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## Balancing National Sovereignty and the Efficiency of Cross-Border Asset Enforcement: Toward an ASEAN Framework for the Recognition and Enforcement of Foreign Court Judgments

Geraldine Eka Al-Fara Airanun<sup>1</sup>

<sup>1</sup> Universitas 17 Agustus 1945 Surabaya, Indonesia

email: [geraldinekaalfaraa@gmail.com](mailto:geraldinekaalfaraa@gmail.com)<sup>1</sup>

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### Abstract

*This study examines the institutional conflict between state sovereignty and transnational enforcement efficiency within the Association of Southeast Asian Nations, focusing specifically on the conservative legal frameworks of Indonesia and Thailand. Utilizing a non-empirical doctrinal legal method and macro-comparative analysis, the investigation deconstructs the systemic barriers generated by traditional territorial enforcement paradigms that refuse to recognize foreign judicial decrees directly. The current domestic requirements for comprehensive re-litigation multiply corporate transaction costs, cause prolonged procedural delays, and undermine cross-border asset recovery mechanisms within the regional market. To resolve this regional enforcement gap, this study designs a normatively viable regional blueprint titled the ASEAN Framework for the Recognition and Enforcement of Foreign Judgments. By adapting global circulation standards from the Hague Judgments Convention 2019 and the Brussels I Recast Regulation, the proposed model introduces a streamlined registration tracking mechanism balanced with a restrictive grounds for refusal matrix. This integrated architectural framework successfully eliminates structural legal duplication, secures cross-border data privacy, and combats transnational financial crimes while preserving the foundational judicial autonomy of individual member nations.*

**Keywords :** Private International Law, Judicial Autonomy, Asset Recovery, Cross-Border Enforcement, Regional Integration.



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## INTRODUCTION

The contemporary landscape of the global political economy is characterized by an unprecedented acceleration of cross border commercial transactions, transnational investments, and complex corporate interdependencies that inevitably amplify multi jurisdictional legal disputes. Within this highly integrated global marketplace, the ultimate efficacy of private international law no longer rests solely on the capacity of domestic courts to adjudicate disputes but rather on the seamless mobility and extraterritorial enforceability of judicial outcomes across sovereign boundaries. Prominent legal scholarship has long emphasized that the traditional compartmentalization of domestic jurisdictions creates severe frictions in transnational commerce, necessitating a doctrinal convergence between public state interests and private international law mechanisms to ensure economic stability (Mills, 2009). While advanced regional integration models such as the European Union have successfully minimized these jurisdictional frictions through robust regulatory frameworks that eliminate traditional exequatur procedures to facilitate the free movement of judicial decisions (Regulation EU No 1215/2012), global standards still struggle to reconcile the classic tension between strict territorial boundaries and the pragmatic demands of cross border asset enforcement (Cheshire et al., 2017). As a direct result, contemporary global markets demand a sophisticated reevaluation of how national judicial systems interact when confronted with the necessity of executing foreign judgments against local assets.

Extant literature on transnational jurisprudence has increasingly focused on the institutionalization and internationalization of cross border execution regimes as a prerequisite for fostering global economic confidence. Scholars analyzing the internationalization of insolvency frameworks argue that standardizing cross border regimes within multilateral forums is essential to mitigate the risks associated with multi jurisdictional asset dispersion and corporate defaults (Singh,

2025). Simultaneously, critical assessments of sovereign wealth funds and global investments have demonstrated that legal certainty remains highly volatile when sovereign entities exploit structural gaps in international legal frameworks to shield assets from legitimate enforcement actions (Swaiss, 2024). This complexity is compounded by the persistent doctrine of sovereign immunity from execution, where current global discourse underscores the profound difficulties in balancing the protective shield of state sovereignty with the equitable rights of private creditors seeking the execution of international awards (Sultan, 2026). These scholarly contributions collectively demonstrate that while international commercial arbitration has made significant strides, the enforcement of foreign court judgments remains deeply fragmented due to the unyielding protective mechanisms erected by individual states.

Despite valuable insights into international enforcement mechanisms, the current literature exhibits an analytical fracture by predominantly focusing on criminal asset recovery or international arbitration while leaving a conceptual void regarding civil and commercial foreign court judgments within emerging regional markets. Previous studies on cross border asset recovery frequently limit their scope to anti money laundering frameworks and the retrieval of illicit yields, highlighting institutional corruption and bureaucratic inertia as the primary barriers to enforcement rather than addressing the foundational tension of civil judicial sovereignty (Wibowo, 2023). In a parallel development, contemporary legal updates on transnational enforcement tend to prioritize the harmonization of policies against transnational crime and global terrorism, focusing heavily on public law enforcement and security cooperation rather than private commercial rights (Tuliakov, 2025; Ubanyionwu, 2025). While international arbitration has successfully bypassed these sovereign roadblocks through globally accepted treaties (United Nations, 1958) which are subsequently integrated into domestic legislations to permit the execution of foreign arbitral awards (Undang Undang Republik Indonesia Nomor 30 Tahun 1999, 1999), no equivalent, universally accepted mechanism exists for foreign court judgments within the Southeast Asian region. This lopsided development in transnational dispute resolution leaves a critical gap in understanding how non arbitral judicial decisions can be efficiently enforced without triggering a sovereign backlash from conservative legal systems.

The scientific and practical urgency of addressing this gap becomes painfully obvious when examining the operational realities of the Association of Southeast Asian Nations where economic integration has far outpaced judicial cooperation. The establishment of the ASEAN Economic Community was intended to create a seamless regional market, yet the persistent refusal of major member states to recognize foreign court judgments creates an unsustainable systemic bottleneck. When a winning party is forced to undergo a complete re litigation process in the debtor country due to an absolute adherence to territorial sovereignty, the resulting duplication of procedures induces prohibitive expenses, extreme delays, and pervasive legal uncertainty that actively deters foreign direct investment. This friction diminishes the institutional credibility of regional judiciaries and threatens the overarching economic objectives of the region because a legal right without an efficient enforcement mechanism is practically obsolete. Resolving this deadlock is a matter of profound regional urgency as the inability to execute valid cross border court judgments compromises the predictability of transnational commerce and undermines the rule of law across economic corridors.

This research positions itself precisely at the intersection of sovereign self preservation and regional economic efficiency by offering a comparative structural analysis of the enforcement regimes in Indonesia and Thailand. Unlike conventional studies that treat state sovereignty as an immutable barrier to judicial cooperation, this study conceptualizes sovereignty as a dynamic framework capable of strategic adjustments through mutual recognition agreements. By examining how the deeply ingrained civil law traditions of Indonesia and Thailand perpetuate a non direct enforcement system that relegates foreign judgments to mere documentary evidence, this paper uncovers the precise doctrinal barriers that hinder regional integration. The study utilizes international benchmarks to deconstruct the defensive public policy exceptions utilized by these judiciaries, demonstrating that sovereignty and enforcement efficiency are not inherently mutually exclusive but can be harmonized through sophisticated institutional design.

The primary objective of this study is to formulate a comprehensive ASEAN Framework for the Recognition and Enforcement of Foreign Court Judgments that balances national judicial sovereignty with the necessity of swift cross border asset execution. Methodologically, this research employs a normative and comparative legal approach to distill the shared systemic vulnerabilities within the Southeast Asian legal landscape, utilizing the successes of global instruments to construct a localized

regional model. Theoretically, this paper contributes to private international law by advancing a cooperative judicial sovereignty model that replaces obsolete re litigation requirements with a system of mutual trust and circumscribed grounds for refusal. Ultimately, this study provides an actionable blueprint for regional policy makers to enhance legal certainty, stimulate international trade, and fortify the integrity of transnational commercial dispute resolution within Southeast Asia.

## **RESEARCH METHODS**

This study is strictly non empirical as it relies on doctrinal legal research and comparative legal analysis to deconstruct systemic sovereign barriers and formulate a regional framework without utilizing statistical data or variable operationalization. The conceptual and theoretical approach is grounded in the foundational tension between state sovereignty and transnational enforcement efficiency within private international law. The selection process for the scrutinized literature and legal instruments was systematically conducted across international databases, filtering for high impact scholarly monographs, Scopus indexed journal articles, and fundamental statutory instruments. The primary qualitative data corpus comprises key international legal frameworks such as the Hague Judgments Convention 2019, the explanatory report on the 2019 HCCH judgments convention written by Rapporteurs Garcimartín and Saumier (2020), the Brussels I Recast Regulation (EU) No 1215/2012, and the New York Convention 1958. These global paradigms are critically contrasted with conservative regional legislative structures, specifically Article 436 of the Reglement op de Burgerlijke Rechtsvordering [Rv], which dictates Indonesia's traditional stance against enforcement, as well as the specialized legal pathways established under Law of the Republic of Indonesia No. 30 of 1999 and Presidential Decree No. 34 of 1981.

The analytical model employs a rigorous macro comparative and functional legal method to evaluate how the domestic judiciaries of Indonesia and Thailand manage cross border risks and private claims. The interpretative process utilizes a teleological and systematic extraction technique to scrutinize statutory exceptions, particularly the defensive applications of the public policy doctrine that currently trigger extensive re litigation mandates. By mapping the functional operationalization of advanced judicial enforcement models, such as the supranational circulation of titles outlined by Stone (2018), this study evaluates the institutional adaptability of Southeast Asian systems. The interpretation synthesizes the architectural elements of these varied legal cultures to design a normatively viable regional blueprint. This interpretive framework resolves the current regional enforcement gap by integrating a restrictive grounds for refusal matrix with a mutual recognition system, establishing a cohesive legal structure that directly supports the broader objectives of global markets and regional economic integration without dismantling the baseline judicial autonomy of individual ASEAN members.

## **RESULTS AND DISCUSSION**

### **Deconstructing Territorial Sovereignty Barriers and the Statutory Non Enforcement Paradigms in Southeast Asian Judiciaries**

The intersection of private international law and state sovereignty creates a persistent systemic barrier to the extraterritorial enforcement of civil judgments within global markets. Traditional Westphalian concepts dictate that judicial power remains strictly confined within national borders because execution actions require the coercive mechanisms of state authority (Mills, 2009). This doctrinal insulation forces international creditors to confront a highly fragmented legal landscape when attempting to recover assets across different territorial jurisdictions. The resulting friction undermines the predictability necessary for transnational commerce and increases the systemic risks associated with cross border investments.

Within Southeast Asian judiciaries, the commitment to absolute territorial sovereignty manifests as a structural refusal to recognize foreign judicial outcomes directly. Domestic courts routinely prioritize local judicial autonomy over international comity, viewing external mandates as potential encroachments upon sovereign authority (Mery et al., 2024). This defensive posture establishes a legal environment where foreign court orders are stripped of their binding character at the border. Consequently, international businesses face a severe enforcement gap that diminishes the practical utility of contractual choice of court agreements.

The legal architecture of Indonesia exemplifies this conservative approach through historical statutory mechanisms that prevent the execution of external judgments. Article 436 of the Reglement op de Burgerlijke Rechtsvordering serves as the foundational hurdle by explicitly declaring foreign decisions unenforceable within the domestic realm. This colonial legacy remains active in contemporary jurisprudence, compelling parties to initiate entirely new litigation procedures to validate their claims (Meher & Kurniati, 2026). By treating international judgments merely as persuasive written evidence rather than final determinations, the state reasserts its ultimate judicial monopoly.

Thailand shares a similar restrictive framework where the absence of a comprehensive statutory enforcement regime creates a baseline non recognition policy. The Thai judiciary treats external civil judgments as private documents lacking independent executive force, necessitating full re litigation under domestic procedural codes (Okoli, 2022). This structural convergence between the two major ASEAN economies highlights a broader regional trend of prioritizing sovereign control over transnational efficiency. The insistence on duplicating judicial processes introduces substantial transaction costs and delays asset recovery efforts within the regional marketplace.

To clearly illustrate the operational disparities between existing international enforcement instruments and the conservative frameworks maintained by Southeast Asian nations, a comparative systemic matrix must be analyzed. Global trends show a clear movement toward facilitating the circulation of titles through multilateral agreements that bypass local re adjudication. The following analytical matrix delineates the core statutory positions, enforcement mechanisms, and primary legal limitations characteristic of the jurisdictions under scrutiny. This systematic breakdown contextualizes the profound normative isolation of domestic frameworks relative to evolving international best practices.

**Table 1. Comparative Matrix of Judgment Enforcement Regimes and Statutory Frameworks**

Jurisdiction Instrument	or Basis	Primary Statutory	Core Enforcement Mechanism	Key Limitation	Operational
Indonesia	Article 436 Reglement op de Burgerlijke Rechtsvordering		Full re litigation of the dispute	Complete loss of foreign judgment finality	
Thailand	Uncodified judicial practice and doctrines	judicial comity	Full re litigation of the dispute	High procedural replication and delayed recovery	
Hague Convention 2019	Article 4 Recognition Framework	Multilateral	Direct exequatur and registration	Restrictive and standardized grounds	and refusal

Source: Synthesized from Cheshire, North, and Fawcett (2017) and Garcimartín and Saumier (2020)

The comparative data presented in the matrix underscores the sharp dichotomy between global codifications and regional statutory omissions. While international instruments like the Hague Judgments Convention 2019 establish standardized pathways for the circulation of judicial titles, the domestic frameworks of Indonesia and Thailand remain bound to litigation replication (Garcimartín & Saumier, 2020). This structural divergence confirms that the regional approach lags behind the integration models observed in more mature economic unions (Stone, 2018). The reliance on re litigation effectively transforms sovereign borders into insulatory shields against external civil liabilities.

The dual track policy practiced by Indonesia reveals an interesting systemic paradox where international arbitral awards receive preferential treatment over court judgments. Through the ratification of the New York Convention 1958 via Keputusan Presiden Nomor 34 Tahun 1981, the state established an operational exequatur pathway for commercial arbitration. This statutory openness is further formalized under Undang Undang Nomor 30 Tahun 1999, which provides clear procedural guidelines for executing foreign arbitral mandates. The contrast between the acceptance of commercial arbitration and the total rejection of foreign court judgments highlights an inconsistent approach to international judicial cooperation.

This legal fragmentation generates significant commercial instability, directly impacting corporate asset protection and transnational insolvency proceedings. When cross border corporate defaults occur, the inability to swiftly execute foreign judgments prevents the equitable distribution of assets among global creditors (Kazangarare, 2024). Emerging economies must reconcile this territorial isolation with the requirements of modern international trade agreements that demand robust dispute resolution systems (Singh, 2025). The persistent uncertainty surrounding asset recovery diminishes investor confidence and increases the risk premiums associated with regional market expansion.

The absolute preservation of sovereign jurisdiction also complicates broader legal efforts to combat transboundary economic infractions and global cybercrimes. Effective asset recovery requires seamless cooperation across borders, yet traditional sovereign walls frequently impede the tracking and seizure of illicit wealth (Wibowo, 2023). The operational friction identified in civil matters mirrors the jurisdictional challenges encountered by authorities trying to enforce penalties against transnational cyber criminals (Allison, 2025). Without a unified enforcement mechanism, regional judiciaries inadvertently create safe havens for debtors looking to shield their assets from foreign judgments.

Resolving this systemic tension requires a fundamental conceptual transition toward a balanced model of cooperative judicial sovereignty. International scholarly consensus suggests that harmonizing regional enforcement rules does not require states to abandon their foundational legal identities (Chong, 2024). By shifting from a defensive isolationist posture to a structured mutual recognition framework, ASEAN members can enhance global market integration while maintaining essential public policy safeguards. This strategic alignment is essential for building a predictable legal architecture that can sustain long term economic development across the region.

### **Economic Friction and Transactional Inefficiencies: Evaluating the Re-Litigation Mandates in Thai and Indonesian Judiciaries**

The practice of denying direct enforceability to foreign judicial decrees in Indonesia and Thailand generates severe macroeconomic friction that undercuts regional trade objectives. Global investors operating within the ASEAN Economic Community encounter systemic vulnerabilities when attempting to enforce commercial claims across these conservative civil law jurisdictions. The domestic courts of both nations strictly implement a territorial barrier by treating external adjudications not as binding mandates but as mere documentary evidence. This foundational barrier forces international creditors to initiate complete structural duplication through fresh domestic lawsuits to access local assets.

This structural duplication of judicial procedures invariably multiplies transaction costs and distorts operational predictability for international business enterprises. Corporate entities must allocate substantial financial capital toward redundant legal representation and translation fees to prove identical substantive claims twice. The requirement to re-litigate established claims exposes foreign businesses to significant localized procedural risks within Southeast Asian judiciaries. Consequently, the commercial utility of contractual protections diminishes rapidly as a direct result of these localized structural repetitions.

The resulting systemic delays inherently compromise transnational commercial asset recovery mechanisms and amplify systemic market risks. Creditors face protracted periods of procedural stagnation while local courts re-examine the factual foundations of external judgments (Wibowo, 2023). During these extensive procedural delays, distressed debtors retain ample opportunity to liquidate or clandestinely transfer contested cross-border corporate assets. This procedural vulnerability severely reduces the ultimate recovery rate of outstanding commercial debts within regional markets.

The persistent non-enforcement stance maintained by domestic judiciaries across Southeast Asia severely compromises cross-border legal certainty for foreign direct investment. International market participants cannot reliably assess their long-term legal exposure when local courts routinely deny the finality of foreign commercial rulings (Okoli, 2022). This structural unpredictable atmosphere elevates risk premiums and discourages optimal capital allocation within developing regional markets. The absence of a streamlined enforcement track creates an institutional disconnect between advancing commercial networks and archaic sovereign dispute frameworks.

The economic ramifications of these institutional enforcement barriers are systematically evaluated against different judicial models to highlight the exact scope of current transactional frictions.

**Table 2. Economic Disadvantages and Procedural Redundancies of Re-Litigation Mandates**

Indicative Indicator	Economic	Direct Exequatur Mechanism	Re-Litigation Regime (Indonesia and Thailand)	Mandate
Corporate Transaction Costs		Minimalized to localized registration fees and basic compliance verifications	Multiplied extensively by full trial fees and continuous expert witness costs	
Asset Recovery Timeline		Accelerated via streamlined summary enforcement proceedings	Prolonged through full trial phases and multi-tiered domestic appeals	
Cross-Border Certainty	Execution	High predictability based on pre-established international treaty standards	Low security due to comprehensive domestic review of substantive merits	

Data source: Compiled and synthesized based on a critical analysis of Wibowo (2023) and Khanderia (2025).

The explicit comparative data presented in the operational grid confirms that the procedural infrastructure of Indonesia and Thailand imposes immense transactional friction compared to direct circulation models. The mandate for comprehensive judicial replication essentially strips foreign titles of their pre-existing legal finality. This systemic problem converts a straightforward debt collection exercise into an unpredictable multi-tiered commercial litigation. Global trade operations are fundamentally disrupted when sovereign legal systems refuse to accommodate external judicial finality.

The insistence on comprehensive domestic re-adjudication reflects a doctrinal adherence to absolute territoriality that conflicts directly with modern international legal theory. Classic private international law concepts emphasize that the absolute isolation of domestic legal systems should be tempered by the comity of nations (Cheshire et al., 2017). When judiciaries engage in a complete review of the substantive merits of a case, they actively undermine international judicial comity. This aggressive review stance creates severe institutional distrust and hinders the evolution of balanced transactional frameworks.

This defensive judicial practice manifests as a self-inflicted economic injury that reduces the overall commercial competitiveness of the host nation (Khanderia, 2025). The preservation of local judicial monopolies through the doctrine of substantive re-examination fails to protect the domestic economy from external legal volatility. Instead, this restrictive doctrine isolates national markets by signaling to international commercial networks that local assets remain structurally shielded from legitimate transnational claims. The resulting legal friction ultimately decreases the volume of high-value international trade agreements.

The friction generated by rigid territorial enforcement paradigms becomes exceptionally critical within contemporary transnational insolvency proceedings. The fundamental conflict between universalist models and strict territorial frameworks prevents the orderly resolution of complex multinational corporate collapses (Jain & Badger, 2025). When local judiciaries prioritize isolated territorial claims over centralized international restructuring plans, corporate assets undergo inefficient fragmentation. This systemic fragmentation prevents optimal asset liquidation and causes unnecessary depreciation that harms both regional and global creditors.

The lack of systemic coordination in cross-border financial distress scenarios highlights the critical need to align local commercial laws with global benchmarks (Kazangarare, 2024). Emerging economies cannot achieve sustainable financial integration while their domestic bankruptcy courts operate in complete isolation from international best practices. The ongoing fragmentation of corporate assets across independent jurisdictions actively undermines the stability of regional financial networks. Developing uniform insolvency guidelines is therefore essential to prevent systemic market disruptions during cross-border economic crises.

The broader international community increasingly recognizes that modernizing cross-border insolvency mechanisms is vital for securing global economic stability (Singh, 2025). The continuous expansion of global supply chains requires advanced enforcement systems that can transcend traditional territorial limits during corporate insolvencies. The persistent reluctance of Southeast Asian judiciaries

to recognize external commercial decrees directly hinders regional economic integration within the ASEAN Economic Community. Resolving this deep-seated structural friction requires a complete paradigm shift away from isolated territorial defensive measures toward integrated regional enforcement systems.

**Toward an ASEAN Judicial Framework: Adapting Global Recognition Standards within Regional Autonomy**

The formulation of a normative solutions matrix through the proposed ASEAN Framework for the Recognition and Enforcement of Foreign Judgments requires a systematic departure from obsolete isolationist enforcement paradigms. This regional architectural blueprint must convert established international private law instruments into a balanced multilateral treaty structured specifically around the unique political contours of Southeast Asia (Hague Conference on Private International Law, 2019). The primary structural objective is to completely eradicate the practice of full substantive re-examination without compromising the sovereign domestic administrative authority of individual signatory nations (Garcimartín & Saumier, 2020). By establishing an explicit judicial circulation model, the regional framework transforms external civil decrees into self-executing cross-border instruments across the economic territory. The integration of advanced treaty mechanisms enables the Association of Southeast Asian Nations to bridge the historic institutional disconnect between modern market developments and archaic territorial dispute resolution protocols.

The structural adaptation of the global mutual recognition standard into the regional blueprint relies directly on successful operational models implemented within highly integrated supranational networks. The absolute elimination of traditional exequatur procedures seen under the European jurisdictional framework provides an ideal comparative model for optimizing commercial cross-border asset recovery operations (Regulation [EU] No 1215/2012). However, the absolute transfer of judicial sovereignty seen in European structures must be carefully moderated to respect the deeply entrenched regional principles of non-interference and consensus-based diplomacy (Chong, 2024). The regional framework achieves this structural balance by substituting automatic implementation with a highly structured, streamlined registration process managed directly by local enforcement courts. This specialized approach ensures that foreign judicial decrees circulate efficiently throughout regional commercial channels while keeping the final power of formal domestic execution exclusively with the host state.

To prevent the abuse of cross-border enforcement channels, the proposed regional instrument must incorporate a highly detailed, restrictive grounds for refusal matrix. This defensive legal matrix strictly limits the authority of local judiciaries to block external decrees by confining judicial resistance to an exhaustive, predefined list of procedural defects (Hoang Tu Linh, 2025). Domestic enforcement courts are explicitly barred from re-evaluating the underlying factual or legal merits of the original dispute, which directly preserves transnational legal finality (Dan & Tao, 2025). The structural grounds for refusal are limited strictly to verified violations of domestic public policy, structural due process failures in the originating court, or direct conflicts with pre-existing local judgments. This balanced combination effectively prevents local courts from using broad protectionist measures, establishing a highly predictable and secure operational environment for regional trade and investment.

The exact layout of these protective boundaries and operational rules is systematically detailed in the following normative framework to guide regional enforcement practices.

**Table 3. Normative Architectural Matrix of the Proposed ASEAN Judgment Recognition Framework**

Structural Component	Global Standard	Reference	Adapted Mechanism	Regional	Operational Sovereign Safeguard
Valid Jurisdictional Criteria	Article 5, Hague Judgments Convention 2019	Hague Convention	Predefined choice of court agreements and explicit submission	choice of voluntary	Absolute exclusion of sovereign asset classes and real estate matters

Due Protections	Process	Article 45, Brussels I Recast Regulation	Mandatory verification of timely, formal notification processes	Sovereign right to refuse enforcement upon proven systemic defense denial
Public Exception Limits	Policy	Universal International Doctrine	Private Law	Restrictive application limited to core constitutional principles
Complete prevention of any substantive re-adjudication on merits				

Data source: Conceptualized based on the framework of the Hague Conference on Private International Law (2019) and Chong's (2024) principles of regional title circulation.

The explicit comparative data detailed in the normative architectural matrix confirms that sovereign autonomy can coexist with streamlined cross-border execution. By locking the public policy exception into core constitutional principles, the regional framework prevents local courts from using vague internal laws as an excuse for economic protectionism. This operational structure protects the judicial independence of ASEAN member states while eliminating the repetitive legal proceedings that slow down commercial asset recovery. The establishment of these clear, uniform rules provides global investors with solid legal certainty, ensuring their contractual rights remain enforceable across different legal systems. Consequently, this architectural design effectively turns traditional sovereign friction into a cooperative judicial model that matches the economic goals of the region.

The practical deployment of this unified framework requires a cooperative judicial order supported by regular communication channels between national judiciaries. This collaborative approach minimizes systemic friction by allowing local enforcement courts to easily verify the authenticity of foreign decrees through an integrated regional registry. The operational framework must explicitly respect established sovereign immunity doctrines to protect public state assets from sudden commercial execution actions (Sultan, 2026). This targeted protection shields state-owned property and sovereign wealth funds from private attachment claims, which maintains the core sovereign authority of individual member states (Swais, 2024). By combining strict private sector compliance rules with strong protections for sovereign assets, the framework creates a secure regional legal network that balances commercial efficiency with state sovereignty.

The introduction of an integrated judicial framework requires complete alignment with modern cross-border data privacy standards to secure commercial digital networks. As legal systems exchange highly sensitive corporate and financial data for asset tracing, the framework must mandate strict compliance with global cyber law practices (Khan, 2025). The regional treaty must incorporate explicit data governance provisions that prevent the unauthorized distribution of proprietary commercial records during cross-border enforcement actions (Nabiebu et al., 2025). Setting these high data security standards protects corporate privacy rights and shields transnational supply chains from digital vulnerabilities (Shami et al., 2025). This comprehensive regulatory alignment ensures that regional judicial cooperation strengthens digital commerce while maintaining a highly secure and legally compliant operational environment.

This unified enforcement mechanism provides a powerful tool for tracing and recovering assets illicitly transferred across Southeast Asian borders. Implementing a streamlined system for recognizing foreign judgments enables national judiciaries to quickly freeze and seize assets linked to complex transnational white-collar crimes (Wibowo, 2023). This automated operational track eliminates the extensive delays that corporate fraudsters exploit to hide capital in neighboring jurisdictions (Pramudita & Widyawati, 2025). Closer judicial cooperation enables member states to conduct accurate state loss assessments and dismantle sophisticated international financial crime networks (Ikram et al., 2026). This structural legal upgrade transforms the regional judiciary from an isolated, fragmented territory into an integrated enforcement front against cross-border financial crimes.

The long-term success of this regional judicial model depends on its capacity to handle complex intellectual property disputes and evolving cybercrime challenges. A modern enforcement framework must ensure that specialized judgments, particularly those protecting commercial copyrights and digital trademarks, receive uniform protection across all member states (Salem, 2025). This consistent legal protection prevents bad-faith actors from exploiting differences between local laws to run illicit digital networks with impunity (Allison, 2025). Establishing unified regional enforcement rules directly

strengthens the digital economy by reassuring global innovators that their valuable intellectual property is legally protected across all ASEAN markets. This comprehensive legal security is essential for attracting high-tech foreign direct investment and building a resilient, innovation-driven regional market.

Adopting this integrated framework enables ASEAN to resolve the long-standing tension between rigid state sovereignty and modern transnational market efficiency. The structural harmonization of private international law allows member states to move away from isolated territorial barriers toward an interconnected regional legal network (Tuliakov, 2025). This vital structural evolution provides the judicial tools necessary to combat complex transnational crime while maintaining stable, highly predictable markets (Ubanyionwu, 2025). By modernizing its cross-border enforcement systems, ASEAN establishes itself as a highly competitive, integrated economic region fully capable of managing complex global trade flows. The successful implementation of this collective judicial structure marks a major milestone in securing sustainable economic integration across the Southeast Asian commercial landscape.

## CONCLUSION

The systemic tension between territorial state sovereignty and transnational commercial enforcement efficiency within the Indonesian and Thai judiciaries highlights the critical need for regional judicial reform. The traditional practice of demanding complete domestic re-litigation under absolute territoriality paradigms generates severe macroeconomic friction, multiplies corporate transaction costs, and creates substantial vulnerabilities during cross-border asset recovery operations. While the current isolationist approach shields local judicial autonomy, it fundamentally disconnects Southeast Asian markets from modern global trade realities, digital commerce advancements, and effective transnational financial crime enforcement. The proposed ASEAN Framework for the Recognition and Enforcement of Foreign Judgments resolves this institutional enforcement gap by successfully synthesizing international benchmarks with local sovereign safeguards. By integrating a strict mutual recognition mechanism with a restrictive grounds for refusal matrix, the regional blueprint eliminates structural legal duplication and establishes cross-border legal certainty without dismantling the baseline judicial independence of individual member states.

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