurnal Verstek*, 7(3), Xx–Xx.

Rigel, B. & Soemartono, G.P. (2025). Annulment Of Arbitral Awards As An Instance Of Procedural Abuse. *Jurnal Ilmu Hukum Kyadiren*, 7(2), 1330–1341.

Saragih, D.H. (2025). Prosedur Pembatalan Putusan Arbitrase Secara Hukum Di Indonesia. *Hukumku Legal Review*, 1(1), 1–9.

Septiyanda, S. & Abdurrahim, A. (2025). Pembatalan Putusan Arbitrase Di Indonesia Menurut Undang-Undang Nomor 30 Tahun 1999 Tentang Arbitrase Dan Alternatif Penyelesaian Sengketa.

- Terang: Jurnal Kajian Ilmu Sosial, Politik Dan Hukum, 2(2).
- Sinaga, D.S. & Susanti, C. (2025). Batalnya Putusan Badan Arbitrase Nasional Indonesia Akibat Ketidaknetralan Arbiter. *Jurnal Hukum To-Ra*, 11(1), 117-130.
- Sip Law Firm (2024). Tata Cara Pembatalan Putusan Arbitrase. *Sip Law Firm Articles*, 1-3.
- Taufik, H.F. (2024). Pembatalan Putusan Arbitrase Akibat Ditemukannya Dokumen Menentukan Yang Disembunyikan: Studi Putusan Ma No. 470b/Pdt.Sus-Arbt/2022. *Masalah-Masalah Hukum*, 53(2), 191-202