

ANALYSIS OF THE ROLE OF LAW IN REGULATING ELECTRONIC TRANSACTIONS IN E-COMMERCE

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ABSTRACT

This research analyzes the role of law in regulating electronic transactions in e-commerce. Along with the rapid development of information technology, e-commerce has become an important pillar in the global economy. However, the complexity and dynamics of electronic transactions pose significant legal challenges. This study aims to identify and surface the existing legal framework, including the Information and Electronic Transactions Law (UU ITE) in Indonesia, as well as international regulations related to e-commerce. This research also examines consumer protection, data security, privacy, and settlement mechanisms relevant to electronic transactions. Through normative juridical analysis and a comparative approach, this research found that even though there is a fairly comprehensive legal framework, there are still weaknesses in the implementation and enforcement of the law that need to be addressed. In conclusion, to create a safe and trustworthy e-commerce environment, more adaptive regulatory improvements and more effective law enforcement are needed.

Keywords: E-commerce, electronic transactions, ITE Law

INTRODUCTION

The development of information and communication technology has brought significant changes in various aspects of human life, including in the field of trade. E-commerce or electronic commerce has become a global phenomenon that changes the way consumers and businesses interact. Transactions that previously required face-to-face can now be done easily via the internet network. The speed, efficiency and convenience offered by e-commerce have driven the rapid growth of this sector in various parts of the world, including in Indonesia. The Indonesian government recognizes the economic potential to develop through e-commerce. As we know, this country has sufficient potential and expertise to develop e-commerce and of course the development of e-commerce must also be monitored through aspects of security, comfort and also resources so that this can become a development again. positive economy. However, the rapid growth of e-commerce also raises various challenges and problems, especially in the legal aspect.

Electronic transactions present their own complexities related to consumer protection, personal data security, transaction validity, and the responsibilities of the parties involved. Therefore, the role of law in regulating electronic transactions is very crucial to ensure that all parties can transact safely, fairly and transparently. The Indonesian government in this case has made several regulations because e-commerce needs to be protected and considering the large number of people who use it and the regulations regarding e-commerce in Indonesia can be

found in law number 11 of 2008 concerning Information and Electronic Transactions (UU ITE) which regulates e-commerce, the first is the recognition of electronic transactions and electronic documents within the legal framework so that legal certainty in electronic transactions can be guaranteed, then the classification of actions that qualify as legal violations related to misuse of information technology is accompanied by criminal sanctions, which is recognition. regarding electronic transactions and electronic documents at least has a legal basis and provides protection for consumers who transact in e-commerce. This law is one of several that we will discuss in this article, where regulatory compliance is a challenge for traders and consumers as they must understand and comply so as not to result in serious losses and legal sanctions and in resolving disputes in the concept of electronic transactions in e-commerce.

Analysis of the role of law in regulating electronic transactions in e-commerce is important to understand how regulation can maintain a balance between encouraging innovation and protecting the public interest. The law must be able to adapt to dynamic technological developments, as well as provide legal certainty for all parties involved in the e-commerce ecosystem. An effective approach to e-commerce regulation will not only increase consumer confidence but also support the sustainable growth of the digital economy. Trade transactions are no longer carried out conventionally where sellers and buyers have to meet face to face and currently distance and time differences are not a problem to continue carrying out transactions. The importance of regulations in governing online commerce becomes very clear in this context. Regulations create the legal framework necessary to ensure that electronic transactions occur safely and reliably.

METHODS

The method used in the research that the author discusses uses normative legal methods. Quoting from Soerjono Soekanto who discusses normative law, namely proving and confirming that legal discipline can be interpreted as a system of teachings about law as a norm and reality or as something to aspire to and as a legal reality. This research method begins with identifying the legal problem to be researched, then the author selects relevant legal sources, such as laws, regulations and court decisions, next the author will begin analyzing existing documents and norms to develop an understanding of the legal system and legal principles

RESULTS AND DISCUSSION

1. Electronic Transactions

Electronic transactions in E-commerce are the process of buying and selling goods or services carried out online via the internet. This process involves various steps, from product selection, payment, to delivery of goods. Because the two parties never meet in person, the possibility of fraud or error is a major problem that requires greater attention. Quite principle legal problems also arise at the empirical level. Therefore, the Trade Law, ITE Law, and Consumer Protection Law do not specifically regulate e-commerce. Therefore, electronic transactions that do not involve business actors and customers directly can cause detrimental problems for customers, such as discrepancies between the type and quality of goods promised, inaccuracies in the delivery time of goods, insecurity of transactions due to payment using a credit card owned by someone else (hacking), and indirect access to ordered goods. In online buying and selling transactions, there are several frauds that occur, namely:

1. Delivery time is not as promised;
2. goods that do not comply with specifications;
3. Items cannot be returned if damaged;
4. Very long refund process. Payment via credit card number on the public internet network also carries significant risks because there is the possibility of fraud or hacking.

This problem shows that E-commerce transactions have quite a big risk because payment carries the risk of loss to consumers, who are usually required to pay first, while they cannot see the quality of the goods ordered and there is no guarantee that the goods ordered will be sent as agreed. . The problems above also show that electronic transactions via E-commerce have quite a big risk because payment carries the risk of loss on the part of the buyer, who usually has to pay first, while the buyer cannot see the quality of the goods ordered and there is no guarantee that the goods ordered will be sent as agreed. With the ratification of Law no. 7 of 2014 concerning Trade, electronic transactions in the e-commerce system were only regulated clearly and specifically on March 11 2014. Prior to this, the regulations governing electronic transactions in the e-commerce system only depended on the ITE Law and the Civil Law. However, after the Trade Law was passed by the government, the principle of *lex specialis derogat legi generali* in the Trade Law came into effect, specifically regulating electronic transactions that occur in the E-commerce system. The Indonesian government is fighting for a digital economy, which is the implementation of new economic ideas that specifically refer to transactions of goods and services carried out via the internet. In the E-commerce system, the trade law uses the term "electronic transactions" to describe electronic trade transactions. Article 65 of the Trade Law stipulates that every business actor who trades goods and/or services using an electronic system must provide complete and correct data and/or information. In addition, the use of electronic systems must comply with the provisions stipulated in the ITE Law. Trading via electronic systems is trading where transactions are carried out through a series of electronic devices and procedures. The scope can be seen to be limited to trade or activities related to transactions in goods and/or services with the aim of transferring rights to said goods and/or services to obtain rewards or compensation. Meanwhile, electronic transactions is a term for legal actions carried out using computers, computer networks and/or other electronic media (Article 1 number 2 PP PSTE).

2. Ecommerce

E-commerce is an ever-evolving collection of business processes, technologies, and applications used to connect businesses, consumers, and society through electronic transactions and the exchange of goods, services, and information. E-commerce is growing due to advances in information technology and public demand for fast, easy, practical and high-quality services. Through increased legal awareness, consumer protection regulations, and an emphasis on high-quality services and products, the growth of e-commerce in Indonesia has an impact on consumer rights and safety. Data security and privacy are becoming top concerns as cyber defenses are increasingly strengthened. Consumers have more choices due to advances in payments and transactions, such as digital wallets, while security technology that protects transactions lowers the risk of fraud. Protecting consumers and helping them make smarter decisions can also be achieved through increasing consumer literacy and socializing government regulations. There are several elements that must be considered in the domain of e-commerce marketing strategies in Indonesia. First, the use of social media as a primary marketing platform is increasing. E-commerce can connect customers with products, contests, and interactions through social media such as Instagram, Facebook, and Twitter. Additionally, E-commerce uses new technologies such as data analysis and artificial intelligence (AI) to

improve operational efficiency and optimize marketing strategies. However, the possible impact on consumer rights and safety must be carefully considered.

In this case, global trade is greatly influenced by internet technology, especially E-commerce. E-commerce has developed very quickly due to several reasons, as follows:

1. E-commerce has the ability to reach more customers and provide customers with continuous access to all information;
2. E-commerce can help sellers be creative quickly and precisely, and distribute the information conveyed periodically.
3. E-commerce can increase high efficiency, cheap and informative.'
4. E-commerce can increase customer satisfaction with fast, easy, safe and accurate service.

Even though trade transactions via the internet offer many conveniences, this does not mean that E-commerce is a problem-free system. This is especially true for countries that do not yet have laws regulating E-commerce. In reality, there have been many cases that have caused harm to consumers due to the use of internet media in online trade transactions. Basically, the parties in electronic buying and selling each have rights and obligations, the seller/business actor is the party offering the product via the Internet, therefore the seller is responsible for providing correct and honest information about the product being offered to the buyer or consumer. Sellers/business actors have the right to receive payment from buyers/consumers for the goods they sell, and also have the right to receive protection for the actions of buyers/consumers who have bad intentions in carrying out buying and selling transactions using electronic transactions. The bank as an intermediary in electronic buying and selling transactions, functions as a channel of funds for payment of a product from the buyer to the seller of that product, because it is possible that buyers/consumers who wish to buy products from sellers via the internet are located far from each other so that the buyer must use bank facilities to make payments for the price of products that have been purchased from the seller, for example by transferring from the buyer's account to the seller's account or what we often know as account to account. Online payment mechanisms must also include all or some of these stages in the payment flow used. This change in interaction also requires attention to developing the security of payment methods in e-commerce, so that they are safer and more secure. For this reason, as a supporter of e-commerce transactions, an intermediary (third party) is needed for security, identification and authentication.

There are several things you need to pay attention to regarding payments via the internet, namely:

- a. Security: data or information related to sensitive matters such as credit card numbers and passwords must not be "stolen" by unauthorized persons because they can be misused at a later date.
- b. Confidentiality: the company must be able to guarantee that no other party knows about the transaction, except for parties who legally have to know (for example banks).
- c. Integrity: the system must be able to guarantee legitimacy in the buying and selling process, namely that the price listed and paid is only for the type of product or service that has been purchased and mutually agreed.
- d. Authentication: namely the process of checking the truth. Here the buyer and seller are those who really have the right to carry out transactions, as stated by each party.
- e. Authorization: a mechanism for checking the legitimacy and ability of a consumer to make a purchase (the existence of funds needed to carry out a buying and selling transaction).

- f. Assurance: this condition shows consumers to feel confident that the existing merchant is truly competent to carry out buying and selling transactions via the internet (does not violate the law, has a safe system, and so on).

3. The role of law in regulating electronic transactions in e-commerce

Electronic transactions in E-commerce have fundamentally changed the world of commerce to become an important part of the Indonesian economy where the existence of E-Commerce has opened the door for traders all over the world to engage in long-distance transactions in ways that previously did not exist and that previously did not exist. too flexible now flexible this phenomenon not only facilitates access to global markets but also facilitates business innovation to increase convenience for consumers, of course the importance of regulations in regulating electronic transactions in E-commerce becomes very clear and necessary where regulations will create the necessary legal framework for ensure that electronic transactions in E-commerce take place safely and reliably. The main legal basis that regulates online trading in Indonesia is Law no. 19 of 2016 concerning Electronic Commerce (UU ITE). The ITE Law is a comprehensive legal framework that covers various aspects of electronic commerce, starting from online transactions, consumer protection, to legal sanctions for violations in electronic commerce. Consumer protection which is very important in online trading is also regulated by Law no. 8 of 1999 concerning Consumer Protection.

Next there is Law number 11 of 2008 concerning electronic information and transactions which also has a very important role in electronic texts which already regulates legal aspects relating to internet use and electronic transactions including E-commerce and also this law provides the legal basis which regulates the rights and obligations of internet users, including in the context of electronic transactions. Apart from laws, there are also government regulations which participate in regulating electronic commerce in Indonesia, namely government regulation number 80 of 2019 concerning trading via electronic systems which regulates procedures for trading via electronic systems. This regulation includes licensing requirements and other provisions for E-commerce operators and helps in maintaining the security of electronic transactions in Indonesia, then there are also relevant laws in protecting electronic transactions, namely law number eight of 1999 concerning consumer protection, where this law involves protection provisions consumers who can apply in E-commerce transactions and also consumer protection is an important aspect in online commerce or online transactions considering that consumers often interact with sellers without face to face and there is a need for regulations that guarantee that their rights remain protected in electronic transactions .

CONCLUSIONS

In the context of electronic transactions, it can be concluded that this phenomenon has become an integral part of the modern economy, allowing buyers and sellers to interact efficiently through electronic platforms. Electronic transactions facilitate the quick and easy purchase of goods and services, bill payments, and money transfers, without requiring direct physical exchange between the parties involved. However, although electronic transactions provide significant benefits in terms of convenience and accessibility, there are a number of challenges that need to be overcome. Consumer protection, contract validity, dispute resolution, and personal data protection are some of the key aspects that need to be considered in regulating electronic transactions. Law plays a critical role in addressing these challenges, providing the necessary framework to ensure fairness, security and trust in the e-commerce environment. By paying attention to the legal and technical aspects involved in electronic transactions, we can create a safe and trustworthy environment for consumers and sellers,

which will ultimately support continued growth and innovation in the e-commerce industry. Therefore, it is important to continue to improve and adapt legal regulations and practices to technological developments and changing market dynamics.

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