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Implementation Of Joint Venture Agreement From Law Number 25 Of 2007 Concerning Investment

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ABSTRACT

As a logical consequence of a joint venture, various problems arise, namely contractual problems between foreign parties and national parties in making joint venture agreements and dispute resolution issues between investors and the host country, there are doubts among foreign investors. In other words, the objectivity of the dispute resolution agency is doubtful. In Indonesia, there is a tendency for investors to choose to settle investment disputes out of court. The purpose of this study is to analyze the implementation of the joint venture agreement in terms of Law Number 25 of 2007 concerning Investment ? and problems that arise in the implementation of the joint venture agreement and how to resolve the dispute. The research method used in this research is descriptive analytical, with a normative juridical approach. This research was conducted by means of library research and field research with data collection techniques through documentation studies and interviews as well as data analysis methods used in this study using qualitative juridical analysis. Based on the results of research and discussion, the following conclusions can be drawn: First, the implementation of the joint venture agreement requires very serious handling and requires professionalism from both parties in order to avoid things that arise from the implementation of the joint venture agreement; Second, the problems that arise in the implementation of the joint venture agreement are due to the distribution of shares of 49% (national) and 51% (foreign) so that foreign companies can make important decisions because the shares are more than half, the distribution of shares is usually small, each only have only 20%, there is a transfer of shares to another party, because of dissatisfaction. The existence of these problems gives rise to investment disputes and efforts that can be made in accordance with the Capital Market Law in the form of dispute resolution by way of deliberation and consensus, arbitration or courts, and specifically for disputes between the government and foreign investors, disputes are resolved through agreed international arbitration.

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1. Introduction

Indonesia as a developing country, has a strong desire to carry out its economic development, but in making it happen there are various ways that differ from one country to another. One way that is done by the state is to attract as many foreign investors as possible to enter the country. Attracting as much investment as

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possible into a country is a way that the country must implement to become a prosperous country, so that national development must be directed to the industrial sector.

Since the beginning, developing countries have been faced with the problem of lack of capital and technology, which are the basic elements towards industrialization. The way to anticipate this problem is to invite the entry of foreign capital from developed countries into the country. The entry of foreign capital into the Indonesian economy is a state of affairs for the Indonesian economy and politics. The alternative of raising funds for Indonesia's economic development through direct capital investment is much better than the withdrawal of other international funds, such as foreign loans.

Foreign direct investment is a real phenomenon in the context of the development of developing countries, because foreign investment is one of the development financing options that developing countries have not been able to fulfill. In addition to generating foreign exchange directly for the country, direct foreign investment activities generate very significant benefits for the host country because of their permanent (long-term) nature. Likewise, foreign direct investment contributes to increasing national economic growth, creating job opportunities, promoting sustainable economic development, increasing national technological capacity and capability, and realizing people's welfare in a competitive economic system.

Foreign investment is one of the main forms of international business transactions. In many countries, the regulations governing foreign investment take the form of a joint venture requirement, namely the requirement that foreign investment must take the form of a joint venture with a local company to carry out the desired economic activity, also between two or more foreign companies as is the case in Indonesia

Foreign capital brought in by investors is a very important tool for integrating the global economy. In addition, investment activities will have a positive impact on capital recipient countries, such as: encouraging business growth, providing technology supplies from investors, both in the form of production processes, machinery technology, as well as in creating jobs. Opening opportunities for foreign investors In order to invest in Indonesia, a legal instrument is needed to regulate its implementation, so that the investment is expected to provide large profits and improve the Indonesian economy.

Since the New Order era during the 1966-1997 period, it has proven how important the role of direct investment, especially foreign investment (foreign investment) as a driving force for development and a source of economic growth for the Indonesian state. The legal basis for investment in Indonesia is regulated in the laws and regulations and other regulations that follow it. Among others are:

a. Law Number 1 of 1967 concerning Foreign Investment as amended by Law Number 11 of 1970 concerning Foreign Investment;
b. Law Number 6 of 1968 concerning Domestic Investment, which was amended by Law Number 12 of 1970 concerning Domestic Investment, then amended again by Law Number 25 of 2007 concerning Investment.

The issuance of Law Number 25 of 2007 concerning Investment (hereinafter referred to as UUPM) gave birth to a glimmer of hope in the investment climate in Indonesia, because so far the existing Investment Law is considered no longer adequate as a legal basis to attract investors.

The investment arrangements contained in Law Number 25 of 2007 are the result of an evaluation of the previously existing investment provisions by taking into account the attitudes and desires and expectations of investors who wish to invest in Indonesia, of course, by taking into account the national interest above the interests of the investors. the capital/investor concerned.

Article 5 paragraph 2 UUPM, states as follows: "Foreign investment must be in the form of a Limited Liability Company based on Indonesian law and domiciled within the territory of the Republic of Indonesia unless otherwise stipulated by law."

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One of the requirements of a foreign legal entity to become a Limited Liability Company is that the foreign legal entity must cooperate with a domestic legal entity. Cooperation between foreign legal entities and domestic legal entities is stated in a joint venture agreement. Holding a joint venture agreement is the first step in forming a joint venture company, where the joint venture agreement contains the agreement of the parties regarding ownership of capital, shares, increasing share ownership, finance, management, technology and experts, settlement of disputes that may occur, and termination of the joint venture agreement.

Foreign entrepreneurs and local entrepreneurs form a new company called a joint venture company in which they become shareholders whose amount is in accordance with a mutual agreement. The basis for forming the joint venture company is the joint venture agreement and the general provisions of the agreement as regulated in the Civil Code (KUHPerdata).

Joint venture agreements are also formed based on agreement principles that are universally applicable, such as Freedom of Contract, Consensus, Pacta Sun Servanda and Good Faith. Joint Venture Agreements in Indonesia are subject to the legal provisions of the agreement regulated in the Civil Code. The joint venture agreement must fulfill the legal provisions of an agreement as regulated in Article 1320 of the Civil Code. Agreements made legally according to Article 1338 of the Civil Code apply as law for those who make them. In addition to fulfilling the legal principles of the agreement for the validity of an agreement, it is also required that the agreement should not be or be prohibited or contradict the law, decency or public order. Therefore, in order for the joint venture agreement to bind the parties, the requirements according to the Agreement Law as contained in Book III of the Civil Code and the legal principles of the agreement must be fulfilled.

Joint ventures generally operate in the oil and gas industry, and are often legal entities between local and foreign companies. Joint ventures are often seen as viable business alternatives in this sector, as they can improve technological equipment, while offering a geographic presence to foreign companies. Various studies show a failure rate of about 30 to 61%, and about 60% fail to start or fade away within 5 (five) years. It is also known that joint ventures in underdeveloped countries exhibit great instability, whereas joint ventures involving government partners are more likely to fail (private companies appear to be better equipped to support critical technologies, marketing networks, etc.).

Some countries, such as the People's Republic of China (PRC) and furthermore India, require foreign companies to form joint ventures with domestic companies to enter the market. These requirements often encourage the transfer of technology and manager control to domestic partners. Most joint ventures fail in Asia, due to cultural differences. Joint ventures failed for a number of reasons, including a lack of communication and distribution of personnel between management.

As a logical consequence of a joint venture, various problems arise, one of which is a contractual problem between foreign parties and national parties in making joint venture agreements. Therefore, in making a joint venture agreement, the legal aspects must be considered and the parties must be careful in the preparation of the joint venture contract, so that legal gaps in the joint venture agreement can be avoided. If there is a dispute regarding the implementation and realization of the joint venture agreement, the first reference is to look at applicable law (governing law) and settlement of disputes that have been agreed and chosen by the parties in the joint venture agreement, both concerning the choice of law (choice of law) and choice of forum (choice of forum), namely which law and which institution will be selected and agreed upon by the parties in the joint venture agreement that is authorized and used in assessing and resolving disputes that arise regarding investment. These include disputes between foreign investors and local partners as well as between foreign investors and local governments (local government, host country).

One thing that is often considered by potential investors, if they want to invest their capital abroad, is the existence of a dispute resolution institution between investors and the host country. In fact,

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conventionally in any country in the world, there is a dispute resolution institution, namely the judiciary. However, if the dispute resolution between investors and the host country is resolved through the judiciary, there will be doubts among foreign investors. In other words, the objectivity of the dispute resolution agency is doubtful. In Indonesia, there is a tendency for investors to choose to settle investment disputes out of court. The problem of resolving investment disputes in Indonesia has been explicitly described in the Capital Market Law. If you pay close attention to the Capital Market Law, it appears that the Government of the Republic of Indonesia provides space for the settlement of investment disputes between the Government of the Republic of Indonesia through arbitration institutions.

Based on the description above, this study is more focused on legal issues, namely How is the implementation of a joint venture agreement in terms of Law Number 25 of 2007 concerning Investment? and what problems arise in the implementation of the joint venture agreement and how to resolve the dispute?.

2. Research Method

This research is analytical descriptive, that is, systematic, factual and accurate regarding the facts. Thus, this research will describe various legal issues, facts and other phenomena related to the Joint Venture Agreement in terms of Law Number 25 of 2007 concerning Investment. The approach method used is a normative juridical approach, namely tracing, reviewing and researching secondary data relating to the Joint Venture Agreement associated with Law Number 25 of 2007 concerning Investment.

This research was conducted in 2 (two) stages, namely library research and field research. Library research is collecting secondary data consisting of: Primary legal materials in the form of legislation, secondary legal materials, namely materials that are closely related to primary legal materials and can help analyze primary legal materials, such as scientific papers and writings of experts, and tertiary legal materials, namely materials that can support primary legal materials and secondary legal materials, for example materials obtained from the internet, newspapers, magazines, television, and others. While field research, namely research conducted by conducting interviews to obtain supporting data directly from the relevant agencies and/or the public.

The technique used to conclude this data is in 2 (two) ways, namely document studies and interviews. Document studies, namely conducting research on documents in the form of books, literatures and laws and regulations, which are closely related to the implementation of joint venture agreements linked to Law Number 25 of 2007 concerning Investment. While the interview is holding a question and answer to obtain supporting data directly from the relevant agencies.

The data obtained will be analyzed using qualitative normative methods. Normative, because it is based on the existing laws and regulations as positive legal norms as well as the results of field research carried out, then a qualitative analysis is carried out because it is an analysis of data originating from information, thus it will be an analysis without using mathematical formulas and numbers.

3. Result and Discussion

3.1 Implementation of Joint Venture Agreement Judging from Law Number 25 of 2007 concerning Investment

Every country always tries to improve the development, welfare and prosperity of its people. These efforts are carried out in various ways that differ from one country to another. One of the efforts made by the state is to attract as much foreign investment as possible into the country. The entry of foreign capital into the Indonesian economy is a demand for conditions, both economic and political in Indonesia. The alternative of raising funds for Indonesia's economic development through direct capital investment is much better than the

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withdrawal of other international funds such as foreign loans. Investment must be part of the implementation of the national economy and be placed as an effort to increase national economic growth, create jobs, promote sustainable economic development, increase national technological capacity and capability, and realize people's welfare in a foreign-powered economic system.

The foreign capital brought in by investors is a very important tool for integrating the global economy. In addition, investment activities will have a positive impact on capital recipient countries, such as encouraging business growth, supplying technology from investors, both in the form of production processes and machinery technology, and creating jobs. Holding a joint venture agreement is the first step in forming a joint venture company, where the joint venture agreement contains an agreement between the parties regarding ownership of capital, shares, increasing share ownership, finance, management, technology and experts, resolving disputes that may occur. , and the end of the joint venture. Foreign entrepreneurs and local entrepreneurs form a new company called a joint venture company, where the parties become shareholders whose amount is in accordance with a mutual agreement. The basis for the formation of the joint venture company is the joint venture agreement and the general provisions of the agreement as regulated in the Civil Code (KUHPerdata).

Joint venture agreement which refers to the general provisions of the law of agreement regulated in the Civil Code (KUH Perdata). The Civil Code, especially Book III regarding engagements that are closely related to joint venture agreements. The Civil Code regulates the basic provisions of an agreement, namely Article 1313 of the Civil Code regarding the meaning of the agreement, Article 1320 of the Civil Code regarding the terms of the agreement, Article 1338 of the Civil Code regarding the enforcement of an agreement that binds the parties. Foreign investment in Indonesia, which requires a joint venture between foreign investors and national investors, forms an agreement called a joint venture agreement, Article 1319 of the Civil Code states that: "All agreements, both those that have a special name, or those that are not known by a certain name, are subject to the general rules contained in this chapter and the last chapter."

Book III becomes the legal basis for entering into engagements, including engagements between foreign investors and national investors in the context of investing in the territory of the Republic of Indonesia. The joint venture agreement is subject to various requirements regulated by the law governing the joint venture, while the legal form of the joint venture may take the model of an agreement, civil partnership, or limited liability company.

UUPM gives authority to the Investment Coordinating Board to coordinate in the implementation of investment, the authority is stated in Article 27 paragraph 2 UUPM. However, the implementation provisions have not been issued by the government, including other provisions of the Capital Market Law. As a result of this condition, the previous regulations governing the implementation of investment still apply the previous provisions originating from the Foreign Investment Law and the Domestic Investment Law (UUPA and UUPMD) which are based on the transitional provisions of Article 37 of the Law. -Law Number 25 Year 2007.

The term Joint Venture Agreement is deliberately not translated into a joint venture as it is known in Indonesia, it aims to avoid misunderstandings, because a joint venture itself can take the form of a joint venture, joint enterprise, contract of work, production sharing, investment with DICS-rupiah. (Debt Investment Conversion Schema), investment with investment credit and investment portfolio. Joint Venture Agreement or commonly called a joint venture agreement is a contract that initiates a joint venture cooperation, this contract becomes the basis for the formation or establishment of a joint venture company.

Joint venture agreements are in practice more often used if they contain broader provisions relating to the initial establishment of a joint venture company, conditions precedent, and the business contribution of the parties. The joint venture agreement between companies regulates the control of the company, the

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proportion of capital, profit sharing arrangements, the legal form of the joint venture, as well as arrangements regarding the termination of the agreement.

Sunaryati Hartono stated: “Joint venture is any joint venture between Indonesian capital and foreign capital, whether it is a joint venture between private and private, government and private or government and government. It also does not differentiate whether the joint venture is considered a foreign investment or a domestic investment”. Joint venture is considered a business strategy, namely the strategy of a foreign company to enter the market from its trading partners through cooperation with local companies. The joint venture agreement between foreign and national investors aims to form a joint venture company and carry out its economic activities as a legal entity. The legal entity stipulated by the Capital Market Law for a joint venture company with foreign capital is a Limited Liability Company (PT), which is regulated in Law Number 40 of 2007 concerning Limited Liability Companies.

The position of the Joint Venture Agreement is only in full effect before the process of the limited liability company becoming a legal entity, where agreements made between fellow shareholders or between shareholders and the company must be in accordance with the provisions of the articles of association regulated in Law Number 40 of 2007, because when a limited liability company has been legalized as a legal entity, then the articles of association of the company in addition to binding the company and shareholders even bind third parties. After the articles of association are ratified, the position of the articles of association and the joint venture agreement has an important position.

The joint venture agreement can also be used as a reference in drafting the articles of association of a joint venture company. The legal basis for a joint venture agreement that can be used as a reference for making the articles of association of a joint venture company is that the joint venture agreement is subject to the law of the agreement, where the law of the agreement stipulates that the agreement made legally applies as law for those who make it, and for those who make the agreement. , then the agreement has binding force (pacta sun servanda). Disputes that arise relating to the contents of the joint venture agreement, are resolved using legal instruments of agreement, while the articles of association of the company are the operational provisions of a company in carrying out legal actions. Technically, these actions are regulated by the legal regime of the company (company law), in this case Law Number 40 of 2007. The articles of association only regulate the technical agreement of the company as a legal entity to carry out its activities. This provision means that disputes arising in the activities of a limited liability company (PT), are resolved using the articles of association instrument.

The existence of a joint venture company in foreign investment has enormous meaning and benefits for domestic or national investors as well as foreign investors, namely: First, risk limitation where carrying out an activity is definitely full of risks. By forming a partnership, the risk can be shared with the participants; Second, is financing, where business cooperation to utilize capital is carried out simply by combining the required capital. The joint venture itself has its own characteristics and characteristics, namely: First, each of them is a shareholder of a company established for certain economic activities. In accordance with the agreed proportion of shares, the foreign party usually becomes the majority shareholder. The size of the majority and minority shareholders also affects the formation of the board of commissioners and the board of directors. Second, the majority shareholder is usually a foreign company that is the parent company of the joint venture company. Joint venture companies will usually produce goods of the same quality as the goods of the parent company.

Apart from the pros and cons of the presence of foreign investors, theoretically it can be argued that the presence of foreign investors in a country has a wide range of benefits (multiplier effect). The benefits in question, namely the presence of foreign investors can absorb labor in the recipient country of capital, can create demands for domestic products as raw materials, increase foreign exchange especially for export-oriented foreign investors, can increase state income from the tax sector, transfer of technology (transfer of of

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technology) and knowledge transfer (transfer of know-how). Seen from this point of view, it can be seen that the presence of investors plays a significant role in the economic development of a country, especially economic development in areas where Foreign Direct Investment (FDI) carries out its activities. The reasons for a multinational company to invest directly abroad, among others:

a. Reasons for proximity to raw material sources;
b. Avoiding the Negative Investment List (DNI) in the country of origin;
c. Cheap labor wages;
d. Looking for new markets;
e. Earn royalties;
f. Get investment incentives in destination countries;
g. Avoid depreciating currency values;
h. The reason for a certain status of a country in International Trade.

The form of business entity for investment in Indonesia is based on the provisions of Article 5 of Law no. 25 of 2007 concerning Investment are as follows:

a. Domestic investment can be carried out in the form of a business entity that is a legal entity, not a legal entity or an individual business in accordance with statutory regulations;
b. Foreign investment must be in the form of a limited liability company based on Indonesian law and domiciled in the territory of the Republic of Indonesia, unless stipulated otherwise by law;
c. Domestic and foreign investment investing in the form of a limited liability company is carried out by: Taking shares at the time of establishment of the limited liability company; Buying shares, Carry out other methods in accordance with the provisions of the legislation.

Foreign entrepreneurs and local entrepreneurs form a new company called a joint venture company in which both parties become shareholders whose amount is in accordance with a mutual agreement. The birth of a joint venture company in the form of a legal entity, namely a limited liability company, is subject to company law in this case Law Number 40 of 2007 concerning Limited Liability Companies.

All business fields or types of business are basically open to investment activities, except for business fields which are declared closed and open with the requirements as described in Article 12 paragraph (1) of Law no. 25 of 2007 concerning Investment and Presidential Regulation Number 111 of 2007 concerning Amendments to Presidential Regulation Number 77 of 2007 in conjunction with Presidential Regulation Number 36 of 2010 concerning List of Business Fields Closed and Business Fields Open with Conditions in the Investment Sector. It means business fields or types of businesses that are closed and open with conditions stipulated through a Presidential Regulation compiled in a list based on classification standards concerning business fields or types of business that apply in Indonesia, while Article 12 paragraph (2) mentions fields which businesses are closed to foreign investment, although not in detail.

The law only mentions business fields closed to foreign investment are the production of weapons, munitions, explosive devices, and war equipment as well as business fields that are explicitly declared closed under the law. Explosive devices as referred to in Article 12 paragraph (2) are explosive devices used for defense and security purposes. The business fields open to investment are determined by the government based on the criteria of national interest, namely the protection of natural resources, the protection of the development of micro, small, medium and cooperative enterprises, supervision of production and distribution, technological capacity building, participation of domestic capital and cooperation with business entities. appointed by the government, all of which are described in Article 12 paragraph (5) of the Capital Market Law.

The government ratified Presidential Regulation Number 76 of 2007 concerning Criteria and Requirements for Formulation of Closed Business Fields and Business Fields Open with

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Requirements in the Investment Sector and simultaneously also issued Presidential Regulation Number 111 of 2007 concerning Amendments to Presidential Regulation of the Republic of Indonesia Number 77 of 2007 in conjunction with Presidential Regulation Number 36 of 2010 concerning List of Business Fields Closed and Business Fields Open with Conditions in the Investment Sector. The ratification of the two Presidential Regulations serves as implementing regulations for Article 12 paragraph (4) and Article 13 paragraph (1) of the Capital Market Law

In Law Number 1 of 1967 concerning Foreign Investment, there is actually no provision that requires a foreign investment company to have a local partner, and there is no prohibition against the existence of a company that is 100% (one hundred percent) consisting of foreign capital. It was only in 1974 after the MALARI Incident (January 15 disaster) was imposed that restrictions were placed on foreign investment. At that time, the government determined that foreign investors who wished to invest in Indonesia had to cooperate with local companies or domestic companies. Provisions regarding share ownership in companies established for foreign investment are regulated in Government Regulation no. 83 of 2001 in conjunction with Government Regulation no. 20 of 1994 in conjunction with Government Regulation no. 17 of 1993 in conjunction with Government Regulation no. 17 of 1992.

Based on Article 2 paragraph (1) Government Regulation Number 83 of 2001 in conjunction with Government Regulation Number 20 of 1994 it is stated that foreign investment can be carried out in the form of:

a. Joint venture between foreign capital and capital owned by Indonesian citizens and or Indonesian legal entities;
b. Direct, in the sense that all the capital is owned by Foreign Citizens and/or foreign legal entities.

However, there are several articles that contradict the laws and regulations with a higher position and share ownership which is considered very detrimental to the state and it is also allowed for foreign capital to participate in controlling the lives of many people which should be controlled by the state, namely in Government Regulation Number 83 of 2001 in conjunction with Regulation Government Number 20 of 1994, foreign investment can reach business activities that are classified as important for the state which can control the livelihood of many people. Although foreign capital cannot directly control (100% controlled), foreign capital can control a maximum of 95%, while 5% is controlled by the state or national private sector. Meanwhile, in the previous regulation, the percentage of state-owned or national private capital was 60% shares and foreign capital could only control 40% of the capital so that most of the company's profits still went to the state treasury.

Article 5 of Presidential Regulation Number 36 of 2010, states: “In the event of a change in capital ownership due to a merger, acquisition, or consolidation in an investment company operating in the same line of business, the following provisions shall apply:

a. he limitation of capital ownership of foreign investors in the investment company that accepts the merger is as stated in the approval letter of the company;
b. The limitation on capital ownership of foreign investors in the investment company that takes over is as stated in the company's approval letter;

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c. The limitation on capital ownership of foreign investors in the new company resulting from the consolidation is as applicable at the time the new company resulting from the consolidation is formed."

In order to know the magnitude of the responsibility in terms of the rights and obligations of each participant in relation to a limited liability company, as a measure, the size of the share ownership of each participant who owns capital is determined. So, with the capital included, the responsibility of the shareholders for the debts of the limited liability company is up to the total value of the shares owned.

Joint venture agreement between foreign and national investors aims to form a joint venture company and carry out its economic activities as a legal entity. The legal entity stipulated by the Capital Market Law for a joint venture company with foreign capital is a Limited Liability Company (PT).

The agreed joint venture agreement then becomes a deed of agreement as a condition for applying for a permit to BKPM and for the creation of a Limited Liability Company Legal Entity. Chapter II Article 7 paragraph (1) of Law Number 40 of 2007 concerning Limited Liability Companies, confirms that the Company is established by 2 (two) or more persons with a notarial deed drawn up in the Indonesian language.

Not all provisions agreed in the joint venture agreement can be included in the deed of establishment of the company. The deed of establishment of a company made by a notary usually has a standard format that has been determined, the setting of these standards aims to facilitate the process of clarifying the completeness of documents that will be submitted to the Ministry of Law and Human Rights.

The parties are not freely able to determine the articles of association, usually at the time of making a joint venture agreement, the parties also make a draft for the articles of association of the company, so that the provisions contained in the articles of association are not much different from the joint venture agreement.

The deed of establishment and articles of association that have been made by a notary official must then obtain a Ministerial Decree to be ratified as a Company Legal Entity. This provision is explained in Article 9 of the Company Law, which states that:

"(1) In order to obtain a ministerial decision regarding the legalization of the legal entity of the Company as referred to in Article 7 paragraph (4) of the Company Law, the founders jointly submit an application through information technology services for the legal entity administration system electronically to the minister by filling out a form containing at least:

a. The name and domicile of the company;
b. The period of establishment of the company;
c. The aims and objectives as well as the company's business activities;
d. Total authorized capital, issued capital and paid-up capital;
e. Full address of the company

(2) Filling out the format as referred to in paragraph 1 must be preceded by the submission of the name of the company; (3) In the event that the founder does not submit the application as referred to in paragraphs 1 and 2, the founder may only authorize a notary; (4) Further provisions regarding the procedure for submitting and using the company name shall be regulated by a government regulation."

The online system for establishing and ratifying the articles of association of Limited Liability Companies (PT) through the Legal Entity Administration System (SISMINBAKUM), is a form of service to the community that is pursued by the Ministry of Law and Human Rights through the Directorate General of General Legal Administration. The service facilities include:

a. Ratification of the Limited Liability Company Legal Entity;
b. Application for Approval and Acceptance of Notice of Amendment to the Company's Articles of Association;

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c. Submission of the deed of amendment to the articles of association of the Limited Liability Company; and
d. Providing other information via electronic means.

The announcement is made by the minister no later than 14 (fourteen) days as of the date of the issuance of the ministerial decree relating to the legal entity status that has been legalized. The provisions contained in Article 29 of the new Company Law are clearly different from the provisions of Article 21 paragraph 1 of the old Company Law. Company registration according to the old Company Law refers to the Mandatory Company Registration Law Number 3 of 1982 (UUWDP), the difference lies in the party authorized to register.

The structure of the Board of Commissioners and Board of Directors in a joint venture company usually describes the structure of capital ownership in the joint venture company. The structure of the Board of Commissioners and the Board of Directors is divided into 3 commissioners where one commissioner serves as the President Commissioner and the other two as members of the Board of Commissioners. Usually in a joint venture company the President Commissioner is held by a member of the commissioner who comes from a foreign party. Furthermore, the other two Board of Commissioners were divided into foreign parties and Indonesian parties respectively.

In general, the decision-making mechanism for meetings in the Board of Commissioners begins with deliberation, but if there is no agreement, it will be taken by majority voting. Decisions are made by majority vote, meaning that two of the three members of the Board of Commissioners approve the decisions taken, so that the Indonesian side will always follow the wishes of foreign parties.

Meanwhile, for the structure of the board of directors in a joint venture company, usually foreigners are the majority shareholders so that foreigners occupy key positions in a larger number than Indonesians as minority shareholders. For example, the Board of Directors is divided into the Director of Finance, Director of Production, Director of Marketing and Director of General Affairs and Personnel. The four Directors are headed by a President Director. Usually the Director of Finance is held by a foreign party with the consideration that they have the same financial accounting system with the parent company, so that if at any time a financial audit is carried out it will not cause problems and make it easier for the parent company to carry out the audit. The Director of Production is also held by a foreign party, because the joint venture company must produce goods of the same quality as the parent company, so as to ensure the quality of the production produced by the joint venture company. The Director of Marketing is also held by a foreign party, the consideration is that the joint venture company with its parent company has the same marketing system, and the last is the Director of General Affairs and personnel, for this position to be held by the Indonesian side, because this Director handles staffing issues and deals directly with other parties. outside, namely the surrounding community, so that communication is easy and for the surrounding community to avoid conflict. The President Director is in charge of heading the Board of Directors and coordinating all decisions of the Board of Directors which are generally held by foreign parties.

3.2 Problems that arise in the implementation of the joint venture agreement and how to resolve the dispute

The development carried out by the government in exploring Indonesia's natural resources, one of which is by inviting the participation of foreign parties to stimulate foreign investment activities in Indonesia, especially to invest in business fields that are not closed to foreign parties. The flow of foreign investment certainly stimulates international business to be carried out in Indonesia. The provisions regarding foreign investment are contained in Law no. 1 of 1967 dated January 10, 1967 concerning Foreign Investment in conjunction with Law no. 11 of 1970 dated August 7, 1970 concerning Amendments and Supplements to Law no. 1 of 1967 concerning Foreign Investment.

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Since the Indonesian government was given the freedom to invest, especially foreign investment, to carry out its business in Indonesia through Law No. 2/1967 on PMA and Law No. 6/1968 on PMDN, it's been around 37 years now. During that period, many projects have been carried out, both with foreign and domestic capital, and many have produced various kinds of products, ranging from the service industry to the mining industry. It is undeniable that the production results from these investment efforts have been widely enjoyed by the people of Indonesia.

The flow of foreign investment certainly stimulates international business to be carried out in Indonesia. The presence of investment, especially foreign investment into Indonesia, will certainly have an impact on the Indonesian state, so that a balanced arrangement is needed so that investment, especially foreign investment on the one hand, and the government on the other hand can reap the benefits. As indicated by many experts that investment, especially foreign investment, does not just invest in a country, but through a fairly complicated research with a feasibility study.

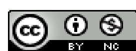
The feasibility study will be a guideline for every investment whether the capital to be invested can provide benefits, a sense of security, or the other way around. This is a consideration for every investor in investing in a country due to a sense of concern, namely the nationalization of companies that use foreign capital without going through proper and appropriate procedures and compensation, non-compliance with foreign investment license agreements, unprotected rights of investors. intellectual property rights and the possibility of disputes between foreign investment and the Indonesian government, as well as with local partners in the future. Anticipating this, the Indonesian government has strategically ratified the 1958 ICSID convention with Law Number 5 of 1968 LN. 1968 Number 32 as one of the efforts to resolve the possibility of disputes or disputes between foreign investment and Indonesian parties, either by the government itself, or the private sector. Indonesia's policy to ratify the ICSID convention is based on considerations that it can attract as much foreign investment as possible to Indonesia, provide a sense of security, and seek to resolve disputes through arbitration services or better known as arbitration.

Conflicts, disputes, violations or disputes between or regarding two or more individuals today have been and will continue to be a common phenomenon in society. This situation will be more troublesome for the legal world and the judiciary if all conflicts, disputes or disputes are legally processed by the judiciary. The development of the world of business or trade, both on a national and international scale today, has the potential to increase the possibility of disputes between related parties. Conventionally, a dispute resolution is usually carried out through a judicial mechanism, namely through a litigation process in court or a non-litigation process before an arbitration institution.

Along with the rapid development of business transactions in today's society, more complex problems will arise and of course require a legal instrument that can answer and provide solutions to problems that occur. The development of international economic cooperation today has resulted in an increase in international business activities or transactions and of course many legal problems in international business transactions are not much different from those faced by the parties in domestic business transactions.

Various problems or obstacles faced by the parties, especially domestic investors in the context of joint ventures with foreign investment, caused a lot of dissatisfaction between the two parties. For this reason, the role of the government is very much needed through a policy that is directed and can provide legal certainty and a sense of justice between the two parties. It is undeniable that the existence of a cooperative effort between foreign investment and national capital will of course give birth to various implications and one of them is the occurrence of disputes which of course require a complete settlement so as not to cause a bad image of foreign investors.

It is generally recognized that foreign investors, particularly those located in developing or developing countries, are very worried and always feel anxious about so many risks. This is because the political, social, and economic conditions of developing or developing countries are not yet stable, even though foreign



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investment requires a conducive condition such as a sense of security, order, and the existence of a legal certainty or guarantee from the recipient countries. capital. A very prominent role in being able to attract investment, especially foreign investment (PMA) in doing business in a country is the existence of a set of laws and regulations that support stability, domestic politics with a large market share.

The existence of various factors put forward by several economists that encourage foreign investors to invest in a country, especially in developing countries is not solely because foreign investment will certainly be able to make as much profit as possible from their investment, but on the contrary. There are many factors that underlie it both in terms of economics, politics, and from a legal point of view. Foreign companies that already have a good reputation are often not so enthusiastic about investing in developing countries, because not only is the market small with a low level of people's purchasing power, but the government administration and community structure are not able to work in the same way as what is done. by foreign investment. Coupled with the level of political stabilization that is still less stable, thus threatening the danger of nationalization.

Various problems that arise related to the cooperation (joint venture) carried out between foreign capital and national capital, starting from the beginning of a joint venture to the management of the company. It should be understood by the parties, especially national investors, that cooperation is a business organization which in principle aims to obtain maximum profit with minimal expenditure in accordance with economic theory.

The existence of cooperation between foreign capital and national capital brings with it various political, legal, and economic implications. From a political point of view, the presence of foreign investment certainly brings both positive and negative aspects. The positive side is that it helps to increase the rate of economic growth through the management of economic resources, providing transfer of technology, management capabilities, skills or the ability to be able to manage with modern equipment and create new jobs. From the negative side, it can make profits through unreasonable practices, such as transfer pricing, tax smuggling, market domination with monopoly, and so on.

From a legal perspective, it is necessary for both parties to understand that there is a meeting between two different legal systems, both in terms of their nature, character, and principles. It is still fortunate that foreign investment belongs to the same legal system as Indonesia, for example from Continental European countries. The problem in practice when foreign investment comes from the United States, Britain, or Canada, which has a different legal system from Indonesia, namely the Common Law System or Anglo-Saxon Law. In this legal system, the formulation of the agreement that underlies a cooperation is very complicated and detailed compared to the Continental European system which is not too complicated and detailed. This must be thoroughly understood by domestic investors to be able to cooperate with foreign investors. Another problem is the choice of law. Which law is used to underlie the cooperation agreement so that in the dispute later the legal position of the two parties can be determined.

From an economic perspective, it is the balance of capital between the two parties, profit sharing, division of labor (management), technology transfer issues, and Indonesianization problems. These three basic aspects or aspects must be considered by both parties when carrying out a cooperative effort in the form of a joint venture. This is because these three aspects are always the top priority for foreign investors before engaging in any cooperation with domestic investors.

Sumantoro divides two aspects of cooperation between foreign investment and domestic investment, as follows:

a. There is a conflict of interest between foreign investment from the recipient country;
b. The pros and cons of a foreign investment for developing countries.

The conflict of interest basically lies in the motives of foreign investors to increase the income they earn, strengthen their position in order to get the maximum possible profit on their capital, expertise,

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and technology, while the recipient country of capital has an interest in utilizing foreign capital, technology, and expertise for the benefit of the people. development of his country. The second aspect is that foreign investment increases the country's foreign exchange earnings through investment in export production, in the industrial sector foreign investment reduces the need for foreign exchange for imports, increases taxes and royalties, increases job opportunities, creates new job opportunities, increases work skills, and give effect to modernization. On the other hand, foreign investment also seeks the maximum profit regardless of the condition of the recipient country, may withdraw their capital at any time (capital repatriation) and other unfair practices.

Another problem that is often encountered is the complaint of local partners against foreign investment. It is common to hear that foreign investment is only looking for profit without paying attention to local partners, there is a violation of technical operational cooperation agreements such as technology transfer does not work, the capacity building of local workers does not develop, the management applied is too individualistic, the division of labor is not balanced. , etc.

In reality, complaints from local partners against foreign investment are not entirely true. What local partners often say is only compensation in terms of the local's inability to cooperate with foreign parties. This is possible because in reality, the composition of share ownership in a company is not fully balanced between the capital invested by foreign parties and local partners. Sometimes in the practice of cooperation agreements, it is not found that there is a balance of capital between foreign capital and national capital which according to government requirements, domestic capital is 51% and foreign capital is 49%. This composition is implemented by the government and is a policy to improve the capital balance between foreign capital and national capital.

But what happens in practice, is not so. The capital balance required is sometimes difficult to fulfill by national capital, so that foreign parties have a monopoly on the cooperation. In fact, it was found that the existence of joint venture cooperation between foreign capital and national capital was only based on mutual understanding between foreign parties and national capital. Even more tragic, only in the name of cooperation but in reality national capital never existed. It is natural that the full control by foreign investors on behalf of the company's management from processing to marketing even though it is carried out in the form of cooperation with national capital remains under the control of foreign investors.

The hope of the government and domestic investors to take advantage of this joint venture with more or less foreign investment has not yet obtained satisfactory results. The fact that it is found that the assumption of national investors in cooperating with foreign parties will bring or attract greater benefits and of course will get large profits also does not necessarily provide maximum results. This is because the local partner's expectation of foreign investment is that of course there is a modern method of production, which turned out to be wrong from previous estimates. This is because national investors are sometimes unable or observant to see that a desired technology is included in the category of labor-intensive technology or capital-intensive technology. In fact, more modern technology is capital intensive technology, while simpler technology is labor intensive technology. With the use of capital-intensive technology by foreign investment, from one side, it is very detrimental if it is associated with the creation of new jobs. On the other hand, it is profitable for investors because the use of a small amount of labor produces a very large production. This choice is very dilemmatic for both national investors and the government in determining the policy of accepting foreign investment.

The problem of increasing know-how and absorption of labor in this collaboration has not given maximum results, so the expectations that are dependent on this cooperation have not been fulfilled both in the acquisition of know-how, technology transfer, skill improvement caused by things, such as: following :

a. A national entrepreneur (national capital) who is too status oriented and prefers to be in the position of president director who does not need to do or think about anything, except by affixing his

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signature under the papers presented to him rather than being a managing director who has quite heavy duty;

b. Foreign parties are also not willing to give up all company secrets, let alone carry out technology transfers, so that in addition to his position as managing director, the procedures that occur in the joint venture company take place outside the knowledge of the local partner.

It is not surprising that from the beginning in a business cooperation agreement the position of foreign parties is much stronger than that of national investors, therefore, they do not have an adequate bargaining position. In addition, there are complaints that capital goods in the form of machinery (capital equipment) brought in by foreign investors are actually not new goods (i.e. industrial relocations), but are used goods that not only need to be repaired in Indonesia before used and will definitely become scrap metal when the cooperation contract expires.

Another problem for foreign investors is that it is difficult to obtain national counterparts that have sufficient capital and are able to cooperate with foreign parties. Another obstacle is the lack of sensitivity of national entrepreneurs in anticipating their foreign partners in terms of increasing their production, so that excessive production often no longer gets attention and causes a surge in production which in the end brings down prices in the market. If that happens, the blame is usually passed to the local partner.

Another very basic weakness found in the practice of cooperation between foreign investors and national capital lies in the nature, nature, and character of the cooperation agreement which is not very detailed and definite. As a result, in dealing with the implementation of the company, all the smallest things must be renegotiated, which takes a long time and great patience from both parties. This is because the obstacle that is often encountered is the difference in perception between foreign parties and national capital. Foreign parties want everything related to cooperation to be arranged in such a way as not to cause interpretation. On the other hand, the national capital side feels that foreign parties are too concerned about things that do not really need to be discussed or regulated, it is enough by consensus between the two parties and the application of interpretation is needed if there is a bottleneck in the implementation of the cooperation agreement. This difference in attitude is almost always faced by foreign investors and the recipient country. As far as capital safeguards are concerned, of course foreign investment can be justified because risk factors are always taken into account, both before the implementation, and after the implementation of an investment agreement in a country in order to estimate the profits that can be obtained or at least the capital is not contested, because the trauma of nationalization still haunts everyone. the step.
Problems that often occur in Joint Ventures are as follows:

a. Generally, joint ventures with Asian parties rarely succeed due to cultural differences;
b. The distribution of shares of 49% (national) and 51% (foreign) allows foreign companies to make important decisions because their shares are more than half, while for national companies, even though their shares are close to 50%, they are still not counted as half shareholders, so they generally do not can make important decisions;
c. Likewise with a joint venture which is a combination of more than two companies, for example 5 companies, the share distribution is usually small, each may only have 20%. Then the problem is that in making a decision there will be a transfer of shares to another party, because of dissatisfaction;
d. Another problem is that if the joint venture is with a composition of 50%-50%, then the decision cannot be taken, especially if no one wants to give in, therefore never make a joint venture with the composition of ownership as mentioned above.

The experience of the Indonesian state itself has shown the ups and downs of the government's attitude towards investment, especially foreign investment (PMA). From the colonial era, the old order, the new order, to the reform era, each has its own characteristics in dealing with foreign investment. In fact, during

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this reform era, the government's policy on investment experienced ups and downs. Sometimes, holding restrictions through a policy of very strict conditions such as the policy of requirements in 1974 to be exact on January 22, 1974 as well as a review of various types of cooperation, especially the review of the oil contract of work carried out by PT Pertamina with foreign investment as a case. Thus, the implementation of a cooperative effort between foreign investment and national capital requires very serious handling and requires professionalism from both parties in order to avoid matters arising from the implementation of the joint venture agreement. The national capital party must also be aware that a joint venture with foreign capital requires very detailed arrangements so that later any disputes that arise can be resolved in accordance with the cooperation agreement that has been made by both parties.

In social life, in order for the relationship to run well, rules are needed based on which people protect their interests from respecting the interests and rights of others in accordance with the rights and obligations determined by the rules (law). Good law is law that is in accordance with the living law in society, which of course is also appropriate or is a reflection of the values that apply in that society. In the current development activities, where it is carried out with a process of rapid change, but with due regard for regular and orderly implementation, of course the law is indispensable. Thus, the law must come to the fore, point the way and make way for reform.

The desire to resolve any foreign investment disputes through arbitration services or arbitration is a logical consequence of the implementation of contractual agreements made by foreign investors with the Indonesian government through investment guarantee agreements signed by the Indonesian government and several investing countries. foreign capital. In the event that the implementation of the foreign investment uses the form of joint venture cooperation with a local partner, then it comes from the clause in the agreement made between the foreign investor and the national capital in which it is stated that the settlement is carried out by an arbitration or arbitration body. The terms of arbitration are often chosen by the disputing parties because the procedure can be simplified and the arbitration decision is binding on the parties and cannot be compared to a higher judicial institution. Moreover, the problem is very technical and operational, making it difficult for judges from the judiciary to understand.

The existence of arbitration in the International Bank of Reconstruction and Development (IBRD) which organizes a convention to provide adequate protection for foreign investors with a multilateral agreement, especially foreign investment located in developing countries. However, efforts to protect investment, especially foreign investment, have not yielded much results. Therefore, the effort was then diverted to a more practical direction, namely seeking a procedure for an effective institution that could resolve disputes caused by foreign investment.

Arbitration can be interpreted as a simple process chosen by the parties to resolve a dispute or dispute with a final decision. The requirements for refereeing in the context of foreign investment are mostly stated in the settlement of arbitration according to the World Bank (World Bank) convention, which is better known as the International Center for The Settlement of Dispute (ICSID). With the existence of this ICSID institution, it opens the possibility for foreign investors who invest in Indonesia if they think they have been treated unfairly by the Indonesian government, they can file a lawsuit or claim a dispute about foreign investment which is a legal dispute to the ICSID arbitration board. which is domiciled in Washington DC which will be held according to The convention of the settlement of investment dispute between states and national of other states.

The development of the world of business or trade, both on a national and international scale today, has the potential to increase the possibility of disputes between related parties. Conventionally, a dispute resolution is usually carried out through an adjudication mechanism, namely through a litigation process in court or a non-litigation process before an arbitration institution. In the event of a problem in fulfilling the performance of a contract, a dispute will occur between the parties. Effective dispute resolution is the desire

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of every party involved in business transactions. One of the reasons for his consideration is that the occurrence of a dispute will almost absolutely become an obstacle in the realization of business predictions. In this regard, a dispute resolution system that is conducive to the business world is sought, in accordance with the development of the world economy and trade, namely a quick and inexpensive dispute resolution system (quick and lower in time and money to parties).

A fast and inexpensive dispute resolution system that has long been known is arbitration. The role of arbitration bodies in resolving business disputes in the field of national and international trade is currently becoming increasingly important. Many national and international contracts include arbitration clauses. For businesses, the dispute resolution method is through an arbitration institution that provides its own benefits rather than through a national judicial body. The Arbitration Clause is a source of philosophy, a source of law, and a source of jurisdiction for all parties involved in a dispute that is resolved through an arbitration institution or (ADR). Basically, the principle of freedom of contract which is expressly recognized in Article 1338 of the Indonesian Civil Code not only gives freedom to the contracting parties to propose points of engagement which will be mutually agreed upon and executed in the contract, will but also gives freedom to the parties to choose or agree on dispute resolution steps outside the court process as an alternative dispute resolution, if in the future there are problems that cannot be resolved amicably by the parties in carrying out the agreements in the contract.

Article 32 of the Investment Law Number 25 of 2007 regulates dispute resolution. In this provision, it is described how the dispute resolution method is used in the event of a dispute in the investment sector between the government and the investor. The dispute resolution method is carried out as follows:

a. In the event of a dispute in the investment sector between the government and the investor, the parties must first resolve it by deliberation and consensus;
b. In the event that a dispute resolution by deliberation and consensus is not reached, the dispute resolution is carried out through arbitration or alternative dispute resolution or courts in accordance with the provisions of laws and regulations;
c. In the event of a dispute in the investment sector between the government and a domestic investor, the parties may resolve the dispute through arbitration based on the agreement of the parties. If an arbitration settlement is not agreed upon, the dispute will be settled in court;
d. In the event of a dispute in the investment sector between the government and a foreign investor, the parties will resolve the dispute through international arbitration which must be agreed upon by the parties.

The dispute resolution methods adopted by the Investment Law Number 25 of 2007 are generally accepted settlement methods and are widely applicable in several countries. Generally, dispute resolution methods in investment are in the form of dispute resolution in the following ways:

a. Deliberation and consensus;
b. Arbitration;
c. Courts;
d. Alternative Dispute Resolution (ADR);
e. Especially for disputes between the government and domestic investors, disputes are resolved through arbitration or through the courts; and
f. Specifically for disputes between the government and foreign investors, disputes are resolved through agreed international arbitration.

The method of resolving disputes in the investment sector through arbitration is a popular dispute resolution method in the investment sector and almost all countries choose the method of resolving investment disputes through arbitration institutions. In addition, in the world of international trade, the visible

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trend is the liberalization of arbitration regulations/laws to encourage the use of arbitration rather than dispute resolution through public courts.

Submission of a lawsuit by the parties to the International on the Settlement of Dispute (ICSID) institution in Washington DC as a result of a dispute or dispute over foreign investment between the government and the national private sector. Given that the ICSID institution is an arbitration institution that is private in nature, in this regard, the most important requirement to be able to advance a lawsuit or claim or claim against the government or local partners receiving foreign capital is an approval to be submitted through the ICSID arbitration board. In the provisions of the ICSID convention, it is stipulated that the most important condition for a country to be sued before ICSID arbitration is that there must be a legal dispute that arises directly against foreign investment where the dispute is between a participating country and a citizen of the convention participants. Also a condition that must be met is that the parties must give their consent in writing, in which the parties agree to choose arbitration to resolve the dispute.

In the provisions of Article 1 paragraph (1) of the ICSID Convention it is stipulated that "the parties cannot withdraw unilaterally if they have entered into a previous agreement". In addition, Article 25 paragraph (3) also stipulates the requirement that "in a matter submitted to arbitration, approval is still required from the government of the country being sued in this case the recipient country of capital". This is also related to Article 25 paragraph (1) of the convention which states that "a new center has jurisdiction if both parties, namely foreign investors and the government of a country agree". With this requirement, it raises the question whether the government feels bound or has agreed to be brought before arbitration in accordance with the ratification of Law Number 5 of 1968. In the explanation of the law it is stated that although the convention does not apply to a country, it does not exist. an obligation to settle any dispute according to the convention.

In practice, this is done with written consent, and the agreement is binding and irrevocable. The written agreement can be realized in a law from a participating country with a citizen of another participant. Also approval can be given on a compromise ad hoc basis to settle a particular foreign investment dispute. Through the terms and conditions set by ICSID, it is the last institution in the settlement of foreign investment disputes as well as the last resort of the parties to resolve their disputes. Thus, the decision cannot be appealed or cassed, but it is still possible by requesting or requesting annulment.

Submission of reasons for advancing a lawsuit to the ICSID agency must be stated explicitly in the lawsuit filed. If the reasons submitted in the lawsuit are unclear and become unclear, the lawsuit will be rejected and declared oblivious so that the lawsuit can be brought forward again. Therefore, the disputing parties, both foreign and government or private investment parties, need to pay close attention, be careful, and be careful in filing a lawsuit so as not to fail and result in losses for the parties themselves.

Furthermore, the basis for the arbitration board to be able to handle disputes or disputes submitted to it is whether an agreement has been reached by the parties which is embodied in an arbitrator clause, where in the agreement both parties have stated that in the event of a dispute or dispute between them they will submitted before the ICSID arbitration board to be resolved provided that the board's decision is final and binding, which closes the possibility to file an appeal or cassation against the decision that has been determined except by requesting an annulment by the parties. The arbitration award is final, namely the first and last decision, and has permanent legal force and is directly binding (binding) for the parties. As a decision that is final, therefore, against the arbitration award, legal remedies such as resistance, appeal, cassation, or judicial review cannot be submitted.

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4. Conclusion

Based on the description in the previous discussion chapter, researchers can provide the following conclusions: Implementation of a joint venture agreement between foreign investment and national capital requires very serious handling and requires professionalism from both parties in order to avoid matters arising from the implementation of the joint venture agreement. Foreign investors are always profit oriented, have a stronger position so that they have strong business and negotiating abilities, which in carrying out their business can conflict with the interests of the recipient country, and foreign investors usually have a strong and extensive business network. because it is usually in the form of a multinational corporation incorporated in the holding company, serving the interests of the state and shareholders in the country of origin, so it is very difficult to be able to serve the interests of the recipient country.

Problems that arise in the implementation of joint venture agreements are First, generally joint ventures with foreign parties rarely succeed due to cultural differences; Second, the distribution of shares of 49% (national) -51% (foreign) allows foreign companies to make important decisions because their shares are more than half, while for national companies, even though their shares are close to 50%, they are still not counted as half shareholders, so they are generally not can make important decisions; Third, Likewise with joint ventures which are a combination of more than two companies, the distribution of shares is usually small, each may only have 20%; Fourth, in making a decision there will be a transfer of shares to another party, due to dissatisfaction; Fifth, if the joint venture has a composition of 50%-50%, then the decision cannot be taken, especially if no one wants to budge. The existence of these problems gives rise to investment disputes and efforts that can be taken in accordance with the Capital Market Law are in the form of dispute resolution in the following ways: Deliberation and consensus, specifically for disputes between the government and domestic investors, disputes are resolved through arbitration or through the courts, and specifically for disputes between the government and foreign investors, disputes are resolved through agreed international arbitration.

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