

COMPARATIVE STUDY OF CONSTRUCTION CONTRACT DISPUTE RESOLUTION MECHANISMS BETWEEN INDONESIA AND SINGAPORE

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Abstract. *This study examines and compares the legal foundations and practical mechanisms for resolving construction contract disputes in Indonesia and Singapore, an area where in-depth comparative research remains limited. The study aims to analyze similarities and differences in the legal frameworks, institutional arrangements, and procedural effectiveness of dispute resolution in both jurisdictions, and to explore how Singapore's practices might inform reform in Indonesia. Using a qualitative socio-legal approach with a comparative research design, data were collected from statutory regulations, case law, and doctrinal literature, supplemented by semi-structured interviews with legal practitioners, arbitrators, and adjudicators in both countries. Findings show that Singapore's framework, anchored by the Building and Construction Industry Security of Payment Act (SOPA) and the Singapore International Arbitration Centre (SIAC), delivers faster resolution timelines and greater predictability through specialized statutory adjudication, whereas Indonesia's system, governed by Law Number 2 of 2017 on Construction Services and BANI arbitration rules, remains hampered by procedural delays and limited enforcement efficiency. Singapore's statutory adjudication model therefore offers a viable reference point for reforming Indonesia's construction dispute resolution regime, with potential to enhance legal certainty, efficiency, and investor confidence.*

Keywords: *Adjudication; Arbitration; Construction Contract; Dispute Resolution.*

1. Introduction

In both Indonesia and Singapore, the governments have established legal frameworks to provide structured mechanisms for resolving construction contract disputes (Lie et al., 2023). These frameworks are designed to maintain fairness, efficiency, and legal certainty for all parties involved. Nevertheless, the approach and implementation in each country differ significantly. Indonesia relies on a combination of statutory regulations, arbitration procedures, and negotiation-based settlements. In contrast, Singapore implements a more streamlined and integrated system, supported by specialized institutions and statutory adjudication, ensuring swift dispute resolution and enforceability of decisions (Harisa, 2018; Hifni, 2024).

Study is grounded in the principal legal frameworks governing construction contract dispute resolution in both jurisdictions. In Indonesia, the analysis primarily refers to Law Number 2 of 2017 on Construction Services, Law Number 30 of 1999 on Arbitration and Alternative Dispute Resolution, and relevant implementing regulations governing construction contracts and dispute settlement (Ramdhany, 2023; Vahzrianur & Siswajanthi, 2025). In Singapore, the study focuses on the Building and Construction Industry Security of Payment Act (SOPA), together with the Arbitration Act, the International Arbitration Act, and the institutional framework administered by the Singapore International Arbitration Centre (SIAC) (Janisriwati, 2024). Although these legal frameworks establish formal mechanisms for resolving construction disputes, differences in their implementation, procedural design, and institutional arrangements have resulted in varying levels of efficiency and legal certainty. This normative and practical gap provides the foundation for the present comparative socio-legal analysis.

While both countries have established mechanisms to handle construction disputes, practical challenges remain, particularly in Indonesia. Procedural delays, limited expertise among adjudicators, inconsistent enforcement of arbitral awards, and low stakeholder awareness are among the common obstacles (Khaidar Abdan Syakuran, 2024). Singapore, on the other hand, benefits from a robust legal infrastructure, strict statutory timelines, and dispute resolution institutions recognized at the international level. These differences create a valuable opportunity to examine how each jurisdiction addresses construction disputes and to explore the potential for adopting best practices from one system to the other (Lam et al., 2023).

A significant gap in existing literature lies in the lack of in-depth comparative studies that analyze construction dispute resolution in these two jurisdictions from both a legal and practical perspective. Most prior studies tend to focus on domestic frameworks without considering how cultural, institutional, and procedural differences can shape the effectiveness of dispute resolution outcomes. Without such comparative analysis, the exchange of best practices and the potential for legal reform remain underexplored, leaving room for inefficiencies in managing construction-related conflicts (Wiranugraha, 2025).

In practice, the mechanisms used in Indonesia for resolving construction contract disputes are predominantly centered on arbitration and negotiation (Grasia Kurniati, 2016; Pribadi, 2025). While these methods theoretically provide flexibility and allow for amicable settlements, in reality, their effectiveness is often reduced by prolonged bureaucratic procedures, procedural formalities that are not strictly time-bound, and

limited access to specialized tribunals equipped with technical expertise in construction law. In many cases, the arbitral process in Indonesia is hindered by delays in scheduling hearings, procedural inconsistencies among different arbitration bodies, and insufficient adoption of modern case management techniques. These weaknesses can result in prolonged dispute resolution timelines, increased costs, and diminished trust from industry stakeholders (Agustiani et al., 2024).

One of the main challenges in Indonesia's dispute resolution framework lies in the absence of a highly specialized adjudication body that focuses exclusively on construction disputes (Sugianto et al., 2023). This gap creates difficulties in resolving technically complex issues, as arbitrators or mediators may not possess in-depth engineering or project management knowledge. Moreover, the inconsistent interpretation of contractual provisions between tribunals, and even among courts when enforcing awards, often leads to legal uncertainty (Harisa, 2018; Suherman & Sugiyono, 2024). Such uncertainty discourages investors and contractors from relying fully on the existing mechanisms, leading them to seek informal settlements that may not fully protect their contractual rights.

In contrast, Singapore has developed a dispute resolution system for construction contracts that emphasizes speed, efficiency, and enforceability (Syafrie et al., 2025). The integration of statutory adjudication under the Building and Construction Industry Security of Payment Act (SOPA), combined with internationally recognized arbitration institutions, provides clear timelines, transparent procedures, and a high degree of technical specialization among adjudicators (Harisa, 2018). The system's design ensures that disputes particularly those relating to payment claims are resolved promptly, allowing construction projects to proceed without unnecessary interruptions. The enforceability of adjudication decisions and arbitral awards in Singapore further strengthens stakeholder confidence, making it an attractive venue for both domestic and international dispute resolution.

The increasing number of cross-border construction projects involving Indonesian and Singaporean parties highlights the urgency of understanding the comparative strengths and weaknesses of each country's dispute resolution mechanisms. As regional integration deepens and infrastructure projects become more transnational, the need for harmonized approaches in resolving construction disputes grows stronger. A comprehensive comparison of these two systems is essential, not only to improve the efficiency and fairness of Indonesia's framework but also to enhance legal certainty and investor confidence in the broader Southeast Asian construction market. Such a study can contribute to the formulation of reforms that draw upon Singapore's best practices while adapting them to Indonesia's legal, cultural, and institutional context.

Based on this background, the study addresses three research questions: (1) How do the regulatory frameworks and institutional structures for construction dispute resolution differ between Indonesia and Singapore? (2) How do the two jurisdictions differ in terms of procedural mechanisms, efficiency, and enforcement of dispute resolution outcomes? (3) What best practices from Singapore's system can be adapted to strengthen Indonesia's construction dispute resolution framework?

This research aims to conduct a comprehensive comparative analysis of construction contract dispute resolution mechanisms in Indonesia and Singapore. The focus will be

on examining the legal frameworks, procedural efficiency, enforcement processes, and practical implementation in both jurisdictions. By identifying strengths, weaknesses, and potential areas for reform, the study seeks to contribute new insights into how Indonesia can enhance its dispute resolution system by learning from Singapore's best practices.

2. Research Methods

This research adopts a qualitative approach with a socio-legal method, focusing on the interaction between legal norms and their practical application in the field of construction contract dispute resolution (Ali, 2014). The study employs a comparative legal research type, aimed at examining and contrasting the dispute resolution mechanisms implemented in Indonesia and Singapore, both from a regulatory perspective and from practical enforcement. The research approach combines the statute approach to analyze relevant legislation, regulations, and statutory instruments in both jurisdictions, and the comparative approach to identify similarities, differences, and best practices between the two systems. The research specification is descriptive-analytical, seeking to present a clear depiction of existing legal frameworks and to interpret them within the context of international construction law practices. Data collection methods involve the use of both primary and secondary data sources (Amiruddin & Asikin, 2012). Primary data is obtained through semi-structured interviews with legal practitioners, arbitrators, adjudicators, and stakeholders in the construction sector in both Indonesia and Singapore. Secondary data includes a review of legal documents, arbitration awards, academic literature, journal articles, and official reports relevant to construction dispute resolution. Specifically, the legal analysis focuses on Indonesia's Law Number 2 of 2017 on Construction Services and Law Number 30 of 1999 on Arbitration and Alternative Dispute Resolution, together with their relevant implementing regulations. For Singapore, the study examines the Building and Construction Industry Security of Payment Act (SOPA), the Arbitration Act, the International Arbitration Act, and selected judicial decisions relevant to construction contract dispute resolution. The data analysis method applies qualitative analysis by categorizing and synthesizing the collected information to identify legal principles, practical challenges, and procedural differences between the two jurisdictions (Geofani Milthree Saragih, 2025). The comparative analysis is conducted systematically to highlight potential improvements in Indonesia's dispute resolution framework by drawing on best practices observed in Singapore's legal system.

3. Results and Discussion

3.1. Regulatory Framework and Institutional Structure of Construction Dispute Resolution in Indonesia and Singapore

The regulatory ecosystems governing construction dispute resolution in Indonesia and Singapore share the same policy aims speed, predictability, and enforceability yet they operationalize those aims through markedly different legal instruments and institutional designs. In both jurisdictions, party autonomy in drafting dispute resolution clauses remains the starting point, but the statutory scaffolding, default pathways, and enforcing courts shape very different day-to-day outcomes for owners, contractors, and consultants.

The Indonesian framework rests on three pillars: (i) the law of contract in the Indonesian Civil Code (notably *pacta sunt servanda* and default/liability doctrines), (ii) sector-specific regulation under the Construction Services Law, and (iii) the national regime on arbitration and alternative dispute resolution. The Construction Services Law Number 2 of 2017 on Construction Services (as amended, *inter alia*, by subsequent legislative updates) recognizes and encourages non-litigation mechanisms for construction disputes, including negotiation, mediation/conciliation, expert determination, and arbitration, with litigation before the general courts as a last resort (Nurdiansyah & Damiri, 2023; Syafriadi, 2024). Implementing regulations issued by the Government and the Ministry of Public Works and Public Housing reinforce the expectation that construction contracts incorporate clear dispute resolution clauses, permit the use of dispute boards or expert evaluation in complex projects, and emphasize continuity of works during the pendency of a dispute to protect project delivery.

The backbone of private adjudication is Law Number 30 of 1999 on Arbitration and Alternative Dispute Resolution (Supeno et al., 2019; Ramdhany, 2023). It establishes the validity and separability of arbitration agreements, the competence–competence of tribunals to rule on jurisdiction, and the grounds and procedure for recognition, enforcement, or annulment of awards in the District Courts. Indonesia is also a party to the 1958 New York Convention (given effect domestically via Presidential Decree Number 34 of 1981), enabling recognition and enforcement of foreign arbitral awards, which is critical in cross-border engineering, procurement, and construction (EPC) contracts (Sugianto et al., 2025). Court-annexed mediation is mandated for civil disputes by Supreme Court Regulation Number 1 of 2016, which routinely touches construction cases before they move to a full hearing. Institutionally, most construction arbitrations are administered by the National Arbitration Board of Indonesia (*Badan Arbitrase Nasional Indonesia*/BANI) under its rules; *ad hoc* proceedings under the UNCITRAL Arbitration Rules are also seen in contracts that adopt international standard forms (e.g., FIDIC) (Hayati et al., 2019). Substantively, Indonesian doctrine accepts expert determination and dispute boards where contractually provided, but unlike statutory adjudication those decisions derive their force from contract, not from a specific “pay-now, argue-later” statute (Bell, 2022).

Singapore’s regime layers a modern contract and arbitration framework with a specialized statutory payment and adjudication scheme targeted at construction cash flow. On the arbitration side, the International Arbitration Act 1994 governs international cases and the Arbitration Act governs domestic arbitrations, each providing a pro-enforcement, minimal-intervention court posture and streamlined set-aside/enforcement routes in the High Court (including the Singapore International Commercial Court where appropriate) (Grebieniow, 2023). Mediation is facilitated under the Mediation Act 2017 and through premier institutions such as the Singapore Mediation Centre (SMC) and the Singapore International Mediation Centre (SIMC).

What distinguishes Singapore is the Building and Construction Industry Security of Payment Act (SOPA) and its Regulations. SOPA creates a prompt payment regime that (a) standardizes payment claims and responses, (b) restricts “pay-when-paid” clauses, and (c) provides a fast-track statutory adjudication administered by an authorized Adjudication Authority (historically SMC). Adjudication determinations are binding on an interim basis and may be enforced as court judgments, embodying the “pay now, argue later” principle so projects can continue while parties pursue final resolution in arbitration

or litigation. The scheme is buttressed by short, mandatory timelines, specialist adjudicators with construction expertise, and clear court support for enforcement and stays where appropriate. At the institutional level, the Building and Construction Authority (BCA) plays a policy role, while SIAC remains the default international arbitration venue for many high-value construction disputes, often alongside SOPA adjudication on interim payment issues (Chong, 2020; Janisriwati, 2024).

Comparative institutional design and practical effects. Indonesia's architecture is contract-centric and arbitration-led, with sectoral laws and soft instruments encouraging ADR but without a dedicated statutory adjudication track (Yoserwan & Dias, 2024). As a result, project cash-flow disputes are typically channelled into contractually stipulated ADR (expert determination, mediation) and arbitration; when urgent interim relief is needed, parties rely on tribunal or court measures rather than a standing statutory "quick-decision" mechanism. Enforcement of domestic and foreign awards is feasible and routine under Law Number 30 of 1999 and the New York Convention framework, but timeframes and predictability can vary across districts, and there is no single construction-specialized court. Conversely, Singapore's hybrid design segments disputes by urgency and subject matter: SOPA handles progress-payment disputes at speed, while arbitration (SIAC) or litigation provides final determination. The institutional specialization authorized adjudicators for SOPA, arbitration-savvy courts for enforcement, and mature administering bodies yields shorter resolution cycles, higher predictability for interim cash flow, and strong international confidence.

Contract practice and standard forms. In both jurisdictions, parties frequently adopt standard forms (e.g., FIDIC, bespoke EPC) that embed multi-tier dispute resolution (negotiation → dispute board/expert → arbitration). In Indonesia, such multi-tier mechanisms rely on party agreement and sectoral guidance under the Construction Services Law; their efficacy turns on drafting quality and tribunal deference to pre-arbitration procedural steps. In Singapore, similar contract architecture coexists with SOPA's non-derogable statutory layer: even where a contract is silent or restrictive on interim payments, SOPA supplies mandatory rights and an adjudication pathway that cannot be contracted out in ways that undermine its purpose (Prastiono & Handoko, 2022; Hidayah & Nugraheni, 2025).

Enforcement and cross-border dimensions. Both countries comply with the New York Convention, facilitating cross-border enforcement of arbitral awards a critical feature for regional contractors and lenders. In Singapore, SOPA determinations are rapidly convertible into enforceable judgments, and courts exercise a well-developed jurisprudence on stays and set-offs to balance cash-flow protection with fairness (Ma & Chen, 2016). In Indonesia, court support for arbitration and mediation has strengthened over the past two decades, and award enforcement is generally reliable in major commercial courts; nonetheless, the absence of statutory adjudication means interim payment disputes tend to escalate into arbitration or negotiated settlements, which can elongate proceedings and affect project continuity.

Doctrinal and policy implications. The Indonesian regime already contains the doctrinal building blocks party autonomy, ADR primacy, expert determination, and arbitration enforceability needed for efficient construction dispute resolution. The policy gap is the absence of a statutory prompt-payment/adjudication track analogous to SOPA that compels quick, technically grounded interim decisions and protects cash flow while

reserving parties' rights to a final forum. Singapore's experience demonstrates how a narrow, construction-specific statute can coexist with and complement arbitration, creating a two-track ecosystem that is both swift (for progress payments) and robust (for final merits), supported by specialized institutions and predictable court enforcement (Ismail & Kifli, 2022). Based on the above description, the fundamental differences between the dispute resolution mechanisms for construction contracts in Indonesia and Singapore can be seen more clearly in the following table, which summarises the main aspects from the legal basis to the implementing institutions.

Table 1. Comparison of Construction Contract Dispute Resolution Mechanisms: Indonesia vs Singapore.

Aspect	Indonesia	Singapore
Legal Basis	- Civil Code (contract principles) - Law Number 2 of 2017 on Construction Services and its implementing regulations - Law Number 30 of 1999 on Arbitration and ADR - Supreme Court Regulation Number 1 of 2016 on Mediation - Presidential Decree Number 34 of 1981 (New York Convention 1958)	- Building and Construction Industry Security of Payment Act (SOPA) and implementing regulations - International Arbitration Act 1994 (for international arbitration) - Arbitration Act (for domestic arbitration) - Mediation Act 2017 - New York Convention 1958
Main Institutions	- Indonesian National Board of Arbitration (BANI) - District Court (for enforcement of arbitration awards) - Recognized mediation or conciliation bodies	- Singapore International Arbitration Centre (SIAC) - Singapore Mediation Centre (SMC) & Singapore International Mediation Centre (SIMC) - Adjudication authorities under SOPA
Types of Dispute Resolution	- Negotiation - Mediation / conciliation - Expert determination / dispute board (contract-based) - Arbitration (domestic & international) - Litigation as last resort	- Negotiation - Mediation - Mandatory & fast adjudication for progress payment disputes (SOPA) - Arbitration (domestic & international) - Litigation in general courts or SICC
Nature of Adjudication	Not specifically regulated by law, only based on contractual agreement, binding contractually	Specifically regulated under SOPA, mandatory for progress payment disputes, immediately enforceable ("pay now, argue later") and executable as court judgment
Arbitration Process	Based on Law Number 30 of 1999, recognition of competence—competence principle, enforcement through District Court, recognition of foreign awards under New York Convention	Based on International Arbitration Act or Arbitration Act, enforcement through High Court/SICC, recognition of foreign awards under New York Convention

Government/Regulator Role	Ministry of Public Works and Housing issues guidelines and regulations on construction contracts, encourages ADR but no dedicated adjudication	Building and Construction Authority (BCA) oversees construction industry and regulates SOPA; government promotes mediation and arbitration through regulation and institutions
Strengths	- High contractual flexibility - Regulatory support for ADR and arbitration - Recognition of foreign arbitration awards	- Fast and efficient adjudication process - Certainty in progress payment - World-class arbitration and mediation infrastructure - Strong judicial support
Weaknesses	- No fast adjudication for progress payment disputes - Enforcement of arbitration awards can be time-consuming - Institutional coordination not optimal	- Relatively high-dispute resolution costs - SOPA process only applies to payment issues, not all contract disputes

The comparison highlights significant differences in the legal basis for construction dispute resolution between Indonesia and Singapore. In Indonesia, the framework is rooted in the Civil Code, which provides general contract principles, and further regulated under Law Number 2 of 2017 on Construction Services and its implementing regulations. This approach reflects a broad, generalist legal structure, where construction disputes are resolved under overarching civil and procedural law provisions. Conversely, Singapore adopts a specialized legal framework through the Building and Construction Industry Security of Payment Act (SOPA) and its implementing regulations. This statute specifically addresses the unique dynamics of the construction industry, particularly focusing on ensuring prompt payment and providing a statutory adjudication process that delivers quick, interim determinations to maintain project cash flow.

Institutionally, Indonesia relies on the general court system and arbitration bodies such as the Indonesian National Board of Arbitration (*Badan Arbitrase Nasional Indonesia/BANI*) (Hayati et al., 2019). While arbitration is recognized as an effective means of resolving complex construction disputes, the absence of a dedicated statutory adjudication mechanism often results in prolonged dispute resolution timelines. Singapore, by contrast, utilizes a two-tiered system: statutory adjudication under SOPA for fast interim decisions, complemented by arbitration or court proceedings for final resolution. This dual-track approach ensures both speed and finality, giving parties greater certainty and reducing financial disruptions during project execution.

Procedurally, Indonesia's reliance on general litigation and arbitration can lead to inconsistencies in interpretation, as judges or arbitrators may not always possess specialized expertise in construction law (Lahema & Haryanto, 2021). In Singapore, adjudicators appointed under SOPA are typically professionals with technical or legal backgrounds specific to construction, which enhances the accuracy and industry relevance of decisions. Moreover, SOPA decisions in Singapore are directly enforceable, ensuring compliance without lengthy enforcement proceedings, whereas in Indonesia,

enforcement can be hindered by procedural bureaucracy and challenges to arbitral awards.

Overall, the comparison reveals that while both countries recognize arbitration as a legitimate dispute resolution method, Singapore's system is more streamlined, industry-focused, and supported by strong statutory provisions. The Indonesian framework could potentially benefit from adopting certain elements of Singapore's approach particularly statutory adjudication for interim payment disputes to enhance efficiency, reduce delays, and provide more predictable outcomes for stakeholders in the construction sector.

3.2. Procedural Mechanisms, Efficiency, and Enforcement of Dispute Resolution Outcomes

In Indonesia, procedural mechanisms for resolving construction contract disputes are primarily governed by the Civil Procedure Code for litigation, the Indonesian Arbitration Law (Law Number 30 of 1999), and sector-specific regulations under Law Number 2 of 2017 on Construction Services (Vahzrianur & Siswajanthy, 2025). Disputes may be addressed through negotiation, mediation, arbitration, or litigation, with arbitration particularly through the Indonesian National Board of Arbitration (BANI) being the preferred method in complex, high-value construction cases (Hayati et al., 2019; Nissa et al., 2024). However, these processes often involve lengthy timelines, extensive evidentiary requirements, and multiple procedural stages that can delay resolution. The absence of a statutory adjudication mechanism means that interim disputes, such as payment claims, must still be resolved through time-consuming arbitration or litigation, which can disrupt project cash flow and escalate tensions between contracting parties (Ardiansyah, 2023).

Singapore, in contrast, has developed a more streamlined procedural framework through the Building and Construction Industry Security of Payment Act (SOPA). This legislation provides a statutory adjudication process specifically tailored to the construction industry, enabling parties to obtain binding interim decisions within strict statutory deadlines typically 7 to 14 days for initial submissions and 14 to 28 days for adjudication determinations (Tang, 2021). This swift process ensures that payment disputes are addressed promptly, preserving liquidity for contractors and subcontractors while allowing projects to proceed without prolonged financial uncertainty. Arbitration or court proceedings can still be pursued for final determination of substantive issues, but SOPA ensures that interim relief is readily available.

From an efficiency standpoint, Indonesia's reliance on general arbitration and litigation mechanisms can be hampered by procedural formalities, limited availability of specialized adjudicators, and bureaucratic hurdles in securing enforcement. Cases can take months or even years to reach resolution, particularly if appeals or challenges to arbitral awards are lodged. Singapore's system, by comparison, emphasizes procedural discipline, strict statutory timelines, and the appointment of adjudicators with both legal and technical construction expertise (Kumar & Heidemann, 2022). This specialization enhances the quality and relevance of decisions, reduces procedural disputes, and fosters stakeholder confidence in the dispute resolution process.

Enforcement mechanisms further distinguish the two systems. In Indonesia, arbitral awards are enforceable once registered with the district court, but this process can face

delays due to verification procedures or jurisdictional challenges. Court judgments are also subject to appeal, prolonging the enforcement timeline. In Singapore, adjudication determinations under SOPA are directly enforceable as court judgments without the need for lengthy registration or appeal processes, significantly reducing enforcement delays (Kakisina et al., 2023). Moreover, non-compliance with an adjudication decision can lead to suspension of work or legal sanctions, creating strong incentives for parties to comply.

Overall, the procedural, efficiency, and enforcement differences between Indonesia and Singapore illustrate the practical benefits of a statutory adjudication system for the construction sector. While Indonesia's current framework provides established arbitration and litigation pathways, the lack of a dedicated interim dispute resolution process diminishes its ability to address time-sensitive issues effectively. Adopting elements of Singapore's SOPA such as fixed timelines, specialized adjudicators, and streamlined enforcement could greatly enhance the speed, predictability, and industry alignment of Indonesia's construction dispute resolution framework.

The comparison also demonstrates that procedural effectiveness cannot be assessed solely by examining the availability of dispute resolution mechanisms but must also consider the institutional environment that supports their implementation. Although Indonesia recognizes multiple forms of alternative dispute resolution under Law Number 30 of 1999 and the Construction Services Law, the absence of statutory procedural benchmarks often results in inconsistent practices across cases and institutions (Ramdhany, 2023). By contrast, Singapore integrates procedural certainty with institutional specialization, allowing adjudication, mediation, and arbitration to operate as complementary rather than competing mechanisms. This institutional coherence contributes to greater predictability and reinforces confidence among contractors, employers, and investors engaged in construction projects. As noted by Kumar and Heidemann (2022), procedural specialization and clearly defined statutory timelines reduce unnecessary disputes over procedural issues and enable decision-makers to focus on the substantive merits of the case. Consequently, the comparative findings indicate that procedural reform should encompass not only legal provisions but also institutional capacity, administrative efficiency, and specialized expertise to ensure effective enforcement of construction contracts.

3.3. Comparative Analysis and Adaptation of Best Practices for Indonesia's Legal System

A comparative examination of Indonesia and Singapore's construction contract dispute resolution frameworks reveals key structural and procedural differences that have direct implications for the speed, fairness, and enforceability of dispute outcomes. Singapore's incorporation of the Security of Payment Act (SOPA) into its legal infrastructure has introduced an adjudication regime that is both industry-specific and time-bound, providing a rapid mechanism to address progress payment disputes without undermining the right to pursue final determination through arbitration or litigation (Grasia Kurniati, 2016). This dual-track approach balances the need for interim relief with the preservation of substantive rights, offering a model of procedural efficiency and legal certainty that Indonesia currently lacks. In contrast, Indonesia's dispute resolution system, while robust in its arbitration and litigation capabilities, remains encumbered by general procedural frameworks not specifically tailored to the construction industry (Lahema & Haryanto, 2021). This often results in delays, increased costs, and project disruptions

factors that undermine the efficiency of contractual enforcement in large-scale construction projects.

In adapting best practices from Singapore, Indonesia would need to focus on several critical areas. First, the introduction of a statutory adjudication mechanism, similar to SOPA, could address the urgent need for interim payment decisions in construction contracts. Such a mechanism would require the establishment of specialized adjudication panels composed of experts with both legal and technical construction expertise, ensuring decisions are grounded in industry realities. Second, Indonesia could benefit from legislating fixed procedural timelines for dispute submissions, responses, and determinations. This would minimize procedural delays, enhance predictability, and improve cash flow management across the construction supply chain (Harisa, 2018). Additionally, creating a centralized and specialized dispute resolution body similar to Singapore's Building and Construction Authority oversight could improve institutional coordination, standardize procedural rules, and provide continuous training for adjudicators.

Another area for adaptation lies in enforcement mechanisms. Singapore's system allows adjudication determinations to be enforced as court judgments without lengthy registration processes, significantly reducing the time between decision and execution (Siregar, 2026). Indonesia could adopt a similar approach by streamlining the registration of adjudication or arbitral awards, limiting opportunities for procedural challenges that serve primarily to delay enforcement. Furthermore, incorporating sanctions for non-compliance such as the suspension of works or the imposition of interest penalties could strengthen compliance rates and deter frivolous disputes.

It is also essential to address the cultural and institutional factors that might affect the adoption of these best practices in Indonesia (Devita, 2021; Hidayah & Nugraheni, 2025). While Singapore benefits from a high degree of regulatory compliance and a well-established rule of law, Indonesia's legal culture still grapples with issues such as inconsistent judicial interpretation, limited public awareness of contractual rights, and varying enforcement standards across jurisdictions. Therefore, alongside legal reforms, Indonesia would need to invest in capacity-building measures, including targeted training for legal practitioners, judges, and industry stakeholders, as well as public education campaigns to shift perceptions toward recognizing construction payment disputes as a critical legal matter rather than merely a commercial inconvenience (Sami'an et al., 2024).

Ultimately, adapting Singapore's best practices is not a matter of direct transplantation but of careful contextualization. Indonesia's construction sector operates within a broader socio-economic and regulatory framework that differs significantly from Singapore's, necessitating a hybrid approach that combines statutory adjudication with existing arbitration and mediation processes (Lahema & Haryanto, 2021). By selectively integrating Singapore's procedural discipline, specialized expertise, and streamlined enforcement mechanisms, Indonesia can build a dispute resolution framework that is both responsive to industry needs and aligned with its own legal traditions. This strategic adaptation could not only improve domestic dispute resolution efficiency but also enhance investor confidence and foster greater regional harmonization in construction law practices.

Beyond procedural adaptation, the comparative findings suggest that successful legal reform requires an integrated approach that combines legislative revision with institutional strengthening and stakeholder engagement. The experience of Singapore demonstrates that statutory adjudication functions effectively because it is supported by specialized institutions, consistent judicial enforcement, and a legal culture that prioritizes contractual certainty and prompt payment (Ismail & Kifli, 2022). These supporting elements are equally important as the legal rules themselves and should therefore be considered in any Indonesian reform agenda. Rather than replicating Singapore's framework in its entirety, Indonesia could gradually incorporate selected features such as mandatory procedural timelines, specialist adjudicators, and simplified enforcement mechanisms while preserving the flexibility of its existing arbitration and mediation system. Such a contextualized approach would better accommodate Indonesia's legal traditions and institutional capacity, while promoting greater efficiency, reducing project delays, and improving investor confidence in the national construction sector (Kumar & Heidemann, 2022).

4. Conclusion

The comparative analysis of construction contract dispute resolution mechanisms between Indonesia and Singapore highlights significant procedural and structural disparities, particularly in the areas of interim payment adjudication, procedural timelines, institutional specialization, and enforcement efficiency. While Indonesia's current framework relies primarily on general arbitration and litigation processes, Singapore's statutory adjudication regime under the Security of Payment Act offers a model of procedural discipline, industry-specific expertise, and rapid enforceability that could address many inefficiencies in Indonesia's system. These findings demonstrate that the effectiveness of construction dispute resolution depends not only on the existence of legal mechanisms but also on the integration of specialized institutions, clear procedural rules, and consistent enforcement practices. Adapting best practices from Singapore through the introduction of a tailored adjudication mechanism, streamlined enforcement procedures, and capacity-building measures has the potential to enhance legal certainty, reduce project delays, and strengthen investor confidence. However, such adaptation must be carefully contextualized to fit Indonesia's socio-legal environment, ensuring that reforms are both practically implementable and aligned with domestic legal traditions. From a practical perspective, the findings provide guidance for policymakers, regulatory authorities, and dispute resolution institutions in developing a more efficient and industry-oriented framework for construction disputes while maintaining compatibility with Indonesia's existing legal system. Future research is recommended to evaluate the feasibility of implementing statutory adjudication in Indonesia through empirical studies involving legal practitioners, construction stakeholders, and policymakers, as well as to examine its potential impact on dispute resolution efficiency and project performance.

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