

## ABSTRACT

In the era of economic globalization, every country faces increasingly fierce competition in the two battlefields, namely: free trade and Foreign Direct Investment. Seeing the problems faced by Indonesia as ASEAN member countries involved in the ASEAN Economic Community, the researcher tried to examine about the investment provisions of the convention according to the *ASEAN Comprehensive Investment Agreement* and procedures for establishing a foreign investment in ASEAN Economic Community era in Indonesia. The four pillars of this legal basis has been agreed in the form of: ASEAN Trade in Goods Agreement (ATIGA) which regulates the flow of goods which are free, the ASEAN Framework Agreement on Services (AFAS) which regulates the flow of services that are free, the ASEAN Comprehensive Investment Agreement (ACIA) regulating the flow of investment, as well as the Chiang Mai Initiative Multilateralization (CMIM) regulating capital flows more freely. This research used normative legal research with statute approach. The aims of the research are to study how is the best way for foreign investor to invest their money in Indonesia in facing AEC. The investment provisions according to the ASEAN Comprehensive Investment Agreement is to establish a regime of free investment, open, transparent and integrated for domestic and international investors across the ASEAN region, and benefits ASEAN Comprehensive Investment Agreement including the liberalization of investment, non-discrimination, transparency, investor protection and investor state dispute resolution. The government shall revise of the requirement of foreign investor in the Investment Act by considering ASEAN Comprehensive on Investment Agreement.

Keyword: Procedure, Foreign Investment, ASEAN Economic Community, ASEAN Comprehensive Investment Agreement.