

The Development of Arbitration Institutions in Resolving Sports Disputes: Challenges and Prospects

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Abstract. *The development of sports as a complex industry has heightened the potential for disputes among stakeholders, including athletes, clubs, and sports organizations. This necessitates more efficient and professional dispute-resolution mechanisms. While sports arbitration has been recognized as a primary mechanism, the existence of arbitration institutions in Indonesia continues to face significant challenges, such as insufficient public awareness and understanding of arbitration institutions, persistent reliance on litigation, and a shortage of qualified human resources. This research aims to identify and analyze the challenges and opportunities confronting sports arbitration institutions in Indonesia. It serves as a foundation to formulate concrete strategies for strengthening their role in resolving sports disputes and enhancing their adaptability to global developments and international standards in sports dispute resolution. The study employs a normative legal research methodology, adopting a statutory approach to analyze relevant sports arbitration regulations and conducting a comprehensive literature. The findings of this study show that sports arbitration institutions, such as the Indonesian Sports Arbitration Body (BAKI), possess significant potential to resolve disputes effectively, particularly in fostering opportunities to establish a more competitive sports ecosystem. This potential stems from the inherent advantages of sports arbitration over conventional litigation in addressing sports-related conflicts, including its flexibility, the integration of digitalization and technology in advancing arbitration processes, inter-institutional collaboration, and the enhancement of arbitrator competencies, all of which can strengthen the national arbitration framework. Furthermore, while principles such as Lex Sportiva and Lex Ludica have been incorporated into Indonesia's Sports Law as part of adapting to advancements in sports jurisprudence, inconsistencies persist due to overlapping jurisdictions between the autonomy of sports organizations and governmental oversight. This research contributes strategic recommendations to reinforce the national sports arbitration*

system, ensuring its alignment with global best practices and fostering institutional resilience in an evolving legal and sporting landscape.

Keywords: *Arbitration; Disputes; Legal; Sports.*

1. Introduction

The advancement of sports as a field has emerged as a significant global trend, observed in both developed and developing nations. This phenomenon is driven by sports capacity to fulfill three interconnected dimensions: entertainment, social cohesion, and a profit-oriented industrial sector (Paul, 2021: 2003–2004). In the context of industrial growth, sports have been strategically optimized as a sustainable profit-driven industry in regions such as Europe, the United States, the Middle East, and China, where stakeholders increasingly prioritize long-term economic viability and commercial innovation within the sports ecosystem (Di Marco, 2022: 251).

The increasing complexity of sports has shifted its perception from a private endeavor to a public domain with multifaceted dimensions, thereby necessitating state participation in fostering a conducive and equitable sports environment (Murni et al., 2023: 317). In Indonesia, the governance of sports-related matters is codified under Law Number 11 of 2022 on Sports (Sports Law), which supersedes Law Number 3 of 2005 on the National Sports System (National Sports System Law). The Sports Law establishes a more comprehensive legal framework, critically required to accommodate the evolving demands of the global sports ecosystem. This legislative shift underscores Indonesia's commitment to aligning its regulatory infrastructure with contemporary challenges, ensuring accountability, inclusivity, and professionalism in sports governance while addressing gaps in the previous regime (Lubis & Semendawai, 2023: 132).

Sports development initiatives must ensure equitable access to opportunities, enhance quality and relevance, and optimize managerial efficiency to address challenges posed by contemporary demands. This imperative has galvanized a robust commitment to positioning sports as a driving force for national development across education, health, economy, politics, and socio-cultural spheres. However, the process of advancing sports development often engenders conflicts and disputes arising from divergent interests and priorities (Wowiling et al., 2024: 1), as well as clashes among internal and external stakeholders. This aligns with the rising participation in sports and the growing commercialization of the sector, which can give rise to friction among athletes, between sports organizations and athletes, or between sports institutions (Saputra & Nurhayati, 2020: 2). In the context of sports governance, arbitration is recognized as the primary mechanism for resolving disputes involving athletes, notably through the

Court of Arbitration for Sport (CAS), which sets global precedents in sports jurisprudence (Goh & Anderson, 2022: 235).

The use of arbitration institutions in resolving sports-related disputes is formally regulated under Article 88 of the National Sports System Law. The Indonesian National Sports Arbitration Body (*Badan Arbitrase Olahraga Nasional Indonesia* or BAORI), established by the Indonesian National Sports Committee (*Komite Olahraga Nasional Indonesia* or KONI), functions as an independent institution mandated to adjudicate disputes within the realm of competitive sports. Founded in 2006 through Decree No. 187 of 2006 on the Establishment of BAORI, its awards are final and binding on KONI and its affiliated entities. BAORI operates through one or more arbitrators appointed in accordance with the Chairman's Regulation No. 1 of 2017. Qualifications for BAORI arbitrators include current or former status as athletes, coaches, or other relevant stakeholders in the sports ecosystem.

On the other hand, the Indonesian Sports Arbitration Body (*Badan Arbitrase Keolahragaan Indonesia* or BAKI) was officially established by the Indonesian Olympic Committee (*Komite Olimpiade Indonesia* or KOI) under Decree No. Kep.08/RA-KOI/I/2012 issued during the KOI Members' Meeting in 2012, with jurisdiction over Olympic sports disciplines. BAKI operates as an arbitration institution in direct collaboration with the Court of Arbitration for Sport (CAS), the international arbitration body founded by the International Olympic Committee (IOC) and recognized as the *Supreme Court of World Sports*. In essence, BAKI serves as Indonesia's domestic counterpart to CAS (Lubis & Semendawai, 2023: 135–136). Following an institutional integration policy enacted by the Ministry of Youth and Sports (*Kementerian Pemuda dan Olahraga* or Kemenpora) in October 2024, BAKI has now been consolidated with the Indonesian National Sports Arbitration Body (BAORI), resulting in BAKI becoming the sole sports arbitration institution in Indonesia. This unification aims to streamline dispute resolution mechanisms, harmonize regulatory frameworks, and align national practices with global sports arbitration standards.

Additionally, a specialized arbitration body for football disputes, the National Dispute Resolution Chamber (NDRC), was newly established by *Persatuan Sepak Bola Seluruh Indonesia* (PSSI) on July 23, 2019. Its composition is divided into four key stakeholders: global stakeholders, NDRC arbitrators, club representative arbitrators, and arbitrators from *Asosiasi Pesepakbola Profesional Indonesia* (APPI). The NDRC also operates as a project initiated by FIFA, the international governing body of football, reflecting its alignment with global standards for resolving football-related disputes and fostering institutional legitimacy within Indonesia's sports arbitration framework (Rizki, 2020).

Regarding these dynamics, it is evident that the existence of sports arbitration institutions in Indonesia currently entails the coexistence of multiple entities

operating independently. Nevertheless, the legal framework governing Indonesia's sports system, as stipulated under Article 105(2) of the Sports Law, accommodates this pluralism by permitting the continued operation of existing sports arbitration bodies pending the establishment of a new arbitration institution as mandated by the Law. In essence, this provision provides a transitional legal space for Indonesia's diverse arbitration mechanisms while awaiting systemic consolidation. Presently, BAKI has emerged as the sole centralized authority for resolving general sports disputes, following its institutional unification with BAORI under the Ministry of Youth and Sports 2024 integration policy. This evolution underscores Indonesia's gradual shift toward harmonizing its sports dispute resolution framework, balancing domestic plurality with the imperative of institutional coherence under the Sports Law (CNN Indonesia, 2024). Although the plurality of arbitration institutions may pose a risk of overlapping jurisdictions, these bodies retain the inherent characteristics of arbitration as a dispute resolution mechanism, distinct from litigation-based systems.

This study employs a normative legal research methodology, grounded in the analysis of statutory instruments, judicial decisions, and legal doctrines. The primary legal frameworks examined include Indonesia's Sports Law and supplementary regulations pertinent to sports arbitration, contextualized within international arbitration standards (CAS). A statutory approach is adopted to systematically evaluate domestic legislation and international conventions governing sports dispute resolution. Data is collected through documentary analysis of legal texts, regulations, and case law, complemented by a comprehensive literature review of scholarly works on sports arbitration, with particular emphasis on CAS jurisprudence, then analyzed qualitatively.

A review of existing literature reveals prior studies that share a thematic focus with this research, albeit with divergent analytical lenses. The author references a 2024 study by Sanusi and Slamet Riyanto (Sanusi & Riyanto, 2024: 351) titled "*Lembaga Penyelesaian Sengketa Olahraga di Indonesia di Luar Pengadilan dalam Perspektif Kepastian Hukum*" ("Out-of-Court Sports Dispute Resolution Institutions in Indonesia: A Legal Certainty Perspective"), which analyzed the regulatory framework and mechanisms for non-litigious sports dispute resolution, particularly arbitration. Their findings emphasized that establishing an effective, autonomous, and equitable out-of-court dispute resolution system for elite sports in Indonesia requires consensus-building among National Sports Federations as a foundational step. While this prior study provides critical insights into institutional design, the present research distinguishes itself by focusing on the sustainability of sports arbitration in Indonesia, particularly its capacity to address contemporary challenges and prospects global opportunities amid evolving legal and industrial trends in sports.

Sports arbitration in Indonesia holds significant potential to provide legal safeguards for athletes and other stakeholders, albeit remaining at a nascent stage of development compared to more advanced systems in nations such as the United Kingdom and the United States. In these jurisdictions, institutions like the CAS are deeply entrenched and globally recognized, offering streamlined and effective dispute resolution mechanisms (Reilly, 2012: 5). Indonesia, however, stands at a critical juncture in refining its sports arbitration framework by strategically aligning with established international models. The adoption of CAS-inspired principles would not only safeguard athletes' rights but also bolster confidence in the integrity of national and international sports competitions. Furthermore, such alignment could catalyze the professional development of arbitrators, enhance institutional competencies, and foster a culture of accountability key drivers for elevating Indonesia's sports arbitration system to global standards (Gulati, 2020: 16). This action would position Indonesia as a proactive participant in the transnational sports governance ecosystem, balancing domestic needs with the imperatives of international legitimacy.

This study aims to identify and analyze the challenges and opportunities confronting sports arbitration institutions in Indonesia. Its objective is to formulate concrete strategies to strengthen its role in resolving sports disputes and enhance its adaptability to global developments and international standards in sports dispute resolution. By addressing these dimensions, the research seeks to foster the establishment of a credible, equitable, and internationally aligned sports dispute resolution system in Indonesia, one that supports a competitive and integrity-driven sports ecosystem while reinforcing institutional legitimacy within the global sports governance framework.

2. Research Methods

The research method is essentially a function of the research problems and objectives. Therefore, any discussion of the research method cannot be separated from, and must remain closely related to, the problems and objectives of the study. This study constitutes normative legal research; accordingly, the legal analysis is conducted by referring to statutory regulations, court decisions, and legal doctrine. The relevant statutory regulations include the Law on Sports and other regulations related to sports arbitration. In addition, this study examines judicial decisions and scholarly opinions, both in Indonesia and in other jurisdictions, as well as foreign statutory regulations concerning sports arbitration. This study employs a statutory approach by examining relevant laws and regulations related to international arbitration. Data collection is conducted through documentary study of statutory regulations and other relevant legal instruments. Library research is also carried out by examining scholarly literature written by experts on sports arbitration, particularly the Court of Arbitration for

Sport (CAS). The data obtained are then analyzed systematically using qualitative analysis.

3. Results and Discussion

3.1. Challenges and Prospects of Indonesia Sports Arbitration Institutions in Resolving Sports Disputes

Article 102(1) of the Sports Law state that sports-related disputes shall first be resolved through deliberation and consensus (*musyawarah dan mufakat*) facilitated by the National Sports Federations. If such consensus cannot be achieved, the disputing parties are required to formalize a written agreement specifying their chosen method of dispute resolution. The law further mandates that unresolved disputes be settled through mediation, conciliation, or arbitration.

The disputing parties select the mediation and conciliation processes in question. The parties may request assistance from the central government and/or regional governments to facilitate these mediation and conciliation proceedings. The resolution of disputes shall be conducted by an independent sports arbitration body, the decision of which is final and binding. The Central Government is mandated to facilitate the establishment of such sports arbitration bodies in accordance with statutory provisions (Article 102 (4), (5) and (6) Act No. 11 of 2022 of the Republic of Indonesia on Sports, 2022).

The government and sports stakeholders possess a strategic opportunity to cultivate a legal ecosystem conducive to advancing arbitration (Kristiyanto, 2018, p. 27). Key enablers of success include enacting specialized regulations, allocating budgetary resources for capacity-building initiatives, and promoting a culture of alternative dispute resolution (ADR) mechanisms. A paradigm shift from litigation-centric approaches to alternative conflict resolution represents a strategic imperative for establishing a modern and effective sports arbitration system. As a tangible commitment to this transformation, The Indonesian government enacted Law Number 11 of 2022 on Sports, replacing Law Number 3 of 2005 on the National Sports System. This legislative overhaul provides a comprehensive legal framework to institutionalize arbitration, enhance institutional autonomy, and align Indonesia's dispute resolution practices with global benchmarks such as the Court of Arbitration for Sport (CAS).

Under the mandate of the Sports Law, BAKI currently stands as the sole institution authorized to adjudicate sports-related disputes (Kemenpora, 2024). BAKI holds jurisdiction over all conflicts, claims, disagreements, or disputes arising from contractual or agreement interpretations, as well as any matters about sports activities involving KOI, its subsidiaries, members, or affiliated individuals. This jurisdiction encompasses any dispute about sports governance, operational activities, or institutional interests, not limited to conflicts between KOI and its

subsidiaries, members, or their respective affiliates. Under the Sports Law, all such disputes must be mandatorily submitted to BAKI for examination and binding resolution, without exception. BAKI's adjudicatory mandate ensures a centralized, standardized mechanism for resolving sports-related conflicts, reinforcing institutional coherence and compliance with Indonesia's statutory framework (BAKI Rule Procedure, Article 1). For parties not falling under the aforementioned categories, disputes may be resolved by incorporating a BAKI arbitration clause into their contracts or specific bilateral agreements. The scope of such disputes encompasses all forms of conflict related to contractual interpretation, implementation of sports activities, sports-related interests, and institutional dynamics between KOI, its members, and affiliated entities (BAKI Rule Procedure, Article 2).

Several challenges can be identified in sports arbitration institutions, particularly concerning sports stakeholders, legal practitioners (human resources), and regulatory frameworks. From the perspective of sports stakeholders, there remains limited awareness of BAKI as a sports arbitration body, as athletes, associations, and related organizations are often uninformed about effective dispute resolution methods (Jung et al., 2018: 10). Historically, this stems from the prior institutional dualism in sports arbitration (BAORI and BAKI) and the hierarchical dispute resolution mechanism under the old legislation (Article 88 of the National Sports System Law). The law mandated a tiered system of deliberation, arbitration, and litigation for sports disputes, which fostered skepticism about the efficacy and efficiency of arbitration as a resolution method. Additionally, insufficient transparency from arbitration institutions contributed to limited public disclosure (Kurniati, 2019: 937) about their operational frameworks. Data on the number of disputes resolved through BAKI remains inaccessible to sports stakeholders, further undermining trust in the system (Yan, 2023: 72). This is inherent to the confidentiality characteristic of arbitration (Victoria, 2017: 41). However, the confidential nature of arbitration does not equate to a complete avoidance of transparency. For instance, information regarding arbitrators with expertise in sports or data on cases successfully resolved by BAKI can be disclosed to stakeholders, provided such disclosures do not compromise the privacy of the parties involved.

The entrenched reliance on conventional litigation as the primary dispute resolution mechanism poses a significant challenge to developing sports arbitration in Indonesia. This systemic dependency is exacerbated by procedural requirements under Indonesian law, which mandate that arbitration awards issued by BAKI must be registered with the District Court (*Pengadilan Negeri*) within its jurisdiction (Article 51 (1) Act No. 30 of 1999 of the Republic of Indonesia on Arbitration and Alternative Dispute Resolution, 1999). Failure to comply with this registration renders the arbitration award null and void under the law, thereby invalidating its enforceability (Article 59 (4) Act No. 30 of 1999 of the

Republic of Indonesia on Arbitration and Alternative Dispute Resolution, 1999). Furthermore, once parties mutually agree to resolve disputes through arbitration as agreed in their contract, they implicitly forfeit the right to pursue litigation in District Courts. Concurrently, the courts are legally barred from adjudicating such disputes, as jurisdiction is transferred exclusively to the arbitration body. This framework, while intended to institutionalize arbitration, inadvertently perpetuates skepticism among stakeholders due to its perceived procedural rigidity and the courts' residual oversight role in enforcement.

A critical challenge from the legal practitioner perspective is the scarcity of arbitrators with specialized expertise in adjudicating sports-related disputes. Arbitration systems inherently require arbitrators who are eminent specialists in their respective fields to render decisions on specific cases (Jung et al., 2018: 11). Currently, Indonesia has only two arbitrators with specialized sports law expertise, both officially registered with the CAS (Court of Arbitration for Sport, 2025). Consequently, disputing parties often prefer conventional judicial proceedings over arbitration, undermining efforts to institutionalize alternative dispute resolution mechanisms (Jung et al., 2018: 11). This scarcity of arbitrators possessing domain-specific competencies in sports disputes has engendered skepticism among stakeholders regarding the efficacy of the arbitration system.

From a regulatory perspective, inconsistencies persist regarding the finality of arbitration awards in the context of sports disputes. Article 102(5) of the *Sports Law* stipulates that arbitration for sports disputes must be conducted by a single independent sports arbitration body, whose awards are final and binding. However, the Sports Law does not explicitly define "final." Arbitration awards have the force of law that binds the parties to the dispute and is a final and permanent decision. Arbitration decisions have the

force of law that binds the parties to the dispute and is a final and permanent decision (Asmara Putra et al., 2020: 76). To clarify this, reference must be made to Law No. 30 of 1999 on Arbitration and Alternative Dispute Resolution, which interprets a "final awards" as one that is not subject to appeal through any legal remedies, whether ordinary or extraordinary (Act No. 30 of 1999 of the Republic of Indonesia on Arbitration and Alternative Dispute Resolution, 1999).

The inconsistency in the phrase "final decision" arises within the procedural rules of BAKI. While BAKI's awards are intended to be binding under Indonesian law, its Rule of Procedure (Hukum Acara BAKI) permits parties to appeal awards to the CAS in Lausanne, Switzerland, if they perceive the outcome as failing to achieve a mutually satisfactory resolution (win-win solution). This exception is codified in Article 35 of BAKI's Procedural Rules, which allows for appeals to CAS, effectively undermining the principle of finality under domestic law. This contradiction stems from the legislative intent of Indonesia's Sports Law to harmonize with Arbitration

Law (Law No. 30 of 1999) (Setiadi, 2024: 14), as in the academic text of the Draft Sports Law, which outlines:

"Seiring berkembangnya keolahragaan, maka mendorong komersialisasi bidang olahraga. Dampaknya gesekan antarpelaku olahraga, antarorganisasi cabang olahraga maupun antara pelaku olahraga dan organisasi cabang olahraga juga semakin besar. Penyelesaian sengketa olahraga melalui pengadilan umum saat ini dirasa sudah kurang memenuhi kebutuhan pelaku olahraga. Pelaku olahraga memerlukan penyelesaian sengketa yang cepat dan biaya rendah, namun tetap memenuhi keadilan. Dalam kondisi ini, arbitrase menjadi solusi yang tepat. Sesuai dengan Undang-Undang Nomor 30 Tahun 1999 tentang Arbitrase dan Alternatif Penyelesaian Sengketa (UU Arbitrase), pemeriksaan sengketa arbitrase harus diselesaikan paling lama 180 hari sejak majelis arbitrase dibentuk. Hal ini memberikan kepastian waktu penyelesaian. Di samping itu, Pasal 56 UU Arbitrase menyatakan bahwa majelis arbitrase dapat mengambil putusan berdasarkan ketentuan hukum atau berdasarkan keadilan dan kepatutan. Dengan demikian putusan arbitrase lebih memenuhi rasa keadilan karena tidak hanya melihat sengketa dari kacamata legal formal seperti putusan badan peradilan. Kelebihan lain dari arbitrase adalah pihak yang bersengketa dapat memilih arbiter yang akan memutus perkaranya."(Tim Penyusun RUU tentang Keolahragaan Pusat Perancangan Undang-Undang, 2020)

Despite these challenges, sports arbitration institutions in Indonesia hold significant opportunities to advance sports dispute resolution and foster a competitive, integrity-driven sports ecosystem. First, arbitration offers distinct advantages over litigation:

a. Rapid Dispute Resolution

Dispute resolution in sports must be conducted expeditiously due to the fixed schedules of competitive tournaments. Parties cannot endure months or even years of delays to obtain legal certainty (Gulati, 2020: 16). A salient example of the urgency for swift resolution is evident in disputes arising during events such as the Olympics or Asian Games, which typically span only 16 days. Rapid adjudication is essential in such contexts to maintain fair competition and adhere to predetermined schedules. The continuity of sporting events hinges on dispute resolutions that are equitable and responsive to operational time constraints.

b. Quality of Arbitration Awards

Compared to litigation, the expertise and experience of arbitrators are pivotal in resolving sports disputes (Gulati, 2020: 6). This proficiency is critical in sports, given the diversity of disciplines and competitions governed by intricate rules. Specialized arbitrators can expedite proceedings, contributing to arbitration's general efficiency over litigation. Their sector-specific knowledge enables precise

and contextually appropriate awards, tailored to the unique demands of each sport.

c. Enforcement of Arbitration Awards

A key advantage of arbitration lies in the enforceability of its awards. Domestically, arbitration awards are binding and enforceable with the same authority as national court judgments. Internationally, arbitration awards benefit from broader enforceability under the 1958 New York Convention, ratified by 172 states, which streamlines cross-border recognition compared to foreign court rulings. This framework ensures compliance and finality, reinforcing arbitration's role as a reliable mechanism in global sports governance.

Digitalization and the utilization of information technology are pivotal to advancing sports arbitration in the future. Implementing virtual arbitration hearings (Dewi, 2021: 109), digital case management systems, and transparent documentation mechanisms can enhance the efficiency and accessibility of dispute resolution processes. Collaboration among universities, sports organizations, and legal institutions will be a critical catalyst for transforming human resource capacity through capacity-building initiatives, specialized training programs, and knowledge-sharing frameworks. By integrating technological innovation with institutional partnerships, Indonesia can modernize its sports arbitration ecosystem, ensuring alignment with global standards.

Prospect for human resource development constitute a crucial component in strengthening sports arbitration institutions. Given the increasing complexity of sports disputes at the global level, international partnerships serve as a strategic step to reinforce the sports arbitration system. By establishing collaborations with foreign arbitration institutions, jurisdictions can exchange experiences, harmonize procedural standards, and enhance the efficiency and credibility of arbitration mechanisms (Jung et al., 2018: 16). Collaboration among universities, sports organizations, and legal institutions can create specialized programs and training tailored for sports arbitrators. This interdisciplinary approach will cultivate arbitrators equipped with a comprehensive understanding of legal principles and the intricate dynamics inherent to the sports industry.

The international agreement framework also opens up significant opportunities. Indonesia can establish networks with sports arbitration institutions in other countries, exchange experiences, and adopt best practices in dispute resolution. This not only increases the credibility of the institution, but also broadens the perspective and capabilities of arbitrators in handling increasingly complex cases (Jung et al., 2018: 17).

The government and sports stakeholders have the opportunity to create a legal ecosystem that supports the development of arbitration. Initiating the formation

of special regulations, allocating a budget for developing the capacity of arbitrators, and encouraging a culture of dispute resolution outside the courts will be key factors for success. The paradigm transformation from a litigation approach to a non-litigation approach is a strategic step in realizing a modern and effective sports arbitration system.

3.2. Strategies for Adapting Indonesia's Sports Arbitration System to Global Developments and International Standards in Sports Dispute Resolution

Indonesian law continuously adapts to sociocultural transformations, including technological advancement (Arifin et al., 2024: 6) driven by globalization, aligning with Friedman's theoretical assertion that legal systems must inherently be adaptive and responsive to ongoing societal and developmental changes (Ab. Halim et al., 2023: 52). This adaptability ensures that legal frameworks remain relevant in addressing emergent challenges, such as digital governance, data privacy, and cross-border disputes, which are intrinsic to a globalized world. Friedman's paradigm underscores the necessity for law to evolve dynamically, balancing traditional norms with contemporary exigencies, thereby fostering a cohesive legal ecosystem capable of sustaining justice and equity amidst rapid modernization. Harmonization through adaptation related to the principle of *Lex Sportiva* is fundamentally aimed at ensuring that sports law in national law can synergize with global sports law. In practice, there is often an overlap between sports law and a country's national law (Di Marco, 2022: 256), in this context, positive law in Indonesia.

The challenges are highly complex and continuously evolving, necessitating specialized experts capable of understanding and devising solutions to emerging issues, including issues in the sports community. Conventional courts presided over by judges with general expertise and understanding are not the preferred recourse for resolving sports-related disputes (Usman, 2013: 97). In the realm of sports, arbitration is recognized as a common mechanism for resolving disputes and conflicts involving athletes, notably through the institution known as the Court of Arbitration for Sport (CAS).

CAS, established in 1984, was created to resolve disputes related to sports. Since its inception, CAS has attained significant prominence as an effective, equitable, and respected forum for adjudicating sports-related conflicts in a cost-efficient and timely manner (Gulati, 2020: 2). This is inseparable from the main advantages of CAS, including:

- a. Rapid dispute resolution. CAS ensures timely adjudication by delivering rulings within stipulated timeframes, addressing the urgency inherent in sports-related conflicts;

- b. Expert Arbitrators: CAS arbitrators are specialists in sports law and governance, with a panel comprising over 300 qualified arbitrators from 87 countries, who are qualified to handle disputes at CAS;(Court of Arbitration for Sport, 2025)
- c. Procedural Flexibility: CAS employs a flexible and informal arbitration process, enhancing accessibility and comprehensibility for stakeholders across legal and cultural contexts;
- d. The arbitrators who serve are prominent legal experts and are respected in the international sports community. Therefore, CAS awards are widely accepted;
- e. Confidentiality and Privacy: CAS proceedings are strictly confidential, conducted privately without public or media involvement. CAS staff, arbitrators, and the parties involved are required not to disclose details related to the dispute.
- f. CAS fills a legal gap. Before the existence of institutions such as CAS and the development of sports law, the resolution of sports disputes was left to civil courts that interpreted the law according to their understanding of ordinary civil law without having specific knowledge of sports.(Pandev, 2017: 23)

The private dimension in sports law is growing massively, encompassing various aspects that emphasize this field's autonomy and uniqueness (Hanafie et al., 2021: 128). At least, sports law has two main principles: *Lex Sportiva* and *Lex Ludica*. *Lex Sportiva* means that the sports field has an independent legal autonomy principle, regardless of the applicable national legal system. This autonomy asserts that disputes arising within the realm of sports must be resolved through internal sports mechanisms, such as sports-specific arbitration or procedures governed by relevant sports federations/institutions, rather than relying on the positive law established by the state (De Oliveira, 2017: 102–103). *Lex Sportiva* regards sports as a realm with unique legal characteristics (*sui generis*), where the principle of self-regulation and compliance with the rules developed by the global sports community becomes the primary basis for dispute resolution. This reflects recognition of the distinct dynamics of sports, which cannot always be accommodated by conventional state-centric legal frameworks.

Lex Ludica constitutes a set of principles mandating compliance by national and international sports federations, irrespective of their codification within the federations' statutes, internal regulations, or applicable national law (Foster, 2016: 10). This principle is an aspect of harmonization and facilitation between sports law, international law, and a country's national law (Konstantinidis & Panagiotopoulos, 2020: 106). Arbitration allows for the application of general principles tailored to the needs and interests governed by those principles. These principles are autonomous because they are not derived from the national legal system of the jurisdiction where the dispute is situated.

As an adaptive measure, internalizing these principles (*Lex Sportiva* and *Lex Ludica*) into Article 102 of the Sports Law reflects Indonesia's commitment to accommodating the legal particularities inherent in sports governance. This implementation aims to establish a legal framework aligned with the principle of sports autonomy, wherein internal disputes and dynamics are resolved through specialized, self-regulatory mechanisms rather than conventional state-centric judicial processes.

The Sports Law (*UU Keolahragaan*) was introduced to address the shortcomings of the National Sports System Law (*UU SKN*) (Murni et al., 2023: 322), one of which pertains to the formulation of dispute resolution provisions deemed inadequate in providing legal protection and certainty for disputing parties. Article 88 of the National Sports System Law stipulates that sports disputes should be resolved through deliberation and consensus. However, if such efforts fail, the resolution may proceed through arbitration and other alternative dispute resolution mechanisms. A problem arises with paragraph (3), which states that if arbitration fails, the dispute may then be settled through the court system.

Article 88 has faced criticism for failing to ensure adequate legal protection guarantees. The primary weakness lies in the flawed construction of its norm formulation, particularly in implementing a multi-layered adjudication mechanism for dispute resolution (Setiadi, 2024: 2). This regulatory framework significantly prolongs resolution timelines, not only extending processes but also escalating costs. Moreover, it risks legal uncertainty regarding the finality of awards, undermining the binding and conclusive nature of arbitration principles central to its efficiency and legitimacy. Such a system contradicts the fundamental characteristics of arbitration, prioritizing finality, binding authority, and procedural efficiency.

Referring to the provisions of Article 102 of the Sports Law, the revised regulation on dispute resolution therein is considered an improvement over Article 88 of the National Sports System Law. This is because the Sports Law stipulates that arbitration is the sole adjudicative mechanism for resolving sports-related disputes. Accordingly, the Sports Law has taken a progressive step by aligning with international trends in the field of sports.

Although the Sports Law has sought to adopt the principles of *Lex Sportiva* and *Lex Ludica*, practical challenges persist in resolving sports-related disputes, particularly those involving National Sports Federations (Induk Organisasi Cabang Olahraga or NSFs). Article 102(1) of the Sports Law recognizes NSFs as primary actors in dispute resolution through *musyawarah mufakat* (deliberation and consensus). However, paragraphs (3) and (4) introduce ambivalence by emphasizing the intervention of central and regional governments in the process. These provisions explicitly grant governmental authorities the power to oversee and set standards for dispute resolution, yet fail to incorporate clauses that

facilitate or accommodate the autonomy of sports organizations, a core tenet of *Lex Sportiva*. This contradiction undermines the self-regulatory framework envisioned by international sports jurisprudence, creating tensions between state oversight and institutional independence.

Article 102 of the Sports Law fails to explicitly define the role and position of national sports federations in the comprehensive resolution of sports disputes, which undermines the essence of contemporary sports law (Murni et al., 2023: 14). Referring to the principles of sports law (*Lex Sportiva* and *Lex Ludica*), the provisions of Article 102 should ideally seek to provide space for national sports federations to resolve sports-related disputes independently.

This imbalance signifies a regulatory paradox. On the one hand, the Sports Law upholds the principle of self-regulation through internal deliberations within sports organizations (*Lex Sportiva*), yet simultaneously entrenches the dominance of state authority in practice. Consequently, the autonomy of sports organizations to design dispute resolution mechanisms tailored to the specific characteristics of their disciplines, such as *Lex Ludica*-based arbitration, is constrained by mandatory compliance with government-imposed bureaucratic procedures. In essence, the Sports Law fails to harmonize institutional autonomy with state oversight, risking jurisdictional conflicts and undermining the efficacy of prompt, professional dispute resolution.

The complexity of sports dispute resolution in Indonesia can be observed in several factual cases within the national sports sector. One example is a damages lawsuit filed by a basketball athlete who sustained an injury during a trial match, which was resolved through the Banyuwangi District Court in Decision Number 31/Pdt.G/2014/PN.BWI (Lovenia, 2017: 69). Another example of a sports dispute settled through the court system is the conflict between the Government of the Republic of Indonesia and the Indonesian Football Association (PSSI). This dispute arose from the issuance of the Minister of Youth and Sports Decree Number 01307 of 2015 concerning the Imposition of Administrative Sanctions in the Form of Non-Recognition of the Sports Activities of the Indonesian Football Association. This decision effectively froze PSSI's operations as the national football governing body. The dispute was ultimately resolved through litigation in the State Administrative Court (PSSI, 2024).

The establishment of BAKI should serve as a pivotal milestone in affirming the legal autonomy of sports (*Lex Sportiva*) in Indonesia. By aligning with CAS, BAKI can reduce reliance on interventions from general courts or governmental bodies, as exemplified by the recurrent suspension of PSSI, which often undermines the principle of self-regulation. Within Indonesia's legal framework, inherent weaknesses in judicial dispute resolution mechanisms have catalyzed the emergence of alternative dispute resolution (ADR) methods outside conventional litigation.

In addition, efforts have been made to adapt to global developments and international standards, particularly concerning institutional fragmentation. Previously, two arbitration bodies operated in parallel: BAKI, affiliated with CAS in Switzerland, and BAORI, which functioned under the auspices of KONI. Although both institutions held similar authority, differences in procedural mechanisms created procedural uncertainty. BAORI, for instance, did not offer a structured appeal mechanism to an international forum, making it difficult for dissatisfied parties to pursue further legal remedies. In contrast, BAKI's affiliation with CAS enabled appeals to the highest international arbitration body in Switzerland under the principles of *Lex Sportiva*. The potential for overlap and the procedural shortcomings of BAORI as a national sports arbitration body was addressed through the unification of BAKI and BAORI into a single arbitration institution, establishing BAKI as the sole body for resolving sports disputes in Indonesia (CNN Indonesia).

This unification not only strengthens legal protection for disputing parties but also serves as a strategic measure to align Indonesia's arbitration system with international practices. Such harmonization enables Indonesia to respond to the dynamics of global sports governance, which demands uniformity in sports dispute resolution standards. Consequently, it positions Indonesia's sports arbitration system to adapt to global developments and international benchmarks, fostering institutional resilience and credibility in transnational sports jurisprudence.

4. Conclusion

Sports arbitration institutions in Indonesia, such as BAKI, hold significant potential to serve as effective mechanisms for resolving sports disputes by applying *Lex Sportiva* and *Lex Ludica* principles. However, several challenges impede their optimal performance, including limited awareness among sports stakeholders regarding arbitration mechanisms, persistent reliance on litigation pathways, a shortage of competent human resources, regulatory inconsistencies, and institutional dualism arising from overlapping mandates. Conversely, opportunities for institutional advancement exist through harmonizing domestic frameworks with international standards (e.g., CAS), the digitalization of arbitration procedures, inter-institutional collaboration, and capacity-building initiative for arbitrators.

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