



## OPPORTUNITIES AND CHALLENGES: E-COMMERCE IN INDONESIA FROM A LEGAL PERSPECTIVE

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### ABSTRACT

The development of e-commerce in Indonesia has encouraged the creation of a digital economy. On the other hand, this business model presents various legal challenges that are no less interesting to anticipate. By applying normative research methods and using statutory and comparative law approaches, this study examines two issues. First, what are the legal aspects that are used as the basis for the role of Information and Communications Technology (ICT) in capturing e-commerce opportunities? Second, what are the legal challenges ahead with the rapid growth of e-commerce in Indonesia? This study concludes that normatively Indonesia already has various regulations in the field of cyber law that support the use of ICT in e-commerce. However, it needs specific regulation. This study finds things that will become legal challenges in the future, including there are still gaps for parties to commit violations and crimes, especially in the fields of data theft, intellectual property, fraud, and breach of contract. This study provides the suggestion that the government should pay attention to security-related regulations, especially those related to personal data security. It requires the role of business actors in making “self-regulation” which ensures data protection based on a technical perspective.

**Keywords:** challenges; cyberlaw; e-commerce; opportunities

### INTRODUCTION

Recently, many business actors in Indonesia have started to open businesses using the electronic platform. Here, Indonesia has significant growth in the online market. Currently, the percentage of e-commerce transactions has reached a high of around 36% and is predicted to reach US\$ 81 billion by 2025.<sup>1</sup>

This opportunity is even more remarkable considering that according to data from the Indonesian Internet Service Providers Association (APJII), internet penetration in Indonesia in 2021-2022 will reach 77.02%.<sup>2</sup> In other words, around 210 million Indonesians use the Internet in various daily activities. This is a large enough number to market products and services through this platform.

In 2022, according to the Statista portal, the

number of online shoppers in Indonesia is expected to increase to 65 million by 2022, whereas in 2017 it was only 20 million.<sup>3</sup> Referring to this data, Indonesia is one of the largest online markets in the world. According to data from Rully R. Ramli, the transaction value in February 2022 reached 30.8 trillion.<sup>4</sup> This provides an opportunity for business people to develop their business through this virtual world platform. It can also come and penetrate the market through the jurisdictions of other countries easily.

It is not surprising, that not only goods but also services are offered online. The development is very fast. Here, the use of information technology is an effort to accelerate the improvement of

<sup>1</sup> Alibaba.com, “How Alibaba Is Fighting IP Infringement on Two Fronts,” 28 June 2019, n.d., <https://www.worldtrademarkreview.com/article/how-alibaba-fighting-ip-infringement-two-fronts>.

<sup>2</sup> Asosiasi Penyelenggara Jasa Internet, *Profil Internet Indonesia 2022*, 2022.

<sup>3</sup> Handian Nurhayati Wolff, *Number of Online Shoppers in Indonesia in 2017 and 2022*, n.d., <https://www.statista.com/statistics/971411/indonesia-number-online-shoppers>.

<sup>4</sup> Rully R Ramli, “Nilai Transaksi E-Commerce” RI Tembus Rp 30,8 Triliun Per Februari 2022,” 5 April 2022, n.d., <https://money.kompas.com/read/2022/04/05/120000126/nilai-transaksi-e-commerce-ri-tembus-rp-30-8-triliun-per-februari-2022?page=all>.

welfare and to facilitate people to work or receive special public services.<sup>5</sup> Technological innovations have impacted almost every aspect of life over the past century.<sup>6</sup>

In the field of selling products and services, for example, e-commerce business players have emerged such as *Lazada*, *Blibli*, *Tokopedia*, *Traveloka*, *Gojek*, and others. In the online travel sector, the existence of online transportation services such as *Gojek* and *Grab* supports Indonesia to become the largest online travel market in Southeast Asia. The growth of online travel in Indonesia is estimated to increase in 2025. It shows that e-commerce can drive the economy in Indonesia, and is able to create opportunities for new business.

However, the various opportunities presented above do not mean that there are no legal problems. Many legal challenges characterize the activity of using Information and Communications Technology (ICT) in e-commerce. Various challenges to cybercrime often occur even according to an identity theft survey conducted by the Federal Trade Commission, “there are many victims of identity theft, but victims don’t care how the theft occurs”.<sup>7</sup> This is reinforced by the results of research conducted by Labong which states: “The problems are made even more difficult because victims often do not realize they have been victimized until months, or even years after the crimes have been committed”.<sup>8</sup>

In practice, users as consumers are also less concerned about personal computer security. In his research, Jakubiec mentioned that they do not often use the latest security features, anti-virus, and other programs to protect individual

computers.<sup>9</sup> Other researchers, Gupta, and Kumar argue that identity theft through a simple crime but if not taken care of can lead to multiple crimes which can affect not only individuals but also companies.<sup>10</sup> And it can expand into a global crime. Here, global law enforcement officials are recognizing the need to cooperate with each other in order to curtail cybercriminals in cross-border schemes.<sup>11</sup>

It will become a national issue after the victim complains that the money in their account is reduced. This is also exacerbated by the leakage of personal data due to Electronic System Operators not caring about regulatory obligations, and the lack of concern for company leaders regarding the importance of protecting personal data.

In the case in 2020, *cnnindonesia.com* reported that 91 million *Tokopedia* user data were allegedly leaked, meaning that there was an attempt to steal *Tokopedia* customer data.<sup>12</sup> In several studies, data protection has become a worldwide concern. Thus, it is not surprising that in some countries the attention related to policies and regulations in the field of data protection has increased.<sup>13</sup> In research related to data protection regulations in India, Harman Preet Singh 2013 concluded that “It is clear that India has certain limitations in its data protection and privacy legal-

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<sup>5</sup> Rahmat Ramadhani Zainuddin, “The Legal Force of Electronic Signatures in Online Mortgage Registration,” *Jurnal Penelitian Hukum De Jure* 21, no. 2 (2021): 243–251.

<sup>6</sup> Hary Abdul Hakim, Chrisna Bagus Edhita Praja, and Hardianto Djanggih, “The Urgency on Designing the Legislation for the Use of Artificial Intelligence in Indonesian Medical Practice,” *Jurnal Penelitian Hukum De Jure* 21, no. 4 (2021): 541–549.

<sup>7</sup> Rasha. AlMahroos, “Phishing for the Answer: Recent Developments in Combating Phishing,” *ISJLP* 3 (2017): 595.

<sup>8</sup> Ronel C Labong, “Identity Theft Protection Strategies : A Literature Review,” *Journal of Academic Research* 2, no. 4 (2019): 1–12.

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<sup>9</sup> Wojciech Jakubiec, “Threats of Identity Theft in Cyberspace - Case Study,” *ASEJ Scientific Journal of Bielsko-Biala School of Finance and Law* 24, no. 2 (2020): 10–14.

<sup>10</sup> D Gupta, C.M. and Kumar, “Identity Theft: A Small Step towards Big Financial Crimes,” *Journal of Financial Crime* 27, no. 3 (2020): 897–910.

<sup>11</sup> Nick Nykodym et al., “Cybercrime and Business: How to Not Get Caught by the Online Phisher,” *Journal of International Commercial Law and Technology* 5, no. 4 (2010): 252–259, <https://www.neliti.com/id/publications/28719/cyber-crime-and-business-how-to-not-get-caught-by-the-online-phisher>.

<sup>12</sup> CNN, “Kronologi Lengkap 91 Juta Akun Tokopedia Bocor Dan Dijual,” 3 May 2020, n.d., <https://www.cnnindonesia.com/teknologi/20200503153210-185-499553/kronologi-lengkap-91-juta-akun-tokopedia-bocor-dan-dijual>.

<sup>13</sup> Harman Preet Singh, “Data Protection and Privacy Legal-Policy Framework in India : A Comparative Study Vis-à- Vis China and Australia,” *Amity Journal of Computational Sciences* 2, no. 2 (2013): 22–26.

policy framework.<sup>14</sup>

Another issue related to legal challenges is the issue of intellectual property. For example, based on a document entitled 2021 Review of Notorious Markets for Counterfeiting and Piracy (the Notorious Markets List) quoted from the [ustr.gov](http://ustr.gov) page, Indonesian e-commerce, namely *Bukalapak*, *Shopee*, and *Tokopedia* are included in the watch list related to the sale or provision of counterfeit goods and piracy activities.

Abroad, e-commerce platform operator has encountered a large number of IPR complaint dispute.<sup>15</sup> As an example, in Intellectual Property Protection Annual Report revealed that Alibaba provided 1,624 IP-related leads to law enforcement in 2018, with 1,953 arrests subsequently made.<sup>16</sup> Here, according to Yi Lin, Chun, companies need to realize the importance of intellectual property management and protection.<sup>17</sup>

Thus, in this case, the responsibility of business actors in consumer protection is very important. It can be applied to e-commerce companies both domestically and abroad so that e-commerce companies are required to fulfill consumer rights as regulated in Law no. 8 of 1999 on Consumer Protection.<sup>18</sup> Therefore, the USA has special regulations related to protection against spyware crimes which are regulated in the “spyware Act”.<sup>19</sup>

Another legal problem as a challenge in the future is the emergence of cases of “breach of contracts” which are mostly violated by business actors and electronic operators. In e-commerce

activities, business actors are the parties that have the most potential to commit violations in the form of “breach of contract” related to the agreement set forth in the “terms and conditions”, as evidence of the engagement between the seller and the buyer when the buyer agrees to purchase. This is a standard contract made by business actors.

Based on the background explanation above, the author wants to conduct this research by looking at the new phenomenon of Indonesian society in conducting transactions, namely buying and selling goods and services through electronic media which has never happened before in the previous 15-20 years. Thus, this research is different from previous research, which focuses on discussing the legal aspects from 2 (two) sides, namely opportunities and challenges.

With the rise of various cases that occur, the emergence of this new e-commerce business trend not only provides opportunities, but also new challenges from the legal aspect related to various case resolutions that occur so it is very interesting to research. It became the center of world attention. It is why, in The USA, Federal and state agencies also suggested ways for financial institutions to protect against cyberattacks.<sup>20</sup>

## RESEARCH METHOD

This research applies a “qualitative empirical” approach. This approach can inform how the law is applied in practice.<sup>21</sup> While the method used is “socio-legal”. It examines legal principles, and examines written regulations,<sup>22</sup> as well as considers the reality of society. Here, the law does not operate in a vacuum. It has to reflect social attitude and behavior then it flows into the proper channel.<sup>23</sup>

The reality of society is closely related to various legal issues in the use of ICT. Thus, it is

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<sup>14</sup> Ibid.

<sup>15</sup> Linjun Cai, “A Cross-Border E-Commerce Intellectual Property Rights,” *Journal of Finance Research* 4, no. 1 (2020): 112.

<sup>16</sup> Alibaba.com, “How Alibaba Is Fighting IP Infringement on Two Fronts.”

<sup>17</sup> Chunyi Lin, “Exploration of Intellectual Property Protection Strategies for Cross-Border e-Commerce,” in *E3S Web of Conferences* (EDP Sciences, 2021).

<sup>18</sup> Ni Putu Indra Nandayani and Marwanto Marwanto, “Perlindungan Hukum Terhadap Konsumen Atas Produk Barang Palsu Yang Dijual Secara E-Commerce Dengan Perusahaan Luar Negeri,” *Jurnal Kertha Semaya* 8, no. 2 (2020): 192–206, <https://ojs.unud.ac.id/index.php/kerthasemaya/article/view/57266>.

<sup>19</sup> Justin Vaughan, “Texas’s New E-Consumer Protection Acts: A (Ph) Arewell to Phising and Spyware,” *Tex. Wesleyan L. Rev* 13 (2006): 265.

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<sup>20</sup> K Shields, “Cybersecurity: Recognizing the Risk and Protecting Against Attacks,” *North Carolina Banking Institute* 19, no. 1 (2015): 345.

<sup>21</sup> Philip Langbroek et al., “Methodology of Legal Research: Challenges and Opportunities,” *Utrecht Law Review* 13, no. 3 (2017): 1–8.

<sup>22</sup> Soerjono Soekanto, *Pengantar Penelitian Hukum*, cet. 3. (Jakarta: Universitas Indonesia, 1986).

<sup>23</sup> S. N Jain, “Legal Research and Methodology,” *Journal of the Indian Law Institute* 14, no. 4 (1972): 487–500, <https://www.jstor.org/stable/43950155>.

very closely related to cyber law and business law, where the development of ICT greatly influences social lifestyles in the transaction which are ultimately vulnerable to crime and law violations.

The normative approach will discuss matters related to legislation and a comparative law study approach. In this study, the type of data used is secondary data derived from primary legal materials and secondary legal materials.<sup>24</sup> Thus, the integration of social and legal research is essential for creating better administration of society.<sup>25</sup>

Primary legal materials are materials whose law has binding legal force, which includes legislation in the field of cyberlaw and Business Law.

The regulation in the area of cyber law including the Law No. 19 of 2016 on Electronic Information and Transactions (ITE Law),<sup>26</sup> Government Regulation No. 71 of 2019 on the Operation of Electronic Systems and Transactions, (PP PSTE),<sup>27</sup> Government Regulation No. 80 of 2019 on Trading Through Electronic Systems. (PP PMSE),<sup>28</sup> and Regulation of The Minister of Communication and Informatics No. 20 of 2016 on Protection of Personal Data in Electronic Systems (Permen Data Protection).<sup>29</sup>

Furthermore, the regulation in the area of business law including the Law No. 7 of 2014 on Trade, Law No. 5 of 1999 on the Ban on Monopolistic Practices and Unfair Business Competition (Anti-Monopoly Law),<sup>30</sup> and Law

No. 8 of 1999 on Consumer Protection (Consumer Protection Law).

In this regard, the researcher also made a legal comparison with Europe's General Data Protection Regulation ((EU) 2016/679 ("GDPR")) related to the principles of personal data protection, as well as with the Consumer Protection Act, (CPA). India, 2019 regarding the principles of consumer protection in India.<sup>31</sup> And, the principles of international trade agreements will refer to the WTO-The TRIPS Agreement.

While the secondary legal materials used are books, journals, news, and other written works related to Cyberlaw. The data in question is obtained by data collection techniques from literature studies, where its existence will be analyzed using qualitative data analysis techniques.

## DISCUSSION AND ANALYSIS

### A. ICT and Global Business in Indonesia

Nowadays, ICT has become the backbone of e-commerce development so it is difficult to imagine a business will grow without taking advantage of the digital revolution. In this regard, ICT has played an important role in supporting business. Furthermore, the volume of international trade will rise via ecommerce. It becomes very effective for the direct-to-consumer sales model.<sup>32</sup> Here, e-commerce provides small and medium enterprises businesses with the ability to build and manage relationships with their customers.

The role of ICT in supporting the business has been recognized by policymakers in business worldwide. In this regard, EU policymakers know that European firms can operate and innovate effectively and efficiently when infrastructures, such as broadband, and policies related to working digitally are harmonized across the EU region.

Here, ICT should be at the heart of both strategic and operational Management and as such, the IT Managers' leadership role should have the ability to influence corporate vision and strategy to ensure that the business' operational efficiency

<sup>24</sup> Z Amiruddin & Asikin, *Pengantar Metode Penelitian Hukum* (Jakarta: Raja Grafindo Persada, 2003).

<sup>25</sup> Pradeep M.D., "Legal Research- Descriptive Analysis on Doctrinal Methodology," *International Journal of Management, Technology, and Social Sciences* 4, no. 2 (2019): 95–103.

<sup>26</sup> *The Law Number 19 of 2016 Concerning Amendments to Law Number 11 of 2008 on Information and Electronic Transactions*, n.d.

<sup>27</sup> *Government Regulation Number 71 Year 2019 on the Implementation of Electronic Systems and Transactions*, n.d.

<sup>28</sup> *Government Regulation No. 80 of 2019 on Trading Through Electronic Systems*, n.d.

<sup>29</sup> *The Minister of Communication and Informatics No. 20 of 2016 on Protection of Personal Data in Electronic Systems*, n.d.

<sup>30</sup> *The Law No. 5 of 1999 on the Ban on Monopolistic Practices and Unfair Business Competition*, n.d.

<sup>31</sup> *Consumer Protection Act, (CPA)* (India, 2019).

<sup>32</sup> Ameer Mahdi Nassrullah Mzwri and Zeliha Altinkaya, "The Impact of E-Commerce on International Trade: Case of Turkey," *International Journal of Contemporary Research and Review* 10, no. 01 (2019): 21190–21209.



is maintained. Competitiveness is the ability of a firm or a nation to offer products and services that meet the quality standards of the local and world markets at prices that are competitive and provide adequate returns on the resources employed or consumed in producing them.

During the past decade, a new economic shift into the Information age gave birth to a new trading model. All sorts of goods and services are now sold over the Internet.<sup>33</sup> It will provide an opportunity for business actors to increase their competitiveness in the face of global business competition. In this case, the use of ICT provides an opportunity to empower it to become Global Business Advantage.

Here, the Government of the Republic of Indonesia is very focused on the development of trade through electronic systems (*e-commerce*). In 2016, the Government promoted cooperation with foreign business actors through the Indonesian steering committee for the development of e-commerce so that the roadmap for this business model in Indonesia could be quickly formed.<sup>34</sup> In the future, Indonesia is predicted to have the potential to become the largest digital economy country in Southeast Asia, both in the manufacturing and retail industries.

The growth in the development of e-commerce in Indonesia has received attention from foreign investors. Expedia, the US e-commerce giant has invested in *Traveloka*, which is the Indonesian global hotel booking, amounting to US \$ 350 million. Meanwhile, Alibaba, China's e-commerce giant has made a US\$1 billion investment in *Lazada* as well as a US\$500 million investment in *Tokopedia*.<sup>35</sup>

In Indonesia, the Law of No.7 of 2014 on trade (Trade Law)<sup>36</sup> has anticipated trade development in the globalization era. Competitiveness is not

only in traditional business but also in online business. Therefore, Article 4, Trade Law has regulated trade through electronic systems.

Electronic systems are trade transactions conducted through a series of devices and electronic procedures. Thus, ICT has played an important role to conduct in online business. Through this business model, companies or individuals can make transactions, both buying and selling goods and services online.

Article 65 (1), Law No. 7 of 2014 on Trade stipulates that "Every Business Actor who trades Goods and/or Services using an electronic system is obligated to provide complete and correct data and/or information". This article emphasizes the provision of information to consumers that do not result in misinterpretation of the goods and/or services offered.

It has also been regulated in more detail in article 13 (a) of Government Regulation Number 80 of 2019 on Trading Through Electronic Systems (PP PMSE) which states that "providing true, clear, and honest information about the identity of legal subjects supported by valid data or documents".

It is reinforced by the rules in Law No. 8 of 1999 on Consumer Protection (Consumer Protection Law).<sup>37</sup> Article 4 (3) of the Consumer Protection Law stipulates that as consumers' rights, they are entitled to the right to correct, clear, and honest information regarding the conditions and guarantees of goods and/or services.

In particular, electronic transactions are also regulated in Law Number 19 of 2016 on Amendments to Law Number 11 of 2008 on Information and Electronic Transactions (ITE Law).<sup>38</sup> It has also been regulated in article 65 (3) trade law that the use of electronic systems by business actors must comply with the provisions stipulated in the ITE Law.

Furthermore, more detailed electronic transactions are regulated in Government Regulation Number 71 of 2019 on the Implementation of Electronic Systems and Transactions. In Article 2 (2) it is stated that

<sup>33</sup> Henry Cheeseman, *Contemporary Business Law*, Elevent ed. (New Jersey: Pearson, 2021).

<sup>34</sup> Arif Gunawan Sulistiyono, "Jack Ma Proposed as Adviser for Indonesian E-Commerce Development," *The Jakarta Post*, 2016, <https://www.thejakartapost.com/news/2016/09/04/jack-ma-proposed-as-adviser-for-indonesian-e-commerce-development.html/>.

<sup>35</sup> Sumit Chakraberty, "Traveloka Reveals \$500m Fundraise; Expedia, Sequoia, JD among New Investors," 28 July 2017, n.d., <https://www.techinasia.com/traveloka-raises-350m-from-expedia>.

<sup>36</sup> *The Law of No.7 of 2014 on Trade*, n.d.

<sup>37</sup> *The Law No. 8 of 1999 on Consumer Protection*, n.d.

<sup>38</sup> *The Law Number 19 of 2016 Concerning Amendments to Law Number 11 of 2008 on Information and Electronic Transactions*.

electronic transactions are carried out by the Electronic System Operator. This can be in the form of services in the public and private scope.

## B. ICT and Global Business Opportunities

Here, the author identified the role of ICT in providing opportunities for global business through providing online service in cyberspace with a legal perspective, as follows:

### 1. Creating “Fair Competition”

E-commerce provides creating social innovation in online service not only for big companies but also for Small and medium-sized enterprises (SMEs). It is a fair deal for consumers to choose goods and services online, especially on the Consumer to Consumer (C2C model. *GoJek* application, for example, creates social innovation with streamline order procedures for transportation orders. It allows consumers can get information in real-time and reduce idle time during the waiting period.

*GoJek* has provided online services that make it easier for users to obtain legal certainty related to price, destination, distance, and travel time. It allows providing online services as demanded by consumer protection laws in several countries, including Indonesia.

Article 4 (2) of the Consumer Protection Law, has given the right to choose goods and/or services and to obtain the goods and/or services in accordance with the exchange rate and the promised conditions and guarantees. Another right related to consumer rights is the right to obtain compensation, compensation, and/or replacement, if the goods and/or services received are not in accordance with the agreement or not properly.

While in India, Article (9)(ii) of the Consumer Protection Act, 2019 (CPA) is an Act that provides for consumer protection related to online services, such as the right to be informed about the quality, quantity, potency, purity, standard, and price of goods, products or services, as the case may be, to protect the consumer against unfair trade practices.

Basically, the regulations in Indonesia and India have almost the same principles related to the right of consumers to obtain information. The CPA details the criteria for data that must be provided to consumers to allow them to compare

one service with another.

Here, the principle of “fair competition”, according to the author, is largely determined by the software used. Therefore, the author agrees that Government Regulation No. 71 of 2019 on the Operation of Electronic Systems and Transactions (PP PSTE). Article 8 has regulated the criteria for the use of Software, in which the Electronic System Operators must ensure the security and reliability of operations as they should be; and ensure service continuity.

The use of dishonest software will be misused by irresponsible business actors. Thus, in this case, the role of the Business Competition Supervisory Commission (KPPU) is needed. In the case that occurred in 2016, the Supreme Court granted the cassation filed by the KPPU and ordered 5 (five) cellular operators to pay losses totaling Rp. 77 billion. This is because cellular operators carry out a cartel of SMS pulse rates. As a result of the SMS tariff game, consumers are disadvantaged because they cannot send more SMS.<sup>39</sup>

*In this case, business actors are prohibited from entering into agreements with competing business actors to set a price for goods and/or services that must be paid by consumers. Because this will result in the cartel's violation of competition. Here, the role of the software used in the service will play a very important role in supporting the violation effort.*

*From a legal perspective, it is also important to have laws that explicitly control monopoly practices and unfair competition between companies.<sup>40</sup> For this reason, the controlling institution has a capable mastery of technology, because the fraud committed will hide behind technology.*

Nowadays, using ICT to develop products, services, and capabilities that give a company major advantages over the competitive forces it

<sup>39</sup> KPU, “Kuatkan Putusan Kartel SMS, Mahkamah Agung Dukung Penegakkan Hukum KPPU,” last modified 2016, <https://kppu.go.id/blog/2016/03/kuatkan-putusan-kartel-sms-mahkamah-agung-dukung-penegakkan-hukum-kppu/>.

<sup>40</sup> Arifin Ma'ruf, Wahyu Beny Mukti Setiyawan, and Widiatama Widiatama, “Implementation of Business Competition Violation Norms in the Decision of the Business Competition Supervision Commission,” *Journal of Morality and Legal Culture* 1, no. 2 (2020): 130–138.

faces in the global marketplace. Here, the role of ICT creates a conducive business climate through healthy business competition, thus securing the equal business opportunity for large, middle, and small-scale entrepreneurs and allow to create effectiveness and efficiency in business activities.<sup>41</sup> Furthermore, the business actor is able to improve competitiveness through creating innovation to attract consumers based on ICT.

In this regard, ICT supports fair competition in the e-commerce business model. It allows business actors in Indonesia in running based on economic democracy by considering the balance between the interests of business actors and the public interest.<sup>42</sup> Furthermore, ICT has a play an important role to realize the objectives of Law No. 5 of 1999 on the Ban Monopolistic Practices and Unfair Business Competition (Unfair competition Law), such as maintaining public interest and improving the efficiency of the national economy as one of the means to improve public welfare and to prevent monopolistic practices and/or unfair legal competition by the entrepreneurs.<sup>43</sup>

Here, business players have the same chance to offer goods and services so that fair competition can be enforced. This model allows the consumer is as the final choice of goods and services offered. In this regards, fair business competition has positive consequences, both for business actors and consumers.<sup>44</sup>

However, enforcement of business competition law in the e-commerce sector also faces challenges related to the non-adoption of regulations regarding the principle of extraterritoriality in Indonesian business competition law.<sup>45</sup>

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<sup>41</sup> *The Law No. 5 of 1999 on the Ban on Monopolistic Practices and Unfair Business Competition.*

<sup>42</sup> Ibid.

<sup>43</sup> Ibid.

<sup>44</sup> Huta Disyon and Elisatris Gultom, "Critical Review of the Implementation of the Making of SOE as a Holding from Anti-Monopoly and Unfair Business Competition Perspective," *Jurnal Penelitian Hukum De Jure* 22, no. 2 (2022): 191–204.

<sup>45</sup> Adis Nur Hayati, "Analisis Tantangan Dan Penegakan Hukum Persaingan Usaha Pada Sektor E-Commerce Di Indonesia," *Jurnal Penelitian Hukum De Jure* 21, no. 1 (2021): 109–122.

## 2. Building "Legal Collaboration"

Currently, collaboration in start-up companies increases due to pressure from competition between competitors, increasing research costs, increasing national regulations, and accelerating product development.<sup>46</sup> Therefore, improve business competitiveness can be established through building collaboration with other parties. Furthermore, Collaboration offers organizations the opportunity to find efficiencies through specialization<sup>47</sup>.

Nowadays, business is hard with a standalone strategy. It will develop dramatically if the company opens a partnership. Online Travel companies in Indonesia, such as *Traveloka* built collaboration with both national and international business partners. The partnership gives *Traveloka* travelers access to a diverse set of international accommodations". Even the US giant will also collaborate with its Indonesian counterpart on global hotel booking.<sup>48</sup>

In 2016, *traveloka* collaborated with *expedia* has raised US \$ 500 million.<sup>49</sup> Nowadays, *traveloka* has built a partnership with over 100 domestic and international airlines and serves consumers in Indonesia, Thailand, Vietnam, Malaysia, Singapore, and the Philippines with different payment options and a variety of accommodations from hotels to homestays.<sup>50</sup>

Here, ICT applications allow the business player to make agreements in both national and international contexts. In this regard, the internationalization of SMEs is able to be examined from a range of different perspectives, and a significant body of literature focuses on the role of networks and collaborations.<sup>51</sup>

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<sup>46</sup> Faiz Rahman and Dian Agung Wicaksono, "Examining the Reference of Personal Data Interpretation in Indonesian Constitution," *Jurnal Penelitian Hukum De Jure* 21, no. 2 (2021): 187–199.

<sup>47</sup> Nino Pailodze et al., "Collaboration with Key Partners for Eco-Innovation in SMES," *International Journal of Management and Applied Science* 6, no. 8 (2020): 48–50, <http://iraj.in>.

<sup>48</sup> Chakraborty, "Traveloka Reveals \$500m Fundraise; Expedia, Sequoia, JD among New Investors."

<sup>49</sup> Ibid.

<sup>50</sup> Ibid.

<sup>51</sup> Nadia Zahoor et al., "Collaboration and Internationalization of SMEs: Insights and Recommendations from a Systematic Review,"



In *Go Jek* app, for example, links collaboration with *Go-Ride*, *Go-Car*, *Go-Food*, *Go-Send*, etc. Most of the collaboration partners come from SMEs. It allows the business player can offer goods and services with multiple choices to customer needs. Indirectly, it will increase business competitiveness effectively.

From a Cyberlaw perspective, it is very important to establish legal bonds to avoid agreements that violate business competition law and ensure the rights and obligations of each party. In modern business principles, risk sharing and profit sharing are priorities in building collaboration. Similarly, possible dispute settlements in the future can be resolved by an alternative dispute resolution approach that prioritizes the win-win principle.

Building Collaboration in e-commerce is very possible and legal to implement. It has been regulated under Government Regulation Number 80 of 2019 on Trading Through Electronic Systems (PP PMSE). Article 4 (2) stated that E-Commerce can be carried out by Business Actors, Consumers, Personals, and state administrative agencies in accordance with the provisions of laws and regulations, hereinafter referred to as the parties.

The thing that needs to be considered here is that the “good faith” of the parties is very decisive, considering that this legal relationship is in the form of private law which can be between Business Actors and Business Actors, Business Actors and Consumers, Personal and Private, in accordance with the provisions of the legislation; and state administrative agencies with Business Actors, in accordance with the provisions of laws and regulations.

### 3. Building “Mutual Trust”

The use of ICT, allows trade to be transparent as Law No. 8 of 1999 on Consumer Protection implies. In Article 10, it has regulated that in offering the goods and/or services for trading, entrepreneurs are prohibited from offering, promoting, advertising, or providing incorrect or misleading statements regarding a. the price or rate of certain goods and/or services; b. the use of the goods and/or services; c. the condition, warranty, guarantee, rights or compensation on

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*International Journal of Management Reviews* 22, no. 4 (2020): 427–456.

certain d. goods and/or services; e. the discount or attractive prizes offered; f. the danger of using the goods and/ or services.

In e-commerce, “trust” is an important thing in conducting business through electronic media. Therefore, the concept of trust has gained considerable importance in developing successful customer relationship marketing programs.<sup>52</sup> Each party to the transaction applies this principle in order to build “interests” together.

Here, ICT can facilitate allowing the availability of transparent information related to certainty on price, quality, warranty, delivery, refund, paying, etc. In this regard, ICT allows the building of trust between business players and consumers. In the context of building trust, the principle of legal certainty should be applied in e-commerce activities. In ITE Law, the “Principle of legal certainty” means a legal foundation on which Information Technology and Electronic Transaction usage as well as anything that supports its application shall be legally recognized inside and outside the court.<sup>53</sup>

Furthermore, e-commerce has a worldwide reach so it takes a rule that can reach the activities of electronic transactions globally. This law has been designed for it, as stated in article 2 which states “*Electronic Information and Electronic Transactions is cross-territorial or universal in nature, this law shall have jurisdiction over legal acts applicable not only in Indonesia and/ or committed by Indonesian citizens, but also applicable to legal acts committed outside the jurisdiction of Indonesia by both Indonesian citizens and foreign citizens or Indonesian legal entities and foreign legal entities having a legal effect in Indonesia.*”

Trust is one of the universal principles in international business. It is something committed or entrusted to one to be used or cared for in the interest of another. Electronic transactions that do not allow conducting face-to-face directly, will build mutual trust with each party. Thus, here is

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<sup>52</sup> Werner H Kunz and Roland Kantsperger, “Consumer Trust in Service Companies: A Multiple Mediating Analysis,” *Managing Service Quality: An International Journal* 20, no. 1 (2010): 4–45.

<sup>53</sup> *The Law Number 19 of 2016 Concerning Amendments to Law Number 11 of 2008 on Information and Electronic Transactions.*



the role of ICT which supports this principle to conduct transactions anywhere and anytime.

#### 4. Linking to Global Marketing

Marketing both goods and services to global marketing is something that is relatively hard, not only related to promotional costs, but also transaction procedures and payment systems. However, today, it can be overcome by the emergence of the use of ICT in the online trading system.

According to Jennifer Lombardo, the combination of global marketing with an Internet distribution method allows many companies to try their hand at reaching growing target markets overseas.<sup>54</sup> Nowadays, E-commerce has significantly outpaced brick-and-mortar retail growth and global markets been now easier to reach.<sup>55</sup>

Here, confidence with potential customers and constant consumers can provide the success of an organization.<sup>56</sup> As an example, In the second quarter of 2021, Shopee surpassed Amazon as Malaysia's third most popular e-commerce portal.<sup>57</sup>

On the legal aspect, ITE Law has regulated that Information Technology and Electronic Transaction usage shall be implemented with the objectives to develop the national trade and economy in order to improve public welfare. It means that this law support expanding the market to the global segmentation. Indonesian e-commerce can be accessed by anyone anywhere and anytime on 7/24 without considering citizenship. It provides an opportunity to market globally.

Here, using the Internet to sell to international consumers is a very low-risk business decision.

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<sup>54</sup> Jennifer Lombardo, "Internet and Global Marketing: Ecommerce on an International Scale," n.d., <https://study.com/academy/lesson/internet-and-global-marketing-ecommerce-on-an-international-scale.html>.

<sup>55</sup> Taufik H. Simatupang, "Initiating the Concept of Sui Generis of the Legal Protection of Communal Intellectual Property in the Philosophy of Science Perspective," *Jurnal Penelitian Hukum De Jure* 22, no. 2 (2022): 74–91.

<sup>56</sup> Sahana Madan et al., "Analysis of the Shopee's Strategies to Succeed in the Global E-Commerce Market: Malaysia Case" 5, no. 1 (2022): 34–48.

<sup>57</sup> Ibid.

Companies do not have to tie up huge financial investments through franchising, direct investment, or brick-and-mortar stores overseas.<sup>58</sup>

Meanwhile, the implementation of the investment must aim at increasing national economic growth, creating job opportunities, increasing sustainable economic development, and increasing the competitiveness of the national business sector.<sup>59</sup>

Here, ICT has allowed companies to easily expand to global markets. *Traveloka*, and *lazada* for example have dynamic website that allows international orders. It also provides a tremendous database for the company to use to build its customer base.<sup>60</sup>

In the legal aspect, the electronic trading system has regulated under trade law. It provides administrative sanctions until license revocation for each business community that trades goods and/or services by using an electronic system that does not provide the data and/or information is complete and correct.<sup>61</sup> Hence, trade with links to the global market should be paid attention to the legal aspect. It must be clear on "term and condition" so that each party will agree to "choice of law" and "choice of forum".

Here, "Terms and conditions" are standard contracts that are generally prepared by business actors. Thus, in this case, the consumer has the right to decide whether to bind himself or not to the agreement. The contract generally contains the regulations of which country and which dispute resolution forum apply in the event of a dispute.

#### C. ICT and Global Business Challenges

E-commerce, in addition to providing many opportunities, but in practice presents its own challenges. One of the highlights is related to legal issues. The author identifies several points related to legal issues in e-commerce which are a

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<sup>58</sup> Lombardo, "Internet and Global Marketing: Ecommerce on an International Scale."

<sup>59</sup> Syprianus Aristeus, "Transplantation, Legal Adoption, Harmonization of Omnibus Law and Investment Law," *Jurnal Penelitian Hukum De Jure* 21, no. 4 (2021): 507–515.

<sup>60</sup> Lombardo, "Internet and Global Marketing: Ecommerce on an International Scale."

<sup>61</sup> *The Law of No.7 of 2014 on Trade*.

challenge for providers of electronic transactions, as follows:

### 1. Lack of Data Protection

Data protection is a very important legal issue in various countries, including in Europe and USA. In Europe, as of May 2018, with the entry into the application of the General Data Protection Regulation, there is one set of data protection rules for all companies operating in the EU, wherever they are based. It is the first day of enforcement of Europe's General Data Protection Regulation ((EU) 2016/679 ("GDPR")). Stronger rules on data protection mean people have more control over their personal data businesses benefit from a level playing field.

The General Data Protection Regulation is a rule passed by the European Union in 2016, setting new rules for how companies manage and share personal data. In theory, the GDPR only applies to EU citizens' data, but the global nature of the internet means that nearly every online service is affected, and the regulation has already resulted in significant changes for US users as companies scramble to adapt.

This regulation has a significant impact on e-commerce activities around the world. According to many legal scholars, the most important contribution to EU personal data processing by the GDPR is the choice of the instrument itself.<sup>62</sup>

It is an important issue not only to provide data protection for consumers in the European region but also around the world. Electronic transactions made through e-commerce, both

goods, and services, will be vulnerable to consumer data protection issues. It can be misused for the benefit of certain parties who use the data. Misuse of consumer data is a serious violation not only for online service providers but for certain parties who commit violations.

Here, Electronic System Provider has a responsibility to facilitate transactions with high security. Electronic System Providers must keep secrets, integrity, and availability of the Personal Data they manage.<sup>63</sup> Article 1, Government

<sup>62</sup> Eugenia Politou, Efthimios Alepis, and Constantinos Patsakis, "Review Article Forgetting Personal Data and Revoking Consent under the GDPR : Challenges and Proposed Solutions," no. February (2018): 1–20.

<sup>63</sup> *Government Regulation Number 71 Year 2019 on the Implementation of Electronic Systems and*

Regulation No. 71 of 2019 on the Operation of Electronic Systems and Transactions, 2019 said that "Electronic System Provider means that everyone, state administrators, business entities, and communities provide, manage, and/or operate Electronic systems individually or together with Users of Electronic Systems for the needs of himself and /or the needs of other parties".

Things to consider regarding this security are that someone can break into other people's computer systems, and e-mail, including attacks on the Internet, as well as illegal access to wireless networks.<sup>64</sup> Furthermore, as technology develops, the issue of personal data is also increasingly complex.<sup>65</sup>

The above issue is to become a global legal issue in many countries. For example, the personal information of 380,000 people in Singapore, including names, e-mail addresses, and mobile phone numbers, was exposed when a ride-sharing company (Uber) was hacked in 2016. It is to become Singapore's largest data breach.<sup>66</sup> While, in Australia, Uber confirmed it had paid the hackers responsible \$100,000 to delete the data. It is related to the hacking of the personal information of 57 million customers and drivers in 2016.<sup>67</sup>

Nowadays, criminals are getting more sophisticated, and they have tools like cybercrime toolkits to facilitate this. For example, The Sumitomo Bank in London was the subject of such an attack. Thieves installed a keylogger into the bank's computer.

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*Transactions.*

<sup>64</sup> Marco Gercke, *Understanding Cybercrimes: Phenomena, Challenges and Legal Response* (International Telecommunication Union, 2012).

<sup>65</sup> Rahman and Wicaksono, "Examining the Reference of Personal Data Interpretation in Indonesian Constitution."

<sup>66</sup> Lester Hio, "380,000 Uber Users Hit in Singapore's Largest Data Breach," *16 Dec 2017*, n.d., <https://www.straitstimes.com/singapore/380000-uber-users-hit-in-singapore-largest-data-breach>.

<sup>67</sup> Julia Carrie Wong, "Uber Concealed Massive Hack That Exposed Data of 57m Users and Drivers," *22 Nov 2017*, n.d., <https://www.theguardian.com/technology/2017/nov/21/uber-data-hack-cyber-attack>.

<sup>68</sup> Anne Savirimuthu and Joseph Savirimuthu, "Identity Theft and Systems Theory : The Fraud Act 2006 in Perspective," *scripted 4*, no. 4 (2007).

Until now, Indonesia does not have a specific law related to this matter. According to the author, Indonesia should immediately ratify regulations in the field of “Information and electronic transactions” given the rapid development of technology, as well as the development of cybercrime which is increasingly sophisticated and difficult to detect. The criminal dimension of corporate crime, including identity theft in Indonesia continues to grow in line with national and international economic developments.<sup>69</sup> Thus, the law is needed as a guarantee of security and legal certainty regarding data protection. And in this case, the draft data protection law really needs to be passed immediately.

However, other regulations under the Law can be used as a basis for business actors to pay attention to this matter. In Article 59, Government Regulation Number 80 of 2019 on Trading Through Electronic Systems it has been regulated that “Business actors are required to store personal data according to personal data protection standards or the prevalence of developing business practices”.

Furthermore, Article 3 of Regulation of the Minister of Communication and Informatics No. 20 of 2016 on Protection of Personal Data in Electronic Systems (Permen Data Protection) has regulated that “Personal Data Protection in Electronic Systems is carried out in the process”: acquisition and collection, processing and analysis, storage; appearance, announcement, delivery, dissemination, and/or opening of access; and extermination.

However, things that are still widely violated in electronic transactions are. In general, business actors do not have internal rules related to data protection, and this is also not stated in the “terms and conditions” that they make as a standard contact between business actors and consumers.

## 2. Liability for “Breach of Contract”

Generally, a contract is an agreement with specific terms between two or more persons or entities in which there is a promise to do something in return for a valuable benefit known as consideration. Since the law of contracts is at the heart of most business dealings, it is one of the

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<sup>69</sup> Evi Djuniarti, “The Criminal Liability of Corporations as Crime Perpetrators,” *Jurnal Penelitian Hukum De Jure* 21, no. 3 (2021): 311–319.

three or four most significant areas of legal concern and can involve variations in circumstances and complexities.<sup>70</sup>

In the contract, it regulates the rights and obligations of the parties, so that the parties must comply with the agreed contract. In consumer protection law in Indonesia, the rights and obligations of both businesses and consumers are also regulated. Of course, this will be given more attention to e-commerce activities. Generally, the obligation of business actors is must have “good faith” in carrying out their business activities, and provide true, clear, and honest information about the condition and guarantee of the goods and/or services.<sup>71</sup>

Furthermore, the law also regulated about the promised object must provide a guarantee of the quality of goods and/or services produced and /or traded based on the provisions of the applicable quality standards. And as liability for breach of contract, the business actor must provide compensation and/or replacement if the goods and/or services received or utilized are not in accordance with the agreement.

The challenge in e-commerce is that there is no meeting of the parties in dealing with the sale and purchase of both goods and services. Therefore, it becomes a challenge in conducting transactions. Legal problems will arise at the time of agreement about the object being agreed to. It could be that the object promised is not in accordance with the agreement that includes the shape, size, quality, price, and color. E-commerce requires good faith, for what has been agreed in the agreement. Thus, the application of the principle of *pacta sunt servanda* becomes very important.<sup>72</sup>

Several cases of breach of contract occurred several times. For example, in 2021, several customers reported being scammed by Grab Toko in January 2021. Grab Toko is offering new Android smartphones and iPhones at low prices. However, the items purchased did not

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<sup>70</sup> “The Definition of Contract” (<https://dictionary.law.com>, n.d.), <https://dictionary.law.com/Default.aspx?typed=output+contract&type=1&submit1.x=67&submit1.y=10&submit1=Look+up>.

<sup>71</sup> *The Law No. 8 of 1999 on Consumer Protection*.

<sup>72</sup> Mosgan Situmorang, “The Power of Pacta Sunt Servanda Principle in Arbitration Agreement,” *Jurnal Penelitian Hukum De Jure* 21, no. 4 (2021): 447–457.

arrive. In this case, the Ministry of Trade noted that until the first semester of 2021, as many as 4,855 consumers made complaints regarding the electronic commerce sector.<sup>73</sup>

Legally, the forms of default experienced by consumers in online buying and selling include, goods sent that do not meet specifications, delivery is not on time, goods sent are defective, and goods are counterfeit.<sup>74</sup> In Article 38 of ITE Law “Everyone can file a lawsuit against the party administering the system electronically and/or using information technology that causes losses”. Based on the article, the consumer as the injured party, including in the case of default, can file a legal action in the form of a lawsuit to the Court. However, most people are reluctant to take legal action because the process is complicated and long.

### 3. Intellectual Property Rights Infringement

Another challenge is to combat Intellectual Property Rights (IPRs) Infringement on goods and services that they sell in cyberspace. This challenge arises when an online business actor acts as an electronic service provider that facilitates sellers to offer their merchandise online. Generally, the e-commerce model that is widely used is Consumer to Consumer (C2C), such as *eBay*, *tokopedia*, and *Amazon*.

However, in the digital era, the exploitation of copyrighted works is increasingly intensive, complex, and multifaceted.<sup>75</sup> C2C is the business model that facilitates commerce between private individuals. The goal of a C2C is to enable these relationships, helping buyers and sellers locate each other. Customers can benefit from the competition for products and services. This business model allows traders to sell merchandise

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<sup>73</sup> Francisca Christy Rosana, “4 Penipuan Belanja Online: Barang Tak Sampai Hingga Beli HP Yang Datang Kardus,” *12 August 2021*, n.d., <https://bisnis.tempo.co/read/1493562/4-penipuan-belanja-online-barang-tak-sampai-hingga-beli-hp-yang-datang-kardus>.

<sup>74</sup> I. Made Sarjana Widiyantara, I. Wayan, and Sarjana, “Upaya Hukum Dari Konsumen Yang Mengalami Wanprestasi Dalam Transaksi Jual Beli Online” 9, no. 5 (n.d.).

<sup>75</sup> Nevey Varida Ariani, “Enforcement of Law of Copyright Infringement and Forgery with the Rise of the Digital Music Industry,” *Jurnal Penelitian Hukum De Jure* 21, no. 2 (2021): 223–235.

at very cheap prices. It is related to the sale of counterfeit products.

It is surprising, there is more than 70% of counterfeit products are purchased from online marketplaces.<sup>76</sup> According to the Directorate of Intellectual Property, Ministry of Law and Human Right, state that “60 million counterfeit products are in the Indonesian market”.<sup>77</sup>

In relation to cyber law, Article 25 of the ITE law has generally regulated the protection of intellectual property. For violators, there are legal consequences in the form of administrative sanctions as regulated in Article 96 in conjunction with Article 100 of PP PSTE.

Counterfeiting is not only morally wrong, but it also has dangerous consequences for health and life, considering electronics, sporting gear, makeup, and pharmaceuticals are the usual products counterfeited.<sup>78</sup> Counterfeit products are products that result from legal infringement related to the moral rights and economic rights of the product creators. Thus, economic rights have a close relationship with economic activities.<sup>79</sup>

This is a form of infringement of business law and business ethics throughout the world. Original products generally have intellectual property protection in the form of copyrights, patents, brands, and industrial designs that are protected under an international agreement called the World Trade Organization (WTO). The agreement to protect IPRs is in Trade-Related Aspects of Intellectual Property Rights (TRIPs).<sup>80</sup>

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<sup>76</sup> Desley Mooij, “70% of Counterfeit Products Are Sold Online,” *18 March 2018*, n.d., <https://medium.com/sealnetwork/70-of-counterfeit-products-are-sold-online-c6eafe07083>.

<sup>77</sup> Hafid Fuad, “Patroli ECommerce, Direktorat Kekayaan Intelektual Incar Penjual Barang Palsu,” *2 September 2021*, n.d., <https://www.idxchannel.com/economics/patroli-ecommerce-direktorat-kekayaan-intelektual-incar-penjual-barang-palsu>.

<sup>78</sup> Ibid.

<sup>79</sup> Taufik H. Simatupang, “Initiating the Concept of Sui Generis of the Legal Protection of Communal Intellectual Property in the Philosophy of Science Perspective,” *Jurnal Penelitian Hukum De Jure* 22, no. 2 (2022): 74–91.

<sup>80</sup> WTO, *WTO-The TRIPS Agreement Is Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization*, 1994, [https://www.wto.org/english/tratop\\_e/trips\\_e/intel2\\_e.htm](https://www.wto.org/english/tratop_e/trips_e/intel2_e.htm).



Intellectual property is on its way to becoming a valuable asset around the world. Therefore, the issue related to counterfeit products is an international issue that can lead to international legal issues related to investment law and business competition throughout the world. Thus, the challenge for those who use the C2C business model is to be aware of this issue. This issue makes it possible to get severe legal consequences for business actors in the e-commerce model.

## CONCLUSION

From the legal aspect, this study concludes that Indonesia has prepared a legal basis for the e-commerce model. In this case, the Government has supported business actors to transform into the digital economy. Normatively, the ITE law passed in 2008, has regulated the role of the use of Information Technology. Where information technology plays a vital role in trade and national economic growth to realize people's welfare. This law has been revised through Law Number 19 of 2016 concerning Amendments to Law Number 8 of 2000 on Information and Electronic Transactions.

The development of ICT plays a role in providing many opportunities for economic improvement through the empowerment of e-commerce. In the ITE Law, terms that are widely used in e-commerce appear, such as Electronic Information, Electronic Transactions, Electronic System operations, electronic agents, electronic evidence, and others. This law is the legal umbrella relating to trade through e-commerce.

Besides, the Law of No.7 of 2014 on trade generally regulates the possibility of trading systems through electronic systems and the importance of providing complete and correct information so as not to provide misleading information to consumers. Here, the consumer Protection Law has regulated the principles of consumer protection is the right to information that is correct, clear, and honest regarding the conditions and guarantee of goods and/or services. Furthermore, specific regulations, related to "Operation of Electronic Systems and Transactions", Indonesia already has regulated under PP PSTE and Trading Through Electronic Systems under PP PMSE.

If we compare it with other countries, such as India. Indonesian regulations have relatively

similar consumer protection principles. However, when compared to existing regulations in Europe such as GDPR, this regulation is comprehensive enough to provide data protection for consumers both in Europe and outside the region. Indonesia itself does not yet have a specific data protection law. Data protection is generally regulated by Government Regulations, and specifically regulated by ministerial regulations.

However, the use of ICT in e-commerce can also encourage various challenges in trade, especially related to legal issues. In this case, consumer data protection becomes the main focus of e-commerce. In Indonesia, regulations related to the data protection law and regulatory mechanisms that must be followed up by business actors must be regulated immediately. Considering the issue of data protection, several developed countries have undergone many changes.

Another challenge, is in the form of "Liability for breach of contract", which always guarantees that what has been agreed in the online contract is a guideline to be obeyed. In this case, providers of electronic transactions play an important role in paying attention to consumer rights.

Finally, guarantees the sale of goods and services that do not violate other people's intellectual property rights. Because it will be faced with legal consequences for the law of business competition and investment. Sales of original products are an important issue in the world. The challenge in e-commerce, which does not meet sellers and buyers, makes this issue emphasizes the trust principle.

## SUGGESTION

In the future, the government should pay attention to regulations related to security, especially those related to personal data security. It requires the role of business actors in regulating the technical aspect of their business process formulated in "self-regulation" that ensures data protection. It can be proven by including the guarantee in the standard contract in the form of the "terms and conditions" as the responsibility of the service provider.

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