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The Effectiveness of International Trade Conflict Resolution Law Through the World Trade Organization

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Abstract: *International trade, involving countries with diverse legal traditions such as civil law and common law, often faces legal uncertainties in contract enforcement and dispute resolution. These differences present real challenges for cross-border transactions. Institutions like UNCITRAL have introduced harmonization frameworks and model laws to bridge legal system disparities without forcing countries to abandon national legal structures. Meanwhile, the World Trade Organization (WTO), through its Dispute Settlement Body (DSB), offers a formalized mechanism to resolve trade conflicts, ensuring stability and predictability in global trade relations. This article examines how the divergence in legal systems impacts international trade contracts, explores efforts by UNCITRAL in promoting legal uniformity, and evaluates the effectiveness of the WTO-DSB system. The research employs a normative juridical approach, relying on primary international legal documents and case studies involving WTO rulings. Findings reveal that while unification remains difficult, harmonization has proven more acceptable and flexible. The WTO's DSB mechanism has successfully provided binding decisions in several high-profile disputes, though further reforms may be needed to address concerns of fairness and accessibility for developing nations. Overall, the WTO remains a crucial actor in maintaining legal order and equitable dispute resolution in international trade.*

Keywords: *International Trade, Legal Systems, WTO, UNCITRAL, Harmonization, Dispute Settlement Body, Lex*

Introduction

The nature of both direct and indirect international law relations is linked to the existence or absence of diplomatic relations between countries. A country that has diplomatic relations with another country will place its representatives in the foreign country to handle all matters concerning both parties. The form of relations between one country and another is not limited to political relations alone but also includes economic relations, in this case, trade between countries (international trade). International trade is one of the main pillars of the global economy that has developed along with the advancement of the times, economic liberalization, and globalization. In fact, cross-border trade often faces various legal challenges, particularly due to differences in legal systems and judicial systems between countries. As a result, legal uncertainty arises in the implementation of international trade contracts. This can pose a high legal risk for cross-border business operators.

The legal provisions of international trade can sometimes cause issues in the formation or execution of international trade contracts. Among the issues that may arise is the presence of multiple legal systems that could be involved in international trade. When cross-border trade occurs, the question arises as to which legal system the contract is subject to and which legal provisions apply. Legal conflicts like this can often hinder the smoothness of international trade itself. (Ariadno, M. K : 2007)

In international law, sanctions are a reaction from subjects of international law to violations of certain norms. Unlike domestic law, the main purpose of sanctions in international law is to restore the situation to its original state or to ensure that subjects of international law cease their violations. In practice, sanctions can be imposed after passing a legitimate ruling from the WTO (World Trade Organization) or DSB (Dispute Settlement Body). (Suherman, A. M : 2022).

The role of international trade law, including the legal provisions of the World Trade Organization, has accelerated the pace of world trade, especially after the signing of the General Agreement on Tariff and Trade by various countries. As the only international body that specifically regulates issues of international trade. World Trade Organization or the global trade organization serves as a gateway for a country to expand its market access and a mechanism for resolving trade disputes between countries.

The purpose of the dispute resolution mechanism in the World Trade Organization (WTO) is to ensure the creation of security and predictability in the multilateral trade system, so that international economic actors can operate within a stable and reliable framework of rules. In addition, this mechanism aims to protect the rights and obligations of members as stipulated in WTO (World Trade Organization) agreements, while also providing a clear interpretation of those provisions without altering the agreed legal substance. (Barutu, C : 2015) In addition, dispute resolution is aimed at achieving a positive solution, which not only resolves conflicts among members but also strengthens the regulatory function within the international trade system as a whole.

Those goals will be achieved if an agreement is reached by the disputing parties (mutual agreed solution). If no agreement is reached by the disputing parties, then adjudication by a third party (panel and/or appeal) or through alternative dispute resolution will be pursued.

Understanding on Rules and Procedures Governing the Settlement of Disputes is an agreement on the Rules and Procedures for the Settlement of Disputes that serves as a reference and guideline in resolving disputes among WTO member countries. This procedure is used for all disputes between WTO members arising from the non-fulfillment of obligations as stipulated in WTO agreements. Every dispute settlement among WTO member countries must follow the dispute resolution stages outlined in the DSU.

In order to ensure the achievement of effective dispute resolution in accordance with existing regulations, the implementation of the WTO framework trade dispute resolution mechanism becomes something that must exist and be carried out by its members. The WTO framework international trade dispute resolution system must also guarantee equal protection and balanced standing among WTO member countries.

Based on the background above, this paper aims to examine the issue of the impact of differences in legal systems and judicial systems on contracts in international trade; the role of UNCITRAL in the efforts to unify and harmonize international trade law; and the effectiveness of the WTO Dispute Settlement Body (DSB) mechanism in resolving trade disputes between countries.

Research Methodology

This research uses a normative juridical approach, which is a legal study that emphasizes the examination of written legal norms, international agreements, and official documents that regulate the mechanism for resolving international trade disputes through the WTO. (Putri, J. T : 2024) The main focus of this research is to analyze the legal provisions in the Dispute Settlement Understanding (DSU) and their application in the practice of resolving conflicts between member countries. The legal data used includes primary legal materials such as the WTO Charter, multilateral agreements, and decisions from panels and the Appellate Body. (Yang, G., Mercurio, B., & Li, Y : 2005) Additionally, secondary legal materials such as books, scientific journals, and opinions from international trade law experts are also used. Data collection techniques were carried out through library research, accessing official WTO documents and academic literature from reliable databases.

Data analysis is conducted qualitatively, using content analysis methods and case studies of several trade disputes that have been resolved through the WTO mechanism. The purpose of this analysis is to measure the extent to which WTO legal provisions can resolve trade conflicts fairly, effectively, and bindingly for the parties involved. This research also examines the structural obstacles faced by the WTO, such as the Appellate Body crisis and the economic power imbalances among member countries. The discussion focuses on the normative and implementative effectiveness aspects of the WTO dispute settlement system. Thus, the results of this research are expected to provide a comprehensive picture of the role and challenges of WTO law in maintaining international trade order.

Result and Discussion

1. The Influence of Differences in Legal Systems and Judicial Systems on Contracts in International Trade

Every country has a different legal system. This is certainly not only caused by the differences in the political systems of those countries but also by the cultural heritage of the nation or society that shapes those countries. Broadly speaking, the legal systems in the world consist of two systems, namely the Continental European Legal System (civil law) and the Anglo-Saxon Legal System (common law). The civil law system has legal sources derived from written legal codifications (written code). (Siregar, P. J. W : 2022) In contrast, the Anglo-Saxon legal system (common law) bases its law on court decisions, so judicial rulings not only bind the parties involved but also apply generally to similar cases.

The "civil law" legal system is generally adopted in Continental European countries, which is then widely followed by countries in the Asian and African continents, in accordance with their respective colonial legacies. Meanwhile, the system adopted in Anglo-

Saxon countries is a legal system known as "common law." England is the pioneer of this system, which was later adopted by former British colonies spread across Asia, Africa, and the Americas.

Different legal systems generally affect all aspects of societal life, including contract law, which fundamentally underpins a trade contract. Differences in contract law between countries will create various basic rules regarding a contract. This will certainly complicate international trade, especially if the contract involves several countries, meaning different contract law systems. Many impacts will occur if these differences in legal systems are not anticipated, especially in the creation of an international trade contract.

In the context of international trade contracts, the differences between civil law systems, such as in Indonesia or China, and common law systems, such as in the United States, significantly affect the formation, interpretation, and execution of contracts. Civil law places greater emphasis on legislation and written legal codes as the primary basis, whereas common law develops through judicial precedents and the principle of stare decisis, which provides interpretative flexibility. In practice, the imposition of additional tariffs by the United States on Chinese products and retaliatory actions by China. (Savira, G. N : 2022)

Differences in legal systems will certainly lead to differences in the judicial systems implemented, as well as differences in the resolution of international contract disputes. In "civil law" countries, for example, judges have an active and dominant role in the judicial process. The trial process is inquisitorial in nature, where the judge acts as the main fact-finder, actively directing the examination process, and making decisions based on legal considerations and formal evidence presented in court. On the other hand, in the "common law" system practiced in the United States, England, and Australia, which follows an adversarial pattern, the determination of truth is entrusted to a group of community members through a jury system, and the judge as the decision-maker must consider the jury's verdict.

When the parties draft an agreement or contract, especially in the context of international trade, their attention is not only focused on formulating the main clauses that govern each party's rights and obligations but also on anticipatory measures in case of a contract breach. This is important because in practice, breaches of agreements are not uncommon, and each party certainly wants to ensure that if such an event occurs, there is a fair, quick, and effective resolution pathway. One crucial aspect that is considered is which judicial system will be used to resolve the dispute.

Choosing a judicial system is not a trivial matter, as the differences in structure and characteristics of judicial systems—such as between civil law and common law—can significantly affect the process, costs, duration, and outcomes of dispute resolution. If the selection of the judicial system or dispute resolution mechanism is not done carefully, it can lead to additional disputes, uncertainty in the execution of decisions, and even greater financial losses. Thus, every contract maker, especially in international trade contracts, must carefully consider whether the judicial system they will adhere to will indeed be beneficial or facilitate the resolution of their disputes. If not, what alternatives do they have. (Savira, G. N : 2022)

The fundamental differences between the common law and civil law systems not only impact domestic judicial practices but also significantly influence the character and dynamics of international law, particularly in terms of the application of legal norms, the interpretation of international treaties, and the processes of interstate dispute resolution. The common law system, with its adversarial approach, emphasizes an open debate process between the parties involved in a case, with the judge acting as a neutral and passive facilitator. (Suhartanto, F. P., & Febrianty, Y : 2024) This process guarantees the parties' right to present arguments, submit evidence, and obtain a fair ruling based on relevant precedents or previous decisions. In international forums such as the WTO or the International Court of Justice, the influence of the common law system is evident in the practices of legal counsel who actively present legal arguments systematically and based on precedent cases from previous decisions. Although international law does not explicitly adopt the principle of stare decisis as in common law, previous practices decided by judicial bodies are often referenced in decision-making by international panels or judges.

On the other hand, in the civil law tradition, the application of law is more inquisitorial, where judges play an active role in seeking facts, examining evidence, and interpreting the law based on codified norms. The emphasis on legal certainty through codification makes this system superior in providing predictability, especially in international trade relations, where legal certainty becomes an essential factor in economic decision-making and investment. Countries that adhere to civil law tend to strictly adhere to the text of international agreements and base legal arguments on the agreed-upon written norms.

The implication in the context of international law is the existence of diverse legal approaches in dispute resolution forums. This requires dispute resolution bodies such as the World Trade Organization (WTO) Dispute Settlement Body (DSB) or the International Court of Justice (ICJ) to remain neutral in selecting and developing legal reasoning methods that can be accepted by countries from both legal systems. Here, the hybridization of legal systems is evident, where elements of civil law and common law are integrated to form an inclusive and adaptive international legal system. (Suhartanto, F. P., & Febrianty : 2024)

For example, in the resolution of the dispute case between Indonesia and the European Union regarding the anti-dumping policy on Indonesian biodiesel products, a legalistic (civil law) approach through literal interpretation of WTO provisions was used alongside a precedent-based argumentative approach developed in previous Appellate Body reports. (Simbolon, M. M., & Sitorus, Y. F : 2025) This shows how modern international law, particularly in the field of trade, has developed into a distinct legal system with a mixed character, combining the normative structure of civil law with the dynamic practices of common law.

2. The Role of UNCITRAL in Efforts to Unify and Harmonize International Trade Law

The enactment of the FSPTCA (Family Smoking Prevention and Tobacco Control Act) halted the marketing and production of flavored and aromatic cigarettes based in the United States, as well as the import of Kretek-flavored cigarettes from Indonesia. (Nessa, N.

M. M : 2023) As a result of this event, Indonesia is no longer allowed to export kretek cigarettes to the United States. Indonesia, as the main exporter of kretek cigarettes, felt disadvantaged by the policy and sued the United States in the WTO dispute settlement body. In its ruling, the WTO panel stated that the United States had violated its obligations under the Technical Barriers to Trade Agreement by providing unequal treatment between kretek cigarettes (imported) and menthol cigarettes (domestic). The panel assessed that the ban on kretek, but not on menthol, indicated discrimination that could not be justified under international law. In this case, the WTO panel assessed that there was a discrepancy in the United States' policy against the agreements previously established in the WTO, leading to the WTO's decision that Indonesia regained its market in the United States. (Ristiyani, N. K. S., & Yuliartini, N. P. R : 2022)

One of the strategies to address the inconsistencies between legal systems and judicial systems of different countries in international trade is through the establishment of uniform rules that can be accepted by various countries with different legal systems. (Ristiyani, N. K. S., & Yuliartini, N. P. R : 2022) This concept is often referred to in international legal literature as New Lex Mercatoria, a transnational commercial norm that functions as a flexible and adaptive "global trade law" to meet the needs of cross-border trade practices. An advocate and exponent of Lex Mercatoria, Goldman specifically defines the meaning of lex mercatoria as follows (Arenas, L. C : 2011):

> "Lex mercatoria is a set of general principles, and customary rules spontaneously referred to or elaborated in the framework of international trade, without reference to a particular national system of law."

The opinion regarding this uniformity has been recognized not only by regional forums but also by international forums such as the United Nations (UN) with the establishment of the "United Nations Commission on International Trade Law (UNCITRAL)" in 1966.

The establishment of uniform rules or uniform legal regulations in international trade serves as an answer to the challenges posed by the differences in national legal systems, whether they adhere to the civil law tradition or the common law. In this context, the concept of Lex Mercatoria or international commercial law plays an important role as a neutral normative bridge that does not directly refer to any specific national legal system. In other words, lex mercatoria allows cross-border business actors to draft contracts and resolve disputes based on widely accepted general principles in international trade practices, such as good faith, pacta sunt servanda, and usages of trade.

The strategy of establishing uniform rules through the New Lex Mercatoria aims to bridge the differences in legal systems between countries—civil law and common law—in international trade. Lex mercatoria is described as an autonomous transnational commercial norm, independent of any specific national legal system. The advantage of this uniform law approach is its ability to create legal certainty in cross-border transactions, which is crucial in the context of complex and rapidly changing global trade. For example, business actors from civil law countries like Germany, and from common law countries like England or the United States, can establish business relationships based on principles derived from lex

mercatoria and international conventions, without having to address the fundamental differences in their national legal systems.

Efforts to unify the laws and customs applicable in international trade transactions are a response to the need for legal certainty and uniformity in cross-border trade relations. These efforts are carried out in three main forms. First, through international conventions signed by countries, such as the United Nations Convention on Contracts for the International Sale of Goods (CISG). Such conventions facilitate the creation of legal certainty because the participating countries agree to apply uniform norms. Second, through model laws prepared by international organizations such as UNCITRAL. These model laws are not directly binding but serve as guidelines for countries in forming or refining domestic regulations in line with international legal standards. Third, through customs or practices used by countries in trade agreements, known as lex mercatoria. (Sutrisno, N : 2016) These customs encompass general practices and international trade principles widely accepted by business actors, such as the use of Incoterms that regulate the responsibilities of parties in international trade. These three forms complement each other in creating a more harmonious, effective, and adaptive global trade legal system in response to the dynamics of the international economy.

Countries voluntarily express their consent to adhere to the rules, norms, and dispute resolution mechanisms collectively established to create an orderly and just international legal order. (Darajati, M. R : 2020) However, in practice, it is not uncommon for countries to prioritize national interests over international commitments, including refusing to implement agreements or decisions of international institutions if they are deemed contrary to their interests.

International law plays an important role in regulating relations between countries, not only in the fields of politics and security but also in economic activities, particularly international trade. This regulation encompasses vital aspects such as the cross-border traffic of goods and services, transportation, telecommunications, and global financial transactions. Therefore, the existence of international law provides a stable and predictable framework to support global economic activities.

One of the main pillars of international law in this context is international treaties. International treaties serve as legal media that bind the parties in determining rights and obligations in cross-border trade relations. (Darajati, M. R : 2020) Almost all forms of international cooperation, especially in the field of trade, are formalized in the form of agreements. This shows that international agreements are not only normative instruments but also strategic in ensuring justice and efficiency in global economic relations.

Thus, as long as international trade activities continue, the existence of international agreements will remain relevant and necessary. In the context of WTO membership, for example, each member country is required to provide non-discriminatory treatment to the products of other countries, as seen in the clove cigarette dispute case between Indonesia and the United States. This case reflects the importance of enforcing international law to ensure equality and protection of economic interests among countries in the global trade system.

According to C.M. Schmitthoff, the legal sources of the "new lex mercatoria" are international legislation and "international commercial Custom." "International legislation" refers to legal rules accepted and approved by sovereign states, usually in the form of international conventions (for example, the "Hague Rules" on Bills of Lading amended by the "Brussels Protocol" of 1968, known as the "Hague-Visby Rules") or model laws (for example, the "Uniform Laws on International Sales" of 1964). In addition to efforts to unify the law, which fundamentally aim to create a single law for international traders, efforts to harmonize the law are also undertaken. (Husna, L : 2019) This second effort is generally easier compared to the first effort.

In legal unification, each country must sit together in negotiations and agree on the same fundamental legal provisions that will apply to them. This means that there will be a sacrifice of the legal systems of those countries to merge into one unified and independent legal system. Whereas in legal harmonization, a uniform legal system is not required, but rather the uniformity of provisions governing international trade is needed. This path is taken with the intention of being more compromising towards countries that are reluctant or even disagree with sacrificing their legal systems.

The harmonization of laws is intended to agree on the basic provisions governing international trade. The form and wording of these provisions are entirely left to the countries concerned, as long as they do not deviate from the agreed-upon basic provisions. Legal harmonization refers to the process of adjusting or aligning laws between countries to ensure consistency in principles and basic norms, without erasing the characteristics of each national legal system. Unlike unification, which demands the formation of a uniform and fully binding legal norm, harmonization respects the diversity of legal traditions and allows countries to adopt rules by adjusting them to their respective legal structures.

Harmonization in the context of international trade is easier to achieve compared to unification because it does not require formal ratification through international agreements. In practice, harmonization is more often realized through the issuance of model laws, legislative guides, or non-binding legal principles (soft law), which are used as references in the formation of domestic regulations. Institutions like UNCITRAL (United Nations Commission on International Trade Law) play a significant role in this process by developing legal instruments such as the UNCITRAL Model Law on International Commercial Arbitration, which has been adopted by many countries as the basis for forming their national arbitration laws. Harmonization is also evident in the contributions of the International Institute for the Unification of Private Law (UNIDROIT), which has developed the UNIDROIT Principles of International Commercial Contracts to help align contractual practices across various jurisdictions.

Legal harmonization seems to be increasingly favored by countries that fundamentally adhere to different legal systems, such as between "common law" and "civil law" countries. It is also applicable to countries with relatively different economic backgrounds: Because with legal harmonization, they do not need to sacrifice their national interests by adopting a new legal system that will apply to their people, but rather by standardizing the core elements of legal provisions on specific matters only.

Legal harmonization is increasingly becoming a realistic and strategic choice in the context of international legal relations, especially for countries with different legal systems, such as common law and civil law systems, as well as for countries with varying levels of economic development. Harmonization does not require a total replacement of the national legal system, but rather focuses on aligning the core substance or fundamental principles of a specific area of law, such as contract law, arbitration, or consumer protection in the context of international trade.

Globalization encourages economic liberalization and free markets, leading to cultural interactions between nations and value shifts, which bring about changes in attitudes and behaviors within society. Changes in attitudes and behaviors within society create new demands on the legal order to undertake new tasks and find new paths. (Sulistyawan, A. Y : 2019) Harmonization provides space for countries to maintain their legal autonomy while still actively participating in cross-border legal interactions. By aligning the basic norms that govern a legal relationship without erasing national characteristics, countries can facilitate more efficient and predictable global economic relations.

Developing countries also see harmonization as a middle ground that does not force them to fully adopt foreign legal systems. On the contrary, they can choose to adopt internationally codified norms (for example, through UNCITRAL instruments or other international conventions) in certain parts of their legal system. The concept of transformation is the process of harmonizing international law into national law, where the two systems are very different. (Firdaus, F : 2015) Provisions of international law that were previously applied in national law must be modified to fit the form of the national legal system.

Harmonization also helps reduce legal uncertainty that often occurs in international business relations. For example, in cross-border contracts, the presence of harmonized legal principles allows parties from different countries to negotiate and draft contracts with greater confidence because they have a shared legal reference point. The International Institute for the Unification of Private Law (UNIDROIT) with the Principles of International Commercial Contracts (PICC) and UNCITRAL with the Model Law on International Commercial Arbitration can be used as tools in resolving a dispute. (Hutabarat, S : 2016) Like the differences in rules (contract law) of each country that could potentially hinder international business transactions, they can be resolved with UNIDROIT.

3. The Effectiveness of the WTO Dispute Settlement Body (DSB) Mechanism in Resolving International Trade Disputes

International trade activities conducted by countries around the world often lead to disputes, such as international trade transactions in the form of import-export activities and the production of goods or services based on an agreement or contract. Although there are already regulations governing international trade such as the General Agreement on Tariffs and Trade (GATT) and the General Agreement on Trade and Services (GATS), and there is an international organization that regulates international trade, namely the WTO, the potential for disputes between parties engaged in international trade transactions still exists.

Theoretically, there are two types of disputes: political disputes (political or nonjusticiable) and legal disputes (legal or justiciable disputes). Political disputes are usually related to differences in national interests, ideologies, foreign policies, or geopolitical strategies that do not directly touch upon the normative aspects of international law. In a narrow sense, a political dispute can be defined as a dispute that cannot be resolved through legal instruments because there are no legal norms that explicitly regulate the substance of the dispute, or because the disputing countries prefer a diplomatic approach and political negotiation in its resolution. (Prasudhi, I. D : 2016)

The characteristic of a political dispute is the flexibility of its approach, which leans more towards compromise and strategic considerations rather than adherence to written legal rules. On the other hand, legal disputes arise when there is an allegation of violation of an applicable and binding international legal norm for the disputing parties. This type of dispute is easier to resolve through international judicial mechanisms such as the International Court of Justice, international arbitration, or other dispute resolution bodies, because there is a legal basis that can be tested and decided objectively.

The main difference between political disputes and legal disputes lies in their resolution principles, especially regarding the authority of international institutions to handle such disputes. Legal disputes can generally be brought to international legal forums due to the presence of clear jurisdiction, whereas political disputes usually do not fall within the judicial realm because of their non-justiciable nature. In practice, some disputes may have both legal and political elements, so their resolution approaches are often hybrid—combining legal mechanisms and international diplomacy.

If linked to the World Trade Organization (WTO), which is also an organization or institution for resolving international trade disputes, the disputes that can be submitted to the WTO are legal disputes, namely disputes arising as a result of violations of the contents of agreements or contracts in international trade.

The concept of dispute resolution is actually broad. The important systematic issue of dispute resolution through the WTO is related to the applicable legal concept. The legal concept is a system of legal norms that binds WTO members and provides effective remedies to countries that feel aggrieved due to violations of WTO provisions. WTO provisions are a special subsystem of international law with specific enforcement mechanisms and remedies in case of violations. (Marceau, G : 2002) Peaceful dispute resolution through the WTO is governed by the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU).

The concept of dispute resolution within the WTO framework is not limited to resolving conflicts between countries, but also reflects the application of binding international law principles and provides effective remedies for aggrieved member countries. The WTO has its own legal system, which is a subsystem of international law, enforced through the Dispute Settlement Understanding (DSU) mechanism. One concrete example of the application of this concept is when Indonesia won a lawsuit against the anti-dumping policy imposed by the European Union on Indonesian biodiesel products. Indonesia challenged the high anti-dumping tariffs on Indonesian biodiesel at the WTO,

arguing that the EU's actions violated the provisions of the Agreement on Anti-Dumping and the basic principles of GATT. The WTO panel then determined that the EU did not conduct an objective investigation and assessment according to WTO standards, and there were violations in the way the EU calculated the dumping margin and in the application of the tariffs.

Indonesia's victory in this lawsuit demonstrates how the WTO dispute resolution system functions to protect the rights of its members fairly and legally. The WTO is not only a forum for countries to voice their objections but also acts as an actor that enforces legal provisions through international judicial mechanisms. The WTO ruling is binding and provides a legal basis for Indonesia to demand the restoration of rights, including the elimination of discriminatory tariffs by the European Union.

The role of the WTO as an international organization in the field of world trade aligns with Clive Archer's view on the theory of the roles of international organizations. According to Clive Archer, international organizations essentially have three organizational roles: as an arena, an actor, and an instrument. (Larasati, D : 2020) The role as an arena is a place where its member countries meet to achieve certain interests and goals based on their foreign policy objectives. (Solikhin, R : 2023)

In the resolution of disputes at the WTO, the types of disputes submitted are legal in nature, arising from violations of the provisions of international trade agreements agreed upon by member countries. Therefore, the WTO serves as a legal forum that upholds the principles of certainty, predictability, and effective redress for countries harmed by the actions of other members that do not comply with WTO rules. The legal character of the disputes submitted to the WTO aligns with the understanding that international trade law has traditionally focused on domestic trade legislation impacting cross-border issues, particularly related to goods, services, and trade-related policies: "international trade law, at any rate traditionally, has been concerned mainly with domestic trade legislation focusing at the interface of domestic borders regarding goods, service and trade-related policies" (Qureshi, A. H., Ziegler, A. R., & Ziegler, A. R : 1999)

Of course, in carrying out its role, the WTO is supported by important organs within it, which consist of the Ministerial Conference, General Council, Council for Trade in Goods, Council for Trade-Related Aspects of Intellectual Property Rights, Dispute Settlement Body (DSB), and Trade Policy Review. The organ responsible for resolving disputes that occur between WTO member countries is the Dispute Settlement Body (DSB), which is a manifestation of the General Council. The DSB is the only dispute resolution body within the WTO that regulates and resolves disputes arising from agreements in the final act. In other words, the DSB has the authority to determine panel and appellate reports, maintain oversight in the implementation of rules and recommendations, and grant powers in retaliation rules in cases of non-implementation of recommendations. (Syahmin, A. K : 2006)

Basically, the regulations in the WTO regarding dispute resolution are almost the same for both developed and developing countries. However, there are some specific regulations that only apply to dispute resolution in developing countries. WTO members

must pay special attention to developing countries if the cause of the dispute is the policy adopted by the developing country. (Syahmin, A. K : 2006)

Conclusion

Differences in legal systems across countries pose real challenges in international trade, especially in contract drafting and dispute resolution. Harmonization of laws through institutions like UNCITRAL provides flexible solutions that respect national sovereignty. The WTO, via its Dispute Settlement Body (DSB), offers a binding and structured mechanism to handle trade disputes among member states. While this system promotes global trade stability, it still raises concerns about fairness for developing countries. The concept of *New Lex Mercatoria* further supports uniformity through widely accepted trade customs independent of national laws. Harmonization is more feasible than unification, as it enables countries to adopt common standards without replacing their own legal frameworks. Despite these efforts, international trade disputes remain unavoidable. Therefore, the WTO plays a dual role as both dispute resolver and legal stabilizer in global commerce.

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